

WISCONSIN WORKERS COMPENSATION PREMIUM ALGORITHM

The following algorithm provides the framework for premium charges and credits. Where not specified, the premium base would be the result from the prior line.

	PREMIUM ELEMENTS	EXPLANATORY NOTES
	MANUAL PREMIUM	$[(\text{PAYROLL} / 100) * \text{RATE}]^1$
+	USL&H Exposure for non-F classification codes	$[(\text{SUBJECT PAYROLL} / 100) * (\text{RATE} * \text{USL\&H FACTOR})]$
	TOTAL MANUAL PREMIUM	
+	Employers Liability (E/L) increased limits factor	[% applied to Total Manual Premium]
+	Employers Liability increased limits charge	[Balance to E/L increased limits minimum premium]
+	Employers Liability increased limits factor (Admiralty, FELA)	[Factor applied to the portion of Manual Premium where Admiralty/FELA coverage is applicable]
+	Waiver of Subrogation (Option 2)	2% of total premium for a blanket waiver, 5% of the total premium applicable for each person or organization requesting a specific waiver
	TOTAL SUBJECT PREMIUM	
x	Experience Modification (Exp Mod)	
	TOTAL MODIFIED PREMIUM	
x	Contractors Premium Adjustment Program factor (1-CPAP credit %) ²	
x	Apprenticeship Program Credit	2%, not to exceed \$2,500
+	Atomic Energy Radiation Exposure NOC†	
+	Charge for nonratable catastrophe loading†	
+	Waiver of Subrogation (Option 1)	[\$50.00 flat charge per signed contract]
+	Work Study Program	\$350 flat charge for secondary schools \$1,000 flat charge for post-secondary schools
+	Balance to Minimum Premium (State Act) ³	[Balance to minimum premium at Standard Limits]
+	Balance to Minimum Premium (Admiralty, FELA) ³	
	TOTAL STANDARD PREMIUM‡	
-	Premium Discount §	[% applied to Standard Premium]
+	Expense Constant*	
+	Foreign Terrorism	$[(\text{PAYROLL} / 100) * \text{FOREIGN TERRORISM RATE}]$
+	Domestic Terrorism, Earthquakes and Catastrophic Industrial Accident (DTEC)	$[(\text{PAYROLL} / 100) * \text{DTEC RATE}]$
	ESTIMATED ANNUAL PREMIUM	
+	Audit Noncompliance Charge	
	TOTAL AMOUNT DUE	

* Applies only when earned premium is greater than the minimum premium.

† Nonratable Element Premiums generated by nonratable portion of manual rate are subject to all applicable premium elements applied to the policy, however, not subject to experience rating or retrospective rating.

‡ Statistical calls for ratemaking data contain a different definition of "Standard Premium." Refer to **Reporting Guidebook for the Annual Calls for Experience**.

§ For policies subject to premium adjustments under a retrospective rating plan, premium discount does not apply.

1. Non-payroll class premium is computed differently. Refer to **Basic Manual** and **Wisconsin Statistical Plan Manual** for exceptions.
2. CPAP credit is established by the Wisconsin Compensation Rating Bureau.
3. Reported only when Total Manual Premium is less than minimum premium for the highest rated class reported on the policy.

NOC = Not Otherwise Classified

Note: For short rate cancellations, short rate percentage/short rate penalty premium factor is subject to experience rating, included in Total Subject Premium, and applied prior to Experience Modification.