

SCOMM

33:19

## Benefits subcomm

11/21 Ike Waldrop **NECA (IBEW)**

"Buckhouse" rule - employer liable for off-j-b injury

Modernize it. If employer sends employee - exc/  
Ave, Inv, Frig, KTN - "Remote" covered 24-hr/day

→ Benefits during rehab } Accident - injured worker  
wouldn't have been. If not on premises & off  
hours.

~~11/21~~ Jack Thompson -

→ Rehab benefits

→ Burial expense

→ Subtract sick leave

→ Occupational disease

**H**Health - some deductible.

problem w/ assignment of insurance benefit

maximum - gap w/ unlimited

NCCI only if "purity of rate  
calculations"

Ask insurance cos to give examples

Kentucky approach - Basis for derivation & Specifically -

Fixed wkly, hourly, yearly

problem - 3 yr average

Current not equitable - won't hire if had high wages

→ Council State Gov'ts recommendations

False claim - midemeanor →



CARRIER  
E

26 000

500

Avg wklly wage is basis

NET WAGE

Fixed { weekly = ANW

monthly = Mo x 12 / 52

year = / 52

day/hr/output = most favorable wages during 13 wks of

52. If < 13 wks → amt would have earned in 13 wks.

If cannot be fixed = usual wage.

→ If seasonal =  $\frac{1}{50}$  total earned in preceding 12 calendar mos.

use unemployment benefits as part of total earned

Present 175% in January 200%

too high. current 370/wk would be 750/wk  
= 3000/mo tax free

2nd cap → Not more than 150% last 3 yrs AVG

Block report →  $\frac{2}{3}$

| weekly<br>wages | Existing<br>method | proposed<br>method |
|-----------------|--------------------|--------------------|
| 200             | 200                | 133                |
| 393             | 262                | 262                |
| 600             | 400                | 397                |
| 800             | 533                | 475                |
| 1000            | 667                | 515                |
| 1179 +          | 786                | 550                |

7% FICA

Shouldn't take home more than wages  
Subtract payments made

CO-CHAIRMEN  
SENATOR  
TERRY STIMSON  
REPRESENTATIVE  
BRIAN ROGERS



MAILING ADDRESS  
1024 WEST 6TH AVENUE  
ANCHORAGE, ALASKA 99501

## Worker's Compensation Study Commission

October 30, 1980

Senator Terry Stimson, Co-Chairman  
Workers' Compensation Study Commission  
1024 West Sixth Ave.  
Anchorage, AK 99501

Attention: Licia Piceno

Dear Terry:

This letter is to advise you of my travel and interviewing schedule for the Workers' Compensation Study Commission. As you recall, the Commission substituted California for Florida, Washington state for Oregon and added in Longshoremen's and Harbor Workers' Compensation Act coverage. Accordingly, I have worked out my interview schedule. I'll hit some of the high points and contact points here:

### Nov. 5-7 California

- Nov. 5, Workers' Compensation Insurance Rating Bureau, Industrial Indemnity
- Nov. 6, Division of Industrial Accidents
- Nov. 7, California Workers' Compensation Institute

CONTACT: c/o Gary W. Jensen  
247 Fourth St.  
Oakland, CA 94607

### Nov. 10-11 Minnesota

- Nov. 10, Minnesota Workers' Compensation Study Commission
- Nov. 11, open

CONTACT: c/o Senator Steve Keefe, Chairman  
(Assistant Majority Whip)  
301 State Capitol  
St. Paul, Minnesota 55155  
tel. 612/296-4190

### Nov. 12-14 Wisconsin

- Nov. 12, Milwaukee: Wis. Workers' Comp Insur. Rating Bureau, NAIC
- Nov. 13, Workers' Compensation Division, Federated Rural Electric Insurance Corp.

CONTACT: c/o P. Russell  
306 N. Brooks  
Madison, WI 53715

### Nov. 19-21 Washington, DC

- Nov. 19, James R. Cochrane, Federal Insurance Agency  
Dick Fink, Div. of State Workers' Comp Standards, ESA, USDL

Stimson/Fineberg  
October 30, 1980  
Page Two

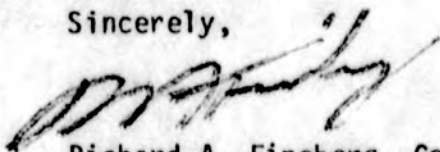
CONTACT: c/o Senner  
125 11th St., NE  
Washington, DC 20002

Nov. 24-25 Washington State  
-- Nov. 24, Zee Jackson, USDL (LSHWA rehab)  
-- Nov. 25, open

Note: These are major interviews scheduled at this point. Additional contacts have been made and interviews arranged. Additional tentative interviews scheduled as well.

I will be checking in with Licia weekly, or after each state, where possible. In some cases this will not be possible because I will be travelling at night. You will notice that 13 interview days are scheduled. I anticipate that I will be spending at least one full day in Washington, DC and one-half day in Washington State on personal affairs, thus bringing me within the contract-specified 11 days paid interviewing time. Additional comp interviewing, if time and schedule permits, will not be billed to the commission. I will similarly adjust travel per-diem downward from state standard to carry out the mission within the proposed budget.

Sincerely,



Richard A. Fineberg, Consultant  
Box 81835 - College Sta.  
Fairbanks, Alaska 99708



# MEMORANDUM

TO: Senator Terry Stinson  
Representative Brian Rogers

FROM: Bob Williams

RE: Progress Report - Insurance Sub-Committee

DATE: November 14, 1980

## Summary

This report has been prepared as an update on the activities and preliminary recommendations by the Insurance Sub-Committee of the Worker's Comp Study Commission. Briefly, the Sub-Committee has recommended that four suggestions be written into draft bill form. These suggestions are: (1) that licensing of self-insurers be transferred from the Division of Worker's Compensation to the Division of Insurance, (2) that carriers be given the opportunity to write deductible policies for worker's comp, (3) that restrictions be lessened for employers wishing to purchase group policies, and (4) that a limited form of "File and Use" rating be used to promote competitive pricing.

In addition, the Sub-Committee has requested that Blue Cross consider the feasibility of writing worker's comp insurance. We are awaiting their response.

The fact should be stressed that these are preliminary recommendations. The only action made by the Sub-Committee was to draft legislation. The Sub-Committee has not passed these bills out. The Committee decided that examining draft legislation



would enable them to understand the mechanics of the approaches that had been discussed in a conceptual manner.

#### Activities of the Insurance Sub-Committee

The Insurance Sub-Committee was formed at the September 20 meeting of the Commission in Fairbanks. At that meeting, the Commission heard testimony that very little competition existed in the worker's compensation insurance market, by virtue of a very rigid method of insurance rate regulation.

Insurers writing worker's compensation and other lines of casualty insurance are regulated under AS 21.39. Chapter 39 of the Insurance Code requires that insurers make filings with the Division of Insurance for every manual, minimum, class rate, rating schedule or rating plan and each modification of them which it proposes to use. That filing becomes effective after 15 days, or an extension for another 15 days, unless disapproved by the Director. An insurer may meet its filing obligation by becoming a member of, or subscriber to, a licensed rating organization. This type of insurance rate regulation is called "prior approval".

If an insurer is a member of, or subscriber to, a rating organization, that insurer must adhere to the filings made by the rating organization on its behalf, or file a deviation. Deviations from the rate filed by a rating organization must be in accordance with AS 21.39.070. In the case of workmen's compensation, all

Progress Report  
Page Three

insurers writing comp in this state are members of the National Council on Compensation Insurance (NCCI). The NCCI is a licensed rating bureau, and has been since the issuance of Order 76-1 by the Director of Insurance.

At the Fairbanks meeting, the Commission also heard testimony that insurers writing worker's comp are not actively filing deviations. That deviations are an important component of competition is stated in a September 5, 1980 letter from Thomas W. Jenkins of the Illinois Department of Insurance. Mr. Jenkins states:

"Mr. William Bailey, Chairman of the Advisory Committee, has suggested we must look beyond the mere fact that rates are being made in concert and determine what actual effect that has had on competition. It is his opinion that, if rates are not being used, evidenced by substantial deviations, then ratemaking does not have an anticompetitive effect." (See Letter from Thomas W. Jenkins, Special Counsel, Illinois Department of Insurance, To: All State Insurance Commissioners, September 5, 1980.

The plain fact is that in Alaska, the NCCI rates are being used, and there are very few deviations.

The Commission also heard testimony stating that the NCCI actively opposes the filing of deviations by their member



companies. In a June 16, 1976 letter to the Division of Insurance regarding a downward deviation filed by Industrial Indemnity, they state:

"The National Council, as you know, takes position that the only permissible deviations under the Alaska Insurance Law, are uniform deviations. See, March 25, 1976 letter to your attention relative to independent filing for Loggers Association by Alaska Pacific Insurance Company.

The Industrial Indemnity Company of Alaska is a member of the National Council, and as such must adhere to National Council's filings under the Alaska Insurance Law, Section 21.39.070, which reads in part, 'Each member of or subscriber to a rating organization shall adhere to the filings made on behalf by the rating organization . . .'" (See, Letter from Donald T. De Carlo, National Council on Compensation Insurance, to Richard L. Block, Director of Insurance, June 16, 1976.)

The Council's position was subsequently explained to the Commission. The NCCI was not objecting to the fact that the



filing deviation reduced the rate, but rather that the filing did not conform to their interpretation of the Alaska Insurance Code. The Division of Insurance approved the filing after some modifications, but the incident points to one clear fact: The system of regulation is rigid and not conducive to flexible pricing or to competition.

At the conclusion of the Fairbanks meeting, Commission member Mr. Tom O'Keefe requested that the NCCI be invited to testify. And, in Anchorage on October 16, 1980 they did. However, prior to that meeting, the Sub-Committee met with two insurance industry officials, Mr. Tom Conneely, Vice President for Western Operations for the Alliance of American Insurers, and Mr. Bill Molman, Special Counsel for the American Insurance Association. The Alliance of American Insurers or the "Alliance" and the American Insurance Association (AIA) are the two major insurance trade associations for the industry and operate on the industry's behalf, countrywide.

At the October 16 meeting in Anchorage, a number of issues related to insurance and worker's comp were discussed with Mr. Conneely and Mr. Molman. Among the issues discussed was the question of open competitive rating. It was brought out at the meeting that open competition is a national issue, the effort being spearheaded by the National Association of Insurance Commissioners (NAIC). The NAIC report entitled Report of the National Advisory Committee on Competitive Rating to The National

Association of Insurance Commissioners, prepared by the Advisory Committee on Competitive Rating, May 1980, was distributed to the Sub-Committee and discussed.

That report recommended that state regulators adopt open competitive rating. However, that recommendation included three caveats in the area of worker's compensation. The report states:

1. "Worker's compensation be included in the competitive rating law and not be separately regulated in a law that requires mandatory rating organization membership and/or permits members or subscribers to depart from bureau rates only by deviation;
  2. Worker's compensation insurance rates be subject to a prior filing procedure before they become effective, but not subject to specific prior approval; and
  3. Statistical data for worker's compensation insurance be collected on a uniform basis."
- (See, Report of the National Advisory Committee on Competitive Rating, May 1980, pp. 45-46.)

At the meeting Mr. Conneely indicated that his organization was firm in their opposition to any form of competitive rating. Mr. Molman's association took no position on the issue.



Members to the AIA are split, and the association has not yet determined their position.

The following day, October 8, the Committee met again. At this meeting they decided to look into four major areas. These were: (1) establishment of a state fund, (2) requiring that investment income be included in the ratemaking formula, (3) opening the system up to competitive pricing, and (4) examining the feasibility of health insurers writing worker's compensation. Other issues the Committee examined were group insurance and self-insurance.

On October 16, 1980, the full Commission met and heard testimony from the National Council, as requested by Mr. O'Keefe in Fairbanks. Their prepared presentation outlined the basics of insurance ratemaking. The talk was technical and at time confusing. However, one point was brought out: Small employers, those who do not generate a large premium, are discriminatorily placed in the assigned risk pool, and are automatically charged an 8% penalty.

That afternoon the Commission heard from Oregon's Insurance Commissioner, W. W. Fritz. Commissioner Fritz's testimony centered on a piece of legislation he had requested Governor Victor Atiyeh's Task Force on Worker's Compensation to introduce. That bill, entitled "A Bill For An Act Relating to File and Use Insurance Rates, LC 786-H, 09/08/80", opened Worker's compensation to competitive pricing forces. It prohibited any rating organization from filing, on the behalf of



its members, a rate that included the company's overhead costs or profit allowance. Under the bill, Bureau filings could cover only the "pure premium" or the amounts the company needs to pay claim losses. This means that companies would have to add on their own expense allowance, or in other words, compete.

Commissioner Fritz prefaced his remarks before the Commission by stating that the insurance industry operated as a "cartel". He concluded by stating that competition, as allowed in his proposal, would have a "salutory" effect on insurance rates.

It was at the next meeting, October 27, 1980, that the Sub-Committee made a motion to draft the four pieces of legislation. The Sub-Committee also discussed the insolvency of the Second Injury Fund. The Second Injury Fund reimburses employers for disability payments beyond 104 weeks if an employee has a pre-existing impairment.

The fund also provides money for vocational rehabilitation. However, no motion was made on the Second Injury Fund. The position of the Sub-Committee was that the Second Injury Fund be discussed as part of the whole question on vocational rehabilitation.

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MEMORANDUM

TO: Senator Terry Stinson  
Representative Brian Rogers

FROM: Bob Williams

RE: Review of "Draft Legislation"

DATE: November 12, 1980

Pursuant to the request made by the Insurance Subcommittee for Worker's Compensation, I have requested legislation be drafted. This memorandum will outline, briefly, those pieces of draft legislation.

The draft legislation covers four specific points. These are: (1) the licensing of self-insurers, (2) eliminating restrictions on employers obtaining group insurance policies, (3) allowing deductible policies for worker's comp, and (4) establishing competitive pricing for worker's compensation.

Self-Insurance

The first work draft, entitled Amendment #1, shifts the responsibility of licensing self-insurers from the Division of Worker's Compensation to the Division of Insurance. That function involves financial and insurance expertise, not available at the Division of Worker's Compensation.

The draft by Mr. Sofo is the same as a work draft prepared by the Division of Worker's Compensation. Requirements



for self-insurers are in A.S. 23.30, the worker's comp law. Those requirements have not changed. The work draft merely changes each reference to the (Board) to the Insurance Commissioner. We have, however, made one addition based on a Minnesota statute. We have added a new section, A.S. 23.30.087, which allows group self-insurance as approved by the Insurance Commissioner.

The specific provisions in the work draft on self-insurance are as follows:

Section 1 repeals A.S. 23.30.005 (f), a requirement that the Board notify the contracting agency of the state, when it revokes a self-insurance certificate.

Section 2 disallows the awarding of state contracts to any person who cannot show proof of self-insurance.

Section 3 grants the authority to any state agency to terminate a contract with any person if they receive notice that the person's worker's comp policy has been cancelled, and grants the agency the right to terminate the policy if the Insurance Commissioner revokes a certificate of self-insurance.

Section 4 requires an employer to maintain insurance for worker's comp or furnish to the Insurance Commissioner proof that he is financially able to self-insure. The Insurance Commissioner may require a bond as security.

Section 5 exempts self-insurers, certificated by the Insurance Commissioner, from filing evidence of compliance with the Board.

Section 6 authorizes group self-insurance under regulations adopted by the Insurance Commissioner. This provision was added by the Sub-Committee, and taken from a Minnesota statute.

Section 7 shifts the responsibility for issuing self-insurance certificates to the Insurance Commissioner. It also reinstates A.S. 23.30.005 (f) repealed in Section 1. The Insurance Commissioner is now directed to notify any state contracting agency regarding verification of any self-insurance certificate.

Section 8 defines "self-insurer" as an employer who has furnished the Insurance Commissioner satisfactory proof of his ability to make payments.

#### Group Insurance

Amendment #2 amends A.S. 21.36.190 (d), the Fictitious Group Law. This statute prohibits the issuance of group insurance plans to fictitious groups, or groups formed solely for the purpose of obtaining a preferred rate. Sub-section (c) of this section exempts workmen's compensation insurance if the group meets a list of conditions. The proposed amendments remove those conditions, as long as the group is in the same employer rating classification, and receives approval from the Insurance Director.



This amendment allows small employers to unite and obtain a group insurance policy. This has two advantages for the small employer. First, assuming the group can generate enough premium, it would allow them to be taken out of the assigned risk pool. This represents an 8% savings in premiums. Second, if the policy becomes large enough, the group would become eligible for premium discounts. These range from 9.4% for policies over \$1,000 up to 16.3% for policies above \$100,000. (See, Restatement of Worker's Compensation Expense Program, National Council on Compensation Insurance, May 1, 1978).

Section 1 removes the requirement that an association of employers have constitution and bylaws, incorporate a safety program, have preferred characteristics over similar risks written on an individual basis, and be formed for a purpose other than obtaining a group policy.

### Deductibles

This section allows carriers to issue deductible policies for worker's compensation. Deductibles are a limited form of self-insurance. Currently, members or subscribers to the NCCI cannot offer deductible policies, because deductibles are not part of the NCCI's filings.

Since worker's compensation is a socially mandated form of insurance, deductibles have to be structured in a special fashion. This is to assure each employee is covered. First, the carrier is responsible for payment on any deductible policy. Second, the carrier has the right to recover the deductible amount from the employer. Third, since



the insurer is responsible for payment, the issuance of that type of policy is at his discretion.

Deductibles offer two advantages: They allow a limited form of self-insurance, thereby reducing premiums, and they provide a strong incentive for an employer to implement a safety program to curtail losses.

Section 1 allows deductible policies under A.S. 23.30.025 an exemption from the requirement that a policy cover the entire compensation for liability.

Section 2 allows the carrier to write deductible policies as approved by the Director of Insurance.

#### Open Competitive Rating

This section re-regulates insurers writing worker's compensation, and is a significant change. It prohibits filings by any rating organization from including allowances for expenses, taxes, or underwriting profit. In insurance jargon, this means the NCCI would file only the "pure premium". The effect is that insurers would have to actively compete for the expenses and profit portions of the premium. The provisions have been lifted for Commissioner W.W. Fritz's proposal in Oregon.

We have also included a requirement that they report investment income. This too, was taken from the Oregon proposal on competitive rating.

Further, we have drafted a bill, at the request of a Commission member, that exempts the Guaranty Association from

insolvencies arising from open competition for worker's compensation.

Section 1 exempts filings for worker's compensation made by a rating organization from "Prior Approval".

Section 2 prohibits rating organization filings from including provisions for expenses, taxes, or profits.

Section 3 requires that investment income be reported to the Division of Insurance.

Section 4 exempts the Guaranty Association from insolvencies arising out of A.S. 21.39.045.

## MEMORANDUM

TO: Bill Berrier  
FROM: Senator Terry Stimson  
Rep. Brian Rogers  
VIA: Bob Williams  
DATE: November 2, 1980

Rep. Brian Rogers and Senator Terry Stimson would like you to begin drafting some legislation for the Workmen's Compensation Study Commission.

First, they would like a draft which amends AS 21.36.190(d). As you can see, AS 21.36.190(d) places a number of conditions upon an association of employers which apply for a group insurance plan. We would like to remove all of those restrictions, except the filing procedure under paragraph (4), assuming that the employer group can be rated in one rating classification. So sub-paragraph (d) would read something like;

(d) This section does not apply to workmen's compensation insurance when issued to an association of employers in the same rating classification and which as a group has filed and received approval from the director for the rating program to be applied to the group.

Second, we would like to transfer the responsibility of licensing self-insurers from the Worker's Comp Board, where it now rests, to the Director of Insurance. The provisions for self-insurance are spelled out in AS 23.30.075, AS 23.30.085, and AS 23.30.090 of the Workmen's Comp Act.

As a first crack on self-insurance I would like to go with two approaches, or in other words, two drafts. The first would be to leave the requirements and provisions for self-insurance under AS 23.30 intact, and merely transfer the function to the Director of Insurance. The second approach would be to take (Sec. 50. Minnesota Statutes, 1978, Section 176.181, Subdivision 2) which is attached to this memorandum, and use that as a model. The Minnesota law allows employer groups to self-insure, and we feel that this



Memorandum  
Page two

is a good idea. Also, we would like to see built into this draft the opportunity for an individual or a group to self-insure all or part of his liability for payment of comp benefits. Please have the draftsmen contact me if there are any questions.

of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of insurance may by written order to the state treasurer require him to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money so obtained shall be deposited in the state treasury to the credit of the commissioner of insurance and awards made against any such self-insurer by the commissioner of insurance shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of insurance and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of insurance, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(2)(a) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed to do so by the commissioner of insurance. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of insurance is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of insurance may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of insurance.

(c) To carry out the purposes of this subdivision, the commissioner of insurance may promulgate administrative rules, including emergency rules, pursuant to sections 15.0411 to 15.052. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(v) establish standards or guidelines governing the formation, operation, administration and dissolution of self-insurance plans; and

(vi) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 51. Minnesota Statutes 1978, Section 176.181, is amended by adding a subdivision to read:

Subd. 5. A political subdivision or association of political subdivisions which is self insured, may be indemnified by the special compensation fund

## Ch. 3

## 71st LEGISLATURE

ing, may demand that the physician be produced for purposes of cross-examination. The signed certificate of a neutral physician is competent evidence of the facts stated therein. The expense of the examination shall be paid as ordered by the commissioner of labor and industry, compensation judge, or the workers' compensation court of appeals.

The commissioner of labor and industry shall develop and maintain a list of neutral physicians available for designation pursuant to this subdivision or section 176.391, subdivision 2.

Sec. 49. Minnesota Statutes 1978, Section 176.179, is amended to read:  
176.179 Payments of compensation received in good faith

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division or court of appeals relative to a claim by an injured employee or his survivors, and received in good faith by the employee or his survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a credit against future benefit entitlement; provided, however, that the credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits or death benefits shall not exceed 20 percent of the amount that would otherwise be payable.

Sec. 50. Minnesota Statutes 1978, Section 176.181, Subdivision 2, is amended to read:

Subd. 2. Compulsory insurance; self-insurers. (1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of insurance exempting the employer from insuring his liability for compensation and permitting him to self-insure the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 15. The commissioner shall also adopt, pursuant to clause (2)(c) of this subdivision, rules permitting two or more employers in the same industry to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of insurance, any employer may exclude medical, surgical and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of his operations which may be determined by the commissioner of insurance to be a distinct and separate risk. An employer desiring to be exempted from insuring his liability for compensation shall make application to the commissioner of insurance, showing his financial ability to pay the compensation, whereupon by written order the commissioner of insurance may make an exemption as he deems proper. The commissioner of insurance may require further statements of financial ability of the employer to pay compensation. Upon ten days written notice the commissioner of insurance may revoke his order granting an exemption, in which event the employer shall immediately insure his liability. As a condition for the granting of an exemption the commissioner of insurance may require the employer to furnish such security the commissioner considers sufficient to insure payment of all claims under this chapter. If the required security is in the form of currency or negotiable bonds, the commissioner of insurance shall deposit it with the state treasurer. In the event

of any  
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STATE OF ALASKA  
THE LEGISLATURE  
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

M E M O R A D U M

November 12, 1980

SUBJECT: Worker's Compensation  
(Work Order No. 12-0110)

TO: Worker's Compensation Study Commission

FROM: Thomas A. Sofo *TAS*  
Legislative Counsel

After conferring with Licia I have decided to send along this short memo with the specific statutory amendments which I have been requested to draft as of this date. Based upon the commission's recommendations, any or none of these amendments can eventually be placed in a longer bill which will cover the area of worker's compensation.

Amendment Number 1 - The amendments contained in the group marked number one are merely directed toward involving the Director of Insurance in the self insurance process available to employers. The term used in the draft is Commissioner of Insurance based on definitions which appear later in AS 23.30. I have also drafted a new section AS 23.30.087 which takes up the only distinctive element of the Minnesota statute which Bob Williams has asked me to review. As you can see AS 23.30.087 deals with the concept of group self insurance.

Amendment Number 2 - This short amendment removes many of the constraints which formerly existed concerning the formation of fictitious groups for insurance purposes.

Amendment Number 3 - The language at this point is directed toward affirmatively authorizing the issuance of worker's compensation insurance policies which contain provisions for deductibles. The reference to AS 21.39.070 has been included in order to make it clear that a carrier who wishes to offer a deductible does not have to make written application for a deviation from the rates which may have been filed by the licensed rating organization. Although I have retained the requirement that the Commissioner of Insurance review such

policies with deductibles in order that they comply with this new statute, I have not required the Commissioner to make a separate finding that the employer is capable of paying such a deductible. It would seem that the self-interest of the insurers would operate as a check on the marketing of such policies to employers who could not in fact afford to pay the deductible. Since the initial payment of the deductible to the employee is to be by the insurer on behalf of the employer, the employee is not in jeopardy of an employer who purchases a policy with a deductible which it is unable to pay. Carriers are not likely to put themselves in the position of advancing the amount of the deductible on behalf of employers who they feel cannot afford to pay the deductible.

TAS:msp

Enclosure

TO: Licia Piceno

FROM: Diane Simonson 

DATE: November 17, 1980

RE: Completion of Contract

---

I'm enclosing my final time sheet on my contract with the Commission. Hours worked between Oct. 30th and November 8th were spent going back thru the 250 cases used in the claims study to determine which were controverted. Hours worked between Nov. 12th and 14th were dedicated to reviewing the Unit Statistical Plan (at the request of Bob Williams), and putting together additional information on the claims study and work force in 1978. Nov. 15th, I attended the teleconference.

Please feel free to contact me at 364-3542 if the Commission desires further work to be done.

I am sending to your office the raw data sheets used in collecting data for the claims study, the Unit Statistical Plan, and the information requested by Commission member Mr. Croft.



### 1978 LABOR FORCE

The average size of the civilian labor force in Alaska in 1978 was 161,000. This includes wage or salaried persons, self-employed and agricultural. This figure was obtained from Department of Labor, Research and Analysis. However, this figure does NOT represent an absolute total of the number of persons who worked in the state in 78. The Department of Labor does not have a figure for all persons who might have been employed for seasonal work. This figure is obtained by surveying on certain days of the year. It is as close as they have to the total work force.

A breakdown is given below by month. It ranges from a high of 169,662 persons employed in August to a low of 147,909 in January.

| <u>Month</u> | <u>Work Force</u> | <u># injuries</u> |
|--------------|-------------------|-------------------|
| January      | 147,909           | 1,581             |
| February     | 150,627           | 1,370             |
| March        | 154,092           | 1,653             |
| April        | 158,944           | 1,623             |
| May          | 163,990           | 1,770             |
| June         | 169,218           | 1,909             |
| July         | 168,756           | 2,144             |
| August       | 169,662           | 2,317             |
| September    | 167,755           | 1,921             |
| October      | 164,193           | 1,866             |
| November     | 159,622           | 1,430             |
| December     | 157,232           | 1,222             |

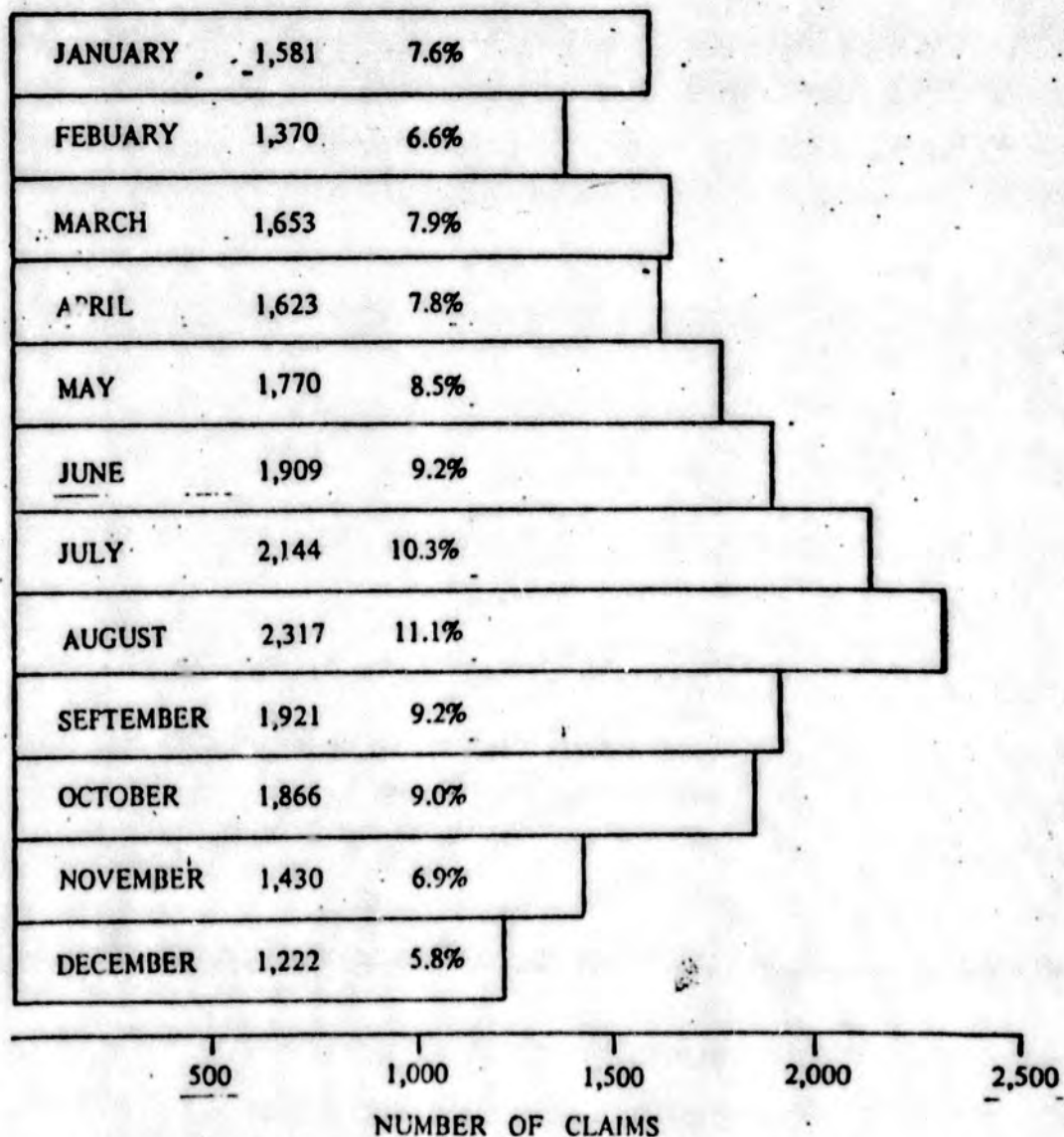
The total number of injuries reported in 1978 was 21,575 (this figure was supplied by the Division of Worker's Compensation). Calculation of the total number injured divided into the average size of the work force shows about 13% of the work force was injured, or about 1 out of every 7.5 workers. However, it must be remembered the work force may have been higher at certain dates.

Research and Analysis has provided the following chart of injuries by month. The total number of injuries is lower than the number

supplied by the Division of Worker's Comp., as the research division has a cut off date for including reported injuries.

In regard to the claims study of 250 cases from 1978, I have not included the number of injuries by month as the cases were selected from monthly listings, and therefore there are approximately the same number for each month.

WORK INJURIES AND ILLNESSES  
BY MONTH OF OCCURRENCE  
ALASKA 1978



NOTE: Total claims = 20,806

NOTE: Data includes all reported cases which occurred during 1978

Additional information derived from the Claims Study

AVERAGE WEEKLY COMPENSATION RATE                      \$300  
(this average was obtained from  
those cases where claimants average  
weekly wage was known, 176 cases)

AVERAGE TIME COMPENSATED FOR                              48 days  
(this figure was available on  
234 of the cases)

AVERAGE TOTAL PAYMENT(comp & medical)              \$4156  
(available of 235 cases)



**PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT**

November 14, 1980

UNIT STATISTICAL PLAN (USP)

The National Council on Compensation Insurance requires carriers to submit experience on each policy thru the USP. Carriers are required to submit a report for each policy 18 months after the effective date, or no later than 20 months after the effective date. These are detailed reports which are used by the Council primarily for 1) ratemaking, and 2) to determine experience modification, severity and frequency.

The purpose of reviewing the information included in the USP was to determine if a copy of these reports should be sent to the Division of Worker's Compensation so that all or part of this information could be used in their information handling system, which is now in the planning stage and is to be implemented in Jan. of 1982.

Don Kock, Division of Insurance supplied the copy of the instructions and illustrations of the USP. He explained the reporting procedures and purpose of the plan. Jackie McClintock and Diane Prissandra (Admin Officer, Division of Worker's Comp) were consulted on this matter. After careful scrutiny of the information included in the USP, it was determined that it would not be feasible to include this information in the Info Handling system for the following reasons:

- 1) By the time the report is submitted, the information on the activity of each policy is at least 18 months old, and claims reported via this report would already be in the system.
- 2) The National Council of Compensation Insurance allows this info to be reported on magnetic tape. This would present a problem in that the Division's System would have to be compatible to the NCCI's system, and would add programming costs.
- 3) The main purpose of these reports is to determine ratemaking and experience modification. These are areas of concern to the Division of Insurance more than to the Division of Worker's Comp.
- 4) The submitting of these reports to the DWC would add a tremendous flow of paper work. An alternative is to update the Final reports submitted by the carrier so that the carrier is reporting to the Division only once, with adequate and up to date information.

# **National Council Workmen's Compensation Unit Statistical Plan Manual**

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**Instructions for the preparation and filing of experience on policies becoming effective on or after June 1, 1977 for first reports; June 1, 1976, second reports; June 1, 1975, third reports; June 1, 1974, fourth reports; and June 1, 1973, fifth reports. These instructions supersede all previous instructions issued by the National Council.**

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**National Council on Compensation Insurance  
One Penn Plaza  
New York, N.Y. 10001**



TABLE OF CONTENTS

|                                                               | Page |
|---------------------------------------------------------------|------|
| Introduction .....                                            | 1    |
| Section                                                       |      |
| I. General Instructions .....                                 | 2    |
| 1. Scope of Report .....                                      | 2    |
| 2. Form of Report .....                                       | 2    |
| 3. Experience Rated or Retrospective Rated Risks .....        | 2    |
| 4. Date of Valuation and Filing .....                         | 2    |
| 5. Fractions of Dollars .....                                 | 3    |
| 6. Reinsurance .....                                          | 3    |
| 7. Uncollectible Premiums .....                               | 3    |
| 8. Method of Transmittal .....                                | 3    |
| 9. Dates .....                                                | 3    |
| II. Identification Data .....                                 | 3    |
| 1. Report .....                                               | 3    |
| 2. Policy Number .....                                        | 3    |
| 3. State .....                                                | 3    |
| 4. Carrier .....                                              | 4    |
| 5. Carrier No. ....                                           | 4    |
| 6. Card Serial No. ....                                       | 4    |
| 7. Administration File No. ....                               | 4    |
| 8. Effective Date, Term, Expiration Date .....                | 4    |
| 9. Insured .....                                              | 4    |
| 10. Conditions (Cond.) .....                                  | 4    |
| III. Exposure and Premium .....                               | 4    |
| 1. Exposure Coverage (Exp. Cov.) .....                        | 4    |
| 2. Class Code .....                                           | 5    |
| 2a. Governing Classification .....                            | 5    |
| 3. Exposure—Payroll .....                                     | 5    |
| 4. Exposure—Other Than Payroll .....                          | 5    |
| 5. Manual Rate .....                                          | 5    |
| 6. Premium .....                                              | 5    |
| III-A. Miscellaneous Premium .....                            | 6    |
| A. Premium Subject to Experience Rating .....                 | 6    |
| B. Premium Not Subject to Experience Rating .....             | 7    |
| IV. Losses .....                                              | 7    |
| 1. Claim Number .....                                         | 7    |
| 2. Accident Date or Number of Claims .....                    | 7    |
| 3. Class Code .....                                           | 7    |
| 4. Injury (Inj.) .....                                        | 7    |
| 5. Death .....                                                | 7    |
| 6. Permanent Total .....                                      | 7    |
| 7. Permanent Partial .....                                    | 8    |
| 8. Temporary Total or Temporary Partial Disability .....      | 8    |
| 9. Penalties for Delays in Making Compensation Payments ..... | 8    |
| 10. Medical on Compensable Claims .....                       | 8    |

| Section                                         | Page      |
|-------------------------------------------------|-----------|
| 11. Medical Only Claims .....                   | 8         |
| 12. Contract Medical .....                      | 8         |
| 13. Plant Hospital Contributions .....          | 8         |
| 14. Clinical Medical .....                      | 8         |
| 15. Medical or Legal Expense .....              | 8         |
| 16. Incurred Losses .....                       | 9         |
| 17. Open or Closed .....                        | 11        |
| 18. Loss Coverage (Loss Cov.) .....             | 11        |
| 19. Subrogation Claims .....                    | 11        |
| 20. Lump Sum Claims .....                       | 11        |
| 21. Aircraft Operation Losses .....             | 11        |
| 22. Losses While on Strike Duty .....           | 11        |
| 23. Catastrophe Number (Cat. No.) .....         | 11        |
| 24. Totals .....                                | 11        |
| <b>V. Individual Reports .....</b>              | <b>12</b> |
| A. Claims on Which Required .....               | 12        |
| B. General Instructions .....                   | 12        |
| 1. Forms .....                                  | 12        |
| 2. Class Code .....                             | 12        |
| 3. Effective Date .....                         | 12        |
| 4. Report .....                                 | 12        |
| 5. Date of Valuation .....                      | 12        |
| 6. Injury (Inj.) .....                          | 12        |
| 7. State—State No. ....                         | 12        |
| 8. Adm. File No. ....                           | 12        |
| 9. Policy Number .....                          | 12        |
| 10. Carrier—Carrier No. ....                    | 12        |
| 11. Card Serial No. ....                        | 12        |
| 12. Claim Number .....                          | 12        |
| 13. Age at Accident Date .....                  | 12        |
| 14. Insured .....                               | 12        |
| 15. Injury at First Report .....                | 12        |
| 16. Average Weekly Wage .....                   | 12        |
| 17. Loss Coverage .....                         | 12        |
| 18. Accident Date .....                         | 12        |
| 19. Worker's Name .....                         | 12        |
| 20. Occupation .....                            | 12        |
| 21. Cause of Accident .....                     | 12        |
| 22. Injury Description Code .....               | 12        |
| 23. Date Claim Filed .....                      | 12        |
| 24. Sex .....                                   | 12        |
| 25. Marital Status .....                        | 12        |
| 26. Employment Status .....                     | 12        |
| 27. Date Employment Ended .....                 | 13        |
| 28. Specific Occupational Disease .....         | 13        |
| 29. Reason for Termination of Benefits .....    | 13        |
| 30. Remarks .....                               | 13        |
| C. Pension Claims—Form 23-77 .....              | 13        |
| 1. Date of Death .....                          | 13        |
| 2. Beneficiaries .....                          | 13        |
| 3. Calculations .....                           | 13        |
| 4. Total Indemnity Incurred—Total Medical ..... | 13        |
| D. Claims Other Than Pension—Form 24-77 .....   | 13        |



| Section                                                                                                | Page  |
|--------------------------------------------------------------------------------------------------------|-------|
| <b>VI. Revisions and Revaluations</b> .....                                                            | 14a ★ |
| <b>A. Conditions Requiring A Subsequent Report</b> .....                                               | 14a ★ |
| 1. "C" Reports .....                                                                                   | 14a ★ |
| 2. Second, Third, Fourth and Fifth Reports .....                                                       | 14a ★ |
| <b>B. Method of Reporting</b> .....                                                                    | 14a ★ |
| 1. Exposure and Premium .....                                                                          | 14a ★ |
| 2. Classification Code, Type of Injury, Or Other Non-Monetary Items .....                              | 15    |
| 3. Revaluation of Losses .....                                                                         | 15    |
| 4. Card Serial Numbers .....                                                                           | 15    |
| <b>VII. Three Year Fixed Rate Policies</b> .....                                                       | 15    |
| <b>Option A. Schedule Z Basis</b> .....                                                                | 15    |
| 1. Form of Report .....                                                                                | 15    |
| 2. Date of Valuation and Filing .....                                                                  | 16    |
| 3. Data to be Reported .....                                                                           | 16    |
| 4. Second, Third, Fourth and Fifth Reports .....                                                       | 16    |
| 5. Individual Claim Reports .....                                                                      | 16    |
| <b>Option B. Unit Reporting Basis</b> .....                                                            | 16    |
| 1. Form of Report .....                                                                                | 16    |
| 2. Date of Valuation and Filing .....                                                                  | 17    |
| 3. Data to be Reported .....                                                                           | 17    |
| 4. Second, Third, Fourth and Fifth Reports .....                                                       | 17    |
| 5. Individual Claim Reports .....                                                                      | 17    |
| <b>Option C. Magnetic Tape Reporting</b> .....                                                         | 17    |
| <b>VIII. Special Rules</b> .....                                                                       | 17    |
| 1. Reporting of Experience on Multiple Year Policies .....                                             | 17    |
| A. Three Year Fixed Rate Policies Written in Accordance with<br>Section XVII of the Basic Manual ..... | 17    |
| B. Other Multiple Year Policies .....                                                                  | 17    |
| 2. Reporting Disease Experience .....                                                                  | 17    |
| A. General .....                                                                                       | 17    |
| B. Exposure, Manual Rate and Premium .....                                                             | 17    |
| C. Incurred Losses .....                                                                               | 17    |
| D. Reporting of Incidental Foundry Abrasive or Sand Blasting Experience .....                          | 17    |
| 3. Experience Under the National Defense Projects Rating Plan .....                                    | 18    |
| 4. Radiation Exposure—Atomic Energy Commission Projects .....                                          | 18    |
| 5. Coal Mine Risks—Code 1016 .....                                                                     | 18    |
| 6. Unemployment or Emergency Relief Employees .....                                                    | 18    |
| 7. Excess Insurance .....                                                                              | 19    |
| <b>IX. Magnetic Tape Reporting</b> .....                                                               | 19    |
| A. General .....                                                                                       | 19    |
| B. Tape Specifications .....                                                                           | 20    |
| C. Record Specifications .....                                                                         | 20    |
| 1. Link Data .....                                                                                     | 20    |
| 2. Header Record .....                                                                                 | 20    |
| 3. Name Record .....                                                                                   | 21    |
| 4. Address Record .....                                                                                | 21    |



| Section                                                                              | Page   |
|--------------------------------------------------------------------------------------|--------|
| 5. Exposure Record .....                                                             | 21     |
| 6. Loss Record .....                                                                 | 22     |
| 7. Unit Total Record .....                                                           | 22     |
| 8. Submission Control Record .....                                                   | 23     |
| <br><b>United States Longshoremen's and Harbor Workers' Act</b>                      |        |
| Section IV, Item 16—"Incurred Losses" .....                                          | U.S. 1 |
| U. S. L. & H. W. Act Supplement To Table I—Widow's Pension Table .....               | U.S. 1 |
| U. S. L. & H. W. Act Supplement To Table II—Pension Table (Other Than Widow's) ..... | U.S. 2 |
| <br><b>CONNECTICUT</b>                                                               |        |
| Section IV, Item 16—"Incurred Losses" .....                                          | 1      |
| Section VIII, Item 2, Paragraph C—"Incurred Losses" .....                            | 1      |
| Section V, Item A—"Claims on Which Required" .....                                   | 1      |
| Connecticut Supplement To Table I—Widow's Pension Table .....                        | 1      |
| Connecticut Supplement To Table II—Pension Table (Other Than Widow's) .....          | 2      |
| <br><b>HAWAII</b>                                                                    |        |
| Section IV, Item 1—"Claim Number" .....                                              | 1      |
| <br><b>IDAHO</b>                                                                     |        |
| Section IV, Item 16—"Incurred Losses" .....                                          | 1      |
| Idaho Supplement To Table II—Pension Table (Other Than Widow's) .....                | 1      |
| <br><b>INDIANA</b>                                                                   |        |
| Section III, Item 5—"Manual Rate" .....                                              | 1      |
| <br><b>MAINE</b>                                                                     |        |
| Section IV, Item 16—"Incurred Losses" .....                                          | 1      |
| Maine Supplement To Table I—Widow's Pension Table .....                              | 1      |
| Maine Supplement To Table II—Pension Table (Other Than Widow's) .....                | 2      |
| <br><b>MARYLAND</b>                                                                  |        |
| Section IV, Item 18—"Loss Coverage" .....                                            | 1      |
| <br><b>MICHIGAN</b>                                                                  |        |
| Section VII, Item 1B—"Other Multiple Year Policies" .....                            | 1      |
| Section III, Item 4—"Exposure-Other Than Payroll" .....                              | 1      |
| <br><b>MINNESOTA</b>                                                                 |        |
| Section I, Item 1—"Scope of Report" .....                                            | 1      |
| Section I, Item 2—"Form of Report" .....                                             | 1      |
| Section I, Item 3—"Experience Rated or Retrospective Rated Risks" .....              | 1      |
| Section I, Item 8—"Method of Transmittal" .....                                      | 1      |
| Section III, Item 4—"Exposures-Other Than Payroll" .....                             | 1      |
| Section IV—"Losses" .....                                                            | 2      |
| Section VII—"Three Year Fixed Rate Policies" .....                                   | 2      |
| Section VIII, Item 7—"Unemployment or Emergency Relief Employees" .....              | 3      |
| Section IX—"Magnetic Tape Reporting" .....                                           | 3      |
| Minnesota Supplement To Table I—Widow's Pension Table .....                          | 3      |
| Minnesota Supplement To Table II—Pension Table (Other Than Widow's) .....            | 4      |

| Section                                                                                                        | Page      |
|----------------------------------------------------------------------------------------------------------------|-----------|
| <b>MISSOURI</b>                                                                                                |           |
| Voluntary Compensation .....                                                                                   | 1         |
| Section IV, Item 15—"Medical or Legal Expense" .....                                                           | 1         |
| Section IV, Item 16—"Incurred Losses" .....                                                                    | 1         |
| Section V, Item A—"Claims on Which Required" .....                                                             | 1         |
| Section V, Item D—"Claims Other Than Pension Form 24-77" .....                                                 | 1         |
| Section VII—"Three Year Fixed Rate Policies—'Option A—Schedule Z Basis'" .....                                 | 2         |
| Section VIII, Item 2—"Special Rules for Reporting Disease Experience" .....                                    | 2         |
| Missouri Table I—Widow's Pension Table .....                                                                   | 3         |
| Missouri Table II—Pension Table (Other Than Widow's) .....                                                     | 3         |
| <b>NEW MEXICO</b>                                                                                              |           |
| Section II, Item 10—"Conditions (Cond.)" .....                                                                 | 1         |
| Section IV, Item 25—"Safety Device Penalty Awards" .....                                                       | 1         |
| <b>OREGON</b>                                                                                                  |           |
| Section IV, Item 16—"Incurred Losses" .....                                                                    | 1         |
| <b>VIRGINIA</b>                                                                                                |           |
| Section I, Item 2—"Form of Report" .....                                                                       | 1         |
| Section III, Item 1—"Exposure Coverage" .....                                                                  | 1         |
| Section IV, Item 18—"Loss Coverage" .....                                                                      | 1         |
| Section VIII—"Special Rules"—Rule 6—"Coal Mine Risks—Code 1016" .....                                          | 1         |
| <b>WISCONSIN</b>                                                                                               |           |
| Section III, Item 4—"Exposures Other Than Payroll" .....                                                       | 1         |
| Section VIII, Item 2, Paragraph D—"Reporting of Incidental Foundry Abrasive or Sand Blasting Experience" ..... | 1         |
| <hr/>                                                                                                          |           |
| Appendix—Illustrations .....                                                                                   | 1 thru 11 |
| Index .....                                                                                                    | A thru E  |

## **INTRODUCTION**

1. This Plan contains the necessary instructions for the reporting of experience on the direct business written by the carrier for workmen's compensation, voluntary compensation and employers' liability insurance in all jurisdictions in the United States where private carriers are permitted to write workmen's compensation insurance, except: California, Delaware, Massachusetts, New Jersey, New York, Pennsylvania and Texas. This Plan does not apply to states where there is a monopolistic state fund (Nevada, North Dakota, Ohio, Washington, West Virginia and Wyoming). Instructions for the reporting of experience for Texas may be obtained from the Texas State Board of Insurance and the reporting of experience for the other states from the Independent Bureaus.

2. The instructions set forth in this Plan are applicable to the reporting of all experience developed by policies issued to become effective on or after June 1, 1977 for first reports; June 1, 1976, second reports; June 1, 1975, third reports; June 1, 1974, fourth reports; and June 1, 1973, fifth reports. These instructions supersede all previous instructions issued by the National Council.

3. Whenever a change is made in these instructions, the appropriate page will be reprinted and the change will be identified by a star (★) in the outer margin of the reprinted page. The effective date of the reprint will be shown at the top of the page and the edition of the original page which has been reprinted will be shown at the bottom of the page.

4. The instructions contained in the body of this Plan are applicable to the reporting of experience for each jurisdiction to which this Plan applies, except for the special requirements for individual states as shown on the state exception sheets included in this Plan.

5. The standard reporting procedures contained in this Plan may be modified by a carrier to conform to its own recording methods provided that such alternative reporting procedures: (a) yield all of the information required under the standard procedures of this Plan and (b) have received prior approval by the National Council on Compensation Insurance as an acceptable alternative reporting procedure.



**PLEASE NOTE: THE PRECEDING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.**

ILLUSTRATION 2 — Sheet 1 — First Report requiring accompanying Individual Reports; Experience Rated Risk.

Note the treatment of the experience modification on Lines A, B, C and the grouping of the eight closed medical only claims. Groupings must be made by loss coverage as well as injury type and class code.

Note that since this carrier is entitled to a "stock" discount, Code 0063 has been entered as the premium discount code. "Non-stock" discounts are to be denoted by Code 0064.

| REPORT<br>1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | POLICY NUMBER<br>WC 54321    | STATE<br>Any                                             | STATE NO.<br>55 | CARRIER<br>X.Y.Z. Insurance Co. | CARRIER NO.<br>499 | CARD SERIAL NO.<br>712         | ADM FILE NO.<br>Blank |             |                 |          |             |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
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| EFFECTIVE DATE<br>06-01-77                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | TERMINATION DATE<br>05-31-78 | INSURED<br>P.A.Z. Industries Corp.<br>(Address Optional) |                 |                                 |                    |                                |                       |             |                 |          |             |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
| <table border="1"> <tr> <th>EXP. CODE</th> <th>CLASS CODE</th> <th>EXPOSURE</th> <th>MANUAL RATE</th> <th>PREMIUM</th> <th>CLAIM NUMBER</th> <th>ACCIDENT DATE OR NO. OF CLAIMS</th> <th>CLASS CODE</th> <th>I N J</th> <th>INCURRED LOSSES</th> <th>LOSS COV</th> <th>CAT NO</th> </tr> <tr> <td>II</td> <td>2003</td> <td>1,214,435</td> <td>7.11</td> <td>86,346</td> <td>46096</td> <td>07-26-77</td> <td>2003</td> <td>9</td> <td>3,465</td> <td>1,035</td> <td>1 18</td> </tr> <tr> <td>II</td> <td>2014</td> <td>10,400</td> <td>11.54</td> <td>1,200</td> <td>46114</td> <td>08-05-77</td> <td>2003</td> <td>5</td> <td>1,323</td> <td>137</td> <td>1 11</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>46122</td> <td>07-12-77</td> <td>2014</td> <td>2</td> <td>140,053</td> <td>13,000</td> <td>0 11</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>7</td> <td>2003</td> <td>6</td> <td>—</td> <td>200</td> <td>1 11</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1</td> <td>2003</td> <td>6</td> <td>—</td> <td>20</td> <td>1 12</td> </tr> <tr> <td colspan="4">A - TOTAL SUBJECT PREMIUM</td> <td>87,546</td> <td colspan="3"></td> <td colspan="3"></td> </tr> <tr> <td colspan="4">B - EXPERIENCE MODIFICATION</td> <td>1.62</td> <td colspan="3"></td> <td colspan="3"></td> </tr> <tr> <td colspan="4">C - TOTAL MODIFIED PREMIUM (A) X (B)</td> <td>141,825</td> <td colspan="3"></td> <td colspan="3"></td> </tr> <tr> <td colspan="4">D</td> <td></td> <td colspan="3"></td> <td colspan="3"></td> </tr> <tr> <td colspan="4">E</td> <td></td> <td colspan="3"></td> <td colspan="3"></td> </tr> <tr> <td colspan="4">F</td> <td></td> <td colspan="3"></td> <td colspan="3"></td> </tr> <tr> <td colspan="4">G</td> <td></td> <td colspan="3"></td> <td colspan="3"></td> </tr> <tr> <td colspan="4">TSTO</td> <td>1,224,835</td> <td>AAA</td> <td colspan="2">141,825</td> <td colspan="3"></td> </tr> <tr> <td colspan="4">OTHER</td> <td>AAA</td> <td colspan="2">AAA</td> <td colspan="3"></td> </tr> <tr> <td colspan="4">0063</td> <td>PREMIUM DISCOUNT</td> <td>AAA</td> <td colspan="2">(21,158)</td> <td colspan="3"></td> </tr> <tr> <td colspan="6">TOTALS</td> <td>11</td> <td>AAA</td> <td>144,841</td> <td>14,392</td> <td>AAA</td> <td></td> </tr> <tr> <td colspan="2">DO NOT USE</td> <td colspan="2">INDUSTRY GROUP</td> <td colspan="2">TYPE</td> <td colspan="2">NUMBER OF EMPLOYEES</td> <td colspan="2">ESTABLISHED</td> <td colspan="2">VERIFIER</td> </tr> </table> |                              |                                                          |                 |                                 |                    |                                |                       | EXP. CODE   | CLASS CODE      | EXPOSURE | MANUAL RATE | PREMIUM | CLAIM NUMBER | ACCIDENT DATE OR NO. OF CLAIMS | CLASS CODE | I N J | INCURRED LOSSES | LOSS COV | CAT NO | II | 2003 | 1,214,435 | 7.11 | 86,346 | 46096 | 07-26-77 | 2003 | 9 | 3,465 | 1,035 | 1 18 | II | 2014 | 10,400 | 11.54 | 1,200 | 46114 | 08-05-77 | 2003 | 5 | 1,323 | 137 | 1 11 |  |  |  |  |  | 46122 | 07-12-77 | 2014 | 2 | 140,053 | 13,000 | 0 11 |  |  |  |  |  |  | 7 | 2003 | 6 | — | 200 | 1 11 |  |  |  |  |  |  | 1 | 2003 | 6 | — | 20 | 1 12 | A - TOTAL SUBJECT PREMIUM |  |  |  | 87,546 |  |  |  |  |  |  | B - EXPERIENCE MODIFICATION |  |  |  | 1.62 |  |  |  |  |  |  | C - TOTAL MODIFIED PREMIUM (A) X (B) |  |  |  | 141,825 |  |  |  |  |  |  | D |  |  |  |  |  |  |  |  |  |  | E |  |  |  |  |  |  |  |  |  |  | F |  |  |  |  |  |  |  |  |  |  | G |  |  |  |  |  |  |  |  |  |  | TSTO |  |  |  | 1,224,835 | AAA | 141,825 |  |  |  |  | OTHER |  |  |  | AAA | AAA |  |  |  |  | 0063 |  |  |  | PREMIUM DISCOUNT | AAA | (21,158) |  |  |  |  | TOTALS |  |  |  |  |  | 11 | AAA | 144,841 | 14,392 | AAA |  | DO NOT USE |  | INDUSTRY GROUP |  | TYPE |  | NUMBER OF EMPLOYEES |  | ESTABLISHED |  | VERIFIER |  |
| EXP. CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | CLASS CODE                   | EXPOSURE                                                 | MANUAL RATE     | PREMIUM                         | CLAIM NUMBER       | ACCIDENT DATE OR NO. OF CLAIMS | CLASS CODE            | I N J       | INCURRED LOSSES | LOSS COV | CAT NO      |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
| II                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2003                         | 1,214,435                                                | 7.11            | 86,346                          | 46096              | 07-26-77                       | 2003                  | 9           | 3,465           | 1,035    | 1 18        |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
| II                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2014                         | 10,400                                                   | 11.54           | 1,200                           | 46114              | 08-05-77                       | 2003                  | 5           | 1,323           | 137      | 1 11        |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                              |                                                          |                 |                                 | 46122              | 07-12-77                       | 2014                  | 2           | 140,053         | 13,000   | 0 11        |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                              |                                                          |                 |                                 |                    | 7                              | 2003                  | 6           | —               | 200      | 1 11        |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                              |                                                          |                 |                                 |                    | 1                              | 2003                  | 6           | —               | 20       | 1 12        |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
| A - TOTAL SUBJECT PREMIUM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                              |                                                          |                 | 87,546                          |                    |                                |                       |             |                 |          |             |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
| B - EXPERIENCE MODIFICATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                              |                                                          |                 | 1.62                            |                    |                                |                       |             |                 |          |             |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
| C - TOTAL MODIFIED PREMIUM (A) X (B)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                              |                                                          |                 | 141,825                         |                    |                                |                       |             |                 |          |             |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
| D                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                              |                                                          |                 |                                 |                    |                                |                       |             |                 |          |             |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
| E                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                              |                                                          |                 |                                 |                    |                                |                       |             |                 |          |             |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
| F                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                              |                                                          |                 |                                 |                    |                                |                       |             |                 |          |             |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
| G                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                              |                                                          |                 |                                 |                    |                                |                       |             |                 |          |             |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
| TSTO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                              |                                                          |                 | 1,224,835                       | AAA                | 141,825                        |                       |             |                 |          |             |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
| OTHER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                              |                                                          |                 | AAA                             | AAA                |                                |                       |             |                 |          |             |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
| 0063                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                              |                                                          |                 | PREMIUM DISCOUNT                | AAA                | (21,158)                       |                       |             |                 |          |             |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
| TOTALS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                              |                                                          |                 |                                 |                    | 11                             | AAA                   | 144,841     | 14,392          | AAA      |             |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |
| DO NOT USE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                              | INDUSTRY GROUP                                           |                 | TYPE                            |                    | NUMBER OF EMPLOYEES            |                       | ESTABLISHED |                 | VERIFIER |             |         |              |                                |            |       |                 |          |        |    |      |           |      |        |       |          |      |   |       |       |      |    |      |        |       |       |       |          |      |   |       |     |      |  |  |  |  |  |       |          |      |   |         |        |      |  |  |  |  |  |  |   |      |   |   |     |      |  |  |  |  |  |  |   |      |   |   |    |      |                           |  |  |  |        |  |  |  |  |  |  |                             |  |  |  |      |  |  |  |  |  |  |                                      |  |  |  |         |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |   |  |  |  |  |  |  |  |  |  |  |      |  |  |  |           |     |         |  |  |  |  |       |  |  |  |     |     |  |  |  |  |      |  |  |  |                  |     |          |  |  |  |  |        |  |  |  |  |  |    |     |         |        |     |  |            |  |                |  |      |  |                     |  |             |  |          |  |

0 open  
1 closed

10 month  
period

ILLUSTRATION 2 — Sheet 2 — Individual Claim Report; Pension; Permanent Total Disability.

The present value of the specific indemnity must be determined through use of the Pension Table II of Section IV of this Manual. Supplementary Tables must also be used when applicable.

|                                          |                              |                             |                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                        |                             |
|------------------------------------------|------------------------------|-----------------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------------------|-----------------------------|
| CLASS CODE<br>2014                       | EFFECTIVE DATE<br>06-01-77   | REPORT<br>1                 | DATE OF VALUATION<br>12-01-78                                                                                                | INJ.<br>2                                                                                                                                                                                                                                                                                                                                                                                                                             | PENSION CLAIMS<br>Any      | STATE<br>55            | ADM FILE NO.<br>Leave Blank |
| POLICY NUMBER<br>WC 54321                |                              | CARRIER NAME<br>X.Y.Z. Ins. |                                                                                                                              | CARRIER NO.<br>499                                                                                                                                                                                                                                                                                                                                                                                                                    | CLAIM NO.<br>46122         | CARD SERIAL NO.<br>712 | AGE AT ACC. DATE<br>40      |
| INSURED<br>P.A.Z. Industries Corp.       |                              |                             |                                                                                                                              | INJ. AT 1ST REPORT<br>2                                                                                                                                                                                                                                                                                                                                                                                                               | AVG. WEEKLY WAGE<br>200.00 | LOSS COV<br>11         | ACCIDENT DATE<br>07-12-77   |
| WORKER'S NAME<br>J. Jones                |                              |                             |                                                                                                                              | OCCUPATION<br>Miller                                                                                                                                                                                                                                                                                                                                                                                                                  |                            | DATE OF DEATH<br>—     |                             |
| CAUSE OF ACCIDENT<br>Caught in Machinery |                              |                             |                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                        |                             |
| ★ INJURY DESCRIPTION CODE<br>3013        | DATE CLAIM FILED<br>07-14-77 | SEX<br>1                    | MARITAL STATUS<br>2                                                                                                          | EMPLOYMENT STATUS AT DATE CLAIM FILED<br>3                                                                                                                                                                                                                                                                                                                                                                                            |                            |                        |                             |
| BENEFICIARIES                            |                              |                             |                                                                                                                              | CALCULATIONS                                                                                                                                                                                                                                                                                                                                                                                                                          |                            |                        |                             |
| PRIMARY<br>1                             | DATE OF BIRTH<br>10-01-37    | AGE<br>41                   | Annual Benefit $52 \times 133.33 = 6,933$<br>Present Value from table II = 18,808<br>Present Value future payments = 130,396 |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                        |                             |
| OTHER                                    |                              |                             |                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                        |                             |
| REMARKS                                  |                              |                             |                                                                                                                              | 1. INDEMNITY PAID TO VALUATION DATE (EXCLUDING TEMPORARY TOTAL SHOWN IN LINE 3) 9,657<br>2. PRESENT VALUE OF FUTURE INDEMNITY PAYMENTS 130,396<br>3. TEMPORARY TOTAL INCURRED None<br>4. FUNERAL ALLOWANCE IF APPLICABLE —<br>5. TOTAL INDEMNITY INCURRED (1) + (2) + (3) + (4) 140,053<br>6. VOCATIONAL REHABILITATION COSTS INCURRED (EXCLUDED IN LINE 5) XX<br>7. MEDICAL AMOUNT PAID TO VALUATION DATE 6,000 TOTAL MEDICAL 13,000 |                            |                        |                             |

\*AT DATE OF VALUATION (TERMINATION IF APPLICABLE)

FORM 23-77

**ILLUSTRATION 2 — Sheet 3 — Individual Claim Report; Other than Pension; Permanent Partial Disability; Subrogation**

| CLASS CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | EFFECTIVE DATE REPORT                     | DATE OF VALUATION | INJ.                | CLAIMS OTHER THAN PENSION             | STATE            | STATE NO.   | ADM. FILE |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------|---------------------|---------------------------------------|------------------|-------------|-----------|---|---|---|---|---|-----------------|--------------------|-----------------|---------------------|-----------------------|------------------------|-----|-----|-----|-------|----------------------|-----|-----|--|--|---------------|-----|-----|----|-------|---------------------------------|-----|-----|----|--------|-------------------------------------|-----|-----|--|---|-------------|-----|-----|----|-------|------------------------------------------|--|--|--|-------|---------|--|--|--|-------|---------|--|--|--|--|----------------------|--|--|--|--|
| 2003                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 06-01-77                                  | 12-01-78          | 9                   | Any                                   | 55               | Leave Blank |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| POLICY NUMBER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | CARRIER NAME                              | CARRIER NO.       | CLAIM NO.           | CARD SERIAL NO.                       | AGE AT ACC. DATE |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| WC 54321                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | X.Y.Z. Ins.                               | 499               | 46096               | 712                                   | 50               |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| INSURED                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | WORKER'S NAME                             | 1ST REPORT        | AVG. WEEKLY WAGE    | LOSS COV.                             | ACCIDENT DATE    |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| P.A.Z. Industries Corp.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | J. Smith                                  | 9                 | 200                 | 18                                    | 07-26-77         |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| CAUSE OF ACCIDENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Continuous lifting of large bags of flour |                   |                     |                                       |                  |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| INJURY DESCRIPTION CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | DATE CLAIM FILED                          | PER               | MARITAL STATUS      | EMPLOYMENT STATUS AT DATE CLAIM FILED |                  |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| 8041                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 08-03-77                                  | 1                 | 1                   | 1                                     |                  |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| SPECIFIC OCCUPATIONAL DISEASE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                           |                   |                     |                                       |                  |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| <table border="1"> <thead> <tr> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> </tr> <tr> <th>KIND OF PAYMENT</th> <th>PERCENT DISABILITY</th> <th>MEMBER INVOLVED</th> <th>TOTAL WEEKS PAYABLE</th> <th>TOTAL INCURRED LOSSES</th> </tr> </thead> <tbody> <tr> <td>(A) SPECIFIC INDEMNITY</td> <td>40%</td> <td>Arm</td> <td>240</td> <td>8,500</td> </tr> <tr> <td>(B) TOTAL DISABILITY</td> <td>XXX</td> <td>XXX</td> <td></td> <td></td> </tr> <tr> <td>(C) ALL OTHER</td> <td>XXX</td> <td>XXX</td> <td>26</td> <td>1,500</td> </tr> <tr> <td>(D) TOTAL INDEMNITY (A)+(B)+(C)</td> <td>XXX</td> <td>XXX</td> <td>XX</td> <td>10,000</td> </tr> <tr> <td>(E) VOCATIONAL REHABILITATION COSTS</td> <td>XXX</td> <td>XXX</td> <td></td> <td>X</td> </tr> <tr> <td>(F) MEDICAL</td> <td>XXX</td> <td>XXX</td> <td>XX</td> <td>3,000</td> </tr> <tr> <td colspan="4">AMOUNT PAID TO VALUATION DATE: INDEMNITY</td> <td>3,465</td> </tr> <tr> <td colspan="4">MEDICAL</td> <td>1,035</td> </tr> <tr> <td colspan="5">REMARKS</td> </tr> <tr> <td colspan="5">Partially Subrogated</td> </tr> </tbody> </table> |                                           |                   |                     |                                       |                  |             |           | 1 | 2 | 3 | 4 | 5 | KIND OF PAYMENT | PERCENT DISABILITY | MEMBER INVOLVED | TOTAL WEEKS PAYABLE | TOTAL INCURRED LOSSES | (A) SPECIFIC INDEMNITY | 40% | Arm | 240 | 8,500 | (B) TOTAL DISABILITY | XXX | XXX |  |  | (C) ALL OTHER | XXX | XXX | 26 | 1,500 | (D) TOTAL INDEMNITY (A)+(B)+(C) | XXX | XXX | XX | 10,000 | (E) VOCATIONAL REHABILITATION COSTS | XXX | XXX |  | X | (F) MEDICAL | XXX | XXX | XX | 3,000 | AMOUNT PAID TO VALUATION DATE: INDEMNITY |  |  |  | 3,465 | MEDICAL |  |  |  | 1,035 | REMARKS |  |  |  |  | Partially Subrogated |  |  |  |  |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2                                         | 3                 | 4                   | 5                                     |                  |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| KIND OF PAYMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | PERCENT DISABILITY                        | MEMBER INVOLVED   | TOTAL WEEKS PAYABLE | TOTAL INCURRED LOSSES                 |                  |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| (A) SPECIFIC INDEMNITY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 40%                                       | Arm               | 240                 | 8,500                                 |                  |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| (B) TOTAL DISABILITY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | XXX                                       | XXX               |                     |                                       |                  |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| (C) ALL OTHER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | XXX                                       | XXX               | 26                  | 1,500                                 |                  |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| (D) TOTAL INDEMNITY (A)+(B)+(C)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | XXX                                       | XXX               | XX                  | 10,000                                |                  |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| (E) VOCATIONAL REHABILITATION COSTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | XXX                                       | XXX               |                     | X                                     |                  |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| (F) MEDICAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | XXX                                       | XXX               | XX                  | 3,000                                 |                  |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| AMOUNT PAID TO VALUATION DATE: INDEMNITY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                           |                   |                     | 3,465                                 |                  |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| MEDICAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                           |                   |                     | 1,035                                 |                  |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| REMARKS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                           |                   |                     |                                       |                  |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |
| Partially Subrogated                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                           |                   |                     |                                       |                  |             |           |   |   |   |   |   |                 |                    |                 |                     |                       |                        |     |     |     |       |                      |     |     |  |  |               |     |     |    |       |                                 |     |     |    |        |                                     |     |     |  |   |             |     |     |    |       |                                          |  |  |  |       |         |  |  |  |       |         |  |  |  |  |                      |  |  |  |  |

**INSTRUCTIONS**

Line (A) Enter as specific indemnity the permanent partial scheduled or non-scheduled award showing the percentage of disability, the member involved and the total weeks payable in Columns 2, 3 and 4 respectively.

Line (B) Enter here all total disability incurred, whether permanent or temporary, including any temporary total incurred in conjunction with permanent partial awards.

Line (C) Enter any other indemnity incurred as allowed under Section IV of the Unit Statistical Plan.

Line (E) Enter the vocational rehabilitation costs incurred which are included in line (D).

Column 5 The total incurred loss is the total of all paid and outstanding reserves.

FORM 24-77

**SUBROGATION REPORTING**

|                       | TOTAL  | INDEMNITY | PERCENT OF TOTAL | MEDICAL | PERCENT OF TOTAL |
|-----------------------|--------|-----------|------------------|---------|------------------|
| Gross Incurred Costs* | 11,000 | 10,000    | 77%              | 1,000   | 23%              |
| Subrogation Received  | 9,000  |           |                  |         |                  |
| Cash Recovery**       |        |           |                  |         |                  |
| Future Credit***      |        |           |                  |         |                  |
| Gross Recovery        | 9,000  |           |                  |         |                  |
| Claim Expense         | 500    |           |                  |         |                  |
| Net Recovery          | 8,500  |           |                  |         |                  |
| Net Cost****          | 4,500  | 1,465     | 77%              | 1,035   | 23%              |

- \* Value of the claim had there been no recovery.
- \*\* Cash Recovery should include the actual gross cash received.
- \*\*\* Future Credits are the credits against outstanding payments that would otherwise have had to be made if there were no subrogation recovery.
- \*\*\*\* This credit can not exceed the amount of the outstanding payments.
- The division of the Net cost between Indemnity and Medical is to be shown on the accompanying Unit Report.

Form 24-77



ILLUSTRATION 3 — Sheet 1 — First Report requiring two unit cards.

In this illustration it is assumed that more than one set of rates and more than one experience modification applies during the policy period.

Note that it is necessary to use more than one unit card to report the experience. The first line on the exposure side shows the dates of the initial period. The exposure and premium side of the card gives the information by classification and the experience modification for the initial period only. The effective and expiration dates shown are for the entire policy period.

Note that the risk totals for the entire policy period are shown on the second card. Note the special card serial numbering and the inclusion of the interstate I.D. number.

|                                      |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |
|--------------------------------------|-----------------------------|------------------------------------------------------|-------------|------------------------------|--------------------|--------------------------------|------------------------------|---|---|---|-----------------|-----------|----------|
| REPORT<br>1                          | POLICY NUMBER<br>MC 4444    | STATE<br>Any                                         | STATE<br>55 | CARRIER<br>Any Insurance Co. | CARRIER NO.<br>999 | CARD SERIAL NO.<br>123         | ADM. FILE NO.<br>Leave Blank |   |   |   |                 |           |          |
| EFFECTIVE DATE<br>07-01-77           | EXPIRATION DATE<br>06-30-78 | INSURED<br>P.D.Q. Refining Co.<br>(Address Optional) |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| COND. BY B2 B3 B4 B5 B6 B7 B8 OTHER  |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| 910654321                            |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| EXP. COV.                            | CLASS CODE                  | EXPOSURE                                             | MANUAL RATE | PREMIUM                      | CLAIM NUMBER       | INCIDENT DATE OR NO. OF CLAIMS | CLASS CODE                   | I | N | J | INCURRED LOSSES | LOSS COV. | CAT. NO. |
|                                      |                             | 07-01-77 to 08-31-77                                 |             |                              | 15000              | 07-22-77                       | 4740                         | 1 |   |   | 79,950          | 900       | 0 11     |
|                                      |                             |                                                      |             |                              | 15001              | 08-02-77                       | 4740                         | 9 |   |   | 9,000           | 3,000     | 0 11     |
| 11                                   | 4740                        | 110,486                                              | 1.67        | 4,055                        | 15002              | 09-25-77                       | 4740                         | 9 |   |   | 1,500           | 250       | 0 11     |
| 11                                   | 8742                        | 75,008                                               | .68         | 360                          | 15003              | 10-09-77                       | 4740                         | 5 |   |   | 350             | 150       | 1 11     |
| 11                                   | 8810                        | 12,850                                               | .22         | 28                           | 15004              | 12-18-77                       | 4740                         | 5 |   |   | 760             | 160       | 1 11     |
|                                      |                             |                                                      |             |                              | 15005              | 03-07-78                       | 4740                         | 9 |   |   | 1,000           | 100       | 0 11     |
|                                      |                             |                                                      |             |                              | 15006              | 04-10-78                       | 8810                         | 5 |   |   | 650             | 150       | 1 11     |
|                                      |                             |                                                      |             |                              | 15007              | 06-02-78                       | 8742                         | 9 |   |   | 2,500           | 1,000     | 0 11     |
|                                      |                             |                                                      |             |                              | 15008              | 06-28-78                       | 8742                         | 5 |   |   | 500             | 10        | 1 11     |
| A - TOTAL SUBJECT PREMIUM            |                             |                                                      |             | 4,443                        |                    | 40                             | 4740                         | 6 |   |   |                 | 900       | 1 11     |
| B - EXPERIENCE MODIFICATION          |                             |                                                      |             | 1.080                        |                    | 2                              | 8742                         | 6 |   |   |                 | 90        | 1 11     |
| C - TOTAL MODIFIED PREMIUM (A) X (B) |                             |                                                      |             | 4,798                        |                    |                                |                              |   |   |   |                 |           |          |
| D                                    |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| E                                    |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| F                                    |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| G                                    |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| TOTALS                               |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| STD                                  |                             |                                                      |             | XXX                          |                    |                                |                              |   |   |   |                 |           |          |
| OTHER                                |                             |                                                      |             | XXX                          |                    |                                |                              |   |   |   |                 |           |          |
| DISC. PREMIUM DISCOUNT               |                             |                                                      |             | XXX                          |                    |                                |                              |   |   |   |                 |           |          |
| TOTALS                               |                             |                                                      |             | XXX                          |                    |                                |                              |   |   |   |                 |           |          |
| FORM 512 - 10 (10-77)                |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |

ILLUSTRATION 3 — Sheet 2 — First Report requiring two unit cards.

|                                      |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |
|--------------------------------------|-----------------------------|------------------------------------------------------|-------------|------------------------------|--------------------|--------------------------------|------------------------------|---|---|---|-----------------|-----------|----------|
| REPORT<br>1                          | POLICY NUMBER<br>MC 4444    | STATE<br>Any                                         | STATE<br>55 | CARRIER<br>Any Insurance Co. | CARRIER NO.<br>999 | CARD SERIAL NO.<br>123-2       | ADM. FILE NO.<br>Leave Blank |   |   |   |                 |           |          |
| EFFECTIVE DATE<br>07-01-77           | EXPIRATION DATE<br>06-30-78 | INSURED<br>P.D.Q. Refining Co.<br>(Address Optional) |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| COND. BY B2 B3 B4 B5 B6 B7 B8 OTHER  |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| 910654321                            |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| EXP. COV.                            | CLASS CODE                  | EXPOSURE                                             | MANUAL RATE | PREMIUM                      | CLAIM NUMBER       | INCIDENT DATE OR NO. OF CLAIMS | CLASS CODE                   | I | N | J | INCURRED LOSSES | LOSS COV. | CAT. NO. |
|                                      |                             | 09-01-77 to 06-30-78                                 |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| 11                                   | 4740                        | 1,129,040                                            | 3.36        | 37,936                       |                    |                                |                              |   |   |   |                 |           |          |
| 11                                   | 8742                        | 880,950                                              | .57         | 5,021                        |                    |                                |                              |   |   |   |                 |           |          |
| 11                                   | 8810                        | 175,010                                              | .24         | 420                          |                    |                                |                              |   |   |   |                 |           |          |
| A - TOTAL SUBJECT PREMIUM            |                             |                                                      |             | 43,377                       |                    |                                |                              |   |   |   |                 |           |          |
| B - EXPERIENCE MODIFICATION          |                             |                                                      |             | 1.160                        |                    |                                |                              |   |   |   |                 |           |          |
| C - TOTAL MODIFIED PREMIUM (A) X (B) |                             |                                                      |             | 50,317                       |                    |                                |                              |   |   |   |                 |           |          |
| D                                    |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| E                                    |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| F                                    |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| G                                    |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| TOTALS                               |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |
| STD                                  |                             |                                                      |             | 2,383,344                    | XXX                | 55,115                         |                              |   |   |   |                 |           |          |
| OTHER                                |                             |                                                      |             | XXX                          |                    |                                |                              |   |   |   |                 |           |          |
| DISC. PREMIUM DISCOUNT               |                             |                                                      |             | XXX                          |                    |                                |                              |   |   |   |                 |           |          |
| TOTALS                               |                             |                                                      |             | 51                           | XXX                | 95,810                         | 6,610                        |   |   |   |                 |           |          |
| FORM 512 - 10 (10-77)                |                             |                                                      |             |                              |                    |                                |                              |   |   |   |                 |           |          |

## ILLUSTRATION 3 — Sheet 3 — Exposure Correction Report

In this instance a classification reassignment has been assumed. Exposure correction cards revising each of the original unit cards are necessary.

Note that the exposure correction cards carry their own series of card serial numbers. Only the second revised unit card carries the risk totals.

|                                      |                          |                                                          |                |                              |                                      |                              |                             |             |         |
|--------------------------------------|--------------------------|----------------------------------------------------------|----------------|------------------------------|--------------------------------------|------------------------------|-----------------------------|-------------|---------|
| REPORT<br>C-1                        | POLICY NUMBER<br>WC 4444 | STATE<br>Any                                             | STATE NO<br>55 | CARRIER<br>Any Insurance Co. | CARRIER NO<br>999                    | REVISED CARD SERIAL NO<br>25 | ADM. FILE NO<br>Leave Blank |             |         |
| EFFECTIVE DATE<br>07-01-77           | TERM<br>06-30-78         | INSURED<br>P.D.Q. Refining Company<br>(Address Optional) |                | ORG. CARD SERIAL NO<br>123   |                                      |                              |                             |             |         |
| COND<br>X                            |                          | 910654321                                                |                | 123                          |                                      |                              |                             |             |         |
| PREVIOUSLY REPORTED                  |                          |                                                          |                | REVISED                      |                                      |                              |                             |             |         |
| EXP. COV.                            | CLASS CODE               | EXPOSURE                                                 | MANUAL RATE    | PREMIUM                      | EXP. COV.                            | CLASS CODE                   | EXPOSURE                    | MANUAL RATE | PREMIUM |
| 11                                   | 8742                     | 75,008                                                   | .48            | 360                          | 11                                   | 4740                         | 185,494                     | 3.67        | 6,808   |
| 11                                   | 4740                     | 110,486                                                  | 3.67           | 4,055                        |                                      |                              |                             |             |         |
| A - TOTAL SUBJECT PREMIUM            |                          |                                                          |                | 4,443                        | A - TOTAL SUBJECT PREMIUM            |                              |                             |             | 6,836   |
| B - EXPERIENCE MODIFICATION          |                          |                                                          |                | 1.080                        | B - EXPERIENCE MODIFICATION          |                              |                             |             | 1.080   |
| C - TOTAL MODIFIED PREMIUM (A) X (B) |                          |                                                          |                | 4,798                        | C - TOTAL MODIFIED PREMIUM (A) X (B) |                              |                             |             | 7,383   |
| D                                    |                          |                                                          |                |                              | D                                    |                              |                             |             |         |
| E                                    |                          |                                                          |                |                              | E                                    |                              |                             |             |         |
| F                                    |                          |                                                          |                |                              | F                                    |                              |                             |             |         |
| G                                    |                          |                                                          |                |                              | G                                    |                              |                             |             |         |
| H - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | H - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| I - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | I - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| J - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | J - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| K - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | K - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| L - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | L - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| M - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | M - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| N - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | N - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| O - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | O - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| P - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | P - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| Q - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | Q - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| R - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | R - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| S - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | S - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| T - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | T - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| U - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | U - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| V - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | V - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| W - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | W - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| X - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | X - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| Y - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | Y - TOTAL PREMIUM                    |                              |                             |             | 7,383   |
| Z - TOTAL PREMIUM                    |                          |                                                          |                | 4,798                        | Z - TOTAL PREMIUM                    |                              |                             |             | 7,383   |

## ILLUSTRATION 3 — Sheet 4 — Exposure Correction Report

|                                      |                          |                                                      |                |                              |                                      |                                |                             |             |         |
|--------------------------------------|--------------------------|------------------------------------------------------|----------------|------------------------------|--------------------------------------|--------------------------------|-----------------------------|-------------|---------|
| REPORT<br>C-1                        | POLICY NUMBER<br>WC 4444 | STATE<br>Any                                         | STATE NO<br>55 | CARRIER<br>Any Insurance Co. | CARRIER NO<br>999                    | REVISED CARD SERIAL NO<br>25-2 | ADM. FILE NO<br>Leave Blank |             |         |
| EFFECTIVE DATE<br>07-01-77           | TERM<br>06-30-78         | INSURED<br>P.D.Q. Refining Co.<br>(Address Optional) |                | ORG. CARD SERIAL NO<br>123   |                                      |                                |                             |             |         |
| COND<br>X                            |                          | 910654321                                            |                | 123                          |                                      |                                |                             |             |         |
| PREVIOUSLY REPORTED                  |                          |                                                      |                | REVISED                      |                                      |                                |                             |             |         |
| EXP. COV.                            | CLASS CODE               | EXPOSURE                                             | MANUAL RATE    | PREMIUM                      | EXP. COV.                            | CLASS CODE                     | EXPOSURE                    | MANUAL RATE | PREMIUM |
| 11                                   | 4740                     | 1,129,040                                            | 3.36           | 37,936                       | 11                                   | 4740                           | 2,009,990                   | 3.36        | 67,536  |
| 11                                   | 8742                     | 880,950                                              | .57            | 5,021                        |                                      |                                |                             |             |         |
| A - TOTAL SUBJECT PREMIUM            |                          |                                                      |                | 43,377                       | A - TOTAL SUBJECT PREMIUM            |                                |                             |             | 67,956  |
| B - EXPERIENCE MODIFICATION          |                          |                                                      |                | 1.160                        | B - EXPERIENCE MODIFICATION          |                                |                             |             | 1.160   |
| C - TOTAL MODIFIED PREMIUM (A) X (B) |                          |                                                      |                | 50,317                       | C - TOTAL MODIFIED PREMIUM (A) X (B) |                                |                             |             | 78,829  |
| D                                    |                          |                                                      |                |                              | D                                    |                                |                             |             |         |
| E                                    |                          |                                                      |                |                              | E                                    |                                |                             |             |         |
| F                                    |                          |                                                      |                |                              | F                                    |                                |                             |             |         |
| G                                    |                          |                                                      |                |                              | G                                    |                                |                             |             |         |
| H - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | H - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| I - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | I - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| J - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | J - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| K - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | K - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| L - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | L - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| M - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | M - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| N - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | N - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| O - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | O - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| P - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | P - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| Q - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | Q - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| R - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | R - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| S - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | S - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| T - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | T - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| U - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | U - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| V - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | V - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| W - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | W - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| X - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | X - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| Y - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | Y - TOTAL PREMIUM                    |                                |                             |             | 86,212  |
| Z - TOTAL PREMIUM                    |                          |                                                      |                | 55,115                       | Z - TOTAL PREMIUM                    |                                |                             |             | 86,212  |

The correction was necessary because of the revised class code assignment.

[illegible]

**Note** that a recovery in an action against a third party is considered to be a revision of losses and not a revaluation; and that since in this instance the subrogation was received subsequent to the first reporting but before the normal valuation date for second report, a loss correction card was filed.

Note that the notation "12" has been entered in the "Loss Cov." column.

[illegible]



## ILLUSTRATION 4 — Second Reporting of Losses

Note that in this illustration one of the group of closed medical only claims was reopened and reclosed as a permanent partial claim. (#15201).

Note that all cases previously reported as open have been entered and revalued or closed without payment (#15002) as of 30 months after the effective date of the policy.

Note that although claim #15007 has been closed for \$80 medical the \$80 is charged to claim #15007 and not assigned to the aggregate group of medical only losses.

Note that claim #15003 was reopened and closed.

|                                                      |                                           |                     |              |                                                                                                                                                                            |             |                         |               |
|------------------------------------------------------|-------------------------------------------|---------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------|---------------|
| REPORT                                               | POLICY NUMBER                             | STATE               | STATE NO.    | CARRIER                                                                                                                                                                    | CARRIER NO. | REVISED CARD SERIAL NO. | ADM. FILE NO. |
| 2                                                    | WC 4444                                   | Any                 | 55           | Any Insurance Co.                                                                                                                                                          | 999         | 150                     | Leave Blank   |
| EFFECTIVE DATE                                       | TERM                                      | EXPIRATION DATE     | INSURED      | P.D.Q. Refining Co.<br>(Address Optional)                                                                                                                                  |             |                         |               |
| 07-01-77                                             |                                           | 06-30-78            |              |                                                                                                                                                                            |             |                         |               |
| COND                                                 | S1                                        | S2                  | S3           | S4                                                                                                                                                                         | S5          | S6                      | OTHER         |
| X                                                    |                                           |                     |              |                                                                                                                                                                            |             |                         |               |
| 910654321                                            |                                           |                     |              |                                                                                                                                                                            |             | 123                     |               |
| CLAIM NUMBER OR NUMBER OF CLAIMS PREVIOUSLY REPORTED | ACCIDENT DATE OR REVISED NUMBER OF CLAIMS | CLASS CODE          | I            | N                                                                                                                                                                          | J           | LOSS COV. NO.           | CAT NO.       |
| 15000                                                | 07-22-77                                  | 4740                | 1            | 79,950                                                                                                                                                                     | 900         | 0                       | 11            |
| 15002                                                | 09-25-77                                  | 4740                | 9            | 1,500                                                                                                                                                                      | 250         | 0                       | 11            |
| 15003                                                | 10-09-77                                  | 4740                | 5            | 350                                                                                                                                                                        | 150         | 1                       | 11            |
| 15005                                                | 03-07-78                                  | 4740                | 9            | 1,000                                                                                                                                                                      | 100         | 0                       | 11            |
| 15007                                                | 06-02-78                                  | 4740                | 9            | 2,500                                                                                                                                                                      | 1,000       | 0                       | 11            |
| 42                                                   | 41                                        | 4740                | 6            | -                                                                                                                                                                          | 890         | 1                       | 11            |
| 15201                                                | 10-10-77                                  |                     |              |                                                                                                                                                                            |             |                         |               |
| 51                                                   |                                           | 50                  | TOTAL        |                                                                                                                                                                            | 88,310      | 4,110                   |               |
| DO NOT USE                                           |                                           | PREVIOUSLY REPORTED | REVISED      | INDICATE INDIVIDUAL ITEMS WHERE THERE HAS BEEN A CHANGE IN ANY OF THE DATA PREVIOUSLY REPORTED. ALL "TOTALS" MUST INCLUDE ALL ITEMS INCLUDING THOSE THAT REMAIN UNCHANGED. |             |                         |               |
|                                                      |                                           | IND. OR TYPE        | IND. OR TYPE | LOSS CARD                                                                                                                                                                  |             |                         |               |

## ILLUSTRATION 5 — Sheet 1 — Third Reporting of Losses requiring an accompanying termination report.

Note that a third report was required in this instance, since the case was open as of the second report. The closing of this death pension claim requires a termination report.

Note that this claim (#15000) required the submission of individual claim reports for both the first and second reportings although none were shown in the previous illustrations.

|                                                      |                                           |                     |              |                                                                                                                                                                            |             |                         |               |
|------------------------------------------------------|-------------------------------------------|---------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------|---------------|
| REPORT                                               | POLICY NUMBER                             | STATE               | STATE NO.    | CARRIER                                                                                                                                                                    | CARRIER NO. | REVISED CARD SERIAL NO. | ADM. FILE NO. |
| 3                                                    | WC 4444                                   | Any                 | 55           | Any Insurance Co.                                                                                                                                                          | 999         | 25                      | Leave Blank   |
| EFFECTIVE DATE                                       | TERM                                      | EXPIRATION DATE     | INSURED      | P.D.Q. Refining Co.<br>(Address Optional)                                                                                                                                  |             |                         |               |
| 07-01-77                                             |                                           | 06-30-78            |              |                                                                                                                                                                            |             |                         |               |
| COND                                                 | S1                                        | S2                  | S3           | S4                                                                                                                                                                         | S5          | S6                      | OTHER         |
| X                                                    |                                           |                     |              |                                                                                                                                                                            |             |                         |               |
| 910654321                                            |                                           |                     |              |                                                                                                                                                                            |             | 123                     |               |
| CLAIM NUMBER OR NUMBER OF CLAIMS PREVIOUSLY REPORTED | ACCIDENT DATE OR REVISED NUMBER OF CLAIMS | CLASS CODE          | I            | N                                                                                                                                                                          | J           | LOSS COV. NO.           | CAT NO.       |
| 15000                                                | 07-22-77                                  | 4740                | 1            | 81,200                                                                                                                                                                     | 900         | 0                       | 11            |
| 50                                                   |                                           | 50                  | TOTAL        |                                                                                                                                                                            | 86,210      | 2,910                   |               |
| DO NOT USE                                           |                                           | PREVIOUSLY REPORTED | REVISED      | INDICATE INDIVIDUAL ITEMS WHERE THERE HAS BEEN A CHANGE IN ANY OF THE DATA PREVIOUSLY REPORTED. ALL "TOTALS" MUST INCLUDE ALL ITEMS INCLUDING THOSE THAT REMAIN UNCHANGED. |             |                         |               |
|                                                      |                                           | IND. OR TYPE        | IND. OR TYPE | LOSS CARD                                                                                                                                                                  |             |                         |               |

| REPORT                                          | POLICY NUMBER                             | STATE NO.       | CARRIER                              | CARRIER REVISED CARD NO. | ADM FILE NO. |          |        |            |       |                 |         |          |        |
|-------------------------------------------------|-------------------------------------------|-----------------|--------------------------------------|--------------------------|--------------|----------|--------|------------|-------|-----------------|---------|----------|--------|
| 3                                               | WC 1111                                   | Any 55          | Any Insurance Company                | 999 57                   | Leave Blank  |          |        |            |       |                 |         |          |        |
| EFFECTIVE DATE                                  | TERM                                      | EXPIRATION DATE | INSURED                              |                          |              |          |        |            |       |                 |         |          |        |
| 10-01-75                                        |                                           | 09-30-76        | X.Y.Z. Company<br>(Address Optional) |                          |              |          |        |            |       |                 |         |          |        |
| COND                                            | 81                                        | 82              | 83                                   | 84                       | 85           |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      | GRIS SERIAL              | 655          |          |        |            |       |                 |         |          |        |
| PREVIOUSLY REPORTED*                            |                                           |                 |                                      | REVISED*                 |              |          |        |            |       |                 |         |          |        |
| CLAIM NUMBER OR NUMBER OF CLAIMS PREY. REPORTED | ACCIDENT DATE OR REVISED NUMBER OF CLAIMS | CLASS CODE      | I N A                                | INCURRED LOSSES          |              | LOSS COV | CAT NO | CLASS CODE | I N A | INCURRED LOSSES |         | LOSS COV | CAT NO |
|                                                 |                                           |                 |                                      | INDemnITY                | MEDICAL      |          |        |            |       | INDemnITY       | MEDICAL |          |        |
| 77742                                           | 10-04-75                                  | 7539            | 1                                    | 34,150                   | 452          | 0        |        | 7539       | 1     | 29,776          | 452     | 1        | 11     |
| 77777                                           | 08-27-76                                  | 7539            | 2                                    | 346,938                  | 250,000      | 0        |        | 7539       | 2     | 383,109         | 250,000 | 0        | 61     |
| 77834                                           | 09-01-76                                  | 7539            | 9                                    | 2,000                    | 500          | 0        | 09     | 7539       | 9     | 251             | 125     | 1        | 14     |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
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|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |
|                                                 |                                           |                 |                                      |                          |              |          |        |            |       |                 |         |          |        |

ILLUSTRATION 6 — Sheet 2 — Termination Report

This claim was originally payable until death or remarriage. Upon remarriage of the widow this former *pension* claim terminates.

Note that any miscellaneous items such as payments to special State Funds may be shown as illustrated below.

Note that the card serial number is that of the original unit reporting of the risk.

|                                                   |                       |                    |                               |                                       |                                                                                 |           |               |
|---------------------------------------------------|-----------------------|--------------------|-------------------------------|---------------------------------------|---------------------------------------------------------------------------------|-----------|---------------|
| CLASS CODE                                        | EFFECTIVE DATE REPORT | DATE OF VALUATION  | INJ.                          | PENSION CLAIMS                        | STATE                                                                           | STATE NO. | ADM. FILE NO. |
| 7539                                              | 10-01-75              | 3                  | 05-02-79                      | 1                                     | Any                                                                             | 55        | Leave Blank   |
| POLICY NUMBER                                     | CARRIER NAME          | CARRIER NO.        | CLAIM NO.                     | CARD SERIAL NO.                       | AGE AT ACC. DATE                                                                |           |               |
| WC 1111                                           | Any Insurance Co.     | 999                | 77742                         | 655                                   | 37                                                                              |           |               |
| INSURED                                           | WORKER'S NAME         | INJ. AT 1ST REPORT | AVG. WEEKLY WAGE              | LOSS COV.                             | ACCIDENT DATE                                                                   |           |               |
| X.Y.Z. Electric Company                           | Joe Green             | 1                  | 202                           | 11                                    | 10-04-75                                                                        |           |               |
| CAUSE OF ACCIDENT                                 | DATE CLAIM FILED      | SEX                | MARITAL STATUS                | EMPLOYMENT STATUS AT DATE CLAIM FILED |                                                                                 |           |               |
| Auto collided with truck                          | 10-05-75              | 1                  | 1                             | 1                                     |                                                                                 |           |               |
| INJURY DESCRIPTION CODE                           | DATE CLAIM FILED      | SEX                | SPECIFIC OCCUPATIONAL DISEASE |                                       |                                                                                 |           |               |
| 1007                                              | 10-05-75              | 1                  |                               |                                       |                                                                                 |           |               |
| BENEFICIARIES                                     | SEX (M/F)             | DATE OF BIRTH      | AGE                           | REASON FOR TERMINATION OF BENEFITS    | CALCULATIONS                                                                    |           |               |
| PRIMARY                                           |                       |                    |                               |                                       | Weekly Benefit = 162                                                            |           |               |
| 2                                                 | 2                     | 1-1-40             | 39                            | 2                                     | Total Weeks Payable = 173                                                       |           |               |
| OTHER                                             |                       |                    |                               |                                       | Total Value of Payments = 28,026                                                |           |               |
|                                                   |                       |                    |                               |                                       | State Fund Payment = 1,000                                                      |           |               |
| REMARKS                                           |                       |                    |                               |                                       | 1. INDEMNITY PAID TO VALUATION DATE (EXCLUDING TEMPORARY TOTAL SHOWN IN LINE 1) |           |               |
| Remarried                                         |                       |                    |                               |                                       | 28,026                                                                          |           |               |
|                                                   |                       |                    |                               |                                       | 2. PRESENT VALUE OF FUTURE INDEMNITY PAYMENTS                                   |           |               |
|                                                   |                       |                    |                               |                                       | -                                                                               |           |               |
|                                                   |                       |                    |                               |                                       | 3. TEMPORARY TOTAL INCURRED                                                     |           |               |
|                                                   |                       |                    |                               |                                       | -                                                                               |           |               |
|                                                   |                       |                    |                               |                                       | 4. FUNERAL ALLOWANCE IF APPLICABLE                                              |           |               |
|                                                   |                       |                    |                               |                                       | 750                                                                             |           |               |
|                                                   |                       |                    |                               |                                       | 5. TOTAL INDEMNITY INCURRED (1) + (2) + (3) + (4)                               |           |               |
|                                                   |                       |                    |                               |                                       | 29,776                                                                          |           |               |
|                                                   |                       |                    |                               |                                       | 6. VOCATIONAL REHABILITATION COSTS INCURRED (INCLUDED IN LINE 5)                |           |               |
|                                                   |                       |                    |                               |                                       | -                                                                               |           |               |
|                                                   |                       |                    |                               |                                       | 7. MEDICAL SUMMARY                                                              |           |               |
|                                                   |                       |                    |                               |                                       | AMOUNT PAID TO VALUATION DATE 452 TOTAL MEDICAL 452                             |           |               |
| FAT DATE OF VALUATION (TERMINATION IF APPLICABLE) |                       |                    |                               |                                       |                                                                                 |           |               |

ILLUSTRATION 6 — Sheet 3 — Individual Claim Report; Pension; Permanent Total Disability with Vocational Rehabilitation.

Note that this report is required because of the vocational rehabilitation incurred and also because the payments to the claimant are to be made for life.

|                                                         |                       |                    |                               |                                       |                                                                                 |           |               |
|---------------------------------------------------------|-----------------------|--------------------|-------------------------------|---------------------------------------|---------------------------------------------------------------------------------|-----------|---------------|
| CLASS CODE                                              | EFFECTIVE DATE REPORT | DATE OF VALUATION  | INJ.                          | PENSION CLAIMS                        | STATE                                                                           | STATE NO. | ADM. FILE NO. |
| 7539                                                    | 10-01-75              | 3                  | 04-01-79                      | 2                                     | Any                                                                             | 55        | Leave Blank   |
| POLICY NUMBER                                           | CARRIER NAME          | CARRIER NO.        | CLAIM NO.                     | CARD SERIAL NO.                       | AGE AT ACC. DATE                                                                |           |               |
| WC 1111                                                 | Any Insurance Co.     | 999                | 77777                         | 655                                   | 20                                                                              |           |               |
| INSURED                                                 | WORKER'S NAME         | INJ. AT 1ST REPORT | AVG. WEEKLY WAGE              | LOSS COV.                             | ACCIDENT DATE                                                                   |           |               |
| X.Y.Z. Electric Company                                 | John Jones            | 2                  | 432.20                        | 61                                    | 08-27-76                                                                        |           |               |
| CAUSE OF ACCIDENT                                       | DATE CLAIM FILED      | SEX                | MARITAL STATUS                | EMPLOYMENT STATUS AT DATE CLAIM FILED |                                                                                 |           |               |
| Was knocked off pole, fell, tangled in electrical wires | 08-30-76              | 1                  | 1                             | 3                                     |                                                                                 |           |               |
| INJURY DESCRIPTION CODE                                 | DATE CLAIM FILED      | SEX                | SPECIFIC OCCUPATIONAL DISEASE |                                       |                                                                                 |           |               |
| 2028                                                    | 08-30-76              | 1                  |                               |                                       |                                                                                 |           |               |
| BENEFICIARIES                                           | SEX (M/F)             | DATE OF BIRTH      | AGE                           | REASON FOR TERMINATION OF BENEFITS    | CALCULATIONS                                                                    |           |               |
| PRIMARY                                                 |                       |                    |                               |                                       | Annual Benefit 52 x 282 = 14,664                                                |           |               |
| 1                                                       | 1                     | 6-30-56            | 22                            |                                       | Present Value from Table II = 23,250                                            |           |               |
| OTHER                                                   |                       |                    |                               |                                       | Present Value future Payments = 340,938                                         |           |               |
|                                                         |                       |                    |                               |                                       | Voc. Rehab. 287.13 x 14 wks. = 4,020                                            |           |               |
|                                                         |                       |                    |                               |                                       | 1. INDEMNITY PAID TO VALUATION DATE (EXCLUDING TEMPORARY TOTAL SHOWN IN LINE 1) |           |               |
|                                                         |                       |                    |                               |                                       | 38,151                                                                          |           |               |
|                                                         |                       |                    |                               |                                       | 2. PRESENT VALUE OF FUTURE INDEMNITY PAYMENTS                                   |           |               |
|                                                         |                       |                    |                               |                                       | 340,938                                                                         |           |               |
|                                                         |                       |                    |                               |                                       | 3. TEMPORARY TOTAL INCURRED                                                     |           |               |
|                                                         |                       |                    |                               |                                       | -                                                                               |           |               |
|                                                         |                       |                    |                               |                                       | 4. FUNERAL ALLOWANCE IF APPLICABLE                                              |           |               |
|                                                         |                       |                    |                               |                                       | -                                                                               |           |               |
|                                                         |                       |                    |                               |                                       | 5. TOTAL INDEMNITY INCURRED (1) + (2) + (3) + (4)                               |           |               |
|                                                         |                       |                    |                               |                                       | 383,109                                                                         |           |               |
|                                                         |                       |                    |                               |                                       | 6. VOCATIONAL REHABILITATION COSTS INCURRED (INCLUDED IN LINE 5)                |           |               |
|                                                         |                       |                    |                               |                                       | 4,020                                                                           |           |               |
|                                                         |                       |                    |                               |                                       | 7. MEDICAL SUMMARY                                                              |           |               |
|                                                         |                       |                    |                               |                                       | AMOUNT PAID TO VALUATION DATE 104,413 TOTAL MEDICAL 250,000                     |           |               |
| FAT DATE OF VALUATION (TERMINATION IF APPLICABLE)       |                       |                    |                               |                                       |                                                                                 |           |               |



**Appendix—Illustrations**  
**NATIONAL COUNCIL ON COMPENSATION INSURANCE**  
**1st Reprint**

**UNIT STATISTICAL PLAN**  
**Effective July 1, 1979**

**ILLUSTRATION 6 — Sheet 4 — Individual Claim Report; Other than Pension; Permanent Partial Disability due to Occupational Disease.**

|                                             |                       |                             |                               |                                       |                       |                  |               |
|---------------------------------------------|-----------------------|-----------------------------|-------------------------------|---------------------------------------|-----------------------|------------------|---------------|
| CLASS CODE                                  | EFFECTIVE DATE REPORT | DATE OF VALUATION           | INJ.                          | CLAIMS OTHER THAN PENSION             | STATE                 | STATE NO.        | ADM. FILE NO. |
| 7539                                        | 10-01-75              | 3                           | 04-01-79                      | 9                                     | Any                   | 55               | Leave Blank   |
| POLICY NUMBER                               | CARRIER NAME          |                             | CARRIER NO.                   | CLAIM NO.                             | CARD SERIAL NO.       | AGE AT ACC. DATE |               |
| WC 1111                                     | Any Insurance Co.     |                             | 999                           | 77834                                 | 655                   | 27               |               |
| INSURED                                     | X.Y.Z. Company        |                             | INJ. AT 1ST REPORT            | AVG WEEKLY WAGE                       | LOSS COV.             | ACCIDENT DATE    |               |
|                                             |                       |                             | 6                             | 187                                   | 14                    | 04-02-76         |               |
| WORKER'S NAME                               |                       |                             | OCCUPATION                    |                                       |                       |                  |               |
| Jack James                                  |                       |                             | Lineman                       |                                       |                       |                  |               |
| CAUSE OF ACCIDENT                           |                       |                             |                               |                                       |                       |                  |               |
| Rash on hands, neck, face                   |                       |                             |                               |                                       |                       |                  |               |
| INJURY DESCRIPTION CODE                     | DATE CLAIM FILED      | SEX                         | MARITAL STATUS                | EMPLOYMENT STATUS AT DATE CLAIM FILED |                       |                  |               |
| 6400                                        | 05-06-76              | 1                           | 1                             | 1                                     |                       |                  |               |
| IF NOT EMPLOYED, DATE WHEN EMPLOYMENT ENDED |                       |                             | SPECIFIC OCCUPATIONAL DISEASE |                                       |                       |                  |               |
|                                             |                       |                             | Occupational Dermatitis       |                                       |                       |                  |               |
| KIND OF PAYMENT                             |                       | PERCENT DISABILITY INVOLVED | MEMBER INVOLVED               | TOTAL WEEKS PAYABLE                   | TOTAL INCURRED LOSSES |                  |               |
| (A) SPECIFIC INDEMNITY                      |                       |                             |                               |                                       | -                     |                  |               |
| (B) TOTAL DISABILITY                        |                       | XXX                         | XXX                           |                                       | -                     |                  |               |
| (C) ALL OTHER                               |                       | XXX                         | XXX                           | 3                                     | 251                   |                  |               |
| (D) TOTAL INDEMNITY (A)+(B)+(C)             |                       | XXX                         | XXX                           | XX                                    | 251                   |                  |               |
| (E) VOCATIONAL REHABILITATION COSTS         |                       | XXX                         | XXX                           |                                       | -                     |                  |               |
| (F) MEDICAL                                 |                       | XXX                         | XXX                           | XX                                    | 125                   |                  |               |
| AMOUNT PAID TO VALUATION DATE: INDEMNITY    |                       |                             |                               | 251                                   | MEDICAL 125           |                  |               |
| REMARKS                                     |                       |                             |                               |                                       |                       |                  |               |

FORM 28-77

**ILLUSTRATION 6 — Sheet 5 — Loss Correction Report; Revision of loss amounts because of subrogation.**

As mentioned in illustration 3 a subrogation recovery is considered to be a revision of losses and not a revaluation, therefore a correction report is filed.

This particular correction report must be accompanied by a corrected individual claim report since the claim was previously terminated.

Note that the notation "12" has been entered in the "Loss Cov." column.

|                                                      |                                           |                 |                    |                       |                          |               |           |
|------------------------------------------------------|-------------------------------------------|-----------------|--------------------|-----------------------|--------------------------|---------------|-----------|
| REPORT                                               | POLICY NUMBER                             | STATE           | STATE NO.          | CARRIER               | CARRIER REVISED CARD NO. | ADM. FILE NO. |           |
| C-3                                                  | WC 1111                                   | Any             | 55                 | Any Insurance Company | 999                      | 60            |           |
| EFFECTIVE DATE                                       | TERM                                      | EXPIRATION DATE | INSURED            | X.Y.Z. Company        |                          |               |           |
| 10-01-75                                             |                                           | 09-30-76        | (Address Optional) |                       |                          |               |           |
| COND                                                 | ST                                        | ST              | ST                 | ST                    | ST                       | ST            |           |
|                                                      |                                           |                 |                    |                       |                          | 655           |           |
| CLAIM NUMBER OR NUMBER OF CLAIMS PREVIOUSLY REPORTED | ACCIDENT DATE OR REVISED NUMBER OF CLAIMS | CLASS CODE      | INJ.               | LOSS COV.             | CLASS CODE               | INJ.          | LOSS COV. |
| 77742                                                | 10-04-75                                  | 7539            | 1                  | 11                    | 7539                     | 1             | 12        |
| TOTAL                                                |                                           | 429,574         | 250,952            | XXX                   | 419,824                  | 250,702       | XXX       |
| TOTAL                                                |                                           | 429,574         | 250,952            | XXX                   | 419,824                  | 250,702       | XXX       |

ILLUSTRATION 6 — Sheet 6 — Termination Report; Fatal Pension Claim adjusted due to subrogation.

Note that this report was necessary only because the indemnity amount was revised from a previous reporting which was accompanied by a termination report.

Note that the total indemnity and total medical as shown will not correspond to the revised values of the correction report shown in sheet 5. These values are to be displayed on the opposite side of the individual claim report.

|                          |                       |                   |                |                                                                 |                  |           |               |
|--------------------------|-----------------------|-------------------|----------------|-----------------------------------------------------------------|------------------|-----------|---------------|
| CLASS CODE               | EFFECTIVE DATE REPORT | DATE OF VALUATION | INJ.           | PENSION CLAIMS                                                  | STATE            | STATE NO. | ADM. FILE NO. |
| 7539                     | 10-01-75              | C-3               | 09-01-79       | 1                                                               | Any              | 55        | Leave Blank   |
| POLICY NUMBER            | CARRIER NAME          | CARRIER NO.       | CLAIM NO.      | CARD SERIAL NO.                                                 | AGE AT ACC. DATE |           |               |
| WC 1111                  | Any Insurance Co.     | 999               | 77742          | 655                                                             | 37               |           |               |
| INSURED                  | WORKER'S NAME         | OCCUPATION        | DATE OF DEATH  | INJ. AT 1ST REPORT                                              | AVG. WEEKLY WAGE | LOSS COV. | ACCIDENT DATE |
| X.Y.Z. Electric Company  | Joe Green             | Truckdriver       | 10-4-75        | 1                                                               | 202              | 12        | 10-04-75      |
| CAUSE OF ACCIDENT        | DATE CLAIM FILED      | SEX               | MARITAL STATUS | EMPLOYMENT STATUS AT DATE CLAIM FILED                           |                  |           |               |
| Auto collided with truck | 10-05-75              | 1                 | 1              | 3                                                               |                  |           |               |
| INJURY DESCRIPTION CODE  | DATE CLAIM FILED      | SEX               | MARITAL STATUS | EMPLOYMENT STATUS AT DATE CLAIM FILED                           |                  |           |               |
| 1007                     | 10-05-75              | 1                 | 1              | 3                                                               |                  |           |               |
| BENEFICIARIES            |                       |                   |                | CALCULATIONS                                                    |                  |           |               |
| PRIMARY                  | 2                     | 1-1-40            | 39             | 2                                                               |                  |           |               |
| OTHER                    |                       |                   |                |                                                                 |                  |           |               |
| REMARKS                  |                       |                   |                | 5 TOTAL INDEMNITY INCURRED (1) + (2) + (3) + (4)                |                  |           |               |
| Remarriage               |                       |                   |                | 29,776                                                          |                  |           |               |
|                          |                       |                   |                | 6 VOCATIONAL REHABILITATION COSTS INCURRED (INCLUDED IN LINE 5) |                  |           |               |
|                          |                       |                   |                | -                                                               |                  |           |               |
|                          |                       |                   |                | 7 MEDICAL SUMMARY                                               |                  |           |               |
|                          |                       |                   |                | AMOUNT PAID TO VALUATION DATE                                   |                  |           |               |
|                          |                       |                   |                | 452                                                             |                  |           |               |
|                          |                       |                   |                | TOTAL MEDICAL                                                   |                  |           |               |
|                          |                       |                   |                | 452                                                             |                  |           |               |

ILLUSTRATION 6 — Sheet 7 — Reverse side of Individual Claim Report from sheet 6.

| SUBROGATION REPORTING |        |           |                  |         |                  |
|-----------------------|--------|-----------|------------------|---------|------------------|
|                       | TOTAL  | INDEMNITY | PERCENT OF TOTAL | MEDICAL | PERCENT OF TOTAL |
| Gross Incurred Costs* | 30,228 | 29,776    | 99%              | 452     | 1%               |
| Subrogation Received  | 10,000 |           |                  |         |                  |
| Cash Recovery**       |        |           |                  |         |                  |
| Future Credits***     |        |           |                  |         |                  |
| Gross Recovery        |        |           |                  |         |                  |
| Claim Expense         |        |           |                  |         |                  |
| Net Recovery          | 10,000 |           |                  |         |                  |
| Net Cost****          | 20,228 | 20,026    | 99%              | 202     | 1%               |

- \* Value of the claim had there been no recovery.
- \*\* Cash Recovery should include the actual gross cash received.
- \*\*\* Future Credits are the credits against outstanding payments that would otherwise have had to be made if there were no subrogation recovery.
- \*\*\*\* The division of the Net cost between Indemnity and Medical is to be shown on the accompanying Unit Report.

**INDEX**

|                                            | Section-Item | Page      |
|--------------------------------------------|--------------|-----------|
| <b>A</b>                                   |              |           |
| Abrasive or Sand Blasting Experience ..... | VIII-2D      | 18        |
| Accident Date .....                        | IV-2         | 7         |
|                                            | V-B18        | 12        |
| Additional Medical Coverage .....          | IIIA-A1      | 6         |
| Administration File Number .....           | II-7         | 4         |
|                                            | V-B8         | 12        |
| Advance Reports .....                      | I-4a         | 2         |
| Age at Date of Accident .....              | V-B13        | 12        |
| Aircraft Operation .....                   | IIIA-A2      | 6         |
| Aircraft Operation Losses .....            | IV-21        | 11        |
| Appendix—Illustrations .....               |              | I thru 11 |
| Assigned Risk Plan .....                   | IIIA-B5      | 7         |
| Atomic Energy Commission Projects .....    | VIII-4       | 18        |
| Average Weekly Wage .....                  | V-B16        | 12        |
| <b>B</b>                                   |              |           |
| Basis of Liability (Loss Coverage) .....   | IV-18        | 11        |
| Beneficiaries .....                        | V-C2         | 13        |
| <b>C</b>                                   |              |           |
| Calculations .....                         | V-C3         | 13        |
| Card Serial Number .....                   | II-6         | 4         |
|                                            | V-B11        | 12        |
| Advance Reports .....                      | I-4a         | 2         |
| Transmittal Form .....                     | I-8b         | 3         |
| Subsequent Reports .....                   | VI-B4        | 15        |
| Carrier .....                              | V-B10        | 12        |
| Abbreviation .....                         | II-4         | 4         |
| Number .....                               | II-5         | 4         |
| Catastrophe Number .....                   | IV-23        | 11        |
| Cause of Accident .....                    | V-B21        | 12        |
| Changes in Plan .....                      | Intro. 3     | 1         |
| Charges for Higher Limits—Coverage B ..... | IIIA-5       | 6         |
| Claim Number .....                         | IV-1         | 7         |
|                                            | V-B12        | 12        |
| Class Code .....                           | III-2        | 5         |
|                                            | IV-3         | 7         |
|                                            | V-B2         | 12        |
| Clinical Medical .....                     | IV-14        | 8         |
| Closed Claims .....                        | IV-17        | 11        |
| Coal Mine Risks .....                      | VIII-5       | 18        |
| Condition Codes .....                      | II-10        | 4         |
| Contract Medical .....                     | IV-12        | 8         |
| Correction Reports (C Reports) .....       | VI-A1        | 14a ★     |
| Coverage Codes, Exposure .....             | III-1        | 4         |
| Coverage Codes, Loss .....                 | IV-18        | 11        |
| Coverage B Losses .....                    | IV-16b       | 10        |
| <b>D</b>                                   |              |           |
| Date, Numeric Designation of .....         | I-9          | 3         |



| D                                           |  | Section-Item | Page |
|---------------------------------------------|--|--------------|------|
| Filing .....                                |  | I-4          | 2    |
|                                             |  | V-B23        | 12   |
| Valuation .....                             |  | I-4          | 2    |
|                                             |  | V-B5         | 12   |
| Effective .....                             |  | II-8a        | 4    |
| Expiration .....                            |  | II-8c        | 4    |
| Accident .....                              |  | IV-2         | 7    |
|                                             |  | V-B18        | 12   |
| Death .....                                 |  | V-C1         | 13   |
| End of Employment .....                     |  | V-B27        | 13   |
| Death .....                                 |  | IV-5         | 7    |
| Dependents .....                            |  | V-C2         | 13   |
| Disease Losses .....                        |  | VIII-2       | 17   |
| E                                           |  |              |      |
| Economic Opportunity Act .....              |  | IIIA-A10     | 7    |
| Effective Date, of Plan .....               |  | Intro. 2     | 1    |
| Of Policies .....                           |  | I-4          | 2    |
|                                             |  | II-8         | 4    |
|                                             |  | V-B3         | 12   |
| Of Changes in Plan .....                    |  | Intro. 3     | 1    |
| Of Modification .....                       |  | IX-C-5i      | 21   |
| Of Rate .....                               |  | IX-C-5j      | 21   |
| Emergency Relief or Unemployment            |  |              |      |
| Employees .....                             |  | IIIA-A9      | 7    |
|                                             |  | VIII-6       | 18   |
| Employment Status .....                     |  | V-B26        | 12   |
| Excess Insurance .....                      |  | VIII-7       | 19   |
| Expense Constant .....                      |  | IIIA-B1      | 7    |
| Experience Modification .....               |  | III-6d       | 6    |
| Experience Rated Risks .....                |  | I-3          | 2    |
| Form of Report for .....                    |  | I-3a         | 2    |
| Advance Reports for .....                   |  | I-4a         | 2    |
| Expiration Date .....                       |  | II-8c        | 4    |
| Exposure .....                              |  | III          | 4    |
| Other than Payroll .....                    |  | III-4        | 5    |
| Passenger Seat .....                        |  | III-4b       | 5    |
| Payroll .....                               |  | III-3        | 5    |
| Per Capita .....                            |  | III-4a       | 5    |
| Strike Duty .....                           |  | III-4c       | 5    |
| Disease .....                               |  | VIII-2       | 17   |
| Exposure Coverage (Exp. Cov.) .....         |  | III-1        | 4    |
| F                                           |  |              |      |
| Filing Date .....                           |  | I-4          | 2    |
|                                             |  | V-B23        | 12   |
| Flat Increase on Outstanding Policies ..... |  | IIIA-A8      | 7    |
| Forms .....                                 |  | I-2          | 2    |
|                                             |  | V-B1         | 12   |
| Foundry Experience .....                    |  | VIII-2D      | 18   |
| G                                           |  |              |      |
| Governing Classification .....              |  | III-2a       | 5    |

|                                               | <b>Section-Item</b> | <b>Page</b> |
|-----------------------------------------------|---------------------|-------------|
| <b>I</b>                                      |                     |             |
| Identification Data .....                     | II                  | 3           |
| Illustrations .....                           | Appendix            | 1 thru 11   |
| Incurred Losses .....                         | IV-16               | 9           |
| Individual Reports .....                      | V                   | 12          |
| When Not Required .....                       | I-4a                | 2           |
| When Required .....                           | V-A                 | 12          |
| Instructions .....                            | V-B                 | 12          |
| Pension Claims .....                          | V-C                 | 13          |
| Claims Other than Pension .....               | V-D                 | 13          |
| Injury Type .....                             | IV-4                | 7           |
|                                               | V-B6                | 12          |
| Injury Description Code .....                 | V-B22               | 12          |
| Insured .....                                 | II-9                | 4           |
|                                               | V-B14               | 12          |
| Introduction .....                            | Intro.              | 1           |
| <b>J</b>                                      |                     |             |
| Jurisdictions where Applicable .....          | Intro. 1, 4         | 1           |
| <b>L</b>                                      |                     |             |
| Legal Expense .....                           | IV-15               | 8           |
| Loss Constant .....                           | III A-32            | 7           |
| Loss Coverage (Loss Cov.) .....               | IV-18               | 11          |
|                                               | V-B17               | 12          |
| Losses .....                                  | IV                  | 7           |
| Revaluation of .....                          | VI-B3               | 15          |
| Lump Sum Claims .....                         | IV-20               | 11          |
| <b>M</b>                                      |                     |             |
| Magnetic Tape Reporting .....                 | IX                  | 19          |
| Manual Rate .....                             | III-5               | 5           |
| Medical .....                                 | IV-10               | 8           |
| Medical Only (Non-Compensation Medical) ..... | IV-11               | 8           |
| Contract Medical .....                        | IV-12               | 8           |
| Plant Hospital Contribution .....             | IV-13               | 8           |
| Clinical Medical .....                        | IV-14               | 8           |
| Medical Expense .....                         | IV-15               | 8           |
| Multiple Year Policies .....                  | VIII-1              | 17          |
| <b>N</b>                                      |                     |             |
| National Defense Projects Rating Plan .....   | VIII-3              | 18          |
| Non-Compensable Medical .....                 | IV-11               | 8           |
| Number of Claims .....                        | IV-2                | 7           |
| <b>O</b>                                      |                     |             |
| Occupation .....                              | V-B20               | 12          |
| Open Claims .....                             | IV-17               | 11          |
| <b>P</b>                                      |                     |             |
| Passenger Seat Exposure .....                 | III-4b              | 5           |
|                                               | III A-A2            | 6           |

| P                                           | Section-Item           | Page            |
|---------------------------------------------|------------------------|-----------------|
| Payroll—Exposure .....                      | III-3                  | 5               |
| Pension Claims .....                        | V-C                    | 13              |
| Pension Table I—Widow's .....               | IV-16                  | 9               |
| Pension Table II—Other than Widow's .....   | IV-16                  | 10              |
| Pension Table, Escalation Supplements ..... | IV-16                  | Exception pages |
| Per Capita .....                            | III-4a                 | 5               |
| Permanent Partial .....                     | IV-7                   | 8               |
| Permanent Total .....                       | IV-6                   | 7               |
| Plant Hospital Contributions .....          | IV-13                  | 8               |
| Policy Number .....                         | II-2                   | 3               |
|                                             | V-B9                   | 12              |
| Premium .....                               | III-6                  | 5               |
| Uncollectible .....                         | I-7                    | 3               |
| Manual Classification .....                 | III-6a                 | 5               |
| Miscellaneous .....                         | III-6b                 | 5               |
|                                             | IIIA                   | 6               |
| Discount .....                              | III-6c                 | 6               |
| Surcharge .....                             | IIIA-A2                | 6               |
| Higher Limits Under Coverage B .....        | IIIA-A5                | 6               |
| Disease .....                               | VIII-2B                | 17              |
| R                                           |                        |                 |
| Radiation Exposure .....                    | VIII-4                 | 18              |
| Atomic Energy Commission Projects .....     | VIII-4                 | 18              |
| Coverage .....                              | IV-18                  | 11              |
| Rate .....                                  | III-5                  | 5               |
| Record Specifications (Magnetic Tape) ..... | IX-C                   | 20              |
| Rehabilitation, Physical .....              | IV-10b                 | 8               |
| Rehabilitation, Vocational .....            | IV-16                  | 9               |
|                                             | IV-18                  | 11              |
| Reinsurance .....                           | I-6                    | 3               |
| Remarks (Individual Report) .....           | V-B30                  | 13              |
| Report Number .....                         | II-1                   | 3               |
|                                             | V-B4                   | 12              |
| Retrospective Rated Risks .....             | I-3                    | 2               |
| Form of Report .....                        | I-3b                   | 2               |
| Advance Report .....                        | I-4a                   | 2               |
| S                                           |                        |                 |
| Scope of Report .....                       | I-1                    | 2               |
| Serial Card Numbers .....                   | See Card Serial Number |                 |
| Short Rate Penalty .....                    | IIIA-A7                | 7               |
| State .....                                 | II-3a                  | 3               |
| Abbreviation .....                          | II-3b                  | 3               |
| Number .....                                | II-3b                  | 3               |
|                                             | V-B7                   | 12              |
| Statistical Codes .....                     | IIIA                   | 6               |
| Strike Duty—Exposure .....                  | III-4c                 | 5               |
| Detective or Patrol Agencies .....          | IIIA-A3                | 6               |
| Labor Unions .....                          | IIIA-A4                | 6               |
| Losses .....                                | IV-22                  | 11              |
| Subrogation Claims .....                    | IV-19                  | 11              |
| Subrogation—Waiver .....                    | IIIA-A6                | 7               |



|                                           | Section-Item      | Page  |
|-------------------------------------------|-------------------|-------|
| <b>S</b>                                  |                   |       |
| Subsequent Reports .....                  | VI                | 14a ★ |
| Three Year Fixed Rate Policies .....      | VII-4             | 17    |
| <b>T</b>                                  |                   |       |
| Table I and II .....                      | See Pension Table |       |
| Tape Specifications (Magnetic Tape) ..... | IX-B              | 20    |
| Temporary Partial .....                   | IV-8              | 8     |
| Temporary Total .....                     | IV-8              | 8     |
| Term of Policy .....                      | II-8b             | 4     |
| Termination Reports .....                 | V-A               | 12    |
|                                           | V-B29             | 13    |
|                                           | V-C               | 13    |
| Three Year Fixed Rate Policies .....      | VII               | 15    |
| Magnetic Tape Basis .....                 | VII-C             | 17    |
| Schedule Z Basis .....                    | VII-A             | 15    |
| Unit Report Basis .....                   | VII-B             | 16    |
| Transition Program Credit .....           | IIIA-B4           | 7     |
| Transmittal, Method of .....              | I-8               | 3     |
| Type of Injury .....                      | IV-4              | 7     |
| <b>U</b>                                  |                   |       |
| Uncollectable Premiums .....              | I-7               | 3     |
| Unemployment or Emergency Relief          |                   |       |
| Employees .....                           | IIIA-A9           | 7     |
|                                           | VIII-6            | 18    |
| <b>V</b>                                  |                   |       |
| Valuation Date .....                      | I-4               | 2     |
|                                           | V-B5              | 12    |
| First Report .....                        | I-4               | 2     |
| Advance Reports .....                     | I-4               | 2     |
| Multiple Year Policies .....              | VIII-1            | 17    |
| Three Year Fixed Rate Policies .....      | VII-A2            | 16    |
|                                           | VII-B2            | 17    |
| Subsequent Reports .....                  | VI-A2             | 14a ★ |
|                                           | VI-B3             | 15    |
| <b>W</b>                                  |                   |       |
| Widow's Pension Table .....               | See Pension Table |       |
| Workers Name .....                        | V-B19             | 12    |

- d. Code 0071—Employers' Liability Coverage Subject to a Standard Limit of Liability of \$5,000 per Person and \$10,000 per Accident for coverage up to and including a limitation of \$100,000/\$100,000.
- e. Code 0072—Employers' Liability Coverage Subject to a Standard Limit of Liability of \$5,000 per Person and \$10,000 per Accident for any coverage in excess of a limitation of \$100,000/\$100,000.

In instances where the excess premium resulting from application of the appropriate limit factor to total premium is less than the corresponding minimum premium for such higher limits, the corresponding minimum premium shall be shown opposite the appropriate code.

6. Waiver of Subrogation Premium—Code 0930.
7. Short Rate Penalty Premium—Code 0931.
8. Additional Premium Resulting from Flat Increase on Outstanding Policies—Code 0998.
9. Unemployment or Emergency Relief Employees—Code 9408.
10. Additional Benefits Coverage—Economic Opportunity Act—Code 9923.
11. Broad Form All States Coverage—Code 0155.
- B. Premium Not Subject to Experience Rating to be reported on lines "D", "E", "F" or "G".
1. Expense Constant—Code 0020.
2. Loss Constant—0032.
3. Required to Balance to Risk Minimum Premium—Code 0990. This amount should not include loss and expense constants.
4. Premium Credit Under Payroll Limitation Transition Program—Code (0076). The code number must be shown in parentheses.
5. Premium Surcharge—Assigned Risk Plan—Code 0077.

*West Portland & State Insurer*  
SECTION IV—LOSSES.

1. **Claim Number.** (a) Each claim on which the total loss (indemnity and medical combined) is greater than \$2,000 must be listed individually with the appropriate claim number.

(b) At the option of the carrier all other claims may be listed individually or may be grouped by manual classification and by type of injury within each manual classification. The number of claims within each group shall be entered in the column captioned "Accident Date or Number of Claims." In counting the number

of claims, claims closed without payment shall be omitted. If one or more claims within the group are open such group shall be considered as open, and revised experience shall be reported in accordance with the rules of this Plan. If the grouping option is elected, claims must be grouped separately according to loss coverage codes as designated in Section IV, Item 18.

(c) If the carrier reports on magnetic tape, refer to Section IX, Subsection A.

2. **Accident Date or Number of Claims.** For claims which are listed individually, the entering of the accident date is optional with the carrier. Where a number of claims are summarized by group in accordance with Section IV, Item 1 (b) above, the number of claims MUST be shown in lieu of the accident date.

3. **Class Code.** In this column, show the classification code number to which the claims have been assigned. No claims may be assigned to any classification unless premium also has been reported for that class. In cases where losses have been incurred under the benefits of a state other than where the payroll is assigned, the carrier will report the claim in the state where the payroll is assigned, identifying the claim in the loss coverage column by the number "43" as designated in Section IV, Item 18.

4. **Injury (Inj.)** The kind of injury is to be indicated in this column by means of the following numbers:

- 1—Death  
2—Permanent Total Disability  
5—Temporary Total or Temporary Partial Disability  
6—Medical Only Claims  
7—Contract Medical or Hospital Allowance  
9—Permanent Partial Disability

Where the Compensation Law specifies that, in connection with certain types of injury, a specified amount shall be paid into special funds, such as a second injury fund, and that such amounts are in addition to the compensation payable to the injured or the dependents, then the combined total amount shall be reported as incurred indemnity losses in the Unit Report. Examples are (1) payments in no dependent death claims and (2) a specified percentage of the permanent partial award. However, any special payments to the states which are assessed on total premium writings or total losses paid or incurred, instead of on a per claim basis, shall not be reported under this plan.

5. **Death.** Enter each death claim, unless it has been established that the carrier has incurred no liability. The amount entered as indemnity incurred shall include all paid and outstanding benefits, including compensation paid to the deceased prior to death, burial expenses and payments to the State.

6. **Permanent Total.** Enter as permanent total each claim which has been adjudged to constitute permanent total disability or which is defined as such under the law, or which in the judgment of the carrier will result in permanent total disability.

**7. Permanent Partial.** (a) Enter as permanent partial every permanent injury which does not involve permanent total disability. (b) Also enter as permanent partial every case not involving permanent total disability on which temporary total or temporary partial benefits are paid or incurred, (1) if the duration of temporary disability benefits exceeds or is expected to exceed one full year, (2) if a lump sum settlement was required or in the judgment of the carrier will be required, to resolve the question of liability for future payments, or (3) if the extent of liability for future payments in the judgment of the carrier is indeterminate.

The amount entered as indemnity incurred shall include specific benefits and compensation for temporary disability as well as loss of earning capacity.

**8. Temporary Total or Temporary Partial Disability.** Enter as temporary every case which involves or is expected to involve indemnity benefits but which does not constitute a case of death, permanent total or permanent partial as defined above.

**9. Penalties for Delays in Making Compensation Payments.** Penalties for which the carrier is liable for reasons beyond its control and which accrue as benefits to the injured workman or his dependents, such as for interest on awards or for penalties imposed upon the employer for improper controversion of awards, shall be chargeable to indemnity losses and so reported; other penalties shall be chargeable to claim expenses.

**10. Medical on Compensable Claims.**

(a) Opposite each of the above types of compensable claims, enter in the column captioned "Medical" the medical losses incurred in connection with such claim.

(b) Medical losses shall include all payments to doctors and hospitals as well as physical rehabilitation costs and reserves for future payments but shall not include any claim expense. In this connection, refer also to Section IV, Item 14 following for clinical medical.

**11. Medical Only Claims.** When reporting medical only losses, make no entry in the column captioned "Indemnity" and enter the number "6" in the column captioned "Inj."

**12. Contract Medical.** Contract medical costs which cannot be allocated to individual claims shall be reported in the aggregate in the column captioned "Medical". Such medical shall be assigned to the governing classification of the risk and shall be designated by the number "7" in the column captioned "Inj.". Contract medical costs allocated to individual claims shall be reported in connection with these claims and shall not be included in the amount reported as contract medical. The amount reported as contract medical shall be the actual incurred cost to the company for such medical contracts, including payments to physicians and hospitals under contract.

**13. Plant Hospital Contributions.** If the carrier fur-

nishes first aid equipment or contributes to the cost of plant hospitals maintained by the insured or pays the salaries, in whole or in part, of medical personnel or in any other way contributes to the cost of medical facilities maintained by the insured, such contributions shall be reported in the column captioned "Medical".

If the carrier loans hospital equipment to the insured, 20% of the replacement cost new shall be treated as actual losses paid for each year during which such equipment is on loan and also shall be reported in the column captioned "Medical".

Contributions reported pursuant to this rule shall be assigned to the governing classification of the risk and shall be designated by the number "7" in the column captioned "Inj."

**14. Clinical Medical.** When a carrier maintains a medical clinic, the cost of each treatment given shall be charged against the individual risk in accordance with a fixed schedule of charges per treatment and such costs shall be assigned to the proper manual classifications. The schedule of charges may distinguish between types of treatment, and shall apply without exception to all risks with cases treated by the clinic, and shall be frequently revised and adjusted if necessary so that the total charges for a given period will be equivalent to the total cost of maintaining the clinic, including salaries, rent, light, heat, depreciation of equipment, cost of supplies, etc.

**15. Medical or Legal Expense.** Medical or legal expenses incurred for the benefit of the carrier to secure evidence for presentation before an official body shall be treated as adjusting expenses and not reported except as respects Coverage B allocated loss adjustment expense as explained in Section IV, Item 16(b).

The following are a few examples that should be charged to expense rather than to losses:

1. Medical examinations of a claimant on behalf of the carrier to determine liability.
2. Cost of securing birth and death certificates.
3. Cost of performing autopsies.
4. Impartial examinations by Industrial Board.
5. Expert testimony of physicians on behalf of carriers, or fees paid to the claimant's physician called in by the carrier.

**NOTE:** Where the claimant calls in the attending physician to give medical testimony in his behalf, or where the carrier is required to produce the claimant's physician at the hearing and the employer or the insurance carrier is required to pay such a physician's fee, the payment of the fee shall be reported as a medical loss.

When an award to a claimant includes the cost of witness fees, attorney fees, and other court costs, the amount so awarded shall be considered as part of the cost of benefit and shall be included with the indemnity reported. With respect to claims brought by persons



against whom an employee has brought a third party common law action, such special costs shall be reported as an indemnity loss whether or not a recovery is made against the third party by the employee.

**16. Incurred Losses.** (a) Workmen's Compensation and Voluntary Compensation. Enter the total of all paid and outstanding compensation including payments to special funds such as a second injury fund in the column captioned "Indemnity," and the total of all paid and outstanding medical in the column captioned "Medical." The outstanding cost shall be the company's individual claim estimates of future payments, except: (1) in valuing a widow's benefits in Death claims where benefits are not limited by duration or aggregate amount but are payable to the widow until her death or remarriage the following Table I shall be used, (2) in valuing the portion of the reserve

for certain death claims where there is no widow, but a parent, brother or sister where benefits are payable for life the following Table II shall be used and (3) in valuing the disabled life portion of the reserve for a Permanent Total claim where benefits are payable for life the following Table II shall be used. Expenses, any general allowances for contingencies, and any supplemental non-statutory benefits not otherwise provided for in this plan must be excluded. Precautionary reserves in excess of the amount shown on the final settlement receipt as filed, at completion of all compensation payments, with the Industrial Commission or other body having jurisdiction over workmen's compensation claims, shall not be included in the amount of losses reported under the Unit Statistical Plan. Vocational rehabilitation costs and reserves for future payments shall be included as part of the amount entered as incurred indemnity.

**TABLE I**  
**WIDOW'S PENSION TABLE†**  
(Present Value of \$1.00 per annum payable until death or remarriage.)

| Age | Present Value | Age | Present Value | Age | Present Value |
|-----|---------------|-----|---------------|-----|---------------|
| 20  | 7.715         | 46  | 17.035        | 72  | 8.762         |
| 21  | 8.360         | 47  | 16.907        | 73  | 8.359         |
| 22  | 9.031         | 48  | 16.743        | 74  | 7.958         |
| 23  | 9.717         | 49  | 16.559        | 75  | 7.565         |
| 24  | 10.404        | 50  | 16.373        | 76  | 7.176         |
| 25  | 11.071        | 51  | 16.148        | 77  | 6.791         |
| 26  | 11.726        | 52  | 15.903        | 78  | 6.415         |
| 27  | 12.365        | 53  | 15.654        | 79  | 6.047         |
| 28  | 12.973        | 54  | 15.365        | 80  | 5.694         |
| 29  | 13.564        | 55  | 15.084        | 81  | 5.357         |
| 30  | 14.129        | 56  | 14.780        | 82  | 5.038         |
| 31  | 14.655        | 57  | 14.470        | 83  | 4.733         |
| 32  | 15.135        | 58  | 14.141        | 84  | 4.437         |
| 33  | 15.573        | 59  | 13.788        | 85  | 4.139         |
| 34  | 15.964        | 60  | 13.448        | 86  | 3.859         |
| 35  | 16.300        | 61  | 13.078        | 87  | 3.601         |
| 36  | 16.592        | 62  | 12.693        | 88  | 3.365         |
| 37  | 16.836        | 63  | 12.340        | 89  | 3.149         |
| 38  | 17.009        | 64  | 11.950        | 90  | 2.951         |
| 39  | 17.141        | 65  | 11.555        | 91  | 2.780         |
| 40  | 17.228        | 66  | 11.179        | 92  | 2.620         |
| 41  | 17.270        | 67  | 10.780        | 93  | 2.493         |
| 42  | 17.281        | 68  | 10.380        | 94  | 2.373         |
| 43  | 17.258        | 69  | 9.968         | 95  | 2.268         |
| 44  | 17.220        | 70  | 9.577         |     |               |
| 45  | 17.145        | 71  | 9.170         |     |               |

1960 U.S. Life Tables—white females—U.S. Employees' Compensation Remarriage Tables—3.5% Interest.

† Applicable to all losses incurred under Policy Year 1973 first and subsequent reports; all losses incurred under Policy Year 1972 second and subsequent reports; all losses incurred under Policy Year 1971 third and subsequent reports; all losses incurred under Policy Year 1970 fourth and subsequent reports; and all losses incurred under Policy Year 1969 fifth reports.

**EXAMPLE 1 USE OF WIDOW'S PENSION TABLE**

Find the incurred indemnity loss to be reported when benefits are payable to a widow until her death or remarriage.  
Date of Accident and Death: 9-17-73

Weekly Benefit Payable: \$76.00      Policy Effective: 1-1-73/12-31-73  
Widow's Birth Date: 2-18-41

| Calculations:                                      | 1st Report | 2nd Report |
|----------------------------------------------------|------------|------------|
| 1. Valuation date                                  | 7-1-74     | 7-1-75     |
| 2. Widow's age nearest valuation date              | 33         | 34         |
| 3. Annual benefit (\$76 × 52 weeks)                | 3,952      | 3,952      |
| 4. Present value of \$1.00 per year (From Table I) | 15.573     | 15.964     |
| 5. Present value of future payments (3) × (4)      | 61,544     | 63,090     |
| 6. Payments since 9-17-73 at \$76.00               | 3,116      | 7,068      |
| 7. Funeral allowance                               | 750        | 750        |
| 8. Total incurred indemnity loss (5) + (6) + (7)   | 65,410     | 70,908     |

**Section IV**  
**NATIONAL COUNCIL ON COMPENSATION INSURANCE**  
**Original Printing**

**UNIT STATISTICAL PLAN**  
**Effective (See Page 1)**

(b) The rules of this section apply to Coverage B employers' liability claims, except as follows:

Coverage B employers' liability losses include allocated loss adjustment expenses, as defined herein. The entire amount of losses and allocated loss adjustment expenses shall be reported as incurred losses, in the Unit Report. Coverage B allocated loss adjustment expenses represent the following expenses of a carrier, in connection with claim settlements, which can be directly allocated to a particular claim:

1. Attorney's fees for claim in suit.
2. Court and other specific items of expense such as:  
 Medical examination to determine the extent of company's liability  
 Expert medical or other testimony

Laboratory and X-Ray  
 Autopsy  
 Stenographic  
 Witnesses and Summonses  
 Copies of Documents

The following shall not be included as allocated loss adjustment expense:

1. Salaries and traveling expenses of company employees (other than amount allocated as attorney's fees for claims in suit)
2. Overhead
3. Adjusters fees (fees paid to independent adjusters, or attorneys, for adjusting claims).

**TABLE II**  
**PENSION TABLE (OTHER THAN WIDOW'S)†**  
 (Present Value of \$1.00 per annum payable until death.)

| Age | Present Value | Age | Present Value | Age | Present Value |
|-----|---------------|-----|---------------|-----|---------------|
| 13  | 24.640        | 41  | 18.808        | 69  | 9.260         |
| 14  | 24.496        | 42  | 18.511        | 70  | 8.902         |
| 15  | 24.351        | 43  | 18.209        | 71  | 8.546         |
| 16  | 24.203        | 44  | 17.902        | 72  | 8.191         |
| 17  | 24.053        | 45  | 17.590        | 73  | 7.838         |
| 18  | 23.900        | 46  | 17.273        | 74  | 7.487         |
| 19  | 23.744        | 47  | 16.951        | 75  | 7.140         |
| 20  | 23.583        | 48  | 16.625        | 76  | 6.796         |
| 21  | 23.419        | 49  | 16.295        | 77  | 6.454         |
| 22  | 23.250        | 50  | 15.963        | 78  | 6.117         |
| 23  | 23.076        | 51  | 15.629        | 79  | 5.787         |
| 24  | 22.896        | 52  | 15.294        | 80  | 5.467         |
| 25  | 22.710        | 53  | 14.955        | 81  | 5.162         |
| 26  | 22.516        | 54  | 14.613        | 82  | 4.875         |
| 27  | 22.315        | 55  | 14.266        | 83  | 4.602         |
| 28  | 22.107        | 56  | 13.916        | 84  | 4.335         |
| 29  | 21.892        | 57  | 13.561        | 85  | 4.066         |
| 30  | 21.671        | 58  | 13.203        | 86  | 3.810         |
| 31  | 21.444        | 59  | 12.844        | 87  | 3.570         |
| 32  | 21.209        | 60  | 12.486        | 88  | 3.345         |
| 33  | 20.968        | 61  | 12.128        | 89  | 3.136         |
| 34  | 20.721        | 62  | 11.770        | 90  | 2.946         |
| 35  | 20.467        | 63  | 11.412        | 91  | 2.776         |
| 36  | 20.206        | 64  | 11.054        | 92  | 2.624         |
| 37  | 19.938        | 65  | 10.696        | 93  | 2.490         |
| 38  | 19.664        | 66  | 10.337        | 94  | 2.372         |
| 39  | 19.384        | 67  | 9.978         | 95  | 2.266         |
| 40  | 19.099        | 68  | 9.618         |     |               |

1960 U.S. Life Tables—Total Population—3.5% Interest.

† Applicable to all losses incurred under Policy Year 1973 first and subsequent reports; all losses incurred under Policy Year 1972 second and subsequent reports; all losses incurred under Policy Year 1971 third and subsequent reports; all losses incurred under Policy Year 1970 fourth and subsequent reports; and all losses incurred under Policy Year 1969 fifth reports.

**EXAMPLE II USE OF PENSION TABLE (OTHER THAN WIDOW'S)**

Find the incurred loss to be reported when benefits are payable to an injured employee for life due to a permanent total disability.

Date of Accident: 5-30-73

Weekly Benefit Payable: \$84.00      Policy Effective 1-1-73/12-31-73  
 Employee's Birth Date: 10-21-39

| Calculations:                                       | 1st Report | 2nd Report |
|-----------------------------------------------------|------------|------------|
| 1. Valuation date                                   | 7-1-74     | 7-1-75     |
| 2. Employee's age nearest valuation date            | 35         | 36         |
| 3. Annual benefit (\$84.00 × 52 weeks)              | 4,368      | 4,368      |
| 4. Present value of \$1.00 per year (From Table II) | 20.467     | 20.206     |
| 5. Present value of future payments (3) × (4)       | 89,400     | 88,260     |
| 6. Payments since 5-30-73 at \$84.00                | 4,704      | 9,072      |
| 7. Total incurred indemnity loss (5) + (6)          | 94,104     | 97,332     |

17. **Open or Closed.** Open claims shall be designated by the number "0" and closed claims by the number "1" (indicating final payment made) in the column captioned "Open or Closed".

18. **Loss Coverage (Loss Cov.)** Losses incurred on any of the bases described below shall be identified by the following appropriate codes in the column captioned "Loss Cov.". In cases where the indemnity involves vocational rehabilitation costs and reserves, the code which would otherwise have applied shall be increased by fifty and the resulting code shall be reported (e.g. State Act - Trauma - Vocational Rehabilitation use Code 61).

| Code                                                                               | Basis of Liability                    |
|------------------------------------------------------------------------------------|---------------------------------------|
| 11 State Act                                                                       | —Trauma                               |
| 12 State Act                                                                       | —Trauma—Subrogation                   |
| 13 State Act                                                                       | —Trauma—Liability Over                |
| 14 State Act                                                                       | —Disease Loss                         |
| 15 State Act                                                                       | —Disease Loss—<br>Subrogation         |
| 16 State Act                                                                       | —Disease Loss—<br>Liability Over      |
| 17 State Act                                                                       | —Cumulative Injury                    |
| 18 State Act                                                                       | —Cumulative Injury—<br>Subrogation    |
| 19 State Act                                                                       | —Cumulative Injury—<br>Liability Over |
| 21 U.S.L.                                                                          | —Trauma                               |
| 22 U.S.L.                                                                          | —Trauma—Subrogation                   |
| 23 U.S.L.                                                                          | —Trauma—Liability Over                |
| 24 U.S.L.                                                                          | —Disease Loss                         |
| 25 U.S.L.                                                                          | —Disease Loss—<br>Subrogation         |
| 26 U.S.L.                                                                          | —Disease Loss—<br>Liability Over      |
| 27 U.S.L.                                                                          | —Cumulative Injury                    |
| 28 U.S.L.                                                                          | —Cumulative Injury—<br>Subrogation    |
| 29 U.S.L.                                                                          | —Cumulative Injury—<br>Liability Over |
| 31 Employers' Liability                                                            | —Trauma                               |
| 34 Employers' Liability                                                            | —Disease Loss                         |
| 37 Employers' Liability                                                            | —Cumulative Injury                    |
| 41 Admiralty Benefits Payable                                                      |                                       |
| 42 F.E.L.A. Benefits Payable                                                       |                                       |
| 43 Benefits based on law of other state—report in state where payroll is assigned. |                                       |
| 96-99 Reserved for Carrier Use                                                     |                                       |

19. **Subrogation Claims.** In all cases where there has been recovery of loss under subrogation rights, each claim shall be included at a figure equal to the net liability incurred. The net liability incurred shall be determined by deducting from the incurred cost prior to recovery, the amount recovered through subrogation less any expenses incurred in connection with such recovery. However, in cases where the expenses incurred in connection with such recovery exceed the amount recovered, the net amount of loss reported shall not exceed the gross amount of loss prior to recovery. Furthermore, the net liability incurred shall be apportioned to indemnity and medical in the same proportion as existed in the gross incurred cost.

20. **Lump Sum Claims.** Where a claim involves a lump sum representing the discounted or commuted value of a specific award or benefit, subdivide the amount according to indemnity and medical. In instances where this cannot be readily determined, report amounts which the carrier believes to be the most likely breakdown.

21. **Aircraft Operation Losses.** Losses incurred in connection with employees of the risk other than members of the flying crew, shall not be reported by classification but shall be assigned to Statistical Code 0088, provided such losses arise out of the operation of aircraft subject to a passenger seat surcharge.

22. **Losses While on Strike Duty.** Losses incurred while on strike duty in connection with Code 7720—Detective or Patrol Agencies shall not be reported by classification but shall be assigned to Statistical Code 0111. Similarly losses incurred while on strike duty in connection with Code 8755—Labor Unions shall be assigned to Statistical Code 0112.

23. **Catastrophes Number (Cat. No.)** Any accident resulting in two or more reported claims where the total amount of the loss (indemnity and medical combined) exceeds \$10,000 must be reported as a catastrophe. In reporting catastrophes, all claims (compensable as well as non-compensable and contract medical) resulting from this accident shall be designated by placing the numeral "1" in the column captioned "Cat. No." opposite each such claim. If there is more than one catastrophe under the policy, each succeeding catastrophe should be designated by means of a separate serial number "2", "3", etc. A separate series of catastrophe numbers shall be used for each policy.

24. **Totals.** The total number of claims and the sum of the indemnity and medical amounts for claims listed individually and reported in groups shall be entered on the line captioned "Totals."



**SECTION V—INDIVIDUAL REPORTS.**

**A. Claims on Which Required.** Individual claim reports shall be filed for the following:

1. Any disability claim payable until death.
2. Any death claim.
3. Any claim where the incurred indemnity amount exceeds the state statutory maximum.
4. Any cumulative injury claim (See Section IV, Item 18).
5. Any disease claim (See Section IV, Item 18).
6. Any pension claim where a previously eligible primary beneficiary ceases to be eligible for benefits.
7. Any claim where the indemnity amount includes payments or reserves for vocational rehabilitation.

Individual claim reports shall be filed concurrently with the submission of individual risk experience. Individual claim reports in connection with subsequent reportings of experience are required if the incurred indemnity amounts, the classification code, or the type of injury changes from the previous reporting. In addition, termination reports are required for all pension claims upon the death of a widow(er) or other recipient of life pension benefits, upon the remarriage of a widow(er) or upon the lump sum settlement of a life pension claim. Such reports shall be filed regardless of whether a unit report submission is required and shall continue to be submitted until such time as all required benefits have been paid.

**B. General Instructions for Reporting Information on Individual Claim Reports.** ALL INFORMATION ON THE INDIVIDUAL CLAIM REPORT MUST AGREE WITH THE CORRESPONDING INFORMATION SHOWN ON THE UNIT REPORT.

**1. Forms.** For individual reports use Form 24-77 except for pension claims. Use Form 23-77 for normal evaluations and for termination reports on pension claims.

**2. Class Code.** Same as Unit Report.

**3. Effective Date.** Same as Unit Report.

**4. Report.** Same as Unit Report unless such report is a termination report subsequent to a fifth reporting. In these instances enter a six (6).

**5. Date of Valuation.** The date of valuation MUST be entered on every individual claim report. If the claim was closed before the date of valuation, insert the date on which the carrier closed the file on the claim.

**6. Injury (Inj.)** Enter the type of injury as shown on the Unit Report for the current reporting.

**7. State—State No.** Same as Unit Report.

**8. Adm. File No.** Make no entry in this space.

**9. Policy Number.** Same as Unit Report.

**10. Carrier—Carrier No.** Same as Unit Report.

**11. Card Serial No.** Same as Unit Report.

**12. Claim Number.** Same as Unit Report.

**13. Age at Acc. Date.** Enter the age of the worker to the nearest birthday as of the date of accident.

**14. Insured.** Same as Unit Report.

**15. Inj. at 1st Report.** Enter the type of injury as shown on the first unit statistical reporting.

**16. Average Weekly Wage.** Enter the average weekly wage as computed in accordance with the statutory provisions regarding determination of average wage. The full wage should be reported rather than the wage sufficient to qualify for the maximum weekly compensation.

**17. Loss Coverage.** This entry should be identical with the entry in the Loss Cov. column on the Unit Report as provided in Section IV, Item 18.

**18. Accident Date.** Enter the date of the accident in this space.

**19. Worker's Name.** Enter name of injured or deceased worker.

**20. Occupation.** Give the regular occupation of the worker as precisely as possible, and not the specific activity that the employee was engaged in at the time of the accident. The latter information should be stated under "Cause of Accident".

**21. Cause of Accident.** State briefly but clearly the exact manner in which the accident occurred. In general, a properly described accident will answer the following questions:

(a) Where was the injured employee working at the time of accident; (b) What was he doing; (c) What machinery, appliance, object or circumstance was directly responsible for the accident (immediate cause) and (d) What agency or condition contributed to it (the antecedent or contributing cause).

Example: While inside boiler, inspecting same, someone in boiler house opened valves, letting in steam from other boilers in battery.

NOTE: In cases where disability arose from exposure to disease hazard, indicate this clearly under "Cause of Accident", stating nature of the hazard to which claimant was exposed.

★ **22. Injury Description Code.** Enter the four-digit code, from the injury description code grid which most accurately describes the conditions of the injury.

**23. Date Claim Filed.** Enter the date at which the application for benefits was filed.

**24. Sex.** Enter the sex of the claimant indicating the digit "1" for a male or the digit "2" for a female.

**25. Marital Status.** Enter the marital status of the claimant as follows: Single—enter "1", Married—enter "2", Separated—enter "3", and Unknown—enter "4".

**26. Employment Status.** Enter the employment status of the claimant on the date the claim was filed from the following: Employed—enter "1", Unemployed—enter

"2", Disabled—enter "3", Retired—enter "4", and Unknown—enter "5".

**27. Date Employment Ended.** If the claimant was unemployed, disabled or retired at the time the claim was filed, indicate the date when employment ended.

**28. Specific Occupational Disease.** For all occupational disease claims enter the name of the specific disease contracted.

**29. Reason for Termination of Benefits (Form 23-77).** For all non-eligible dependents, i.e., dependents to whom benefits have been terminated, enter the reason for termination of benefit payments as follows: Death—enter "1", Remarriage—enter "2", Payment of Full Statutory Award—enter "3", Settlement—enter "4", and Other—enter "5".

**30. Remarks.** Describe any unusual condition affecting the incurred cost of this claim, e.g., lump sum settlement, etc. In addition, where there are medical examinations or legal expenses refer to Section IV, Item 15 and insert an explanatory note stating the kind and amount of such costs. Include information covering mentally defective dependents, a significant change in dependency status, etc. If the Injury Description Code pertains to one of the "other" primary causes please explain why none of the specific categories apply.

**C. Pension Claims—Form 23-77.** This form is to be used for all claims involving the use of Table I or Table II as required in Section IV, Item 16. In addition, termination reports shall be submitted on form 23-77 whenever benefits cease to be paid to a primary beneficiary, i.e., upon the death of a widow(er) or other recipient of life pension benefits, upon the remarriage of a widow(er), or upon the lump sum settlement of a life pension claim. Such termination reports shall

be submitted immediately upon termination of benefits if the normal fifth reporting has already been completed or at the next normal unit report valuation if the fifth report has not yet been submitted. The age of beneficiaries who are ceasing to receive benefits is to be the age at date of termination of such benefits.

**1. Date of Death.** If this form is being used to report a death claim, then enter the date of death in this space.

**2. Beneficiaries.** Indicate each dependent if a beneficiary under the Act indicating the relationship, the sex, the date of birth, and the age at date of valuation (or at termination date where applicable). Enter the type of beneficiaries and dependents as follows: Claimant—enter "1", Widow—enter "2", Widower—enter "3", Sons and Daughters—enter "4", Brothers and Sisters—enter "5", Mothers and Fathers—enter "6", and Other—enter "7".

**3. Calculations.** Use this space to show the calculation of present value of future indemnity payments shown on line 1 below. See Section IV, Item 16 for examples of the calculations involving the use of Table I and Table II.

**4. Total Indemnity Incurred—Total Medical.** These amounts must be identical to the Indemnity and Medical Losses shown in the "Incurred Losses" section of the Unit Report.

**D. Claims Other Than Pension—Form 24-77.** This form is to be used for all claims except those involving life pensions. Instructions for showing the calculation of the "Total Incurred Losses" are shown on the form. The Total Indemnity and Medical losses shown in the "Total Incurred Losses" column must be identical with the amounts shown in the "Incurred Losses" section of the Unit Report.



|     |     |     |     |     |     |     |     |     |      |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|
| 111 | 112 | 113 | 114 | 115 | 116 | 117 | 118 | 119 | 120  |
| 121 | 122 | 123 | 124 | 125 | 126 | 127 | 128 | 129 | 130  |
| 131 | 132 | 133 | 134 | 135 | 136 | 137 | 138 | 139 | 140  |
| 141 | 142 | 143 | 144 | 145 | 146 | 147 | 148 | 149 | 150  |
| 151 | 152 | 153 | 154 | 155 | 156 | 157 | 158 | 159 | 160  |
| 161 | 162 | 163 | 164 | 165 | 166 | 167 | 168 | 169 | 170  |
| 171 | 172 | 173 | 174 | 175 | 176 | 177 | 178 | 179 | 180  |
| 181 | 182 | 183 | 184 | 185 | 186 | 187 | 188 | 189 | 190  |
| 191 | 192 | 193 | 194 | 195 | 196 | 197 | 198 | 199 | 200  |
| 201 | 202 | 203 | 204 | 205 | 206 | 207 | 208 | 209 | 210  |
| 211 | 212 | 213 | 214 | 215 | 216 | 217 | 218 | 219 | 220  |
| 221 | 222 | 223 | 224 | 225 | 226 | 227 | 228 | 229 | 230  |
| 231 | 232 | 233 | 234 | 235 | 236 | 237 | 238 | 239 | 240  |
| 241 | 242 | 243 | 244 | 245 | 246 | 247 | 248 | 249 | 250  |
| 251 | 252 | 253 | 254 | 255 | 256 | 257 | 258 | 259 | 260  |
| 261 | 262 | 263 | 264 | 265 | 266 | 267 | 268 | 269 | 270  |
| 271 | 272 | 273 | 274 | 275 | 276 | 277 | 278 | 279 | 280  |
| 281 | 282 | 283 | 284 | 285 | 286 | 287 | 288 | 289 | 290  |
| 291 | 292 | 293 | 294 | 295 | 296 | 297 | 298 | 299 | 300  |
| 301 | 302 | 303 | 304 | 305 | 306 | 307 | 308 | 309 | 310  |
| 311 | 312 | 313 | 314 | 315 | 316 | 317 | 318 | 319 | 320  |
| 321 | 322 | 323 | 324 | 325 | 326 | 327 | 328 | 329 | 330  |
| 331 | 332 | 333 | 334 | 335 | 336 | 337 | 338 | 339 | 340  |
| 341 | 342 | 343 | 344 | 345 | 346 | 347 | 348 | 349 | 350  |
| 351 | 352 | 353 | 354 | 355 | 356 | 357 | 358 | 359 | 360  |
| 361 | 362 | 363 | 364 | 365 | 366 | 367 | 368 | 369 | 370  |
| 371 | 372 | 373 | 374 | 375 | 376 | 377 | 378 | 379 | 380  |
| 381 | 382 | 383 | 384 | 385 | 386 | 387 | 388 | 389 | 390  |
| 391 | 392 | 393 | 394 | 395 | 396 | 397 | 398 | 399 | 400  |
| 401 | 402 | 403 | 404 | 405 | 406 | 407 | 408 | 409 | 410  |
| 411 | 412 | 413 | 414 | 415 | 416 | 417 | 418 | 419 | 420  |
| 421 | 422 | 423 | 424 | 425 | 426 | 427 | 428 | 429 | 430  |
| 431 | 432 | 433 | 434 | 435 | 436 | 437 | 438 | 439 | 440  |
| 441 | 442 | 443 | 444 | 445 | 446 | 447 | 448 | 449 | 450  |
| 451 | 452 | 453 | 454 | 455 | 456 | 457 | 458 | 459 | 460  |
| 461 | 462 | 463 | 464 | 465 | 466 | 467 | 468 | 469 | 470  |
| 471 | 472 | 473 | 474 | 475 | 476 | 477 | 478 | 479 | 480  |
| 481 | 482 | 483 | 484 | 485 | 486 | 487 | 488 | 489 | 490  |
| 491 | 492 | 493 | 494 | 495 | 496 | 497 | 498 | 499 | 500  |
| 501 | 502 | 503 | 504 | 505 | 506 | 507 | 508 | 509 | 510  |
| 511 | 512 | 513 | 514 | 515 | 516 | 517 | 518 | 519 | 520  |
| 521 | 522 | 523 | 524 | 525 | 526 | 527 | 528 | 529 | 530  |
| 531 | 532 | 533 | 534 | 535 | 536 | 537 | 538 | 539 | 540  |
| 541 | 542 | 543 | 544 | 545 | 546 | 547 | 548 | 549 | 550  |
| 551 | 552 | 553 | 554 | 555 | 556 | 557 | 558 | 559 | 560  |
| 561 | 562 | 563 | 564 | 565 | 566 | 567 | 568 | 569 | 570  |
| 571 | 572 | 573 | 574 | 575 | 576 | 577 | 578 | 579 | 580  |
| 581 | 582 | 583 | 584 | 585 | 586 | 587 | 588 | 589 | 590  |
| 591 | 592 | 593 | 594 | 595 | 596 | 597 | 598 | 599 | 600  |
| 601 | 602 | 603 | 604 | 605 | 606 | 607 | 608 | 609 | 610  |
| 611 | 612 | 613 | 614 | 615 | 616 | 617 | 618 | 619 | 620  |
| 621 | 622 | 623 | 624 | 625 | 626 | 627 | 628 | 629 | 630  |
| 631 | 632 | 633 | 634 | 635 | 636 | 637 | 638 | 639 | 640  |
| 641 | 642 | 643 | 644 | 645 | 646 | 647 | 648 | 649 | 650  |
| 651 | 652 | 653 | 654 | 655 | 656 | 657 | 658 | 659 | 660  |
| 661 | 662 | 663 | 664 | 665 | 666 | 667 | 668 | 669 | 670  |
| 671 | 672 | 673 | 674 | 675 | 676 | 677 | 678 | 679 | 680  |
| 681 | 682 | 683 | 684 | 685 | 686 | 687 | 688 | 689 | 690  |
| 691 | 692 | 693 | 694 | 695 | 696 | 697 | 698 | 699 | 700  |
| 701 | 702 | 703 | 704 | 705 | 706 | 707 | 708 | 709 | 710  |
| 711 | 712 | 713 | 714 | 715 | 716 | 717 | 718 | 719 | 720  |
| 721 | 722 | 723 | 724 | 725 | 726 | 727 | 728 | 729 | 730  |
| 731 | 732 | 733 | 734 | 735 | 736 | 737 | 738 | 739 | 740  |
| 741 | 742 | 743 | 744 | 745 | 746 | 747 | 748 | 749 | 750  |
| 751 | 752 | 753 | 754 | 755 | 756 | 757 | 758 | 759 | 760  |
| 761 | 762 | 763 | 764 | 765 | 766 | 767 | 768 | 769 | 770  |
| 771 | 772 | 773 | 774 | 775 | 776 | 777 | 778 | 779 | 780  |
| 781 | 782 | 783 | 784 | 785 | 786 | 787 | 788 | 789 | 790  |
| 791 | 792 | 793 | 794 | 795 | 796 | 797 | 798 | 799 | 800  |
| 801 | 802 | 803 | 804 | 805 | 806 | 807 | 808 | 809 | 810  |
| 811 | 812 | 813 | 814 | 815 | 816 | 817 | 818 | 819 | 820  |
| 821 | 822 | 823 | 824 | 825 | 826 | 827 | 828 | 829 | 830  |
| 831 | 832 | 833 | 834 | 835 | 836 | 837 | 838 | 839 | 840  |
| 841 | 842 | 843 | 844 | 845 | 846 | 847 | 848 | 849 | 850  |
| 851 | 852 | 853 | 854 | 855 | 856 | 857 | 858 | 859 | 860  |
| 861 | 862 | 863 | 864 | 865 | 866 | 867 | 868 | 869 | 870  |
| 871 | 872 | 873 | 874 | 875 | 876 | 877 | 878 | 879 | 880  |
| 881 | 882 | 883 | 884 | 885 | 886 | 887 | 888 | 889 | 890  |
| 891 | 892 | 893 | 894 | 895 | 896 | 897 | 898 | 899 | 900  |
| 901 | 902 | 903 | 904 | 905 | 906 | 907 | 908 | 909 | 910  |
| 911 | 912 | 913 | 914 | 915 | 916 | 917 | 918 | 919 | 920  |
| 921 | 922 | 923 | 924 | 925 | 926 | 927 | 928 | 929 | 930  |
| 931 | 932 | 933 | 934 | 935 | 936 | 937 | 938 | 939 | 940  |
| 941 | 942 | 943 | 944 | 945 | 946 | 947 | 948 | 949 | 950  |
| 951 | 952 | 953 | 954 | 955 | 956 | 957 | 958 | 959 | 960  |
| 961 | 962 | 963 | 964 | 965 | 966 | 967 | 968 | 969 | 970  |
| 971 | 972 | 973 | 974 | 975 | 976 | 977 | 978 | 979 | 980  |
| 981 | 982 | 983 | 984 | 985 | 986 | 987 | 988 | 989 | 990  |
| 991 | 992 | 993 | 994 | 995 | 996 | 997 | 998 | 999 | 1000 |

"Revised" losses shall be valued 12, 24, 36 or 48 months, respectively, after the valuation date prescribed for the first reporting. For example, if the valuation date for the first reporting of the risk was July 1, then the valuation date of the second reporting is July 1 of the next following year and the filing is due not later than September 1 of that year.

### B—METHOD OF REPORTING.

1. **Exposure and Premium.** Where the exposure previously reported has been changed by reason of an audit, or by a reaudit or any other adjustment affecting classifications, exposure or premiums, a revised report, Form 22P-68, shall be filed showing the amounts reported previously as well as revised amounts for those classifications where there have been changes. Also the lines captioned "A—Total Subject Premium", "B—Experience Modification", and "C—Total Modified Premium", (if these lines have been used on the prior report), together with the Risk Totals—Exposure and Premium, at the bottom of the form, shall be shown as originally reported and as revised. Previous and revised premium discounts, if any, shall also be shown. If the exposure does not change but the risk total premium previously reported is revised due solely to a change in the experience

Edition of 12-1-70



**INJURY DESCRIPTION CODES**

Use the single code which best describes the primary cause of disability.

|                                           | Loss or Impairment of Vision | Brain | Head, excluding Vision and Brain | Heart, Heart Attack | Vascular System, Blood | Lungs, Trachea, Larynx, etc. | Internal Organs, excl. Heart, Lungs | Nervous System, excl. Spinal Cord | Upper Extremities, Shoulders | Lower Extremities, Hips | Back and Neck, excl. Respiratory System | Torso, excl. Back and Internal Organs | Skin, Superficial Injuries | Multiple Body Parts Equally Serious |
|-------------------------------------------|------------------------------|-------|----------------------------------|---------------------|------------------------|------------------------------|-------------------------------------|-----------------------------------|------------------------------|-------------------------|-----------------------------------------|---------------------------------------|----------------------------|-------------------------------------|
| Disfigurement                             |                              |       | 102                              |                     |                        |                              |                                     |                                   | 108                          | 109                     |                                         | 111                                   |                            | 113                                 |
| Electric Shock                            | 120                          | 121   | 122                              | 123                 |                        | 125                          |                                     |                                   | 128                          | 129                     |                                         | 131                                   | 132                        | 133                                 |
| Burns, Freezing, etc.                     | 140                          |       | 142                              |                     |                        | 145                          |                                     |                                   | 148                          | 149                     |                                         | 151                                   | 152                        | 153                                 |
| Amputation, Removal                       | 160                          |       |                                  |                     |                        | 165                          | 166                                 |                                   | 168                          | 169                     |                                         | 171                                   | 172                        | 173                                 |
| Lacerations, Cuts, Punctures, etc.        | 180                          | 181   | 182                              | 183                 | 184                    | 185                          | 186                                 | 187                               | 188                          | 189                     | 190                                     | 191                                   | 192                        | 193                                 |
| Fracture, Crushing, Bruise, Concussion    | 200                          | 201   | 202                              |                     |                        | 205                          | 206                                 | 207                               | 208                          | 209                     | 210                                     | 211                                   | 212                        | 213                                 |
| Sprains, Strains, Heart Attack            |                              |       |                                  | 223                 |                        |                              |                                     |                                   | 228                          | 229                     | 230                                     | 231                                   |                            | 233                                 |
| Multiple Injuries Equally Serious         | 260                          | 261   | 262                              | 263                 |                        | 265                          | 266                                 | 267                               | 268                          | 269                     | 270                                     | 271                                   | 272                        | 273                                 |
| Other Traumatic Injuries                  | 380                          | 381   | 382                              | 383                 | 384                    | 385                          | 386                                 | 387                               | 388                          | 389                     | 390                                     | 391                                   | 392                        | 393                                 |
| Dermatitis, Rash, etc.                    |                              |       |                                  |                     |                        |                              |                                     |                                   |                              |                         |                                         |                                       | 396                        |                                     |
| Contagious or Infections Dis. Incl. Burns | 400                          | 401   | 402                              | 403                 | 404                    | 405                          | 406                                 | 407                               | 408                          | 409                     | 410                                     | 411                                   | 412                        | 413                                 |
| Exposure to Radioactive Substances        | 420                          | 421   | 422                              | 423                 | 424                    | 425                          | 426                                 | 427                               | 428                          | 429                     | 430                                     | 431                                   | 432                        | 433                                 |
| Exposure to Cancer-causing Agents         | 440                          | 441   | 442                              | 443                 | 444                    | 445                          | 446                                 | 447                               | 448                          | 449                     | 450                                     | 451                                   | 452                        | 453                                 |
| Pneumoconiosis, Silicosis, etc.           |                              |       |                                  |                     |                        | 465                          |                                     |                                   |                              |                         |                                         |                                       |                            |                                     |
| Poisoning                                 | 480                          | 481   | 482                              | 483                 | 484                    | 485                          | 486                                 | 487                               | 488                          | 489                     | 490                                     | 491                                   | 492                        | 493                                 |
| Other Occupational Diseases               | 680                          | 681   | 682                              | 683                 | 684                    | 685                          | 686                                 | 687                               | 688                          | 689                     | 690                                     | 691                                   | 692                        | 693                                 |
| Physical Stress, Repetitive Motion        | 700                          |       |                                  | 703                 | 704                    | 705                          | 706                                 | 707                               | 708                          | 709                     | 710                                     | 711                                   | 712                        | 713                                 |
| Mental Stress and Strain                  | 720                          | 721   | 722                              | 723                 | 724                    | 725                          | 726                                 | 727                               | 728                          | 729                     | 730                                     | 731                                   | 732                        | 733                                 |
| Loss or Impairment of Hearing             |                              |       | 742                              |                     |                        |                              |                                     |                                   |                              |                         |                                         |                                       |                            |                                     |
| Other Cumulative Injuries                 | 880                          | 881   |                                  | 883                 | 884                    | 885                          | 886                                 | 887                               | 888                          | 889                     | 890                                     | 891                                   | 892                        | 893                                 |

**SECTION VI—REVISIONS AND REVALUATIONS.**

**A—CONDITIONS REQUIRING A SUBSEQUENT REPORT.**

1. **"C" Reports.** Correction reports shall be filed whenever there is an error of any kind on a report previously filed. It shall not be permissible to revise loss values because of developments in the nature of the injury between two valuation dates except as described in Section VI, Item B 3 (b). In instances where the change in exposure or premium is due to an error the "97" box in the "Cond." section should be marked with the symbol "X". In other instances, not involving an error, where the change is, for example, due to an audit where the previous report was an estimate, do not insert anything under the "97" box in "Cond." section. "C" reports as defined above should be forwarded to the National Council as soon as possible after the changes are known.

2. **Second, Third, Fourth and Fifth Reports.** A revised loss card, Form 22L-68, shall be filed on each risk 12, 24, 36 or 48 months, respectively, after the first reporting date, when (1) there was an open claim on the previous report, or (2) there are reopened claims, claims previously unreported, or any other change in the valuation of losses. In these subsequent reportings,

"Revised" losses shall be valued 12, 24, 36 or 48 months, respectively, after the valuation date prescribed for the first reporting. For example, if the valuation date for the first reporting of the risk was July 1, then the valuation date of the second reporting is July 1 of the next following year and the filing is due not later than September 1 of that year.

**B—METHOD OF REPORTING.**

1. **Exposure and Premium.** Where the exposure previously reported has been changed by reason of an audit, or by a reaudit or any other adjustment affecting classifications, exposure or premiums, a revised report, Form 22P-68, shall be filed showing the amounts reported previously as well as revised amounts for those classifications where there have been changes. Also the lines captioned "A—Total Subject Premium", "B—Experience Modification", and "C—Total Modified Premium", (if these lines have been used on the prior report), together with the Risk Totals—Exposure and Premium, at the bottom of the form, shall be shown as originally reported and as revised. Previous and revised premium discounts, if any, shall also be shown. If the exposure does not change but the risk total premium previously reported is revised due solely to a change in the experience

**SECTION VI—REVISIONS AND REVALUATIONS.****A—CONDITIONS REQUIRING A SUBSEQUENT REPORT.**

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**B—METHOD OF REPORTING.**

1. **Exposure and Premium.** Where the exposure previously reported has been changed by reason of an audit, or by a reaudit or any other adjustment affecting classifications, exposure or premiums, a revised report, Form 22P-68, shall be filed showing the amounts reported previously as well as revised amounts for those classifications where there have been changes. Also the lines captioned "A—Total Subject Premium", "B—Experience Modification", and "C—Total Modified Premium", (if these lines have been used on the prior report), together with the Risk Totals—Exposure and Premium, at the bottom of the form, shall be shown as originally reported and as revised. Previous and revised premium discounts, if any, shall also be shown. If the exposure does not change but the risk total premium previously reported is revised due solely to a change in the experience



modification, it shall be necessary to submit a revised report showing only each item affected by the modification change on a previously reported and revised basis. Premiums by classification are not required. Previous premium discounts, and revised discounts also shall be reported in the space provided.

**2. Classification Code, Type of Injury, or other Non-Monetary Items.** Where the classification code or type of injury requires revision, the revised report shall show all of the data previously reported for the classification in question as well as all of the data (including those items which do not change) on a revised basis. For example, assuming Form 22L-68 report as follows:

|            | PREVIOUSLY<br>REPORTED REVISED |       |
|------------|--------------------------------|-------|
| Class Code | 8018                           | 8017  |
| Injury     | 5                              | 5     |
| Indemnity  | 1,350                          | 1,350 |
| Medical    | 250                            | 250   |

In this illustrative example, the only item that required revision was the classification code number which changes from Code 8018 to 8017. However, the unchanged type of injury, indemnity and medical should be reported under the caption "Revised" so that when the data are transferred to punch cards proper provision may be made for canceling out the information previously punched under Code 8018 and repunching under Code 8017. For those classifications for which none of the items previously reported is subject to change, do not show either the items previously reported or the corresponding revised items. However, the risk totals as previously reported and as revised are required as in Section VI, Item 1 above.

**3. Revaluation of Losses.** (a) Any second, third, fourth, fifth or correction report involving,

- (1) Any claim reported "open" on the previous report,
- (2) Any re-opened claim reported "closed" on the previous report,
- (3) Any claim previously unreported, or
- (4) Any other change in the valuation of losses

shall show for each claim the amounts previously reported, and the revised values. The corresponding total number of claims, total incurred indemnity, and total incurred medical, as previously reported and as revised shall also be shown.

Revised individual claim reports are required if the incurred amounts, the classification code or the type of injury changes from the previous reporting. An individual claim report shall be filed for each claim required by Section V even though not required on the previous report.

(b) It shall not be permissible to revise values because of departmental or judicial decision or because of developments in the nature of injury between two

valuation dates, provided, however, that

- i. in instances where loss values are included or excluded through mistake other than error of judgment,
- ii. where the claim or any part thereof is declared non-compensable (as defined in the experience Rating Plan), or
- iii. where the claimant or carrier has recovered in an action against a third party

it shall be permissible to submit a "C" report. The report should show whether the change is due to a mistake or, if a claim was declared noncompensable, the date of such determination, and in the case of a recovery against a third party, the details and the date of final settlement.

**4. Card Serial Numbers.** Revised cards must show the serial number which was assigned to the first reporting and must also be numbered serially in the order of their submission. A separate series of serial numbers shall be employed for corrections and subsequent reportings. Thus for each twelve consecutive policy months beginning January 1, there will be two series of numbers for each state. The first will be for first reportings. The second will be for all subsequent reports and corrections regardless of year of issue.

#### SECTION VII—THREE YEAR FIXED RATE POLICIES.

Three rules in this Section relate to the reporting of experience incurred under three-year fixed rate policies, written in accordance with Section XVII of the Basic Manual. Optional methods of reporting this experience are provided as set forth in Option A and B following:

##### Option A. Schedule Z Basis

The rules of the National Council Workmen's Compensation Unit Statistical Plan apply to the reporting of the experience, except

- (a) Where the Statistical Plan rules are obviously inappropriate because of the form of reporting for these risks, to be described below. (For example, a reporting of Policy Number, Insured, etc., required by Section II would not be applicable).
- (b) As supplemented by the following rules in this Section.

**1. Form of Report.** The experience for each state shall be summarized by effective year and manual classification and shall be reported by state in a separate submission. These reports may be made on either Form NC-302 or preferably, on printer-tabulator listings giving all of the information required by Form NC-302. Any such printer-tabulator listings must be accompanied by summary punch cards. Such punch cards need not carry printed field designations and a blank punch card (or any punch card) may be used. The following items must be punched in the columns designated:



| Item                                                                                                            | Card Column |
|-----------------------------------------------------------------------------------------------------------------|-------------|
| Job Number—punch "3" all cards                                                                                  | 2           |
| State Code                                                                                                      | 4-5         |
| Effective Year                                                                                                  | 6-7         |
| Carrier Code                                                                                                    | 8-10        |
| Manual Classification                                                                                           | 12-15       |
| Transaction { 0 = Exposure Card<br>1 = Loss Card<br>2 = Disease Loss—Missouri Only }                            | 16          |
| Type Injury { 1. Death 5. Temporary<br>2. P.T. 6. Non-Comp. Medical<br>3. Major* 8. Total Losses<br>4. Minor* } | 17          |
| *Refer to Bureau                                                                                                |             |
| No. of Risks (See Item 3a)—Exposure Card                                                                        | 18-23       |
| No. of Claims—Loss Card                                                                                         |             |
| Payroll, or Incurred Indemnity                                                                                  | 24-33       |
| Premium, or Incurred Medical                                                                                    | 34-42       |
| Reports (1 = First Report 2 = Correction)                                                                       | 43          |

Each submission shall be accompanied by a summary Form NC-302, or summary punch cards, showing grand totals for the state for all manual classifications combined. Such grand total punch cards shall be identified by punching 9999 in the columns reserved for manual classification.

**2. Date of Valuation and Filing.** For reporting purposes, the experience on three-year fixed rate policies shall be assigned to the year in which the policy became effective regardless of expiration date. Losses shall be valued not earlier than March 31st and the reports shall be filed not later than September 1st of the fourth year after the year in which the policy became effective. For example, the experience on three-year fixed rate policies becoming effective in 1966 shall be filed not later than September 1, 1970 with losses valued not earlier than March 31, 1970.

**3. Data to be Reported.** The experience to be reported for each classification consists of the following:

(a) **Number of Risks.** The number of risks shown for each classification shall be the number of policies for which the classification in question is the governing classification.

(b) **Total exposure (payroll, per capita, or other basis).** Per Capita exposure shall be reported on a man-year basis to the nearest 0.1. Thus, an exposure of 1 servant for the full three year period should be reported as an exposure of 3.0 and an exposure of 1 servant for the equivalent of 2½ years should be reported as an exposure of 2.5

(c) **Total earned premium.**

(d) **Number of claims, total indemnity incurred, and total medical incurred for**

(1) **Death**

(2) **Permanent Total**

(3) **Major Permanent Partial**

(4) **Minor Permanent Partial**

(5) **Temporary Total**

(6) **Non-Compensable Medical**

The totals of the number of claims, indemnity incurred, and medical incurred shall also be shown. A separation of exposure and premium between ex-medical policies and other policies is not required, nor is it necessary to separate and identify incurred losses resulting from Disease, Coverage B, U.S. Longshoremen's Act, etc.

(e) **Loss and expense constant premium shall be reported assigned to the applicable statistical Codes (0032 or 0020).**

(f) **A canceled policy shall be counted as one risk and penalty premium shall be assigned to code 0020.**

**4. Second, Third, Fourth and Fifth Reports.** Second, Third, Fourth and Fifth reports on three-year fixed rate policies, or per capita policies reported in accordance with this section are not required. However an error discovered, either by the carrier or by the organization collecting the statistical data, within 12 months after submitting the original reports shall be corrected by submitting a correction. Where the original report was submitted on Form NC-302, the correction shall consist of two NC-302 Forms carrying the necessary identifying information including the manual classification; one form shall show only the amounts previously reported incorrectly as negative amounts and the second form shall show the corresponding corrected amounts as positive values. When reports are submitted on printer-tabulator listings accompanied by punch cards, two punch cards in which the necessary identifying information, including the manual classification, has been punched shall be submitted for each correction; one punch card shall show only the amounts previously reported uncorrected as negative amounts, indicated by the "x" position on IBM cards (zero position on Rem Rand Cards) in the first column only of the field showing the incorrect item. The second punch card shall show the corresponding corrected values as positive items.

In cases where experience has been assigned to an incorrect manual classification, the correction shall show the original code number with all amounts designated as negative items and the corresponding corrected code number with the same amounts designated as positive values.

**5. Individual Claim Reports.** Individual claim reports are not required.

**Option B. Unit Reporting Basis.**

**1. Form of Report.** The complete three year experience incurred under each policy shall be reported on the current appropriate Unit Report Form.

2. **Date of Valuation and Filing.** Losses included in the reporting of a given policy shall be valued as of exactly 42 months after the inception date of the policy, and the reports shall be filed not later than 44 months after the effective date of the policy. These reportings shall be specifically identified as three-year fixed rate policy experience (this may be done by entering the figure "3" in the block captioned "Term") and shall be segregated and reported independently of the reportings of one year policies.

3. **Data to be Reported.** The data required shall be the data specified under the Statistical Plan. Reporting of the following items shall be optional:

- (1) Insured
- (2) Address
- (3) Location of Risk
- (4) Manual Rate

Cancellation penalty premium shall be assigned to Code 0020.

4. **Second, Third, Fourth and Fifth Reports.** Second, Third, Fourth and Fifth reports are not required on these three-year fixed rate policies.

5. **Individual Claim Reports.** Individual claim reports are not required.

† **Option C. Magnetic Tape Reporting.**

Data for three year fixed rate policies may be submitted on magnetic tape as provided in Section IX of this Plan.

**SECTION VIII—SPECIAL RULES.**

1. **Reporting of Experience on Multiple Year Policies.**

A. **Three-Year Fixed Rate Policies Written in Accordance with Section XVII of the Basic Manual.** Experience on these policies shall be reported in accordance with Section VII of this plan.

B. **Other Multiple Year Policies.**

Multiple year policies not specified in Paragraph A above shall be considered as made up of separate annual policies for reporting purposes and reports for each unit of twelve months, or less, shall be filed at the time all other reports on policies with the same effective date are being filed. Losses shall be valued eighteen months after the effective date of each unit of experience and at annual periods thereafter.

Examples:

(a) The reports on a three-year policy effective July 1, 1969 shall be filed with the regular reports on policies effective in July 1969, July 1970 and July 1971. Losses shall be valued January 1, 1971, January 1, 1972 and January 1, 1973 respectively.

(b) The reports on a policy covering the period July 1, 1969 to January 1, 1971 with the first six months con-

sidered as a unit, shall be filed with the regular reports on policies effective in July 1969 and January 1970. Losses shall be valued January 1, 1971 and July 1, 1971 respectively.

(c) The reports on a policy covering the period July 1, 1969 to January 1, 1972 with the last six months considered as a unit shall be filed with the regular reports on policies effective in July 1969, July 1970 and July 1971. Losses shall be valued January 1, 1971, January 1, 1972 and January 1, 1973 respectively.

2. **Reporting Disease Experience.**

A. **General.**

The manual rates for all states include coverage for the disease obligation of the employer under the Workmen's Compensation or Disease Act, and as otherwise imposed on him by law and insured under Coverage B of the policy. If the policy provides for Coverage B only the "95" box in the "Cond." section should be marked with the symbol "X." If the policy has been endorsed to exclude Diseases under Coverage B then the "96" box should be marked with an "X."

B. **Exposure, Manual Rate, and Premium.**

The exposure, rates and premium reported on the individual risk card by manual classification shall include the unmodified authorized rates and corresponding premium for complete coverage under both Coverage A and Coverage B of the policy including coverage for Diseases.

In the following states the Manual Supplement, Treatment of Disease Coverage provides that when coverage for disease is provided only under Coverage B and limits of liability for disease in excess of the basic limit are desired, the premiums for individual classifications shall be increased by appropriate factors which vary by classification.

The states in this category are:

|          |              |
|----------|--------------|
| Alabama  | Kansas       |
| Colorado | New Mexico   |
| Illinois | South Dakota |
| Indiana  |              |

In these states the premium reported by classification shall be the manual premium at standard limits. Any excess premium for higher limits by classification shall be combined and reported on a manual basis, in accordance with Section IIIA, Item 5.

C. **Incurred Losses.**

Disease losses shall be identified in the "Loss Cov." column by the appropriate code for Disease Loss according to Section IV, Item 18.

The total losses reported shall be the total of traumatic losses and disease losses incurred and shall exclude any allocated claim expense for Coverage A but shall include allocated claim expense for Coverage B.

D. **Reporting of Incidental Foundry Abrasive or Sand Blasting Experience.**

The Basic Manual rules provide that the payroll of all

† Refer to Home Office for effective date.



employees exposed to (1) a foundry hazard (except payrolls properly assignable to certain specific codes), or (2) an abrasive or sand blasting hazard (except for employees rated under a classification where the manual rate provides coverage for silicosis) must be specifically stated and a special supplementary disease rate shall be charged on this payroll in addition to the manual rate. The payroll to which the supplementary disease rate is applicable, together with the manual premium derived from such charges, shall be assigned to the appropriate code—either 0065, 0066, 0067 or 0059. The payroll reported for code 0065, 0066, 0067 or 0059 shall be shown in parentheses and shall not be added to the payrolls shown for other manual classifications in determining the risk total payroll. However, the premium resulting from the application of such supplementary disease rates shall be included in the total premium reported on the line captioned "A—Total Subject Premium."

Dust disease losses incurred in connection with payrolls reported under code 0065, 0066, 0067 or 0059 shall likewise be assigned to the same code and shall be further identified by the appropriate code for Disease Loss in the "Loss Cov." column. These losses shall also be included in the total losses reported.

### 3. Experience Under the National Defense Projects Rating Plan.

The experience of policies written under the National Defense Projects Rating Plan shall not be reported on Unit Statistical Plan Forms. In lieu thereof there shall be filed with the National Council on Compensation Insurance, One Penn Plaza, New York, N.Y. 10001, a copy of "Exhibit I—Computation of Earned Premiums" on Form NDPRD-1 at the same time this form is submitted to the insured in accordance with the rules of the National Defense Projects Rating Plan.

### 4. Radiation Exposure—Atomic Energy Commission Projects.

Experience in connection with Atomic Energy Projects performed for or under the direction of the Atomic Energy Commission or any government Agency shall be excluded from the data reported under this Plan. Code 9984 has been reserved for internal company use in connection with the above type of projects. Experience under Code 9984 should not be reported to the National Council. The Basic Manual provides that a supplemental rate, subject to the approval of the Board or Bureau having jurisdiction, may be applied to operations involving research, manufacture, handling, transportation, use of or exposure to radio-active materials, where such operations are not performed for or under the direction of the Atomic Energy Commission or any Government Agency. The exposure to which such supplemental rate is applicable together with the premium derived from such charge shall be reported under Code 9985. The exposure reported for Code 9985 shall be shown in parentheses and shall not be added to the exposures shown for other manual classifications in determining the risk exposure total.

The rate and premium reported under Code 9985 shall be entered in the appropriate columns and the premium reported shall be included in the risk total. Similarly radiation losses on risks where a supplemental loading has been applied shall be assigned to Code 9985. If no supplemental radiation loading has been applied to the risk, all losses shall be assigned to the appropriate industrial classifications.

### 5. Coal Mine Risks—Code 1016.

Experience incurred under compensation policies whose governing classification is Code 1016 shall be filed in accordance with the rules of the National Council Workmen's Compensation Statistical Plan—1954 using the old "38" series of unit plan forms.

Please note however:

(a) Experience on these policies shall not be included in the regular submissions, but shall be filed under a separate set of serial numbers with the prefix "CM", and a separate letter of transmittal shall accompany each submission.

(b) In the block at the lower right hand corner of the experience card, captioned "EM", insert the experience modification, for example ".9642" to indicate a 3.58% credit even though the form carries the general notation "DO NOT WRITE HERE". Any risk which is currently subject to an experience rating modification or which would qualify for experience rating under the Underground Coal Mine Experience Rating Plan on the basis of the policy year exposure, shall be designated as a "Large" mine by the symbol "L" entered in the block "Conditions Affecting Coverage". All other risks shall be designated by the symbol "S" posted in the block "Conditions Affecting Coverage".

(c) Experience for all Code 1016 risks shall be filed in duplicate (in triplicate for retrospective rated risks).

(d) In addition, an advance report of the first six-months experience of the current policy for each risk shall be filed directly with the Coal Mine Rating Bureau. Such advance reporting shall be filed not later than seventy-five days prior to the rating anniversary. Exposure and incurred losses for the first six months only of the current policy shall be included in this advance report, and losses shall be valued as of a date three months prior to the rating date. Such advance special reportings shall carry no serial numbers and shall require no letters of transmittal, but shall carry the notation, "Six Months Experience" in the block "Conditions Affecting Coverage". These advance reportings are entirely independent of the Unit Statistical Plan filings and the experience shall be reported in the normal way, when due, under the requirements of the Plan.

### 6. Unemployment or Emergency Relief Employees.

Where the Basic Manual provides for a specified weekly premium charge on a per capita basis for unemployment or emergency relief employees, report premiums and losses under classification 9408. No exposure shall be reported.



**7. Excess Insurance.**

Experience incurred under excess policies shall be reported in any state where there is a manual rule on excess insurance. Experience on these policies shall not be included in the regular submissions of experience but shall be filed in a separate submission of experience. A notation "Excess" shall be entered on the letter of transmittal (Form 28-68) accompanying the submission. A separate set of serial numbers with the prefix "E" shall be assigned to these reports. It is not necessary that these reports shall be submitted on a monthly basis; however, the filing of the experience should be completed by the time the regular experience on December policies is reported.

**SECTION IX—MAGNETIC TAPE REPORTING.†**

The rules of the preceding sections of this plan apply to the reporting of experience, except

- (a) Where the rules of the preceding sections are inappropriate because of the form of reporting, to be described below. (For example, a reporting of Card Serial Number required by Section II would not be applicable).
- (b) As supplemented by the following rules in this section.

**A. General**—This section applies to the preparation and transmittal of Unit Statistical data by magnetic tape for ratemaking and experience rating by those carriers who wish to do so.

Data are to be reported by policy by state as provided in the preceding Sections of this Unit Statistical Plan. When reporting on magnetic tape, card serial no. is not required.

Tape submissions shall consist of up to 7 Data Record Types. No fields are to be signed or packed.

**Record Type 1—Header Record**

Contains indicative information regarding the policy.

**Record Type 2—Risk Name Record**

This record type is required.

**Record Type 3—Risk Address Record**

This record type is optional.

**Record Type 4—Exposure Record**

Provides detail exposure data.

**Record Type 5—Loss Record**

Provides detail loss data.

**Record Type 6—Unit Total Record**

Provides total reporting data for each unit report.

The record will reflect only the "Revised" or current amounts as they would appear on a unit report. Previously reported totals will not be included in the tape record.

**Record Type 9—Submission Control Record**

Provided totals of the entire submission.

† Refer to Home Office for effective date.

Three (3) copies of a Letter of Transmittal shall be prepared. Two copies shall accompany each magnetic tape submission, one of which shall be returned to the carrier by the Bureau as acknowledgment of receipt. The third copy is to be mailed to the Bureau under separate cover. The letter will carry the following information:

1. Carrier or Group Name
2. Date of Transmittal
3. Number of Reels in the Submittal
  - a. Reel serial numbers submitted
  - b. Number of records in the submission (do not include Type 9 record)
4. Certification of the accuracy and completeness of the data transmitted.

A printed listing of the first 100 records must also accompany each submission. This data may be on plain "butcher paper" and appropriately identified as to carrier and reel serial number.

Until such time as the Bureau advises the submitting carrier otherwise, "hard copies" of the unit report will still be required as described in Section I of this Unit Statistical Plan. Individual case reports will still be required in hard copy in any event. Once the period of parallel reporting is over the carrier must not duplicate data submitted on magnetic tape with hard copy. The carrier is still at liberty to report data relevant to any particular policy in either form, but not both.

In order to reduce the number of tape reels to be handled, all report levels may be included on one reel of tape; carriers within a group may submit their data on the same file. Data from more than one state may be reported on the same reel. All tapes shall have an external label showing the following information:

- a. Carrier or Group Name
- b. Transmittal Data
- c. Operating system used to create this tape
- d. Number of tracks on tape
- e. Density of tape
- f. Parity of tape
- g. Data set name on internal label
- h. Reel serial number
- i. Reel sequence number

It is preferred that all losses be reported in detail form. The National Council, when producing hard copy from magnetic tape submissions, will group all closed "medical only" claims under \$750 which are in the same classification code, and print a single record showing the number of such cases and a lump sum amount. Federal losses will be shown separately from state losses. Catastrophe losses will not be included in these grouped case reportings.

- a. If the carrier elects to group losses of this type, for magnetic tape submission, the records must be prepared according to the provisions of Section IV, Subsection (1) of the Unit Statistical Plan.

- b. In reporting losses for subsequent reports, the carrier is responsible for reporting all claims, both previous and revised, whether they are grouped or individually listed.

**B. Tape Specifications**

1. Tape must be wound on reels in lengths of not less than 600 feet, nor more than 2400 feet.
2. Each reel must have provisions for a file protection ring, which must be removed before the tape is shipped.
3. Reflective spots must be present and properly located.
4. Tapes must be shipped in canisters. Band-type reel covers are not acceptable. Do not ship in 'self-loading' canisters.
5. Data may be reported on either 9 or 7 track recordings in a mode acceptable to the National Council on Compensation Insurance.

The following table shows the acceptable characteristics of these recordings:

| Trackage | Density (BPI) | Labels | Parity | Data |
|----------|---------------|--------|--------|------|
| 9        | 800,1600      | odd    | odd    | odd  |
| 7        | 200,556,800   | even   | even   | even |

The use of 9-track tapes with 800 BPI odd parity is preferred.

6. Data is to be reported in 120 BYTE record images, as shown in the instructions, using BCDIC or EBCDIC, depending on whether the recording is 7 track or 9 track.
7. Data must be blocked 20, i.e. 2400 characters per block. The final block may be a "short block", do not fill with padding. There is to be no record mark at the end of a record, nor a group mark at the end of a block.
8. In addition to its external physical label, each tape shall contain "Third Generation Computer" type internal labels generated as a "Standard Labels" by IBM 360 DOS or OS operating systems.
9. The Submission Control Record, only one per submission, will be the last data record on the last tape.
10. The minimum number of records that can be submitted for any one unit report are a header record and a unit total record. NOTE: When no payroll is generated on the unit report the total record will contain zero amounts, with the exception of the record count field.

**C. Record Specifications**

**1. Link Data**

This data is the constant by which all the records for a given "unit report" may be tied together.

- a. **Carrier Code** **Location**  
A 5 digit number assigned by the National Council. Enter left-zeroed. 1-5

- b. **Policy Number** 6-23  
The field is designed as an eighteen character field for carrier and bureau use in identifying the policy contract. It is the responsibility of the carrier to enter this number in the form which agrees with the policy number originally shown on the declarations page.

Alphabetic characters are permitted in this field, but not imbedded blanks or marks of punctuation. The data in this field is to be left justified. BLANK fill unused low order positions.

- c. **Certificate Number** 24-30  
A 7 digit number for use to identify a risk covered under a master group policy in jurisdictions where appropriate.

Enter left justified. Blank fill low order positions; leave blank if unused.

- d. **State** 31-32  
Use the numeric designations shown in Section II-3(b) of this plan.

- e. **Policy Effective Date** 33-38  
The inception date of the policy, formatted YY MM DD.

- f. **Report Number** -39  
A one-digit field, in which the report number appears:  
1 = First Report  
2 = Second Report  
3 = Third Report  
4 = Fourth Report  
5 = Fifth Report  
6 = Reports subsequent to a Fifth Report for Retrospective Rating

- g. **Correction Indicator** -40  
A one-character field which is normally "0". If the report is a correction, this character is "1" for the first correction, "2" for the second correction to the same level of report, etc.

**2. Header Record**

- a. **Link Data**—See Paragraph C.1., above. 1-40  
b. **Record Type**—"1" 41  
c. **Policy Conditions** 42-54  
Enter policy conditions described in the Statistical Plans as follows:



| Conditions "1" in Location | Meaning | Location                      |
|----------------------------|---------|-------------------------------|
| "90"                       | 42      | Excess Coverage               |
| "91"                       | 43      | Interstate Rated              |
| "92"                       | 44      | Assigned                      |
| "93"                       | 45      | Canceled                      |
| "94"                       | 46      | Estimated Audit               |
| "95"                       | 47      | Disease B only                |
| "96"                       | 48      | Excluding Disease             |
| "97"                       | 49      | Clerical Error                |
| "98"                       | 50*     | Retrospective Rated*          |
| "99"                       | 51      | "No Excess Payroll"           |
|                            | 52-54   | Reserved for future expansion |

\*NOTE: For reports that are intended for use in connection with Retrospective Rating only (RRO) insert a "2" in location 50.

- d. **Policy Expiration Date—or Cancellation Date**  
Formatted YY MM DD 55-60
- e. **Risk Experience Rating Identification Number** 61-70  
A field in which the carrier MUST enter the Risk Experience Rating Identification Number assigned by the National Council.
- f. **Administrative Bureau File Number** 71-80  
A field in which the Administrative Bureau File Number is entered where required. Enter left zeroed.
- g. **Fixed Rate Indicator** 81  
"1" = non-fixed rate  
"3" = 3 yr. fixed rate
- h. **Retrospective Plan Ident. No.** 82-89  
This is an eight character number assigned by the National Council on Compensation Insurance which the carrier may enter at its option. Record numeric characters only. Omit spaces and marks of punctuation.
- i. **Filler—Leave Blanks** 90-120

### 3. Name Record

- a. **Link Data**—See paragraph C.1., above. 1-40
- b. **Record Type**—"2" 41
- c. **Name of Insured**—Maximum size of risk name is seventy-eight characters, including spaces and marks of punctuation. 42-120

### 4. Address Record

- a. **Link Data**—See paragraph C.1., above. 1-40
- b. **Record Type**—"3" 41
- c. **Address of Insured**—Maximum size of this field is seventy-eight characters, including spaces and marks of punctuation. 42-120

### 5. Exposure Record

- a. **Link Data**—See paragraph C.1., above. 1-40
- b. **Record Type**—"4" 41
- c. **Reserved**—For future use. 42
- d. **Class Code**—Enter the appropriate 4 digit class code. 43-46
- e. **Suffix**—Leave Blank 47
- f. **Previously Reported Indicator**—The codes in this position are to indicate the "Previous" or "Revised" side of any subsequent report. 48  
1—Data as previously reported.  
0—Revised data.  
NOTE: On original first reports this item is always entered as zero.
- g. **Exposure Coverage Code**—(See Section IV - 1). 49-50
- h. **Experience Modification** 51-54  
This is the experience modification which applies to the exposure reported in this detail record.  
NOTE: There is an assumed decimal point between locations 51 and 52. Always numeric, never blank.  
Use (0 0 0 0) for non-rated exposures.
- i. **Effective Date of Modification** 55-60  
Normally this is the effective date of the policy. If the modification changes as described in Section III-6 of this plan, this is the effective date of the modification which applies to the exposure reported in this detail record.
- j. **Effective Date of Rate** 61-66  
This is the effective date of the rate that applies to the class code and exposure being reported. Normally, it is the same as the policy effective date, but, when experience is split in accordance with manual rules, it may be different.
- k. **Exposure Amount** 67-76  
Enter payroll dollars, to the nearest whole dollar amount, left zeroed. Report non-payroll exposures to the nearest tenth of unit, omitting the decimal point, left zeroed.
- l. **Premium Amount** 77-84  
Enter the manual premium to the nearest whole dollar, left zeroed. See Section III of this Plan for the description of this item.
- m. **Filler**—Leave Blanks 85
- n. **Manual Rate**—Assumed decimal point between 88 and 89. 86-91



|                                                                                                                                                                                                                                                                                  | Location |                                                                                                                                                                           | Location |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| o. Page Break Indicator—Use to indicate change in rates or Mod. during life of policy.                                                                                                                                                                                           | 92       | o. Indemnity Amount                                                                                                                                                       | 83-89    |
| p. Filler—Leave Blanks                                                                                                                                                                                                                                                           | 93-120   | Whole dollar amount right justified, with leading zeroes.                                                                                                                 |          |
| 6. Loss Record                                                                                                                                                                                                                                                                   |          | p. Medical Amount                                                                                                                                                         | 90-96    |
| a. Link Data—See Paragraph C.1., above.                                                                                                                                                                                                                                          | 1-40     | Whole dollar amount right justified, with leading zeroes.                                                                                                                 |          |
| b. Record Type—'5'                                                                                                                                                                                                                                                               | 41       | q. Filler—Leave Blank                                                                                                                                                     | 97-120   |
| c. Reserved For Future Use—Leave blank                                                                                                                                                                                                                                           | 42       | 7. Unit Total Record                                                                                                                                                      |          |
| d. Class Code                                                                                                                                                                                                                                                                    | 43-46    | a. Link Data—See Paragraph C.1., above.                                                                                                                                   | 1-40     |
| Enter the appropriate 4 digit class code.                                                                                                                                                                                                                                        |          | b. Record Type—'6'                                                                                                                                                        | 41       |
| e. Suffix—Leave Blank                                                                                                                                                                                                                                                            | 47       | c. Payroll Total                                                                                                                                                          | 42-52    |
| f. Previously Reported Indicator                                                                                                                                                                                                                                                 | 48       | i. 1st Report—A direct arithmetic total of all dollar value payrolls, with the exception of dollars attributed to occupational disease classes 0059, 0065, 0066 and 0067. |          |
| The codes in this position are used to indicate the "Previous" or "Revised" side of any subsequent report.                                                                                                                                                                       |          | ii. Exposure C Report—The revised payroll total.                                                                                                                          |          |
| "1" = Data as previously reported.                                                                                                                                                                                                                                               |          | iii. Subsequent or Correction Report of Losses—If this record is a change of loss experience only, this field will always contain zeroes.                                 |          |
| "0" = Revised data.                                                                                                                                                                                                                                                              |          | d. Exposure—Other Than Payroll                                                                                                                                            | 53-62    |
| NOTE: On original first reports this position is always entered as zero.                                                                                                                                                                                                         |          | i. 1st Report—An arithmetic total of non-payroll exposure regardless of base.                                                                                             |          |
| g. Loss Coverage Code—(See Section IV-18)                                                                                                                                                                                                                                        | 49-50    | ii. Exposure Correction—The revised payroll exposure total.                                                                                                               |          |
| h. Number of cases                                                                                                                                                                                                                                                               | 51-54    | iii. Subsequent or Correction Report on Losses—If this record is a change of loss experience only, this field will always contain zeroes.                                 |          |
| Number of cases reported in this Loss Record.                                                                                                                                                                                                                                    |          | e. Manual Premium Total                                                                                                                                                   | 63-71    |
| Always numeric, never blank.                                                                                                                                                                                                                                                     |          | i. 1st Report—This will contain all premiums subject to experience modification, but in an unmodified form.                                                               |          |
| i. Accident Date                                                                                                                                                                                                                                                                 | 55-60    | ii. Exposure C. Report—This will contain a revised manual premium total.                                                                                                  |          |
| Formatted YY MM DD. Applies only to individually listed losses. Leave Blank when reporting multiple losses.                                                                                                                                                                      |          | iii. Subsequent or Correction Report of Losses—If this record is a change of loss experience only, this field will always contain zeroes.                                 |          |
| j. Claim Number                                                                                                                                                                                                                                                                  | 61-72    | f. Standard Premium Total                                                                                                                                                 | 72-80    |
| Claim number of every individually listed loss, right justified with leading blanks. Alphabetic characters are permitted, but not imbedded blanks or marks of punctuation. Refer to Sec. IV-1 for reporting requirements. Maximum field size is twelve alpha-numeric characters. |          | i. 1st Report—This will contain the manual premium after modification, plus that premium not subject to modification.                                                     |          |
| k. Status                                                                                                                                                                                                                                                                        | 73       | NOTE: Premium discount will not be reflected in any premium totals, but will be reported as a detail item as per Section III-6.                                           |          |
| "0" = Open                                                                                                                                                                                                                                                                       |          |                                                                                                                                                                           |          |
| "1" = Closed                                                                                                                                                                                                                                                                     |          |                                                                                                                                                                           |          |
| l. Reserved For Future Use—Leave Blank                                                                                                                                                                                                                                           | 74-79    |                                                                                                                                                                           |          |
| m. Injury Code                                                                                                                                                                                                                                                                   | 80       |                                                                                                                                                                           |          |
| 1 = Death                                                                                                                                                                                                                                                                        |          |                                                                                                                                                                           |          |
| 2 = Permanent Total                                                                                                                                                                                                                                                              |          |                                                                                                                                                                           |          |
| 5 = Temporary Total                                                                                                                                                                                                                                                              |          |                                                                                                                                                                           |          |
| 6 = Medical Only                                                                                                                                                                                                                                                                 |          |                                                                                                                                                                           |          |
| 7 = Contract Medical                                                                                                                                                                                                                                                             |          |                                                                                                                                                                           |          |
| 9 = Permanent Partial                                                                                                                                                                                                                                                            |          |                                                                                                                                                                           |          |
| n. Catastrophe Number                                                                                                                                                                                                                                                            | 81-82    |                                                                                                                                                                           |          |
| See Section IV-24 of this Plan for details.                                                                                                                                                                                                                                      |          |                                                                                                                                                                           |          |

|                                                                                                                                       | Location |                                                                                                                                       | Location |
|---------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------|----------|
| ii. <b>Exposure C. Report</b> —The revised standard premium total.                                                                    |          | i. <b>Incurred Medical Total</b>                                                                                                      | 94-101   |
| iii. <b>Subsequent or Loss Correction</b> —If this record is a change of loss experience only, this field will always contain zeroes. |          | i. <b>1st Report</b> —This will be a direct arithmetic total of the incurred medical amounts on this report.                          |          |
| g. <b>Number of Cases</b>                                                                                                             | 81-85    | ii. <b>Exposure Correction Report</b> —If this record is a change of exposure or premium only, this field will always contain zeroes. |          |
| i. <b>1st Report</b> —This will be a direct arithmetic total of the number of cases being reported on this report.                    |          | iii. <b>Subsequent or Loss Correction</b> —This will be the revised incurred medical total.                                           |          |
| ii. <b>Exposure Correction Report</b> —If this record is a change of exposure or premium only, this field will always contain zeroes. |          | j. <b>Number of Records in Unit Report</b>                                                                                            | 102-106  |
| iii. <b>Subsequent or Correction Report</b> —The field will contain the revised number of cases.                                      |          | Total number of records including the unit total record reported for this unit report.                                                |          |
| h. <b>Incurred Indemnity—Total</b>                                                                                                    | 86-93    | Example: 1 header, 1 name, 1 address, 1 exposure, 10 loss and 1 unit total = 15 records.                                              |          |
| i. <b>1st Report</b> —This will be a direct arithmetic total of the incurred indemnity amounts on this report.                        |          | k. <b>Filler—Leave Blank.</b>                                                                                                         | 107-120  |
| ii. <b>Exposure Correction Report</b> —If this record is a change of exposure or premium only, this field will always contain zeroes. |          | 8. <b>Submission Control Record</b>                                                                                                   |          |
| iii. <b>Subsequent or Loss Correction</b> —This will be the revised incurred indemnity total.                                         |          | a. <b>Link Data</b> —Fill the first 41 characters of this record with "9's"                                                           | 1-40     |
|                                                                                                                                       |          | b. <b>Record Type</b> —"9"                                                                                                            | 41       |
|                                                                                                                                       |          | c. <b>Detail Record Count</b> —This value is the sum of field 7-j for the entire submission.                                          | 42-49    |
|                                                                                                                                       |          | d. <b>Total Unit Reports Submitted</b> —Add 1 for each type '6' record in submission.                                                 | 50-56    |
|                                                                                                                                       |          | e. <b>Filler—Leave Blank.</b>                                                                                                         | 57-120   |

## APPENDIX—ILLUSTRATIONS

The Appendix contains illustrations of certain common types of reports required by the National Council on Compensation Insurance Unit Statistical Plan. For maximum benefit, the illustrations should be carefully studied in connection with the applicable instructions in the Plan. Each of the illustrations shows the minimum amount of information required.

Questions regarding any phase of the Plan or the submission of reports should be referred directly to the National Council on Compensation Insurance.

In order to make the illustrations more meaningful, in several instances related reports have been brought together to form a single illustration. Appropriate discussion, comments and notes follow:

## ILLUSTRATION 1 — First Report; Minimum Premium Risk; No Losses Incurred.

Note that the Audited exposure has been extended at the Manual Rate and that the premium required to balance to the policy minimum has been shown separately under Code 0990. The Minimum Premium includes loss and expense constants where applicable.

|                                      |                             |                                                |                                 |                    |                                |                              |             |                 |           |         |
|--------------------------------------|-----------------------------|------------------------------------------------|---------------------------------|--------------------|--------------------------------|------------------------------|-------------|-----------------|-----------|---------|
| REPORT<br>1                          | POLICY NUMBER<br>WC 12345   | STATE<br>Any                                   | CARRIER<br>X.Y.Z. Insurance Co. | CARRIER NO.<br>499 | CARD SERIAL NO.<br>711         | ADM. FILE NO.<br>Leave Blank |             |                 |           |         |
| EFFECTIVE DATE<br>07-01-77           | EXPIRATION DATE<br>06-30-78 | INSURED<br>Cook's Bakery<br>(Address Optional) |                                 |                    |                                |                              |             |                 |           |         |
| COND.                                | 01                          | 02                                             | 03                              | 04                 | 05                             | 06                           |             |                 |           |         |
| EXP.                                 | 07                          | 08                                             | 09                              | 10                 | 11                             | 12                           |             |                 |           |         |
| CLASS CODE                           | EXPOSURE                    | MANUAL RATE                                    | PREMIUM                         | CLAIM NUMBER       | ACCIDENT DATE OR NO. OF CLAIMS | CLASS CODE                   | 1<br>N<br>2 | INCURRED LOSSES | LOSS COV. | CAT NO. |
| 11                                   | 2003                        | x 1,502                                        | .77                             | 12                 |                                |                              |             |                 |           |         |
| A - TOTAL SUBJECT PREMIUM            |                             |                                                |                                 |                    |                                |                              |             |                 |           |         |
| B - EXPERIENCE MODIFICATION          |                             |                                                |                                 |                    |                                |                              |             |                 |           |         |
| C - TOTAL MODIFIED PREMIUM (A) x (B) |                             |                                                |                                 |                    |                                |                              |             |                 |           |         |
| D                                    | 0020                        |                                                |                                 | 15                 |                                |                              |             |                 |           |         |
| E                                    | 0990                        |                                                |                                 | 7                  |                                |                              |             |                 |           |         |
| F                                    |                             |                                                |                                 |                    |                                |                              |             |                 |           |         |
| G                                    |                             |                                                |                                 |                    |                                |                              |             |                 |           |         |
| H                                    | STD                         | 1,502                                          | xxx                             | 34                 |                                |                              |             |                 |           |         |
| I                                    | OTHER                       |                                                | xxx                             | xxx                |                                |                              |             |                 |           |         |
| J                                    | SUB                         | PREMIUM DISCOUNT                               | xxx                             | ( )                | TOTAL                          | xxx                          | x           |                 | xxx       | x       |
| IND. NOT USE                         | INDUSTRY GROUP              | TYPE                                           | RELATIONSHIP                    | REPLACEMENT        |                                |                              | VERIFIED    |                 |           |         |



November 14, 1980

Rep. Brian Rogers, Chairman  
Alaska Workers' Compensation Study Commission  
1024 West 6th Avenue  
Anchorage, Alaska 99501

Dear Chairman Rogers:

Re: Workers' Compensation Study Commission

This letter is being forwarded to you with regard to the Commission's request for additional information on workers' compensation insurance in Alaska.

The attached Exhibit A shows the expense provisions underlying Alaska rates for various rate revisions from 1972 to present. Please note that Columns (1) and (2) represent general expense and loss adjustment expense provisions as a percentage of net premium. Column (3) represents the loss adjustment expense provision as a percentage of incurred losses. As was stated at the October 16 meeting, the provisions have been decreasing over the past few years.

Exhibit B shows the result of the 1979 call for expense data in Alaska. Percentages of the net earned premium have been listed for your convenience.

Exhibit C is being supplied to you in order to show a breakdown of loss ratios by size of premium. Please note that page one of Exhibit C is data from the State of Alaska. We would like to point out the great variability of the loss ratios among the various ranges of premium size. Such a phenomena may be expected when one uses a limited statistical base such as that used on page one. In order to review similar data on a much broader statistical base, thereby giving greater credence to the results, we have attached page two of Exhibit C. This page shows the loss ratios for different premium sizes on a countrywide basis. As can be seen, the loss ratios for the smaller policies are higher than the loss ratios for the larger policies.

Exhibit D allows one to review changes in the ratio of paid to incurred losses for policy year 1974 at different points in time. These ratios have been computed from a sample of companies representing approximately 60% of the premium volume in the state. Since Exhibit D is based upon a substantial portion of Alaska experience, conclusions drawn from the exhibit can be applied to the entirety of the Alaska Experience. We wish to point to the following conclusions.

1. The incurred loss figures, which are composed of paid loss and loss reserve components, can be seen to increase over time.
2. For this policy year, the ratio of the paid loss to the incurred loss continues to increase as the policy year matures.

November 14, 1980

- 2 -

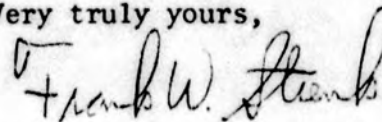
3. As of a fifth report, the ratio of paid loss to incurred loss is 81%. As the policy year continues to mature, this ratio can be expected to increase. This may continue for many years, which is indicative of the long-tailed nature of workers' compensation insurance.

I have also enclosed for your convenience a copy of the National Council on Compensation Insurance Experience Rating Manual. This manual explains the Experience Rating Plan which is on file with the Alaska Insurance Department.

We are currently compiling data to supply you with additional information on average cost per case data in Alaska. This material will be supplied to you upon completion.

In the interim, if you have any questions, please feel free to call.

Very truly yours,



Frank W. Strenk  
Actuarial Supervisor

FWS:TR  
Enclosures

NATIONAL COUNCIL ON COMPENSATION INSURANCE

EXHIBIT A

ALASKA - EXPENSE PROVISIONS

| <u>Date of Revision</u> | <u>General Expense<br/>Provision (Net Basis)</u> | <u>Loss Adjustment<br/>Expense (Related to Net Premium)</u> | <u>Loss Adjustment<br/>Expense (Percentage of<br/>Incurred Losses)</u> |
|-------------------------|--------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------------|
| 6- 1-80                 | 5.3%                                             | 8.2%                                                        | 11.5%                                                                  |
| 12- 1-79                | 5.3%                                             | 8.2%                                                        | 11.5%                                                                  |
| 10- 1-78                | 5.7%                                             | 8.0%                                                        | 11.5%                                                                  |
| 3- 1-78                 | 5.8%                                             | 8.5%                                                        | 12.5%                                                                  |
| 9- 1-77                 | 6.0%                                             | 8.4%                                                        | 12.5%                                                                  |
| 2- 1-77                 | 6.0%                                             | 8.4%                                                        | 12.5%                                                                  |
| 11- 1-76                | 6.0%                                             | 8.4%                                                        | 12.5%                                                                  |
| 6- 1-75                 | 6.0                                              | 8.4%                                                        | 12.5%                                                                  |
| 6- 1-74                 | 6.0%                                             | 8.7%                                                        | 13.0%                                                                  |
| 3- 1-73                 | 6.1%                                             | 8.7%                                                        | 13.0%                                                                  |
| 6-15-72                 | 6.0%                                             | 9.1%                                                        | 13.5%                                                                  |



EXHIBIT BALASKASpecial Call for Expenses - 1979 (All Companies)  
(Percentage of Net Earned Premium)

| <u>Expense Item</u>                    | <u>Percentage<br/>(of Net Earned Premium)</u> |
|----------------------------------------|-----------------------------------------------|
| 1. General Expenses                    | 5.4%                                          |
| 2. Aquisition and Field<br>Supervision | 8.9%                                          |
| 3. Taxes, Licenses and Fees            | 3.6%                                          |
| 4. Loss Adjustment Expense             | 9.4%                                          |

NATIONAL COUNCIL ON COMPENSATION INSURANCE  
ALASKA PREMIUM RISK STUDY

|               | RISK | PREMIUM  | MEDICAL | INDEMNITY | LOSSES   | LOSS RATE |
|---------------|------|----------|---------|-----------|----------|-----------|
| 0 TO 100      | 855  | 45692    | 22488   | 17567     | 40055    | .876      |
| 101 TO 299    | 967  | 182751   | 77841   | 104442    | 182283   | .997      |
| 300 TO 499    | 524  | 202824   | 321226  | 498344    | 819570   | 4.040     |
| 500 TO 749    | 409  | 250045   | 85868   | 122626    | 208494   | .833      |
| 750 TO 999    | 294  | 254720   | 64257   | 95617     | 159874   | .627      |
| 1000 TO 4999  | 1184 | 2674147  | 847173  | 1490416   | 2337589  | .874      |
| 5000 TO 99999 | 608  | 11363708 | 4453952 | 8375856   | 12829808 | 1.129     |
| OVER 99999    | 27   | 4502663  | 1039475 | 2354246   | 3393721  | .753      |
| TOTAL         | 4868 | 19476550 | 6912280 | 13059114  | 19971394 | 1.025     |

COUNTRYWIDE - PREMIUM RISK STUDY\*

| Range          | Risk      | Premium       | Medical     | Indemnity     | Losses        | Loss Ratio |
|----------------|-----------|---------------|-------------|---------------|---------------|------------|
| 0 - 100        | 280,711   | 14,863,671    | 6,239,664   | 11,841,190    | 18,080,854    | 1.216      |
| 101 - 299      | 332,569   | 61,857,394    | 19,838,513  | 32,625,857    | 52,464,375    | .848       |
| 300 - 499      | 166,996   | 65,186,868    | 19,279,327  | 31,839,354    | 51,113,681    | .784       |
| 500 - 749      | 129,136   | 78,530,811    | 23,580,590  | 39,525,498    | 63,106,088    | .804       |
| 750 - 999      | 74,302    | 64,415,059    | 18,776,568  | 31,793,401    | 50,569,969    | .785       |
| 1,000 - 4,999  | 257,998   | 558,726,375   | 164,139,686 | 275,252,251   | 439,391,937   | .786       |
| 5,000 - 99,999 | 89,690    | 1,450,471,070 | 448,419,644 | 787,155,016   | 1,235,574,660 | .852       |
| Over 99,999    | 3,133     | 720,081,576   | 187,146,249 | 372,749,876   | 559,896,125   | .778       |
| TOTAL          | 1,334,585 | 3,014,132,824 | 887,420,246 | 1,582,782,443 | 2,470,202,689 | .820       |

\* Based on Unit Statistical Plan data for policy year 1973-74 for states where NCCI collects such data; losses adjusted for loss adjustment expense and development to an ultimate report basis.



EXHIBIT DALASKAPolicy Year 1974 - Ratio of Paid to Incurred Loss

| <u>Valued as<br/>of Dec. 31,</u> | <u>(1)<br/>Paid<br/>Loss*</u> | <u>(2)<br/>Incurred<br/>Loss*</u> | <u>(3)<br/>Ratio<br/>(1)÷(2)</u> |
|----------------------------------|-------------------------------|-----------------------------------|----------------------------------|
| 1975 (1st Report)                | \$ 4.9                        | \$11.1                            | .44                              |
| 1976 (2nd " )                    | 7.4                           | 11.6                              | .64                              |
| 1977 (3rd " )                    | 8.6                           | 11.8                              | .73                              |
| 1978 (4th " )                    | 9.5                           | 11.7                              | .81                              |
| 1979 (5th " )                    | 10.0                          | 12.4                              | .81                              |

\* In millions of dollars.

**Experience Rating Plan Manual for**  
**WORKERS' COMPENSATION and**  
**EMPLOYERS' LIABILITY INSURANCE**



**NATIONAL COUNCIL ON COMPENSATION INSURANCE**  
One Penn Plaza, New York, N.Y. 10119

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**Experience Rating Plan Manual for  
WORKERS' COMPENSATION and  
EMPLOYERS' LIABILITY INSURANCE**



**NATIONAL COUNCIL ON COMPENSATION INSURANCE**  
One Penn Plaza, New York, N.Y. 10119



## TABLE OF CONTENTS

| GENERAL RULES                                                          | Page |
|------------------------------------------------------------------------|------|
| I. INSTRUCTIONS .....                                                  | 1    |
| II. DEFINITIONS .....                                                  | 1    |
| 1. Entity .....                                                        | 1    |
| 2. Risk .....                                                          | 1    |
| 3. Experience .....                                                    | 1    |
| 4. Manual Rates .....                                                  | 1    |
| III. GENERAL PROVISIONS .....                                          | 2    |
| 1. Eligibility Requirements .....                                      | 2    |
| 2. Experience Period .....                                             | 2    |
| 3. Experience Period Extension .....                                   | 2    |
| 4. Multiple Policies .....                                             | 2    |
| 5. Experience to be Used .....                                         | 2    |
| 6. Non-Member Carriers' Data .....                                     | 2    |
| 7. Self-Insurers' Data .....                                           | 2    |
| 8. Cost Plus Contracts .....                                           | 2    |
| 9. Combination of Entities .....                                       | 3    |
| 10. Merger or Consolidation .....                                      | 3    |
| 11. Change of Control, Management, Name, Operations or Ownership ..... | 3    |
| 12. Joint Ventures .....                                               | 4    |
| IV. APPLICATION OF EXPERIENCE MODIFICATION .....                       | 4    |
| 1. Experience Modification .....                                       | 4    |
| 2. Period and Operations Affected .....                                | 5    |
| 3. Single Policy Risk .....                                            | 5    |
| 4. Multiple Policy Risk .....                                          | 5    |
| V. TABULATION OF EXPERIENCE .....                                      | 5    |
| 1. Experience Used for Rating .....                                    | 5    |
| 2. Rating Forms .....                                                  | 5    |
| 3. Payrolls .....                                                      | 6    |
| 4. Losses .....                                                        | 6    |
| 5. Limitation on Total Losses Employed in a Rating .....               | 6    |
| 6. Plant Hospital Contributions .....                                  | 6    |
| 7. Joint Hospital Contracts .....                                      | 7    |
| 8. Clinical Medical .....                                              | 7    |
| 9. Moral Responsibility .....                                          | 7    |
| 10. Revision of Losses .....                                           | 7    |
| 11. Third Party and Liability-Over Cases .....                         | 7    |
| VI. RATING PROCEDURE .....                                             | 8    |
| 1. Primary Actual Losses .....                                         | 8    |
| 2. Expected Loss Rate .....                                            | 8    |
| 3. D Ratio .....                                                       | 8    |
| 4. Stabilizing Element (B Value) .....                                 | 8    |
| 5. W Values .....                                                      | 8    |
| 6. Experience Modification .....                                       | 8    |
| 7. Ex-Medical Experience .....                                         | 9    |
| 8. Symbol (a) Rated Classifications .....                              | 9    |

TABLE OF CONTENTS—Continued

|                                                                                                  | Page |
|--------------------------------------------------------------------------------------------------|------|
| VII. UNITED STATES LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT<br>COVERAGE.....          | 9    |
| VIII. EMPLOYERS' LIABILITY COVERAGE .....                                                        | 10   |
| IX. NATIONAL DEFENSE PROJECTS RATING PLAN: ATOMIC ENERGY .....                                   | 10   |
| X. SPECIAL PROCEDURE—CODE 7421—AIRCRAFT OPERATION .....                                          | 11   |
| XI. RATING FORMS APPLICABLE FOR USE IN CONNECTION WITH THE EXPERIENCE<br>RATING PLAN MANUAL..... | 11   |
| TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES .....                                             | 12   |
| TABLE II—VESSEL AND MARITIME CLASSES, MANUAL RATES, EXPECTED LOSS RATES<br>AND D RATIOS.....     | 62   |



## GENERAL RULES

SECTION I  
INSTRUCTIONS

1. The rules of this Plan shall govern the experience rating procedure to be followed in connection with Workers' Compensation and Employers' Liability Insurance unless otherwise provided under state experience rating exception provisions.

These rules have been prepared as applicable to policies written or issued for a period not in excess of one year. When, however, policies are written for periods of more than one year, such policies shall be considered as consisting of consecutive units of twelve months or if the period of coverage is not a multiple of twelve months the first or last unit shall be considered as though it were a short term policy. If, however, coverage is written for a period that is more than one year but not more than one year and sixteen days, such entire period shall be considered as a unit of coverage. Each unit as defined above shall be subject separately to all of the rules and procedures specified in this Plan to the same degree as if it actually constituted a separate policy.

In the event the policy period for a long term policy is more than one year and sixteen days, and is not made up of complete twelve month periods, an endorsement shall be attached to the policy specifying whether the first or last unit shall be considered as though it were a short term policy.

2. The rules and rating values of this Plan become effective at 12:01 A.M. as of the dates indicated upon the several pages, unless otherwise specifically provided by bulletin issued by the Board or Bureau having jurisdiction. When a change is made, a reprinted page containing the change and the effective date thereof will be distributed. The change will be specifically designated by a star (★) on the outer margin of the page.

3. This Plan and all amendments thereto, unless otherwise specifically provided, shall be applied as of the first normal anniversary rating date of the risk, as established by the supervising Board or Bureau having jurisdiction, which is on or after the effective date of the change as specified in Rule 2 above, but shall not otherwise be available to outstanding ratings.

As provided in the standard Workers' Compensation and Employers' Liability policy, the supervising Board or Bureau has full authority to verify any or all data, records or statements of the insured for use in establishing the insured's applicable experience modification under the Plan.

4. It shall not be permissible by cancellation, or re-writing, or by the extension of the policy term, to alter an existing policy for the purpose of enabling the risk to qualify for, or avoid, application of this Plan.

SECTION II  
DEFINITIONS

1. **Entity.** The term "entity" shall mean an individual, partnership, corporation, unincorporated association or fiduciary (e.g., trustee, receiver, executor or administrator).

2. **Risk.** The term "risk" as used in this Plan shall mean:

- (a) A single entity,
- (b) Two or more entities which qualify for combination under the rules of Section III of this Plan,

regardless of whether insurance is provided by one or more policies or insurance carriers.

3. **Experience.** For the purpose of this Plan, experience shall mean the record established by a risk under Workers' Compensation and Employers' Liability Insurance as disclosed by the losses incurred by the insurance carrier or carriers and the payrolls or other exposures segregated according to classification of operations.

**Note:** For special provisions applicable to self-insurers' data see Rule 7 of Section III.

4. **Manual Rates** shall mean the Workers' Compensation and Employers' Liability Insurance Manual rates in force on the effective date of the experience modification except that as respects Rule 1 of Section III manual rates shall mean the manual rates in effect during the experience period.



### SECTION III GENERAL PROVISIONS

**1. Eligibility Requirements.** A risk shall qualify for rating under this Plan:

- (a) If the payrolls or other exposures developed during the last year or last two years of the experience period produced a premium at manual rates (See Rule 4 of Section II) of at least \$1,500, or
- (b) If the payrolls or other exposures developed during an experience period of more than two years produced an average annual premium at manual rates (See Rule 4 of Section II) of at least \$750.

The application of Rules 2 and 3 of this section is subject to the provisions of Section V "Tabulation of Experience" of this Plan.

**2. Experience Period.** The experience period, except as otherwise provided in Rules 3 and 4 of this Section, shall be not more than three (3) years, commencing four (4) years prior and terminating one (1) year prior to the date for which an experience modification is to be established. Completed policy periods only shall be used and all such periods wholly within the experience period shall be used.

**3. Experience Period Extension.** If for any reason a part of the earliest policy period falls outside of the normal three (3) year maximum period, such earliest policy period shall be retained in full provided the entire experience period does not then exceed three and three-quarters ( $3\frac{3}{4}$ ) years, and shall be rejected in full if its retention serves to increase the experience period beyond three and three-quarters ( $3\frac{3}{4}$ ) years.

If the policy period immediately preceding the earliest policy period completely within the normal three year experience period is less than a twelve month period and has been used in only two previous ratings, then such short term policy period shall be retained in full provided the entire experience period does not then exceed three and three-quarters ( $3\frac{3}{4}$ ) years, and shall be rejected in full if its retention serves to increase the experience period beyond three and three-quarters ( $3\frac{3}{4}$ ) years.

**4. Multiple Policies.** If a risk involves two or more policies varying in expiration date, the experience period shall be determined for each policy separately in accord-

ance with the foregoing rules, except that the completed policy period beginning more than one year and terminating not less than six months prior to the date for which an experience modification is to be established.

**5. Experience To Be Used.** The entire experience of the risk (except as otherwise provided in this Plan) incurred within the experience period on all its operations whether such operations are normal to the business or otherwise, shall be reported and used in determining the experience modification. The supervising Board or Bureau may at its discretion verify any or all of the data from which the experience modification is to be determined.

Experience developed on work let to and performed by an uninsured contractor shall be considered as the experience of the primary contractor or principal whose insurance carrier is liable for the payment of compensation under any provisions of the applicable Workers' Compensation Law, as respects such work.

If a risk sells or disposes of all or part of its assets, or discontinues or self-insures all or part of its operations, all experience incurred prior thereto shall be used in rating any remaining or future operations of the risk.

**6. Non-Member Carriers' Data.** Experience data of non-member carriers or of carriers that have discontinued business (which has not been used in previous ratings) shall be accepted only if subject to verification as to completeness and accuracy of the information to the satisfaction of the supervising Board or Bureau.

**7. Self-Insurers' Data.** The experience of self-insurers may be accepted by the supervising Board or Bureau provided the experience on self-insured operations is submitted on an approved form giving definite information with respect to payrolls and losses. Such statement shall be secured, verified and submitted by an interested carrier and supported by affidavit of the employer.

Self-insured experience shall not be used in rating a risk unless the operations that produced such experience are to be insured under a Standard Workers' Compensation and Employers' Liability Insurance Policy.

**8. Cost Plus Contracts.** If a contractor performs a construction job on a cost plus basis and a policy is issued to cover the insurable interest of both the contractor and the principal, the contractor's experience modification shall apply to the policy and the experience incurred under such policy shall be considered to be experience of the contractor.

**COMBINATION OR CHANGES OF STATUS****9. Combination of Entities.**

- (a) Two or more entities shall not be combined for rating purposes; provided, however, that combination shall be made as respects entities in each of which the same person, or group of persons, or corporation owns a majority interest.
- (b) If an entity owns a majority interest in another entity which in turn owns the majority interest in another entity, all entities so related shall be combined regardless of the number of entities in succession.

In the term "majority interest," as used in this Rule, "majority" shall mean more than 50%.

If an entity other than a partnership

- i. has issued voting stock, majority interest shall mean a majority of the issued voting stock;
- ii. has not issued voting stock, majority interest shall mean a majority of the members;
- iii. has not issued voting stock and has no members, majority interest shall mean a majority of the board of directors or comparable governing body.

If an entity is a partnership, majority interest shall be determined in accordance with the participation of each general partner in the profits of the partnership.

**Note:** If two or more difference combinations are possible in accordance with provisions of this Rule, the combination involving the greatest number of entities shall be made. The experience of any entity used in such a combination shall not otherwise be used in combination with any other entity.

The experience to be used in a rating combination shall be subject to the provisions of the rule "Change of Ownership" of this Section.

**10. Merger or Consolidation.**

**Merger**—If two or more entities are merged so that the ownership interest (as defined in Rule 11 of this Section) of all such entities are combined in the surviving entity, the incurred experience of all such merged entities shall be used for experience rating the surviving entity.

**Consolidation**—If two or more entities are consolidated by replacing them with a new entity combining the ownership interest (as defined in Rule 11 of this Section) of the prior entities, the incurred experience of all such consolidated entities shall be used for experience rating the new entity.

**11. Change of Control, Management, Name, Operations or Ownership.**

- (a) If there is a change in control, management, name or operations, not accompanied by any change in ownership interest, incurred experience shall be used in future ratings.
- (b) If there is a change in ownership interest, either alone or accompanied by a change in control, management, name or operations (other than as respects mergers or consolidations covered by Rule 10 of this Section) incurred experience shall be used in future ratings.

**Exception:** Incurred experience shall not be used in the future ratings of the entity undergoing change:

- i. When the entire ownership interest after the change had no ownership interest before the change, or
- ii. When the collective ownership interest of all those having such an interest in the entity both before and after the change in ownership amounts to either:
  - (a) less than 33 1/3% of the ownership interest before the change, or
  - (b) less than 50% of the ownership interest after the change.

**Note:** In the application of this Exception an analysis shall be made to determine the individuals holding ownership interests in any entity, whether the entity be the one being rated or any other entity in any way connected, directly or indirectly, in any chain of ownership with the risk being rated.

**Ownership Interest:**

- (1) of any corporation shall be determined on the basis of the ownership of the issued voting stock of any such corporation.
- (2) if there is no issued voting stock shall be determined on the basis of its members if the entity is other than a partnership.



(3) if there is neither issued voting stock nor members shall be determined on the basis of the board of directors or comparable governing body if the entity is other than a partnership.

(4) of any partnership shall be determined in accordance with the participation of each general partner in the profits of the partnership.

(5) shall be deemed to be vested in a fiduciary when a fiduciary is involved. However, "fiduciary" shall not include a debtor in possession, a trustee under a revocable trust or a franchisor. Ownership interest held by an entity in a fiduciary capacity and ownership interest held by the same entity in a non-fiduciary capacity shall be deemed to be ownership interest of the same entity.

**12. Joint Ventures.** When two or more contractors associate for the purpose of undertaking one or more construction, erection or demolition projects as a joint venture, the premium for the operations involved in such venture shall be subject to an experience modification, which shall be the arithmetical average of the experience modifications of the joint contract ventures, which are effective in the jurisdiction where such operations are to be carried on, in force on the effective date of the policy covering the joint venture [using unity (1.00) for the experience modification for any contract venturer who is not subject to experience rating] subject, however, to the following conditions:

- (1) The contracts shall be awarded in the name of the associated contractors as a joint venture.
- (2) The joint venturers shall share responsibility for, and participate in the control, direction and supervision of all work undertaken.
- (3) The joint venturers shall maintain a common bank account, payroll and business records.

The arithmetical average experience modification aforementioned shall be effective as of the inception date of the initial policy covering the joint venture and shall be applicable for a period of 12 months. At the end of the period, and annually thereafter on a rating anniversary determined in accordance with the provisions of this Plan, a new arithmetical average experience modification shall be calculated. When, however, the joint venture on the basis of its own developed experience qualifies for rating in accordance with the provisions of this Plan, the experience modification for the future rating of the venture shall be based on such experience exclusively.

An experience modification determined in accordance with the foregoing shall be applicable for its effective period to all policies covering the identical contractors collectively as joint venturers.

The experience developed under a joint venture shall be excluded from the future rating of the individual contractors.

## SECTION IV APPLICATION OF EXPERIENCE MODIFICATION

**1. Experience Modification.** An experience modification for a qualified risk shall be determined annually (except as provided in Rules 3 and 4 of this Section) and shall be effective as of the normal anniversary rating date of the risk. No more than one experience modification shall apply to a risk at the same time. Subject to the exceptions noted below, the experience modification shall be applied to the premium developed by the use of manual rates in force on the effective date of the experience modification.

### Exception (a):

#### CLASSIFICATIONS WITH NON-RATABLE ELEMENTS

The manual rates for the classifications shown below contain elements which are not subject to experience rating:

| Code | Phraseology                                                | Non-Ratable Element<br>Expressed as % of Rate |
|------|------------------------------------------------------------|-----------------------------------------------|
| 4779 | Fireworks Mfg.                                             | 31%                                           |
| 4775 | Expl. or Ammun. Mfg.—Cartridge<br>Charging or Loading      | 12                                            |
| 3574 | Expl. or Ammun. Mfg.—Cartridge<br>Mfg. or Assembling       | 11                                            |
| 4770 | Expl. or Ammun. Mfg.—Bag Loading                           | 13                                            |
| 4773 | Expl. or Ammun. Mfg.—High Expl. Mfg.                       | 17                                            |
| 4774 | Expl. or Ammun. Mfg.—Smokeless<br>Powder Mfg.              | 15                                            |
| 4775 | Expl. or Ammun. Mfg.—Shell Case<br>Loading                 | 14                                            |
| 4776 | Expl. or Ammun. Mfg.—Projectile,<br>Bomb, etc.             | 16                                            |
| 4779 | Expl. or Ammun. Mfg.—Cap, Primer, etc.                     | 15                                            |
| 4799 | Expl. or Ammun. Mfg.—Black Powder                          | 21                                            |
| 7250 | Trucking—Explosives                                        | 50                                            |
| 7323 | Stevedoring—Explosives                                     | 30                                            |
| 7362 | Freight Handlers—Explosives                                | 30                                            |
| 7405 | Aircraft Operation—Scheduled Airlines                      | 35                                            |
| 7431 | Aircraft Operation—Irrregular or<br>Non-scheduled Airlines | 35                                            |



For such classifications the authorized rates to be shown in the policy shall be determined as follows:

$$(\text{Ratable Element} + \frac{(\text{Non-Ratable Element})}{\text{Modification}}) = \text{Authorized Rate}$$

For these classifications the premium produced through use of the authorized rates will be considered as premium for the purpose of application of the experience modification.

**Exception (b):**

**PREMIUMS NOT SUBJECT TO EXPERIENCE RATING**

The following are not subject to experience rating:

- i. Loss and Expense Constants
- ii. The policy minimum premium.
- iii. Premium under the National Defense Projects Rating Plan.
- iv. Premium under Rule 1 of the Manual procedure captioned "Atomic Energy."

**2. Period and Operations Affected.** The experience modification shall be effective for a period of twelve months (except as provided in Rules 3 and 4 of this Section) and shall apply to all the operations of the risk, regardless of whether the current or any new operations are assigned to the same classifications as were used in establishing such modification.

**3. Single Policy Risk.** If a risk is covered by a single policy, the following procedure shall apply:

- (a) The experience modification effective as of the normal anniversary rating date shall apply for the full term of the policy which becomes effective on such date and also for the full term of any policy which becomes effective within three months after such date.
- (b) If a policy becomes effective on a date more than three months after the normal anniversary rating date:
  - i. the outstanding experience modification shall apply to the new policy for the period corresponding to the unexpired term of the rating.
  - ii. a new experience modification then shall apply for the unexpired term of the outstanding policy.
  - iii. thereafter, a new modification shall apply annually as of a new normal anniversary

rating date. The new normal anniversary rating date shall be the date twelve months after the effective date of the outstanding policy.

**4. Multiple Policy Risk.** If a risk is covered by several policies which differ as to inception dates the following procedure shall apply:

A single experience modification shall be computed to be effective for a period of twelve months beginning on a normal anniversary rating date established by the Board or Bureau having jurisdiction and shall be applicable to all policies for that portion of their terms which falls within the period that such modification is in force, regardless of the inception or termination date of such policies. At the end of that period and annually thereafter a new experience modification shall be computed which shall apply to the unexpired term of any policy issued during the preceding period and to policies issued during the next twelve months until the next normal anniversary rating date. The Board or Bureau having jurisdiction may, however, authorize the application of an existing experience modification for a period not to exceed fifteen months or a new experience modification for a period greater than three months and less than twelve months for the purpose of establishing a new normal anniversary rating date.

## SECTION V

### TABULATION OF EXPERIENCE

**1. Experience Used for Rating.** The experience used for rating purposes shall be the individual risk experience valued at least three months prior to the rating date and reported in accordance with the provisions of the approved Unit Statistical Plan.

**2. Rating Forms.** To determine the experience modification the prescribed experience shall be tabulated by the supervising Board or Bureau on approved rating forms.

**Note:** The experience on risks which have been insured in the past on an ex-medical basis, either for part or all of the experience period, shall be tabulated on the approved ex-medical form for that period during which such coverage was in force, regardless of whether future coverage is to be written excluding or including medical aid.

3. **Payrolls.** The audited payroll or other exposures for each classification for the experience period shall be tabulated by policy periods.

4. **Losses.** Incurred losses shall be tabulated by policy year in the manner indicated below. However, where the rating date is not an anniversary of the effective date of the policy under which such losses were incurred, both the effective month and year of the policy shall be shown.

- (a) The indemnity and medical incurred on each case shall be combined and the total cost, limited to the applicable accident limitation as described herein and shown on Table III, shall be listed for rating purposes in accordance with the procedure set forth in the following paragraphs (b) to (d) inclusive. All disease losses shall be separately identified as such and, except as provided in Rule 5(b) of this Section below, shall be treated the same as losses resulting from traumatic injury. Losses incurred under the state workers' compensation law shall be subject to the State Accident Limitation shown on the appropriate state Table III. Losses incurred under the United States Longshoremen's and Harbor Workers' Act shall be subject to the United States Longshoremen's and Harbor Workers' Act Accident Limitation shown on the appropriate state Table III. Losses incurred under any of the employers' liability coverages described in Section VIII hereof shall be subject to the Employers' Liability Accident Limitation shown on the appropriate state Table III.
- (b) Cases on each of which the combined indemnity and medical cost does not exceed \$2,000 shall not be listed individually but shall be summarized and reported in the aggregate by policy year subject to the conditions noted above. Any disease losses included in this category shall be shown in a separate group in accordance with paragraph (a) above. If one or more claims within a group are open, the group shall be designated as open by the symbol "O."
- (c) Cases on which the combined indemnity and medical exceeds \$2,000 shall be individually listed. The status of any such case shall be indicated by an "O" or "F" in the appropriate column.
- (d) Cases involving non-compensable medical only shall be tabulated in accordance with paragraph (b) and (c) above.

5. **Limitation on Total Losses Employed in a Rating.**

- (a) **Accidents Involving Two or More Persons.** In accidents involving injuries to two or more persons, the total losses chargeable to the accident and employed in the rating shall be limited to twice the applicable accident limitation as described in Rule 4, "Losses," and shown in Table III. The total primary losses chargeable to the accident and employed in the rating shall be limited to \$20,000, which is twice the maximum primary value. The total excess losses chargeable to the accident and employed in the rating shall be the difference between the total losses chargeable to the accident (limited to the applicable accident limitation as described in Rule 4, "Losses," and shown in Table III) and the corresponding primary losses.
- (b) **Disease Losses.** For each policy year, the total disease losses shall be limited to the applicable accident limitation as described in Rule 4, "Losses," and shown in Table III, plus 40% of the risk's total expected losses for the experience period. For each policy year, the primary disease losses shall be limited to \$20,000, which is twice the maximum primary value, plus 40% of the risk's total expected primary losses for the experience period.

For each policy year, the excess disease losses shall be the difference between the total disease losses and the primary disease losses as determined above.

**Note:** For purposes of applying Rule (b) above, the disease losses of all policies included in the rating and effective within 24 months prior to the effective date of the modification shall be combined to constitute the disease losses of the latest policy year; similarly disease losses of all policies effective within the next prior 12 months shall be combined for the second prior policy year; and the disease losses of all other prior policies shall be combined to constitute the earliest policy year.

6. **Plant Hospital Contributions.** If the carrier furnishes first aid equipment or contributes to the cost of plant hospitals maintained by the insured, or pays the salaries, in whole or in part, of medical personnel employed by the insured or in other ways contributes to the cost of medical facilities maintained by the insured, such contributions shall be treated as primary losses and shall be tabulated in accordance with Rule 4(b) of Section V.



If the carrier loans hospital equipment to the insured, 20% of the replacement cost new shall be treated as primary losses and tabulated in accordance with Rule 4(b) of Section V, for each policy year during which such equipment is on loan.

**7. Joint Hospital Contracts.** If the carrier has maintained a contract for medical and/or hospital services covering more than one risk, the amount of such medical reported for a given risk shall be the pro rata share of the total contract price based upon the number of treatments.

**8. Clinical Medical.** When a carrier maintains a medical clinic, the cost of each treatment given shall be charged against the individual risk in accordance with a fixed schedule of charges per treatment. The cost of each treatment shall be further assigned to the individual compensation claim wherever possible. Treatments not assigned to individual compensation claims shall be treated as primary losses and shall be tabulated in accordance with Rule 4(b) of Section V. Such schedule of charges may distinguish between types of treatment and shall apply without exception to all risks with cases treated by the clinic and shall be frequently revised and adjusted if necessary so that the total charges for a given period will be equivalent to the total cost of maintaining the clinic, including salaries, rent, light, heat, depreciation of equipment, cost of supplies, etc.

**9. Moral Responsibility.** No loss shall be excluded from the experience of a risk on the ground that the employer was not morally responsible for the accident that caused such loss.

**10. Revision of Losses.** It shall not be permissible to revise values because of departmental or judicial decision or because of developments in the nature of injury between two valuation dates; provided, however, that

- (a) in cases where loss values are included or excluded through mistake other than error of judgment,
- (b) where the claim is non-compensable (see Note below),
- (c) where the claimant or carrier has recovered in an action against a third party and the third party has not brought a liability-over claim or suit against the insured, or
- (d) where upon settlement or final adjudication of a third party liability-over claim or suit, the third party has not recovered against the insured,

it shall be permissible to submit a revised reporting and the supervising Board or Bureau shall thereupon adjust the current rating. Such revised losses may be used to adjust the two immediately preceding ratings.

**Note:** For purposes of this Rule the term "non-compensable" refers to:

- i. an official ruling specifically holding that a claimant is not entitled to benefits under the Workers' Compensation Law.
- ii. a case where no claim was filed during the period of limitation provided by the Workers' Compensation Law for the filing of such claim and the carrier therefor closes the case.
- iii. a case where the carrier contends, prior to the valuation date, that a claimant is not entitled to benefits under the Workers' Compensation Law and the claim is officially closed because of the claimant's failure to prosecute his claim.

#### **11. Third Party and Liability-Over Cases.**

- (a) **Pending Cases.** When a negligence claim or suit has been instituted by a claimant against a third party or a liability-over claim or suit is involved, the procedure shall be as follows:

If the claim or suit against the third party has not been settled or finally adjudicated, the incurred loss, subject to the appropriate accident limitation shown on Table III, shall be included in the rating since failure to recover against a third party is no bar to compensation and the insurance carrier may eventually be obliged to indemnify the claimant in whole or in part for the loss sustained.

Liability-over loss valuations for claims or suits not settled shall be included in the rating, subject to the appropriate accident limitation shown on Table III, as the possibility of payment exists as in any third party case.

- (b) **Settled Cases—Other Than Liability-Over.** In cases where the carrier has received reimbursement under subrogation rights, or where the injured employee or his dependents have recovered from a third party, the procedure shall be as follows:

The net loss limited, however, to the appropriate accident limitation shown on Table III, shall be tabulated.



The net loss tabulated for experience rating shall be determined by deducting from the incurred loss prior to recovery, the amount recovered through subrogation reduced by any expense incurred in obtaining such recovery. However, in cases where the expense incurred in connection with such recovery exceeds the amount recovered, the net loss tabulated shall not exceed the gross amount of loss prior to recovery.

- (c) **Settled Cases—Liability-Over.** In cases where the carrier successfully defends a liability-over claim or suit by a third party against the insured and no payment is made, the experience rating shall include any allocated claim adjustment expenses incurred in the defense of such claim or suit.

The above amount is subject to the Employers' Liability Accident Limitation shown on Table III.

In cases where the carrier makes a payment because of a liability-over claim or suit by a third party against the insured, the procedure shall be as follows:

The loss valuation established for the liability-over claim or suit shall be retained in the experience rating until the next normal valuation date at which time the settlement amount increased by any allocated claim adjustment expenses incurred in the defense of such claim or suit shall be used in future ratings.

The above amount is subject to the Employers' Liability Accident Limitation shown on Table III.

## SECTION VI RATING PROCEDURE

**1. Primary Actual Losses.** Actual losses that are tabulated in accordance with Rule 4(b) of Section V, shall be used in the rating as primary losses. The primary value for any other case which is individually listed shall be determined by the formula:

$$\text{Primary loss} = \frac{10,000 \times \text{Total loss}}{\text{Total loss} + 8,000}$$

In lieu of the above, the same primary value for each case involving excess loss can be obtained from Table I.

**2. Expected Loss Rate.** The policy year classification expected loss rates required for the calculation of the total expected losses shall be obtained from Table II of the Plan.

**3. D Ratio.** The Plan provides for the determination of "primary expected losses" corresponding to the primary actual losses referred to above. The classification D ratios required for the determination of the primary expected losses shall be obtained from Table II of the Plan.

**4. Stabilizing Element (B Value).** In order to limit the effect of a single severe accident on the modification of a small risk, a stabilizing element (designated B Value) is added to both the primary actual and primary expected losses. The B Value varies with the risk total expected losses and is obtained from Table III of the Plan.

**5. W Values.** For risks producing total expected losses equal to or less than \$25,000, only the primary actual losses enter into the numerator of the risk modification and the excess actual losses are replaced by the corresponding excess expected losses. For risks producing total expected losses amounting to more than \$25,000, a specified percentage of the excess actual losses enters into the numerator of the risk modification. This percentage (designated the W Value) varies with the volume of risk expected losses and shall be obtained from Table III. The balance of excess actual losses—that is, the proportion  $(1-W)$  of excess actual losses—is replaced by the corresponding proportion of excess expected losses.

**6. Experience Modification.** The experience modification is determined from the formula:

$$\text{Modification} = \frac{A_p + B + WA_e + (1-W)E_e}{E + B}$$

$$= \frac{A_p + B + WA_e + (1-W)E_e}{E_p + B + WE_e + (1-W)E_e}$$

where  $A_p$  = Primary Actual Losses

$B$  = The B Value for each risk as obtained from Table III

$W$  = A specific percentage for each risk as obtained from Table III

$A_e$  = The excess of the risk actual losses over the primary actual losses

$E_p$  = Primary expected Losses

$E_e$  = The excess of the risk expected losses over the primary expected losses

$E$  = Total expected losses.

For risks producing total expected losses of \$25,000 or less, the W Value is zero and, therefore, the formula for the risk modification becomes:

$$\begin{aligned}\text{Modification} &= \frac{A_p + B + E_c}{E + B} \\ &= \frac{A_p + B + E_c}{E_p + B + E_c}\end{aligned}$$

The experience modification shall be rounded to two decimal places.

**7. Ex-Medical Experience.** Experience developed on an ex-medical coverage basis shall be treated in accordance with the General Rules of this Plan except as modified by the following:

- (a) The total expected losses on a statutory medical basis shall be used in determining the B and W values.
- (b) The total expected losses on a statutory medical basis for each classification shall be converted to an ex-medical basis by applying to such losses the classification ex-medical multiplier, determined as the complement of 1.30 times the classification Ex-Medical Ratio.
- (c) The primary expected ex-medical losses for each classification shall be the product of the total ex-medical expected losses as determined in (b) above and the classification standard D ratio obtained from the appropriate state Table II.
- (d) The excess expected ex-medical losses for all classifications combined shall be the difference between the sum of the total expected ex-medical losses ((b) above) and the sum of the primary expected ex-medical losses ((c) above).
- (e) For classifications with non-ratable elements (see Section IV), the ex-medical ratios shown in Table II shall be adjusted before being used in Part II of Form ER-2 in accordance with the following formula:

$$\frac{\text{Printed Ex-Medical Ratio}}{\text{(1.0-percentage in table of non-ratable percentages)}} = \frac{\text{Ex-Medical Ratio}}{\text{for classifications with non-ratable element}}$$

**8. Symbol (a) Rated Classifications.** In the case of a symbol (a) rated classification for which the manual rate is obtained by averaging the various elements of the risk involved, the expected loss rate, D ratio and ex-medical multiplier to be used in rating shall be obtained on an average basis.

## SECTION VII

### United States Longshoremen's and Harbor Workers' Compensation Act Coverage.

The General Rules of this Plan shall apply, except as otherwise provided or supplemented in this Section.

For those classifications with code numbers followed by the letter "F" the expected loss rates in Table II of this Plan have been calculated to include expected losses under both the state compensation act the United States Longshoremen's and Harbor Workers' Compensation Act.

1. For classifications with code numbers followed by the letter "F" in the state Table II:

- (a) Incurred losses shall be tabulated in accordance with the General Rules of this Plan except that incurred losses under the state act and incurred losses under the United States Longshoremen's Act shall be subject respectively to the accident limitations specified in the state Table III for (a) "State" and (b) "United States Longshoremen's and Harbor Workers' Compensation Act."
- (b) Total expected losses and primary expected losses for these classifications shall be determined by applying to the payrolls of these classifications the expected loss rates and D ratios shown in the appropriate state Table II.
- (c) The experience modification shall be developed in the usual manner using the B value and W value for the risk as determined from the total expected losses and appropriate state Table III.

2. For classifications whose code numbers are not followed by the letter "F" in the state Table II, but where coverage under the United States Longshoremen's and Harbor Workers' Compensation Act is provided:



- (a) Incurred losses shall be tabulated in accordance with sub-paragraph (a) of Rule 1 above.
- (b) Exposures under the United States Longshoremen's and Harbor Workers' Compensation Act, which will be reported in the Unit Report under the regular industrial classification code, designated by the symbols "U.S." or "O.W." in the coverage column of the revised Unit Report Plan Form 21-59, shall be extended at the regular state industrial expected loss rates increased by the United States Longshoremen's and Harbor Workers' Compensation Coverage Percentage shown in the appropriate state Table III of the Plan to determine the total expected losses for such exposure. The corresponding primary expected losses shall be determined by application of the D ratios shown in the appropriate state Table II of the Plan.  
  
Total expected losses and primary losses for exposures not under the United States Longshoremen's and Harbor Workers' Compensation Act shall be determined in the usual manner using the appropriate state expected loss rates and D ratios shown in Table II.
- (c) The experience modification shall be developed in the usual manner using the B value and W value for the risk as determined from the total expected losses and appropriate state Table III.

#### SECTION VIII EMPLOYERS' LIABILITY COVERAGE

The General Rules of this Plan shall apply, except as otherwise provided or supplemented in this Section. For the purposes of this Section, Employers' Liability coverage shall include Coverage B of the standard provisions Workers' Compensation and Employers' Liability Policy, employers' liability insurance written under Employers' Liability policies, Voluntary Compensation (Coverage C), Admiralty and Federal Employers' Liability Act coverages.

- 1. Employers' Liability coverage subject to a standard limit of liability of \$100,000.

All incurred losses shall be tabulated in accordance with the General Rules of this Plan. The total incurred cost of each case shall be limited to the Employers' Liability Accident Limitation shown in the appropriate state Table III of the Plan.

- 2. Employers' Liability coverage subject to a standard limit of liability of \$25,000 per accident.

- (a) All incurred losses shall be tabulated in accordance with the General Rules of this Plan. The total incurred cost of each case shall be limited to the Employers' Liability Accident Limitation shown in the appropriate state Table III of the Plan.
- (b) Total expected losses and primary expected losses shall be determined by applying to the payrolls the expected loss rates and D ratios shown in the appropriate Table II of the Plan.
- (c) When coverage is written at limits of liability higher than the standard limits of \$25,000, the risk total expected losses shall include expected losses for such higher limits coverage up to limits of \$100,000. These shall be determined by applying the appropriate expected loss ratio to the premium developed by the application of the percentage charge for higher limits coverage up to \$100,000 during the experience period and reported in the Unit Statistical report assigned to Code 0071. In the experience rating calculations such higher limits expected losses shall be assigned entirely to "excess." The expected loss ratio will be found in the expected loss rate column opposite Code 0071 of the appropriate Table II and is applicable to Code 0071 premium; the corresponding D ratio will be zero.
- (d) The risk total expected losses shall not include expected losses for any portion of higher limits coverage which may be provided in excess of limits of \$100,000. The premium developed for coverage in excess of \$100,000 and reported in the Unit Statistical report assigned to Code 0072 shall not be used in the determination of the risk's total expected losses.

#### SECTION IX NATIONAL DEFENSE PROJECTS RATING PLAN: ATOMIC ENERGY

The experience modification is not applicable to the workers' compensation premium resulting from operations under the National Defense Projects Rating Plan or from operations rated in accordance with Rule 1 of the manual procedure captioned "Atomic Energy." The exposure and losses shall be excluded from experience rating.



**SECTION X**  
**SPECIAL PROCEDURE—CODE 7421—**  
**AIRCRAFT OPERATION**

The passenger seat surcharge premium charged in connection with Code 7421, which is reported under statistical Code 0088, is subject to modification by experience rating. However, exposure and losses reported under statistical Code 0088 shall be excluded from experience rating.

**SECTION XI**  
**RATING FORMS APPLICABLE FOR USE IN**  
**CONNECTION WITH THE EXPERIENCE**  
**RATING PLAN MANUAL**

The following Intrastate Rating Forms are applicable for use in connection with this Plan, except in states where special forms are required by the Board or Bureau having jurisdiction. See the Supplement To Experience Rating Plan Manual for interstate rating forms.

ER-1, ER-1-IT—One State Experience Rating Form

ER-2—Individual State Sheet—Ex-Medical

ERM-3—Occupational Disease Supplementary Form

ER-4—Accidents Involving Two or More Persons

ERM-6—Report of Experience of Self Insurers

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 0-2000      | Actual        | 2050        | 2040          | 2101        | 2080          | 2152        | 2120          |
| 2001        | 2001          | 2051        | 2041          | 2102        | 2081          | 2153        | 2121          |
| 2002        | 2002          | 2053        | 2042          | 2103        | 2082          | 2155        | 2122          |
| 2004        | 2003          | 2054        | 2043          | 2105        | 2083          | 2156        | 2123          |
| 2005        | 2004          | 2055        | 2044          | 2106        | 2084          | 2157        | 2124          |
| 2006        | 2005          | 2056        | 2045          | 2107        | 2085          | 2159        | 2125          |
| 2007        | 2006          | 2058        | 2046          | 2109        | 2086          | 2160        | 2126          |
| 2009        | 2007          | 2059        | 2047          | 2110        | 2087          | 2161        | 2127          |
| 2010        | 2008          | 2060        | 2048          | 2111        | 2088          | 2162        | 2128          |
| 2011        | 2009          | 2061        | 2049          | 2112        | 2089          | 2164        | 2129          |
| 2012        | 2010          | 2063        | 2050          | 2114        | 2090          | 2165        | 2130          |
| 2014        | 2011          | 2064        | 2051          | 2115        | 2091          | 2166        | 2131          |
| 2015        | 2012          | 2065        | 2052          | 2116        | 2092          | 2168        | 2132          |
| 2016        | 2013          | 2067        | 2053          | 2117        | 2093          | 2169        | 2133          |
| 2017        | 2014          | 2068        | 2054          | 2119        | 2094          | 2170        | 2134          |
| 2019        | 2015          | 2069        | 2055          | 2120        | 2095          | 2171        | 2135          |
| 2020        | 2016          | 2070        | 2056          | 2121        | 2096          | 2173        | 2136          |
| 2021        | 2017          | 2072        | 2057          | 2123        | 2097          | 2174        | 2137          |
| 2022        | 2018          | 2073        | 2058          | 2124        | 2098          | 2175        | 2138          |
| 2024        | 2019          | 2074        | 2059          | 2125        | 2099          | 2177        | 2139          |
| 2025        | 2020          | 2075        | 2060          | 2126        | 2100          | 2178        | 2140          |
| 2026        | 2021          | 2077        | 2061          | 2128        | 2101          | 2179        | 2141          |
| 2027        | 2022          | 2078        | 2062          | 2129        | 2102          | 2181        | 2142          |
| 2029        | 2023          | 2079        | 2063          | 2130        | 2103          | 2182        | 2143          |
| 2030        | 2024          | 2081        | 2064          | 2132        | 2104          | 2183        | 2144          |
| 2031        | 2025          | 2082        | 2065          | 2133        | 2105          | 2184        | 2145          |
| 2032        | 2026          | 2083        | 2066          | 2134        | 2106          | 2186        | 2146          |
| 2034        | 2027          | 2084        | 2067          | 2135        | 2107          | 2187        | 2147          |
| 2035        | 2028          | 2086        | 2068          | 2137        | 2108          | 2188        | 2148          |
| 2036        | 2029          | 2087        | 2069          | 2138        | 2109          | 2190        | 2149          |
| 2038        | 2030          | 2088        | 2070          | 2139        | 2110          | 2191        | 2150          |
| 2039        | 2031          | 2089        | 2071          | 2141        | 2111          | 2192        | 2151          |
| 2040        | 2032          | 2091        | 2072          | 2142        | 2112          | 2194        | 2152          |
| 2041        | 2033          | 2092        | 2073          | 2143        | 2113          | 2195        | 2153          |
| 2043        | 2034          | 2093        | 2074          | 2144        | 2114          | 2196        | 2154          |
| 2044        | 2035          | 2095        | 2075          | 2146        | 2115          | 2197        | 2155          |
| 2045        | 2036          | 2096        | 2076          | 2147        | 2116          | 2199        | 2156          |
| 2046        | 2037          | 2097        | 2077          | 2148        | 2117          | 2200        | 2157          |
| 2048        | 2038          | 2098        | 2078          | 2150        | 2118          | 2201        | 2158          |
| 2049        | 2039          | 2100        | 2079          | 2151        | 2119          | 2203        | 2159          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 2204        | 2160          | 2256        | 2200          | 2309        | 2240          | 2363        | 2280          |
| 2205        | 2161          | 2258        | 2201          | 2310        | 2241          | 2364        | 2281          |
| 2207        | 2162          | 2259        | 2202          | 2312        | 2242          | 2365        | 2282          |
| 2208        | 2163          | 2260        | 2203          | 2313        | 2243          | 2367        | 2283          |
| 2209        | 2164          | 2262        | 2204          | 2314        | 2244          | 2368        | 2284          |
| 2210        | 2165          | 2263        | 2205          | 2316        | 2245          | 2369        | 2285          |
| 2212        | 2166          | 2264        | 2206          | 2317        | 2246          | 2371        | 2286          |
| 2213        | 2167          | 2265        | 2207          | 2318        | 2247          | 2372        | 2287          |
| 2214        | 2168          | 2267        | 2208          | 2320        | 2248          | 2373        | 2288          |
| 2216        | 2169          | 2268        | 2209          | 2321        | 2249          | 2375        | 2289          |
| 2217        | 2170          | 2269        | 2210          | 2322        | 2250          | 2376        | 2290          |
| 2218        | 2171          | 2271        | 2211          | 2324        | 2251          | 2377        | 2291          |
| 2220        | 2172          | 2272        | 2212          | 2325        | 2252          | 2379        | 2292          |
| 2221        | 2173          | 2273        | 2213          | 2326        | 2253          | 2380        | 2293          |
| 2222        | 2174          | 2275        | 2214          | 2328        | 2254          | 2381        | 2294          |
| 2223        | 2175          | 2276        | 2215          | 2329        | 2255          | 2383        | 2295          |
| 2225        | 2176          | 2277        | 2216          | 2330        | 2256          | 2384        | 2296          |
| 2226        | 2177          | 2279        | 2217          | 2332        | 2257          | 2385        | 2297          |
| 2227        | 2178          | 2280        | 2218          | 2333        | 2258          | 2387        | 2298          |
| 2229        | 2179          | 2281        | 2219          | 2334        | 2259          | 2388        | 2299          |
| 2230        | 2180          | 2283        | 2220          | 2336        | 2260          | 2389        | 2300          |
| 2231        | 2181          | 2284        | 2221          | 2337        | 2261          | 2391        | 2301          |
| 2233        | 2182          | 2285        | 2222          | 2338        | 2262          | 2392        | 2302          |
| 2234        | 2183          | 2287        | 2223          | 2340        | 2263          | 2393        | 2303          |
| 2235        | 2184          | 2288        | 2224          | 2341        | 2264          | 2395        | 2304          |
| 2237        | 2185          | 2289        | 2225          | 2342        | 2265          | 2396        | 2305          |
| 2238        | 2186          | 2291        | 2226          | 2344        | 2266          | 2398        | 2306          |
| 2239        | 2187          | 2292        | 2227          | 2345        | 2267          | 2399        | 2307          |
| 2240        | 2188          | 2293        | 2228          | 2346        | 2268          | 2400        | 2308          |
| 2242        | 2189          | 2295        | 2229          | 2348        | 2269          | 2402        | 2309          |
| 2243        | 2190          | 2296        | 2230          | 2349        | 2270          | 2403        | 2310          |
| 2244        | 2191          | 2297        | 2231          | 2350        | 2271          | 2404        | 2311          |
| 2246        | 2192          | 2298        | 2232          | 2352        | 2272          | 2406        | 2312          |
| 2247        | 2193          | 2300        | 2233          | 2353        | 2273          | 2407        | 2313          |
| 2248        | 2194          | 2301        | 2234          | 2354        | 2274          | 2408        | 2314          |
| 2250        | 2195          | 2302        | 2235          | 2356        | 2275          | 2410        | 2315          |
| 2251        | 2196          | 2304        | 2236          | 2357        | 2276          | 2411        | 2316          |
| 2252        | 2197          | 2305        | 2237          | 2358        | 2277          | 2412        | 2317          |
| 2254        | 2198          | 2306        | 2238          | 2360        | 2278          | 2414        | 2318          |
| 2255        | 2199          | 2308        | 2239          | 2361        | 2279          | 2415        | 2319          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 2416        | 2320          | 2471        | 2360          | 2526        | 2400          | 2582        | 2440          |
| 2418        | 2321          | 2472        | 2361          | 2528        | 2401          | 2583        | 2441          |
| 2419        | 2322          | 2474        | 2362          | 2529        | 2402          | 2585        | 2442          |
| 2421        | 2323          | 2475        | 2363          | 2530        | 2403          | 2586        | 2443          |
| 2422        | 2324          | 2477        | 2364          | 2532        | 2404          | 2587        | 2444          |
| 2423        | 2325          | 2478        | 2365          | 2533        | 2405          | 2589        | 2445          |
| 2425        | 2326          | 2479        | 2366          | 2534        | 2406          | 2590        | 2446          |
| 2426        | 2327          | 2481        | 2367          | 2536        | 2407          | 2592        | 2447          |
| 2427        | 2328          | 2482        | 2368          | 2537        | 2408          | 2593        | 2448          |
| 2429        | 2329          | 2483        | 2369          | 2539        | 2409          | 2594        | 2449          |
| 2430        | 2330          | 2485        | 2370          | 2540        | 2410          | 2596        | 2450          |
| 2431        | 2331          | 2486        | 2371          | 2541        | 2411          | 2597        | 2451          |
| 2433        | 2332          | 2487        | 2372          | 2543        | 2412          | 2599        | 2452          |
| 2434        | 2333          | 2489        | 2373          | 2544        | 2413          | 2600        | 2453          |
| 2436        | 2334          | 2490        | 2374          | 2546        | 2414          | 2601        | 2454          |
| 2437        | 2335          | 2492        | 2375          | 2547        | 2415          | 2603        | 2455          |
| 2438        | 2336          | 2493        | 2376          | 2548        | 2416          | 2604        | 2456          |
| 2440        | 2337          | 2494        | 2377          | 2550        | 2417          | 2606        | 2457          |
| 2441        | 2338          | 2496        | 2378          | 2551        | 2418          | 2607        | 2458          |
| 2442        | 2339          | 2497        | 2379          | 2553        | 2419          | 2608        | 2459          |
| 2444        | 2340          | 2498        | 2380          | 2554        | 2420          | 2610        | 2460          |
| 2445        | 2341          | 2500        | 2381          | 2555        | 2421          | 2611        | 2461          |
| 2446        | 2342          | 2501        | 2382          | 2557        | 2422          | 2613        | 2462          |
| 2448        | 2343          | 2503        | 2383          | 2558        | 2423          | 2614        | 2463          |
| 2449        | 2344          | 2504        | 2384          | 2559        | 2424          | 2616        | 2464          |
| 2451        | 2345          | 2505        | 2385          | 2561        | 2425          | 2617        | 2465          |
| 2452        | 2346          | 2507        | 2386          | 2562        | 2426          | 2618        | 2466          |
| 2453        | 2347          | 2508        | 2387          | 2564        | 2427          | 2620        | 2467          |
| 2455        | 2348          | 2510        | 2388          | 2565        | 2428          | 2621        | 2468          |
| 2456        | 2349          | 2511        | 2389          | 2566        | 2429          | 2623        | 2469          |
| 2457        | 2350          | 2512        | 2390          | 2568        | 2430          | 2624        | 2470          |
| 2459        | 2351          | 2514        | 2391          | 2569        | 2431          | 2625        | 2471          |
| 2460        | 2352          | 2515        | 2392          | 2571        | 2432          | 2627        | 2472          |
| 2461        | 2353          | 2516        | 2393          | 2572        | 2433          | 2628        | 2473          |
| 2463        | 2354          | 2518        | 2394          | 2573        | 2434          | 2630        | 2474          |
| 2464        | 2355          | 2519        | 2395          | 2575        | 2435          | 2631        | 2475          |
| 2466        | 2356          | 2521        | 2396          | 2576        | 2436          | 2632        | 2476          |
| 2467        | 2357          | 2522        | 2397          | 2578        | 2437          | 2634        | 2477          |
| 2468        | 2358          | 2523        | 2398          | 2579        | 2438          | 2635        | 2478          |
| 2470        | 2359          | 2525        | 2399          | 2580        | 2439          | 2637        | 2479          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 2638        | 2480          | 2695        | 2520          | 2752        | 2560          | 2811        | 2600          |
| 2640        | 2481          | 2696        | 2521          | 2754        | 2561          | 2812        | 2601          |
| 2641        | 2482          | 2698        | 2522          | 2755        | 2562          | 2814        | 2602          |
| 2642        | 2483          | 2699        | 2523          | 2757        | 2563          | 2815        | 2603          |
| 2644        | 2484          | 2701        | 2524          | 2758        | 2564          | 2816        | 2604          |
| 2645        | 2485          | 2702        | 2525          | 2760        | 2565          | 2818        | 2605          |
| 2647        | 2486          | 2704        | 2526          | 2761        | 2566          | 2819        | 2606          |
| 2648        | 2487          | 2705        | 2527          | 2763        | 2567          | 2821        | 2607          |
| 2649        | 2488          | 2706        | 2528          | 2764        | 2568          | 2822        | 2608          |
| 2651        | 2489          | 2708        | 2529          | 2765        | 2569          | 2824        | 2609          |
| 2652        | 2490          | 2709        | 2530          | 2767        | 2570          | 2825        | 2610          |
| 2654        | 2491          | 2711        | 2531          | 2768        | 2571          | 2827        | 2611          |
| 2655        | 2492          | 2712        | 2532          | 2770        | 2572          | 2828        | 2612          |
| 2657        | 2493          | 2714        | 2533          | 2771        | 2573          | 2830        | 2613          |
| 2658        | 2494          | 2715        | 2534          | 2773        | 2574          | 2831        | 2614          |
| 2659        | 2495          | 2716        | 2535          | 2774        | 2575          | 2833        | 2615          |
| 2661        | 2496          | 2718        | 2536          | 2776        | 2576          | 2834        | 2616          |
| 2662        | 2497          | 2719        | 2537          | 2777        | 2577          | 2835        | 2617          |
| 2664        | 2498          | 2721        | 2538          | 2779        | 2578          | 2837        | 2618          |
| 2665        | 2499          | 2722        | 2539          | 2780        | 2579          | 2838        | 2619          |
| 2666        | 2500          | 2724        | 2540          | 2781        | 2580          | 2840        | 2620          |
| 2668        | 2501          | 2725        | 2541          | 2783        | 2581          | 2841        | 2621          |
| 2669        | 2502          | 2727        | 2542          | 2784        | 2582          | 2843        | 2622          |
| 2671        | 2503          | 2728        | 2543          | 2786        | 2583          | 2844        | 2623          |
| 2672        | 2504          | 2729        | 2544          | 2787        | 2584          | 2846        | 2624          |
| 2674        | 2505          | 2731        | 2545          | 2789        | 2585          | 2847        | 2625          |
| 2675        | 2506          | 2732        | 2546          | 2790        | 2586          | 2849        | 2626          |
| 2676        | 2507          | 2734        | 2547          | 2792        | 2587          | 2850        | 2627          |
| 2678        | 2508          | 2735        | 2548          | 2793        | 2588          | 2852        | 2628          |
| 2679        | 2509          | 2737        | 2549          | 2795        | 2589          | 2853        | 2629          |
| 2681        | 2510          | 2738        | 2550          | 2796        | 2590          | 2855        | 2630          |
| 2682        | 2511          | 2739        | 2551          | 2797        | 2591          | 2856        | 2631          |
| 2684        | 2512          | 2741        | 2552          | 2799        | 2592          | 2858        | 2632          |
| 2685        | 2513          | 2742        | 2553          | 2800        | 2593          | 2859        | 2633          |
| 2686        | 2514          | 2744        | 2554          | 2802        | 2594          | 2860        | 2634          |
| 2688        | 2515          | 2745        | 2555          | 2803        | 2595          | 2862        | 2635          |
| 2689        | 2516          | 2747        | 2556          | 2805        | 2596          | 2863        | 2636          |
| 2691        | 2517          | 2748        | 2557          | 2806        | 2597          | 2865        | 2637          |
| 2692        | 2518          | 2750        | 2558          | 2808        | 2598          | 2866        | 2638          |
| 2694        | 2519          | 2751        | 2559          | 2809        | 2599          | 2868        | 2639          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 2869        | 2640          | 2929        | 2680          | 2989        | 2720          | 3049        | 2760          |
| 2871        | 2641          | 2930        | 2681          | 2990        | 2721          | 3051        | 2761          |
| 2872        | 2642          | 2932        | 2682          | 2992        | 2722          | 3053        | 2762          |
| 2874        | 2643          | 2933        | 2683          | 2993        | 2723          | 3054        | 2763          |
| 2875        | 2644          | 2935        | 2684          | 2995        | 2724          | 3056        | 2764          |
| 2877        | 2645          | 2936        | 2685          | 2996        | 2725          | 3057        | 2765          |
| 2878        | 2646          | 2938        | 2686          | 2998        | 2726          | 3059        | 2766          |
| 2880        | 2647          | 2939        | 2687          | 2999        | 2727          | 3060        | 2767          |
| 2881        | 2648          | 2941        | 2688          | 3001        | 2728          | 3062        | 2768          |
| 2883        | 2649          | 2942        | 2689          | 3002        | 2729          | 3063        | 2769          |
| 2884        | 2650          | 2944        | 2690          | 3004        | 2730          | 3065        | 2770          |
| 2886        | 2651          | 2945        | 2691          | 3005        | 2731          | 3066        | 2771          |
| 2887        | 2652          | 2947        | 2692          | 3007        | 2732          | 3068        | 2772          |
| 2889        | 2653          | 2948        | 2693          | 3008        | 2733          | 3069        | 2773          |
| 2890        | 2654          | 2950        | 2694          | 3010        | 2734          | 3071        | 2774          |
| 2892        | 2655          | 2951        | 2695          | 3011        | 2735          | 3072        | 2775          |
| 2893        | 2656          | 2953        | 2696          | 3013        | 2736          | 3074        | 2776          |
| 2894        | 2657          | 2954        | 2697          | 3014        | 2737          | 3075        | 2777          |
| 2896        | 2658          | 2956        | 2698          | 3016        | 2738          | 3077        | 2778          |
| 2897        | 2659          | 2957        | 2699          | 3018        | 2739          | 3079        | 2779          |
| 2899        | 2660          | 2959        | 2700          | 3019        | 2740          | 3080        | 2780          |
| 2900        | 2661          | 2960        | 2701          | 3021        | 2741          | 3082        | 2781          |
| 2902        | 2662          | 2962        | 2702          | 3022        | 2742          | 3083        | 2782          |
| 2903        | 2663          | 2963        | 2703          | 3024        | 2743          | 3085        | 2783          |
| 2905        | 2664          | 2965        | 2704          | 3025        | 2744          | 3086        | 2784          |
| 2906        | 2665          | 2966        | 2705          | 3027        | 2745          | 3088        | 2785          |
| 2908        | 2666          | 2968        | 2706          | 3028        | 2746          | 3089        | 2786          |
| 2909        | 2667          | 2969        | 2707          | 3030        | 2747          | 3091        | 2787          |
| 2911        | 2668          | 2971        | 2708          | 3031        | 2748          | 3092        | 2788          |
| 2912        | 2669          | 2972        | 2709          | 3033        | 2749          | 3094        | 2789          |
| 2914        | 2670          | 2974        | 2710          | 3034        | 2750          | 3095        | 2790          |
| 2915        | 2671          | 2975        | 2711          | 3036        | 2751          | 3097        | 2791          |
| 2917        | 2672          | 2977        | 2712          | 3037        | 2752          | 3099        | 2792          |
| 2918        | 2673          | 2978        | 2713          | 3039        | 2753          | 3100        | 2793          |
| 2920        | 2674          | 2980        | 2714          | 3040        | 2754          | 3102        | 2794          |
| 2921        | 2675          | 2981        | 2715          | 3042        | 2755          | 3103        | 2795          |
| 2923        | 2676          | 2983        | 2716          | 3043        | 2756          | 3105        | 2796          |
| 2924        | 2677          | 2984        | 2717          | 3045        | 2757          | 3106        | 2797          |
| 2926        | 2678          | 2986        | 2718          | 3046        | 2758          | 3108        | 2798          |
| 2927        | 2679          | 2987        | 2719          | 3048        | 2759          | 3109        | 2799          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 3111        | 2800          | 3173        | 2840          | 3236        | 2880          | 3299        | 2920          |
| 3112        | 2801          | 3174        | 2841          | 3237        | 2881          | 3301        | 2921          |
| 3114        | 2802          | 3176        | 2842          | 3239        | 2882          | 3302        | 2922          |
| 3115        | 2803          | 3178        | 2843          | 3240        | 2883          | 3304        | 2923          |
| 3117        | 2804          | 3179        | 2844          | 3242        | 2884          | 3306        | 2924          |
| 3119        | 2805          | 3181        | 2845          | 3244        | 2885          | 3307        | 2925          |
| 3120        | 2806          | 3182        | 2846          | 3245        | 2886          | 3309        | 2926          |
| 3122        | 2807          | 3184        | 2847          | 3247        | 2887          | 3310        | 2927          |
| 3123        | 2808          | 3185        | 2848          | 3248        | 2888          | 3312        | 2928          |
| 3125        | 2809          | 3187        | 2849          | 3250        | 2889          | 3314        | 2929          |
| 3126        | 2810          | 3189        | 2850          | 3251        | 2890          | 3315        | 2930          |
| 3128        | 2811          | 3190        | 2851          | 3253        | 2891          | 3317        | 2931          |
| 3129        | 2812          | 3192        | 2852          | 3255        | 2892          | 3318        | 2932          |
| 3131        | 2813          | 3193        | 2853          | 3256        | 2893          | 3320        | 2933          |
| 3132        | 2814          | 3195        | 2854          | 3258        | 2894          | 3322        | 2934          |
| 3134        | 2815          | 3196        | 2855          | 3259        | 2895          | 3323        | 2935          |
| 3136        | 2816          | 3198        | 2856          | 3261        | 2896          | 3325        | 2936          |
| 3137        | 2817          | 3199        | 2857          | 3263        | 2897          | 3326        | 2937          |
| 3139        | 2818          | 3201        | 2858          | 3264        | 2898          | 3328        | 2938          |
| 3140        | 2819          | 3203        | 2859          | 3266        | 2899          | 3330        | 2939          |
| 3142        | 2820          | 3204        | 2860          | 3267        | 2900          | 3331        | 2940          |
| 3143        | 2821          | 3206        | 2861          | 3269        | 2901          | 3333        | 2941          |
| 3145        | 2822          | 3207        | 2862          | 3270        | 2902          | 3334        | 2942          |
| 3146        | 2823          | 3209        | 2863          | 3272        | 2903          | 3336        | 2943          |
| 3148        | 2824          | 3210        | 2864          | 3274        | 2904          | 3338        | 2944          |
| 3150        | 2825          | 3212        | 2865          | 3275        | 2905          | 3339        | 2945          |
| 3151        | 2826          | 3214        | 2866          | 3277        | 2906          | 3341        | 2946          |
| 3153        | 2827          | 3215        | 2867          | 3278        | 2907          | 3342        | 2947          |
| 3154        | 2828          | 3217        | 2868          | 3280        | 2908          | 3344        | 2948          |
| 3156        | 2829          | 3218        | 2869          | 3282        | 2909          | 3346        | 2949          |
| 3157        | 2830          | 3220        | 2870          | 3283        | 2910          | 3347        | 2950          |
| 3159        | 2831          | 3221        | 2871          | 3285        | 2911          | 3349        | 2951          |
| 3160        | 2832          | 3223        | 2872          | 3286        | 2912          | 3350        | 2952          |
| 3162        | 2833          | 3225        | 2873          | 3288        | 2913          | 3352        | 2953          |
| 3164        | 2834          | 3226        | 2874          | 3290        | 2914          | 3354        | 2954          |
| 3165        | 2835          | 3228        | 2875          | 3291        | 2915          | 3355        | 2955          |
| 3167        | 2836          | 3229        | 2876          | 3293        | 2916          | 3357        | 2956          |
| 3168        | 2837          | 3231        | 2877          | 3294        | 2917          | 3358        | 2957          |
| 3170        | 2838          | 3233        | 2878          | 3296        | 2918          | 3360        | 2958          |
| 3171        | 2839          | 3234        | 2879          | 3298        | 2919          | 3362        | 2959          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 3363        | 2960          | 3428        | 3000          | 3494        | 3040          | 3560        | 3080          |
| 3365        | 2961          | 3430        | 3001          | 3496        | 3041          | 3562        | 3081          |
| 3367        | 2962          | 3432        | 3002          | 3497        | 3042          | 3564        | 3082          |
| 3368        | 2963          | 3433        | 3003          | 3499        | 3043          | 3565        | 3083          |
| 3370        | 2964          | 3435        | 3004          | 3501        | 3044          | 3567        | 3084          |
| 3371        | 2965          | 3436        | 3005          | 3502        | 3045          | 3569        | 3085          |
| 3373        | 2966          | 3438        | 3006          | 3504        | 3046          | 3570        | 3086          |
| 3375        | 2967          | 3440        | 3007          | 3505        | 3047          | 3572        | 3087          |
| 3376        | 2968          | 3441        | 3008          | 3507        | 3048          | 3574        | 3088          |
| 3378        | 2969          | 3443        | 3009          | 3509        | 3049          | 3575        | 3089          |
| 3379        | 2970          | 3445        | 3010          | 3510        | 3050          | 3577        | 3090          |
| 3381        | 2971          | 3446        | 3011          | 3512        | 3051          | 3579        | 3091          |
| 3383        | 2972          | 3448        | 3012          | 3514        | 3052          | 3580        | 3092          |
| 3384        | 2973          | 3450        | 3013          | 3515        | 3053          | 3582        | 3093          |
| 3386        | 2974          | 3451        | 3014          | 3517        | 3054          | 3584        | 3094          |
| 3388        | 2975          | 3453        | 3015          | 3519        | 3055          | 3585        | 3095          |
| 3389        | 2976          | 3454        | 3016          | 3520        | 3056          | 3587        | 3096          |
| 3391        | 2977          | 3456        | 3017          | 3522        | 3057          | 3589        | 3097          |
| 3392        | 2978          | 3458        | 3018          | 3524        | 3058          | 3591        | 3098          |
| 3394        | 2979          | 3459        | 3019          | 3525        | 3059          | 3592        | 3099          |
| 3396        | 2980          | 3461        | 3020          | 3527        | 3060          | 3594        | 3100          |
| 3397        | 2981          | 3463        | 3021          | 3529        | 3061          | 3596        | 3101          |
| 3399        | 2982          | 3464        | 3022          | 3530        | 3062          | 3597        | 3102          |
| 3401        | 2983          | 3466        | 3023          | 3532        | 3063          | 3599        | 3103          |
| 3402        | 2984          | 3468        | 3024          | 3534        | 3064          | 3601        | 3104          |
| 3404        | 2985          | 3469        | 3025          | 3535        | 3065          | 3602        | 3105          |
| 3405        | 2986          | 3471        | 3026          | 3537        | 3066          | 3604        | 3106          |
| 3407        | 2987          | 3473        | 3027          | 3539        | 3067          | 3606        | 3107          |
| 3409        | 2988          | 3474        | 3028          | 3540        | 3068          | 3607        | 3108          |
| 3410        | 2989          | 3476        | 3029          | 3542        | 3069          | 3609        | 3109          |
| 3412        | 2990          | 3477        | 3030          | 3544        | 3070          | 3611        | 3110          |
| 3414        | 2991          | 3479        | 3031          | 3545        | 3071          | 3612        | 3111          |
| 3415        | 2992          | 3481        | 3032          | 3547        | 3072          | 3614        | 3112          |
| 3417        | 2993          | 3482        | 3033          | 3549        | 3073          | 3616        | 3113          |
| 3418        | 2994          | 3484        | 3034          | 3550        | 3074          | 3617        | 3114          |
| 3420        | 2995          | 3486        | 3035          | 3552        | 3075          | 3619        | 3115          |
| 3422        | 2996          | 3487        | 3036          | 3554        | 3076          | 3621        | 3116          |
| 3423        | 2997          | 3489        | 3037          | 3555        | 3077          | 3622        | 3117          |
| 3425        | 2998          | 3491        | 3038          | 3557        | 3078          | 3624        | 3118          |
| 3427        | 2999          | 3492        | 3039          | 3559        | 3079          | 3626        | 3119          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 3628        | 3120          | 3696        | 3160          | 3764        | 3200          | 3834        | 3240          |
| 3629        | 3121          | 3697        | 3161          | 3766        | 3201          | 3836        | 3241          |
| 3631        | 3122          | 3699        | 3162          | 3768        | 3202          | 3837        | 3242          |
| 3633        | 3123          | 3701        | 3163          | 3770        | 3203          | 3839        | 3243          |
| 3634        | 3124          | 3702        | 3164          | 3771        | 3204          | 3841        | 3244          |
| 3636        | 3125          | 3704        | 3165          | 3773        | 3205          | 3843        | 3245          |
| 3638        | 3126          | 3706        | 3166          | 3775        | 3206          | 3844        | 3246          |
| 3639        | 3127          | 3708        | 3167          | 3776        | 3207          | 3846        | 3247          |
| 3641        | 3128          | 3709        | 3168          | 3778        | 3208          | 3848        | 3248          |
| 3643        | 3129          | 3711        | 3169          | 3780        | 3209          | 3850        | 3249          |
| 3644        | 3130          | 3713        | 3170          | 3782        | 3210          | 3851        | 3250          |
| 3646        | 3131          | 3714        | 3171          | 3783        | 3211          | 3853        | 3251          |
| 3648        | 3132          | 3716        | 3172          | 3785        | 3212          | 3855        | 3252          |
| 3650        | 3133          | 3718        | 3173          | 3787        | 3213          | 3857        | 3253          |
| 3651        | 3134          | 3720        | 3174          | 3789        | 3214          | 3859        | 3254          |
| 3653        | 3135          | 3721        | 3175          | 3790        | 3215          | 3860        | 3255          |
| 3655        | 3136          | 3723        | 3176          | 3792        | 3216          | 3862        | 3256          |
| 3656        | 3137          | 3725        | 3177          | 3794        | 3217          | 3864        | 3257          |
| 3658        | 3138          | 3726        | 3178          | 3796        | 3218          | 3866        | 3258          |
| 3660        | 3139          | 3728        | 3179          | 3797        | 3219          | 3867        | 3259          |
| 3661        | 3140          | 3730        | 3180          | 3799        | 3220          | 3869        | 3260          |
| 3663        | 3141          | 3732        | 3181          | 3801        | 3221          | 3871        | 3261          |
| 3665        | 3142          | 3733        | 3182          | 3803        | 3222          | 3873        | 3262          |
| 3667        | 3143          | 3735        | 3183          | 3804        | 3223          | 3874        | 3263          |
| 3668        | 3144          | 3737        | 3184          | 3806        | 3224          | 3876        | 3264          |
| 3670        | 3145          | 3738        | 3185          | 3808        | 3225          | 3878        | 3265          |
| 3672        | 3146          | 3740        | 3186          | 3809        | 3226          | 3880        | 3266          |
| 3673        | 3147          | 3742        | 3187          | 3811        | 3227          | 3881        | 3267          |
| 3675        | 3148          | 3744        | 3188          | 3813        | 3228          | 3883        | 3268          |
| 3677        | 3149          | 3745        | 3189          | 3815        | 3229          | 3885        | 3269          |
| 3678        | 3150          | 3747        | 3190          | 3816        | 3230          | 3887        | 3270          |
| 3680        | 3151          | 3749        | 3191          | 3818        | 3231          | 3888        | 3271          |
| 3682        | 3152          | 3751        | 3192          | 3820        | 3232          | 3890        | 3272          |
| 3684        | 3153          | 3752        | 3193          | 3822        | 3233          | 3892        | 3273          |
| 3685        | 3154          | 3754        | 3194          | 3823        | 3234          | 3894        | 3274          |
| 3687        | 3155          | 3756        | 3195          | 3825        | 3235          | 3896        | 3275          |
| 3689        | 3156          | 3757        | 3196          | 3827        | 3236          | 3897        | 3276          |
| 3690        | 3157          | 3759        | 3197          | 3829        | 3237          | 3899        | 3277          |
| 3692        | 3158          | 3761        | 3198          | 3830        | 3238          | 3901        | 3278          |
| 3694        | 3159          | 3763        | 3199          | 3832        | 3239          | 3903        | 3279          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 3904        | 3280          | 3976        | 3320          | 4048        | 3360          | 4121        | 3400          |
| 3906        | 3281          | 3977        | 3321          | 4050        | 3361          | 4123        | 3401          |
| 3908        | 3282          | 3979        | 3322          | 4051        | 3362          | 4124        | 3402          |
| 3910        | 3283          | 3981        | 3323          | 4053        | 3363          | 4126        | 3403          |
| 3911        | 3284          | 3983        | 3324          | 4055        | 3364          | 4128        | 3404          |
| 3913        | 3285          | 3985        | 3325          | 4057        | 3365          | 4130        | 3405          |
| 3915        | 3286          | 3986        | 3326          | 4059        | 3366          | 4132        | 3406          |
| 3917        | 3287          | 3988        | 3327          | 4060        | 3367          | 4134        | 3407          |
| 3919        | 3288          | 3990        | 3328          | 4062        | 3368          | 4136        | 3408          |
| 3920        | 3289          | 3992        | 3329          | 4064        | 3369          | 4137        | 3409          |
| 3922        | 3290          | 3994        | 3330          | 4066        | 3370          | 4139        | 3410          |
| 3924        | 3291          | 3995        | 3331          | 4068        | 3371          | 4141        | 3411          |
| 3926        | 3292          | 3997        | 3332          | 4070        | 3372          | 4143        | 3412          |
| 3927        | 3293          | 3999        | 3333          | 4071        | 3373          | 4145        | 3413          |
| 3929        | 3294          | 4001        | 3334          | 4073        | 3374          | 4147        | 3414          |
| 3931        | 3295          | 4003        | 3335          | 4075        | 3375          | 4148        | 3415          |
| 3933        | 3296          | 4004        | 3336          | 4077        | 3376          | 4150        | 3416          |
| 3935        | 3297          | 4006        | 3337          | 4079        | 3377          | 4152        | 3417          |
| 3936        | 3298          | 4008        | 3338          | 4081        | 3378          | 4154        | 3418          |
| 3938        | 3299          | 4010        | 3339          | 4082        | 3379          | 4156        | 3419          |
| 3940        | 3300          | 4012        | 3340          | 4084        | 3380          | 4158        | 3420          |
| 3942        | 3301          | 4013        | 3341          | 4086        | 3381          | 4159        | 3421          |
| 3943        | 3302          | 4015        | 3342          | 4088        | 3382          | 4161        | 3422          |
| 3945        | 3303          | 4017        | 3343          | 4090        | 3383          | 4163        | 3423          |
| 3947        | 3304          | 4019        | 3344          | 4091        | 3384          | 4165        | 3424          |
| 3949        | 3305          | 4021        | 3345          | 4093        | 3385          | 4167        | 3425          |
| 3951        | 3306          | 4022        | 3346          | 4095        | 3386          | 4169        | 3426          |
| 3952        | 3307          | 4024        | 3347          | 4097        | 3387          | 4171        | 3427          |
| 3954        | 3308          | 4026        | 3348          | 4099        | 3388          | 4172        | 3428          |
| 3956        | 3309          | 4028        | 3349          | 4101        | 3389          | 4174        | 3429          |
| 3958        | 3310          | 4030        | 3350          | 4102        | 3390          | 4176        | 3430          |
| 3960        | 3311          | 4031        | 3351          | 4104        | 3391          | 4178        | 3431          |
| 3961        | 3312          | 4033        | 3352          | 4106        | 3392          | 4180        | 3432          |
| 3963        | 3313          | 4035        | 3353          | 4108        | 3393          | 4182        | 3433          |
| 3965        | 3314          | 4037        | 3354          | 4110        | 3394          | 4184        | 3434          |
| 3967        | 3315          | 4039        | 3355          | 4112        | 3395          | 4185        | 3435          |
| 3968        | 3316          | 4041        | 3356          | 4113        | 3396          | 4187        | 3436          |
| 3970        | 3317          | 4042        | 3357          | 4115        | 3397          | 4189        | 3437          |
| 3972        | 3318          | 4044        | 3358          | 4117        | 3398          | 4191        | 3438          |
| 3974        | 3319          | 4046        | 3359          | 4119        | 3399          | 4193        | 3439          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 4195        | 3440          | 4269        | 3480          | 4345        | 3520          | 4422        | 3560          |
| 4197        | 3441          | 4271        | 3481          | 4347        | 3521          | 4424        | 3561          |
| 4198        | 3442          | 4273        | 3482          | 4349        | 3522          | 4426        | 3562          |
| 4200        | 3443          | 4275        | 3483          | 4351        | 3523          | 4428        | 3563          |
| 4202        | 3444          | 4277        | 3484          | 4353        | 3524          | 4430        | 3564          |
| 4204        | 3445          | 4279        | 3485          | 4355        | 3525          | 4432        | 3565          |
| 4206        | 3446          | 4281        | 3486          | 4357        | 3526          | 4433        | 3566          |
| 4208        | 3447          | 4283        | 3487          | 4359        | 3527          | 4435        | 3567          |
| 4210        | 3448          | 4285        | 3488          | 4360        | 3528          | 4437        | 3568          |
| 4211        | 3449          | 4286        | 3489          | 4362        | 3529          | 4439        | 3569          |
| 4213        | 3450          | 4288        | 3490          | 4364        | 3530          | 4441        | 3570          |
| 4215        | 3451          | 4290        | 3491          | 4366        | 3531          | 4443        | 3571          |
| 4217        | 3452          | 4292        | 3492          | 4368        | 3532          | 4445        | 3572          |
| 4219        | 3453          | 4294        | 3493          | 4370        | 3533          | 4447        | 3573          |
| 4221        | 3454          | 4296        | 3494          | 4372        | 3534          | 4449        | 3574          |
| 4223        | 3455          | 4298        | 3495          | 4374        | 3535          | 4451        | 3575          |
| 4225        | 3456          | 4300        | 3496          | 4376        | 3536          | 4453        | 3576          |
| 4226        | 3457          | 4302        | 3497          | 4378        | 3537          | 4455        | 3577          |
| 4228        | 3458          | 4303        | 3498          | 4380        | 3538          | 4457        | 3578          |
| 4230        | 3459          | 4305        | 3499          | 4382        | 3539          | 4459        | 3579          |
| 4232        | 0             | 4307        | 3500          | 4383        | 3540          | 4461        | 3580          |
| 4234        | 1             | 4309        | 3501          | 4385        | 3541          | 4463        | 3581          |
| 4236        | 2             | 4311        | 3502          | 4387        | 3542          | 4464        | 3582          |
| 4238        | 3             | 4313        | 3503          | 4389        | 3543          | 4466        | 3583          |
| 4239        | 4             | 4315        | 3504          | 4391        | 3544          | 4468        | 3584          |
| 4241        | 3465          | 4317        | 3505          | 4393        | 3545          | 4470        | 3585          |
| 4243        | 3466          | 4319        | 3506          | 4395        | 3546          | 4472        | 3586          |
| 4245        | 3467          | 4321        | 3507          | 4397        | 3547          | 4474        | 3587          |
| 4247        | 3468          | 4322        | 3508          | 4399        | 3548          | 4476        | 3588          |
| 4249        | 3469          | 4324        | 3509          | 4401        | 3549          | 4478        | 3589          |
| 4251        | 3470          | 4326        | 3510          | 4403        | 3550          | 4480        | 3590          |
| 4253        | 3471          | 4328        | 3511          | 4405        | 3551          | 4482        | 3591          |
| 4254        | 3472          | 4330        | 3512          | 4406        | 3552          | 4484        | 3592          |
| 4256        | 3473          | 4332        | 3513          | 4408        | 3553          | 4486        | 3593          |
| 4258        | 3474          | 4334        | 3514          | 4410        | 3554          | 4488        | 3594          |
| 4260        | 3475          | 4336        | 3515          | 4412        | 3555          | 4490        | 3595          |
| 4262        | 3476          | 4338        | 3516          | 4414        | 3556          | 4492        | 3596          |
| 4264        | 3477          | 4340        | 3517          | 4416        | 3557          | 4494        | 3597          |
| 4266        | 3478          | 4341        | 3518          | 4418        | 3558          | 4496        | 3598          |
| 4268        | 3479          | 4343        | 3519          | 4420        | 3559          | 4498        | 3599          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 4500        | 3600          | 4578        | 3640          | 4658        | 3680          | 4738        | 3720          |
| 4501        | 3601          | 4580        | 3641          | 4660        | 3681          | 4740        | 3721          |
| 4503        | 3602          | 4582        | 3642          | 4662        | 3682          | 4742        | 3722          |
| 4505        | 3603          | 4584        | 3643          | 4664        | 3683          | 4744        | 3723          |
| 4507        | 3604          | 4586        | 3644          | 4666        | 3684          | 4746        | 3724          |
| 4509        | 3605          | 4588        | 3645          | 4668        | 3685          | 4748        | 3725          |
| 4511        | 3606          | 4590        | 3646          | 4670        | 3686          | 4751        | 3726          |
| 4513        | 3607          | 4592        | 3647          | 4672        | 3687          | 4753        | 3727          |
| 4515        | 3608          | 4594        | 3648          | 4674        | 3688          | 4755        | 3728          |
| 4517        | 3609          | 4596        | 3649          | 4676        | 3689          | 4757        | 3729          |
| 4519        | 3610          | 4598        | 3650          | 4678        | 3690          | 4759        | 3730          |
| 4521        | 3611          | 4600        | 3651          | 4680        | 3691          | 4761        | 3731          |
| 4523        | 3612          | 4602        | 3652          | 4682        | 3692          | 4763        | 3732          |
| 4525        | 3613          | 4604        | 3653          | 4684        | 3693          | 4765        | 3733          |
| 4527        | 3614          | 4606        | 3654          | 4686        | 3694          | 4767        | 3734          |
| 4529        | 3615          | 4608        | 3655          | 4688        | 3695          | 4769        | 3735          |
| 4531        | 3616          | 4610        | 3656          | 4690        | 3696          | 4771        | 3736          |
| 4533        | 3617          | 4612        | 3657          | 4692        | 3697          | 4773        | 3737          |
| 4535        | 3618          | 4614        | 3658          | 4694        | 3698          | 4775        | 3738          |
| 4537        | 3619          | 4616        | 3659          | 4696        | 3699          | 4777        | 3739          |
| 4539        | 3620          | 4618        | 3660          | 4698        | 3700          | 4779        | 3740          |
| 4541        | 3621          | 4620        | 3661          | 4700        | 3701          | 4781        | 3741          |
| 4543        | 3622          | 4622        | 3662          | 4702        | 3702          | 4783        | 3742          |
| 4545        | 3623          | 4624        | 3663          | 4704        | 3703          | 4785        | 3743          |
| 4547        | 3624          | 4626        | 3664          | 4706        | 3704          | 4787        | 3744          |
| 4549        | 3625          | 4628        | 3665          | 4708        | 3705          | 4789        | 3745          |
| 4551        | 3626          | 4630        | 3666          | 4710        | 3706          | 4791        | 3746          |
| 4552        | 3627          | 4632        | 3667          | 4712        | 3707          | 4793        | 3747          |
| 4554        | 3628          | 4634        | 3668          | 4714        | 3708          | 4795        | 3748          |
| 4556        | 3629          | 4636        | 3669          | 4716        | 3709          | 4797        | 3749          |
| 4558        | 3630          | 4638        | 3670          | 4718        | 3710          | 4799        | 3750          |
| 4560        | 3631          | 4640        | 3671          | 4720        | 3711          | 4802        | 3751          |
| 4562        | 3632          | 4642        | 3672          | 4722        | 3712          | 4804        | 3752          |
| 4564        | 3633          | 4644        | 3673          | 4724        | 3713          | 4806        | 3753          |
| 4566        | 3634          | 4646        | 3674          | 4726        | 3714          | 4808        | 3754          |
| 4568        | 3635          | 4648        | 3675          | 4728        | 3715          | 4810        | 3755          |
| 4570        | 3636          | 4650        | 3676          | 4730        | 3716          | 4812        | 3756          |
| 4572        | 3637          | 4652        | 3677          | 4732        | 3717          | 4814        | 3757          |
| 4574        | 3638          | 4654        | 3678          | 4734        | 3718          | 4816        | 3758          |
| 4576        | 3639          | 4656        | 3679          | 4736        | 3719          | 4818        | 3759          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 4820        | 3760          | 4903        | 3800          | 4986        | 3840          | 5071        | 3880          |
| 4822        | 3761          | 4905        | 3801          | 4989        | 3841          | 5073        | 3881          |
| 4824        | 3762          | 4907        | 3802          | 4991        | 3842          | 5076        | 3882          |
| 4826        | 3763          | 4909        | 3803          | 4993        | 3843          | 5078        | 3883          |
| 4828        | 3764          | 4911        | 3804          | 4995        | 3844          | 5080        | 3884          |
| 4830        | 3765          | 4913        | 3805          | 4997        | 3845          | 5082        | 3885          |
| 4832        | 3766          | 4915        | 3806          | 4999        | 3846          | 5084        | 3886          |
| 4834        | 3767          | 4917        | 3807          | 5001        | 3847          | 5086        | 3887          |
| 4836        | 3768          | 4919        | 3808          | 5003        | 3848          | 5088        | 3888          |
| 4839        | 3769          | 4921        | 3809          | 5005        | 3849          | 5091        | 3889          |
| 4841        | 3770          | 4924        | 3810          | 5008        | 3850          | 5093        | 3890          |
| 4843        | 3771          | 4926        | 3811          | 5010        | 3851          | 5095        | 3891          |
| 4845        | 3772          | 4928        | 3812          | 5012        | 3852          | 5097        | 3892          |
| 4847        | 3773          | 4930        | 3813          | 5014        | 3853          | 5099        | 3893          |
| 4849        | 3774          | 4932        | 3814          | 5016        | 3854          | 5101        | 3894          |
| 4851        | 3775          | 4934        | 3815          | 5018        | 3855          | 5103        | 3895          |
| 4853        | 3776          | 4936        | 3816          | 5020        | 3856          | 5106        | 3896          |
| 4855        | 3777          | 4938        | 3817          | 5022        | 3857          | 5108        | 3897          |
| 4857        | 3778          | 4940        | 3818          | 5025        | 3858          | 5110        | 3898          |
| 4859        | 3779          | 4942        | 3819          | 5027        | 3859          | 5112        | 3899          |
| 4861        | 3780          | 4944        | 3820          | 5029        | 3860          | 5114        | 3900          |
| 4863        | 3781          | 4947        | 3821          | 5031        | 3861          | 5116        | 3901          |
| 4865        | 3782          | 4949        | 3822          | 5033        | 3862          | 5118        | 3902          |
| 4867        | 3783          | 4951        | 3823          | 5035        | 3863          | 5121        | 3903          |
| 4869        | 3784          | 4953        | 3824          | 5037        | 3864          | 5123        | 3904          |
| 4872        | 3785          | 4955        | 3825          | 5039        | 3865          | 5125        | 3905          |
| 4874        | 3786          | 4957        | 3826          | 5041        | 3866          | 5127        | 3906          |
| 4876        | 3787          | 4959        | 3827          | 5044        | 3867          | 5129        | 3907          |
| 4878        | 3788          | 4961        | 3828          | 5046        | 3868          | 5131        | 3908          |
| 4880        | 3789          | 4963        | 3829          | 5048        | 3869          | 5134        | 3909          |
| 4882        | 3790          | 4965        | 3830          | 5050        | 3870          | 5136        | 3910          |
| 4884        | 3791          | 4968        | 3831          | 5052        | 3871          | 5138        | 3911          |
| 4886        | 3792          | 4970        | 3832          | 5054        | 3872          | 5140        | 3912          |
| 4888        | 3793          | 4972        | 3833          | 5056        | 3873          | 5142        | 3913          |
| 4890        | 3794          | 4974        | 3834          | 5059        | 3874          | 5144        | 3914          |
| 4892        | 3795          | 4976        | 3835          | 5061        | 3875          | 5147        | 3915          |
| 4894        | 3796          | 4978        | 3836          | 5063        | 3876          | 5149        | 3916          |
| 4896        | 3797          | 4980        | 3837          | 5065        | 3877          | 5151        | 3917          |
| 4899        | 3798          | 4982        | 3838          | 5067        | 3878          | 5153        | 3918          |
| 4901        | 3799          | 4984        | 3839          | 5069        | 3879          | 5155        | 3919          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 5157        | 3920          | 5244        | 3960          | 5333        | 4000          | 5422        | 4040          |
| 5159        | 3921          | 5247        | 3961          | 5335        | 4001          | 5424        | 4041          |
| 5162        | 3922          | 5249        | 3962          | 5337        | 4002          | 5427        | 4042          |
| 5164        | 3923          | 5251        | 3963          | 5339        | 4003          | 5429        | 4043          |
| 5166        | 3924          | 5253        | 3964          | 5342        | 4004          | 5431        | 4044          |
| 5168        | 3925          | 5255        | 3965          | 5344        | 4005          | 5433        | 4045          |
| 5170        | 3926          | 5258        | 3966          | 5346        | 4006          | 5436        | 4046          |
| 5172        | 3927          | 5260        | 3967          | 5348        | 4007          | 5438        | 4047          |
| 5175        | 3928          | 5262        | 3968          | 5351        | 4008          | 5440        | 4048          |
| 5177        | 3929          | 5264        | 3969          | 5353        | 4009          | 5442        | 4049          |
| 5179        | 3930          | 5266        | 3970          | 5355        | 4010          | 5445        | 4050          |
| 5181        | 3931          | 5269        | 3971          | 5357        | 4011          | 5447        | 4051          |
| 5183        | 3932          | 5271        | 3972          | 5359        | 4012          | 5449        | 4052          |
| 5186        | 3933          | 5273        | 3973          | 5362        | 4013          | 5452        | 4053          |
| 5188        | 3934          | 5275        | 3974          | 5364        | 4014          | 5454        | 4054          |
| 5190        | 3935          | 5277        | 3975          | 5366        | 4015          | 5456        | 4055          |
| 5192        | 3936          | 5280        | 3976          | 5368        | 4016          | 5458        | 4056          |
| 5194        | 3937          | 5282        | 3977          | 5371        | 4017          | 5461        | 4057          |
| 5196        | 3938          | 5284        | 3978          | 5373        | 4018          | 5463        | 4058          |
| 5199        | 3939          | 5286        | 3979          | 5375        | 4019          | 5465        | 4059          |
| 5201        | 3940          | 5288        | 3980          | 5377        | 4020          | 5467        | 4060          |
| 5203        | 3941          | 5291        | 3981          | 5380        | 4021          | 5470        | 4061          |
| 5205        | 3942          | 5293        | 3982          | 5382        | 4022          | 5472        | 4062          |
| 5207        | 3943          | 5295        | 3983          | 5384        | 4023          | 5474        | 4063          |
| 5209        | 3944          | 5297        | 3984          | 5386        | 4024          | 5476        | 4064          |
| 5212        | 3945          | 5299        | 3985          | 5389        | 4025          | 5479        | 4065          |
| 5214        | 3946          | 5302        | 3986          | 5391        | 4026          | 5481        | 4066          |
| 5216        | 3947          | 5304        | 3987          | 5393        | 4027          | 5483        | 4067          |
| 5218        | 3948          | 5306        | 3988          | 5395        | 4028          | 5486        | 4068          |
| 5220        | 3949          | 5308        | 3989          | 5397        | 4029          | 5488        | 4069          |
| 5223        | 3950          | 5311        | 3990          | 5400        | 4030          | 5490        | 4070          |
| 5225        | 3951          | 5313        | 3991          | 5402        | 4031          | 5492        | 4071          |
| 5227        | 3952          | 5315        | 3992          | 5404        | 4032          | 5495        | 4072          |
| 5229        | 3953          | 5317        | 3993          | 5406        | 4033          | 5497        | 4073          |
| 5231        | 3954          | 5319        | 3994          | 5409        | 4034          | 5499        | 4074          |
| 5233        | 3955          | 5322        | 3995          | 5411        | 4035          | 5501        | 4075          |
| 5236        | 3956          | 5324        | 3996          | 5413        | 4036          | 5504        | 4076          |
| 5238        | 3957          | 5326        | 3997          | 5415        | 4037          | 5506        | 4077          |
| 5240        | 3958          | 5328        | 3998          | 5418        | 4038          | 5508        | 4078          |
| 5242        | 3959          | 5331        | 3999          | 5420        | 4039          | 5511        | 4079          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 5513        | 4080          | 5605        | 4120          | 5698        | 4160          | 5792        | 4200          |
| 5515        | 4081          | 5607        | 4121          | 5700        | 4161          | 5795        | 4201          |
| 5517        | 4082          | 5609        | 4122          | 5703        | 4162          | 5797        | 4202          |
| 5520        | 4083          | 5612        | 4123          | 5705        | 4163          | 5800        | 4203          |
| 5522        | 4084          | 5614        | 4124          | 5707        | 4164          | 5802        | 4204          |
| 5524        | 4085          | 5616        | 4125          | 5710        | 4165          | 5804        | 4205          |
| 5527        | 4086          | 5619        | 4126          | 5712        | 4166          | 5807        | 4206          |
| 5529        | 4087          | 5621        | 4127          | 5714        | 4167          | 5809        | 4207          |
| 5531        | 4088          | 5623        | 4128          | 5717        | 4168          | 5811        | 4208          |
| 5533        | 4089          | 5626        | 4129          | 5719        | 4169          | 5814        | 4209          |
| 5536        | 4090          | 5628        | 4130          | 5721        | 4170          | 5816        | 4210          |
| 5538        | 4091          | 5630        | 4131          | 5724        | 4171          | 5819        | 4211          |
| 5540        | 4092          | 5633        | 4132          | 5726        | 4172          | 5821        | 4212          |
| 5543        | 4093          | 5635        | 4133          | 5729        | 4173          | 5823        | 4213          |
| 5545        | 4094          | 5637        | 4134          | 5731        | 4174          | 5826        | 4214          |
| 5547        | 4095          | 5640        | 4135          | 5733        | 4175          | 5828        | 4215          |
| 5549        | 4096          | 5642        | 4136          | 5736        | 4176          | 5831        | 4216          |
| 5552        | 4097          | 5644        | 4137          | 5738        | 4177          | 5833        | 4217          |
| 5554        | 4098          | 5647        | 4138          | 5740        | 4178          | 5835        | 4218          |
| 5556        | 4099          | 5649        | 4139          | 5743        | 4179          | 5838        | 4219          |
| 5559        | 4100          | 5651        | 4140          | 5745        | 4180          | 5840        | 4220          |
| 5561        | 4101          | 5654        | 4141          | 5747        | 4181          | 5843        | 4221          |
| 5563        | 4102          | 5656        | 4142          | 5750        | 4182          | 5845        | 4222          |
| 5566        | 4103          | 5658        | 4143          | 5752        | 4183          | 5847        | 4223          |
| 5568        | 4104          | 5661        | 4144          | 5754        | 4184          | 5850        | 4224          |
| 5570        | 4105          | 5663        | 4145          | 5757        | 4185          | 5852        | 4225          |
| 5572        | 4106          | 5665        | 4146          | 5759        | 4186          | 5855        | 4226          |
| 5575        | 4107          | 5668        | 4147          | 5762        | 4187          | 5857        | 4227          |
| 5577        | 4108          | 5670        | 4148          | 5764        | 4188          | 5859        | 4228          |
| 5579        | 4109          | 5672        | 4149          | 5766        | 4189          | 5862        | 4229          |
| 5582        | 4110          | 5675        | 4150          | 5769        | 4190          | 5864        | 4230          |
| 5584        | 4111          | 5677        | 4151          | 5771        | 4191          | 5867        | 4231          |
| 5586        | 4112          | 5679        | 4152          | 5773        | 4192          | 5869        | 4232          |
| 5589        | 4113          | 5682        | 4153          | 5776        | 4193          | 5871        | 4233          |
| 5591        | 4114          | 5684        | 4154          | 5778        | 4194          | 5874        | 4234          |
| 5593        | 4115          | 5686        | 4155          | 5781        | 4195          | 5876        | 4235          |
| 5596        | 4116          | 5689        | 4156          | 5783        | 4196          | 5879        | 4236          |
| 5598        | 4117          | 5691        | 4157          | 5785        | 4197          | 5881        | 4237          |
| 5600        | 4118          | 5693        | 4158          | 5788        | 4198          | 5883        | 4238          |
| 5602        | 4119          | 5696        | 4159          | 5790        | 4199          | 5886        | 4239          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 5888        | 4240          | 5985        | 4280          | 6084        | 4320          | 6184        | 4360          |
| 5891        | 4241          | 5988        | 4281          | 6086        | 4321          | 6186        | 4361          |
| 5893        | 4242          | 5990        | 4282          | 6089        | 4322          | 6189        | 4362          |
| 5895        | 4243          | 5993        | 4283          | 6091        | 4323          | 6191        | 4363          |
| 5898        | 4244          | 5995        | 4284          | 6094        | 4324          | 6194        | 4364          |
| 5900        | 4245          | 5998        | 4285          | 6096        | 4325          | 6196        | 4365          |
| 5903        | 4246          | 6000        | 4286          | 6099        | 4326          | 6199        | 4366          |
| 5905        | 4247          | 6002        | 4287          | 6101        | 4327          | 6201        | 4367          |
| 5907        | 4248          | 6005        | 4288          | 6104        | 4328          | 6204        | 4368          |
| 5910        | 4249          | 6007        | 4289          | 6106        | 4329          | 6206        | 4369          |
| 5912        | 4250          | 6010        | 4290          | 6109        | 4330          | 6209        | 4370          |
| 5915        | 4251          | 6012        | 4291          | 6111        | 4331          | 6211        | 4371          |
| 5917        | 4252          | 6015        | 4292          | 6114        | 4332          | 6214        | 4372          |
| 5920        | 4253          | 6017        | 4293          | 6116        | 4333          | 6216        | 4373          |
| 5922        | 4254          | 6020        | 4294          | 6119        | 4334          | 6219        | 4374          |
| 5924        | 4255          | 6022        | 4295          | 6121        | 4335          | 6221        | 4375          |
| 5927        | 4256          | 6025        | 4296          | 6124        | 4336          | 6224        | 4376          |
| 5929        | 4257          | 6027        | 4297          | 6126        | 4337          | 6227        | 4377          |
| 5932        | 4258          | 6029        | 4298          | 6129        | 4338          | 6229        | 4378          |
| 5934        | 4259          | 6032        | 4299          | 6131        | 4339          | 6232        | 4379          |
| 5937        | 4260          | 6034        | 4300          | 6134        | 4340          | 6234        | 4380          |
| 5939        | 4261          | 6037        | 4301          | 6136        | 4341          | 6237        | 4381          |
| 5941        | 4262          | 6039        | 4302          | 6139        | 4342          | 6239        | 4382          |
| 5944        | 4263          | 6042        | 4303          | 6141        | 4343          | 6242        | 4383          |
| 5946        | 4264          | 6044        | 4304          | 6144        | 4344          | 6244        | 4384          |
| 5949        | 4265          | 6047        | 4305          | 6146        | 4345          | 6247        | 4385          |
| 5951        | 4266          | 6049        | 4306          | 6149        | 4346          | 6249        | 4386          |
| 5954        | 4267          | 6052        | 4307          | 6151        | 4347          | 6252        | 4387          |
| 5956        | 4268          | 6054        | 4308          | 6154        | 4348          | 6254        | 4388          |
| 5958        | 4269          | 6057        | 4309          | 6156        | 4349          | 6257        | 4389          |
| 5961        | 4270          | 6059        | 4310          | 6159        | 4350          | 6259        | 4390          |
| 5963        | 4271          | 6061        | 4311          | 6161        | 4351          | 6262        | 4391          |
| 5966        | 4272          | 6064        | 4312          | 6164        | 4352          | 6265        | 4392          |
| 5968        | 4273          | 6066        | 4313          | 6166        | 4353          | 6267        | 4393          |
| 5971        | 4274          | 6069        | 4314          | 6169        | 4354          | 6270        | 4394          |
| 5973        | 4275          | 6071        | 4315          | 6171        | 4355          | 6272        | 4395          |
| 5976        | 4276          | 6074        | 4316          | 6174        | 4356          | 6275        | 4396          |
| 5978        | 4277          | 6076        | 4317          | 6176        | 4357          | 6277        | 4397          |
| 5980        | 4278          | 6079        | 4318          | 6179        | 4358          | 6280        | 4398          |
| 5983        | 4279          | 6081        | 4319          | 6181        | 4359          | 6282        | 4399          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 6285        | 4400          | 6388        | 4440          | 6492        | 4480          | 6598        | 4520          |
| 6287        | 4401          | 6390        | 4441          | 6495        | 4481          | 6600        | 4521          |
| 6290        | 4402          | 6393        | 4442          | 6497        | 4482          | 6603        | 4522          |
| 6293        | 4403          | 6395        | 4443          | 6500        | 4483          | 6606        | 4523          |
| 6295        | 4404          | 6398        | 4444          | 6502        | 4484          | 6608        | 4524          |
| 6298        | 4405          | 6401        | 4445          | 6505        | 4485          | 6611        | 4525          |
| 6300        | 4406          | 6403        | 4446          | 6508        | 4486          | 6614        | 4526          |
| 6303        | 4407          | 6406        | 4447          | 6510        | 4487          | 6616        | 4527          |
| 6305        | 4408          | 6408        | 4448          | 6513        | 4488          | 6619        | 4528          |
| 6308        | 4409          | 6411        | 4449          | 6516        | 4489          | 6622        | 4529          |
| 6310        | 4410          | 6414        | 4450          | 6518        | 4490          | 6624        | 4530          |
| 6313        | 4411          | 6416        | 4451          | 6521        | 4491          | 6627        | 4531          |
| 6316        | 4412          | 6419        | 4452          | 6524        | 4492          | 6630        | 4532          |
| 6318        | 4413          | 6421        | 4453          | 6526        | 4493          | 6632        | 4533          |
| 6321        | 4414          | 6424        | 4454          | 6529        | 4494          | 6635        | 4534          |
| 6323        | 4415          | 6427        | 4455          | 6531        | 4495          | 6638        | 4535          |
| 6326        | 4416          | 6429        | 4456          | 6534        | 4496          | 6640        | 4536          |
| 6328        | 4417          | 6432        | 4457          | 6537        | 4497          | 6643        | 4537          |
| 6331        | 4418          | 6434        | 4458          | 6539        | 4498          | 6646        | 4538          |
| 6334        | 4419          | 6437        | 4459          | 6542        | 4499          | 6648        | 4539          |
| 6336        | 4420          | 6440        | 4460          | 6545        | 4500          | 6651        | 4540          |
| 6339        | 4421          | 6442        | 4461          | 6547        | 4501          | 6654        | 4541          |
| 6341        | 4422          | 6445        | 4462          | 6550        | 4502          | 6657        | 4542          |
| 6344        | 4423          | 6447        | 4463          | 6553        | 4503          | 6659        | 4543          |
| 6346        | 4424          | 6450        | 4464          | 6555        | 4504          | 6662        | 4544          |
| 6349        | 4425          | 6453        | 4465          | 6558        | 4505          | 6665        | 4545          |
| 6352        | 4426          | 6455        | 4466          | 6561        | 4506          | 6667        | 4546          |
| 6354        | 4427          | 6458        | 4467          | 6563        | 4507          | 6670        | 4547          |
| 6357        | 4428          | 6461        | 4468          | 6566        | 4508          | 6673        | 4548          |
| 6359        | 4429          | 6463        | 4469          | 6568        | 4509          | 6675        | 4549          |
| 6362        | 4430          | 6466        | 4470          | 6571        | 4510          | 6678        | 4550          |
| 6364        | 4431          | 6468        | 4471          | 6574        | 4511          | 6681        | 4551          |
| 6367        | 4432          | 6471        | 4472          | 6576        | 4512          | 6683        | 4552          |
| 6370        | 4433          | 6473        | 4473          | 6579        | 4513          | 6686        | 4553          |
| 6372        | 4434          | 6476        | 4474          | 6582        | 4514          | 6689        | 4554          |
| 6375        | 4435          | 6479        | 4475          | 6584        | 4515          | 6692        | 4555          |
| 6377        | 4436          | 6481        | 4476          | 6587        | 4516          | 6694        | 4556          |
| 6380        | 4437          | 6484        | 4477          | 6590        | 4517          | 6697        | 4557          |
| 6383        | 4438          | 6487        | 4478          | 6592        | 4518          | 6700        | 4558          |
| 6385        | 4439          | 6489        | 4479          | 6595        | 4519          | 6702        | 4559          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I--PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 6705        | 4560          | 6814        | 4600          | 6924        | 4640          | 7037        | 4680          |
| 6708        | 4561          | 6817        | 4601          | 6927        | 4641          | 7040        | 4681          |
| 6710        | 4562          | 6819        | 4602          | 6930        | 4642          | 7042        | 4682          |
| 6713        | 4563          | 6822        | 4603          | 6933        | 4643          | 7045        | 4683          |
| 6716        | 4564          | 6825        | 4604          | 6936        | 4644          | 7048        | 4684          |
| 6719        | 4565          | 6828        | 4605          | 6938        | 4645          | 7051        | 4685          |
| 6721        | 4566          | 6830        | 4606          | 6941        | 4646          | 7054        | 4686          |
| 6724        | 4567          | 6833        | 4607          | 6944        | 4647          | 7056        | 4687          |
| 6727        | 4568          | 6836        | 4608          | 6947        | 4648          | 7059        | 4688          |
| 6729        | 4569          | 6839        | 4609          | 6950        | 4649          | 7062        | 4689          |
| 6732        | 4570          | 6841        | 4610          | 6952        | 4650          | 7065        | 4690          |
| 6735        | 4571          | 6844        | 4611          | 6955        | 4651          | 7068        | 4691          |
| 6738        | 4572          | 6847        | 4612          | 6958        | 4652          | 7071        | 4692          |
| 6740        | 4573          | 6850        | 4613          | 6961        | 4653          | 7074        | 4693          |
| 6743        | 4574          | 6852        | 4614          | 6964        | 4654          | 7076        | 4694          |
| 6746        | 4575          | 6855        | 4615          | 6966        | 4655          | 7079        | 4695          |
| 6748        | 4576          | 6858        | 4616          | 6969        | 4656          | 7082        | 4696          |
| 6751        | 4577          | 6861        | 4617          | 6972        | 4657          | 7085        | 4697          |
| 6754        | 4578          | 6863        | 4618          | 6975        | 4658          | 7088        | 4698          |
| 6757        | 4579          | 6866        | 4619          | 6978        | 4659          | 7091        | 4699          |
| 6759        | 4580          | 6869        | 4620          | 6980        | 4660          | 7093        | 4700          |
| 6762        | 4581          | 6872        | 4621          | 6983        | 4661          | 7096        | 4701          |
| 6765        | 4582          | 6875        | 4622          | 6986        | 4662          | 7099        | 4702          |
| 6767        | 4583          | 6877        | 4623          | 6989        | 4663          | 7102        | 4703          |
| 6770        | 4584          | 6880        | 4624          | 6992        | 4664          | 7105        | 4704          |
| 6773        | 4585          | 6883        | 4625          | 6994        | 4665          | 7108        | 4705          |
| 6776        | 4586          | 6886        | 4626          | 6997        | 4666          | 7111        | 4706          |
| 6778        | 4587          | 6888        | 4627          | 7000        | 4667          | 7113        | 4707          |
| 6781        | 4588          | 6891        | 4628          | 7003        | 4668          | 7116        | 4708          |
| 6784        | 4589          | 6894        | 4629          | 7006        | 4669          | 7119        | 4709          |
| 6787        | 4590          | 6897        | 4630          | 7008        | 4670          | 7122        | 4710          |
| 6789        | 4591          | 6899        | 4631          | 7011        | 4671          | 7125        | 4711          |
| 6792        | 4592          | 6902        | 4632          | 7014        | 4672          | 7128        | 4712          |
| 6795        | 4593          | 6905        | 4633          | 7017        | 4673          | 7131        | 4713          |
| 6798        | 4594          | 6908        | 4634          | 7020        | 4674          | 7133        | 4714          |
| 6800        | 4595          | 6911        | 4635          | 7023        | 4675          | 7136        | 4715          |
| 6803        | 4596          | 6913        | 4636          | 7025        | 4676          | 7139        | 4716          |
| 6806        | 4597          | 6916        | 4637          | 7028        | 4677          | 7142        | 4717          |
| 6808        | 4598          | 6919        | 4638          | 7031        | 4678          | 7145        | 4718          |
| 6811        | 4599          | 6922        | 4639          | 7034        | 4679          | 7148        | 4719          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 7151        | 4720          | 7266        | 4760          | 7384        | 4800          | 7503        | 4840          |
| 7153        | 4721          | 7269        | 4761          | 7387        | 4801          | 7506        | 4841          |
| 7156        | 4722          | 7272        | 4762          | 7390        | 4802          | 7609        | 4842          |
| 7159        | 4723          | 7275        | 4763          | 7393        | 4803          | 7512        | 4843          |
| 7162        | 4724          | 7278        | 4764          | 7395        | 4804          | 7515        | 4844          |
| 7165        | 4725          | 7281        | 4765          | 7398        | 4805          | 7518        | 4845          |
| 7168        | 4726          | 7284        | 4766          | 7401        | 4806          | 7521        | 4846          |
| 7171        | 4727          | 7287        | 4767          | 7404        | 4807          | 7524        | 4847          |
| 7174        | 4728          | 7290        | 4768          | 7407        | 4808          | 7527        | 4848          |
| 7176        | 4729          | 7292        | 4769          | 7410        | 4809          | 7530        | 4849          |
| 7179        | 4730          | 7295        | 4770          | 7413        | 4810          | 7533        | 4850          |
| 7182        | 4731          | 7298        | 4771          | 7416        | 4811          | 7536        | 4851          |
| 7185        | 4732          | 7301        | 4772          | 7419        | 4812          | 7539        | 4852          |
| 7188        | 4733          | 7304        | 4773          | 7422        | 4813          | 7542        | 4853          |
| 7191        | 4734          | 7307        | 4774          | 7425        | 4814          | 7545        | 4854          |
| 7194        | 4735          | 7310        | 4775          | 7428        | 4815          | 7548        | 4855          |
| 7197        | 4736          | 7313        | 4776          | 7431        | 4816          | 7551        | 4856          |
| 7200        | 4737          | 7316        | 4777          | 7434        | 4817          | 7554        | 4857          |
| 7202        | 4738          | 7319        | 4778          | 7437        | 4818          | 7557        | 4858          |
| 7205        | 4739          | 7322        | 4779          | 7440        | 4819          | 7560        | 4859          |
| 7208        | 4740          | 7325        | 4780          | 7443        | 4820          | 7563        | 4860          |
| 7211        | 4741          | 7328        | 4781          | 7446        | 4821          | 7566        | 4861          |
| 7214        | 4742          | 7331        | 4782          | 7449        | 4822          | 7569        | 4862          |
| 7217        | 4743          | 7334        | 4783          | 7452        | 4823          | 7572        | 4863          |
| 7220        | 4744          | 7336        | 4784          | 7455        | 4824          | 7575        | 4864          |
| 7223        | 4745          | 7339        | 4785          | 7458        | 4825          | 7578        | 4865          |
| 7226        | 4746          | 7342        | 4786          | 7461        | 4826          | 7581        | 4866          |
| 7228        | 4747          | 7345        | 4787          | 7464        | 4827          | 7584        | 4867          |
| 7231        | 4748          | 7348        | 4788          | 7467        | 4828          | 7587        | 4868          |
| 7234        | 4749          | 7351        | 4789          | 7470        | 4829          | 7590        | 4869          |
| 7237        | 4750          | 7354        | 4790          | 7473        | 4830          | 7594        | 4870          |
| 7240        | 4751          | 7357        | 4791          | 7476        | 4831          | 7597        | 4871          |
| 7243        | 4752          | 7360        | 4792          | 7479        | 4832          | 7600        | 4872          |
| 7246        | 4753          | 7363        | 4793          | 7482        | 4833          | 7603        | 4873          |
| 7249        | 4754          | 7366        | 4794          | 7485        | 4834          | 7606        | 4874          |
| 7252        | 4755          | 7369        | 4795          | 7488        | 4835          | 7609        | 4875          |
| 7255        | 4756          | 7372        | 4796          | 7491        | 4836          | 7612        | 4876          |
| 7257        | 4757          | 7375        | 4797          | 7494        | 4837          | 7615        | 4877          |
| 7260        | 4758          | 7378        | 4798          | 7497        | 4838          | 7618        | 4878          |
| 7263        | 4759          | 7381        | 4799          | 7500        | 4839          | 7621        | 4879          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 7624        | 4880          | 7747        | 4920          | 7872        | 4960          | 7999        | 5000          |
| 7627        | 4881          | 7750        | 4921          | 7875        | 4961          | 8002        | 5001          |
| 7630        | 4882          | 7753        | 4922          | 7878        | 4962          | 8005        | 5002          |
| 7633        | 4883          | 7756        | 4923          | 7881        | 4963          | 8009        | 5003          |
| 7636        | 4884          | 7759        | 4924          | 7885        | 4964          | 8012        | 5004          |
| 7639        | 4885          | 7762        | 4925          | 7888        | 4965          | 8015        | 5005          |
| 7642        | 4886          | 7766        | 4926          | 7891        | 4966          | 8018        | 5006          |
| 7645        | 4887          | 7769        | 4927          | 7894        | 4967          | 8021        | 5007          |
| 7648        | 4888          | 7772        | 4928          | 7897        | 4968          | 8025        | 5008          |
| 7651        | 4889          | 7775        | 4929          | 7900        | 4969          | 8028        | 5009          |
| 7655        | 4890          | 7778        | 4930          | 7903        | 4970          | 8031        | 5010          |
| 7658        | 4891          | 7781        | 4931          | 7907        | 4971          | 8034        | 5011          |
| 7661        | 4892          | 7784        | 4932          | 7910        | 4972          | 8037        | 5012          |
| 7664        | 4893          | 7787        | 4933          | 7913        | 4973          | 8041        | 5013          |
| 7667        | 4894          | 7790        | 4934          | 7916        | 4974          | 8044        | 5014          |
| 7670        | 4895          | 7794        | 4935          | 7919        | 4975          | 8047        | 5015          |
| 7673        | 4896          | 7797        | 4936          | 7922        | 4976          | 8050        | 5016          |
| 7676        | 4897          | 7800        | 4937          | 7926        | 4977          | 8053        | 5017          |
| 7679        | 4898          | 7803        | 4938          | 7929        | 4978          | 8057        | 5018          |
| 7682        | 4899          | 7806        | 4939          | 7932        | 4979          | 8060        | 5019          |
| 7685        | 4900          | 7809        | 4940          | 7935        | 4980          | 8063        | 5020          |
| 7688        | 4901          | 7812        | 4941          | 7938        | 4981          | 8066        | 5021          |
| 7691        | 4902          | 7815        | 4942          | 7942        | 4982          | 8070        | 5022          |
| 7694        | 4903          | 7819        | 4943          | 7945        | 4983          | 8073        | 5023          |
| 7698        | 4904          | 7822        | 4944          | 7948        | 4984          | 8076        | 5024          |
| 7701        | 4905          | 7825        | 4945          | 7951        | 4985          | 8079        | 5025          |
| 7704        | 4906          | 7828        | 4946          | 7954        | 4986          | 8083        | 5026          |
| 7707        | 4907          | 7831        | 4947          | 7957        | 4987          | 8086        | 5027          |
| 7710        | 4908          | 7834        | 4948          | 7961        | 4988          | 8089        | 5028          |
| 7713        | 4909          | 7837        | 4949          | 7964        | 4989          | 8092        | 5029          |
| 7716        | 4910          | 7841        | 4950          | 7967        | 4990          | 8095        | 5030          |
| 7719        | 4911          | 7844        | 4951          | 7970        | 4991          | 8099        | 5031          |
| 7722        | 4912          | 7847        | 4952          | 7973        | 4992          | 8102        | 5032          |
| 7725        | 4913          | 7850        | 4953          | 7977        | 4993          | 8105        | 5033          |
| 7728        | 4914          | 7853        | 4954          | 7980        | 4994          | 8108        | 5034          |
| 7731        | 4915          | 7856        | 4955          | 7983        | 4995          | 8112        | 5035          |
| 7735        | 4916          | 7859        | 4956          | 7986        | 4996          | 8115        | 5036          |
| 7738        | 4917          | 7863        | 4957          | 7989        | 4997          | 8118        | 5037          |
| 7741        | 4918          | 7866        | 4958          | 7993        | 4998          | 8121        | 5038          |
| 7744        | 4919          | 7869        | 4959          | 7996        | 4999          | 8125        | 5039          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 8128        | 5040          | 8259        | 5080          | 8392        | 5120          | 8528        | 5160          |
| 8131        | 5041          | 8262        | 5081          | 8396        | 5121          | 8531        | 5161          |
| 8134        | 5042          | 8266        | 5082          | 8399        | 5122          | 8535        | 5162          |
| 8138        | 5043          | 8269        | 5083          | 8402        | 5123          | 8538        | 5163          |
| 8141        | 5044          | 8272        | 5084          | 8406        | 5124          | 8541        | 5164          |
| 8144        | 5045          | 8276        | 5085          | 8409        | 5125          | 8545        | 5165          |
| 8147        | 5046          | 8279        | 5086          | 8412        | 5126          | 8548        | 5166          |
| 8151        | 5047          | 8282        | 5087          | 8416        | 5127          | 8552        | 5167          |
| 8154        | 5048          | 8285        | 5088          | 8419        | 5128          | 8555        | 5168          |
| 8157        | 5049          | 8289        | 5089          | 8423        | 5129          | 8559        | 5169          |
| 8160        | 5050          | 8292        | 5090          | 8426        | 5130          | 8562        | 5170          |
| 8164        | 5051          | 8295        | 5091          | 8429        | 5131          | 8565        | 5171          |
| 8167        | 5052          | 8299        | 5092          | 8433        | 5132          | 8569        | 5172          |
| 8170        | 5053          | 8302        | 5093          | 8436        | 5133          | 8572        | 5173          |
| 8174        | 5054          | 8305        | 5094          | 8439        | 5134          | 8576        | 5174          |
| 8177        | 5055          | 8309        | 5095          | 8443        | 5135          | 8579        | 5175          |
| 8180        | 5056          | 8312        | 5096          | 8446        | 5136          | 8583        | 5176          |
| 8183        | 5057          | 8315        | 5097          | 8450        | 5137          | 8586        | 5177          |
| 8187        | 5058          | 8319        | 5098          | 8453        | 5138          | 8589        | 5178          |
| 8190        | 5059          | 8322        | 5099          | 8456        | 5139          | 8593        | 5179          |
| 8193        | 5060          | 8325        | 5100          | 8460        | 5140          | 8596        | 5180          |
| 8196        | 5061          | 8329        | 5101          | 8463        | 5141          | 8600        | 5181          |
| 8200        | 5062          | 8332        | 5102          | 8466        | 5142          | 8603        | 5182          |
| 8203        | 5063          | 8335        | 5103          | 8470        | 5143          | 8607        | 5183          |
| 8206        | 5064          | 8339        | 5104          | 8473        | 5144          | 8610        | 5184          |
| 8210        | 5065          | 8342        | 5105          | 8477        | 5145          | 8614        | 5185          |
| 8213        | 5066          | 8345        | 5106          | 8480        | 5146          | 8617        | 5186          |
| 8216        | 5067          | 8349        | 5107          | 8483        | 5147          | 8620        | 5187          |
| 8219        | 5068          | 8352        | 5108          | 8487        | 5148          | 8624        | 5188          |
| 8223        | 5069          | 8355        | 5109          | 8490        | 5149          | 8627        | 5189          |
| 8226        | 5070          | 8359        | 5110          | 8494        | 5150          | 8631        | 5190          |
| 8229        | 5071          | 8362        | 5111          | 8497        | 5151          | 8634        | 5191          |
| 8233        | 5072          | 8365        | 5112          | 8500        | 5152          | 8638        | 5192          |
| 8236        | 5073          | 8369        | 5113          | 8504        | 5153          | 8641        | 5193          |
| 8239        | 5074          | 8372        | 5114          | 8507        | 5154          | 8645        | 5194          |
| 8243        | 5075          | 8375        | 5115          | 8511        | 5155          | 8648        | 5195          |
| 8246        | 5076          | 8379        | 5116          | 8514        | 5156          | 8652        | 5196          |
| 8249        | 5077          | 8382        | 5117          | 8517        | 5157          | 8655        | 5197          |
| 8252        | 5078          | 8386        | 5118          | 8521        | 5158          | 8658        | 5198          |
| 8256        | 5079          | 8389        | 5119          | 8524        | 5159          | 8662        | 5199          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 8665        | 5200          | 8805        | 5240          | 8948        | 5280          | 9093        | 5320          |
| 8669        | 5201          | 8809        | 5241          | 8951        | 5281          | 9096        | 5321          |
| 8672        | 5202          | 8813        | 5242          | 8955        | 5282          | 9100        | 5322          |
| 8676        | 5203          | 8816        | 5243          | 8959        | 5283          | 9104        | 5323          |
| 8679        | 5204          | 8820        | 5244          | 8962        | 5284          | 9107        | 5324          |
| 8683        | 5205          | 8823        | 5245          | 8966        | 5285          | 9111        | 5325          |
| 8686        | 5206          | 8827        | 5246          | 8969        | 5286          | 9115        | 5326          |
| 8690        | 5207          | 8830        | 5247          | 8973        | 5287          | 9118        | 5327          |
| 8693        | 5208          | 8834        | 5248          | 8977        | 5288          | 9122        | 5328          |
| 8697        | 5209          | 8837        | 5249          | 8980        | 5289          | 9126        | 5329          |
| 8700        | 5210          | 8841        | 5250          | 8984        | 5290          | 9129        | 5330          |
| 8704        | 5211          | 8844        | 5251          | 8987        | 5291          | 9133        | 5331          |
| 8707        | 5212          | 8848        | 5252          | 8991        | 5292          | 9137        | 5332          |
| 8711        | 5213          | 8851        | 5253          | 8995        | 5293          | 9140        | 5333          |
| 8714        | 5214          | 8855        | 5254          | 8998        | 5294          | 9144        | 5334          |
| 8718        | 5215          | 8859        | 5255          | 9002        | 5295          | 9148        | 5335          |
| 8721        | 5216          | 8862        | 5256          | 9005        | 5296          | 9151        | 5336          |
| 8725        | 5217          | 8866        | 5257          | 9009        | 5297          | 9155        | 5337          |
| 8728        | 5218          | 8869        | 5258          | 9013        | 5298          | 9159        | 5338          |
| 8732        | 5219          | 8873        | 5259          | 9016        | 5299          | 9162        | 5339          |
| 8735        | 5220          | 8876        | 5260          | 9020        | 5300          | 9166        | 5340          |
| 8739        | 5221          | 8880        | 5261          | 9024        | 5301          | 9170        | 5341          |
| 8742        | 5222          | 8883        | 5262          | 9027        | 5302          | 9173        | 5342          |
| 8746        | 5223          | 8887        | 5263          | 9031        | 5303          | 9177        | 5343          |
| 8749        | 5224          | 8891        | 5264          | 9034        | 5304          | 9181        | 5344          |
| 8753        | 5225          | 8894        | 5265          | 9038        | 5305          | 9184        | 5345          |
| 8756        | 5226          | 8898        | 5266          | 9042        | 5306          | 9188        | 5346          |
| 8760        | 5227          | 8901        | 5267          | 9045        | 5307          | 9192        | 5347          |
| 8763        | 5228          | 8905        | 5268          | 9049        | 5308          | 9196        | 5348          |
| 8767        | 5229          | 8908        | 5269          | 9053        | 5309          | 9199        | 5349          |
| 8770        | 5230          | 8912        | 5270          | 9056        | 5310          | 9203        | 5350          |
| 8774        | 5231          | 8916        | 5271          | 9060        | 5311          | 9207        | 5351          |
| 8777        | 5232          | 8919        | 5272          | 9064        | 5312          | 9210        | 5352          |
| 8781        | 5233          | 8923        | 5273          | 9067        | 5313          | 9214        | 5353          |
| 8784        | 5234          | 8926        | 5274          | 9071        | 5314          | 9218        | 5354          |
| 8788        | 5235          | 8930        | 5275          | 9074        | 5315          | 9221        | 5355          |
| 8791        | 5236          | 8934        | 5276          | 9078        | 5316          | 9225        | 5356          |
| 8795        | 5237          | 8937        | 5277          | 9082        | 5317          | 9229        | 5357          |
| 8798        | 5238          | 8941        | 5278          | 9085        | 5318          | 9233        | 5358          |
| 8802        | 5239          | 8944        | 5279          | 9089        | 5319          | 9236        | 5359          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 9240        | 5360          | 9390        | 5400          | 9542        | 5440          | 9698        | 5480          |
| 9244        | 5361          | 9394        | 5401          | 9546        | 5441          | 9702        | 5481          |
| 9247        | 5362          | 9397        | 5402          | 9550        | 5442          | 9705        | 5482          |
| 9251        | 5363          | 9401        | 5403          | 9554        | 5443          | 9709        | 5483          |
| 9255        | 5364          | 9405        | 5404          | 9558        | 5444          | 9713        | 5484          |
| 9259        | 5365          | 9409        | 5405          | 9562        | 5445          | 9717        | 5485          |
| 9262        | 5366          | 9413        | 5406          | 9566        | 5446          | 9721        | 5486          |
| 9266        | 5367          | 9416        | 5407          | 9569        | 5447          | 9725        | 5487          |
| 9270        | 5368          | 9420        | 5408          | 9573        | 5448          | 9729        | 5488          |
| 9274        | 5369          | 9424        | 5409          | 9577        | 5449          | 9733        | 5489          |
| 9277        | 5370          | 9428        | 5410          | 9581        | 5450          | 9737        | 5490          |
| 9281        | 5371          | 9432        | 5411          | 9585        | 5451          | 9741        | 5491          |
| 9285        | 5372          | 9435        | 5412          | 9589        | 5452          | 9745        | 5492          |
| 9288        | 5373          | 9439        | 5413          | 9593        | 5453          | 9749        | 5493          |
| 9292        | 5374          | 9443        | 5414          | 9596        | 5454          | 9753        | 5494          |
| 9296        | 5375          | 9447        | 5415          | 9600        | 5455          | 9757        | 5495          |
| 9300        | 5376          | 9451        | 5416          | 9604        | 5456          | 9761        | 5496          |
| 9303        | 5377          | 9454        | 5417          | 9608        | 5457          | 9764        | 5497          |
| 9307        | 5378          | 9458        | 5418          | 9612        | 5458          | 9768        | 5498          |
| 9311        | 5379          | 9462        | 5419          | 9616        | 5459          | 9772        | 5499          |
| 9315        | 5380          | 9466        | 5420          | 9620        | 5460          | 9776        | 5500          |
| 9318        | 5381          | 9470        | 5421          | 9624        | 5461          | 9780        | 5501          |
| 9322        | 5382          | 9473        | 5422          | 9627        | 5462          | 9784        | 5502          |
| 9326        | 5383          | 9477        | 5423          | 9631        | 5463          | 9788        | 5503          |
| 9330        | 5384          | 9481        | 5424          | 9635        | 5464          | 9792        | 5504          |
| 9333        | 5385          | 9485        | 5425          | 9639        | 5465          | 9796        | 5505          |
| 9337        | 5386          | 9489        | 5426          | 9643        | 5466          | 9800        | 5506          |
| 9341        | 5387          | 9493        | 5427          | 9647        | 5467          | 9804        | 5507          |
| 9345        | 5388          | 9496        | 5428          | 9651        | 5468          | 9808        | 5508          |
| 9348        | 5389          | 9500        | 5429          | 9655        | 5469          | 9812        | 5509          |
| 9352        | 5390          | 9504        | 5430          | 9659        | 5470          | 9816        | 5510          |
| 9356        | 5391          | 9508        | 5431          | 9662        | 5471          | 9820        | 5511          |
| 9360        | 5392          | 9512        | 5432          | 9666        | 5472          | 9824        | 5512          |
| 9363        | 5393          | 9516        | 5433          | 9670        | 5473          | 9828        | 5513          |
| 9367        | 5394          | 9519        | 5434          | 9674        | 5474          | 9832        | 5514          |
| 9371        | 5395          | 9523        | 5435          | 9678        | 5475          | 9836        | 5515          |
| 9375        | 5396          | 9527        | 5436          | 9682        | 5476          | 9840        | 5516          |
| 9379        | 5397          | 9531        | 5437          | 9686        | 5477          | 9844        | 5517          |
| 9382        | 5398          | 9535        | 5438          | 9690        | 5478          | 9848        | 5518          |
| 9386        | 5399          | 9539        | 5439          | 9694        | 5479          | 9852        | 5519          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 9856        | 5520          | 10016       | 5560          | 10180       | 5600          | 10347       | 5640          |
| 9860        | 5521          | 10021       | 5561          | 10184       | 5601          | 10351       | 5641          |
| 9864        | 5522          | 10025       | 5562          | 10189       | 5602          | 10355       | 5642          |
| 9868        | 5523          | 10029       | 5563          | 10193       | 5603          | 10360       | 5643          |
| 9872        | 5524          | 10033       | 5564          | 10197       | 5604          | 10364       | 5644          |
| 9876        | 5525          | 10037       | 5565          | 10201       | 5605          | 10368       | 5645          |
| 9880        | 5526          | 10041       | 5566          | 10205       | 5606          | 10372       | 5646          |
| 9884        | 5527          | 10045       | 5567          | 10209       | 5607          | 10377       | 5647          |
| 9888        | 5528          | 10049       | 5568          | 10213       | 5608          | 10381       | 5648          |
| 9892        | 5529          | 10053       | 5569          | 10218       | 5609          | 10385       | 5649          |
| 9896        | 5530          | 10057       | 5570          | 10222       | 5610          | 10389       | 5650          |
| 9900        | 5531          | 10061       | 5571          | 10226       | 5611          | 10393       | 5651          |
| 9904        | 5532          | 10065       | 5572          | 10230       | 5612          | 10398       | 5652          |
| 9908        | 5533          | 10069       | 5573          | 10234       | 5613          | 10402       | 5653          |
| 9912        | 5534          | 10073       | 5574          | 10238       | 5614          | 10406       | 5654          |
| 9916        | 5535          | 10078       | 5575          | 10242       | 5615          | 10410       | 5655          |
| 9920        | 5536          | 10082       | 5576          | 10247       | 5616          | 10415       | 5656          |
| 9924        | 5537          | 10086       | 5577          | 10251       | 5617          | 10419       | 5657          |
| 9928        | 5538          | 10090       | 5578          | 10255       | 5618          | 10423       | 5658          |
| 9932        | 5539          | 10094       | 5579          | 10259       | 5619          | 10427       | 5659          |
| 9936        | 5540          | 10098       | 5580          | 10263       | 5620          | 10432       | 5660          |
| 9940        | 5541          | 10102       | 5581          | 10267       | 5621          | 10436       | 5661          |
| 9944        | 5542          | 10106       | 5582          | 10272       | 5622          | 10440       | 5662          |
| 9948        | 5543          | 10110       | 5583          | 10276       | 5623          | 10444       | 5663          |
| 9952        | 5544          | 10114       | 5584          | 10280       | 5624          | 10449       | 5664          |
| 9956        | 5545          | 10118       | 5585          | 10284       | 5625          | 10453       | 5665          |
| 9960        | 5546          | 10123       | 5586          | 10288       | 5626          | 10457       | 5666          |
| 9964        | 5547          | 10127       | 5587          | 10292       | 5627          | 10461       | 5667          |
| 9968        | 5548          | 10131       | 5588          | 10297       | 5628          | 10466       | 5668          |
| 9972        | 5549          | 10135       | 5589          | 10301       | 5629          | 10470       | 5669          |
| 9976        | 5550          | 10139       | 5590          | 10305       | 5630          | 10474       | 5670          |
| 9980        | 5551          | 10143       | 5591          | 10309       | 5631          | 10478       | 5671          |
| 9984        | 5552          | 10147       | 5592          | 10313       | 5632          | 10483       | 5672          |
| 9988        | 5553          | 10151       | 5593          | 10318       | 5633          | 10487       | 5673          |
| 9992        | 5554          | 10155       | 5594          | 10322       | 5634          | 10491       | 5674          |
| 9996        | 5555          | 10160       | 5595          | 10326       | 5635          | 10495       | 5675          |
| 10000       | 5556          | 10164       | 5596          | 10330       | 5636          | 10500       | 5676          |
| 10004       | 5557          | 10168       | 5597          | 10334       | 5637          | 10504       | 5677          |
| 10008       | 5558          | 10172       | 5598          | 10339       | 5638          | 10508       | 5678          |
| 10012       | 5559          | 10176       | 5599          | 10343       | 5639          | 10513       | 5679          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 10517       | 5680          | 10690       | 5720          | 10866       | 5760          | 11046       | 5800          |
| 10521       | 5681          | 10694       | 5721          | 10871       | 5761          | 11050       | 5801          |
| 10525       | 5682          | 10699       | 5722          | 10875       | 5762          | 11055       | 5802          |
| 10530       | 5683          | 10703       | 5723          | 10880       | 5763          | 11059       | 5803          |
| 10534       | 5684          | 10707       | 5724          | 10884       | 5764          | 11064       | 5804          |
| 10538       | 5685          | 10712       | 5725          | 10888       | 5765          | 11069       | 5805          |
| 10543       | 5686          | 10716       | 5726          | 10893       | 5766          | 11073       | 5806          |
| 10547       | 5687          | 10721       | 5727          | 10897       | 5767          | 11078       | 5807          |
| 10551       | 5688          | 10725       | 5728          | 10902       | 5768          | 11082       | 5808          |
| 10556       | 5689          | 10729       | 5729          | 10906       | 5769          | 11087       | 5809          |
| 10560       | 5690          | 10734       | 5730          | 10911       | 5770          | 11091       | 5810          |
| 10564       | 5691          | 10738       | 5731          | 10915       | 5771          | 11096       | 5811          |
| 10568       | 5692          | 10742       | 5732          | 10920       | 5772          | 11100       | 5812          |
| 10573       | 5693          | 10747       | 5733          | 10924       | 5773          | 11105       | 5813          |
| 10577       | 5694          | 10751       | 5734          | 10929       | 5774          | 11110       | 5814          |
| 10581       | 5695          | 10756       | 5735          | 10933       | 5775          | 11114       | 5815          |
| 10586       | 5696          | 10760       | 5736          | 10938       | 5776          | 11119       | 5816          |
| 10590       | 5697          | 10764       | 5737          | 10942       | 5777          | 11123       | 5817          |
| 10594       | 5698          | 10769       | 5738          | 10947       | 5778          | 11128       | 5818          |
| 10599       | 5699          | 10773       | 5739          | 10951       | 5779          | 11132       | 5819          |
| 10603       | 5700          | 10778       | 5740          | 10956       | 5780          | 11137       | 5820          |
| 10607       | 5701          | 10782       | 5741          | 10960       | 5781          | 11142       | 5821          |
| 10612       | 5702          | 10786       | 5742          | 10965       | 5782          | 11146       | 5822          |
| 10616       | 5703          | 10791       | 5743          | 10969       | 5783          | 11151       | 5823          |
| 10620       | 5704          | 10795       | 5744          | 10974       | 5784          | 11155       | 5824          |
| 10625       | 5705          | 10800       | 5745          | 10978       | 5785          | 11160       | 5825          |
| 10629       | 5706          | 10804       | 5746          | 10983       | 5786          | 11164       | 5826          |
| 10633       | 5707          | 10809       | 5747          | 10987       | 5787          | 11169       | 5827          |
| 10638       | 5708          | 10813       | 5748          | 10992       | 5788          | 11174       | 5828          |
| 10642       | 5709          | 10817       | 5749          | 10996       | 5789          | 11178       | 5829          |
| 10646       | 5710          | 10822       | 5750          | 11001       | 5790          | 11183       | 5830          |
| 10651       | 5711          | 10826       | 5751          | 11005       | 5791          | 11187       | 5831          |
| 10655       | 5712          | 10831       | 5752          | 11010       | 5792          | 11192       | 5832          |
| 10659       | 5713          | 10835       | 5753          | 11014       | 5793          | 11197       | 5833          |
| 10664       | 5714          | 10840       | 5754          | 11019       | 5794          | 11201       | 5834          |
| 10668       | 5715          | 10844       | 5755          | 11023       | 5795          | 11206       | 5835          |
| 10672       | 5716          | 10848       | 5756          | 11028       | 5796          | 11210       | 5836          |
| 10677       | 5717          | 10853       | 5757          | 11032       | 5797          | 11215       | 5837          |
| 10681       | 5718          | 10857       | 5758          | 11037       | 5798          | 11220       | 5838          |
| 10686       | 5719          | 10862       | 5759          | 11041       | 5799          | 11224       | 5839          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 11229       | 5840          | 11416       | 5880          | 11606       | 5920          | 11800       | 5960          |
| 11234       | 5841          | 11420       | 5881          | 11611       | 5921          | 11805       | 5961          |
| 11238       | 5842          | 11425       | 5882          | 11616       | 5922          | 11810       | 5962          |
| 11243       | 5843          | 11430       | 5883          | 11620       | 5923          | 11815       | 5963          |
| 11247       | 5844          | 11434       | 5884          | 11625       | 5924          | 11820       | 5964          |
| 11252       | 5845          | 11439       | 5885          | 11630       | 5925          | 11825       | 5965          |
| 11257       | 5846          | 11444       | 5886          | 11635       | 5926          | 11829       | 5966          |
| 11261       | 5847          | 11449       | 5887          | 11640       | 5927          | 11834       | 5967          |
| 11266       | 5848          | 11453       | 5888          | 11644       | 5928          | 11839       | 5968          |
| 11271       | 5849          | 11458       | 5889          | 11649       | 5929          | 11844       | 5969          |
| 11275       | 5850          | 11463       | 5890          | 11654       | 5930          | 11849       | 5970          |
| 11280       | 5851          | 11468       | 5891          | 11659       | 5931          | 11854       | 5971          |
| 11285       | 5852          | 11472       | 5892          | 11664       | 5932          | 11859       | 5972          |
| 11289       | 5853          | 11477       | 5893          | 11669       | 5933          | 11864       | 5973          |
| 11294       | 5854          | 11482       | 5894          | 11673       | 5934          | 11869       | 5974          |
| 11299       | 5855          | 11487       | 5895          | 11678       | 5935          | 11874       | 5975          |
| 11303       | 5856          | 11491       | 5896          | 11683       | 5936          | 11879       | 5976          |
| 11308       | 5857          | 11496       | 5897          | 11688       | 5937          | 11884       | 5977          |
| 11313       | 5858          | 11501       | 5898          | 11693       | 5938          | 11889       | 5978          |
| 11317       | 5859          | 11506       | 5899          | 11698       | 5939          | 11894       | 5979          |
| 11322       | 5860          | 11510       | 5900          | 11703       | 5940          | 11899       | 5980          |
| 11327       | 5861          | 11515       | 5901          | 11707       | 5941          | 11903       | 5981          |
| 11331       | 5862          | 11520       | 5902          | 11712       | 5942          | 11908       | 5982          |
| 11336       | 5863          | 11525       | 5903          | 11717       | 5943          | 11913       | 5983          |
| 11341       | 5864          | 11529       | 5904          | 11722       | 5944          | 11918       | 5984          |
| 11345       | 5865          | 11534       | 5905          | 11727       | 5945          | 11923       | 5985          |
| 11350       | 5866          | 11539       | 5906          | 11732       | 5946          | 11928       | 5986          |
| 11355       | 5867          | 11544       | 5907          | 11737       | 5947          | 11933       | 5987          |
| 11359       | 5868          | 11548       | 5908          | 11741       | 5948          | 11938       | 5988          |
| 11364       | 5869          | 11553       | 5909          | 11746       | 5949          | 11943       | 5989          |
| 11369       | 5870          | 11558       | 5910          | 11751       | 5950          | 11948       | 5990          |
| 11373       | 5871          | 11563       | 5911          | 11756       | 5951          | 11953       | 5991          |
| 11378       | 5872          | 11568       | 5912          | 11761       | 5952          | 11958       | 5992          |
| 11383       | 5873          | 11572       | 5913          | 11766       | 5953          | 11963       | 5993          |
| 11387       | 5874          | 11577       | 5914          | 11771       | 5954          | 11968       | 5994          |
| 11392       | 5875          | 11582       | 5915          | 11776       | 5955          | 11973       | 5995          |
| 11397       | 5876          | 11587       | 5916          | 11780       | 5956          | 11978       | 5996          |
| 11401       | 5877          | 11592       | 5917          | 11785       | 5957          | 11983       | 5997          |
| 11406       | 5878          | 11596       | 5918          | 11790       | 5958          | 11988       | 5998          |
| 11411       | 5879          | 11601       | 5919          | 11795       | 5959          | 11993       | 5999          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 11998       | 6000          | 12200       | 6040          | 12406       | 6080          | 12616       | 6120          |
| 12003       | 6001          | 12205       | 6041          | 12411       | 6081          | 12622       | 6121          |
| 12008       | 6002          | 12210       | 6042          | 12416       | 6082          | 12627       | 6122          |
| 12013       | 6003          | 12215       | 6043          | 12422       | 6083          | 12632       | 6123          |
| 12018       | 6004          | 12220       | 6044          | 12427       | 6084          | 12638       | 6124          |
| 12023       | 6005          | 12226       | 6045          | 12432       | 6085          | 12643       | 6125          |
| 12028       | 6006          | 12231       | 6046          | 12437       | 6086          | 12648       | 6126          |
| 12033       | 6007          | 12236       | 6047          | 12443       | 6087          | 12654       | 6127          |
| 12038       | 6008          | 12241       | 6048          | 12448       | 6088          | 12659       | 6128          |
| 12043       | 6009          | 12246       | 6049          | 12453       | 6089          | 12664       | 6129          |
| 12048       | 6010          | 12251       | 6050          | 12458       | 6090          | 12670       | 6130          |
| 12053       | 6011          | 12256       | 6051          | 12463       | 6091          | 12675       | 6131          |
| 12058       | 6012          | 12261       | 6052          | 12469       | 6092          | 12680       | 6132          |
| 12063       | 6013          | 12266       | 6053          | 12474       | 6093          | 12686       | 6133          |
| 12068       | 6014          | 12272       | 6054          | 12479       | 6094          | 12691       | 6134          |
| 12073       | 6015          | 12277       | 6055          | 12484       | 6095          | 12696       | 6135          |
| 12078       | 6016          | 12282       | 6056          | 12490       | 6096          | 12702       | 6136          |
| 12083       | 6017          | 12287       | 6057          | 12495       | 6097          | 12707       | 6137          |
| 12088       | 6018          | 12292       | 6058          | 12500       | 6098          | 12712       | 6138          |
| 12093       | 6019          | 12297       | 6059          | 12505       | 6099          | 12718       | 6139          |
| 12098       | 6020          | 12302       | 6060          | 12511       | 6100          | 12723       | 6140          |
| 12104       | 6021          | 12308       | 6061          | 12516       | 6101          | 12729       | 6141          |
| 12109       | 6022          | 12313       | 6062          | 12521       | 6102          | 12734       | 6142          |
| 12114       | 6023          | 12318       | 6063          | 12526       | 6103          | 12739       | 6143          |
| 12119       | 6024          | 12323       | 6064          | 12532       | 6104          | 12745       | 6144          |
| 12124       | 6025          | 12328       | 6065          | 12537       | 6105          | 12750       | 6145          |
| 12129       | 6026          | 12333       | 6066          | 12542       | 6106          | 12755       | 6146          |
| 12134       | 6027          | 12339       | 6067          | 12548       | 6107          | 12761       | 6147          |
| 12139       | 6028          | 12344       | 6068          | 12553       | 6108          | 12766       | 6148          |
| 12144       | 6029          | 12349       | 6069          | 12558       | 6109          | 12772       | 6149          |
| 12149       | 6030          | 12354       | 6070          | 12563       | 6110          | 12777       | 6150          |
| 12154       | 6031          | 12359       | 6071          | 12569       | 6111          | 12782       | 6151          |
| 12159       | 6032          | 12365       | 6072          | 12574       | 6112          | 12788       | 6152          |
| 12164       | 6033          | 12370       | 6073          | 12579       | 6113          | 12793       | 6153          |
| 12169       | 6034          | 12375       | 6074          | 12585       | 6114          | 12799       | 6154          |
| 12175       | 6035          | 12380       | 6075          | 12590       | 6115          | 12804       | 6155          |
| 12180       | 6036          | 12385       | 6076          | 12595       | 6116          | 12809       | 6156          |
| 12185       | 6037          | 12390       | 6077          | 12600       | 6117          | 12815       | 6157          |
| 12190       | 6038          | 12396       | 6078          | 12606       | 6118          | 12820       | 6158          |
| 12195       | 6039          | 12401       | 6079          | 12611       | 6119          | 12826       | 6159          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 12831       | 6160          | 13050       | 6200          | 13274       | 6240          | 13503       | 6280          |
| 12837       | 6161          | 13056       | 6201          | 13280       | 6241          | 13509       | 6281          |
| 12842       | 6162          | 13061       | 6202          | 13286       | 6242          | 13515       | 6282          |
| 12847       | 6163          | 13067       | 6203          | 13291       | 6243          | 13520       | 6283          |
| 12853       | 6164          | 13073       | 6204          | 13297       | 6244          | 13526       | 6284          |
| 12858       | 6165          | 13078       | 6205          | 13303       | 6245          | 13532       | 6285          |
| 12864       | 6166          | 13084       | 6206          | 13308       | 6246          | 13538       | 6286          |
| 12869       | 6167          | 13089       | 6207          | 13314       | 6247          | 13544       | 6287          |
| 12875       | 6168          | 13095       | 6208          | 13320       | 6248          | 13549       | 6288          |
| 12880       | 6169          | 13100       | 6209          | 13325       | 6249          | 13555       | 6289          |
| 12886       | 6170          | 13106       | 6210          | 13331       | 6250          | 13561       | 6290          |
| 12891       | 6171          | 13111       | 6211          | 13337       | 6251          | 13567       | 6291          |
| 12896       | 6172          | 13117       | 6212          | 13342       | 6252          | 13573       | 6292          |
| 12902       | 6173          | 13123       | 6213          | 13348       | 6253          | 13578       | 6293          |
| 12907       | 6174          | 13128       | 6214          | 13354       | 6254          | 13584       | 6294          |
| 12913       | 6175          | 13134       | 6215          | 13359       | 6255          | 13590       | 6295          |
| 12918       | 6176          | 13139       | 6216          | 13365       | 6256          | 13596       | 6296          |
| 12924       | 6177          | 13145       | 6217          | 13371       | 6257          | 13602       | 6297          |
| 12929       | 6178          | 13151       | 6218          | 13377       | 6258          | 13608       | 6298          |
| 12935       | 6179          | 13156       | 6219          | 13382       | 6259          | 13613       | 6299          |
| 12940       | 6180          | 13162       | 6220          | 13388       | 6260          | 13619       | 6300          |
| 12946       | 6181          | 13167       | 6221          | 13394       | 6261          | 13625       | 6301          |
| 12951       | 6182          | 13173       | 6222          | 13399       | 6262          | 13631       | 6302          |
| 12957       | 6183          | 13179       | 6223          | 13405       | 6263          | 13637       | 6303          |
| 12962       | 6184          | 13184       | 6224          | 13411       | 6264          | 13643       | 6304          |
| 12968       | 6185          | 13190       | 6225          | 13417       | 6265          | 13648       | 6305          |
| 12973       | 6186          | 13195       | 6226          | 13422       | 6266          | 13654       | 6306          |
| 12979       | 6187          | 13201       | 6227          | 13428       | 6267          | 13660       | 6307          |
| 12984       | 6188          | 13207       | 6228          | 13434       | 6268          | 13666       | 6308          |
| 12990       | 6189          | 13212       | 6229          | 13440       | 6269          | 13672       | 6309          |
| 12995       | 6190          | 13218       | 6230          | 13445       | 6270          | 13678       | 6310          |
| 13001       | 6191          | 13223       | 6231          | 13451       | 6271          | 13684       | 6311          |
| 13006       | 6192          | 13229       | 6232          | 13457       | 6272          | 13690       | 6312          |
| 13012       | 6193          | 13235       | 6233          | 13463       | 6273          | 13695       | 6313          |
| 13017       | 6194          | 13240       | 6234          | 13468       | 6274          | 13701       | 6314          |
| 13023       | 6195          | 13246       | 6235          | 13474       | 6275          | 13707       | 6315          |
| 13028       | 6196          | 13252       | 6236          | 13480       | 6276          | 13713       | 6316          |
| 13034       | 6197          | 13257       | 6237          | 13486       | 6277          | 13719       | 6317          |
| 13039       | 6198          | 13263       | 6238          | 13491       | 6278          | 13725       | 6318          |
| 13045       | 6199          | 13269       | 6239          | 13497       | 6279          | 13731       | 6319          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 13737       | 6320          | 13976       | 6360          | 14220       | 6400          | 14469       | 6440          |
| 13743       | 6321          | 13982       | 6361          | 14226       | 6401          | 14476       | 6441          |
| 13748       | 6322          | 13988       | 6362          | 14232       | 6402          | 14482       | 6442          |
| 13754       | 6323          | 13994       | 6363          | 14238       | 6403          | 14488       | 6443          |
| 13760       | 6324          | 14000       | 6364          | 14244       | 6404          | 14495       | 6444          |
| 13766       | 6325          | 14006       | 6365          | 14251       | 6405          | 14501       | 6445          |
| 13772       | 6326          | 14012       | 6366          | 14257       | 6406          | 14507       | 6446          |
| 13778       | 6327          | 14018       | 6367          | 14263       | 6407          | 14514       | 6447          |
| 13784       | 6328          | 14024       | 6368          | 14269       | 6408          | 14520       | 6448          |
| 13790       | 6329          | 14030       | 6369          | 14275       | 6409          | 14526       | 6449          |
| 13796       | 6330          | 14036       | 6370          | 14282       | 6410          | 14533       | 6450          |
| 13802       | 6331          | 14042       | 6371          | 14288       | 6411          | 14539       | 6451          |
| 13808       | 6332          | 14048       | 6372          | 14294       | 6412          | 14545       | 6452          |
| 13814       | 6333          | 14054       | 6373          | 14300       | 6413          | 14552       | 6453          |
| 13820       | 6334          | 14060       | 6374          | 14306       | 6414          | 14558       | 6454          |
| 13826       | 6335          | 14066       | 6375          | 14313       | 6415          | 14564       | 6455          |
| 13832       | 6336          | 14073       | 6376          | 14319       | 6416          | 14571       | 6456          |
| 13838       | 6337          | 14079       | 6377          | 14325       | 6417          | 14577       | 6457          |
| 13844       | 6338          | 14085       | 6378          | 14331       | 6418          | 14583       | 6458          |
| 13849       | 6339          | 14091       | 6379          | 14338       | 6419          | 14590       | 6459          |
| 13855       | 6340          | 14097       | 6380          | 14344       | 6420          | 14596       | 6460          |
| 13861       | 6341          | 14103       | 6381          | 14350       | 6421          | 14603       | 6461          |
| 13867       | 6342          | 14109       | 6382          | 14356       | 6422          | 14609       | 6462          |
| 13873       | 6343          | 14115       | 6383          | 14362       | 6423          | 14615       | 6463          |
| 13879       | 6344          | 14121       | 6384          | 14369       | 6424          | 14622       | 6464          |
| 13885       | 6345          | 14127       | 6385          | 14375       | 6425          | 14628       | 6465          |
| 13891       | 6346          | 14134       | 6386          | 14381       | 6426          | 14635       | 6466          |
| 13897       | 6347          | 14140       | 6387          | 14388       | 6427          | 14641       | 6467          |
| 13903       | 6348          | 14146       | 6388          | 14394       | 6428          | 14647       | 6468          |
| 13909       | 6349          | 14152       | 6389          | 14400       | 6429          | 14654       | 6469          |
| 13915       | 6350          | 14158       | 6390          | 14406       | 6430          | 14660       | 6470          |
| 13921       | 6351          | 14164       | 6391          | 14413       | 6431          | 14667       | 6471          |
| 13927       | 6352          | 14170       | 6392          | 14419       | 6432          | 14673       | 6472          |
| 13933       | 6353          | 14177       | 6393          | 14425       | 6433          | 14679       | 6473          |
| 13939       | 6354          | 14183       | 6394          | 14431       | 6434          | 14686       | 6474          |
| 13945       | 6355          | 14189       | 6395          | 14438       | 6435          | 14692       | 6475          |
| 13951       | 6356          | 14195       | 6396          | 14444       | 6436          | 14699       | 6476          |
| 13957       | 6357          | 14201       | 6397          | 14450       | 6437          | 14705       | 6477          |
| 13963       | 6358          | 14207       | 6398          | 14457       | 6438          | 14712       | 6478          |
| 13969       | 6359          | 14213       | 6399          | 14463       | 6439          | 14718       | 6479          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 14725       | 6480          | 14986       | 6520          | 15253       | 6560          | 15526       | 6600          |
| 14731       | 6481          | 14992       | 6521          | 15260       | 6561          | 15533       | 6601          |
| 14737       | 6482          | 14999       | 6522          | 15266       | 6562          | 15540       | 6602          |
| 14744       | 6483          | 15006       | 6523          | 15273       | 6563          | 15547       | 6603          |
| 14750       | 6484          | 15012       | 6524          | 15280       | 6564          | 15554       | 6604          |
| 14757       | 6485          | 15019       | 6525          | 15287       | 6565          | 15561       | 6605          |
| 14763       | 6486          | 15025       | 6526          | 15294       | 6566          | 15568       | 6606          |
| 14770       | 6487          | 15032       | 6527          | 15300       | 6567          | 15575       | 6608          |
| 14776       | 6488          | 15039       | 6528          | 15307       | 6568          | 15582       | 6608          |
| 14783       | 6489          | 15045       | 6529          | 15314       | 6569          | 15589       | 6609          |
| 14789       | 6490          | 15052       | 6530          | 15321       | 6570          | 15596       | 6610          |
| 14796       | 6491          | 15059       | 6531          | 15328       | 6571          | 15603       | 6611          |
| 14802       | 6492          | 15065       | 6532          | 15334       | 6572          | 15610       | 6612          |
| 14809       | 6493          | 15072       | 6533          | 15341       | 6573          | 15617       | 6613          |
| 14815       | 6494          | 15079       | 6534          | 15348       | 6574          | 15624       | 6614          |
| 14822       | 6495          | 15085       | 6535          | 15355       | 6575          | 15631       | 6615          |
| 14828       | 6496          | 15092       | 6536          | 15362       | 6576          | 15638       | 6616          |
| 14835       | 6497          | 15099       | 6537          | 15368       | 6577          | 15645       | 6617          |
| 14841       | 6498          | 15105       | 6538          | 15375       | 6578          | 15652       | 6618          |
| 14848       | 6499          | 15112       | 6539          | 15382       | 6579          | 15659       | 6619          |
| 14854       | 6500          | 15119       | 6540          | 15389       | 6580          | 15666       | 6620          |
| 14861       | 6501          | 15125       | 6541          | 15396       | 6581          | 15673       | 6621          |
| 14867       | 6502          | 15132       | 6542          | 15403       | 6582          | 15680       | 6622          |
| 14874       | 6503          | 15139       | 6543          | 15409       | 6583          | 15687       | 6623          |
| 14881       | 6504          | 15145       | 6544          | 15416       | 6584          | 15694       | 6624          |
| 14887       | 6505          | 15152       | 6545          | 15423       | 6585          | 15701       | 6625          |
| 14894       | 6506          | 15159       | 6546          | 15430       | 6586          | 15708       | 6626          |
| 14900       | 6507          | 15165       | 6547          | 15437       | 6587          | 15715       | 6627          |
| 14907       | 6508          | 15172       | 6548          | 15444       | 6588          | 15722       | 6628          |
| 14913       | 6509          | 15179       | 6549          | 15451       | 6589          | 15729       | 6629          |
| 14920       | 6510          | 15186       | 6550          | 15457       | 6590          | 15736       | 6630          |
| 14926       | 6511          | 15192       | 6551          | 15464       | 6591          | 15743       | 6631          |
| 14933       | 6512          | 15199       | 6552          | 15471       | 6592          | 15750       | 6632          |
| 14940       | 6513          | 15206       | 6553          | 15478       | 6593          | 15757       | 6633          |
| 14946       | 6514          | 15212       | 6554          | 15485       | 6594          | 15764       | 6634          |
| 14953       | 6515          | 15219       | 6555          | 15492       | 6595          | 15771       | 6635          |
| 14959       | 6516          | 15226       | 6556          | 15499       | 6596          | 15778       | 6636          |
| 14966       | 6517          | 15233       | 6557          | 15506       | 6597          | 15785       | 6637          |
| 14973       | 6518          | 15239       | 6558          | 15513       | 6598          | 15792       | 6638          |
| 14979       | 6519          | 15246       | 6559          | 15520       | 6599          | 15799       | 6639          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 15806       | 6640          | 16093       | 6680          | 16387       | 6720          | 16688       | 6760          |
| 15814       | 6641          | 16101       | 6681          | 16394       | 6721          | 16696       | 6761          |
| 15821       | 6642          | 16108       | 6682          | 16402       | 6722          | 16703       | 6762          |
| 15828       | 6643          | 16115       | 6683          | 16409       | 6723          | 16711       | 6763          |
| 15835       | 6644          | 16122       | 6684          | 16417       | 6724          | 16719       | 6764          |
| 15842       | 6645          | 16130       | 6685          | 16424       | 6725          | 16726       | 6765          |
| 15849       | 6646          | 16137       | 6686          | 16432       | 6726          | 16734       | 6766          |
| 15856       | 6647          | 16144       | 6687          | 16439       | 6727          | 16741       | 6767          |
| 15863       | 6648          | 16151       | 6688          | 16447       | 6728          | 16749       | 6768          |
| 15870       | 6649          | 16159       | 6689          | 16454       | 6729          | 16757       | 6769          |
| 15878       | 6650          | 16166       | 6690          | 16462       | 6730          | 16764       | 6770          |
| 15885       | 6651          | 16173       | 6691          | 16469       | 6731          | 16772       | 6771          |
| 15892       | 6652          | 16181       | 6692          | 16477       | 6732          | 16780       | 6772          |
| 15899       | 6653          | 16188       | 6693          | 16484       | 6733          | 16787       | 6773          |
| 15906       | 6654          | 16195       | 6694          | 16492       | 6734          | 16795       | 6774          |
| 15913       | 6655          | 16203       | 6695          | 16499       | 6735          | 16803       | 6775          |
| 15920       | 6656          | 16210       | 6696          | 16507       | 6736          | 16811       | 6776          |
| 15928       | 6657          | 16217       | 6697          | 16514       | 6737          | 16818       | 6777          |
| 15935       | 6658          | 16225       | 6698          | 16522       | 6738          | 16826       | 6778          |
| 15942       | 6659          | 16232       | 6699          | 16529       | 6739          | 16834       | 6779          |
| 15949       | 6660          | 16239       | 6700          | 16537       | 6740          | 16841       | 6780          |
| 15956       | 6661          | 16247       | 6701          | 16544       | 6741          | 16849       | 6781          |
| 15963       | 6662          | 16254       | 6702          | 16552       | 6742          | 16857       | 6782          |
| 15971       | 6663          | 16261       | 6703          | 16559       | 6743          | 16865       | 6783          |
| 15978       | 6664          | 16269       | 6704          | 16567       | 6744          | 16872       | 6784          |
| 15985       | 6665          | 16276       | 6705          | 16574       | 6745          | 16880       | 6785          |
| 15992       | 6666          | 16283       | 6706          | 16582       | 6746          | 16888       | 6786          |
| 15999       | 6667          | 16291       | 6707          | 16589       | 6747          | 16895       | 6787          |
| 16007       | 6668          | 16298       | 6708          | 16597       | 6748          | 16903       | 6788          |
| 16014       | 6669          | 16306       | 6709          | 16605       | 6749          | 16911       | 6789          |
| 16021       | 6670          | 16313       | 6710          | 16612       | 6750          | 16919       | 6790          |
| 16028       | 6671          | 16320       | 6711          | 16620       | 6751          | 16927       | 6791          |
| 16035       | 6672          | 16328       | 6712          | 16627       | 6752          | 16934       | 6792          |
| 16043       | 6673          | 16335       | 6713          | 16635       | 6753          | 16942       | 6793          |
| 16050       | 6674          | 16343       | 6714          | 16642       | 6754          | 16950       | 6794          |
| 16057       | 6675          | 16350       | 6715          | 16650       | 6755          | 16958       | 6795          |
| 16064       | 6676          | 16357       | 6716          | 16658       | 6756          | 16965       | 6796          |
| 16072       | 6677          | 16365       | 6717          | 16665       | 6757          | 16973       | 6797          |
| 16079       | 6678          | 16372       | 6718          | 16673       | 6758          | 16981       | 6798          |
| 16086       | 6679          | 16380       | 6719          | 16680       | 6759          | 16989       | 6799          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 16997       | 6800          | 17313       | 6840          | 17637       | 6880          | 17970       | 6920          |
| 17004       | 6801          | 17321       | 6841          | 17646       | 6881          | 17979       | 6921          |
| 17012       | 6802          | 17329       | 6842          | 17654       | 6882          | 17987       | 6922          |
| 17020       | 6803          | 17337       | 6843          | 17662       | 6883          | 17996       | 6923          |
| 17028       | 6804          | 17345       | 6844          | 17670       | 6884          | 18004       | 6924          |
| 17036       | 6805          | 17353       | 6845          | 17679       | 6885          | 18013       | 6925          |
| 17044       | 6806          | 17361       | 6846          | 17687       | 6886          | 18021       | 6926          |
| 17051       | 6807          | 17369       | 6847          | 17695       | 6887          | 18029       | 6927          |
| 17059       | 6808          | 17377       | 6848          | 17703       | 6888          | 18038       | 6928          |
| 17067       | 6809          | 17385       | 6849          | 17712       | 6889          | 18046       | 6929          |
| 17075       | 6810          | 17393       | 6850          | 17720       | 6890          | 18055       | 6930          |
| 17083       | 6811          | 17401       | 6851          | 17728       | 6891          | 18063       | 6931          |
| 17091       | 6812          | 17409       | 6852          | 17736       | 6892          | 18072       | 6932          |
| 17099       | 6813          | 17417       | 6853          | 17745       | 6893          | 18080       | 6933          |
| 17106       | 6814          | 17426       | 6854          | 17753       | 6894          | 18089       | 6934          |
| 17114       | 6815          | 17434       | 6855          | 17761       | 6895          | 18097       | 6935          |
| 17122       | 6816          | 17442       | 6856          | 17770       | 6896          | 18106       | 6936          |
| 17130       | 6817          | 17450       | 6857          | 17778       | 6897          | 18114       | 6937          |
| 17138       | 6818          | 17458       | 6858          | 17786       | 6898          | 18123       | 6938          |
| 17146       | 6819          | 17466       | 6859          | 17794       | 6899          | 18131       | 6939          |
| 17154       | 6820          | 17474       | 6860          | 17803       | 6900          | 18140       | 6940          |
| 17162       | 6821          | 17482       | 6861          | 17811       | 6901          | 18149       | 6941          |
| 17170       | 6822          | 17490       | 6862          | 17819       | 6902          | 18157       | 6942          |
| 17178       | 6823          | 17499       | 6863          | 17828       | 6903          | 18166       | 6943          |
| 17185       | 6824          | 17507       | 6864          | 17836       | 6904          | 18174       | 6944          |
| 17193       | 6825          | 17515       | 6865          | 17844       | 6905          | 18183       | 6945          |
| 17201       | 6826          | 17523       | 6866          | 17853       | 6906          | 18191       | 6946          |
| 17209       | 6827          | 17531       | 6867          | 17861       | 6907          | 18200       | 6947          |
| 17217       | 6828          | 17539       | 6868          | 17870       | 6908          | 18209       | 6948          |
| 17225       | 6829          | 17547       | 6869          | 17878       | 6909          | 18217       | 6949          |
| 17233       | 6830          | 17556       | 6870          | 17886       | 6910          | 18226       | 6950          |
| 17241       | 6831          | 17564       | 6871          | 17895       | 6911          | 18234       | 6951          |
| 17249       | 6832          | 17572       | 6872          | 17903       | 6912          | 18243       | 6952          |
| 17257       | 6833          | 17580       | 6873          | 17911       | 6913          | 18252       | 6953          |
| 17265       | 6834          | 17588       | 6874          | 17920       | 6914          | 18260       | 6954          |
| 17273       | 6835          | 17596       | 6875          | 17928       | 6915          | 18269       | 6955          |
| 17281       | 6836          | 17605       | 6876          | 17937       | 6916          | 18277       | 6956          |
| 17289       | 6837          | 17613       | 6877          | 17945       | 6917          | 18286       | 6957          |
| 17297       | 6838          | 17621       | 6878          | 17953       | 6918          | 18295       | 6958          |
| 17305       | 6839          | 17629       | 6879          | 17962       | 6919          | 18303       | 6959          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 18312       | 6960          | 18663       | 7000          | 19023       | 7040          | 19393       | 7080          |
| 18321       | 6961          | 18672       | 7001          | 19032       | 7041          | 19402       | 7081          |
| 18329       | 6962          | 18681       | 7002          | 19041       | 7042          | 19412       | 7082          |
| 18338       | 6963          | 18689       | 7003          | 19050       | 7043          | 19421       | 7083          |
| 18347       | 6964          | 18698       | 7004          | 19060       | 7044          | 19431       | 7084          |
| 18355       | 6965          | 18707       | 7005          | 19069       | 7045          | 19440       | 7085          |
| 18364       | 6966          | 18716       | 7006          | 19078       | 7046          | 19449       | 7086          |
| 18373       | 6967          | 18725       | 7007          | 19087       | 7047          | 19459       | 7087          |
| 18381       | 6968          | 18734       | 7008          | 19096       | 7048          | 19468       | 7088          |
| 18390       | 6969          | 18743       | 7009          | 19105       | 7049          | 19478       | 7089          |
| 18399       | 6970          | 18752       | 7010          | 19115       | 7050          | 19487       | 7090          |
| 18407       | 6971          | 18761       | 7011          | 19124       | 7051          | 19497       | 7091          |
| 18416       | 6972          | 18770       | 7012          | 19133       | 7052          | 19506       | 7092          |
| 18425       | 6973          | 18779       | 7013          | 19142       | 7053          | 19516       | 7093          |
| 18434       | 6974          | 18788       | 7014          | 19151       | 7054          | 19525       | 7094          |
| 18442       | 6975          | 18797       | 7015          | 19161       | 7055          | 19534       | 7095          |
| 18451       | 6976          | 18806       | 7016          | 19170       | 7056          | 19544       | 7096          |
| 18460       | 6977          | 18815       | 7017          | 19179       | 7057          | 19553       | 7097          |
| 18469       | 6978          | 18824       | 7018          | 19188       | 7058          | 19563       | 7098          |
| 18477       | 6979          | 18833       | 7019          | 19198       | 7059          | 19572       | 7099          |
| 18486       | 6980          | 18842       | 7020          | 19207       | 7060          | 19582       | 7100          |
| 18495       | 6981          | 18851       | 7021          | 19216       | 7061          | 19591       | 7101          |
| 18504       | 6982          | 18860       | 7022          | 19225       | 7062          | 19601       | 7102          |
| 18513       | 6983          | 18869       | 7023          | 19235       | 7063          | 19611       | 7103          |
| 18521       | 6984          | 18878       | 7024          | 19244       | 7064          | 19620       | 7104          |
| 18530       | 6985          | 18887       | 7025          | 19253       | 7065          | 19630       | 7105          |
| 18539       | 6986          | 18896       | 7026          | 19262       | 7066          | 19639       | 7106          |
| 18548       | 6987          | 18905       | 7027          | 19272       | 7067          | 19649       | 7107          |
| 18557       | 6988          | 18914       | 7028          | 19281       | 7068          | 19658       | 7108          |
| 18565       | 6989          | 18923       | 7029          | 19290       | 7069          | 19668       | 7109          |
| 18574       | 6990          | 18932       | 7030          | 19300       | 7070          | 19677       | 7110          |
| 18583       | 6991          | 18941       | 7031          | 19309       | 7071          | 19687       | 7111          |
| 18592       | 6992          | 18950       | 7032          | 19318       | 7072          | 19697       | 7112          |
| 18601       | 6993          | 18959       | 7033          | 19328       | 7073          | 19706       | 7113          |
| 18610       | 6994          | 18968       | 7034          | 19337       | 7074          | 19716       | 7114          |
| 18618       | 6995          | 18977       | 7035          | 19346       | 7075          | 19725       | 7115          |
| 18627       | 6996          | 18987       | 7036          | 19356       | 7076          | 19735       | 7116          |
| 18636       | 6997          | 18996       | 7037          | 19365       | 7077          | 19745       | 7117          |
| 18645       | 6998          | 19005       | 7038          | 19374       | 7078          | 19754       | 7118          |
| 18654       | 6999          | 19014       | 7039          | 19384       | 7079          | 19764       | 7119          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 19773       | 7120          | 20165       | 7160          | 20567       | 7200          | 20981       | 7240          |
| 19783       | 7121          | 20174       | 7161          | 20577       | 7201          | 20991       | 7241          |
| 19793       | 7122          | 20184       | 7162          | 20587       | 7202          | 21002       | 7242          |
| 19802       | 7123          | 20194       | 7163          | 20597       | 7203          | 21012       | 7243          |
| 19812       | 7124          | 20204       | 7164          | 20608       | 7204          | 21023       | 7244          |
| 19822       | 7125          | 20214       | 7165          | 20618       | 7205          | 21033       | 7245          |
| 19831       | 7126          | 20224       | 7166          | 20628       | 7206          | 21044       | 7246          |
| 19841       | 7127          | 20234       | 7167          | 20638       | 7207          | 21054       | 7247          |
| 19851       | 7128          | 20244       | 7168          | 20649       | 7208          | 21065       | 7248          |
| 19861       | 7129          | 20254       | 7169          | 20659       | 7209          | 21076       | 7249          |
| 19870       | 7130          | 20264       | 7170          | 20669       | 7210          | 21086       | 7250          |
| 19880       | 7131          | 20274       | 7171          | 20679       | 7211          | 21097       | 7251          |
| 19890       | 7132          | 20284       | 7172          | 20690       | 7212          | 21107       | 7252          |
| 19899       | 7133          | 20294       | 7173          | 20700       | 7213          | 21118       | 7253          |
| 19909       | 7134          | 20304       | 7174          | 20710       | 7214          | 21128       | 7254          |
| 19919       | 7135          | 20314       | 7175          | 20721       | 7215          | 21139       | 7255          |
| 19929       | 7136          | 20324       | 7176          | 20731       | 7216          | 21150       | 7256          |
| 19938       | 7137          | 20334       | 7177          | 20741       | 7217          | 21160       | 7257          |
| 19948       | 7138          | 20344       | 7178          | 20752       | 7218          | 21171       | 7258          |
| 19958       | 7139          | 20354       | 7179          | 20762       | 7219          | 21182       | 7259          |
| 19968       | 7140          | 20364       | 7180          | 20772       | 7220          | 21192       | 7260          |
| 19977       | 7141          | 20374       | 7181          | 20783       | 7221          | 21203       | 7261          |
| 19987       | 7142          | 20384       | 7182          | 20793       | 7222          | 21214       | 7262          |
| 19997       | 7143          | 20394       | 7183          | 20803       | 7223          | 21224       | 7263          |
| 20007       | 7144          | 20405       | 7184          | 20814       | 7224          | 21235       | 7264          |
| 20017       | 7145          | 20415       | 7185          | 20824       | 7225          | 21246       | 7265          |
| 20026       | 7146          | 20425       | 7186          | 20835       | 7226          | 21256       | 7266          |
| 20036       | 7147          | 20435       | 7187          | 20845       | 7227          | 21267       | 7267          |
| 20046       | 7148          | 20445       | 7188          | 20855       | 7228          | 21278       | 7268          |
| 20056       | 7149          | 20455       | 7189          | 20866       | 7229          | 21288       | 7269          |
| 20066       | 7150          | 20465       | 7190          | 20876       | 7230          | 21299       | 7270          |
| 20076       | 7151          | 20475       | 7191          | 20887       | 7231          | 21310       | 7271          |
| 20085       | 7152          | 20485       | 7192          | 20897       | 7232          | 21321       | 7272          |
| 20095       | 7153          | 20496       | 7193          | 20907       | 7233          | 21331       | 7273          |
| 20105       | 7154          | 20506       | 7194          | 20918       | 7234          | 21342       | 7274          |
| 20115       | 7155          | 20516       | 7195          | 20928       | 7235          | 21353       | 7275          |
| 20125       | 7156          | 20526       | 7196          | 20939       | 7236          | 21364       | 7276          |
| 20135       | 7157          | 20536       | 7197          | 20949       | 7237          | 21374       | 7277          |
| 20145       | 7158          | 20546       | 7198          | 20960       | 7238          | 21385       | 7278          |
| 20155       | 7159          | 20557       | 7199          | 20970       | 7239          | 21396       | 7279          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 21407       | 7280          | 21846       | 7320          | 22298       | 7360          | 22764       | 7400          |
| 21418       | 7281          | 21857       | 7321          | 22309       | 7361          | 22776       | 7401          |
| 21428       | 7282          | 21868       | 7322          | 22321       | 7362          | 22787       | 7402          |
| 21439       | 7283          | 21879       | 7323          | 22332       | 7363          | 22799       | 7403          |
| 21450       | 7284          | 21890       | 7324          | 22344       | 7364          | 22811       | 7404          |
| 21461       | 7285          | 21901       | 7325          | 22355       | 7365          | 22823       | 7405          |
| 21472       | 7286          | 21913       | 7326          | 22367       | 7366          | 22835       | 7406          |
| 21483       | 7287          | 21924       | 7327          | 22378       | 7367          | 22847       | 7407          |
| 21494       | 7288          | 21935       | 7328          | 22390       | 7368          | 22859       | 7408          |
| 21504       | 7289          | 21946       | 7329          | 22401       | 7369          | 22871       | 7409          |
| 21515       | 7290          | 21957       | 7330          | 22413       | 7370          | 22883       | 7410          |
| 21526       | 7291          | 21969       | 7331          | 22425       | 7371          | 22894       | 7411          |
| 21537       | 7292          | 21980       | 7332          | 22436       | 7372          | 22906       | 7412          |
| 21548       | 7293          | 21991       | 7333          | 22448       | 7373          | 22918       | 7413          |
| 21559       | 7294          | 22002       | 7334          | 22459       | 7374          | 22930       | 7414          |
| 21570       | 7295          | 22014       | 7335          | 22471       | 7375          | 22942       | 7415          |
| 21581       | 7296          | 22025       | 7336          | 22482       | 7376          | 22954       | 7416          |
| 21592       | 7297          | 22036       | 7337          | 22494       | 7377          | 22966       | 7417          |
| 21603       | 7298          | 22047       | 7338          | 22506       | 7378          | 22978       | 7418          |
| 21614       | 7299          | 22059       | 7339          | 22517       | 7379          | 22990       | 7419          |
| 21625       | 7300          | 22070       | 7340          | 22529       | 7380          | 23002       | 7420          |
| 21636       | 7301          | 22081       | 7341          | 22541       | 7381          | 23014       | 7421          |
| 21647       | 7302          | 22093       | 7342          | 22552       | 7382          | 23026       | 7422          |
| 21658       | 7303          | 22104       | 7343          | 22564       | 7383          | 23038       | 7423          |
| 21669       | 7304          | 22115       | 7344          | 22576       | 7384          | 23050       | 7424          |
| 21680       | 7305          | 22127       | 7345          | 22587       | 7385          | 23062       | 7425          |
| 21691       | 7306          | 22138       | 7346          | 22599       | 7386          | 23074       | 7426          |
| 21702       | 7307          | 22149       | 7347          | 22611       | 7387          | 23087       | 7427          |
| 21713       | 7308          | 22161       | 7348          | 22623       | 7388          | 23099       | 7428          |
| 21724       | 7309          | 22172       | 7349          | 22634       | 7389          | 23111       | 7429          |
| 21735       | 7310          | 22183       | 7350          | 22646       | 7390          | 23123       | 7430          |
| 21746       | 7311          | 22195       | 7351          | 22658       | 7391          | 23135       | 7431          |
| 21757       | 7312          | 22206       | 7352          | 22669       | 7392          | 23147       | 7432          |
| 21768       | 7313          | 22218       | 7353          | 22681       | 7393          | 23159       | 7433          |
| 21779       | 7314          | 22229       | 7354          | 22693       | 7394          | 23171       | 7434          |
| 21790       | 7315          | 22241       | 7355          | 22705       | 7395          | 23184       | 7435          |
| 21801       | 7316          | 22252       | 7356          | 22717       | 7396          | 23196       | 7436          |
| 21812       | 7317          | 22263       | 7357          | 22728       | 7397          | 23208       | 7437          |
| 21823       | 7318          | 22275       | 7358          | 22740       | 7398          | 23220       | 7438          |
| 21835       | 7319          | 22286       | 7359          | 22752       | 7399          | 23232       | 7439          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 23244       | 7440          | 23740       | 7480          | 24252       | 7520          | 24781       | 7560          |
| 23257       | 7441          | 23753       | 7481          | 24265       | 7521          | 24794       | 7561          |
| 23269       | 7442          | 23765       | 7482          | 24278       | 7522          | 24808       | 7562          |
| 23281       | 7443          | 23778       | 7483          | 24291       | 7523          | 24821       | 7563          |
| 23293       | 7444          | 23791       | 7484          | 24304       | 7524          | 24834       | 7564          |
| 23306       | 7445          | 23803       | 7485          | 24317       | 7525          | 24848       | 7565          |
| 23318       | 7446          | 23816       | 7486          | 24330       | 7526          | 24861       | 7566          |
| 23330       | 7447          | 23829       | 7487          | 24343       | 7527          | 24875       | 7567          |
| 23342       | 7448          | 23841       | 7488          | 24356       | 7528          | 24888       | 7568          |
| 23355       | 7449          | 23854       | 7489          | 24370       | 7529          | 24902       | 7569          |
| 23367       | 7450          | 23867       | 7490          | 24383       | 7530          | 24916       | 7570          |
| 23379       | 7451          | 23879       | 7491          | 24396       | 7531          | 24929       | 7571          |
| 23392       | 7452          | 23892       | 7492          | 24409       | 7532          | 24943       | 7572          |
| 23404       | 7453          | 23905       | 7493          | 24422       | 7533          | 24956       | 7573          |
| 23416       | 7454          | 23918       | 7494          | 24435       | 7534          | 24970       | 7574          |
| 23429       | 7455          | 23930       | 7495          | 24448       | 7535          | 24983       | 7575          |
| 23441       | 7456          | 23943       | 7496          | 24461       | 7536          | 24997       | 7576          |
| 23453       | 7457          | 23956       | 7497          | 24475       | 7537          | 25011       | 7577          |
| 23466       | 7458          | 23969       | 7498          | 24488       | 7538          | 25024       | 7578          |
| 23478       | 7459          | 23981       | 7499          | 24501       | 7539          | 25038       | 7579          |
| 23490       | 7460          | 23994       | 7500          | 24514       | 7540          | 25052       | 7580          |
| 23503       | 7461          | 24007       | 7501          | 24527       | 7541          | 25065       | 7581          |
| 23515       | 7462          | 24020       | 7502          | 24541       | 7542          | 25079       | 7582          |
| 23528       | 7463          | 24033       | 7503          | 24554       | 7543          | 25093       | 7583          |
| 23540       | 7464          | 24045       | 7504          | 24567       | 7544          | 25106       | 7584          |
| 23552       | 7465          | 24058       | 7505          | 24580       | 7545          | 25120       | 7585          |
| 23565       | 7466          | 24071       | 7506          | 24594       | 7546          | 25134       | 7586          |
| 23577       | 7467          | 24084       | 7507          | 24607       | 7547          | 25147       | 7587          |
| 23590       | 7468          | 24097       | 7508          | 24620       | 7548          | 25161       | 7588          |
| 23602       | 7469          | 24110       | 7509          | 24634       | 7549          | 25175       | 7589          |
| 23615       | 7470          | 24123       | 7510          | 24647       | 7550          | 25189       | 7590          |
| 23627       | 7471          | 24135       | 7511          | 24660       | 7551          | 25202       | 7591          |
| 23640       | 7472          | 24148       | 7512          | 24674       | 7552          | 25216       | 7592          |
| 23652       | 7473          | 24161       | 7513          | 24687       | 7553          | 25230       | 7593          |
| 23665       | 7474          | 24174       | 7514          | 24700       | 7554          | 25244       | 7594          |
| 23677       | 7475          | 24187       | 7515          | 24714       | 7555          | 25258       | 7595          |
| 23690       | 7476          | 24200       | 7516          | 24727       | 7556          | 25271       | 7596          |
| 23703       | 7477          | 24213       | 7517          | 24740       | 7557          | 25285       | 7597          |
| 23715       | 7478          | 24226       | 7518          | 24754       | 7558          | 25299       | 7598          |
| 23728       | 7479          | 24239       | 7519          | 24767       | 7559          | 25313       | 7599          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 25327       | 7600          | 25892       | 7640          | 26476       | 7680          | 27081       | 7720          |
| 25341       | 7601          | 25906       | 7641          | 26491       | 7681          | 27096       | 7721          |
| 25355       | 7602          | 25920       | 7642          | 26505       | 7682          | 27111       | 7722          |
| 25369       | 7603          | 25935       | 7643          | 26520       | 7683          | 27127       | 7723          |
| 25383       | 7604          | 25949       | 7644          | 26535       | 7684          | 27142       | 7724          |
| 25396       | 7605          | 25964       | 7645          | 26550       | 7685          | 27158       | 7725          |
| 25410       | 7606          | 25978       | 7646          | 26565       | 7686          | 27173       | 7726          |
| 25424       | 7607          | 25992       | 7647          | 26580       | 7687          | 27189       | 7727          |
| 25438       | 7608          | 26007       | 7648          | 26595       | 7688          | 27204       | 7728          |
| 25452       | 7609          | 26021       | 7649          | 26610       | 7689          | 27220       | 7729          |
| 25466       | 7610          | 26036       | 7650          | 26625       | 7690          | 27235       | 7730          |
| 25480       | 7611          | 26050       | 7651          | 26640       | 7691          | 27251       | 7731          |
| 25494       | 7612          | 26065       | 7652          | 26655       | 7692          | 27266       | 7732          |
| 25508       | 7613          | 26079       | 7653          | 26670       | 7693          | 27282       | 7733          |
| 25522       | 7614          | 26094       | 7654          | 26685       | 7694          | 27297       | 7734          |
| 25536       | 7615          | 26108       | 7655          | 26700       | 7695          | 27313       | 7735          |
| 25551       | 7616          | 26123       | 7656          | 26715       | 7696          | 27328       | 7736          |
| 25565       | 7617          | 26137       | 7657          | 26730       | 7697          | 27344       | 7737          |
| 25579       | 7618          | 26152       | 7658          | 26745       | 7698          | 27360       | 7738          |
| 25593       | 7619          | 26167       | 7659          | 26760       | 7699          | 27375       | 7739          |
| 25607       | 7620          | 26181       | 7660          | 26776       | 7700          | 27391       | 7740          |
| 25621       | 7621          | 26196       | 7661          | 26791       | 7701          | 27407       | 7741          |
| 25635       | 7622          | 26210       | 7662          | 26806       | 7702          | 27422       | 7742          |
| 25649       | 7623          | 26225       | 7663          | 26821       | 7703          | 27438       | 7743          |
| 25663       | 7624          | 26240       | 7664          | 26836       | 7704          | 27454       | 7744          |
| 25678       | 7625          | 26254       | 7665          | 26851       | 7705          | 27469       | 7745          |
| 25692       | 7626          | 26269       | 7666          | 26866       | 7706          | 27485       | 7746          |
| 25706       | 7627          | 26284       | 7667          | 26882       | 7707          | 27501       | 7747          |
| 25720       | 7628          | 26298       | 7668          | 26897       | 7708          | 27517       | 7748          |
| 25734       | 7629          | 26313       | 7669          | 26912       | 7709          | 27532       | 7749          |
| 25749       | 7630          | 26328       | 7670          | 26927       | 7710          | 27548       | 7750          |
| 25763       | 7631          | 26343       | 7671          | 26943       | 7711          | 27564       | 7751          |
| 25777       | 7632          | 26357       | 7672          | 26958       | 7712          | 27580       | 7752          |
| 25791       | 7633          | 26372       | 7673          | 26973       | 7713          | 27596       | 7753          |
| 25806       | 7634          | 26387       | 7674          | 26988       | 7714          | 27611       | 7754          |
| 25820       | 7635          | 26402       | 7675          | 27004       | 7715          | 27627       | 7755          |
| 25834       | 7636          | 26417       | 7676          | 27019       | 7716          | 27643       | 7756          |
| 25849       | 7637          | 26431       | 7677          | 27034       | 7717          | 27659       | 7757          |
| 25863       | 7638          | 26446       | 7678          | 27050       | 7718          | 27675       | 7758          |
| 25877       | 7639          | 26461       | 7679          | 27065       | 7719          | 27691       | 7759          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 27707       | 7760          | 28356       | 7800          | 29029       | 7840          | 29727       | 7880          |
| 27723       | 7761          | 28372       | 7801          | 29046       | 7841          | 29745       | 7881          |
| 27739       | 7762          | 28389       | 7802          | 29063       | 7842          | 29763       | 7882          |
| 27755       | 7763          | 28406       | 7803          | 29080       | 7843          | 29781       | 7883          |
| 27771       | 7764          | 28422       | 7804          | 29098       | 7844          | 29799       | 7884          |
| 27787       | 7765          | 28439       | 7805          | 29115       | 7845          | 29817       | 7885          |
| 27803       | 7766          | 28455       | 7806          | 29132       | 7846          | 29835       | 7886          |
| 27819       | 7767          | 28472       | 7807          | 29149       | 7847          | 29852       | 7887          |
| 27835       | 7768          | 28489       | 7808          | 29167       | 7848          | 29870       | 7888          |
| 27851       | 7769          | 28505       | 7809          | 29184       | 7849          | 29888       | 7889          |
| 27867       | 7770          | 28522       | 7810          | 29201       | 7850          | 29906       | 7890          |
| 27883       | 7771          | 28539       | 7811          | 29218       | 7851          | 29924       | 7891          |
| 27899       | 7772          | 28555       | 7812          | 29236       | 7852          | 29942       | 7892          |
| 27915       | 7773          | 28572       | 7813          | 29253       | 7853          | 29960       | 7893          |
| 27931       | 7774          | 28589       | 7814          | 29270       | 7854          | 29978       | 7894          |
| 27947       | 7775          | 28605       | 7815          | 29288       | 7855          | 29996       | 7895          |
| 27964       | 7776          | 28622       | 7816          | 29305       | 7856          | 30014       | 7896          |
| 27980       | 7777          | 28639       | 7817          | 29323       | 7857          | 30032       | 7897          |
| 27996       | 7778          | 28656       | 7818          | 29340       | 7858          | 30050       | 7898          |
| 28012       | 7779          | 28673       | 7819          | 29357       | 7859          | 30069       | 7899          |
| 28028       | 7780          | 28689       | 7820          | 29375       | 7860          | 30087       | 7900          |
| 28045       | 7781          | 28706       | 7821          | 29392       | 7861          | 30105       | 7901          |
| 28061       | 7782          | 28723       | 7822          | 29410       | 7862          | 30123       | 7902          |
| 28077       | 7783          | 28740       | 7823          | 29427       | 7863          | 30141       | 7903          |
| 28093       | 7784          | 28757       | 7824          | 29445       | 7864          | 30159       | 7904          |
| 28110       | 7785          | 28774       | 7825          | 29462       | 7865          | 30178       | 7905          |
| 28126       | 7786          | 28791       | 7826          | 29480       | 7866          | 30196       | 7906          |
| 28142       | 7787          | 28807       | 7827          | 29498       | 7867          | 30214       | 7907          |
| 28159       | 7788          | 28824       | 7828          | 29515       | 7868          | 30232       | 7908          |
| 28175       | 7789          | 28841       | 7829          | 29533       | 7869          | 30251       | 7909          |
| 28191       | 7790          | 28858       | 7830          | 29550       | 7870          | 30269       | 7910          |
| 28208       | 7791          | 28875       | 7831          | 29568       | 7871          | 30287       | 7911          |
| 28224       | 7792          | 28892       | 7832          | 29586       | 7872          | 30306       | 7912          |
| 28241       | 7793          | 28909       | 7833          | 29603       | 7873          | 30324       | 7913          |
| 28257       | 7794          | 28926       | 7834          | 29621       | 7874          | 30342       | 7914          |
| 28273       | 7795          | 28943       | 7835          | 29639       | 7875          | 30361       | 7915          |
| 28290       | 7796          | 28961       | 7836          | 29656       | 7876          | 30379       | 7916          |
| 28306       | 7797          | 28978       | 7837          | 29674       | 7877          | 30397       | 7917          |
| 28323       | 7798          | 28995       | 7838          | 29692       | 7878          | 30416       | 7918          |
| 28339       | 7799          | 29012       | 7839          | 29710       | 7879          | 30434       | 7919          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 30453       | 7920          | 31207       | 7960          | 31991       | 8000          | 32806       | 8040          |
| 30471       | 7921          | 31226       | 7961          | 32011       | 8001          | 32827       | 8041          |
| 30490       | 7922          | 31245       | 7962          | 32031       | 8002          | 32848       | 8042          |
| 30508       | 7923          | 31264       | 7963          | 32051       | 8003          | 32869       | 8043          |
| 30527       | 7924          | 31284       | 7964          | 32071       | 8004          | 32890       | 8044          |
| 30545       | 7925          | 31303       | 7965          | 32091       | 8005          | 32911       | 8045          |
| 30564       | 7926          | 31322       | 7966          | 32111       | 8006          | 32932       | 8046          |
| 30583       | 7927          | 31342       | 7967          | 32131       | 8007          | 32953       | 8047          |
| 30601       | 7928          | 31361       | 7968          | 32151       | 8008          | 32974       | 8048          |
| 30620       | 7929          | 31380       | 7969          | 32171       | 8009          | 32995       | 8049          |
| 30639       | 7930          | 31400       | 7970          | 32191       | 8010          | 33016       | 8050          |
| 30657       | 7931          | 31419       | 7971          | 32212       | 8011          | 33037       | 8051          |
| 30676       | 7932          | 31439       | 7972          | 32232       | 8012          | 33058       | 8052          |
| 30695       | 7933          | 31458       | 7973          | 32252       | 8013          | 33079       | 8053          |
| 30713       | 7934          | 31477       | 7974          | 32272       | 8014          | 33100       | 8054          |
| 30732       | 7935          | 31497       | 7975          | 32293       | 8015          | 33121       | 8055          |
| 30751       | 7936          | 31516       | 7976          | 32313       | 8016          | 33142       | 8056          |
| 30770       | 7937          | 31536       | 7977          | 32333       | 8017          | 33163       | 8057          |
| 30788       | 7938          | 31556       | 7978          | 32354       | 8018          | 33185       | 8058          |
| 30807       | 7939          | 31575       | 7979          | 32374       | 8019          | 33206       | 8059          |
| 30826       | 7940          | 31595       | 7980          | 32394       | 8020          | 33227       | 8060          |
| 30845       | 7941          | 31614       | 7981          | 32415       | 8021          | 33248       | 8061          |
| 30864       | 7942          | 31634       | 7982          | 32435       | 8022          | 33270       | 8062          |
| 30883       | 7943          | 31654       | 7983          | 32456       | 8023          | 33291       | 8063          |
| 30902       | 7944          | 31673       | 7984          | 32476       | 8024          | 33312       | 8064          |
| 30920       | 7945          | 31693       | 7985          | 32497       | 8025          | 33333       | 8065          |
| 30939       | 7946          | 31713       | 7986          | 32517       | 8026          | 33355       | 8066          |
| 30958       | 7947          | 31732       | 7987          | 32538       | 8027          | 33376       | 8067          |
| 30977       | 7948          | 31752       | 7988          | 32558       | 8028          | 33398       | 8068          |
| 30996       | 7949          | 31772       | 7989          | 32579       | 8029          | 33419       | 8069          |
| 31015       | 7950          | 31792       | 7990          | 32599       | 8030          | 33441       | 8070          |
| 31034       | 7951          | 31811       | 7991          | 32620       | 8031          | 33462       | 8071          |
| 31053       | 7952          | 31831       | 7992          | 32641       | 8032          | 33484       | 8072          |
| 31073       | 7953          | 31851       | 7993          | 32661       | 8033          | 33505       | 8073          |
| 31092       | 7954          | 31871       | 7994          | 32682       | 8034          | 33527       | 8074          |
| 31111       | 7955          | 31891       | 7995          | 32703       | 8035          | 33548       | 8075          |
| 31130       | 7956          | 31911       | 7996          | 32723       | 8036          | 33570       | 8076          |
| 31149       | 7957          | 31931       | 7997          | 32744       | 8037          | 33591       | 8077          |
| 31168       | 7958          | 31951       | 7998          | 32765       | 8038          | 33613       | 8078          |
| 31187       | 7959          | 31971       | 7999          | 32786       | 8039          | 33635       | 8079          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 33656       | 8080          | 34542       | 8120          | 35467       | 8160          | 36433       | 8200          |
| 33678       | 8081          | 34565       | 8121          | 35491       | 8161          | 36457       | 8201          |
| 33700       | 8082          | 34588       | 8122          | 35514       | 8162          | 36482       | 8202          |
| 33721       | 8083          | 34610       | 8123          | 35538       | 8163          | 36507       | 8203          |
| 33743       | 8084          | 34633       | 8124          | 35562       | 8164          | 36532       | 8204          |
| 33765       | 8085          | 34656       | 8125          | 35585       | 8165          | 36556       | 8205          |
| 33787       | 8086          | 34679       | 8126          | 35609       | 8166          | 36581       | 8206          |
| 33809       | 8087          | 34701       | 8127          | 35633       | 8167          | 36606       | 8207          |
| 33831       | 8088          | 34724       | 8128          | 35657       | 8168          | 36631       | 8208          |
| 33852       | 8089          | 34747       | 8129          | 35681       | 8169          | 36656       | 8209          |
| 33874       | 8090          | 34770       | 8130          | 35704       | 8170          | 36681       | 8210          |
| 33896       | 8091          | 34793       | 8131          | 35728       | 8171          | 36706       | 8211          |
| 33918       | 8092          | 34816       | 8132          | 35752       | 8172          | 36731       | 8212          |
| 33940       | 8093          | 34839       | 8133          | 35776       | 8173          | 36756       | 8213          |
| 33962       | 8094          | 34861       | 8134          | 35800       | 8174          | 36781       | 8214          |
| 33984       | 8095          | 34884       | 8135          | 35824       | 8175          | 36806       | 8215          |
| 34006       | 8096          | 34907       | 8136          | 35848       | 8176          | 36831       | 8216          |
| 34028       | 8097          | 34930       | 8137          | 35872       | 8177          | 36856       | 8217          |
| 34050       | 8098          | 34954       | 8138          | 35896       | 8178          | 36881       | 8218          |
| 34073       | 8099          | 34977       | 8139          | 35920       | 8179          | 36906       | 8219          |
| 34095       | 8100          | 35000       | 8140          | 35944       | 8180          | 36932       | 8220          |
| 34117       | 8101          | 35023       | 8141          | 35969       | 8181          | 36957       | 8221          |
| 34139       | 8102          | 35046       | 8142          | 35993       | 8182          | 36982       | 8222          |
| 34161       | 8103          | 35069       | 8143          | 36017       | 8183          | 37008       | 8223          |
| 34183       | 8104          | 35092       | 8144          | 36041       | 8184          | 37033       | 8224          |
| 34206       | 8105          | 35116       | 8145          | 36065       | 8185          | 37058       | 8225          |
| 34228       | 8106          | 35139       | 8146          | 36090       | 8186          | 37084       | 8226          |
| 34250       | 8107          | 35162       | 8147          | 36114       | 8187          | 37109       | 8227          |
| 34273       | 8108          | 35185       | 8148          | 36138       | 8188          | 37134       | 8228          |
| 34295       | 8109          | 35209       | 8149          | 36163       | 8189          | 37160       | 8229          |
| 34317       | 8110          | 35232       | 8150          | 36187       | 8190          | 37185       | 8230          |
| 34340       | 8111          | 35255       | 8151          | 36212       | 8191          | 37211       | 8231          |
| 34362       | 8112          | 35279       | 8152          | 36236       | 8192          | 37237       | 8232          |
| 34385       | 8113          | 35302       | 8153          | 36261       | 8193          | 37262       | 8233          |
| 34407       | 8114          | 35326       | 8154          | 36285       | 8194          | 37288       | 8234          |
| 34430       | 8115          | 35349       | 8155          | 36310       | 8195          | 37313       | 8235          |
| 34452       | 8116          | 35373       | 8156          | 36334       | 8196          | 37339       | 8236          |
| 34475       | 8117          | 35396       | 8157          | 36359       | 8197          | 37365       | 8237          |
| 34497       | 8118          | 35420       | 8158          | 36383       | 8198          | 37391       | 8238          |
| 34520       | 8119          | 35443       | 8159          | 36408       | 8199          | 37416       | 8239          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 37442       | 8240          | 38499       | 8280          | 39605       | 8320          | 40766       | 8360          |
| 37468       | 8241          | 38526       | 8281          | 39634       | 8321          | 40796       | 8361          |
| 37494       | 8242          | 38553       | 8282          | 39662       | 8322          | 40826       | 8362          |
| 37520       | 8243          | 38580       | 8283          | 39691       | 8323          | 40855       | 8363          |
| 37546       | 8244          | 38607       | 8284          | 39719       | 8324          | 40885       | 8364          |
| 37572       | 8245          | 38634       | 8285          | 39747       | 8325          | 40915       | 8365          |
| 37598       | 8246          | 38661       | 8286          | 39776       | 8326          | 40945       | 8366          |
| 37624       | 8247          | 38689       | 8287          | 39805       | 8327          | 40975       | 8367          |
| 37650       | 8248          | 38716       | 8288          | 39833       | 8328          | 41005       | 8368          |
| 37676       | 8249          | 38743       | 8289          | 39862       | 8329          | 41035       | 8369          |
| 37702       | 8250          | 38770       | 8290          | 39890       | 8330          | 41065       | 8370          |
| 37728       | 8251          | 38798       | 8291          | 39919       | 8331          | 41095       | 8371          |
| 37754       | 8252          | 38825       | 8292          | 39948       | 8332          | 41125       | 8372          |
| 37780       | 8253          | 38853       | 8293          | 39977       | 8333          | 41156       | 8373          |
| 37806       | 8254          | 38880       | 8294          | 40005       | 8334          | 41186       | 8374          |
| 37833       | 8255          | 38908       | 8295          | 40034       | 8335          | 41216       | 8375          |
| 37859       | 8256          | 38935       | 8296          | 40063       | 8336          | 41246       | 8376          |
| 37885       | 8257          | 38963       | 8297          | 40092       | 8337          | 41277       | 8377          |
| 37912       | 8258          | 38990       | 8298          | 40121       | 8338          | 41307       | 8378          |
| 37938       | 8259          | 39018       | 8299          | 40150       | 8339          | 41338       | 8379          |
| 37964       | 8260          | 39045       | 8300          | 40179       | 8340          | 41368       | 8380          |
| 37991       | 8261          | 39073       | 8301          | 40208       | 8341          | 41398       | 8381          |
| 38017       | 8262          | 39101       | 8302          | 40237       | 8342          | 41429       | 8382          |
| 38044       | 8263          | 39129       | 8303          | 40266       | 8343          | 41460       | 8383          |
| 38070       | 8264          | 39156       | 8304          | 40295       | 8344          | 41490       | 8384          |
| 38097       | 8265          | 39184       | 8305          | 40324       | 8345          | 41521       | 8385          |
| 38123       | 8266          | 39212       | 8306          | 40353       | 8346          | 41551       | 8386          |
| 38150       | 8267          | 39240       | 8307          | 40383       | 8347          | 41582       | 8387          |
| 38177       | 8268          | 39268       | 8308          | 40412       | 8348          | 41613       | 8388          |
| 38203       | 8269          | 39296       | 8309          | 40441       | 8349          | 41644       | 8389          |
| 38230       | 8270          | 39324       | 8310          | 40471       | 8350          | 41675       | 8390          |
| 38257       | 8271          | 39352       | 8311          | 40500       | 8351          | 41705       | 8391          |
| 38283       | 8272          | 39380       | 8312          | 40529       | 8352          | 41736       | 8392          |
| 38310       | 8273          | 39408       | 8313          | 40559       | 8353          | 41767       | 8393          |
| 38337       | 8274          | 39436       | 8314          | 40588       | 8354          | 41798       | 8394          |
| 38364       | 8275          | 39464       | 8315          | 40618       | 8355          | 41829       | 8395          |
| 38391       | 8276          | 39492       | 8316          | 40648       | 8356          | 41860       | 8396          |
| 38418       | 8277          | 39521       | 8317          | 40677       | 8357          | 41891       | 8397          |
| 38445       | 8278          | 39549       | 8318          | 40707       | 8358          | 41922       | 8398          |
| 38472       | 8279          | 39577       | 8319          | 40736       | 8359          | 41954       | 8399          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 41985       | 8400          | 43266       | 8440          | 44615       | 8480          | 46036       | 8520          |
| 42016       | 8401          | 43299       | 8441          | 44649       | 8481          | 46073       | 8521          |
| 42047       | 8402          | 43332       | 8442          | 44684       | 8482          | 46109       | 8522          |
| 42079       | 8403          | 43365       | 8443          | 44719       | 8483          | 46146       | 8523          |
| 42110       | 8404          | 43398       | 8444          | 44754       | 8484          | 46183       | 8524          |
| 42142       | 8405          | 43431       | 8445          | 44788       | 8485          | 46219       | 8525          |
| 42173       | 8406          | 43464       | 8446          | 44823       | 8486          | 46256       | 8526          |
| 42204       | 8407          | 43497       | 8447          | 44858       | 8487          | 46293       | 8527          |
| 42236       | 8408          | 43530       | 8448          | 44893       | 8488          | 46330       | 8528          |
| 42268       | 8409          | 43564       | 8449          | 44928       | 8489          | 46367       | 8529          |
| 42299       | 8410          | 43597       | 8450          | 44963       | 8490          | 46404       | 8530          |
| 42331       | 8411          | 43630       | 8451          | 44998       | 8491          | 46441       | 8531          |
| 42362       | 8412          | 43663       | 8452          | 45033       | 8492          | 46478       | 8532          |
| 42394       | 8413          | 43697       | 8453          | 45068       | 8493          | 46515       | 8533          |
| 42426       | 8414          | 43730       | 8454          | 45104       | 8494          | 46552       | 8534          |
| 42458       | 8415          | 43764       | 8455          | 45139       | 8495          | 46589       | 8535          |
| 42490       | 8416          | 43797       | 8456          | 45174       | 8496          | 46627       | 8536          |
| 42521       | 8417          | 43831       | 8457          | 45210       | 8497          | 46664       | 8537          |
| 42553       | 8418          | 43864       | 8458          | 45245       | 8498          | 46701       | 8538          |
| 42585       | 8419          | 43898       | 8459          | 45281       | 8499          | 46739       | 8539          |
| 42617       | 8420          | 43932       | 8460          | 45316       | 8500          | 46776       | 8540          |
| 42649       | 8421          | 43965       | 8461          | 45352       | 8501          | 46814       | 8541          |
| 42682       | 8422          | 43999       | 8462          | 45387       | 8502          | 46851       | 8542          |
| 42714       | 8423          | 44033       | 8463          | 45423       | 8503          | 46889       | 8543          |
| 42746       | 8424          | 44067       | 8464          | 45459       | 8504          | 46927       | 8544          |
| 42778       | 8425          | 44101       | 8465          | 45494       | 8505          | 46964       | 8545          |
| 42810       | 8426          | 44135       | 8466          | 45530       | 8506          | 47002       | 8546          |
| 42843       | 8427          | 44169       | 8467          | 45566       | 8507          | 47040       | 8547          |
| 42875       | 8428          | 44203       | 8468          | 45602       | 8508          | 47078       | 8548          |
| 42907       | 8429          | 44237       | 8469          | 45638       | 8509          | 47116       | 8549          |
| 42940       | 8430          | 44271       | 8470          | 45674       | 8510          | 47154       | 8550          |
| 42972       | 8431          | 44305       | 8471          | 45710       | 8511          | 47192       | 8551          |
| 43005       | 8432          | 44339       | 8472          | 45746       | 8512          | 47230       | 8552          |
| 43037       | 8433          | 44374       | 8473          | 45782       | 8513          | 47268       | 8553          |
| 43070       | 8434          | 44408       | 8474          | 45818       | 8514          | 47306       | 8554          |
| 43102       | 8435          | 44442       | 8475          | 45854       | 8515          | 47345       | 8555          |
| 43135       | 8436          | 44477       | 8476          | 45891       | 8516          | 47383       | 8556          |
| 43168       | 8437          | 44511       | 8477          | 45927       | 8517          | 47421       | 8557          |
| 43200       | 8438          | 44546       | 8478          | 45963       | 8518          | 47460       | 8558          |
| 43233       | 8439          | 44580       | 8479          | 46000       | 8519          | 47498       | 8559          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 47537       | 8560          | 49123       | 8600          | 50802       | 8640          | 52584       | 8680          |
| 47575       | 8561          | 49164       | 8601          | 50846       | 8641          | 52630       | 8681          |
| 47614       | 8562          | 49205       | 8602          | 50889       | 8642          | 52676       | 8682          |
| 47653       | 8563          | 49246       | 8603          | 50932       | 8643          | 52722       | 8683          |
| 47691       | 8564          | 49287       | 8604          | 50976       | 8644          | 52768       | 8684          |
| 47730       | 8565          | 49328       | 8605          | 51019       | 8645          | 52814       | 8685          |
| 47769       | 8566          | 49369       | 8606          | 51063       | 8646          | 52860       | 8686          |
| 47808       | 8567          | 49410       | 8607          | 51107       | 8647          | 52906       | 8687          |
| 47847       | 8568          | 49451       | 8608          | 51150       | 8648          | 52953       | 8688          |
| 47886       | 8569          | 49492       | 8609          | 51194       | 8649          | 52999       | 8689          |
| 47925       | 8570          | 49534       | 8610          | 51238       | 8650          | 53046       | 8690          |
| 47964       | 8571          | 49575       | 8611          | 51282       | 8651          | 53093       | 8691          |
| 48003       | 8572          | 49617       | 8612          | 51326       | 8652          | 53139       | 8692          |
| 48043       | 8573          | 49658       | 8613          | 51370       | 8653          | 53186       | 8693          |
| 48082       | 8574          | 49700       | 8614          | 51414       | 8654          | 53233       | 8694          |
| 48121       | 8575          | 49741       | 8615          | 51458       | 8655          | 53280       | 8695          |
| 48161       | 8576          | 49783       | 8616          | 51502       | 8656          | 53327       | 8696          |
| 48200       | 8577          | 49825       | 8617          | 51546       | 8657          | 53374       | 8697          |
| 48240       | 8578          | 49867       | 8618          | 51591       | 8658          | 53421       | 8698          |
| 48279       | 8579          | 49909       | 8619          | 51635       | 8659          | 53468       | 8699          |
| 48319       | 8580          | 49951       | 8620          | 51680       | 8660          | 53515       | 8700          |
| 48358       | 8581          | 49993       | 8621          | 51724       | 8661          | 53563       | 8701          |
| 48398       | 8582          | 50035       | 8622          | 51769       | 8662          | 53610       | 8702          |
| 48438       | 8583          | 50077       | 8623          | 51814       | 8663          | 53658       | 8703          |
| 48478       | 8584          | 50119       | 8624          | 51858       | 8664          | 53705       | 8704          |
| 48518       | 8585          | 50161       | 8625          | 51903       | 8665          | 53753       | 8705          |
| 48558       | 8586          | 50203       | 8626          | 51948       | 8666          | 53800       | 8706          |
| 48598       | 8587          | 50246       | 8627          | 51993       | 8667          | 53848       | 8707          |
| 48638       | 8588          | 50288       | 8628          | 52038       | 8668          | 53896       | 8708          |
| 48678       | 8589          | 50331       | 8629          | 52083       | 8669          | 53944       | 8709          |
| 48718       | 8590          | 50373       | 8630          | 52128       | 8670          | 53992       | 8710          |
| 48758       | 8591          | 50416       | 8631          | 52173       | 8671          | 54040       | 8711          |
| 48799       | 8592          | 50459       | 8632          | 52219       | 8672          | 54088       | 8712          |
| 48839       | 8593          | 50501       | 8633          | 52264       | 8673          | 54136       | 8713          |
| 48879       | 8594          | 50544       | 8634          | 52310       | 8674          | 54185       | 8714          |
| 48920       | 8595          | 50587       | 8635          | 52355       | 8675          | 54233       | 8715          |
| 48960       | 8596          | 50630       | 8636          | 52401       | 8676          | 54282       | 8716          |
| 49001       | 8597          | 50673       | 8637          | 52446       | 8677          | 54330       | 8717          |
| 49041       | 8598          | 50716       | 8638          | 52492       | 8678          | 54379       | 8718          |
| 49082       | 8599          | 50759       | 8639          | 52538       | 8679          | 54427       | 8719          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 54476       | 8720          | 56491       | 8760          | 58639       | 8800          | 60936       | 8840          |
| 54525       | 8721          | 56543       | 8761          | 58695       | 8801          | 60996       | 8841          |
| 54574       | 8722          | 56595       | 8762          | 58751       | 8802          | 61055       | 8842          |
| 54623       | 8723          | 56647       | 8763          | 58806       | 8803          | 61115       | 8843          |
| 54672       | 8724          | 56699       | 8764          | 58862       | 8804          | 61175       | 8844          |
| 54721       | 8725          | 56752       | 8765          | 58918       | 8805          | 61235       | 8845          |
| 54770       | 8726          | 56804       | 8766          | 58974       | 8806          | 61295       | 8846          |
| 54820       | 8727          | 56857       | 8767          | 59030       | 8807          | 61355       | 8847          |
| 54869       | 8728          | 56909       | 8768          | 59086       | 8808          | 61415       | 8848          |
| 54918       | 8729          | 56962       | 8769          | 59143       | 8809          | 61475       | 8849          |
| 54968       | 8730          | 57015       | 8770          | 59199       | 8810          | 61535       | 8850          |
| 55017       | 8731          | 57068       | 8771          | 59256       | 8811          | 61596       | 8851          |
| 55067       | 8732          | 57121       | 8772          | 59312       | 8812          | 61657       | 8852          |
| 55117       | 8733          | 57174       | 8773          | 59369       | 8813          | 61717       | 8853          |
| 55167       | 8734          | 57227       | 8774          | 59426       | 8814          | 61778       | 8854          |
| 55217       | 8735          | 57280       | 8775          | 59483       | 8815          | 61839       | 8855          |
| 55267       | 8736          | 57333       | 8776          | 59540       | 8816          | 61900       | 8856          |
| 55317       | 8737          | 57387       | 8777          | 59597       | 8817          | 61961       | 8857          |
| 55367       | 8738          | 57440       | 8778          | 59654       | 8818          | 62022       | 8858          |
| 55417       | 8739          | 57494       | 8779          | 59711       | 8819          | 62084       | 8859          |
| 55467       | 8740          | 57547       | 8780          | 59768       | 8820          | 62145       | 8860          |
| 55518       | 8741          | 57601       | 8781          | 59826       | 8821          | 62207       | 8861          |
| 55568       | 8742          | 57655       | 8782          | 59883       | 8822          | 62268       | 8862          |
| 55619       | 8743          | 57709       | 8783          | 59941       | 8823          | 62330       | 8863          |
| 55669       | 8744          | 57763       | 8784          | 59999       | 8824          | 62392       | 8864          |
| 55720       | 8745          | 57817       | 8785          | 60057       | 8825          | 62454       | 8865          |
| 55771       | 8746          | 57871       | 8786          | 60115       | 8826          | 62516       | 8866          |
| 55822       | 8747          | 57926       | 8787          | 60173       | 8827          | 62578       | 8867          |
| 55873       | 8748          | 57980       | 8788          | 60231       | 8828          | 62641       | 8868          |
| 55924       | 8749          | 58034       | 8789          | 60289       | 8829          | 62703       | 8869          |
| 55975       | 8750          | 58089       | 8790          | 60347       | 8830          | 62766       | 8870          |
| 56026       | 8751          | 58144       | 8791          | 60406       | 8831          | 62828       | 8871          |
| 56077       | 8752          | 58198       | 8792          | 60464       | 8832          | 62891       | 8872          |
| 56129       | 8753          | 58253       | 8793          | 60523       | 8833          | 62954       | 8873          |
| 56180       | 8754          | 58308       | 8794          | 60582       | 8834          | 63017       | 8874          |
| 56232       | 8755          | 58363       | 8795          | 60641       | 8835          | 63080       | 8875          |
| 56283       | 8756          | 58418       | 8796          | 60700       | 8836          | 63143       | 8876          |
| 56335       | 8757          | 58473       | 8797          | 60759       | 8837          | 63207       | 8877          |
| 56387       | 8758          | 58529       | 8798          | 60818       | 8838          | 63270       | 8878          |
| 56439       | 8759          | 58584       | 8799          | 60877       | 8839          | 63334       | 8879          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 63397       | 8880          | 66040       | 8920          | 68887       | 8960          | 71961       | 9000          |
| 63461       | 8881          | 66109       | 8921          | 68961       | 8961          | 72041       | 9001          |
| 63525       | 8882          | 66178       | 8922          | 69035       | 8962          | 72121       | 9002          |
| 63589       | 8883          | 66246       | 8923          | 69109       | 8963          | 72201       | 9003          |
| 63653       | 8884          | 66315       | 8924          | 69183       | 8964          | 72281       | 9004          |
| 63717       | 8885          | 66385       | 8925          | 69258       | 8965          | 72362       | 9005          |
| 63782       | 8886          | 66454       | 8926          | 69333       | 8966          | 72443       | 9006          |
| 63846       | 8887          | 66523       | 8927          | 69407       | 8967          | 72524       | 9007          |
| 63911       | 8888          | 66593       | 8928          | 69482       | 8968          | 72605       | 9008          |
| 63975       | 8889          | 66662       | 8929          | 69557       | 8969          | 72686       | 9009          |
| 64040       | 8890          | 66732       | 8930          | 69633       | 8970          | 72768       | 9010          |
| 64105       | 8891          | 66802       | 8931          | 69708       | 8971          | 72849       | 9011          |
| 64170       | 8892          | 66872       | 8932          | 69784       | 8972          | 72931       | 9012          |
| 64235       | 8893          | 66942       | 8933          | 69859       | 8973          | 73013       | 9013          |
| 64301       | 8894          | 67012       | 8934          | 69935       | 8974          | 73095       | 9014          |
| 64366       | 8895          | 67083       | 8935          | 70011       | 8975          | 73178       | 9015          |
| 64431       | 8896          | 67153       | 8936          | 70087       | 8976          | 73260       | 9016          |
| 64497       | 8897          | 67224       | 8937          | 70164       | 8977          | 73343       | 9017          |
| 64563       | 8898          | 67295       | 8938          | 70240       | 8978          | 73425       | 9018          |
| 64629       | 8899          | 67366       | 8939          | 70317       | 8979          | 73508       | 9019          |
| 64695       | 8900          | 67437       | 8940          | 70393       | 8980          | 73592       | 9020          |
| 64761       | 8901          | 67508       | 8941          | 70470       | 8981          | 73675       | 9021          |
| 64827       | 8902          | 67579       | 8942          | 70547       | 8982          | 73758       | 9022          |
| 64893       | 8903          | 67651       | 8943          | 70625       | 8983          | 73842       | 9023          |
| 64960       | 8904          | 67722       | 8944          | 70702       | 8984          | 73926       | 9024          |
| 65027       | 8905          | 67794       | 8945          | 70779       | 8985          | 74010       | 9025          |
| 65093       | 8906          | 67866       | 8946          | 70857       | 8986          | 74094       | 9026          |
| 65160       | 8907          | 67938       | 8947          | 70935       | 8987          | 74178       | 9027          |
| 65227       | 8908          | 68010       | 8948          | 71013       | 8988          | 74263       | 9028          |
| 65294       | 8909          | 68082       | 8949          | 71091       | 8989          | 74347       | 9029          |
| 65361       | 8910          | 68155       | 8950          | 71169       | 8990          | 74432       | 9030          |
| 65429       | 8911          | 68227       | 8951          | 71248       | 8991          | 74517       | 9031          |
| 65496       | 8912          | 68300       | 8952          | 71326       | 8992          | 74602       | 9032          |
| 65564       | 8913          | 68373       | 8953          | 71405       | 8993          | 74688       | 9033          |
| 65631       | 8914          | 68446       | 8954          | 71484       | 8994          | 74773       | 9034          |
| 65699       | 8915          | 68519       | 8955          | 71563       | 8995          | 74859       | 9035          |
| 65767       | 8916          | 68592       | 8956          | 71642       | 8996          | 74945       | 9036          |
| 65835       | 8917          | 68666       | 8957          | 71721       | 8997          | 75031       | 9037          |
| 65904       | 8918          | 68739       | 8958          | 71801       | 8998          | 75117       | 9038          |
| 65972       | 8919          | 68813       | 8959          | 71881       | 8999          | 75204       | 9039          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 75290       | 9040          | 78910       | 9080          | 82858       | 9120          | 87182       | 9160          |
| 75377       | 9041          | 79004       | 9081          | 82961       | 9121          | 87295       | 9161          |
| 75464       | 9042          | 79099       | 9082          | 83065       | 9122          | 87409       | 9162          |
| 75551       | 9043          | 79194       | 9083          | 83169       | 9123          | 87523       | 9163          |
| 75639       | 9044          | 79289       | 9084          | 83273       | 9124          | 87637       | 9164          |
| 75726       | 9045          | 79384       | 9085          | 83377       | 9125          | 87752       | 9165          |
| 75814       | 9046          | 79480       | 9086          | 83481       | 9126          | 87866       | 9166          |
| 75902       | 9047          | 79576       | 9087          | 83586       | 9127          | 87981       | 9167          |
| 75990       | 9048          | 79672       | 9088          | 83691       | 9128          | 88097       | 9168          |
| 76078       | 9049          | 79768       | 9089          | 83796       | 9129          | 88212       | 9169          |
| 76167       | 9050          | 79864       | 9090          | 83902       | 9130          | 88328       | 9170          |
| 76255       | 9051          | 79961       | 9091          | 84007       | 9131          | 88444       | 9171          |
| 76344       | 9052          | 80058       | 9092          | 84113       | 9132          | 88561       | 9172          |
| 76433       | 9053          | 80155       | 9093          | 84220       | 9133          | 88677       | 9173          |
| 76522       | 9054          | 80252       | 9094          | 84326       | 9134          | 88794       | 9174          |
| 76612       | 9055          | 80349       | 9095          | 84433       | 9135          | 88911       | 9175          |
| 76701       | 9056          | 80447       | 9096          | 84540       | 9136          | 89029       | 9176          |
| 76791       | 9057          | 80545       | 9097          | 84647       | 9137          | 89147       | 9177          |
| 76881       | 9058          | 80643       | 9098          | 84754       | 9138          | 89265       | 9178          |
| 76971       | 9059          | 80741       | 9099          | 84862       | 9139          | 89383       | 9179          |
| 77062       | 9060          | 80840       | 9100          | 84970       | 9140          | 89502       | 9180          |
| 77152       | 9061          | 80939       | 9101          | 85078       | 9141          | 89621       | 9181          |
| 77243       | 9062          | 81038       | 9102          | 85186       | 9142          | 89740       | 9182          |
| 77334       | 9063          | 81137       | 9103          | 85295       | 9143          | 89860       | 9183          |
| 77425       | 9064          | 81236       | 9104          | 85404       | 9144          | 89980       | 9184          |
| 77516       | 9065          | 81336       | 9105          | 85513       | 9145          | 90100       | 9185          |
| 77608       | 9066          | 81436       | 9106          | 85623       | 9146          | 90220       | 9186          |
| 77699       | 9067          | 81536       | 9107          | 85732       | 9147          | 90341       | 9187          |
| 77791       | 9068          | 81636       | 9108          | 85842       | 9148          | 90462       | 9188          |
| 77883       | 9069          | 81737       | 9109          | 85952       | 9149          | 90583       | 9189          |
| 77976       | 9070          | 81838       | 9110          | 86063       | 9150          | 90705       | 9190          |
| 78068       | 9071          | 81939       | 9111          | 86174       | 9151          | 90827       | 9191          |
| 78161       | 9072          | 82040       | 9112          | 86285       | 9152          | 90949       | 9192          |
| 78254       | 9073          | 82141       | 9113          | 86396       | 9153          | 91072       | 9193          |
| 78347       | 9074          | 82243       | 9114          | 86507       | 9154          | 91195       | 9194          |
| 78440       | 9075          | 82345       | 9115          | 86619       | 9155          | 91318       | 9195          |
| 78534       | 9076          | 82447       | 9116          | 86731       | 9156          | 91441       | 9196          |
| 78627       | 9077          | 82549       | 9117          | 86843       | 9157          | 91565       | 9197          |
| 78721       | 9078          | 82652       | 9118          | 86956       | 9158          | 91689       | 9198          |
| 78815       | 9079          | 82755       | 9119          | 87069       | 9159          | 91813       | 9199          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 91938       | 9200          | 97194       | 9240          | 103035      | 9280          | 109561      | 9320          |
| 92063       | 9201          | 97333       | 9241          | 103189      | 9281          | 109734      | 9321          |
| 92188       | 9202          | 97472       | 9242          | 103344      | 9282          | 109908      | 9322          |
| 92314       | 9203          | 97611       | 9243          | 103499      | 9283          | 110082      | 9323          |
| 92440       | 9204          | 97751       | 9244          | 103654      | 9284          | 110256      | 9324          |
| 92566       | 9205          | 97891       | 9245          | 103810      | 9285          | 110431      | 9325          |
| 92693       | 9206          | 98031       | 9246          | 103967      | 9286          | 110607      | 9326          |
| 92820       | 9207          | 98172       | 9247          | 104124      | 9287          | 110783      | 9327          |
| 92947       | 9208          | 98313       | 9248          | 104281      | 9288          | 110960      | 9328          |
| 93074       | 9209          | 98454       | 9249          | 104439      | 9289          | 111137      | 9329          |
| 93202       | 9210          | 98596       | 9250          | 104597      | 9290          | 111314      | 9330          |
| 93330       | 9211          | 98738       | 9251          | 104756      | 9291          | 111493      | 9331          |
| 93459       | 9212          | 98881       | 9252          | 104915      | 9292          | 111671      | 9332          |
| 93588       | 9213          | 99024       | 9253          | 105075      | 9293          | 111851      | 9333          |
| 93717       | 9214          | 99167       | 9254          | 105235      | 9294          | 112031      | 9334          |
| 93846       | 9215          | 99311       | 9255          | 105395      | 9295          | 112211      | 9335          |
| 93976       | 9216          | 99455       | 9256          | 105556      | 9296          | 112392      | 9336          |
| 94106       | 9217          | 99600       | 9257          | 105718      | 9297          | 112573      | 9337          |
| 94237       | 9218          | 99745       | 9258          | 105880      | 9298          | 112755      | 9338          |
| 94368       | 9219          | 99890       | 9259          | 106042      | 9299          | 112938      | 9339          |
| 94499       | 9220          | 100036      | 9260          | 106205      | 9300          | 113121      | 9340          |
| 94630       | 9221          | 100182      | 9261          | 106368      | 9301          | 113305      | 9341          |
| 94762       | 9222          | 100328      | 9262          | 106532      | 9302          | 113489      | 9342          |
| 94894       | 9223          | 100475      | 9263          | 106696      | 9303          | 113674      | 9343          |
| 95027       | 9224          | 100622      | 9264          | 106861      | 9304          | 113859      | 9344          |
| 95160       | 9225          | 100770      | 9265          | 107026      | 9305          | 114045      | 9345          |
| 95293       | 9226          | 100918      | 9266          | 107191      | 9306          | 114231      | 9346          |
| 95426       | 9227          | 101067      | 9267          | 107357      | 9307          | 114418      | 9347          |
| 95560       | 9228          | 101216      | 9268          | 107524      | 9308          | 114606      | 9348          |
| 95695       | 9229          | 101365      | 9269          | 107691      | 9309          | 114794      | 9349          |
| 95829       | 9230          | 101515      | 9270          | 107859      | 9310          | 114983      | 9350          |
| 95964       | 9231          | 101665      | 9271          | 108027      | 9311          | 115172      | 9351          |
| 96099       | 9232          | 101815      | 9272          | 108195      | 9312          | 115362      | 9352          |
| 96235       | 9233          | 101966      | 9273          | 108364      | 9313          | 115553      | 9353          |
| 96371       | 9234          | 102117      | 9274          | 108534      | 9314          | 115744      | 9354          |
| 96507       | 9235          | 102269      | 9275          | 108704      | 9315          | 115935      | 9355          |
| 96644       | 9236          | 102421      | 9276          | 108874      | 9316          | 116128      | 9356          |
| 96781       | 9237          | 102574      | 9277          | 109045      | 9317          | 116321      | 9357          |
| 96919       | 9238          | 102727      | 9278          | 109217      | 9318          | 116514      | 9358          |
| 97056       | 9239          | 102881      | 9279          | 109389      | 9319          | 116708      | 9359          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 116903      | 9360          | 125223      | 9400          | 134730      | 9440          | 145699      | 9480          |
| 117098      | 9361          | 125445      | 9401          | 134985      | 9441          | 145995      | 9481          |
| 117294      | 9362          | 125668      | 9402          | 135241      | 9442          | 146292      | 9482          |
| 117491      | 9363          | 125892      | 9403          | 135498      | 9443          | 146590      | 9483          |
| 117688      | 9364          | 126116      | 9404          | 135756      | 9444          | 146889      | 9484          |
| 117886      | 9365          | 126341      | 9405          | 136015      | 9445          | 147190      | 9485          |
| 118084      | 9366          | 126567      | 9406          | 136275      | 9446          | 147491      | 9486          |
| 118283      | 9367          | 126794      | 9407          | 136535      | 9447          | 147794      | 9487          |
| 118483      | 9368          | 127022      | 9408          | 136797      | 9448          | 148098      | 9488          |
| 118683      | 9369          | 127250      | 9409          | 137059      | 9449          | 148403      | 9489          |
| 118884      | 9370          | 127479      | 9410          | 137323      | 9450          | 148710      | 9490          |
| 119085      | 9371          | 127709      | 9411          | 137587      | 9451          | 149017      | 9491          |
| 119288      | 9372          | 127939      | 9412          | 137853      | 9452          | 149326      | 9492          |
| 119491      | 9373          | 128171      | 9413          | 138119      | 9453          | 149636      | 9493          |
| 119694      | 9374          | 128403      | 9414          | 138387      | 9454          | 149947      | 9494          |
| 119898      | 9375          | 128636      | 9415          | 138655      | 9455          | 150260      | 9495          |
| 120103      | 9376          | 128870      | 9416          | 138924      | 9456          | 150573      | 9496          |
| 120308      | 9377          | 129104      | 9417          | 139195      | 9457          | 150888      | 9497          |
| 120515      | 9378          | 129340      | 9418          | 139466      | 9458          | 151204      | 9498          |
| 120721      | 9379          | 129576      | 9419          | 139738      | 9459          | 151522      | 9499          |
| 120929      | 9380          | 129813      | 9420          | 140012      | 9460          | 151841      | 9500          |
| 121137      | 9381          | 130051      | 9421          | 140286      | 9461          | 152161      | 9501          |
| 121346      | 9382          | 130289      | 9422          | 140561      | 9462          | 152482      | 9502          |
| 121555      | 9383          | 130529      | 9423          | 140838      | 9463          | 152805      | 9503          |
| 121765      | 9384          | 130769      | 9424          | 141115      | 9464          | 153128      | 9504          |
| 121976      | 9385          | 131010      | 9425          | 141394      | 9465          | 153454      | 9505          |
| 122188      | 9386          | 131252      | 9426          | 141673      | 9466          | 153780      | 9506          |
| 122400      | 9387          | 131495      | 9427          | 141954      | 9467          | 154108      | 9507          |
| 122613      | 9388          | 131738      | 9428          | 142235      | 9468          | 154437      | 9508          |
| 122826      | 9389          | 131983      | 9429          | 142518      | 9469          | 154768      | 9509          |
| 123041      | 9390          | 132228      | 9430          | 142802      | 9470          | 155099      | 9510          |
| 123256      | 9391          | 132475      | 9431          | 143086      | 9471          | 155433      | 9511          |
| 123471      | 9392          | 132722      | 9432          | 143372      | 9472          | 155767      | 9512          |
| 123688      | 9393          | 132970      | 9433          | 143659      | 9473          | 156103      | 9513          |
| 123905      | 9394          | 133219      | 9434          | 143947      | 9474          | 156440      | 9514          |
| 124123      | 9395          | 133468      | 9435          | 144236      | 9475          | 156779      | 9515          |
| 124341      | 9396          | 133719      | 9436          | 144527      | 9476          | 157119      | 9516          |
| 124561      | 9397          | 133970      | 9437          | 144818      | 9477          | 157461      | 9517          |
| 124781      | 9398          | 134223      | 9438          | 145111      | 9478          | 157804      | 9518          |
| 125001      | 9399          | 134476      | 9439          | 145404      | 9479          | 158148      | 9519          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 158494      | 9520          | 173612      | 9560          | 191751      | 9600          | 213915      | 9640          |
| 158841      | 9521          | 174026      | 9561          | 192251      | 9601          | 214532      | 9641          |
| 159190      | 9522          | 174441      | 9562          | 192753      | 9602          | 215153      | 9642          |
| 159540      | 9523          | 174858      | 9563          | 193258      | 9603          | 215777      | 9643          |
| 159891      | 9524          | 175277      | 9564          | 193766      | 9604          | 216404      | 9644          |
| 160244      | 9525          | 175697      | 9565          | 194276      | 9605          | 217036      | 9645          |
| 160599      | 9526          | 176120      | 9566          | 194789      | 9606          | 217670      | 9646          |
| 160955      | 9527          | 176545      | 9567          | 195304      | 9607          | 218309      | 9647          |
| 161313      | 9528          | 176972      | 9568          | 195822      | 9608          | 218951      | 9648          |
| 161672      | 9529          | 177400      | 9569          | 196343      | 9609          | 219597      | 9649          |
| 162032      | 9530          | 177831      | 9570          | 196866      | 9610          | 220246      | 9650          |
| 162395      | 9531          | 178264      | 9571          | 197392      | 9611          | 220899      | 9651          |
| 162758      | 9532          | 178698      | 9572          | 197921      | 9612          | 221556      | 9652          |
| 163123      | 9533          | 179135      | 9573          | 198452      | 9613          | 222216      | 9653          |
| 163490      | 9534          | 179574      | 9574          | 198986      | 9614          | 222881      | 9654          |
| 163859      | 9535          | 180015      | 9575          | 199523      | 9615          | 223549      | 9655          |
| 164229      | 9536          | 180458      | 9576          | 200063      | 9616          | 224221      | 9656          |
| 164600      | 9537          | 180903      | 9577          | 200605      | 9617          | 224897      | 9657          |
| 164973      | 9538          | 181350      | 9578          | 201151      | 9618          | 225577      | 9658          |
| 165348      | 9539          | 181799      | 9579          | 201699      | 9619          | 226261      | 9659          |
| 165725      | 9540          | 182250      | 9580          | 202250      | 9620          | 226949      | 9660          |
| 166103      | 9541          | 182704      | 9581          | 202804      | 9621          | 227641      | 9661          |
| 166483      | 9542          | 183159      | 9582          | 203361      | 9622          | 228337      | 9662          |
| 166864      | 9543          | 183617      | 9583          | 203921      | 9623          | 229038      | 9663          |
| 167247      | 9544          | 184077      | 9584          | 204484      | 9624          | 229742      | 9664          |
| 167632      | 9545          | 184540      | 9585          | 205050      | 9625          | 230451      | 9665          |
| 168018      | 9546          | 185004      | 9586          | 205619      | 9626          | 231163      | 9666          |
| 168406      | 9547          | 185471      | 9587          | 206191      | 9627          | 231881      | 9667          |
| 168796      | 9548          | 185940      | 9588          | 206766      | 9628          | 232602      | 9668          |
| 169188      | 9549          | 186411      | 9589          | 207344      | 9629          | 233328      | 9669          |
| 169581      | 9550          | 186885      | 9590          | 207925      | 9630          | 234058      | 9670          |
| 169970      | 9551          | 187361      | 9591          | 208509      | 9631          | 234793      | 9671          |
| 170373      | 9552          | 187839      | 9592          | 209097      | 9632          | 235532      | 9672          |
| 170771      | 9553          | 188320      | 9593          | 209688      | 9633          | 236275      | 9673          |
| 171172      | 9554          | 188802      | 9594          | 210282      | 9634          | 237023      | 9674          |
| 171574      | 9555          | 189288      | 9595          | 210879      | 9635          | 237776      | 9675          |
| 171978      | 9556          | 189776      | 9596          | 211479      | 9636          | 238534      | 9676          |
| 172384      | 9557          | 190266      | 9597          | 212083      | 9637          | 239296      | 9677          |
| 172791      | 9558          | 190758      | 9598          | 212690      | 9638          | 240063      | 9678          |
| 173210      | 9559          | 191253      | 9599          | 213301      | 9639          | 240834      | 9679          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 241610      | 9680          | 277205      | 9720          | 324641      | 9760          | 391003      | 9800          |
| 242392      | 9681          | 278226      | 9721          | 326030      | 9761          | 393003      | 9801          |
| 243178      | 9682          | 279254      | 9722          | 327430      | 9762          | 395023      | 9802          |
| 243969      | 9683          | 280289      | 9723          | 328843      | 9763          | 397064      | 9803          |
| 244765      | 9684          | 281331      | 9724          | 330267      | 9764          | 399125      | 9804          |
| 245566      | 9685          | 282382      | 9725          | 331703      | 9765          | 401268      | 9805          |
| 246373      | 9686          | 283439      | 9726          | 333152      | 9766          | 403312      | 9806          |
| 247184      | 9687          | 284505      | 9727          | 334613      | 9767          | 405437      | 9807          |
| 248000      | 9688          | 285578      | 9728          | 336087      | 9768          | 407585      | 9808          |
| 248822      | 9689          | 286660      | 9729          | 337573      | 9769          | 409755      | 9809          |
| 249649      | 9690          | 287749      | 9730          | 339072      | 9770          | 411948      | 9810          |
| 250482      | 9691          | 288847      | 9731          | 340584      | 9771          | 414164      | 9811          |
| 251320      | 9692          | 289952      | 9732          | 342110      | 9772          | 416404      | 9812          |
| 252163      | 9693          | 291066      | 9733          | 343649      | 9773          | 418667      | 9813          |
| 253012      | 9694          | 292188      | 9734          | 345201      | 9774          | 420955      | 9814          |
| 253866      | 9695          | 293319      | 9735          | 346768      | 9775          | 423267      | 9815          |
| 254726      | 9696          | 294458      | 9736          | 348348      | 9776          | 425605      | 9816          |
| 255592      | 9697          | 295606      | 9737          | 349942      | 9777          | 427968      | 9817          |
| 256463      | 9698          | 296762      | 9738          | 351551      | 9778          | 430357      | 9818          |
| 257340      | 9699          | 297928      | 9739          | 353174      | 9779          | 432772      | 9819          |
| 258223      | 9700          | 299102      | 9740          | 354812      | 9780          | 435214      | 9820          |
| 259112      | 9701          | 300286      | 9741          | 356465      | 9781          | 437683      | 9821          |
| 260007      | 9702          | 301478      | 9742          | 358133      | 9782          | 440180      | 9822          |
| 260908      | 9703          | 302680      | 9743          | 359817      | 9783          | 442705      | 9823          |
| 261815      | 9704          | 303891      | 9744          | 361516      | 9784          | 445258      | 9824          |
| 262728      | 9705          | 305112      | 9745          | 363230      | 9785          | 447841      | 9825          |
| 263647      | 9706          | 306342      | 9746          | 364961      | 9786          | 450453      | 9826          |
| 264573      | 9707          | 307582      | 9747          | 366708      | 9787          | 453096      | 9827          |
| 265505      | 9708          | 308832      | 9748          | 368471      | 9788          | 455769      | 9828          |
| 266443      | 9709          | 310092      | 9749          | 370251      | 9789          | 458473      | 9829          |
| 267388      | 9710          | 311362      | 9750          | 372048      | 9790          | 461209      | 9830          |
| 268339      | 9711          | 312642      | 9751          | 373862      | 9791          | 463977      | 9831          |
| 269297      | 9712          | 313932      | 9752          | 375694      | 9792          | 466778      | 9832          |
| 270261      | 9713          | 315233      | 9753          | 377543      | 9793          | 469612      | 9833          |
| 271233      | 9714          | 316544      | 9754          | 379410      | 9794          | 472481      | 9834          |
| 272211      | 9715          | 317866      | 9755          | 381295      | 9795          | 475384      | 9835          |
| 273196      | 9716          | 319199      | 9756          | 383199      | 9796          | 478323      | 9836          |
| 274187      | 9717          | 320543      | 9757          | 385121      | 9797          | 481297      | 9837          |
| 275186      | 9718          | 321897      | 9758          | 387062      | 9798          | 484308      | 9838          |
| 276192      | 9719          | 323263      | 9759          | 389023      | 9799          | 487357      | 9839          |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.

TABLE I—PRIMARY RATING VALUES OF ACTUAL LOSSES

| Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value | Actual Loss | Primary Value |
|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| 490443      | 9840          | 655901      | 9880          | 985789      | 9920          | 1967309     | 9960          |
| 493568      | 9841          | 661457      | 9881          | 998290      | 9921          | 2017317     | 9961          |
| 496732      | 9842          | 667106      | 9882          | 1011109     | 9922          | 2069923     | 9962          |
| 499937      | 9843          | 672852      | 9883          | 1024259     | 9923          | 2125334     | 9963          |
| 503183      | 9844          | 678696      | 9884          | 1037752     | 9924          | 2183781     | 9964          |
| 506470      | 9845          | 684641      | 9885          | 1051603     | 9925          | 2245522     | 9965          |
| 509800      | 9846          | 690690      | 9886          | 1065826     | 9926          | 2310841     | 9966          |
| 513173      | 9847          | 696846      | 9887          | 1080436     | 9927          | 2380060     | 9967          |
| 516591      | 9848          | 703112      | 9888          | 1095449     | 9928          | 2453539     | 9968          |
| 520053      | 9849          | 709489      | 9889          | 1110882     | 9929          | 2531683     | 9969          |
| 523562      | 9850          | 715982      | 9890          | 1126752     | 9930          | 2614951     | 9970          |
| 527118      | 9851          | 722594      | 9891          | 1143080     | 9931          | 2703865     | 9971          |
| 530721      | 9852          | 729328      | 9892          | 1159884     | 9932          | 2799018     | 9972          |
| 534373      | 9853          | 736187      | 9893          | 1177186     | 9933          | 2901091     | 9973          |
| 538076      | 9854          | 743174      | 9894          | 1195008     | 9934          | 3010868     | 9974          |
| 541829      | 9855          | 750294      | 9895          | 1213375     | 9935          | 3129255     | 9975          |
| 545634      | 9856          | 757551      | 9896          | 1232311     | 9936          | 3257307     | 9976          |
| 549492      | 9857          | 764947      | 9897          | 1251843     | 9937          | 3396256     | 9977          |
| 553404      | 9858          | 772488      | 9898          | 1272000     | 9938          | 3547556     | 9978          |
| 557372      | 9859          | 780178      | 9899          | 1292814     | 9939          | 3712931     | 9979          |
| 561396      | 9860          | 788020      | 9900          | 1314315     | 9940          | 3894440     | 9980          |
| 565477      | 9861          | 796021      | 9901          | 1336538     | 9941          | 4094565     | 9981          |
| 569618      | 9862          | 804183      | 9902          | 1359522     | 9942          | 4316325     | 9982          |
| 573819      | 9863          | 812513      | 9903          | 1383305     | 9943          | 4563429     | 9983          |
| 578081      | 9864          | 921016      | 9904          | 1407930     | 9944          | 4840485     | 9984          |
| 582406      | 9865          | 829697      | 9905          | 1433442     | 9945          | 5153291     | 9985          |
| 586796      | 9866          | 838561      | 9906          | 1459890     | 9946          | 5509242     | 9986          |
| 591251      | 9867          | 847615      | 9907          | 1487328     | 9947          | 5917926     | 9987          |
| 595774      | 9868          | 856865      | 9908          | 1515810     | 9948          | 6392000     | 9988          |
| 600366      | 9869          | 866317      | 9909          | 1545399     | 9949          | 6948522     | 9989          |
| 605027      | 9870          | 875978      | 9910          | 1576159     | 9950          | 7611048     | 9990          |
| 609761      | 9871          | 885855      | 9911          | 1608162     | 9951          | 8413053     | 9991          |
| 614569      | 9872          | 895955      | 9912          | 1641485     | 9952          | 9403765     | 9992          |
| 619451      | 9873          | 906286      | 9913          | 1676211     | 9953          | 10658677    | 9993          |
| 624412      | 9874          | 916856      | 9914          | 1712431     | 9954          | 12299693    | 9994          |
| 629451      | 9875          | 927673      | 9915          | 1750242     | 9955          | 14537455    | 9995          |
| 634571      | 9876          | 938746      | 9916          | 1789753     | 9956          | 17769778    | 9996          |
| 639774      | 9877          | 950084      | 9917          | 1831081     | 9957          | 22849143    | 9997          |
| 645062      | 9878          | 961697      | 9918          | 1874353     | 9958          | 31992000    | 9998          |
| 650437      | 9879          | 973596      | 9919          | 1919711     | 9959          | 53325334    | 9999          |
|             |               |             |               |             |               | 159992000   | 10000         |

NOTE: If an actual loss lies between any two adjacent figures in the "Actual Loss" column, the primary value shall be the primary value for the lower of the two figures.



TABLE II—VESSEL AND MARITIME CLASSES  
MANUAL RATES, EXPECTED LOSS RATES AND D RATIOS

| Code No.                                 | Coverage I |                  | Coverage II |         |         |         |                      |         |         | D Ratios |
|------------------------------------------|------------|------------------|-------------|---------|---------|---------|----------------------|---------|---------|----------|
|                                          | Rate       | Exp. Loss Rates† | Code No.    | Rate    |         |         | Expected Loss Rates† |         |         |          |
|                                          |            |                  |             | Group A | Group B | Group C | Group A              | Group B | Group C |          |
| 7016                                     | 3.27       | 1.95             | 7024        | 3.76    | 3.92    | 4.09    | 2.24                 | 2.34    | 2.44    | .90      |
| 7019                                     | 1.88       | 1.12             | 7027        | 2.16    | 2.25    | 2.35    | 1.28                 | 1.34    | 1.40    | .89      |
| 7020                                     | 1.88       | 1.12             | 7028        | 2.16    | 2.25    | 2.35    | 1.28                 | 1.34    | 1.40    | .89      |
| 7036                                     | 3.55       | 2.12             | 7088        | 4.08    | 4.26    | 4.44    | 2.44                 | 2.54    | 2.65    | .86      |
| 7037                                     | 1.88       | 1.12             | 7089        | 2.16    | 2.25    | 2.35    | 1.28                 | 1.34    | 1.40    | .89      |
| 7038                                     | 3.55       | 2.12             | 7090        | 4.08    | 4.26    | 4.44    | 2.44                 | 2.54    | 2.65    | .86      |
| 7039                                     | 1.88       | 1.12             | 7091        | 2.16    | 2.25    | 2.35    | 1.28                 | 1.34    | 1.40    | .89      |
| 7046                                     | 5.06       | 3.02             | 7098        | 5.59    | 5.77    | 5.95    | 3.34                 | 3.45    | 3.55    | .68      |
| 7075                                     | 3.55       | 2.12             | 7093        | 4.08    | 4.26    | 4.44    | 2.44                 | 2.54    | 2.65    | .86      |
| 7079                                     | 1.88       | 1.12             | 7097        | 2.16    | 2.25    | 2.35    | 1.28                 | 1.34    | 1.40    | .89      |
| 7333                                     | 7.53       | 4.51             | 7335        | 8.85    | 8.85    | 8.85    | 5.30                 | 5.30    | 5.30    | .80      |
| 7334                                     | 7.53       | 4.51             | 7336        | 8.85    | 8.85    | 8.85    | 5.30                 | 5.30    | 5.30    | .80      |
| 7394                                     | 9.68       | 5.80             | 7395        | 10.92   | 11.21   | 12.37   | 6.54                 | 6.71    | 7.41    | .90      |
| FEDERAL EMPLOYERS' LIABILITY ACT CLASSES |            |                  |             |         |         |         |                      |         |         |          |
| 6702                                     | (a)        | (a)              | 6703        | (a)     | (a)     | (a)     | (a)                  | (a)     | (a)     | (a)      |
| 7151                                     | 8.26       | 3.99             | 7152        | 9.50    | 9.91    | 10.33   | 4.59                 | 4.79    | 4.99    | .52      |
| 8814                                     | .14        | .06              | 8815        | .16     | .17     | .18     | .07                  | .08     | .08     | .60      |
| 8737                                     | .35        | .16              | 8738        | .40     | .42     | .44     | .19                  | .20     | .21     | .54      |
| 0071*                                    | —          | .60              | —           | —       | —       | —       | —                    | —       | —       | .00      |

\* Applicable to premiums reported under code 0071 effective October 1, 1967.

† For all ratings effective January 1, 1977 through December 31, 1977 the Expected Loss Rates are to be multiplied by a factor of 1.02, rounded to the nearest cent.

Interstate rating applies in the following states:

| <u>State</u>         | <u>Effective Date</u> |
|----------------------|-----------------------|
| Alabama              | June 30, 1955         |
| Alaska               | December 8, 1949      |
| Arizona              | January 1, 1969       |
| Arkansas             | October 1, 1947       |
| Colorado             | August 1, 1951        |
| Connecticut          | October 1, 1947       |
| District of Columbia | August 1, 1949        |
| Florida              | October 1, 1947       |
| Georgia              | October 1, 1947       |
| Hawaii               | October 1, 1947       |
| Idaho                | July 1, 1951          |
| Illinois             | October 1, 1947       |
| Indiana              | October 1, 1947       |
| Iowa                 | October 1, 1947       |
| Kansas               | October 1, 1947       |
| Kentucky             | October 1, 1947       |
| Louisiana            | May 1, 1951           |
| Maine                | October 1, 1947       |
| Maryland             | October 1, 1947       |
| Massachusetts        | December 31, 1951     |
| Michigan             | June 30, 1949         |
| Minnesota            | April 1, 1950         |
| Mississippi          | January 1, 1949       |
| Missouri             | October 1, 1948       |
| Montana              | October 1, 1947       |
| Nebraska             | October 1, 1947       |
| New Hampshire        | October 1, 1947       |
| New Mexico           | October 1, 1947       |
| New York             | December 31, 1949     |
| North Carolina       | October 1, 1947       |
| Oklahoma             | October 1, 1949       |
| Oregon               | November 1, 1970      |
| Rhode Island         | October 1, 1947       |
| South Carolina       | October 1, 1947       |
| South Dakota         | January 1, 1948       |
| Tennessee            | October 1, 1947       |
| Texas                | October 1, 1953       |
| Utah                 | January 1, 1959       |
| Vermont              | October 1, 1947       |
| Virginia             | October 1, 1950       |
| Wisconsin            | October 1, 1947       |

**SUPPLEMENT TO EXPERIENCE RATING PLAN  
MANUAL PROCEDURE GOVERNING RISKS  
OPERATING IN MORE THAN ONE STATE**

1. The General Rules of the Experience Rating Plan Manual shall apply except as otherwise provided in this Supplement.

2. **Risk.** Risk as used in this Supplement shall mean a risk as defined in Rule 2 of Section II of the Experience Rating Plan Manual with respect to all states in which interstate rating has been approved.

3. **Eligibility.** A risk shall qualify for interstate experience rating if it qualifies for rating on an intrastate basis in any one state in accordance with the provisions of Rule 1 of Section III of the Experience Rating Plan Manual.

4. **Notification of Coverage.** Each carrier shall file with the Interstate Compensation Rating Bureau a complete Notification of Coverage form INT-1-68, or INT-1A-68 if applicable, in order to initiate an interstate rating or when assuming coverage for the first time on a risk previously subject to interstate rating. Such filing should be made prior to the effective date of the rating.

5. **Rating Date.** If all the operations of the risk are not included under a single policy, the Board or Bureaus having jurisdiction shall determine a rating date. Such rating date shall be fixed with due consideration to the effective dates of the several policies involved.

6. **Tabulation of Experience.** The experience data for the risk shall be tabulated separately for each individual state in accordance with the provisions of the Experience Rating Plan as it applies to such state.

7. **Rating Procedure.** The interstate experience modification shall be determined on the basis of the total excess and primary losses of all individual states included in the rating.

For states continuing under the Experience Rating Plan—1940, W and B Values by state shall be determined on the basis of the total expected losses of all states included in the rating, using the appropriate state Tables III.

For states where the Experience Rating Plan—1961 applies, W Values by state shall be determined on the basis of the total expected losses of all states included in the rating, using the appropriate state Tables III. For these states, the corresponding B Values from Table III shall not be used in Form INT-1 & 7 but special B Values shall be calculated by state, equal to the total expected excess losses for all states included in the rating plus \$20,000, all multiplied by each state's (1-W) value.

An average W Value for the risk shall be determined using the total expected losses of each state as weights applied to the W Values of each state determined as above. Likewise an average B Value for the risk shall be determined using the total expected losses of each state as weights applied to the B Values obtained from Table III for states which continue under the 1940 Plan, and to the special B Values for the other states determined as above.

These average rating values shall then be used in the rating procedure. Form INT-1 & 7 Transition—shall be used to calculate the risk modification.

If all states used in a rating are subject to the Experience Rating Plan—1961, data shall be consolidated on Form INT-1 & 7. An average W Value for the risk shall be determined by using the total expected losses of each state as weights applied to W Values for each state determined from the state Table III on the basis of the risk total expected losses. The Average B Value for the risk is equal to the risk total expected excess losses plus \$20,000 (the K Value), all multiplied by one minus the risk average W Value.

An average accident limitation for the risk shall be determined in connection with the tabulation of disease claims as required by Rule 5(b) of Section V of this Plan using the total expected losses of each state as a weight applied to the state accident limitation shown on Table III for each state.

8. The resulting modification shall be applicable in all states in which interstate rating applies, except as provided in Rules 10 and 11 of this Supplement.

9. If revised rates for a particular state involved in an interstate rating are approved after the rating date of the risk, and are made effective on or prior to such rating date, the following procedure shall prevail:

- (a) If operations in such particular state do not qualify on an intrastate basis, the interstate experience modification determined on the basis



of the rates in effect at the time of promulgation shall apply to the premium developed by the revised authorized rates when approved.

- (b) If operations in such particular state do qualify on an intrastate basis, the interstate experience modification shall be recalculated on the basis of the revised rates when approved and such recalculated experience modification shall then apply only in the particular state to the premium developed by the revised authorized rates when approved.

10. The application of a single over-all experience modification shall be mandatory in all states which have approved Interstate Experience Rating except that a separate modification may be promulgated for an individual state upon the request of a carrier that is licensed to write workers' compensation insurance in that state only, subject to the following conditions:

- (a) Prior to the rating date, such carrier shall have requested such separate modification and filed with the Board or Bureau having jurisdiction written intention from the insured stating that coverage is to be placed with two or more carriers, one of which is the requesting carrier, and that the insured, with the concurrence of such carrier is requesting a separate modification.
- (b) Where a separate modification has been promulgated for a single state in accordance with the foregoing paragraph, such separate state modification shall apply for the full rating period for which such state modification was calculated, regardless of whether or not the requesting carrier secured the coverage for that state.

11. The following procedure shall be used to determine the modifications applicable to the risk where separate modifications are to be established in accordance with the foregoing Rule 10:

- (a) Calculate on an interstate basis a modification for the entire risk.
- (b) Calculate on an intrastate basis a modification for the state for which a separate modification has been requested.
- (c) Calculate on an interstate basis a modification for all states other than the state in (b) above.
- (d) Calculate the ratio of the product of the modification from (a) and the risk total expected losses to the sum of the products of the modifications from (b) and (c) and the corresponding expected losses.
- (e) The final modification for the state in (b) above shall be the product of its modification as determined in (b) and the ratio determined in (d).
- (f) The final modification for states other than the state in (b) above shall be the product of the modification determined in (c) and the ratio determined in (d).

**RATING FORMS APPLICABLE FOR USE IN  
CONNECTION WITH THE SUPPLEMENT TO  
EXPERIENCE RATING PLAN MANUAL**

- ER-1&7—State and Summary Sheet for Interstate Risks  
ER-2—Individual State Sheet—Ex-Medical  
ER-4—Accidents Involving Two or More Persons  
ERM-6—Report of Experience of Self Insurers  
INT-1-68—Original Notification of Coverage  
INT-1A-68—Amendment of Notification of Coverage

**INTERSTATE RATING DEPARTMENT  
ADMINISTRATIVE PROCEDURES FOR INTERSTATE EXPERIENCE RATING**

| <b>SECTION</b> | <b>CONTENTS</b>                                                     | <b>Page</b> |
|----------------|---------------------------------------------------------------------|-------------|
| I              | INTRODUCTION .....                                                  | 1           |
|                | Purpose of Memorandum .....                                         | 1           |
|                | Other Publications .....                                            | 1           |
|                | Department Functions .....                                          | 1           |
|                | Where Approved .....                                                | 1           |
| II             | ELIGIBILITY .....                                                   | 1           |
| III            | THE INTERSTATE RATING SYSTEM .....                                  | 1           |
|                | Numerical Index .....                                               | 2           |
|                | Risk vs. Insured .....                                              | 2           |
|                | Use of Name .....                                                   | 2           |
|                | Principal Name of Insured Risks .....                               | 2           |
|                | Correspondence and Inquiries .....                                  | 2           |
|                | Identification Number .....                                         | 2           |
| IV             | UNDERWRITING DEPARTMENT RESPONSIBILITIES .....                      | 2           |
| V              | NOTIFICATION OF COVERAGE FORMS .....                                | 3           |
|                | Obtaining Forms .....                                               | 3           |
|                | Use of Forms to Obtain Ratings .....                                | 3           |
|                | Complete an Original Notification of Coverage Form (INT-1-68) ..... | 3           |
|                | Complete an Amendment of Notification Form (INT-1A-68) .....        | 4           |
|                | Complete a Confidential Request for Information (ERM-14-75) .....   | 5           |
|                | Policywriting .....                                                 | 5           |
| VI             | APPLICATION OF EXPERIENCE RATING MODIFICATION .....                 | 5           |
|                | Newly Qualified Interstate Risk .....                               | 5           |
|                | Reversion of a Risk to Interstate Experience Rating .....           | 6           |
| <b>EXHIBIT</b> |                                                                     |             |
| A              | INTERSTATE RATING BY STATE .....                                    | 7           |
| B              | ORIGINAL NOTIFICATION OF COVERAGE .....                             | 12          |
| C              | AMENDMENT OF NOTIFICATION OF COVERAGE .....                         | 13          |
| D              | CONFIDENTIAL REQUEST FOR INFORMATION .....                          | 13          |

## INTERSTATE RATING DEPARTMENT ADMINISTRATIVE PROCEDURES FOR INTERSTATE EXPERIENCE RATING

### I. INTRODUCTION

#### Purpose of Memorandum

This Memorandum describes the Interstate Rating Department's procedures for experience rating Workers' Compensation Insurance. This memorandum also outlines what is expected of insurance company personnel involved in "Underwriting" (i.e. classifying, rating or policy writing) Workers' Compensation policies.

#### Other Publications

(Auditing)—Other publications available include: For AUDITING personnel . . . "Casualty Insurance Audit Reference Book"

(Statistical)—For STATISTICAL personnel . . . "Guidebook to Workmen's Compensation Unit Statistical Plan Supplement—Interstate Rating."

#### Interstate Rating Department Functions

The Rating Division, Interstate Rating Department, is a division of the National Council on Compensation Insurance. The Interstate Rating Department:

1. Collects and consolidates the rating data.
2. Promulgates Interstate Experience Rating Modifications for all states which have approved Interstate rating, including Independent Bureau States.
3. Administers the Interstate Experience Rating Rules.

#### Where Approved

Interstate Experience Rating has been adopted as a rating plan by 40 states and the District of Columbia.

#### Exceptions

Four States have intrastate plans only:

|            |              |
|------------|--------------|
| CALIFORNIA | NEW JERSEY   |
| DELAWARE   | PENNSYLVANIA |

Six States are exclusive State Fund States:

|              |               |
|--------------|---------------|
| NEVADA       | WASHINGTON    |
| NORTH DAKOTA | WEST VIRGINIA |
| OHIO         | WYOMING       |

### II. ELIGIBILITY

To qualify for Interstate Experience Rating a risk must:

1. Qualify for experience rating on an intrastate basis in any State which has adopted Interstate rating (see Exhibit A) and . . .
2. Develop exposure during the experience period in at least one other State where Interstate Rating has also been adopted.

| Examples of Eligibility | Exposure Reported In | Is risk subject to interstate rating?   |
|-------------------------|----------------------|-----------------------------------------|
| (Risk A)                | Conn. N.Y. Mass      | Yes (All 3 states have interstate rule) |
| (Risk B)                | N.J. N.Y. Conn.      | Yes (N.Y. & Conn. have interstate rule) |
| (Risk C)                | N.J. N.Y. Cal.       | No. (Only N.Y. has interstate rule)     |
| (Risk D)                | N.J. Penn. Del.      | No                                      |

**Note:** AFTER THIS POINT, THIS MEMORANDUM DEALS ONLY WITH "INTERSTATE STATES"; STATES WHERE THE INTERSTATE RULES HAVE BEEN ADOPTED.

### III. THE INTERSTATE RATING SYSTEM

If a risk qualifies for experience rating in any "Interstate" State, **ALL** experience developed in "Interstate" States during the 3 year "experience period" must be included in the Experience Rating. This rule applies to all experience developed during the experience period by all carriers, including competitive State Funds.

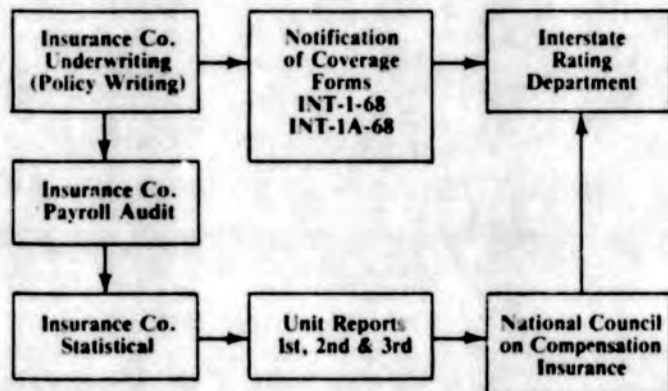
For the system to work effectively, all participants must cooperate fully. Participants include Insurance Companies, State Funds, the Independent Bureaus which have adopted interstate rating and the local administrative bureaus of the National Council on Compensation Insurance.

The Company Underwriting Department is the cornerstone position which directs the flow of information through two separate channels, from the company to the Interstate Rating Department.



The following diagram of the flow of information will serve as a basis for the detailed explanations that follow:

**STEP 1**



**STEP 2**



**Numerical Index**

The Interstate Rating Department maintains a numerical index system based on the Interstate Identification Number. An alphabetical directory is maintained as a secondary system.

**Risk vs. Insured**

**Note:** A **risk**, for purposes of Interstate Experience Rating, may be different from an **insured**. An Interstate **risk** may include several separate entities, each of which is an **insured**. Each **insured** may have its coverage under a separate policy, perhaps written by a separate Carrier. The Interstate Rating Department must be able to relate each **insured** to the proper **risk**.

**Use of Name**

NAMES OF INSURED WHICH APPEAR ON UNIT STATISTICAL CARDS MUST BE EXACTLY THE SAME AND TOTALLY CONSISTENT WITH NAMES WHICH APPEAR ON ORIGINAL NOTIFICATION OF COVERAGE (INT 1-68) AND AMENDMENT TO NOTIFICATION OF COVERAGE (INT 1A-68). Therefore, Carriers must be certain that the names of insureds are identical on Notification of Coverage forms, policies, payroll audits and Unit Reports.

**Principal Name of Insured Risk**

The Interstate Rating Department uses the term "PRINCIPAL NAME OF INSURED RISK" and the Interstate Identification Number for purposes of filing and correspondence. If two or more entities are combined for Interstate Experience Rating, the "PRINCIPAL NAME OF INSURED RISK" and Interstate Identification Number are cross referenced to the names of any such additional entities registered with the Interstate Rating Department by Original Notification of Coverage.

**Correspondence and Inquiries**

Correspondence and inquiries directed to the Interstate Rating Department which show the Interstate Identification number will immediately be matched with the risk file.

Correspondence and inquiries directed to the Interstate Rating Department which show an insured not previously filed as a principal, subsidiary or affiliate by Original Notification of Coverage (INT-1-68) or by Amendment of Notification of Coverage (INT-1A-68) will not be identified as an interstate rated risk.

**Identification Number**

The Interstate Rating Department assigns a nine digit identification number to each risk in its files. This identification number must be used in correspondence with the Interstate Rating Department and must also be used on all Interstate unit reports.

**IV. UNDERWRITING DEPARTMENT RESPONSIBILITIES**

Underwriting responsibilities, (which include classification, rating and policy writing) are as follows:

1. Advise the Interstate Rating Department of New Business to the Carrier when the risk has previously been experience rated on an Interstate basis. (FORM INT-1-68)
2. Advise the Interstate Rating Department of risks which newly qualify for Interstate experience rating. (FORM INT-1-68)
3. Advise the Interstate Rating Department of all changes that in any way may affect the experience rating. (FORM INT-1A-68)

4. Assure that the policies are written and unit reports are prepared totally consistent with the information given to the Interstate Rating Department under (1), (2) and (3) above, especially, as to name of insured and states covered.

For example, the Interstate Rating Department will have a separate risk Identification number and Alphabetical listing for each of 5 separate risks...

1. 910 594 297 Acme Plumbing Company
2. 910 239 874 Acme Plumbing Company, Inc.
3. 910 372 957 Acme Plumbing Corp.
4. 910 874 597 Acme Plumbing Company, A Corp.
5. 910 234 795 R. B. Jones d/b/a  
Acme Plumbing Company

Each document submitted by a carrier must clearly identify which of the 5 risks would be involved. All documents dealing with the same insured must contain the identical name. Even a minor omission or error can create problems and delays.

THE PROPER USE OF THE NOTIFICATION OF COVERAGE FORMS IS THE ONLY WAY TO AVOID CONFUSION.

## V. NOTIFICATION OF COVERAGE FORMS

Carriers must notify the Interstate Rating Department of all conditions which affect the experience rating of a risk, including the distribution of experience ratings, through the use of one of three forms...

- I. ORIGINAL NOTIFICATION OF COVERAGE (INT-1-68)  
(Exhibit B attached)
- II. AMENDMENT OF NOTIFICATION OF COVERAGE (INT-1A-68)  
(Exhibit C attached)
- III. CONFIDENTIAL REQUEST FOR INFORMATION (ERM 14-75)  
(Exhibit D attached)

### Obtaining Forms

Carriers may duplicate their own copies of these forms or may request reasonable quantities from the National Council on Compensation Insurance.

### Use of Forms to Obtain Ratings

The Interstate Rating Department automatically sends 2 copies of each Rating to the Home Office of the insuring carrier unless instructed to do otherwise. If the carrier desires other distribution, either in the number of copies to be furnished or the offices to receive the ratings, the Original Notification of Coverage (INT-1-68) or an Amendment to Notification of Coverage (INT-1A-68) should be completed to provide these special mailing instructions.

**Note:** Each insuring carrier receives 2 copies of each rating at no charge. Additional copies are available as follows:

\$2.00 for summary page and .50 per page for additional pages.

### Complete an Original Notification of Coverage Form (INT-1-68)

A completed ORIGINAL NOTIFICATION OF COVERAGE FORM (INT-1-68) must be submitted to:

NCCI—RATING DIVISION,  
INTERSTATE RATING DEPARTMENT  
ONE PENN PLAZA  
NEW YORK, NEW YORK 10119

under these conditions...

- A. The risk is **newly qualified** for interstate experience rating because...

1. The risk presently is subject to **Intrastate** rating in a state where **Interstate** rating has been adopted and the risk develops premium (estimated or actual in an additional State or States where **Interstate** rating has been adopted)

(See Exhibit A) or...

2. The risk is newly qualified for **intrastate** rating in a State where **interstate** rating has been adopted and the risk develops premium (estimated or actual) in one or more additional States where interstate rating has been adopted.

(See Exhibit A)

- B. The risk is written as new business by the carrier for the first time and the risk is subject to **interstate** experience rating, regardless of whether...

1. The carrier is providing coverage in one or in several States or...



2. The carrier is underwriting the entire risk or only a portion of the risk.

The following information is especially important to the Interstate Rating Department and must be entered properly on the Notification of Coverage as well as the annotated comments numbered 1 thru 7 on Exhibit B:

**"Principal Name of Insured Risk"**

Enter the principal name of the entire risk or the principal name of the portion you insure.

**"Name of Parent Entity If Not Insured By Submitting Carrier"**

Enter the principal name of the parent entity if not insured by the submitting carrier. If submitting carrier does insure the parent entity, the name of the parent entity would be entered under the item "Principal Name of Insured Risk."

**"State Furnishing Intrastate Modification"**

If the risk was "Previously Intrastate Rated," identify the state furnishing the intrastate modification. Enter a state only if it is one which has adopted interstate rating. For instance, Delaware, New Jersey and California ratings would not be applicable to an interstate risk.

**"Effective Date If Different Than Principal"**  
(column (3))

This enables interstate to pick up non-concurrent policy data for the rating.

**IMPORTANT NOTE:** The ORIGINAL NOTIFICATION OF COVERAGE FORM (INT-1-68) must be completed as shown in Exhibit B. Once the ORIGINAL NOTIFICATION OF COVERAGE has been filed, amendments or changes in the ORIGINAL NOTIFICATION OF COVERAGE FORM are handled by using the AMENDMENT OF NOTIFICATION OF COVERAGE FORM. (INT-1A-68)

**Complete and Amendment of Notification of Coverage Form (INT-1A-68)**

A completed AMENDMENT OF NOTIFICATION OF COVERAGE FORM (INT-1A-68) must be submitted to:

NCCI—RATING DIVISION,  
INTERSTATE RATING DEPARTMENT  
ONE PENN PLAZA  
NEW YORK, NEW YORK 10119

under these conditions...

1. **A CHANGE IN THE NAME OF THE RISK** that will appear on policies and unit reports and should therefore be entered into the index system.

If the change in name is due to Change in Ownership, Merger, Consolidation, or Combination of Experience of Separate Entities, file a completed form ERM-14-75 stapled to Form INT-1A-68.

2. **ADDITION OF ENTITIES** to be added to an established Interstate risk. File Form ERM-14-75 stapled to Form INT-1A-68.

Provide under "ENTER SPECIFIC DETAILS" (INT-1A-68) any information that will be pertinent to the rating, such as the name under which the entity will appear on future policies. Include the previous name, if different, the States where operations have been and will be conducted, and the name and policy numbers of the previous carrier if available.

3. **DELETION OF ENTITIES** requires the filing of Form INT-1A-68 only. Provide under "ENTER SPECIFIC DETAILS" the essential information that will be of help in the future rating of both the separate entity and the original risk, such as policy numbers, effective dates, states covered, new carrier, etc.

4. **ADDITION OF STATES** and...

5. **DELETION OF STATES**

The Interstate Rating Department must be advised whenever a State subject to Interstate Rating is added to or eliminated from a policy. Failure to file Form INT-1A-68 indicating such a change will preclude the proper rating of the risk. For example:

- a. If a State is added to a policy, the Department will not expect a Unit Report for that State unless the Form INT-1A-68 has been filed. Once the Unit Reports for all known States are received, the Interstate Rating Department will proceed with the rating. If the Unit Report for the additional State has not been received by this time, a revised rating will be necessary later.



- b. If a State is deleted from a policy, the Interstate Rating Department will expect a Unit Report for that State unless Form INT-1A-68 has been filed. The carrier will be requested by Form Letter (SL 2) to file the assumed to be missing Unit Report, resulting in wasted time and effort.

#### 6. CHANGE OF OWNERSHIP

File Form ERM-14-75 stapled to Form INT-1A-68.

#### 7. CHANGE OF RATING DATE

#### 8. CHANGE OF POLICY DATE(S) NOT AFFECTING THE RATING DATE

#### 9. RISK OUT OF BUSINESS

#### 10. CHANGE IN MAILING INSTRUCTIONS FOR EXPERIENCE RATING DATA

11. OTHER information that will facilitate the rating of a risk should be provided. For example, **cancellation and non-renewal notification is helpful** especially when the name of the new carrier is provided.

#### Complete a Confidential Request for Information (ERM-14-75)

A complete CONFIDENTIAL REQUEST FOR INFORMATION FORM (ERM-14-75) signed by the Owner, Partner or Executive Officer of the Insured must be submitted to:

NCCI—RATING DIVISION,  
INTERSTATE RATING DEPARTMENT  
ONE PENN PLAZA  
NEW YORK, NEW YORK 10119

whenever there is a Change of Ownership, Merger, Consolidation, Combination of Experience of Separate Entities for experience rating.

#### Policywriting

Each new and renewal policy should be checked carefully against expiring policies, audits and previously filed Notification of Coverage Forms to assure consistency of information.

### VI. APPLICATION OF EXPERIENCE RATING MODIFICATION

The experience rating modification as promulgated by the Interstate Rating Department applies only to the premium developed in those states that have adopted interstate rating.

The experience rating modifications shall not apply to premium produced by: Loss and Expense Constants, policy minimum premium, National Defense Projects Rating Plan, Radiation Exposures; and non-ratable elements included in classification rates. See Section IV of Experience Rating Plan Manual for details.

#### Newly Qualified Interstate Risk

An intrastate experience modification becomes an interstate experience modification at the time the risk qualifies for interstate rating. For example, when a risk that is operating in the State of New York qualifies for experience rating the New York Compensation Insurance Rating Board will promulgate the intrastate experience rating modification. If that risk commences operations in the State of Connecticut or insures operations in Connecticut which have not previously been insured, the modification as promulgated by the New York Compensation Insurance Rating Board shall also be applied by the carrier to the Connecticut coverage as of the effective date of the Connecticut coverage. A modification promulgated by New York will be applied to both New York and Connecticut premiums. As soon as the Connecticut experience falls within the three year experience period used for experience rating the Interstate Rating Department will promulgate the new experience rating modification provided a Notification of Coverage (INT-1-68) has been properly filed. An important factor in this example is that both New York and Connecticut have adopted interstate experience rating.

The first interstate experience rating for a transition of the type described above will normally include two years of New York experience and the experience for New York and Connecticut in the most recent year included in the experience period.

To accomplish the smoothest transition from intrastate rating to interstate rating:

1. notify the company's statistical department that the risk's unit reports must be identified as interstate experience rated (the symbol "x" must be put into the Code 91 block for Conditions) and...

2. whenever available, staple to the Notification of Coverage copies of the unit reports that will be required for the first interstate experience rating. The filing of these unit reports will expedite the promulgation of the initial interstate experience rating.

**Reversion of a Risk to Intrastate Experience Rating**

A risk is no longer subject to interstate experience rating when only state develops exposure during the "full experience period" used in rating. When a risk ceases to

qualify for interstate rating the risk file is referred to the state which will provide the future intrastate modifications. At this time the carrier or carriers of record are notified as to the source of future intrastate experience ratings. If the bureau or the carrier has information that the risk will be eligible for interstate experience rating on a subsequent anniversary, such information should be immediately forwarded to the Interstate Rating Department.

## EXHIBIT A

| State                   | Interstate<br>Rating<br>Applicable | Intrastate Eligibility<br>Requirements                                                                                    | Bureau Having Jurisdiction                                                                                                                     | Filing of Intrastate<br>Experience Rating<br>Unit Reports | Filing of Interstate<br>Experience Rating<br>Unit Reports |
|-------------------------|------------------------------------|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Alabama                 | Yes                                | \$750—Note (1)                                                                                                            | Southeastern Compensation<br>Rating Bureau<br>2 Office Park Circle—C-40<br>Birmingham, AL 35283                                                | National Council                                          | National Council                                          |
| Alaska                  | Yes                                | \$1500—Average annual<br>premium<br>\$3000—Last year or last<br>2 years                                                   | Northwestern Compensation<br>Rating Bureau<br>620 S.W. 5th Avenue<br>Suite 1110<br>Portland, OR 97204                                          | National Council                                          | National Council                                          |
| Arizona                 | Yes                                | \$750—Note (1)                                                                                                            | Mountain States Comp.<br>Rating Bureau<br>One Tamarac Square<br>Suite 504<br>7555 E. Hampden Ave.<br>Denver, CO 80231                          | National Council                                          | National Council                                          |
| Arkansas                | Yes                                | \$750—Note (1)                                                                                                            | Arkansas Compensation<br>Rating Bureau<br>307 Donaghey Building<br>7th & Main Street<br>Little Rock, AR 72201                                  | National Council                                          | National Council                                          |
| California              | No                                 | No less than \$5500 dur-<br>ing latest 3 years of<br>rating period. Minimum<br>1 year required. Note (2)                  | Workers' Compensation<br>Insurance Rating Bureau<br>of California<br>Spear Street Tower<br>One Market Pl. Suite 500<br>San Francisco, CA 94105 | California Bureau                                         | —                                                         |
| Colorado                | Yes                                | \$750—Note (1)                                                                                                            | Mountain States Comp.<br>Rating Bureau<br>One Tamarac Square<br>Suite 504<br>7555 E. Hampden Ave.<br>Denver, CO 80231                          | National Council                                          | National Council                                          |
| Connecticut             | Yes                                | \$750—Note (1)                                                                                                            | Northeastern Compensation<br>Rating Bureau<br>21 Wintonbury Mall<br>Bloomfield, CT 06002                                                       | National Council                                          | National Council                                          |
| Delaware                | No                                 | No less than \$3000<br>during the 3 years of<br>the experience rating<br>period. One year mini-<br>mum required. Note (2) | Delaware Compensation<br>Rating Bureau<br>1339 Chestnut Street<br>5th Floor<br>Philadelphia, PA 19107                                          | Delaware Bureau                                           | —                                                         |
| District<br>of Columbia | Yes                                | \$750—Note (1)                                                                                                            | Mid-Atlantic Compensation<br>Rating Bureau<br>305 W. Chesapeake Ave.<br>Baltimore, MD 21204                                                    | National Council                                          | National Council                                          |
| Florida                 | Yes                                | \$750—Note (1)                                                                                                            | Florida Compensation<br>Rating Bureau<br>433 One Regency Place<br>9570 Regency Square Blvd.<br>Jacksonville, FL 32211                          | National Council                                          | National Council                                          |
| Georgia                 | Yes                                | \$750—Note (1)                                                                                                            | Southeastern Compensation<br>Rating Bureau<br>2 Office Park Circle—C-40<br>Birmingham, AL 35283                                                | National Council                                          | National Council                                          |



EXHIBIT A—Continued

| <u>State</u>  | <u>Interstate<br/>Rating<br/>Applicable</u> | <u>Intrastate Eligibility<br/>Requirements</u> | <u>Bureau Having Jurisdiction</u>                                                                                     | <u>Filing of Intrastate<br/>Experience Rating<br/>Unit Reports</u> | <u>Filing of Interstate<br/>Experience Rating<br/>Unit Reports</u> |
|---------------|---------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|
| Hawaii (3)    | Yes                                         | \$750—Note (1)                                 | Hawaii Insurance<br>Rating Bureau<br>P.O. Box 4500<br>700 Bishop Street, 5th Floor<br>Honolulu, HI 96813              | National Council                                                   | National Council                                                   |
| Idaho         | Yes                                         | \$750—Note (1)                                 | Mountain States Comp.<br>Rating Bureau<br>One Tamarac Square<br>Suite 504<br>7555 E. Hampden Ave.<br>Denver, CO 80231 | National Council                                                   | National Council                                                   |
| Illinois      | Yes                                         | \$750—Note (1)                                 | Illinois Compensation<br>Rating Bureau<br>P.O. Box 1666<br>2715 W. Monroe Street<br>Springfield, IL 62705             | National Council                                                   | National Council                                                   |
| Indiana       | Yes                                         | \$750—Note (1)                                 | Indiana Compensation<br>Rating Bureau<br>P.O. Box 50940<br>5920 Castleway, West Drive<br>Indianapolis, IN 46250       | National Council                                                   | National Council                                                   |
| Iowa          | Yes                                         | \$750—Note (1)                                 | North Central Comp.<br>Rating Bureau<br>2525 East Euclid Ave.<br>Suite 212<br>Des Moines, IA 50317                    | National Council                                                   | National Council                                                   |
| Kansas        | Yes                                         | \$750—Note (1)                                 | Central States Comp.<br>Rating Bureau—<br>Topeka Office<br>P.O. Box 1577<br>3601 W. 29th Street<br>Topeka, KS 66601   | National Council                                                   | National Council                                                   |
| Kentucky      | Yes                                         | \$750—Note (1)                                 | Southeastern Compensation<br>Rating Bureau<br>2 Office Park Circle—C-40<br>Birmingham, AL 35283                       | National Council                                                   | National Council                                                   |
| Louisiana     | Yes                                         | \$750—Note (1)                                 | Southeastern Compensation<br>Rating Bureau<br>3501 North Causeway Blvd.<br>Suite 600<br>Metairie, LA 70002            | National Council                                                   | National Council                                                   |
| Maine         | Yes                                         | \$750—Note (1)                                 | Northeastern Compensation<br>Rating Bureau<br>21 Wintonbury Mall<br>Bloomfield, CT 06002                              | National Council                                                   | National Council                                                   |
| Maryland      | Yes                                         | \$750—Note (1)                                 | Mid-Atlantic Compensation<br>Rating Bureau<br>305 W. Chesapeake Ave.<br>Baltimore, MD 21204                           | National Council                                                   | National Council                                                   |
| Massachusetts | Yes                                         | \$750—Note (1)                                 | The Workers' Compensation<br>Rating & Inspection Bureau<br>of Massachusetts<br>40 Broad Street<br>Boston, MA 02109    | Massachusetts<br>Bureau                                            | National Council                                                   |

## EXHIBIT A—Continued

| State             | Interstate<br>Rating<br>Applicable | Intrastate Eligibility<br>Requirements       | Bureau Having Jurisdiction                                                                                                                | Filing of Intrastate<br>Experience Rating<br>Unit Reports | Filing of Interstate<br>Experience Rating<br>Unit Reports |
|-------------------|------------------------------------|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Michigan          | Yes                                | \$750—Note (1)                               | Workers' Comp. Rating<br>& Inspection Association<br>of Michigan<br>P.O. Box P-2055<br>Birmingham, MI 40812                               | National Council                                          | National Council                                          |
| Minnesota         | Yes                                | \$750—Note (1)                               | Workers Comp. Insurers<br>Association of Minnesota<br>510 Marquette Ave.<br>Minneapolis, MN 55402                                         | Minnesota<br>Association                                  | National Council                                          |
| Mississippi       | Yes                                | \$750—Note (1)                               | Southeastern Compensation<br>Rating Bureau<br>2 Office Park Circle—C-40<br>Birmingham, AL 35283                                           | National Council                                          | National Council                                          |
| Missouri          | Yes                                | \$750—Note (1)                               | Central States Comp.<br>Rating Bureau<br>10825 Watson Road<br>St. Louis, MO 63127                                                         | National Council                                          | National Council                                          |
| Montana           | Yes                                | \$750—Note (1)                               | Northwestern Compensation<br>Rating Bureau<br>620 S.W. 5th Avenue<br>Suite 1110<br>Portland, OR 97204                                     | National Council                                          | National Council                                          |
| Nebraska          | Yes                                | \$750—Note (1)                               | North Central Comp.<br>Rating Bureau<br>2525 East Euclid Ave.<br>Des Moines, IA 50317                                                     | National Council                                          | National Council                                          |
| Nevada            | No                                 | MONOPOLISTIC STATE FUND                      |                                                                                                                                           |                                                           |                                                           |
| New<br>Hampshire  | Yes                                | \$750—Note (1)                               | Northeastern Compensation<br>Rating Bureau<br>21 Wintonbury Mall<br>Bloomfield, CT 06002                                                  | National Council                                          | National Council                                          |
| New Jersey        | No                                 | \$3000 during experience<br>period. Note (2) | Compensation Rating and<br>Inspection Bureau of<br>New Jersey<br>Room 1203<br>Military Park Building<br>60 Park Place<br>Newark, NJ 07102 | New Jersey Bureau                                         | —                                                         |
| New Mexico        | Yes                                | \$750—Note (1)                               | Mountain States Comp.<br>Rating Bureau<br>One Tamarac Square<br>Suite 504<br>7555 E. Hampden Ave.<br>Denver, CO 80231                     | National Council                                          | National Council                                          |
| New York          | Yes                                | \$750—Note (1)                               | New York Compensation<br>Insurance Rating Board<br>200 East 42nd Street<br>New York, NY 10017                                             | New York Board                                            | National Council                                          |
| North<br>Carolina | Yes                                | \$750—Note (1)                               | North Carolina Rate Bureau<br>1700 Hillsborough Street<br>P.O. Box 12227<br>Raleigh, NC 27605                                             | National Council                                          | National Council                                          |

EXHIBIT A—Continued

| State          | Interstate Rating Applicable | Intrastate Eligibility Requirements                                                                                     | Bureau Having Jurisdiction                                                                                         | Filing of Intrastate Experience Rating Unit Reports | Filing of Interstate Experience Rating Unit Reports |
|----------------|------------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| North Dakota   | No                           |                                                                                                                         | MONOPOLISTIC STATE FUND                                                                                            |                                                     |                                                     |
| Ohio           | No                           |                                                                                                                         | MONOPOLISTIC STATE FUND                                                                                            |                                                     |                                                     |
| Oklahoma       | Yes                          | \$750—Note (1)                                                                                                          | Oklahoma Compensation Rating Bureau<br>3555 N.W. 58th Street<br>Suite 730<br>Oklahoma City, OK 73112               | National Council                                    | National Council                                    |
| Oregon         | Yes                          | \$750—Note (1)                                                                                                          | Northwestern Compensation Rating Bureau<br>620 S.W. 5th Avenue<br>Suite 1110<br>Portland, OR 97204                 | National Council                                    | National Council                                    |
| Pennsylvania   | No                           | \$3000 minimum premium required during 3 year experience rating period. Minimum 1 year is required. Note (2)            | Pennsylvania Compensation Rating Bureau<br>1339 Chestnut Street<br>Philadelphia, PA 19107                          | Pennsylvania Bureau                                 | —                                                   |
| Rhode Island   | Yes                          | \$750—Note (1)                                                                                                          | Northeastern Compensation Rating Bureau<br>21 Wintonbury Mall<br>Bloomfield, CT 06002                              | National Council                                    | National Council                                    |
| South Carolina | Yes                          | \$750—Note (1)                                                                                                          | South Carolina Compensation Rating Bureau<br>Landmark East<br>3700 Forest Drive<br>Columbia, SC 29204              | National Council                                    | National Council                                    |
| South Dakota   | Yes                          | \$750—Note (1)                                                                                                          | North Central Compensation Rating Bureau<br>2525 East Euclid Ave.<br>Suite 212<br>Des Moines, IA 50317             | National Council                                    | National Council                                    |
| Tennessee      | Yes                          | \$750—Note (1)                                                                                                          | Southeastern Compensation Rating Bureau<br>2 Office Park Circle—C-40<br>Birmingham, AL 35283                       | National Council                                    | National Council                                    |
| Texas          | Yes                          | Premium at least \$2500 during last year of rating period or average premium of \$1250 during 2 or more years. Note (2) | State Board of Insurance<br>1110 San Jacinto<br>Austin, TX 78786                                                   | Texas Board                                         | National Council                                    |
| Utah           | Yes                          | \$750—Note (1)                                                                                                          | Mountain States Comp. Rating Bureau<br>One Tamarac Square<br>Suite 504<br>7555 E. Hampden Ave.<br>Denver, CO 80231 | National Council                                    | National Council                                    |
| Vermont        | Yes                          | \$750—Note (1)                                                                                                          | Northeastern Compensation Rating Bureau<br>21 Wintonbury Mall<br>Bloomfield, CT 06002                              | National Council                                    | National Council                                    |



## EXHIBIT A—Continued

| State         | Interstate<br>Rating<br>Applicable | Intrastate Eligibility<br>Requirements | Bureau Having Jurisdiction                                                                                                      | Filing of Intrastate<br>Experience Rating<br>Unit Reports | Filing of Interstate<br>Experience Rating<br>Unit Reports |
|---------------|------------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Virginia      | Yes                                | \$750—Note (1)                         | Virginia Compensation<br>Rating Bureau<br>P.O. Box 27541<br>W. Broad Office Park<br>2720 Enterprise Pkwy.<br>Richmond, VA 23261 | Virginia Bureau                                           | National Council                                          |
| Washington    | No                                 | _____                                  | MONOPOLISTIC STATE FUND                                                                                                         | _____                                                     | _____                                                     |
| West Virginia | No                                 | _____                                  | MONOPOLISTIC STATE FUND                                                                                                         | _____                                                     | _____                                                     |
| Wisconsin     | Yes                                | \$750—Note (1)                         | Wisconsin Compensation<br>Rating Bureau<br>732 North Jackson Street<br>Milwaukee, WI 53202                                      | National Council                                          | National Council                                          |
| Wyoming       | No                                 | _____                                  | MONOPOLISTIC STATE FUND                                                                                                         | _____                                                     | _____                                                     |

- (1) Premium of at least \$1,500 in the last year, or an average of at least \$750 for the last two or more years of the experience period at the manual rates in effect during the experience period.
- (2) California, Delaware, New Jersey, Pennsylvania, Texas—In determining the eligibility requirements, use the manual rates effective as of the rating anniversary date.
- (3) In the assembling of the statistics, it is recognized in Hawaii there is a bureau for stock carriers only. Nevertheless the Interstate Experience Rating Plan has been approved for use in Hawaii and the statistics for Hawaii should be used in the development of an interstate experience modification.

Issued July 1, 1980

NCCI—RATING DIVISION

EXHIBIT B

INTERSTATE EXPERIENCE RATING

ORIGINAL NOTIFICATION OF COVERAGE

Interstate Rating Department  
One Penn Plaza, New York, N.Y. 10119

Date January 4, 1972

|                                                                                                                           |                                                                                                    |                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| REASON FOR FILING NOTIFICATION: <input type="checkbox"/> NEW BUSINESS <input checked="" type="checkbox"/> NEWLY QUALIFIED |                                                                                                    | INTERSTATE IDENTIFICATION NO. (IF AVAILABLE)                                                     |
| PRINCIPAL NAME OF INSURED RISK<br>XYZ COMPANY                                                                             |                                                                                                    | ADDRESS (CITY AND STATE)<br>Hartford, Connecticut ①                                              |
| NAME OF PARENT ENTITY IF NOT INSURED BY SUBMITTING CARRIER<br>CONGLOMERATE INCORPORATED                                   |                                                                                                    | ADDRESS (CITY AND STATE)<br>New York, New York                                                   |
| SUBMITTING CARRIER<br>Lyndhurst Insurance Company                                                                         | PRINCIPAL POLICY NO.<br>WCI 114 0836                                                               | POLICY PERIOD<br>April 1, 1972/1973                                                              |
| PREVIOUS CARRIER<br>Secaucus Insurance Company                                                                            | PREVIOUSLY INTERSTATE RATED? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO ② | PREVIOUSLY INTRASTATE RATED? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
| STATE FURNISHING INTRA-STATE MODIF. (IF YES)<br>Connecticut                                                               |                                                                                                    | EXP. RTE. RATE (NO. AND DAY)<br>April 1 .97                                                      |

| ENTER EACH STATE COVERED AND COMPLETE COLS. (2) AND (3) WHEN APPLICABLE |                                                       |                                                   | COMPLETE THESE COLUMNS WHEN RISK IS NEWLY QUALIFIED ⑤     |                                                           |                                                           |                                                           |
|-------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| (1)<br>STATE                                                            | (2)<br>CURRENT POLICY NO. IF DIFFERENT THAN PRINCIPAL | (3)<br>EFFECTIVE DATE IF DIFFERENT THAN PRINCIPAL | (4)<br>YR. 1970 POLICY NO. OR OTHER CARRIER AND EFF. DATE | (5)<br>YR. 1969 POLICY NO. OR OTHER CARRIER AND EFF. DATE | (6)<br>YR. 1968 POLICY NO. OR OTHER CARRIER AND EFF. DATE | (7)<br>YR. 1967 POLICY NO. OR OTHER CARRIER AND EFF. DATE |
| Conn.                                                                   |                                                       |                                                   | WCI 1140836                                               | Secaucus                                                  | Casualty Ins.                                             |                                                           |
| Mass.                                                                   | ④                                                     |                                                   | (same)                                                    | 5/1/69<br>(none)                                          | 5/1/68<br>(none)                                          |                                                           |
| R. I.                                                                   | WC 11140837                                           | July 1, 1972                                      | WCI 1140837                                               | (none)                                                    | (none)                                                    |                                                           |

- Enter the insured's headquarters address here.
- Identify the risk as to whether or not it was previously rated (it is very important to properly specify interstate rated or intrastate rated).
- Enter a State only if the State has adopted interstate rating. California, Delaware, New Jersey and Pennsylvania must not be listed. Do not include states written on an IF ANY basis unless it is anticipated that exposure will be developed.
- Some States or entities may be covered under different policy numbers. List these numbers so that the experience may be assembled correctly for the entire risk.
- Proper completion of columns 4, 5, 6 and 7 permit the Interstate Compensation Rating Bureau to canvas bureaus and reassemble unit reports. The Interstate Compensation Rating Bureau must know the policy number and State which it covered in order to collect unit reports for the experience period.
- List subsidiaries and affiliates which have been ruled to be combinable for experience rating and identify the bureau that issued the ruling. Attach completed CONFIDENTIAL REQUEST FOR INFORMATION (ERM-14-75) for any entity which has not previously been judged combinable.
- In completing this block first identify the number of copies required by the home office then identify the number of copies required by the branch office. In the example, one copy of data will be furnished to the home office at no cost and one copy of data will be furnished to the branch office at no cost. There will be a charge for the additional copy requested for the branch office. It is not necessary to give the name and address of the home office in this block.

|                                                                                                                                                                                                                                                   |                                                                                                                             |                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|-----------------|
| NAME SUBSIDIARIES OR AFFILIATES OF PRINCIPAL AND INDICATE STATE(S) COVERED (INDICATE STATE(S) WHERE DIFFERENT NAME(S) APPLY)<br><br>Smith Sales Corp - Northeast Compensation Rating Bur.<br><br>Smith Pumping Corp - ERM-14-75 attached<br><br>⑥ | FURNISH COPIES OF DATA TO:<br>HOME OFFICE <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO               | NO. COPIES<br>1 |
|                                                                                                                                                                                                                                                   | OTHER (NAME & ADDRESS)<br><br>Lyndhurst Insurance Company<br>1099 Wall Street West<br>Parkhurst, Connecticut 10000<br><br>⑦ | NO. COPIES<br>2 |

IF USING REVERSE OR ADDITIONAL SHEET, PLEASE CHECK HERE: ADDITIONAL SHEET ☐ REVERSE ☐

INT 1-68

## EXHIBIT C

## INTERSTATE EXPERIENCE RATING

## AMENDMENT OF NOTIFICATION OF COVERAGE

Date \_\_\_\_\_

Interstate Rating Department  
One Penn Plaza, New York, N.Y. 10119

Interstate Identification No. \_\_\_\_\_

PRINCIPAL NAME OF RISK (CURRENTLY FILED WITH INTERSTATE)

ADDRESS OF PRINCIPAL RISK (CITY &amp; STATE)

| SUBMITTING CARRIER | PRINCIPAL POLICY NO. | POLICY PERIOD | EXP. RTG. DATE<br>(MO. & DAY) |
|--------------------|----------------------|---------------|-------------------------------|
|--------------------|----------------------|---------------|-------------------------------|

REASON FOR SUBMITTING AMENDMENT OF NOTIFICATION OF COVERAGE  
(Enter detail reason in space below)

1. Change of Principal Name of Risk (enter new name below) (file completed ERM — 14).  
 2. Additions of entities (file completed ERM — 14).  
 3. Deletions of entities.  
 4. Additions of states (furnish estimated or actual premium — do not file "if any" basis).  
 5. Deletions of states.  
 6. Change of ownership (file completed ERM — 14).  
 7. Change of rating date.  
 8. Change of policy date not affecting rating date.  
 9. Risk out of business.  
 10. Change in mailing instructions.  
 11. Other.

## ENTER SPECIFIC DETAILS

INT 1A-68

## EXHIBIT D

## CONFIDENTIAL REQUEST FOR INFORMATION

The following confidential ownership statements will be used only in establishing your premium charge for workers' compensation insurance. It is extremely important that all questions be answered completely and promptly. Use reverse side or additional forms if necessary.

| PURPOSE (Check One)                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                               |                                                                                                                                                          |     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| <input type="checkbox"/> Combination of Separate Entities<br>(Enter current ownership information for each entity in separate columns below)<br>Effective Date: _____                                                                                                                                                                                            | <input type="checkbox"/> Change of Ownership<br>Date of Change: _____<br>Col. I = Ownership before change<br>Col. II = Ownership after change | <input type="checkbox"/> Merger or Consolidation<br>Date of Change: _____<br>Cols. I & II = Ownership before change<br>Col. III = Ownership after change |     |
| INFORMATION                                                                                                                                                                                                                                                                                                                                                      | I                                                                                                                                             | II                                                                                                                                                       | III |
| Name and Location of Entity                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                               |                                                                                                                                                          |     |
| Rating Identification Number(s)<br>(For company use only)                                                                                                                                                                                                                                                                                                        |                                                                                                                                               |                                                                                                                                                          |     |
| Type of Entity<br>(Corporation, Partnership, etc.)                                                                                                                                                                                                                                                                                                               |                                                                                                                                               |                                                                                                                                                          |     |
| Ownership<br>Corporations — List owners of 5% or more of voting stock and number of shares owned.*<br>(Submit shareholder proposal if transaction involved exchange of stock.)<br><br>Partnerships — List each general partner and his share in the profits.<br><br>Other — If no voting stock, list members of board of directors or comparable governing body. |                                                                                                                                               |                                                                                                                                                          |     |
| *T — all shares of voting stock issued.                                                                                                                                                                                                                                                                                                                          |                                                                                                                                               |                                                                                                                                                          |     |

This is to certify that the information contained herein is correct.

(DATE)

(NAME OF INSURED)

(SIGNATURE OF OWNER, PARTNER OR  
EXECUTIVE OFFICER)

(TITLE)

ERM - 14 - 75



Form ERM-14-75—Confidential Request For Information

Examples of Completed Form

Following are seven examples illustrating the completion of Form ERM-14-75 under various conditions of change or continuation in ownership. These are:

- EXAMPLE NO. 1. Merger
- EXAMPLE NO. 2. Consolidation
- EXAMPLE NO. 3. Combination of Separate Entities
- EXAMPLE NO. 4. "Nominal" Change in Ownership
- EXAMPLE NO. 5. "Material" Change in Ownership
- EXAMPLE NO. 6. "Nominal" Change in Ownership
- EXAMPLE NO. 7. One Entity Acquires Controlling Ownership of a Second Entity

CONFIDENTIAL REQUEST FOR INFORMATION

The following confidential ownership statements will be used only in establishing your premium charge for workers' compensation insurance. It is extremely important that all questions be answered completely and promptly. Use reverse side or additional forms if necessary.

| PURPOSE (Check One)                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                              | Change of Ownership                                       |                                                                                               | Merger or Consolidation             |                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                         | Combination of Separate Entities<br>(Enter current ownership information for each entity in separate columns below)<br>Effective Date: _____ | <input type="checkbox"/>                                  | Date of Change: _____<br>Col. I = Ownership before change<br>Col. II = Ownership after change | <input checked="" type="checkbox"/> | Date of Change: 7-1-74<br>Cols. I & II = Ownership before change<br>Col. III = Ownership after change |
| INFORMATION                                                                                                                                                                                                                                                                                                                                                      | I                                                                                                                                            | II                                                        | III                                                                                           |                                     |                                                                                                       |
| Name and Location of Entity                                                                                                                                                                                                                                                                                                                                      | Acme Corporation<br>100 John Street<br>Miami, Florida                                                                                        | Jones Corporation<br>12 Church Street<br>Orlando, Florida | Jones Corporation<br>12 Church Street<br>Orlando, Florida                                     |                                     |                                                                                                       |
| Rating Identification Number(s)<br>(For company use only)                                                                                                                                                                                                                                                                                                        | 910111222                                                                                                                                    | 910700711                                                 | 910700711                                                                                     |                                     |                                                                                                       |
| Type of Entity<br>(Corporation, Partnership, etc.)                                                                                                                                                                                                                                                                                                               | Corporation                                                                                                                                  | Corporation                                               | Corporation                                                                                   |                                     |                                                                                                       |
| Ownership<br>Corporations — List owners of 5% or more of voting stock and number of shares owned.*<br>(Submit shareholder proposal if transaction involved exchange of stock.)<br><br>Partnerships — List each general partner and his share in the profits.<br><br>Other — If no voting stock, list members of board of directors or comparable governing body. | Arthur 400<br>Smith 300<br>Williams 200                                                                                                      | Jones 60<br>Martin 20<br>French 5                         | Jones 60<br>Arthur 40<br>Smith 30<br>Martin 20<br>Williams 20                                 |                                     |                                                                                                       |
| *Total shares of voting stock issued.                                                                                                                                                                                                                                                                                                                            | 1000                                                                                                                                         | 100                                                       | 200                                                                                           |                                     |                                                                                                       |

This is to certify that the information contained herein is correct.

7-15-74  
(Date)

ERM-14-75

Jones Corporation  
(NAME OF INSURED)  
  
\_\_\_\_\_  
(SIGNATURE OF OWNER, PARTNER OR EXECUTIVE OFFICER)  
  
President  
(TITLE)

EXPLANATORY COMMENTS—EXAMPLE NO. 1

This is an example of a merger. The ownership interests of all entities, that is, Acme Corporation and Jones Corporation, are combined in the surviving entity, Jones Corporation.

Note that this assumes that Acme Corporation is no longer extant and that Acme shareholders received Jones Corporation stock.

Note also that there are outstanding shares in each column implying that they are widely distributed with no one owner having greater than a 5% interest. In this regard, owner French does not appear in Column III, since he owns less than 5% after the change.

An experience modification based upon the combined past experience of the merged entities would be effective as of the date of the merger.

See Section III, Rule 10 in the Experience Rating Plan Manual.

## CONFIDENTIAL REQUEST FOR INFORMATION

The following confidential ownership statements will be used only in establishing your premium charge for workers' compensation insurance. It is extremely important that all questions be answered completely and promptly. Use reverse side or additional forms if necessary.

| PURPOSE (Check One)                                                                                                                                                          |  |                                                                                                                                                                                    |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <input type="checkbox"/> <b>Combination of Separate Entities</b><br>(Enter current ownership information for each entity in separate columns below)<br>Effective Date: _____ |  | <input type="checkbox"/> <b>Change of Ownership</b><br>Date of Change: _____<br>Col. I = Ownership before change<br>Col. II = Ownership after change                               |  |
|                                                                                                                                                                              |  | <input checked="" type="checkbox"/> <b>Merger or Consolidation</b><br>Date of Change: <u>7-1-74</u><br>Cols. I & II = Ownership before change<br>Col. III = Ownership after change |  |

| INFORMATION                                                                                                                                                                                                                                                                                                                                                      | I                                                     | II                                                        | III                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------|
| Name and Location of Entity                                                                                                                                                                                                                                                                                                                                      | Acme Corporation<br>100 John Street<br>Miami, Florida | Jones Corporation<br>12 Church Street<br>Orlando, Florida | Super Corporation<br>10 Wall Street<br>Orlando, Florida     |
| Rating Identification Number(s)<br>(For company use only)                                                                                                                                                                                                                                                                                                        | 910111222                                             | 910700711                                                 | 910223445                                                   |
| Type of Entity<br>(Corporation, Partnership, etc.)                                                                                                                                                                                                                                                                                                               | Corporation                                           | Corporation                                               | Corporation                                                 |
| Ownership<br>Corporations — List owners of 5% or more of voting stock and number of shares owned.*<br>(Submit shareholder proposal if transaction involved exchange of stock.)<br><br>Partnerships — List each general partner and his share in the profits.<br><br>Other — If no voting stock, list members of board of directors or comparable governing body. | Arthur 400<br>Smith 300<br>Williams 200               | Jones 60<br>Martin 20<br>French 5                         | Jones 60<br>Arthur 40<br>Smith 30<br>Martin 20<br>French 20 |
| * Total shares of voting stock issued.                                                                                                                                                                                                                                                                                                                           | 1000                                                  | 100                                                       | 200                                                         |

This is to certify that the information contained herein is correct.

7-15-74

(DATE)

ERM-14-75

Super Corporation

(NAME OF INSURED)

(SIGNATURE OF OWNER, PARTNER OR  
EXECUTIVE OFFICER)

President

(TITLE)

## EXPLANATORY COMMENTS—EXAMPLE NO. 2

This is an example of consolidation. The ownership of the two entities, Acme Corporation and Jones Corporation, are combined or consolidated in a new entity, Super Corporation.

This example is like EXAMPLE NO. 1, in that an experience modification based upon the combined past experience of the consolidated entities would be effective as of the date of the consolidation.

See Section III, Rule 10 in the Experience Rating Plan Manual.

CONFIDENTIAL REQUEST FOR INFORMATION

The following confidential ownership statements will be used only in establishing your premium charge for workers' compensation insurance. It is extremely important that all questions be answered completely and promptly. Use reverse side or additional forms if necessary.

| PURPOSE (Check One)                                                                                                                                                                                                                                                                                                                                              |                                                                    |                                                                                                                                               |                                                               |                                                                                                                                                          |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <input checked="" type="checkbox"/> Combination of Separate Entities<br>(Enter current ownership information for each entity in separate columns below)<br>Effective Date: 3-1-75                                                                                                                                                                                |                                                                    | <input type="checkbox"/> Change of Ownership<br>Date of Change: _____<br>Col. I = Ownership before change<br>Col. II = Ownership after change |                                                               | <input type="checkbox"/> Merger or Consolidation<br>Date of Change: _____<br>Cols. I & II = Ownership before change<br>Col. III = Ownership after change |  |
| INFORMATION                                                                                                                                                                                                                                                                                                                                                      | I                                                                  | II                                                                                                                                            | III                                                           |                                                                                                                                                          |  |
| Name and Location of Entity                                                                                                                                                                                                                                                                                                                                      | Boston Shoe Company<br>4710 Beacon Street<br>Boston, Massachusetts | Northern Woodworkers, Inc.<br>10 Elm Street<br>Manchester, New Hampshire                                                                      | New England Marketing, Inc.<br>1 Main Street<br>Bangor, Maine |                                                                                                                                                          |  |
| Rating Identification Number(s)<br>(For company not only)                                                                                                                                                                                                                                                                                                        | 910876249                                                          | 910297613                                                                                                                                     | 910108457                                                     |                                                                                                                                                          |  |
| Type of Entity<br>(Corporation, Partnership, etc.)                                                                                                                                                                                                                                                                                                               | Corporation                                                        | Corporation                                                                                                                                   | Corporation                                                   |                                                                                                                                                          |  |
| Ownership<br>Corporations — List owners of 5% or more of voting stock and number of shares owned.*<br>(Submit shareholder proposal if transaction involved exchange of stock.)<br><br>Partnerships — List each general partner and his share in the profits.<br><br>Other — If no voting stock, list members of board of directors or comparable governing body. | Stewart 40<br>Fitzpatrick 20<br>Johnson 20                         | Stewart 100<br>Kelly 50<br>Johnson 50<br>Russo 25                                                                                             | Boston Shoe Co. 50<br>Northern Woodworkers 50                 |                                                                                                                                                          |  |
| * Total shares of voting stock issued.                                                                                                                                                                                                                                                                                                                           | 80                                                                 | 250                                                                                                                                           | 100                                                           |                                                                                                                                                          |  |

This is to certify that the information contained herein is correct.

7-15-74  
(DATE)

ERM - 14 - 75

Boston Shoe Co., Northern Wood, Inc., N.E. Marketing,

(NAME OF INSURED)

(SIGNATURE OF OWNER, PARTNER OR EXECUTIVE OFFICER)

President

(TITLE)

EXPLANATORY COMMENTS—EXAMPLE NO. 3

This represents an example of a combination of separate entities.

Boston Shoe Company and Northern Woodworkers, Inc. are combinable, since a group of persons (Stewart and Johnson) has a majority interest in each, that is, they own more than 50%. New England Marketing, Inc. is also combinable, since it is wholly owned by the two entities in which Stewart and Johnson have a majority interest.

Note that if Boston Shoe and Northern Woodworkers were not combinable then New England Marketing would not be combinable with either one of them, since neither of the former owns a majority interest (more than 50%) in the later, since they both own exactly 50%.

A modification based upon the combined past experience of the combined entities would be effective on a date established by the board or bureau having jurisdiction.

See Section III, Rule 9 in the Experience Rating Plan Manual.



## CONFIDENTIAL REQUEST FOR INFORMATION

The following confidential ownership statements will be used only in establishing your premium charge for workers' compensation insurance. It is extremely important that all questions be answered completely and promptly. Use reverse side or additional forms if necessary.

| PURPOSE (Check One)                                                                                                                                                                                                                                                                                                                                              |                                                          | Change of Ownership                                                                                                                                              |     | Merger or Consolidation                                                                                                                                  |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <input type="checkbox"/> Combination of Separate Entities<br>(Enter current ownership information for each entity in separate columns below)<br>Effective Date: _____                                                                                                                                                                                            |                                                          | <input checked="" type="checkbox"/> Change of Ownership<br>Date of Change: <u>8-1-74</u><br>Col. I = Ownership before change<br>Col. II = Ownership after change |     | <input type="checkbox"/> Merger or Consolidation<br>Date of Change: _____<br>Cols. I & II = Ownership before change<br>Col. III = Ownership after change |  |
| INFORMATION                                                                                                                                                                                                                                                                                                                                                      | I                                                        | II                                                                                                                                                               | III |                                                                                                                                                          |  |
| Name and Location of Entity                                                                                                                                                                                                                                                                                                                                      | Reliable Aluminum<br>2 Oak Street<br>Baltimore, Maryland | Reliable Aluminum<br>2 Oak Street<br>Baltimore, Maryland                                                                                                         |     |                                                                                                                                                          |  |
| Rating Identification Number(s)<br>(For company use only)                                                                                                                                                                                                                                                                                                        | 910246801                                                | Same                                                                                                                                                             |     |                                                                                                                                                          |  |
| Type of Entity<br>(Corporation, Partnership, etc.)                                                                                                                                                                                                                                                                                                               | Partnership                                              | Partnership                                                                                                                                                      |     |                                                                                                                                                          |  |
| Ownership<br>Corporations — List owners of 5% or more of voting stock and number of shares owned.*<br>(Submit shareholder proposal if transaction involved exchange of stock.)<br><br>Partnerships — List each general partner and his share in the profits.<br><br>Other — If no voting stock, list members of board of directors or comparable governing body. | John Hyde 90%<br>Mary Hyde 10%                           | John Hyde 25%<br>Mary Hyde 25%<br>John Hyde, Jr. 25%<br>Frank Hyde 25%                                                                                           |     |                                                                                                                                                          |  |
| * Total shares of voting stock issued.                                                                                                                                                                                                                                                                                                                           |                                                          |                                                                                                                                                                  |     |                                                                                                                                                          |  |

This is to certify that the information contained herein is correct.

8-10-74  
(DATE)

ERM-14-75

Reliable Aluminum  
(NAME OF INSURED)  
  
Partner  
(TITLE)  
(SIGNATURE OF OWNER, PARTNER OR EXECUTIVE OFFICER)

## EXPLANATORY COMMENTS—EXAMPLE NO. 4

This example represents a change of ownership, specifically, a "nominal" change of ownership wherein incurred experience before the change is used in future ratings after the change. This is because the two partners, John and Mary Hyde, whose share in the profits of the partnership before the change was 100%, is **not less than 50%** after the change.

The insured continues to be rated on its past experience.

See Section III, Rule 11 in the Experience Rating Plan Manual.

Issued July 1, 1980

CONFIDENTIAL REQUEST FOR INFORMATION

The following confidential ownership statements will be used only in establishing your premium charge for workers' compensation insurance. It is extremely important that all questions be answered completely and promptly. Use reverse side or additional forms if necessary.

| <b>PURPOSE (Check One)</b><br><input type="checkbox"/> <b>Combination of Separate Entities</b><br>(Enter current ownership information for each entity in separate columns below)<br>Effective Date: _____                                                                                                                                                              |  |                                                                      |  | <input checked="" type="checkbox"/> <b>Change of Ownership</b><br>Date of Change: <u>8-15-74</u><br>Col. I = Ownership before change<br>Col. II = Ownership after change |  |     |  | <input type="checkbox"/> <b>Merger or Consolidation</b><br>Date of Change: _____<br>Cols. I & II = Ownership before change<br>Col. III = Ownership after change |  |  |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
| INFORMATION                                                                                                                                                                                                                                                                                                                                                             |  | I                                                                    |  | II                                                                                                                                                                       |  | III |  |                                                                                                                                                                 |  |  |  |
| Name and Location of Entity                                                                                                                                                                                                                                                                                                                                             |  | Hartford Markets, Inc.<br>16 Central Avenue<br>Hartford, Connecticut |  | Hartford Markets, Inc.<br>16 Central Avenue<br>Hartford, Connecticut                                                                                                     |  |     |  |                                                                                                                                                                 |  |  |  |
| Rating Identification Number(s)<br>(For company use only)                                                                                                                                                                                                                                                                                                               |  | 910135792                                                            |  | Same                                                                                                                                                                     |  |     |  |                                                                                                                                                                 |  |  |  |
| Type of Entity<br>(Corporation, Partnership, etc.)                                                                                                                                                                                                                                                                                                                      |  | Corporation                                                          |  | Corporation                                                                                                                                                              |  |     |  |                                                                                                                                                                 |  |  |  |
| <b>Ownership</b><br>Corporations — List owners of 5% or more of voting stock and number of shares owned.*<br>(Submit shareholder proposal if transaction involved exchange of stock.)<br><br>Partnerships — List each general partner and his share in the profits.<br><br>Other — If no voting stock, list members of board of directors or comparable governing body. |  | William Landers 75<br>Helen Landers 25                               |  | Estate of William Landers,<br>Hartford Bank, Exec. 75<br>Helen Landers 25                                                                                                |  |     |  |                                                                                                                                                                 |  |  |  |
| * Total shares of voting stock issued.                                                                                                                                                                                                                                                                                                                                  |  | 120                                                                  |  | 120                                                                                                                                                                      |  |     |  |                                                                                                                                                                 |  |  |  |

This is to certify that the information contained herein is correct.

9-20-74  
(DATE)

ERM-14-75

Hartford Markets, Inc.  
(NAME OF INSURED)  
  
\_\_\_\_\_  
(SIGNATURE OF OWNER, PARTNER OR EXECUTIVE OFFICER)  
  
\_\_\_\_\_  
Treasurer  
(TITLE)

EXPLANATORY COMMENTS—EXAMPLE NO. 5

This example represents a "material" change of ownership, wherein incurred experience before the change is not used in future ratings after the change. This is because the collective ownership of all of those having such an interest both before and after the change is less than 33.33% before the change, and, also, in this case, less than 50% after the change.

As of the date of change, a new policy would be written, and the modification would be 1.00 until the new insured develops its own modification.

See Section III, Rule 11 in the Experience Rating Plan Manual.

## CONFIDENTIAL REQUEST FOR INFORMATION

The following confidential ownership statements will be used only in establishing your premium charge for workers' compensation insurance. It is extremely important that all questions be answered completely and promptly. Use reverse side or additional forms if necessary.

| PURPOSE (Check One)                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                              | Change of Ownership                                        |                                                                                                 | Merger or Consolidation  |                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                 | Combination of Separate Entities<br>(Enter current ownership information for each entity in separate columns below)<br>Effective Date: _____ | <input checked="" type="checkbox"/>                        | Date of Change: 9-12-74<br>Col. I = Ownership before change<br>Col. II = Ownership after change | <input type="checkbox"/> | Date of Change: _____<br>Cols. I & II = Ownership before change<br>Col. III = Ownership after change |
| INFORMATION                                                                                                                                                                                                                                                                                                                                              | I                                                                                                                                            | II                                                         | III                                                                                             |                          |                                                                                                      |
| Name and Location of Entity                                                                                                                                                                                                                                                                                                                              | Hudson Company<br>22 Civic Street<br>Charleston, S. C.                                                                                       | Hudson Company<br>22 Civic Street<br>Charleston, S. C.     |                                                                                                 |                          |                                                                                                      |
| Rating Identification Number(s)<br>(For company use only)                                                                                                                                                                                                                                                                                                | 910811344                                                                                                                                    | Same                                                       |                                                                                                 |                          |                                                                                                      |
| Type of Entity<br>(Corporation, Partnership, etc.)                                                                                                                                                                                                                                                                                                       | Corporation                                                                                                                                  | Corporation                                                |                                                                                                 |                          |                                                                                                      |
| Ownership<br>Corporations — List owners of 5% or more of voting stock and number of shares owned.*<br>(Submit shareholder proposal if transaction involved exchange of stock.)<br>Partnerships — List each general partner and his share in the profits.<br>Other — If no voting stock, list members of board of directors or comparable governing body. | Nathan 200<br>Smith 300<br>Henry 300<br>King 200<br>Prince 0                                                                                 | Nathan 0<br>Smith 300<br>Henry 300<br>King 0<br>Prince 400 |                                                                                                 |                          |                                                                                                      |
| * Total shares of voting stock issued.                                                                                                                                                                                                                                                                                                                   | 1000                                                                                                                                         | 1000                                                       |                                                                                                 |                          |                                                                                                      |

This is to certify that the information contained herein is correct.

11-20-74  
(DATE)

ERM 14 79

Hudson Company  
(NAME OF INSURED)  
\_\_\_\_\_  
President  
(TITLE)  
(SIGNATURE OF OWNER, PARTNER OR EXECUTIVE OFFICER)

## EXPLANATORY COMMENTS—EXAMPLE NO. 6

This example also represents a change of ownership. In effect, Prince owns the shares held by Nathan and King before the change. However, this is a "nominal" change of ownership, since Smith and Henry, the only individuals with ownership interest both before and after the change own more than 33.33% before the change and more than 50% after the change.

This insured continues to be rated on its past experience.

See Section III, Rule 11 in the Experience Rating Plan Manual.



CONFIDENTIAL REQUEST FOR INFORMATION

The following confidential ownership statements will be used only in establishing your premium charge for workers' compensation insurance. It is extremely important that all questions be answered completely and promptly. Use reverse side or additional forms if necessary.

| PURPOSE (Check One)                                                                                                                                                                                                                                                                                                                                              |                                                                  | Change of Ownership                                                                                                                                              |     | Merger or Consolidation                                                                                                                                  |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <input type="checkbox"/> Combination of Separate Entities<br>(Enter current ownership information for each entity in separate columns below)<br>Effective Date: _____                                                                                                                                                                                            |                                                                  | <input checked="" type="checkbox"/> Change of Ownership<br>Date of Change: <u>3-1-75</u><br>Col. I = Ownership before change<br>Col. II = Ownership after change |     | <input type="checkbox"/> Merger or Consolidation<br>Date of Change: _____<br>Cols. I & II = Ownership before change<br>Col. III = Ownership after change |  |
| INFORMATION                                                                                                                                                                                                                                                                                                                                                      | I                                                                | II                                                                                                                                                               | III |                                                                                                                                                          |  |
| Name and Location of Entity                                                                                                                                                                                                                                                                                                                                      | Regal Copper Co., Inc.<br>11 Division Street<br>Denver, Colorado | Regal Copper Co., Inc.<br>11 Division Street<br>Denver, Colorado                                                                                                 |     |                                                                                                                                                          |  |
| Rating Identification Number(s)<br>(For company use only)                                                                                                                                                                                                                                                                                                        | 910012348                                                        | 910864327                                                                                                                                                        |     |                                                                                                                                                          |  |
| Type of Entity<br>(Corporation, Partnership, etc.)                                                                                                                                                                                                                                                                                                               | Corporation                                                      | Corporation                                                                                                                                                      |     |                                                                                                                                                          |  |
| Ownership<br>Corporations — List owners of 5% or more of voting stock and number of shares owned.*<br>(Submit shareholder proposal if transaction involved exchange of stock.)<br><br>Partnerships — List each general partner and his share in the profits.<br><br>Other — If no voting stock, list members of board of directors or comparable governing body. | Regis 40<br>Gallant 40                                           | Acme Metals, Inc. 100                                                                                                                                            |     |                                                                                                                                                          |  |
| * Total shares of voting stock issued.                                                                                                                                                                                                                                                                                                                           | 100                                                              | 100                                                                                                                                                              |     |                                                                                                                                                          |  |

This is to certify that the information contained herein is correct.

3-22-75  
(DATE)

ENM-14-75

Regal Copper Co., Inc.  
(NAME OF INSURED)  
  
\_\_\_\_\_  
(SIGNATURE OF OWNER, PARTNER OR EXECUTIVE OFFICER)  
  
\_\_\_\_\_  
President  
(TITLE)

EXPLANATORY COMMENTS—EXAMPLE NO. 7

An outright acquisition is illustrated by this example. On March 1, 1975, Acme Metals, Inc. acquired full ownership of Regal Copper Co., Inc. and, as of that date, the outstanding experience modification of Acme Metals, Inc. becomes applicable to Regal Copper Co., Inc.

1 AS 21 IS AMENDED BY ADDING A NEW CHAPTER TO READ:

2 CHAPTER 62. WORKER'S COMPENSATION SELF-INSURANCE

3  
4 SEC. 21.62.010. SELF-INSURANCE. AN EMPLOYER, TWO OR  
5 MORE EMPLOYERS HAVING COMMON MANAGEMENT OR TWO OR MORE  
6 EMPLOYERS HAVING COMMON INTEREST MAY ELECT TO PAY DIRECTLY  
7 THE COMPENSATION REQUIRED IN AS 23.30 AFTER PROVIDING  
8 SATISFACTORY PROOF OF ITS FINANCIAL ABILITY TO MAKE DIRECT  
9 PAYMENTS AND HAS BEEN ISSUED A SELF INSURANCE CERTIFICATE  
10 BY THE DIRECTOR

11  
12 SEC 21.62.020 SELF-INSURANCE FUND. (a) A WORKER'S  
13 COMPENSATION SELF-INSURANCE GROUP FORMED BY TWO OR MORE  
14 EMPLOYERS HAVING COMMON INTEREST SHALL ESTABLISH A SELF-  
15 INSURANCE FUND WITH AN INITIAL BALANCE TO BE DETERMINED  
16 BY THE DIRECTOR, BUT NOT LESS THAN \$250,000.

17 (b) THE SELF-INSURANCE FUND SHALL BE ADMINISTERED  
18 BY A BOARD OF TRUSTEES SELECTED BY MEMBERS OF THE  
19 SELF-INSURANCE GROUP.

20 (c) THE GROUP SHALL ADOPT BY-LAWS GOVERNING THE  
21 OPERATION OF THE FUND

22  
23 SEC. 21.62.030. APPLICATION. (a) AN EMPLOYER DESIRING  
24 TO BECOME AN INDIVIDUAL SELF-INSURER OR TWO OR MORE  
25 EMPLOYERS HAVING COMMON MANAGEMENT DESIRING TO BECOME A  
26 GROUP SELF-INSURER SHALL MAKE APPLICATION FOR THE PRIVILEGE

1 ON A FORM PRESCRIBED BY THE DIRECTOR.

2 (b) THE TRUSTEES OF A GROUP OF TWO OR MORE EMPLOYERS  
3 HAVING COMMON INTEREST DESIRING TO BECOME A GROUP SELF-INSURER  
4 SHALL MAKE APPLICATION FOR THE PRIVILEGE ON A FORM  
5 PRESCRIBED BY THE DIRECTOR.

6 (c) AN APPLICANT FOR SELF INSURANCE SHALL ANSWER ALL  
7 QUESTIONS ON THE APPLICATION. THE ANSWERS SHALL BE SWORN  
8 TO AND NOTARIZED. THE APPLICATION SHALL BE SUBMITTED AT  
9 LEAST 90 DAYS BEFORE THE PROPOSED EFFECTIVE DATE OR RENEWAL  
10 DATE OF THE SELF-INSURANCE CERTIFICATE.

11  
12 SEC. 21.62.040. DOCUMENTS REQUIRED OF INDIVIDUAL SELF-  
13 INSURER. EACH APPLICATION BY AN EMPLOYER FOR INDIVIDUAL  
14 SELF INSURANCE SHALL BE ACCOMPANIED BY:

15 (1) A FINANCIAL STATEMENT NOT MORE THAN THREE MONTHS  
16 OLD AT THE TIME OF APPLICATION SHOWING A NET WORTH OF NOT  
17 LESS THAN \$500,000 WITH ASSETS EXCEEDING LIABILITIES.

18 (2) AN AGREEMENT TO FULLY DISCHARGE BY CASH PAYMENT  
19 ALL AMOUNTS REQUIRED TO BE PAID UNDER AS 23.30.

20  
21 SEC. 21.62.050. DOCUMENTS REQUIRED OF GROUP SELF-  
22 INSURER HAVING COMMON MANAGEMENT. EACH APPLICATION  
23 BY A GROUP OF TWO OR MORE EMPLOYERS HAVING COMMON  
24 MANAGEMENT FOR GROUP SELF-INSURANCE SHALL BE ACCOMPANIED  
25 BY:

26 (1) A FINANCIAL STATEMENT NOT MORE THAN THREE



1 MONTHS OLD AT THE TIME OF APPLICATION FOR EACH MEMBER OF  
2 THE GROUP SHOWING A COMBINED NET WORTH OF ALL MEMBERS OF  
3 THE GROUP TO BE NOT LESS THAN \$500,000 WITH CURRENT  
4 ASSETS TO EXCEED CURRENT LIABILITIES.

5 (2) AN INDEMNITY AGREEMENT JOINTLY AND SEVERALLY  
6 BINDING EACH MEMBER OF THE GROUP TO FULLY DISCHARGE BY  
7 CASH PAYMENT ALL AMOUNTS REQUIRED TO BE PAID UNDER AS 23.30.

8  
9 SEC. 21.62.060. DOCUMENTS REQUIRED OF GROUP SELF-  
10 INSURERS HAVING COMMON INTEREST. EACH APPLICATION BY  
11 THE TRUSTEES OF A GROUP OF TWO OR MORE EMPLOYERS HAVING  
12 COMMON INTEREST FOR GROUP SELF INSURANCE SHALL BE  
13 ACCOMPANIED BY:

14 (1) A FINANCIAL STATEMENT NOT MORE THAN THREE  
15 MONTHS OLD AT THE TIME OF THE APPLICATION FOR EACH MEMBER  
16 APPLYING FOR COVERAGE ON THE INCEPTION DATE OF THE SELF-  
17 INSURANCE FUND SHOWING A COMBINED NET WORTH OF ALL MEMBERS  
18 OF THE GROUP TO BE NOT LESS THAN \$1,000,000 WITH CURRENT  
19 ASSETS EXCEEDING CURRENT LIABILITIES.

20 (2) AN INDEMNITY AGREEMENT JOINTLY AND SEVERALLY  
21 BINDING THE SELF-INSURANCE FUND AND EACH MEMBER OF THE  
22 GROUP TO FULLY DISCHARGE BY CASH PAYMENT ALL AMOUNTS  
23 REQUIRED TO BE PAID UNDER AS 23.30.

24 (3) AN INDIVIDUAL APPLICATION FOR EACH MEMBER OF THE  
25 GROUP APPLYING FOR COVERAGE ON THE INCEPTION DATE OF THE  
26 SELF INSURANCE FUND.

1 (4) A SET OF BY-LAWS OR TRUST AGREEMENT WHICH SHALL  
2 GOVERN THE OPERATION OF THE SELF-INSURANCE FUND

3 (5) PROOF OF THE EXISTENCE OF AN INITIAL BALANCE IN THE  
4 SELF-INSURANCE FUND AS REQUIRED BY SECTION 020(Q) OF  
5 THIS CHAPTER.

6 (6) A PROJECTION OF ALL ADMINISTRATIVE EXPENSES OF  
7 THE SELF-INSURANCE FUND.

8  
9 SEC. 21.62.070. ADDITIONAL REQUIREMENTS. IN ADDITION  
10 TO THE REQUIREMENTS OF SECTIONS 030-070 OF THIS CHAPTER,  
11 AN APPLICANT FOR SELF-INSURANCE SHALL SUBMIT THE FOLLOWING  
12 DATA WITH THE APPLICATION FOR SELF-INSURANCE:

13 (1) EVIDENCE OF A WORKING CAPITAL OF AN AMOUNT  
14 ESTABLISHING FINANCIAL STRENGTH AND LIQUIDITY TO PAY NORMAL  
15 COMPENSATION CLAIMS PROMPTLY.

16 (2) THE PROPOSED AMOUNT OF RETENTION PER LOSS AND  
17 RETENTION IN THE AGGREGATE.

18 (3) THE PROPOSED PROGRAM OF EXCESS COVERAGE.

19 (4) PROOF THAT THE APPLICANT HAS AMPLE FACILITIES AND  
20 COMPETENT PERSONNEL TO SERVICE THE SELF-INSURANCE PLAN OR A  
21 COPY OF A SIGNED SERVICE AGREEMENT WITH AN APPROVED SERVICE  
22 COMPANY TO PROVIDE THOSE SERVICES.

23 (5) THE LOCATION WITHIN THIS STATE WHERE ALL RECORDS OF  
24 SELF-INSURED LOSS WILL BE MAINTAINED.

25 (6) A DESCRIPTION OF ANY LOSS CONTROL PROGRAMS TO BE UTILIZED  
26 BY THE APPLICANT.



(7) ANY FURTHER EVIDENCE WHICH THE DIRECTOR MAY REQUIRE TO ESTABLISH THE ABILITY OF THE APPLICANT TO MEET ITS OBLIGATIONS UNDER AS 23.30.

SEC. 21.62.080 DIRECTORS REVIEW. (a) UPON RECEIPT OF AN APPLICATION AND DOCUMENTS REQUIRED UNDER SECTIONS 030-070 OF THIS CHAPTER, THE DIRECTOR SHALL DETERMINE TO HIS SATISFACTION, IF THE APPLICANT HAS THE FINANCIAL ABILITY TO MEET ITS OBLIGATIONS UNDER AS 23.30.

(b) THE DIRECTOR MAY DETERMINE THE AMOUNT OF EXCESS INSURANCE COVERAGE NECESSARY FOR THE PROTECTION OF THE APPLICANT.

(c) THE DIRECTOR MAY REQUIRE A SURETY BOND AS A CONDITION TO ISSUANCE OF A SELF-INSURANCE CERTIFICATE.

(d) THE DIRECTOR MAY WAIVE THE REQUIREMENT THAT ASSETS EXCEED LIABILITIES IN THE CASE OF A PUBLIC UTILITY OR A MUNICIPALITY, IF THE REQUIREMENT IS SHOWN TO BE UNREASONABLE.

(e) THE DIRECTOR SHALL INFORM THE APPLICANT IN WRITING NOT LATER THAN 30 DAYS BEFORE THE PROPOSED EFFECTIVE DATE OF HIS DECISION TO APPROVE OR DISAPPROVE AN APPLICATION FOR SELF INSURANCE. HE SHALL, IN THE CASE OF AN APPROVAL, LIST ALL CONDITIONS WHICH MUST BE MET BEFORE THE CERTIFICATE OF SELF-INSURANCE CAN BE ISSUED.

SEC. 21.62.090. CERTIFICATE OF SELF INSURANCE (a)



1 THE DIRECTOR SHALL, UPON APPROVAL OF AN APPLICATION AND  
2 RECEIPT OF PROOF OF ANY CONDITIONS ESTABLISHED UNDER  
3 SECTION 080(2) OF THIS CHAPTER, ISSUE A CERTIFICATE OF  
4 SELF-INSURANCE.

5 (b) THE CERTIFICATE OF SELF INSURANCE SHALL BE ON A FORM  
6 PRESCRIBED BY THE DIRECTOR AND SHALL BE ISSUED FOR A  
7 PERIOD OF ONE YEAR.

8  
9 SEC. 21.62.100. BOND. (a) THE DIRECTOR MAY REQUIRE  
10 A CORPORATE SURETY BOND TO SECURE THE PAYMENT OF  
11 COMPENSATION LIABILITIES UNDER AS 23.30 AS THEY ARE  
12 INCURRED.

13 (b) THE BOND SHALL BE ON A FORM PRESCRIBED BY THE  
14 DIRECTOR.

15 (c) THE AMOUNT OF THE BOND SHALL BE EQUAL TO OR GREATER  
16 THAN THE AGGREGATE RETENTION OF THE SELF-INSURER PLUS  
17 OUTSTANDING WORKERS COMPENSATION LIABILITIES LESS RECOVERIES  
18 FROM THIRD PARTIES BUT NOT LESS THAN \$25,000.

19 (d) THE DIRECTOR MAY REQUIRE AN INCREASE IN THE BOND AMOUNT  
20 IF HE DETERMINES THAT THE SELF-INSURER HAS EXPERIENCED A  
21 DETERIORATION IN FINANCIAL CONDITION.

22 (e) THE BOND SHALL BE ISSUED BY A CORPORATE SURETY  
23 AUTHORIZED UNDER AS 21.09. TO DO BUSINESS IN THIS STATE.

24 (f) A BOND UNDER THIS SECTION MAY BE CANCELLED,  
25 EXCHANGED OR REPLACED PROVIDED NOT LESS THAN 60 DAYS WRITTEN  
26 NOTICE IS GIVEN TO THE DIRECTOR AND TO THE SELF-INSURER

1 SEC. 21.62.110. CONTRACTS FOR EXCESS INSURANCE (a) THE

2 DIRECTOR MAY DETERMINE THE AMOUNT AND KIND OF EXCESS  
3 INSURANCE REQUIRED OF AN APPLICANT FOR SELF INSURANCE BASED  
4 ON THE SIZE OF THE APPLICANT, FINANCIAL STRENGTH, PAST HISTORY  
5 OF LOSS, DEGREE OF HAZARD IN THE APPLICANTS OPERATIONS AND  
6 ANY OTHER FACTORS HE DEEMS APPROPRIATE.

7 (b) EXCESS INSURANCE COVERAGE SHALL BE WRITTEN BY A  
8 CASUALTY INSURER AUTHORIZED UNDER AS 21.09. TO DO  
9 BUSINESS IN THIS STATE, EXCEPT AS PROVIDED IN (b) OF THIS SECTION.

10 (c) AN EXCESS INSURANCE POLICY ISSUED UNDER THIS CHAPTER  
11 MAY NOT BE CANCELLED OR RENEWAL REFUSED EXCEPT UPON  
12 60 DAYS WRITTEN NOTICE BY CERTIFIED MAIL TO THE DIRECTOR  
13 AND TO THE SELF INSURER.

14 (d) IF AN EXCESS INSURANCE POLICY ISSUED UNDER THIS CHAPTER  
15 CONTAINS ANY TYPE OF COMMUTATION CLAUSE IT MUST PROVIDE

16 (1) THAT ANY COMMUTATION EFFECTED UNDER THE POLICY  
17 SHALL NOT RELIEVE THE UNDERWRITER OR UNDERWRITERS OF  
18 FURTHER LIABILITY WITH RESPECT TO CLAIMS AND EXPENSES  
19 UNKNOWN AT THE TIME OF THE COMMUTATION OR IN REGARD TO  
20 CLAIMS APPARENTLY CLOSED BUT WHICH MAY BE SUBSEQUENTLY REVIVED  
21 BY OR THROUGH A COMPETENT AUTHORITY, AND

22 (2) THAT IF THE UNDERWRITER OR UNDERWRITERS AGREE TO  
23 REDEEM ANY FUTURE PAYMENTS PAYABLE AS COMPENSATION FOR  
24 LOSSES OCCURRING DURING THE TERM OF THE POLICY BY THE PAYMENT  
25 OF A LUMP SUM TO BE FIXED AS PROVIDED IN THE COMMUTATION  
26 CLAUSE OF THE POLICY, THE DIRECTOR SHALL BE GIVEN NOT LESS



1 THAN 30 DAYS WRITTEN NOTICE OF THE COMMUTATION.

2 (2) IF A COMMUTATION OF AN EXCESS INSURANCE POLICY UNDER  
3 THIS CHAPTER IS EFFECTED, THE DIRECTOR MAY DIRECT THAT THE  
4 SUM EITHER

5 (1) BE PLACED IN TRUST FOR THE BENEFIT OF THE INSURED  
6 EMPLOYEE OR EMPLOYEES ENTITLED TO FUTURE PAYMENTS OF  
7 COMPENSATION COVERED BY THE POLICY, OR,

8 (2) BE INVESTED IN APPROVED SECURITIES AND DEPOSITED  
9 WITH THE DIRECTOR TO ASSURE THE FUTURE PAYMENTS OF  
10 COMPENSATION TO THE EMPLOYEE OR EMPLOYEES ENTITLED TO  
11 BENEFITS COVERED BY THE POLICY.

12 (f) THE EXCESS INSURANCE POLICY SHALL CONTAIN A PROVISION  
13 THAT THE DIRECTOR MAY ORDER THE PAYMENT OF OBLIGATIONS DUE  
14 UNDER THE TERMS OF THE POLICY TO BE MADE TO A PARTY OTHER  
15 THAN THE EMPLOYER, WHERE SUCH ACTION IS NECESSARY TO ASSURE  
16 THE PROMPT PAYMENT OF BENEFITS TO INJURED EMPLOYEES.

17 (g) THE NAMED INSURED COVERED BY AN EXCESS INSURANCE  
18 POLICY UNDER THIS CHAPTER SHALL COVER ONLY THE ENTITY  
19 NAMED IN THE APPLICATION FOR SELF INSURANCE UNDER SECTION  
20 030 OF THIS CHAPTER.

21 (SEE NOTE ON PAGE 16)

## 22 SEC. 21.62.120. SERVICING FOR SELF INSURERS (a) IT

23 SHALL BE THE SOLE RESPONSIBILITY OF EACH SELF-INSURER TO  
24 PROVIDE FOR COMPETENT PERSONS TO SERVICE ITS PROGRAMS IN THE AREAS  
25 OF CLAIMS ADJUSTING, <sup>UNDERWRITING</sup> AND LOSS CONTROL. IF THE SELF INSURER IS UNABLE  
26 OR UNWILLING TO PROVIDE ANY OR ALL OF THESE SERVICES THROUGH THE USE



1 OF ITS OWN EMPLOYEES, THEN IT SHALL CONTRACT WITH ONE OR MORE  
2 OUTSIDE AGENCIES WITH ESTABLISHED COMPETENCIES TO PROVIDE THESE  
3 SERVICES ON A FULL-TIME BASIS.

4 (b) IF A SELF-INSURER ELECTS TO CONTRACT WITH ONE OR  
5 MORE APPROVED SERVICE COMPANIES, THE DIRECTOR MAY CHOOSE TO  
6 USE ANY OR ALL OF THE SERVICE COMPANIES AS AN INTERMEDIARY  
7 IN ITS DEALINGS WITH THE SELF-INSURER. THIS COURSE OF ACTION  
8 IS AVAILABLE TO THE DIRECTOR UPON HIS DETERMINATION THAT  
9 IT WILL RESULT IN A MORE RAPID AND MORE ACCURATE FLOW OF  
10 INFORMATION FROM THE SELF-INSURER AND IF IT WILL ASSIST THE  
11 SELF-INSURERS COMPLIANCE WITH THIS SECTION.

12  
13 SEC. 21-62. 130. QUALIFICATIONS FOR SERVICING  
14 COMPANIES (a) A BUSINESS DESIRING TO BECOME

15 QUALIFIED AS A SERVICE COMPANY FOR SELF-INSURERS IN THIS  
16 STATE FOR ANY OR ALL OF THE SERVICE CATEGORIES NOTED IN  
17 SECTION 120(a) OF THIS CHAPTER SHALL MAKE APPLICATION TO  
18 THE DIRECTOR ON FORMS PRESCRIBED BY HIM. THE APPLICATION  
19 MUST BE APPROVED BY THE DIRECTOR BEFORE ANY CONTRACT FOR  
20 SERVICE UNDER SECTION 120 OF THIS CHAPTER CAN BE  
21 RECOGNIZED.

22 (b) A BUSINESS MAKING APPLICATION AS A SERVICE COMPANY IN  
23 ANY OR ALL OF THE SERVICE CATEGORIES NOTED IN 120(a) OF THIS  
24 CHAPTER, SHALL FURNISH PROOF THAT IT HAS A SUFFICIENT NUMBER  
25 OF EXPERIENCED AND QUALIFIED PERSONS EMPLOYED ON A FULL-  
26 TIME BASIS FOR EACH SERVICE CATEGORY TO MEET THE NEEDS OF ALL

1 SELF-INSURERS WITH WHICH IT INTENDS TO CONTACT. THE LOSS  
2 CONTROL SERVICE CATEGORY SHALL INCLUDE EXPERTISE IN SAFETY  
3 ENGINEERING. THE CLAIMS SERVICE CATEGORY SHALL INCLUDE  
4 EXPERTISE IN WORKER'S COMPENSATION CLAIMS. THE UNDERWRITING  
5 SERVICE CATEGORY INCLUDES EXPERTISE IN THE OVERALL PLANNING  
6 AND COORDINATING OF A SELF-INSURANCE PROGRAM, THE ABILITY  
7 TO PROCURE BONDS AND EXCESS INSURANCE, THE ABILITY TO PROVIDE  
8 SUMMARY DATA REGARDING THE SELF-INSURER'S COST OF ACCIDENTS  
9 INCLUDING THE FREQUENCY AND DISTRIBUTION BY TYPE AND CAUSE,  
10 AND THE SKILL TO MAKE RECOMMENDATIONS TO THE SELF-INSURER  
11 REGARDING THE CORRECTION OF ANY DEFICIENCIES THAT ARISE IN  
12 THE SELF-INSURANCE PROGRAM.

13 (c) A BUSINESS MAKING APPLICATION TO QUALIFY AS A SERVICE  
14 COMPANY SHALL FURNISH PROOF THAT IT MEETS THE FOLLOWING  
15 CONDITIONS BEFORE APPROVAL CAN BE GRANTED:

16 (1) THAT ALL RECORDS CONCERNING SELF-INSURERS IN THIS  
17 STATE BE MAINTAINED AT A LOCATION WITHIN THIS STATE.

18 (2) THAT AN OFFICE BE MAINTAINED AT ONE OR MORE  
19 LOCATIONS IN THIS STATE WITH A RESIDENT ADMINISTRATOR  
20 AUTHORIZED TO ACT IN ALL MATTERS CONCERNING THE SERVICE  
21 COMPANY.

22 (d) UPON COMPLIANCE TO THE SATISFACTION OF THE DIRECTOR  
23 WITH (a) - (c) OF THIS SECTION, HE SHALL ISSUE A CERTIFICATE  
24 OF APPROVAL AS A RECOGNIZED AND AUTHORIZED SERVICE  
25 ORGANIZATION. FAILURE TO COMPLY WITH THE QUALIFICATION  
26 CONDITIONS OR ANY RULES THE DIRECTOR MAY ADOPT SHALL BE

1 CONSIDERED GOOD CAUSE FOR WITHDRAWAL OF THE CERTIFICATE OF  
2 APPROVAL.

### 4 SEC 21.62.140. REQUIREMENTS FOR SERVICING

5 COMPANIES. (A) EACH SERVICE COMPANY SHALL FILE WITH THE  
6 DIRECTOR, WITHIN 30 DAYS OF ENTERING INTO A CONTRACT FOR  
7 SERVICING, A COPY OF ITS SERVICING CONTRACT AND A CERTIFICATION  
8 THAT IT HAS PROVIDED SUFFICIENT PERSONNEL TO FULFILL THE TERMS  
9 OF ITS CONTRACT.

10 (B) EACH CLAIMS SERVICE CATEGORY CONTRACT ENTERED INTO  
11 BY A SERVICE COMPANY SHALL PROVIDE THAT ALL CLAIMS INCURRED  
12 DURING THE CONTRACT PERIOD SHALL BE HANDLED UNTIL THEIR  
13 CONCLUSION.

14 (C) EACH SERVICE COMPANY SHALL FILE A CURRENT ANNUAL  
15 FINANCIAL STATEMENT AND A FORM PRESCRIBED BY THE DIRECTOR  
16 CERTIFYING THAT THE SERVICE COMPANY IS COMPLYING WITH THE  
17 CONDITIONS OF SEC. 130 OF THIS CHAPTER ON A CONTINUING BASIS.  
18 THE FINANCIAL STATEMENT AND CERTIFICATION SHALL BE FILED  
19 ANNUALLY NO LATER THAN JUNE 30 EACH YEAR. AFTER AN  
20 ANNUAL REVIEW FOR COMPLIANCE WITH THIS RULE, THE DIRECTOR  
21 SHALL ISSUE A RENEWAL CERTIFICATION TO EACH SERVICE  
22 COMPANY FOUND TO BE IN COMPLIANCE. A SERVICE COMPANY WHICH  
23 FAILS TO DEMONSTRATE ANNUALLY THAT IT IS IN COMPLIANCE WITH  
24 THIS SUBSECTION SHALL HAVE ITS AUTHORIZATION WITHDRAWN.

25 (D) FINDINGS BY THE DIRECTOR THAT A SERVICE COMPANY IS  
26 ENGAGED IN QUESTIONABLE CLAIMS HANDLING TECHNIQUES,



1 QUESTIONABLE PATTERNS OF CLAIMS, QUESTIONABLE PATTERNS OF  
2 UNREASONABLY CONTROVERTED CLAIMS, POOR PAYMENT PRACTICE, OR  
3 VIOLATIONS OF AS 21.36.125 AS CONSTITUTE A GENERAL BUSINESS  
4 PRACTICE OF A SERVICE COMPANY SHALL BE CONSIDERED GOOD CAUSE  
5 FOR THE WITHDRAWAL OF THE AUTHORIZATION OF THE SERVICE COMPANY.

6 (2) EACH SERVICE COMPANY SHALL BE SUBJECT TO AUDIT BY  
7 THE DIRECTOR OR HIS DESIGNEE AT HIS DISCRETION BUT NOT LESS  
8 FREQUENTLY THAN EVERY THREE YEARS. PRIOR NOTICE OF THE  
9 AUDIT IS NOT REQUIRED. THE AUDIT MAY CONCERN CLAIMS,  
10 FINANCIAL MATTERS OR ANY ISSUE REASONABLY RELATED TO  
11 THE QUALIFICATIONS OR DUTIES OF A SERVICE COMPANY UNDER  
12 THIS CHAPTER.

13 (f) THE DIRECTOR MAY ESTABLISH GUIDELINES FOR THE  
14 RETENTION OF SELF-INSURER DOCUMENTS MAINTAINED BY A  
15 SERVICE COMPANY.

16 (g) IF THE DIRECTOR HAS CAUSE TO WITHDRAW AN AUTHORIZATION  
17 FOR A SERVICE COMPANY, HE SHALL GIVE PRIOR WRITTEN NOTICE OF  
18 THE WITHDRAWAL. THE SERVICE COMPANY MAY REQUEST A HEARING  
19 WITHIN 20 DAYS OF THE NOTICE BY THE DIRECTOR. FAILURE TO  
20 REQUEST A HEARING WITHIN THE TIME PRESCRIBED SHALL RESULT  
21 IN THE WITHDRAWAL BECOMING EFFECTIVE 30 DAYS FROM THE  
22 MAILING DATE OF THE WITHDRAWAL NOTICE. THE NOTICE SHALL BE  
23 GIVEN TO THE SERVICE COMPANY AND ALL INTERESTED PERSONS. THE  
24 HEARING SHALL BE HELD UPON 10 DAYS WRITTEN NOTICE TO THE  
25 SERVICE COMPANY AND ALL INTERESTED PERSONS. HEARINGS SHALL  
26 BE CONDUCTED PURSUANT TO AS 21.06.180-240. A RULING BY THE

DIRECTOR SHALL BE MADE EFFECTIVE NOT LESS THAN 15 DAYS FOLLOWING HIS ORDER.

SEC 21.62.150. RECORDS. (a) A SELF-INSURER OR A SERVICING COMPANY ON BEHALF OF A SELF-INSURER SHALL MAINTAIN ALL CLAIMS RECORDS AT A LOCATION WITHIN THIS STATE.

(b) SELF-INSURER RECORDS MAINTAINED BY A SELF-INSURER SHALL BE SUBJECT TO GUIDELINES ESTABLISHED BY THE DIRECTOR CONCERNING THEIR RETENTION AND REVIEW BY THE DIRECTOR

(c) ALL CLAIMS FILES OF A SELF-INSURER ARE SUBJECT TO REVIEW BY THE DIRECTOR DURING NORMAL BUSINESS HOURS AT A LOCATION IN THIS STATE AS STATED IN THE APPLICATION FOR SELF INSURANCE.

SEC. 21.62.160. REPORTS. THE DIRECTOR MAY BY REGULATION REQUIRE REPORTS CONCERNING PAYROLL, LOSSES, RESERVES, FINANCIAL CONDITION AND OTHER MATTERS REASONABLY INTENDED TO AID IN THE EFFECTUATION OF THIS CHAPTER. FAILURE TO COMPLY WITH SUCH REQUIREMENTS IS SUFFICIENT CAUSE FOR REVOCATION OF THE SELF-INSURANCE CERTIFICATE.

SEC. 21.62.170. INDEMNITY AGREEMENT. THE DIRECTOR MAY BY REGULATION ESTABLISH THE FORM OF THE INDEMNITY AGREEMENT REQUIRED IN SECTION 050(2) OF THIS CHAPTER. AN INDEMNITY AGREEMENT MAY ALSO CONTAIN OTHER PROVISIONS NOT



1 INCONSISTENT WITH THE PROVISIONS ADOPTED UNDER A REGULATION.

2  
3 SEC. 21.62.180. SOLVENCY OF FUND. THE DIRECTOR MAY  
4 BY REGULATION ADOPT RULES RELATING TO THE SOLVENCY OF THE  
5 SELF-INSURANCE FUND UNDER SECTION 020 OF THIS CHAPTER.

6  
7 SEC 21.62.190 REVOCATION OR TERMINATION OF THE  
8 SELF INSURANCE CERTIFICATE (a) FAILURE TO COMPLY  
9 WITH THE PROVISIONS OF THIS CHAPTER SHALL BE CONSIDERED GOOD  
10 CAUSE FOR REVOCATION OR TERMINATION OF THE CERTIFICATE OF SELF-INSURANCE  
11 NONCOMPLIANCE WITH AS 23.30 SHALL BE CONSIDERED GOOD CAUSE  
12 FOR REVOCATION OR TERMINATION OF THE CERTIFICATE OF SELF-INSURANCE.

13 (b) THE DIRECTOR SHALL GIVE 15 DAYS WRITTEN NOTICE OF A  
14 REVOCATION OR TERMINATION OF THE CERTIFICATE OF SELF-INSURANCE. THE  
15 SELF INSURER MAY REQUEST A HEARING WITHIN THAT TIME. FAILURE  
16 TO REQUEST HEARING WITHIN THE TIME PRESCRIBED SHALL RESULT  
17 IN THE REVOCATION OR TERMINATION BECOMING EFFECTIVE 30 DAYS  
18 FROM THE DATE OF MAILING THE ORIGINAL NOTICE. THE NOTICE SHALL  
19 BE SENT TO ALL INTERESTED PARTIES.

20 (c) THE CERTIFICATE OF SELF INSURANCE SHALL AUTOMATICALLY  
21 TERMINATE UPON THE DATE WHEN THE SELF-INSURER QUALIFIED  
22 UNDER SECTIONS 040 OR 050 EXPERIENCES A CHANGE IN MAJORITY  
23 OWNERSHIP.

24 (d) A PERSON AFFECTED BY AN ORDER UNDER THIS SECTION MAY  
25 APPEAL THE ORDER AS PROVIDED IN AS 21.06.230.



1 SEC. 21.62.200. INDEXING. THE DIRECTOR MAY  
2 ADOPT REGULATIONS TO PROVIDE FOR REVISION OF THE DOLLAR  
3 AMOUNTS IN SECTIONS 020(a), 040(1), 050(1), 060(1), 100(e),  
4 AND, 110(f) OF THIS CHAPTER TO REFLECT DEVALUATION  
5 OF THOSE AMOUNTS DUE TO INFLATION. THE AMOUNTS STATED  
6 SHALL HAVE A BASE LINE DATE OF JULY 1, 1981.

7  
8 SEC. 21.62.210. REGULATIONS. THE DIRECTOR MAY  
9 ADOPT REGULATIONS TO IMPLEMENT THIS CHAPTER.

10  
11 SEC. 21.62.900. DEFINITIONS. AS USED IN THIS CHAPTER

12 (1) "COMMON INTEREST" MEANS, A GROUP OF EMPLOYERS  
13 BELONGING TO THE SAME OR SIMILAR TYPE OF BUSINESS PROVIDED THAT  
14 UNRELATED BUSINESSES WHICH ARE OWNED OR CONTROLLED BY THE  
15 SAME INTERESTS SHALL BE ELIGIBLE FOR MEMBERSHIP IN A SELF-  
16 INSURERS FUND IF ANY ONE OF THEM IS ELIGIBLE.

17 (2) "COMMON MANAGEMENT" MEANS, A GROUP OF EMPLOYERS  
18 IN THE SAME OR IN UNRELATED BUSINESSES WHICH ARE OWNED OR  
19 CONTROLLED BY THE SAME INTERESTS AND ARE MANAGED BY THE  
20 SAME EXECUTIVE OFFICERS.

21 (3) "FUND", MEANS, SELF-INSURANCE FUND.

22 (4) "TRUSTEE" MEANS A GROUP OF MEMBERS ELECTED BY A  
23 SELF-INSURERS FUND FOR STATED TERMS OF OFFICE, TO DIRECT THE  
24 ADMINISTRATION OF A SELF-INSURERS FUND, AND WHOSE DUTIES  
25 INCLUDE RESPONSIBILITY FOR APPROVING APPLICATIONS FOR NEW  
26 MEMBERS OF THE FUND THEY ADMINISTER. THE MAJORITY OF

1 OF TRUSTEES MUST BE MEMBERS OF THE SELF-INSURERS FUND. A  
2 TRUSTEE MAY NOT BE AN OWNER, OFFICER OR EMPLOYEE OF THE  
3 SERVICE AGENT.  
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7 NOTE:

7 ADD ADDITIONAL SUBSECTION TO SEC 21.62.110 ON P.B, L.21  
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10 (h) NOTWITHSTANDING (h) OF THIS SECTION, THE DIRECTOR  
11 MAY APPROVE AN EXCESS INSURANCE COVERAGE LAYER STARTING  
12 AT \$1,000,000 IN AN INSURER WRITING BUSINESS IN THIS STATE  
13 PURSUANT TO AS 21.33.  
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## MEMORANDUM

TO: Bill Berrier  
FROM: Senator Terry Stimson  
Rep. Brian Rogers  
VIA: Bob Williams  
DATE: November 2, 1980

Rep. Brian Rogers and Senator Terry Stimson would like you to begin drafting some legislation for the Workmen's Compensation Study Commission.

First, they would like a draft which amends AS 21.36.190(d). As you can see, AS 21.36.190(d) places a number of conditions upon an association of employers which apply for a group insurance plan. We would like to remove all of those restrictions, except the filing procedure under paragraph (4), assuming that the employer group can be rated in one rating classification. So sub-paragraph (d) would read something like;

(d) This section does not apply to workmen's compensation insurance when issued to an association of employers in the same rating classification and which as a group has filed and received approval from the director for the rating program to be applied to the group.

Second, we would like to transfer the responsibility of licensing self-insurers from the Worker's Comp Board, where it now rests, to the Director of Insurance. The provisions for self-insurance are spelled out in AS 23.30.075, AS 23.30.085, and AS 23.30.090 of the Workmens' Comp Act.

As a first crack on self-insurance I would like to go with two approaches, or in other words, two drafts. The first would be to leave the requirements and provisions for self-insurance under AS 23.30 intact, and merely transfer the function to the Director of Insurance. The second approach would be to take (Sec. 50. Minnesota Statutes, 1978, Section 176.181, Subdivision 2) which is attached to this memorandum, and use that as a model. The Minnesota law allows employer groups to self-insure, and we feel that this



Memorandum  
Page two

is a good idea. Also, we would like to see built into this draft the opportunity for an individual or a group to self-insure all or part of his liability for payment of comp benefits. Please have the draftsmen contact me if there are any questions.

of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of insurance may by written order to the state treasurer require him to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money so obtained shall be deposited in the state treasury to the credit of the commissioner of insurance and awards made against any such self-insurer by the commissioner of insurance shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of insurance and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of insurance, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(2)(a) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed to do so by the commissioner of insurance. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of insurance is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of insurance may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of insurance.

(c) To carry out the purposes of this subdivision, the commissioner of insurance may promulgate administrative rules, including emergency rules, pursuant to sections 15.0411 to 15.052. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(v) establish standards or guidelines governing the formation, operation, administration and dissolution of self-insurance plans; and

(vi) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 51. Minnesota Statutes 1978, Section 176.181, is amended by adding a subdivision to read:

Subd. 5. A political subdivision or association of political subdivisions which is self insured, may be indemnified by the special compensation fund



ing, may demand that the physician be produced for purposes of cross-examination. The signed certificate of a neutral physician is competent evidence of the facts stated therein. The expense of the examination shall be paid as ordered by the commissioner of labor and industry, compensation judge, or the workers' compensation court of appeals.

The commissioner of labor and industry shall develop and maintain a list of neutral physicians available for designation pursuant to this subdivision or section 176.391, subdivision 2.

Sec. 49. Minnesota Statutes 1978, Section 176.179, is amended to read:  
176.179 Payments of compensation received in good faith

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division or court of appeals relative to a claim by an injured employee or his survivors, and received in good faith by the employee or his survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a credit against future benefit entitlement; provided, however, that the credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits or death benefits shall not exceed 20 percent of the amount that would otherwise be payable.

Sec. 50. Minnesota Statutes 1978, Section 176.181, Subdivision 2, is amended to read:

Subd. 2. Compulsory insurance; self-insurers. (1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of insurance exempting the employer from insuring his liability for compensation and permitting him to self-insure the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 15. The commissioner shall also adopt, pursuant to clause (2)(c) of this subdivision, rules permitting two or more employers in the same industry to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of insurance, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of his operations which may be determined by the commissioner of insurance to be a distinct and separate risk. An employer desiring to be exempted from insuring his liability for compensation shall make application to the commissioner of insurance, showing his financial ability to pay the compensation, whereupon by written order the commissioner of insurance may make an exemption as he deems proper. The commissioner of insurance may require further statements of financial ability of the employer to pay compensation. Upon ten days written notice the commissioner of insurance may revoke his order granting an exemption, in which event the employer shall immediately insure his liability. As a condition for the granting of an exemption the commissioner of insurance may require the employer to furnish such security the commissioner considers sufficient to insure payment of all claims under this chapter. If the required security is in the form of currency or negotiable bonds, the commissioner of insurance shall deposit it with the state treasurer. In the event

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Jackie McClintock  
Worker's Compensation Officer  
Fairbanks

September 4, 1979

John Cook, Director  
Workmen's Compensation Division  
Juneau

Payment of Temporary Total Disability  
or Sec. .191 Maintenance Compensation

Your July 19, 1979 memorandum requested guidelines to assist in resolving questions as to when an injured employee undergoing rehabilitation is entitled to temporary disability and when is the employee entitled to maintenance compensation.

In the case of employees enrolled in rehabilitation programs who have unscheduled injuries and whose permanent loss of wage earning capacity cannot be determined, the Board has ordered that temporary disability compensation be paid and not the reduced compensation for maintenance provided under AS 23.30.191. In these cases the employee would not usually be enrolled in rehabilitation if his loss of ability to earn wages was permanent and the loss could not be reduced through retraining in job skills. The Board is urged to continue this policy.

Although the Board has not, to my knowledge, agreed with me on this matter, I believe temporary disability compensation should also be paid in cases of scheduled injury while undergoing rehabilitation rather than reduced compensation under Section .191 after the doctor finds the medical condition has stabilized. I urge the Board to consider offering continuing temporary disability compensation while undergoing rehabilitation in cases of scheduled injury cases.

It is my opinion that the Board should consider the following:

1. When an employee has applied for rehabilitation with an agency or in a manner accepted by the Board, he should be paid temporary total disability compensation, provided the employee is unable to work and is cooperating in the retraining process. Compensation should not be withheld until a program has been developed and the employee actually starts to school.

2. When an employee is cooperating in rehabilitation efforts, and is able to continue in a job situation at a lesser wage than the wage being earned at the time of injury, the employee should be paid temporary partial disability compensation. (Two-thirds of the difference between the employees average weekly wage and the weekly wage after injury)
3. When an employee has received temporary partial disability compensation for five years (the maximum period allowed for TP) and the employee continues in a lesser paying job but is also participating in rehabilitation efforts to learn skills to upgrade earnings, the employee would be entitled to maintenance compensation under AS 23.30.191 which provides for payment of such compensation when the employee is no longer entitled to temporary total or temporary partial compensation.
4. When the employee has waived rights to further temporary disability compensation by compromise and release, and the employee is eligible for and is actively pursuing vocational rehabilitation under provisions of AS 23.30.040. Compensation necessary for maintenance would be payable under provisions of Sec. 191.
5. When it can be shown that the employee is purposely delaying the rehabilitation process, the Board should find the employee is not doing all possible to mitigate loss, and depending on the seriousness of the employee's failure to cooperate, either order forfeiture of the compensation that would have accrued during the delay or the Board should make a determination of the loss had the delay not occurred and, in the interests of justice, discharge the employers liability by payment of a lump sum.

Present practice of the insurance adjusters is to stop compensation when the doctor indicates the employee's medical condition has stabilized. The practice is wrong. The period of disability is determined by whether or not the employee is able to earn the wages that he was receiving at the time of injury, and if not, whether his inability to earn wages is a temporary or permanent condition. If there is a loss and the condition is temporary, the employee should be paid temporary disability whether or not he is undergoing rehabilitation. If the loss is permanent, then the employee should be paid permanent disability during the period of loss.

AS 23.30.185 provides "In case of disability total in character but temporary in quality, 66-2/3 percent of the injured employee's average weekly wages shall be paid to the employee during the continuance of the disability. (emphasis mine)



AS 23.30.200 provides "In case of temporary partial disability resulting in decrease of earning capacity the compensation shall be  $66\frac{2}{3}$  percent of the difference between the injured employee's average weekly wages before the injury and his wage earning capacity after the injury in the same or another employment, to be paid during the continuance of the disability, but not to be paid for more than five years."

AS 23.30.265(10) defines "disability" to mean "incapacity because of injury to earn the wages which the employee was receiving at the time of injury in the same or any other employment."

There is nothing in Sec. 185, Sec. 200 or Sec. 265(10) that states "disability" ends when the injured reaches maximum medical improvement, the treatment has ended or the employee can be rated for physical impairment. The facts that determine whether compensation is due are those that relate to the employee's disability. (Is the employee incapacitated because of injury to earn the wages which the employee was receiving at the time of injury?)

Upon reaching maximum medical improvement the employee may be able to:

1. Return to work and earn the same wage or a higher wage that was being received at the time of injury. In such cases, no compensation is payable.
2. Return to a lesser paying job and engage in a rehabilitation program with prospects of earning the same or higher wage than at time of injury. Temporary partial disability compensation would be due for a period not exceeding five years. After five years, additional compensation could be paid as needed under provisions of Sec. 191.
3. Return to a lesser paying job with no prospects of earning the same or a higher wage and of rehabilitation. Permanent partial disability compensation would be due.
4. Not return to any gainful employment but with prospects of return to work after completion of a rehabilitation program. Temporary total disability compensation would be due.
5. Not return to any gainful employment with no prospect for future employment. Permanent total disability compensation would be due.



6. **Return to work or learn work that could be performed despite impairment from injury but refuses to seek work or rehabilitation.** The Board should find the employee responsible for not mitigating losses and relieve the employer from that period of disability which is not attributable to injury.

In making a finding that the employee failed to mitigate damages, the Board should be first satisfied that the employee's failure to seek work or rehabilitation is not due to post traumatic neurosis. If the latter and the neurosis was set off by the injury, then the employee should not be held responsible for actions brought on by the mental problem.

Apparently, Sec. 191 causes confusion, but it must be noted that it was enacted in 1963 when there was a limit on payment of temporary total and temporary partial of \$20,000. In the cases of unscheduled injuries, the limit was \$17,000. The limits applied to compensation paid for both temporary and permanent partial in the aggregate and it was often the case that an injured worker would be paid the maximum but needed rehabilitation. To encourage rehabilitation of those who were no longer entitled to temporary disability compensation, Sec. 191 was enacted.

For injuries after 1975 there is no maximum limit for payment of temporary disability and such compensation should be continued while undergoing rehabilitation if the employee is temporarily incapacitated from earning the wages as before injury, even though medically, the employee has attained maximum healing. Likewise, payment for temporary partial disability should be continued, when only the employee's medical condition has stabilized but his ability to earn wages has not.

In those cases where injury prior to May 22, 1975 precludes payment of temporary disability beyond a maximum amount, where the employees have waived rights to further temporary disability compensation by compromise settlement, and where an employee's eligibility for temporary partial has terminated due to the five year limitation in Sec. 200, payment of compensation for maintenance under provisions of Sec. 191 would be appropriate while the employee is undergoing vocational rehabilitation.

Professor Larson states that temporary total disability is payable during the period of healing and complete wage loss. Our statute defines "disability" as the incapacity because of injury to earn the wages which the employee was receiving at the time of injury. When such a condition is temporary, Sec. 185 requires the payment of temporary total disability compensation during the continuance of the disability. I interpret this to mean that, even in cases of scheduled permanent disability cases, temporary compensation is payable when a temporary incapacity to earn wages exists even though at some time during that period the employee is considered medically stationary.

It is easy to find statutory authority for continuing temporary disability while undergoing rehabilitation in unscheduled injury cases because permanent partial disability is awarded based on the employee's permanent loss of wage earning capacity and such a determination cannot be made until the training is completed and the employee's loss of wage earning capacity is known.

It is more difficult in the scheduled injury cases because AS 23.30.190(1) through (21) except (20) provides for a specific number of weeks of compensation to be paid depending on the degree of "loss of or loss of use". Sec. 190 provides that such compensation shall be paid in addition to temporary total or temporary partial disability compensation. Temporary disability is payable while the employee is temporarily "unable to earn the wages which the employee was receiving at the time of injury".

For an example, when an employee loses an arm or the use of an arm, the employee may continue to be temporarily disabled from earning pre-injury wages even though the doctor rules that the employee's condition is medically stable and the degree of permanent loss of use can be determined.

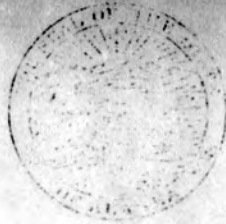
In such a case, I believe the employee should be considered to be temporarily disabled and paid temporary disability compensation even though the employee was medically healed, unless at the time of maximum healing and rating for loss of use it can also be said that the employee is able to return to work, does not need rehabilitation and his earning capacity has also reached maximum improvement.

There is one other area of concern relative to the scheduled injury. There will be persons who cannot return to work or can only return to work at a lesser paying job but cannot be rehabilitated to something better. In other words, both their medical condition and ability to earn wages are permanent.

In the first instance, if the person is totally disabled from return to work, cannot be rehabilitated and the condition is permanent, the employee could not be paid compensation for disability under Sec. 190 because Sec. 190 provides for a disability "partial in character" but permanent in quality. This case would be total in character and permanent in quality and paid under provisions of AS 23.30.180 for permanent total disability.

In the second circumstance when the condition is permanent at lower paying work, and the employee cannot be rehabilitated to a higher level of earnings, the employee should be paid the number of weeks compensation allowed for permanent loss of or loss of use under Sec. 190(1) through (21) except (20) and no further temporary or partial disability compensation is due. The Board should ascertain, however, that the earnings after injury are not so minimal or sporadic in nature as to fall in the "odd lot doctrine" and if so the earnings should be considered inconsequential and a permanent total award made.

CO-CHAIRMEN  
SENATOR  
TERRY STIMSON  
REPRESENTATIVE  
BRIAN ROGERS



MAILING ADDRESS  
1024 WEST 6TH AVENUE  
ANCHORAGE, ALASKA 99501

## Workers' Compensation Study Commission

NOVEMBER 7, 1980

### TO ALL MEMBERS

THE WORKERS' COMPENSATION STUDY COMMISSION WILL BE HOLDING ITS NEXT PUBLIC MEETING THE 15TH OF NOVEMBER IN ANCHORAGE. IT WILL BE CO-CHAIRLED BY SENATOR TERRY STIMSON AND REPRESENTATIVE BRIAN ROGERS.

LOCATION: LEGISLATIVE INFORMATION  
OFFICE  
1024 WEST 6TH AVENUE  
ANCHORAGE, ALASKA

TIME: 8:30 A.M. (ANCHORAGE TIME)

THE MEETING WILL BE TELECONFERENCED TO ALL SITES. IF YOU WILL BE ATTENDING THE MEETING IN ANCHORAGE OR AT YOUR TELECONFERENCE SITE, ON THIS DATE, PLEASE CONTACT ME, BY RETURNING THE ENCLOSED CARD OR BY CALLING ME AT 272-7555. SHOULD I NOT HEAR FROM YOU PRIOR TO NOVEMBER 15, 1980, I WILL ASSUME YOU WILL BE IN ATTENDANCE IN YOUR AREA.

THANK YOU FOR YOUR ASSISTANCE.

SINCERELY,

WORKERS' COMPENSATION STUDY COMMISSION

A handwritten signature in cursive script, reading "Licia", is written over the typed name "Licia Piceno".

LICIA PICENO  
ADMINISTRATIVE ASSISTANT





## STATE CHAMBER of COMMERCE

310 Second Street

Juneau, Alaska 99801

Phone 586-2323

November 6, 1980

Honorable Brian Rogers  
House of Representatives  
P. O. Box K, College Branch  
Fairbanks, Alaska 99708

Dear Brian:

Many thanks for agreeing to report on the progress and goals of the Workers' Compensation Study Commission at our Prelegislative Conference in Anchorage on Thursday, December 4, 1980. The meeting will be held in the Windsor Room of the Sheffield Hotel.

Traditionally, this meeting is held annually to provide us an opportunity to review pending legislation and adopt the position we will support in the coming legislative session. We anticipate about 50 Alaskan business leaders will be in attendance including our statewide board of directors, local chamber officials, and industry and association representatives.

Our Chairman, Don Finney of Ketchikan, will open the meeting on Thursday afternoon and we will schedule your appearance for about 2:30 p.m. I would suggest you plan to informally report to us on your committee's activities for 15 to 20 minutes and then following your presentation, we will open the meeting to questions.

As you are aware, the business community has both a big stake and keen interest in Alaska's Workers' Compensation program so there will be real interest in your remarks and the committee's report.

I greatly appreciate your willingness to attend our meeting. Naturally, you are welcome to attend the remainder of the day's program if your schedule permits.

Please contact me, Brian, should you have any questions and again, congratulations on your recent reelection.

Sincerely,

Don Dickey  
President

cc: Chairman Don Finney

*Building A Better Alaska*

TESTIMONY OF COMMISSIONER W. W. FRITZ  
COMMISSIONER OF INSURANCE  
SALEM, OREGON

Oregon, has the reputation of having the most expensive compensation systems in the nation. The cost has soared from 52 million to 500 million within a decade. I might add here the amount is currently up to 700 and 50 million. These costs inevitably have to be passed on to the consumer of goods and services and have become a deterrent to the economic growth in Oregon. Furthermore, I'm not satisfied that the benefits provided to the worker are adequate or realistic. My hope is that we can accomplish a system to provide the maximum benefits to the injured worker at the least possible costs.

I think that almost every member of this committee and everybody who is here testifying before this committee will concur that our objectives and purposes are to a common goal; that is, to provide the benefits, adequate benefits, at the least possible cost to the employer. I will now read a few excerpts from the forward of the report of Montgomery's "Committee to the Governor".

Incidentally, 12 members of this particular task force are composed of: representatives of the plaintiff bar, the defense bar, the AFLCIO, the Teamsters Union and various manufacturing association. The split or the makeup of the committee was very fair, equitable and uniform. The following are some excerpts from their report to the Governor. Worker's Compensation Insurance premiums in Oregon are approaching 600 million dollars annually. Roughly, \$600.00 per employee per year. The number of claims has grown to almost 200 thousand and 25% of them are disabled.

We've continued to hold a dubious distinction of leading the nation in frequency of accidents. 14 accidents per 100 workers. In this committee report, which ultimately

Fritz continued

concluded, with approximately 57 recommendations, have been made to the Governor for legislative changes to affect the rate reforms in our system. All are individually discussed in other publications. I have offered Mr. Bob Williams and any member of the commission to make available to them the individual reports on the individual recommendations. I have furnished your committee with a copy of the final report and I think I have only furnished one. If any of you are interested, I will furnish one and if any of you are interested I will furnish each member of this commission with a copy of this final report.

Bear in mind, that our systems are not necessarily synonymous. We have aspects of our worker's compensation system that are not necessarily the same as yours. For instance, we have a Worker's Compensation Board which is supported by a premium tax of 6.7% of the premium that generates roughly 35 million dollars. This is used to operate a compensation board. That includes, a hearing officer who hears the various sundry contested cases. It also includes, the cost of the Callahan Center, which is the rehabilitation center that was created some years ago. I might add, at this point, that it is the recommendation of the Governor's Task Force that the continuation of the Callahan Center be terminated. Their investigation report indicates that the Callahan Center employs roughly 225 therapists and positions and technical, physical personnel. The total number of employees injured or utilizing it is 65.

At the current time, in other words, you have 220 employees administering the 65 people who are currently taking rehabilitation. It is the recommendations of this committee that the Callahan Center be discontinued and that the burden, or, if we use that term, of rehabilitation be placed on the companies. All of this is covered in separate reports and is available.



I will now attempt to cover what, I think, is one of the major recommendations of this committee. We have, for years, if you will understand the history of Worker's Compensation, realize, that in the early 1900's, Worker's Compensation first came into the picture, largely, I think, in the State of Wisconsin, with a great deal of justification. However, at the time, the trade-off was made between the employee and the employer, in lieu of, the Worker's Compensation. The employer, in perhaps, labor, also, at that time, had serious misgivings about the use of a private insurer to cover that operation. They were fearful and, with some justification, of the cartel type of arrangement that existed at the time. However, it is our conclusion that there is no longer any particular danger of the cartel arrangement between the company. Because, today, the conditions are highly competitive and, of course, there is always the specter of the Federal Anti-Trust implication; so that, there is little cartel arrangement with the use of the filing and prior approval of Worker's Compensation rates.

In the State of Oregon, we have abolished the prior approval of rates in automobile and homeowners many years ago, with a very salutary effect on our rates. The only rates that are currently, "prior approved" in Oregon, at the present time, are Worker's Compensation and Title Insurance. The committee is recommending that we abandon the "prior approval" system of Worker's Compensation rates and go to a file and use system.

Under the system that is being proposed, (I'll be glad to answer any questions on it after I finish this,) the National Council will be the statistical gathering agency for all of the premium and losses developed in the State of Oregon and they will develop for us, for the Department, what is known as the "pure premium". They are going to equate the losses

Fritz continued

to the premium income and no further. From that point on, after the National Council has developed what premium it takes to develop the necessary "premium dollar" to pay the losses, it then, will become the responsibility of each individual company to determine their own expense factor. From that point on, they can file the rate and their expense factor with the Department and proceed to use it.

In order to protect and prevent anybody from under-selling the market immediately, to corral the business and create a monopoly, we are retaining the right in the Department to forbid any company from penetrating the floor. In other words, I'm using the floor as "pure premium". No company will be allowed to penetrate below that price, without prior approval. Because, I'm certain, in some cases, where a company, due to some particular marketing advantage, has in a particular class or particular type of business can possibly come in below the "pure premium". If so, they can demonstrate it and prove it to me or my actuarial staff. We will, then, consider approving and letting them penetrate the floor; otherwise, no. That will be still prior approved.

Anything above the "pure premium" level, the companies are free to compete. I am firmly convinced the conclusion of the Governor's Task Force, on this particular issue, that the net result will be considerable reduction in the rate, in the State of Oregon. When I point out to you that we are at the highest rate, in the United States, in the State of Oregon, and we are sixth in benefits, there is something wrong with the system. I think this is going to be one of the steps that is necessary to correct that position.

It is true that other states have had similar problems. Florida, I think was number two in the nation and they have

Fritz continued

recently addressed the problem and taken a little different approach. They have gone on the system that is based on the "loss wage" concept. Particularly, with reference to permanent partial disability cases. I think, under their current system, the injured employee is rehabilitated and put back to work. He is paid the difference between what he previously earned and what he is currently earning by way of compensation, instead of getting a dollar amount single injury award or being put on compensation indefinitely, regardless of what his future income is.

It did not bring it about. It was mandated, I think, a 16% reduction in the Florida rate, when this was enacted. It is too early, in my opinion, to draw any valid conclusions from what has occurred in Florida. It may as well be that they have the answer. I do not know, but time will tell.

In the State of Oregon, we have a highly competitive marketing situation in Worker's Compensation. In 1978, I managed to get a Bill through the Legislature, allowing the companies to deviate below the National Council's rate where they saw fit to do it. Unfortunately, not many companies followed the suit and took advantage of that for the first year or two. However, in the last year, a number of companies, that had deviated, are filing deviations. That is fairly remarkable.

I think, we have currently, 10 to 12 out of 22 to 25 major writers currently filing deviations in various classes. They feel that they can, due to their expertise, safety program or something, deviate below the National Council's rate and still make a profit. We have estimated that in the last year, due to deviations alone, that have been filed and used in the State of Oregon, there have been net results of saving the employer in excess of 8 million dollars.



Fritz continued

I look forward to further deviations, until such time, that we get to open rating and open competition. I cannot tell you whether or not that is advisable for the State of Alaska because it has been sometime since I have been here. I do not know of the competitive situation that exists, your markets or whether you have competition. If you do have competition, I feel that it will be salutary. I would like to relate a little story about what competition is doing in the Insurance Industry, particularly, in the lower forty-eight.

I was in the office of the President of one of our major companies. He was pounding the table, telling me, that he was going to hold the line on pricing, if he couldn't see a profit. He wasn't going to write it. He wasn't going to go through a repetition of 1973 and 1974, when many of the companies were on the verge of disaster, due to bad experience. So, he was going to hold the line. I agreed, that's fine, and walked out of his office. I went by the office of the Vice-President in charge of underwriting. He said, "Hey Bill! Wait a minute! I want to talk to you". He says, "I am going to be down tomorrow and file for a rate reduction in our Farm Homeowners. My competition has cut it's price and is taking our market away from us. I've got to cut the price to stay competitive". That's what occurs in the industry, if you allow competition to work.

In the Automobile Industry, in the State of Oregon, and in the Insurance Industry, the rates, assuming, basically, the same coverage, for an automobile, in the city of Portland, varies from 150 up to \$325.00, depending upon which company you go with. Some of the direct writers and some of the companies can't afford to write it at that price. Others are up to \$325.00. So, I am always urging the people in the State of Oregon to shop for their insurance, because there is a wide discrepancy and a wide variance in price. I think the same thing is going to occur in Worker's Compensation.

Fritz continued

The National Association of Insurance Commissioner's appointed a committee, a B-3 Committee, to study, whether or not, competition existed in the Insurance Industry. That Task Force made a very extensive and voluminous study. They concluded that competition does exist and secondly, they surprised me with their preliminary report. In the preliminary report, they lost over Worker's Compensation, which is the second largest source of premium in the United States. By simply stating, that Worker's Compensation has been traditionally, "prior approved", and we see no reason to disturb it. Needless to say, some of the Commissioners, like Wess Kindar, Hugh O'Connor of Illinois, and myself, jumped all over the committee. They have now reversed their position and they now have come out, whole-heartedly, endorsing open competition.

There are few companies, this is true, who feel that they have a price advantage. At least, that's my conclusion. In the expense factor, I would like to see the National Council continue to use the average expenses in the United States to make the rate. If your expense factor is less than the average determined by the National Council, you have a distinct advantage in marketing. If you can keep that up, you are going to be in a lucrative business. For those who are above the expense factor, they're either going to have to get their expense factor down or get out of the business. There are no two ways about it. They simply cannot continue to compete and I have no sympathy for them.

It is true. Open rating is going to create additional problems for your Director, for myself, for the Commissioner's, who are charged with the solvency of the company. We are going to have to improve our system and increase our monitoring of the companies, to insure the fact, that they remain solvent.

There is one or two other points that I would like to address

Fritz continued

and then I will open this up for questions. We have additional problems for your Director, for myself, for the Commissioner's who are charged with the solvency of the company. We are going to have to improve our system and increase our monitoring of the companies, to insure the fact, that they remain solvent.

There is one or two other points that I would like to address and then I will open this up for questions. We have additional problems in the State of Oregon. We are what's known as a "three way system". Actually, we are a "two way system", now. We were three up, until July of last year. The Legislature changed, what is known as, SAIP (State Action Insurance Project) from a State corporation to a private corporation. They now fall into the category of being a private insurer; so that, we really have a "two way system". That "two way system" is self-insurers and competitive stock or mutual companies.

SAIP adopted practices, that concerned the Legislature and concerned me to a great deal. Yet, you are politically in a tenable position, in attacking what they were doing. For instance, they were utilizing what we call a "cash flow" program. On our "cash flow" program, you credit the insured with a dividend upfront, that he anticipates, or they cannot guarantee but were reasonably certain that the insured was going to get a dividend. They credited him with that upfront and carried the balance of the account in, sort of, an account receivable. I found that the SAIP, out of 200 and 50 million dollar premiums written, had 95 million dollars out in accounts receivable in this type of program.

As you can see, when you hit a recession, such as we are currently going through, there is the specter or the danger of the employer going out of business, saying go scratch or go file your claim with my other creditors. You might get paid.



That created a solvency problem and the Legislature was greatly concerned with it. That and other things, resulted in SAIP being changed from a state corporation to a private corporation.

In the field of self-insurers, there are problems. They aren't as paramount, because, basically, most of the self-insurers are large outfits. They are in a position where they can practically guarantee the funds necessary to pay the injured worker over a long period of time. However, what is developing now, is a tendency to group a smaller employer, which I think is quite detrimental. It is probably advantageous on a temporary basis to a small employer, to group smaller employers. I'm talking about those that generate maybe \$20,000 dollar premiums altogether. There are probably 100 of those. You will find one or two of them who will go belly-up or have very, very bad experience, losswise. The burden is going to be thrown on the others to bail him out, and they're not going to like that.

I have insisted, that if you allow smaller employers to group, that they develop a guarantee fund, pre-paid in advance. I want the assurance that there is going to be money there to pay the injured worker, if the event arises. They can have access to the money or utilize it. I want the assurance that there is going to be money to pay that injured man or the widow and his children, in the event the situation arises, that they can no longer do it on their own.

I have a grave concern about some of the larger employers or self-insuring, utilizing offshore captives for reinsurance purposes. I intend to ask the Legislature to enact legislation, declaring that offshore coverage, as being primary. I see no difference between them, a self-insurer carrying

reinsurance. If the stock gap comes in at 10 million dollars and a million dollar deductible on a standard policy, you hold the carrier, who is on the reinsurance, as the primary carrier. It has a number of salutary effects.

I'm sure that this committee is going to have one or two questions on the feasibility of a completely state operated fund; such as, Washington and other states have. I, personally, do not advocate it. The experience in the State of Ohio, which has the largest self-state operated fund is disastrous. They currently have a 2 billion dollar or higher deficit at the present time in that fund. Where are they going to get money to bail it out? I don't know.

In the State of Washington, they have a state monopolistic system. It is not as bad as the one in Ohio. They have, what I consider, a program that is very, very unfair to some employers. They use the hourly base, hourly payroll to determine the premium to be paid into the fund. There is a lot of cheating going on down in the State of Washington, on that hourly payroll report. In the State, it is impossible for them to monitor every employer, to see to it that he properly reports every employee's hourly wage; so, there are deficiencies in that.

I think I am going to open this up to questions of the committee.

WORKER'S COMPENSATION STUDY COMMISSION

QUESTIONS/ANSWERS

MEMBERS AND COMMISSIONER FRITZ

October 16, 1980

Rogers

Are there any members of the commission in Anchorage who wish to question Commissioner Fritz?

O'Keefe

I have several questions. Maybe, I could just give a few and some of the other committee members could talk about it.

Our sub-committee task force, breaking down from this larger group, of which one committee is rehabilitation is looking for direction on a rehabilitation program. Now, you indicated that the Oregon State endeavor of, I think you said, Callahan Center, was not financially successful, nor does it produce any results. Did the study committee come up with any recommendations on what a just manageable rehabilitation program might be? Could you give us some insight on that?

Fritz

Off hand, I can't answer that specific question. All I can tell you is the conclusion. They felt that the Callahan Center was a tremendous unnecessary expense. The labor is not going to the Callahan Center for rehabilitation purposes. That's one of the reasons. It's located between Salem and Portland. I can very well see why somebody from Medford or from the Eastern part of the State, being reluctant in going over there for treatment, even though he is being paid Worker's Compensation while in attendance. There was a conclusion of the committee that the Callahan Center was an unsuccessful operation.

O'Keefe

Thank you. I have two more questions. These relate to the NCCI and their rate data. This morning there was some



O'Keefe continued

concern about credibility of data. In other hearings which we've had, there's been some analogy and suggestion that we look at the ISO (Insurance Service Offices) rate data base and see how that might compare with NCCI. I noticed in your comments, you are a strong advocate of maintaining NCCI for, at least, a data base as applies to the benefit side. Can you compare those two for the committee? That could give them some insight on credibility as you see it.

Fritz

Both organizations, in my opinion, have a high degree of credibility but they are both operating at different spheres. One is into property and autoline and the other one is in Worker's Compensation. The system of open rating, such as I am currently advocating and also the Governor, probably, will be adopted in Oregon.

It is highly important and essential, that no way in the world, the system can operate without a data base or an adequate source of obtaining the experience to develop the "pure premium". There's no organization that I know of that's better equipped to do it than the NCCI. I don't always agree with them, particularly, when they file for rate increases.

They are the most competent and the most efficient organization for developing rates, at least, as far as I am concerned.

We looked in Oregon at developing our own rating bureau. We concluded, it would cost us five million dollars just to set one up. It would take five years before the data, which would go into it, would become meaningful. At the end of five years, we would have credibility on only 100 classes out of 800 classes, that we have in Oregon.

Fritz continued

If I can recall, I think you probably have here 600 classes out of the 600. I think, you could, probably, develop credible statistics on only 2 classes.

You've got to rely on national experience for developing rates, particularly, on those classes where you do not have sufficient experience. I have to do it, in about 700 classes. We simply cannot afford the cost of setting up our own rating system.

California has their own. In the California system, it out-shadows Oregon, Alaska, Washington, Montana and Idaho, all of us combined. The ratio is 10 to 1; so, they can develop meaningful statistics on their classes. There are bugs in the California system. California is also looking at open rating, so is Arkansas, Georgia and many other states but the bug in the California system is that the companies are competing in California, strictly, on a dividend basis. There is redundancy built into the rate in California, that is being utilized by the companies to compete.

They go to an employer and say we can pay so many dividends every year and another company comes along and says, we'll pay you that, plus, another 100 dollars more; so, the companies are not competing on the basis of rates. They are competing on the basis of dividends. When they do that, you can bet your shirt, there is redundancy in the rate. If there isn't a redundancy, you can't generate the dividends which are being paid out.

O'Keefe

Could you highlight your ideas on trending factors, which was also brought up this morning?

Fritz

I'm not an expert on the trending factor. I have reservations on it. I think, it has a tendency to yo-yo in the rates. To give you an example, I'm very fearful of that. I'm gonna have some bad experiences with the National Council in the next few months. We received a 16% rate reduction, which amounted to, roughly, 80 million dollars in a reduced premium in the State of Oregon last year, based on the trend factor that they developed. We cut rates roughly 16%. That was roughly 80 million dollars but I'm cognizant of the fact, that our payroll in the State has dropped tremendously, due to the recession. I have a feeling that the trend factor is now going to indicate a 16 or 18% increase if necessary, as needed, in order to generate the payroll to meet the losses.

That's why I don't, particularly, care for the trend factor. I think they yo-yo the rates. I think, it's very disturbing to an employer, particularly, to a contractor who has to get out and bid on a job. If he doesn't know from one day to the next what his rates are going to be, or, at least, from one contract to another what the rates going to be, he is at a distinct disadvantage in bidding a contract.

O'Keefe

Did the committee in Oregon come up with any solution to what was testified there or what was discussed this morning, in terms of bringing rate level up to current situations in going the 30 months ahead of time? Did they address that issue at all, in terms of, rate making?

Fritz

The entire operation is the same as you people are doing here. That's why, perhaps, I was a little bit rude or bored. I didn't listen at all on that. I have been through it before on two different occasions. They did the same presentation to us and it was accepted by the



Fritz continued

committee as a valid presentation. I have no quarrel with the NCCI rate making. I don't, necessarily, buy the trend factor that they are currently using, because, as I see it, it has a tendency to yo-yo the rates. Here we are one day because we got a 16% reduction, but next year, when they come along with an 18% increase based on a trend factor, there probably, will be problems. I'd rather see the rates leveled.

Maloney

I had a question on open rating. What are the disadvantages of open rating? You mentioned, that you've got a problem or you're going to have to work a little hard to make sure that the companies remain solvent. What happens in Oregon, if a company becomes insolvent? Are the other insurers supposed to pay?

Fritz

They are covered under the guarantee fund. First, we require a security deposit before we allow a company to come into the State of Oregon and do business, whether it be auto, property or any casualty line in Worker's Compensation. They must put upfront, I think, a little over a million and a half dollars to write Worker's Compensation that I hold. The company has access to it. They can have the earnings, but if the company goes belly-up, I use that million and a half dollars to pay off their claims and if that runs out, then, the guaranteed fund assesses all companies writing Worker's Compensation to make up the deficiencies. I have Eldorado, a California company, currently in receivership. The earnings, fortunately, on the million and a half deposit that I have, have been so good, that I haven't had to touch the principle of it. I have been able to pay all of the outstanding claims, strictly on the earnings of the security

Maloney continued

deposit. That is, from a policy standpoint, once you go to an open rating system, what logical reason is it for the other insurance companies to be forced to contribute to a security fund, if their competing against each other and NCCI sets a rate, which they feel is fair, and you come forth and say, alright, we will allow you to vary, perhaps, below the "pure premium" level?

Fritz

I don't really anticipate any company jumping in immediately and trying to penetrate the floor of the "pure premium". The difficulty they're going to have is developing their expense factor. They will know what "pure premium" they will need by class. The companies are going to be guessing, to some degree, as to what their expense is actually going to be. At the end of the year, if the President of the company doesn't take a good hard look at the result of writing Worker's Compensation, he doesn't belong as President of the company.

Maloney

Have you looked at the possibilities of obtaining a bond or insurance or someone to cover companies entering the market?

Fritz

They are covered under our guarantee fund. Our guarantee fund requires everybody that writes insurance the same as you have here in Alaska. Everybody that writes that particular line, must participate, in the event the company goes belly-up.

Maloney

It just seems to me that, that's illogical, once you allow open rating. Once you allow pure competition, I don't think a company coming in that's undercapitalized should be able

questions/answers continued

Maloney continued

to ask those companies that are fully capitalized, which might have been charging a little rate, in order to maintain their solvency, to contribute to their competitor, who's underpricing and taking the business away.

Fritz

Let me correct that. Once we invoke the guarantee fund, that company is out of business. All we are doing is paying off the existing claims. That company is gone. It's down the tube.

Maloney

I understand that. I'm just saying that they come into a market, perhaps, being somewhat undercapitalized in an attempt to penetrate the market, as entrepreneurs have been known to do where there is competition in any market place. They underprice their products, somehow convince you to allow them to penetrate the "pure premium" floor and then the competitors, who were holding the line on prices or charging a reasonable price, are forced to finance, in a sense, the entrepreneurial venture the undercapitalized company took.

Fritz

In the first place, I feel that my staff is competent to make a determination of, whether or not, this company can undoubtedly demonstrate, through statistical data, that they can do better than the "pure premium". Secondly, we would be monitoring on a continuous basis; in other words, demanding quarterly reports from the company on this particular line. If we saw the experience was developing sour, we would immediately revoke the authority to utilize the rate below the "pure premium" and force them back into the normal thing.



Maloney

I wouldn't question your competency to do that. What I question is laying the cost on the competitor, where it's the State that's made the mistake. It seems to me, that if you're in a situation, where the State has licensed someone or authorized someone to charge a premium, which is too low, the State should or your organization should, be forced to come up with the funds for its own mistake.

Fritz

I am really not in a position to answer, one way or another, because I haven't even gotten to the open rating, but once we get there, you can rest assured, it's going to be a long period of time before anybody comes in and tries to penetrate the floor of the "pure premium" and get approval of it.

O'Keefe

For the benefit of the other staff members and Commission members here, we do address this with our own Department of Insurance, to make sure that they, logically, have the capability to do this kind of policing, keeping in mind that most times, record keeping is not local. So, perhaps, Kenny Moore would be asked, at some point further on, to comment on the ability and the necessity of the State here to do that policing.

I have a couple more questions. In previous testimony, we did address the issue of self-insurance. In this State, it is my understanding that the policing action of the self-insurance program is not just with the Department but with another agency. I believe, it's the Worker's Compensation Board. It's a standard thing to be under attack now, as to qualifications. Do you have any recommendations on what we might consider for a starting point for self-insurance? If

O'Keefe continued

so, what do you do in Oregon on self-insurance qualifications?

Fritz

The qualifications are prescribed by the Worker's Compensation Department or Board. They are not nearly as stringent as we would like them to be. This particular committee has expressed a great deal of concern over the self-insurers. They talked to me about giving the jurisdiction of the self-insurers to the Insurance Department. However, in order to do that, at least from a financial operation, not, necessarily, the benefit level. That's the Worker's Compensation Board and I want no part of it. We have guidelines which we force the insurers today to comply with, to preserve their solvency. We restrict what they can invest. We monitor the dividends, and all their financial activities are carefully monitored by the department, either through the examination or review, of their financial data.

We cannot apply those same rules to a self-insurer. We cannot go into Georgia Pacific, Weyerhaeuser or any of the big self-insurers and say, look, you cannot buy this particular stock 'cause it hasn't been dividend paying for five consecutive years. You must set this much aside in your assets, for reserve, for claims, or you must set so much aside for incurred but unreported claims. The rules of examination and financial activity would destroy self-insuring. It takes away the purpose of why people go self-insured. They get the use of their money, without the restrictions, that we place on insurers. So, until the Legislature or this committee can come up with a solution, as to how we can monitor the financial activities of a self-insurer, I don't want any part of it.

O'Keefe

One more question and I think I'm done. Could I get your

O'Keefe

opinion on your experience and expertise in the area of factious grouping? It is my understanding now, at least, in regards to Worker's Compensation, we can have safety groups. The idea being that the safety group itself does something of benefit that would reduce losses and, therefore, justify a reduced premium. What about factious grouping, without any purpose in mind, when you say five neighbors getting together?

Fritz

We don't allow factious grouping, without any common goal or purpose. There are restrictions on grouping. On the safety dividend grouping, we had considerable misgivings. We allowed four companies to use safety dividend operations. In other words, it's an association, that all of the individual employers belong to. The association agrees with the company that we will undertake and do your legal responsibility of safety engineering that the law requires each insured or insurers. They do it through the use of the association. In turn, the dividends generated flow-back to the association, who utilize the funds, to continue their operation and finance the safety operation.

We have placed a restriction on them that they cannot, a company cannot remit back to the association, anymore money that is actually spent in the safety work. In other words, we match it 'cause it can be a form of a rebate. Therefore, we have placed a severe restriction on it. However, California did the same thing and it was challenged in the State of California. This past week, the Circuit Court of Appeals, in California, has taken the position that the Insurance Department can't place those restrictions on it. So, I think, we are going to have to back off and open this thing up. Allow



Fritz continued

the associations a lot more flexibility and freedom in that operation. I have a feeling that the same is going to occur in our court. Now, that's the EBI case.

Rogers

Are there any other questions?

Carlson

Commissioner Fritz, you commented on your committee report. What was the date and how and when did they submit that?

Fritz

The report was submitted to the Governor in November of last year. The Governor charged the committee on January 22, 1979. It was my suggestion that he appoint this committee to study the thing from one end to the other. Like I say, we are number one in the Nation in rates, number six in benefits and it's a dubious position. This report was delivered to the Governor on September 25, 1980. The Governor accepted the report and for the big meeting of all the employers and all the interested people in Portland (550 interested employers and people were there when the Governor accepted the report).

Carlson

I'm a little confused. Then, it didn't take legislative action. You talk like some of this is in effect now. Were you able to do this all by regulation?

Fritz

None of this has been done by regulation. Dwayne, this is all the committee's report to the Governor, which will be packaged in a "one shot" Worker's Compensation Bill. (I'm not too particularly happy about it all being appropriated into one bill.) I'm interested in seeing open rating. The more things

Fritz continued

that you've got in the bill, the more chance it has of getting shot down. My open rating bill, I think, will sail right through. The more things you attach to it, the more opposition you generate. The Appendix B of the legislative changes that are necessary are all recommendations. Dwayne, none of this has been adopted. It is going to be presented by the Governor in a package bill starting in January of 1981.

Carlson

Thank you. You're still doing business as you have in the past?

Fritz

We are still operating under the same basis.

O'Keefe

This brings up somemore questions on my part. You indicated that your particular concern is on the expense dollar. In this case this morning, we heard it's approximately 30%. From the size of the report you have there, I would think that the other 60 to 70% is being attacked too. Is there any other recommendations in the report that have significant dollar impact that we should be interested in?

Fritz

There are 57 different recommendations. Some of them you do not have. That's why I say, you cannot take this report in total. For instance, for a long time, we were faced with the position that nobody, no carrier, could close a claim until the Worker's Compensation Board told them they could close it. Many times the worker was back to work two weeks before the Worker's Compensation Board got around to telling them they could close the claim.

Fritz continued

In the meantime, the company has made two more payments to them and they have a hard time getting it back. They are not going to sue for the two weeks wages. The total overall estimation of what will result, if all of the recommendations are adopted by the Legislature, roughly, it has been estimated at about 60 million dollars.

There is no one single factor that I advocate being the solution. We have problems. For instance, you can appeal from a Worker's Compensation referee hearing, if he made a determination that you got this much disability and you could appeal that to the circuit court. The experience has been that ninety percent of those cases were upgraded by the circuit court. Now, they are changing the system. It has been changed for the last session. You go from the referee to the Circuit Court of Appeals, which has acted as a deterrent.

Medical factor, I think, is probably the biggest single increase in losses (increase cost in medical treatment) and that, of course, has come under the scrutiny of the committee. There's recommendations to that.

We had to have what is know as the "Odd Lock Doctrine", which has been very, very expensive, in the State of Oregon. If you are at age 55, you held a particular job and your injury results from the fact you cannot do that particular job, you are totally disabled and you receive total disability, even though you are perfectly capable of going out and doing some other job of a lesser nature. There's no reduction in your benefits. There's a lot of things which are not applicable to the State of Alaska.

Maloney

I had a question. You mentioned that the referee's decision



page 14

questions/answers continued

Maloney continued

is applied directly to the court. Does the board, then, not make any rulings at all?

Fritz

It goes from the referee to the full board (3 man board) and then to the circuit court.

Maloney

What's your experience on the number of cases and percentages that are appealed from referees' decisions to the board?

Fritz

It varies in Oregon. It's a well know fact, that once the claimants' attorneys handle this thing, they can generally improve their position. I'm not taking issue one way or another with the result. As I say, it is an existing factor.

Maloney

How are the referees selected?

Fritz

Civil servants

Swalling

Approximately, how many firms do you have writing Worker's Compensation Insurance in the State?

Fritz

Major companies, probably, 30 major writers, are all writing 5% or more. There is an awful lot of them, probably, 100 companies writing.

Swalling

In the study, did the task force come up with an approximate

Swalling continued

number they thought might be necessary to guarantee the open competition work? Did they come up with a minimum number that would be necessary?

Fritz

No.

O'Keefe

From your experience, you previously had experience, in Alaska, in dealing with insurance companies and trying to attract them to Alaska. Now, you have experience in Oregon, with the similar goal - attractiveness of the State, in terms of, bringing in carriers. Obviously, there's a difference between them. Could you give the committee some idea of what it would be to attract more carriers into Alaska, to say, be more competitive, like you're suggesting?

Fritz

Profitability. I don't see a profitability. There is no other motivating factor to motivate the companies to come in, other than, the profit factor, which give motivation. If they can see that they're going to make a buck, they'll come in.

O'Keefe

I have a problem with that. You're saying that under our, which you say is, perhaps, the cartel approach to Alaska, you're saying that profit is the motive but all of a sudden people are not going to have a cartel approach. They are really going to compete. If the profit was there, the opportunity was there. Why aren't there 700 companies up here competing?

Fritz

We don't have 700 companies in Oregon that are competing.

Fritz continued

As I just testified, we probably, only have 20 major writers. I am sure that you have pretty close to that too. I know that Alpac is a writer. I know that Liberty is a writer. Your company and Double One is a writer. Fireman's Fund is a writer. I could go on and I could probably come up with about 20 companies.

O'Keefe

The difference may be just in statistics. I was using your definition of 5% or more as a major writer.

Fritz

I started to calculate that. I said 30 companies at 5% and that doesn't come out. I dropped that down to 20 companies.

O'Keefe

I really appreciated your information from my standpoint. I think, it's been very straightforward and you gave us good comparison of two states and insight in that area.

Fritz

I appreciate the opportunity of having talked to you. I am really sincere when I tell you that. I think your committee, myself, and I'm sure, Ken Moore, are all motivated in the same thing. It has to see to it, that the injured worker gets adequately reimbursed, and at the same time, not penalize the employer anymore that it's absolutely necessary, to generate the dollar. Anytime you squeeze fat out, somewhere, it's gonna be beneficial. That's the only way to accomplish it.

I was interested this morning. We were talking about classification. I talked to, Dwayne, about it a little bit before. We have the same system, you know, appealing to our



Fritz continued

OC and R Committee and yours is the Alaska Compensation and to the Commissioner. I had a case recently. We're getting quite a few of those. They are appealing classification not rate. Two pallate makers, for instance, one does all the sawing, cutting, hammering and everything else and he is rated exactly the same as the fellow who gets the material precut, and all he is doing is assembling. Yet, they are paying the same rate and this guy squawked and I upheld him. He deserves a different rate. He doesn't have the same exposure but you do. You are starting to develop too many classifications. You get top-heavy too.

We have mandated farm rate in Oregon. The Legislature arbitrarily fixed the rate from the agriculture classes at \$14.00. It's a screwball program and it's going out of effect. The cattlemen, under the normal "pure premium" development, should be paying \$28.00 rates and the truck farmer should be paying a \$9.00 rate. Yet, the Legislature mandated a \$14.00 rate. It just doesn't make sense.

Carlson

I've got one question. If I understood you correctly, and you really concerned me, you make reference to the number percentages of appeals, from what you called the referee. Brian, you can correct me if I'm wrong. I think, we were just funded for some preliminary hearing officers. This would kind of expedite and avoid so many full hearings before the board. This sounds like we just have a duplication of effort, if we can't point out somewhere along the line where we can avoid some of the pitfalls.

Fritz

Perhaps, I didn't make myself clear, Dwayne. I said that approximately 90% of the cases, that were appealed, resulted

Fritz continued

in a higher award. I didn't say that 90% of all cases were appealed. No, it isn't that high, nowhere near that high.

Carlson

Can I ask a question? Do you feel that's a workable thing, having, as you call them, referees down there? Does that expedite your cases?

Fritz

Very much so. I firmly believe that, that's a better and equitable system for expediting disputed claims.

Rogers

Are there any further questions for Mr. Fritz?

Carlson

I don't have any questions but I personally would appreciate it, somehow or another, if we could sort out Commissioner Fritz's remarks out of our proceedings and get them a little quicker than just the normal details of the two day or one day meeting. As he gave his without paper; so, we don't have copies of it. I would, personally, like to study that in detail.

Rogers

In that case, I would request that staff transcribe Commissioner Fritz's presentation first and get that out to the Commission members as soon as that is completed.

Fritz

May I ask, if you are interested, how many copies of the report? Please bear in mind that you'll have to discard some of the recommendations as not being applicable to the State of Alaska.

Rogers

I think, we would need a copy for each member of the Commission and maybe, one for our files, for a total of 10. If that's a problem, we could easily make copies here in Alaska.

Fritz

We won't have much of a problem of getting a copy of the final report. Appendix B, I don't think would be of much value to you. That relates to Amendments necessary to Oregon Law. To accomplish the purpose, I think, yours would have to be individually drafted.

Rogers

Absolutely. I really would like to thank you for taking the time to come up here and make the presentation.

Fritz

I have sort of a vested interest up here.

Rogers

If there are no questions, we will now return to the earlier presentation by Mr. Edmiston.



SECTION ANALYSIS - AS23.30.155(n)

This proposed amendment would authorize the Board to award a lump sum for all types of compensation whenever it determines that it is in the best interest of the employee and does not cause substantial hardship to the employer.

Currently, the Board may only award lump sums for unscheduled permanent partial disability under AS23.30.190(20). There is no authority to award lump sums on the other disability types or death benefits, except through a compromise and release agreement. This places the employee or beneficiary at a particular disadvantage in that under the terms of an agreement all future compensation for temporary total, temporary partial, permanent partial or permanent total disabilities are waived, and, in many instances, the lump sum is reduced to present value. This severely restricts the options of the employee or beneficiary who may feel it is in the best interests to settle the claim in a lump sum, but may only do so through a compromise and release.

The Board also questions the appropriateness of having the authority to approve lump sum settlements through an agreement process, while unable to do so through the hearing process.

## Past Record

## ALASCOM, INC.

| yr | Payroll    | Prem    | Avg Rate | Losses  | Loss Ratio |
|----|------------|---------|----------|---------|------------|
| 78 | 41,499,466 | 415,161 | 1.25     | 177,000 | 37%        |
| 77 | 45,498,537 | 611,034 | 2.09     | 134,000 | 22%        |
| 76 | 35,087,715 | 581,400 | 2.42     | 127,385 | 32%        |

## ALASKA AIRLINES

|       |           |         |     |         |      |
|-------|-----------|---------|-----|---------|------|
| 78/79 | 9,519,000 | 403,279 | 4.0 | 278,819 | 65.9 |
| 77/78 | 9,996,000 | 360,069 | 3.6 | 270,844 | 80.9 |
| 76/77 | 9,508,000 | 318,818 | 3.3 | 302,575 | 94.9 |

AK. INTERNATL  
INDUSTRIES

|    |            |         |      |         |       |
|----|------------|---------|------|---------|-------|
| 75 | 10,739,933 | 243,598 | 2.27 | 430,236 | 1.71% |
| 74 | 5,540,387  | 100,070 | 1.81 | 99,064  | 99.2  |
| 73 | 2,641,479  | 57,214  | 1.94 | 4,654   | 9%    |

AK. RURAL ELECTRIC  
COOP

|    |            |         |      |         |      |
|----|------------|---------|------|---------|------|
| 79 | 22,013,000 | 726,060 | 3.3  | 218,680 | 30.1 |
| 78 | 19,220,000 | 628,774 | 3.27 | 242,693 | 38.6 |
| 77 | 17,163,000 | 489,080 | 2.85 | 34,313  | 7.0  |
| 76 | 14,471,000 | 359,542 | 2.48 | 76,974  | 21.4 |

ALYESKA PIPELINE  
SERVICE CO.

|    |            |        |     |        |       |
|----|------------|--------|-----|--------|-------|
| 75 | 23,738,822 | 30,475 | .46 | 9,848  | 32.4  |
| 74 | 4,399,185  | 5,891  | .36 | 54,541 | 925.8 |
| 73 | 1,374,200  | 2,826  | .21 | 9,820  | 3.42  |

## AMFAC CORP.

|       |            |     |  |        |    |
|-------|------------|-----|--|--------|----|
| 75/76 | 16,540,641 | 2/2 |  | 62,858 | 75 |
| 74/75 | 21,015,963 |     |  | 76,310 |    |
| 73/74 | 26,131,341 |     |  | 80,112 |    |
| 72    | 61,178     |     |  | -0-    |    |
| 71    | 57,258     |     |  | -0-    |    |
| 70    | 53,088     |     |  | -0-    |    |

|                      | yr    | Payroll    | Prem    | Avg Rate | Losses                     | Loss Ratio |
|----------------------|-------|------------|---------|----------|----------------------------|------------|
| AMOCO PROD.          | 71    | 1,325,846  | 28,936  | .02      | 4,608                      | 16%        |
|                      | 70    | 1,315,242  | 26,551  | .02      | 211                        | .8%        |
|                      | 69    | 1,263,183  | 25,830  | .02      | 438                        | 1.7%       |
| ANCHORAGE, MUN. OF   | 74    | 25,650,000 | 241,758 | .94      | 227,346                    | 94         |
|                      | 73    | 21,770,000 | 164,843 | .76      | 124,290                    | 81         |
|                      | 72    | 17,250,000 | 219,665 | 1.14     | 158,724                    | 72         |
| ANCH SCHOOL DISTRICT | 77/78 | 61,100,000 | 653,521 | 3.0      | Pd, 111,715<br>Re, 368,294 | .83        |
|                      | 76/77 | 88,522,808 | 489,889 | 1.4      | Pd, 161,269<br>Re, 90,050  | .51        |
|                      | 75/76 | 58,726,168 | 390,523 | 1.2      | Pd, 151,298<br>Re, 95,110  | .63        |
| BETHLEHEM STEEL      | 63    | 14,533     | -       | -        | -76-                       | -          |
|                      | 62    | -          | -       | -        | -0-                        | -          |
|                      | 61    | 9,115      | -       | -        | 40-                        | -          |
| BUMBLE-BEE SEAFOODS  | 78    | 758,206    | 69,647  | 9.1      | 7700                       | 11%        |
|                      | 77    | 685,508    | 38,773  | 8.0      | 8748                       | 23%        |
|                      | 76    | 604,442    | 14,840  | 4.1      | 3635                       | 25%        |
|                      | -     | -          | -       | -        | -                          | -          |



|                          | yr    | Payroll                | Prem    | Avg Rate | Losses  | Loss Ratio |
|--------------------------|-------|------------------------|---------|----------|---------|------------|
|                          | -     | -                      | -       | -        | -       | -          |
|                          | -     | -                      | -       | -        | -       | -          |
| CONSOLIDATED FREIGHTWAYS | 69    | 396,645                | -       | -        | 3193    | -          |
|                          | 68    | 363,472                | -       | -        | 892     | -          |
|                          | 67    | 462,183                | -       | -        | 741     | -          |
|                          |       | 1,977,385              |         |          |         |            |
| DILLINGHAM CORP.         | 71    | <del>1,977</del> 1,385 | 398,346 | 10.6     | 38,124  | 76%        |
|                          | 70    | 2,417,188              | 389,188 | 6.4      | 150,038 | 38%        |
|                          | 69    | 3,398,016              | 378,551 | 10.6     | 287,942 | 10%        |
| DUTCH HARBOR SEAFOODS    | 78/79 | 800,000                | 84,160  | 10.52    | 10,000  | 11.9       |
|                          | 77/78 | 600,849                | 48,805  | 8.12     | 4,358   | 8.9        |
|                          | 76/77 | 223,306                | -       | -        | 144     | -0-        |
| FAIRBANKS, CITY OF       | 75/76 | -                      | 310,000 | -        | 69,131  | -          |
|                          | 74/75 | -                      | 172,999 | -        | 54,801  | -          |
|                          | 73/74 | -                      | 132,348 | -        | 100,204 | -          |
|                          |       |                        |         |          |         | Claim      |
| FOSS ALASKA LINES        | 73    | -                      | -       | -        | 250     | 1          |
|                          | 72    | -                      | -       | -        | 475     | 3          |
|                          | 71    | -                      | -       | -        | -       | 1          |
|                          | 70    | -                      | -       | -        | -       | 0          |

|                 | Yr    | Payroll   | Prem   | Avg Rate | Losses | Loss Ratio |
|-----------------|-------|-----------|--------|----------|--------|------------|
| FRED MEYER, INC | 77/78 | 1,687,997 | 25,892 | 1.65     | 6,775  | .234       |
|                 | 76/77 | 1,303,728 | 13,283 | 1.64     | 3,440  | .258       |
|                 | 75/76 | 1,010,421 | 16,404 | 1.64     | 7,816  | .476       |

|    |         |   |   |   |   |   |
|----|---------|---|---|---|---|---|
| 71 | 500,000 | - | - | - | - | - |
| 70 | -       | - | - | - | - | - |
| 69 | -       | - | - | - | - | - |

|   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - |
|---|---|---|---|---|---|---|

|   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - |
|---|---|---|---|---|---|---|

# HYDRO CONDUIT CORP.

|     |         |       |      |       |  |      |
|-----|---------|-------|------|-------|--|------|
| Est |         |       |      |       |  | .5   |
| 70  | 186,000 | 3,999 | 2.15 | 2,000 |  | .5   |
| 69  | 171,388 | 3,806 | 3.8  | 575   |  | .151 |
| 68  | -       | -     | -    | -     |  | -    |

# INTERNAT'L HARVESTER CO.

|    |         |     |   |   |  |   |
|----|---------|-----|---|---|--|---|
| 72 | 108,256 | 400 | - | - |  | - |
| 71 | 116,840 | 432 | - | - |  | - |
| 70 | 101,206 | 374 | - | - |  | - |

# JUNEAU, CITY & BOROUGH OF

|    |            |         |      |        |  |      |
|----|------------|---------|------|--------|--|------|
| 75 | 12,456,700 | 175,000 | 1.40 | 88,431 |  | .505 |
| 74 | 9,600,420  | 111,992 | 1.2  | 55,996 |  | .50  |
| 73 | 8,160,000  | 89,940  | 1.40 | 33,900 |  | .378 |

| KETUMIKAN PULP CO. | yr | Payroll   | Prem    | Avg Rate | Losses  | Loss Ratio |
|--------------------|----|-----------|---------|----------|---------|------------|
|                    | 63 | 6,338,000 | 169,130 | 2.67     | 81,955  | 48%        |
|                    | 62 | 9,100,000 | 303,959 | 3.34     | 222,180 | 73%        |
|                    | 61 | 5,341,000 | 177,769 | 3.33     | 169,260 | 95%        |

| LITTON SYSTEMS, INC. | yr | Payroll | Prem | Avg Rate | Losses | Loss Ratio |
|----------------------|----|---------|------|----------|--------|------------|
|                      | 79 | 45,682  | -    | -        | -      | -          |
|                      | 78 | 71,884  | -    | -        | -      | -          |
|                      | 77 | 39,648  | -    | -        | -      | -          |

| LOOMIS CORP. | yr    | Payroll   | Prem   | Avg Rate | Losses | Loss Ratio |
|--------------|-------|-----------|--------|----------|--------|------------|
|              | 70/73 | 801,844   | 18,017 | 2.25     | 500    | .028       |
|              | 71/72 | 822,988   | 11,947 | 1.45     | 2,547  | .213       |
|              | 70/71 | 1,033,066 | 11,077 | 1.07     | 1,066  | .096       |

| LOUISIANA - PACIFIC | yr | Payroll | Prem    | Avg Rate | Losses | Loss Ratio |
|---------------------|----|---------|---------|----------|--------|------------|
|                     | 75 | 752,010 | 117,842 | 15.67    | 15,620 | 13%        |
|                     | 74 | 731,686 | 64,780  | 8.85     | 23,470 | 36%        |
|                     | 73 | 347,957 | 26,095  | 7.50     | 1,956  | 7%         |

| MOBILE OIL | yr    | Payroll | Prem   | Avg Rate | Losses | Loss Ratio |
|------------|-------|---------|--------|----------|--------|------------|
|            | 68/69 | 818,721 | 22,447 | -        | 2,600  | 11%        |
|            | 67/68 | 719,822 | 16,379 | -        | 249    | 2%         |



# NANA REGIONAL

| yr    | Payroll   | Prem    | Avg Rate | Horses | Loss Ratio |
|-------|-----------|---------|----------|--------|------------|
| 75/77 | 4,100,000 | 336,751 | 8.21     | 47,925 | 7%         |
| 77/78 | 3,174,618 | 305,242 | 9.71     | 58,619 | 5.3%       |
| 70/77 | 5,810,000 | 238,494 | 4.10     | 49,345 | 4.8%       |

# PAN-ALASKA FISHERIES

|    |           |         |      |         |       |
|----|-----------|---------|------|---------|-------|
| 78 | 4,834,563 | 443,872 | 9.18 | 234,054 | 52.7% |
| 77 | 4,103,000 | 264,582 | 6.45 | 135,078 | 51.12 |
| 76 | 3,062,282 | 168,726 | 5.51 | 47,104  | 28%   |

# PAN & SAVE, CORP.

|       |           |       |     |     |      |
|-------|-----------|-------|-----|-----|------|
| 71/72 | 1,116,232 | 6,595 | .59 | 484 | 7.3  |
| 70/71 | 777,277   | 4,235 | .54 | 305 | 4.8% |
| 69/70 | 371,704   | 1,790 | .48 | 98  | 5.5% |

# PHILLIPS PETROLEUM

|    |           |        |      |       |    |
|----|-----------|--------|------|-------|----|
| 78 | 2,202,759 | 9,595  | 2.29 | 2,584 | 27 |
| 77 | 1,947,092 | 16,209 | 1.20 | 32    | -  |
| 76 | 1,882,680 | 28,047 | 1.67 | 824   | 3  |

# SAFEWAY STORES

|    |           |        |      |        |     |
|----|-----------|--------|------|--------|-----|
| 75 | 6,481,486 | 55,740 | .86  | 35,235 | 63  |
| 74 | 5,579,515 | 81,789 | 1.46 | 52,989 | 70  |
| 73 | 3,844,994 | 52,677 | 1.37 | 31,510 | 6.0 |

# SEA-LAND SERVICE

|    |            |           |      |         |    |
|----|------------|-----------|------|---------|----|
| 76 | 13,893,208 | 1,129,863 | 8.14 | 346,412 | 31 |
| 75 | 12,005,119 | 815,303   | 6.79 | 424,417 | 52 |
| 74 | 7,941,384  | 388,590   | 4.89 | 291,242 | 75 |

# Union Oil

| yr | Payroll   | Prem   | Avg Rate | Losses | Loss Ratio |
|----|-----------|--------|----------|--------|------------|
| -  | -         | -      | -        | -      | -          |
| -  | -         | -      | -        | -      | -          |
| -  | -         | -      | -        | -      | -          |
| -  | -         | -      | -        | -      | -          |
| 67 | 1,116,249 | 10,009 | .90      | 3,557  | -          |
| 66 | 749,232   | 11,617 | 1.55     | 246    | -          |
| 65 | 635,376   | 4,835  | .76      | 388    | 16%        |
| -  | -         | -      | -        | -      | -          |
| -  | -         | -      | -        | -      | -          |
| -  | -         | -      | -        | -      | -          |
| -  | -         | -      | -        | -      | -          |
| 73 | 129,749   | 67,161 | -        | 34,851 | 52%        |
| 72 | 587,066   | 35,854 | -        | 46,269 | 179%       |
| 71 | 450,822   | 22,617 | -        | 1767   | 8%         |

# WESTERN GEOPHYSICAL

VEZO, INC.

| Yr | Payroll   | Prem    | Avg<br>Rate | Losses  | Loss<br>Ratio |
|----|-----------|---------|-------------|---------|---------------|
| 79 | 7,278,025 | 562,712 | 7.7         | 104,420 | 18.6          |
| 78 | 7,068,030 | 577,994 | 8.2         | 145,561 | 35.2          |
| 77 | 6,823,745 | 564,841 | 8.3         | 63,934  | 11.3          |



**A Proposal to Abolish  
Contributory and Comparative  
Fault, with Compensatory  
Savings by Also Abolishing  
the Collateral Source Rule**

**By JEFFREY O'CONNELL**

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# A Proposal to Abolish Contributory and Comparative Fault, with Compensatory Savings by Also Abolishing the Collateral Source Rule

by JEFFREY O'CONNELL \*

Professor O'Connell contends that the contributory negligence and comparative fault doctrines should be abolished due to their ineffectiveness in achieving the goals of the tort system. He further suggests that, by also abolishing the collateral source rule in personal injury cases, compensatory savings would be provided to finance the payments that will be awarded upon abolition of contributory negligence and comparative fault.

**I**N RECENT YEARS, American tort law has experienced a surprisingly swift trend toward the rule of comparative negligence. While only six states had adopted the rule of comparative negligence

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This article is adapted and somewhat expanded from an article under the identical title in 1979 *University of Illinois Law Forum* 591. Much of the additional material is identified by footnotes that carry a letter as well as a number.

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**Jeffrey O'Connell is a professor of law at the University of Virginia. He was coauthor of the principal work which proposed no-fault insurance.**

in 1964,<sup>1</sup> it is now the rule in some 31 jurisdictions.<sup>2</sup> Rejecting the harshness of the traditional rule of contributory negligence, these states have turned to a system of comparative negligence to allow an injured plaintiff to recover damages to the extent he was relatively free from fault in the accident. Unfortunately, although the rule of comparative negligence alleviates some of the hardship resulting to a plaintiff under a traditional tort system, it perpetuates too much of the inefficient administration and inadequate compensation characteristics of that system. For a state

interested in alleviating these problems, the better move would have been to a rule making almost *any* faulty conduct<sup>3</sup> on the part of an injured victim irrelevant for purposes of liability or damages. In other words, neither contributory nor comparative fault of the victim (including assumption of risk, misuse of a product,<sup>4</sup> and so forth) should be a factor in determining the liability of a defendant whose conduct or product is faulty. By continuing to focus on the conduct of the plaintiff, states that have adopted the rule of comparative fault have prevented their tort systems from achieving

<sup>1</sup> Ark. Stat. Ann. §§ 27-1763 to 27-1765 (1979); Ga. Code Ann. § 94-703 (1978), § 105-603 (1968); Miss. Code Ann. § 11-7-15 (1972); Neb. Rev. Stat. § 25-1151 (Cum. Supp. 1978); S. D. Compiled Laws Ann. § 20-9-2 (1967); Wis. Stat. Ann. § 895.045 (West Cum. Supp. 1979). See generally W. Prosser, *The Law of Torts* 436 (4th ed. 1971).

<sup>2</sup> Colo. Rev. Stat. Ann. § 13-21-111 (Supp. 1976); Conn. Gen. Stat. Ann. § 52-572h (West Supp. 1978); Hawaii Rev. Stat. § 663-31 (1976); Idaho Code § 6-801 (1979); Kan. Stat. Ann. § 60-258(a) (West Supp. 1978); Me. Rev. Stat. Ann. Tit. 14, § 156 (West Supp. 1978); Mass. Ann. Laws ch. 231, § 85 (Michie/Law, Co-op Cum. Supp. 1978); Minn. Stat. Ann. § 604.01 (West Cum. Supp. 1978); Mont. Rev. Codes Ann. § 58-607.1 (Cum. Supp. 1977); Nev. Rev. Stat. § 41-141 (1976); N. H. Rev. Stat. Ann. § 507:7a (Supp. 1977); N. J. Stat. Ann. §§ 2A:15-5.1 to 2A:15-5.3 (West Supp. 1979); N. Y. Civ. Prac. Law § 1411 (McKinney 1976); N. D. Cent. Code § 9-10-07 (1975); Okla. Stat. Tit. 23, §§ 11.12 (West

Supp. 1978); Ore. Rev. Stat. § 10-470 (1975); R. I. Gen. Laws §§ 9-20-4 to 9-20-4.1 (Supp. 1979); Tex. Rev. Civ. Stat. Ann. Art. 2212a (Vernon Supp. 1978); Utah Code Ann. § 78-27-37 (1977); Vt. Stat. Ann. Tit. 12, § 1036 (1973); Wash. Rev. Code § 4.22.010 (Supp. 1978); Wyo. Stat. § 1-7.2 (1977).

In addition, three states have adopted the rule of comparative negligence by judicial decision. *Koatz v. State*, 540 P2d 1037 (Alas. 1975); *Hoffman v. Jones*, 280 So2d 431 (Fla. 1973); *Li v. Yellow Cab. Co.*, 13 Cal3d 804, 532 P2d 1226, 119 CalRptr 858 (1975). Pennsylvania adopted the rule of comparative negligence in 1977 but repealed the law in 1978. Pa. Stat. Ann. Tit. 17 §§ 2101-2102 (Purdon 1976) (repealed 1978).

See generally V. Schwartz, *Comparative Negligence* 1-3 (1974).

<sup>3</sup> For exceptions, see text accompanying footnotes 25-29 below.

<sup>4</sup> See text accompanying footnotes 27-28 below.



readily attainable effectiveness and efficiency.

### The Three Goals of Tort

Tort systems that retain some concept of plaintiff fault to deny full recovery to injured parties fail to achieve the three major goals of a system of accident law.<sup>5</sup> A central goal of a tort system, according to many legal scholars, including Guido Calabresi, should be deterrence, to influence conduct so as to lessen the number and severity of accidents.<sup>6</sup> Second, the system must reduce the societal costs of accidents through various means of loss-spreading. And finally, the system must reduce the costs of administering the treatment of accidents by increasing administrative efficiency. By denying negligent plaintiffs full recovery under tort liability, the rules of both comparative and contributory fault fail to serve these three goals.

According to Professor Calabresi, the primary goal of imposing tort losses (whether by transferring or leaving them) is to reduce the number and severity of accidents by deterrence, by making certain activities more expensive and therefore less attractive to the extent of the accident costs produced.<sup>7</sup> By thus imposing financial loss, the tort system works most effectively when loss is imposed on defendants. Financial considera-

tions loom large for the defendant who, as a practical matter, is always either insured or self-insured. In the case of an institutional defendant, such financial considerations predominate over the fear of personal injury because, by definition, the institution cannot suffer personal injury. The principal harm an institutional defendant can suffer is financial loss, such as that which can be imposed when the defendant's equipment or personnel tortiously inflict injury on others. Although compassionate business or professional people will surely be troubled when such injury occurs, they are nevertheless likely to view personal injury losses in the aggregate, through their financial repercussions. If the number and severity of these injuries can be reduced, the institution will presumably enjoy a commensurate reduction in community ill will, as well as in its tort losses and insurance premiums. Therefore, the issue of who will bear the expense of accidents is very likely to influence the conduct of the institutional injurer (or insurer) in that the threat of financial loss induces the institution to seek a higher degree of care in its (or its insureds') operations to avoid accidents.

By contrast, imposing losses on victims in a system applying contributory or comparative fault can rarely, if ever, have a significant deterrent effect on behavior. For the individual, the desire to avoid injury will almost

<sup>5</sup> G. Calabresi, *The Costs of Accidents: Legal and Economic Analysis* 26-28 (1970). The material in the text accompanying footnotes 5 to 15 is adapted in a different context from J. O'Connell, *Ending Insult to Injury: No-Fault Insurance for Products and Services* 121-24 (1975), also printed in slightly different form in O'Connell, "Elective No-Fault Insurance for Many Kinds of Accidents: A Proposal and an Economic Analysis," 42 *Tennessee Law Review* 145, 153-61 (1974).

<sup>6</sup> According to Professor Calabresi, a prime justification for any system of im-

posing tort liability must be to reduce accidents in number and severity:

"Why is compensation for illness, even in highly welfaristic countries, much less complete than compensation for accident victims? . . . The answer is, of course, that accidents, unlike most diseases, can easily be reduced in number and severity, and that such . . . cost reduction can—indeed must—be an important aim of whatever system of law governs the field." G. Calabresi, cited above at footnote 5, at 43-44.

<sup>7</sup> *Id.*, at 26.

invariably be much stronger than the desire to avoid financial loss. The degree of care an individual exercises in his behavior will be dictated by his concern over his personal safety, not by his concern over possible financial loss.<sup>9</sup> As a practical matter, then, individuals driving cars or using power tools—or deciding to do such things—will rarely be significantly influenced by fear of the effect of their conduct on insurance payments, even in the unlikely event that they comprehend the laws of contributory negligence and assumption of risk.<sup>9</sup>

Note too that the negligent claimant will still recover from other insurance sources, such as accident and health insurance, sick leave, and fire

insurance; his survivors will also still recover from his life insurance. Thus, the deterrent effect of the denial of payment from liability insurance is further lessened, even if potential accident victims do understand the legal effect of contributory negligence. As a result, imposing loss on the victim of an accident because he was at fault will virtually never contribute to reducing accidents and accident costs by making potential victims more careful.<sup>10</sup> Moreover, when we focus on the plaintiff's fault we spread the loss only for those accidents in which there is no contributory negligence, thus "externalizing" the costs<sup>11</sup> of defendants for all those accidents in which the plaintiff is also at fault.

<sup>9</sup> Note that property loss poses a different issue. Most people will be influenced in their treatment of property by fears concerning the expense of repairing or replacing it. This financial concern is very diminished when personal safety is a consideration, however, because the desire to avoid bodily pain and physical injury is paramount for the individual. Fears of financial loss predominantly influence risky behavior only when physical well-being is not endangered.

<sup>10</sup> Between 40 per cent and 50 per cent of the public apparently does not understand that contributory negligence inhibits recovery in tort claims. J. O'Connell & W. Wilson, *Car Insurance and Consumer Desires* 12-13 (1969); U. S. Department of Transportation *Public Attitudes Toward Auto Insurance* 71 (1970).

<sup>11</sup> Fleming James and Fowler Harper of the Yale Law School have expressed it this way:

"[T]here are very practical considerations which mean that [deterrent] pressures . . . are more effectively brought to bear against defendants as a class than plaintiffs as a class. In the first place plaintiff himself . . . is a jeopardized participant in every accident that injures him . . . so that he is always subject to the strongest motive to escape personal injury . . . quite apart from any thought about civil liability. If the prospect of losing life or limb does not make a plaintiff careful, little further inducement to care will be added by speculations as to the outcome of a lawsuit. . . . [T]oday those who bear the burden of ac-

cident liability are increasingly absentee defendants—corporate and other employers or insurance companies, whose lives and limbs are not at stake in the accident. And [even] if their property sometimes is at stake, in many situations there is not even much danger to that: grade crossing accidents, motor vehicle-pedestrian collisions, and cases involving dangerous condition of premises afford examples of a pretty one-sided kind of risk. Defendants, then, will often lack a powerful incentive to carefulness—self-preservation—that is virtually always present with plaintiffs. It follows that the secondary incentive furnished by concern about legal liability is more important for defendants as a class." 2 F. Harper & F. James, *The Law of Torts* § 22.2, at 1204-05 (1956).

For more on the relative unimportance of tort law as a deterrent to contributory negligence, plus an attempt to refute the contrary theories of Professor Richard Posner, see J. O'Connell, cited above at footnote 5, at 195-203 and 161-169, respectively. G. Calabresi, cited above at footnote 5, at 26, 27.

<sup>12</sup> Calabresi, "Views and Overviews," in *Crisis in Car Insurance* 240, 250 (R. Keeton, J. O'Connell & J. McCord eds. 1968), originally printed in 1967 *University of Illinois Law Forum* 600, 610. Costs of accidents that are properly reflected in an enterprise's costs are, in the economist's argot, "internalized"; such costs that are not thus reflected are "externalized." See text accompanying footnote 15 below.

The result is that when the plaintiff is contributorily negligent, he bears his own losses and the faulty defendant escapes without tort liability.

Imposing tort loss on injured victims is equally ineffective as a means of achieving the other major goals of the ideal tort loss system. One of these goals is to reduce the societal costs resulting from accidents, primarily through various means of loss-spreading so that, for example, an injured breadwinner and his family will not be left without resources.<sup>12</sup> The other goal is to reduce the costs of administering our treatment of accidents through greater administrative efficiency, with fewer payments to lawyers, adjusters, and other third parties in the system.<sup>13</sup> Not only does focusing on a victim's negligent conduct have little if any effect on the primary goal of deterrence; in addition, it frustrates both of these secondary goals. Neither compensation nor efficiency is served by a rule denying negligent plaintiffs recovery under tort liability. To the extent we focus on the fault of the plaintiff, we defeat

the goal of spreading his loss. As a result, the injured victim may receive no rehabilitation, subsistence, or maintenance, which will, in turn, create further societal costs. Finally, the goal of an efficient system of claims administration is also frustrated by dissecting the plaintiff's conduct to find out whether he has been at fault. Focusing on the plaintiff's conduct to determine his right to recover is a very expensive and inefficient aspect of current accident law which, unlike focusing on the defendant's conduct, serves little social purpose.

Once the law has found the means to reduce the costs of accidents through payment by a source, whether that source is a negligent defendant under the fault system, a manufacturer of a defective product under strict liability, or an employer under workers' compensation, the only reason to deny recovery to an injured individual must be that *not* paying will also reduce the costs of accidents. Under the rule of contributory fault, however, denial of recovery seems to increase those

<sup>12</sup> Winston Churchill, as the young Home Secretary aiding Lloyd George and others in initiating the major social insurance programs of the Liberal Government in the early 1900's made a similar point: "Insurance brought the miracle of averages to the rescue of . . . [the mass of mankind]." 2 R. Churchill, *Winston S. Churchill: Young Statesman 1901-1914*, at 294 (1967). On the matter of punishing individuals for carelessness by denying them insurance payments, Churchill observed, "I do not like mixing up moralities and mathematics." A good reason for not doing so, he asserted, is that "there is no proportion between personal failings and the penalties exacted." In addition, he found no "reason to suppose that a mitigation of the extreme severities [visited upon the accident victim] will tend in any way to a diminution of personal responsibility, but . . . on the contrary more will be gained by an increase of ability [of the victim] to fight

than will be lost through an abatement of the extreme consequences of defeat." Gilbert, "Winston Churchill v. the Webbs: The Origins of British Unemployment Insurance," 71 *American Historical Review* 856 (1966), quoting "Notes on Malingering, A Document from Churchill to Llewellyn Smith" (June 6, 1909) (William H. Beveridge Papers, London School of Economics). Although I have adapted Churchill's quotations to apply to accidents rather than to unemployment, it seems not to distort his message.

For a defense under economic theory of spreading loss through insurance, as well as social insurance, based on the "law of diminishing marginal utility," see P. Samuelson, *Economics*, 422-26 (9th ed., 1973). But see R. Posner, *Economic Analysis of Law* 344-46 (2d ed. 1977).

<sup>13</sup> G. Calabresi, cited above at footnote 5, at 28.



costs.<sup>14</sup> Barring the injured victim from recovery because of his fault not only fails to reduce the number and severity of accidents through deterrence by adding little, if anything, to his motive to avoid injury, but, as we have seen, it actually increases accidents by not requiring defendants to reflect the costs of these accidents in the price of their products and services.<sup>15</sup> Such "externalizing" results in an increase in dangerous activities. At the same time, denying recovery to the injured victim who is at fault also subverts the other goals of compensation for accident victims and efficient claims administration.

### Abolition of Contributory Negligence

Due to its ineffectiveness in achieving the goals of the tort system, the rule barring the faulty victim of personal injury from recovery should be abolished under present tort liability. Quite apart from the desirability of any other reform in tort law, such as, for example, a system of no-fault insurance,<sup>16</sup> the rule of contributory negligence should be abandoned forthwith in cases of personal injury. Nor should the cumbersome aspects of contributory fault be perpetuated through adoption of a system of comparative

negligence, because it too undermines all the goals of a tort system, although perhaps to a lesser extent. Under comparative negligence, the victim must still bear many of his own losses with arguably an even more cumbersome criterion of liability, requiring calibration of each party's comparative negligence. Like contributory negligence, comparative negligence adds no significant deterrence to the potential victim's instinct for self-preservation, and yet "externalizes" accidents caused by defendant fault. Therefore, the negative aspects of any rule focusing on plaintiffs' fault heavily outweigh the benefit of somewhat increased compensation to faulty plaintiffs under the rule of comparative negligence. Abandoning any rule of plaintiff fault is *especially* valid for serious injuries because there the discrepancy between the lapse and its consequence is so disproportionate that any achievement of "justice" by the application of such a rule is illusory. In short, where both plaintiff and defendant are negligent, rather than adhere to the traditional common law system placing the entire burden on the plaintiff, the better rule would be to place all the burden on the defendant.

This rule would *seem* to produce an unfair result in the case of an

<sup>14</sup>It may well be, though, that to the extent reparation is paid for pain and suffering and to duplicate collateral sources, a rule of contributory fault may serve to reduce accident costs by cutting down on nuisance claims. As to a change in the collateral source rule, see text accompanying footnotes 30-45 below. See also especially footnote 31 below.

<sup>15</sup>"Fault uses the market in an expensive and unstable way to reduce fault-caused accidents, while from the standpoint of market deterrence [which operates by placing the costs of accidents on the activities which cause them], we want to use the market in an efficient and stable way to

reduce accident costs, whether they are fault-caused or not." Calabresi, "Views and Overviews," in *Crisis in Car Insurance* 240, 250 (R. Keeton, J. O'Connell & J. McCord eds. 1968), originally printed in 1967 *University of Illinois Law Forum* 600, 610.

<sup>16</sup>Some of Calabresi's goal is met by the proposal in this article in that at least all accidents caused by defendant fault are internalized. See footnote 15 above. As to the difficulties of meeting the rest of his goal, namely, compensating regardless of defendant fault, see J. O'Connell, *Ending Insult to Injury*, cited above at footnote 5, at 70-95.

auto accident between two negligent individuals, *A* and *B*, where only *B* is injured, because *B*'s negligence will be discounted while *A*'s negligence will impose full liability on *A* for *B*'s injuries. In reality, though, there will be no unfairness because, as a practical matter, *B* will claim against *A* only when *A* is insured. Tort claims simply are not pursued against parties who are not either insured or self-insured institutions.<sup>17</sup> Thus, any tort claim for personal injury is in reality normally a claim against a better risk bearer by a poorer one—a claim against an insured institution by a relatively impecunious, and, by definition, injured individual.<sup>18</sup>

Note that under this proposal when *A* and *B* are both negligent and each suffers personal injury, each party's insurer would be liable for all the other's damages with no diminution for the negligence of the other's policyholder. This denial of any set-off is consistent with the insurance function of spreading loss. No individual whose injury is caused, in whole or in part, by a negligent party should be forced to bear his own losses.<sup>19</sup> Under the present tort systems using the rules of contributory or comparative fault,

the negligent defendant is able to spread his liability losses through his liability insurance, while the negligent plaintiff himself must bear his own losses. Under a pure comparative negligence scheme where offset is imposed, each claimant must even bear some or all of his liability losses as an offset against his own personal injury losses, instead of being able to spread these liability losses. A system that forces insurers to spread tort losses is far preferable to one in which individual accident victims with valid claims against negligent tortfeasors are forced to bear their own losses.

A precedent for ignoring a claimant's faulty conduct in his personal injury claim can be traced to the employers' liability acts passed as a precursor to workers' compensation acts. Under the terms of these statutes, the common law defenses of contributory negligence, assumption of risk, and fellow servant doctrine were abrogated, while the requirement of proof of negligence against an employer was retained.<sup>20</sup> Although those statutes were largely superseded by no-fault workers' compensation acts, the extension of no-fault

<sup>17</sup> See James & Law, "Compensation for Auto Accident Victims: A Story of Too Little and Too Late," 26 *Connecticut Bar Journal* 70, 78-79 (1952). In addition, to provide that only claimants against insured defendants would benefit by the abolition of contributory fault would entail (1) the difficult job of defining "insured" so as to include "self-insured"—by no means an easy task in this context, and (2) incentives for potential defendants to be uninsured.

<sup>18</sup> The only exception is when *B*'s losses are already covered by collateral sources, such as sick leave or health insurance. To that extent, since loss insurance is more efficient than liability insurance, *B* is arguably a better risk bearer than *A*. This point suggests the means to finance the additional benefits payable under tort law with

the abolition of contributory and comparative negligence: as a corollary to the abolition of the contributory fault defenses, the collateral source rule should be abolished. See text accompanying footnotes 30-45 below.

<sup>19</sup> See *Stuyvesant Insurance Co. v. Bourmazian*, 342 So2d 471 (Fla. 1977), in which the Florida Supreme Court applied Florida's pure comparative negligence rule to permit each individual party to set-off the damage owed to it from damages it owed while denying that right to each party's insurance carrier. Walkowiak, "Innocent Injury and Loss Distribution: The Florida Pure Comparative Negligence System," 5 *Florida State University Law Review* 66, 78-93 (1977).

<sup>20</sup> W. Prosser, cited above at footnote 1, § 80, at 534-37 (1971).

laws to all other types of accidental personal injuries does not seem feasible in the United States at present nor in the foreseeable future.<sup>21</sup> Thus, the improvement embodied in those provisions of the employers' liability acts which eliminated defenses based on the actions of the injured party should be expanded and made applicable to all injuries under today's law. In short, contributory fault should not constitute a valid defense in personal injury actions.

## Two Draft Bills

Because I have found that the inclusion of a draft bill greatly clarifies

a proposal for legal reform, I include one here. Indeed, a "requirement" that legal scholars proposing legislative reform include a draft bill would hone many such proposals and probably, as a further blessing, abort even more. In addition, based on my experience with no-fault auto insurance reform, inclusion of this draft bill will enhance the probability that a legislature will consider the proposed reform.<sup>22</sup> The framing of my proposal in the context of a proposed statute is not intended, however, to preclude the possibility that the reform could be effectuated by judicial decision.<sup>23</sup>

## AN ACT TO ABOLISH CONTRIBUTORY FAULT

1     **Section 1.** Except as otherwise provided in this Act, any person,  
2 or one whose conduct, except for this statute, would be attributed to  
3 such person, having a cause of action for personal injury arising out  
4 of any breach of duty,<sup>24</sup> shall not have that cause of action, nor  
5 damages therefrom, defeated nor diminished by reason of contributory  
6 negligence, comparative negligence, assumption of risk, failure to observe or  
7 follow warnings or directions, use of goods or services in a manner unfore-  
8 seen by a provider of such goods or services, or by other such reasons of  
9 fault of such person or one whose conduct, except for this statute, would  
10 be attributed to such person.

11     **Section 2.** This act does not apply to the injury of any person  
12 intentionally causing or attempting to cause injury to himself or to  
13 another person for injury arising from his acts. A person intentionally  
14 causes or attempts to cause injury if he acts or fails to act for the  
15 purpose of causing injury or with knowledge that injury is substan-  
16 tially certain to follow. A person does not intentionally cause or  
17 attempt to cause injury (1) merely because his act or failure to act is  
18 intentional or done with his realization that it creates a grave risk of  
19 causing injury or (2) if the act or omission causing the injury is for the  
20 purpose of averting bodily harm to himself or another person.<sup>25</sup>

<sup>21</sup> J. O'Connell, *Ending Insult to Injury*, cited above at footnote 5, at 70-80 (1975). But note this is precisely what has been done in New Zealand. *Id.*, at 73.

<sup>22</sup> On the desirability—indeed perhaps necessity—of reformers providing a legislature with draft legislation, see J. Davies, *Legislative Law and Process* 90-93 (1975).

<sup>23</sup> For a brief discussion of this possibility, see text accompanying footnotes 47-49 below.

<sup>24</sup> [Footnotes 24-29 are not part of the draft bill.] Note that this phraseology in-

cludes actions for breach of warranty leading to personal injury, as well as "tort" actions.

<sup>25</sup> This section is adapted from O'Connell, "An Elective No-Fault Liability Statute," 628 *INSURANCE LAW JOURNAL* 621 (May 1975), at 283, which in turn was adapted from the Uniform Motor Vehicle Accident Reparations Act [hereinafter cited as UMVARA] § 22, at 51-52 (including commentary).



21     **Section 3.** This act does not apply to any damages accruing to any  
22 person who unreasonably refuses, either himself or through one legally  
23 empowered to act on his behalf, to accept medical care, rehabilitation,  
24 rehabilitative occupational training, or other medical treatment and  
25 care if the procedure, treatment or training is reasonable and appro-  
26 priate for the particular case and its cost is reasonable in relation to its  
27 probable beneficial effects. In determining whether an injured person  
28 has reasonable grounds for refusing to undertake the procedure, treat-  
29 ment, or training, the court shall consider all relevant factors, including  
30 the risk to the injured person, the extent of the probable benefit, the  
31 place where the procedure, treatment, or training is offered, the extent  
32 to which the procedure, treatment, or training is recognized as standard  
33 and customary, and whether the imposition of sanctions because of the  
34 person's refusal would abridge his right to the free exercise of his  
35 religion.<sup>26</sup>

36     **Section 4.** In any action for personal injury based upon strict  
37 liability or breach of warranty, evidence of the failure of the claimant,  
38 or one on whose behalf he is claiming, to (a) follow warnings or direc-  
39 tions, or (b) use the product or service in a manner not reasonably  
40 foreseeable to the provider of the service or product, may be relevant  
41 to the specific issue of whether the product or service was defective.<sup>27</sup>

<sup>26</sup> O'Connell, cited above at footnote 25 at 289; UMVARA, cited above at footnote 25, § 34 at 66-68 (including commentary).

<sup>27</sup> "A problem arises [in products liability terminology] with the word 'misuse,' which has been applied by some courts to the contributory conduct of a plaintiff who uses a product for a purpose other than the one its manufacturer contemplated. This usage is not a happy one, because 'misuse' carries connotations of contributory fault, thus raising the question whether such conduct should be an effective defense in an action based on strict liability. Although some courts hold that contributory negligence is such a defense, others have found it appropriate only in suits based on negligence, which may be a sound application of one narrow rule. Unfortunately, the word 'misuse,' with its flavor of culpability, suggests that its relevance is limited, under conventional doctrine, to cases in which the defendant's culpability is the central issue. Although in many courts the plaintiff's conduct would not support an effective defense of contributory negligence in an action based on strict liability, it should nevertheless defeat recovery, whether or not contributory negligence is an affirmative defense in such a suit, because the failure of a product to perform when put to an unanticipated use gives no support to the necessary allegations that the product was legally defective. Similarly, in a suit based on negligence in which the plaintiff's unanticipated use was reasonable under

the circumstances, the defendant should nevertheless benefit from the fact that, although the plaintiff is not barred by contributory negligence, he has lost his chance to rely on *res ipsa loquitur* or faulty design, if he cannot otherwise establish that the product was legally defective. 'Misuse,' if used at all, should be confined to cases where an unanticipated use involves culpability and the plaintiff's culpability is relevant. Otherwise, what fails to constitute contributory fault may be overlooked as a means of combating the plaintiff's allegation of defectiveness. 'Unanticipated use' or 'uncontemplated use' would seem to be less risky." Dickerson, "Products Liability and the Disorderly Conduct of Words," 20 *ATLA Law Reporter* 422, 423 (Nov. 1977).

Note that the statutory formulation in the text concerning products liability does not purport to try to solve the huge difficulties under current law of defining the defendant's duty to the plaintiff. For descriptions of those difficulties, see Keeton, "Product Liability and the Meaning of Defect," 5 *St. Mary's Law Journal* 30 (1973); Fischer, "Products Liability—Functionally Imposed Strict Liability," 32 *Oklahoma Law Review* 93 (1979). But however or whether those difficulties are resolved (and they may not be as long as the requirement of proof of defect is retained; J. O'Connell, cited above at footnote 5, at 12-19, 56-57), the alternative proposed above seems much more readily accomplishable (witness the

(Continued on the following page.)

42 or whether the condition or service breached a warranty.<sup>20</sup>

43 Section 5. In any action for personal injuries based upon negli-  
44 gence, evidence of the failure of the claimant to exercise reasonable  
45 care for his own safety may be relevant to the specific issue of whether  
46 the defendant failed to exercise reasonable care.<sup>21</sup>

Admittedly, legislation of this type would increase the costs of a tort system already overly expensive in the eyes of many. To finance the new payments that will be awarded upon abolition of the traditional defenses of contributory fault, a state could real-

ize compensatory savings in its tort system by abolishing the so-called collateral source rule in personal injury cases.<sup>22</sup> Under the collateral source rule, a tort defendant pays again for loss already recovered by the plaintiff from collateral sources such

(Footnote 27 continued.)

precedent of employers' liability acts discussed at text accompanying footnote 20 above), thus leading relatively quickly to salutary results for all the reasons stated herein.

Thus, while § 1 of the proposed statute would abolish certain defenses to the strict liability cause of action, this section preserves the right of the defendant to introduce evidence of use of the product which was not foreseeable and therefore to contest the plaintiff's allegation that the product was defective. See, for example, *Helene Curtis Industries, Inc. v. Pruitt*, CCH PRODUCTS LIABILITY REPORTS ¶ 5851, 385 F2d 841 (CA-5 1967).

It must be admitted, then, that even after the abolition of contributory fault, problems concerning it will remain. W. Prosser, cited above at footnote 1, §§ 65-66 (4th ed. 1971); Bohlen, "Contributory Negligence," 21 *Harvard Law Review* 233 (1908). See also footnotes 28-29 below and accompanying text. Despite these problems, abolishing the defenses of contributory fault will clearly mean recovery in many cases where recovery is not now allowed. As Prosser put it, "[c]ontributory negligence is not the same thing as [for example] abnormal use; and although the two frequently coincide, one may exist without the other." W. Prosser, cited above at footnote 1, § 102, at 670. Secondly, that the abolition of the defenses of contributory fault can be efficacious is illustrated by the abolition of contributory fault (along with the defense of a fellow servant's negligence) under employer's liability acts. Footnote 20 above. "Such legislation," says Prosser, "has done a great deal to palliate the rigors of the common law . . ." *Id.*, § 80, at 534.

<sup>21</sup> Section 1 abolishes certain defenses available to the provider of a service or

product who has breached a warranty, including the comparison-of-cause defense. See generally comment 5 to Uniform Commercial Code § 2-715(2)(a); *Signal Oil and Gas Co. v. Universal Oil Products*, CCH PRODUCTS LIABILITY REPORTS ¶ 8299, 572 SW2d 320 (Tex. 1978). Evidence of the use to which the product was put would, however, be admissible for the purpose of determining whether the product or service breached the warranty in the use to which it was put. See, for example, *Murphy v. Eaton, Yale & Towne, Inc.*, CCH PRODUCTS LIABILITY REPORTS ¶ 6566, 444 F2d 317, 322-323 (CA-6 1971); *Brickman-Joy Corp. v. National Annealing Box Co.*, 459 F2d 133 (CA-2 1972). See also, the final paragraph of footnote 27 above.

<sup>22</sup> While § 1 eliminates certain defenses available to the defendant who is alleged to have been negligent, the author recognizes that the defendant's standard of care may be measured by what the reasonable defendant would have foreseen, and that the reasonable defendant need not in all cases foresee the negligence of the claimant. See, for example, *Lorenzo v. Wirth*, 170 Mass. 596, 49 NE 1010 (1898). See also, the final paragraph of footnote 27 above.

<sup>23</sup> The abolition of the collateral source rule will have no direct effect on statutes which mandate minimum amounts of liability insurance coverage, for example, automobile insurance. (See the Illinois Safety Responsibility Law, Ill. Rev. Stat. Ch. 95½, § 7-317 (1977), as amended by P. A. 81-1202, § 2, requiring \$30,000 of such coverage.) The minimum coverage amount will still be required and will be applied to the liability of the policyholder after the amount of the victim's collateral sources has been subtracted.

as sick leave or Blue Cross.<sup>30</sup> Abolishing the collateral source rule makes especially good sense because, to the extent the victim has received compensation for his loss, his injurer is *not* a better risk bearer. On the contrary, given the added expense of re-shifting the loss to a third-party tortfeasor, the insured victim is the better risk bearer to the extent of his own insurance coverage.

By funding the added costs incurred upon abolition of the defense of the victim's contributory fault with the

savings realized through the concomitant abolition of the collateral source rule, a state will immediately free funds for more payment to reimburse more tort victims for actual, serious losses.<sup>31</sup> Contrast this with tort law's traditional duplication of payments often made to compensate for smaller losses already covered by collateral sources.

The new rule advocating the deduction of collateral sources should apply to *all* insurance-like sources, public and private,<sup>32</sup> and, in death cases,

<sup>30</sup> A limited approach to the collateral source rule was attempted by the Florida Insurance and Tort Reform Act, creating Fla. Stat. § 627.7372 (1977), which permits the admission into evidence of all collateral sources and the amounts which the claimant paid for those sources. See Walkowiak, "Implied Indemnity: A Policy Analysis of the Total Loss Shifting Remedy in a Partial Loss Shifting Jurisdiction," 30 *University of Florida Law Review* 501, 538 n.138 (1978).

A bill to abolish the collateral source rule, entitled the Tort Reform Act of 1979 [1980], is currently before the California Assembly (Assembly Bill 550).

<sup>31</sup> Perhaps, as suggested at footnote 14 above, because compensation is still paid for pain and suffering, abolishing only the rule of contributory fault may result in more nuisance claims. See J. O'Connell, *The Injury Industry* 29-35, 117 (1971). Although that is only speculative, a solution might be to include a tort exemption from pain and suffering below, say, \$1000. For a draft language of a tort exemption, albeit in a greater amount and under a no-fault statute, see R. Keeton and J. O'Connell, *Basic Protection for the Traffic Victim* § 4.2 (a)(2) (1965). An alternative or additional solution might be to abolish all payment for pain and suffering in return for a requirement that tort liability insurers pay tort victims for the latter's attorneys' fees in addition to whatever is paid in damages. *Id.*, at 321-22, 437-39. Such a trade-off reform makes sense, given the degree to which attorneys' fees in personal injury cases are now taken out of payment for pain and suffering. J. O'Connell & R. Simon, *Payment for Pain and Suffering* 51 (1972); reprinted in 1972 *University of Illinois Law Forum* 1, 51; H. L. Ross, *Settled Out of Court* 108 (1970); Jaffe, "Damages for Per-

sonal Injury: The Impact of Insurance," 18 *Law & Contemporary Problems*, 219, 234-35; Morris, "Liability for Pain and Suffering," 59 *Columbia Law Review* 476, 477 (1959). This trade-off proposal, like the main one in this article, might be effectuated by either statute or common law decision. See text accompanying footnotes 47-49 below. I plan to spell out this proposal—coupled with draft statutory provisions—in a subsequent article.

<sup>32</sup> See text accompanying footnotes 38-40 below.

Perhaps an exception should be made for insurers who have provided first-party elective no-fault insurance to their insureds, whereby insureds are guaranteed out-of-pocket losses from accidents in return for assignment of their entire third-party liability claims to the first-party no-fault insurer. For such a proposal, see J. O'Connell, *The Lawsuit Lottery* 186-227 (1979); O'Connell, "Harnessing the Liability Lottery: Elective First-Party No-Fault Insurance Financed by Third-Party Tort Claims," 1978 *Washington University Law Quarterly* 693. Note that the abolition of the defenses of contributory and comparative negligence would be an additional incentive for first-party insurers to offer such coverage. Eliminating the collateral source rule would also make the first-party insurer's pursuit of third-party claims neater by eliminating other subrogees. *Id.*, at 700 n. 31. However, the abolition of the contributory fault defenses would not increase the possibility of accident victims being paid from liability insurance to the point where the purchase of first-party no-fault insurance and the assignment of liability claims would be discouraged. The considerable burden of proving fault in the defendant's conduct on product will remain.



arguably even to public and private pensions and term life insurance. So long as life insurance, for instance, exceeds any savings or investment factor, as it does in the case of term insurance, there seems little reason to distinguish it from accident and health or liability insurance.<sup>33</sup> The law, however, has long made this

distinction.<sup>34</sup> Similarly, the portion of pension payments exceeding the payee's vested amount would be deducted as a collateral source under this proposal.

Once again, for purposes of clarity and to further the chances of reform, a draft bill is provided.

## A BILL TO ABOLISH THE COLLATERAL SOURCE RULE

1 Calculation of Net Loss. (a) Except as otherwise provided in  
2 this Act, all benefits and advantages received or entitled to be received  
3 by one or one's dependents<sup>35</sup> as reimbursement of loss because of  
4 personal injury (including bodily harm, sickness, disease, or death),  
5 payable or required to be provided under (i) the laws of any state  
6 or the federal government, including but not limited to social security,  
7 workers' compensation or no-fault auto insurance, or (ii) any health  
8 or accident insurance, wage or salary continuation plan, or disability  
9 income insurance, also including, but not limited to, benefits payable  
10 without regard to fault under an automobile insurance policy, are  
11 subtracted in calculating loss under liability for any breach of an  
12 obligation or duty causing personal injury.<sup>36</sup> Said subtraction shall  
13 annul any right of recoupment through subrogation, trust agreement,  
14 lien or otherwise, in any other person, including any legal entity,  
15 whether corporate, governmental or otherwise. But to the extent that  
16 any such right of recoupment shall survive this statute by court

<sup>33</sup> Conard, "The Economic Treatment of Automobile Injuries," 63 *University of Michigan Law Review* 279, 313-14 (1964); F. Harper & F. James, cited above at footnote 10, § 25.22, at 1350-52. See also text accompanying footnote 37 below.

<sup>34</sup> R. Keeton, *Basic Text on Insurance Law* § 3.10(a), at 149 (1971); Procaccia, "The Effect and Validity of Subrogation Clauses in Insurance Policies," 609 *Insurance Law Journal* 573, 579 (October 1973).

<sup>35</sup> [Footnotes 35-37 are not part of the draft bill.] This provision is written this way in order to guarantee that all compensation received from collateral sources as a result of the accident is included in determining the amount due from the tortfeasor. If X was earning \$1,500 a month prior to his injury in an accident and receives \$400 to replace his wage loss, with his dependents receiving an additional \$600 in benefits, the court should subtract \$1,000, rather than only \$400 from the liability of \$1,500, leaving only \$500 due then from the tortfeasor.

<sup>36</sup> This language includes intentional torts. Thus, even the intentional tortfeasor will be able to deduct collateral sources from his liability. This might be thought to go too far. But, as a practical matter, unless one

is to get lost in the swamps separating negligence from gross negligence and "willful" conduct from intentional conduct, one will have to define intentional conduct such as to include only the most blatant intent to injure. See footnote 25, above, and accompanying text. Insurance will seldom cover such conduct, so the question of liability is often academic. In those few instances where it is not academic, payment from the intentional tortfeasor which duplicates payment already made by the collateral source to the victim would clearly violate the principle of indemnity by paying the victim more than his loss. Payment by the tortfeasor to the collateral source might be justified, but any sense of assuaging moral outrage against the intentional tortfeasor seems undercut to the extent he is asked to reimburse not his victim, but his victim's insurer. Thus, for the sake of convenience, intentional torts are not treated differently. Obviously, however, one disagreeing with this decision could alter the statute to allow an insurer a right of subrogation where intentional conduct of the type defined at footnote 25, above, and accompanying text, is involved.

17 decision, no subtraction shall be made.<sup>36</sup> Nor shall any contract or  
18 other arrangement to provide benefits or services as defined above  
19 declare itself excess to liability for any breach of an obligation or duty  
20 causing personal injury. But, unless otherwise agreed to by the  
21 claimant, a claim for loss under liability for any breach of an obligation or duty causing personal injury shall be paid without deduction  
22 for the benefits which are to be subtracted pursuant to the above  
23 provisions on calculation of net loss if these benefits have not been  
24 paid to the claimant before the liability for any breach of an obligation or duty causing personal injury is determined by adjudication or  
25 settlement. The party liable for any such breach of an obligation or  
26 duty is then entitled to reimbursement from the party obligated to  
27 make the payments which otherwise would have been subtracted in  
28 calculating loss under liability for the breach of an obligation or duty  
29 causing personal injury.<sup>36a</sup>

32 (b) In calculation of such net loss, no subtraction is made for  
33 amounts one receives or is entitled to receive by reason of another's  
34 death, except that there shall be subtracted from loss in calculating  
35 net loss amounts thus received [(i)] from social security or workers'  
36 compensation, [(ii)] as a death benefit or deferred compensation  
37 under any other public or private pension or retirement plan, including a plan for self-employed individuals, to the extent such benefits  
38 exceed amounts the decedent would have been entitled to receive  
39 under such plan had he terminated employment, or, in the case of a  
40 plan for the self-employed, had he terminated the plan at the date of  
41 death for reasons other than death, [(iii)] from other death benefits  
42 or life insurance to the extent such amounts exceed any cash value  
43 or other investment or savings feature as of the amount immediately  
44 preceding death].<sup>37</sup>

Note that only the proceeds of insurance or quasi-insurance plans, whether public or private, are to be deducted from the recovery under a tort claim. As a result, the amount recoverable in tort by an accident victim who receives gratuitous aid from, say, a relative or friend will not be

reduced by the amount of his aider's largesse. Because such acts of individual generosity are sufficiently rare and usually for relatively small amounts, the exclusion of these funds from the deductibility requirement will have no appreciable effect on the cost of liability insurance.<sup>38</sup>

<sup>36</sup> Given the relatively unfettered right of the sovereign—including, but not limited to, courts—to alter the terms of insurance contracts. R. Keeton, *Basic Text on Insurance Law* §§ 2.10, 6.8, 7.2 (1971), the right of the legislature to alter such contracts thusly would seem to exist. But see *Allied Structural Steel Co. v. Spanaus*, 438 U. S. 234 (1978).

<sup>36a</sup> The provisions in the last two sentences are adapted from UMVARA, cited above at footnote 25, § 23, at 52-54 (including commentary). See also O'Connell, cited above

Section 1.10 *Net Loss*.

1 Net loss is loss less subtractable benefits received from sources  
2 other than [no-fault] . . . insurance.

1 (a) *Subtractable benefits*. Except as otherwise provided in this  
2 section, all benefits and advantages one receives or is entitled to

at footnote 25, 628 *INSURANCE LAW JOURNAL* 261, 283.

<sup>37</sup> O'Connell, cited above at footnote 25, at 278. Note that subsections (ii) and (iii) are in brackets, which indicates a relatively controversial provision that a legislature may wish to excise.

<sup>38</sup> An earlier provision on collateral sources drafted by Robert Keeton and myself under our original no-fault auto insurance bill was considerably broader than the above draft:

(Continued on the following page.)

In addition to the question of whether the victim can recover from a tortfeasor the amount he already has been paid by someone else, there is also the question of whether that

someone else can recoup from the tortfeasor the amount paid to the victim, normally through subrogation. In other words, if either the victim or his nontort payor can recover from

(Footnote 3A continued.)

3 receive, because of the injury, from sources other than [no-fault] . . .

4 insurance are subtracted from loss in calculating net loss.

1 (b) *Nonsubtractable benefits.* In calculation of net loss, no

2 subtraction is made for amounts one receives or is entitled to

3 receive (i) in discharge of familial obligations of support or

4 (ii) by way of succession at death or (iii) as proceeds of life

5 insurance or (iv) as gratuities. In no event shall any payment

6 made by an employer to his employee be regarded as a gratuity.

R. Keeton & J. O'Connell, *Basic Protection for the Traffic Victim* 306 (1965). See also O'Connell, "An Elective No-Fault Liability Statute," 628 *INSURANCE LAW JOURNAL* 261 (May 1975), at 278, for a similar but slightly changed collateral source provision drafted by me for a no-fault statute applicable to more than just auto accidents.

Note that the above no-fault provision on collateral sources is much broader than the present proposal in subtracting all benefits and advantages, but the provision makes exceptions for aid given dependents and gifts given to non-employees. Under this Keeton-O'Connell No-Fault Provision, family members other than those obligated to render aid, as well as friends and employers, were discouraged from loaning or giving money to an accident victim because to that extent no payment was due from the no-fault insurer. (However, anyone thus rendering aid, including even a no-fault insurer, could expect to be reimbursed out of any successful liability claim.) Under the draft in the text, the receipt of financial assistance from anyone other than an insurance-like entity does not bar the donor or the donee from recouping that aid from the party found liable for the accident. Compared to the no-fault provision, the provision in the text has a narrower definition of benefits to be subtracted and therefore has need for fewer exceptions.

As the text explains, only insurance-like benefits are deductible because of the harshness of providing that any non-insurer aiding an accident victim forfeits the right of that non-insurer and his beneficiary to recoup in tort the amount of the aider's largesse. Indeed if all financial aid to an accident victim were deducted in a tort action, even advances made by a lawyer to his client would be uncollectable from the tortfeasor. Admittedly, such advances raise serious ethical problems, but the practice of

giving such advances is nonetheless widespread. J. O'Connell, *The Injury Industry and the Remedy of No-Fault Insurance* 63 (1971). Why, though, did Keeton and I draft the no-fault collateral source provision so that those family members, other than those with an obligation to render support, as well as friends and employers were thus discouraged from rendering financial assistance to an accident victim because once such aid is rendered, neither the donor nor the donee could, to the extent of the aid, recover from the no-fault insurer?

The no-fault auto provision can afford to be more indifferent to discouraging aid to accident victims because under no-fault insurance, the injured party is assured of his benefits; so there is less need to worry about discouraging others from coming to the victim's aid. But where, in the situation covered by the draft in the text, the issue is not between the plaintiff's friend and a no-fault insurer aiding the victim, but between the plaintiffs friend and a tortfeasor, aid to the victim prior to resolution of the tort claim should be encouraged. This is especially true given the uncertainty and long delay accompanying recovery from a tortfeasor.

Even under the no-fault provision, it was thought necessary to make the exceptions that payments discharging family obligations and gratuities (from other than employers) were not subtractable from insurance benefits. (For ease of administration, all payments from an employer were viewed as similar to insurance-like benefits and not genuine gratuities, made "out of the goodness of one's heart.") In other words, even under no-fault, there is no need to reward the no-fault insurer to the extent the donor was discharging a family obligation or making a genuinely charitable gesture to the victim.

(Continued on the following page.)



a large scale to take advantage of the right to recoupment denied to insurer-like institutions under the proposed bill, their activities would be classified as insurance, calling for appropriate filings with an insurance commissioner, which *ipso facto* would end the right of recoupment.<sup>40</sup>

Denial of the right of an insuring institution, or its governmental equivalent, to gain recoupment through subrogation under their payees' liability claims raises the question whether the lack of this right will cost casualty insurers sufficient amounts to counterbalance the gain to them as defendants, out of which latter gain more payment to negligent plaintiffs is to be financed.<sup>41</sup> Given the waste

for example, use of the "trust receipt," whereby an insured, in consideration for payment of his first-party claim, promises to hold in trust for the first-party insurer whatever he will recover from the tortfeasor, up to the amount of the first-party benefits. Procaccia, cited above, at 577. Gradually the rule has evolved allowing a first-party health insurer covering personal injury to be subrogated against a first-party tortfeasor, but only if the first-party contract expressly so provides. R. Keeton, cited above, at 152. This is called conventional subrogation as opposed to equitable subrogation. Procaccia, cited above, at 574.

As to life insurance contracts, there is some dicta indicating that even if an express clause in the policy purported to allow subrogation, it would not be effective. See R. Keeton, cited above, at 149, 151-53; Procaccia, cited above, at 579. Cases so holding, however, are evidently either rare or perhaps even nonexistent. Procaccia, cited above, at 579 n. 40. To the extent that life insurance is viewed as an investment, there are additional grounds for not allowing such subrogation, but to the extent that most life insurance is term insurance with no investment element, any distinction between life insurance and other forms of insurance seems unsound. See text accompanying footnotes 32-34, 37 above.

<sup>40</sup> R. Keeton, cited above at footnote 34, at § 8.2 (1971).

<sup>41</sup> See text accompanying footnotes 30-31 above.

and expense of subrogation, the answer would seem to be no. According to one study based on actual field investigations by an author who was generally enthusiastic about subrogation, it costs the subrogee, or assignee, \$195 to litigate and recover on a \$500 claim. Total costs of litigation and payment for the tortfeasor, or his insurer, amount to \$600. Accordingly, the subrogee will only collect \$305 net; and the overhead to the insurance industry as a whole will be \$295 (\$100 plus \$195) on a \$500 claim—or 60 per cent.<sup>42</sup> According to the same study, recoveries for auto personal injury insurance, expressed in terms of a rough ratio between net subrogation receipts in a given year to net losses in that year, were as low as .01 per cent.<sup>43</sup> As Professor John Fleming of the law faculty of the University of California at Berkeley has noted, "the game is rarely worth the candle."<sup>44</sup>

Supporters of subrogation claims might contend that these figures may be dated and that the amounts recovered through subrogation can be crucial to relieve an insurer from the burden of a matured risk and so provide the insurer the slim margin of profit in this intensely competitive industry. In addition, it can be argued that the high cost of subrogation provides a built-in regulator of its frivolous use when that use is not economically justifiable.

<sup>42</sup> Fleming, "The Collateral Source Rule and Loss Allocation in Tort Law," 54 *California Law Review* 1478, 1536 n. 236 (1966), citing in turn R. Horn, *Subrogation in Insurance Theory and Practice*, ch. 7 (1964).

<sup>43</sup> Fleming, cited above at footnote 42, at n. 237, citing in turn R. Horn, cited above at footnote 42, at ch. 11.

<sup>44</sup> Fleming, cited above at footnote 42, at 1536.

<sup>45</sup> *Id.*, at 1536-37. See also James, "Social Insurance and Tort Liability: The Problem of Alternative Remedies," 27 *New York University Law Review* 537 (1952). For a fur-

This retort, however, takes an excessively narrow view of subrogation because it considers only the economic cost to the subrogee. As Professor Fleming has observed of such a view:

"It fails to do justice to the wastefulness of subrogation to the whole process of insurance, particularly in its effect on insurance premiums. Subrogation promotes multiple insurance, since the same risk must be covered both by loss and liability insurance. The cost of both, moreover, is in many situations spread among the same risk community, as for example, owners and drivers of automobiles. Thus the high cost of subrogation, added to the administrative expenses of multiple insurance, constitutes a burden on enterprise in the community without any compensating economic, even less than social, advantage."<sup>45</sup>

The abolition of comparative or contributory fault (including assumption of risk) and the collateral source rule, in accordance with this article, could be accomplished not only by state statute but by federal statute as well.<sup>46</sup> Given the pervasively interstate nature of casualty insurance, federal intervention would certainly seem appropriate. Alternatively, these changes could be implemented by common law decision because each of these rules was originally ordained by the courts. Even if a state has already adopted

ther discussion in a somewhat different context, arguing that (1) doing away with subrogation and (2) having casualty insurance cover only those amounts not paid by other forms of loss insurance will not have undue adverse economic consequences from the point of view of internalization, etc., see J. O'Connell, *Ending Insult to Injury: No-Fault Insurance for Products and Services* 141-147 (1975).

<sup>46</sup> See *United States v. South-Eastern Underwriters Assn.*, 5 FIRE AND CASUALTY CASES 194, 1944-1945 TRADE CASES ¶ 57,253, 322 US 533 (1944); R. Keeton, cited above at footnote 34, at §§ 8.1, 8.2.

a comparative negligence statute to replace contributory negligence, a court might still be viewed as empowered to abolish comparative negligence in accord with this article.<sup>47</sup> Especially in those jurisdictions which have retained a common law rule of contributory negligence, a court as well as a legislature would be well advised not to abolish contributory negligence by moving to comparative negligence but, rather, to recognize neither.<sup>48</sup> Similarly, in a jurisdiction which had adopted comparative negligence by common law rule, the judicial abolition of that precedent in accord with this article would be salutary.

It might be argued that because the savings from abolishing the collateral source rule may not precisely match the additional costs of abolishing contributory or comparative fault, legislative change—wherein more precise actuarial evidence may be adduced through legislative hearings, and so forth—would be preferable to common law change. Perhaps so, but common law change still makes sense. Courts in this generation have been very willing to mandate changes in tort doctrine—such as adopting strict prod-

uct liability and indeed comparative negligence—that clearly add substantially to costs with no compensatory savings. For the first time, really, under the proposals made here, salutary changes with at least some compensatory savings are combined, with one proposal adding to costs and the other subtracting from them. Viewed that way, the cost trade-offs involved seem much less forbidding.<sup>49</sup>

## Conclusion

One closing note: in the proposals I have either made or had a hand in making for no-fault insurance,<sup>50</sup> I have met substantial opposition from members of the plaintiffs' bar. With respect to the proposals made herein, however, our interests seem to coincide. Everyone, especially injury victims and, in turn, their lawyers, will benefit from a reform of the personal injury tort liability system to pay more injured victims more money when their own sources of help have been outstripped by their losses. Unless personal injury lawyers advocate such improvements in personal injury law, pressure for more sweeping

<sup>47</sup> Cf. *Li v. Yellow Cab Co.*, cited above at footnote 2 (where the California Supreme Court abolished the rule of contributory negligence in favor of comparative negligence); see *Vincent v. Pabst Brewing Co.*, 47 Wis2d 120, 177 NW2d 513, 522-523 (1970) (Hallows, C. J., dissenting); O'Connell & Beck, "Overcoming Legal Barriers to the Transfer of Third-Party Tort Claims as a Means of Financing First-Party No-Fault Insurance," 1979 *Washington University Law Quarterly* 124-126, 129-130; Calabresi, "The Nonprimacy of Statutes Act: A Comment," 4 *Vermont Law Review* 347 (1979); G. Calabresi, *The Common Law Function in the Age of Statutes* (to be published by Harvard University Press); Bischoff, "The Dynamics of Tort Law: Court or Legislation?" 4 *Vermont Law Review* 35 (1979); Keeton, "Creative Continuity in the Law of Torts," 75 *Harvard Law Review* 463 (1962); Peck, "The Role

of the Courts and Legislatures in the Reform of Tort Law," *Minnesota Law Review* 265 (1963).

<sup>48</sup> But see *Maki v. Frelk*, 40 Ill2d 193, 239 NE2d 445 (1968). For some cogent criticism of *Maki*, see "Comments on *Maki v. Frelk*—Comparative v. Contributory Negligence: Should the Court or Legislature Decide?" 21 *Vanderbilt Law Review* 889-949 (1968).

<sup>49</sup> For a discussion of the necessity of balanced reform of the tort system, taking into account the needs of both accident victims and premium payers, see O'Connell, "A Balanced Approach to Auto Insurance Reform," 41 *University of Colorado Law Review* 81, 83-94 (1969).

<sup>50</sup> R. Keeton & J. O'Connell, cited above at footnote 31; J. O'Connell, cited above at footnote 45; J. O'Connell, *The Lawsuit Lottery: Only the Lawyers Win* (1979).



changes, changes less palatable to personal injury lawyers, will mount. Although this coincidence of interests between injury victims and their lawyers may not cause the Association of Trial Lawyers of America to lobby for these changes, surely enough individual injury victims will benefit that *some* plaintiffs' lawyers ought—quite literally—to plead for these changes in individual cases, thus opening the door to reform by common law decision.<sup>51</sup>

Nor does the fact that the proposals made herein should appeal to plaintiffs' lawyers mean the proposals are necessarily less attractive to insurers and self-insurers. As explained above, sensibly enough, compensatory savings are made part of an expansion of tort liability. In addition, by eliminating disputes over claimants' conduct, the insured event is simplified, with corresponding actuarial and other advantages for insurers in predicting and litigating personal injury cases.<sup>52</sup>

[The End]



<sup>51</sup> Although an individual plaintiff will not gain by abolition of the collateral source rule alone, such abolition, if concomitant with abolition of defenses based on the

plaintiff's conduct, will render the latter change more palatable to a court.

<sup>52</sup> See text between footnotes 13-14 above.