

SEPTEMBER 2020

ALL EVENTS SUBJECT TO CHANGE OR CANCELLATION.

SEPTEMBER

September 16
VIRTUAL Meeting
Virtual via Zoom

September 17
ASA Quick Hits
Virtual Round Table

September is here. I just can't avoid writing about the five-letter word (you know, the one with the two-digit suffix), so I might as well get it over with. At the top of many of our minds is that school has started, and we are all on pins and needles. Some of us are wondering if, or when an outbreak is going to force our students to stay at home, while other students are already at home wondering when they will be allowed to return to their school buildings. This situation creates business challenges, as some of our employees need to be teachers at the same time as trying to work remotely and be productive. I have some simple solutions for our subcontractor members:

1. Teach your children reading and writing by having them go through subcontracts, take notes, mark-up and edit the language, and send them back to the GC. They can help file liens and also write nasty delay claim letters (or just write warranty letters, if you prefer).
2. They can learn math by estimating jobs for you, tracking job costs, and sending in your monthly pay applications.
3. For science, they can study and understand Material SDS's, and review design calculations for shear loads, storm water runoff, and my favorite – fault current and arc flash studies!
4. For history, all they need to know is we are in the thick of a historical time right now. (It was tempting for me to pick on one of our esteemed elder members here, but I refrained).

Think about the great career they could have by getting a jump start on learning all these things in grade school! And it would be free of cost to you!

As for me, not worried about home educating. We just took our youngest son off to his first year of college at Missouri State. So far, so good, but we are still worried about what may happen. I just hope he does laundry sometime this semester.

OCTOBER

October 1
ASA Quick Hits
Virtual Round Table

October 5
ASA Golf Tournament
Whitmoor Country Club

October 15
ASA Quick Hits
Virtual Round Table

I hope you have had the opportunity to participate in our virtual/zoom "quick-hits" short discussion groups. The concept is to have a small group discussion for a short duration during the workday. (No more than 10 people for no more than 30 minutes, all from the comfort of your laptop.) We continue to have these about twice a month and have been covering a wide variety of topics in hopes of having something for everyone. Of course, we welcome ideas for topics that are important to you and your business. Perhaps there is a topic of discussion you would like to lead. If so, let us know!

In August, we held an in-person membership meeting at Syberg's Dorsett. This marked the first time we had gotten together for a meeting in exactly 6 months! Limited to 50 attendees, we welcomed our ASA awards winners who were previously announced at our July 29th virtual awards ceremony. No "pomp and circumstance", walk up music, or high suspense this time around, but still an incredibly special meeting. We were pleased to hear some heartfelt words from the GC Field Person of the Year, Jeff Bueckendorf of BEX Construction Services, and our three GC of the Year Award Winners: BEX Construction Services, McGrath & Associates, and BSI Constructors. They were all truly inspirational.

For those who were able to attend this somewhat unorthodox meeting, we welcome your feedback. Our first priority is to assure that everyone is safe and feels comfortable in the surrounds. We also want it to be enjoyable and bring value to participants and member companies. Let us know your thoughts.

Time is running short. Please get your foursome together and get registered for the ASA's annual golf tournament on Monday, October 5th. You can sign up as an individual, but ASA cannot guarantee that your playing partners will be Dustin, Rory, and Tiger. (I will be there, along with my group, in a quest to "three-peat" as B Flight Champions!) Of course, proper precautions will be implemented both on and off the course. Details are in an email being sent to members and are also available on the website. Lunch, golf, putting contest, being outdoors, dinner, auction, booze raffle, October weather, networking, good fun – cannot wait!

For a full list of all
ASA Midwest Council events
visit www.asamidwest.com

In closing, I would like to remind our members to take time to noodle around and explore ASA websites, both Midwest Council (www.asamidwest.com) and National (www.asaonline.com). There is a lot of good information, links, and webinars available, and the Midwest Council website is a great place to check to see what events are coming up! **Richard A. Russell, Sachs Electric, President, ASA Midwest Council** | rrussell@sachsco.com

VIRTUAL Meeting

Virtual via Zoom

IT IS DUES RENEWAL TIME!

Membership Dues Renewal invoices were sent from our national organization multiple times since May.

Dues payment for 2020-21 LAST CALL-DROP 9.15.20 Non Payment

ASA Midwest Council membership is only \$845 per year or \$72 per month

Did you know ASA membership is a company membership & includes all employees of your company for one rate?

RENEW YOUR MEMBERSHIP TO RETAIN ACCESS TO ALL THE MEMBER ONLY BENEFITS OF ASA MEMBERSHIP!

**Questions or need a copy of your invoice?
susan@asamidwest.com or 314.845.0855**

SEPTEMBER 16, 2020
VIRTUAL Monthly Meeting



11:30 a.m. to 12:30 p.m.

Mark your calendar, and register for the **VIRTUAL** meeting on Wednesday, September 16th 2020 at 11:30 a.m. This is a **FREE** meeting for ASA Members.

Our speaker will be Mr. Brandon Costerison from the National Council on Alcoholism & Drug Abuse (NCADA). He will present to our group about the tragic opioid crisis, and how it disproportionately affects the construction industry.

Register online-www.asamidwest.com by Monday, September 14th, 2020.

(Attendees will receive zoom login info. after registration is received by ASA)

REGISTER TODAY AT www.asamidwest.com



2020-21
ASA Midwest Council
Officers & Directors
(Terms July 1, 2020-June 30, 2021)

Officers:

President

Rich Russell, Sachs Electric Co.

Vice President

Chris Sauer, T J Wies Contracting

Secretary

Dan Tucker, MC Service

Treasurer

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Tom Henson, Affton Fabricating & Welding Co.

Directors:

Steve Cummins, Bell Electrical Contractors

Rose Kastrup, CSA Advisors

Dennis Voss, Golterman & Sabo

Bill Grant, Grant Contracting

Scott Meyer, Meyer Painting Co.

Ryan Spell, Precision Analysis Inc.

Chapter Attorney

*Richard Stockenberg,
Sandberg, Phoenix, & von Gontard*

Executive Director

Susan Winkelmann

Managing Workers' Compensation in the age of Covid

By Lisa Grubbs, JD Kutter



NCCI (National Council on Compensation Insurance), the insurance industry's largest Workers' Compensation data and rating organization, recognized that the unique circumstances surrounding the COVID-19 (Corona) Virus pandemic were of an exceptional nature and warranted specific action.

For situations involving employees who are furloughed (laid off) but are still being paid, a special classification code 0012 "Paid Furloughed Employees" was developed by NCCI to track payrolls during this COVID-19 disruption. Employers must maintain a separate category in their accounting records so this payroll can be easily identified and assigned. Included are payments to furloughed employees that an employer may characterize as sick pay, vacation pay or other remuneration-related term. If funds received through governmental assistance programs or loans are used by an employer, as authorized by law to make payments to furloughed employees, such payments would likewise be reported to Code 0012. There is no premium charge for 0012, which effectively carries a rate of 0.00. A percentage allocation between employees' usual class codes and code 0012 does not qualify for the premium waiver. "Idle workers" (those who are not working for other business reasons), are not considered furloughed employees and their payroll must be included in the employees' usual applicable Workers' Compensation classifications.

For employees who continue to work but have taken on different duties which fall outside of their usual assigned Workers' Compensation classifications, employers should maintain payroll records in a manner that allows the payroll to be identified and possibly divided based on the applicable class codes.

For employees who continue to perform their normal duties, but now working remotely, employers should classify this payroll according to the employees' usual applicable class codes. For remote employees performing different tasks than normal, employers should maintain payroll records in a manner that allows the payroll to be identified and possibly divided based on the applicable class codes. Clerical employees who are now doing their jobs remotely may be converted from class code 8810 "Clerical" to the lower-rated code 8871 "Clerical Telecommuter." Employees such as construction workers, drivers and outside salespeople typically remain in their existing classifications.

As a side note, NCCI has clarified that if an employer increases pay to working employees as an incentive to work during COVID-19, that this increase is classified as payroll and charged for accordingly.

Another action pursued by NCCI in response to COVID-19 was the creation of "Catastrophe Number 12" coding for any COVID-19 related Workers' Compensation claims with accident/injury dates of 12/1/19 and subsequent. These claims coded as such will not be included in experience modification calculations. Payroll paid to furloughed employees under class code 0012 will also be excluded from experience modification calculations.

Accurate documentation of payroll to reflect altered job assignments, whether onsite or remote, and payroll amounts for employees not working, will help ensure that employers can take full advantage of the relief that is being programmed into the Workers' Compensation system.

Contact your insurance broker for any questions or concerns regarding these provisions.



Please join us for the 33rd Annual

ASA Midwest Council Golf Tournament

October 5, 2020 | Whitmoor Country Club | 11:30 am. Tee Time

Reservations Required • Sponsorships Available

All-Inclusive Registration:
GOLFER GIFT • LUNCH • COURSE GAMES • COURSE BEVERAGES • DINNER • COCKTAIL HOUR

Visit asamidwest.com to register.
susan@asamidwest.com or (314) 845-0855 for additional details.

Building.
Community.

THANK YOU

to the **MEMBER COMPANIES** that attended our last monthly meeting!

| | | | |
|------------------------------|---------------------------|----------------------------|------------------------------|
| Affton Fabricating & Welding | Enterprise Bank & Trust | Lawrence Fabric & Metal | Precision Analysis, Inc. |
| American Steel Fabrication, | Fabick Rents | Structures | RubinBrown LLP |
| Aschinger Electric | Foreman Fabricators | Lizmark Branded Solutions | Sachs Electric |
| Bangert Computer Systems | George McDonnell & Sons | Luby Equipment Services | Sandberg Phoenix |
| Bazan Painting Co. | Golterman & Sabo | Marketeer | Schmersahl Treloar & Co. |
| BluSky | Guarantee Electrical Co. | MC Service | Seal the Deal Too |
| Brown Smith Wallace, LLP | Ideas4promos | Montgomery Bank | SFW Partners, LLC |
| CarsonAllaria | Irwin Products, Inc. | Nu Way | Show Me Industrial Services, |
| Wealth Management | J.D. Kutter | O.J. Laughlin Plumbing Co. | Sikich, LLP |
| CK Power | Jarrell Contracting | Pipe and Duct Systems, LLC | Sunbelt Rentals |
| CSA Advisors | Johnson Controls | Pirtek Overland | T J Wies Contracting |
| ELCO Chevrolet Cadillac | Knapheide Truck Equipment | Plumbing Planning Corp. | UHY LLP |
| | | | Vee-Jay Cement Contracting |

Upcoming ASA Midwest Council Meetings & Events



| | |
|---------------------|--|
| September 16 | Monthly Membership VIRTUAL Meeting <i>Virtual via Zoom</i> |
| September 17 | <i>ASA Quick Hits-Virtual Round Table Discussion</i> |
| October 1 | <i>ASA Quick Hits-Virtual Round Table Discussion</i> |
| October 5 | <i>ASA Midwest Council Golf Tournament Whitmoor Country Club-</i> |
| October 15 | <i>ASA Quick Hits-Virtual Round Table Discussion</i> |

VISIT WWW.ASAMIDWEST.COM TO REGISTER FOR ANY OF THE ABOVE EVENTS!
Event registration requires member login, contact susan@asamidwest.com with questions!

***ASA Midwest Council is on Facebook, Twitter & LinkedIn
Follow ASA Midwest Council
for the latest news and information!***



CONGRATULATIONS TO OUR 2020 Disco Ball Awards Gala Winners!

Our March 28th Disco Ball Awards Gala was cancelled due to COVID-19, therefore on July 29th we held a virtual celebration to honor our award nominees & to announce this year's winners! 2020 was the 27th year of recognizing the best of the best in the STL construction industry.

Congratulations to our 2020 winners listed below:

General Contractor of the Year

Category A

BSI Constructors

Category B

McGrath & Associates

Category C

BEX Construction Services

MEP Subcontractor

Category A

PayneCrest Electric

Category B

Boyer Fire Protection

Specialty Subcontractor

Category A

Vee-Jay Cement Contracting

Category B

Golterman & Sabo

Service Provider/Supplier

J D Kutter

GC Office Employee of the Year

Steve Cronin, Tarlton Corporation

GC Field Employee of the Year

Jeff Bueckendorf, BEX Construction Services

2019 Safety Award Winners

| | |
|----------|-------------------------------|
| Div. I | Murphy Company |
| Div. II | Vee-Jay Cement Contracting |
| Div. III | Professional Installers, Inc. |
| Div. IV | BAZAN Painting Co. |
| Div. V | Parkway Construction Services |
| Div. VI | George McDonnell & Sons |

ASA Safety Cup Award Winner

Murphy Company



Save the date!

2
0
2
1

SUB Excel

FEB 24-27 2021

Miramar Beach, Florida

Onward!

**Charting the course for unity,
growth, and prosperity**



subexcel.com



Info Hub

DID YOU KNOW?

Check out the **Info Hub** on the ASA National Website for extra member benefits included in your membership!

www.asaonline.com, then member login to access the **Info Hub**

A few Areas to visit in the Info Hub Include:

- √ **Resources section.** There are hundreds of documents in the Resources section of the **Info Hub** that include critical COVID-19 information, sample contract language, negotiating tips, archived webinars, and so much more.
- √ **ASAdvantage.** In the Info Hub, there is a link to our ASAdvantage program. Members should spend time looking through what is available. Includes programs to save money with Office Max, UPS, Lenovo, Verizon Wireless, as well as discounts on software, and many other cost savings discounts.

You must login to the ASA National website to access the **Info Hub, and your login is different than your local ASA Midwest Council login information. If you need assistance logging in, please contact: Loni Warholic: lwarholic@asa-hq.com for your login information.**

The past month has been exceptionally busy in Jefferson City in what continues to be an unusual year. Due to an ongoing rise in violent crime, especially in St. Louis and Kansas City, Governor Mike Parson made the call for a special legislative session to address several aspects of criminal law.

The special session began on July 28 with nearly twenty witnesses testifying in support of SB1, a multiple topic bill that covered all aspects of the Governor's agenda for the session. The bill includes removing police and public safety employee residency requirements for St. Louis; requiring courts to determine if a juvenile should be certified for trial as an adult for the unlawful use of a weapon and armed criminal action; allowing certain statements to be admissible in court that would otherwise not be allowed under current law; creation of the Pretrial Witness Protection Fund; and increasing the penalty for a person who knowingly sells or delivers any firearm to a child less than 18 years without the consent of the child's parent or guardian.

After a twelve-hour debate, the measure passed the Senate by a 27-3 bipartisan vote. The bill would not have an easy path forward in the lower chamber, however, as the House Judiciary Committee failed to advance the bill over disagreements regarding the juvenile certification provision. The measure was subsequently scrapped.

The House now has plans hold hearings on six individual bills, each covering a single topic as outlined in the Governor's original call for the special session. Also included is a bill which allows for the Attorney General to have dual jurisdiction over certain criminal cases in the city of St. Louis. This comes after the Governor amended his special session call, saying the murder rate in St. Louis is out of control. It seems unlikely the measure will advance as many legislators have already signaled their opposition.

In election news, several area races surprised political observers but none more than Cori Bush, who unseated long time U.S. Representative Lacy Clay in the 1st Congressional District. Clay has represented the district since 2001 and had succeeded his father in holding the seat. Bush is a nurse and Black Lives Matter activist. Other notable highlights in the St. Louis area include David Lenihan winning the 1st state Senate District Republican primary. He now faces Doug Beck in the General Election. Elaine Gannon won convincingly in the 3rd state Senate District Republican Primary; Steve Roberts was the winner in the Democratic primary for the state Senate District 5; Angela Walton Mosely was victorious in her Democratic primary in state Senate District 13, and incumbent Senator Bill Eigel easily beat his challengers in the 23rd state Senate District Republican primary.

Amendment 2 also passed by a 46%-53% margin on election night, meaning the Medicaid program in Missouri will now expand to cover individuals with an income level at or below 135 percent of the federal poverty level. Missouri joins 37 other states in expanding the program.

The special session on crime continues as of the writing of this report. It is expected the Governor will issue calls for additional special sessions on various other issues including spending authorization if Congress gives their approval to another stimulus bill. Also, on tap is the constitutionally mandated veto session in mid-September, where lawmakers will have an opportunity to override any vetoes issued by the Governor on bills from the last legislative session.

We will continue to keep you updated on political news in Jefferson City and around the state. Nikki Strong, Strong Consulting Group.

ASA Midwest Council Members

24/7 OnSite Cameras
Acoustical Ceilings, Inc.
Acropolis Technology Group
Affton Fabricating & Welding
AME Constructors
American Burglary & Fire, Inc.
American Steel Fabrication, Inc.
Anders CPAs + Advisors
Aqueduct Plumbing LLC
Archview Metal Systems Co.
Aschinger Electric
Aspen Waste Systems
Autco Appliances
Auto Trim Restyling
Bangert Computer Systems
Bazan Painting Company
Bell Electrical Contractors
Benson Electric Company
Bick Group
Big Boy's Steel Erection
Bi-State Fire Protection Corp.
Bi-State Utilities Company
BluSky Restoration
Boyer Fire Protection
Brown Smith Wallace LLP
Budrovich
Building Point Mid-America
C.E. Bollmeier Company, Inc.
C. E. Jarrell Contracting
CK Power
CMIT Solutions
CNA Surety
CSA Advisors LLC
Cardinal Environmental Operations
CarsonAllaria Wealth Management
Cee Kay Supply
Century Fire Sprinklers, Inc.
CliftonLarsonAllen, LLP
Collins & Hermann
Common Sense Solutions
Corrigan Company
Doll Services and Engineering
Drilling Service Company
Dynamic Controls, Inc.
ELCO Chevrolet Cadillac
Empire Fence & Custom Iron Works
Enterprise Bank & Trust
Event Productions, Inc.
Fabick CAT
Fenix Construction Co. of STL
The Fletcher Company
Flooring Systems, Inc.
Focal Pointe Outdoor Solutions, Inc.

Foreman Fabricators
Foundation Supportworks by Woods
Frost Supply
Galloway, Johnson, Tompkins,
Burr & Smith
George McDonnell & Sons
Golterman & Sabo
Grant Contracting
Grasser Electric
Guarantee Electrical
H & G Sales, Inc.
HM Risk
Haberberger, Inc.
Hager Companies
Hanenkamp Electric
Hansen's Tree, Lawn & Landscaping
Hawkins Construction & Flatwork
Hayden Wrecking
Heitkamp Masonry
Hoette Concrete
Ideas4Promos
Imperial Metal Company
Integrated Facility Services
Irwin Products
JD Kutter
J.F. Electric
J.W. Terrill
John J. Smith Masonry
Johnson Controls
Jos. Ward Painting Co.
K & K Supply, Inc.
Kaemmerlen Electric
Kaiser Electric
KAM's Mechanical LLC
Kay Bee Electric
Kirberg Company
Kirby-Smith Machinery, Inc.
Knapheide Truck Equipment
Landesign LLC
Lawrence Fabric & Metal Structures
Leach Painting Company
Liberty Mutual Surety
Lindberg Waterproofing
Linek Plumbing Co.
Lizmark
Luby Equipment Services
Marketeer, Inc.
Meyer Painting Co.
Midwest Elevator
Mold Solutions
Montgomery Bank
Mueller Prost

Murphy Company
Negwer Door Systems
Niehaus Building Services
NuWay
O.J. Laughlin Plumbing Co.
On Site Companies, Inc.
P & A Drywall Supply
P.M. Leach Painting Co.
Pac-Van, Inc.
Parkway Construction Services
PayneCrest Electric
Pearl Street Electric, LLC
Pirtek Overland
Pipe and Duct Systems
Plumbing Planning Corporation
PPG Paints
Precision Analysis, Inc.
Professional Installers
Professional Metal Works, LLC
R.F. Meeh Co.
RJP Electric
Raineri Building Materials
Ravensberg, Inc.
Rental Supply, Inc.
Rock Hill Mechanical Corp.
RubinBrown LLP
Sachs Electric Company
Safety International, LLC
Sandberg Phoenix
Schmersahl Treloar & Co.
Seal the Deal Too
Seiler Instruments
SFW Partners, LLC
The Sherwin-Williams Co.
Show Me Industrial Services, Inc.
Signature Craft
Sikich LLP
St. Louis-KC Carpenters Reg Council
Stylemaster Apparel, Inc.
Sunbelt Rentals
Swanson Masonry, Inc.
T.J. Wies Contracting
Taylor Excavating
TROCO Custom Fabrication
UHY LLP
USI Insurance Services
United Rentals
Vee-Jay Cement Contracting
Wies Drywall and Construction
Woodard Cleaning and Restoration
Worksafe Technologies
Zurich Surety

Each month you will receive an update on the committees within ASA, to keep you informed. on current happenings at the committee level. Below are this month's committee reports. Interested in joining a committee? Contact Susan Winkelmann, ASA Executive Director-susan@asamidwest.com or 314.845.0855

SAFETY

Lets be Always Safety Aware! For additional information regarding the ASA Safety Committee, or to join the committee, contact our Safety Committee Co-Chairs: Rose Kastrup with CSA Advisors at (417) 761-4194 or Steve Williams with Bell Electrical at (314) 447-9071.



MEMBERSHIP

The ASA Membership Committee is asking for your help. If you know a subcontractor who could benefit from the resources that ASA brings to its members, let us know. The benefits of ASA membership are many and our committee is very focused on adding quality new members. For Additional information contact on of our Membership Committee Co-Chairs Chris O'Hagan, JD Kutter, at (314) 444-4949 or chris@jdkutter.com. OR Matt Tucker, Affton Fabricating & Welding, at (618)391-0434 or mtucker@afwc.com

CONTRACT REVIEW

The next subcontract to be reviewed by the Contract Review Committee will be that of Musick Construction Company. We maintain a library of subcontracts available for your use as you negotiate subcontract terms. We focus on GCs who work in our area. If you have seen a new subcontract form put in use by a GC for work in the area and think it should be reviewed for future use by our members, please submit it to us. All we ask is that the form be submitted in WORD format for easy editing for the committee.

Whenever a member asks for a copy of any subcontract that has been reviewed, we ask for feedback indicating what, if any, changes the subcontractor was able to obtain. If you would like to work on this committee, please let us know. We meet, as needed, on the second Wednesday of each month at Sachs Electric.

If you have questions regarding the contract review service, contact committee chair, Dick Stockenberg, Sandberg Phoenix, von Gontard rstockenberg@sandbergphoenix.com.

PROGRAMS

During these uncertain times, our goal is to continue to provide relevant programming to all our members. We have recently started a series of virtual round table discussions called **ASA Quick Hits**, to help members share ideas and best practices, as we transition through the summer months and into the fall. If you have suggestions for future ASA program topics, please contact our Programs Committee Chair: Chris O'Hagan, chris@jdkutter.com

Get the Most Out of Your ASA InfoHub

The InfoHub is an incredibly robust library of documents and resources available to ASA Members ONLY! New resources are being added regularly, and we highly encourage all members to take advantage of one of the best parts of your ASA membership. Never used the InfoHub? Now is the time to start!

One of the most recent additions is the "Subcontract Documents Suite 2020". This robust document includes:

- ASA Subcontractor Bid Proposal, including Instructions page, form for completion and conditions of the bid proposal
- ASA Wrap-Up Insurance Bid Conditions
- ASA Subcontract Addendum, including Instructions page and form for completion
- ASA Wrap-Up Insurance Subcontract Conditions
- ASA Short-Form Subcontract Addendum

In addition, you can find the "Subcontractor Negotiating Tips: A Compilation". This comprehensive guide includes information on:

- Scope of Work
- Subcontractor's Responsibilities
- Contractor's Responsibilities
- Progress Schedule
- Changes
- Payment
- Indemnity, Insurance, and Bonds
- Suspension Notice to Cure, and Termination
- Dispute Mitigation and Resolution

All of these documents are incredibly important to all subcontractors. If you aren't using the InfoHub, you are missing out on one of the key benefits of your ASA Membership.

To access the InfoHub, click the "Member Login" button at the top of www.asaonline.com, log in to your account, and then select "Resources" from the menu on the left side of the screen. Once there, use the search bar to locate documents, ASAToday, archives, and much more!

Apply for ASA Awards Today!

Each year, ASA gives individuals, companies, and chapters the opportunity to apply for ASA Awards. These prestigious awards are a way to highlight those in the subcontracting community who are shining examples of excellence.

ASA is proud to announce a **NEW AWARD THIS YEAR**, the National Annual Safety Award! This award represents ASA's commitment to safety and safety education. Being nominated for this award is a significant honor in your community and among your peers. Each chapter can nominate ONE company for the ASA National Safety Award. All nominations will be displayed at ASA's National SUBExcel Conference where each nominee will receive recognition on a National Level.

Other exciting awards available are:

- ASA Certificate of Excellence in Ethics
- ASA National Construction Best Practices
- President's Award
- Subcontractor Federal and State Advocate
- Attorney's Council Awards
- John H. Hampshire Distinguished Lifetime Service Award
- Timmy L. McLaughlin Exemplary Leadership
- ASA Outstanding Service Award
- ASA Chapter and Chapter Leadership Award

To apply for any of the above awards, visit <https://www.asaonline.com/awards/>

All award winners will be announced at the ASA Annual SUBExcel convention.

The 2021 convention will be held February 24-27, 2021 in Miramar Beach, Florida

(EMR) Experience Modification Rate: Explained

An Experience Modification Rate (EMR) has a significant impact on the worker's compensation insurance premium of a business. The EMR is a metric that insurers use to calculate worker's compensation premiums; it takes into account the number of claims/injuries a company has had in the past and their corresponding costs. An EMR of 1.0 is the benchmark average -- if your company's EMR number is lower than average, (e.g. less than 1.0), your worker's compensation premium will be lower than average. An EMR number greater than 1.0 will result in a higher than average premium.

Now that you have a better grasp of the basic definition of an Experience Modification Rate, let's delve a bit deeper into the subject and examine ways in which this number can affect your business.

How Your Experience Modification Rate (EMR) is Calculated

Although the process of figuring out exactly what your company's EMR is (or will be) involves some intensive calculations, the explanation of the formula is relatively simplistic.

The experience modifier adjusts workers compensation insurance premiums for a particular employer based on a comparison of past losses of that employer to what is calculated to be "average" losses of other employers in that state in the same business, adjusted for size. To do this, experience modifier calculations use loss information reported in by an employer's past insurers. This is compared to a calculation of expected losses for a company in that line of work, in that particular state, and adjusted for the size of the employer. The calculation of expected losses utilizes past audited payroll information for a particular employer, by classification code and state. These payrolls are multiplied by Expected Loss Rates, which are calculated by rating bureaus based on past reported claims costs per classification.¹

The EMR for your company is most likely calculated by the National Council on Compensation Insurance (NCCI) (currently for 39 of the 50 states). If you do business in one of the states that does not adhere to the NCCI standards, an independent agency determines the EMR.

It is important to note that the NCCI's EMR is "mandatory",

which means that if your company meets the basic eligibility premium criteria established for your state, the rate calculated by NCCI will apply to your company. This standard cannot be changed by an individual insurance provider.

What does the EMR mean to your company?

Since your EMR determines your worker's compensation liability premium, this rate directly affects your bottom line: the higher your risk rate, the more money you pay for worker's comp insurance. If your organization has experienced a string of incidents which have resulted in your EMR being significantly higher than the 1.0 average for your industry, you run the risk of being saddled with a hefty worker's comp insurance premium payment. This can put your firm at an extreme disadvantage relative to competitors, with all other things being equal.

For example, if your company has an EMR of 1.4 and your direct competitor has a spotless record (resulting in an EMR of .85), that puts you at a 55% disadvantage from the start. Depending on the industry that you are in and how large your operations are, this can result in an exorbitant premium. Using a round number of \$100,000 for ease of calculations, your firm would pay \$140,000 for the same insurance that your competitor would get for \$85,000!

How to improve the EMR

As is the case with any form of insurance, the more you use, the higher your premium. So, the quick and easy answer is to reduce the number of accidents that result in claims and losses. Of course, this is far easier said than done.

Safety resources like Safety Audit and Inspection Software, Incident Management Software (e.g. near miss, hazardous conditions, property damage, first aid, injury and illness), Corrective Action Software and Online Safety Compliance Training are available to companies willing to invest the time to improve their track record and lower their EMR.

Another facet to consider with regard to your EMR is timeliness in closing claims. The rationale for this is the following: once a claim becomes open, the insurance company will assign an "open reserve" on the claim -- a cap on what they will pay. Until the claim gets paid, that open cap is the amount reported to NCCI. In the vast majority of cases, the actual settlement amount is less than the cap. For this reason, settling and closing a case in the most expeditious manner possible will aid you in keeping your EMR as low as possible.

INTERESTED IN SPONSORING AN UPCOMING MEETING?
ONLY \$250-CONTACT [SUSAN@ASAMIDWEST.COM](mailto:susan@asamidwest.com) FOR DETAILS!

NO NEW MEMBERS THIS MONTH

*Help ASA Midwest Council continue to grow,
by inviting someone who would benefit from ASA membership, to join us at the next monthly meeting.*

*All first time non member guests are free of charge.
Please register your guest in advance by contacting susan@asamidwest.com*

[Join a committee today.](#)



Membership

(Chris O'Hagan/Matt Tucker)

Education/Programs

(Chris O'Hagan)

Golf (Jennifer Church/Steve Cummins)

Advocacy (Tim Thomas)

Awards Gala

(Molly Spowal /Rick Swanson)

GC Expo

(Walter Bazan, Jr. /Tim Thomas)

Safety

(Rose Kastrup/Steve Williams)

Brand Development

(Stephanie Woodcock)

Contract Review

(Dick Stockenberg)

Affinity Programs

(Dianne Gibbs/Marty Hooper)

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Contact Susan Winkelmann
susan@asamidwest.com
314 845-0855

Sponsorship Rates

Sponsorship opportunities are available in the ASA newsletter. Rates are very reasonable but are limited. Below are the rates. If interested, please call Susan at 314 845-0855.

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- 1/4 Page Monthly \$300/Year
- 1/4 Page Quarterly \$125/Year
- 1/2 Page Monthly \$500/Year
- 1/2 Page Quarterly \$225/Year
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