

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672

1116 SCOMM 33: WORKERS COMPENSATION, 1979-1982 116

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       | 8627          |
| 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**

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## 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

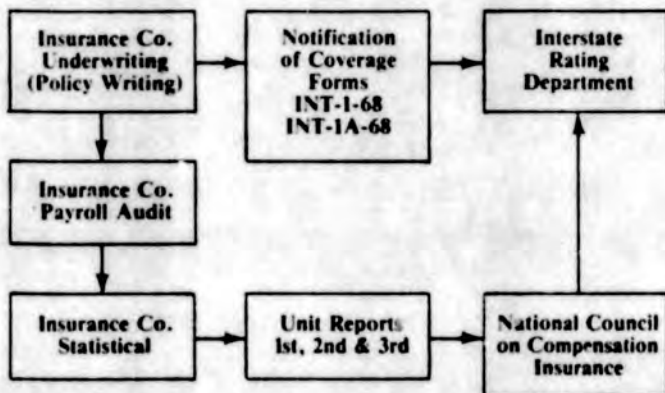
If a risk qualifies for experience rating in any "Interstate" State, **ALL** experience developed in "Interstate" States during the 3 year "experience period" must be included in the Experience Rating. This rule applies to all experience developed during the experience period by all carriers, including 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. DATE (MO. 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 114 0836                                              | Secaucus                                                  | Casualty Ins.                                             |                                                           |
| Mass.                                                                   | ④                                                     |                                                   | (same)                                                    | 5/1/69<br>(none)                                          | 5/1/68<br>(none)                                          |                                                           |
| R. I.                                                                   | WC 1114 0837                                          | July 1, 1972                                      | WCI 114 0837                                              | (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(S) OF 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)

☐ Combination of Separate Entities  
(Enter current ownership  
information for each entity  
in separate columns below)

Effective Date: \_\_\_\_\_

☐ Change of Ownership  
Date of Change: \_\_\_\_\_
Col. I = Ownership before change  
Col. II = Ownership after change
☐ Merger or Consolidation  
Date of Change: \_\_\_\_\_
Cols. I & II = Ownership before change  
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<br>5% or more of voting stock and<br>number of shares owned.*<br>(Submit shareholder proposal if<br>transaction involved exchange of<br>stock.)<br><br>Partnerships — List each general<br>partner and his share in the<br>profits.<br><br>Other — If no voting stock, list<br>members of board of directors<br>or comparable governing body. |   |    |     |
| *T — all shares of voting<br>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)                                                                                                                                                                                                                                                                                                                                              |                                                       | 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"/> Change of Ownership<br>Date of Change: _____<br>Col. I = Ownership before change<br>Col. II = Ownership after change |                                                             | <input checked="" type="checkbox"/> Merger or Consolidation<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)

Super Corporation

(NAME OF INSURED)

President

(TITLE)

(SIGNATURE OF OWNER, PARTNER OR EXECUTIVE OFFICER)

ERM-14-75

## 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: <u>3-1-75</u>                                                                                                                                                                         |                                                                    | <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, 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.

(4) A SET OF BY-LAWS OR TRUST AGREEMENT WHICH SHALL GOVERN THE OPERATION OF THE SELF-INSURANCE FUND

(5) PROOF OF THE EXISTENCE OF AN INITIAL BALANCE IN THE SELF-INSURANCE FUND AS REQUIRED BY SECTION 020(Q) OF THIS CHAPTER.

(6) A PROJECTION OF ALL ADMINISTRATIVE EXPENSES OF THE SELF-INSURANCE FUND.

SEC. 21.62.070. ADDITIONAL REQUIREMENTS. IN ADDITION TO THE REQUIREMENTS OF SECTIONS 030-070 OF THIS CHAPTER, AN APPLICANT FOR SELF-INSURANCE SHALL SUBMIT THE FOLLOWING DATA WITH THE APPLICATION FOR SELF-INSURANCE:

(1) EVIDENCE OF A WORKING CAPITAL OF AN AMOUNT ESTABLISHING FINANCIAL STRENGTH AND LIQUIDITY TO PAY NORMAL COMPENSATION CLAIMS PROMPTLY.

(2) THE PROPOSED AMOUNT OF RETENTION PER LOSS AND RETENTION IN THE AGGREGATE.

(3) THE PROPOSED PROGRAM OF EXCESS COVERAGE.

(4) PROOF THAT THE APPLICANT HAS AMPLE FACILITIES AND COMPETENT PERSONNEL TO SERVICE THE SELF-INSURANCE PLAN OR A COPY OF A SIGNED SERVICE AGREEMENT WITH AN APPROVED SERVICE COMPANY TO PROVIDE THOSE SERVICES.

(5) THE LOCATION WITHIN THIS STATE WHERE ALL RECORDS OF SELF-INSURED LOSS WILL BE MAINTAINED.

(6) A DESCRIPTION OF ANY LOSS CONTROL PROGRAMS TO BE UTILIZED 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 APPLICANT'S 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 (h) 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 CAUSED BUT WHICH MAY BE SUBSEQUENTLY REVEALED  
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 SERVING 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 (2) 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 ENFORCEMENT 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 after 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.

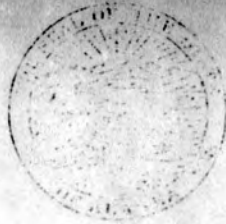
In such a case, I believe the employee should be considered to be temporarily disabled and paid temporary disability compensation even though the employee was medically healed, unless at the time of maximum healing and rating for loss of use it can also be said that the employee is able to return to 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

## Worker's 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

*Licia*  
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