

CHAPTER 92-05-02
RISK MANAGEMENT PROGRAMS

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92-05-02-01. Definitions. As used in this article:

1. "Baseline period" means the period of time immediately preceding the premium period being rated for risk management programs. The baseline period may not be less than six months and not more than eighteen months.
2. "Employer" means employer as defined in North Dakota Century Code section 65-01-02.
3. "Frequency rate" means the total number of claims accepted by the organization attributable to an employer in that employer's premium period multiplied by one million dollars and divided by the employer's gross payroll for mandatory coverage and the current wage cap for optional coverage.
4. "Good standing" for purposes of this article means an employer account that is not in default pursuant to North Dakota Century Code section 65-04-22.
5. "Measurement year" means the premium period being rated for the risk management programs.
6. "Organization" means workforce safety and insurance.
7. "Preferred provider" means a designated medical provider of medical services, including consultations or referral by the provider. Any employer may select a designated medical provider pursuant to North Dakota Century Code section 65-05-28.1. The employer must provide written documentation that all employees have been notified of the designated medical provider selection and the employee's option to add additional providers to the employer's selection. The employer must provide written documentation that the employer has notified the designated medical provider that it has elected to participate in the designated medical provider program.

8. "Risk management programs" means all premium reduction and premium calculation programs offered and approved by the organization. Participants in the deductible and retrospective rating program are not eligible for discounts under this chapter.
9. "Safety intervention" means any program, practice, or initiative approved by the organization intended to eliminate workplace hazards.
10. "Severity rate" means the rate calculated by multiplying the total number of days for which disability benefits were paid by the organization because of a workplace injury during the measurement year by one million dollars and divided by the employer's gross payroll for mandatory coverage and the current wage cap for optional coverage. The total number of lost time days incurred during the employer's premium period will be calculated only for those claims with acceptance dates in the measurement year and preceding four premium billing periods. Death claims shall be assessed three hundred sixty-five lost time days during the premium billing period in which the workplace death occurs and an additional three hundred sixty-five lost time days for the subsequent premium billing period.

History: Effective July 1, 2006; amended effective July 1, 2007.

General Authority: NDCC 65-02-08

Law Implemented: NDCC 65-03-04, 65-04-19.1

92-05-02-02. Availability. The availability of the risk management programs is contingent on sufficient fund surplus as determined by the organization. The organization may develop additional programs and modify existing programs.

History: Effective July 1, 2006.

General Authority: NDCC 65-02-08

Law Implemented: NDCC 65-03-04, 65-04-19.1

92-05-02-03. Eligibility - Billing. All employers, except participants in the retrospective rating and deductible programs are eligible to participate in the organization's risk management program plus.

An employer may elect, subject to the organization's approval, to participate in an alternative risk management program.

The organization, in its discretion, shall determine eligibility for the safety outreach program. Pursuant to this program, the organization will serve the sector of industry and business that has historically generated high frequency or severity rates, or both.

Volunteer accounts are not eligible for participation in risk management programs.

At the organization's discretion, an employer account that is delinquent, uninsured, or not in good standing pursuant to section 92-05-02-01 may not be eligible for discounts under this article.

Discounts are automatically calculated by the organization. At the organization's discretion, discounts earned under section 92-05-02-06 may be payable either as a credit to the employer's premium billing statement or as a cash payment to the employer.

History: Effective July 1, 2006; amended effective April 1, 2008.

General Authority: NDCC 65-02-08

Law Implemented: NDCC 65-03-04, 65-04-19.1

92-05-02-04. Death claims. In exceptional circumstances, and at the sole discretion of the executive director of the organization, the impact of a compensable death claim may be removed from that employer's risk management program plus calculation.

History: Effective July 1, 2006.

General Authority: NDCC 65-02-08

Law Implemented: NDCC 65-03-04, 65-04-19.1

92-05-02-05. Risk management program plus.

1. Risk management program plus provides a five percent premium discount for a reduction of at least ten percent in frequency rate and a five percent premium discount for a reduction of at least ten percent in severity rate. If an employer reduces both frequency and severity rates by at least ten percent each in a premium year, that employer is entitled to an additional five percent premium discount. The maximum premium discount available under this program is fifteen percent in a premium year. An employer who has no claims accepted by the organization and no lost time days incurred in the employer's premium period automatically earns the maximum fifteen percent discount. Continued reduction of at least ten percent annually in either an employer's frequency or severity rates, or both, entitles an employer to a discount.
2. This subsection applies only to accounts experience rated in the measurement year and only to the frequency rate calculation. If an employer does not attain a ten percent reduction in frequency rate, an employer may still earn a five percent frequency discount if the employer's frequency rate is sixty-five percent or less than the organization's calculation of the five-year average frequency rate for the employer's applicable sector code as assigned by the organization and as published in the North American Industry Classification System, United States, 2002 expanded edition with added "bridges". (2002).

3. An employer who has no claims accepted by the organization and no lost time days incurred in the employer's premium period retains the fifteen percent discount for the current premium period.

History: Effective July 1, 2006.

General Authority: NDCC 65-02-08

Law Implemented: NDCC 65-03-04, 65-04-19.1, 65-04-19.3

92-05-02-06. Safety outreach program. North Dakota employers with the highest frequency and greatest severity rates and those employers in rate classification industries with historically high frequency and severity rates may be selected by the organization to participate in this three-year program.

1. **Calculation of discount.** The safety outreach program provides a ten percent annual premium discount for the creation and implementation of a written action plan approved by the organization. The safety outreach program provides a ten percent premium discount for a reduction of at least ten percent in frequency rate and a ten percent premium discount for a reduction of at least ten percent in severity rate. If an employer reduces both frequency and severity rates by at least ten percent each in a premium year, that employer is entitled to an additional five percent premium discount. An employer's annual discount under this program may not exceed thirty-five percent.
2. **Ongoing eligibility.** Participation beyond the inception year is subject to the sole discretion of the organization. In no event shall an employer's participation extend beyond three consecutive years.

History: Effective July 1, 2006; amended effective April 1, 2009.

General Authority: NDCC 65-02-08

Law Implemented: NDCC 65-03-04, 65-04-19.1, 65-04-19.3

92-05-02-07. Alternative risk management programs. The organization may create a new program or modify an existing employer premium calculation program under this article to provide greater or lesser premium discounts.

History: Effective April 1, 2008.

General Authority: NDCC 65-02-08

Law Implemented: NDCC 65-03-04, 65-04-19.1, 65-04-19.3