



# Florida Workers Compensation Joint Underwriting Association, Inc.

P.O. Box 48957, Sarasota, FL 34230-5957

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VIA E-MAIL

## FWCJUA RATES & FORMS COMMITTEE BULLETIN 08-08

**TO:** Florida Workers' Compensation Joint Underwriting Association, Inc. Rates & Forms Committee  
**FROM:** Laura S. Torrence, Executive Director  
**DATE:** August 21, 2008  
**RE:** **AUGUST 26, 2008 RATES & FORMS COMMITTEE TELECONFERENCE MEETING**

Enclosed for your review is the agenda for the FWCJUA Rates & Forms Committee teleconference meeting scheduled for Tuesday, August 26, 2008 at 10:00 a.m. (Eastern Time). An operator will dial out to the following parties:

Rick Hodges 863-665-6060  
Brett Stiegel 407-671-3772, ext 227  
Charlie Clary 850-837-8152  
Jim Watford 850-413-5368  
Tom Maida 850-513-3377  
Bonnie Shek 303-672-9020  
Mark Mulvaney 303-672-9099

All other parties please contact Kathy Coyne at (941) 378-7408, to participate in the teleconference. Should you have any questions concerning the teleconference call, or the agenda, please do not hesitate to contact me.

c: FWCJUA Board of Governors  
Tom Maida, *General Counsel*  
Jim Watford, *Florida Office of Insurance Regulation*  
FWCJUA Interested Parties

**BOARD OF GOVERNORS:** Charlie Clary, *Chair*; Dan Dannenhauer, *Vice Chair*; Fred Bennett;  
Terry Butler; Rick Hodges; Claude Revels; Brett Stiegel; Beth Vecchioli; James Ward

**AGENDA FOR THE MEETING OF THE RATES & FORMS COMMITTEE OF THE  
FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.  
TO BE HELD ON TUESDAY, AUGUST 26, 2008 AT 10:00 A.M. VIA TELECONFERENCE**

- |              |   |  |
|--------------|---|--|
| <b>I.</b>    | CALL TO ORDER AND OPENING REMARKS   | Rick Hodges                                    |
| <b>II.</b>   | ANTI-TRUST PREAMBLE (Attachment A)  | Tom Maida                                      |
| <b>III.</b>  | REVIEW OF RATES, RATING PLANS AND POLICY FORMS AND ASSOCIATED MATTERS TO INCLUDE APPLICATION FORMS <ul style="list-style-type: none"><li>• 2009 Rate Indication (Attachment B)</li><li>• Self Audit Program (Attachment C)</li></ul>    | Laura Torrence<br>Mark Mulvaney<br>Bonnie Shek |
| <b>IV.</b>   | FORMS ASSOCIATED WITH AGENCY AUTHORIZATION PROCESS <ul style="list-style-type: none"><li>• Agency Producer Agreement (Attachment D)</li></ul>   | Laura Torrence                                 |
| <b>V.</b>    | OPERATIONS MANUAL REVISIONS <ul style="list-style-type: none"><li>• Reformatting &amp; Revision (Attachment E)</li><li>• 7/31/2008 Reprint/Revision (Attachment F)</li><li>• Producer Committee Recommendation (Attachment G)</li></ul> | Laura Torrence                                 |
| <b>VI.</b>   | NCCI AFFILIATION AGREEMENT (Attachment H)   | Laura Torrence                                 |
| <b>VII.</b>  | RETURN OF PREMIUM DIVIDEND (Attachment I)   | Laura Torrence                                 |
| <b>VIII.</b> | GENERAL ANNOUNCEMENTS   |  |
| <b>IX.</b>   | ADJOURNMENT AND CLOSING REMARKS   | Rick Hodges                                    |

**ANTI-TRUST PREAMBLE**

We are here to discuss and act on matters relating to the business of the Florida Workers' Compensation Joint Underwriting Association (FWCJUA) and not to discuss or pursue the business interests of our individual funds or companies.

We should proceed with caution and alertness towards the requirements and prohibitions of federal and state anti-trust laws.

We should not engage in discussions – either at this meeting or in private conversations – of our individual fund's or companies' plans or contemplated activities. We should concern ourselves only with the business of the Florida Workers' Compensation Joint Underwriting Association as set forth in the agenda for this meeting.

Only FWCJUA market matters may be discussed at the meeting and each fund's or company's voluntary market plans cannot be discussed.

**REVIEW OF RATES AND RATING PLANS AND POLICY FORMS  
AND ASSOCIATED MATTERS TO INCLUDE APPLICATION FORMS**

**2009 Rate Indication**

The Rates & Forms Committee shall consider the attached exhibits prepared by Milliman to determine whether to effectuate a premium level change effective January 1, 2009 for new and renewal business to be adjusted to reflect any approved voluntary market rate level and class relativity changes that may become effective January 1, 2009.

Attached for the Committee's review is Milliman's analysis related to the premium level needs for all three rating tiers including key assumptions at the current reinsurance retention level. Please note that the 1-1-08 State Average Weekly Wage (SAWW) was used in Milliman's analysis. Until the 1-1-09 SAWW is calculated, the minimum premium multiplier will not change and the change in the SAWW to calculate the maximum minimum premium will be 0%.

**The Committee shall determine whether to recommend that the Board effectuate an overall average premium level change effective January 1, 2009 for new and renewal business to be adjusted to reflect any approved voluntary market rate level and class relativity changes that may become effective January 1, 2009.**

**Florida Workers' Compensation Joint Underwriting Association**

Indicated Premium Level Change

\$1 Million Retention Level

	(1)	(2)	(3)	(4)
	<i>Current Maximum Minimum</i>	<i>Current 1/1/2008 Surcharge</i>	<i>Total EAP @ 1/1/2008 NCCI Rates</i>	<i>1/1/2009 Indicated Premium Change</i>
Tier 1	2,400	25%	5,314,171	0.0%
Tier 2	2,400	83%	2,980,835	11.5%
Tier 3	2,400	134%	3,704,994	-6.2%
Totals		73%	12,000,000	0.9%

**Florida Workers' Compensation Joint Underwriting Association**

DETERMINATION OF INDICATED PREMIUM LEVEL CHANGE  
\$1 Million Retention Level

	Tier 1	Tier 2	Tier 3	Total
(1) Estimated PY 2009 Loss & ALAE Ratio [Exhibit II, Sheet 1]	34.7%	40.2%	39.4%	40.0%
(2) Present Value Factor [Appendix H, Sheet 1]	90.5%	90.5%	90.5%	90.5%
(3) Reinsurance Cost [Exhibit III-A, Sheet 1]	12.0%	12.0%	12.0%	12.0%
(4) Uncollectible Premium Percentage	13.0%	13.0%	13.0%	13.0%
(5) Present Value of Losses & ALAE, plus Reinsurance as a percent of Collectible Premium (1)x(2)+[(3)/[(1.0-(4)]]	45.2%	50.2%	49.5%	50.0%
(6) Taxes Licenses and Fees	0.0%	0.0%	0.0%	0.0%
(7) Servicing Carrier Allowance [Exhibit III-A, Sheet 1]	25.3%	25.3%	25.3%	25.3%
(8) Total Other Variable Expenses (6)+(7)	25.3%	25.3%	25.3%	25.3%
(9) Commissions [Exhibit III-A, Sheet 1]	4.0%	3.5%	2.9%	3.5%
(10) JUA General and Administrative Expenses [Exhibit III-A, Sheet 1]	18.4%	20.3%	12.7%	17.1%
(11) Total Fixed Expenses (9)+(10)	22.4%	23.8%	15.6%	20.6%
(12) Contingency Factor	0.0%	0.0%	0.0%	0.0%
(13) Surplus Factor	0.0%	0.0%	0.0%	0.0%
(14) Total Contingency and Surplus (12) + (13)	0.0%	0.0%	0.0%	0.0%
(15) <b>Indicated Premium Level Change</b> [[ (1) x (2) x (1.0 - (4)) ] + (11)] / [1.0 - (3) - (4) - (8) - (14)] - 1.0 Total equals Tier average weighted by projected premium (Exhibit III-A, Sheet 1)	0.0%	11.5%	-6.2%	0.9%

**Florida Workers' Compensation Joint Underwriting Association**

DETERMINATION OF INDICATED PREMIUM LEVEL CHANGE  
\$1 Million Retention Level

	Tier 1	Tier 2	Tier 3	Total
(1) Estimated PY 2009 Loss & ALAE Ratio [Exhibit II, Sheet 1]	34.7%	40.2%	39.4%	40.0%
(2) Present Value Factor [Appendix H, Sheet 1]	90.5%	90.5%	90.5%	90.5%
(3) Reinsurance Cost [Exhibit III-B, Sheet 1]	12.0%	12.0%	12.0%	12.0%
(4) Uncollectible Premium Percentage	13.0%	13.0%	13.0%	13.0%
(5) Present Value of Losses & ALAE, plus Reinsurance as a percent of Collectible Premium (1)x(2)+[(3)/[(1.0-(4)]]	45.2%	50.2%	49.5%	50.0%
(6) Taxes Licenses and Fees	0.0%	0.0%	0.0%	0.0%
(7) Servicing Carrier Allowance [Exhibit III-B, Sheet 1]	25.3%	25.3%	25.3%	25.3%
(8) Total Other Variable Expenses (6)+(7)	25.3%	25.3%	25.3%	25.3%
(9) Commissions [Exhibit III-B, Sheet 1]	4.0%	3.5%	2.9%	3.5%
(10) JUA General and Administrative Expenses [Exhibit III-B, Sheet 1]	26.2%	25.8%	17.3%	23.3%
(11) Total Fixed Expenses (9)+(10)	30.2%	29.3%	20.2%	26.9%
(12) Contingency Factor	0.0%	0.0%	0.0%	0.0%
(13) Surplus Factor	0.0%	0.0%	0.0%	0.0%
(14) Total Contingency and Surplus (12) + (13)	0.0%	0.0%	0.0%	0.0%
(15) <b>Indicated Premium Level Change</b> [[ (1) x (2) x (1.0 - (4)) ] + (11)] / [1.0 - (3) - (4) - (8) - (14)] - 1.0 Total equals Tier average weighted by projected premium (Exhibit III-B, Sheet 1)	15.7%	22.6%	3.0%	13.5%

**Florida Workers' Compensation Joint Underwriting Association**

**DERIVATION OF AVERAGE PROJECTED LOSS & ALAE RATIO**

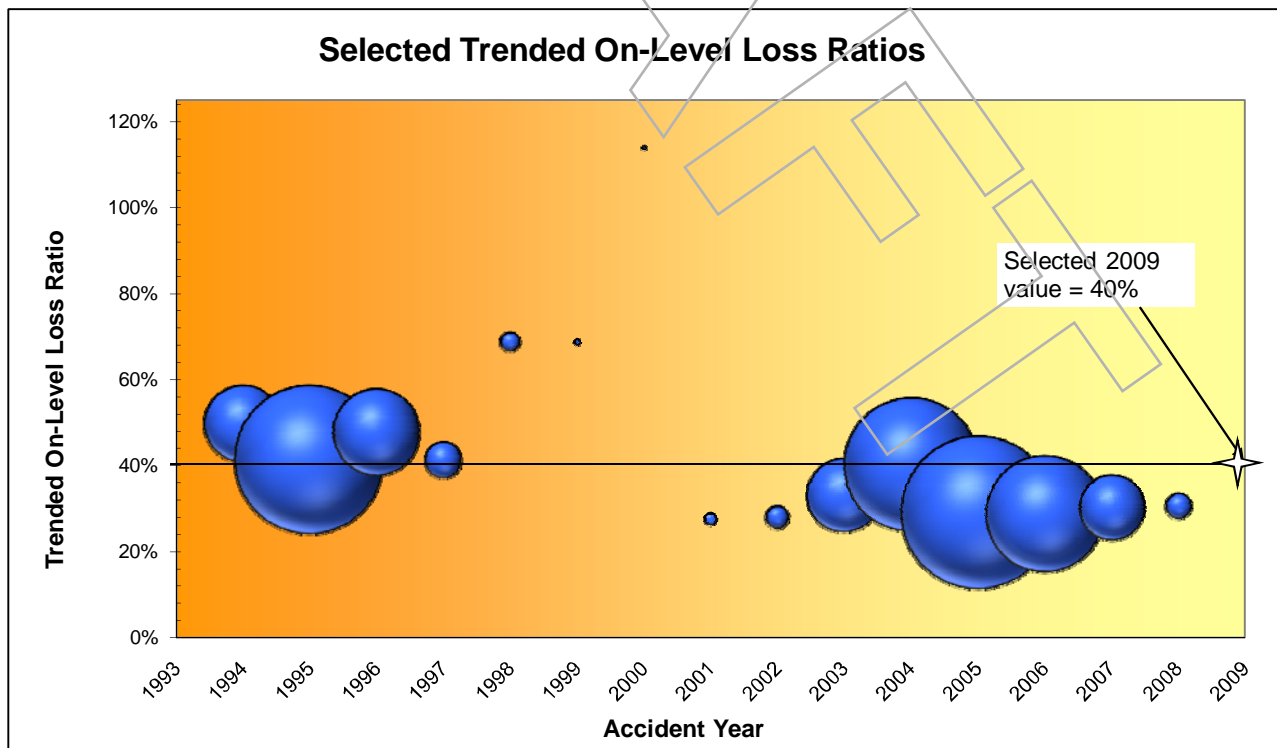
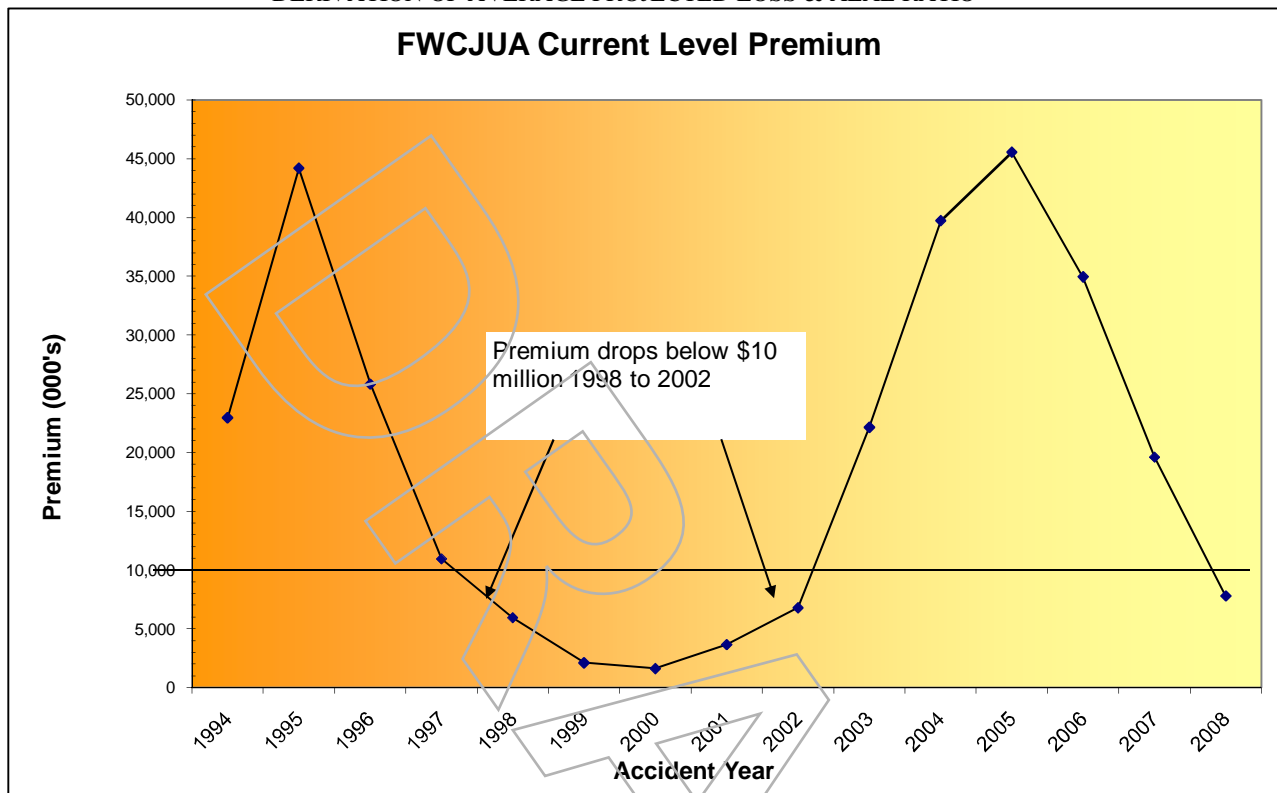
	(1)	(2)	(3)
<i>Accident Year</i>	<i>On-Level Collectible Earned Premium</i> <i>(App G, Sheet 1)</i>	<i>On-Level Ultimate Losses and ALAE</i> <i>(Exh II, Sheet 2)</i>	<i>Projected Loss &amp; ALAE Ratio</i> <i>(2) / (1)</i>
1994	19,995	9,895	49.5%
1995	38,455	15,830	41.2%
1996	22,488	10,713	47.6%
1997	9,541	3,917	41.1%
1998	5,188	3,570	68.8%
1999	1,851	1,267	68.5%
2000	1,424	1,621	113.8%
2001	3,189	875	27.4%
2002	5,919	1,644	27.8%
2003	19,274	6,336	32.9%
2004	34,569	13,858	40.1%
2005	39,643	11,438	28.9%
2006	30,419	8,692	28.6%
2007	17,065	5,114	30.0%
2008	6,799	2,072	30.5%
<b>Total</b>	<b>255,821</b>	<b>96,841</b>	<b>37.9%</b>
		Simple Average	45.1%
		Average ex hi/low	41.2%
		Premium Avg. 02-07	32.1%
		<b>(4) Selected Loss Ratio at \$1M Retention</b>	<b>40.0%</b>
	(5)	(6)	(7)
	<i>Loss Ratio Relativity</i> <i>(App A, Sheet 1)</i>	<i>Premium On-Level Factor</i> <i>(App A, Sheet 2)</i>	<i>\$1M Retention On-Level Loss Ratio</i> <i>(4) x (5) x (6)</i>
Tier 1	0.586	1.479	34.7%
Tier 2	0.945	1.064	40.2%
Tier 3	1.354	0.728	39.4%

Notes: (4) \$1M Loss Ratio based upon Selection and retention factors from Appendix B, Sheet 3.



Florida Workers' Compensation Joint Underwriting Association

DERIVATION OF AVERAGE PROJECTED LOSS & ALAE RATIO



Florida Workers' Compensation Joint Underwriting Association

DERIVATION OF ULTIMATE LOSSES ON PROJECTED BENEFIT LEVEL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Estimated Ultimate Indemnity Losses	Estimated Ultimate Medical Losses	Estimated Ultimate ALAE Losses	Indemnity Benefit On-Level Factor	Medical Benefit On-Level Factor	Managed Care On-Level Factor	Indemnity Trend Factor	Medical Trend Factor	ALAE Trend Factor	Retention Adjustment Factor	Selected Ultimate Loss and ALAE	
(App C, Sheet 1)	(App D, Sheet 1)	(App E, Sheet 1)	(App B, Sheet 1)	(App B, Sheet 1)	(App B, Sheet 2)	-6.5%	-1.5%		(App B, Sheet 3)		
1994	11,400	10,100	810	0.819	0.987	0.925	0.365	0.797	0.568	0.882	9,895
1995	12,900	12,900	1,040	0.813	0.987	0.934	0.390	0.809	0.600	1.104	15,830
1996	7,200	8,100	1,340	0.808	0.987	0.979	0.417	0.822	0.631	1.104	10,713
1997	2,200	3,000	490	0.804	0.987	0.984	0.446	0.834	0.670	1.104	3,917
1998	2,200	2,400	580	0.799	0.987	1.000	0.477	0.847	0.670	1.104	3,570
1999	700	910	130	0.794	0.987	1.000	0.511	0.860	0.708	1.104	1,267
2000	900	1,100	180	0.794	0.987	1.000	0.546	0.873	0.726	1.104	1,621
2001	400	600	110	0.794	0.984	1.000	0.584	0.886	0.765	1.104	875
2002	600	1,200	180	0.794	0.969	1.000	0.625	0.900	0.808	1.104	1,644
2003	3,582	4,023	900	0.837	0.984	1.000	0.668	0.913	0.798	1.000	6,336
2004	4,957	9,086	1,920	1.000	1.011	1.000	0.715	0.927	0.852	1.012	13,858
2005	3,027	7,590	1,820	1.000	0.990	1.000	0.764	0.941	0.891	1.039	11,438
2006	2,800	5,300	1,400	1.000	0.989	1.000	0.817	0.956	0.908	1.014	8,692
2007	1,500	3,200	710	1.000	0.993	1.000	0.874	0.970	0.940	1.010	5,114
2008	600	1,500	50	1.000	1.000	1.000	0.919	0.981	0.964	1.000	2,072
Total	54,965	71,008	11,660								96,841

Note: Dollar amounts are in thousands.  
 2003 and 2004 indemnity and medical adjusted for Converium commutation.  
 2005 indemnity and medical adjusted for Quanta Re commutation.  
 (7), (8), (9) Losses are trended to 06/30/2009.  
 NCCI 1-1-08 Approved Trends: Medical -1.5%, Indemnity -6.5%.  
 ALAE trend factor is weighted average of Indemnity and Medical trends.  
 2008 represents half-year ultimate losses.

**Florida Workers' Compensation Joint Underwriting Association**

**PROJECTED EXPENSES BY TIER**  
\$1 Million Retention Level

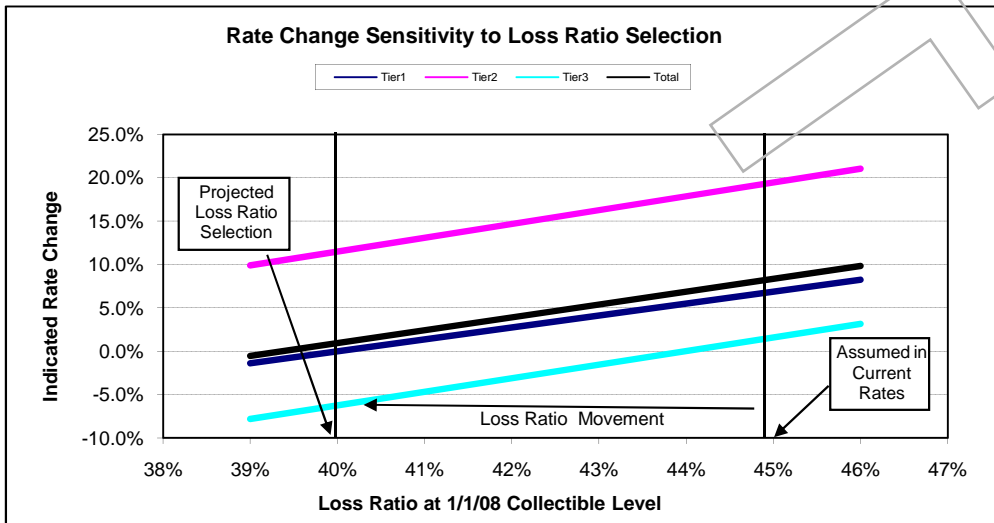
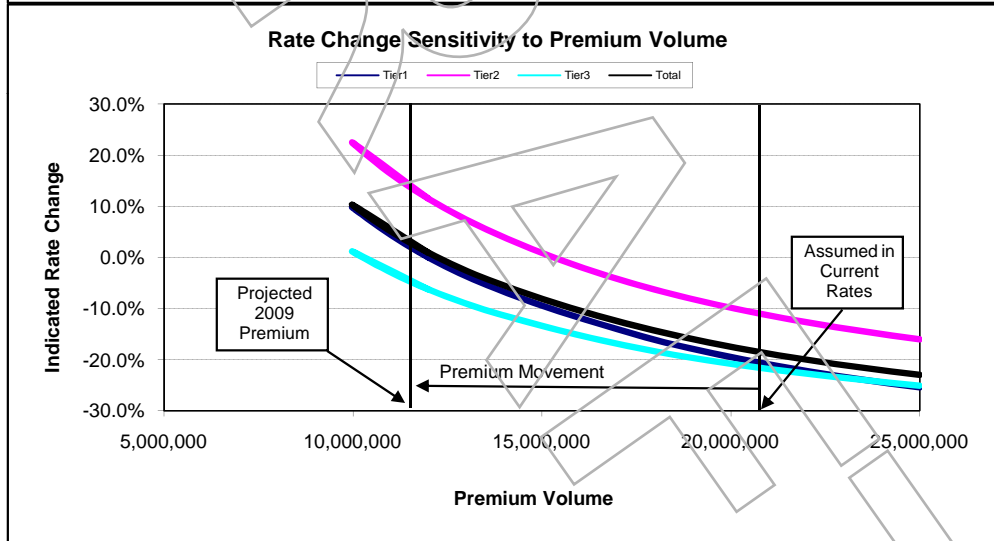
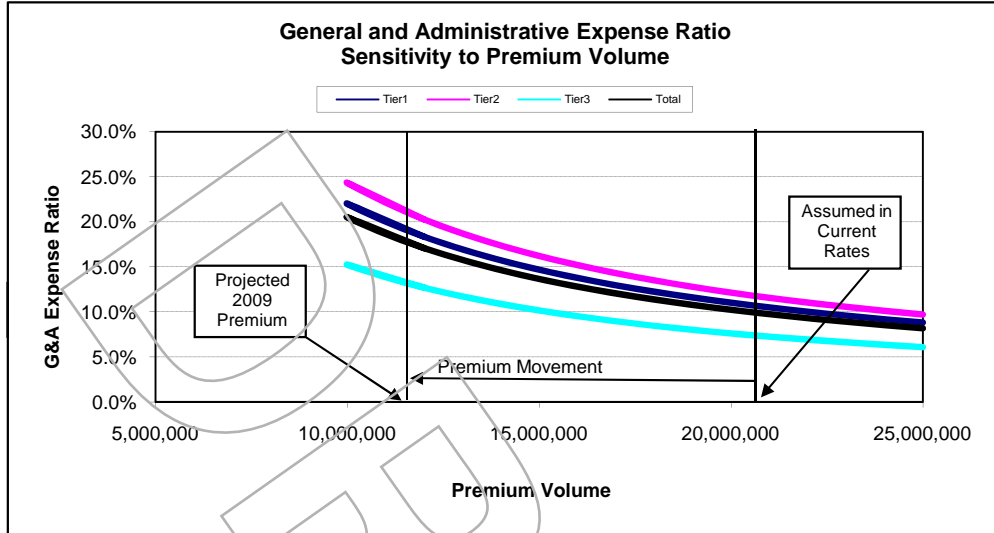
	Tier1	Tier2	Tier3	Total/Avg.
(1) Projected New Applications	104	210	96	410
(2) Projected Total Policies	993	457	211	1,661
(3) Projected Total Premium on 1/1/08 Rate Level	5,314,171	2,980,835	3,704,994	12,000,000
(4) Expense Constant and Policy Fee	675	675	675	675
(5) Surcharge Percent	25%	83%	134%	73%
(6) Premium with No Surcharge ((3)-(2)x(4))/(1+(5))	3,701,882	1,462,224	1,521,814	6,685,920
(7) Average Unsurcharged Premium (6)/(2)	3,727	3,200	7,212	4,024
(8) Commissions as a Percent of Unsurcharged Premium	5.8%	7.1%	7.0%	6.3%
(9) JUA Underwriting Expenses (Total Allocated by (1))	133,729	271,772	124,499	530,000
(10) JUA Administration Expenses (Total Allocated by (6))	841,599	332,427	345,974	1,520,000
(11) JUA General and Administration (9)+(10)	975,328	604,199	470,473	2,050,000
<b>Expense Percentages for Filing Purposes:</b>				
(12) Commissions as a Percent of Premium at Actual Rates	4.0%	3.5%	2.9%	3.5%
(13) Reinsurance	12.000%	12.000%	12.000%	12.000%
(14) JUA General and Administration	18.353%	20.269%	12.698%	17.083%
(15) Premium Tax	0.000%	0.000%	0.000%	0.000%
(16) Adminstrative Trust Fund	0.000%	0.000%	0.000%	0.000%
(17) SDTF Assess	0.000%	0.000%	0.000%	0.000%
(18) Miscellaneous Tax	0.005%	0.005%	0.005%	0.005%
(19) Uncollectible Premium	13.000%	13.000%	13.000%	13.000%
(20) Servicing Carrier Allowance	25.292%	25.292%	25.292%	25.292%

Notes:

- (1)-(3) Estimated by Milliman from FWCJUA Historical Data
- (8) From FWCJUA Producer Fee Table using (6)
- (9),(10) Total from FWCJUA
- (12) (8)x(6)/(3)
- (13), (15)-(19) From FWCJUA
- (14) (11)/(3)

Florida Workers' Compensation Joint Underwriting Association

PREMIUM LEVEL CHANGE SENSITIVITY ANALYSIS



**Florida Workers' Compensation Joint Underwriting Association**

**PROJECTED EXPENSES BY TIER**  
\$1 Million Retention Level

	Tier1	Tier2	Tier3	Total/Avg.
(1) Projected New Applications	104	210	96	410
(2) Projected Total Policies	993	457	211	1,661
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(7) Average Unsurcharged Premium (6)/(2)	3,727	3,200	7,212	4,024
(8) Commissions as a Percent of Unsurcharged Premium	5.8%	7.1%	7.0%	6.3%
(9) JUA Underwriting Expenses (Total Allocated by (1))	133,729	271,772	124,499	530,000
(10) JUA Administration Expenses (Total Allocated by (6))	1,256,861	496,453	516,685	2,270,000
(11) JUA General and Administration (9)+(10)	1,390,590	768,226	641,184	2,800,000
<b>Expense Percentages for Filing Purposes:</b>				
(12) Commissions as a Percent of Premium at Actual Rates	4.0%	3.5%	2.9%	3.5%
(13) Reinsurance	12.000%	12.000%	12.000%	12.000%
(14) JUA General and Administration	26.168%	25.772%	17.306%	23.333%
(15) Premium Tax	0.000%	0.000%	0.000%	0.000%
(16) Administrative Trust Fund	0.000%	0.000%	0.000%	0.000%
(17) SDTF Assess	0.000%	0.000%	0.000%	0.000%
(18) Miscellaneous Tax	0.005%	0.005%	0.005%	0.005%
(19) Uncollectible Premium	13.000%	13.000%	13.000%	13.000%
(20) Servicing Carrier Allowance	25.292%	25.292%	25.292%	25.292%

Notes:

- (1)-(3) Estimated by Milliman from FWCJUA Historical Data
- (8) From FWCJUA Producer Fee Table using (6)
- (9),(10) Total from FWCJUA
- (12) (8)x(6)/(3)
- (13), (15)-(19) From FWCJUA
- (14) (11)/(3)

Florida Workers' Compensation Joint Underwriting Association

Tier Loss Ratio Relativity

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
Tier	Age	Cumulative LDF	Gross Paid Loss	Indicated Ultimate	Avg-Level Earned Premium	LR on Avg Level	Tier	Age	Cumulative LDF	Gross Incurred Loss	Indicated Ultimate	Avg-Level Earned Premium	LR on Avg Level	
						(5)/(6)							(3) x (4)	(5)/(6)
<b>Accident Year 2004</b>														
Tier 1	54	1.153	37,785	43,558	736,099	0.059	Tier 1	54	0.876	37,785	33,094	736,099	0.045	
Tier 2	54	1.153	321,663	370,807	3,714,535	0.100	Tier 2	54	0.876	341,315	298,942	3,714,535	0.080	
Tier 3	54	1.153	2,110,363	2,395,365	3,905,262	0.613	Tier 3	54	0.876	2,248,125	1,960,712	3,905,262	0.502	
Totals		1.153	2,469,811	2,809,730	8,355,896	0.336	Totals		0.876	2,627,225	2,292,747	8,355,896	0.274	
<b>Accident Year 2005</b>														
Tier 1	42	1.204	689,315	829,626	9,263,001	0.090	Tier 1	42	0.903	739,984	667,853	9,263,001	0.072	
Tier 2	42	1.204	4,470,889	4,514,105	30,562,859	0.148	Tier 2	42	0.903	9,151,146	3,929,614	30,562,859	0.129	
Tier 3	42	1.204	2,116,814	2,449,337	22,067,695	0.111	Tier 3	42	0.903	2,117,815	1,911,379	22,067,695	0.087	
Totals		1.204	7,277,018	7,793,068	61,893,555	0.126	Totals		0.903	12,008,945	6,508,846	61,893,555	0.105	
<b>Accident Year 2006</b>														
Tier 1	30	1.388	364,612	505,971	10,960,350	0.046	Tier 1	30	0.982	393,549	386,565	10,960,350	0.035	
Tier 2	30	1.388	2,190,316	3,039,494	27,476,171	0.111	Tier 2	30	0.982	2,825,005	2,774,870	27,476,171	0.101	
Tier 3	30	1.388	1,649,674	2,289,247	11,860,651	0.154	Tier 3	30	0.982	1,757,830	1,726,634	14,860,651	0.116	
Totals		1.388	4,204,602	5,834,712	53,297,171	0.109	Totals		0.982	4,976,384	4,888,068	53,297,171	0.092	
<b>Accident Year 2007</b>														
Tier 1	18	1.968	276,468	544,036	7,781,382	0.070	Tier 1	18	1.181	367,296	433,770	7,781,382	0.056	
Tier 2	18	1.968	556,185	1,094,465	8,562,560	0.128	Tier 2	18	1.181	695,091	820,890	8,562,560	0.096	
Tier 3	18	1.968	763,076	1,501,587	5,611,619	0.268	Tier 3	18	1.181	1,206,607	1,424,982	5,611,619	0.254	
Totals		1.968	1,595,729	3,140,089	21,955,562	0.143	Totals		1.181	2,268,994	2,679,642	21,955,562	0.122	
<b>Accident Year 2008</b>														
Tier 1	6	7.005	63,448	444,446	2,664,717	0.167	Tier 1	6	2.446	228,305	558,352	2,664,717	0.210	
Tier 2	6	7.005	24,855	174,106	1,233,021	0.141	Tier 2	6	2.446	37,295	91,210	1,233,021	0.074	
Tier 3	6	7.005	36,025	252,351	1,382,934	0.182	Tier 3	6	2.446	92,108	225,263	1,382,934	0.163	
Totals		7.005	124,328	870,903	5,280,673	0.165	Totals		2.446	357,708	874,825	5,280,673	0.166	
(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)							
Tier	Weighted Avg. Paid Loss Ratio	Weighted Avg. Incurred Loss Ratio	Weighted Avg. Combined Loss Ratio	Relativity to Average	Prior Relativity	Credibility Factor	Revised Relativity							
Tier 1	0.070	0.059	0.063	0.514	0.519	0.386	0.586							
Tier 2	0.129	0.112	0.119	0.967	0.968	0.589	0.945							
Tier 3	0.185	0.150	0.165	1.338	1.345	0.489	1.354							
Totals	0.136	0.114	0.123			0.993								

Notes:  
 (3), (10) based on Cumulative Reporting/Payment Patterns.  
 (4), (6), (11), (13) Data Provided by FWCJUA.  
 (5), (12) Large losses are limited to \$500,000.  
 (15), (16), (17) Weights for each year/method are positively proportional to premium and inversely proportional to development factor  
 (18) equals (17) / [(17) Total]  
 (19) from 12/31/2008 Indication.  
 (20) Credibility based on P/(P+K) formula. K selected as \$50 million.  
 (21) Credibility Average equals (20) x (18) + [1.0 - (20)] x (19).  
 (22) Revised Relativity is Credibility average - Renormalized.

Florida Workers' Compensation Joint Underwriting Association

Tier Premium Level Relativity

(1)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Tier	Gross Earned Premium	On-Level Premium Factor	On-Level Gross Earned Premium (1) x (2)	Earned Policies	Flat Fee and EC Percent	Percent Minimum Premium	Average Minimum Premium	Estimated MP Policies (1)x(6)/(7)	Premium Excl MP, EC and Flat Fee	Current Tier Factor	Premium at Base Rates (9)/(10)	Premium at Average Tier Level	Factor to Avg Level (12)/(1)
<b>Accident Year 2004</b>													
Tier 1	456,216	0.623	284,052	64	15.3%	2.5%	2,233	5	375,208	1.10	341,098	736,099	1.613
Tier 2	3,268,037	0.728	2,379,408	498	14.1%	7.8%	2,240	113	2,552,609	1.64	1,557,894	3,714,535	1.137
Tier 3	4,889,814	0.534	2,610,384	180	4.7%	1.2%	3,394	17	4,605,371	2.45	1,876,297	3,905,262	0.799
Totals	8,614,067	0.612	5,273,544	743	9.5%	4.2%	2,382	135	7,533,188	2.00	3,775,289	8,355,896	
<b>Accident Year 2005</b>													
Tier 1	5,916,983	0.641	3,794,652	590	10.5%	2.5%	2,233	66	5,148,427	1.10	4,680,388	9,263,001	1.565
Tier 2	27,983,489	0.750	20,985,943	2,948	9.5%	7.8%	2,240	970	23,157,253	1.64	14,133,203	30,562,859	1.092
Tier 3	29,537,959	0.550	16,241,914	1,192	5.0%	1.2%	3,394	100	27,735,008	2.45	11,299,657	22,067,695	0.747
Totals	63,438,431	0.647	41,022,509	4,730	7.8%	4.7%	2,342	1,136	56,040,688	1.86	30,113,248	61,893,555	
<b>Accident Year 2006</b>													
Tier 1	7,313,191	0.701	5,130,154	758	10.0%	2.5%	2,233	81	6,401,806	1.10	5,819,824	10,960,350	1.499
Tier 2	26,152,017	0.818	21,381,902	2,707	8.5%	7.8%	2,240	906	21,887,005	1.64	13,357,952	27,476,171	1.051
Tier 3	20,954,266	0.557	11,667,922	925	5.4%	1.2%	3,394	71	19,591,567	2.45	7,981,897	14,860,651	0.709
Totals	54,419,474	0.702	38,179,978	4,390	7.8%	5.0%	2,317	1,059	47,880,379	1.76	27,159,674	53,297,171	
<b>Accident Year 2007</b>													
Tier 1	5,508,558	0.841	4,632,186	866	12.6%	2.5%	2,233	61	4,676,506	1.10	4,251,369	7,781,382	1.413
Tier 2	8,571,455	0.902	7,728,794	1,613	14.1%	7.8%	2,240	297	6,698,638	1.64	4,088,274	8,562,560	0.999
Tier 3	8,315,177	0.659	5,479,460	602	7.4%	1.2%	3,394	28	7,602,573	2.45	3,097,402	5,611,619	0.675
Totals	22,395,190	0.797	17,840,440	3,081	11.7%	4.4%	2,323	387	18,977,716	1.66	11,437,045	21,955,562	
<b>Accident Year 2008</b>													
Tier 1	2,035,653	0.975	1,984,538	769	26.2%	2.5%	2,233	23	1,452,358	1.10	1,320,326	2,664,717	1.309
Tier 2	1,268,689	0.964	1,222,659	782	43.2%	7.8%	2,240	44	622,178	1.64	379,724	1,233,021	0.972
Tier 3	2,035,918	0.901	1,833,381	353	13.0%	1.2%	3,394	7	1,747,804	2.45	712,082	1,382,934	0.679
Totals	5,340,260	0.944	5,040,578	1,905	25.5%	3.3%	2,346	74	3,822,341	1.58	2,412,132	5,280,673	
<b>Totals</b>													
Tier 1	21,230,601	0.745	15,825,582	3,048	13.0%	2.5%	2,233	236	18,054,306	1.10	16,413,005	31,405,550	1.479
Tier 2	67,243,687	0.799	53,698,706	8,548	10.7%	7.8%	2,240	2,330	54,917,683	1.64	33,517,048	71,549,145	1.064
Tier 3	65,733,134	0.576	37,833,061	3,252	5.8%	1.2%	3,394	223	61,282,324	2.45	24,967,335	47,828,161	0.728
Totals	154,207,422	0.696	107,357,349	14,849	8.1%	4.7%	2,332	2,790	134,254,312	1.79	74,897,388	150,782,856	

Notes: Columns (1), (4) and (10) provided by FWC JUA.  
 Column (5) equals (4) x 675.0 [Flat Fee + Expense Constant] / (3)  
 Columns (6) and (7) from Appendix A, Sheet 3.  
 Column (9) equals (1) x [1.0 - (4) - (5)]  
 Column (12) equals (3)x(5) + (8)x(7) Total] + (11)x[(10) Total]

**Florida Workers' Compensation Joint Underwriting Association**

**PREMIUM LEVEL RATIO**

<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>
<i>Subplan</i>	<i>Cumulative Gross Written Premiums 7/1/04-6/30/2008</i>	<i>Number of Minimum Premium Policies</i>	<i>Avg MP at Current Max MP</i>	<i>Minimum Premium Percent</i>
Tier 1	23,798,002	265	2,233	2.5%
Tier 2	69,452,439	2,407	2,240	7.8%
Tier 3	68,639,531	233	3,394	1.2%
<b>Totals</b>	<b>161,889,972</b>	<b>2,905</b>		

Notes: (2)-(4) Provided by FWCJUA  
 (4) Excludes Expense Constant and Policy Fee  
 (5) = [(3) x (4)] / (2)



Florida Workers' Compensation Joint Underwriting Association

**CALCULATION OF INDEMNITY BENEFIT ON-LEVEL FACTORS**

(1) Date	(2) Benefit Change	(3) Cumulative Index	(4) 1994	(5) 1995	(6) 1996	(7) 1997	(8) 1998	(9) 1999	(10) 2000	(11) 2001	(12) 2002	(13) 2003	(14) 2004	(15) 2005	(16) 2006	(17) 2007	(18) 2008
			Weights for Accident Year														
1/1/94	Base	1.000	1.000														
1/1/95	1.007	1.007		1.000													
1/1/96	1.006	1.013			1.000												
1/1/97	1.006	1.019				1.000											
1/1/98	1.006	1.025					1.000										
1/1/99	1.006	1.031						1.000	1.000	1.000	1.000	0.750					
10/1/03	0.794	0.819										0.250	1.000	1.000	1.000	1.000	1.000
Weighted Avg Law Level Index:			1.000	1.007	1.013	1.019	1.025	1.031	1.031	1.031	1.031	0.978	0.819	0.819	0.819	0.819	0.819
Benefit On Level Factors:			0.819	0.813	0.808	0.804	0.799	0.794	0.794	0.794	0.794	0.837	1.000	1.000	1.000	1.000	1.000

**CALCULATION OF MEDICAL BENEFIT ON-LEVEL FACTORS**

(1) Date	(2) Benefit Change	(3) Cumulative Index	(4) 1994	(5) 1995	(6) 1996	(7) 1997	(8) 1998	(9) 1999	(10) 2000	(11) 2001	(12) 2002	(13) 2003	(14) 2004	(15) 2005	(16) 2006	(17) 2007	(18) 2008
			Weights for Accident Year														
1/1/94	Base	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.750							
9/30/01	1.012	1.012								0.250							
7/7/02	1.015	1.027									0.519						
10/1/03	0.906	0.930									0.481						
12/4/03	1.007	0.937										0.750					
1/1/04	1.038	0.973										0.167					
7/4/04	1.005	0.978										0.083					
5/9/05	1.017	0.995											0.500				
9/4/05	1.003	0.998											0.500				
11/16/06	0.998	0.996												0.417			
10/1/07	0.995	0.991												0.583			
10/18/07	0.996	0.987													0.875		
															0.125		
																0.750	
																0.046	
																0.204	1.000
Weighted Avg Law Level Index:			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.003	1.019	1.003	0.976	0.997	0.998	0.994	0.987
Benefit On Level Factors:			0.987	0.987	0.987	0.987	0.987	0.987	0.987	0.984	0.969	0.984	1.011	0.990	0.989	0.993	1.000

Notes: Col. (2) from 2008 NCCI Annual Statistical Bulletin Exhibit III.  
 Col. (3) equals Col. (2) x Prior Col. (3).  
 Col. (4) through (18) Weights are determined based on relative proportion of accidents at each law level.  
 Benefit On Level Factors are (1/1/08 Law Level Index)/(Accident Year Weighted Average Law Level Index).

**Florida Workers' Compensation Joint Underwriting Association**

**CALCULATION OF MANAGED CARE ON-LEVEL FACTORS**

<i>Factor Adjusting 1994 Accident Year Losses to Present Level:</i>				
	(1)	(2)	(3)	(4)
<i>Policies Incepting</i>	<i>Estimated Managed Care Savings Factor</i>	<i>Weight</i>	<i>Product (2) x (3)</i>	<i>Factor to 2008 Level</i>
1/1/94	1.000	1.000	1.000	0.925
6/1/95	0.940	0.000	0.000	
1/1/98	0.925	0.000	0.000	
			1.000	
<i>Factor Adjusting 1995 Accident Year Losses to Present Level:</i>				
	(1)	(2)	(3)	(4)
<i>Policies Incepting</i>	<i>Estimated Managed Care Savings Factor</i>	<i>Weight</i>	<i>Product (2) x (3)</i>	<i>Factor to 2008 Level</i>
1/1/94	1.000	0.830	0.830	0.934
6/1/95	0.940	0.170	0.160	
1/1/98	0.925	0.000	0.000	
			0.990	
<i>Factor Adjusting 1996 Accident Year Losses to Present Level:</i>				
	(1)	(2)	(3)	(4)
<i>Policies Incepting</i>	<i>Estimated Managed Care Savings Factor</i>	<i>Weight</i>	<i>Product (2) x (3)</i>	<i>Factor to 2008 Level</i>
1/1/94	1.000	0.087	0.087	0.979
6/1/95	0.940	0.913	0.858	
1/1/98	0.925	0.000	0.000	
			0.945	
<i>Factor Adjusting 1997 Accident Year Losses to Present Level:</i>				
	(1)	(2)	(3)	(4)
<i>Policies Incepting</i>	<i>Estimated Managed Care Savings Factor</i>	<i>Weight</i>	<i>Product (2) x (3)</i>	<i>Factor to 2008 Level</i>
1/1/94	1.000	0.000	0.000	0.984
6/1/95	0.940	1.000	0.940	
1/1/98	0.925	0.000	0.000	
			0.940	
<i>Factor Adjusting Accident Year 1998 Losses to Present Level:</i>				
	(1)	(2)	(3)	(4)
<i>Policies Incepting</i>	<i>Estimated Managed Care Savings Factor</i>	<i>Weight</i>	<i>Product (2) x (3)</i>	<i>Factor to 2008 Level</i>
1/1/94	1.000	0.000	0.000	1.000
6/1/95	0.940	0.000	0.000	
1/1/98	0.925	1.000	0.925	
			0.925	

Florida Workers' Compensation Joint Underwriting Association

**CALCULATION OF RETENTION LEVEL FACTORS**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>Accident Year</i>	<i>Current Limit Factor</i>	<i>Current Retention Factor</i>	<i>\$1 Million Limit Factor</i>	<i>\$1 Million Retention Factor</i>	<i>\$2 Million Limit Factor</i>	<i>\$2 Million Retention Factor</i>
1994	1.000	0.882	1.000	0.882	1.000	0.934
1995	0.799	1.104	0.799	1.104	0.799	1.169
1996	0.799	1.104	0.799	1.104	0.799	1.169
1997	0.799	1.104	0.799	1.104	0.799	1.169
1998	0.799	1.104	0.799	1.104	0.799	1.169
1999	0.799	1.104	0.799	1.104	0.799	1.169
2000	0.799	1.104	0.799	1.104	0.799	1.169
2001	0.799	1.104	0.799	1.104	0.799	1.169
2002	0.799	1.104	0.799	1.104	0.799	1.169
2003	0.882	1.000	0.882	1.000	0.882	1.059
2004	0.872	1.012	0.872	1.012	0.872	1.072
2005	0.849	1.039	0.849	1.039	0.849	1.101
2006	0.870	1.014	0.870	1.014	0.870	1.075
2007	0.873	1.010	0.873	1.010	0.873	1.070
2008	0.882	1.000	0.882	1.000	0.934	1.000

**Notes:** Columns (2), (4), (6) are impact of retention changes, based on 1-1-08 NCCI Filing.  
 Column (3) equals [2008 Col. (2)] / Col. (2).  
 Column (5) equals [2008 Col. (4)] / Col. (4).  
 Column (7) equals [2008 Col. (6)] / Col. (6).

**Florida Workers' Compensation Joint Underwriting Association**

Appendix C, Sheet 1

SELECTION OF ULTIMATE LIMITED LOSSES

Net Indemnity

Accident Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Development Methods			B-F Methods		CC Methods		Selected Ultimate Losses
	Paid Loss	Incurred Loss	Reserve	Paid Loss	Incurred Loss	Paid Loss	Incurred Loss	
1994	\$11,481	\$11,455	\$11,424	\$11,436	\$11,431	\$11,361	\$11,389	\$11,400
1995	13,021	12,897	12,737	13,109	12,950	12,990	12,882	12,900
1996	7,365	7,225	7,031	7,406	7,254	7,333	7,211	7,200
1997	2,226	2,184	2,121	2,277	2,216	2,244	2,197	2,200
1998	2,132	2,246	2,432	2,110	2,228	2,092	2,217	2,200
1999	692	678	654	685	674	678	670	700
2000	932	912	876	900	892	894	888	900
2001	360	402	476	394	423	378	413	400
2002	570	560	545	649	608	612	587	600
2003	3,115	3,684	4,391	3,284	3,748	3,131	3,664	3,700
2004	5,060	5,761	6,407	5,312	5,831	4,956	5,655	5,700
2005	2,676	2,753	2,885	3,759	3,494	3,153	3,089	3,300
2006	2,224	2,261	2,301	3,436	3,049	2,680	2,566	2,800
2007	1,302	1,048	936	2,249	1,723	1,599	1,341	1,500
2008	743	347	274	985	846	653	584	600
<b>Total</b>	<b>\$53,899</b>	<b>\$54,413</b>	<b>\$55,490</b>	<b>\$57,991</b>	<b>\$57,367</b>	<b>\$54,754</b>	<b>\$55,352</b>	<b>\$56,100</b>

Notes: Dollar amounts are in thousands.

- (1) From Appendix C, Sheet 3, Col. (3).
- (2) From Appendix C, Sheet 3, Col. (6).
- (3) From Appendix C, Sheet 2, Col (6).
- (4) From Appendix C, Sheet 4b, Col. (6).
- (5) From Appendix C, Sheet 4b, Col. (7).
- (6) From Appendix C, Sheets 6a, Col. (12).
- (7) From Appendix C, Sheets 5a, Col. (12).
- (8) Selected judgmentally.

**Florida Workers' Compensation Joint Underwriting Association**

Appendix C, Sheet 2

PROJECTION OF ULTIMATE LOSSES BASED ON RESERVE DEVELOPMENT

Net Indemnity						
	(1)	(2)	(3)	(4)	(5)	(6)
Accident Year	Cumulative Paid Losses @06/30/08	Case Reserves @06/30/08	Cumulative Paid Development Factor	Cumulative Incurred Development Factor	Cumulative Development Factor	Estimated Ultimate Losses (2)x(5)+(1)
1994	\$11,005	\$187	1.043	1.023	2.241	\$11,424
1995	12,456	119	1.045	1.026	2.349	12,737
1996	7,031	0	1.047	1.028	2.458	7,031
1997	2,121	0	1.049	1.030	2.566	2,121
1998	2,026	149	1.053	1.033	2.724	2,432
1999	654	0	1.057	1.037	2.930	654
2000	876	0	1.063	1.041	2.948	876
2001	335	49	1.074	1.047	2.895	476
2002	520	10	1.096	1.056	2.525	545
2003	2,787	672	1.118	1.065	2.388	4,391
2004	4,207	1,044	1.203	1.097	2.108	6,407
2005	1,980	275	1.352	1.221	3.295	2,885
2006	1,263	354	1.761	1.398	2.932	2,301
2007	385	221	3.379	1.730	2.497	936
2008	33	47	22.472	4.326	5.118	274
<b>Total</b>	<b>\$47,681</b>	<b>\$3,126</b>				<b>\$55,490</b>

- Notes: Dollar amounts are in thousands.
- (1) From Appendix C, Sheet 3, Col. (1).
  - (2) From Appendix C, Sheet 3, Col. (4) - Col. (1).
  - (3) From Appendix C, Sheet 3, Col (2).
  - (4) From Appendix C, Sheet 3, Col (5).
  - (5)  $(1-1/(3))/(1/(4)-1/(3))$

**Florida Workers' Compensation Joint Underwriting Association**

Appendix C, Sheet 3

PROJECTION OF ULTIMATE LOSSES BASED ON LOSS DEVELOPMENT

Net Indemnity

Accident Year	(1)	(2)	(3)	(4)	(5)	(6)
	Cumulative Paid Losses @06/30/08	Cumulative Paid Development Factor	Estimated Ultimate Paid Losses (1)x(2)	Cumulative Incurred Losses @06/30/08	Cumulative Incurred Development Factor	Estimated Ultimate Incurred Losses (4)x(5)
1994	\$11,005	1.043	\$11,481	\$11,192	1.023	\$11,455
1995	12,456	1.045	13,021	12,576	1.026	12,897
1996	7,031	1.047	7,365	7,031	1.028	7,225
1997	2,121	1.049	2,226	2,121	1.030	2,184
1998	2,026	1.053	2,132	2,175	1.033	2,246
1999	654	1.057	692	654	1.037	678
2000	876	1.063	932	876	1.041	912
2001	335	1.074	360	384	1.047	402
2002	520	1.096	570	530	1.056	560
2003	2,787	1.118	3,115	3,459	1.065	3,684
2004	4,207	1.203	5,060	5,251	1.097	5,761
2005	1,980	1.352	2,676	2,254	1.221	2,753
2006	1,263	1.761	2,224	1,617	1.398	2,261
2007	385	3.379	1,302	606	1.730	1,048
2008	33	22.472	743	80	4.326	347
<b>Total</b>	<b>\$47,681</b>		<b>\$53,899</b>	<b>\$50,806</b>		<b>\$54,413</b>

Notes: Dollar amounts are in thousands.  
 (1), (2) From Appendix C, Sheet 7b.  
 (4), (5) From Appendix C, Sheet 7a.

**Florida Workers' Compensation Joint Underwriting Association**

Appendix C, Sheet 4a

SELECTION OF BORNHUETTER FERGUSON METHOD EXPECTED LOSSES

Net Indemnity

Accident Year	(1) On-Level Collectible EP	(2) Development Method Ultimate Paid	(3) Development Method Ultimate Incurred	(4) Trend Factor -6.5%	(5) Retention Level Factor	(6) Benefit On-Level Factor	(7) Trended Loss Ratio	(8) Detrended Loss Ratio	(9) B-F Expected Losses (1) x (8)
1994	\$19,535	\$11,481	\$11,455	0.390	0.882	0.819	0.166	0.532	\$10,393
1995	37,571	13,021	12,897	0.417	1.104	0.813	0.129	0.400	15,045
1996	21,971	7,365	7,225	0.446	1.104	0.808	0.132	0.377	8,277
1997	9,322	2,226	2,184	0.477	1.104	0.804	0.100	0.354	3,300
1998	5,069	2,132	2,246	0.511	1.104	0.799	0.194	0.333	1,688
1999	1,808	692	578	0.546	1.104	0.794	0.181	0.313	567
2000	1,392	932	912	0.584	1.104	0.794	0.339	0.293	408
2001	3,116	360	402	0.625	1.104	0.794	0.067	0.274	854
2002	5,783	570	560	0.668	1.104	0.794	0.057	0.256	1,481
2003	18,831	3,115	3,684	0.715	1.000	0.837	0.108	0.251	4,723
2004	33,775	5,060	5,761	0.764	1.012	1.000	0.124	0.194	6,551
2005	38,732	2,676	2,753	0.817	1.039	1.000	0.060	0.177	6,840
2006	29,720							0.169	5,027
2007	16,673					Average:	0.138	0.159	2,647
2008	6,643					Column Average	0.148	0.150	996
						Selected 2008 Level Loss Ratio:	0.150		
Total	\$249,941								\$68,798

- Notes:
- (1) From Appendix G, Sheet 1, Col. (3).
  - (2) From Appendix C, Sheet 3, Col. (3).
  - (3) From Appendix C, Sheet 3, Col. (6).
  - (4)  $(1 + \text{Trend Factor})^{(2008 - \text{Accident Year})}$
  - (5) From Appendix G, Sheet 8
  - (6) From Appendix G, Sheet 7.
  - (7)  $((2) + (3)) / 2.0 \times (4) \times (5) \times (6) / (1)$
  - (8)  $(\text{Selected 2008 Level Loss Ratio}) / [(4) \times (5) \times (6)]$

**Florida Workers' Compensation Joint Underwriting Association**

Appendix C, Sheet 4b

PROJECTION OF ULTIMATE LOSSES BASED ON BORNHUETTER FERGUSON METHOD

Net Indemnity

Accident Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Expected Losses	Cumulative Paid Losses @06/30/08	Cumulative Paid Development Factor	Cumulative Incurred Losses @06/30/08	Cumulative Incurred Development Factor	Paid B-F Ultimate	Incurred B-F Ultimate
1994	\$10,393	\$11,005	1.043	\$11,192	1.023	\$11,436	\$11,431
1995	15,045	12,456	1.045	12,576	1.026	13,109	12,950
1996	8,277	7,031	1.047	7,031	1.028	7,406	7,254
1997	3,300	2,121	1.049	2,121	1.030	2,277	2,216
1998	1,688	2,026	1.053	2,175	1.033	2,110	2,228
1999	567	654	1.057	654	1.037	685	674
2000	408	876	1.063	876	1.041	900	892
2001	854	335	1.074	384	1.047	394	423
2002	1,481	520	1.096	530	1.056	649	608
2003	4,723	2,787	1.118	3,459	1.065	3,284	3,748
2004	6,551	4,207	1.203	5,251	1.097	5,312	5,831
2005	6,840	1,980	1.352	2,254	1.221	3,759	3,494
2006	5,027	1,263	1.761	1,617	1.398	3,436	3,049
2007	2,647	385	3.379	606	1.730	2,249	1,723
2008	996	33	22.472	80	4.326	985	846
<b>Total</b>	<b>\$68,798</b>	<b>\$47,681</b>		<b>\$50,806</b>		<b>\$57,991</b>	<b>\$57,367</b>

- Notes:
- Dollar amounts are in thousands.
  - (1) From Appendix C, Sheet 4a, Col. (9).
  - (2) From Appendix C, Sheet 3, Col. (1).
  - (3) From Appendix C, Sheet 3, Col. (2).
  - (4) From Appendix C, Sheet 3, Col. (4).
  - (5) From Appendix C, Sheet 3, Col. (5).
  - (6)  $(2) + (1 - 1/(3)) \times (1)$
  - (7)  $(4) + (1 - 1/(5)) \times (1)$



**Florida Workers' Compensation Joint Underwriting Association**

Appendix C, Sheet 5a

INCURRED LOSS RATIO CAPE COD METHOD

Net Indemnity

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Accident Year	Cumulative Incurred Losses	Cumulative Incurred Loss Development Factor	On-Level Earned Premium	Indicated Loss Ratio	Retention Level Factor	Benefit On-Level Factor	Trend Factor	Composite Index Factor	Trended On-Level Loss Ratio	Cape Cod Trended On-Level Loss Ratio	Loss Ratio Cape Cod Ultimate Losses
1994	\$11,192	1.023	\$19,535	0.586	0.882	0.819	0.390	0.282	0.165	0.124	\$11,389
1995	12,576	1.026	37,571	0.343	1.104	0.813	0.417	0.375	0.129	0.123	12,882
1996	7,031	1.028	21,971	0.329	1.104	0.808	0.446	0.398	0.131	0.121	7,211
1997	2,121	1.030	9,322	0.234	1.104	0.804	0.477	0.424	0.099	0.119	2,197
1998	2,175	1.033	5,069	0.443	1.104	0.799	0.511	0.450	0.200	0.118	2,217
1999	654	1.037	1,808	0.375	1.104	0.794	0.546	0.479	0.180	0.116	670
2000	876	1.041	1,392	0.655	1.104	0.794	0.584	0.512	0.335	0.113	888
2001	384	1.047	3,116	0.129	1.104	0.794	0.625	0.548	0.071	0.111	413
2002	530	1.056	5,783	0.097	1.104	0.794	0.668	0.586	0.057	0.108	587
2003	3,459	1.065	18,831	0.196	1.000	0.837	0.715	0.598	0.117	0.106	3,664
2004	5,251	1.097	33,775	0.171	1.012	1.000	0.764	0.773	0.132	0.104	5,655
2005	2,254	1.221	38,732	0.071	1.039	1.000	0.817	0.849	0.060	0.101	3,089
2006	1,617	1.398	29,720	0.076	1.014	1.000	0.874	0.887	0.067	0.099	2,566
2007	606	1.730	16,673	0.063	1.010	1.000	0.935	0.945	0.059	0.099	1,341
2008	80	4.326	6,643	0.052	1.000	1.000	1.000	1.000	0.052	0.099	584
Totals	\$50,806		\$249,941								\$55,352

Selected Trend -0.065  
 Selected Decay 0.900

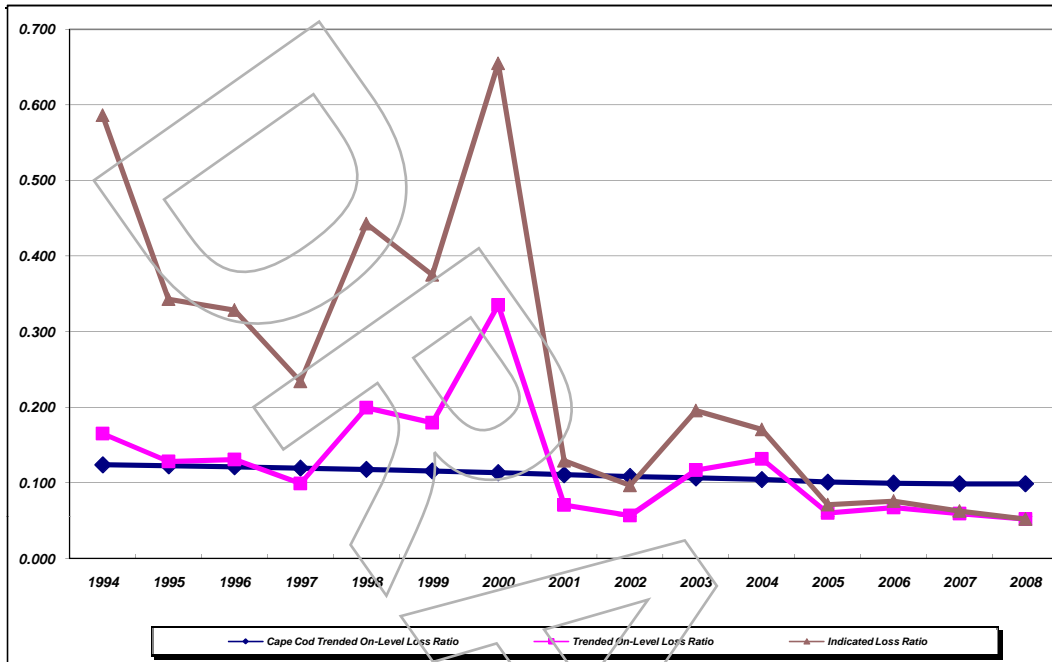
- Notes:
- (2), (3) from Appendix C, Sheet 3.
  - (4) From Appendix G, Sheet 1, Col. (3).
  - (5) (2) x (3) / (4)
  - (6) From Appendix G, Sheet 8.
  - (7) From Appendix G, Sheet 7.
  - (8) Based on NCCI 1-1-08 approved trend.
  - (9) (6) x (7) x (8)
  - (10) (5) x (9)
  - (11) Cape Cod Formula Loss Ratio.
  - (12) (11) / (9) x (4) x [1 - 1/(3)] + (2)

Florida Workers' Compensation Joint Underwriting Association

Appendix C, Sheet 5b

INCURRED LOSS RATIO CAPE COD METHOD GRAPH

Net Indemnity



Notes: Cape Cod Loss Ratio from Appendix C, Sheet 5a, Col. (11).  
Trended On-Level Loss Ratio from Appendix C, Sheet 5a, Col. (10).  
Indicated Loss Ratio from Appendix C, Sheet 5a, Col. (5).

**Florida Workers' Compensation Joint Underwriting Association**

Appendix C, Sheet 6a

PAID LOSS RATIO CAPE COD METHOD

Net Indemnity

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Accident Year	Cumulative Paid Losses	Cumulative Paid Loss Development Factor	On-Level Earned Premium	Indicated Loss Ratio	Retention Level Factor	Benefit On-Level Factor	Trend Factor	Composite Index Factor	Trended On-Level Loss Ratio	Cape Cod Trended On-Level Loss Ratio	Loss Ratio Cape Cod Ultimate Losses
1994	\$11,005	1.043	\$19,535	0.588	0.882	0.819	0.390	0.282	0.166	0.124	\$11,361
1995	12,456	1.045	37,571	0.347	1.104	0.813	0.417	0.375	0.130	0.123	12,990
1996	7,031	1.047	21,971	0.335	1.104	0.808	0.446	0.398	0.133	0.121	7,333
1997	2,121	1.049	9,322	0.239	1.104	0.804	0.477	0.424	0.101	0.119	2,244
1998	2,026	1.053	5,069	0.421	1.104	0.799	0.511	0.450	0.189	0.117	2,092
1999	654	1.057	1,808	0.383	1.104	0.794	0.546	0.479	0.183	0.115	678
2000	876	1.063	1,392	0.669	1.104	0.794	0.584	0.512	0.343	0.112	894
2001	335	1.074	3,116	0.116	1.104	0.794	0.625	0.548	0.063	0.109	378
2002	520	1.096	5,783	0.099	1.104	0.794	0.668	0.586	0.058	0.106	612
2003	2,787	1.118	18,831	0.165	1.000	0.837	0.715	0.598	0.099	0.104	3,131
2004	4,207	1.203	33,775	0.150	1.012	1.000	0.764	0.773	0.116	0.102	4,956
2005	1,980	1.352	38,732	0.059	1.039	1.000	0.817	0.849	0.059	0.099	3,153
2006	1,263	1.761	29,720	0.075	1.014	1.000	0.874	0.887	0.066	0.098	2,680
2007	385	3.379	16,673	0.078	1.010	1.000	0.935	0.945	0.074	0.098	1,599
2008	33	22.472	6,643	0.112	1.000	1.000	1.000	1.000	0.112	0.098	653
Totals	\$47,681		\$249,941								\$54,754

Selected Trend -0.065  
 Selected Decay 0.900

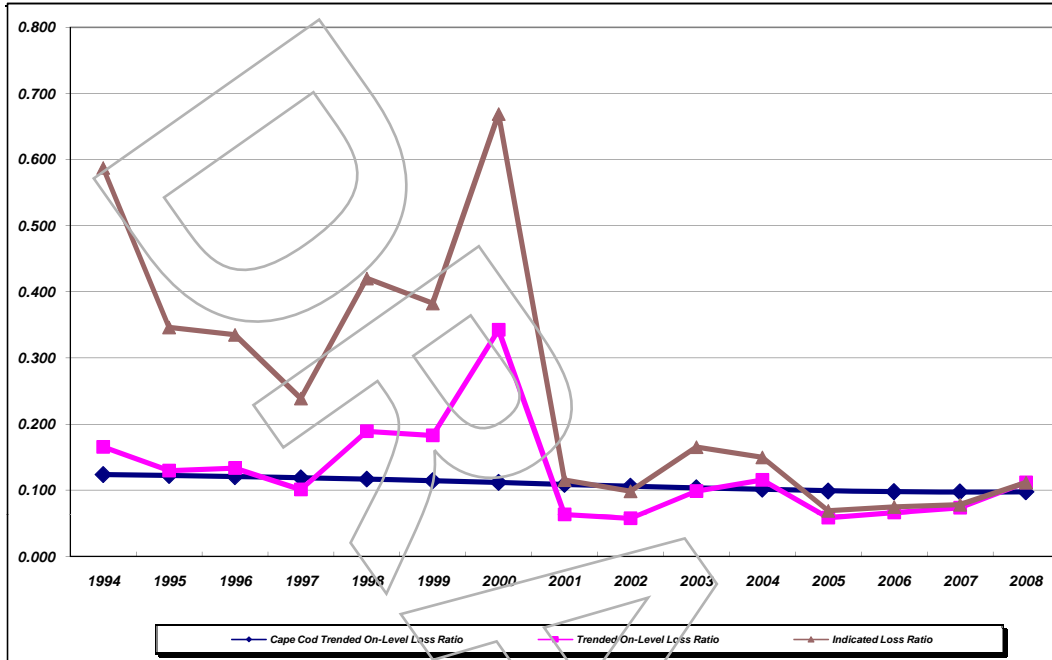
- Notes:
- (2), (3) from Appendix C, Sheet 3.
  - (4) From Appendix G, Sheet 1, Col. (3).
  - (5) (2) x (3) / (4)
  - (6) From Appendix G, Sheet 8.
  - (7) From Appendix G, Sheet 7.
  - (8) Based on NCCI 1-1-08 approved trend.
  - (9) (6) x (7) x (8)
  - (10) (5) x (9)
  - (11) Cape Cod Formula Loss Ratio.
  - (12) (11) / (9) x (4) x [1 - 1/(3)] + (2)

Florida Workers' Compensation Joint Underwriting Association

Appendix C, Sheet 6b

PAID LOSS RATIO CAPE COD METHOD GRAPH

Net Indemnity



Notes: Cape Cod Loss Ratio from Appendix C, Sheet 6a, Col. (11).  
Trended On-Level Loss Ratio from Appendix C, Sheet 6a, Col. (10).  
Indicated Loss Ratio from Appendix C, Sheet 6a, Col. (5).

Florida Workers' Compensation Joint Underwriting Association

Appendix C, Sheet 7a

INCURRED LOSS DEVELOPMENT

Net Indemnity

Accident Year	Months of Development																													
	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126	132	138	144	150	156	162	168	174	
1994	1,276	6,378	7,188	7,387	8,777	10,516	10,497	10,134	10,021	10,499	10,830	11,179	11,182	11,078	11,176	11,093	11,103	11,062	11,056	11,012	11,155	11,139	11,148	11,153	11,167	11,167	11,153	11,153	11,192	
1995	3,057	7,216	9,713	10,679	11,554	11,419	11,743	11,878	11,992	12,594	12,480	12,414	12,524	12,341	12,390	12,496	12,470	12,701	12,722	12,772	12,748	12,708	12,657	12,582	12,575	12,576	12,576			
1996	1,654	5,231	6,316	6,085	6,755	6,659	7,075	6,755	7,276	7,339	7,228	7,115	7,096	7,141	7,125	7,083	7,152	7,170	7,157	7,787	7,049	7,052	7,057	7,029	7,031					
1997	942	1,577	2,171	2,440	2,563	2,482	2,304	2,231	2,207	2,180	2,101	2,095	2,104	2,104	2,130	2,129	2,129	2,129	2,134	2,131	2,121	2,121	2,121							
1998	695	1,425	1,740	1,877	2,024	2,164	2,251	2,310	2,291	2,292	2,256	2,175	2,176	2,164	2,166	2,153	2,148	2,148	2,174	2,174	2,175									
1999	232	381	464	466	504	584	570	612	607	686	685	682	684	689	689	640	637	630	654											
2000	321	618	701	598	588	618	644	695	877	876	876	876	876	876	876	876	876	876												
2001	140	415	355	366	361	361	360	357	400	415	384	384	384	384	384															
2002	124	325	413	450	512	536	573	568	568	546	532	525	530																	
2003	393	1,433	2,194	2,466	2,327	2,555	2,923	2,855	3,514	3,445	3,459																			
2004	1,298	3,529	3,898	4,524	5,025	5,200	5,164	5,266	5,251																					
2005	611	1,438	1,937	2,050	2,157	2,224	2,254																							
2006	965	1,305	1,432	1,510	1,617																									
2007	314	435	606																											
2008	80																													

Accident Year	Months of Development																													
	6-12	12-18	18-24	24-30	30-36	36-42	42-48	48-54	54-60	60-66	66-72	72-78	78-84	84-90	90-96	96-102	102-108	108-114	114-120	120-126	126-132	132-138	138-144	144-150	150-156	156-162	162-168	168-174	174-Ult	
1994	4.996	1.127	1.028	1.188	1.198	0.998	0.965	0.989	1.048	1.032	1.032	1.000	0.991	1.009	0.993	1.001	0.996	1.000	0.996	1.013	0.999	1.001	1.000	1.001	1.000	0.999	1.000	1.004	1.004	
1995	2.360	1.346	1.099	1.082	0.988	1.028	1.011	1.010	1.050	0.991	0.995	1.009	0.985	1.004	1.009	0.998	1.019	1.002	1.004	0.998	0.997	0.996	0.994	0.999	1.000	1.000				
1996	3.163	1.208	0.963	1.110	0.986	1.062	0.955	1.077	1.009	0.985	0.984	0.997	1.006	0.998	0.994	1.010	1.003	0.998	1.088	0.905	1.000	1.001	0.996	1.000						
1997	1.674	1.377	1.124	1.050	0.968	0.928	0.969	0.989	0.988	0.964	0.997	1.004	1.006	1.012	1.000	1.000	1.000	1.002	0.999	0.995	1.000	1.000								
1998	2.049	1.221	1.079	1.078	1.069	1.040	1.026	0.992	1.001	0.984	0.964	1.000	0.995	1.001	0.994	0.997	1.000	1.012	1.000	1.000										
1999	1.644	1.218	1.006	1.081	1.158	0.976	1.074	0.992	1.129	0.999	0.996	1.002	1.008	1.000	0.928	0.996	0.988	1.039												
2000	1.921	1.135	0.854	0.982	1.052	1.042	1.079	1.263	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000														
2001	2.969	0.855	1.031	0.986	1.000	0.997	0.992	1.120	1.038	0.926	1.000	1.000	1.000	1.000																
2002	2.619	1.269	1.091	1.137	1.048	1.067	0.991	1.000	0.963	0.974	0.986	1.010																		
2003	3.650	1.532	1.124	1.025	1.011	1.144	0.977	1.231	0.980	1.004																				
2004	2.717	1.105	1.161	1.111	1.035	0.991	1.022	0.997																						
2005	2.355	1.347	1.058	1.052	1.031	1.014																								
2006	1.352	1.097	1.055	1.071																										
2007	1.383	1.394																												
2008																														
Average	2.490	1.231	1.052	1.073	1.045	1.024	1.006	1.060	1.020	0.986	0.995	1.003	0.998	1.003	0.988	1.000	1.001	1.009	1.017	0.982	0.999	0.999	0.997	1.000	1.000	0.999	1.000	1.004	1.004	
Column Avg	2.637	1.234	1.062	1.099	1.045	1.023	0.990	1.031	1.028	0.999	1.002	1.003	0.993	1.004	0.998	1.001	1.006	1.002	1.018	0.982	0.998	0.999	0.997	1.000	1.000	0.999	1.000	1.004	1.004	
Trimmed Avg	2.375	1.237	1.060	1.071	1.038	1.022	1.003	1.045	1.014	0.988	0.994	1.002	0.999	1.002	0.996	0.999	1.000	1.004	1.001	0.998	0.998	1.000	0.996	1.000						
Weighted Avg	2.326	1.239	1.059	1.068	1.041	1.028	1.008	1.070	1.015	0.984	0.994	1.003	0.999	1.002	0.986	1.000	1.000	1.011	1.017	0.982	0.999	0.999	0.997	1.000	1.000	0.999	1.000	1.004	1.004	
Average Last 3	1.697	1.279	1.091	1.078	1.026	1.050	0.997	1.076	0.994	0.968	0.995	1.003	1.003	1.000	0.974	0.998	0.996	1.018	1.029	0.967	0.998	0.999	0.997	1.000	1.000	0.999	1.000	1.004	1.004	
Wght Avg Last 3	1.663	1.281	1.088	1.076	1.026	1.045	0.998	1.076	0.992	0.971	0.995	1.004	1.002	1.000	0.974	0.998	0.996	1.019	1.026	0.970	0.999	0.999	0.997	1.000	1.000	0.999	1.000	1.004	1.004	
Col Avg Last 3	1.682	1.251	1.112	1.088	1.028	1.035	1.004	1.074	0.983	0.993	0.996	1.003	1.003	1.000	0.983	0.998	0.998	1.011	1.055	0.938	0.998	0.998	0.997	1.000	1.000	0.999	1.000	1.004	1.004	
Avg of Averages	2.124	1.250	1.075	1.079	1.036	1.032	1.001	1.062	1.007	0.984	0.996	1.003	1.000	1.002	0.986	0.999	0.999	1.011	1.023	0.974	0.999	0.999	0.997	1.000	1.000	0.999	1.000	1.004	1.004	
Prior Selected	2.000	1.200	1.125	1.100	1.075	1.065	1.060	1.050	1.025	1.005	1.005	1.004	1.004	1.004	1.003	1.003	1.002	1.002	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	
Selected	2.000	1.250	1.125	1.100	1.075	1.065	1.060	1.050	1.025	1.005	1.005	1.004	1.004	1.004	1.003	1.003	1.002	1.002	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	
Cumulative	4.326	2.163	1.730	1.538	1.398	1.301	1.221	1.152	1.097	1.071	1.065	1.060	1.056	1.051	1.047	1.044	1.041	1.039	1.037	1.035	1.033	1.031	1.030	1.029	1.028	1.027	1.026	1.025	1.023	

Notes: Dollar amounts are in thousands.  
Data provided by FWCUA.

Florida Workers' Compensation Joint Underwriting Association

Appendix C, Sheet 7b

PAID LOSS DEVELOPMENT

Net Indemnity

Accident Year	Months of Development																												
	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126	132	138	144	150	156	162	168	174
1994	137	1,075	2,194	3,453	4,608	6,077	7,638	8,210	8,665	9,210	9,551	9,544	9,696	9,934	10,327	10,636	10,980	10,824	10,852	10,867	10,896	10,919	10,929	10,950	10,967	10,978	10,958	10,968	11,005
1995	469	1,590	2,826	4,464	6,001	7,545	9,468	10,483	10,967	11,541	11,686	11,760	11,900	12,101	12,176	12,261	12,250	12,360	12,454	12,414	12,417	12,439	12,464	12,410	12,424	12,441	12,456	.	.
1996	261	1,027	1,734	2,527	3,673	4,255	4,571	5,544	5,988	6,470	6,710	6,998	7,005	7,050	7,059	7,020	7,019	7,037	7,023	7,014	7,018	7,021	7,026	7,029	7,031	.	.	.	.
1997	117	438	762	1,052	1,241	1,723	1,808	1,946	2,055	2,060	2,070	2,090	2,091	2,091	2,127	2,126	2,126	2,126	2,126	2,121	2,121	2,121	2,121	.	.	.	.	.	.
1998	93	315	674	965	1,255	1,512	1,636	1,860	1,875	1,921	1,893	1,950	1,959	1,967	1,975	1,983	1,991	2,000	2,009	2,018	2,026	.	.	.	.	.	.	.	.
1999	38	96	178	240	289	460	482	534	544	615	632	633	639	645	653	640	637	630	654	.	.	.	.	.	.	.	.	.	.
2000	39	112	211	357	456	540	631	632	677	876	876	876	876	876	876	876	876	876	.	.	.	.	.	.	.	.	.	.	.
2001	12	64	101	202	228	232	236	240	244	294	319	323	327	331	335	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2002	34	109	242	360	421	495	509	510	513	514	522	515	520	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2003	70	425	1,137	1,716	2,024	2,190	2,429	2,454	2,751	2,771	2,787	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2004	218	903	1,765	2,432	3,252	3,621	3,947	4,170	4,207	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2005	126	454	862	1,519	1,746	1,879	1,980	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2006	165	462	847	1,155	1,263	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2007	59	271	385	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2008	33	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.

Accident Year	Months of Development																												
	6-12	12-18	18-24	24-30	30-36	36-42	42-48	48-54	54-60	60-66	66-72	72-78	78-84	84-90	90-96	96-102	102-108	108-114	114-120	120-126	126-132	132-138	138-144	144-150	150-156	156-162	162-168	168-174	174-Ult
1994	7.845	2.041	1.574	1.334	1.319	1.257	1.075	1.063	1.037	0.999	1.016	1.025	1.039	1.030	1.032	0.986	1.003	1.001	1.003	1.002	1.001	1.002	1.001	1.001	1.001	1.001	0.998	1.001	1.003
1995	3.393	1.778	1.579	1.344	1.257	1.254	1.108	1.046	1.052	1.013	1.006	1.012	1.017	1.006	1.007	0.999	1.009	1.008	0.997	1.000	1.002	1.002	0.996	1.001	1.001	1.001	.	.	.
1996	3.933	1.689	1.457	1.454	1.158	1.074	1.213	1.080	1.081	1.037	1.043	1.001	1.006	1.001	0.995	1.000	1.003	0.998	0.999	1.000	1.000	1.001	1.000	1.000	.	.	.	.	.
1997	3.740	1.740	1.381	1.179	1.389	1.049	1.077	1.056	1.002	1.005	1.010	1.000	1.060	1.017	1.000	1.000	1.000	1.000	0.997	1.000	1.000	1.000	.	.	.	.	.	.	.
1998	3.396	2.141	1.431	1.301	1.204	1.082	1.137	1.008	1.025	0.986	1.030	1.005	1.004	1.004	1.004	1.004	1.004	1.005	1.005	1.004	.	.	.	.	.	.	.	.	.
1999	2.552	1.856	1.345	1.207	1.589	1.048	1.109	1.019	1.129	1.028	1.003	1.009	1.010	1.012	0.979	0.996	0.988	1.039	.	.	.	.	.	.	.	.	.	.	.
2000	2.868	1.885	1.693	1.275	1.184	1.169	1.002	1.387	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	.	.	.	.	.	.	.	.	.	.	.	.	.
2001	5.462	1.578	1.994	1.126	1.018	1.018	1.018	1.017	1.205	1.084	1.013	1.013	1.013	1.012	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2002	3.198	2.231	1.488	1.169	1.176	1.027	1.002	1.006	1.002	1.017	0.986	1.010	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2003	6.039	2.678	1.509	1.180	1.082	1.109	1.010	1.121	1.007	1.006	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2004	4.132	1.955	1.378	1.337	1.114	1.090	1.057	1.009	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2005	3.600	1.897	1.763	1.150	1.076	1.053	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2006	2.803	1.833	1.364	1.093	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2007	4.576	1.421	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2008	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Average	4.110	1.909	1.535	1.242	1.214	1.103	1.073	1.073	1.056	1.021	1.010	1.007	1.009	1.012	1.002	1.005	0.998	1.009	1.000	1.001	1.001	1.001	0.999	1.001	1.001	1.000	1.001	1.001	1.003
Column Avg	3.994	1.896	1.510	1.294	1.212	1.157	1.097	1.057	1.052	1.021	1.013	1.009	1.015	1.015	1.010	1.010	0.999	1.004	0.999	1.001	1.001	1.001	0.999	1.001	1.001	1.001	1.001	1.001	1.003
Trimmed Avg	3.928	1.885	1.511	1.237	1.196	1.096	1.066	1.046	1.045	1.018	1.009	1.007	1.008	1.009	1.001	1.001	0.999	1.004	0.999	1.001	1.001	1.001	1.001	1.000	1.001	.	.	.	.
Weighted Avg	4.027	1.897	1.537	1.217	1.184	1.089	1.061	1.073	1.055	1.021	1.008	1.007	1.008	1.010	1.000	1.005	0.998	1.010	1.000	1.001	1.001	1.001	1.001	0.999	1.001	1.001	1.001	1.001	1.003
Average Last 3	3.660	1.717	1.502	1.193	1.090	1.084	1.023	1.045	1.071	1.035	1.000	1.008	1.007	1.008	0.995	1.000	0.997	1.015	1.000	1.001	1.001	1.001	0.999	1.001	1.001	1.001	1.001	1.001	1.003
Wght Avg Last 3	3.696	1.700	1.501	1.185	1.090	1.082	1.025	1.045	1.065	1.033	0.999	1.008	1.008	1.008	0.994	1.000	0.997	1.016	1.000	1.002	1.001	1.001	0.999	1.001	1.001	1.001	1.001	1.001	1.003
Col Avg Last 3	3.390	1.763	1.470	1.226	1.095	1.087	1.036	1.047	1.020	1.014	0.998	1.005	1.006	1.006	0.998	1.002	1.000	1.007	1.000	1.001	1.001	1.001	0.999	1.001	1.001	1.001	1.001	1.001	1.003
Avg of Averages	3.829	1.824	1.509	1.228	1.154	1.100	1.054	1.055	1.052	1.023	1.005	1.007	1.009	1.010	1.000	1.003	0.998	1.009	1.000	1.001	1.001	1.001	0.999	1.001	1.001	1.001	1.001	1.001	1.003
Prior Selected	3.500	1.900	1.535	1.250	1.190	1.095	1.065	1.055	1.050	1.025	1.010	1.010	1.010	1.005	1.003	1.003	1.002	1.002	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
Selected	3.500	1.900	1.535	1.250	1.190	1.095	1.065	1.055	1.050	1.025	1.010	1.010	1.010	1.010	1.005	1.005	1.003	1.003	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
Cumulative	22.472	6.420	3.379	2.201	1.761	1.480	1.352	1.269	1.203	1.146	1.118	1.107	1.096	1.085	1.074	1.069	1.063	1.060	1.057	1.055	1.053	1.051	1.049	1.048	1.047	1.046	1.045	1.044	1.043

Notes: Dollar amounts are in thousands.  
Data provided by FWCJUA

**Florida Workers' Compensation Joint Underwriting Association**

Appendix D, Sheet 1

SELECTION OF ULTIMATE LIMITED LOSSES

Net Medical

Accident Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Development Methods			B-F Methods		CC Methods		Selected Ultimate Losses
	Paid Loss	Incurred Loss	Reserve	Paid Loss	Incurred Loss	Paid Loss	Incurred Loss	
1994	\$10,053	\$10,159	\$10,848	\$9,987	\$10,097	\$9,948	\$10,060	\$10,100
1995	12,948	12,922	12,752	12,975	12,948	12,909	12,885	12,900
1996	8,145	8,084	7,662	8,121	8,066	8,077	8,025	8,100
1997	3,015	2,992	2,830	3,028	3,005	3,007	2,985	3,000
1998	2,427	2,443	2,563	2,383	2,403	2,369	2,390	2,400
1999	933	925	869	910	906	904	900	910
2000	1,091	1,077	1,007	1,042	1,037	1,037	1,032	1,100
2001	529	520	483	571	555	555	542	600
2002	979	1,185	1,854	1,071	1,240	1,031	1,209	1,200
2003	3,963	4,204	4,627	4,309	4,414	4,113	4,282	4,200
2004	9,853	10,250	10,826	10,089	10,357	9,626	10,058	10,200
2005	7,244	7,693	8,284	8,504	8,423	7,740	7,931	8,000
2006	4,484	4,207	3,950	6,302	5,327	5,396	4,779	5,300
2007	2,583	2,285	2,139	4,079	3,132	3,294	2,714	3,200
2008	664	854	948	1,925	1,713	1,422	1,303	1,500
<b>Total</b>	<b>\$68,911</b>	<b>\$69,800</b>	<b>\$71,642</b>	<b>\$75,297</b>	<b>\$73,624</b>	<b>\$71,429</b>	<b>\$71,094</b>	<b>\$72,710</b>

Notes: Dollar amounts are in thousands.

- (1) From Appendix D, Sheet 3, Col. (3).
- (2) From Appendix D, Sheet 3, Col. (6).
- (3) From Appendix D, Sheet 2, Col (6).
- (4) From Appendix D, Sheets 4b, Col. (6).
- (5) From Appendix D, Sheets 4b, Col. (7).
- (6) From Appendix D, Sheets 6a, Col. (12).
- (7) From Appendix D, Sheets 5a, Col. (12).
- (8) Selected judgmentally.

**Florida Workers' Compensation Joint Underwriting Association**

Appendix D, Sheet 2

PROJECTION OF ULTIMATE LOSSES BASED ON RESERVE DEVELOPMENT

Net Medical

	(1)	(2)	(3)	(4)	(5)	(6)
Accident Year	Cumulative Paid Losses @06/30/08	Case Reserves @06/30/08	Cumulative Paid Development Factor	Cumulative Incurred Development Factor	Cumulative Development Factor	Estimated Ultimate Losses (2)x(5)+(1)
1994	\$9,495	\$173	1.059	1.051	7.827	\$10,848
1995	12,205	68	1.061	1.053	8.109	12,752
1996	7,662	0	1.063	1.055	8.392	7,662
1997	2,830	0	1.065	1.057	8.675	2,830
1998	2,272	32	1.068	1.060	9.101	2,563
1999	869	0	1.074	1.065	8.654	869
2000	1,007	0	1.084	1.070	6.469	1,007
2001	483	0	1.095	1.076	5.569	483
2002	881	211	1.111	1.085	4.613	1,854
2003	3,445	391	1.150	1.096	3.024	4,627
2004	8,152	972	1.209	1.123	2.752	10,826
2005	5,542	1,007	1.307	1.175	2.721	8,284
2006	2,942	418	1.524	1.252	2.413	3,950
2007	1,210	453	2.134	1.374	2.050	2,139
2008	91	186	7.271	3.078	4.602	948
<b>Total</b>	<b>\$59,086</b>	<b>\$3,910</b>				<b>\$71,642</b>

- Notes: Dollar amounts are in thousands.
- (1) From Appendix D, Sheet 3, Col. (1).
  - (2) From Appendix D, Sheet 3, Col. (4) - Col. (1).
  - (3) From Appendix D, Sheet 3, Col (2).
  - (4) From Appendix D, Sheet 3, Col (5).
  - (5)  $(1-1/(3))/(1/(4)-1/(3))$



**Florida Workers' Compensation Joint Underwriting Association**

Appendix D, Sheet 3

PROJECTION OF ULTIMATE LOSSES BASED ON LOSS DEVELOPMENT

Net Medical

Accident Year	(1)	(2)	(3)	(4)	(5)	(6)
	Cumulative Paid Losses @06/30/08	Cumulative Paid Development Factor	Estimated Ultimate Paid Losses (1)x(2)	Cumulative Incurred Losses @06/30/08	Cumulative Incurred Development Factor	Estimated Ultimate Incurred Losses (4)x(5)
1994	\$9,495	1.059	\$10,053	\$9,667	1.051	\$10,159
1995	12,205	1.061	12,948	12,272	1.053	12,922
1996	7,662	1.063	8,145	7,662	1.055	8,084
1997	2,830	1.065	3,015	2,830	1.057	2,992
1998	2,272	1.068	2,427	2,304	1.060	2,443
1999	869	1.074	933	869	1.065	925
2000	1,007	1.084	1,091	1,007	1.070	1,077
2001	483	1.095	529	483	1.076	520
2002	881	1.111	979	1,092	1.085	1,185
2003	3,445	1.150	3,963	3,836	1.096	4,204
2004	8,152	1.209	9,853	9,124	1.123	10,250
2005	5,542	1.307	7,244	6,549	1.175	7,693
2006	2,942	1.524	4,484	3,360	1.252	4,207
2007	1,210	2.134	2,583	1,663	1.374	2,285
2008	91	7.271	664	278	3.078	854
<b>Total</b>	<b>\$59,086</b>		<b>\$68,911</b>	<b>\$62,996</b>		<b>\$69,800</b>

Notes: Dollar amounts are in thousands.

(1), (2) From Appendix D, Sheet 7b.

(4), (5) From Appendix D, Sheet 7a.

**Florida Workers' Compensation Joint Underwriting Association**

Appendix D, Sheet 4a

SELECTION OF BORNHUETTER FERGUSON METHOD EXPECTED LOSSES

Net Medical

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Accident Year	On-Level Collectible EP	Development Method Ultimate Paid	Development Method Ultimate Incurred	Trend Factor -1.5%	Retention Level Factor	Benefit On-Level Factor	Trended Loss Ratio	Detrended Loss Ratio	B-F Expected Losses (1) x (8)
1994	\$19,535	\$10,053	\$10,159	0.809	0.882	0.987	0.365	0.454	\$8,872
1995	37,571	12,948	12,922	0.822	1.104	0.987	0.308	0.357	13,431
1996	21,971	8,145	8,084	0.834	1.104	0.987	0.336	0.352	7,737
1997	9,322	3,015	2,992	0.847	1.104	0.987	0.297	0.347	3,233
1998	5,069	2,427	2,443	0.860	1.104	0.987	0.450	0.342	1,732
1999	1,808	933	925	0.873	1.104	0.987	0.489	0.337	608
2000	1,392	1,091	1,077	0.886	1.104	0.987	0.752	0.331	461
2001	3,116	529	520	0.900	1.104	0.984	0.164	0.327	1,020
2002	5,783	979	1,185	0.913	1.104	0.969	0.183	0.328	1,894
2003	18,831	3,963	4,204	0.927	1.000	0.984	0.198	0.351	6,605
2004	33,775	9,853	10,250	0.941	1.012	1.011	0.287	0.332	11,223
2005	38,732	7,244	7,693	0.956	1.039	0.990	0.190	0.325	12,607
2006	29,720							0.329	9,771
2007	16,673					Average:	0.335	0.324	5,398
2008	6,643					Column Average	0.273	0.320	2,126
						Selected 2008 Level Loss Ratio:	0.320		
<b>Total</b>	<b>\$249,941</b>								<b>\$86,720</b>

- Notes:
- Dollar amounts are in thousands.
  - (1) From Appendix G, Sheet 1, Col. (3).
  - (2) From Appendix D, Sheet 3, Col. (3).
  - (3) From Appendix D, Sheet 3, Col. (6).
  - (4)  $(1 + \text{Trend Factor})^{(2008 - \text{Accident Year})}$
  - (5) From Appendix G, Sheet 8
  - (6) From Appendix G, Sheet 7.
  - (7)  $((2) + (3)) / 2.0 \times (4) \times (5) \times (6) / (1)$
  - (8)  $(\text{Selected 2008 Level Loss Ratio}) / [(4) \times (5) \times (6)]$

**Florida Workers' Compensation Joint Underwriting Association**

Appendix D, Sheet 4b

PROJECTION OF ULTIMATE LOSSES BASED ON BORNHUETTER FERGUSON METHOD

Net Medical

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Expected	Cumulative Paid Losses @06/30/08	Cumulative Paid Development Factor	Cumulative Incurred Losses @06/30/08	Cumulative Incurred Development Factor	Paid B-F Ultimate	Incurred B-F Ultimate
Accident Year	Losses						
1994	\$8,872	\$9,495	1.059	\$9,667	1.051	\$9,987	\$10,097
1995	13,431	12,205	1.061	12,272	1.053	12,975	12,948
1996	7,737	7,662	1.063	7,662	1.055	8,121	8,066
1997	3,233	2,830	1.065	2,830	1.057	3,028	3,005
1998	1,732	2,272	1.068	2,304	1.060	2,383	2,403
1999	608	869	1.074	869	1.065	910	906
2000	461	1,007	1.084	1,007	1.070	1,042	1,037
2001	1,020	483	1.095	483	1.076	571	555
2002	1,894	881	1.111	1,092	1.085	1,071	1,240
2003	6,605	3,445	1.150	3,836	1.096	4,309	4,414
2004	11,223	8,152	1.209	9,124	1.123	10,089	10,357
2005	12,607	5,542	1.307	6,549	1.175	8,504	8,423
2006	9,771	2,942	1.524	3,360	1.252	6,302	5,327
2007	5,398	1,210	2.134	1,663	1.374	4,079	3,132
2008	2,126	91	7.271	278	3.078	1,925	1,713
<b>Total</b>	<b>\$86,720</b>	<b>\$59,086</b>		<b>\$62,996</b>		<b>\$75,297</b>	<b>\$73,624</b>

- Notes: Dollar amounts are in thousands.
- (1) From Appendix D, Sheet 4a, Col. (9).
  - (2) From Appendix D, Sheet 3, Col. (1).
  - (3) From Appendix D, Sheet 3, Col. (2).
  - (4) From Appendix D, Sheet 3, Col. (4).
  - (5) From Appendix D, Sheet 3, Col. (5).
  - (6) (2) + (1-1/(3)) x (1)
  - (7) (4) + (1-1/(5)) x (1)

Florida Workers' Compensation Joint Underwriting Association

Appendix D, Sheet 5a

INCURRED LOSS RATIO CAPE COD METHOD

Net Medical

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Accident Year	Cumulative Incurred Losses	Cumulative Incurred Loss Development Factor	On-Level Earned Premium	Indicated Loss Ratio	Retention Level Factor	Benefit On-Level Factor	Trend Factor	Composite Index Factor	Trended On-Level Loss Ratio	Cape Cod Trended On-Level Loss Ratio	Loss Ratio Cape Cod Ultimate Losses
1994	\$9,667	1.051	\$19,535	0.520	0.882	0.987	0.809	0.705	0.366	0.293	\$10,060
1995	12,272	1.053	37,571	0.344	1.104	0.987	0.822	0.895	0.308	0.290	12,885
1996	7,662	1.055	21,971	0.368	1.104	0.987	0.834	0.909	0.334	0.287	8,025
1997	2,830	1.057	9,322	0.321	1.104	0.987	0.847	0.923	0.296	0.283	2,985
1998	2,304	1.060	5,069	0.482	1.104	0.987	0.860	0.937	0.451	0.278	2,390
1999	869	1.065	1,808	0.511	1.104	0.987	0.873	0.951	0.486	0.272	900
2000	1,007	1.070	1,392	0.774	1.104	0.987	0.886	0.965	0.747	0.266	1,032
2001	483	1.076	3,116	0.167	1.104	0.984	0.900	0.977	0.163	0.259	542
2002	1,092	1.085	5,783	0.205	1.104	0.969	0.913	0.977	0.200	0.252	1,209
2003	3,836	1.096	18,831	0.223	1.000	0.984	0.927	0.912	0.204	0.247	4,282
2004	9,124	1.123	33,775	0.303	1.012	1.011	0.941	0.963	0.292	0.242	10,058
2005	6,549	1.175	38,732	0.199	1.039	0.990	0.956	0.983	0.195	0.236	7,931
2006	3,360	1.252	29,720	0.142	1.014	0.989	0.970	0.973	0.138	0.231	4,779
2007	1,663	1.374	16,673	0.137	1.010	0.993	0.985	0.988	0.135	0.229	2,714
2008	278	3.078	6,643	0.129	1.000	1.000	1.000	1.000	0.129	0.229	1,303
Totals	\$62,996		\$249,941								\$71,094

Selected Trend -0.015  
Selected Decay 0.900

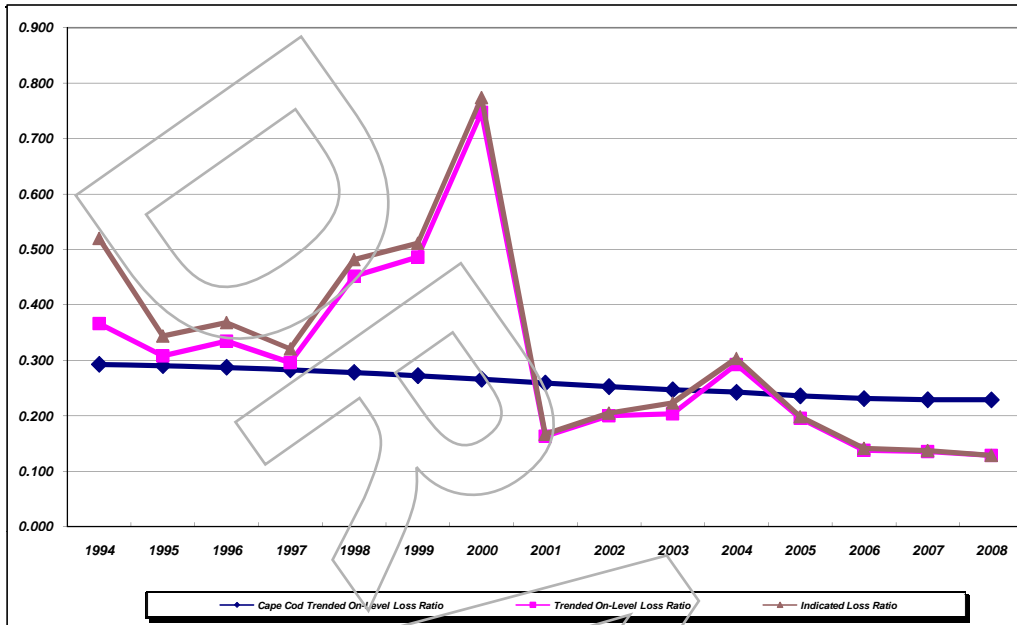
- Notes:
- (2), (3) from Appendix D, Sheet 3.
  - (4) From Appendix G, Sheet 1, Col. (3).
  - (5) (2) x (3) / (4)
  - (6) From Appendix G, Sheet 8.
  - (7) From Appendix G, Sheet 7.
  - (8) Based on NCCI 1-1-08 approved trend.
  - (9) (6) x (7) x (8)
  - (10) (5) x (9)
  - (11) Cape Cod Formula Loss Ratio.
  - (12) (11) / (9) x (4) x [1 - 1/(3)] + (2)

Florida Workers' Compensation Joint Underwriting Association

Appendix D, Sheet 5b

INCURRED LOSS RATIO CAPE COD METHOD GRAPH

Net Medical



Notes: Cape Cod Loss Ratio from Appendix D, Sheet 5a, Col. (11).  
Trended On-Level Loss Ratio from Appendix D, Sheet 5a, Col. (10).  
Indicated Loss Ratio from Appendix D, Sheet 5a, Col. (5).

**Florida Workers' Compensation Joint Underwriting Association**

Appendix D, Sheet 6a

**PAID LOSS RATIO CAPE COD METHOD**

Net Medical

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Accident Year	Cumulative Paid Losses	Cumulative Paid Loss Development Factor	On-Level Earned Premium	Indicated Loss Ratio	Retention Level Factor	Benefit On-Level Factor	Trend Factor	Composite Index Factor	Trended On-Level Loss Ratio	Cape Cod Trended On-Level Loss Ratio	Loss Ratio Cape Cod Ultimate Losses
1994	\$9,495	1.059	\$19,535	0.515	0.882	0.987	0.809	0.705	0.363	0.295	\$9,948
1995	12,205	1.061	37,571	0.345	1.104	0.987	0.822	0.895	0.308	0.292	12,909
1996	7,662	1.063	21,971	0.371	1.104	0.987	0.834	0.909	0.337	0.290	8,077
1997	2,830	1.065	9,322	0.323	1.104	0.987	0.847	0.923	0.298	0.285	3,007
1998	2,272	1.068	5,069	0.479	1.104	0.987	0.860	0.937	0.449	0.280	2,369
1999	869	1.074	1,808	0.516	1.104	0.987	0.873	0.951	0.491	0.274	904
2000	1,007	1.084	1,392	0.784	1.104	0.987	0.886	0.965	0.757	0.268	1,037
2001	483	1.095	3,116	0.170	1.104	0.984	0.900	0.977	0.166	0.260	555
2002	881	1.111	5,783	0.169	1.104	0.969	0.913	0.977	0.165	0.253	1,031
2003	3,445	1.150	18,831	0.210	1.000	0.984	0.927	0.912	0.192	0.248	4,113
2004	8,152	1.209	33,775	0.292	1.012	1.011	0.941	0.963	0.281	0.243	9,626
2005	5,542	1.307	38,732	0.187	1.039	0.990	0.956	0.983	0.184	0.237	7,740
2006	2,942	1.524	29,720	0.151	1.014	0.989	0.970	0.973	0.147	0.234	5,396
2007	1,210	2.134	16,673	0.155	1.010	0.993	0.985	0.988	0.153	0.232	3,294
2008	91	7.271	6,643	0.100	1.000	1.000	1.000	1.000	0.100	0.232	1,422
<b>Totals</b>	<b>\$59,086</b>		<b>\$249,941</b>								<b>\$71,429</b>
	Selected Trend	-0.015									
	Selected Decay	0.900									

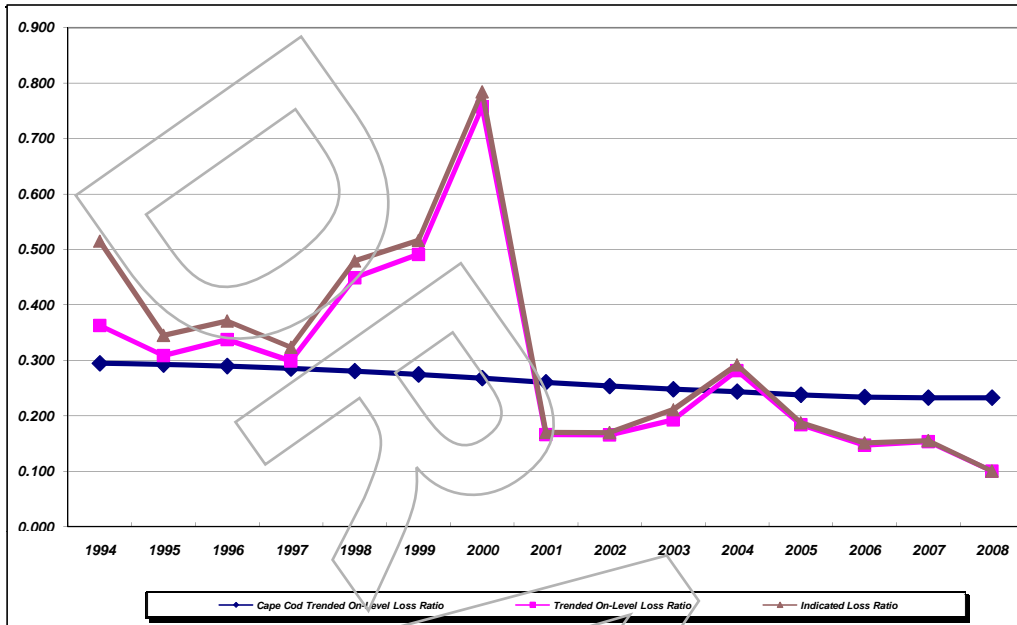
- Notes:
- (2), (3) from Appendix D, Sheet 3.
  - (4) From Appendix G, Sheet 1, Col. (3).
  - (5)  $(2) \times (3) / (4)$
  - (6) From Appendix G, Sheet 8.
  - (7) From Appendix G, Sheet 7.
  - (8) Based on NCCI 1-1-08 approved trend.
  - (9)  $(6) \times (7) \times (8)$
  - (10)  $(5) \times (9)$
  - (11) Cape Cod Formula Loss Ratio.
  - (12)  $(11) / (9) \times (4) \times [1 - 1/(3)] + (2)$

Florida Workers' Compensation Joint Underwriting Association

Appendix D, Sheet 6b

PAID LOSS RATIO CAPE COD METHOD GRAPH

Net Medical



Notes: Cape Cod Loss Ratio from Appendix D, Sheet 6a, Col. (11).  
Trended On-Level Loss Ratio from Appendix D, Sheet 6a, Col. (10).  
Indicated Loss Ratio from Appendix D, Sheet 6a, Col. (5).

Florida Workers' Compensation Joint Underwriting Association

Appendix D, Sheet 7a

INCURRED LOSS DEVELOPMENT

Net Medical

Accident Year	Months of Development																														
	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126	132	138	144	150	156	162	168	174		
1994	1,676	6,319	7,730	8,139	9,060	9,466	9,360	9,365	9,989	9,694	9,474	9,677	9,601	9,736	9,579	9,484	9,412	9,453	9,450	9,441	9,541	9,541	9,541	9,640	9,635	9,635	9,689	9,689	9,667		
1995	3,198	8,215	10,473	11,366	11,204	11,691	12,570	12,016	11,826	11,906	11,864	12,015	12,092	12,139	12,190	12,244	12,299	12,316	12,269	12,223	12,200	12,240	12,305	12,267	12,273	12,279	12,272				
1996	1,925	5,619	7,139	7,394	7,348	7,279	7,686	7,715	7,817	7,850	7,718	7,832	7,810	7,795	7,766	7,762	7,749	7,812	7,765	9,644	7,731	7,725	7,724	7,670	7,662						
1997	851	1,997	2,806	3,277	3,356	3,381	3,120	3,076	2,971	2,925	2,857	2,824	2,851	2,851	2,855	2,855	2,855	2,855	2,855	2,847	2,830	2,830	2,830								
1998	629	1,927	2,243	2,248	2,156	2,203	2,255	2,388	2,373	2,374	2,332	2,296	2,295	2,323	2,321	2,334	2,332	2,332	2,306	2,306	2,304										
1999	162	916	1,069	1,050	1,063	1,007	992	939	930	888	884	882	880	878	871	887	894	869													
2000	367	907	1,027	942	1,013	1,023	996	1,042	1,008	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007														
2001	201	584	442	470	477	477	477	464	515	518	483	483	483	483																	
2002	256	658	775	741	791	821	890	877	877	1,163	1,119	1,112	1,092																		
2003	515	2,140	3,051	3,514	3,617	3,590	3,798	3,715	3,840	3,838	3,836																				
2004	3,383	7,853	8,654	8,656	8,528	8,932	9,120	9,066	9,124																						
2005	2,561	5,579	6,315	6,103	6,829	6,822	6,549																								
2006	2,024	3,828	3,538	3,421	3,360																										
2007	952	1,543	1,663																												
2008	278																														

Accident Year	Months of Development																														
	6-12	12-18	18-24	24-30	30-36	36-42	42-48	48-54	54-60	60-66	66-72	72-78	78-84	84-90	90-96	96-102	102-108	108-114	114-120	120-126	126-132	132-138	138-144	144-150	150-156	156-162	162-168	168-174	174-Ult		
1994	3.770	1.223	1.053	1.113	1.045	0.989	1.022	1.044	0.970	0.977	1.021	0.992	1.014	0.984	0.990	0.992	1.004	1.000	0.999	1.011	1.000	1.000	1.010	1.000	1.000	1.006	1.000	0.998			
1995	2.569	1.275	1.085	0.986	1.043	1.075	0.956	0.984	1.007	0.996	1.013	1.006	1.004	1.004	1.004	1.005	1.001	0.996	0.996	0.998	1.003	1.005	0.997	1.001	1.001	0.999					
1996	2.919	1.270	1.036	0.994	0.991	1.056	1.004	1.013	1.004	0.983	1.015	0.997	0.998	0.996	1.000	0.998	1.008	0.994	1.242	0.802	0.999	1.000	0.993	0.999							
1997	2.346	1.405	1.168	1.024	1.007	0.923	0.986	0.966	0.985	0.977	0.989	1.010	1.006	1.001	1.000	1.000	1.000	1.000	0.997	0.994	1.000	1.000									
1998	3.064	1.164	1.002	0.959	1.022	1.024	1.059	0.994	1.000	0.982	0.984	1.000	1.012	0.999	1.006	0.999	1.000	0.989	1.000	0.999											
1999	5.659	1.167	0.981	1.013	0.947	0.985	0.947	0.991	0.954	0.996	0.998	0.998	0.997	0.993	1.019	0.999	1.008	0.972													
2000	2.474	1.132	0.917	1.076	1.009	0.973	1.047	0.967	0.999	0.999	1.000	1.000	1.000	1.000	1.000	1.000															
2001	2.906	0.757	1.063	1.015	1.000	1.000	0.973	1.111	1.006	0.932	1.000	1.000	1.000	1.000																	
2002	2.571	1.177	0.956	1.068	1.038	1.083	0.986	1.000	1.326	0.962	0.994	0.982																			
2003	4.156	1.425	1.152	1.029	0.993	1.058	0.978	1.034	1.000	0.999																					
2004	2.322	1.102	1.000	0.985	1.047	1.021	0.994	1.006																							
2005	2.179	1.132	0.967	1.119	0.999	0.960																									
2006	1.891	0.924	0.967	0.982																											
2007	1.621	1.078																													
2008																															
Average	2.889	1.159	1.027	1.028	1.012	1.012	0.996	1.010	1.025	0.980	1.002	0.998	1.003	0.997	1.003	0.999	1.004	0.992	1.047	0.961	1.001	1.001	1.000	1.000	1.000	1.003	1.000	0.998			
Column Avg	2.571	1.184	1.037	1.026	1.023	1.020	0.992	1.008	1.000	0.986	1.010	1.000	1.005	0.996	1.000	0.999	1.004	0.996	1.052	0.949	1.001	1.002	1.000	1.000	1.000	1.002	1.000	0.998			
Trimmed Avg	2.764	1.171	1.024	1.026	1.015	1.014	0.994	1.004	0.996	0.984	1.001	0.999	1.002	0.998	1.002	0.999	1.003	0.995	0.999	0.997	1.000	1.000	0.997	1.000							
Weighted Avg	2.696	1.130	1.017	1.029	1.011	1.012	0.994	1.013	1.039	0.979	1.000	0.997	1.002	0.998	1.004	0.999	1.004	0.990	1.046	0.961	1.001	1.001	0.999	1.000	1.000	1.002	1.000	0.998			
Average Last 3	1.897	1.045	0.978	1.029	1.013	1.013	0.986	1.013	1.111	0.964	0.998	0.994	0.999	0.998	1.008	0.999	1.003	0.987	1.080	0.932	1.001	1.002	1.000	1.000	1.000	1.003	1.000	0.998			
Wght Avg Last 3	1.877	1.043	0.977	1.028	1.013	1.010	0.986	1.014	1.110	0.967	0.998	0.993	0.999	0.998	1.008	0.999	1.003	0.986	1.071	0.938	1.001	1.002	0.999	1.000	1.000	1.002	1.000	0.998			
Col Avg Last 3	1.978	1.052	0.982	1.030	1.019	1.006	0.989	1.013	1.055	0.985	0.997	0.992	0.999	0.997	1.007	0.999	1.001	0.992	1.145	0.869	1.002	1.003	1.000	1.000	1.000	1.002	1.000	0.998			
Avg of Averages	2.382	1.112	1.006	1.028	1.015	1.012	0.991	1.011	1.048	0.978	1.001	0.996	1.001	0.997	1.004	0.999	1.003	0.991	1.063	0.944	1.001	1.001	0.999	1.000	1.000	1.002	1.000	0.998			
Prior Selected	2.000	1.120	1.050	1.045	1.035	1.030	1.025	1.020	1.015	1.010	1.005	1.005	1.004	1.004	1.003	1.003	1.003	1.002	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001			
Selected	2.000	1.120	1.050	1.045	1.035	1.030	1.025	1.020	1.015	1.010	1.005	1.005	1.004	1.004	1.003	1.003	1.003	1.002	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001			
Cumulative	3.078	1.539	1.374	1.308	1.252	1.210	1.175	1.146	1.123	1.107	1.096	1.090	1.085	1.081	1.076	1.073	1.070	1.067	1.065	1.063	1.060	1.058	1.057	1.056	1.055	1.054	1.053	1.052	1.051		

Notes: Dollar amounts are in thousands.  
Data provided by FWC JUA.



Florida Workers' Compensation Joint Underwriting Association

Appendix D, Sheet 7b

PAID LOSS DEVELOPMENT

Net Medical

Accident Year	Months of Development																												
	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126	132	138	144	150	156	162	168	174
1994	261	1,769	4,140	5,463	6,501	7,463	8,256	8,760	8,744	9,124	9,116	9,276	9,114	9,393	9,223	9,279	9,322	9,360	9,364	9,372	9,425	9,432	9,437	9,446	9,456	9,462	9,467	9,472	9,495
1995	900	3,454	5,586	7,017	8,163	9,396	10,571	11,115	11,210	11,430	11,587	11,689	11,810	12,036	12,101	12,161	12,138	12,257	12,234	12,210	12,193	12,198	12,208	12,178	12,185	12,193	12,205		
1996	501	2,426	3,599	4,394	5,105	5,715	6,177	6,750	7,088	7,422	7,439	7,681	7,689	7,685	7,684	7,683	7,688	7,729	7,691	7,686	7,683	7,677	7,675	7,670	7,662				
1997	237	877	1,445	1,808	2,117	2,515	2,614	2,748	2,810	2,806	2,805	2,818	2,822	2,822	2,842	2,842	2,842	2,842	2,842	2,830	2,830	2,830	2,830	2,830					
1998	127	750	1,065	1,390	1,649	1,893	1,960	2,142	2,163	2,200	2,178	2,242	2,246	2,259	2,260	2,262	2,265	2,269	2,270	2,272	2,272								
1999	29	365	719	747	788	797	806	877	881	884	884	882	880	876	871	887	887	894	869										
2000	45	319	489	638	866	930	939	976	1,008	1,007	1,007	1,007	1,007	1,007	1,007	1,007													
2001	45	154	298	400	410	411	412	416	418	469	483	483	483	483															
2002	66	292	556	669	719	770	782	793	801	815	832	836	881																
2003	192	822	1,864	2,556	2,904	3,085	3,333	3,394	3,437	3,446	3,445																		
2004	744	3,704	5,402	6,388	6,983	7,466	8,011	8,111	8,152																				
2005	1,207	2,790	3,872	4,788	5,191	5,397	5,542																						
2006	537	1,730	2,365	2,808	2,942																								
2007	537	893	1,210																										
2008	91																												

Accident Year	Months of Development																													
	6-12	12-18	18-24	24-30	30-36	36-42	42-48	48-54	54-60	60-66	66-72	72-78	78-84	84-90	90-96	96-102	102-108	108-114	114-120	120-126	126-132	132-138	138-144	144-150	150-156	156-162	162-168	168-174	174-Ult	
1994	6.789	2.340	1.320	1.190	1.148	1.106	1.061	0.998	1.043	0.999	1.018	0.983	1.031	0.982	1.006	1.005	1.004	1.000	1.001	1.006	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.002	
1995	3.840	1.617	1.256	1.163	1.151	1.125	1.052	1.009	1.020	1.014	1.009	1.010	1.019	1.005	1.005	0.998	1.010	0.998	0.998	0.999	1.000	1.001	0.998	1.001	0.998	1.001	1.001	1.001		
1996	4.846	1.484	1.221	1.161	1.120	1.081	1.093	1.050	1.047	1.002	1.032	1.001	0.999	1.000	1.000	1.001	1.005	0.995	0.999	1.000	0.999	1.000	0.999	1.000	0.999	0.999				
1997	3.695	1.648	1.251	1.171	1.188	1.039	1.051	1.023	0.999	1.000	1.005	1.001	1.000	1.007	1.000	1.000	1.000	1.000	0.996	1.000	1.000	1.000								
1998	5.907	1.420	1.305	1.186	1.148	1.035	1.093	1.010	1.017	0.990	1.030	1.002	1.006	1.000	1.001	1.001	1.002	1.001	1.001	1.000										
1999	12.437	1.971	1.039	1.054	1.011	1.011	1.089	1.004	1.003	1.000	0.998	0.998	0.996	0.994	1.019	0.999	1.008	0.972												
2000	7.033	1.534	1.303	1.357	1.074	1.010	1.039	1.033	0.999	0.999	1.000	1.000	1.000	1.000	1.000	1.000														
2001	3.425	1.938	1.342	1.024	1.003	1.002	1.009	1.006	1.099	1.050	1.006	1.000	1.000	1.000																
2002	4.387	1.908	1.203	1.074	1.071	1.016	1.014	1.010	1.018	1.021	1.004	1.054																		
2003	4.284	2.268	1.371	1.136	1.063	1.080	1.018	1.013	1.003	1.000																				
2004	4.978	1.458	1.183	1.093	1.069	1.074	1.012	1.005																						
2005	2.312	1.388	1.237	1.084	1.040	1.027																								
2006	3.108	1.367	1.187	1.048																										
2007	1.661	1.356																												
2008																														
Average	4.907	1.693	1.248	1.134	1.091	1.051	1.048	1.015	1.025	1.008	1.011	1.005	1.006	0.999	1.004	1.001	1.005	0.994	0.999	1.001	1.000	1.000	0.999	1.000	1.001	1.001	1.001	1.001	1.002	
Column Avg	3.734	1.603	1.244	1.135	1.107	1.078	1.051	1.014	1.027	1.005	1.016	1.000	1.014	0.998	1.004	1.001	1.006	0.998	0.999	1.001	1.000	1.000	0.999	1.000	1.001	1.001	1.001	1.001	1.002	
Trimmed Avg	4.550	1.667	1.255	1.124	1.089	1.048	1.048	1.012	1.019	1.004	1.009	1.002	1.004	1.000	1.002	1.000	1.005	0.998	0.999	1.000	1.000	1.000	0.999	1.001						
Weighted Avg	4.383	1.639	1.243	1.118	1.077	1.045	1.041	1.014	1.024	1.009	1.009	1.008	1.004	0.999	1.004	1.005	1.005	0.993	0.999	1.001	1.000	1.000	0.999	1.000	1.001	1.001	1.001	1.001	1.002	
Average Last 3	2.360	1.370	1.202	1.075	1.057	1.060	1.015	1.009	1.040	1.024	1.002	1.018	0.999	0.998	1.006	1.000	1.003	0.991	0.999	1.000	1.000	1.000	0.999	1.000	1.001	1.001	1.001	1.001	1.002	
Wght Avg Last 3	2.336	1.369	1.202	1.073	1.056	1.058	1.015	1.009	1.037	1.022	1.002	1.020	0.999	0.998	1.006	1.000	1.004	0.990	0.999	1.000	1.000	1.000	0.999	1.000	1.001	1.001	1.001	1.001	1.002	
Col Avg Last 3	2.353	1.376	1.201	1.081	1.058	1.059	1.014	1.007	1.014	1.008	1.002	1.019	0.998	0.998	1.004	1.001	1.002	0.996	0.999	1.000	1.000	1.000	0.999	1.000	1.001	1.001	1.001	1.001	1.002	
Avg of Averages	3.518	1.531	1.228	1.106	1.077	1.057	1.033	1.011	1.027	1.011	1.007	1.010	1.003	0.998	1.005	1.000	1.004	0.994	0.999	1.000	1.000	1.000	0.999	1.000	1.001	1.001	1.001	1.001	1.002	
Prior Selected	2.350	1.450	1.250	1.120	1.100	1.065	1.055	1.030	1.025	1.020	1.015	1.015	1.010	1.005	1.005	1.005	1.005	1.004	1.003	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	
Selected	2.350	1.450	1.250	1.120	1.100	1.060	1.050	1.030	1.025	1.025	1.020	1.015	1.010	1.005	1.005	1.005	1.005	1.004	1.003	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	
Cumulative	7.271	3.094	2.134	1.707	1.524	1.386	1.307	1.245	1.209	1.179	1.150	1.128	1.111	1.100	1.095	1.089	1.084	1.078	1.074	1.070	1.068	1.066	1.065	1.064	1.063	1.062	1.061	1.060	1.059	

Notes: Dollar amounts are in thousands.  
Data provided by FWC JUA.

**Florida Workers' Compensation Joint Underwriting Association**

Appendix E, Sheet 1

SELECTION OF ULTIMATE ALAE

	(1)	(2)	(3)
Accident Year	Paid ALAE Development	Paid to Paid Ratio Method	Selected Ultimate ALAE
1994	\$796	\$821	\$810
1995	1,027	1,058	1,040
1996	1,332	1,354	1,340
1997	482	497	490
1998	559	603	580
1999	130	137	130
2000	177	179	180
2001	104	122	110
2002	171	193	180
2003	796	1,006	900
2004	1,758	2,086	1,920
2005	1,501	1,983	1,820
2006	1,031	1,582	1,400
2007	532	797	710
2008	38	49	50
<b>Total</b>	<b>\$10,434</b>	<b>\$12,467</b>	<b>\$11,660</b>

Notes: Dollar amounts are in thousands.  
 (1) From Appendix E, Sheet 4.  
 (2) From Appendix E, Sheet 2.  
 (3) Selected judgmentally.

**Florida Workers' Compensation Joint Underwriting Association**

Appendix E, Sheet 2

PROJECTION OF ULTIMATE ALAE AS A PERCENTAGE OF LIMITED INDEMNITY LOSSES

Accident Year	(1) Paid ALAE as a Percent of Net Paid Indemnity Loss @06/30/08	(2) Cumulative Development Factor	(3) Estimated Ultimate Ratio (1)x(2)	(4) Selected Ultimate Indemnity Losses	(5) Estimated Ultimate ALAE (3)x(4)
1994	7.2%	1.000	7.2%	\$11,400	\$821
1995	8.2%	1.000	8.2%	12,900	1,058
1996	18.8%	1.000	18.8%	7,200	1,354
1997	22.6%	1.002	22.6%	2,200	497
1998	27.3%	1.004	27.4%	2,200	603
1999	19.5%	1.006	19.6%	700	137
2000	19.7%	1.009	19.9%	900	179
2001	30.1%	1.013	30.5%	400	122
2002	31.5%	1.017	32.1%	600	193
2003	26.7%	1.021	27.2%	3,700	1,006
2004	35.6%	1.028	36.6%	5,700	2,086
2005	55.9%	1.075	60.1%	3,300	1,983
2006	49.3%	1.146	56.5%	2,800	1,582
2007	40.1%	1.324	53.1%	1,500	797
2008	1.9%	4.302	8.2%	600	49
<b>Total</b>				<b>\$56,100</b>	<b>\$12,467</b>

Notes: Dollar amounts are in thousands.  
 (1), (2) From Appendix E, Sheet 3.  
 (4) From Appendix C, Sheet 1.

Florida Workers' Compensation Joint Underwriting Association

Appendix E, Sheet 3

RATIO OF PAID ALAE TO NET PAID INDEMNITY

Allocated Loss Adjustment Expenses

Accident Year	Months of Development																												
	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126	132	138	144	150	156	162	168	174
1994	0.044	.	0.091	.	0.075	0.069	0.062	0.073	0.067	0.084	0.083	0.083	0.082	0.081	0.078	0.075	0.073	0.073	0.073	0.073	0.072	0.072	0.072	0.072	0.072	0.072	0.072	0.072	0.072
1995	0.081	.	0.107	0.103	0.091	0.092	0.075	0.090	0.089	0.085	0.085	0.085	0.084	0.082	0.082	0.082	0.082	0.081	0.081	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	0.082	.
1996	0.035	0.059	0.066	0.112	0.075	0.212	0.224	0.196	0.198	0.189	0.187	0.181	0.182	0.184	0.184	0.185	0.185	0.184	0.185	0.186	0.186	0.187	0.187	0.188	0.188	.	.	.	.
1997	0.050	0.100	0.091	0.211	0.254	0.212	0.234	0.230	0.220	0.221	0.222	0.221	0.222	0.222	0.220	0.224	0.224	0.225	0.225	0.226	0.226	0.226	0.226	0.226	.	.	.	.	.
1998	1.206	0.635	0.398	0.363	0.353	0.515	0.307	0.281	0.283	0.281	0.287	0.280	0.279	0.279	0.278	0.277	0.276	0.274	0.273	0.272	0.273	.	.	.	.	.	.	.	.
1999	0.018	0.094	0.202	0.196	0.214	0.163	0.177	0.177	0.85	0.173	0.175	0.184	0.185	0.187	0.187	0.193	0.198	0.202	0.195	.	.	.	.	.	.	.	.	.	.
2000	0.042	0.152	0.198	0.228	0.230	0.247	0.231	0.259	0.94	0.197	0.197	0.197	0.197	0.197	0.197	0.197	.	.	.	.	.	.	.	.	.	.	.	.	.
2001	0.212	0.193	0.338	0.285	0.275	0.280	0.281	0.289	0.540	0.325	0.316	0.312	0.308	0.304	0.301	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2002	0.047	0.231	0.238	0.245	0.272	0.248	0.268	0.284	0.290	0.298	0.306	0.310	0.315	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2003	0.207	0.224	0.226	0.251	0.275	0.299	0.289	0.290	0.263	0.266	0.267	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2004	0.077	0.206	0.294	0.372	0.338	0.341	0.343	0.349	0.356	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2005	0.175	0.406	0.541	0.515	0.536	0.546	0.559	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2006	0.221	0.389	0.451	0.459	0.493	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2007	0.056	0.268	0.401	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2008	0.019	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.

Accident Year	Months of Development																													
	6-12	12-18	18-24	24-30	30-36	36-42	42-48	48-54	54-60	60-66	66-72	72-78	78-84	84-90	90-96	96-102	102-108	108-114	114-120	120-126	126-132	132-138	138-144	144-150	150-156	156-162	162-168	168-174	174-Ult	
1994	.	.	.	.	0.928	0.891	1.190	0.967	1.258	0.993	1.002	0.986	0.982	0.962	0.969	0.969	1.002	0.998	0.999	0.998	0.998	0.999	0.998	0.999	0.999	0.999	1.002	0.999	0.997	
1995	.	.	0.968	0.876	1.012	0.816	1.201	0.986	0.961	0.996	0.995	0.989	0.986	0.995	0.994	1.002	0.992	0.993	1.018	1.000	0.998	0.998	1.006	0.999	0.999	0.999	.	.	.	
1996	1.710	1.113	1.694	0.654	2.899	1.054	0.875	1.011	0.956	0.986	0.970	1.005	1.010	1.000	1.006	1.000	0.998	1.003	1.005	1.003	1.003	1.003	1.002	1.004	.	.	.	.	.	
1997	2.018	0.903	2.327	1.206	0.832	1.106	0.981	0.956	1.008	1.003	0.995	1.003	1.005	0.991	1.018	1.000	1.001	1.001	1.004	1.000	1.000	1.000	.	.	.	.	.	.	.	
1998	0.526	0.627	0.912	0.974	0.893	0.973	0.915	1.006	0.993	1.023	0.976	0.996	0.999	0.996	0.996	0.996	0.996	0.996	0.996	0.996	0.996	0.996	0.998	1.002	.	.	.	.	.	
1999	5.264	2.152	0.972	1.093	0.760	1.088	0.997	1.047	0.933	1.012	1.052	1.009	1.007	1.003	1.030	1.029	1.015	0.966	.	.	.	.	.	.	.	.	.	.	.	
2000	3.627	1.306	1.151	1.009	1.075	0.933	1.124	0.747	1.019	1.000	1.000	1.000	1.000	1.000	1.000	1.000	.	.	.	.	.	.	.	.	.	.	.	.	.	
2001	0.914	1.750	0.842	0.975	1.009	1.003	1.027	1.176	0.965	0.966	0.987	0.987	0.988	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	
2002	4.934	1.028	1.030	1.109	0.912	1.082	1.057	1.022	1.027	1.027	1.042	1.018	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	
2003	1.082	1.011	1.109	1.095	1.088	0.967	1.002	0.907	1.012	1.003	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	
2004	2.686	1.423	1.266	0.909	1.009	1.006	1.016	1.020	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2005	2.326	1.333	0.951	1.043	1.018	1.024	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2006	1.758	1.159	1.017	1.075	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2007	4.806	1.494	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2008	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Average	2.638	1.275	1.186	1.001	1.120	0.995	1.035	0.981	1.013	1.001	0.999	0.999	0.997	0.992	1.002	0.999	1.001	0.993	1.005	1.001	1.000	1.000	1.002	1.001	0.999	1.001	0.999	1.001	0.997	
Column Avg	1.262	1.164	1.060	1.021	1.012	1.008	1.010	0.986	0.998	1.002	0.997	1.001	0.998	0.994	1.005	1.002	1.001	0.992	1.003	1.001	1.000	1.001	1.002	1.002	0.999	1.001	0.999	0.997	0.997	
Trimmed Avg	2.586	1.252	1.107	1.016	0.978	1.002	1.034	0.985	0.993	1.002	0.995	0.998	0.997	0.995	1.003	1.000	0.999	0.997	1.002	1.001	0.999	1.000	1.002	0.999	.	.	.	.	.	
Weighted Avg	2.757	1.298	1.135	1.017	1.077	1.004	1.029	0.985	1.006	1.002	1.000	1.001	0.997	0.993	1.004	1.001	1.001	0.991	1.004	1.001	1.000	1.000	1.002	1.001	0.999	1.001	0.999	0.997	0.997	
Average Last 3	2.963	1.329	1.078	1.009	1.038	0.999	1.025	0.983	1.001	0.999	1.000	1.002	0.998	0.997	1.009	1.008	1.004	0.987	1.002	1.002	1.005	1.001	1.002	1.001	0.999	1.001	0.999	0.997	0.997	
Wght Avg Last 3	3.052	1.335	1.069	1.015	1.036	1.001	1.024	0.983	1.003	1.000	1.000	1.002	0.997	0.997	1.009	1.008	1.005	0.986	1.002	1.002	1.000	1.001	1.002	1.001	0.999	1.001	0.999	0.997	0.997	
Col Avg Last 3	2.354	1.310	1.046	1.017	1.032	1.004	1.024	0.985	0.999	0.998	1.000	1.002	0.996	0.996	1.007	1.007	1.003	0.989	1.002	1.002	1.001	1.001	1.002	1.002	0.999	1.001	0.999	0.997	0.997	
Avg of Averages	2.516	1.280	1.097	1.014	1.042	1.002	1.026	0.984	1.002	1.000	0.999	1.001	0.997	0.995	1.006	1.004	1.002	0.991	1.003	1.001	1.000	1.000	1.002	1.001	0.999	1.001	0.999	1.001	0.997	
Prior Selected	2.500	1.250	1.100	1.050	1.035	1.030	1.025	1.020	1.005	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	
Selected	2.500	1.300	1.100	1.050	1.035	1.030	1.025	1.020	1.005	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	
Cumulative	4.302	1.721	1.324	1.203	1.146	1.107	1.075	1.049	1.028	1.023	1.021	1.019	1.017	1.015	1.013	1.011	1.009	1.007	1.006	1.005	1.004	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	

Notes: Ratio equals [Appendix E, Sheet 5] / [Appendix C, Sheet 7b].

**Florida Workers' Compensation Joint Underwriting Association**

Appendix E, Sheet 4

PROJECTION OF ULTIMATE ALAE BASED ON PAID DEVELOPMENT

Accident Year	(1) Cumulative Paid ALAE @06/30/08	(2) Cumulative Paid ALAE Development Factor	(3) Estimated Ultimate ALAE (1)x(2)
1994	\$792	1.005	\$796
1995	1,022	1.005	1,027
1996	1,325	1.005	1,332
1997	479	1.007	482
1998	553	1.011	559
1999	127	1.017	130
2000	173	1.023	177
2001	101	1.033	104
2002	164	1.044	171
2003	744	1.070	796
2004	1,497	1.174	1,758
2005	1,107	1.356	1,501
2006	622	1.656	1,031
2007	154	3.448	532
2008	1	60.774	38
<b>Total</b>	<b>\$8,862</b>		<b>\$10,434</b>

Notes: Dollar amounts are in thousands.  
 (1), (2) From Appendix E, Sheet 5.

Florida Workers' Compensation Joint Underwriting Association

Appendix E, Sheet 5

PAID ALAE DEVELOPMENT

Allocated Loss Adjustment Expenses

Accident Year	Months of Development																													
	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126	132	138	144	150	156	162	168	174	
1994	6		200		344	421	471	603	577	772	795	796	797	802	802	801	801	791	791	791	791	791	791	791	791	791	791	791	792	792
1995	38		302	462	544	692	709	943	973	984	993	994	994	997	1,000	1,001	1,002	1,003	1,003	1,018	1,019	1,019	1,019	1,021	1,021	1,021	1,022			
1996	9	61	115	283	269	904	1,024	1,087	1,186	1,225	1,252	1,267	1,274	1,295	1,296	1,296	1,296	1,297	1,299	1,303	1,307	1,311	1,316	1,319	1,325					
1997	6	44	69	222	316	365	423	447	451	456	459	462	463	465	469	477	477	478	478	479	479	479	479	479						
1998	112	200	268	350	444	477	502	522	530	539	544	547	547	549	549	549	549	549	549	550	553									
1999	1	9	36	47	62	75	85	94	101	106	110	116	118	120	122	123	126	127												
2000	2	17	42	82	105	133	145	164	170	173	173	173	173	173	173	173														
2001	2	12	34	58	63	65	66	69	83	96	101	101	101	101	101															
2002	2	25	58	88	115	123	136	145	149	153	160	160	164																	
2003	15	95	257	431	356	655	702	711	723	737	744																			
2004	17	186	519	905	1,100	1,236	1,256	1,455	1,497																					
2005	22	184	466	782	937	1,026	1,107																							
2006	36	180	382	530	622																									
2007	3	73	154																											
2008	1																													

Accident Year	Months of Development																												
	6-12	12-18	18-24	24-30	30-36	36-42	42-48	48-54	54-60	60-66	66-72	72-78	78-84	84-90	90-96	96-102	102-108	108-114	114-120	120-126	126-132	132-138	138-144	144-150	150-156	156-162	162-168	168-174	174-Ult
1994					1.223	1.120	1.279	0.958	1.337	1.029	1.002	1.001	1.006	1.000	0.998	1.000	0.988	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.001
1995			1.528	1.177	1.272	1.024	1.331	1.031	1.012	1.009	1.001	1.000	1.003	1.002	1.001	1.001	1.001	1.000	1.015	1.001	1.000	1.000	1.001	1.000	1.000	1.001	1.001		
1996	6.726	1.880	2.467	0.951	3.359	1.133	1.062	1.091	1.033	1.022	1.012	1.006	1.016	1.001	1.000	1.000	1.001	1.002	1.003	1.003	1.003	1.004	1.002	1.004					
1997	7.547	1.570	3.213	1.422	1.156	1.160	1.056	1.010	1.010	1.008	1.005	1.004	1.005	1.008	1.017	1.000	1.001	1.001	1.001	1.001	1.000	1.000	1.000						
1998	1.788	1.342	1.304	1.267	1.075	1.053	1.040	1.014	1.018	1.008	1.005	1.001	1.003	1.000	1.000	1.000	1.000	1.000	1.002	1.006									
1999	13.433	3.993	1.308	1.319	1.207	1.141	1.106	1.067	1.054	1.040	1.054	1.018	1.016	1.015	1.009	1.025	1.003	1.004											
2000	10.404	2.462	1.948	1.286	1.272	1.090	1.127	1.036	1.017	1.000	1.000	1.000	1.000	1.000	1.000	1.000													
2001	4.993	2.761	1.678	1.097	1.027	1.021	1.046	1.197	1.163	1.047	1.060	1.000	1.000																
2002	15.779	2.294	1.532	1.297	1.072	1.112	1.059	1.029	1.028	1.045	0.998	1.028																	
2003	6.537	2.707	1.673	1.291	1.177	1.072	1.013	1.017	1.019	1.009																			
2004	11.097	2.783	1.744	1.216	1.123	1.097	1.073	1.029																					
2005	8.374	2.529	1.676	1.199	1.096	1.078																							
2006	4.928	2.125	1.386	1.175																									
2007	21.992	2.123																											
2008																													
Average	9.466	2.381	1.788	1.225	1.338	1.092	1.108	1.043	1.069	1.022	1.009	1.007	1.006	1.003	1.004	1.004	0.999	1.001	1.004	1.002	1.001	1.001	1.001	1.001	1.002	1.000	1.000	1.000	1.001
Column Avg	4.803	2.209	1.663	1.211	1.271	1.090	1.110	1.032	1.060	1.017	1.006	1.004	1.007	1.002	1.002	1.001	0.998	1.001	1.005	1.002	1.001	1.002	1.001	1.002	1.000	1.000	1.000	1.000	1.001
Trimmed Avg	8.982	2.323	1.694	1.233	1.167	1.092	1.094	1.036	1.043	1.021	1.003	1.004	1.005	1.002	1.002	1.000	1.001	1.001	1.002	1.001	1.000	1.000	1.001	1.000					
Weighted Avg	10.278	2.406	1.718	1.225	1.261	1.089	1.089	1.047	1.060	1.023	1.008	1.008	1.006	1.003	1.004	1.005	1.000	1.001	1.004	1.002	1.001	1.001	1.001	1.002	1.000	1.000	1.000	1.001	1.001
Average Last 3	11.765	2.259	1.602	1.197	1.132	1.083	1.048	1.025	1.070	1.034	0.999	1.009	1.005	1.005	1.003	1.008	1.001	1.002	1.002	1.003	1.001	1.001	1.001	1.002	1.000	1.000	1.000	1.001	1.001
Wght Avg Last 3	12.255	2.245	1.590	1.195	1.129	1.083	1.049	1.025	1.065	1.032	0.999	1.010	1.005	1.005	1.003	1.008	1.002	1.002	1.002	1.003	1.001	1.001	1.001	1.002	1.000	1.000	1.000	1.001	1.001
Col Avg Last 3	7.068	2.295	1.621	1.200	1.125	1.085	1.053	1.026	1.033	1.018	0.999	1.010	1.005	1.005	1.001	1.004	1.001	1.001	1.003	1.003	1.001	1.001	1.002	1.001	1.002	1.000	1.000	1.001	1.001
Avg of Averages	9.231	2.303	1.668	1.212	1.203	1.088	1.079	1.033	1.057	1.024	1.004	1.008	1.006	1.004	1.003	1.004	1.000	1.001	1.003	1.002	1.001	1.001	1.001	1.002	1.000	1.000	1.000	1.000	1.001
Prior Selected	7.500	2.500	1.700	1.235	1.125	1.095	1.080	1.075	1.065	1.025	1.015	1.005	1.005	1.005	1.005	1.005	1.003	1.003	1.003	1.002	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Selected	7.500	2.350	1.700	1.225	1.125	1.085	1.080	1.070	1.065	1.030	1.015	1.010	1.005	1.005	1.005	1.005	1.003	1.003	1.003	1.003	1.002	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000
Cumulative	60.774	8.103	3.448	2.028	1.656	1.472	1.356	1.256	1.174	1.102	1.070	1.054	1.044	1.039	1.033	1.028	1.023	1.020	1.017	1.014	1.011	1.009	1.007	1.006	1.005	1.005	1.005	1.005	1.005

Notes: Dollar amounts are in thousands.  
Data provided by FWC JUA.

**Florida Workers' Compensation Joint Underwriting Association**

Appendix F, Sheet 1

PROJECTION OF ULTIMATE CLAIMS

Accident Year	(1) Cumulative Incurred Claims @06/30/08	(2) Cumulative Incurred Development Factor	(3) Estimated Ultimate Claims (1)x(2)	(4) Gross Earned Premium	(5) Freq (3) / (4)
1994	1,595	1.000	1,595	42,052	3.79%
1995	2,013	1.000	2,013	78,414	2.57%
1996	1,033	1.000	1,033	38,213	2.70%
1997	467	1.000	467	19,553	2.39%
1998	259	1.000	259	16,284	1.59%
1999	76	1.000	76	8,148	0.93%
2000	73	1.000	73	6,224	1.17%
2001	87	1.000	87	8,920	0.98%
2002	175	1.000	175	19,046	0.92%
2003	487	1.000	487	46,605	1.04%
2004	782	1.001	783	63,846	1.23%
2005	538	1.003	540	77,374	0.70%
2006	412	1.010	416	52,161	0.80%
2007	198	1.046	207	22,651	0.91%
2008	61	2.811	171	5,274	3.24%
<b>Total</b>	<b>8,256</b>		<b>8,382</b>	<b>504,764</b>	<b>1.66%</b>

Notes: (1), (2) From Appendix F, Sheet 2.  
(4) Data provided by FWCJUA.  
2000 adjusted to reflect true exposure

Florida Workers' Compensation Joint Underwriting Association

Appendix F, Sheet 2

NUMBER OF INCURRED CLAIMS

Accident Year	Months of Development																												
	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126	132	138	144	150	156	162	168	174
1994	281	1,179	1,521	1,550	1,574	1,576	1,584	1,585	1,587	1,588	1,590	1,595	1,593	1,597	1,595	1,598	1,594	1,594	1,594	1,594	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595
1995	779	1,648	1,926	1,959	1,978	1,989	1,994	1,999	2,002	2,009	2,006	2,011	2,010	2,014	2,012	2,013	2,013	2,012	2,012	2,012	2,012	2,012	2,012	2,013	2,013	2,013	2,013	2,013	
1996	425	880	977	1,000	1,008	1,020	1,024	1,026	1,032	1,031	1,032	1,031	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	
1997	194	390	443	458	462	463	463	465	465	467	466	466	466	466	466	467	467	467	467	467	467	467	467	467	467	467	467	467	
1998	108	222	246	252	255	258	258	259	258	259	259	259	259	259	259	259	259	259	259	259	259	259	259	259	259	259	259	259	
1999	28	63	72	75	74	75	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	
2000	21	61	69	71	72	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	
2001	42	75	85	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	
2002	52	138	167	172	172	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	
2003	142	404	469	486	486	486	486	486	487	487	487	487	487	487	487	487	487	487	487	487	487	487	487	487	487	487	487	487	
2004	272	747	747	769	777	780	781	781	782	782	782	782	782	782	782	782	782	782	782	782	782	782	782	782	782	782	782	782	
2005	206	452	518	528	534	537	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	538	
2006	161	365	397	400	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	412	
2007	79	179	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	
2008	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	61	

Accident Year	Months of Development																											
	6-12	12-18	18-24	24-30	30-36	36-42	42-48	48-54	54-60	60-66	66-72	72-78	78-84	84-90	90-96	96-102	102-108	108-114	114-120	120-126	126-132	132-138	138-144	144-150	150-156	156-162	162-168	168-174
1994	4.196	1.290	1.019	1.015	1.001	1.005	1.001	1.001	1.001	1.001	1.003	0.999	1.003	0.999	1.002	0.997	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1995	2.116	1.169	1.017	1.010	1.006	1.003	1.003	1.002	1.003	0.999	1.002	1.000	1.002	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996	2.071	1.110	1.024	1.008	1.012	1.004	1.002	1.006	0.999	1.001	0.999	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1997	2.010	1.136	1.034	1.009	1.002	1.000	1.004	1.000	1.004	0.998	1.000	1.000	1.000	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1998	2.056	1.108	1.024	1.012	1.012	1.000	1.004	0.996	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1999	2.250	1.143	1.042	0.987	1.014	1.013	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2000	2.905	1.131	1.029	1.014	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2001	1.786	1.133	1.024	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2002	2.654	1.210	1.030	1.000	1.017	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2003	2.845	1.161	1.036	1.000	1.000	1.000	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2004	2.746	1.000	1.029	1.010	1.004	1.001	1.000	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	
2005	2.194	1.146	1.019	1.011	1.006	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	1.002	
2006	2.267	1.088	1.008	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	
2007	2.266	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	
2008	2.266	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	1.106	
Average	2.454	1.138	1.026	1.008	1.007	1.002	1.001	1.001	1.001	1.000	1.001	1.000	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Column Avg	2.438	1.152	1.022	1.011	1.005	1.003	1.002	1.002	1.002	1.000	1.002	1.000	1.001	0.999	1.001	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Trimmed Avg	2.365	1.137	1.026	1.008	1.007	1.001	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Weighted Avg	2.417	1.126	1.025	1.009	1.007	1.002	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Average Last 3	2.242	1.113	1.019	1.017	1.003	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Wght Avg Last 3	2.245	1.112	1.018	1.018	1.003	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Col Avg Last 3	2.233	1.117	1.021	1.015	1.003	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Avg of Averages	2.342	1.128	1.022	1.012	1.005	1.002	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Prior Selected	2.400	1.120	1.025	1.007	1.005	1.002	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	2.400	1.120	1.025	1.007	1.005	1.002	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Cumulative	2.811	1.171	1.046	1.020	1.010	1.005	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	

Notes: Data provided by FWC JUA



**Florida Workers' Compensation Joint Underwriting Association**

Appendix F, Sheet 3

**PROJECTION OF ULTIMATE CLAIMS CLOSED WITH INDEMNITY PAYMENT**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Accident Year	Indemnity Claims Incurred @06/30/08	Cumulative Indemnity Claim Development Factor	Estimated Ultimate Claims to Close with Indemnity Payment (1)x(2)	Ratio of Closed with Indemnity Paid to Closed with Pay Claims @06/30/08	Cumulative Ratio Development Factor	Estimated Ultimate Ratio (4)x(5)	Selected Ultimate Claims to Close with Any Payment	Estimated Ultimate Claims to Close with Indemnity Payment (6)x(7)	Selected Ultimate Claims to Close with Indemnity Payment
1994	596	1.000	596	0.373	1.000	0.373	1,595	595	596
1995	721	1.000	721	0.357	1.000	0.357	2,013	719	721
1996	404	1.000	404	0.391	1.000	0.391	1,033	404	404
1997	162	1.000	162	0.347	1.000	0.347	467	162	162
1998	101	1.000	101	0.385	1.000	0.385	259	100	101
1999	24	1.000	24	0.297	1.000	0.297	76	23	24
2000	34	1.000	34	0.466	1.001	0.466	73	34	34
2001	24	1.000	24	0.267	1.003	0.268	87	23	24
2002	54	1.001	54	0.301	1.007	0.303	175	53	54
2003	191	1.004	192	0.385	1.015	0.390	487	190	191
2004	304	1.008	306	0.375	1.043	0.391	783	306	306
2005	216	1.016	219	0.381	1.090	0.415	540	224	222
2006	143	1.031	147	0.300	1.230	0.369	416	154	151
2007	65	1.121	73	0.240	1.827	0.438	207	91	82
2008	14	2.707	38	0.147	7.565	1.112	171	190	114
<b>Total</b>	<b>3,053</b>		<b>3,095</b>				<b>8,382</b>	<b>3,268</b>	<b>3,184</b>

Notes: (1), (2) From Appendix F, Sheet 5.  
(4), (5) From Appendix F, Sheet 4.  
(7) From Appendix F, Sheet 1. Col (3).  
(9) Judgmentally selected from (3) and (8).

Florida Workers' Compensation Joint Underwriting Association

Appendix F, Sheet 4

RATIO OF CLAIMS CLOSED WITH INDEMNITY PAYMENT  
TO CLAIMS CLOSED WITH ANY PAYMENT

Accident Year	Months of Development																												
	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126	132	138	144	150	156	162	168	174
1994	0.125	0.185	0.227	0.266	0.290	0.326	0.333	0.359	0.353	0.370	0.364	0.374	0.366	0.376	0.369	0.373	0.371	0.372	0.372	0.372	0.372	0.372	0.372	0.372	0.372	0.372	0.372	0.372	0.373
1995	0.134	0.189	0.214	0.268	0.289	0.319	0.328	0.347	0.349	0.355	0.353	0.358	0.355	0.355	0.356	0.355	0.356	0.357	0.357	0.357	0.357	0.357	0.357	0.357	0.357	0.357	0.357	0.357	0.357
1996	0.132	0.157	0.209	0.267	0.292	0.326	0.346	0.360	0.366	0.381	0.378	0.386	0.382	0.383	0.383	0.383	0.385	0.385	0.385	0.386	0.388	0.389	0.389	0.391	0.391	.	.	.	.
1997	0.117	0.124	0.143	0.215	0.262	0.290	0.317	0.339	0.342	0.346	0.343	0.343	0.343	0.344	0.345	0.344	0.344	0.344	0.344	0.344	0.344	0.347	0.347	.	.	.	.	.	.
1998	0.043	0.109	0.161	0.236	0.317	0.339	0.353	0.366	0.364	0.375	0.378	0.383	0.385	0.385	0.385	0.385	0.385	0.385	0.385	0.385	0.385	0.385	0.385	0.385	0.385	0.385	0.385	0.385	0.385
1999	0.111	0.081	0.158	0.183	0.213	0.242	0.232	0.254	0.264	0.274	0.274	0.288	0.288	0.288	0.288	0.297	0.297	0.297	0.297	.	.	.	.	.	.	.	.	.	.
2000	0.333	0.074	0.179	0.280	0.304	0.385	0.443	0.435	0.466	0.466	0.466	0.466	0.466	0.466	0.466	0.466	0.466	0.466	.	.	.	.	.	.	.	.	.	.	.
2001	.	0.059	0.164	0.234	0.235	0.253	0.253	0.253	0.253	0.259	0.267	0.267	0.267	0.267	0.267	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2002	0.043	0.083	0.193	0.252	0.265	0.287	0.287	0.297	0.297	0.297	0.301	0.301	0.301	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2003	0.060	0.151	0.207	0.309	0.309	0.340	0.367	0.372	0.384	0.385	0.385	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2004	0.019	0.057	0.201	0.292	0.337	0.355	0.364	0.371	0.375	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2005	0.019	0.157	0.229	0.304	0.336	0.363	0.381	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2006	0.158	0.127	0.229	0.280	0.300	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2007	0.111	0.210	0.240	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2008	0.147	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.

Accident Year	Months of Development																												
	6-12	12-18	18-24	24-30	30-36	36-42	42-48	48-54	54-60	60-66	66-72	72-78	78-84	84-90	90-96	96-102	102-108	108-114	114-120	120-126	126-132	132-138	138-144	144-150	150-156	156-162	162-168	168-174	174-Ult
1994	1.480	1.227	1.172	1.090	1.124	1.021	1.078	0.983	1.048	0.984	1.027	0.979	1.027	0.981	1.011	0.995	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.001	1.001
1995	1.410	1.132	1.252	1.078	1.104	1.028	1.058	1.006	1.017	0.994	1.014	0.992	1.000	1.003	0.997	1.003	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996	1.189	1.331	1.278	1.094	1.116	1.061	1.040	1.017	1.041	0.992	1.021	0.990	1.003	1.000	1.000	1.005	1.006	1.000	1.003	1.005	1.003	1.000	1.004	1.000	.	.	.	.	.
1997	1.060	1.153	1.503	1.219	1.107	1.093	1.069	1.009	1.012	0.991	1.000	1.000	1.003	1.003	0.997	1.000	1.000	1.000	1.000	1.009	1.000	1.000	.	.	.	.	.	.	.
1998	2.535	1.477	1.466	1.343	1.069	1.041	1.037	0.995	1.030	1.008	1.013	1.005	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	.	.	.	.	.	.	.	.
1999	0.730	1.951	1.158	1.164	1.136	0.959	1.095	1.039	1.038	1.000	1.051	1.000	1.000	1.000	1.031	1.000	1.001	1.000	.	.	.	.	.	.	.	.	.	.	.
2000	0.222	2.419	1.564	1.086	1.266	1.151	0.982	1.071	1.000	1.000	1.000	1.000	1.000	1.000	0.999	1.000	.	.	.	.	.	.	.	.	.	.	.	.	.
2001	.	2.780	1.427	1.004	1.077	1.000	1.000	1.000	1.024	1.031	1.000	1.000	1.002	1.000	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2002	1.930	2.325	1.306	1.052	1.083	1.000	1.035	1.000	1.000	1.013	0.999	1.000	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2003	2.517	1.371	1.493	1.000	1.100	1.079	1.014	1.032	1.002	1.000	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2004	3.000	3.526	1.453	1.154	1.053	1.025	1.019	1.011	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2005	8.263	1.459	1.328	1.105	1.081	1.049	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2006	0.804	1.803	1.224	1.072	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2007	1.893	1.140	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
2008	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Average	2.079	1.792	1.356	1.112	1.110	1.042	1.039	1.015	1.021	1.001	1.014	0.996	1.004	0.998	1.005	1.000	1.001	1.000	1.001	1.003	1.001	1.000	1.001	1.000	1.000	1.000	1.001	1.001	1.001
Column Avg	1.255	1.562	1.347	1.107	1.109	1.047	1.036	1.016	1.020	1.000	1.013	0.996	1.004	0.998	1.004	1.000	1.001	1.000	1.001	1.003	1.001	1.000	1.001	1.000	1.000	1.000	1.001	1.001	1.001
Trimmed Avg	1.686	1.703	1.355	1.102	1.100	1.040	1.039	1.012	1.020	1.000	1.011	0.997	1.001	1.000	1.002	1.001	1.001	1.000	1.000	1.002	1.000	1.000	1.000	1.000	.	.	.	.	.
Weighted Avg	2.351	1.852	1.361	1.103	1.105	1.042	1.033	1.017	1.018	1.004	1.012	0.998	1.003	0.999	1.006	1.000	1.001	1.000	1.001	1.003	1.001	1.000	1.001	1.000	1.000	1.000	1.001	1.001	1.001
Average Last 3	3.653	1.467	1.335	1.110	1.078	1.051	1.023	1.014	1.008	1.015	1.000	1.000	1.001	1.000	1.010	1.000	1.000	1.000	1.001	1.005	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.001	1.001
Wght Avg Last 3	3.435	1.456	1.327	1.107	1.077	1.050	1.022	1.015	1.008	1.014	0.999	1.000	1.001	1.000	1.010	1.000	1.000	1.000	1.001	1.004	1.001	1.000	1.001	1.000	1.000	1.000	1.001	1.001	1.001
Col Avg Last 3	1.716	1.412	1.330	1.111	1.077	1.051	1.022	1.015	1.007	1.013	1.000	1.000	1.000	1.000	1.008	1.000	1.000	1.000	1.001	1.004	1.001	1.000	1.001	1.000	1.000	1.000	1.001	1.001	1.001
Avg of Averages	2.311	1.606	1.344	1.107	1.094	1.046	1.030	1.015	1.015	1.007	1.007	0.998	1.002	0.999	1.006	1.000	1.001	1.000	1.001	1.003	1.001	1.000	1.001	1.000	1.000	1.000	1.001	1.001	1.001
Prior Selected	2.300	2.000	1.350	1.100	1.075	1.035	1.025	1.020	1.015	1.012	1.005	1.003	1.002	1.002	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	2.300	1.800	1.350	1.100	1.075	1.050	1.025	1.020	1.015	1.012	1.005	1.003	1.002	1.002	1.001	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	7.565	3.289	1.827	1.354	1.230	1.145	1.090	1.064	1.043	1.027	1.015	1.010	1.007	1.005	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Notes: Ratio equals [Appendix F, Sheet 8] / [Appendix F, Sheet 7].

Florida Workers' Compensation Joint Underwriting Association

Appendix F, Sheet 5

NUMBER OF INDEMNITY INCURRED CLAIMS

Accident Year	Months of Development																												
	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126	132	138	144	150	156	162	168	174
1994	129	602	594	609	588	602	588	604	591	604	592	608	594	609	596	610	595	595	595	595	595	595	595	596	596	596	596	596	596
1995	379	766	714	736	717	737	722	731	720	732	722	732	724	733	723	722	722	711	721	721	721	721	721	721	721	721	721	721	721
1996	232	406	384	392	398	405	400	404	403	410	407	409	404	404	404	404	404	404	404	404	404	404	404	404	404	404	404	404	404
1997	108	178	160	160	159	164	163	167	164	167	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162
1998	63	98	92	93	97	100	102	103	101	101	101	101	101	101	101	101	101	101	101	101	101	101	101	101	101	101	101	101	101
1999	12	23	24	25	25	24	23	23	23	23	23	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24
2000	15	30	32	32	33	33	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34
2001	20	32	26	27	25	25	25	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24
2002	20	43	52	52	52	53	53	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54
2003	44	157	167	185	185	185	189	189	191	191	191	191	191	191	191	191	191	191	191	191	191	191	191	191	191	191	191	191	191
2004	116	234	277	299	302	305	302	303	304	304	304	304	304	304	304	304	304	304	304	304	304	304	304	304	304	304	304	304	304
2005	73	168	194	203	212	215	216	216	216	216	216	216	216	216	216	216	216	216	216	216	216	216	216	216	216	216	216	216	216
2006	73	126	137	135	143	143	143	143	143	143	143	143	143	143	143	143	143	143	143	143	143	143	143	143	143	143	143	143	143
2007	31	62	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65
2008	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14

Accident Year	Months of Development																												
	6-12	12-18	18-24	24-30	30-36	36-42	42-48	48-54	54-60	60-66	66-72	72-78	78-84	84-90	90-96	96-102	102-108	108-114	114-120	120-126	126-132	132-138	138-144	144-150	150-156	156-162	162-168	168-174	174-Ult
1994	4.667	0.987	1.025	0.966	1.024	0.977	1.027	0.978	1.022	0.980	1.027	0.977	1.025	0.979	1.023	0.975	1.000	1.000	1.000	1.000	1.000	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.000
1995	2.021	0.932	1.031	0.974	1.028	0.980	1.012	0.985	1.017	0.986	1.014	0.989	1.012	0.986	0.999	1.000	0.985	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996	1.750	0.946	1.021	1.015	1.018	0.988	1.010	0.998	1.017	0.993	1.005	0.988	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997	1.648	0.899	1.000	0.994	1.031	0.994	1.025	0.982	1.018	0.970	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1998	1.556	0.939	1.011	1.043	1.031	1.020	1.010	0.981	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999	1.917	1.043	1.042	1.000	0.960	0.958	1.000	1.000	1.000	1.000	1.043	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000	2.000	1.067	1.000	1.031	1.000	1.030	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2001	1.600	0.813	1.038	0.926	1.000	1.000	0.960	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002	2.150	1.209	1.000	1.000	1.019	1.000	1.019	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003	3.568	1.064	1.108	1.000	1.000	1.022	1.000	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004	2.017	1.184	1.079	1.010	1.010	0.990	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003
2005	2.301	1.155	1.046	1.044	1.014	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005
2006	1.726	1.087	0.985	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059	1.059
2007	2.000	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048	1.048
2008	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Average	2.209	1.027	1.030	1.005	1.011	0.997	1.006	0.994	1.007	0.993	1.010	0.995	1.005	0.996	1.003	0.996	0.997	1.002	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Column Avg	2.224	0.998	1.033	0.996	1.020	0.989	1.013	0.990	1.015	0.987	1.014	0.987	1.012	0.989	1.006	0.993	0.995	1.005	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Trimmed Avg	2.058	1.029	1.027	1.007	1.014	0.997	1.009	0.994	1.007	0.995	1.007	0.997	1.002	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Weighted Avg	2.154	1.052	1.032	1.011	1.010	1.000	1.004	0.997	1.005	0.995	1.009	0.996	1.003	0.997	1.002	0.997	0.998	1.002	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Average Last 3	2.009	1.097	1.037	1.038	1.008	1.005	1.007	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Wght Avg Last 3	1.999	1.093	1.034	1.040	1.009	1.005	1.007	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Col Avg Last 3	2.011	1.112	1.048	1.031	1.009	1.003	1.004	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Avg of Averages	2.095	1.058	1.034	1.018	1.011	0.999	1.007	0.999	1.005	0.996	1.006	0.997	1.003	0.997	1.002	0.998	0.998	1.001	1.000	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Prior Selected	2.100	1.150	1.050	1.020	1.010	1.004	1.004	1.004	1.002	1.002	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	2.100	1.150	1.050	1.035	1.010	1.005	1.004	1.004	1.002	1.002	1.002	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	2.707	1.289	1.121	1.067	1.031	1.021	1.016	1.012	1.008	1.006	1.004	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Florida Workers' Compensation Joint Underwriting Association

Appendix F, Sheet 6

OPEN CLAIMS

Accident Year	Months of Development																												
	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126	132	138	144	150	156	162	168	174
1994	121	471	354	268	193	130	96	55	48	27	22	19	18	14	11	8	5	4	3	4	4	4	4	3	3	3	4	3	2
1995	362	560	401	289	214	150	107	58	38	28	21	20	17	10	11	10	8	5	5	4	4	4	5	4	4	5	4	5	4
1996	221	318	239	171	151	113	74	61	42	30	28	20	16	13	13	13	11	11	11	8	6	4	4	1	1				
1997	100	148	122	82	53	43	25	14	9	8	3	3	5	4	2	2	2	2	2	2	-	-	-						
1998	62	84	66	44	25	19	17	13	11	8	5	3	2	2	2	2	2	2	2	2	2	2							
1999	10	26	15	15	13	9	7	5	4	3	3	3	3	3	3	2	2	2	2	2									
2000	15	34	30	21	16	8	3	4	-	-	-	-	-	-	-	-	-	-	-	-									
2001	28	41	18	10	6	4	4	4	4	2	1	1	1	1	1														
2002	29	54	32	13	10	4	4	3	3	3	2	2	2																
2003	59	166	111	56	56	33	17	13	8	6	6																		
2004	167	100	180	115	62	44	28	21	17																				
2005	167	153	117	68	52	33	18																						
2006	104	137	70	36	29																								
2007	43	60	31																										
2008	27																												

Notes: Data provided by FWC JUA.

**Florida Workers' Compensation Joint Underwriting Association**

Appendix F, Sheet 7

**CLAIMS CLOSED WITH PAYMENT**

Accident Year	Months of Development																												
	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126	132	138	144	150	156	162	168	174
1994	160	708	1,167	1,282	1,381	1,446	1,488	1,530	1,539	1,561	1,568	1,576	1,575	1,583	1,584	1,590	1,589	1,590	1,591	1,590	1,591	1,591	1,591	1,592	1,592	1,592	1,591	1,592	1,593
1995	417	1,088	1,525	1,670	1,764	1,839	1,887	1,941	1,964	1,981	1,985	1,991	1,993	2,004	2,001	2,003	2,005	2,007	2,007	2,008	2,008	2,008	2,007	2,009	2,009	2,008	2,009	2,008	2,009
1996	204	562	738	829	857	907	950	965	990	1,001	1,004	1,011	1,017	1,020	1,020	1,020	1,022	1,022	1,022	1,025	1,027	1,029	1,029	1,032	1,032				
1997	94	242	321	376	409	420	438	451	456	459	463	463	461	462	464	465	465	465	465	465	467	467	467						
1998	46	138	180	208	230	239	241	246	247	251	254	256	257	257	257	257	257	257	257	257	257	257							
1999	18	37	57	60	61	66	69	71	72	73	73	73	73	73	73	74	74	74	74										
2000	6	27	39	50	56	65	70	69	73	73	73	73	73	73	73	73	73												
2001	14	34	67	77	81	83	83	83	83	85	86	86	86	86															
2002	23	84	135	159	162	171	171	172	172	172	173	173	173																
2003	83	238	358	430	430	453	469	473	479	481	481																		
2004	105	106	567	654	715	736	753	760	765																				
2005	105	299	401	460	482	504	520																						
2006	57	228	327	364	383																								
2007	36	119	167																										
2008	34																												

Notes: Data provided by FWC JUA.

Florida Workers' Compensation Joint Underwriting Association

Appendix F, Sheet 8

CLAIMS CLOSED WITH INDEMNITY PAYMENT

Accident Year	Months of Development																												
	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126	132	138	144	150	156	162	168	174
1994	20	131	265	341	400	472	495	549	544	578	570	589	576	595	585	593	590	591	592	591	592	592	592	593	593	593	592	593	594
1995	56	206	326	447	510	587	618	674	685	704	701	712	707	712	713	712	714	716	716	717	717	717	716	717	717	717	717	717	717
1996	27	88	154	221	250	296	329	347	362	381	380	390	388	391	391	391	393	393	393	396	398	400	400	403	403				
1997	11	30	46	81	107	122	139	153	156	159	159	159	158	159	160	160	160	160	160	160	162	162	162						
1998	2	15	29	49	73	81	85	90	90	94	96	98	99	99	99	99	99	99	99	99	99	99							
1999	2	3	9	11	13	16	16	18	19	20	20	21	21	21	21	22	22	22	22										
2000	2	2	7	14	17	25	31	30	34	34	34	34	34	34	34	34	34												
2001	-	2	11	18	19	21	21	21	21	22	23	23	23	23	23														
2002	1	7	26	40	43	49	49	51	51	51	52	52																	
2003	5	36	74	133	133	154	172	176	184	185	185																		
2004	2	6	114	191	241	261	274	282	287																				
2005	2	47	92	140	162	183	198																						
2006	9	29	75	102	115																								
2007	4	25	40																										
2008	5																												

Notes: Data provided by FWC JUA.

Florida Workers' Compensation Joint Underwriting Association

Appendix F, Sheet 9

OPEN INDEMNITY CLAIMS

Accident Year	Months of Development																													
	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126	132	138	144	150	156	162	168	174	
1994	109	471	329	268	188	130	93	55	47	26	22	19	18	14	11	8	5	4	3	4	3	3	3	3	3	3	3	4	3	2
1995	323	560	388	289	207	150	104	57	35	28	21	20	17	10	10	10	8	5	5	4	4	4	5	4	4	4	4	4	4	4
1996	205	318	230	171	148	109	71	57	41	29	27	19	16	13	13	13	11	11	11	8	6	4	4	1	1					
1997	97	148	114	79	57	42	24	14	8	8	3	3	4	3	2	2	2	2	2	2	-	-	-							
1998	61	83	63	44	24	19	17	13	11	7	5	3	2	2	2	2	2	2	2	2	2									
1999	10	20	15	14	12	8	7	5	4	3	3	3	3	3	3	2	2	2	2	2										
2000	13	28	25	18	16	8	3	4	-	-	-	-	-	-	-	-	-	-	-	-										
2001	20	30	15	9	6	4	4	3	3	2	1	1	1	1	1															
2002	19	36	26	12	9	4	4	3	3	3	2	2	2																	
2003	39	121	93	52	52	31	17	13	7	6	6																			
2004	114	67	163	108	61	44	28	21	17																					
2005	114	121	102	63	50	32	18																							
2006	64	97	62	33	28																									
2007	27	37	25																											
2008	9																													

Notes: Data provided by FWC JUA.

**Florida Workers' Compensation Joint Underwriting Association**

*DERIVATION OF PROJECTED COLLECTIBLE EARNED PREMIUM*

<i>Accident Year</i>	<i>(1) On-Level Gross Earned Premium (App G, Sheet 3)</i>	<i>(2) Projected Collectible (App G, Sheet 2)</i>	<i>(3) On-Level Collectible Earned Premium (1) x (2)</i>
1994	\$22,983	85.0%	\$19,535
1995	44,202	85.0%	37,571
1996	25,848	85.0%	21,971
1997	10,967	85.0%	9,322
1998	5,963	85.0%	5,069
1999	2,128	85.0%	1,808
2000	1,637	85.0%	1,392
2001	3,665	85.0%	3,116
2002	6,804	85.0%	5,783
2003	22,154	85.0%	18,831
2004	39,735	85.0%	33,775
2005	45,567	85.0%	38,732
2006	34,964	85.0%	29,720
2007	19,615	85.0%	16,673
2008	7,815	85.0%	6,643
Total	294,047		249,941

Notes: Dollar amounts are in thousands.



**Florida Workers' Compensation Joint Underwriting Association**

*SELECTION OF PERCENTAGE OF PREMIUM THAT IS COLLECTIBLE*

<i>Policy Year</i>	<i>(1) Percentage of Premium Not Collected as of 12/31/07</i>	<i>(2) Cumulative Development Factor</i>	<i>(3) Projected Ultimate Percentage Uncollected (1) x (2)</i>
1989	12.6%	1.000	12.6%
1990	14.8%	1.000	14.8%
1991	14.2%	1.000	14.2%
1992	16.6%	1.000	16.6%
1993	15.0%	1.000	15.0%
1994	20.9%	1.000	20.9%
1995	18.4%	1.000	18.4%
1996	18.7%	1.000	18.7%
1997	19.2%	1.000	19.2%
1998	6.3%	1.000	6.3%
1999	22.7%	1.000	22.7%
2000	20.4%	1.000	20.4%
2001	28.1%	1.000	28.1%
2002	7.1%	1.000	7.1%
2003	19.0%	1.000	19.0%
2004	28.4%	1.100	31.3%
2005	9.9%	1.155	11.4%
2006	3.6%	2.310	8.3%
Average:			16.9%
Average 2002-2006:			15.4%
Selected:			15.0%
Percent Collectible:			85.0%

Notes: Policy Years 1989 to 1993 are evaluated as of December 31, 1997 in Column (1)  
Columns (1) and (2) from Appendix G, Sheet 4.

Florida Workers' Compensation Joint Underwriting Association

CALCULATION OF ACCIDENT YEAR EARNED PREMIUM

Policy Year	(1) Gross Written Premium as of 6/30/07 <i>(App G, Sheet 5)</i>	(2) Premium Development Factors <i>(App G, Sheet 5)</i>	(3) Ultimate Written Premium <i>(1) x (2)</i>	(4) On Level Factors <i>(App G, Sheet 6)</i>	(5) On Level Ultimate Written Premium <i>(3) x (4)</i>	(6) Accident Year	(7) On Level Ultimate Accident Year Earned Premium <i>See Note (1)</i>
1994	52,540,615	1.000	82,540,615	0.604	49,854,531	1994	22,982,939
1995	59,419,162	1.000	59,419,162	0.573	34,047,180	1995	44,201,607
1996	30,750,995	1.000	30,750,995	0.520	15,990,517	1996	25,847,751
1997	16,799,080	1.000	16,799,080	0.486	8,164,353	1997	10,966,601
1998	8,372,105	1.000	8,372,105	0.375	3,139,539	1998	5,963,384
1999	5,261,326	1.000	5,261,326	0.274	1,441,603	1999	2,127,633
2000	5,252,487	1.000	5,252,487	0.394	2,069,480	2000	1,637,236
2001	12,557,503	1.000	12,557,503	0.394	4,947,656	2001	3,665,454
2002	25,370,616	1.000	25,370,616	0.351	8,905,086	2002	6,803,510
2003	62,497,891	1.000	62,497,891	0.524	32,748,895	2003	22,154,350
2004	68,266,138	1.000	68,266,138	0.675	46,079,643	2004	39,734,826
2005	63,278,534	1.000	63,278,534	0.673	42,586,453	2005	45,567,022
2006	38,558,444	1.000	38,558,444	0.716	27,607,846	2006	34,964,401
2007	17,595,323	0.965	16,979,486	0.901	15,298,517	2007	19,615,297
2008	1,947,250	2.123	4,134,012	1.000	4,134,012	2008	7,815,158
Total	498,467,469		500,038,394		297,015,311		294,047,169

Earning Schedule

Policy Year	Accident Year in which Premiums Earned														
Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1994	46.1%														
1995		50.9%													
1996			49.1%												
1997				57.1%											
1998					42.9%										
1999						50.3%									
2000							49.7%								
2001								60.7%							
2002									39.3%						
2003										62.0%					
2004											38.0%				
2005												52.6%			
2006													47.4%		
2007														47.4%	
2008															54.3%
															45.7%
															51.0%
															49.0%
															54.3%
															45.7%
															53.8%
															46.2%
															57.0%
															43.0%
															60.3%
															39.7%
															56.5%
															43.5%
															28.2%

- Notes:
- The ultimate policy year written premiums were allocated to calendar year by the percentages given in the earning schedule. For instance 50.9% of policy year 1995 written premiums were earned in calendar year 1995, the remaining 49.1% of premiums were earned in calendar year 1996.
  - Sample calculation for Column (6): 1996 calendar year earned premiums is made up of 49.1% of the premiums written in 1995 and 57.1% of the premiums written in 1996. Specifically: 49.1% x \$34,047,180 + 57.1% x \$15,990,517 = \$25,847,751

**Florida Workers' Compensation Joint Underwriting Association**  
*UNCOLLECTED PREMIUM AS A PERCENTAGE OF GROSS WRITTEN PREMIUM*

Policy Year	Months of Development													
	12	24	36	48	60	72	84	96	108	120	132	144	156	168
1989	0.0%	4.6%	14.2%	15.3%	14.5%	12.7%	13.0%	12.8%		12.6%				
1990	0.0%	6.5%	13.3%	13.2%	14.2%	15.1%	14.9%	14.8%						
1991	0.0%	6.7%	9.9%	11.4%	14.1%	14.5%	14.2%							
1992	0.0%	6.0%	12.7%	20.4%	19.8%	16.6%								
1993	0.0%	9.2%	18.1%	16.9%	15.0%									
1994	1.0%	8.0%	24.4%	24.7%	25.5%	21.8%	21.4%	21.3%	20.9%	20.9%	20.9%	20.9%	20.9%	20.9%
1995	0.0%	10.0%	16.5%	15.0%	20.0%	18.1%	18.0%	18.7%	18.9%	18.7%	18.7%	18.5%	18.4%	
1996	0.2%	11.0%	22.6%	22.1%	21.5%	22.8%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	
1997	0.4%	11.9%	16.9%	17.3%	18.0%	20.1%	19.4%	19.2%	19.2%	19.2%	19.2%			
1998	0.3%	5.4%	13.4%	7.3%	7.0%	6.6%	6.6%	6.6%	6.3%	6.3%				
1999	6.5%	17.6%	14.0%	23.3%	23.2%	22.4%	22.4%	22.8%	22.7%					
2000	16.4%	11.4%	20.6%	21.7%	20.9%	20.4%	20.4%	20.4%						
2001	0.0%	4.2%	13.7%	13.2%	27.5%	28.1%	28.1%							
2002	0.6%	2.8%	16.0%	6.5%	7.5%	7.1%								
2003	0.4%	13.6%	17.5%	17.2%	19.0%									
2004	0.9%	12.2%	16.9%	28.4%										
2005	1.3%	9.4%	9.9%											
2006	0.8%	3.6%												
2007	0.3%													

Policy Year	Months of Development													
	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	120 - 132	132 - 144	144 - Ult	156 - Ult	168 - Ult
1989		3.087	1.077	0.948	0.876	1.024	0.985	0.984						
1990		2.046	0.992	1.076	1.063	0.987	0.993							
1991		1.478	1.152	1.237	1.028	0.979								
1992		2.117	1.606	0.971	0.838									
1993		1.967	0.934	0.888										
1994	8.000	3.050	1.012	1.032	0.856	0.982	0.996	0.979	1.000	0.999	1.000	1.000	1.000	
1995		1.650	0.908	1.334	0.905	0.996	1.036	1.010	0.994	0.995	0.993	0.995		
1996	55.000	2.051	0.982	0.970	1.061	0.821	0.999	1.000	0.999	1.001	1.000			
1997	29.844	1.413	1.025	1.043	1.115	0.962	0.993	0.999	0.997	1.000				
1998	21.510	2.477	0.542	0.967	0.940	1.000	0.993	0.956	1.009					
1999	2.711	0.797	1.658	0.999	0.965	1.001	1.015	0.994						
2000	0.697	1.808	1.051	0.963	0.976	1.000	1.000							
2001		3.257	0.964	2.089	1.021	1.000								
2002		4.817	5.712	0.406	1.152	0.944								
2003		35.169	1.280	0.983	1.107									
2004		14.252	1.385	1.682										
2005		7.016	1.054											
2006		4.270												
Average		16.662	2.155	1.061	1.118	0.968	0.977	1.001	0.989	1.000	0.999	0.998	0.998	
Avg ex Hi/Lo		14.177	2.008	1.063	1.061	0.967	0.990	0.999	0.991	0.999	0.999			
Prior	--	2.000	1.020	1.100	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	--	2.000	1.050	1.100	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	--	2.310	1.155	1.100	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Notes: Data provided by FWC JUA.



**Florida Workers' Compensation Joint Underwriting Association**

*CALCULATION OF PREMIUM ON-LEVEL FACTORS*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Date	Premium Change	Cumulative Index	Weights for Policy Year														
			1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1/1/94	Base	1.000	1.000	0.667													
9/1/95	1.161	1.161		0.333	1.000												
1/1/97	1.071	1.243				1.000											
1/1/98	1.295	1.610					1.000										
1/1/99	1.370	2.206						1.000									
1/1/00	0.695	1.533							1.000								
1/1/01	1.000	1.533								1.000							
1/1/02	1.171	1.795									0.833						
11/1/02	0.744	1.336									0.167	0.583					
7/26/03	0.671	0.896										0.417					
1/1/04	0.943	0.845											0.500				
7/1/04	1.119	0.945											0.500				
1/1/05	0.949	0.897												1.000			
1/1/06	0.941	0.844													1.000		
1/1/07	0.794	0.670														1.000	
1/1/08	0.902	0.604															1.000
Sum of Weights:			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Weighted Avg Premium Level Index:			1.000	1.054	1.161	1.243	1.610	2.206	1.533	1.533	1.719	1.153	0.895	0.897	0.844	0.670	0.604
Premium On Level Factors:			0.604	0.573	0.520	0.486	0.375	0.274	0.394	0.394	0.351	0.524	0.675	0.673	0.716	0.901	1.000

**Notes:** Col. (2) JUA Rate Filings. 7/26/03 Based on average impact of introduction of subplans D1 and D2.  
 Col. (2) 1/1/04 Additional reduction from introduction of Subplan D due to 2004 mix of premium by plan.  
 Col. (2) JUA Rate Filings. 7/1/05 Estimated Effect of Tier Rating Structure.  
 Col. (3) equals Col. (2) x Prior Col. (3).  
 Col. (4) through (18) Weights are determined assuming exposures are uniformly earned throughout the year.  
 Premium On Level Factors are (2008 Premium Level Index) / ( Weighted Average Premium Level Index).

Florida Workers' Compensation Joint Underwriting Association

**CALCULATION OF INDEMNITY BENEFIT ON-LEVEL FACTORS**

(1) Date	(2) Benefit Change	(3) Cumulative Index	(4) 1994	(5) 1995	(6) 1996	(7) 1997	(8) 1998	(9) 1999	(10) 2000	(11) 2001	(12) 2002	(13) 2003	(14) 2004	(15) 2005	(16) 2006	(17) 2007	(18) 2008
			Weights for Accident Year														
1/1/94	Base	1.000	1.000														
1/1/95	1.007	1.007		1.000													
1/1/96	1.006	1.013			1.000												
1/1/97	1.006	1.019				1.000											
1/1/98	1.006	1.025					1.000										
1/1/99	1.006	1.031						1.000	1.000	1.000	1.000	0.750					
10/1/03	0.794	0.819										0.250	1.000	1.000	1.000	1.000	1.000
Weighted Avg Law Level Index:			1.000	1.007	1.013	1.019	1.025	1.031	1.031	1.031	1.031	0.978	0.819	0.819	0.819	0.819	0.819
Benefit On Level Factors:			0.819	0.813	0.808	0.804	0.799	0.794	0.794	0.794	0.794	0.837	1.000	1.000	1.000	1.000	1.000

**CALCULATION OF MEDICAL BENEFIT ON-LEVEL FACTORS**

(1) Date	(2) Benefit Change	(3) Cumulative Index	(4) 1994	(5) 1995	(6) 1996	(7) 1997	(8) 1998	(9) 1999	(10) 2000	(11) 2001	(12) 2002	(13) 2003	(14) 2004	(15) 2005	(16) 2006	(17) 2007	(18) 2008
			Weights for Accident Year														
1/1/94	Base	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.750							
9/30/01	1.012	1.012								0.250							
7/7/02	1.015	1.027									0.519						
10/1/03	0.906	0.930										0.481					
12/4/03	1.007	0.937										0.750					
1/1/04	1.038	0.973											0.167				
7/4/04	1.005	0.978											0.083				
5/9/05	1.017	0.995												0.500			
9/4/05	1.003	0.998												0.500			
11/16/06	0.998	0.996													0.417		
10/1/07	0.995	0.991													0.583		
10/18/07	0.996	0.987														0.875	
Weighted Avg Law Level Index:			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.003	1.019	1.003	0.976	0.997	0.998	0.994	0.987
Benefit On Level Factors:			0.987	0.987	0.987	0.987	0.987	0.987	0.987	0.984	0.969	0.984	1.011	0.990	0.989	0.993	1.000

Notes: Col. (2) from 2008 NCCI Annual Statistical Bulletin Exhibit III.  
Col. (3) equals Col. (2) x Prior Col. (3).  
Col. (4) through (18) Weights are determined based on relative proportion of accidents at each law level.  
Benefit On Level Factors are (1/1/08 Law Level Index)/(Accident Year Weighted Average Law Level Index).

Florida Workers' Compensation Joint Underwriting Association

***CALCULATION OF RETENTION LEVEL FACTORS***

<i>(1)</i> <i>Accident</i> <i>Year</i>	<i>(2)</i> <i>Limit</i> <i>Factor</i>	<i>(3)</i> <i>Retention</i> <i>Factor</i>
1994	1.000	0.882
1995	0.799	1.104
1996	0.799	1.104
1997	0.799	1.104
1998	0.799	1.104
1999	0.799	1.104
2000	0.799	1.104
2001	0.799	1.104
2002	0.799	1.104
2003	0.882	1.000
2004	0.872	1.012
2005	0.849	1.039
2006	0.870	1.014
2007	0.873	1.010
2008	0.882	1.000

**Notes:** Col. (2) is impact of retention changes.  
Col. (3) equals [2008 Col. (2)] / Col. (2).

**Florida Workers' Compensation Joint Underwriting Association**

DERIVATION OF PRESENT VALUE FACTOR

<i>Time (in years)</i>	<i>(1) Incremental Net Payment Pattern Exhibit H-2</i>	<i>(2) Discount Factor</i>	<i>(3) Discounted Payment Increment (1) x (2)</i>
0.25	7.0%	0.992	6.9%
1.00	30.5%	0.967	29.5%
2.00	22.5%	0.935	21.0%
3.00	12.0%	0.905	10.9%
4.00	8.0%	0.875	7.0%
5.00	5.0%	0.846	4.2%
6.00	5.0%	0.819	4.1%
7.00	2.0%	0.792	1.6%
8.00	2.0%	0.766	1.5%
9.00	1.0%	0.741	0.7%
10.00	0.5%	0.716	0.4%
11.00	0.5%	0.693	0.3%
12.00	0.5%	0.670	0.3%
13.00	0.5%	0.648	0.3%
14.00	0.5%	0.627	0.3%
15.00	1.3%	0.606	0.8%
16.00	1.3%	0.586	0.7%
			90.5%

Note: Present Value at discount rate of 3.4%  
No provision for income taxes.  
Payment Pattern judgmentally extended to 15 years.



Florida Workers' Compensation Joint Underwriting Association

DERIVATION OF NET PAYMENT PATTERN

Estimated  
Net  
Ultimate  
Losses  
@ 06/30/08

Accident Year	Cumulative Paid Losses																	Estimated Net Ultimate Losses @ 06/30/08												
	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102		108	114	120	126	132	138	144	150	156	162	168	174
1994	404	2,844	6,534	8,916	11,453	15,961	16,365	17,573	17,987	19,107	19,463	19,617	19,608	20,130	20,352	20,715	21,103	20,975	21,007	21,030	21,112	21,142	21,158	21,187	21,214	21,231	21,217	21,231	21,292	22,310
1995	1,406	5,044	8,714	11,943	14,708	17,633	20,743	22,541	23,149	23,955	24,266	24,443	24,705	25,134	25,277	25,422	25,390	25,620	25,691	25,642	25,628	25,657	25,691	25,608	25,629	25,656	25,683	25,683	25,683	26,840
1996	771	3,514	5,448	7,204	9,045	10,874	11,772	13,282	14,262	15,116	15,402	15,945	15,968	16,030	16,038	15,999	16,003	16,063	16,013	16,004	16,007	16,009	16,018	16,018	16,019	16,019	16,019	16,019	16,019	16,640
1997	360	1,359	2,277	3,082	3,673	4,604	4,845	5,142	5,717	5,327	5,334	5,370	5,376	5,378	5,438	5,446	5,446	5,446	5,447	5,430	5,430	5,430	5,430	5,430	5,430	5,430	5,430	5,430	5,430	5,690
1998	332	1,265	2,008	2,705	3,348	3,882	4,098	4,524	4,567	4,660	4,615	4,739	4,752	4,775	4,783	4,793	4,805	4,817	4,828	4,840	4,851	4,851	4,851	4,851	4,851	4,851	4,851	4,851	4,851	5,180
1999	68	470	933	1,034	1,139	1,331	1,373	1,506	1,526	1,605	1,626	1,632	1,638	1,642	1,646	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,740
2000	86	448	742	1,077	1,426	1,603	1,715	1,772	2,055	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,056	2,180
2001	59	231	434	660	701	708	714	725	746	851	903	907	911	915	919	919	919	919	919	919	919	919	919	919	919	919	919	919	919	1,110
2002	102	425	856	1,118	1,254	1,388	1,427	1,447	1,462	1,482	1,514	1,511	1,565	1,565	1,565	1,565	1,565	1,565	1,565	1,565	1,565	1,565	1,565	1,565	1,565	1,565	1,565	1,565	1,565	1,980
2003	277	1,342	3,259	4,703	5,484	5,929	6,462	6,559	6,911	6,954	6,976	6,976	6,976	6,976	6,976	6,976	6,976	6,976	6,976	6,976	6,976	6,976	6,976	6,976	6,976	6,976	6,976	6,976	6,976	8,800
2004	979	4,793	7,686	9,725	11,334	12,322	13,319	13,736	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	17,820
2005	1,355	3,428	5,200	7,088	7,874	8,302	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	8,629	13,120
2006	758	2,373	3,595	4,493	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	4,827	9,500
2007	600	1,237	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	5,410
2008	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	2,150

Accident Year	Estimated Percentage Paid																														
	6	12	18	24	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126	132	138	144	150	156	162	168	174		
1994	1.8%	12.7%	29.3%	40.0%	51.3%	62.6%	73.4%	78.8%	80.6%	85.6%	87.2%	87.9%	87.9%	90.2%	91.2%	92.9%	94.6%	94.0%	94.2%	94.3%	94.6%	94.8%	94.8%	95.0%	95.1%	95.2%	95.1%	95.2%	95.2%	95.4%	
1995	5.2%	18.8%	32.5%	44.5%	54.8%	65.7%	77.3%	84.0%	86.2%	89.3%	90.4%	91.1%	92.0%	93.6%	94.2%	94.7%	94.6%	95.5%	95.7%	95.5%	95.5%	95.6%	95.7%	95.4%	95.5%	95.6%	95.7%	95.7%	95.7%	95.7%	
1996	4.6%	21.1%	32.7%	43.3%	54.4%	65.3%	70.7%	80.4%	85.7%	90.8%	92.5%	95.8%	96.0%	96.3%	96.4%	96.1%	96.2%	96.5%	96.2%	96.2%	96.2%	96.2%	96.2%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	
1997	6.3%	23.9%	40.0%	54.2%	64.6%	80.9%	85.2%	90.4%	93.4%	93.5%	93.7%	94.4%	94.5%	94.5%	95.6%	95.7%	95.7%	95.7%	95.7%	95.4%	95.4%	95.4%	95.4%	95.4%	95.4%	95.4%	95.4%	95.4%	95.4%	95.4%	
1998	6.4%	24.4%	38.8%	52.2%	64.6%	74.9%	79.1%	87.3%	88.2%	90.0%	89.1%	91.5%	91.7%	92.2%	92.3%	92.6%	92.8%	93.0%	93.0%	93.4%	93.6%	93.6%	93.6%	93.6%	93.6%	93.6%	93.6%	93.6%	93.6%	93.6%	
1999	3.9%	27.0%	53.6%	59.4%	65.5%	76.5%	78.9%	86.6%	87.7%	92.2%	93.4%	93.8%	94.1%	94.4%	94.6%	94.9%	94.9%	94.9%	94.9%	94.9%	94.9%	94.9%	94.9%	94.9%	94.9%	94.9%	94.9%	94.9%	94.9%	94.9%	
2000	3.9%	20.6%	34.1%	49.4%	65.4%	73.5%	78.7%	81.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	94.3%	
2001	5.3%	20.8%	39.1%	59.5%	63.1%	63.8%	64.3%	65.3%	67.2%	76.6%	81.4%	81.7%	82.1%	82.6%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	82.8%	
2002	5.2%	21.5%	43.2%	56.5%	63.3%	70.1%	72.1%	73.1%	73.8%	74.8%	76.5%	76.3%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	
2003	3.1%	15.2%	37.0%	53.4%	62.3%	67.4%	73.4%	74.5%	78.5%	79.0%	79.3%	79.3%	79.3%	79.3%	79.3%	79.3%	79.3%	79.3%	79.3%	79.3%	79.3%	79.3%	79.3%	79.3%	79.3%	79.3%	79.3%	79.3%	79.3%	79.3%	
2004	5.5%	26.9%	43.1%	54.6%	63.6%	69.1%	74.7%	77.1%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	77.8%	
2005	10.3%	26.1%	39.6%	54.0%	60.0%	63.3%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%
2006	8.0%	25.0%	37.8%	47.3%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%	50.8%
2007	11.1%	22.9%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%
2008	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Average	5.8%	21.9%	38.1%	51.4%	60.3%	69.4%	74.5%	79.9%	83.0%	86.6%	87.8%	89.6%	90.2%	92.3%	92.7%	94.4%	94.7%	94.9%	95.0%	95.0%	95.1%	95.1%	95.5%	95.6%	95.5%	95.6%	95.4%	95.4%	95.2%	95.4%	
Column Average	5.5%	20.8%	35.7%	48.0%	57.4%	66.9%	74.1%	80.6%	83.3%	87.7%	88.8%	91.1%	91.5%	93.1%	93.7%	94.4%	94.9%	95.1%	95.2%	95.2%	95.3%	95.5%	95.5%	95.6%	95.5%	95.4%	95.5%	95.4%	95.2%	95.4%	
Trimmed Average	5.7%	22.3%	37.5%	51.7%	60.7%	69.0%	74.4%	80.3%	83.6%	87.1%	88.4%	90.7%	91.0%	93.2%	93.7%	94.5%	94.8%	95.0%	95.1%	95.1%	95.2%	95.5%	95.6%	95.4%	95.5%	95.4%	95.5%	95.4%	95.2%	95.4%	
Weighted Average	6.4%	22.6%	38.4%	52.3%	60.4%	69.1%	73.5%	78.6%	81.7%	85.3%	86.5%	88.6%	89.3%	91.8%	92.2%	94.4%	94.6%	94.9%	94.9%	94.9%	95.0%	95.5%	95.6%	95.6%	95.7%	95.4%	95.4%	95.2%	95.4%	95.4%	
Average Last 3	8.3%	24.7%	36.6%	52.0%	58.1%	66.6%	71.3%	74.9%	76.7%	76.8%	79.0%	84.1%	85.1%	90.4%	90.6%	93.9%	94.0%	94.5%	94.6%	95.0%	95.1%	95.7%	95.8%	95.5%	95.6%	95.4%	95.4%	95.2%	95.4%	95.4%	
Weighted Avg Last 3	8.2%	24.5%	36.3%	51.7%	57.7%	66.5%	71.0%	75.0%	76.8%	76.9%	79.0%	83.5%	84.6%	90.0%	90.2%	94.0%	94.0%	94.5%	94.6%	94.9%	95.0%	95.7%	95.8%	95.0%	95.7%	95.4%	95.4%	95.2%	95.4%	95.4%	
Column Avg Last 3	8.7%	25.1%	37.6%	52.7%	59.4%	66.8%	71.5%	76.0%	77.7%	78.1%	79.0%	84.9%	86.0%	91.7%	91.9%	93.4%	93.5%	94.5%	94.6%	95.5%	95.6%	95.8%	95.9%	95.5%	95.5%	95.4%	95.4%	95.2%	95.4%	95.4%	
Average of Averages	6.9%	23.1%	37.2%	51.4%	59.1%	67.7%	72.9%	77.9%	80.4%	82.7%	84.1%	87.5%	88.2%	91.8%	92.1%	94.1%	94.4%	94.8%	94.9%	95.1%	95.2%	95.6%	95.7%	95.5%	95.6%	95.4%	95.4%	95.2%	95.4%	95.4%	
Prior	6.0%	21.0%	35.0%	50.0%	60.0%	68.0%	72.0%	75.0%	80.0%	83.0%	87.5%	89.0%	90.0%	91.0%	92.0%	92.5%	93.3%	93.5%	93.9%	94.0%	94.2%	94.4%	94.5%	94.5%	94.5%	94.5%	94.5%	94.5%	94.5%	94.5%	
Selected	7.0%	22.5%	37.5%	52.0%	60.0%	68.0%	72.0%	75.0%	80.0%	83.0%	85.0%	87.5%	9																		

**REVIEW OF RATES AND RATING PLANS AND POLICY FORMS  
AND ASSOCIATED MATTERS TO INCLUDE APPLICATION FORMS**

**Self Audit Program**

The Committee shall consider recommending that the Board confirm staff's revision to the FWCJUA Quarterly Payroll Reporting Form that was necessitated to secure OIR's approval of the form with the introduction of the FWCJUA Employer Quarterly Self Audit Program.

At its June 3<sup>rd</sup> meeting, the Rates & Forms Committee resolved to recommend that the Board adopt the then proposed Employer Quarterly Self Audit Program on or before January 1, 2009 to supplement the payroll and classification verification process on a quarterly basis during policy currency. The Committee's recommendation also included, among other things, the introduction of the then proposed FWCJUA Quarterly Payroll Reporting Form. In June, the Board met and adopted the Committee's recommendation. Accordingly, staff filed the program with OIR for approval. During the filing process, OIR requested that the form be revised to clarify that a "managing member" is actually an "LLC Managing member." Staff complied with OIR's request and ultimately received OIR's approval to introduce the Self Audit Program effective October 1, 2008.

Attached for the Committee's review is a copy of the revised new form, the FWCJUA Quarterly Payroll Reporting Form, that was approved by OIR. The revision is indicated in **red print** with either strikeout or underscore for quick reference.

**The Committee shall determine whether to recommend that the Board confirm staff's revision to the FWCJUA Quarterly Payroll Reporting Form that was necessitated to secure OIR's approval of the form with the introduction of the FWCJUA Employer Quarterly Self Audit Program to become effective October 1, 2008, applicable to new and renewal business.**

**FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC.  
QUARTERLY PAYROLL REPORTING FORM**

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

Employer Name: \_\_\_\_\_ Agency Name: \_\_\_\_\_  
 Address: \_\_\_\_\_ Address: \_\_\_\_\_

Policy Number: \_\_\_\_\_ Policy Period: \_\_\_\_\_  
 From: \_\_\_\_\_  
 To: \_\_\_\_\_

Payroll Period: \_\_\_\_\_  
 From: \_\_\_\_\_  
 To: \_\_\_\_\_

**NOTE: This form must be completed, signed and submitted even if you have no wages for this period.**

**1. Instructions:** Provide the name of each individual employed during this quarter and a detailed description of the work performed for each employee. Include salaries, wages, overtime, commissions, vacation pay, sick pay, etc., before any deductions are made for social security, unemployment or disability, federal income tax, etc. If overtime has been paid, please provide it in the corresponding column. Also include payroll for any persons performing work on a "contract" basis unless they have furnished you with a certificate of insurance from their insurance carrier or a certificate of exemption. Do not include your officer's, LLC managing member's, partner's, or individual owner's salaries in this section. Attach a separate sheet for additional employees with the required information below.

Employee Name	Describe Work Performed	Gross Wages (Including Overtime)	Overtime (Time And One Half)	Overtime (Double Time)	Company Use

**2. Instructions:** Provide the Title, Name, Details of Specific Duties and earnings/draws/profits for each officer/managing member, partner or individual owner. Include all principals even if they receive no pay or have elected, by filing an exclusion form, not to be covered. Attach a separate sheet for any additional individuals with the required information below.

Title	Name	Details of Specific Duties	Actual Earnings	Company Use.

**3. Additional Questions:**

- a. Did you pay overtime? Yes \_\_\_ No \_\_\_  
 If so, did you deduct the premium pay from the above totals? Yes \_\_\_ No \_\_\_
- b. Did you furnish lodging? Yes \_\_\_ No \_\_\_  
 If so, do your payroll figures include these charges? Yes \_\_\_ No \_\_\_  
 Provide the estimated value of the lodging: \$ \_\_\_\_\_
- c. Did your employees receive tips? Yes \_\_\_ No \_\_\_  
 If so, are the value of the tips included in the above payrolls? Yes \_\_\_ No \_\_\_

**4. Signature:** Any person who knowingly makes a false or misleading statement or representation, written or oral, for the purpose of avoiding or reducing the amount of premiums for workers compensation coverage commits a felony of the third degree.  
 I (we) the undersigned certify that the figures appearing in this report are a true and complete statement of all earnings by all the employees covered under the above policy for the period stated:

**X**

Date	Signature of Officer/Owner/Member or Partner	Address where payroll records are kept.	Telephone
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5. Mail (1) the completed Quarterly Payroll Reporting Form, (2) copy of the Quarterly State Tax Wage Report (UCT-6) or 941 Form, and (3) a completed Employer's Affidavit Form to: Travelers, P.O. Box 3556, Orlando, FL 32802

**FORMS ASSOCIATED WITH AGENCY AUTHORIZATION PROCESS****Agency Producer Agreement**

The Rates & Forms Committee shall consider the attached proposed revised Agency Producer Agreement form for recommendation to the Board as one of two vehicles to implement the August 20<sup>th</sup> Producer Committee recommendation regarding procedural changes and clarifications related to the Agency Producer Agreement authorization process.

The Producer Committee is recommending that the Board consider the following procedural changes and clarifications regarding the process:

1. Permit the payment of producer fees on outstanding business of authorized agencies and their designated producers during an FWCJUA suspension of their privileges to submit new and renewal business;
2. Require the complete reapplication for authorization to submit business to the FWCJUA every two years rather than the renewal of such given the complexity of the Agency Producer Agreement related to the number of parties that must be identified within or execute the Agreement;
3. Clarify that at all times during their agreement with the FWCJUA, every agency and its designated producers must:
  - a. serve as an insurance agent or insurance agency, as the case may be, of an insurer actively writing workers' compensation and employers' liability insurance **in the voluntary market** in the state of Florida, pursuant to a certificate of authority issued by the Florida Office of Insurance Regulation;
  - b. must abide by the FWCJUA Plan of Operation, **as amended from time to time**;
  - c. provide proof of errors and omissions or professional liability coverage **through a valid certificate of insurance issued to the FWCJUA**;
4. Clarify that the FWCJUA has **one** office located at 6003 Honore Ave. Suite 204 Sarasota, Florida 34238.
5. Ensure consistency between the Agency Producer Agreement and the Operations Manual by clarifying in the Agreement that the FWCJUA may, in its sole discretion, immediately suspend or terminate the Agreement upon the occurrence of **any material misrepresentation made in connection with FWCJUA business or the demonstrated lack of competency, fitness or trustworthiness to act as an Agency or Designated Producer**.
6. Ensure consistency between the Operations Manual and the Agency Producer Agreement by clarifying in the Manual that the Agency must maintain errors and omissions insurance **or professional liability insurance issued by an insurer authorized to do business in Florida covering the Agency, all Designated Producers and CSRs** in an amount not less than \$500,000 per occurrence.

To implement the Producer Committee's recommendation, both the Agency Producer Agreement and the Operations Manual will be required to be revised. Specifically, items 1 and 6 above will solely be addressed in a proposed Operations Manual revision to be considered separately within this agenda. Attached for the Committee's review is a copy of the proposed revised Agency Producer Agreement. The changes are indicated in **red and yellow highlight** with either strikeout or underscore for quick reference. If ultimately adopted by the Board, the revised Agreement will be filed for OIR approval.

**The Committee shall determine whether to recommend that the Board adopt the proposed revisions to the Agency Producer Agreement as one of two vehicles to implement the Producer Committee's proposed procedural changes and clarifications related to the Agency Producer Agreement authorization process.**

## AGENCY PRODUCER AGREEMENT

This Agency Producer Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 20\_\_, by and between the FLORIDA WORKERS' COMPENSATION JOINT UNDERWRITING ASSOCIATION, INC. (the "FWCJUA"), a corporation not for profit organized and existing under the laws of the State of Florida, \_\_\_\_\_, an insurance agency duly licensed or registered to do business in the state of Florida, pursuant to Chapter 626, Florida Statutes (the "Agency"), and the general lines insurance agent or agents working at each Agency location, duly licensed to act as such by the Florida Department of Financial Services, who are identified in the attached Exhibit A (referred to herein, both singularly and plurally, as the case may be, as the "Designated Producer"). This Agency Producer Agreement shall hereinafter be referred to as the "Agreement." By signing this Agreement in the space provided in Exhibit A, each Designated Producer is a party to the Agreement and agrees to be bound by its terms and provisions.

The Agency, each Designated Producer, and the FWCJUA, agree as follows:

### SECTION I – AUTHORIZATION

**1.1. Authorization; Generally.** The FWCJUA hereby authorizes the Agency to submit qualified Florida workers' compensation business to the FWCJUA. The Agency shall only submit to the FWCJUA such business as is qualified for coverage pursuant to section 627.311(5), Florida Statutes, as amended from time to time, and the FWCJUA Plan of Operation. The Agency, its directors, officers, members, partners, employees, the Designated Producers, and any customer service representatives ("CSRs") working under the supervision of the Designated Producers, are independent contractors, and not employees, representatives or agents of the FWCJUA. Attached to this Agreement, and made a part hereof as Exhibit A, is a list of each Agency location, which includes the following information with respect to each location: (i) Agency address and telephone number; (ii) Agency license or registration number; (iii) name of the agent-in-charge; (iv) name and Florida license number of each Designated Producer, if any; (v) qualifying appointment for each Designated Producer, if any; and (vi) the name and license number of any CSRs authorized by the Agency to transact business related to the FWCJUA and working under the supervision of a Designated Producer. Only those Designated Producers and CSRs designated in writing by the Agency with respect to each Agency location may transact business related to the FWCJUA. The Agency shall notify the FWCJUA in writing of any changes in the information listed in Exhibit A, including, but not limited to, any changes with respect to the addition or deletion of Agency locations, Designated Producers or CSRs. Such notice shall be provided by the Agency to the FWCJUA prior to the change whenever practicable, but in no event shall such notice be provided to the FWCJUA later than 10 days after such change occurs. The FWCJUA will not accept any business from a Designated Producer which has not been added to Exhibit A of this Agreement. The FWCJUA may, in its discretion, choose to communicate only with Designated Producers and CSRs so designated by the Agency. The FWCJUA may, in its discretion, decline to permit, or withdraw permission for any Agency location, Designated Producer or CSR to transact business related to the FWCJUA.

**1.2. License.** As a condition of maintaining authorization to submit business to the FWCJUA, the Agency at all times during the term hereof (a) shall be duly licensed or registered by the Florida Department of Financial Services (the "Department") for each location identified in Exhibit A, (b) employ at least one Designated Producer for at least one of the locations identified in Exhibit A, (c) the Designated Producers and CSRs transacting business related to the FWCJUA shall be duly licensed to perform the services they perform related to the FWCJUA, and (d) any CSR authorized to communicate with the FWCJUA shall be under the direct supervision of a Designated Producer. The Agency shall be responsible for the job performance, as required by law, this Agreement, or otherwise, of the Designated Producers and CSRs authorized to transact business related to the FWCJUA. The Designated Producers shall be responsible for any act or failure to act of the CSRs working under their supervision.

**1.3. Other Markets.** As a condition of maintaining authorization to submit business to the FWCJUA, the Designated Producer or the Agency shall at all times during the term hereof serve as an insurance agent or insurance agency, as the case may be, of an insurer actively writing workers' compensation and

employers' liability insurance **in the voluntary market** in the state of Florida, pursuant to a certificate of authority issued by the Florida Office of Insurance Regulation. The Designated Producer or the Agency, as the case may be, shall provide proof of such business relationship at the time of application and at the time of renewal or replacement.

## **SECTION II – DUTIES OF THE AGENCY & DESIGNATED PRODUCERS**

**2.1. Compliance with FWCJUA Guidelines.** The Agency and Designated Producers shall abide by the FWCJUA Plan of Operation, **as amended from time to time**, including its Articles of Incorporation, the Bylaws, ~~as amended from time to time,~~ and the Operations Manual. Copies of these documents are available at the offices of the FWCJUA, located at 6003 Honore Ave. Suite 204 Sarasota, Florida 34238 and on the FWCJUA's Internet web site, at [www.fwcjua.com](http://www.fwcjua.com). The Agency and Designated Producers are responsible for obtaining copies of these documents and ensuring that the CSRs understand their contents.

**2.2. No Authority to Bind the FWCJUA.** Neither the Agency nor a Designated Producer is an agent of the FWCJUA or any FWCJUA Service Provider, and they have no authority, actual or apparent, to bind the FWCJUA or any Service Provider. Neither the Agency nor a Designated Producer shall represent to any person, either expressly or by implication, that the Agency or the Designated Producer is an agent of the FWCJUA or any Service Provider. Toward that end, neither the Agency nor a Designated Producer shall use any materials provided by the FWCJUA or any Service Provider in such a manner as to create the impression that an agency relationship exists between the Agency and the FWCJUA or any Service Provider.

**2.3. Duty to Provide Information.** The Agency and Designated Producers shall use reasonable care to furnish information to the FWCJUA which is accurate in all respects. All applications, reports, correspondence and claim information shall be forwarded to the FWCJUA or its designee within the time limits set forth in the FWCJUA Plan of Operation and this Agreement.

**2.4. Remittance of Premiums.** All premiums, assessments, penalties, fees or surcharges whether in excess of the advance or deposit premium or not, received on FWCJUA business shall be remitted to the FWCJUA or its designee no later than the first business day following the day the premiums, assessments, penalties, fees or surcharges were received by the Agency or the Designated Producer.

**2.5. Applications.** The Agency and Designated Producers shall adopt and maintain procedures to ensure that all FWCJUA insurance applications are complete and accurate. All applicants shall be furnished a copy of the completed application at the time of writing. The Agency and Designated Producers shall not enlarge, limit, modify, or interpret the questions asked or information provided in the application.

**2.6. Records.** The Agency shall maintain full and complete records of all transactions related to FWCJUA business. The Agency shall maintain such books and records as are customarily maintained by property and casualty insurance agents in the ordinary course of their business, including, without limitation, receipt books and records of daily deposits.

**2.7. Indemnity.** The Agency agrees to indemnify and hold harmless the FWCJUA, and all officers, agents and employees of the FWCJUA, from all loss, claims, damages, fees and expenses, including attorneys' fees and costs and other expenses, reasonably incurred or paid on account of any wrongful act or any error or omission of the Agency or any Designated Producer or CSR, including any violation of this Agreement or any provision of the FWCJUA Plan of Operation.

**2.8. Errors and Omission Coverage.** The Agency shall at all times this Agreement is in effect maintain errors and omissions insurance or professional liability insurance covering the Agency, all Designated Producers and CSRs. If the errors and omissions or professional liability coverage is provided on a claims-made basis, the policy shall remain in effect for a period of no less than five (5) years following any termination of this Agreement for any wrongful acts arising under this Agreement. The errors and omissions or professional liability coverage must be issued by an insurer authorized to do business in Florida, in an amount not less than \$500,000 per occurrence. The Agency shall provide proof of the coverage **through a valid certificate of insurance issued to the FWCJUA** when it signs this Agreement, and shall furnish proof of

renewal, replacement, cancellation, or nonrenewal to the FWCJUA at the time of renewal, replacement, cancellation or nonrenewal. Failure to maintain adequate errors and omissions or professional liability coverage shall automatically terminate this Agreement. The Agency's obligation to indemnify the FWCJUA is in no way limited by the limits of its errors and omissions or professional liability coverage.

**2.9. Inspection.** All books and records of the Agency and Designated Producers related to FWCJUA business shall be open for inspection and audit by the FWCJUA or its authorized representative during normal business hours. This provision shall survive for a period of five (5) years after the termination of the Agreement.

**2.10 Refund of Fees.** When notified of cancellation, coverage changes or midterm termination, the Agency will promptly refund any unearned producer fees to the FWCJUA.

**2.11 Communication.** The Agency and Designated Producers will be responsible for communicating the rules and regulations set forth in the FWCJUA Plan of Operation to the CSRs. In addition, it is the responsibility of the Agency and Designated Producers to disseminate any information sent to them by the FWCJUA or any Service Provider via e-mail, fax or mail as appropriate to CSRs, applicants and policyholders.

### **SECTION III – DUTIES OF THE FWCJUA**

**3.1 Compensation.** The FWCJUA shall pay to the Agency the compensation set forth in Section V hereof.

**3.2 Monthly Statement.** The FWCJUA shall forward to the Agency a monthly statement showing all producer fee transactions. The statement shall be issued by the 15th day of each calendar month and shall state the policies issued, insured's name, fees earned, and shall state the unearned fees due, if any, by policy number and insured name. The schedule shall be supplementary to the notice of cancellation or termination which shall serve as the notice to the Agency of the time and amount of unearned premium due. Any failure of the FWCJUA shall not relieve the Agency of any of its responsibilities under the Agreement.

**3.3 Inquiries.** The FWCJUA will communicate with Designated Producers and CSRs designated by the Agency when the Agency or a Designated Producer has questions concerning the risks it is placing with the FWCJUA, including premium remittances and producer fees. Notwithstanding this responsibility, the Agency's or a Designated Producer's inability to contact the FWCJUA with any inquiries shall not justify the Agency's or a Designated Producer's noncompliance with any of the requirements of this Agreement, or other rules or procedures incorporated by reference herein.

### **SECTION IV – TERM AND TERMINATION**

**4.1 Effective Date.** The effective date of this Agreement is the date indicated below in the signature block as completed by the FWCJUA (the "Effective Date"); provided, however, that the Agency and Designated Producer by execution of this Agreement hereby acknowledge and agree that the terms and conditions of this Agreement shall apply to any and all business submitted by the Agency to the FWCJUA prior to the Effective Date of this Agreement, where the policy effective dates of such business coincide with or are subsequent to the Effective Date of this Agreement, regardless of whether such business is submitted to the FWCJUA prior to execution of this Agreement by the Agency or Designated Producer. The FWCJUA will not accept applications for business under this Agreement where the policy effective dates of such business precede the Effective Date of this Agreement.

**4.2 Term.** This Agreement shall have **an initial a** term of two (2) years, which shall commence on the Effective Date. ~~This Agreement may be renewed for additional terms of two (2) years each, provided that, no later than forty five (45) days prior to the end of the initial or any renewal term of this Agreement, the Agency delivers to the FWCJUA the following: (a) payment of the renewal fee prescribed by the FWCJUA for each Designated Producer listed on the attached Exhibit A; (b) a certificate of insurance which evidences that the Agency is insured for errors and omissions in accordance with paragraph 2.8 hereof. The Agency will be responsible for providing on an annual basis, no later than forty five (45) days prior to the Agency's~~

~~anniversary date, a certificate of insurance which evidences that the Agency is insured for errors and omissions in accordance with paragraph 2.8 hereof.~~

**4.3. Termination.** This Agreement shall automatically terminate immediately, without notice and without further action by the FWCJUA, upon the occurrence of any of the following events: (a) the dissolution of the FWCJUA, by operation of law or otherwise; (b) the loss, surrender, suspension, revocation, expiration or termination of the Agency's license or registration of all Agency locations with Designated Producers; or (c) in the case where the Agency or any Agency location has only one Designated Producer, the loss, surrender, suspension, revocation, expiration or termination of the Designated Producer's license or registration with respect to the Agency or the Agency location, in which case termination shall be effective with respect to the Agency or particular Agency location, as applicable. The FWCJUA may, in its sole discretion, immediately ~~suspend or~~ terminate this Agreement upon the occurrence of any of the following events: (a) the Agency's or a Designated Producer's failure to comply with the FWCJUA Plan of Operation, including its Operations Manual; (b) the Agency's failure to have and maintain a Designated Producer in its employ for an Agency location; (c) any act or omission which would constitute grounds for suspension or revocation of the Agency's or a Designated Producer's privileges pursuant to the Operations Manual; (d) failure to comply with policies or procedures adopted by the FWCJUA's Board of Governors; (e) failure to comply with paragraphs 1.3 or 2.8 of this Agreement; (f) ~~any material misrepresentation made in connection with FWCJUA business;~~ (g) any material breach of this Agreement; (gh) any violation of law; ~~or~~ (hi) upon a change of control of 10 percent or more of the Agency's voting shares or other voting ownership interests, if the FWCJUA determines that such change of control would provide grounds for termination of this Agreement ~~or~~ (i) ~~demonstrated lack of competency, fitness or trustworthiness to act as an Agency or Designated Producer.~~ If the Agency has multiple locations with Designated Producers, as listed in Exhibit A, the FWCJUA may, in its sole discretion, apply the termination of this Agreement as to any or all of the Agency locations. In the event the FWCJUA terminates this Agreement with respect to one or more, but not all, of the locations or Designated Producers of an Agency, the FWCJUA will provide written notice to the Agency of the particular locations or Designated Producers to which the termination applies.

**4.4 Use of FWCJUA's Name.** After termination of this Agreement pursuant to paragraph 4.3 above, neither the Agency nor a Designated Producer shall represent itself in any way as being associated with the FWCJUA and will not use the name of the FWCJUA on any applications, statements, correspondence or other documents or instruments or in any sales promotion materials, circulars, advertisements or otherwise.

**4.5 Producer Fees.** Neither the Agency nor a Designated Producer shall be entitled to receive the payment of any fees from the FWCJUA after termination of this Agreement; provided, however, that this shall not affect the Agency's right to receive fees which are fully earned prior to such termination.

## **SECTION V – COMPENSATION**

**5.1 Rate of Producer Fees.** The rate of fees payable to the Agency by the FWCJUA on business written by the FWCJUA shall be based upon standard premium exclusive of any surcharges and the flat fee, and shall be calculated in accordance with the "Producer Fee Table" as the same may be approved from time to time by the FWCJUA Board of Governors ("the Board"). Until further action by the Board, the table included in the FWCJUA Operations Manual shall govern.

**5.2 Additional Fees and Charges.** Neither the Agency nor a Designated Producer shall charge fees or additional service charges, premium charges, charges for completing an application or any other charges which are not specifically authorized by the FWCJUA.

**5.3 Expenses.** The FWCJUA shall not be responsible for any expenses of the Agency and Designated Producers, including, without limitation, rent, transportation, salaries, license fees or taxes, occupational fees or taxes, collection fees, solicitors fees, postage and advertising.



## **SECTION VI – LIMITATIONS OF AUTHORITY**

**6.1 Bad Checks.** The Agency shall not issue checks, drafts, or similar negotiable or non-negotiable instruments if they will be returned unpaid due to insufficient funds in the Agency's account at the time they are issued or any time thereafter.

**6.2 Misrepresentation.** The Agency and Designated Producers will not provide any false, inaccurate or misleading information on applications or with respect to claims or other material matters submitted to the FWCJUA or any Service Provider. The Agency will be primarily responsible for misrepresentations on applications regardless of whether those misrepresentations originated with the applicant, the Agency, a Designated Producer or CSR. The errors and omissions coverage maintained by each Agency shall provide for, but not be limited to, indemnification of the FWCJUA for any amounts paid to or on behalf of an insured which would not have been paid absent the misrepresentation.

**6.3 Apparent Agency.** During the term of this Agreement and after its termination, neither the Agency nor a Designated Producer will hold itself out or represent itself to be an agent or representative of the FWCJUA or any Service Provider.

**6.4. Certificates of Insurance.** Neither the Agency nor a Designated Producer shall issue FWCJUA certificates of insurance without the prior written consent of the FWCJUA or its Service Provider. The only party authorized by the FWCJUA with the discretionary power to issue certificates of insurance is its Service Provider. The Agency and Designated Producers shall only be given permission to issue a certificate of insurance, if at all, on an individual case-specific basis.

Further, the FWCJUA may take disciplinary action against the Agency or a Designated Producer for issuing certificates of insurance without the advance authorization of the FWCJUA or its Service Provider, including suspension or revocation of either the Agency's privilege to submit business to the FWCJUA or the Designated Producer's privilege to transact business related to the FWCJUA. Certificates of Insurance will be issued by the Service Provider within five (5) working days of receipt of the request provided the policy has been issued. Often, more immediate issuance is required. If so, the Agency or a Designated Producer must contact the Service Provider to request permission to issue a specific certificate of insurance. The Service Provider has the authority to decide whether to permit the Agency or a Designated Producer to issue the specific certificate of insurance.

**6.5 Producer Notarization Prohibition.** Pursuant to Florida Statutes Section 117.107(12), a notary public may not notarize a signature on a document if the notary public has a financial interest in or is a party to the underlying transaction. Therefore, the FWCJUA will not accept any document which has been notarized by a Designated Producer identified or required to be identified in Exhibit A to this Agreement or by an owner identified or required to be identified in Exhibit B to this Agreement.

## **SECTION VII – FINANCED PREMIUMS**

When the Agency or a Designated Producer has assisted or arranged for an applicant to finance premiums through a finance company, the financed premiums are to be handled in accordance with this Agreement and the requirements of the FWCJUA Plan of Operation.

## **SECTION VIII – GENERAL PROVISIONS**

**8.1 Transfer; Assignment.** This Agreement shall not be transferred, assigned or pledged by the Agency or a Designated Producer without the prior written consent of the FWCJUA.

**8.2 Independent Contractor.** The Agency and Designated Producers are independent contractors and nothing contained herein shall be construed to create the relationship of employer and employee, partnership, agency, or joint venture between the FWCJUA or any Service Provider and the Agency or Designated Producers.

**8.3 Entire Agreement.** This Agreement shall supersede all prior agreements between the parties hereto and, together with the FWCJUA Plan of Operation, constitutes the sole and entire agreement between the parties. There is and there can be no other verbal or written contract, agreement, understanding or custom whereby the terms of this Agreement have been or can be affected, changed, varied, modified, interpreted, construed or waived in any manner whatsoever unless set forth in writing by the FWCJUA and the Agency and the Designated Producers.

**8.4 Notice.** All notices hereunder shall be given by registered or certified mail, express mail, or overnight courier, to the following:

If to the FWCJUA:

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If to the Agency:

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**8.5 Waiver of Default.** The failure of the FWCJUA to take any action respecting a default by the Agency or a Designated Producer shall not be deemed to constitute a waiver of a subsequent default or an amendment to this Agreement. Delay by the FWCJUA in taking any action respecting such default shall not constitute a waiver of that default.

**8.6 Advertisements; Prior Review.** Neither the Agency nor a Designated Producer shall include the FWCJUA name, logo, or acronym on any written material or in any broadcast without the prior approval therefor by the FWCJUA.

**8.7 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida (without giving effect to the principles of conflicts of law) applicable to a contract executed and to be performed in this state.

**8.8 Venue.** In any proceeding involving the enforcement or interpretation of this Agreement, or related to any other dispute between the FWCJUA and the Agency or a Designated Producer, venue shall be in Sarasota County, Florida.

**8.9 Headings, etc.** The headings used in this Agreement have been inserted for convenience only, and do not constitute matter to be construed or interpreted in connection with this Agreement. Unless the context otherwise requires, (a) words of any gender will be deemed to include the other gender; (b) words using the singular or plural form will also include the plural or singular form, respectively; (c) the terms "hereof," "herein," "hereby," and derivative or similar words will refer to this entire Agreement; and (d) the conjunction "or" will denote anyone or more, or any combination or all, of the specified items or matters involved in the respective lists.

**8.10 Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any present or future law, and if the rights or obligations of any party under this Agreement would not be materially and adversely affected thereby, (a) such provision will be fully severable; (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable provision or by its severance therefrom; and (d) in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement, a legal, valid, and enforceable provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible.

**8.11 Execution in Counterparts.** This Agreement, including Exhibit A, may be executed in one or more counterparts by facsimile transmission. This form of execution shall constitute an original execution of this Agreement by each of the parties hereto. Each party hereto shall execute an original version of this Agreement as soon as is practicable, such original version to replace the facsimile version.

**8.12 Construction and Interpretation.** This Agreement shall not be more strictly construed or interpreted against the party which prepared this Agreement.

**SECTION IX – AGENCY OWNERSHIP & MANAGEMENT**

The Agency shall list in Exhibit B attached hereto and made a part hereof by reference the identity of all Agency officers, senior managers, directors, partners, and any persons who own or have the right to control 10 percent or more of the voting shares or other voting ownership interests of the Agency, including any or all of the Agency locations listed in Exhibit A. The Agency shall notify the FWCJUA in writing of any changes in the information listed in Exhibit B, including, but not limited to, any changes with respect to the addition or deletion of Agency officers, senior managers, directors, partners, or any person who owns or has the right to control 10 percent or more of the voting shares or other voting ownership interests of the Agency. Such notice shall be provided by the Agency to the FWCJUA prior to the change whenever practicable, but in no event shall such notice be provided to the FWCJUA later than 10 days after such change occurs.

IN WITNESS WHEREOF, the Agency and the FWCJUA have signed this Agreement on the date first written above.

**FLORIDA WORKERS' COMPENSATION  
JOINT UNDERWRITING ASSOCIATION, INC.**

\_\_\_\_\_  
(Agency Name)

By: \_\_\_\_\_  
(Authorized FWCJUA Representative's Signature)

\_\_\_\_\_  
(Authorized Agency Principal's Signature)

Name: \_\_\_\_\_  
(Authorized FWCJUA Representative's Name)

\_\_\_\_\_  
(Print Authorized Agency Principal's Name)

Title: \_\_\_\_\_

\_\_\_\_\_  
(Agency FEIN Number)

Effective Date: \_\_\_\_\_  
(To be completed by FWCJUA)

**Agency Producer Agreement  
Exhibit A**

**AGENCY LOCATIONS, DESIGNATED PRODUCERS AND  
CUSTOMER SERVICE REPRESENTATIVES ADDENDUM**

I \_\_\_\_\_(Name of Authorized Agency Principal) certify on behalf of \_\_\_\_\_(Agency Name) that (i) the following Agency locations constitute all of the Agency's locations, (ii) all of the Agency's locations are duly licensed or registered (copies attached) by the Florida Department of Financial Services (the "Department"); (iii) the Designated Producers, if any, listed for each Agency location are individuals licensed by the Department as general lines insurance agents (copy attached) with at least one qualifying appointment; (iv) the CSRs, if any, listed for each Agency Location are duly licensed by the Department (copy attached), are employees of the Agency working under the direct supervision of a Designated Producer, and are authorized by the Agency to transact business related to the FWCJUA.

By executing this Exhibit A, each Designated Producer hereby expressly acknowledges and agrees that he or she has received a complete copy of the Agency Producer Agreement to which this Exhibit A is attached, and such Designated Producer agrees to be bound by the terms of the Agreement.

A separate Exhibit A should be completed and attached to the Agreement for each Agency location, and additional copies of Exhibit A may be copied as necessary to list additional Designated Producers and CSRs if additional space is needed. If an Agency location has no Designated Producer, the Agency should indicate "none" in the first blank provided for the Designated Producer's name.

**AGENCY LOCATION INFORMATION:**

\_\_\_\_\_  
Agency Name (including d/b/a if applicable)

\_\_\_\_\_  
Agency Location Address

\_\_\_\_\_  
Agency Location Telephone Number

\_\_\_\_\_  
Agency License or Registration Number

\_\_\_\_\_  
Name of Agent-In-Charge

**DESIGNATED PRODUCERS AT AGENCY LOCATION:**

1) \_\_\_\_\_  
(Print Designated Producer Name)                      \_\_\_\_\_  
(License number)    \_\_\_\_\_  
(Florida WC Insurer Appointment)

\_\_\_\_\_  
(Producer Signature)    \_\_\_\_\_  
(Phone Number)    \_\_\_\_\_  
(E-mail Address)

2) \_\_\_\_\_  
(Print Designated Producer Name)                      \_\_\_\_\_  
(License number)    \_\_\_\_\_  
(Florida WC Insurer Appointment)

\_\_\_\_\_  
(Producer Signature)    \_\_\_\_\_  
(Phone Number)    \_\_\_\_\_  
(E-mail Address)

3) \_\_\_\_\_  
(Print Designated Producer Name)                      \_\_\_\_\_  
(License number)    \_\_\_\_\_  
(Florida WC Insurer Appointment)

\_\_\_\_\_  
(Producer Signature)    \_\_\_\_\_  
(Phone Number)    \_\_\_\_\_  
(E-mail Address)

**Continued on next page**

**Agency Producer Agreement Exhibit A**

**DESIGNATED PRODUCERS AT AGENCY LOCATION (Continued):**

4) _____ (Print Designated Producer Name)	_____ (License number)	_____ (Florida WC Insurer Appointment)
_____ (Producer Signature)	_____ (Phone Number)	_____ (E-mail Address)
5) _____ (Print Designated Producer Name)	_____ (License number)	_____ (Florida WC Insurer Appointment)
_____ (Producer Signature)	_____ (Phone Number)	_____ (E-mail Address)
6) _____ (Print Designated Producer Name)	_____ (License number)	_____ (Florida WC Insurer Appointment)
_____ (Producer Signature)	_____ (Phone Number)	_____ (E-mail Address)
7) _____ (Print Designated Producer Name)	_____ (License number)	_____ (Florida WC Insurer Appointment)
_____ (Producer Signature)	_____ (Phone Number)	_____ (E-mail Address)

**CUSTOMER SERVICE REPRESENTATIVES:**

1) _____ (Print CSR Name)	_____ (License number)	_____ (Name of Supervising Designated Producer)
_____ (Phone Number)	_____ (E-mail Address)	
2) _____ (Print CSR Name)	_____ (License number)	_____ (Name of Supervising Designated Producer)
_____ (Phone Number)	_____ (E-mail Address)	
3) _____ (Print CSR Name)	_____ (License number)	_____ (Name of Supervising Designated Producer)
_____ (Phone Number)	_____ (E-mail Address)	
4) _____ (Print CSR Name)	_____ (License number)	_____ (Name of Supervising Designated Producer)
_____ (Phone Number)	_____ (E-mail Address)	
5) _____ (Print CSR Name)	_____ (License number)	_____ (Name of Supervising Designated Producer)
_____ (Phone Number)	_____ (E-mail Address)	

ATTACH ADDITIONAL PAGES AS NEEDED



**OPERATIONS MANUAL REVISIONS**

**Reformatting & Revision**

Subsequent to the June 3<sup>rd</sup> Rates & Forms Committee and June 11<sup>th</sup> Board meetings, OIR determined that it was not necessary for the FWCJUA to reformat its Operations Manual to include the statutorily required Plan of Operation elements, which would be subject to approval by OIR order, and introduce a new manual that contains the FWCJUA's day-to-day policies and procedures, which would simply be subject to OIR approval. Accordingly, staff did not pursue the reformatting of the FWCJUA Operations Manual to include the introduction of a proposed FWCJUA Policies and Procedures Guide as directed by the Board.

**No Committee action is required on this agenda item.**

**OPERATIONS MANUAL REVISIONS****7/31/2008 Reprint/Revision**

The Committee shall consider recommending that the Board confirm staff's July 31, 2008 reprint/revision filing of the FWCJUA Operations Manual to incorporate all the June 11<sup>th</sup> Board directed Operations Manual and form revisions, including the introduction of two new forms, that were filed with and approved by OIR as well as to repaginate the Manual given the volume of the approved forms and revisions.

At its June 11<sup>th</sup> meeting, the Board adopted revisions to MAP, reinstatement procedures for agencies and designated producers, Truckers Supplemental Application, Contractor's Supplemental Application, Employer's Affidavit, as well as agreed to introduce an employer's quarterly self audit program and more formerly address the FWCJUA premium payment options. In July, staff made the appropriate filings and received the required OIR approvals; however, it became apparent that given the volume of the approved forms and revisions the Manual effectively needed to be repaginated and reprinted. Accordingly, staff filed the July 31, 2008 reprint/revision of the Manual. OIR approved this Manual reprint/revision filing on August 1<sup>st</sup> to become effective September 1, 2008.

Attached for the Committee's perusal is a copy of OIR's letter ordering approval of the July 31, 2008 reprint/revision of the FWCJUA Operations Manual as well as a copy of the approved filing cover letter.

**The Committee shall determine whether to recommend that the Board confirm staff's decision to file and secure OIR's approval of the July 31, 2008 reprint/revision of the FWCJUA Operations Manual.**





## OFFICE OF INSURANCE REGULATION

**KEVIN M. MCCARTY**  
COMMISSIONER

**FINANCIAL SERVICES  
COMMISSION**

**CHARLIE CRIST**  
GOVERNOR

**ALEX SINK**  
CHIEF FINANCIAL OFFICER

**BILL MCCOLLUM**  
ATTORNEY GENERAL

**CHARLES BRONSON**  
COMMISSIONER OF  
AGRICULTURE

August 1, 2008

Mr. Michael K. Cleary  
Operations Manager  
Florida Workers Compensation Joint Underwriting Association  
P.O. Box 48597  
Sarasota, FL 34238

RE: Florida Workers Compensation Joint Underwriting Association  
Workers' Compensation / Standard  
Company File Number: Ops ManRev073108  
OIR File Number: FWC 08-15672

Dear Mr. Cleary:

The above captioned filing that makes minor changes to the FWCJUA Operations Manual to incorporate previously approved filings is hereby ordered approved effective 9/1/2008. Included with this letter is an email with a link to the approved manual pages for the filing.

Please verify that these pages are the final printed manual pages and that the effective date noted above is correct. **If we do not hear from you within the next 10 days, we will assume that you have received a stamped copy of all manual pages applicable to this filing and that the effective dates are correct.**

Sincerely,

James D. Watford, ACAS, MAAA  
Actuary  
Jim.Watford@floi.com  
(850) 413-5368

• • •

JAMES D. WATFORD • ACTUARY • PROPERTY & CASUALTY PRODUCT REVIEW  
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0330 • (850) 413-3146 • FAX (850) 922-3865  
website: [www.floi.com](http://www.floi.com) • Jim.Watford@floi.com

Affirmative Action / Equal Opportunity Employer

Filing: 08-15672  
Only Stamped

Florida Department of Financial Services

July 31, 2008

Mr. Kevin M. McCarty  
 Commissioner  
 Florida Office of Insurance Regulation  
 c/o Mr. James D. Wafford, A.C.A.S., M.A.A.A.  
 200 East Gaines Street  
 Tallahassee, FL 32399-0326

**Re: FWCJUA OPERATIONS MANUAL REPRINT/REVISION TO IMPLEMENT OIR APPROVALS OF FILINGS FWC08-14335, FWC08-14377, FWC08-14482, FWC08-14484, FWC08-14491, FWC08-14493, & FWC08-14556**

Dear Mr. McCarty:

In accordance with the provisions of Section 627.311(5), Florida Statutes, and on behalf of the Board of Governors of the Florida Workers' Compensation Joint Underwriting Association, Inc. ("FWCJUA"), I am filing the July 31, 2008 reprint/revision of the FWCJUA Operations Manual to incorporate all the manual and form revisions, including the introduction of two new forms, that were filed with and recently approved by OIR as well as to repaginate the Manual given the volume of the approved forms and revisions.

As a reference, the following pages in the proposed July 31, 2008 reprint of the Operations Manual have been affected as indicated:

1. Cover page – the revision date was changed to 07312008
2. Second page – changed the copyright to ©1994-2008; and the revision date was changed to 07312008
3. Table of Contents, pages i – vi,
  - Part Three, D, 10 – repaginated to 19
  - Part Three, D, 14 – repaginated to 21
  - Part Four, E – repaginated to 51
  - Part Four, L – repaginated to 59
  - Part Seven – all forms subsequent to the *Applicant's Affidavit As To Employee Leasing* were repaginated to 111 through 159
4. Page 4 – revised due to FWC08-14491 approval
5. Page 5 – "New Business" definition contains one additional line from page 4 – no new information
6. Page 9 – revised due to FWC08-14335 approval
7. Pages 15-18 – revised due to FWC08-14482 approval
8. Pages 19-23 – information moved from prior page to accommodate the pp 15-18 revisions – no new information
9. Pages 36-37 – revised due to FWC08-14491 approval
10. Page 49 – revised due to FWC08-14491 approval
11. Pages 50-54 – information moved from prior page to accommodate the p. 49 revision – no new information
12. Page 55 – revised due to FWC08-14482 and some information moved from prior page to accommodate the p. 49 revision
13. Pages 56-60 – information moved from prior page to accommodate the p. 49 and p. 55 revisions – no new information
14. Pages 61-62 – revised due to FWC08-14556 approval
15. Page 64 – revised due to FWC08-14482 approval
16. Page 97 – revised due to FWC08-14493 and FWC08-14484 approvals; however, the actual insertion of the *Quarterly Payroll Reporting Form* in the list following the *Employer's Affidavit* was not specifically identified in the FWC08-14484 filing

**BOARD OF GOVERNORS:** Charlie Clary, *Chair*; Dan Dannenhauer, *Vice Chair*; Fred Bennett; Terry Butler; Rick Hodges; Claude Revels; Brett Stiegel; Beth Vecchioli; James Ward

Date Received: **JUL 31 2008** Date of Action: **AUG 1 2008**  
JUL 31 2008 AUG 1 2008  
OFFICE OF INSURANCE REGULATION

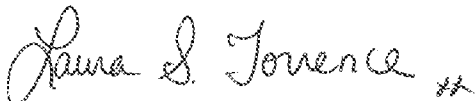
17. Page 98 – information moved from prior page to accommodate the p. 97 revision – no new information
18. Pages 105-108 – revised due to FWC08-14491 and FWC08-14493 approvals
19. Pages 111-112 – revised due to FWC08-14491 and FWC08-14493 approvals and required all subsequent pages to be repaginated as new form was added
20. Pages 113-114 – revised due to FWC08-14491 and FWC08-14493 approvals; note that these pages were repaginated from 111-112
21. Pages 115-119 – information moved from prior page to accommodate the pp. 111-112 revision – no new information
22. Pages 120-124 – revised due to FWC08-14377 approval; note that these pages were repaginated from 118-122
23. Page 125 – information moved from prior page to accommodate the pp. 111-112 revision – no new information
24. Pages 126-127 – revised due to FWC08-14377 approval; note that these pages were repaginated from 124-125
25. Page 128 – revised due to FWC08-14482 and FWC08-14484 approvals and required all subsequent pages to be repaginated as new form was added
26. Pages 129-160 – information moved from prior page to accommodate the pp. 111-112 and p. 128 revisions – no new information

Upon approval of this filing, the FWCJUA shall promptly place the proposed reprint of the Operations Manual on its website.

Should you have any questions regarding this filing, please do not hesitate to contact me. Your early review and action is appreciated.

Respectfully submitted,

Florida Workers' Compensation Joint Underwriting Association, Inc.



Laura S. Torrence  
Executive Director

enclosure

c: Tom Maida, General Counsel

OPERATIONS MANUAL REVISIONS**Producer Committee Recommendation**

The Rates & Forms Committee shall consider the attached proposed Operations Manual revisions for recommendation to the Board as one of two vehicles to implement the August 20<sup>th</sup> Producer Committee recommendation regarding procedural changes and clarifications related to the Agency Producer Agreement authorization process.

As previously indicated in this agenda, the Producer Committee is recommending that the Board consider the following procedural changes and clarifications regarding the process:

1. Permit the payment of producer fees on outstanding business of authorized agencies and their designated producers during an FWCJUA suspension of their privileges to submit new and renewal business;
2. Require the complete reapplication for authorization to submit business to the FWCJUA every two years rather than the renewal of such given the complexity of the Agency Producer Agreement related to the number of parties that must be identified within or execute the Agreement;
3. Clarify that at all times during their agreement with the FWCJUA, every agency and its designated producers must:
  - a. serve as an insurance agent or insurance agency, as the case may be, of an insurer actively writing workers' compensation and employers' liability insurance **in the voluntary market** in the state of Florida, pursuant to a certificate of authority issued by the Florida Office of Insurance Regulation;
  - b. must abide by the FWCJUA Plan of Operation, **as amended from time to time**;
  - c. provide proof of errors and omissions or professional liability coverage **through a valid certificate of insurance issued to the FWCJUA**;
4. Clarify that the FWCJUA has **one** office located at 6003 Honore Ave. Suite 204 Sarasota, Florida 34238.
5. Ensure consistency between the Agency Producer Agreement and the Operations Manual by clarifying in the Agreement that the FWCJUA may, in its sole discretion, immediately suspend or terminate the Agreement upon the occurrence of **any material misrepresentation made in connection with FWCJUA business or the demonstrated lack of competency, fitness or trustworthiness to act as an Agency or Designated Producer**.
6. Ensure consistency between the Operations Manual and the Agency Producer Agreement by clarifying in the Manual that the Agency must maintain errors and omissions insurance **or professional liability insurance issued by an insurer authorized to do business in Florida covering the Agency, all Designated Producers and CSRs** in an amount not less than \$500,000 per occurrence.

To implement the Producer Committee's recommendation, both the Agency Producer Agreement and the Operations Manual must be revised. Specifically, items 2, 4 and 5 above were addressed solely in the proposed Agency Producer Agreement revision considered separately within this agenda. Attached for the Committee's review is a copy of the proposed Operations Manual revisions. The changes are indicated in **red and yellow highlight** with either strikeout or underscore for quick reference. If ultimately adopted by the Board, the Manual revisions will be filed for OIR approval.

**The Committee shall determine whether to recommend that the Board adopt the proposed revisions to the Operations Manual as one of two vehicles to implement the Producer Committee's proposed procedural changes and clarifications related to the Agency Producer Agreement authorization process.**

## FWCJUA OPERATIONS MANUAL REVISIONS

### PART FOUR – AGENCY AND DESIGNATED PRODUCERS

A. **ELIGIBILITY**, amend 3<sup>rd</sup> paragraph as follows:  
The Agency must maintain errors and omissions insurance **or professional liability insurance issued by an insurer authorized to do business in Florida covering the Agency, all Designated Producers and CSRs** in an amount not less than \$500,000 per occurrence.

A. **ELIGIBILITY**, amend 6<sup>th</sup> paragraph as follows:  
Each Designated Producer or the Agency must serve as an insurance agent or insurance agency, as the case may be, of an insurer actively writing workers' compensation and employers' liability insurance **in the voluntary market** in the state of Florida, pursuant to a certificate of authority issued by the Florida Office of Insurance Regulation.

#### M. **AGENCY AND/OR DESIGNATED PRODUCER SUSPENSION OR REVOCATION**

An Agency is generally responsible for the acts and omissions of its Producers, Designated Producers and CSRs. Accordingly, an Agency must ensure that its Producers, Designated Producers, and CSRs comply with and satisfy all duties and responsibilities arising under this Manual, regardless of whether this Manual expressly states that the duty or responsibility is applicable to the Agency. In addition, Designated Producers must ensure that their Agencies and CSRs comply with and satisfy all duties and responsibilities arising under this Manual, regardless of whether this Manual expressly states that the duty or responsibility is applicable to a Designated Producer.

The privilege to act as an Agency or its Designated Producer for the FWCJUA shall automatically terminate immediately, without notice and without further action by the FWCJUA, upon the occurrence of any of the following events:

1. the dissolution of the FWCJUA, by operation of law or otherwise; or
2. the loss, surrender, suspension, revocation, expiration or termination of the Agency's license or registration of all Agency locations with Designated Producers; or
3. in the case where the Agency or any Agency location has only one Designated Producer, the loss, surrender, suspension, revocation, expiration or termination of the Designated Producer's license or registration with respect to the Agency or the Agency location, in which case termination shall be effective with respect to the Agency or particular Agency location, as applicable.

The privilege to act as an Agency or its Designated Producer for the FWCJUA may be suspended or revoked by the Executive Director of the FWCJUA ("Executive Director"), upon written notice to the Agency, upon the occurrence of any of the following events:

1. the Agency's or a Designated Producer's failure to comply with the FWCJUA Plan of Operation, including its Operations Manual;
2. the Agency's failure to have and maintain a Designated Producer in its employ for an Agency location;
3. any act or omission which would constitute grounds for suspension or revocation of the Agency's or a Designated Producer's privileges pursuant to the Operations Manual;
4. failure to comply with policies or procedures adopted by the FWCJUA's Board of Governors;
5. failure to at all times during the term of the Agency Producer Agreement to serve as an insurance agent or insurance agency, as the case may be, of an insurer actively writing workers' compensation and employers' liability insurance **in the voluntary market** in the state of Florida;
6. failure of the Agency at all times the Agency Producer Agreement is in effect to maintain **and evidence through a valid certificate of insurance issued to the FWCJUA** the required minimum errors and omissions insurance or professional liability insurance covering the Agency, all Designated Producers and CSRs as prescribed in section 2.8 of the Agreement;
7. any material misrepresentation made in connection with FWCJUA business;
8. any material breach of the Agency Producer Agreement;
9. any violation of law; or

10. upon a change of control of 10 percent or more of the Agency's voting shares or other voting ownership interests, if the FWCJUA determines that such change of control would provide grounds for termination of the Agency Producer Agreement.
11. Demonstrated lack of competency, fitness or trustworthiness to act as an Agency or Designated Producer.

If the Agency has multiple locations with Designated Producers, as listed in Exhibit A of the Agency Producer Agreement, the Executive Director may apply the suspension or revocation to any or all of the Agency locations. In the event the Executive Director terminates the Agency Producer Agreement with respect to one or more, but not all, of the locations or Designated Producers of an Agency, the Executive Director will provide written notice to the Agency of the particular locations or Designated Producers to which the suspension or revocation applies.

The Executive Director may suspend the privileges of an Agency and/or specified of its Designated Producers for a period of not less than 30 days nor more than 365 days, or the Executive Director may revoke the privileges of the Agency and/or specified of its Designated Producers. The Executive Director's decision shall be based upon (i) the circumstances or severity of the misconduct or violation; (ii) the repeated nature of the misconduct or violation; (iii) the willfulness of the misconduct or violation; (iv) whether, and the extent to which, the Agency and/or Designated Producer voluntarily took action to rectify or mitigate the damage caused by the misconduct or violation; and (v) whether the Agency and/or Designated Producer attempted to evade or otherwise thwart the discovery of the violation or misconduct.

The Executive Director shall provide the Agency with written notice of the Agency's and/or Designated Producer's suspension or revocation by certified United States mail, return receipt requested, sent to the Agency's last known address shown on the records of the FWCJUA. The written notice shall inform the Agency of (i) the revocation or suspension of the Agency's and/or its Designated Producer's privilege; (ii) the effective date of the revocation or suspension; (iii) if privilege has been suspended, the length of the term of the suspension; (iv) the reason or reasons for which the Agency's and/or its Designated Producer's privilege has been suspended or revoked; and (v) the Agency's right to appeal the Executive Director's decision.

Any Agency whose privilege has been revoked or suspended, or whose Designated Producer's privilege has been revoked or suspended may appeal the Executive Director's decision by providing the Executive Director with written notice of the appeal. Such written notice must be sent via certified mail return receipt requested or by overnight courier signature required and be received by the Executive Director within 21 calendar days after the Agency received written notification of the suspension or revocation of the Agency or its Designated Producer's privilege; otherwise the Agency shall be deemed to have waived the right to appeal. Any appeal by the Agency shall be heard by the Board's Producer Appeals Committee within 60 calendar days after the Executive Director receives the Agency's notice of appeal. The Producer Appeals Committee shall send the Agency notice of its decision within 15 calendar days after the committee meeting at which it hears the Agency's appeal. The decision of the Producer Appeals Committee shall be final.

The Producer Appeals Committee shall have the authority to (i) affirm the Executive Director's decision in its entirety; (ii) modify the Executive Director's decision and reduce the revocation to a suspension for a specified term or reduce the length of the suspension; or (iii) reverse the Executive Director's decision and immediately reinstate the Agency's and/or its Designated Producer's privilege.

No Agency, whose privilege has been revoked ~~or suspended~~, shall receive agency producer fees based on premiums earned by the FWCJUA while the Agency's privilege is revoked ~~or suspended~~, regardless of when the business was produced or bound. Furthermore, no Agency shall receive agency producer fees for business produced by a Designated Producer, whose privilege has been revoked ~~or suspended~~, based on premiums earned by the FWCJUA while the Designated Producer's privilege is revoked ~~or suspended~~, regardless of when the business was produced or bound.

Any Agency or Designated Producer whose privilege is revoked may apply for reinstatement not earlier than two years after the effective date of the revocation. No application for reinstatement shall be granted unless the Agency or Designated Producer demonstrates to the satisfaction of the Executive Director (i) that the reason or reasons for the revocation no longer exist and are unlikely to reoccur; (ii) that restitution, if appropriate, has been made; (iii) that the Agency or Designated Producer is sufficiently

competent and trustworthy to act in the future as an Agency or Designated Producer; and (iv) that the Agency or Designated Producer otherwise meets the qualifications of an Agency or Designated Producer as set forth in the Manual. The Executive Director may grant reinstatement to an Agency or Designated Producer subject to reasonable conditions or limitations.

Any Agency whose request for reinstatement of privileges has been denied, or whose Designated Producer's request for reinstatement of privileges has been denied may appeal the Executive Director's decision by providing the Executive Director with written notice of the appeal. Such written notice must be sent via certified mail return receipt requested or by overnight courier signature required and be received by the Executive Director within 21 calendar days after the Agency received written notification of the denial of the Agency or its Designated Producer's request for reinstatement; otherwise the Agency shall be deemed to have waived the right to appeal. Any appeal by the Agency shall be heard by the Board's Producer Appeals Committee within 60 calendar days after the Executive Director receives the Agency's notice of appeal. The Producer Appeals Committee shall send the Agency notice of its decision within 15 calendar days after the committee meeting at which it hears the Agency's appeal. The decision of the Producer Appeals Committee shall be final.

The Producer Appeals Committee shall have the authority to (i) affirm the Executive Director's decision in its entirety; (ii) modify the Executive Director's decision; or (iii) reverse the Executive Director's decision and permit the reinstatement of the Agency's or the Designated Producer's privilege.

No decision by the Board, the Executive Director or the Producer Appeals Committee shall constitute "final agency action," nor shall any proceedings or decision by any of them be subject to Chapter 120, Florida Statutes.



**NCCI AFFILIATION AGREEMENT**

The Committee shall consider whether to recommend to the Board that the FWCJUA execute the attached 2008 Affiliation Agreement with NCCI.

In late June, NCCI asked its affiliates to consider executing a revised Affiliation Agreement primarily as part of its ongoing efforts related to NCCI's new Medical Data Call which will begin in third quarter 2010, with initial reporting due in December 2010. Approximately 120 affiliate groups will be required to report this new Call to NCCI, the FWCJUA being one of the participants. Further, NCCI has asked all affiliates to execute the revised Agreement whether or not they are a Medical Data Call participant.

NCCI determined that the Affiliation Agreement needed to be revised to adequately address the reporting and use of Medical Call data consistent with the direction of NCCI's Board of Directors. The revised Agreement addresses these issues including new provisions relating to confidentiality and privacy as well as other modifications that are intended to improve the Affiliation Agreement which governs the relationship between NCCI and its affiliates.

Currently, the FWCJUA is an NCCI Member with an Affiliation Agreement that became effective January 1, 2005, and expires on January 1, 2010. Attached for the Committee's consideration is a side-by-side comparison of the 2005 and 2008 Affiliation Agreements as prepared by NCCI as well as a copy of the 2008 Affiliation Agreement, including an overview and instructions.

**The Committee shall determine whether to recommend to the Board that the FWCJUA terminate its current 2005 Affiliation Agreement with NCCI prior to its expiration and enter into the 2008 Affiliation Agreement with NCCI.**

# 2005 – 2008 Revised Affiliation Agreement

Side-by-Side Comparison

## AFFILIATION AGREEMENT --

Opening	2005	2008 Revised
Paragraph 1	<p>THIS 2005 AFFILIATION AGREEMENT, and all Attachments and Exhibits (collectively referred to as the “Agreement”) is entered into and made effective this ____ day of _____, 2008, for a term of ____ year(s) with the following election:</p> <p style="text-align: center;"><b>e-Library</b></p> <p> <input type="checkbox"/> Member                 <span style="margin-left: 200px;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>  <input type="checkbox"/> All-States Subscriber                 <span style="margin-left: 180px;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>  <input type="checkbox"/> Partial-States Subscriber                 <span style="margin-left: 180px;">Not Available</span> </p> <p>by and between the National Council on Compensation Insurance, Inc., a Delaware non-stock corporation having its principal business office at 901 Peninsula Corporate Circle, Boca Raton, Florida 33487 (“NCCI”, “we, or “us”), and _____ (“you” or “your”), which includes the related companies listed on Page AFF-9 of the Agreement, having its principal business office at _____ and each of the parties’ respective successors and permitted assignees.</p>	<p>THIS 2008 AFFILIATION AGREEMENT, and all Attachments and Exhibits (collectively referred to as the “Agreement”) is entered into and made effective this ____ day of _____, 2008, [ ] by and between the National Council on Compensation Insurance, Inc., a Delaware non-stock corporation having its principal business office at 901 Peninsula Corporate Circle, Boca Raton, Florida 33487 (“NCCI”, “we”, or “us”), and _____ (“you” or “your”), which includes the related companies listed on Page AFF-14 of the Agreement, having its principal business office at _____ and each of the parties’ respective successors and permitted assignees, <u>as either a member or subscriber and for the period of time as determined by your election set forth in Attachment A attached hereto and incorporated herein by reference.</u></p>
Paragraph 2	<p>NCCI is a voluntary, not-for-profit, statistical research and ratemaking organization that prepares and administers loss costs/rates, rating plans and systems for workers compensation and employers liability insurance. One of the primary functions of NCCI is to collect, process, and analyze workers compensation insurance statistical information and to provide to its members and subscribers licensed use of various Products and Services.</p>	<p>NCCI is a voluntary, not-for-profit, [ ] <u>data collection</u>, research and ratemaking organization that <u>among other things</u> prepares and administers loss costs/rates, rating plans and systems for workers compensation and employers liability insurance. [ ] <u>Two</u> of the primary functions of NCCI [ ] <u>are</u> to collect, process, and analyze workers compensation insurance [ ] <u>data</u> and to provide to its members and subscribers licensed use of various Products and Services.</p>
Paragraph 3	<p>By signing this Agreement and paying the applicable licensing fees and costs, you are licensed to use various NCCI filed rating systems and plans, including loss costs/rates and other Products and Services more specifically outlined within this Agreement and corresponding Attachments or Exhibits.</p>	<p>By signing this Agreement and paying the applicable licensing fees and costs, [ ] <u>NCCI</u> licenses <u>you</u> to use various NCCI filed rating systems and plans, including loss costs/rates and other Products and Services more specifically outlined within this Agreement [ ].</p>
Paragraph 4	<p>As a licensed insurance organization participating in the workers compensation industry, you agree to provide and NCCI agrees to collect your policy data, statistical data, and aggregated financial data to aid in the effectiveness and efficiency of the workers compensation system.</p>	<p>As a <u>state</u> licensed insurance organization participating in the workers compensation industry, <u>and as an essential part of the consideration for the licenses that NCCI grants to you under this Agreement</u>, you agree to provide <u>to NCCI</u> and NCCI agrees to collect your policy data, <u>unit</u> statistical data, <u>detailed claim information data (as applicable)</u>, <u>medical call data (as applicable)</u>, aggregated financial data, <u>and other data and information as may be necessary</u> to aid in the effectiveness and efficiency of the workers compensation system (<u>collectively “your Data”</u>). <u>You acknowledge and agree that the reporting of your Data is a material obligation and requirement under this Agreement and that your failure to report your Data to NCCI in a timely and accurate manner may cause harm to NCCI and its members and subscribers.</u></p>

# 2005 – 2008 Revised Affiliation Agreement

Side-by-Side Comparison

	2005	2008 Revised
Paragraph 6	This Agreement and its applicable Attachments and Exhibits are the complete agreement regarding these transactions, and replaces any prior oral or written communications between us. "Attachments" and "Exhibits" are further terms and conditions that are attached to this Agreement and are incorporated herein by reference. Once signed, (1) any reproduction of this Agreement made by reliable means (for example, photocopy or facsimile) is considered an original, and (2) all Products and Services you order under this Agreement are subject to it.	This Agreement <input type="checkbox"/> is the complete agreement between NCCI and you regarding the <input type="checkbox"/> the licenses and Products and Services provided under this Agreement and replaces any prior oral or written communications between us. "Attachments", "Addenda", and "Exhibits" are further terms and conditions that are attached to this Agreement and are incorporated herein by reference. Once <u>NCCI and you have signed this Agreement</u> , (1) any reproduction of this Agreement made by reliable means (for example, photocopy or facsimile) is considered an original, and (2) all Products and Services you order under this Agreement are subject to it.
<b>1. License</b>		
Paragraph 1	NCCI hereby grants to you, and you accept, subject to and in accordance with the terms, conditions, restrictions, and limitations set forth in this Agreement and applicable Attachments and Exhibits, a nontransferable, nonexclusive license to adopt and use in your operations, solely for the purpose of writing and maintaining workers compensation or employers liability insurance (or self-insuring or reinsuring against workers compensation obligations, as applicable), the Products and Services described in the applicable Affiliation Pricing Exhibit, and/or the Affiliation Services Description Exhibit. You may not copy, distribute, display, perform, recast, adapt, create derivatives of, or modify the Products and Services (produced electronically or otherwise) provided to you under this Agreement, nor distribute, rent, sublicense, transfer, or lease the Products or any information provided to you in connection with the Products and Services, except and unless expressly authorized by us in writing.	NCCI hereby grants to you, and you accept, subject to and in accordance with the terms, conditions, restrictions, obligations and limitations set forth in this Agreement <input type="checkbox"/> , a nontransferable, nonexclusive license to adopt and use in your operations, solely for the purpose of writing and maintaining workers compensation or employers liability insurance (or self-insuring <input type="checkbox"/> against workers compensation obligations, as applicable), the Products and Services described in the applicable Affiliation Pricing Exhibit, and/or the Affiliation Services Description Exhibit. You may not copy, distribute, display, perform, recast, adapt, create derivatives of, or modify the Products and Services (produced electronically or otherwise) provided to you under this Agreement, nor distribute, rent, sublicense, transfer, or lease the Products or any information provided to you in connection with the Products and Services, except and unless expressly authorized by <input type="checkbox"/> NCCI in writing.
<b>2. Data Services</b>		
a) Data Reporting	You agree to provide policy, detailed claim information (if qualified), statistical, and financial data required by NCCI to comply with regulatory requirements and to produce the Products and Services contemplated by this Agreement in accordance with the <b><i>Workers Compensation Policy Data Reporting Manual</i></b> , the <b><i>Detailed Claim Information Instruction Manual</i></b> , the <b><i>Workers Compensation Statistical Plan Manual</i></b> , the <b><i>Reporting Guidebook for the Annual Calls for Experience</i></b> , or such other data reporting specifications as are mutually agreed to by you and NCCI. We agree to provide you with reasonable notice of changes to the reporting manuals and guidebooks set forth above. The obligation to report data to NCCI is not applicable to excess and reinsurers with the exception of premium data as identified in the Reporting Guidebook for the Annual Calls for Experience	As an essential part of the consideration for the licenses that NCCI grants you in Section 1 of this Agreement, you agree to provide to NCCI your Data, including without limitation, policy data, detailed claim information data ( <input type="checkbox"/> as applicable), unit statistical data, financial call data <input type="checkbox"/> and medical call data (as applicable) and such other data that NCCI may request from you from time to time that is used by NCCI to (i) comply with regulatory requirements on your behalf; and/or (ii) to <input type="checkbox"/> provide the Products and Services contemplated <input type="checkbox"/> under this Agreement. You shall report your Data to NCCI in accordance with the applicable provisions of the <b><i>Workers Compensation Policy Data Reporting Manual</i></b> , the <b><i>Detailed Claim Information Instruction Manual</i></b> , the <b><i>Workers Compensation Statistical Plan Manual</i></b> , <b><i>the Unit Statistical Reporting Guidebook</i></b> , the <b><i>Reporting Guidebook for the Annual Calls for Experience</i></b> , <b><i>the Medical Data Call Reporting Guidebook</i></b> , or such other data reporting specifications as are mutually agreed to by you and NCCI and subject to the restrictions and limitations as set forth in Section 6 below. <input type="checkbox"/> NCCI agrees to provide you with reasonable notice of changes to the reporting manuals and guidebooks set forth above. <input type="checkbox"/>

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<p>b) <u>Data Reporting Compliance</u></p>	<p><i>Not Included</i></p>	<p>Data that you submit to NCCI is required to be complete and accurately reflect your company experience. You agree to comply with NCCI data quality procedures and inquiries including but not limited to: responding to edits flagging on submitted data and responding to data validation notifications and inquiries including cross data type checks (such as comparisons of unit statistical data to financial call data). Your compliance includes, but is not limited to, submitting corrections to all impacted data and/or providing written explanations where explanation of data accuracy is required by NCCI. It is expected that data submissions, data corrections and responses to data inquiries be completed by you in a timely and accurate manner. You acknowledge and agree that data you submit to NCCI may be subject to compliance or incentive programs (e.g. ADQIP/DQIP and any future programs) as set forth in the applicable compliance or incentive program documents and which are modified by NCCI from time to time. Such compliance or incentive program documents are incorporated herein by reference as if attached hereto. <b><u>YOUR FAILURE TO REPORT YOUR DATA TO NCCI ON A TIMELY AND ACCURATE BASIS AS PRESCRIBED IN THE APPLICABLE DATA REPORTING MANUAL, GUIDEBOOK, INCENTIVE PROGRAM DOCUMENT OR SPECIFICATIONS MAY RESULT IN NCCI TAKING ANY OR ALL OF THE FOLLOWING ACTIONS: (i) FINANCIAL PENALTIES THROUGH DATA INCENTIVE PROGRAMS (ii) NOTIFICATION TO THE APPROPRIATE REGULATORY AUTHORITIES; (iii) NCCI WITHHOLDING FROM YOU YOUR PRODUCTS AND SERVICES PROVIDED UNDER THIS AGREEMENT PENDING SUBMISSION OF SUCH DATA; AND (iv) TERMINATE THIS AGREEMENT PURSUANT TO SECTION 7(i) SET FORTH BELOW.</u></b></p>
<p>c) Notification of System Changes</p> <p><i>Changed from Item b) in the Revised Agreement</i></p>	<p>Proactive identification of relevant system changes in connection with your reporting of data to NCCI will enable you to continue to report data to NCCI in a timely and accurate manner. You agree to provide NCCI timely notification of changes that may impact your data reporting systems and reporting protocols. NCCI reserves the right to require joint testing for any material data reporting system changes. NCCI reserves the right to implement and maintain incentive and/or fining programs to promote timely and correct data submissions.</p>	<p><u>Your</u> proactive identification of relevant system changes in connection with <input type="checkbox"/> <u>the</u> reporting of <u>your</u> Data to NCCI will enable you to continue to report <u>your</u> Data to NCCI in a timely and accurate manner. You agree to provide NCCI timely notification of changes that may impact your data reporting systems and reporting protocols. NCCI reserves the right to require joint testing for any material data reporting system changes. <input type="checkbox"/></p>
<p>d) Data Fixes</p> <p><i>Changed from Item c) in the Revised Agreement</i></p>	<p>You agree to timely notify NCCI upon the discovery of data reporting errors that cannot be corrected via standard NCCI correction tools and correction protocols (as specified in NCCI standard procedures) or for which you can't provide timely corrections. In the event you request NCCI to perform a data fix or correction to your data, such Services will be performed by NCCI under a separate attachment to this Agreement. NCCI reserves the right to charge you for such Services. If a data fix is attributable to your error and results in modifications of NCCI databases or corresponding Products or Services (e.g., <b>Experience Rating Services</b>) NCCI reserves the right to charge you for such modifications.</p>	<p>You agree to <input type="checkbox"/> <u>promptly</u> notify NCCI upon the discovery of <u>any</u> data reporting errors <input type="checkbox"/> <u>. In certain circumstances NCCI will at your written request perform a data fix to enable the data correction process or where data cannot be corrected via standard NCCI correction tools and correction protocols (as specified in NCCI standards <input type="checkbox"/> <input type="checkbox"/> . In the event you request NCCI to perform a data fix or correction to your Data, such services will be performed by NCCI under a separate attachment to this Agreement. NCCI reserves the right to charge you for such services. <input type="checkbox"/> <u>NCCI reserves the right to refuse any data fix request where other options to correct your Data are available. NCCI's refusal to provide such services does not alleviate any data quality or timeliness requirements as noted in Section 2(b) above.</u></u></p>

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e) Privacy	<i>Not included</i>	<u>In performing its obligations and duties under this Agreement, each party, to the extent applicable, may handle general personally identifiable financial and/or health information of insureds, or claimants (hereinafter collectively "Protected Information") which may be subject to federal, state and local privacy laws and regulations. It is acknowledged and agreed that a) each party shall be solely responsible for maintaining the security of such Protected Information in its possession in order to comply with this privacy requirement and all applicable federal, state, and local laws or regulations governing the privacy and use of such information; and b) each party shall immediately notify the other party of any violations of any such laws or regulations that involves your Data that arises out of each party's respective obligations under this Agreement or any complaint or judicial or administrative proceeding initiated concerning any actual or alleged violation of such law or regulation. The terms of this Section shall survive the termination of this Agreement.</u>
<b>3. Exclusion of Warranties</b>		
Paragraph 1	The Products and Services provided under this Agreement, and any Products and Services specified in the applicable Attachments and Exhibits, will be performed in a professional workmanlike manner and will materially comply with the specifications set forth in the applicable Attachment or Exhibit. You agree that you will permit NCCI to attempt to correct, within thirty (30) days, any defects or other nonconformity in the Products and Services before any other remedy is sought by you as a result of such defect or nonconformity. NCCI will not be obligated to correct, use, or otherwise remedy any such defect or nonconformity in a Product or Service if (1) you have performed any unauthorized modification or enhancement of a Product or Service, (2) the Products or Services have been misused or damaged in any respect other than by employees of NCCI, or (3) NCCI has not been notified of the existence and nature of such nonconformity or defect as expeditiously as possible upon its discovery by you.	The Products and Services provided under this Agreement, and any Products and Services specified in the applicable Attachments and Exhibits, will be performed <u>by NCCI</u> in a professional workmanlike manner and will materially comply with the specifications set forth in the applicable Attachment or Exhibit. You agree that you will permit NCCI to attempt to correct <input type="checkbox"/> any defects or other nonconformity in the Products and Services <u>within thirty (30) days of NCCI's becoming aware of such defects or other nonconformity</u> before <u>you seek</u> any other remedy <input type="checkbox"/> as a result of such defects or nonconformity <u>in a Product or Service</u> . NCCI will not be obligated to correct, <input type="checkbox"/> <u>cure</u> , or otherwise remedy any such defects or nonconformity in a Product or Service if (1) you have performed any unauthorized modification or enhancement of a Product or Service, (2) the Products or Services have been misused or damaged in any respect other than by employees of NCCI, or (3) NCCI has not been notified of the existence and nature of such nonconformity or defects as expeditiously as possible upon <input type="checkbox"/> <u>your</u> discovery <input type="checkbox"/> <u>of such nonconformity or defects</u> .

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<b>4. Liabilities Limited</b>		
a) Disclaimer	EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NCCI DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS OR SERVICES PROVIDED UNDER THIS AGREEMENT OR THE RESULTS OBTAINED FROM OR THROUGH THEM, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL WE BE LIABLE FOR ANY LOSS OF PROFIT OR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES SUSTAINED OR INCURRED IN CONNECTION WITH ANY PRODUCT OR SERVICE PROVIDED OR PERFORMED OR TO BE PROVIDED OR PERFORMED UNDER THIS AGREEMENT OR OTHERWISE ARISING UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF THE ACTION AND WHETHER SUCH DAMAGES WERE FORESEEN OR UNFORESEEN AND EVEN IF WE ARE ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.	EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NCCI DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS OR SERVICES PROVIDED UNDER THIS AGREEMENT OR THE RESULTS OBTAINED FROM OR THROUGH THEM, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL <input type="checkbox"/> <u>NCCI</u> BE LIABLE FOR ANY LOSS OF PROFIT OR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES SUSTAINED OR INCURRED IN CONNECTION WITH ANY PRODUCT OR SERVICE PROVIDED OR PERFORMED OR TO BE PROVIDED OR PERFORMED <u>BY NCCI</u> UNDER THIS AGREEMENT OR OTHERWISE ARISING UNDER THIS AGREEMENT, <u>INCLUDING WITHOUT LIMITATION NCCI'S INDEMNIFICATION OBLIGATIONS SET FORTH HEREIN</u> , REGARDLESS OF THE FORM OF THE ACTION AND WHETHER SUCH DAMAGES WERE FORESEEN OR UNFORESEEN AND EVEN IF <input type="checkbox"/> <u>NCCI IS</u> ADVISED OF THE POSSIBILITY OF SUCH DAMAGES <u>OR LOSS OF PROFITS</u> .
b) Total Liability	You agree that except as set forth in Section 7(f), NCCI's total liability for damages under this Agreement or for damages arising or resulting from any Products or Services provided pursuant to this Agreement, or any applicable Attachments or Exhibits, regardless of the form of action (including without limitation, any claims, demands, or liability for breach of contract or negligence), shall be limited to the actual direct damages or loss you incur, up to an annual aggregate in the amount of \$50,000. The \$50,000 limitation provided for herein shall be applicable to any claims for indemnity brought pursuant to Section 5(a) of this Agreement	You agree that except as set forth in Section 7(f) <u>of this Agreement</u> , NCCI's total liability for damages under this Agreement or for damages arising or resulting from any Products or Services provided <u>by NCCI</u> pursuant to this Agreement, or any applicable Attachments or Exhibits, regardless of the form of action (including without limitation, any claims, demands, or liability for breach of contract or negligence), shall be limited to the actual direct damages or loss you incur, up to an annual aggregate in the amount of \$50,000. The \$50,000 limitation provided for <input type="checkbox"/> <u>in this Section</u> shall be applicable to <u>among other matters</u> , any claims for indemnity brought pursuant to Section 5(a) of this Agreement.
c) Force Majeure	Neither party shall be held liable for any delay or failure to perform under this Agreement when caused by circumstances beyond the reasonable control of the affected party, including but not limited to, shortages of labor, raw materials or equipment; sabotage; failure or delays in transportation or communication; fire, floods, embargoes, acts of war, insurrections, or riots; strikes or other labor disturbances; acts of God; or acts of governmental authorities; provided, however, that this Section is intended only to suspend and not discharge a party's obligations under this Agreement and when the cause of the failure or delay is removed, the affected party shall promptly resume performance of its obligations hereunder.	Neither party <u>hereto</u> shall be held liable for any delay or failure to perform under this Agreement when caused by circumstances beyond the reasonable control of the affected party, including but not limited to, shortages of labor; raw materials or equipment; sabotage; failure or delays in transportation or communication; fire; floods; embargoes; acts of war <u>or terrorism; domestic or foreign</u> ; insurrections; or riots; strikes or other labor disturbances; acts of God; or acts of governmental authorities; provided, however, that this Section is intended only to suspend and not discharge a party's obligations under this Agreement and when the cause of the failure or delay is removed, the affected party shall promptly resume performance of its obligations hereunder.

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<b>5. Indemnity</b>			
Section a)	NCCI agrees to indemnify and hold you harmless from and against any and all claims, demands, and actions, and any liabilities, damages, or expenses resulting there-from, including court costs and reasonable attorney fees, arising out of or relating to the negligent or willful acts or omissions of NCCI in the provision of Products and/or performance of Services by NCCI hereunder. You agree to give NCCI prompt notice of any such claim, demand or action and shall, to the extent you are not adversely affected, cooperate fully with NCCI in the defense and settlement of said claim, demand, or action. This provision is subject to the \$50,000 limitation as set forth in Section 4(b) above.	NCCI agrees to indemnify and hold you harmless from and against any <input type="checkbox"/> claims <u>and demands, made against you by a third party</u> and <u>any</u> actions, <u>brought or asserted against you by a third party</u> and any liabilities, damages, or expenses resulting therefrom, including court costs and reasonable attorney's fees, arising out of or relating to the negligent or willful acts or omissions of NCCI in the provision of Products and/or the performance of Services by NCCI hereunder. You agree to give NCCI prompt notice of any such claim, demand or action and shall, to the extent you are not adversely affected, cooperate fully with NCCI in the defense and settlement of said claim, demand, or action. The provisions of this Section are <input type="checkbox"/> subject to (i) the provision set forth in Section 4(a) above and (ii) the \$50,000 limitation as set forth in Section 4(b) above.	
Section b)	You agree to indemnify and hold NCCI harmless from and against any and all claims, demands, and actions, and any liabilities, damages, or expenses resulting there-from, including court costs and reasonable attorney fees arising out of or relating to your negligent or willful acts or omissions hereunder. NCCI agrees to give you prompt notice of any such claim, demand, or action and shall, to the extent NCCI is not adversely affected, cooperate fully with you in the defense and settlement of said claim, demand, or action.	You agree to indemnify and hold NCCI harmless from and against any <input type="checkbox"/> claims, demands, and actions, <u>brought or asserted against NCCI by a third party</u> and any liabilities, damages, or expenses resulting therefrom, including court costs and reasonable attorney's fees arising out of or relating to your negligent or willful acts or omissions hereunder. NCCI agrees to give you prompt notice of any such claim, demand, or action and shall, to the extent NCCI is not adversely affected, cooperate fully with you in the <u>response to and</u> defense and settlement of said claim, demand, or action.	
Section c)	This provision shall survive the termination of this Agreement.	The provisions <u>of Section 5(a) and 5(b)</u> shall survive the termination of this Agreement	
<b>6. Acknowledgement : Data</b>			
Section a)	You acknowledge our right, title, and interest in and to the copyright and other commercial and proprietary rights provided by law to all Products and Services produced and/or provided by us under this Agreement.	You acknowledge <input type="checkbox"/> NCCI's right, title, and interest in and to the copyright and other commercial and proprietary rights provided by law to all Products and Services produced and/or provided by <input type="checkbox"/> NCCI under this Agreement.	
Section b)	You will have access to the data you submitted to us within a reasonable period of time upon your written request, on a cost recovery basis.	<input type="checkbox"/> <u>Upon your written request, NCCI will provide you with a copy of your Data submitted by you or your authorized Service Provider to NCCI that is contained within NCCI's production systems within a reasonable period of time. NCCI will charge you a base fee for each request and may charge additional amounts dependent upon on the amount of work involved for each request.</u>	
Section c) Paragraph 1	NCCI acknowledges that the data submitted by you is a valuable asset and NCCI shall take reasonable steps to ensure its confidentiality. NCCI agrees to preserve the confidential and proprietary nature of any data or information you provide to NCCI pursuant to this Agreement, and NCCI further agrees not to release any data or information without your prior written consent if it identifies your individual claimants or customers or is requested in a manner which identifies it with you, except as set forth below:	<input type="checkbox"/> NCCI agrees to preserve the confidential and proprietary nature of <input type="checkbox"/> your Data <input type="checkbox"/> that you provide to NCCI pursuant to this Agreement, and NCCI further agrees not to release <input type="checkbox"/> your Data or information without your prior written consent if it identifies your individual claimants or customers or is requested in a manner which identifies it with you, except as set forth below:	

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Section c) Paragraph 2	You specifically agree that NCCI may use and distribute such data and information provided by you for the following Products, Services, and purposes:	<u>Excluding Medical Call Data which is addressed under Section 6(f) herein,</u> you specifically agree that NCCI may use and distribute <input type="checkbox"/> your Data and <u>Confidential</u> Information provided by you <u>to NCCI</u> for the following Products, Services, and purposes:
Section c) Item #6	Background materials NCCI submits to regulators in support of loss cost/rate filings and in related NCCI circulars, provided any data you submit that is contained in such materials is not released in a manner which identifies you, an insured or claimant unless such identification (a) is required by law to be provided to regulators, (b) is, as a matter of standard practice, customarily provided to regulators as part of such background materials (this applies to identification of you only and not an insured or claimant), or (c) is provided to regulators in response to a regulatory request pursuant to Item 8 below	Background materials NCCI submits to regulators in support of loss cost/rate filings and in related NCCI circulars, provided <u>that any of your Data</u> <input type="checkbox"/> that is contained in such materials is not released in a manner which identifies you, an insured or claimant unless such identification (a) is required by law to be provided to regulators, (b) is, as a matter of standard practice, customarily provided to regulators as part of such background materials (this applies to identification of you only and not an insured or claimant), or (c) is provided to regulators in response to a regulatory request pursuant to Item 8 below;
Section c) Item #7	Legislative reform efforts, provided any data you submit that is contained in materials related to such efforts which identifies you is not released by NCCI to individuals or entities, other than regulators, without advance notice to you	Legislative <input type="checkbox"/> <u>analysis</u> , provided <u>that any of your Data</u> you submit that is contained in materials related to such efforts which identifies you is not released by NCCI to individuals or entities, other than regulators, without advance notice to you; <u>and</u>
Section c) Item #8	In response to regulatory requests (notice of any such request will be provided to you by NCCI prior to the release of any of the data submitted by you)	In response to regulatory requests, <u>a valid subpoena, or court order (NCCI shall provide you with</u> notice of any such request <input type="checkbox"/> prior to the release of <input type="checkbox"/> your Data <input type="checkbox"/> ).
Section d)	Notwithstanding the foregoing, NCCI may aggregate such data and information with data and information submitted by other insurers and the use and distribution of such aggregated data and information shall be permitted under this Agreement, unless otherwise agreed to in an attachment to this Agreement.	Notwithstanding the foregoing, <u>but excluding Medical Call Data,</u> NCCI may aggregate <input type="checkbox"/> your data <input type="checkbox"/> with data and information submitted <u>to NCCI</u> by other insurers and the use and distribution of such aggregated data and information shall be permitted under this Agreement, unless otherwise agreed <u>by the parties hereto</u> in an attachment to this Agreement.
Section e)	Notwithstanding any other provisions of this Agreement to the contrary, NCCI and you agree that, by signing this Agreement, employing the license granted herein and providing NCCI with the data that is the subject of this paragraph, you do not waive any ownership rights or other legal interests you may have in such data.	Notwithstanding any other provisions of this Agreement to the contrary, NCCI and you agree that, by signing this Agreement, employing the license granted herein and providing NCCI with <input type="checkbox"/> your Data <input type="checkbox"/> <u>and Confidential Information (as defined below in Section 8)</u> you do not waive any ownership rights or other legal interests that you may have in <input type="checkbox"/> your Data <u>and Confidential Information</u> .
<u>Section f)</u>	<i>Not included</i>	<b><u>MEDICAL DATA CALL –This Section 6(f) is applicable only to Medical Data Call Participants.</u></b> If you are required to report Medical Call Data to NCCI pursuant to the participation criteria set forth in the <b><u>Medical Data Call Reporting Guidebook</u></b> , your Medical Data provided under this Agreement may be used by NCCI for the purpose of legislative analysis and, if permitted by you for research (as defined in Attachment B) subject to the criteria set forth in Attachment B which is attached hereto and incorporated herein by reference



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<b>7. General Provisions</b>		
a) Prices and Price Changes Item 1 Paragraph 2	NCCI's Affiliation Fee; NCCI's Workers Compensation Infrastructure; Experience Rating Production Services; Filing Services; Data Management Services and Proof of Coverage	NCCI's Affiliation Fee; NCCI's Workers Compensation Infrastructure <u>Fee</u> ; Experience Rating Production Services <u>Fee</u> ; Filing Services <u>Fee</u> ; Data Management Services <u>Fee</u> and Proof of Coverage <u>Fee</u> .
a) Prices and Price Changes <u>Item 3</u>	<i>Not Included</i>	<u>Notwithstanding anything contained herein to the contrary, NCCI may add or delete Products and Services including without limitation adding a new state.</u>
b) Credit, Invoicing, Payment, and Taxes Paragraph 1	Premium-based charges will be invoiced quarterly in advance. Other Products and Services may be invoiced monthly, quarterly, semiannually, or annually, as appropriate, in accordance with NCCI's standard billing practices.	Premium-based charges will be invoiced <u>to you</u> quarterly in advance. Other Products and Services may be invoiced <u>to you</u> monthly, quarterly, semiannually, or annually, as appropriate, in accordance with NCCI's standard billing practices.
b) Credit, Invoicing, Payment, and Taxes Paragraph 2	All credit and payment terms extended to you under this Agreement are in accordance with our then-current credit policy. A copy of our current credit policy is available by contacting our Credit/Risk Management Department.	All credit and payment terms extended to you under this Agreement are in accordance with <input type="checkbox"/> <u>NCCI's</u> then-current credit policy. A copy of NCCI's current credit policy is available by contacting our Credit <input type="checkbox"/> <u>Services</u> Department.
c) Premium Reporting Paragraph 1	Your organization acknowledges that NCCI's premium-based fees will be based on actual premium as reported on the NAIC Annual Statement or another format approved by NCCI. If you are a new affiliate or adding additional states, you must provide NCCI your estimated annual premium as identified on the Estimated Annual Premium Chart (see Estimated Annual Premium Exhibit on page EXH-1).	Your organization acknowledges that NCCI's premium-based fees will be based on actual premium as reported on <input type="checkbox"/> <u>your</u> NAIC Annual Statement or another format approved by NCCI. If you are a new affiliate or adding additional states, you must provide NCCI your estimated annual premium as identified on the Estimated Annual Premium Chart (see Estimated Annual Premium Exhibit on page EXH-1).
c) Premium Reporting Paragraph 3	You acknowledge that your failure to report your premium on a timely basis may result in one of the following, at NCCI's option: (1) NCCI may base premium-based invoices upon the last premium amount reported to NCCI by your organization, (2) NCCI may base premium-based invoices upon a premium amount NCCI obtains from documentation your organization supplied to a regulatory agency, or (3) NCCI may elect to withhold services under the Affiliation Agreement pending submission of such information or terminate the Affiliation Agreement. You acknowledge that if NCCI exercises either of the initial two options above, NCCI shall have the right, but not the obligation, to adjust premium-based invoices retroactively to reflect updated premium reported.	You acknowledge that your failure to report your premium on a timely basis may result in one of the following, at NCCI's option: (1) NCCI may base premium-based invoices upon the last premium amount reported to NCCI by your organization, (2) NCCI may base premium-based invoices upon a premium amount NCCI obtains from documentation your organization supplied to a regulatory agency, or (3) NCCI may elect to withhold <u>Products and Services</u> under the <input type="checkbox"/> Agreement pending submission of such <u>premium</u> information or terminate <u>this</u> <input type="checkbox"/> Agreement. You acknowledge that if NCCI exercises either of the <input type="checkbox"/> <u>first</u> two options <input type="checkbox"/> <u>set forth in the paragraph</u> , NCCI shall have the right, but not the obligation, to adjust premium-based invoices retroactively to reflect updated premium reported.
d) Mutual Responsibilities Item 1	Neither of us will use the other's trademark, trade name, service mark, or other designation in any promotion or publication without prior written consent.	Neither of us will use the other's trademark, trade name, service mark, or other designation in any promotion or publication without <u>the other's</u> prior written consent

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d) Mutual Responsibilities Item 2  <i>Eliminated as it is incorporated in the new Section 8</i>	Except as set forth in Section 6(c), and as set forth below, all information exchanged is not confidential unless otherwise indicated under applicable federal and state laws, or covered by a confidentiality agreement between parties. However, you agree to maintain as confidential (i.e., not disclose to third parties) rate and loss cost filings, similar information packages and related documents and circulars, which are produced by NCCI and/or marked by NCCI as being confidential, unless such documents or materials (1) are within or later fall within the public domain, without breach of this Agreement; or (2) are required to be disclosed pursuant to a valid subpoena or order of a court or other governmental body or any political subdivision thereof, provided you promptly notify NCCI in order to allow us to seek appropriate legal remedies, including but not limited to, obtaining a protective order to prevent the release of disclosure of such confidential materials.	<input type="checkbox"/>
d) Mutual Responsibilities Item 3  <i>Changed to Item 2 in the Revised Agreement</i>	Each is free to enter into similar agreements with others.	Each <u>of us</u> is free to enter into similar agreements with <input type="checkbox"/> <u>third parties</u> .
d) Mutual Responsibilities Item 4  <i>Changed to Item 3 in the Revised Agreement</i>	Except for the licenses granted expressly in this Agreement, no other license has been granted by one party to the other.	Except for the licenses granted expressly in this Agreement, no other license has been granted by one party to the other.
e) Your Other Responsibilities Item 1	Not to assign this Agreement or your rights under it, delegate your obligations, or redistribute any Product or Service without prior written consent. Any attempt to do so is void.	Not to assign this Agreement or your rights under it, delegate your obligations <u>hereunder</u> , or redistribute any Product or Service without <u>NCCI's</u> prior written consent. Any attempt <u>by you</u> to do so is void.
e) Your Other Responsibilities Item 2	That you are responsible for the results of any misuse, unauthorized modification or application of the Products and Services.	That you are responsible for the results of <input type="checkbox"/> <u>your</u> misuse, unauthorized modification or application of the Products and Services.
e) Your Other Responsibilities Item 3	To notify NCCI of any Service Provider that provides services to you including but not limited to data reporting, claim administration, and policy issuance and to notify NCCI of any organization that utilizes NCCI's Workers Compensation Infrastructure, including loss costs/rates and other Products and Services as set forth within this Agreement. Notification of these organizations must be provided through the Service Provider Attachment to Affiliation Agreement.	To notify NCCI of any Service Provider that provides services to you including but not limited to data reporting, claim administration, and policy issuance and to notify NCCI of any organization that utilizes NCCI's Workers Compensation Infrastructure, including <u>without limitation</u> loss costs/rates and other Products and Services as set forth within this Agreement. Notification of these organizations must be provided through the Service Provider Attachment <u>and the Service Provider Data Tool Access Addendum</u> to Affiliation Agreement, <u>if applicable</u> .

# 2005 – 2008 Revised Affiliation Agreement

Side-by-Side Comparison

	2005	2008 Revised
e) Your Other Responsibilities Item 4	To accurately maintain your on-line passwords and user ID's. This includes maintaining the security of such passwords and user ID's by keeping them confidential. This means you may not disclose or transfer them to third parties and that you disable passwords that are no longer in use.	To accurately maintain your on-line passwords and user ID's. This includes maintaining the security of such passwords and user ID's by keeping them confidential. This means you may not disclose or transfer <input type="checkbox"/> <u>your on-line passwords and user ID's</u> to third parties and that you <u>will</u> disable passwords that are no longer in use.
f) Patents and Copyrights Paragraph 1	Notwithstanding Section 4(b), we agree that if a third party presents a claim, demand, or action alleging that a Product or Service we provide infringes a U.S. patent, copyright or misappropriates a proprietary right, we will defend you against that claim, demand, or action at our expense and pay all costs, damages, and other attorney fees that (1) a court finally awards or (2) are related to settlement of a third party claim under this Section, provided that you:	Notwithstanding Section 4(b) <u>of this Agreement</u> , we agree that if a third party presents a claim, demand, or action alleging that a Product or Service we provide infringes a U.S. patent, <u>or</u> copyright or misappropriates a proprietary right, we will defend you against that claim, demand, or action at our expense and pay all costs, damages, and attorney's fees that (1) a court finally awards or (2) are related to settlement of a third party claim under this Section, provided that you:
f) Patents and Copyrights Item 2	Allow us to control and cooperate with us in the defense and any related settlement negotiations. If such a claim, demand, or action is presented or appears likely to be presented, you agree to permit us to enable you to continue to use the product, or to modify or replace it. If we determine that none of these alternatives is reasonably available, you agree to return the product to us upon our written request. We will then give you a credit equal to your net book value for the product based on generally accepted accounting principles.	Allow us to control and cooperate with us in the defense and any related settlement negotiations. If such a claim, demand, or action is presented or appears likely to be presented, you agree to permit us to enable you to continue to use the Product <u>or Service</u> , or to modify or replace it. If we determine that none of these alternatives is reasonably available, you agree <input type="checkbox"/> upon our written request <u>to return the product to us or discontinue use of the Product or Service</u> . We will then give you a credit <input type="checkbox"/> for the Product <u>or Service</u> based on generally accepted accounting principles <u>to be determined solely by NCCI</u> .
f) Patents and Copyrights Paragraph 2	This is our entire obligation and your sole and exclusive remedy for any claim of infringement.	This is our entire obligation and your sole and exclusive remedy for any claim of infringement <u>or misappropriation of a proprietary right</u> .
h) Changes to the Agreement Terms	Except as provided in Section 7(a), changes to the Agreement must be in writing and signed by both parties. Additional or different terms in any order or written communication from you are void.	Except as provided in Section 7(a) <u>hereof</u> , changes to the Agreement must be in writing and signed by both parties. Additional or different terms in any order or written communication from you are void
i) Termination and Changes Item 1 Paragraph 1	The term of this Agreement is set forth on Page AFF-1 of the Agreement and will automatically renew for the length of the original term of this Agreement unless either of us provides written notice ninety (90) days prior to the termination date of this Agreement of our intention not to renew.	The term of this Agreement is set forth on <input type="checkbox"/> <u>Attachment A</u> of the Agreement and will automatically renew for the length of the original term of this Agreement unless either of us provides written notice <u>to the other</u> ninety (90) days prior to the termination date of this Agreement of <input type="checkbox"/> <u>its</u> intention not to renew
i) Termination and Changes Item 1 Paragraph 2	You may terminate this Agreement on any January 1 following the first year of this Agreement by providing ninety (90) days prior written notice to NCCI. In the event of your termination of this Agreement, you agree to pay all outstanding invoices prior to the effective date of termination. Item(s) on an outstanding invoice with which you have a good faith dispute need not be paid prior to your termination of the Agreement, provided NCCI is furnished with (1) prompt written notice of the amount of the dispute, (2) the reasons for the dispute, and (3) prompt payment upon the resolution of the dispute.	<input type="checkbox"/> <u>Either party</u> may terminate this Agreement on any January 1 following the first year of this Agreement by providing ninety (90) days prior written notice to <input type="checkbox"/> <u>the other party</u> . In the event of <input type="checkbox"/> <u>such</u> termination of this Agreement, you agree to pay <u>to NCCI</u> all outstanding invoices prior to the effective date of termination. Item(s) on an outstanding invoice with which you have a good faith dispute need not be paid prior to your termination of the Agreement, provided NCCI is furnished with (1) prompt written notice of the amount of the dispute, (2) the reasons for the dispute, and (3) prompt payment upon the resolution of the dispute.

# 2005 – 2008 Revised Affiliation Agreement

Side-by-Side Comparison

	2005	2008 Revised
i) Termination and Changes Item 1 Paragraph 3	In the event that you are eligible for and select a multiyear affiliation and either (1) terminate this Agreement prior to the initial term, or (2) following a change in status to a Partial-States Subscriber, terminate your Affiliation in a particular state in which you continue to write workers compensation insurance prior to the expiration of the initial term, you agree to reimburse NCCI for the portion of any multiyear discounts that have actually accrued to your benefit under this Agreement, but for which you have not met the applicable requirements. For example, if you elected a five (5) year term, and you terminate the Agreement prior to the conclusion of the third year, you would be required to reimburse NCCI for the entire multiyear discount that accrued to your benefit under the Agreement. If you elect a five (5) year term, and you terminate the Agreement after the third year, you would be required to reimburse NCCI for the difference between the five year and three year multiyear discount for each year that the Agreement was in effect.	In the event that you are eligible for and select a multiyear affiliation and either (1) terminate this Agreement prior to the <u>expiration of the</u> initial term, or (2) following a change in status to a Partial-States Subscriber, terminate your Affiliation in a particular state in which you continue to write workers compensation insurance prior to the expiration of the initial term, you agree to reimburse NCCI for the portion of any multiyear discounts that have actually accrued to your benefit under this Agreement, but for which you have not met the applicable requirements. For example, if you elected a five (5) year term and you terminate the Agreement prior to the conclusion of the third year, you would be required to reimburse NCCI for the entire multiyear discount that accrued to your benefit under the Agreement. If you elect a five (5) year term, and you terminate the Agreement after the third year, you would be required to reimburse NCCI for the difference between the five year and three year multiyear discount for each year that the Agreement was in effect.
i) Termination and Changes Item 1 Paragraph 4	In the event of a material breach of this Agreement, the non-breaching party may terminate this Agreement, provided that non-breaching party gives written notice of the material breach to the breaching party and the breaching party fails to cure such breach within thirty (30) days of receipt of such notice, ten (10) days for non-payment. You agree to reimburse NCCI for any multiyear discounts you receive if NCCI terminates this Agreement prior to the expiration of the initial term for your material breach of this Agreement. You shall not be held responsible for any reimbursements for any multiyear discounts you receive prior to the expiration of the initial term for NCCI's material breach of this Agreement.	In the event of a material breach of this Agreement, the non-breaching party may terminate this Agreement, provided that non-breaching party gives written notice of the material breach to the breaching party and the breaching party fails to cure such breach within thirty (30) days of receipt of such notice, <u>except that any breach based upon non payment must be cured within</u> ten (10) days <u>[ ] of receipt of such notice</u> . You agree to reimburse NCCI for any multiyear discounts you receive if NCCI terminates this Agreement prior to the expiration of the initial term for your material breach of this Agreement. You shall not be held responsible for any reimbursements for any multiyear discounts you receive prior to the expiration of the initial term for NCCI's material breach of this Agreement.
i) Termination and Changes Item 1 Paragraph 5	Upon termination of this Agreement or your affiliation in a particular state in any manner provided herein, all the rights and licenses granted to you under the Agreement or with respect to the state(s) in which you are terminating your affiliation are terminated and you are required to immediately discontinue use of the Products and Services and promptly, at our option and upon our instructions, (1) destroy the material under our supervision (or furnish us with an affidavit of such destruction sworn to by a principal or officer of your organization), or (2) deliver the Products and Services and all licensed material to us or our duly authorized representative. You are permitted, however, to archive a single unmodified copy of the Product(s) provided by NCCI under this Agreement for use by you for historical purposes only.	Upon termination of this Agreement or your affiliation in a particular state in any manner provided herein, all the rights and licenses granted to you under the Agreement or with respect to the state(s) in which you are terminating your affiliation are terminated and you are required to immediately discontinue use of the Products and Services and <u>[ ]</u> upon our instructions <u>and to the extent applicable</u> , (1) destroy the material under our supervision (or furnish us with an affidavit of such destruction sworn to by a principal or officer of your organization), or (2) deliver the Products and Services and all licensed material to us or our duly authorized representative. You are permitted, however, to archive a single unmodified copy of the Product(s) provided by NCCI under this Agreement for use by you for historical purposes only.
i) Termination and Changes Item 3 Paragraph 1	You may terminate your affiliation in a state in which you no longer write workers compensation insurance at any time with thirty (30) days prior written notice by providing documentation sufficient to satisfy NCCI that you are no longer writing or self-insuring against workers compensation insurance in that particular state, as applicable, (e.g. surrender of License).	You may terminate your affiliation in a state in which you no longer write workers compensation insurance at any time with thirty (30) days prior written notice <u>to NCCI</u> by providing documentation sufficient to satisfy NCCI that you are no longer writing <u>[ ]</u> workers compensation insurance <u>or self-insuring your workers compensation exposure</u> in that particular state, as applicable (e.g. surrender of License). <u>However, termination of affiliation does not relieve you of your obligation to continue to report any applicable data relating to that state.</u>

# 2005 – 2008 Revised Affiliation Agreement

Side-by-Side Comparison

	2005	2008 Revised
i) Termination and Changes Item 6	In the event you opt for any of the changes set forth in subsection 7(i), you agree to comply with the procedures set forth in the Affiliation Agreement Overview and Instructions regarding notification to NCCI of such changes.	In the event you opt for any of the changes set forth in <input type="checkbox"/> Section 7(i), you agree to comply with the procedures set forth in the Affiliation Agreement Overview and Instructions regarding notification to NCCI of such changes.
j) Governing Law / Compliance Paragraph 2  <i>Eliminated as it is incorporated in Section 2.e)</i>	Each party shall at all times comply with all federal, state and local laws and regulations applicable to a person who performs any of the functions or services performed under this Agreement including but not limited to laws and regulations concerning privacy, confidentiality or security of personally identifiable financial or health information. Each party shall immediately notify the other party of any violations of any such laws or regulation applicable to provision of services under this Agreement or any complaint or judicial or administrative proceeding initiated concerning any actual or alleged violation of such law or regulation.	<input type="checkbox"/>
k) notices	All notices to be given under this Agreement shall be in writing, addressed to either of us at our respective addresses first set forth above (or at any other address, which either of us designates by written notice) and shall be effective (1) when deposited in the United States mail, provided it is received in due course, (2) when delivered by hand or via overnight courier, postage prepaid, (3) when sent by fax with confirmation of transmission received, or (4) by electronic mail at the address designated in writing by the parties. Notices to NCCI shall be addressed to Contract Administration	All notices to be given under this Agreement shall be in writing, addressed to either of us at our respective addresses first set forth above (or at any other address, which either of us designates by written notice) and shall be effective (1) when deposited in the United States mail, provided it is received in due course, (2) when delivered by hand or via overnight courier, postage prepaid, (3) when sent by fax with confirmation of transmission received, or (4) by electronic mail at the address designated in writing by the parties. <u>All</u> notices to NCCI shall be addressed to Contract Administration.
l) Signer Is Authorized	The parties represent that the individuals executing this Agreement possess all requisite authority to bind the respective parties hereto.	The parties represent that the individuals executing this Agreement <u>on their behalf</u> possess all requisite authority to bind the respective parties hereto.
n) Agreement, Exhibits, Attachments, and Addenda	<i>Not Included</i>	<u>The parties acknowledge and agree that upon execution of this Agreement, the prior Affiliation Agreement is: a) terminated through mutual agreement and shall have no further effect and; b) if your natural Affiliation renewal would have occurred in 2010 through 2013, the parties agree to attach all current Exhibits, Attachments, Addenda that have been executed or filled out as part of your prior Affiliation Agreement making them a part of this Agreement with full legal effect.</u>

# 2005 – 2008 Revised Affiliation Agreement

Side-by-Side Comparison

8. Confidentiality		2005	2008 Revised
<u>Section a)</u>	<i>Not included</i>		<u>NCCI acknowledges that the Data submitted by you to NCCI pursuant to this Agreement is a valuable asset and shall take reasonable steps to ensure its confidentiality. For the purposes of this Agreement, "Confidential Information" will mean confidential and proprietary information disclosed by one party to this Agreement to the other party, and shall include but not be limited to: data, data mapping, rate and loss cost filings, similar information packages, and related documents and circulars, which are produced by NCCI or are marked by NCCI as being confidential, technical and financial information, data collection techniques, and data processes, including any abstracts, summaries or portions thereof, whether disclosed or communicated orally, in writing, graphically, electronically, or mechanically. Confidential Information will also include any information which any party has received from a third party under an obligation of confidentiality.</u>
<u>Section b)</u>	<i>Not included</i>		<u>Each party to this Agreement agrees that the Confidential Information is proprietary and confidential information and that it shall not use any Confidential Information of the other party for its own use or for any purpose except as expressly provided for under this Agreement. No party will disclose any Confidential Information to any other person or entity or its employees, except those employees and other persons who require the Confidential Information to further the objectives of this Agreement and who agree in writing to maintain the security and confidentiality of the Confidential Information as provided herein and to use a reasonable degree of care in safeguarding all Confidential Information disclosed to them.</u>
<u>Section c)</u>	<i>Not included</i>		<u>The foregoing obligations of confidentiality will not apply with respect to Confidential Information to the extent such Confidential Information:</u>
<u>Section c)</u> <u>Item 1</u>	<i>Not included</i>		<u>is within or later falls within the public domain through no fault of the receiving party or without breach of this Agreement;</u>
<u>Section c)</u> <u>Item 2</u>	<i>Not included</i>		<u>at the time of disclosure is proven to be already in the possession of the receiving party without an obligation of confidentiality and without breach of this Agreement;</u>
<u>Section c)</u> <u>Item 3</u>	<i>Not included</i>		<u>is developed independently by the receiving party without access to any Confidential Information of the other party, such independent development to be evidenced by written documentation thereof;</u>
<u>Section c)</u> <u>Item 4</u>	<i>Not included</i>		<u>is required to be disclosed pursuant to a valid subpoena or court order, provided and only to the extent that the party receiving such subpoena or order will give immediate written notice thereof of its receipt of such subpoena or court order to the party that has disclosed such Confidential Information of such subpoena or order, so that the party that disclosed Confidential Information may seek appropriate legal remedies, including, but not limited to, obtaining a protective order to prevent the release or disclosure of such Confidential Information; or</u>

# 2005 – 2008 Revised Affiliation Agreement

Side-by-Side Comparison

	<b>2005</b>	<b>2008 Revised</b>
<u>Section c)</u> <u>Item 5</u>	<i>Not included</i>	<u>as permitted to be disclosed as set forth in Section 6 and Medical Data Call Attachment B herein.</u>
<u>Section d)</u>	<i>Not included</i>	<u>The parties to this Agreement agree that they shall take all reasonable measures to protect the confidentiality of Confidential Information and to prevent its disclosure to any third parties who are not authorized to have such Confidential Information in their possession and to prevent the Confidential Information from falling into the public domain. Each party hereto agrees to notify the other party in writing of any potential misuse or misappropriation of Confidential Information that may come to its attention.</u>
<u>Section e)</u>	<i>Not included</i>	<u>Notwithstanding anything to the contrary elsewhere in this Agreement, the parties acknowledge that monetary damages may not be a sufficient remedy for unauthorized disclosure of Confidential Information of the other party and that any party hereto shall be entitled, in addition to any other rights or remedies available at law or in equity, to such injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction.</u>

# 2005 – 2008 Revised Affiliation Agreement

Side-by-Side Comparison

2005		2008 Revised
<b>9. Arbitration</b>		
<u>Paragraph 1</u>	<i>Not included</i>	<p>Any controversy, dispute or claim arising out of or relating in any way to this Agreement or the transactions arising hereunder which is not resolved by negotiation between the parties shall be settled exclusively by arbitration in West Palm Beach, Florida. Such arbitration shall be administered by the American Arbitration Association (“AAA”) in accordance with its then prevailing Rules for Non-Administered Arbitration of Business Disputes (except as otherwise provided herein) by three independent and impartial arbitrators, with each party picking an arbitrator and the final arbitrator being chosen by the other arbitrators; provided, that if the two arbitrators chosen by the parties are unable to agree on the third arbitrator then the third arbitrator shall be selected in accordance with such Rules. As a minimum requirement each arbitrator is required to have workers compensation insurance experience at an executive level. Notwithstanding anything to the contrary provided in Section 7(j) above, the arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. § 1 et seq. The fees and expenses of the AAA and the arbitrators shall be shared equally by the parties and advanced by them from time to time as required; provided, that at the conclusion of the arbitration, the arbitrators shall award to the prevailing party or parties costs and reasonable expenses (including the costs of the arbitration previously advanced and the reasonable fees and expenses of attorneys, accountants and other experts) subject to Section 4(b). The arbitrators shall permit and facilitate such discovery, as either party shall reasonably request. The arbitrators shall render their award within ninety (90) days of the conclusion of the arbitration hearing. Any party may apply to any court of competent jurisdiction for temporary injunctive or other provisional judicial relief if such action is necessary to avoid irreparable damage or to preserve the status quo until such time as the arbitrators are selected and available to hear such party’s request for temporary relief. The award rendered by the arbitrators shall be final and not subject to judicial review (absent manifest error), and judgment thereon may be entered in any court of competent jurisdiction and shall be subject to Section 4(b).</p>



# 2005 – 2008 Revised Affiliation Agreement

Side-by-Side Comparison

## **NCCI TERM AND ELECTION ATTACHMENT A –**

This is a new attachment to replace the term, election, and e-Library options removed from the opening paragraph 1 of the Affiliation Agreement.

## **ATTACHMENT A-1 – RELATED COMPANIES MADE PARTY TO THIS AGREEMENT**

This is the standard area previously found following the signature block, but now entered as an Attachments.

## **ATTACHMENT B – MEDICAL CALL DATA USAGE STANDARDS**

This is a new attachment to accommodate the new Medical Data Call requirements as outlined in new Section 6 of the Affiliation Agreement.

## **NCCI AFFILIATE PRODUCT AND SERVICE ATTACHMENT**

		2005	2008 Revised
<b>1. In addition to definitions . . .</b>			
Section d)		<b>“Informational Tools”</b> shall mean current and future Internet-based workers compensation workstations, interactive tools and web based services that provide information and data as well as other features unique to each particular Informational Tool.	<b>“Informational Tools” and “Information Tools”</b> shall mean current and future Internet-based workers compensation workstations, interactive tools and web based services that provide information and data as well as other features unique to each particular Informational Tool
<b>4. Media Type: Information Tools and Other Electronic Media. Applicable Products and Services: All, Except Products and Services Not Distributed Electronically</b>			
Section a)		<b>Rate Table Data, and Similar Data Products, Excluding Information Tools such as Compoint, Pricepoint and Similar Information Tools:</b> The right to copy and integrate these Data Products into your computer systems, or other storage devices, for your internal use only in writing workers compensation insurance.	<b>Rate Table Data, and Similar Data Products, Excluding Information Tools such as [ ] WorkComp Workstation and Similar Information Tools:</b> The right to copy and integrate these Data Products into your computer systems, or other storage devices, for your internal use only in writing workers compensation insurance.
Section h)	<i>Eliminated – Product discontinued</i>	<b>RQS® Software:</b> The right to use the <b>RQS®</b> software, accompanying documentation (“Documentation”) and NCCI retrospective rating factors (“Factors”) collectively referred to herein as the <b>“RQS®</b> software,” solely for your internal operations on the corresponding number of CPUs/desktops as set forth in the applicable Product Order. You also have the right to store factors files on your networked client server or other storage device to allow your end users to access, copy, and store the factors and any output.	[ ]

# 2005 – 2008 Revised Affiliation Agreement

Side-by-Side Comparison

	2005	2008 Revised
Section i)  <i>Eliminated – Product discontinued</i>	<p><b>NCCI RQS<sup>®</sup> Software Factors:</b> The Factors accessed and used through the <b>RQS<sup>®</sup></b> software are the property of NCCI, and are protected by applicable copyright, trade secret and other commercial laws. This Agreement allows you to use the Factors in conjunction with <b>RQS<sup>®</sup></b> software, for internal purposes only. You may not lease, lend, rent, create derivative works, modify, sublicense, copy, distribute or otherwise transfer the Factors in whole or in part in any media to any third party except as provided for herein. The factors provided with the <b>RQS<sup>®</sup></b> software are for reference purposes only and shall not constitute the rendering of any advice by NCCI. <b>No representation or warranties are made by NCCI as to the completeness or accuracy of the Factors or the results obtained therefrom, and NCCI hereby expressly disclaims all warranties or representations, express, implied or statutory, including the Implied Warranties of Merchantability and Fitness for a Particular Purpose.</b></p>	
Section j)  <i>Eliminated – Product discontinued</i>	<p><b>Your Retrospective Rating Factors for Use in the RQS<sup>®</sup> Software:</b> You acknowledge and agree to provide NCCI with your specific retrospective rating factors on an as-needed basis, as set forth in the <b>RQS<sup>®</sup></b> documentation. Accordingly, you grant NCCI a limited, nonexclusive, royalty free, nontransferable license in and to your retrospective rating factors to allow NCCI to copy and integrate your retrospective rating factors into maintenance disks for use solely by you and for no other purpose. You acknowledge and agree that due to the nature and functionality of the <b>RQS<sup>®</sup></b> software that your failure to provide NCCI with your specific retrospective rating factors, may diminish your ability to use the <b>RQS<sup>®</sup></b> software. NCCI shall have no liability as to such diminished use.</p>	
<b>11. RQS<sup>®</sup> Software Maintenance</b>		
Paragraph 1  <i>Eliminated – Product discontinued</i>	<p><b>RQS<sup>®</sup> Software Maintenance:</b> You acknowledge and agree that due to the nature and functionality of the <b>RQS<sup>®</sup></b> software, maintenance of the <b>RQS<sup>®</sup></b> software is to be provided by NCCI, and is required as it is integral to the operation of <b>RQS<sup>®</sup></b> software. Maintenance shall also include NCCI (1) providing updated factors on an “as needed” basis, and (2) integrating your specific retrospective rating factors into a file and providing such file via disk, electronically or via CD ROM for your use with the <b>RQS<sup>®</sup></b> software on an as-needed basis. There are specific annual maintenance fees for the <b>RQS<sup>®</sup></b> software. Please consult NCCI’s Customer Service or your Product Order.</p>	
<b>Note: Sections 12-15 renumbered 11-14 due to the elimination of Section 11.</b>		

# 2005 – 2008 Revised Affiliation Agreement

Side-by-Side Comparison

## FLORIDA STATISTICAL AGENT SERVICES ATTACHMENT --

2005		2008 Revised
<b>2. NCCI Data Reporting Tools</b>		
Paragraph 1	NCCI shall provide to you one (1) copy of Florida data reporting tools, including data reporting manuals, data reporting circulars, data reporting user's guides, and other customer tools used to report data in connection with the performance of services under the Agreement, on a royalty-free license basis. Any additional copies will be provided pursuant to the prices as published by NCCI from time to time and through NCCI's Web site. After the first year, annual maintenance fees for such data reporting tools may be changed at the then-current rates published by NCCI from time to time on NCCI's Web site, subject to the approval of the OIR.	NCCI shall provide to you <input type="checkbox"/> <u>access to</u> Florida data reporting tools, including data reporting manuals, data reporting circulars, data reporting user's guides, and other customer <u>informational</u> tools used to report data in connection with the performance of services under the Agreement, on a royalty-free license basis. <input type="checkbox"/> <u>Hard copies</u> will be provided pursuant to the prices and terms published <input type="checkbox"/> <u>in NCCI's <input type="checkbox"/> then-current products and services price list</u> . After the first year, annual maintenance fees for such data reporting tools may be changed at the then-current rates published by NCCI from time to time on NCCI's Web site, subject to the approval of the OIR.
<b>4. Fees</b>		
Paragraph 2	\$4.50 per billable unit report or as otherwise agreed to or approved by the Office of Insurance Regulation for services provided under the Agreement. Billable unit reports are those unit reports (or other equivalent reports) other than correction reports, reported by you to NCCI, excluding significant exception processing situations that may occur from time to time and will be billed on an individual basis to you. NCCI reserves the right to modify this unit report fee, with three (3) months prior written notice to you, subject to review and approval by the OIR.	<input type="checkbox"/> <u>\$4.00</u> per billable unit report or as otherwise agreed to or approved by the Office of Insurance Regulation for services provided under the Agreement. Billable unit reports are those unit reports (or other equivalent reports) other than correction reports, reported by you to NCCI, excluding significant exception processing situations that may occur from time to time and will be billed on an individual basis to you. NCCI reserves the right to modify this unit report fee, with three (3) months prior written notice to you, subject to review and approval by the OIR.
Paragraph 3	In addition, you agree that you may be charged data reporting quality and timeliness fines, and receive credits as appropriate, according to the then-current incentive programs outlined in NCCI's <b><i>Unit Report Quality Users Guide</i></b> and <b><i>Reporting Guidebook for the Annual Calls for Experience</i></b> . You will also be charged data entry fees for the conversion of hard copy unit reports collected, as set forth in the Affiliation Pricing Exhibit.	In addition, you agree that you may be charged data reporting quality and timeliness fines, and receive credits as appropriate, according to the then-current incentive programs outlined in NCCI's <input type="checkbox"/> <b><i>Unit Statistical Reporting Guidebook</i></b> and <b><i>Reporting Guidebook for the Annual Calls for Experience</i></b> . You will also be charged data entry fees for the conversion of hard copy unit reports collected, as set forth in the Affiliation Pricing Exhibit

## TEXAS STATISTICAL AGENT SERVICES ATTACHMENT --

This is a new attachment to include the NCCI statistical services provided and fees charges for the state of Texas.

# 2005 – 2008 Revised Affiliation Agreement

Side-by-Side Comparison

## SERVICE PROVIDER ATTACHMENT TO THE AFFILIATION AGREEMENT --

	<b>2008</b>	<b>2008 Revised</b>
Section 2	Service Provider acknowledges and agrees that by executing this Attachment, Service Provider is and shall be bound by the terms and conditions of the Affiliation Agreement and any applicable Exhibit(s), Addenda, and Attachment(s). Specifically, Service Provider agrees to abide and be bound by (1) all data reporting requirements, as set forth in Section 2 of the Affiliation Agreement (to the extent Service Provider reports data on behalf of Affiliate), and (2) the licensing and intellectual property provisions of the Affiliation Agreement (as well as all other applicable provisions).	Service Provider acknowledges and agrees that by executing this Attachment, Service Provider is and shall be bound by the terms and conditions of the Affiliation Agreement and any applicable Exhibit(s), Addenda, and Attachment(s). Specifically, Service Provider agrees to abide and be bound by (1) all data reporting requirements, as set forth in Section 2 <u>and 6</u> of the Affiliation Agreement (to the extent Service Provider reports data on behalf of Affiliate), and (2) the licensing and intellectual property provisions of the Affiliation Agreement (as well as all other applicable provisions).
Section 3	Service Provider and Affiliate further acknowledge and agree that in the event Service Provider requires access to any NCCI Product or Services (content) for integration into a software application, or other computer system being used on behalf of Affiliate in connection with its responsibilities as Affiliate's Service Provider, a separate Service Provider Content Agreement is required to be executed and Service Provider may only use such NCCI Products and Services for the benefit of and in its capacity as an agent of Affiliate and for no other purpose, unless authorized by NCCI in writing. In addition, in the event Service Provider requires access to NCCI Data Tools, in assisting or performing data reporting functions on behalf of Affiliate, a separate Service Provider Data Tool Agreement is required to be executed, and Service Provider may only use such NCCI Data Tools for the benefit of and in its capacity as an agent of Affiliate and for no other purpose, unless authorized by NCCI in writing.	Service Provider and Affiliate further acknowledge and agree that in the event Service Provider requires access to any NCCI Product or Services (content) for integration into a software application, or other computer system being used on behalf of Affiliate in connection with its responsibilities as Affiliate's Service Provider, a separate Service Provider Content Agreement is required to be executed and Service Provider may only use such NCCI Products and Services for the benefit of and in its capacity as an agent of Affiliate and for no other purpose, unless authorized by NCCI in writing. In addition, in the event Service Provider requires access to NCCI Data Tools, in assisting or performing data reporting functions on behalf of Affiliate, a separate Service Provider Data Tool [ ] <u>Access Addendum</u> is required to be executed, and Service Provider may only use such NCCI Data Tools for the benefit of and in its capacity as an agent of Affiliate and for no other purpose, unless authorized by NCCI in writing.
Section 4	In the event the Affiliate is no longer represented by the Service Provider, the Affiliate agrees to so notify NCCI as soon as is reasonably possible. Should the Affiliate select a new Service Provider, the Affiliate understands and agrees that a new Service Provider Attachment to the Affiliation Agreement must be completed within 30 days of such selection.	In the event the Affiliate is no longer represented by the Service Provider, the Affiliate agrees to so notify NCCI as soon as is reasonably possible. Should the Affiliate select a new Service Provider, the Affiliate understands and agrees that a new Service Provider Attachment to the Affiliation Agreement must be completed within <u>thirty (30)</u> days of such selection.
Section 5	For purposes of the Affiliation Agreement, the word "you" refers to Affiliate and Service Provider.	For purposes of the Affiliation Agreement, the word "you" <u>and "your"</u> refers to Affiliate and Service Provider.

## 2008 NCCI Affiliation Agreement Overview & Instructions

This document provides an overview of the NCCI Affiliation Program and instructions for completing the NCCI Affiliation Agreement for you to begin or continue your affiliation with NCCI. Any questions concerning Affiliation with NCCI can be directed to your NCCI Affiliate Services Executive or Contract Administration at 800-NCCI-1-2-3.

### 2008 AFFILIATION OVERVIEW

#### Eligibility

Any company who is licensed to write or self-insuring workers compensation obligations in a state where NCCI is the licensed rating and/or statistical organization can affiliate with NCCI. Holding companies authorized to bind their related entities may execute an Affiliation Agreement as long as the related entities are licensed to write workers compensation are identified and made party to the Agreement.

#### Election Options

Companies have the option of electing one of three levels of affiliation. The following outlines the differences between electing to become a Partial-States Subscriber, All-States Subscriber, or Member of NCCI and the corresponding terms associated with your election.

**Partial-States Subscriber** is the basic affiliation level, which entitles you to discounted rates for most NCCI Products and Services. You may elect the NCCI states in which you desire affiliation.

**All-States Subscriber** is an enhanced level of affiliation, giving you all the rights of a Partial-States Subscriber, plus eligibility for multiyear discounts and Products and Services not available to a Partial-States Subscriber. If you elect to be an All-States Subscriber, you must affiliate in all NCCI states where you write or self-insure against workers compensation obligations.

**Member** is the highest level of affiliation giving you all the rights of an All-States Subscriber, plus additional rights including:

- Free Enterprise License to NCCI Electronic Manuals Library—for multiyear terms
- Voting Rights—one vote for each affiliated entity on each matter submitted to a vote of the Members
- Board of Directors/Committee Participation—as defined in the Bylaws
- Participation in the Distribution of Assets—as defined in the Bylaws

#### Common Ownership

NCCI requires all entities under common ownership or management to have the same election—either Member or Subscriber. In the event that companies under common ownership or management have different elections, NCCI will send notification in writing requesting a single election be selected within 60 days of the notification. If the desired election is not received within the specified time period, NCCI will change any necessary election to Member.

### Electronic Manuals Library Enterprise License (e-Library)

The Electronic Manuals Library Enterprise License (e-Library) is internet-based and enables all your employees to access select NCCI manuals—quickly, efficiently, and online. Refer to the *Affiliation Services Description Exhibit* for a list of manuals included in the package.

e-Library is available to Members and All-States Subscribers for a basis point fee. However, this fee is waived for 3- and 5-year Members for the term of the contract.

	<b>Partial-States Subscriber</b>	<b>All-State Subscriber</b>	<b>Member</b>
Eligibility	You must be licensed to write or self-insure against workers compensation obligations in one or more NCCI state.	You must be licensed to write or self-insure against workers compensation obligations in one or more NCCI state.	You must be licensed to write or self-insure against workers compensation obligations in one or more NCCI state.
Requirement	Elect the NCCI states in which you wish to affiliate.	You must affiliate in at least one NCCI state and for every NCCI state where you are writing or self insuring workers compensation obligations. You may opt to affiliate in additional states.	You must be writing or self insuring workers compensation obligations, affiliate in at least one NCCI state, and for every NCCI state where you are writing or self insuring workers compensation obligations. You may opt to affiliate in additional states.
Discounted Rates for Products and Services	Yes	Yes	Yes
Affiliation Term Years	1	1, 3, or 5	1, 3 or 5
Multi-year Discounts (Filing, Reform and Legislative Reform fees only)	No	3 years = 8% 5 years = 10%	3 years = 10% 5 years = 12%
e-Library (Refer to Affiliation Pricing Exhibit for applicable fees)	No	Yes	Yes
Voting Rights	No	No	Yes
Board of Directors/Committee Participation	No	No	Yes
Participation in the Distribution of Assets in the Event of Dissolution	No	No	Yes

## AFFILIATION AGREEMENT INSTRUCTIONS

**Required Documentation:** To become an NCCI Affiliate, please review and complete the following documents as described below. Please complete and sign two originals and return to NCCI.

- **Affiliation Agreement:** This Agreement establishes affiliation with NCCI. Only companies licensed to write or self-insure workers compensation obligations in one or more NCCI states may affiliate with NCCI by entering into this Agreement. The Agreement includes the **NCCI Affiliate Product and Service Attachment** that is made a part of the Affiliation Agreement and encompasses current and future NCCI Products and Services made available to Affiliates that are not covered under the Agreement. A holding or group company may execute this Agreement and identify the related entities that they are authorized to bind. Any entities under common ownership or management that also is licensed to write or self-insure workers compensation obligations may be included on this Affiliation Agreement by listing them on the **Related Companies Form** located on Attachment A-1 on Page AFF-14.
- **NCCI Terms and Election Attachment A:** This Attachment identifies the term, election and E-Library option you desire. Refer to the chart above for more information on these options.
- **Attachment B – Medical Data Call Usage Standards:** This Attachment as referenced in the Affiliation Agreement identifies the usage of your Medical Call Data. You must indicate whether or not your Medical Call Data is used for public policy research.
- **Contact Information:** This form requests contact information necessary for disseminating critical news and information within your organization or group. Please provide this information for each related entity listed in your Affiliation Agreement. You may copy this form as needed.

**Other Affiliation Addenda:** In certain circumstances, additional Attachments or Addenda to the Affiliation Agreement may need to be completed and executed. Please complete and sign two originals and return to NCCI. These are:

- **Florida Statistical Agent Services Attachment:** This Attachment sets forth the fees and additional terms and conditions regarding NCCI's statistical agent service in the state of Florida. This Attachment applies only to those affiliates that insure or self-insure against workers compensation obligations in the State of Florida.
- **Texas Statistical Agent Services Attachment:** This Attachment sets forth the fees and additional terms and conditions regarding NCCI's statistical agent service in the state of Texas. This Attachment applies only to those affiliates that insure or self-insure against workers compensation obligations in the State of Texas.
- **Service Provider Attachment to the Affiliation Agreement.** You and third parties who perform certain services on your behalf including but not limited to data reporting, claims administration, actuarial and underwriting services, policy issuance must complete this Attachment. An Attachment must be completed for every Service Provider you use. Photocopy this Attachment as necessary.
- **Service Provider Data Tool Access Addendum.** This addendum must be completed in conjunction with the **Service Provider Attachment to the Affiliation Agreement** in the event your service provider requires the use of NCCI's online data tools to view, submit, or update data on your behalf. An Addendum must be completed for every Service Provider requiring use of the data tools. Photocopy this Addendum as necessary.

NOTE: In the event your service provider requires access to NCCI Products and Services for use in a software application or computer system a **Service Provider Content Agreement** is required to be executed by you, your Service Provider and NCCI. Please contact your Affiliate Services Executive or Contract Administration.

**Exhibits to the Affiliation Agreement:**

- **Estimated Annual Premium Exhibit:** This Exhibit must be completed for new affiliations or renewal affiliations adding additional states.
- **Affiliation Services Description:** This Exhibit details the Services you receive associated with Affiliation.

**CHANGES TO THE AFFILIATION AGREEMENT**

Changes to an individual Affiliation during the term of the Affiliation Agreement are permissible as it relates to companies, states, and optional services. Any changes to your organizational structure or business direction can directly impact the services and billings you receive from NCCI. To request these types of changes, please refer to NCCI's web site, [ncci.com](http://ncci.com), and log on with your personal user id and password then click the *Affiliation Agreements* link under **MY Administrative Tools**.

**If you have any questions or need assistance in completing this Affiliation Agreement, please contact your NCCI Affiliate Services Executive or Contract Administration at 800-NCCI 1-2-3.**

**When completed, return the contract to:**

**National Council on Compensation Insurance, Inc.  
Attn: Contract Administration  
901 Peninsula Corporate Circle  
Boca Raton, Florida 33487**





## 2008 Affiliation Agreement

THIS 2008 AFFILIATION AGREEMENT, and all Attachments and Exhibits (collectively referred to as the "Agreement") is entered into and made effective this \_\_\_\_\_ day of \_\_\_\_\_, 2008, by and between the National Council on Compensation Insurance, Inc., a Delaware non-stock corporation having its principal business office at 901 Peninsula Corporate Circle, Boca Raton, Florida 33487 ("NCCI", "we", or "us"), and \_\_\_\_\_ ("you" or "your"), which includes the related companies listed on Page AFF-14 of the Agreement, having its principal business office at \_\_\_\_\_ and each of the parties' respective successors and permitted assignees, as either a member or subscriber and for the period of time as determined by your election set forth in Attachment A attached hereto and incorporated herein by reference.

NCCI is a voluntary, not-for-profit, data collection, research and ratemaking organization that among other things prepares and administers loss costs/rates, rating plans and systems for workers compensation and employers liability insurance. Two of the primary functions of NCCI are to collect, process, and analyze workers compensation insurance data and to provide to its members and subscribers licensed use of various Products and Services.

By signing this Agreement and paying the applicable licensing fees and costs, NCCI licenses you to use various NCCI filed rating systems and plans, including loss costs/rates and other Products and Services more specifically outlined within this Agreement.

As a state licensed insurance organization participating in the workers compensation industry, and as an essential part of the consideration for the licenses that NCCI grants to you under this Agreement, you agree to provide to and NCCI agrees to collect your policy data, unit statistical data, detailed claim information data (as applicable), medical call data (as applicable), aggregated financial data, and other data and information as may be necessary to aid in the effectiveness and efficiency of the workers compensation system (collectively "your Data"). You acknowledge and agree that the reporting of your Data is a material obligation and requirement under this Agreement and that your failure to report your Data to NCCI in a timely and accurate manner may cause harm to NCCI and its members and subscribers.

In addition to enhancing the data quality of the workers compensation system, this Agreement will cover the major business transactions NCCI may do with you as described within this Agreement, in the Affiliation Exhibits, and Attachments ("Products and Services").

This Agreement is the complete agreement between NCCI and you regarding the licenses and Products and Services provided under this Agreement and replaces any prior oral or written communications between us. "Attachments", "Addenda" and "Exhibits" are further terms and conditions that are attached to this Agreement and are incorporated herein by reference. Once NCCI and you have signed this Agreement, (1) any reproduction of this Agreement made by reliable means (for example, photocopy or facsimile) is considered an original, and (2) all Products and Services you order under this Agreement are subject to it.

### 1. LICENSE

NCCI hereby grants to you, and you accept, subject to and in accordance with the terms, conditions, restrictions, obligations and limitations set forth in this Agreement, a nontransferable, nonexclusive license to adopt and use in your operations, solely for the purpose of writing and maintaining workers compensation or employers liability insurance (or self-insuring against workers compensation obligations, as applicable), the Products and Services described in the applicable Affiliation Pricing Exhibit, and/or the Affiliation Services

Description Exhibit. You may not copy, distribute, display, perform, recast, adapt, create derivatives of, or modify the Products and Services (produced electronically or otherwise) provided to you under this Agreement, nor distribute, rent, sublicense, transfer, or lease the Products or any information provided to you in connection with the Products and Services, except and unless expressly authorized by NCCI in writing.

## 2. DATA SERVICES

### a) Data Reporting

As an essential part of the consideration for the licenses that NCCI grants you in Section 1 of this Agreement, you agree to provide to NCCI your Data, including without limitation, policy data, detailed claim information data (as applicable), unit statistical data, financial call data and medical call data (as applicable) and such other data that NCCI may request from you from time to time that is used by NCCI to (i) comply with regulatory requirements on your behalf; and/or (ii) to provide the Products and Services contemplated under this Agreement. You shall report your Data to NCCI in accordance with the applicable provisions of the *Workers Compensation Policy Data Reporting Manual*, the *Detailed Claim Information Instruction Manual*, the *Workers Compensation Statistical Plan Manual*, the *Unit Statistical Reporting Guidebook*, the *Reporting Guidebook for the Annual Calls for Experience*, the *Medical Data Call Reporting Guidebook*, or such other data reporting specifications as are mutually agreed to by you and NCCI and subject to the restrictions and limitations as set forth in Section 6 below. NCCI agrees to provide you with reasonable notice of changes to the reporting manuals and guidebooks set forth above.

### b) Data Reporting Compliance

Data that you submit to NCCI is required to be complete and accurately reflect your company experience. You agree to comply with NCCI data quality procedures and inquires including but not limited to: responding to edits flagging on submitted data and responding to data validation notifications and inquiries including cross data type checks (such as comparisons of unit statistical data to financial call data). Your compliance includes, but is not limited to, submitting corrections to all impacted data and/or providing written explanations where explanation of data accuracy is required by NCCI. It is expected that data submissions, data corrections and responses to data inquires be completed by you in a timely and accurate manner. You acknowledge and agree that data you submit to NCCI may be subject to compliance or incentive programs (e.g. ADQIP/DQIP and any future programs) as set forth in the applicable compliance or incentive program documents and which are modified by NCCI from time to time. Such compliance or incentive program documents are incorporated herein by reference as if attached hereto. **YOUR FAILURE TO REPORT YOUR DATA TO NCCI ON A TIMELY AND ACCURATE BASIS AS PRESCRIBED IN THE APPLICABLE DATA REPORTING MANUAL, GUIDEBOOK, INCENTIVE PROGRAM DOCUMENT OR SPECIFICATIONS MAY RESULT IN NCCI TAKING ANY OR ALL OF THE FOLLOWING ACTIONS: (i) FINANCIAL PENALTIES THROUGH DATA INCENTIVE PROGRAMS (ii) NOTIFICATION TO THE APPROPRIATE REGULATORY AUTHORITIES; (iii) NCCI WITHHOLDING FROM YOU YOUR PRODUCTS AND SERVICES PROVIDED UNDER THIS AGREEMENT PENDING SUBMISSION OF SUCH DATA; AND (iv) TERMINATE THIS AGREEMENT PURSUANT TO SECTION 7(i) SET FORTH BELOW.**

### c) Notification of System Changes

Your proactive identification of relevant system changes in connection with the reporting of your Data to NCCI will enable you to continue to report your Data to NCCI in a timely and accurate manner. You agree to provide NCCI timely notification of changes that may impact your data reporting systems and reporting protocols. NCCI reserves the right to require joint testing for any material data reporting system changes.

d) **Data Fixes**

You agree to promptly notify NCCI upon the discovery of any data reporting errors. In certain circumstances NCCI will at your written request perform a data fix to enable the data correction process or where data cannot be corrected via standard NCCI correction tools and correction protocols (as specified in NCCI standards). In the event you request NCCI to perform a data fix or correction to your Data, such services will be performed by NCCI under a separate attachment to this Agreement. NCCI reserves the right to charge you for such services. NCCI reserves the right to refuse any data fix request where other options to correct your Data are available. NCCI's refusal to provide such services does not alleviate any data quality or timeliness requirements as noted in Section 2(b) above.

e) **Data Privacy**

In performing its obligations and duties under this Agreement, each party, to the extent applicable, may handle general personally identifiable financial and/or health information of insureds, or claimants (hereinafter collectively "Protected Information") which may be subject to federal, state and local privacy laws and regulations. It is acknowledged and agreed that a) each party shall be solely responsible for maintaining the security of such Protected Information in its possession in order to comply with this privacy requirement and all applicable federal, state, local laws or regulations governing the privacy and use of such information; and b) each party shall immediately notify the other party of any violations of any such laws or regulations that involves your Data that arises out of each party's respective obligations under this Agreement or any complaint or judicial or administrative proceeding initiated concerning any actual or alleged violation of such law or regulation. The terms of this Section shall survive the termination of this Agreement.

**3. EXCLUSION OF WARRANTIES**

The Products and Services provided under this Agreement, and any Products and Services specified in the applicable Attachments and Exhibits, will be performed by NCCI in a professional workmanlike manner and will materially comply with the specifications set forth in the applicable Attachment or Exhibit. You agree that you will permit NCCI to attempt to correct any defects or other nonconformity in the Products and Services within thirty (30) days of NCCI's becoming aware of such defects or other nonconformity before you seek any other remedy as a result of such defects or nonconformity in a Product or Service. NCCI will not be obligated to correct, cure, or otherwise remedy any such defects or nonconformity in a Product or Service if (1) you have performed any unauthorized modification or enhancement of a Product or Service, (2) the Products or Services have been misused or damaged in any respect other than by employees of NCCI, or (3) NCCI has not been notified of the existence and nature of such nonconformity or defects as expeditiously as possible upon your discovery of such nonconformity or defects.

**4. LIABILITIES LIMITED**

a) **Disclaimer**

EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NCCI DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS OR SERVICES PROVIDED UNDER THIS AGREEMENT OR THE RESULTS OBTAINED FROM OR THROUGH THEM, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL NCCI BE LIABLE FOR ANY LOSS OF PROFIT OR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES SUSTAINED OR INCURRED IN CONNECTION WITH ANY PRODUCT OR SERVICE PROVIDED OR PERFORMED OR TO BE PROVIDED OR PERFORMED BY NCCI UNDER THIS AGREEMENT OR OTHERWISE ARISING UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION NCCI'S INDEMNIFICATION OBLIGATIONS SET FORTH HEREIN, REGARDLESS OF THE FORM OF THE ACTION AND WHETHER SUCH DAMAGES WERE FORESEEN OR UNFORESEEN AND EVEN IF NCCI IS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR LOSS OF PROFITS.

**b) Total Liability**

You agree that except as set forth in Section 7(f) of this Agreement, NCCI's total liability for damages under this Agreement or for damages arising or resulting from any Products or Services provided by NCCI pursuant to this Agreement, or any applicable Attachments or Exhibits, regardless of the form of action (including without limitation, any claims, demands, or liability for breach of contract or negligence), shall be limited to the actual direct damages or loss you incur, up to an annual aggregate in the amount of \$50,000. The \$50,000 limitation provided for in this Section shall be applicable to among other matters, any claims for indemnity brought pursuant to Section 5(a) of this Agreement.

**c) Force Majeure**

Neither party hereto shall be held liable for any delay or failure to perform under this Agreement when caused by circumstances beyond the reasonable control of the affected party, including but not limited to, shortages of labor; raw materials or equipment; sabotage; failure or delays in transportation or communication; fire; floods; embargoes; acts of war or terrorism; domestic or foreign; insurrections; or riots; strikes or other labor disturbances; acts of God; or acts of governmental authorities; provided, however, that this Section is intended only to suspend and not discharge a party's obligations under this Agreement and when the cause of the failure or delay is removed, the affected party shall promptly resume performance of its obligations hereunder.

**5. INDEMNITY**

- a) NCCI agrees to indemnify and hold you harmless from and against any claims and demands, made against you by a third party and any actions, brought or asserted against you by a third party and any liabilities, damages, or expenses resulting there from, including court costs and reasonable attorney's fees, arising out of or relating to the negligent or willful acts or omissions of NCCI in the provision of Products and/or the performance of Services by NCCI hereunder. You agree to give NCCI prompt notice of any such claim, demand or action and shall, to the extent you are not adversely affected, cooperate fully with NCCI in the defense and settlement of said claim, demand, or action. The provisions of this Section are subject to (i) the provision set forth in Section 4(a) above and (ii) the \$50,000 limitation as set forth in Section 4(b) above.
- b) You agree to indemnify and hold NCCI harmless from and against any claims, demands, and actions, brought or asserted against NCCI by a third party and any liabilities, damages, or expenses resulting there from, including court costs and reasonable attorney's fees arising out of or relating to your negligent or willful acts or omissions hereunder. NCCI agrees to give you prompt notice of any such claim, demand, or action and shall, to the extent NCCI is not adversely affected, cooperate fully with you in the response to and defense and settlement of said claim, demand, or action.
- c) The provisions of Section 5(a) and 5(b) shall survive the termination of this Agreement.

**6. ACKNOWLEDGMENT: DATA**

- a) You acknowledge NCCI's right, title, and interest in and to the copyright and other commercial and proprietary rights provided by law to all Products and Services produced and/or provided by NCCI under this Agreement.
- b) Upon your written request, NCCI will provide you with a copy of your Data submitted by you or your authorized Service Provider to NCCI that is contained within NCCI's production systems within a reasonable period of time. NCCI will charge you a base fee for each request and may charge additional amounts dependent upon on the amount of work involved for each request.

- c) NCCI agrees to preserve the confidential and proprietary nature of your Data that you provide to NCCI pursuant to this Agreement, and NCCI further agrees not to release your Data or information without your prior written consent if it identifies your individual claimants or customers or is requested in a manner which identifies it with you, except as set forth below:

Excluding Medical Call Data which is addressed under Section 6(f) herein, you specifically agree that NCCI may use and distribute your Data and Confidential Information provided by you to NCCI for the following Products, Services, and purposes:

1. Experience modifications, and experience modification worksheets;
  2. Proof of coverage services;
  3. Residual market expiration reports;
  4. Other risk-specific underwriting information, that does not identify insurers or claimants;
  5. Production and filing of loss costs/rates, rating plans, rating rules and schedules, required statistical plan filings and reports, and related manuals and circulars;
  6. Background materials NCCI submits to regulators in support of loss cost/rate filings and in related NCCI circulars, provided that any of your Data that is contained in such materials is not released in a manner which identifies you, an insured or claimant unless such identification (a) is required by law to be provided to regulators, (b) is, as a matter of standard practice, customarily provided to regulators as part of such background materials (this applies to identification of you only and not an insured or claimant), or (c) is provided to regulators in response to a regulatory request pursuant to Item 8 below;
  7. Legislative analysis, provided that any of your Data you submit that is contained in materials related to such efforts which identifies you is not released by NCCI to individuals or entities, other than regulators, without advance notice to you; and
  8. In response to regulatory requests, a valid subpoena, or court order (NCCI shall provide you with notice of any such request prior to the release of your Data).
- d) Notwithstanding the foregoing, but excluding Medical Call Data, NCCI may aggregate your data with data and information submitted to NCCI by other insurers and the use and distribution of such aggregated data and information shall be permitted under this Agreement, unless otherwise agreed by the parties hereto in an attachment to this Agreement.
- e) Notwithstanding any other provisions of this Agreement to the contrary, NCCI and you agree that, by signing this Agreement, employing the license granted herein and providing NCCI with your Data and Confidential Information (as defined below in Section 8) you do not waive any ownership rights or other legal interests that you may have in your Data and Confidential Information.
- f) **MEDICAL DATA CALL –This Section 6(f) is applicable only to Medical Data Call Participants.** If you are required to report Medical Call Data to NCCI pursuant to the participation criteria set forth in the *Medical Data Call Reporting Guidebook*, your Medical Data provided under this Agreement may be used by NCCI for the purpose of legislative analysis and, if permitted by you for research (as defined in Attachment B) subject to the criteria set forth Attachment B which is attached hereto and incorporated herein by reference.

## 7. GENERAL PROVISIONS

### a) **Prices and Price Changes**

Prices for Products and Services may be specified in the Affiliation Pricing Exhibit to this Agreement or as published on [ncci.com](http://ncci.com) as appropriate.

#### **Price Increases and Other General Pricing Terms**

1. We may modify general pricing terms (e.g., Filing Services category) and increase any of the following fees once per year, on January 1, by giving you one hundred-twenty (120) days prior written notice:

NCCI's Affiliation Fee; NCCI's Workers Compensation Infrastructure Fee; Experience Rating Production Services Fee; Filing Services Fee; Data Management Services Fee and Proof of Coverage Fee.

2. We may increase fees for other NCCI Products and Services at any time by giving you sixty (60) days prior written notice.
3. Notwithstanding anything contained herein to the contrary, NCCI may add or delete Products and Services including without limitation adding a new state.

### b) **Credit, Invoicing, Payment, and Taxes**

Premium-based charges will be invoiced to you quarterly in advance. Other Products and Services may be invoiced to you monthly, quarterly, semiannually, or annually, as appropriate, in accordance with NCCI's standard billing practices.

All credit and payment terms extended to you under this Agreement are in accordance with NCCI's then-current credit policy. A copy of NCCI's current credit policy is available by contacting our Credit Services Department.

### c) **Premium Reporting**

Your organization acknowledges that NCCI's premium-based fees will be based on actual premium as reported on your NAIC Annual Statement or another format approved by NCCI. If you are a new affiliate or adding additional states, you must provide NCCI your estimated annual premium as identified on the Estimated Annual Premium Chart (see Estimated Annual Premium Exhibit on page EXH-1).

You represent and warrant the premium reported to NCCI, whether actual or estimated, is true and accurate to the best of your knowledge. NCCI reserves the right to verify your premium reported to NCCI.

You acknowledge that your failure to report your premium on a timely basis may result in one of the following, at NCCI's option: (1) NCCI may base premium-based invoices upon the last premium amount reported to NCCI by your organization, (2) NCCI may base premium-based invoices upon a premium amount NCCI obtains from documentation your organization supplied to a regulatory agency, or (3) NCCI may elect to withhold Products and Services under the Agreement pending submission of such premium information or terminate this Agreement. You acknowledge that if NCCI exercises either of the first two options set forth in the paragraph, NCCI shall have the right, but not the obligation, to adjust premium-based invoices retroactively to reflect updated premium reported.

d) **Mutual Responsibilities**

Both of us agree that under this Agreement:

1. Neither of us will use the other's trademark, trade name, service mark, or other designation in any promotion or publication without the other's prior written consent.
2. Each of us is free to enter into similar agreements with third parties.
3. Except for the licenses granted expressly in this Agreement, no other license has been granted by one party to the other.

e) **Your Other Responsibilities**

You agree:

1. Not to assign this Agreement or your rights under it, delegate your obligations hereunder, or redistribute any Product or Service without NCCI's prior written consent. Any attempt by you to do so is void.
2. That you are responsible for the results of your misuse, unauthorized modification or application of the Products and Services.
3. To notify NCCI of any Service Provider that provides services to you including but not limited to data reporting, claim administration, and policy issuance and to notify NCCI of any organization that utilizes NCCI's Workers Compensation Infrastructure, including without limitation loss costs/rates and other Products and Services as set forth within this Agreement. Notification of these organizations must be provided through the Service Provider Attachment and the Service Provider Data Tool Access Addendum to Affiliation Agreement, if applicable.
4. To accurately maintain your on-line passwords and user ID's. This includes maintaining the security of such passwords and user ID's by keeping them confidential. This means you may not disclose or transfer your on-line passwords and user ID's to third parties and that you will disable passwords that are no longer in use.

f) **Patents and Copyrights**

Notwithstanding Section 4(b) of this Agreement, we agree that if a third party presents a claim, demand, or action alleging that a Product or Service we provide infringes a U.S. patent, or copyright or misappropriates a proprietary right, we will defend you against that claim, demand, or action at our expense and pay all costs, damages, and attorney's fees that (1) a court finally awards or (2) are related to settlement of a third party claim under this Section, provided that you:

1. Promptly notify us in writing of the claim, demand, or action.
2. Allow us to control and cooperate with us in the defense and any related settlement negotiations. If such a claim, demand, or action is presented or appears likely to be presented, you agree to permit us to enable you to continue to use the Product or Service, or to modify or replace it. If we determine that none of these alternatives is reasonably available, you agree upon our written request to return the product to us or discontinue use of the Product or Service. We will then give you a credit for the Product or Service based on generally accepted accounting principles to be determined solely by NCCI.

3. You have the right to assign counsel of your own choosing and at your own expense to participate in the defense and settlement of any claim, demand, or action wherein you have been named a party.

This is our entire obligation and your sole and exclusive remedy for any claim of infringement or misappropriation of a proprietary right.

**g) Claims for Which We Are Not Responsible**

We have no obligation regarding any claim, demand, or action based on any of the following:

1. Your unauthorized use of a Product or Service.
2. Your unauthorized modification of a Product or Service.
3. The unauthorized combination, operation, or use of a Product or Service with any product, service, data, software or equipment that we did not provide.
4. Your failure to use any updates and revisions of any Product or Service that you may license or obtain from NCCI.

**h) Changes to the Agreement Terms**

Except as provided in Section 7(a), hereof changes to the Agreement must be in writing and signed by both parties. Additional or different terms in any order or written communication from you are void.

**i) Termination and Changes**

**1. Termination of Agreement**

The term of this Agreement is set forth on Attachment A of the Agreement and will automatically renew for the length of the original term of this Agreement unless either of us provides written notice to the other ninety (90) days prior to the termination date of this Agreement of its intention not to renew.

Either party may terminate this Agreement on any January 1 following the first year of this Agreement by providing ninety (90) days prior written notice to the other party. In the event of such termination of this Agreement, you agree to pay to NCCI all outstanding invoices prior to the effective date of termination. Item(s) on an outstanding invoice with which you have a good faith dispute need not be paid prior to your termination of the Agreement, provided NCCI is furnished with (1) prompt written notice of the amount of the dispute, (2) the reasons for the dispute, and (3) prompt payment upon the resolution of the dispute.

In the event that you are eligible for and select a multiyear affiliation and either (1) terminate this Agreement prior to the expiration of the initial term, or (2) following a change in status to a Partial-States Subscriber, terminate your Affiliation in a particular state in which you continue to write workers compensation insurance prior to the expiration of the initial term, you agree to reimburse NCCI for the portion of any multiyear discounts that have actually accrued to your benefit under this Agreement, but for which you have not met the applicable requirements. For example, if you elected a five (5) year term and you terminate the Agreement prior to the conclusion of the third year, you would be required to reimburse NCCI for the entire multiyear discount that accrued to your benefit under the Agreement. If you elect a five (5) year term, and you terminate the Agreement after the third year, you would be required to reimburse NCCI for the difference between the five year and three year multiyear discount for each year that the Agreement was in effect.



In the event of a material breach of this Agreement, the non-breaching party may terminate this Agreement, provided that non-breaching party gives written notice of the material breach to the breaching party and the breaching party fails to cure such breach within thirty (30) days of receipt of such notice, except that any breach based upon non payment must be cured within ten (10) days of receipt of such notice. You agree to reimburse NCCI for any multiyear discounts you receive if NCCI terminates this Agreement prior to the expiration of the initial term for your material breach of this Agreement. You shall not be held responsible for any reimbursements for any multiyear discounts you receive prior to the expiration of the initial term for NCCI's material breach of this Agreement.

Upon termination of this Agreement or your affiliation in a particular state in any manner provided herein, all the rights and licenses granted to you under the Agreement or with respect to the state(s) in which you are terminating your affiliation are terminated and you are required to immediately discontinue use of the Products and Services and upon our instructions and to the extent applicable, (1) destroy the material under our supervision (or furnish us with an affidavit of such destruction sworn to by a principal or officer of your organization), or (2) deliver the Products and Services and all licensed material to us or our duly authorized representative. You are permitted, however, to archive a single unmodified copy of the Product(s) provided by NCCI under this Agreement for use by you for historical purposes only.

Any terms of this Agreement, which by their nature extend beyond its termination, shall remain in effect and apply to respective successors and assignees.

## **2. Removal of Company From the Agreement**

All provisions relating to the termination of the Agreement shall apply to the removal of a company with the following exceptions:

Companies being removed and added as a related entity to another Agreement or executing an Agreement of their own due to an acquisition, separation or similar corporate transaction shall be effective on the date of notification to NCCI, or a future date indicated.

Companies being removed due to a merger, liquidation, run-off, or similar corporate transaction shall be effective on the date of notification to NCCI, or a future date indicated.

## **3. Removal of States**

You may terminate your affiliation in a state in which you no longer write workers compensation insurance at any time with thirty (30) days prior written notice to NCCI by providing documentation sufficient to satisfy NCCI that you are no longer writing or self-insuring against workers compensation insurance in that particular state, as applicable (e.g. surrender of License). However, termination of affiliation does not relieve you of your obligation to continue to report any applicable data relating to that state.

In the event you have elected to become a Partial-States Subscriber of NCCI, you may terminate your affiliation in certain states where you continue to write workers compensation insurance on January 1 of any year by providing at least ninety (90) days prior written notice to NCCI. All provisions relating to termination of the Agreement shall apply in the event you elect to terminate your affiliation for all states or for the last state in which you are affiliated.

## **4. Termination of Elective Services**

You may also terminate Proof of Coverage Services, if applicable, e-library, and circulars at any time by providing sixty (60) days prior written notice of termination to NCCI and paying all applicable fees up to the date of termination.

## 5. Change in Member/All-States Subscriber/Partial-States Subscriber Election

You may change your Member/All-States Subscriber/Partial-States Subscriber election once per year, on January 1, with ninety (90) days prior written notice to NCCI.

In the event you are a multiyear Member or All-States Subscriber and you elect to become a Partial-States Subscriber (for example, if you elect to terminate your affiliation in a state in which you will continue to write workers compensation insurance), your Affiliation Agreement will automatically convert to a one (1) year Partial-States Subscriber agreement.

6. In the event you opt for any of the changes set forth in Section 7(i), you agree to comply with the procedures set forth in the Affiliation Agreement Overview and Instructions regarding notification to NCCI of such changes.

### j) Governing Law/Compliance

The laws of the state of Delaware govern this Agreement, without regard to its conflict of laws provisions.

### k) Notices

All notices to be given under this Agreement shall be in writing, addressed to either of us at our respective addresses first set forth above (or at any other address, which either of us designates by written notice) and shall be effective (1) when deposited in the United States mail, provided it is received in due course, (2) when delivered by hand or via overnight courier, postage prepaid, (3) when sent by fax with confirmation of transmission received, or (4) by electronic mail at the address designated in writing by the parties. All notices to NCCI shall be addressed to Contract Administration.

### l) Signer Is Authorized

The parties represent that the individuals executing this Agreement on their behalf possess all requisite authority to bind the respective parties hereto.

### m) Severability

In the event any provision of the Agreement is ultimately deemed by a court of competent jurisdiction to be unenforceable, the remaining provisions of this Agreement shall be unimpaired, and the invalid, illegal, or unenforceable provision shall be replaced, to the extent possible, by a mutually acceptable provision that is valid, legal and enforceable.

### n) Agreement, Exhibits, Attachments, and Addenda

The parties acknowledge and agree that upon execution of this Agreement, the prior Affiliation Agreement is: a) terminated through mutual agreement and shall have no further effect and; b) if your natural Affiliation renewal would have occurred in 2010 through 2013, the parties agree to attach all current Exhibits, Attachments, Addenda that have been executed or filled out as part of your prior Affiliation Agreement making them a part of this Agreement with full legal effect.

## 8. CONFIDENTIALITY

- a) NCCI acknowledges that the Data submitted by you to NCCI pursuant to this Agreement is a valuable asset and shall take reasonable steps to ensure its confidentiality. For the purposes of this Agreement, "Confidential Information" will mean confidential and proprietary information disclosed by one party to this Agreement to the other party, and shall include but not be limited to: data, data mapping, rate and loss cost filings, similar information packages, and related documents and circulars, which are produced by NCCI or are marked by NCCI as being confidential, technical and financial information, data collection techniques, and data processes, including any abstracts, summaries or portions thereof, whether

disclosed or communicated orally, in writing, graphically, electronically, or mechanically. Confidential Information will also include any information which any party has received from a third party under an obligation of confidentiality.

- b) Each party to this Agreement agrees that the Confidential Information is proprietary and confidential information and that it shall not use any Confidential Information of the other party for its own use or for any purpose except as expressly provided for under this Agreement. No party will disclose any Confidential Information to any other person or entity or its employees, except those employees and other persons who require the Confidential Information to further the objectives of this Agreement and who agree in writing to maintain the security and confidentiality of the Confidential Information as provided herein and to use a reasonable degree of care in safeguarding all Confidential Information disclosed to them.
- c) The foregoing obligations of confidentiality will not apply with respect to Confidential Information to the extent such Confidential Information:
  - 1. is within or later falls within the public domain through no fault of the receiving party or without breach of this Agreement;
  - 2. at the time of disclosure is proven to be already in the possession of the receiving party without an obligation of confidentiality and without breach of this Agreement;
  - 3. is developed independently by the receiving party without access to any Confidential Information of the other party, such independent development to be evidenced by written documentation thereof;
  - 4. is required to be disclosed pursuant to a valid subpoena or court order, provided and only to the extent that the party receiving such subpoena or order will give immediate written notice thereof of its receipt of such subpoena or court order to the party that has disclosed such Confidential Information of such subpoena or order, so that the party that disclosed Confidential Information may seek appropriate legal remedies, including, but not limited to, obtaining a protective order to prevent the release or disclosure of such Confidential Information; or
  - 5. as permitted to be disclosed as set forth in Section 6 and Medical Data Call Attachment B herein.
- d) The parties to this Agreement agree that they shall take all reasonable measures to protect the confidentiality of Confidential Information and to prevent its disclosure to any third parties who are not authorized to have such Confidential Information in their possession and to prevent the Confidential Information from falling into the public domain. Each party hereto agrees to notify the other party in writing of any potential misuse or misappropriation of Confidential Information that may come to its attention.
- f) Notwithstanding anything to the contrary elsewhere in this Agreement, the parties acknowledge that monetary damages may not be a sufficient remedy for unauthorized disclosure of Confidential Information of the other party and that any party hereto shall be entitled, in addition to any other rights or remedies available at law or in equity, to such injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction.

## 9. ARBITRATION

Any controversy, dispute or claim arising out of or relating in any way to this Agreement or the transactions arising hereunder which is not resolved by negotiation between the parties shall be settled exclusively by arbitration in West Palm Beach, Florida. Such arbitration shall be administered by the American Arbitration Association ("AAA") in accordance with its then prevailing Rules for Non-Administered Arbitration of Business Disputes (except as otherwise provided herein) by three independent and impartial arbitrators, with each party picking an arbitrator and the final arbitrator being chosen by the other arbitrators; provided, that if the two arbitrators chosen by the parties are unable to agree on the third arbitrator then the third arbitrator shall be selected in accordance with such Rules. As a minimum requirement each arbitrator is required to have

workers compensation insurance experience at an executive level. Notwithstanding anything to the contrary provided in Section 7(j) above, the arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. § 1 et seq. The fees and expenses of the AAA and the arbitrators shall be shared equally by the parties and advanced by them from time to time as required; provided, that at the conclusion of the arbitration, the arbitrators shall award to the prevailing party or parties costs and reasonable expenses (including the costs of the arbitration previously advanced and the reasonable fees and expenses of attorneys, accountants and other experts) subject to Section 4(b). The arbitrators shall permit and facilitate such discovery, as either party shall reasonably request. The arbitrators shall render their award within ninety (90) days of the conclusion of the arbitration hearing. Any party may apply to any court of competent jurisdiction for temporary injunctive or other provisional judicial relief if such action is necessary to avoid irreparable damage or to preserve the status quo until such time as the arbitrators are selected and available to hear such party's request for temporary relief. The award rendered by the arbitrators shall be final and not subject to judicial review (absent manifest error), and judgment thereon may be entered in any court of competent jurisdiction and shall be subject to Section 4(b).

**Agreed to:**

Affiliate Name: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_  
*Authorized Signature*

\_\_\_\_\_  
*Printed Name*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Date Signed*

**Agreed To:**

 NATIONAL COUNCIL ON COMPENSATION  
INSURANCE, INC.

By: \_\_\_\_\_  
*Officer's Signature*

\_\_\_\_\_  
*Printed Name*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Date Signed*

# NCCI Term and Election Attachment A

Refer to the NCCI Affiliation Agreement Overview & Instructions for more information regarding Term, Election and Electronic Manual Library options.

A. Our organization/group chooses the following Term:

- 1 year
- 3 year
- 5 year

B. Our organization/group chooses the following Election:

*NOTE: You may change your election once per year, on January 1, with ninety (90) days prior written notice to NCCI*

- Member – includes Electronic Manuals Library
- All-States Subscriber
- Partial-States Subscriber

C. If you have chosen the 1 year Member, 1, 3, or 5 year All States Subscriber status please elect one of the following Electronic Manuals Library options:

*NOTE: The Electronic Manuals Library is not available if Partial-States Subscriber is chosen*

- Yes, include Electronic Manuals Library
- No, do not include Electronic Manuals Library

Agreed to:

Affiliate Name: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

*Authorized Signature*

\_\_\_\_\_

*Printed Name*

\_\_\_\_\_

*Title*

\_\_\_\_\_

*Date Signed*



## Attachment B - Medical Data Call Usage Standards

If you are required to report Medical Call Data to NCCI pursuant to the participation criteria set forth in the *Medical Data Call Reporting Guidebook*, your Medical Call Data provided under this Agreement may be used by NCCI for the purpose of legislative analysis and, under certain conditions, research, as defined below and subject to the criteria set forth in this Attachment B.

### 1. Data Usage – Legislative Analysis

- a) For the purposes of determining the use of your Medical Call Data for legislative analysis, workers' compensation stakeholders is defined as insurers, legislators, insurance trade associations, regulators and the states executive office ("Stakeholders").
- b) NCCI will, in its discretion and as deemed appropriate, have the ability to perform legislative analysis at the request of a Stakeholder under the following circumstances:
  1. Stakeholder requests for analysis relating to specific bill language, proposed rules and regulations, court cases, post reform analysis, or in response to a legislative or regulatory initiative.
  2. In the event a request does not meet the criteria or circumstances set forth immediately above, NCCI may seek approval to proceed with such a request through NCCI's Medical Research Committee as more fully described below.

### 2. Further Limitations and Restrictions

- b) NCCI will not disclose your Medical Call Data that identifies you, your claimants or insureds as part of its legislative pricing analysis or research report.
- c) NCCI will not allow Medical Data Call participants to view other participant's Medical Call Data. You may request, in writing, an extract of your Medical Call Data subject to Section 6(b) above. Such extracts will be provided in the same form as originally reported to NCCI.
- d) In the event NCCI receives a valid subpoena, court order, regulatory or legislative request for your Medical Call Data, NCCI will give immediate written notice thereof of its receipt of such subpoena, court order, regulatory or legislative request to you so that you may seek appropriate legal remedies, including, but not limited to, obtaining a protective order to prevent the release or disclosure of your Medical Call Data.

### 3. Use of Medical Call Data for Public Policy Research Election

As a Medical Data Call data provider, you have the ability to opt in – allowing NCCI to use to use your Medical Call Data reported to NCCI for public policy research purposes subject to the restrictions and limitations set forth above or to opt out – prohibiting NCCI to use to use your Medical Call Data reported to NCCI for public policy research purposes without your express written permission. Please check and initial the box below indicating opting in or opting out.

Opt in

Permission to use your Medical Call Data is granted. Please initial here. \_\_\_\_\_

Opt out

Permission to use your Medical Call Data is not granted. Please initial here. \_\_\_\_\_

Please note that you must choose one option. However, you may at anytime change your election by notifying NCCI's Contract Administration. In addition, please provide a contact name, address and telephone number for further consideration regarding the use of your Medical Call Data for public policy research in the space below.

Contact: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**4. Elective Data Usage – Public Policy Research – Limitations and Restrictions**

- a) Research projects shall be limited to public policy issues and shall be conducted in a manner consistent with NCCI's stated objective of maintaining a neutral or level playing field for NCCI Stakeholders.
- b) In the event that NCCI proposes to conduct a research project or receives a research request (that would require it to use Medical Call Data) that does not meet the criteria for Legislative Analysis as set forth above, NCCI shall not proceed with such request until it has received approval in compliance with the following:
  - 1. Research projects must be approved in advance by (a) an internal approval process conducted by members of NCCI's senior management and (b) the Medical Research Committee consisting of data participant representatives and members of NCCI management team. The Medical Research Committee will be formed for the purpose of reviewing proposed research projects.
  - 2. Once a particular research project has been approved, NCCI may choose to notify, in writing, those data providers that have "opted out" (as defined below), of the research project and request permission to use their Medical Call Data in furtherance of the research project. NCCI will not use a data provider's Medical Call Data who has not opted in unless it has received express written permission from that data provider.
- c) At the conclusion of each research project NCCI will make available the results of the research to all NCCI Affiliates.



## NCCI Affiliate Product and Service Attachment

This Product and Service Attachment, made a part of the Affiliation Agreement, ("Agreement") sets forth the terms and conditions governing the licensing to you, from time to time, certain NCCI Products and Services (as defined in Section 1 below) in accordance with Product Orders requested by you and accepted by NCCI. This Attachment is not applicable to the NCCI Plan Licenses and tools identified in the Agreement.

1. In addition to definitions set forth elsewhere in this Attachment, the capitalized terms set forth in this Section are defined as follows:
  - a) "**Publications**" shall mean current and future NCCI and other third party publications (as applicable) that are made available in various media, for a fee.
  - b) "**Software**" shall mean current and future NCCI software applications.
  - c) "**RiskSnapshot® reports, mods and mod worksheets**" shall mean NCCI's *RiskSnapshot®* reports, modification factors and modification factor worksheets, and any future variations thereto that are made available in various media.
  - d) "**Informational Tools**" and "**Information Tools**" shall mean current and future Internet-based workers compensation workstations, interactive tools and web based services that provide information and data as well as other features unique to each particular Informational Tool.
  - e) "**Data Products**" shall mean current and future NCCI data products that are made available in various media.
  - f) "**Circulars**" shall mean current or future NCCI circulars that are made available in various media to NCCI Affiliates only.
  - g) "**Product Order(s)**" shall mean those product orders, which have been initiated by you for an NCCI Product or Service covered under this Agreement. To the extent this Attachment does not cover a particular Product or Service, or an additional use outside the scope of the license is contemplated, an addendum to this Attachment, or separate agreement may be required.
  - h) "**NCCI Forms Manual**" shall mean NCCI current or future workers compensation policy forms and endorsements set forth in NCCI's *Forms Manual of Workers Compensation and Employers Liability Insurance* or otherwise made available in various media.
  - i) "**Products and Services**" is a collective reference to current and future NCCI Products and Services all of which fall within the definitions set forth above.
2. **Licenses:** Upon acceptance by NCCI of a Product Order for a particular NCCI Product or Service as set forth herein, and payment of the appropriate fees, as applicable, NCCI grants to you a non-exclusive, non-transferable, limited license subject to the respective terms and conditions set forth herein that are applicable to that certain Product or Service. You further acknowledge and agree that you may use that Product or Service only for its intended purposes, (for example, mod worksheets and the data contained therein may be used for experience rating purposes only,) and no others. You may not integrate or populate your networks, databases, computer systems, Web sites or databases with Products and Services or any content provided therein unless expressly permitted by NCCI in this Attachment. **Notwithstanding anything contained herein to the contrary, Products and Services provided under this Agreement may not be used for marketing or other promotional purposes.**
3. **Media Type: Hard Copy: Applicable Products and Services: All-Except Information Tools and Products and Services Not Available in Hard Copy.** The right to use those Products and Services that are distributed in hard copy as reference tools and to perform analysis for use in your internal operations. You may copy portions of a publication, or data product only to the extent such excerpts are de minimus, and are used in your internal operations. This does not include the right to transfer such publications, data products or circulars to any third party or create a derivative work.

- a) **Circulars:** The right to copy, print and distribute Circulars within your organization, but not to non-affiliated third parties.
  - b) **NCCI Forms Manual:** The right to copy, modify, and print NCCI Policies, Forms, and Endorsements for your use in writing workers compensation insurance policies in your internal operations in those states in which you have obtained a license to use such Policies, Forms and Endorsements.
  - c) **RiskSnapshot® Reports:** The right to use *RiskSnapshot®* reports in your internal operations. You may not further distribute, copy, create derivative works, display, perform, or otherwise transfer a *RiskSnapshot®* report to any third party. Volume licensing of *RiskSnapshot®* reports shall require a written Product Order.
  - d) **Modification Factors (“Mods”):** The right to use Mods in your internal operations, including the right to copy and insert such Mods into workers compensation policies. In addition, you are granted the right to distribute Mods to your agents on a “need to know” basis.
  - e) **Modification Factor Worksheets (“Mod Worksheets”):** The right to use the Mod Worksheets in your internal operations, for experience rating purposes only, provided you have a Letter of Authority and are in compliance with any other associated preconditions associated with a Mod Worksheet. In addition, you are granted the right to distribute the Mod Worksheet to your agents on a “need to know” basis.
4. **Media Type: Information Tools and Other Electronic Media. Applicable Products and Services: All, Except Products and Services Not Distributed Electronically.**

**Information Tools.** The right to access and use the Information Tools and their content that are made available through [ncci.com](http://ncci.com). This includes a) the right to electronically display Information Tools, on a desktop, retrieved through [ncci.com](http://ncci.com) by no more than one person per user ID; b) the right to use Information Tools in your internal operations; c) to the extent applicable, the right to download, store, and print reports, output or content, of such Information Tools for your internal, informational, and backup purposes only provided that (1) the appropriate copyright notice appears on all such reports; (2) your use of Information Tool output, content, and reports are for internal reference, analysis and personal use only and not for republication, resale, distribution, assignment, sale, lease, or other use unless authorized or permitted. Except as provided for above, Informational Tool output, content and reports may not be copied or reproduced in whole or in part, in any form, including but not limited to photocopies, microfilm, digital, scanned, incorporated into any informational retrieval system/database, or posted on any network, bulletin board or Web site or otherwise broadcast in any media. Additionally, Information Tool output, content, or reports may not be shared, distributed, transferred or provided to third parties unless authorized or permitted by NCCI. The licenses granted for the Products and Services distributed electronically shall also be applicable to the same Products and Services obtained through Informational Tools and [ncci.com](http://ncci.com).

**Other Electronic Media:** The right to display and use those Products and Services that are distributed electronically (including but not limited to e-mail, CD-ROM, tape or through Informational Tools), as reference tools, and to perform analysis for use in your internal operations. This includes the right to print screen shots of the Product or Service for internal, informational, and backup purposes only provided that (1) the appropriate copyright notice appears on all such screen prints; (2) use of the Products and Services and/their screen shots is for informational and personal use only and not for republication, resale, distribution, assignment, sale, lease, preparation of derivative works or other use; and (3) except as provided for herein, such Products and Services shall not be, in whole or in part, copied, or reproduced in any form, including but not limited to photocopied, microfilm, scanned, incorporated into any informational retrieval system/database, computer system or posted on any network, bulletin board or Web site or otherwise broadcast in any media.

- a) **Rate Table Data, and Similar Data Products, Excluding Information Tools such as *WorkComp Workstation* and Similar Information Tools:** The right to copy and integrate these Data Products into your computer systems, or other storage devices, for your internal use only in writing workers compensation insurance.

- b) **NCCI Forms Manual:** The right to download, copy, modify, and display NCCI Policies, Forms, and Endorsements for your use in writing workers compensation insurance in your internal operations in those states where you have obtained a license to use such policies, forms and endorsements.
  - c) **Circulars:** The right to display, copy, print and distribute Circulars within your organization, but not to non-affiliated third parties.
  - d) **RiskSnapshot® Reports:** The right to use a *RiskSnapshot®* report in your internal operations. You may not further distribute, copy, create derivative works, display, perform, or otherwise transfer a *RiskSnapshot®* report to any third party. Volume licensing of *RiskSnapshot®* reports require a written Product Order.
  - e) **Modification Factors (“Mods”):** The right to use Mods in your internal operations, including the right to copy and insert such Mods into your computer systems and workers compensation policies. In addition, you are granted the right to distribute the Mods to your agent on a “need to know” basis only.
  - f) **Modification Factor Worksheets (“Mod Worksheets”):** The right to use the Mod Worksheets in your internal operations, for experience rating purposes only, provided you have a Letter of Authority and are in compliance with any other associated preconditions associated with a Mod Worksheet. In addition, you are granted the right to distribute the Mod Worksheet to your agent on a “need to know” basis only.
  - g) **Software Edit Packages:** The right to use NCCI Edit Package Software and any documentation furnished therewith on the stated platform, solely for use in your reporting of data to NCCI. You may obtain a reasonable number of id’s to access NCCI Edit Package Software for archival, disaster recovery, and back up purposes.
5. **Copyright and Other Proprietary Rights/USE RESTRICTIONS:** NCCI Products and Services provided under this Attachment are proprietary to NCCI and are protected by copyright, trade secret, and other commercial laws of the United States. You may not use any Product or Service except as expressly provided for herein unless otherwise authorized or permitted by NCCI. You agree not to remove or authorize others to remove any trademark, copyright notice, or similar type legend that identifies NCCI as the author or owner of the NCCI Products and Service. Any and all copies of any Product or Service are subject to this Attachment. Except as expressly permitted herein or as may be expressly authorized or permitted by NCCI, this Attachment does not permit you to, and does not permit you to authorize others to further use, sublicense, copy (electronically or otherwise), distribute, create derivatives, display, perform, transfer, lease, provide access, modify, rearrange, adapt, transform, recast, decompile, integrate, reverse engineer, reengineer, reassemble or disassemble or otherwise change any NCCI Products and Services, in whole or in part. NCCI retains ownership and license rights to the NCCI Products and Services and the intellectual property therein, and rights not expressly granted to you under this Attachment or Product Order are hereby expressly reserved by NCCI. This Attachment neither constitutes nor includes a sale, lease, loan, or other transfer of NCCI Products and Services, in any form. This Attachment shall not be construed as granting any license, right or interest in or to NCCI Products and Services, unless the appropriate Product Order form has been accepted by NCCI. You control all access to and the use of the NCCI Products and Services licensed by you. You shall be responsible for any and all alleged violations of this Attachment including actions of your employees, officers, directors, agents, or independent contractors working on your behalf. You shall take such reasonable steps as may be necessary to guarantee that no unauthorized third party has access to the Products and Services, is provided with an unauthorized NCCI password or ID, makes unauthorized copies or takes any action that would violate this Attachment if taken by you.
6. **WWW Access:** For Products and Services distributed through [ncci.com](http://ncci.com), you are responsible for providing all computers, telecommunication equipment, and other devices necessary to access such Products and Services through the Internet. All associated fees, costs, or expenses incurred by you in connecting with [ncci.com](http://ncci.com) are your sole responsibility. Products and Services are available during the operational hours of [ncci.com](http://ncci.com) or as set forth on NCCI’s Web pages. Access to [ncci.com](http://ncci.com) and the Products and Services made available through [ncci.com](http://ncci.com), including the use of private and public telephone lines, and linking to [ncci.com](http://ncci.com) through the World Wide Web, may be subject to interruptions, delays and disruptions that are beyond NCCI’s control. NCCI shall have no liability for such interruptions, delays and disruptions. Unauthorized access to Products and Services or to the servers or computer facilities used to deliver Products and Services, are a

breach of this Attachment and a violation of law. NCCI is not responsible in any way for any non-NCCI Products or Services advertised and/or made available via your Internet service provider or the World Wide Web.

7. **Product and Service Fees:** To the extent applicable, you agree to pay NCCI the license fees pertaining to the Products and Services licensed by you. You agree to pay such fee(s) on a net thirty (30) day basis from the date of receipt of an invoice. Amounts not paid when due shall be subject to a finance charge of 1.5% per month or the highest rate permitted by law, whichever is less. Such finance charge shall commence on the day after such payment is due and shall continue until the day that full payment is made. The finance charge shall not apply to any disputed item(s) on an invoice provided that NCCI is furnished with (1) prompt written notice of the amount in dispute, (2) the reasons for the dispute, and (3) prompt payment upon the resolution of the dispute. Notwithstanding anything contained herein to the contrary, you agree to pay any taxes, duties, levies, or tariffs imposed or levied by any governmental agency including without limitation, federal, state and local sales, use, value added, or personal property tax related to the licensed NCCI Products and Services under this Attachment (other than income taxes or personal property tax for which NCCI may be responsible).
8. **License Terms:** For annual subscription Products and Services, the license granted to you shall remain in full force and effect for one (1) year from the date of the Product Order and shall continue from year to year, unless (1) the Affiliation Agreement terminates, in which case the licenses shall also simultaneously terminate, (2) you fail to comply with any material provisions pertaining to the Product) or Services, in which case the license shall immediately terminate, or (3) either party gives thirty (30) days written notice to the other of its intention to terminate a specific Product or Service license at the next anniversary date. Notwithstanding anything contained herein to the contrary, in the event that NCCI discontinues a Product or Service, NCCI shall have the right to terminate that certain license, by providing you with ninety (90) days prior written notice of such Product or Service discontinuance.

For non-subscription Products and Services the license granted to you will remain in full force and effect for a period of five (5) years, from the date of the Product Order, unless (1) the Affiliation Agreement terminates, in which case the licenses shall also simultaneously terminate, (2) you fail to comply with any material provisions pertaining to the Products or Services, in which case the license shall immediately terminate, or (3) you give NCCI thirty (30) days written notice of your intention to terminate the license anytime after the first year.

9. **Product and Service Updates:** NCCI will generally make available to all licensees appropriate updates to Products and Services in accordance with NCCI's then-current update procedure. Non-subscription Products and Services, are generally not subject to updates. NCCI shall provide telephone support during NCCI's normal business hours, 8:00 a.m. to 8:00 p.m. (Eastern Time) for NCCI Products and Services by calling NCCI's Customer Service Center.
10. **Software Support and Maintenance:** NCCI shall provide you with a copy of updated software, which you have licensed, in accordance with that certain software's maintenance release schedule, as applicable. NCCI only supports the then-current version of the software. Accordingly, you agree to install the current version of the software when received. NCCI shall provide telephone support during NCCI's normal business hours, 8:00 a.m. to 8:00 p.m. (Eastern Time) for all software.
11. **Warranties:** In addition to the warranties and disclaimers set forth in the Agreement, All Products and Services provided under this Attachment ARE FURNISHED ON AN "AS IS," "AS AVAILABLE" BASIS, WITH ALL DEFECTS. NCCI CANNOT AND DOES NOT WARRANT THE ACCURACY, COMPLETENESS, CURRENTNESS, OR NON-INFRINGEMENT, OF SUCH PRODUCTS AND SERVICES, OR YOUR ABILITY OR INABILITY TO USE OR ACCESS SUCH PRODUCTS OR SERVICES OR ANY RESULTS DERIVED OR OBTAINED THEREFROM. ACCORDINGLY, ALL WARRANTIES, EXPRESS OR IMPLIED, ARE DISCLAIMED WITH RESPECT TO THE PRODUCTS AND SERVICES PROVIDED UNDER THIS ATTACHMENT. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY NCCI, ITS AGENTS, OR EMPLOYEES SHALL CREATE A WARRANTY AND YOU MAY NOT RELY ON ANY SUCH INFORMATION OR ADVICE. APPLICABLE PRODUCTS AND SERVICES FURNISHED TO YOU UNDER THIS ATTACHMENT HAVE BEEN CREATED FROM DATA AND INFORMATION PROVIDED BY THIRD PARTIES, WHICH HAS BEEN MADE AVAILABLE TO NCCI FOR SUCH USE. ALL RESPONSIBILITY OR LIABILITY FOR ANY DAMAGES CAUSED BY VIRUSES, WORMS, OR SIMILAR DISABLING DEVICES CONTAINED IN ANY ELECTRONIC FILE OR THROUGH THE NCCI.COM WEB SITE IS DISCLAIMED.

12. **Software Limited Warranty:** NCCI warrants that for a period of 90 days from the date of Product Order, the Software, if operated in accordance with the documentation, will achieve the functionality described and set forth in the accompanying documentation. NCCI does not warrant, however, that your use of the Software will be uninterrupted, or error free. NCCI also warrants that the media containing the Software, will be free from defects in material and workmanship and will remain so for 90 days from the date you acquire the software. NCCI's sole liability and your exclusive remedy for any breach of the warranties above will be, at NCCI's sole discretion to either (1) replace the defective media, or Software, (2) advise you on how to achieve substantially the same functionality with the Software, as described in the documentation, through a procedure different from that set forth in the documentation or (3) if the above remedies are impractical, to refund the license fee paid for the Software. Repaired, corrected or replaced Software shall be covered by this limited warranty for the period remaining under the warranty that covered the original Software, or if no warranty period remains, for thirty (30) days after the date (a) of shipment to you of the repaired or replaced software, or (b) if NCCI advised you how to operate the Software so as to achieve the functionality described in the documentation, for thirty (30) days from the date of the work-around. NCCI will be obligated to honor this warranty only if you inform NCCI of your problems with the Software during the applicable warranty period and provide evidence of the date you acquired the software. THIS IS A LIMITED WARRANTY AND IT IS THE ONLY WARRANTY MADE BY NCCI AS IT RELATES TO SOFTWARE. YOU AGREE THAT YOU ASSUME RESPONSIBILITY FOR THE USE AND FOR ANY AND ALL RESULTS DERIVED AND OBTAINED FROM THE SOFTWARE. THE SOFTWARE IS PROVIDED "AS IS" AND ALL WARRANTIES AND REPRESENTATIONS OF ANY KIND NOT SPECIFICALLY STATED HEREIN, WITH REGARD TO THE SOFTWARE, DATA FILES, FACTORS (AS APPLICABLE) AND DOCUMENTATION ARE HEREBY DISCLAIMED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTIES OF NONINFRINGEMENT OF THIRD PARTY RIGHTS. NO EMPLOYEE OR AGENT OF NCCI IS AUTHORIZED TO MAKE ANY MODIFICATION, EXTENSION, OR ADDITIONS TO THIS WARRANTY. If any modifications are made to the Software by you, or the media/Software has been subjected to abuse, accident or improper use, or if you are in violation of the terms of this Attachment, then the warranties shall not be applicable. Additionally, the limited warranty set forth above is not applicable if the Software is used on or in conjunction with hardware, platforms or operating systems that are not approved.
13. **Obligations upon Termination:** In the event you choose to terminate a license for a particular Product or Service, you may do so in accordance with the terms and conditions set forth under the section entitled "License Terms." Upon termination of a particular Product or Service, you agree to discontinue use of the Product or Service, and the licenses granted to you shall be terminated. You also acknowledge and agree that in the event you use NCCI Products and Services that exceed the license granted to you by NCCI, that such unauthorized use will cause irreparable harm and damage which may not be recoverable at law and that accordingly NCCI shall be entitled to seek injunctive relief to enforce the terms and conditions set forth herein, in addition to any and all remedies valuable to NCCI at law or in equity.
14. **Product and Service Orders:** The acceptance of any Purchase Order placed by you for any Product or Service is expressly made conditional on your assent to the terms and conditions set forth in this Attachment and NCCI agrees to furnish such Products and Services only upon these terms and conditions and not those contained in a purchase order or similar document.



# NCCI Affiliation Contact Information

A separate form **must** be completed for each affiliate company listed on this Agreement.

Company Name: \_\_\_\_\_ FEIN: \_\_\_\_\_

Note: Physical address preferred

**Data Contact:**

Name \_\_\_\_\_ Title \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone No. \_\_\_\_\_ Fax No. \_\_\_\_\_  
E-mail \_\_\_\_\_

**Billing Contact:** (This named individual will receive all premium-based invoices.)

Name \_\_\_\_\_ Title \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone No. \_\_\_\_\_ Fax No. \_\_\_\_\_  
E-mail \_\_\_\_\_

**Chief Executive Officer/President Information:**

Name \_\_\_\_\_ Title \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone No. \_\_\_\_\_ Fax No. \_\_\_\_\_  
E-mail \_\_\_\_\_

**Executive Contact Information:** (This named individual receives all general correspondence.)

Name \_\_\_\_\_ Title \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone No. \_\_\_\_\_ Fax No. \_\_\_\_\_  
E-mail \_\_\_\_\_

**Contact for Membership Voting Purposes:** (Only required if "Member" status was elected. This named individual will receive all correspondence relating to membership voting. One voting contact per contractual group.)

Name \_\_\_\_\_ Title \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone No. \_\_\_\_\_ Fax No. \_\_\_\_\_  
E-mail \_\_\_\_\_

**Legal Contact Information:** (This named department or individual receives all contractual legal notices.)

Name \_\_\_\_\_ Title \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone No. \_\_\_\_\_ Fax No. \_\_\_\_\_  
E-mail \_\_\_\_\_

## Florida Statistical Agent Services Attachment

For those companies licensed and/or writing workers compensation in the state of Florida.

THIS ATTACHMENT (the "Attachment") is made a part of the Affiliation Agreement dated the \_\_\_\_\_ day of \_\_\_\_\_, 2008, between the National Council on Compensation Insurance, Inc. ("NCCI") and \_\_\_\_\_ ("you"), (hereafter the "Agreement").

This Attachment, the Agreement, and its applicable Exhibits are the complete agreement between the parties regarding these transactions and replace any prior oral or written communications between us. In the event of a conflict between the Agreement and this Attachment, this Attachment shall control.

**WHEREAS**, the Office of Insurance Regulation ("OIR") has designated pursuant to Florida statutes one or more statistical agents to assist the OIR in collecting and compiling the experience of Florida workers compensation insurers, at least annually, in form and detail necessary to determine whether certain insurer activities comply with applicable OIR standards, and the Florida Statutes ("Statistical Agent Services");

**WHEREAS**, NCCI was designated by the OIR and entered into an agreement with the OIR to provide Statistical Agent Services on behalf of the Department of Florida insurers;

**WHEREAS**, one of the requirements in the agreement between the OIR and NCCI is that a separate agreement or attachment relating to the Statistical Agent Services be entered into between NCCI and the insurer, which this Attachment is intended to satisfy;

**WHEREAS**, NCCI desires to provide Statistical Agent Services to you subject to provisions contained herein; and

This Attachment modifies certain provisions set forth in the Affiliation Agreement in connection with NCCI's provision of Florida Statistical Agent Services to you, on behalf of the OIR, pursuant to the OIR's designation of NCCI as a qualified Florida Statistical Agent.

This Attachment, the Agreement, and their applicable Exhibits are the complete agreements regarding the subject matter hereof and replace any prior oral or written communications between us. This Attachment may be modified by written instrument only, signed by both parties. Once executed, any reproduction of this Attachment made by reliable means shall be considered an original of this document. In the event of a conflict between this Attachment and the Agreement, the Attachment shall control. In all other aspects, the Agreement is being ratified and remains in full force and effect.

### 1. FLORIDA STATISTICAL AGENT SERVICES

- a) **Your Responsibilities:** You agree to provide policy, detailed claim information (if qualified), statistical and financial call data in accordance with the *Workers Compensation Policy Data Reporting Manual*, the *Detailed Claim Information Instruction Manual*, the *Workers Compensation Statistical Plan Manual*, the *Reporting Guidebook for the Annual Calls for Experience*, or such other data reporting specifications as are mutually agreed to by you and NCCI, or which are required by the OIR.
- b) **NCCI Responsibilities:** NCCI shall compile the data that you have provided to NCCI. NCCI shall perform validity edits, relational edits, and reasonableness testing on data collected from you and compiled by NCCI. NCCI shall provide to the OIR financial calls data collected on an aggregate basis showing totals by insurer or insurer group, if required by the OIR, as well as such reports, compilations, and other information required by the OIR, excluding those elements identifying individual employers, policy holders, claimants, insurers or insurer groups.

## 2. NCCI DATA REPORTING TOOLS

NCCI shall provide to you access to Florida data reporting tools, including data reporting manuals, data reporting circulars, data reporting user's guides, and other customer informational tools used to report data in connection with the performance of services under the Agreement, on a royalty-free license basis. Hard copies will be provided pursuant to the prices and terms published in NCCI's then-current products and services price list. After the first year, annual maintenance fees for such data reporting tools may be changed at the then-current rates published by NCCI from time to time on NCCI's Web site, subject to the approval of the OIR.

## 3. ACKNOWLEDGMENT: DATA

- a) As it relates to the data you report to NCCI, pursuant to the OIR's designation of NCCI as a workers compensation statistical agent, you acknowledge that NCCI will assert no ownership rights on its own behalf to such data and that the OIR has asserted such ownership rights as it may have pursuant to Section 627.331 Florida Statutes and the Florida Insurance Code. This applies to the following data: unit reports, detail claim information, and financial call data, excluding those elements identifying individual employers, policy holders, claimants, insurers, or insurer groups (other than financial call data collected on an aggregate basis showing totals by insurer or insurer group).
- b) You will have access to the data submitted to us within a reasonable period of time upon your written request.
- c) NCCI acknowledges that the data submitted by you is a valuable asset and that NCCI shall take reasonable steps to ensure its confidentiality. NCCI agrees not to release the data you submit, without your prior written consent, if it identifies your individual claimants or customers, or is requested in a manner which identifies it with you, except as permitted by Section 6(c) of the Agreement or as required to meet our responsibilities as a designated Florida Statistical Agent. However, pursuant to the terms governing our designation, NCCI does not have the right to assert trade secret or confidentiality claims on your behalf with respect to the data you submit.

## 4. FEES

You will be charged the following fees in connection with our provision of Statistical Agent Services in Florida:

\$4.00 per billable unit report or as otherwise agreed to or approved by the Office of Insurance Regulation for services provided under the Agreement. Billable unit reports are those unit reports (or other equivalent reports) other than correction reports, reported by you to NCCI, excluding significant exception processing situations that may occur from time to time and will be billed on an individual basis to you. NCCI reserves the right to modify this unit report fee, with three (3) months prior written notice to you, subject to review and approval by the OIR.

In addition, you agree that you may be charged data reporting quality and timeliness fines, and receive credits as appropriate, according to the then-current incentive programs outlined in NCCI's *Unit Statistical Reporting Guidebook* and *Reporting Guidebook for the Annual Calls for Experience*. You will also be charged data entry fees for the conversion of hard copy unit reports collected, as set forth in the Affiliation Pricing Exhibit.

## 5. TERMINATION

This Attachment shall remain in force and in effect from the date set forth above, and shall continue until (1) NCCI is no longer designated as Statistical Agent in the state of Florida, in which case the Attachment shall terminate, (2) you fail to comply with any of the provisions of the Agreement or this Attachment, without curing such noncompliance in accordance with Section 7(i)(1) of the Agreement, in which case the Agreement and this Attachment shall terminate, or (3) either party gives ninety (90) days prior written notice to the other of its intention to terminate the Attachment.



**6. OBLIGATIONS UPON TERMINATION**

In the event that you elect to terminate this Attachment, you agree to pay all outstanding invoices for this service prior to the effective date of termination. However, outstanding invoices with which you have a good faith dispute need not be paid prior to your termination of the Agreement, provided NCCI is furnished with (1) prompt written notice of the amount of the dispute, (2) the reasons for the dispute, and (3) prompt payment upon the resolution of the dispute.

**Agreed to:**

Affiliate Name: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

*Authorized Signature*

\_\_\_\_\_

*Printed Name*

\_\_\_\_\_

*Title*

\_\_\_\_\_

*Date Signed*

**Agreed To:**



NATIONAL COUNCIL ON COMPENSATION  
INSURANCE, INC.

By: \_\_\_\_\_

*Officer's Signature*

\_\_\_\_\_

*Printed Name*

\_\_\_\_\_

*Title*

\_\_\_\_\_

*Date Signed*

## **Service Provider Attachment to the Affiliation Agreement**

This ATTACHMENT to the Affiliation Agreement (the "Attachment"), effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2008, is made by and between the National Council on Compensation Insurance, Inc., having its principal business office at 901 Peninsula Corporate Circle, Boca Raton, Florida 33487 ("NCCI"), and \_\_\_\_\_ ("Affiliate") having its principal place of business at \_\_\_\_\_ and, \_\_\_\_\_ ("Service Provider"), having its principal place of business at \_\_\_\_\_, is an expression of the parties' desire and intention to make the following terms a part of the Affiliation Agreement.

**THEREFORE**, in consideration of the mutual promises set forth below and the good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties agree as follows:

1. Affiliate hereby grants to Service Provider and Service Provider hereby accepts the authority to act through, in concert with, or for the benefit of Affiliate in undertaking and performing certain functions (e.g., data reporting) which are required of Affiliate under the Affiliation Agreement.
2. Service Provider acknowledges and agrees that by executing this Attachment, Service Provider is and shall be bound by the terms and conditions of the Affiliation Agreement and any applicable Exhibit(s), Addenda, and Attachment(s). Specifically, Service Provider agrees to abide and be bound by (1) all data reporting requirements, as set forth in Sections 2 and 6 of the Affiliation Agreement (to the extent Service Provider reports data on behalf of Affiliate), and (2) the licensing and intellectual property provisions of the Affiliation Agreement (as well as all other applicable provisions).
3. Service Provider and Affiliate further acknowledge and agree that in the event Service Provider requires access to any NCCI Product or Services (content) for integration into a software application, or other computer system being used on behalf of Affiliate in connection with its responsibilities as Affiliate's Service Provider, a separate Service Provider Content Agreement is required to be executed and Service Provider may only use such NCCI Products and Services for the benefit of and in its capacity as an agent of Affiliate and for no other purpose, unless authorized by NCCI in writing. In addition, in the event Service Provider requires access to NCCI Data Tools, in assisting or performing data reporting functions on behalf of Affiliate, a separate Service Provider Data Tool Access Addendum is required to be executed, and Service Provider may only use such NCCI Data Tools for the benefit of and in its capacity as an agent of Affiliate and for no other purpose, unless authorized by NCCI in writing.
4. In the event the Affiliate is no longer represented by the Service Provider, the Affiliate agrees to so notify NCCI as soon as is reasonably possible. Should the Affiliate select a new Service Provider, the Affiliate understands and agrees that a new Service Provider Attachment to the Affiliation Agreement must be completed within thirty (30) days of such selection.
5. For purposes of the Affiliation Agreement, the word "you" and "your" refers to Affiliate and Service Provider.
6. This Attachment shall remain in full force and effect, for as long as the Affiliation Agreement is in effect, unless (1) the Affiliation Agreement terminates, in which case the Attachment shall simultaneously terminate, (2) you fail to comply with any of the provisions of this Attachment, in which case this Attachment, will automatically terminate, (3) Service Provider no longer has the authority to act on behalf of you, or (4) by any party by providing thirty (30) days prior written notice of termination.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute this Attachment as of the date written below.

**Agreed to:**

Affiliate Name: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

*Authorized Signature*

\_\_\_\_\_

*Printed Name*

\_\_\_\_\_

*Title*

\_\_\_\_\_

*Date Signed*

**Agreed To:**



NATIONAL COUNCIL ON COMPENSATION  
INSURANCE, INC.

By: \_\_\_\_\_

*Officer's Signature*

\_\_\_\_\_

*Printed Name*

\_\_\_\_\_

*Title*

\_\_\_\_\_

*Date Signed*

**Agreed to:**

Service Provider: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

*Authorized Signature*

\_\_\_\_\_

*Printed Name*

\_\_\_\_\_

*Title*

\_\_\_\_\_

*Date Signed*

\_\_\_\_\_

*Company Email Domain*

**RELATED COMPANIES MADE A PART OF THIS ATTACHMENT**

The Service Provider acts on behalf of all affiliates made party to this Affiliation Agreement

The Service Provider acts on behalf of affiliate identified on this Attachment and the following specific affiliates made party to this Affiliation Agreement:



## **Service Provider Data Tool Access Addendum to The Service Provider Attachment to the NCCI Affiliation Agreement**

This Service Provider Data Tool Access Addendum to the Service Provider Attachment to the NCCI Affiliation Agreement ("Addendum") is made effective of this \_\_\_\_ day of \_\_\_\_\_ 2008, between the National Council on Compensation Insurance Inc. ("NCCI"), having its principal office at 901 Peninsula Corporate Circle, Boca Raton, FL 33487, and \_\_\_\_\_ ("Affiliate") and \_\_\_\_\_ ("Service Provider") having a business office at \_\_\_\_\_, a service provider to the Affiliate and is made part of the Service Provider Attachment to the NCCI Affiliation Agreement dated \_\_\_\_\_ entered into by and between NCCI and Affiliate.

**WHEREAS**, Affiliate has entered into an NCCI Affiliation Agreement that provides, in part, a license to use NCCI data tools for its reporting of various data types to NCCI, as required under such agreement, ("Data") and other ancillary services ("Data Tools"); and

**WHEREAS**, Affiliate has engaged Service Provider to perform certain data reporting services (as identified in the Service Provider Data Tool Exhibit attached hereto and incorporated herein by reference) as the agent of the Affiliate; and

**WHEREAS**, Affiliate now desires, as part of the Service Provider's provision of such services to obtain access to certain NCCI Data Tools as identified and marked in the Service Provider Data Tool Exhibit, attached hereto and incorporated herein by reference, in furtherance of the Affiliate's data reporting obligations to NCCI, subject to the terms and conditions set forth herein; and

**WHEREAS**, NCCI, at the request of the Affiliate, desires to provide access to Data Tools to Service Provider, in furtherance of the Affiliate's data reporting obligations and subject to the terms and conditions set forth herein.

**NOW THEREFORE**, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties to this Addendum hereby agree as follows:

1. Affiliate acknowledges that it has sole responsibility in determining which NCCI Data Tools that Service Provider is to have access to and use on behalf of the Affiliate as set forth in this Addendum. Furthermore, Affiliate acknowledges that certain Data Tools, such as DCA Access provides an end user with the ability to view, and if permitted, to correct Data submitted to NCCI. In the event Affiliate determines Service Provider is to be given access to view and/or correct Data, Affiliate acknowledges that Service Provider will have the ability to access, view and correct, as applicable, all Data captured for the Affiliate and any of its subsidiary companies in its data group. In addition, Service Provider may now or at any time in the future provide the same services and obtain the same or similar access to NCCI Data Tools for other Affiliates.
2. Service Provider acknowledges and agrees that Service Provider's access to Data Tools is determined solely by Affiliate. In the event Affiliate requests that Service Provider be denied access to certain Data Tools, NCCI shall be under no obligation to notify Service Provider. Modifications to Service Provider's access to Data Tools may only be authorized, in writing, by Affiliate. In addition, Service Provider may only use Data Tools as authorized by the Affiliate. NCCI does not have any control or liability for how Service Provider may access and use Data Tools to be used on behalf of the Affiliate.

3. Except as expressly set forth in this Addendum, Service Provider may not utilize Data Tools for any other purpose, including but not limited to benchmarking, report generation, analysis, creation of a database, marketing, or any other commercial or noncommercial use. Service Provider may not (or instruct others to) copy, distribute, create derivatives, perform, display, lease, provide access to, or otherwise use any data or content accessed or viewed through NCCI Data Tools, in whole or in part, in any media. Additionally, Affiliate and Service Provider may not share, transfer, disclose or otherwise provide any passwords or user identification numbers utilized to gain access to NCCI Data Tools to any third party without the express written permission of NCCI. **NCCI will provide Service Provider with its own unique identification number.**
4. Service Provider agrees to keep and treat all Data and content accessed through NCCI Data Tools confidential and shall not disclose such data and content to any third party unless authorized by the Affiliate or NCCI in writing.
5. NCCI grants to the Service Provider, a non-exclusive, non-transferable, personal, limited license in and to the NCCI Data Tools that have been marked by the Affiliate as set forth in the Service Provider Data Tool Exhibit, for the sole purpose of providing the Services as set forth in the Service Provider Data Tool Exhibit, solely on behalf of the Affiliate and for no other purposes. Except as expressly permitted herein, this Addendum does not permit Service Provider, or to allow Service Provider to authorize others, to further use, copy, distribute, create derivatives, integrate or otherwise transfer the NCCI Data Tools, in whole or in part, in any media, including but not limited to, using any Data Tools in any Service Provider's Services on behalf of any person or entity other than the Affiliate; using NCCI Data Tools in other Service Provider products and services not identified in the Service Provider Data Tool Exhibit; or use NCCI Data Tools for any other purpose except as expressly authorized herein, without the prior express written permission of NCCI. Service Provider shall not remove, or authorize others to remove, any trademark, copyright notice or similar type legend that identifies NCCI as the author or owner of the NCCI Data Tools.
6. This Addendum shall remain in full force and effect for as long as the Affiliation Agreement is in effect, unless (1) the Affiliation Agreement terminates, in which case the Addendum shall simultaneously terminate, (2) Service Provider fails to comply with any of the provisions of this Addendum, in which case this Addendum, will automatically terminate, (3) Service Provider no longer has the authority to act on behalf of the Affiliate, or (4) by any party by providing the other parties thirty (30) days prior written notice of termination.
7. The Data Tools licensed under this Addendum by NCCI shall be provided to Service Provider in a professional workmanlike manner. HOWEVER, NCCI DOES NOT HAVE ANY CONTROL OVER THE CONDITIONS UNDER WHICH SERVICE PROVIDER MAY UTILIZE THE DATA TOOLS, INCLUDING SUBMITTING, VIEWING AND CORRECTING (AS APPLICABLE) AFFILIATE'S DATA, AS PERMITTED BY THE AFFILIATE, UNDER THIS AGREEMENT. THEREFORE, NCCI CANNOT AND DOES NOT WARRANT THE RESULTS THAT MAY BE OBTAINED BY SERVICE PROVIDER THROUGH THE USE OF THE DATA TOOLS. EXCEPT AS SET FORTH HEREIN, NCCI EXPRESSLY DISCLAIMS ANY AND ALL EXPRESS, STATUTORY, AND IMPLIED WARRANTIES INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NO REPRESENTATIONS OR STATEMENTS MADE BY NCCI OR ITS EMPLOYEES SHALL BE CONSTRUED AS A WARRANTY OR MODIFYING THIS DISCLAIMER. THE USE OF DATA TOOLS INVOLVES JUDGMENT, ASSUMPTIONS, AND INPUT AND NCCI DOES NOT ACQUIESCE IN SERVICE PROVIDER'S JUDGEMENT, ASSUMPTIONS AND INPUT AND DOES NOT MAKE ANY WARRANTIES WITH REFERENCE TO RESULTS OBTAINED. FURTHERMORE NCCI SHALL HAVE NO RESPONSIBILITY FOR THE ABILITY OR INABILITY OF SERVICE PROVIDER TO USE THE DATA TOOLS.
8. Without the prior written consent of NCCI, Service Provider may not assign, sublicense or otherwise transfer in whole or in part (whether voluntarily or by operation of law) directly, indirectly or contingently any license granted under this Addendum.
9. During the term of this Addendum, NCCI shall have the right but not the obligation to conduct an annual audit of Service Provider to determine compliance with this Agreement. NCCI agrees to provide not less than five (5) day prior written notice of such audit, which will be conducted during normal business hours with minimal disruption to Service Providers operations.
10. This Addendum is made a part of the Service Provider Attachment to the Affiliation Agreement as is fully set forth therein. This Addendum may not be changed, modified or discharged orally and may only be modified through written instrument signed by both parties.

11. Service Provider acknowledges and agrees that use of Data Tools including the use of private and public telephone lines, and linking to **ncci.com** through the World Wide Web, may be subject to interruptions, delays, and disruptions that are beyond NCCI's control. NCCI is not responsible in any way for any non-NCCI products or services advertised and/or made available through customer's Internet service provider or the World Wide Web. Service Provider is responsible for providing all computers, telecommunication equipment, and other devices including Web browser software and Internet service provider access necessary to access Data Tools. All associated fees, charges, costs, or expenses incurred by Service Provider in connecting with ncci.com are Service Provider's sole responsibility. Service Provider is also responsible for assuring that its systems are capable of accessing Data Tools. In the event any modifications or upgrades are required to Service Provider's systems, Service Provider will have sole responsibility for such upgrades or modifications.

**IN WITNESS WHEREOF**, the parties hereto have caused their duly authorized representatives to execute this Addendum as of the date written above.

**Agreed to:**  
Affiliate Name: \_\_\_\_\_

By: \_\_\_\_\_  
*Authorized Signature*

\_\_\_\_\_  
*Printed Name*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Date Signed*

**Agreed To:**  
 **NATIONAL COUNCIL ON COMPENSATION  
INSURANCE, INC.**

By: \_\_\_\_\_  
*Officer's Signature*

\_\_\_\_\_  
*Printed Name*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Date Signed*

**Agreed to:**  
Service Provider: \_\_\_\_\_

By: \_\_\_\_\_  
*Authorized Signature*

\_\_\_\_\_  
*Printed Name*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Date Signed*

# Service Provider Data Tool Exhibit

## RELATED COMPANIES MADE A PART OF THIS ADDENDUM

- The Service Provider acts on behalf of all affiliates made party to this Affiliation Agreement
- The Service Provider acts on behalf of affiliate identified on this Addendum and the following specific affiliates made party to this Affiliation Agreement:



Briefly describe the type of services the Service Provider renders to NCCI Affiliate:

## NCCI Data Tool access to be provided to Service Provider:

- DCA Online – Policy and Unit inquiry only
- DCA Online – Policy and Unit Inquiry and Policy Update
- DCA Online – Policy and Unit Inquiry and Unit Update
- DCA Online – DCI Inquiry
- DCA Online – DCI Inquiry and Update
- FCOL (Financial Calls On Line) Inquiry Only
- FCOL (Financial Calls On Line) Inquiry and Update
- Pool Data Online – Inquiry only
- Pool Data Online – Inquiry and Update
- DTVI (Data Transfer via Internet)
- POC (Proof of Coverage) Notice Entry
- Data Reports Online
- Hardcopy Submission Tracking and Retrieval System
- NCCI Data Reporting Manuals
- Data Manager Dashboard

## Estimated Annual Premium Exhibit

Only complete this chart if any company listed on this Affiliation Agreement is new, changing their estimated premium, or adding/removing a state. Photocopy this page as necessary.

COMPANY NAME: \_\_\_\_\_

Estimated Annual Premium Legend	
\$\$\$ amount	Indicates that you are affiliating in this state with this estimated premium for the current calendar year.
MIN	Indicates that you are affiliating in this state (opting-in) with an estimated premium of \$0.00 for the current calendar year.
blank	Indicates that you do not wish to affiliate in this state. Do not enter \$0 if you do not require affiliation.

STATE	ESTIMATED ANNUAL PREMIUM
ALABAMA	
ALASKA	
ARIZONA	
ARKANSAS	
COLORADO	
CONNECTICUT	
DISTRICT OF COLUMBIA	
FLORIDA	
GEORGIA	
HAWAII	
IDAHO	
ILLINOIS	
INDIANA	
IOWA	
KANSAS	
KENTUCKY	
LOUISIANA	
MAINE	
MARYLAND	
MISSISSIPPI	

STATE	ESTIMATED ANNUAL PREMIUM
MISSOURI	
MONTANA	
NEBRASKA	
NEVADA	
NEW HAMPSHIRE	
NEW MEXICO	
NORTH CAROLINA	
OKLAHOMA	
OREGON	
RHODE ISLAND	
SOUTH CAROLINA	
SOUTH DAKOTA	
TENNESSEE	
TEXAS	
UTAH	
VERMONT	
VIRGINIA	
WEST VIRGINIA	
WISCONSIN	

**Premium Groupings:**

Identify how the premiums for this company are to be billed. If premium is grouped with another company on this Affiliation Agreement, one premium-based invoice will be generated. The company to receive the invoice must be designated. Changes can be made to the premium groupings at any time within the contract term by providing written notification to NCCI Contract Administration. Any changes will be reflected on the premium-based invoices following the receipt of the request; adjustments will not be made for retroactive requests.

- Premium is to remain separated. Each company listed on this Agreement will receive a premium-based invoice.
- Group premium for all companies listed on this Agreement.

Billing Company: \_\_\_\_\_



**RETURN OF PREMIUM DIVIDEND**

The Committee shall provide staff with direction related to a possible FWCJUA policyholder dividend program philosophy and methodology.

At its June 11<sup>th</sup> meeting, the Board authorized staff to develop a proposed methodology for a return of premium dividend for future consideration by the Rates & Forms Committee and the Board. Accordingly, staff drafted the attached policyholder dividend policy strictly for discussion purposes only. Staff is seeking the Committee's comments and direction related to the initial draft policy.

Attached for the Committee's perusal is policy year income information as of 12/31/2007 developed by staff with input from Milliman and Thomas Howell Ferguson.

**The Committee shall provide staff with further direction related to the draft policyholder dividend policy and determine what, if anything, to present to the Board regarding this matter at the Board's September 9<sup>th</sup> meeting.**



## FWCJUA Policyholder Dividend Policy

On January 1, 1994, pursuant to section 627.311(5a), Florida Statutes, the FWCJUA began providing workers' compensation and employer's liability insurance to applicants who are required by law to maintain workers' compensation and employer's liability insurance and who are in good faith entitled to but who are unable to procure such insurance through the voluntary market. In addition, Florida Statutes section 627.311(26f), states that any premium or assessments collected by the plan in excess of the amount necessary to fund projected ultimate incurred losses and expenses of the plan and not paid to insured of the plan in conjunction with loss prevention or dividend programs shall be retained by the plan for future use. Any state funds received by the plan in excess of the amount necessary to fund deficits in subplan D or any tier shall be returned to the state.

In mid-2007, as a result of the December 31, 2006 surplus position, the FWCJUA Board of Governors agreed to consider a policyholder dividend program. After many discussions and policy year financial statement analyses, the following FWCJUA Policyholder Dividend Policy and Methodology has been developed.

### **Policyholder Dividend Philosophy**

In determining the gross amount of a policyholder dividend, a policy year profit and loss calculation will be determined. The actual amount of underwriting gain and/or loss will be the starting point in determining the gross amount of the policyholder dividend. Generally a 5% underwriting gain will be retained, however depending upon the volatility of any particular policy year's results; a 10% underwriting gain may be retained. Therefore the individual policy year specifics will be taken into consideration in determining a reasonable underwriting gain. These specifics will include such items as the total number of claims reported, the total number of open claims at the time of dividend declaration, any catastrophic or serious injuries within that policy year as well as other factors such as the policy year's premium volume, total number of policies written, change in premium volume, changes in rates, and changes to the mix of policyholders. Each policy year will be reviewed upon its own merits. Once the Board of Governors determines what appropriate amount of underwriting gain is reasonable to retain, any additional underwriting gain will be distributed as a policyholder dividend.

All investment income earned on premium payments collected by the FWCJUA will be retained for future use. Monies retained for future use should reasonably ensure that there will be sufficient funds to pay any unexpected losses unknown at the time of a dividend declaration, utilized to offset any underwriting losses developed in prior or future policy years to minimize the possibility of an assessment. It will also provide the FWCJUA with additional options related to reinsurance attachment points, contingency and surplus factors as well as an offset to general and administrative expenses utilized in rate making.

After determining the gross amount of the policyholder dividend, expenses associated with completing the policyholder dividend will also need to be deducted before determining how much the net policyholder dividend amount will be. Once the net amount is determined, the individual policyholder dividend calculation will proceed. Each individual policy will be reviewed to determine if it meets the following criteria and thus, qualifies for a dividend payment.



## FWCJUA Policyholder Dividend Policy

**Policy years eligible to be considered for a policyholder dividend:** A determination as to whether a policyholder dividend will be made and for what amount will be made once a policy year has been closed for 5 calendar years. For example: the 2001 Policy year is completely closed at the end of the 2002 calendar year + 5 calendar years would result in the 2001 Policy year to be eligible for dividend consideration after the 2007 annual statement and audit are complete.

**Policy Years 1994 – 1999:** These policy years are not eligible for policyholder dividends as an LPT Reinsurance Agreement was purchased removing the possibilities of significant gain or loss. The LPT Reinsurance Agreement essentially closed these years to both a policyholder dividend as well as a policyholder assessment

**Minimum Premium Policies:** Minimum Premium policies would not be eligible for any policyholder dividends as these policies were charged the absolute minimum premium amount for a policy that assumed limited exposure and thus, the minimum premium charged was not sufficient to generate underwriting results sufficient to warrant a policyholder dividend. Therefore any positive development or underwriting gain experienced within the policy year will not be attributed to the minimum premium policies

**Uncooperative or Uncollectible Premium Policies:** Any policy for the year under consideration for a policyholder dividend where the final audit was not completed because the policyholder did not comply with the FWCJUA's final audit requirements will not be eligible for any policyholder dividend amount. In addition, any such policy which currently has an outstanding balance or had uncollectible premium at any time after policy expiration would also not be eligible for a policyholder dividend amount. Thus, if the policyholder owes the FWCJUA premium at the time of the dividend declaration – that policyholder would not be eligible for a policyholder dividend. Also, if a policyholder at any time was considered to have had a bad debt or uncollectible premium, but has subsequently paid the outstanding premium or arranged a settlement of the outstanding premium at a lesser amount, that policyholder will not be eligible for a policyholder dividend as it did not fully cooperate and comply with the FWCJUA rules and procedures.

### **Policyholder Dividend Calculation Methodology:**

Once a dividend has been declared by the Board of Governors, a number of calculations must be completed to determine which policies in that policy year are eligible to receive a policyholder dividend payment.

First, a calculation of the policy year's combined ratio (excluding investment income and expenses) will need to be determined, which will essentially become the 'standard' for those policies within the policy year which has been declared to receive a policyholder dividend. If an individual policy meets or exceeds this 'standard' underwriting result, then it will qualify and receive a policyholder dividend payment. The combined ratio is the sum of the reinsurance



## FWCJUA Policyholder Dividend Policy

premium expense ratio plus the administrative expense ratio plus the selected dividend loss & ALAE ratio.

Utilizing data from the particular policy year of which the Board has declared a policyholder dividend, the three components of the policy year's total expense ratio are calculated as described below:

- 1) The reinsurance premium expense ratio is calculated using the financial information from the *Financial Information By Policy Year* report. The reinsurance premium expense ratio is equal to the total reinsurance premium allocated to the policy year divided by the collected premium for that policy year.
- 2) The administrative expense ratio is the sum of the average servicing carrier fees (SCF) paid ratio plus the average producer fees paid ratio plus the general & administrative (G&A) expense ratio. If the individual policy year being considered has more than one subplan and/or tier, these calculations will need to be calculated for each individual subplan and/or tier separately. Both the servicing carrier fees paid ratio and the producer fees paid ratio are developed by utilizing the *J11 premium record* information from the FLARE database. The SCF paid ratio is the total of all SCF paid for all policies in that policy year divided by the total collected premiums for that policy year. The producer fees paid ratio is the total of all producer fees paid for all policies in that policy year divided by the total collected premiums for that policy year. The G&A expense ratio is the total general and administrative (G&A) expenses for that corresponding calendar year divided by the total collected premiums for that policy year.
- 3) The selected dividend loss & ALAE ratio will be determined by selecting the highest of the following three loss ratios: a) cumulative FWCJUA net loss & ALAE ratio (for all years excluding Subplan D data); b) the cumulative individual policy year & ALAE ratio (excluding Subplan D data); or c) the subplan and/or tier's cumulative net loss & ALAE ratio. These ratios will be obtained from the *Ultimate Loss Summary* reports prepared by the FWCJUA each quarter as a detailed work paper for the Statutory Quarterly and Annual Statements filed with the Office of Insurance Regulation.

Once the 'standard' has been determined, a review of the individual policies in that particular policy year will be completed. Below is a step by step analysis of how to determine the policies that will qualify and receive a proportionate share of the net policyholder dividend to be declared.

### Step by Step Policy Analysis:

Step 1: Determine if the policy is eligible. If the policy is a minimum premium policy, was uncooperative at audit or currently has uncollectible premium or previously had uncollectible premium – the policy is ineligible and is no longer considered in the analysis.



## FWCJUA Policyholder Dividend Policy

Step 2: Calculate the individual policy's combined ratio. This would be the sum of the administrative expense ratio for the policy year + reinsurance premium expense ratio for the policy year + the individual policy's loss & ALAE ratio (sum of all loss & ALAE incurred / total earned premium for the policy).

Step 3: Compare the individual policy's combined ratio to the 'standard' policy year's combined ratio. If the individual policy's combined ratio is equal to or less than the 'standard' policy year's combined ratio, then the policy qualifies and will receive payment of the policyholder dividend on the basis of a proportionate share of the positive underwriting results of those policyholders participating in the policyholder dividend.

Step 4: Complete combined ratio analysis on all eligible policies. Sum up the total of the positive underwriting results for all of the qualified policies, as this is the amount used as the denominator in the proportionate share calculation of the actual policyholder dividend payment.

Step 4: Next is to determine the actual individual policy dividend payment amount. The policy's final positive underwriting results would be divided by the total positive underwriting results for that policy's proportionate share of the net policyholder dividend declared as shown in the following formula.

$$\begin{array}{l} \text{Positive Underwriting Results} \\ \text{Total Positive} \\ \text{Underwriting Results} \end{array} \quad \times \quad \begin{array}{l} \text{Net Policyholder} \\ \text{Dividend Declared} \end{array} \quad = \quad \begin{array}{l} \text{Policy's Proportionate} \\ \text{Share of the Dividend} \\ \text{(using 3 decimals places)} \end{array}$$

*A Sample Calculation could be:*

$$\begin{aligned} \text{Proportionate share} &= \$1,000 / \$500,000 = .002 \\ &= .002 \times 250,000 = \$500.00 \end{aligned}$$

Step 7: Before actual payment, it will be necessary to implement a further verification process to ensure that the policyholder does not have any uncollectible premium or an uncooperative audit status in any other policy year with the FWCJUA. If an uncollectible premium is found for another policy year, then the policy's proportionate share of the dividend would first be applied to the uncollectible premium for that policyholder. If there is any positive dividend amount remaining, the positive balance will be distributed to the policyholder. However, if the policyholder is found to have been uncooperative in another policy year and no audit has been completed; the policyholder will have to comply with the audit on the uncooperative policy year before payment of any policy year's policyholder dividend.

Step 8: All policyholder dividend payments will be sent via check to the most recent address on file for the policyholder. Checks will not be printed for any amounts less than \$1.00.

**FWCJUA Policyholder Dividend Methodology Analysis**

as of June 30, 2008

			2003				
	2001	2002	Prior	A	C		
Policies Issued	656	1,156	2,028	63	314	* cumulative loss/lae ratio as of 6/30/08 excluding D	
Minimum Premium Policies (at audit)	77	182	558	20	27		
Uncooperative at Audit	6	11	42	-	8	cumulative net earned premiums	437,449,297
Uncollectible Premium	42	81	187	-	45	less D net earned premiums	(22,434,708)
<b>Eligible for Policyholder Dividend</b> (before consideration of Combined Ratio)	<b>531</b>	<b>882</b>	<b>1,241</b>	<b>43</b>	<b>234</b>		415,014,589
						cumulative ultimate loss & lae	146,366,155
Policies with Claims	56	109	197	0	50		146,366,155
Administrative Expense Ratio (SCF, Commissions and G&A)	24.49%	20.42%	19.62%	32.20%	21.67%		35.27%
Reinsurance Premium Expense Ratio	25.79%	26.64%	18.48%	18.48%	18.48%		
Cumulative FWCJUA Net Loss & ALAE Ratio (excluding D) *	32.41%	32.41%	32.41%	32.41%	32.41%		
Cumulative Policy Year Loss & ALAE Ratio (excluding D) **	23.10%	13.40%	17.68%	17.68%	17.68%		
Cumulative Subplan Policy Year Loss & ALAE Ratio	36.40%	36.40%	36.40%	0.00%	29.40%	** 2003 loss / lae ratio as of 6/30/08 excluding D	
<b>Selected Dividend Loss &amp; ALAE Ratio (use highest of the 3 averages)</b>	<b>36.40%</b>	<b>36.40%</b>	<b>36.40%</b>	<b>32.41%</b>	<b>32.41%</b>	2003 net earned premiums	39,343,223
						less D net earned premiums	(1,918,206)
							37,425,017
<b>Therefore,</b>							
<b>'standard' policy year combined ratio would be:</b>	<b>86.68%</b>	<b>83.46%</b>	<b>74.50%</b>	<b>83.09%</b>	<b>72.56%</b>	2003 ultimate loss & lae	8,854,000
						less D ultimate loss & lae	(2,236,000)
							6,618,000

If policy has a combined ratio less than or equal to the 'standard', then the policy qualifies for a policyholder dividend payment.

**Financial Information by POLICY YEAR**

As of December 31, 2007

	<b>LPT Years 1994 - 1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Total</b>
<b>Gross Earned Premium</b>	203,143,282	5,252,487	12,557,503	25,389,268	62,517,557	68,478,659	63,540,304	40,354,274	11,959,776	493,193,110
Reinsurance Premium *	12,865,321	762,951	2,305,892	5,303,863	9,071,326	11,418,605	10,008,160	6,262,673	2,248,521	60,247,313
Paid Losses & LAE	91,862,919	1,595,675	1,653,612	4,695,205	15,717,631	14,978,863	11,320,977	3,714,246	591,277	146,130,405
Case Reserves	813,286	0	117,934	220,907	1,100,951	3,296,574	1,269,616	542,359	459,290	7,820,917
Net Underwriting Gain / (Loss)	97,601,756	2,893,861	8,480,065	15,169,293	36,627,649	38,784,617	40,941,551	29,834,996	8,660,688	278,994,475
<b>Net Loss Ratio w/out IBNR</b>	<b>48.7%</b>	<b>35.5%</b>	<b>17.3%</b>	<b>24.5%</b>	<b>31.5%</b>	<b>32.0%</b>	<b>23.5%</b>	<b>12.5%</b>	<b>10.8%</b>	<b>35.6%</b>
IBNR & ULAE Reserve	4,244,974	65,705	222,440	177,866	1,072,503	6,500,596	6,235,685	3,543,013	3,079,484	25,142,266
Net Underwriting Gain / (Loss)	94,815,631	2,828,156	8,257,625	14,991,427	35,555,146	32,284,021	34,705,866	26,291,983	5,581,204	253,852,209
<b>Net Loss Ratio with IBNR</b>	<b>50.2%</b>	<b>37.0%</b>	<b>19.5%</b>	<b>25.4%</b>	<b>33.5%</b>	<b>43.4%</b>	<b>35.2%</b>	<b>22.9%</b>	<b>42.5%</b>	<b>41.4%</b>
Uncollectible Premium	38,883,515	1,069,802	3,520,624	1,773,555	11,947,277	10,900,424	6,487,043	1,433,071	56,279	76,071,590
% of Gross Earned Premium	19.1%	20.4%	28.0%	7.0%	19.1%	15.9%	10.2%	3.6%	0.5%	15.4%
Other Underwriting Expenses	42,673,694	2,589,863	3,024,944	5,653,468	15,657,089	17,947,788	12,081,406	8,210,815	5,077,766	112,916,833
Misc Income / (Expense)	(10,174,038)	405,370	984,853	126,033	343,672	259,839	146,816	143,820	112,438	(7,763,635)
Federal Income Taxes	9,637,431	(349,929)	1,192,456	3,328,547	2,862,515	721,506	7,855,527	4,604,072	91,715	29,943,840
<b>Underwriting Gain / (Loss)</b>	<b>(6,553,047)</b>	<b>(76,210)</b>	<b>1,504,454</b>	<b>4,361,889</b>	<b>5,431,937</b>	<b>2,974,142</b>	<b>8,428,706</b>	<b>12,187,845</b>	<b>467,882</b>	<b>27,156,311</b>
<b>% of Underwriting Gain/(Loss) / Gross Earned Premium</b>	<b>-3.2%</b>	<b>-1.5%</b>	<b>12.0%</b>	<b>17.2%</b>	<b>8.7%</b>	<b>4.3%</b>	<b>13.3%</b>	<b>30.2%</b>	<b>3.9%</b>	<b>5.5%</b>
<b>Reasonable % "Underwriting Gain"</b>		<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	
<b>Reasonable \$ "Underwriting Gain"</b>		<b>262,624</b>	<b>627,875</b>	<b>1,269,463</b>	<b>3,125,878</b>	<b>3,423,933</b>	<b>3,177,015</b>	<b>2,017,714</b>	<b>597,989</b>	<b>14,502,491</b>
<b>Excess "Underwriting Gain"</b>		<b>(338,834)</b>	<b>876,579</b>	<b>3,092,426</b>	<b>2,306,059</b>	<b>(449,791)</b>	<b>5,251,691</b>	<b>10,170,131</b>	<b>(130,107)</b>	<b>20,778,154</b>
<b>% of Excess Underwriting Gain/(Loss) / Gross Earned Premium</b>		<b>-6.5%</b>	<b>7.0%</b>	<b>12.2%</b>	<b>3.7%</b>	<b>-0.7%</b>	<b>8.3%</b>	<b>25.2%</b>	<b>-1.1%</b>	<b>7.2%</b>
<i>Estimated Investment Income</i>	21,290,735	83,555	651,427	1,860,808	2,255,911	2,213,271	3,560,343	1,858,650	220,279	33,994,979
<b>Total Net Income / (Loss)</b>	<b>14,737,688</b>	<b>7,345</b>	<b>2,155,881</b>	<b>6,222,697</b>	<b>7,687,848</b>	<b>5,187,413</b>	<b>11,989,049</b>	<b>14,046,495</b>	<b>688,161</b>	<b>61,151,290</b>
<b>% of Total Net Income / Gross Earned Premium</b>	<b>7.3%</b>	<b>0.1%</b>	<b>17.2%</b>	<b>24.5%</b>	<b>12.3%</b>	<b>7.6%</b>	<b>18.9%</b>	<b>34.8%</b>	<b>5.8%</b>	<b>12.4%</b>
Total Policies Written	36,147	522	662	1,140	4,178	5,434	4,991	3,875	2,575	59,524
Total Claims Reported	5,463	86	120	229	657	732	482	303	90	8,162
Total Open Claims as of 12/31/07	13	0	2	1	10	28	47	31	40	172

\* No Reinsurance for AY 1994 claims

\* 2004 &amp; 2005 - reduced by \$ rec'd from the DOL Trust Fund

**Financial Information by POLICY YEAR**

As of December 31, 2007

	<b>LPT Years 1994 - 1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Total</b>
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Net Underwriting Gain / (Loss)	97,601,756	2,893,861	8,480,065	15,169,293	36,627,649	38,784,617	40,941,551	29,834,996	8,660,688	278,994,475
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IBNR & ULAE Reserve	4,244,974	65,705	222,440	177,866	1,072,503	6,500,596	6,235,685	3,543,013	3,079,484	25,142,266
Net Underwriting Gain / (Loss)	93,356,782	2,828,156	8,257,625	14,991,427	35,555,146	32,284,021	34,705,866	26,291,983	5,581,204	253,852,209
<b>Net Loss Ratio with IBNR</b>	<b>50.9%</b>	<b>37.0%</b>	<b>19.5%</b>	<b>25.4%</b>	<b>33.5%</b>	<b>43.4%</b>	<b>35.2%</b>	<b>22.9%</b>	<b>42.5%</b>	<b>41.4%</b>
Uncollectible Premium	38,883,515	1,069,802	3,520,624	1,773,555	11,947,277	10,900,424	6,487,043	1,433,071	56,279	76,071,590
% of Gross Earned Premium	19.1%	20.4%	28.0%	7.0%	19.1%	15.9%	10.2%	3.6%	0.5%	15.4%
Other Underwriting Expenses	42,673,694	2,589,863	3,024,944	5,653,468	15,657,089	17,947,788	12,081,406	8,210,815	5,077,766	112,916,833
Misc Income / (Expense)	(10,174,038)	405,370	984,853	126,033	343,672	259,839	146,816	143,820	112,438	(7,763,636)
Federal Income Taxes	9,637,431	(349,929)	1,192,456	3,328,547	2,862,515	721,506	7,855,527	4,604,072	91,715	29,943,840
<b>Underwriting Gain / (Loss)</b>	<b>(8,011,896)</b>	<b>(76,210)</b>	<b>1,504,454</b>	<b>4,361,889</b>	<b>5,431,936</b>	<b>2,974,142</b>	<b>8,428,706</b>	<b>12,187,845</b>	<b>467,882</b>	<b>27,156,310</b>
<b>% of Underwriting Gain/(Loss) / Gross Earned Premium</b>	<b>-3.9%</b>	<b>-1.5%</b>	<b>12.0%</b>	<b>17.2%</b>	<b>8.7%</b>	<b>4.3%</b>	<b>13.3%</b>	<b>30.2%</b>	<b>3.9%</b>	<b>5.5%</b>
<b>Reasonable % "Underwriting Gain"</b>		<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	
<b>Reasonable \$ "Underwriting Gain"</b>		<b>525,249</b>	<b>1,255,750</b>	<b>2,538,927</b>	<b>6,251,756</b>	<b>6,847,866</b>	<b>6,354,030</b>	<b>4,035,427</b>	<b>1,195,978</b>	<b>27,809,005</b>
<b>Excess "Underwriting Gain"</b>		<b>(601,459)</b>	<b>248,704</b>	<b>1,822,963</b>	<b>(819,819)</b>	<b>(3,873,724)</b>	<b>2,074,676</b>	<b>8,152,418</b>	<b>(728,096)</b>	<b>7,003,758</b>
<b>% of Excess Underwriting Gain/(Loss) / Gross Earned Premium</b>		<b>-11.5%</b>	<b>2.0%</b>	<b>7.2%</b>	<b>-1.3%</b>	<b>-5.7%</b>	<b>3.3%</b>	<b>20.2%</b>	<b>-6.1%</b>	<b>2.5%</b>
<i>Estimated Investment Income</i>	21,290,735	83,555	651,427	1,860,808	2,255,911	2,213,271	3,560,343	1,858,650	220,279	33,994,979
<b>Total Net Income / (Loss)</b>	<b>13,278,839</b>	<b>7,345</b>	<b>2,155,881</b>	<b>6,222,697</b>	<b>7,687,847</b>	<b>5,187,413</b>	<b>11,989,049</b>	<b>14,046,495</b>	<b>688,161</b>	<b>61,151,289</b>
<b>% of Total Net Income / Gross Earned Premium</b>	<b>6.5%</b>	<b>0.1%</b>	<b>17.2%</b>	<b>24.5%</b>	<b>12.3%</b>	<b>7.6%</b>	<b>18.9%</b>	<b>34.8%</b>	<b>5.8%</b>	<b>12.4%</b>
Total Policies Written	36,147	522	662	1,140	4,178	5,434	4,991	3,875	2,575	59,524
Total Claims Reported	5,463	86	120	229	657	732	482	303	90	8,162
Total Open Claims as of 12/31/07	13	0	2	1	10	28	47	31	40	172

\* No Reinsurance for AY 1994 claims

\* 2004 & 2005 - reduced by \$ rec'd from the DOL Trust Fund



FWCJUA Information by SUBPLAN for POLICY YEAR 2003

	2003	Prior	A	C	D
<b>Gross Earned Premium</b>	62,517,557	36,851,650	117,391	11,674,627	13,873,889
Reinsurance Premium *	9,071,326	5,001,513	15,222	1,789,082	2,265,510
Paid Losses & LAE	15,717,631	8,044,091	1,576	1,562,841	6,109,123
Case Reserves	1,100,951	34,355	-	8,471	1,058,125
Net Underwriting Gain / (Loss)	36,627,649	23,771,691	100,593	8,314,233	4,441,131
<b>Net Loss Ratio w/out IBNR</b>	<b>31.8%</b>	<b>25.4%</b>	<b>1.5%</b>	<b>15.9%</b>	<b>61.7%</b>
IBNR & ULAE Reserve	1,072,503	33,467	-	8,253	1,030,784
Net Underwriting Gain / (Loss)	35,555,146	23,738,224	100,593	8,305,980	3,410,347
<b>Net Loss Ratio with IBNR</b>	<b>33.5%</b>	<b>25.5%</b>	<b>1.5%</b>	<b>16.0%</b>	<b>70.6%</b>
Uncollectible Premium	11,947,277	6,564,373	-	2,230,837	3,152,067
% of Gross Earned Premium	<b>19.1%</b>	<b>17.8%</b>	<b>0.0%</b>	<b>19.1%</b>	<b>22.7%</b>
Other Underwriting Expenses	15,657,089	8,072,167	38,776	2,998,366	4,547,780
Misc Income / (Expense)	343,672	343,672	-	-	-
Federal Income Taxes	2,862,515	2,467,901	2,668	391,946	-
<b>Underwriting Gain / (Loss)</b>	<b>5,431,937</b>	<b>6,977,455</b>	<b>59,150</b>	<b>2,684,831</b>	<b>(4,289,500)</b>
<b>% of Underwriting Gain/(Loss) / Gross Earned Premium</b>	<b>8.7%</b>	<b>18.9%</b>	<b>50.4%</b>	<b>23.0%</b>	<b>-30.9%</b>
<b>Reasonable % "Underwriting Gain"</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>
<b>Reasonable \$ "Underwriting Gain"</b>	<b>3,125,878</b>	<b>1,842,583</b>	<b>5,870</b>	<b>583,731</b>	<b>693,694</b>
<b>Excess "Underwriting Gain"</b>	<b>2,306,059</b>	<b>5,134,872</b>	<b>53,280</b>	<b>2,101,099</b>	<b>(4,983,195)</b>
<b>% of Excess Underwriting Gain/(Loss) / Gross Earned Premium</b>	<b>-5.4%</b>	<b>8.9%</b>	<b>40.4%</b>	<b>13.0%</b>	<b>-40.9%</b>
Estimated Investment Income	2,255,911	2,077,467	1,779	94,842	81,824
Total Net Income / (Loss)	7,687,848	9,054,922	60,929	2,779,673	(4,207,676)
% of Total Net Income / Gross Earned Premium	<b>12.3%</b>	<b>24.6%</b>	<b>51.9%</b>	<b>23.8%</b>	<b>-30.3%</b>
Total Policies Written	4,178	2,082	54	283	1,759
Total Claims Reported	657	354	-	128	175
Total Open Claims as of 12/31/07	10	4	-	2	4

FWCJUA Information by SUBPLAN for POLICY YEAR 2003

	2003	Prior	A	C	D
<b>Gross Earned Premium</b>	62,517,557	36,851,650	117,391	11,674,627	13,873,889
Reinsurance Premium *	9,071,326	5,001,513	15,222	1,789,082	2,265,510
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Case Reserves	1,100,951	34,355	-	8,471	1,058,125
Net Underwriting Gain / (Loss)	36,627,649	23,771,691	100,593	8,314,233	4,441,131
<b>Net Loss Ratio w/out IBNR</b>	<b>31.8%</b>	<b>25.4%</b>	<b>1.5%</b>	<b>15.9%</b>	<b>61.7%</b>
IBNR & ULAE Reserve	1,072,503	33,467	-	8,253	1,030,784
Net Underwriting Gain / (Loss)	35,555,146	23,738,224	100,593	8,305,980	3,410,347
<b>Net Loss Ratio with IBNR</b>	<b>33.5%</b>	<b>25.5%</b>	<b>1.5%</b>	<b>16.0%</b>	<b>70.6%</b>
Uncollectible Premium	11,947,277	6,564,373	-	2,230,837	3,152,067
% of Gross Earned Premium	19.1%	17.8%	0.0%	19.1%	22.7%
Other Underwriting Expenses	15,657,089	8,072,167	38,776	2,998,366	4,547,780
Misc Income / (Expense)	343,672	343,672	-	-	-
Federal Income Taxes	2,862,515	2,467,901	2,668	391,946	-
<b>Underwriting Gain / (Loss)</b>	<b>5,431,937</b>	<b>6,977,455</b>	<b>59,150</b>	<b>2,684,831</b>	<b>(4,289,500)</b>
<b>% of Underwriting Gain/(Loss) / Gross Earned Premium</b>	<b>8.7%</b>	<b>18.9%</b>	<b>50.4%</b>	<b>23.0%</b>	<b>-30.9%</b>
<b>Reasonable % "Underwriting Gain"</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>
<b>Reasonable \$ "Underwriting Gain"</b>	<b>6,251,756</b>	<b>3,685,165</b>	<b>11,739</b>	<b>1,167,463</b>	<b>1,387,389</b>
<b>Excess "Underwriting Gain"</b>	<b>(819,819)</b>	<b>3,292,290</b>	<b>47,411</b>	<b>1,517,368</b>	<b>(5,676,889)</b>
<b>% of Excess Underwriting Gain/(Loss) / Gross Earned Premium</b>	<b>-5.4%</b>	<b>8.9%</b>	<b>40.4%</b>	<b>13.0%</b>	<b>-40.9%</b>
<i>Estimated Investment Income</i>	2,255,911	2,077,467	1,779	94,842	81,824
<b>Total Net Income / (Loss)</b>	<b>7,687,848</b>	<b>9,054,922</b>	<b>60,929</b>	<b>2,779,673</b>	<b>(4,207,676)</b>
<b>% of Total Net Income / Gross Earned Premium</b>	<b>12.3%</b>	<b>24.6%</b>	<b>51.9%</b>	<b>23.8%</b>	<b>-30.3%</b>
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