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Claims Connect Billing Rates

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This document explains at a high level the components used to calculate the CoreLogic trade rates (*T-rate*) and billing rates (*B-rate*) contained in the CoreLogic Claims Connect database.

The *T-rate* consists of the researched and verified employee's pre-tax base hourly rate plus fringe benefits and insurance for any specific trade (roofer, plumber, electrician, etc.).

T-rate = Base Rate + Fringe Benefits + Insurance Rate

- **Fringe Benefits** may include:
    - Vacation
    - health insurance
    - 401k contributions
    - use of corporate vehicles
    - any other benefit an employer may offer their employees

- **Insurance Rate** is the employer's contribution to fixed payroll taxes:
    - Workers Compensation
        - Varies by state, and trade type
    - Federal and State Unemployment Insurance
        - While federal rates are relatively consistent State rates can vary widely by trade and company, and therefore the startup rate is used
    - Social Security
    - Medicare
    - State Disability Insurance

The billing rate (B-rate) consists of the T-rate multiplied by the sum of the fixed business overhead rate, job overhead rate and profit rate.

B-rate = T-rate * (1 + (Fixed Business Overhead Rate + Job Overhead Rate + Profit Rate))

- **Fixed Business Overhead** may consist of:
    - Executive Salaries
    - Office expenses
        - Staff Salaries
        - Office equipment and services
        - Rent
        - Liability and Or Builders Risk insurance
        - Marketing and Advertising
- **Job Overhead** consists of costs that can be directly associated to the job:
    - Sales Commissions
    - Equipment Rental, and depreciated equipment
    - Permits and Fees
    - Warranties

- **Profit** is applied to the "T" Rate