



## Determine your Minimum Experience Modification, Premium Savings and Impact on Profits and Revenue.

The lowest possible ex-mod or minimum mod is the ex-mod factor an employer would have if there were zero losses during the experience period.

Let's take a look at two different scenarios to see the difference in pricing, and the cost to your Profit.

**Example 1** - your minimum ex-mod 0.50%

Your annual payroll of \$1,000,000

**Formula:** payroll \$1,000,000 / 100 = \$10,000 x Rate \$5.00 = \$50,000 premium x ex-mod 0.50% = \$25,000 total premium

**Example 2** - your ex-mod with losses 1.10%

Your annual payroll of \$1,000,000

**Formula:** payroll \$1,000,000 / 100 = \$10,000 x Rate \$5.00 = \$50,000 premium x ex-mod 1.10% = \$55,000 total premium

See the difference in premium dollars \$25,000 versus \$55,000, you end up paying \$30,000 more in premium, dollars that could be used well elsewhere.

Lets look at how much more products or services you now have to sell to just to cover the additional cost of \$30,000.

\$30,000 additional premium, profit margin let's say 5%

$\$30,000 / .05 = \$600,000$  additional product or services sales to cover the additional expense.

Email us today to find out what your minimum ex-mod can be: [pelotoninsurance@pm.me](mailto:pelotoninsurance@pm.me)