



Minnesota Workers' Compensation
Insurers Association, Inc.
7701 France Avenue South • Suite 450
Minneapolis, MN 55435-3200

August 6, 2014

ALL ASSOCIATION MEMBERS

Circular Letter 14-1658

RE: NCCI Item P-1411— Revisions to the *Minnesota Forms Manual of Workers' Compensation and Employers Liability Insurance*

The Minnesota Department of Commerce has approved the above filing to become effective, 12:01 a.m., January 1, 2015, for new and renewal business.

This item revises the Workers' Compensation Insurance Policy (Policy) as well as several national and state specific endorsements in the ***Minnesota Forms Manual***.

MWCIA has identified the following items in the ***Minnesota Forms Manual*** that require changes:

1. The Policy (WC 00 00 00 B) and several endorsements include references to the Federal Coal Mine Safety and Health Act. These references must be updated to conform with the name of the current Act, which is the Federal Mine Safety and Health Act (Act). The name of the current Act became effective with the enactment of the Federal Mine Safety and Health Act of 1977, which amended the Federal Coal Mine Health and Safety Act of 1969.
2. The formatting of certain statutory citations in the Policy form and a limited number of endorsements must be updated.
3. Revisions to the Policy (WC 00 00 00 B) and Maritime Coverage Endorsement (WC 00 02 01 A) must be made as a result of a United States Supreme Court decision (*Atlantic Sounding Co., Inc. et al. v. Townsend, 557 U.S. 404, 2009*), related to punitive damages awarded for the employer's willful withholding of maintenance and cure.
 - The Policy, Part Two, C.10, excludes bodily injury to a master or member of the crew of any vessel. This exclusion must be revised to also exclude punitive damages related to the policyholder's duty to provide transportation, wages, maintenance, and cure.
 - The Maritime Coverage Endorsement must be amended to add language that excludes punitive damages related to the employer's transportation, wages, maintenance, and cure obligation, regardless of whether premium is paid for such coverage.

Exhibits 1, 1A, 2, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15 illustrate all necessary changes to the Minnesota Forms Manual. As in past filings, strikethroughs indicate deleted text and underlining indicates new or added text. A copy of National Council's original filing memorandum is also included.

Please direct any questions you may have concerning this item to MWCIA's Underwriting staff at 952.897.1737 (Option 1) or via email at underwriting@mwcia.org.

A NOTICE TO MEMBERSHIP:

MWCIA would like to remind our membership who have filed a Limited Power of Attorney with the Minnesota Department of Commerce that no materials referenced in the Circular Letter are required to be independently filed with the Department.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

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RULE 4- FORM/ENDORSEMENT NUMBERING SYSTEM

The policy and endorsements contained in this manual have a unique identifying number. This number must be included on all forms.

“WC 00 00 00 B C” is the number that represents the workers compensation and employers liability policy.

“WC 00 00 01 A” is the number that represents the Information Page.

All endorsements are assigned numbers that denote the type and purpose of the endorsement. The number consists of either eight or nine characters. They represent the following:

A. Line of Insurance—WC

The first two characters are WC. These establish that the form pertains to workers compensation and employers liability insurance.

B. General/State

The second set of characters identifies the endorsement as a general, state, or company endorsement. General endorsements are designated as “00.” Miscellaneous endorsements, notices, and related transactions are designated as “89.” State endorsements are designated by the appropriate state codes, which are as follows:

STATE	CODE	STATE	CODE
Alabama	01	Montana	25
Alaska	54	Nebraska	26
Arizona	02	Nevada	27
Arkansas	03	New Hampshire	28
California	04	New Jersey	29
Colorado	05	New Mexico	30
Connecticut	06	New York	31
Delaware	07	North Carolina	32
Dist. Of Col.	08	North Dakota	33
Florida	09	Ohio	34
Georgia	10	Oklahoma	35
Hawaii	52	Oregon	36
Idaho	11	Pennsylvania	37
Illinois	12	Rhode Island	38
Indiana	13	South Carolina	39
Iowa	14	South Dakota	40
Kansas	15	Tennessee	41
Kentucky	16	Texas	42
Louisiana	17	Utah	43
Maine	18	Vermont	44
Maryland	19	Virginia	45
Massachusetts	20	Washington	46
Michigan	21	West Virginia	47
Minnesota	22	Wisconsin	48
Mississippi	23	Wyoming	49
Missouri	24		

The numbers “90” through “99” have been reserved for use by companies on their own endorsements.

C. Type

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The third set of characters identifies the type of endorsement, i.e., premium as opposed to coverage. The number and types are as follows:

- 01—Federal Coverages and Exclusions
- 02—Maritime Coverages and Exclusions
- 03—Other Coverages and Exclusions
- 04—Premium
- 05—Retrospective Premium
- 06—Miscellaneous

D. Sequence Number

The fourth set of characters is the unique identifying number that differentiates an endorsement from others in the same series. A multipaged endorsement will have only one number.

E. Version Identifier

The last character identifies the version of the policy and each endorsement. The identifying number of the version of the policy and each endorsement that was in effect prior to the rule change creating the version identifier contains only eight characters. The original printing of an endorsement effective after the rule change will also contain only eight characters. Each subsequent version of the policy and endorsements will contain a ninth character. This character will sequentially identify each subsequent reprint of the policy and endorsements from A through Z (reprints 1 through 26).

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MINNESOTA FORMS MANUAL

The following forms and endorsements in this Minnesota Forms Manual have been approved by the Minnesota Commerce Department and are available for use in Minnesota.

- Introduction
- Workers' Compensation and Employers Liability Insurance Policy Rules
- WC 00 00 00 **B C** Workers Compensation and Employers Liability Insurance Policy
- WC 00 01 01 A Defense Base Act Coverage Endorsement
- WC 00 01 04 A Federal Employers' Liability Act Coverage Endorsement
- WC 00 01 06 A Longshore and Harbor Workers' Compensation Act Coverage Endt
- WC 00 01 08 A Nonappropriated Fund Instrumentalities Act Coverage Endorsement
- WC 00 01 09 **B C** Outer Continental Shelf Lands Act Coverage Endorsement
- WC 00 01 11 Migrant and Season Agricultural Worker Protection Act Coverage Endorsement
- WC 00 01 14 Notification Endorsement of Pending Law Change to Terrorism Risk Insurance Program Reauthorization Act of 2007
- WC 00 02 01 **A B** Maritime Coverage Endorsement
- WC 00 02 03 Voluntary Compensation Maritime Coverage Endorsement
- WC 00 02 04 Limited Maritime Coverage Endorsement
- WC 00 03 01 A Alternate Employer Endorsement
- WC 00 03 02 Designated Workplaces Exclusion Endorsement
- WC 00 03 03 C Employers Liability Coverage Endorsement
- WC 00 03 04 Insurance Company as Insured Endorsement
- WC 00 03 05 Joint Venture as Insured Endorsement
- WC 00 03 08 Partners, Officers and Others Exclusion Endorsement
- WC 00 03 09 B Rural Utilities Service Endorsement
- WC 00 03 10 Sole Proprietors, Partners, Officers and Others Coverage Endorsement
- WC 00 03 11 A Voluntary Compensation and Employers Liability Coverage Endt.
- WC 00 03 13 Waiver of Our Right to Recover from Others Endorsement
- ~~WC 00 04 01 A Aircraft Premium Endorsement~~
- WC 00 04 03 Experience Rating Modification Factor Endorsement

- WC 00 04 05 Policy Period Endorsement
- WC 00 04 06 A Premium Discount Endorsement
- WC 00 04 09 Premium Determination Endorsement— Former Self Insurers 1
- WC 00 04 10 Premium Determination Endorsement— Former Self Insurers 2
- WC 00 04 12 Contingent Experience Rating Modification Factor Endorsement
- WC 00 04 14 Notification of Change in Ownership Endorsement
- WC 00 04 19 Premium Due Date Endorsement
- WC 00 04 22 A Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement
- WC 00 05 03 **B C** Retrospective Rating Plan Premium Endorsement— One Year Plan
- WC 00 05 04 **B C** Retrospective Rating Plan Premium Endorsement— Three Year Plan
- WC 00 05 05 **B C** Retrospective Rating Plan Premium Endorsement— Long-term Wrap- Up Construction Project
- WC 00 05 08 Retrospective Rating Plan Premium Endorsement Aviation Exclusion
- WC 00 05 09 A Retrospective Rating Plan Premium Endorsement Changes
- WC 00 05 10 **A B** Retrospective Rating Plan Premium Endorsement Non- Ratable Catastrophe Element or Surcharge
- WC 00 05 11 Retrospective Rating Plan Premium Endorsement Short Form
- WC 00 05 12 **B C** Retrospective Rating Plan Premium Endorsement One Year Plan— Multiple Lines
- WC 00 05 13 **B C** Retrospective Rating Plan Premium Endorsement Three Year Plan— Multiple Lines
- WC 00 05 14 **B C** Retrospective Rating Plan Premium Endorsement Long- Term Wrap- Up Construction Project — Multiple Lines
- WC 00 05 15 A Retrospective Rating Plan Premium Endorsement Flexibility Options
- WC 00 05 16 Retrospective Rating Plan Premium Endorsement— Large Risk Alternative Rating Option (LRARO)
- WC 00 06 03 Benefits Deductible Endorsement
- WC 89 06 09 C Policy Termination/ Cancellation/ Reinstatement Notice
- WC 22 00 00 A Minnesota Amendatory Endorsement
- WC 22 00 01 Information Page
- WC 22 03 01 Minnesota Compliance with Applicable Trade Sanction Laws
- WC 22 03 02 Minnesota Independent Contractors Coverage Endorsement
- WC 22 03 03 Minnesota Third Degree of Kindred Family Member Exclusion Endt.
- WC 22 03 04 Minnesota Employee Leasing Endorsement

- WC 22 03 05 Minnesota Exclusion of Coverage for Leased Employees Endorsement
- WC 22 03 06 Minnesota Alternate Employer Endorsement [Excluding Employers Liability Coverage]
- WC 22 04 01 Minnesota Contracting Premium Adjustment Program Endorsement
- WC 22 04 02 Minnesota Anniversary Rating Date Endorsement
- WC 22 06 00 Minnesota Policy Change Endorsement
- WC 22 06 01 D Minnesota Cancellation and Nonrenewal Endorsement
- WC 22 06 02 Minnesota Policy Information Page Endorsement Insured's Name
- WC 22 06 03 Minnesota Policy Information Page Endorsement Policy Number
- WC 22 06 04 Minnesota Policy Information Page Endorsement Effective Date
- WC 22 06 05 Minnesota Policy Information Page Endorsement Expiration Date
- WC 22 06 06 Minnesota Policy Information Page Endorsement– Insured's Mailing Address
- WC 22 06 07 Minnesota Policy Information Page Endorsement– Experience Modification
- WC 22 06 08 Minnesota Policy Information Page Endorsement Producer's Name
- WC 22 06 09 Minnesota Policy Information Page Endorsement– Change in Workplace Endorsement
- WC 22 06 10 Minnesota Policy Information Page Endorsement– Insured's Legal Status
- WC 22 06 11 Minnesota Policy Information Page Endorsement Add States
- WC 22 06 12 Minnesota Policy Information Page Endorsement Employer Limits
- WC 22 06 13 Minnesota Policy Information Page Endorsement Change in State
- WC 22 06 14 Minnesota Policy information Page Endorsement– Endorsement Numbers
- WC 22 06 15 A Minnesota Policy information Page Endorsement– Class, Rate, Other Change
- WC 22 06 16 A Minnesota Policy Information Page Endorsement– Interim Adjustment of Premium
- WC 22 06 17 Minnesota Policy Information Page Endorsement– Carrier Servicing Office
- WC 22 06 18 Minnesota Policy Information Page Endorsement– Interstate/ Intrastate Risk ID Number
- WC 22 06 19 Minnesota Policy Information Page Endorsement Carrier Number
- WC 22 06 20 Minnesota Entity Address Schedule

WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows:

GENERAL SECTION**A. The Policy**

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. Who is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law

Workers Compensation Law means the workers of workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. State

State means any state of the United States of America, and the District of Columbia.

E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

PART ONE**WORKERS COMPENSATION INSURANCE****A. How This Insurance Applies**

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable by this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amounts payable under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

E. Other Insurance

We will not pay more than our share of the benefits and costs covered by this insurance and other

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insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation;
or
4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. Recovery From Others

We have your rights, and the rights of persons entitled to benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us to help us enforce them.

H. Statutory Provisions

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.
2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs,
3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law Enforcement may be against us or against you and is.
4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with the law.
5. This insurance conforms to the parts of the

workers compensation law that apply to:

- a. benefits payable by this insurance;
 - b. special taxes, payments into security or other special funds, and assessments payable by us under the law.
6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

PART TWO

EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. We Will Pay

We will pay all sums that you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. For which you are liable to a third party by reason of claim or suit against you by that third party recover the damages claimed against such third party as a result of injury to your employee

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2. For care and loss of services; and
3. For consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee: provided that these damages are the direct consequence of the bodily injury that arises out of and in the course of the injured employee's employment by you; and
4. Because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

C. Exclusions

This insurance does not cover:

1. Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. Punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
3. Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers.
4. Any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
5. Bodily injury intentionally caused or aggravated by you;
6. Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;
7. Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
8. Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 U.S.C. Sections 901 et seq. 950), the Non-appropriated Fund Instrumentalities Act (5 U.S.C. Sections 8171 et seq. -8173) the Outer Continental Shelf Lands Act (43 U.S.C. Sections 1331 et seq. -1356a), the Defense Base Act (42 U.S.C. Sections 1651-1654), the Federal ~~Coal~~ Mine Safety and Health Act (30 U.S.C. Sections 801 et seq. and 901-944 945), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;

9. Bodily injury to any person in work subject to the Federal Employers' Liability Act (45 U.S.C. Sections 51 et seq. 60), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws;
10. Bodily injury to a master or member of the crew of any vessel, and does not cover punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law;
11. Fines or penalties imposed for violation of federal or state law; and
12. Damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. Sections 1801 et seq. 1872) and under any other federal law awarding damages for violation of those laws or regulations issued there under and any amendments to those laws.

D. We Will Defend

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance; as part of any claim, proceeding, or suit we defend:

1. Reasonable expenses incurred at our request but not loss of earnings;
2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance.
3. Litigation costs taxed against you.
4. Interest on a judgment as required by law until we offer the amount due under this insurance ; and
5. Expenses we incur.

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F. Other Insurance

We will not pay more than our shares of damages and costs covered by this insurance and self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B of the Information Page. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident – each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease-policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease-each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. Recovery From Others

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. Actions Against Us

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy ; and
2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE OTHER STATES INSURANCE

A. How This Insurance Applies

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.
3. We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.
4. If you have work on the effective date of this policy in any state unless we are notified within thirty days.

B. Notice

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.
4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE—PREMIUM**A. Our Manuals**

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

B. Classifications

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. Remuneration

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. all your officers and employees engaged in work covered by this policy; and
2. all other persons engaged in work that could make us liable under Part one (Workers Compensation insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations

D. Premium Payments

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

E. Final Premium

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you

paid us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will be more than pro rata, it will be based on the time this policy was in force, and increases by our short rate cancellation table and procedure. Final premium will not be less than the minimum premium.

F. Records

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

G. Audit

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

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PART SIX- CONDITIONS

A. Inspection

We have the right, but are not obliged to inspect your workplace at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to produce for the health or safety of your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

B. Long Term Policy

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. Transfer of Your Rights and Duties

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

D. Cancellation

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.
3. The policy period will end on the day and hour stated on the cancellation notice.
4. Any of these provisions that conflict with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with the law.

E. Sole Representative

The insured first named in Item 1 of the information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancellation.

Note:

1. In Minnesota, the references to Information Page items assumes that the insurer has filed with the Minnesota Commerce Department an Information Page form which at a minimum complies with Note 1 to WC 00 00 01 (requiring the use of the sequence of Items 1 through 4 of WC 00 00 01) or has elected to use WC 22 00 01.
2. If a company has filed an Information Page with the Minnesota Commerce Department which, at a minimum, meets the requirement of Note 1 of WC 00 00 01, that Information Page may be used in Minnesota.
3. In Minnesota, insurers must attach WC 22 00 00 A which adds a definition of "Rate Service Organization" that is consistent with Minnesota's data service organization law.

OUTER CONTINENTAL SHELF LANDS ACT COVERAGE ENDORSEMENT

This endorsement applies only to the work described in Item 4 of the Information Page or in the Schedule as subject to the Outer Continental Shelf Lands Act. The policy will apply to that work as though the location shown in the Schedule were a state named in Item 3.A. of the Information Page.

General Section C. **Workers' Compensation Law** is replaced by the following:

C. Workers' Compensation Law

Workers' Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page and the Outer Continental Shelf Lands Act (43 **U.S.C.** Sections 1331 **et seq.** -1356a). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal workers or workmen's compensation law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers Liability Insurance), C. Exclusions., exclusion 8, does not apply to work subject to the Outer Continental Shelf Lands Act.

Schedule

Description and Location of Work

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No.
Premium

Insurance Company

Countersigned by _____

WC 00 01 09 **B-C**
(Ed. 07-11 01-15)

MARITIME COVERAGE ENDORSEMENT

This endorsement changes how insurance provided by Part Two (Employers Liability Insurance) applies to bodily injury to a master or member of the crew of any vessel.

A. **How This Insurance Applies** is replaced by the following:

A. How This Insurance Applies

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to work described in Item 1 of the Schedule of the Maritime Coverage Endorsement.
3. The bodily injury must occur in the territorial limits of, or in the operation of a vessel sailing directly between the ports of, the continental United States of America, Alaska, Hawaii or Canada.
4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
6. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

C. **Exclusions** is changed by removing exclusion 10 and by adding exclusions 13 and 14.

This insurance does not cover:

13. **B** bodily injury covered by a Protection and Indemnity Policy or similar policy issued to you or for your benefit. This exclusion applies even if the other policy does not apply because of another insurance clause, deductible or limitation of liability clause, or any similar clause.
14. **Y** your duty **or obligation** to provide transportation, wages, maintenance, and cure. This exclusion does not apply if a premium entry is shown in Item 2 of the Schedule, ~~—~~ **except that punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law are excluded even if a premium is paid for transportation, wages, maintenance, and cure coverage**

D. **We Will Defend** is changed by adding the following statement:

We will treat a suit or other action in rem against a vessel owned or chartered by you as a suit against you.

G Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in the Schedule. They apply as explained below.

1. **Bodily Injury by Accident.** The limit shown for "bodily injury by accident—each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident. A disease is not bodily injury by accident unless it results directly from bodily injury by accident.
2. **Bodily Injury by Disease.** The limit shown for "bodily injury by disease—aggregate" is the most we will pay for all damages covered by this insurance because of bodily injury by disease to one or more employees. The limit applies separately to bodily injury by disease arising out of work in each state shown in Item 3.A. of the Information Page. Bodily injury by disease will be deemed to occur in the state of the vessel's home port. Bodily injury by disease does not include disease that results directly from a bodily injury by accident.
3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

WC 00 02 01 **A B**

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

(Ed. 4-92 01-15)

Schedule

1. Description of work:

2. Transportation, Wages, Maintenance and Cure Premium \$

Exclusion: This insurance does not cover punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law even if a premium is paid for transportation, wages, maintenance, and cure coverage.

3. Limits of Liability

Bodily Injury by Accident \$ _____ each accident

Bodily Injury by Disease \$ _____ aggregate

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective Insured

Policy No.

Endorsement No. Premium

Insurance Company

Countersigned by _____

WC 00 02 01 **A B**

(Ed. 4-92 01-15)

EXHIBIT VIII

P-1411

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00-04-01-A

(Ed. 5-86)

AIRCRAFT PREMIUM ENDORSEMENT

Additional premium is charged for each aircraft shown in the Schedule. The additional premium is not subject to adjustment unless this policy is canceled. You may substitute one aircraft for another without additional charge if the substitute aircraft has no more seats than the aircraft shown in the Schedule.

Schedule

State	Aircraft	Passenger Seat Charge	Maximum Charge	Estimated Premium
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This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective _____ Policy No. _____ Endorsement No. _____
Insured _____ Premium: _____
Insurance Company _____ Countersigned by _____

WC 00-04-01-A
(Ed. 5-86)

RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy and any policy listed in the Schedule. The rating plan period is the one-year period beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charges

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgments, expenses to recover against third parties, and employers liability loss adjustment expenses. This includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals, as applicable:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease- related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the Resulting from the application of~~ catastrophe provisions ~~as outlined in our manuals~~
 - ~~Reported as fully fraudulent~~
 - ~~Reported as noncompensable~~
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
 5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers are shown in the Schedule.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.
Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule.
2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium and is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.
Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.
We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.
2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled, the effective date of cancellation will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel, the standard premium for the rating plan period will be increased by our short rate table and procedure. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.
 The short rate premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.
 The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days.
5. Section F.4. will not apply if you cancel because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2. Loss Limitation: \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums, shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

5. The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

WC 00 05 03 B-C

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

(Ed. ~~01-10~~ 01-15)

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective Insured

Policy No.

Endorsement No. Premium

Insurance Company

Countersigned by _____

WC 00 05 03 B-C

(Ed. ~~01-10~~ 01-15)

RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the three-year period beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.
3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgments, expenses to recover against third parties, and employers liability loss adjustment expenses. This includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements and any other elements excluded from our manuals:

 - Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease- related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the~~Resulting from the application of catastrophe provisions ~~as outlined in our manuals~~
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium and converted incurred losses and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

WC 00 05 04 **B C**

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

(Ed. 04-10 01-15)

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the retrospective rating plan policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium and is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

EXHIBIT X

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 04 B C

(Ed. 04-10 01-15)

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement.
2. If the other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be the standard premium for the rating period, increased pro rata to three years (1,095 days), and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel or do not renew, the standard premium for the rating plan period will be increased by our short rate table and procedure. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.
The short rate premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.
The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days).
5. Section F. 4. will not apply if you cancel or do not renew because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2. Loss Limitation: \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

EXHIBIT X

P-1411

WC 00 05 04 **B C**

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

(Ed. 04-10 01-15)

5. The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No.
Premium

Insurance Company

Countersigned by _____

WC 00 05 04 **B C**
(Ed. 04-10 01-15)

RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION PROJECT

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the duration of the wrap-up construction project described on the Information Page, beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal **Coal** Mine Safety and Health Act
 - Premium developed by the catastrophe provisions **as outlined in our manuals**
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium.

The basic premium factor includes:

 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor. The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.
3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgments, expenses to recover against third parties, and employers liability loss adjustment expenses. This includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals:

 - Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease – related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal-**Coal** Mine Safety and Health Act~~
 - ~~Developed by the Resulting from the application of~~ catastrophe provisions **as outlined in our manuals**
 - **Reported as fully fraudulent**
 - **Reported as noncompensable**
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

WC 00 05 05 **B-C**

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

(Ed. 01-10 01-15)

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.
Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the retrospective rating plan policy period. Changes will be shown by endorsement.
2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium, and is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.
Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.
We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.
We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.
2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date, and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel or do not renew, the standard premium for the rating plan period will be increased by our short rate table and procedure. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.
The short rate premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.
The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period plus the estimated standard premium from the end of the rating plan period to the estimated project completion date.
5. Section F.4. will not apply if you cancel or do not renew because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2. Loss Limitation: \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

50%

100%

150%

Estimated Standard Premium: \$ _____ \$ _____ \$ _____

Basic Premium Factor: _____

WC 00 05 05 **B-C**

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

(Ed. 01-10 01-15)

- 5. The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective Insured

Policy No.

Endorsement No. Premium

Insurance Company

Countersigned by _____

WC 00 05 05 **B-C**
(Ed. 01-10 01-15)

MN EXHIBIT XII

P-1411

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 10 **A B**

(Ed. **01-10 01-15**)

RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT NONRATABLE CATASTROPHE ELEMENT OR SURCHARGE

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement changes the retrospective rating plan premium endorsement attached to the policy.

1. Standard premium excludes the portion of the premium that is determined by the application of a nonratable catastrophe element in a rate or a nonratable catastrophe surcharge required by our manuals. The classification codes involving such premiums are listed in the Schedule below.
2. **Incurring losses do not include the cost in excess of the two most costly claims arising out of an accident involving two or more persons under a classification code for which our manuals contain a nonratable catastrophe element:**
 - a. **The cost in excess of the two most costly claims arising out of an accident involving two or more persons under a classification code for which our manuals contain a nonratable catastrophe element**
 - b. **Losses involving passenger employees, other than members of the flying crew, if the losses result from the crash of an aircraft described on the Aircraft Premium Endorsement**
3. Catastrophe provisions, as described in our manuals, are included in the total policy premium, but excluded from the standard premium used in a retrospective rating plan premium.

Schedule

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No.
Premium

Insurance Company

Countersigned by _____

WC 00 05 10 A B
(Ed. **01-10 01-15**)

RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN—MULTIPLE LINES

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, and any policy listed in the Schedule. The rating plan period is the one-year period beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:

- Premium discount
- Expense constant
- Premium resulting from the nonratable element codes
- ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
- Premium developed by the occupational disease rates for employers subject to the Federal **Coal** Mine Safety and Health Act
- Premium developed by the catastrophe provisions **as outlined in our manuals**

2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:

- General administration costs of the carrier
- Cost of loss control services
- Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses **for and** the following expenses:
 - a. Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - b. Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - c. Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - d. Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals:

- Resulting from the nonratable element codes
- ~~Developed by the passenger seat surcharge under Classification Code 7421~~
- ~~For the disease – related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
- Developed by the Resulting from the application of catastrophe provisions as outlined in our manuals
- Reported as fully fraudulent
- Reported as noncompensable

4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers are shown in the Schedule.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amounts of incurred loss to be included in the retrospective rating plan premium are limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor. Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium for workers compensation and employers liability insurance, and the first four calculations for auto liability and general liability. This premium is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor. For workers compensation and employers liability insurance, retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. For general liability and automobile liability insurance, retrospective development factors vary by first, second, third, and fourth calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.
We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.
2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled, the effective date of cancellation will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel, the standard premium for the rating plan period will be increased by our short rate table and procedure for workers compensation and employers liability insurance and the applicable cancellation procedure for other lines of insurance. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.
The short rate retrospective rating plan premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.
The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days.
5. Section F.4. will not apply if you cancel because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

MN EXHIBIT XIII

P-1411

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 12 **B C**

(Ed. ~~01-10~~ 01-15)

5. Workers Compensation and Employers Liability Loss Limitation is \$ _____
6. Combination Loss Limitation of \$ _____ is the overall limit on the incurred losses arising out of any one accident or occurrence for the following combination of insurance.

7. If the combination loss limitation does not apply, for general liability, auto liability, auto physical damage or theft insurance, specify the loss limitation that applies separately to each accident or occurrence:
- Loss Limitation for _____ insurance is \$ _____
Loss Limitation for _____ insurance is \$ _____
Loss Limitation for _____ insurance is \$ _____
Loss Limitation for _____ insurance is \$ _____
8. Loss Conversion Factor is _____

9. Minimum Retrospective Rating Plan Premium Factor is _____
Maximum Retrospective Rating Plan Premium Factor is _____
10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	\$ _____	\$ _____	\$ _____

MN EXHIBIT XIII

P-1411

WC 00 05 12 **B C**

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

(Ed. 04-10 01-15)

TABLE OF STATES

11.A	Excess Loss Premium Factors		Tax Multipliers	
State	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)

11.B	Excess Loss Premium Factors			Tax Multipliers		
State	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage

MN EXHIBIT XIII

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WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 05 12 **B C**

(Ed. ~~01-10~~ 01-15)

12.A	Retrospective Development Factors		
State	Workers Compensation and Employers Liability		
	1st	2nd	3rd

12.B	Retrospective Development Factors							
State	General Liability				Automobile Liability			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured
Insurance Company

Policy No. _____
Countersigned by _____

Endorsement No.
Premium

WC 00 05 12 **B C**
(Ed. ~~01-10~~ 01-15)

RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN—MULTIPLE LINES

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the three-year period beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7424~~
 - Premium developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is the standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses for the following expenses:
 - a. Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - b. Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - c. Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - d. Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - For the disease – related portion of losses covered under ~~Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions ~~as outlined in our manuals~~
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium are limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium for workers compensation and employers liability insurance, and the first four calculations for auto liability and general liability. This premium is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

For workers compensation and employers liability insurance, retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. For general liability and automobile liability insurance, retrospective development factors vary by first, second, third, and fourth calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.

2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.
We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.
We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.
2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days), and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel or do not renew, the standard premium for the rating plan period will be increased by our short rate table and procedure for workers compensation and employers liability insurance and the applicable cancellation procedure for other lines of insurance. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.
The short rate retrospective rating plan premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.
The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days).
5. Section F.4. will not apply if you cancel or do not renew because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

MN EXHIBIT XIV

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

P-1411
WC 00 05 13 **B C**

(Ed. **01-10 01-15**)

5. Workers Compensation and Employers Liability Loss Limitation is \$ _____
6. Combination Loss Limitation of \$ _____ is the overall limit on the incurred losses arising out of any one accident or occurrence for the following combination of insurance _____
7. If the combination loss limitation does not apply, for general liability, auto liability, auto physical damage or theft insurance, specify the loss limitation that applies separately to each accident or occurrence:
- Loss Limitation for _____ insurance is \$ _____
Loss Limitation for _____ insurance is \$ _____
Loss Limitation for _____ insurance is \$ _____
Loss Limitation for _____ insurance is \$ _____
8. Loss Conversion Factor is _____

9. Minimum Retrospective Rating Plan Premium Factor is _____
Maximum Retrospective Rating Plan Premium Factor is _____
10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	\$ _____	\$ _____	\$ _____

MN EXHIBIT XIV

P-1411

WC 00 05 13 **B C**

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

(Ed. 01-10 01-15)

TABLE OF STATES

11.A	Excess Loss Premium Factors		Tax Multipliers	
State	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)

11.B	Excess Loss Premium Factors			Tax Multipliers		
State	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage

MN EXHIBIT XIV

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

P-1411
WC 00 05 13 **B C**

(Ed. **01-10 01-15**)

12.A	Retrospective Development Factors		
State	Workers Compensation and Employers Liability		
	1st	2nd	3rd

12.B	Retrospective Development Factors							
State	General Liability				Automobile Liability			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Policy No.

Endorsement No.
Premium

Insurance Company

Countersigned by _____

WC 00 05 13 **B C**
(Ed. **01-10 01-15**)

RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION PROJECT—MULTIPLE LINES

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the duration of the wrap-up construction project described in the declarations or Information Page of such policies, beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act
 - Premium developed by the catastrophe provisions as outlined in our manuals
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium.

The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses for the following expenses:
 - a. Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - b. Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - c. Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - d. Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

WC 00 05 14 B C
(Ed. 01-10 01-15)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

Incurring losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements and any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - Developed by the passenger seat surcharge under Classification Code 7421
 - For the disease – related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act
 - Developed by the Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
 5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium are limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium for workers compensation and employers liability insurance, and the first four calculations for auto liability and general liability. This premium is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

For workers compensation and employers liability insurance, retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. For general liability and automobile liability insurance, retrospective development factors vary by first, second, third, and fourth calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.

WC 00 05 14 B C
(Ed. 04-10 01-15)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.
We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.
We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.
2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date, and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel or do not renew, the standard premium for the rating plan period will be increased by our short rate table and procedure for workers compensation and employers liability insurance and the applicable cancellation procedure for other lines of insurance. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.
The short rate retrospective rating plan premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.
The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date.
5. Section F.4. will not apply if you cancel or do not renew because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

MN EXHIBIT XV

P-1411

WC 00 05 14 B C
(Ed. 01-10 01-15)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

5. Workers Compensation and Employers Liability Loss Limitation is \$ _____
6. Combination Loss Limitation of \$ _____ is the overall limit on the incurred losses arising out of any one accident or occurrence for the following combination of insurance. _____
7. If the combination loss limitation does not apply, for general liability, auto liability, auto physical damage or theft insurance, specify the loss limitation that applies separately to each accident or occurrence:
- | | |
|---------------------------|-----------------------|
| Loss Limitation for _____ | insurance is \$ _____ |
| Loss Limitation for _____ | insurance is \$ _____ |
| Loss Limitation for _____ | insurance is \$ _____ |
| Loss Limitation for _____ | insurance is \$ _____ |
8. Loss Conversion Factor is _____
9. Minimum Retrospective Rating Plan Premium Factor is _____
Maximum Retrospective Rating Plan Premium Factor is _____
10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	\$ _____	\$ _____	\$ _____

MN EXHIBIT XV

P-1411

WC 00 05 14 B C
(Ed. 01-10 01-15)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

TABLE OF STATES

11.A	Excess Loss Premium Factors		Tax Multipliers	
State	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)

11.B	Excess Loss Premium Factors			Tax Multipliers		
State	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage

MN EXHIBIT XV

P-1411

WC 00 05 14 B C
(Ed. 01-10 01-15)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

12.A	Retrospective Development Factors		
State	Workers Compensation and Employers Liability		
	1st	2nd	3rd

12.B	Retrospective Development Factors							
State	General Liability				Automobile Liability			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective Insured

Policy No.

Endorsement No. Premium

Insurance Company

Countersigned by _____

WC 00 05 14 B C
(Ed. 01-10 01-15)



Circular

Countrywide—Announcement of Item P-1411—Revisions to Forms Manual of Workers Compensation and Employers Liability Insurance

ACTION NEEDED

Please review the changes outlined in the attachments to this circular for impact on your company’s systems and procedures. Also review the *Status of Item Filings* circular for state approval of this item.

Note: Arkansas law does not permit NCCI to file rules and rates on its members’ behalf. Therefore, insurance carriers must make an independent filing with the Arkansas Insurance Department electing to adopt, or not adopt, an item filing filed by NCCI and subsequently approved by the Department. When such a filing is made with the Department, make sure that the NCCI item filing number (not the NCCI circular number) is referenced. In Arkansas, residual market carriers must adhere to what is filed by the Plan Administrator. Therefore, this requirement does not apply in the residual market.

Additionally, this item has been submitted to the independent bureaus for their consideration.

Caution: At the time of distribution of this circular, this item is **not yet approved**. This information is provided for your convenience and analysis. Please do not use the information until the regulator has approved the filing.

BACKGROUND

This item revises NCCI’s Workers Compensation and Employers Liability Insurance Policy (Policy) as well as several national and state-specific endorsements in NCCI’s *Forms Manual of Workers Compensation and Employers Liability Insurance (Forms Manual)*.

Additionally, this item revises *Forms Manual* Rule 4—Form/Endorsement Numbering System (General Information) to update the Policy and Information Page number references.

Refer to the attachment for details on this filing.

It is proposed that this item become effective for new and renewal policies effective on and after 12:01 a.m. on January 1, 2015, in all states indicated in the item filing except Hawaii. In Hawaii, the effective date is determined upon regulatory approval of the individual carrier’s election to adopt this change.

IMPACT

No premium impact is expected as a result of the proposed updates to NCCI’s *Forms Manual*.

NCCI ACTION

NCCI’s *Status of Item Filings* circular will provide you with the latest information on the approval of Item P-1411, in addition to all other NCCI item filings. The *Status of Item Filings* circular is updated weekly on ncci.com.

NCCI will release updated pages of NCCI’s *Forms Manual* prior to the effective date. If you would like to subscribe to any of our manuals, please call our Customer Service Center at 800-NCCI-123 (800-622-4123).

**PERSON TO
CONTACT**

If you have any questions, please contact:

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901 Peninsula Corporate Circle
Boca Raton, FL 33487-1362
800-NCCI-123 (800-622-4123)

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FILING MEMORANDUM

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

PURPOSE

This item revises NCCI's Workers Compensation and Employers Liability Insurance Policy (Policy) as well as several national and state-specific endorsements in NCCI's *Forms Manual of Workers Compensation and Employers Liability Insurance (Forms Manual)*.

Additionally, this item revises *Forms Manual* Rule 4—Form/Endorsement Numbering System (General Information) to update the Policy and Information Page number references.

BACKGROUND

NCCI has identified the following items in the *Forms Manual* that require changes:

1. The Policy (WC 00 00 00 B) and several endorsements include references to the Federal Coal Mine Safety and Health Act. These references must be updated to conform with the name of the current Act, which is the Federal Mine Safety and Health Act (Act). The name of the current Act became effective with the enactment of the Federal Mine Safety and Health Act of 1977, which amended the Federal Coal Mine Health and Safety Act of 1969.
2. The formatting of certain statutory citations in the Policy form and a limited number of endorsements must be updated.
3. Revisions to the Policy (WC 00 00 00 B) and Maritime Coverage Endorsement (WC 00 02 01 A) must be made as a result of a United States Supreme Court decision (*Atlantic Sounding Co., Inc. et al. v. Townsend*, 557 U.S. 404, 2009), related to punitive damages awarded for the employer's willful withholding of maintenance and cure.
 - The Policy, Part Two, C.10, excludes bodily injury to a master or member of the crew of any vessel. This exclusion must be revised to also exclude punitive damages related to the policyholder's duty to provide transportation, wages, maintenance, and cure.
 - The Maritime Coverage Endorsement must be amended to add language that excludes punitive damages related to the employer's transportation, wages, maintenance, and cure obligation, regardless of whether premium is paid for such coverage.
4. As a result of the proposal to discontinue the per passenger seat surcharge in Item B-1426—Update Federal Mine Safety and Health Act References; Discontinue per Passenger Seat Surcharge; Exclude Fraudulent and/or Noncompensable Losses From Incurred Losses, effective January 1, 2015, references to the per passenger seat surcharge must be removed from several endorsements, and the Aircraft Premium Endorsement (WC 00 04 01 A) must be withdrawn. Currently, the per passenger seat surcharge is applied to policies with Code 7421—Aircraft or Helicopter Operation—Transportation of Personnel in Conduct of Employer's Business—Flying Crew. The Aircraft Premium Endorsement is attached to policies with Code 7421 and shows the additional premium required for Code 7421 resulting from the application of the per passenger seat surcharge.
5. As a result of the proposal to revise the definition of incurred losses used for retrospective rating in Item B-1426—Update Federal Mine Safety and Health Act References; Discontinue per Passenger Seat Surcharge; Exclude Fraudulent and/or Noncompensable Losses From Incurred Losses, effective

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FILING MEMORANDUM

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

January 1, 2015, references in several national and state-specific endorsements are being revised to be consistent with the rule.

6. A minor grammatical revision is necessary on several national and state-specific endorsements that are used on retrospectively rated multiline policies; the word “for” is replaced by “and.”
7. The Policy number reference currently included in Rule 4 must be revised to include the updated Policy number. In addition, the endorsement number reference included in the Rhode Island Short Rate Cancellation Endorsement must be removed to avoid the need to update this information due to future revisions.

PROPOSAL

This item revises the Policy, endorsements, and Rule 4, located in NCCI’s *Forms Manual*.

This item is being filed in conjunction with Item B-1426. Item B-1426 proposes to revise Act references included in rules from various NCCI manuals, discontinue the per passenger seat surcharge, and exclude fully fraudulent and/or noncompensable claims from the definition of incurred losses used for retrospective rating. Items B-1426 and P-1411 should be adopted concurrently.

IMPACT

No premium impact is expected as a result of the proposed updates to NCCI’s *Forms Manual*.

EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

In all states except Hawaii, this item is to become effective for new and renewal policies effective on and after 12:01 a.m. on January 1, 2015.

In Hawaii, the effective date is determined upon regulatory approval of the individual carrier’s election to adopt this change.

Exhibit	Current Endorsement Number and Name	Revised Endorsement Number
1	Rule 4—Form/Endorsement Numbering System	N/A
2	<ul style="list-style-type: none"> • WC 00 00 00 B—Workers Compensation and Employers Liability Insurance Policy, Part Two—Employers Liability Insurance • The entire Workers Compensation and Employers Liability Insurance Policy (WC 00 00 00 B) is proposed to be revised • While only Part Two of the Policy requires an update, all of the parts of the Policy require a revision to the number, becoming the “C” version (WC 00 00 00 C) 	WC 00 00 00 C
3	WC 00 00 01 A—Information Page Notes	WC 00 00 01 B

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FILING MEMORANDUM

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
 EMPLOYERS LIABILITY INSURANCE**

Exhibit	Current Endorsement Number and Name	Revised Endorsement Number
4	WC 00 01 02 A—Federal Coal Mine Safety and Health Act Coverage Endorsement	WC 00 01 02 B
5	WC 00 01 09 B—Outer Continental Shelf Lands Act Coverage Endorsement	WC 00 01 09 C
6	WC 00 02 01 A—Maritime Coverage Endorsement	WC 00 02 01 B
7	WC 00 04 01—Aircraft Premium Endorsement	N/A
8	WC 00 04 01 A—Aircraft Premium Endorsement	N/A
9	<ul style="list-style-type: none"> • WC 00 05 03 B—Retrospective Rating Plan Premium Endorsement One-Year Plan • Refer to Exhibit 16 for state-specific endorsements for AK, FL, GA, LA, TX 	WC 00 05 03 C
10	<ul style="list-style-type: none"> • WC 00 05 04 B—Retrospective Rating Plan Premium Endorsement Three-Year Plan • Refer to Exhibit 17 for state-specific endorsements for AK, GA, LA, TX 	WC 00 05 04 C
11	<ul style="list-style-type: none"> • WC 00 05 05 B—Retrospective Rating Plan Premium Endorsement Wrap-Up Construction Project • Refer to Exhibit 18 for state-specific endorsements for AK, GA, LA, TX 	WC 00 05 05 C
12	<ul style="list-style-type: none"> • WC 00 05 10 A—Retrospective Rating Plan Premium Endorsement Nonratable Catastrophe Element or Surcharge • Refer to Exhibit 19 for a state-specific endorsement for TX 	WC 00 05 10 B
13	<ul style="list-style-type: none"> • WC 00 05 12 B—Retrospective Rating Plan Premium Endorsement One-Year Plan—Multiple Lines • Refer to Exhibit 17 for a state-specific endorsement for FL • Refer to Exhibit 19 for state-specific endorsements for AK, GA, LA • Refer to Exhibit 20 for a state-specific endorsement for TX 	WC 00 05 12 C
14	<ul style="list-style-type: none"> • WC 00 05 13 B—Retrospective Rating Plan Premium Endorsement Three-Year Plan—Multiple Lines • Refer to Exhibit 20 for state-specific endorsements for AK, GA, LA • Refer to Exhibit 21 for a state-specific endorsement for TX 	WC 00 05 13 C
15	<ul style="list-style-type: none"> • WC 00 05 14 B—Retrospective Rating Plan Premium Endorsement Wrap-Up Construction Project—Multiple Lines • Refer to Exhibit 21 for state-specific endorsements for AK, GA, LA • Refer to Exhibit 22 for a state-specific endorsement for TX 	WC 00 05 14 C

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FILING MEMORANDUM

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
 EMPLOYERS LIABILITY INSURANCE**

Exhibit	Current Endorsement Number and Name	Revised Endorsement Number
16	WC 09 05 03—Florida Retrospective Rating Plan Premium Endorsement One-Year Plan	WC 09 05 03 A
	WC 10 05 01—Georgia Retrospective Rating Plan Premium Endorsement One-Year Plan	WC 10 05 01 A
	WC 15 04 03 E—Kansas Assigned Risk Retrospective Rating Plan Endorsement	WC 15 04 03 F
	WC 17 05 01 A—Louisiana Retrospective Rating Plan Premium Endorsement One-Year Plan	WC 17 05 01 B
	WC 38 04 01 A—Rhode Island Short Rate Cancellation Endorsement	WC 38 04 01 B
	WC 42 05 03 A—Texas Retrospective Rating Plan Premium Endorsement One-Year Plan	WC 42 05 03 B
	WC 48 05 07—(Wisconsin) Retrospective Premium Endorsement Large Risk Alternative Rating Option	WC 48 05 07 A
	WC 54 05 01—Alaska Retrospective Rating Plan Premium Endorsement One-Year Plan	WC 54 05 01 A
17	WC 09 05 04—Florida Retrospective Rating Plan Premium Endorsement One-Year Plan—Multiple Lines	WC 09 05 04 A
	WC 10 05 02—Georgia Retrospective Rating Plan Premium Endorsement Three-Year Plan	WC 10 05 02 A
	WC 17 05 02 A—Louisiana Retrospective Rating Plan Premium Endorsement Three-Year Plan	WC 17 05 02 B
	WC 42 05 04 A—Texas Retrospective Rating Plan Premium Endorsement Three-Year Plan	WC 42 05 04 B
	WC 54 05 02—Alaska Retrospective Rating Plan Premium Endorsement Three-Year Plan	WC 54 05 02 A
18	WC 10 05 03—Georgia Retrospective Rating Plan Premium Endorsement Wrap-Up Construction Project	WC 10 05 03 A
	WC 17 05 03 A—Louisiana Retrospective Rating Plan Premium Endorsement Wrap-Up Construction Project	WC 17 05 03 B
	WC 42 05 05—Texas Retrospective Rating Plan Premium Endorsement Long-Term Construction Project	WC 42 05 05 A
	WC 54 05 03—Alaska Retrospective Rating Plan Premium Endorsement Wrap-Up Construction Project	WC 54 05 03 A

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FILING MEMORANDUM

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
 EMPLOYERS LIABILITY INSURANCE**

Exhibit	Current Endorsement Number and Name	Revised Endorsement Number
19	WC 10 05 04—Georgia Retrospective Rating Plan Premium Endorsement One-Year Plan—Multiple Lines	WC 10 05 04 A
	WC 17 05 04 A—Louisiana Retrospective Rating Plan Premium Endorsement One-Year Plan—Multiple Lines	WC 17 05 04 B
	WC 42 05 10—Texas Retrospective Rating Plan Premium Endorsement Nonratable Catastrophe Element or Surcharge	WC 42 05 10 A
	WC 54 05 04—Alaska Retrospective Rating Plan Premium Endorsement One-Year Plan—Multiple Lines	WC 54 05 04 A
20	WC 10 05 05—Georgia Retrospective Rating Plan Premium Endorsement Three-Year Plan—Multiple Lines	WC 10 05 05 A
	WC 17 05 05 A—Louisiana Retrospective Rating Plan Premium Endorsement Three-Year Plan—Multiple Lines	WC 17 05 05 B
	WC 42 05 12 A—Texas Retrospective Rating Plan Premium Endorsement One-Year Plan—Multiple Lines	WC 42 05 12 B
	WC 54 05 05—Alaska Retrospective Rating Plan Premium Endorsement Three-Year Plan—Multiple Lines	WC 54 05 05 A
21	WC 10 05 06—Georgia Retrospective Rating Plan Premium Endorsement Wrap-Up Construction Project—Multiple Lines	WC 10 05 06 A
	WC 17 05 06 A—Louisiana Retrospective Rating Plan Premium Endorsement Wrap-Up Construction Project—Multiple Lines	WC 17 05 06 B
	WC 42 05 13 A—Texas Retrospective Rating Plan Premium Endorsement Three-Year Plan—Multiple Lines	WC 42 05 13 B
	WC 54 05 06—Alaska Retrospective Rating Plan Premium Endorsement Wrap-Up Construction Project—Multiple Lines	WC 54 05 06 A
22	WC 42 05 14—Texas Retrospective Rating Plan Premium Endorsement Long-Term Construction Project—Multiple Lines	WC 42 05 14 A

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ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 1
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RULES
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

RULE 4—FORM/ENDORSEMENT NUMBERING SYSTEM

The policy and endorsements contained in this manual have a unique identifying number. This number must be included on all forms.

“WC 00 00 00-B-C” is the number that represents the workers compensation and employers liability policy.

“WC 00 00 01 A” is the number that represents the Information Page.

All endorsements are assigned numbers that denote the type and purpose of the endorsement. The number consists of either eight or nine characters. They represent the following:

A. Line of Insurance—WC

The first two characters are WC. These establish that the form pertains to workers compensation and employers liability insurance.

B. General/State

The second set of characters identifies the endorsement as a general, state, or company endorsement. General endorsements are designated as “00.” Miscellaneous endorsements, notices, and related transactions are designated as “89.” State endorsements are designated by the appropriate state codes, which are as follows:

STATE	CODE	STATE	CODE
Alabama	01	Montana	25
Alaska	54	Nebraska	26
Arizona	02	Nevada	27
Arkansas	03	New Hampshire	28
California	04	New Jersey	29
Colorado	05	New Mexico	30
Connecticut	06	New York	31
Delaware	07	North Carolina	32
Dist. of Col.	08	North Dakota	33
Florida	09	Ohio	34
Georgia	10	Oklahoma	35
Hawaii	52	Oregon	36
Idaho	11	Pennsylvania	37
Illinois	12	Rhode Island	38
Indiana	13	South Carolina	39
Iowa	14	South Dakota	40
Kansas	15	Tennessee	41

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 1 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RULES
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)**

STATE	CODE	STATE	CODE
Kentucky	16	Texas	42
Louisiana	17	Utah	43
Maine	18	Vermont	44
Maryland	19	Virginia	45
Massachusetts	20	Washington	46
Michigan	21	West Virginia	47
Minnesota	22	Wisconsin	48
Mississippi	23	Wyoming	49
Missouri	24		

The numbers "90" through "99" have been reserved for use by companies on their own endorsements.

C. Type

The third set of characters identifies the type of endorsement, i.e., premium as opposed to coverage. The number and types are as follows:

- 01—Federal Coverages and Exclusions
- 02—Maritime Coverages and Exclusions
- 03—Other Coverages and Exclusions
- 04—Premium
- 05—Retrospective Premium
- 06—Miscellaneous

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 1 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RULES**

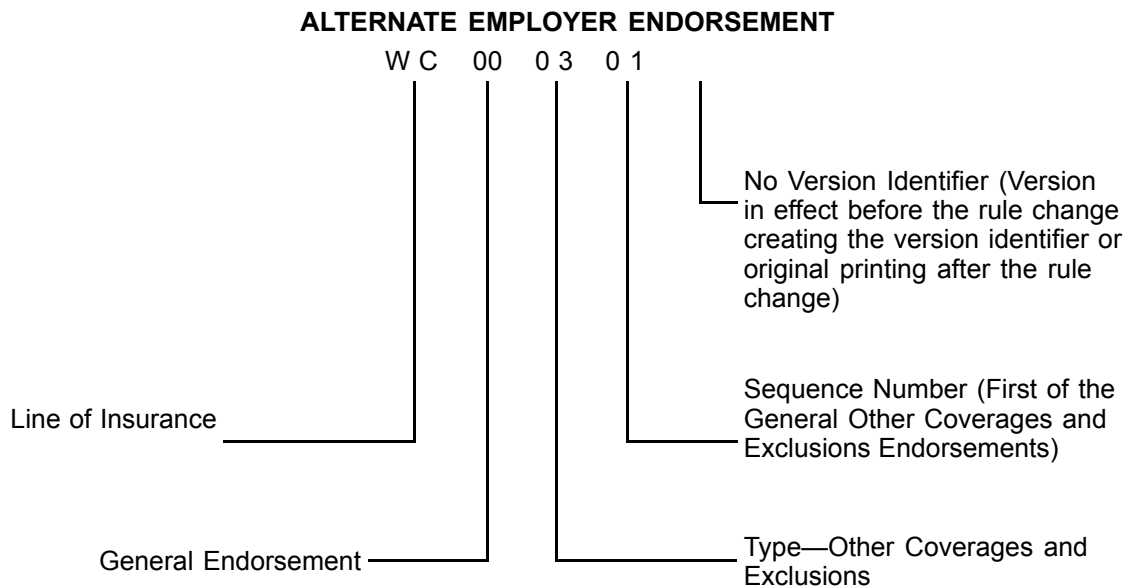
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

D. Sequence Number

The fourth set of characters is the unique identifying number that differentiates an endorsement from others in the same series. A multipaged endorsement will have only one number.

E. Version Identifier

The last character identifies the version of the policy and each endorsement. The identifying number of the version of the policy and each endorsement that was in effect prior to the rule change creating the version identifier contains only eight characters. The original printing of an endorsement effective after the rule change will also contain only eight characters. Each subsequent version of the policy and endorsements will contain a ninth character. This character will sequentially identify each subsequent reprint of the policy and endorsements from A through Z (reprints 1 through 26).

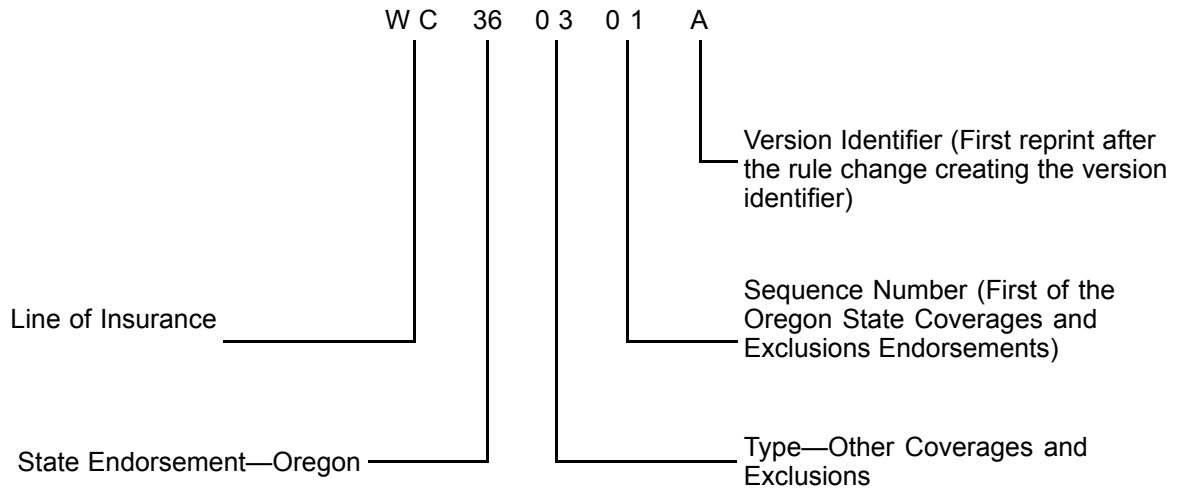


ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

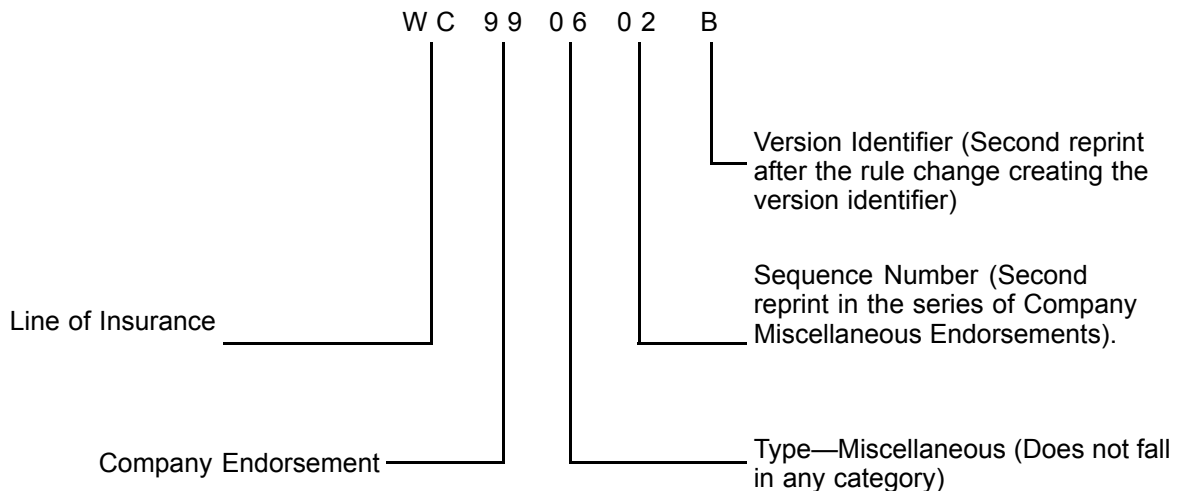
**EXHIBIT 1 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RULES**

(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

OREGON UNSAFE EQUIPMENT EXCLUSION ENDORSEMENT



X COMPANY MISCELLANEOUS ENDORSEMENT



**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

EXHIBIT 2

**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY, PART
TWO—EMPLOYERS LIABILITY INSURANCE (WC 00 00 00 C)
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MS, MO,
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)**

PART TWO—EMPLOYERS LIABILITY INSURANCE (WC 00 00 00-B-C)

A. How This Insurance Applies

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. We Will Pay

We will pay all sums that you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. For which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;
2. For care and loss of services; and
3. For consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee; provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and
4. Because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

C. Exclusions

This insurance does not cover:

1. Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. Punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
3. Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
4. Any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
5. Bodily injury intentionally caused or aggravated by you;

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 2 (CONT'D)**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY, PART
TWO—EMPLOYERS LIABILITY INSURANCE (WC 00 00 00 C)
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MS, MO,
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)**

6. Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;
7. Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
8. Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 U.S.C. Sections 901 ~~et seq.~~ ~~950~~), the Non-appropriated Fund Instrumentalities Act (5 U.S.C. Sections 8171 ~~et seq.~~ ~~8173~~), the Outer Continental Shelf Lands Act (43 U.S.C. Sections 1331 ~~et seq.~~ ~~1356a~~), the Defense Base Act (42 U.S.C. Sections 1651–1654), the Federal Coal Mine Safety and Health Act (30 U.S.C. Sections 801 ~~et seq.~~ and 901–944 ~~945~~), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;
9. Bodily injury to any person in work subject to the Federal Employers' Liability Act (45 U.S.C. Sections 51 ~~et seq.~~ ~~60~~), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws;
10. Bodily injury to a master or member of the crew of any vessel, and does not cover punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law;
11. Fines or penalties imposed for violation of federal or state law; and
12. Damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. Sections 1801 ~~et seq.~~ ~~1872~~) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

D. We Will Defend

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding, or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings;
2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. Litigation costs taxed against you;
4. Interest on a judgment as required by law until we offer the amount due under this insurance; and
5. Expenses we incur.

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

EXHIBIT 2 (CONT'D)

**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY, PART
TWO—EMPLOYERS LIABILITY INSURANCE (WC 00 00 00 C)
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MS, MO,
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)**

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for “bodily injury by accident—each accident” is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for “bodily injury by disease—policy limit” is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for “bodily injury by disease—each employee” is the most we will pay for all damages because of bodily injury by disease to any one employee.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. Recovery From Others

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. Actions Against Us

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and
2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

EXHIBIT 3

**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
INFORMATION PAGE NOTES (WC 00 00 01 B)**

**(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MS, MO,
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)**

INFORMATION PAGE NOTES (WC 00 00 01 ~~A~~ B)

1. The sequence of Items 1 through 4 of the Information Page may not be changed except for Item 3.D. (See Note 14.) The format of each item may be rearranged and these suggested headings may be used:
1. Insured; 2. Policy Period; 3. Coverage; and 4. Premium.
2. The name and the five-digit NCCI carrier code number of the insuring company is to be shown prominently on the Information Page in the space above Item 1.

The address and type of insurer (stock, mutual, or other) are to be shown on the Information Page, the policy, or a policy jacket.

3. The policy number must be appropriately labeled and shown in space reserved above Item 1 on the Information Page. This number shall be unique to the company, shall not exceed 18 alphanumeric digits, and shall remain constant during the policy period. It shall be shown on all endorsements as well as all other policy-related correspondence after the policy is issued.

If the policy number displayed on the Information Page contains a policy symbol consisting of alphanumeric digits that are not entered into the carrier's internal statistical records as part of the actual policy number, those symbols shall be shown as a separate prefix and/or suffix to the policy number and appropriately labeled.

4. On the bureau copy of a renewal policy Information Page, use space reserved above Item 1 to show and appropriately label the prior policy number. This number shall not exceed 18 alphanumeric digits. If the number displayed on the Information Page contains a policy symbol consisting of alphanumeric digits that are not entered into the carrier's internal statistical records as part of the actual policy number, those symbols shall be shown as a separate prefix and/or suffix to the policy number and appropriately labeled.

New business may be designated "New." At its option, the company may show this on the insured's copy of the Information Page.

5. On the bureau copy of the Information Page, show the letters "AR" next to the title "Information Page" if the insured is an assigned risk.
6. Show in Item 1 the exact name of the employer insured and indicate whether the employer is an individual, partnership, joint venture, corporation, association, or other legal entity. If separate legal entities are insured in a single policy, consistent with the manual of rules, separately show the complete name of each insured employer and indicate each employer's legal entity status.
7. The Interstate/Intrastate Risk Identification number must be shown and appropriately labeled on the Information Page.
8. Reserve space in Item 1 of the bureau copy to show, if required, the insured's commonly required identification numbers such as: Arkansas Workers Compensation File Number; Hawaii Unemployment Number; New Mexico Unemployment Insurance Number; Oregon Contract Number; and State Employer Number.

The company may also show this on the Information Page at its option.

9. List in Item 1 or by schedule all usual workplaces of the insured that are to be covered by the policy. Also include the respective Federal Employer's Identification Number (FEIN), appropriately labeled, for each entity included on the policy.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 3 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
INFORMATION PAGE NOTES (WC 00 00 01 B)
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MS, MO, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

10. The effective date and hour of the policy, and its expiration date and hour, must be shown in Item 2. The hour may be included as part of the printed form at the company's option.
11. List in Item 3.A. states where workers compensation insurance is provided. If none is provided, "none" or "not covered" may be shown. See, for example, the notes to the Federal Coal-Mine Safety and Health Act Coverage Endorsement.
12. Show limits of liability separately for bodily injury by accident and by disease in Item 3.B.
13. States may be shown in Item 3.C. by name or by designation, but do not name or designate a state listed in Item 3.A., a monopolistic state fund state, or a state where the insurer will not provide this coverage.

The following entry may also be included: "All states except North Dakota, Ohio, Washington, Wyoming, states designated in Item 3.A. of the Information Page and _____."

If the company learns that the insured is conducting operations in a 3.C. state, and if the company agrees to continue coverage, the company should add that state to Item 3.A. and remove it from Item 3.C. Normal company procedures apply when the state is added to Item 3.A.

14. Item 3.D. may be omitted so long as the list of the policy's schedules and endorsements appears somewhere on the Information Page. Endorsements for which the company has not filed specimen copies with the rating bureau or bureaus having jurisdiction must be attached to the Information Page filed with the bureau.
15. The content of Item 4 may be rearranged by the company. If the policy is issued for less than one year, the company may state whether the premium information is shown for the policy period or for an annual period.
16. In Item 4, the development of estimated annual premium shall be displayed separately for each classification by state. This same display of premium development must be shown on any classification schedules attached to the policy. Total Estimated Standard Premium must be shown by state on the Information Page or on a schedule attached to the policy.

The experience rating modification factor shall be shown in Item 4 for risks subject to the experience rating plan, unless this factor is not available when the policy is issued. The company then may make an appropriate entry in Item 4 to show that the factor is not available. See the Experience Rating Modification Factor Endorsement for more information.

17. In those states where a schedule rating plan has been filed and approved, report the schedule rating information in Item 4, as required by the filed plan.
18. Premium discount may be shown in Item 4, the Premium Discount Endorsement, or both.
19. Taxes, assessments, deposit premium, interim adjustments of premium, the rating plan, past experience, cancellation of similar insurance, date and place of policy issuance, date and place of countersignature, and other related information may be shown in Item 4.
20. Three-year fixed-rate policies must be so designated on the Information Page as required by Rule 3-B-1-b of NCCI's *Basic Manual*. In Item 4, the company shall report the premium information either as Standard Premium or Total Standard Premium as defined in Rule 3-A-20 of NCCI's *Basic Manual*.
21. Other entries may be made on the Information Page as authorized by Notes to ~~Standard~~ Endorsements, including: Anniversary Rating Date, Defense Base Act Coverage; Nonappropriated Fund Instrumentalities Act Coverage; Partners, Officers and Others Exclusion; Pending Rate Change; Sole Proprietors, Partners, Officers and Others Coverage; and Voluntary Compensation Maritime Coverage Endorsements.

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

EXHIBIT 3 (CONT'D)

**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
INFORMATION PAGE NOTES (WC 00 00 01 B)**

**(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MS, MO,
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)**

22. The company may place the execution clause at the end of the Information Page, at the end of the standard policy, or on a policy jacket.

State Workers Compensation Rating Bureau Information Page Notes:

Refer to the *Pennsylvania Basic Manual* for Pennsylvania policy issuance instructions and specific requirements.

Refer to the sample Information Page in the Forms Section, Part Three, Section 2, of the *New Jersey Workers Compensation and Employers Liability Insurance Manual* for a description of New Jersey requirements.

Refer to the *New York Manual* (Part Four) for complete instructions on policy issuance, including Information Page Notes for preparing New York policies. You may find the updated Information Page Notes for the *New York Manual* on <http://www.nycirb.org/>.

Refer to the *Wisconsin Basic Manual* for Wisconsin policy issuance instructions and specific requirements.

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

EXHIBIT 4

**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FEDERAL MINE SAFETY AND HEALTH ACT COVERAGE ENDORSEMENT (WC 00 01 02 B)
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MS, MO,
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)**

FEDERAL ~~COAL~~-MINE SAFETY AND HEALTH ACT COVERAGE ENDORSEMENT (WC 00 01 02 ~~A~~ B)

This endorsement applies only to work in a state shown in the Schedule and subject to the Federal ~~Coal~~-Mine Safety and Health Act (30 U.S.C. Sections 801 et seq. and ~~901-944-945~~). Part One (Workers Compensation Insurance) applies to that work as though that state were shown in Item 3.A. of the Information Page.

The definition of workers compensation law includes the Federal ~~Coal~~-Mine Safety and Health Act (30 U.S.C. Sections 801 et seq. and ~~901-944-945~~) and any amendment to that law that is in effect during the policy period.

Part One (Workers Compensation Insurance), Section A.2., How This Insurance Applies, is replaced by the following:

Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period or, when the last exposure occurred prior to July 1, 1973, a claim based on that disease must be first filed against you during the policy period shown in Item 2 of the Information Page.

Schedule

State

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

EXHIBIT 5

**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
OUTER CONTINENTAL SHELF LANDS ACT COVERAGE ENDORSEMENT (WC 00 01 09 C)
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MS, MO,
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)**

OUTER CONTINENTAL SHELF LANDS ACT COVERAGE ENDORSEMENT (WC 00 01 09 ~~B~~ C)

This endorsement applies only to the work described in Item 4 of the Information Page or in the Schedule as subject to the Outer Continental Shelf Lands Act. The policy will apply to that work as though the location shown in the Schedule were a state named in Item 3.A. of the Information Page.

General Section C. **Workers' Compensation Law** is replaced by the following:

C. Workers' Compensation Law

Workers' Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page and the Outer Continental Shelf Lands Act (43 U.S.C. Sections 1331 et seq. ~~—1356a~~). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal workers or workmen's compensation law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers Liability Insurance), C. Exclusions., exclusion 8, does not apply to work subject to the Outer Continental Shelf Lands Act.

Schedule

Description and Location of Work

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE**EXHIBIT 6****FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
MARITIME COVERAGE ENDORSEMENT (WC 00 02 01 B)
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MS, MO,
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)****MARITIME COVERAGE ENDORSEMENT (WC 00 02 01 A-B)**

This endorsement changes how insurance provided by Part Two (Employers Liability Insurance) applies to bodily injury to a master or member of the crew of any vessel.

A. **How This Insurance Applies** is replaced by the following:

A. How This Insurance Applies

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to work described in Item 1 of the Schedule of the Maritime Coverage Endorsement.
3. The bodily injury must occur in the territorial limits of, or in the operation of a vessel sailing directly between the ports of, the continental United States of America, Alaska, Hawaii or Canada.
4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
6. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

C. **Exclusions** is changed by removing exclusion 10 and by adding exclusions 13 and 14.

This insurance does not cover:

13. ~~Bodily injury~~ covered by a Protection and Indemnity Policy or similar policy issued to you or for your benefit. This exclusion applies even if the other policy does not apply because of another insurance clause, deductible or limitation of liability clause, or any similar clause.
14. ~~Your duty or obligation~~ to provide transportation, wages, maintenance, and cure. This exclusion does not apply if a premium entry is shown in Item 2 of the Schedule, ~~except that punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law are excluded even if a premium is paid for transportation, wages, maintenance, and cure coverage.~~

D. **We Will Defend** is changed by adding the following statement:

We will treat a suit or other action in rem against a vessel owned or chartered by you as a suit against you.

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in the Schedule. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident—each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 6 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
MARITIME COVERAGE ENDORSEMENT (WC 00 02 01 B)
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, LA, MD, ME, MS, MO, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

- 2. Bodily Injury by Disease. The limit shown for “bodily injury by disease—aggregate” is the most we will pay for all damages covered by this insurance because of bodily injury by disease to one or more employees. The limit applies separately to bodily injury by disease arising out of work in each state shown in Item 3.A. of the Information Page. Bodily injury by disease will be deemed to occur in the state of the vessel's home port.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

- 3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

Schedule

- 1. Description of work:

- 2. Transportation, Wages, Maintenance, and Cure Premium \$
Exclusion: This insurance does not cover punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law even if a premium is paid for transportation, wages, maintenance, and cure coverage.

- 3. Limits of Liability
Bodily Injury by Accident \$ _____ each accident
Bodily Injury by Disease \$ _____ aggregate

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 7
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
AIRCRAFT PREMIUM ENDORSEMENT (WC 00 04 01)
(APPLIES IN: LA)**

~~**AIRCRAFT PREMIUM ENDORSEMENT (WC 00 04 01)**~~

~~Additional premium is charged for each aircraft shown in the Schedule. The additional premium is subject to adjustment if you have an experience rating modification factor or if this policy is canceled. You may substitute one aircraft for another without additional charge if the substitute aircraft has no more seats than the aircraft shown in the Schedule.~~

~~Schedule~~

State	Aircraft	Passenger Seat Charge	Maximum Charge	Estimated Premium
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ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 8

**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
AIRCRAFT PREMIUM ENDORSEMENT (WC 00 04 01 A)
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, KS, KY, MD, ME, MS, MO, MT,
NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)**

~~**AIRCRAFT PREMIUM ENDORSEMENT (WC 00 04 01 A)**~~

~~Additional premium is charged for each aircraft shown in the Schedule. The additional premium is not subject to adjustment unless this policy is canceled. You may substitute one aircraft for another without additional charge if the substitute aircraft has no more seats than the aircraft shown in the Schedule.~~

~~Schedule~~

State	Aircraft	Passenger Seat Charge	Maximum Charge	Estimated Premium
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ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 9
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 00 05 03 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD,
ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN (WC 00 05 03-B-C)

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy and any policy listed in the Schedule. The rating plan period is the one-year period beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgements, expenses to recover against third parties, and employers liability loss adjustment expenses. This

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 9 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 00 05 03 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals, as applicable:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7424~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal-Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers are shown in the Schedule.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium and is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 9 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 00 05 03 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD,
ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 9 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN**

(WC 00 05 03 C)

(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

- 2. If other policies listed in the Schedule of this endorsement are cancelled, the effective date of cancellation will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
- 3. If we cancel for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
- 4. If you cancel, the standard premium for the rating plan period will be increased by our short rate table and procedure. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The short rate premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days.

- 5. Section F.4. will not apply if you cancel because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2. Loss Limitation: \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums, shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 9 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 00 05 03 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

5. The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 10
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
(WC 00 05 04 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD,
ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN (WC 00 05 04-B-C)

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the three-year period beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgements, expenses to recover against third parties, and employers liability loss adjustment expenses. This

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 10 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
(WC 00 05 04 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements and any other elements excluded from our manuals, as applicable:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7424~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal-Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium and converted incurred losses and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the retrospective rating plan policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium and is called the retrospective development premium. It is a percentage of standard premium multiplied

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 10 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
(WC 00 05 04 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD,
ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 10 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN**

(WC 00 05 04 C)

(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement.
2. If the other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be the standard premium for the rating period, increased pro rata to three years (1,095 days), and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel or do not renew, the standard premium for the rating plan period will be increased by our short rate table and procedure. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The short rate premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days).

5. Section F.4. will not apply if you cancel or do not renew because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2. Loss Limitation: \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor

Maximum Retrospective Rating Plan Premium Factor _____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 10 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
(WC 00 05 04 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)**

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

5. The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 11**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION
PROJECT (WC 00 05 05 C)**

**(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD,
ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)**

**RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION PROJECT
(WC 00 05 05 ~~B~~ C)**

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the duration of the wrap-up construction project described on the Information Page, beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 11 (CONT'D)

**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION
PROJECT (WC 00 05 05 C)**

(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgements, expenses to recover against third parties, and employers liability loss adjustment expenses. This includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals, as applicable:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the retrospective rating plan policy period. Changes will be shown by endorsement.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 11 (CONT'D)**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION
PROJECT (WC 00 05 05 C)****(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD,
ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)**

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium, and is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 11 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION
PROJECT (WC 00 05 05 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD,
ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)**

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date, and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel or do not renew, the standard premium for the rating plan period will be increased by our short rate table and procedure. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The short rate premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period plus the estimated standard premium from the end of the rating plan period to the estimated project completion date.

5. Section F.4. will not apply if you cancel or do not renew because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 11 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION
PROJECT (WC 00 05 05 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD,
ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)**

Schedule

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2. Loss Limitation: \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

5. The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other Than "F" Classes)	Federal ("F" Classes Only)	State (Other Than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

EXHIBIT 12

**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT NONRATABLE CATASTROPHE
ELEMENT OR SURCHARGE (WC 00 05 10 B)**

**(APPLIES TO VOLUNTARY POLICIES IN: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, KS,
KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)**

**RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT NONRATABLE CATASTROPHE
ELEMENT OR SURCHARGE (WC 00 05 10 ~~A B~~)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement changes the retrospective rating plan premium endorsement attached to the policy.

1. Standard premium excludes the portion of the premium that is determined by the application of a nonratable catastrophe element in a rate or a nonratable catastrophe surcharge required by our manuals. The classification codes involving such premiums are listed in the Schedule below.
2. Incurred losses do not include the cost in excess of the two most costly claims arising out of an accident involving two or more persons under a classification code for which our manuals contain a nonratable catastrophe element. ~~—~~
 - a. ~~The cost in excess of the two most costly claims arising out of an accident involving two or more persons under a classification code for which our manuals contain a nonratable catastrophe element~~
 - b. ~~Losses involving passenger employees, other than members of the flying crew, if the losses result from the crash of an aircraft described on the Aircraft Premium Endorsement~~
3. Catastrophe provisions, as described in our manuals, are included in the total policy premium, but excluded from the standard premium used in a retrospective rating plan premium.

Schedule

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 13**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN—MULTIPLE
LINES (WC 00 05 12 C)**

**(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD,
ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)**

**RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN—MULTIPLE LINES
(WC 00 05 12 ~~B~~ C)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, and any policy listed in the Schedule. The rating plan period is the one-year period beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~-Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 13 (CONT'D)

**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN—MULTIPLE
LINES (WC 00 05 12 C)**

(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses ~~for~~ and the following expenses:
- Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals, as applicable:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers are shown in the Schedule.

B. Retrospective Rating Plan Premium Elective Elements

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 13 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN—MULTIPLE
LINES (WC 00 05 12 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD,
ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amounts of incurred loss to be included in the retrospective rating plan premium are limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium for workers compensation and employers liability insurance, and the first four calculations for auto liability and general liability. This premium is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

For workers compensation and employers liability insurance, retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. For general liability and automobile liability insurance, retrospective development factors vary by first, second, third, and fourth calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 13 (CONT'D)**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN—MULTIPLE
LINES (WC 00 05 12 C)**

**(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD,
ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)**

3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled, the effective date of cancellation will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel, the standard premium for the rating plan period will be increased by our short rate table and procedure for workers compensation and employers liability insurance and the applicable cancellation procedure for other lines of insurance. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The short rate retrospective rating plan premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days.

5. Section F.4. will not apply if you cancel because:

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 13 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN—MULTIPLE
LINES (WC 00 05 12 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD,
ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)**

- a. All work covered by the insurance is completed
- b. All interest in the business covered by the insurance is sold
- c. You retire from all business covered by the insurance

Schedule

Premium Subject to Retrospective Rating Plan, Loss Limitations, Loss Conversion Factors, State Tax Multipliers, Excess Loss Premium Factors, Retrospective Development Factors

1. The premium for the following policies combined is to be calculated in accordance with the provisions of this Retrospective Rating Plan Premium Endorsement:

List of Policies

2. The retrospective rating plan does not apply to the premium for policies

in the states of

3. The retrospective rating plan does not apply to the premium for uninsured motorist insurance if afforded under the policies designated in paragraph 1.

4. The premium for the general liability and automobile liability insurance afforded under policies designated in paragraph 1 above for insurance in excess of the limits of liability stated below will not be subject to retrospective rating. State the dollar amount of the limit of liability and the manner in which it applies.

Coverage	Limit of Liability
<hr/>	\$ <hr/>
<hr/>	\$ <hr/>
<hr/>	\$ <hr/>
<hr/>	\$ <hr/>

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 13 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN—MULTIPLE
LINES (WC 00 05 12 C)**

(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)

_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____

The incurred losses to be included in calculating the premium for the insurance subject to retrospective rating plan will not include that portion of the losses actually paid and the reserves for unpaid losses that is in excess of the limits of liability stated above, but that part of the incurred losses consisting of premiums on bonds, interest payable in accordance with the provisions of the policy, allocated loss adjustment expenses, and expenses incurred in seeking recovery against a third party will not be subject to such limits.

5. Workers Compensation and Employers Liability
Loss Limitation is \$ _____

6. Combination Loss Limitation of \$ _____ is the overall limit on the incurred losses arising out of any one accident or occurrence for the following combination of insurance.

7. If the combination loss limitation does not apply, for general liability, auto liability, auto physical damage, or theft insurance, specify the loss limitation that applies separately to each accident or occurrence:

- Loss Limitation for _____ insurance is \$ _____
- Loss Limitation for _____ insurance is \$ _____
- Loss Limitation for _____ insurance is \$ _____
- Loss Limitation for _____ insurance is \$ _____
- Loss Limitation for _____ insurance is \$ _____

8. Loss Conversion
Factor is _____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 13 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN—MULTIPLE
LINES (WC 00 05 12 C)**

(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)

9. Minimum Retrospective Rating Plan Premium Factor is _____
Maximum Retrospective Rating Plan Premium Factor is _____

10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

TABLE OF STATES

11.A	Excess Loss Premium Factors		Tax Multiplier	
	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)

11.B	Excess Loss Premium Factors			Tax Multiplier		
	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 13 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN—MULTIPLE
LINES (WC 00 05 12 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD,
ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)**

11.B	Excess Loss Premium Factors			Tax Multiplier		
State	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage

12.A	Retrospective Development Factors		
State	Workers Compensation and Employers Liability		
	1st	2nd	3rd

12.B	Retrospective Development Factors							
State	General Liability				Automobile Liability			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 14**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN—MULTIPLE
LINES (WC 00 05 13 C)**

**(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME,
MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)**

**RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN—MULTIPLE LINES
(WC 00 05 13 ~~B~~ C)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the three-year period beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is the standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 14 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN—MULTIPLE
LINES (WC 00 05 13 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME,
MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses ~~for~~ and the following expenses:
- a. Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - b. Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - c. Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - d. Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals, as applicable:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 14 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN—MULTIPLE
LINES (WC 00 05 13 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME,
MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium are limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium for workers compensation and employers liability insurance, and the first four calculations for auto liability and general liability. This premium is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

For workers compensation and employers liability insurance, retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. For general liability and automobile liability insurance, retrospective development factors vary by first, second, third, and fourth calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 14 (CONT'D)**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN—MULTIPLE
LINES (WC 00 05 13 C)**

(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)

are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.

3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days), and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel or do not renew, the standard premium for the rating plan period will be increased by our short rate table and procedure for workers compensation and employers liability insurance and the

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 14 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN—MULTIPLE
LINES (WC 00 05 13 C)**

(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)

applicable cancellation procedure for other lines of insurance. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The short rate retrospective rating plan premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days).

- 5. Section F.4. will not apply if you cancel or do not renew because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

Premium Subject to Retrospective Rating Plan, Loss Limitations, Loss Conversion Factors, State Tax Multipliers, Excess Loss Premium Factors, Retrospective Development Factors

- 1. The premium for the following policies combined is to be calculated in accordance with the provisions of this Retrospective Rating Plan Premium Endorsement:

List of Policies

- 2. The retrospective rating plan does not apply to the premium for policies

in the states of

- 3. The retrospective rating plan does not apply to the premium for uninsured motorist insurance if afforded under the policies designated in paragraph 1.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 14 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN—MULTIPLE
LINES (WC 00 05 13 C)**

(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)

Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____

8. Loss Conversion Factor is _____

9. Minimum Retrospective Rating Plan Premium Factor is _____

Maximum Retrospective Rating Plan Premium Factor is _____

10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 14 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN—MULTIPLE
LINES (WC 00 05 13 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME,
MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)**

TABLE OF STATES

11.A	Excess Loss Premium Factors		Tax Multiplier	
	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)

11.B	Excess Loss Premium Factors			Tax Multiplier		
	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage

12.A	Retrospective Development Factors		
	Workers Compensation and Employers Liability		
	1st	2nd	3rd

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 14 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN—MULTIPLE
LINES (WC 00 05 13 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME,
MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)

12.A	Retrospective Development Factors		
State	Workers Compensation and Employers Liability		
	1st	2nd	3rd

12.B	Retrospective Development Factors							
State	General Liability				Automobile Liability			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 15**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION
PROJECT—MULTIPLE LINES (WC 00 05 14 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME,
MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)****RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION
PROJECT—MULTIPLE LINES (WC 00 05 14 ~~B~~ C)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the duration of the wrap-up construction project described in the declarations or Information Page of such policies, beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 15 (CONT'D)

**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION**

PROJECT—MULTIPLE LINES (WC 00 05 14 C)

(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses ~~for~~ and the following expenses:
- Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements and any other elements excluded from our manuals, as applicable:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 15 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION
PROJECT—MULTIPLE LINES (WC 00 05 14 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME,
MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium are limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium for workers compensation and employers liability insurance, and the first four calculations for auto liability and general liability. This premium is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

For workers compensation and employers liability insurance, retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. For general liability and automobile liability insurance, retrospective development factors vary by first, second, third, and fourth calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 15 (CONT'D)**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION****PROJECT—MULTIPLE LINES (WC 00 05 14 C)****(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)**

are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.

3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date, and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel or do not renew, the standard premium for the rating plan period will be increased by our short rate table and procedure for workers compensation and employers liability insurance and the

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 15 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION
PROJECT—MULTIPLE LINES (WC 00 05 14 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)**

applicable cancellation procedure for other lines of insurance. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The short rate retrospective rating plan premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date.

- 5. Section F.4. will not apply if you cancel or do not renew because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

Premium Subject to Retrospective Rating Plan, Loss Limitations, Loss Conversion Factors, State Tax Multipliers, Excess Loss Premium Factors, Retrospective Development Factors

- 1. The premium for the following policies combined is to be calculated in accordance with the provisions of this Retrospective Rating Plan Premium Endorsement:

List of Policies

- 2. The retrospective rating plan does not apply to the premium for policies

in the states of

- 3. The retrospective rating plan does not apply to the premium for uninsured motorist insurance if afforded under the policies designated in paragraph 1.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 15 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION
PROJECT—MULTIPLE LINES (WC 00 05 14 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)

Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____

8. Loss Conversion Factor is _____

9. Minimum Retrospective Rating Plan Premium Factor is _____

Maximum Retrospective Rating Plan Premium Factor is _____

10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

TABLE OF STATES

11.A State	Excess Loss Premium Factors		Tax Multiplier	
	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 15 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION
PROJECT—MULTIPLE LINES (WC 00 05 14 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME,
MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)
TABLE OF STATES (Cont'd)**

11.A	Excess Loss Premium Factors		Tax Multiplier	
	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)
State				

11.B	Excess Loss Premium Factors			Tax Multiplier		
	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage
State						

12.A	Retrospective Development Factors		
	Workers Compensation and Employers Liability		
	1st	2nd	3rd
State			

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 15 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION
PROJECT—MULTIPLE LINES (WC 00 05 14 C)
(APPLIES TO VOLUNTARY POLICIES IN: AL, AR, AZ, CO, CT, DC, HI, IA, ID, IL, KS, KY, MD, ME,
MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WV)

12.B	Retrospective Development Factors							
State	General Liability				Automobile Liability			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 09 05 03 A)
(APPLIES TO VOLUNTARY POLICIES IN: FL)****FLORIDA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN (WC 09 05 03 A)**

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in Florida. It determines the retrospective rating plan premium for the insurance provided by this policy and any other workers compensation policy listed in the Schedule.

The amount of retrospective rating plan premium depends on various elements.

A. Retrospective Rating Plan Premium Standard Elements

The standard elements are explained here.

1. Standard premium is the premium we would charge during the policy period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements:
 - a. Expense constant
 - b. Premium resulting from the nonratable element codes in a rate or a nonratable catastrophe surcharge required by our manuals
 - ~~c. Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - c. ~~d.~~ Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - d. ~~e.~~ Premium developed by the Terrorism provisions as outlined in our manuals
 - e. ~~f.~~ Premium discount
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium.

The basic premium factor includes our general administration costs, related loss control service cost, and insurance charges.

The basic premium factor does not cover premium taxes or the portion of claims adjustment expenses that are accounted for in the loss conversion factor. Those elements are provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium.

The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 09 05 03 A)
(APPLIES TO VOLUNTARY POLICIES IN: FL)

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgments, expenses to recover against third parties, and employers liability loss adjustment expenses. This includes paid and outstanding losses (including any reserves set on open claims).
- a. Incurred losses do not include:
- (1) The cost in excess of the two most costly claims arising out of an accident involving two or more persons under a classification for which our manuals contain a non-ratable catastrophe surcharge required by our manuals
 - ~~(2) Losses involving passenger employees, other than members of the flying crew, if the losses result from the crash of an aircraft described on the Aircraft Premium Endorsement~~
 - ~~(2)(3) The disease-related portion of losses covered under Occupational disease losses for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~(3)(4) Losses for acts of terrorism~~
 - ~~(4)(5) Losses reported as fully fraudulent~~
 - ~~(5)(6) Losses reported as noncompensable~~
- b. If the Allocated Loss Adjustment Expense (ALAE) option is elected, this election will be shown in the Schedule and incurred losses will include ALAE. ALAE encompasses the following costs to us, which can be directly allocated to a particular claim:
- (1) Fees of attorneys or other authorized representatives where permitted for legal services, whether by outside vendors or staff representatives.
 - (2) Court, Alternate Dispute Resolution, and other specific items of expense such as:
 - (a) Medical examinations of a claimant to determine the extent of our liability, degree of permanency, or length of disability
 - (b) Expert medical or other testimony
 - (c) Autopsy
 - (d) Witnesses and summonses
 - (e) Copies of documents such as birth and death certificates, and medical treatment records
 - (f) Arbitration fees
 - (g) Surveillance
 - (h) Appeal bond costs and appeal filing fees
 - (3) Medical cost containment expenses incurred with respect to a particular claim, whether by an outside vendor or done internally by a staff representative for the purpose of controlling losses, to ensure that only reasonable and necessary costs of services are paid. The expenses include:

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 09 05 03 A)
(APPLIES TO VOLUNTARY POLICIES IN: FL)**

- (a) Bill-auditing expenses for any medical or vocational services rendered, including hospital bills (inpatient or outpatient), nursing home bills, physician bills, chiropractic bills, medical equipment charges, pharmacy charges, physical therapy bills, and medical or vocational rehabilitation vendor bills
 - (b) Hospital and other treatment utilization reviews, including precertification/preadmission, and concurrent or retrospective reviews
 - (c) Preferred provider network/organization expenses
 - (d) Medical fee review panel expenses
- (4) Expenses that are not defined as losses and are directly related to and directly allocated to the handling of a particular claim for services that are required to be performed by statute or regulation.
- (5) Rehabilitation Costs

Voluntary vocational rehabilitation costs (e.g., medical care coordination costs over the limitation) must be reported as ALAE for injuries other than traumatic brain, spinal cord, amputation (including loss of eye(s)), and burns greater than 5% of the total body surface. Medical care coordination includes activities undertaken in order to assist in the containment of medical costs.

- 4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
- 5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multiplier is shown in the Schedule.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

- 1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium calculation is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, and the excess loss premium factors are shown in the Schedule.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 09 05 03 A)
(APPLIES TO VOLUNTARY POLICIES IN: FL)

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium and is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Workers compensation insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds who are eligible to be combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses and, if elected, the excess loss premium and retrospective development premium. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one workers compensation policy, the standard premium will be the sum of the standard premiums for each workers compensation policy.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the policy period ends and annually thereafter.

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund promptly the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Cancellation of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled, the effective date of the cancellation will become the end of the policy period for all the policies listed in the Schedule of this endorsement.
2. If any policies listed in the Schedule of this endorsement are cancelled, the effective date of cancellation will become the end of the policy period for all insurance subject to this endorsement, unless we agree with you, by endorsement, to continue the policy period.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 09 05 03 A)
(APPLIES TO VOLUNTARY POLICIES IN: FL)**

3. If we cancel for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the policy period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel, the standard premium for the policy period will be increased by our short rate table and procedure. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The short rate premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the policy period, increased pro rata to 365 days.

5. Section E.4. will not apply if you cancel because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

1. Other workers compensation policies subject to this Retrospective Rating Plan Premium Endorsement

2. Loss Limitation: \$ _____
3. Loss Conversion Factor _____
4. Minimum Retrospective Rating Plan Premium Factor _____
Maximum Retrospective Rating Plan Premium Factor _____

5. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	_____	_____	_____
Basic Premium Factor:	_____	_____	_____

6. Incurred losses includes yes no
ALAE: _____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 09 05 03 A)
(APPLIES TO VOLUNTARY POLICIES IN: FL)**

7. The tax multiplier, excess loss premium factors, and retrospective development factors are shown in the Table of Additional Rating Factors.

TABLE OF ADDITIONAL RATING FACTORS

Excess Loss Premium Factors		Tax Multipliers		Retrospective Development Factors		
Other than "F" Classes	Federal ("F" Classes Only)	Other than "F" Classes	Federal ("F" Classes Only)	1st	2nd	3rd

Note:

1. This endorsement is to be used for a one-year policy period.
2. The use of this endorsement is permissible for wrap-up construction project policies.
3. Identify by policy number any other workers compensation policy to be combined with this workers compensation policy for retrospective rating. Other policies should be endorsed with the WC 00 05 11—Retrospective Premium Endorsement (Short Form) to show that they are subject to this endorsement.
4. Show the amount of the loss limitation, if applicable, in Item 2 of the Schedule. If a loss limitation was not elected, enter "none," "does not apply," or other appropriate text.
5. Use Items 3 and 4 of the Schedule to show the loss conversion factor, minimum retrospective premium factor, and the maximum retrospective premium factor.
6. Use Item 5 to show basic premium factors for 50%, 100%, and 150% of estimated standard premium. Additional columns may be added to show the basic premium factor for other percentages of estimated standard premium.
7. Use Item 6 to show whether (yes or no) incurred losses includes ALAE.
8. The Table of Additional Rating Factors may be printed at the beginning or end of the Schedule, but cannot be printed on a separate schedule. The display of information on the Table of Additional Rating Factors may be rearranged by the company.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 17
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 09 05 04 A)
(APPLIES TO VOLUNTARY POLICIES IN: FL)****FLORIDA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN—MULTIPLE LINES (WC 09 05 04 A)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement does not change the extent of coverage under this policy or any other policy designated in the Schedule. This endorsement only changes the calculation of premium you will pay. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

The final premium for the policies designated in the Schedule is the premium calculated as explained in this endorsement and referred to as the retrospective rating plan premium.

The amount of retrospective rating plan premium depends on various elements.

A. Retrospective Rating Plan Premium Standard Elements

The standard elements are explained here.

1. Standard premium is the premium we would charge during the policy period if you had not chosen a retrospective rating plan.
 - a. For workers compensation and employers liability insurance, standard premium does not include the following elements:
 - (1) Expense constant
 - (2) Premium resulting from the nonratable element codes in a rate or a nonratable catastrophe surcharge required by our manuals
 - ~~(3) Premium developed by the passenger seat surcharge under Classification Code 7424~~
 - (3)(4) Premium developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act
 - (4)(5) Premium developed by the Terrorism provisions as outlined in our manuals
 - (5)(6) Premium discount
 - b. For general liability insurance, automobile liability insurance, and automobile physical damage insurance, standard premium does not include the premium discount credit or any other expense modification.
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium.

The basic premium factor includes our general administration costs, related loss control service cost, and insurance charges.

The basic premium factor does not cover premium taxes or the portion of claims adjustment expenses that are accounted for in the loss conversion factor. Those elements are provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 09 05 04 A)
(APPLIES TO VOLUNTARY POLICIES IN: FL)**

The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses. Incurred losses include paid losses (depending upon the type of insurance policy under which the loss was incurred) and outstanding losses (including any reserves set on open claims).
 - a. The following expenses are included in incurred losses:
 - (1) Premiums on bonds paid for by us in accordance with the provisions of the policies for general liability insurance and automobile liability insurance.
 - (2) Interest payable in accordance with the provisions of the policies for workers compensation and employers liability insurance, general liability insurance, and automobile liability insurance.
 - (3) Allocated loss adjustment expenses (ALAE) for automobile liability insurance, general liability insurance, and employers liability insurance only. ALAE is optional for workers compensation insurance.
 - (4) Expenses incurred in seeking recovery against a third party for general liability insurance, automobile liability insurance, and automobile physical damage insurance. This will apply for expenses incurred for workers compensation and employers liability insurance only if recovery is obtained against the third party.
 - b. For workers compensation and employers liability insurance, incurred losses do not include:
 - (1) The cost in excess of the two most costly claims arising out of an accident involving two or more persons under a classification for which our manuals contain a non—ratable catastrophe surcharge required by our manuals
 - ~~(2) Losses involving passenger employees, other than members of the flying crew, if the losses result from the crash of an aircraft described on the Aircraft Premium Endorsement~~
 - ~~(2)(3) The disease-related portion of losses covered under Occupational disease losses for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~(3)(4) Losses for acts of terrorism~~
 - ~~(4)(5) Losses reported as fully fraudulent~~
 - ~~(5)(6) Losses reported as noncompensable~~
 - c. If the Allocated Loss Adjustment Expense (ALAE) option is elected for workers compensation insurance, this election will be shown in the Schedule and incurred losses will include ALAE. For workers compensation insurance, ALAE encompasses the following costs to us, which can be directly allocated to a particular claim:
 - (1) Fees of attorneys or other authorized representatives where permitted for legal services, whether by outside vendors or staff representatives.
 - (2) Court, Alternate Dispute Resolution, and other specific items of expense such as:
 - (a) Medical examinations of a claimant to determine the extent of our liability, degree of permanency, or length of disability
 - (b) Expert medical or other testimony

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 09 05 04 A)
(APPLIES TO VOLUNTARY POLICIES IN: FL)**

- (c) Autopsy
- (d) Witnesses and summonses
- (e) Copies of documents such as birth and death certificates, and medical treatment records
- (f) Arbitration fees
- (g) Surveillance
- (h) Appeal bond costs and appeal filing fees

(3) Medical cost containment expenses incurred with respect to a particular claim, whether by an outside vendor or done internally by a staff representative for the purpose of controlling losses, to ensure that only reasonable and necessary costs of services are paid. The expenses include:

- (a) Bill-auditing expenses for any medical or vocational services rendered, including hospital bills (inpatient or outpatient), nursing home bills, physician bills, chiropractic bills, medical equipment charges, pharmacy charges, physical therapy bills, and medical or vocational rehabilitation vendor bills
- (b) Hospital and other treatment utilization reviews, including precertification/preadmission, and concurrent or retrospective reviews
- (c) Preferred provider network/organization expenses
- (d) Medical fee review panel expenses

(4) Expenses that are not defined as losses and are directly related to and directly allocated to the handling of a particular claim for services that are required to be performed by statute or regulation.

(5) Rehabilitation Costs

Voluntary vocational rehabilitation costs (e.g., medical care coordination costs over the limitation) must be reported as ALAE for injuries other than traumatic brain, spinal cord, amputation (including loss of eye(s)), and burns greater than 5% of the total body surface. Medical care coordination includes activities undertaken in order to assist in the containment of medical costs.

- 4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
- 5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multiplier is shown in the Schedule.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 09 05 04 A)
(APPLIES TO VOLUNTARY POLICIES IN: FL)**

1. The election of a loss limitation means that the amounts of incurred loss to be included in the retrospective rating plan premium calculation are limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state and classification. If you chose this elective element, the loss conversion factor, the loss limitation, and the excess loss premium factors are shown in the Schedule.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium for workers compensation and employers liability insurance, and the first four calculations for auto liability and general liability. This premium is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

For workers compensation and employers liability insurance, retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. For general liability and automobile liability insurance, retrospective development factors vary by first, second, third, and fourth calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses and, if elected, the excess loss premium and retrospective development premium. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy, the standard premium will be the sum of the standard premiums for each policy.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the policy period ends and annually thereafter.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 09 05 04 A)
(APPLIES TO VOLUNTARY POLICIES IN: FL)**

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund promptly the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Cancellation of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled, the effective date of the cancellation will become the end of the policy period for all the policies listed in the Schedule of this endorsement.
2. If any of the policies listed in the Schedule of this endorsement are cancelled, the effective date of the cancellation will become the end of the policy period for all insurance subject to this endorsement, unless we agree with you, by endorsement, to continue the policy period.
3. If we cancel for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the policy period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel, the standard premium for the policy period will be increased by our short rate table and procedure for workers compensation and employers liability insurance. For other lines of insurance, the applicable cancellation procedure will apply. This short rate premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The short rate premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the policy period, increased pro rata to 365 days.

5. Section E.4. will not apply if you cancel because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

Premium Subject to Retrospective Rating Plan, Loss Limitations, Loss Conversion Factors, State Tax Multipliers, Excess Loss Premium Factors, or Retrospective Development Factors

1. The premium for the following policies combined is to be calculated in accordance with the provisions of this Retrospective Rating Plan Premium Endorsement:

List of Policies _____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 09 05 04 A)
(APPLIES TO VOLUNTARY POLICIES IN: FL)**

incurred losses arising out of any one accident or occurrence for the following combination of insurance.

6. If the combination loss limitation does not apply, for general liability, auto liability, or auto physical damage specify the loss limitation that applies separately to each accident or occurrence:

Loss Limitation for	_____	insurance is \$	_____
Loss Limitation for	_____	insurance is \$	_____
Loss Limitation for	_____	insurance is \$	_____

7. This Loss Conversion Factor shown here is applied to the combined amount of incurred losses for this policy and the insurance policies listed in the Schedule.

8. These factors shown here are applied to the combined amount of standard premium for this policy and the insurance policies listed in the Schedule.

Minimum Retrospective Rating Plan Premium Factor is	_____
Maximum Retrospective Rating Plan Premium Factor is	_____

9. Incurred losses includes ALAE (optional only for workers compensation insurance): yes no

10. The basic premium factors shown here are based on estimates of the combined amount of standard premium for this policy and the insurance policies listed in the Schedule. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	\$ _____	\$ _____	\$ _____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 09 05 04 A)
(APPLIES TO VOLUNTARY POLICIES IN: FL)**

The tax multipliers, excess loss premium factors, and retrospective development factors are shown in the Tables of Additional Rating Factors. In each of the following tables, the “A” section pertains to workers compensation and employers liability insurance and the “B” section pertains to other lines of insurance.

TABLES OF ADDITIONAL RATING FACTORS

11.A	Excess Loss Premium Factors		Tax Multipliers	
	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	Other Than “F” Classes	Federal (“F” Classes Only)	Other Than “F” Classes	Federal (“F” Classes Only)

11.B	Excess Loss Premium Factors			Tax Multipliers		
	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage

12.A	Retrospective Development Factors					
	Workers Compensation and Employers Liability					
	1st	2nd			3rd	

12.B	Retrospective Development Factors							
	General Liability				Automobile Liability			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th

Note:

1. This endorsement is ~~designed to be used~~ for a one-year policy period.
2. Identify by policy number any other policy to be combined with this policy for retrospective rating. Other workers compensation and employers liability insurance policies should be endorsed with the WC 00 05 11—Retrospective Premium Endorsement (Short Form) to show that they are subject to this endorsement. Policies for lines of insurance other than workers compensation insurance should be endorsed with forms approved for use for those other lines.

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 09 05 04 A)
(APPLIES TO VOLUNTARY POLICIES IN: FL)**

3. Show the amount of the loss limitation, if applicable, in Items 4, 5, and 6 of the Schedule. If a loss limitation was not elected, enter "none," "does not apply" or other appropriate text.
4. Use Items 7 and 8 of the Schedule to show the loss conversion factor, minimum retrospective premium factor, and the maximum retrospective premium factor.
5. Use Item 9 to show whether (yes or no) incurred losses includes ALAE.
6. Use Item 10 of the Schedule to show basic premium factors for 50%, 100%, and 150% of estimated standard premium. Additional columns may be added to show the basic premium factor for other percentages of estimated standard premium.
7. The Tables of Additional Rating Factors may be printed at the beginning or end of the Schedule, but cannot be printed on a separate schedule. The display of information on the Tables of Additional Rating Factors may be rearranged by the company.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 10 05 01 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)****GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN (WC 10 05 01 A)**

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy and any policy listed in the Schedule. The rating plan period is the one-year period beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgments, expenses to recover against third parties, and employers liability loss adjustment expenses. This

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 10 05 01 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)**

includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal-Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers are shown in the Schedule.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium and is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 10 05 01 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)

Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled, the effective date of cancellation will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 10 05 01 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)**

3. If we cancel for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel, the standard premium for the rating plan period will be calculated on a pro rata basis plus a 10% surcharge of the unearned premium. This cancelled premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The pro rata cancelled premium plus the 10% surcharge of the unearned premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days.

5. Section F.4. will not apply if you cancel because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2. Loss Limitation: \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums, shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

5. The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 10 05 01 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)**

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other Than "F" Classes)	Federal ("F" Classes Only)	State (Other Than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

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**EXHIBIT 17
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
(WC 10 05 02 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)****GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN (WC 10 05 02 A)**

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the three-year period beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgments, expenses to recover against third parties, and employers liability loss adjustment expenses. This

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
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(APPLIES TO VOLUNTARY POLICIES IN: GA)**

includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements and any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal-Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium and converted incurred losses and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the retrospective rating plan policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium and is called the retrospective development premium. It is a percentage of standard premium multiplied

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GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
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by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan

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**EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
(WC 10 05 02 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)**

premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement.
2. If the other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be the standard premium for the rating period, increased pro rata to three years (1,095 days), and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel, the standard premium for the rating plan period will be calculated on a pro rata basis plus a 10% surcharge of the unearned premium. This cancelled premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The pro rata cancelled premium plus the 10% surcharge of the unearned premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days).

5. Section F.4. will not apply if you cancel because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2. Loss Limitation: \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor

Maximum Retrospective Rating Plan Premium Factor _____

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**EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
(WC 10 05 02 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)**

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

5. The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other Than "F" Classes)	Federal ("F" Classes Only)	State (Other Than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 18
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT (WC 10 05 03 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)****GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION PROJECT (WC 10 05 03 A)**

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the duration of the wrap-up construction project described on the Information Page, beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

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**EXHIBIT 18 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT (WC 10 05 03 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)**

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgments, expenses to recover against third parties, and employers liability loss adjustment expenses. This includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the~~Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the retrospective rating plan policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan

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GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
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(APPLIES TO VOLUNTARY POLICIES IN: GA)

premium, and is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 18 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT (WC 10 05 03 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)**

premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date, and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel, the standard premium for the rating plan period will be calculated on a pro rata basis plus a 10% surcharge of the unearned premium. This cancelled premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The pro rata cancelled premium plus the 10% surcharge of the unearned premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period plus the estimated standard premium from the end of the rating plan period to the estimated project completion date.

5. Section F.4. will not apply if you cancel because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 18 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
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Schedule

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2. Loss Limitation: \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

5. The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other Than "F" Classes)	Federal ("F" Classes Only)	State (Other Than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 19
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 10 05 04 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)**

**GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN—MULTIPLE
LINES WC (10 05 04 A)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, and any policy listed in the Schedule. The rating plan period is the one-year period beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal Coal-Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 19 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
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(APPLIES TO VOLUNTARY POLICIES IN: GA)

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses ~~for~~ and the following expenses:
- a. Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - b. Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - c. Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - d. Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers are shown in the Schedule.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 19 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
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(APPLIES TO VOLUNTARY POLICIES IN: GA)

1. The election of a loss limitation means that the amounts of incurred loss to be included in the retrospective rating plan premium are limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium for workers compensation and employers liability insurance, and the first four calculations for auto liability and general liability. This premium is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

For workers compensation and employers liability insurance, retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. For general liability and automobile liability insurance, retrospective development factors vary by first, second, third, and fourth calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

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**EXHIBIT 19 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
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(APPLIES TO VOLUNTARY POLICIES IN: GA)**

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled, the effective date of cancellation will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel, the standard premium for the rating plan period will be calculated on a pro rata basis plus a 10% surcharge of the unearned premium for workers compensation and employers liability insurance and the applicable cancellation procedure for other lines of insurance. This cancelled premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The pro rata cancelled retrospective rating plan premium plus the 10% surcharge of the unearned retrospective rating plan premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days.

5. Section F.4. will not apply if you cancel because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 19 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
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(APPLIES TO VOLUNTARY POLICIES IN: GA)**

Schedule

Premium Subject to Retrospective Rating Plan, Loss Limitations, Loss Conversion Factors, State Tax Multipliers, Excess Loss Premium Factors, Retrospective Development Factors

1. The premium for the following policies combined is to be calculated in accordance with the provisions of this Retrospective Rating Plan Premium Endorsement:

List of Policies

2. The retrospective rating plan does not apply to the premium for policies _____

in the states of _____

3. The retrospective rating plan does not apply to the premium for uninsured motorist insurance if afforded under the policies designated in paragraph 1.

4. The premium for the general liability and automobile liability insurance afforded under policies designated in paragraph 1 above for insurance in excess of the limits of liability stated below will not be subject to retrospective rating. State the dollar amount of the limit of liability and the manner in which it applies.

Coverage	Limit of Liability
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

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**EXHIBIT 19 (CONT'D)
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_____	\$	_____
_____	\$	_____
_____	\$	_____

The incurred losses to be included in calculating the premium for the insurance subject to retrospective rating plan will not include that portion of the losses actually paid and the reserves for unpaid losses that is in excess of the limits of liability stated above, but that part of the incurred losses consisting of premiums on bonds, interest payable in accordance with the provisions of the policy, allocated loss adjustment expenses, and expenses incurred in seeking recovery against a third party will not be subject to such limits.

- 5. Workers Compensation and Employers Liability Loss Limitation is \$ _____
- 6. Combination Loss Limitation of \$ _____ is the overall limit on the incurred losses arising out of any one accident or occurrence for the following combination of insurance.

7. If the combination loss limitation does not apply, for general liability, auto liability, auto physical damage, or theft insurance, specify the loss limitation that applies separately to each accident or occurrence:

Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____

8. Loss Conversion Factor is _____

9. Minimum Retrospective Rating Plan Premium Factor is _____
Maximum Retrospective Rating Plan Premium Factor is _____

10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 19 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
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	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	\$ _____	\$ _____	\$ _____

TABLE OF STATES

11.A	Excess Loss Premium Factors		Tax Multiplier	
	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
State	State (Other Than "F" Classes)	Federal ("F" Classes Only)	State (Other Than "F" Classes)	Federal ("F" Classes Only)

11.B	Excess Loss Premium Factors			Tax Multiplier		
	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 19 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
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12.A	Retrospective Development Factors		
State	Workers Compensation and Employers Liability		
	1st	2nd	3rd

12.B	Retrospective Development Factors							
State	General Liability				Automobile Liability			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 20
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 10 05 05 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)****GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 10 05 05 A)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the three-year period beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is the standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE****EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 10 05 05 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)**

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses ~~for~~ and the following expenses:
- Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal-Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 10 05 05 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)**

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium are limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium for workers compensation and employers liability insurance, and the first four calculations for auto liability and general liability. This premium is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

For workers compensation and employers liability insurance, retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. For general liability and automobile liability insurance, retrospective development factors vary by first, second, third, and fourth calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 10 05 05 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)

3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days), and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel, the standard premium for the rating plan period will be calculated on a pro rata basis plus a 10% surcharge of the unearned premium for workers compensation and employers liability insurance and the applicable cancellation procedure for other lines of insurance. This cancelled premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
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(APPLIES TO VOLUNTARY POLICIES IN: GA)**

The pro rata cancelled retrospective rating plan premium plus the 10% surcharge of the unearned retrospective rating plan premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days).

- 5. Section F.4. will not apply if you cancel because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

Premium Subject to Retrospective Rating Plan, Loss Limitations, Loss Conversion Factors, State Tax Multipliers, Excess Loss Premium Factors, Retrospective Development Factors

- 1. The premium for the following policies combined is to be calculated in accordance with the provisions of this Retrospective Rating Plan Premium Endorsement:

List of Policies

- 2. The retrospective rating plan does not apply to the premium for policies

in the states of

- 3. The retrospective rating plan does not apply to the premium for uninsured motorist insurance if afforded under the policies designated in paragraph 1.

- 4. The premium for the general liability and automobile liability insurance afforded under policies designated in paragraph 1 above for insurance in excess of the limits of liability stated below will not be subject to retrospective rating. State the dollar amount of the limit of liability and the manner in which it applies.

Coverage

Limit of Liability

\$

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
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(APPLIES TO VOLUNTARY POLICIES IN: GA)**

_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____

If aggregate limits of liability are stated above, they will apply separately to each annual period included in the three-year period.

The incurred losses to be included in calculating the premium for the insurance subject to retrospective rating will not include that portion of the losses actually paid and the reserves for unpaid losses that is in excess of the limits of liability stated above, but that part of the incurred losses consisting of premiums on bonds, interest payable in accordance with the provisions of the policy, allocated loss adjustment expenses, and expenses incurred in seeking recovery against a third party will not be subject to such limits.

5. Workers Compensation and Employers Liability Loss Limitation is \$ _____

6. Combination Loss Limitation of \$ _____ is the overall limit on the incurred losses arising out of any one accident or occurrence for the following combination of insurance

7. If the combination loss limitation does not apply, for general liability, auto liability, auto physical damage or theft insurance, specify the loss limitation that applies separately to each accident or occurrence:

Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
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(APPLIES TO VOLUNTARY POLICIES IN: GA)**

8. Loss Conversion Factor is _____

9. Minimum Retrospective Rating Plan Premium Factor is _____
Maximum Retrospective Rating Plan Premium Factor is _____

10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

		50%		100%		150%
Estimated Standard Premium:	\$	_____	\$	_____	\$	_____
Basic Premium Factor:	\$	_____	\$	_____	\$	_____

TABLE OF STATES

11.A	Excess Loss Premium Factors		Tax Multiplier	
	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	State (Other Than "F" Classes)	Federal ("F" Classes Only)	State (Other Than "F" Classes)	Federal ("F" Classes Only)
State				

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 10 05 05 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)

11.B	Excess Loss Premium Factors			Tax Multiplier		
State	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage

12.A	Retrospective Development Factors		
State	Workers Compensation and Employers Liability		
	1st	2nd	3rd

12.B	Retrospective Development Factors							
State	General Liability				Automobile Liability			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 21
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 10 05 06 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)****GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION PROJECT—MULTIPLE LINES (WC 10 05 06 A)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the duration of the wrap-up construction project described in the declarations or Information Page of such policies, beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
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The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses ~~for~~ and the following expenses:
- a. Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - b. Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - c. Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - d. Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements and any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7424~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
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Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium are limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium for workers compensation and employers liability insurance, and the first four calculations for auto liability and general liability. This premium is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

For workers compensation and employers liability insurance, retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. For general liability and automobile liability insurance, retrospective development factors vary by first, second, third, and fourth calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 10 05 06 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)**

3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date, and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel, the standard premium for the rating plan period will be calculated on a pro rata basis plus a 10% surcharge of the unearned premium for workers compensation and employers liability insurance and the applicable cancellation procedure for other lines of insurance. This cancelled premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
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(APPLIES TO VOLUNTARY POLICIES IN: GA)**

The pro rata cancelled retrospective rating plan premium plus the 10% surcharge of the unearned retrospective rating plan premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date.

- 5. Section F.4. will not apply if you cancel because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

Premium Subject to Retrospective Rating Plan, Loss Limitations, Loss Conversion Factors, State Tax Multipliers, Excess Loss Premium Factors, Retrospective Development Factors

- 1. The premium for the following policies combined is to be calculated in accordance with the provisions of this Retrospective Rating Plan Premium Endorsement:

List of Policies

- 2. The retrospective rating plan does not apply to the premium for policies _____

_____ in the states of _____

- 3. The retrospective rating plan does not apply to the premium for uninsured motorist insurance if afforded under the policies designated in paragraph 1.
- 4. The premium for the general liability and automobile liability insurance afforded under policies designated in paragraph 1 above for insurance in excess of the limits of liability stated below will not be subject to retrospective rating. State the dollar amount of the limit of liability and the manner in which it applies.

Coverage

Limit of Liability

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 10 05 06 A)
(APPLIES TO VOLUNTARY POLICIES IN: GA)**

9. Minimum Retrospective Rating Plan Premium Factor is _____

Maximum Retrospective Rating Plan Premium Factor is _____

10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	\$ _____	\$ _____	\$ _____

TABLE OF STATES

11.A State	Excess Loss Premium Factors		Tax Multiplier	
	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	State (Other Than "F" Classes)	Federal ("F" Classes Only)	State (Other Than "F" Classes)	Federal ("F" Classes Only)

11.B State	Excess Loss Premium Factors			Tax Multiplier		
	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
GEORGIA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
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11.B	Excess Loss Premium Factors			Tax Multiplier		
State	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage

12.A	Retrospective Development Factors		
State	Workers Compensation and Employers Liability		
	1st	2nd	3rd

12.B	Retrospective Development Factors							
State	General Liability				Automobile Liability			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
KANSAS ASSIGNED RISK RETROSPECTIVE RATING PLAN ENDORSEMENT (WC 15 04 03 F)
(APPLIES TO ASSIGNED RISK POLICIES IN: KS)****KANSAS ASSIGNED RISK RETROSPECTIVE RATING PLAN ENDORSEMENT (WC 15 04 03-~~EF~~)**

This endorsement amends and is added to Part Five (Premium) of your Policy because you chose to have the cost of the insurance rated retrospectively. This endorsement explains how the Kansas Assigned Risk Retrospective Rating Plan premium will be determined.

This endorsement determines the premium for the Kansas Assigned Risk Retrospective Rating Plan for the insurance provided during this policy term. This endorsement is attached to all assigned risk policies where an employer has chosen and is eligible for rating under the Kansas Assigned Risk Retrospective Rating Plan. A 20% Kansas Assigned Risk Retrospective Rating Plan contingency deposit premium is required once eligibility is established.

A. Kansas Assigned Risk Retrospective Rating Plan Premium Elements

The amount of the Kansas Assigned Risk Retrospective Rating Plan premium depends on the six standard elements that are explained below:

1. **Standard premium** means the premium that is determined for you on the basis of authorized rates, any experience rating modification, Assigned Risk Adjustment Program (ARAP), assigned risk surcharge programs other than the Kansas Assigned Risk Retrospective Rating Plan, and minimum premiums.

Determination of standard premium must exclude:

- a. Premium discount
- b. Expense constant
- c. Premium resulting from the nonratable element codes
- d. ~~Premium developed by the passenger seat surcharge under Code 7421~~
- e. Premium developed by the occupational disease rates subject to the Federal Coal-Mine Safety and Health and Safety Act
- f. Premium developed by catastrophe provisions as outlined in Rule 3-A-24 of NCCI's **Basic Manual**

Standard premium as referenced throughout this endorsement means estimated annual standard premium and includes preliminary physical audited premium and final audited premium. If a premium is specifically referenced as estimated annual standard premium, preliminary physical audited premium, or final audited premium, the language is exclusive to that type of premium's definition.

2. **Basic premium factor** is a percentage of standard premium. It is determined by multiplying the standard premium by a basic premium factor, which includes insurance carrier expenses such as those for servicing the insured's account, loss prevention services, premium audit, and general administration of the insurance. The basic premium factor does not cover premium taxes or claim adjustment expenses. These elements are usually provided for in the tax multiplier and the loss conversion factor.

The Basic Premium Factor will be based on the following scale:

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
KANSAS ASSIGNED RISK RETROSPECTIVE RATING PLAN ENDORSEMENT (WC 15 04 03 F)
(APPLIES TO ASSIGNED RISK POLICIES IN: KS)**

\$100,000–\$124,999	0.35
\$125,000–\$149,999	0.34
\$150,000–\$174,999	0.33
\$175,000–\$199,999	0.32

3. **Incurred losses** include paid, outstanding, and any reserves set on open losses. Incurred losses are used in the rating formula for determining premium under the Kansas Assigned Risk Retrospective Rating Plan for those losses reported under the rules of NCCI's *Statistical Plan*.
4. **Converted losses** include a loss conversion factor that is applied to actual losses that are incurred during the Kansas Assigned Risk Retrospective Rating Plan policy(s) period to determine the converted losses.
5. **Tax multiplier** varies by state and covers licenses, fees, assessments, and taxes that we must pay on the premium we collect. The tax multiplier for this state is shown in the Schedule.
6. **Loss development factor** varies by state and stabilizes premium adjustments for you subject to the Kansas Assigned Risk Retrospective Rating Plan. The Kansas Assigned Risk Retrospective Rating Plan loss development factor anticipates a pattern or increasing valuation of losses after the policy is expired. The loss development factor is included in the first three adjustments of the Kansas Assigned Risk Retrospective Rating Plan premium. The premium development factors are shown in the Schedule.

B. Eligibility

1. The purpose of the Kansas Assigned Risk Retrospective Rating Plan is to provide an optional assigned risk retrospective rating plan for those employers that have a workers compensation and employers liability insurance policy(s) through the Workers Compensation Insurance Plan (WCIP) in Kansas with a standard premium that is not less than \$100,000 and not more than \$199,999.
2. The Kansas Assigned Risk Retrospective Rating Plan is designed to:
 - Encourage safety and loss prevention
 - Depopulate the residual market
 - Provide incentives for employers with favorable loss experience through lower premiums
 - Provide a disincentive for employers with unfavorable loss experience through higher premiums
3. Upon written notification by the employer and agreement by the assigned carrier, the rules in this section are mandatory and apply to workers compensation and employers liability insurance written under the Kansas Workers Compensation Insurance Plan (WCIP).
4. The elements of the Kansas Assigned Risk Retrospective Rating Plan and how premium is determined are defined above.

C. Kansas Assigned Risk Retrospective Rating Plan Formula

1. **Calculating the Kansas Assigned Risk Retrospective Rating Plan** The Kansas Assigned Risk Retrospective Rating Plan premium is to be calculated as soon as practicable based upon losses valued six months after the WCIP policy(s) expiration. In certain cases, the assigned carrier may make an early calculation of the Kansas Assigned Risk Retrospective Rating Plan premium. Such cases include, but are not limited to:
 - Cancellation of policy(s) as outlined in Item 9

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
KANSAS ASSIGNED RISK RETROSPECTIVE RATING PLAN ENDORSEMENT (WC 15 04 03 F)
(APPLIES TO ASSIGNED RISK POLICIES IN: KS)**

- Bankruptcy
 - Liquidation, reorganization, or receivership
2. **The Kansas Assigned Risk Retrospective Rating Plan Formula** The Kansas Assigned Risk Retrospective Rating Plan premium for an employer subject to this program is determined by the following formula:

$$[(SP \times BPF) + (IL \times LCF) + (SP \times LDF \times LCF)] \times TM$$

Where . . .	Equals . . .
SP	Standard Premium
BPF	Basic Premium Factor
IL	Incurred Losses
LCF	Loss Conversion Factor
LDF	Loss Development Factor
TM	Tax Multiplier

The Kansas Assigned Risk Retrospective Rating Plan is designed to allow for a premium that is not less than the Kansas Assigned Risk Retrospective Rating Plan minimum premium or more than the Kansas Assigned Risk Retrospective Rating Plan maximum premium as outlined in the Schedule.

D. Premium Calculation and Payments

1. You will pay a premium that will equal 100% of the standard premium.
2. You will pay a Kansas Assigned Risk Retrospective Rating Plan contingency deposit premium that will equal 20% of the standard premium.
3. Your Kansas Assigned Risk Retrospective Rating Plan premium will be determined after the policy period ends.
4. The first valuation of Kansas Assigned Risk Retrospective Rating Plan premium will be determined using all loss information valued as of six months after policy expiration or as soon as practicable. Three additional annual premium adjustment calculations will be made based on loss information valued as of 30, 42, and 54 months after the month in which the rating plan period became effective.
5. We must value the policy annually after the first valuation and subsequent valuations as needed. We will not need to do subsequent valuations if there are no open losses.
6. If we are notified that the employer has declared bankruptcy, the assigned carrier must file for Proof of Claim. In addition, we may make a special adjustment for the purpose of calculating the Kansas Assigned Risk Retrospective Rating Plan premium to determine if additional or return premium is due when you:
 - Have declared bankruptcy
 - Have defaulted on your premium
 - Are involved in any reorganization, receivership, or liquidation
 - Disposed of all, or substantially all, of your assets

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
KANSAS ASSIGNED RISK RETROSPECTIVE RATING PLAN ENDORSEMENT (WC 15 04 03 F)
(APPLIES TO ASSIGNED RISK POLICIES IN: KS)**

You or the bankruptcy estate, if applicable, will be responsible for any additional premium due to this special adjustment.

7. After each valuation, you will pay to us the amount due within 30 days. If you fail to pay all premium due under the Kansas Assigned Risk Retrospective Rating Plan, your current policy will be cancelled in accordance with the WCIP rules, state law, or assigned carrier performance standards, whichever is more restrictive. You will no longer be in good faith eligible for coverage under the WCIP.

E. Cancellation

1. The Kansas Assigned Risk Retrospective Rating Plan policy will be cancelled pro rata in accordance with NCCI's **Basic Manual** rules when the policy is cancelled:
 - By you when retiring from business
 - By us for nonpayment of premium, and you are in noncompliance of the WCIP rules and procedures and are no longer in good faith eligible for coverage
 - Because you leave the residual market and have secured coverage in the voluntary market
2. The Kansas Assigned Risk Retrospective Rating Plan will be cancelled short rate in accordance with NCCI's **Basic Manual** rules when the policy is cancelled:
 - By us for any reason **except** for nonpayment of premium, and you are in noncompliance of WCIP rules and procedures and are no longer in good faith eligible for coverage
 - By you for reasons other than retiring from business
3. We must report noncompliance and any subsequent compliance to the Plan Administrator.
4. For the purpose of the Kansas Assigned Risk Retrospective Rating Plan, a change in ownership that results in elimination of experience under the rules of NCCI's **Basic Manual** does not constitute retiring from business.

Schedule

1. Basic Premium Factor	
2. Loss Conversion Factor	1.125
3. Tax Multiplier	
4. Minimum Premium Factor	
5. Maximum Premium Factor	
6. Kansas Assigned Risk Retrospective Rating Plan Development Factors:	
1st Adjustment	
2nd Adjustment	
3rd Adjustment	
Subsequent Adjustments	0.00

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 17 05 01 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)****LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN (WC 17 05 01 ~~A~~ B)**

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy and any policy listed in the Schedule. The rating plan period is the one-year period beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal Mine Safety and Health Act
 - ~~Premium developed by the catastrophe provisions as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgments, expenses to recover against third parties, and employers liability loss adjustment expenses. This

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 17 05 01 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)

includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal-Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers are shown in the Schedule.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium and is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 17 05 01 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)

Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled, the effective date of cancellation will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 17 05 01 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)**

- 3. If we cancel for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
- 4. If you cancel, the standard premium for the rating plan period will be calculated either pro rata or more than pro rata based on the time that the policy was in force, unless our manuals provide otherwise. If the standard premium for the cancelled policy is calculated more than pro rata, the standard premium will be increased by our short-rate cancellation procedure that has been filed with and approved by the commissioner.
 - a. The cancelled premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.
 - b. The cancelled premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.
 - c. The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days.

Schedule

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2. Loss Limitation: \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums, shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

5. The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 17 05 01 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)**

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other Than "F" Classes)	Federal ("F" Classes Only)	State (Other Than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 17
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN (WC 17 05 02 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)****LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN (WC 17
05 02 ~~A~~ B)**

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the three-year period beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal Mine Safety and Health Act
 - ~~Premium developed by the catastrophe provisions as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgments, expenses to recover against third parties, and employers liability loss adjustment expenses. This

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN (WC 17 05 02 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)

includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements and any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal-Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium and converted incurred losses and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the retrospective rating plan policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium and is called the retrospective development premium. It is a percentage of standard premium multiplied

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN (WC 17 05 02 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)

by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN (WC 17 05 02 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)**

premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement.
2. If the other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be the standard premium for the rating period, increased pro rata to three years (1,095 days), and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel, the standard premium for the rating plan period will be calculated either pro rata or more than pro rata based on the time that the policy was in force, unless our manuals provide otherwise. If the standard premium for the cancelled policy is calculated more than pro rata, the standard premium will be increased by our short-rate cancellation procedure that has been filed with and approved by the commissioner.
 - a. The cancelled premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.
 - b. The cancelled premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.
 - c. The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days).

Schedule

Other policies subject to this Retrospective Rating Plan Premium

1. Endorsement _____

2. Loss Limitation: \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN (WC 17 05 02 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)**

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

5. The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other Than "F" Classes)	Federal ("F" Classes Only)	State (Other Than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 18
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT (WC 17 05 03 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)****LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION PROJECT (WC 17 05 03 ~~A~~ B)**

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the duration of the wrap-up construction project described on the Information Page, beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 18 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT (WC 17 05 03 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)**

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgments, expenses to recover against third parties, and employers liability loss adjustment expenses. This includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the~~Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
 5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the retrospective rating plan policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 18 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT (WC 17 05 03 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)**

premium, and is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 18 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
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premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date, and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel, the standard premium for the rating plan period will be calculated either pro rata or more than pro rata based on the time that the policy was in force, unless our manuals provide otherwise. If the standard premium for the cancelled policy is calculated more than pro rata, the standard premium will be increased by our short-rate cancellation procedure that has been filed with and approved by the commissioner.
 - a. The cancelled premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.
 - b. The cancelled premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.
 - c. The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period plus the estimated standard premium from the end of the rating plan period to the estimated project completion date.

Schedule

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2. Loss Limitation: \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 18 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
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4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

5. The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other Than "F" Classes)	Federal ("F" Classes Only)	State (Other Than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 19
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 17 05 04 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)****LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 17 05 04 ~~A~~ B)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, and any policy listed in the Schedule. The rating plan period is the one-year period beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 19 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 17 05 04 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses ~~for~~ and the following expenses:
- a. Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - b. Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - c. Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - d. Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers are shown in the Schedule.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 19 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
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(APPLIES TO VOLUNTARY POLICIES IN: LA)**

1. The election of a loss limitation means that the amounts of incurred loss to be included in the retrospective rating plan premium are limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium for workers compensation and employers liability insurance, and the first four calculations for auto liability and general liability. This premium is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

For workers compensation and employers liability insurance, retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. For general liability and automobile liability insurance, retrospective development factors vary by first, second, third, and fourth calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

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EXHIBIT 19 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 17 05 04 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled, the effective date of cancellation will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel, the standard premium for the rating plan period will be calculated either pro rata or more than pro rata based on the time that the policy was in force for workers compensation and employers liability insurance, unless our manuals provide otherwise, and the applicable cancellation procedure for other lines of insurance. If the standard premium for the cancelled policy is calculated more than pro rata, the standard premium will be increased by our short-rate cancellation procedure that has been filed with and approved by the commissioner.
 - a. The cancelled premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.
 - b. The cancelled retrospective rating plan premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.
 - c. The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days.

Schedule

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 19 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
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Premium Subject to Retrospective Rating Plan, Loss Limitations, Loss Conversion Factors, State Tax Multipliers, Excess Loss Premium Factors, Retrospective Development Factors

- 1. The premium for the following policies combined is to be calculated in accordance with the provisions of this Retrospective Rating Plan Premium Endorsement:

List of Policies

- 2. The retrospective rating plan does not apply to the premium for policies _____

_____ in the states of _____

- 3. The retrospective rating plan does not apply to the premium for uninsured motorist insurance if afforded under the policies designated in paragraph 1.

- 4. The premium for the general liability and automobile liability insurance afforded under policies designated in paragraph 1 above for insurance in excess of the limits of liability stated below will not be subject to retrospective rating. State the dollar amount of the limit of liability and the manner in which it applies.

Coverage	Limit of Liability
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 19 (CONT'D)
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\$ _____

\$ _____

The incurred losses to be included in calculating the premium for the insurance subject to retrospective rating plan will not include that portion of the losses actually paid and the reserves for unpaid losses that is in excess of the limits of liability stated above, but that part of the incurred losses consisting of premiums on bonds, interest payable in accordance with the provisions of the policy, allocated loss adjustment expenses, and expenses incurred in seeking recovery against a third party will not be subject to such limits.

5. Workers Compensation and Employers Liability Loss Limitation is \$ _____

6. Combination Loss Limitation of \$ _____ is the overall limit on the incurred losses arising out of any one accident or occurrence for the following combination of insurance:

7. If the combination loss limitation does not apply, for general liability, auto liability, auto physical damage, or theft insurance, specify the loss limitation that applies separately to each accident or occurrence:

Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____

8. Loss Conversion Factor is _____

9. Minimum Retrospective Rating Plan Premium Factor is _____
Maximum Retrospective Rating Plan Premium Factor is _____

10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

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FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
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	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	\$ _____	\$ _____	\$ _____

TABLE OF STATES

11.A	Excess Loss Premium Factors		Tax Multiplier	
	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
State	State (Other Than "F" Classes)	Federal ("F" Classes Only)	State (Other Than "F" Classes)	Federal ("F" Classes Only)

11.B	Excess Loss Premium Factors			Tax Multiplier		
	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 19 (CONT'D)
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12.A	Retrospective Development Factors		
State	Workers Compensation and Employers Liability		
	1st	2nd	3rd

12.B	Retrospective Development Factors							
State	General Liability				Automobile Liability			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 20
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 17 05 05 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)****LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 17 05 05 ~~A~~ B)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the three-year period beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421-~~
 - Premium developed by the occupational disease rates for employers subject to the Federal Mine Safety and Health Act
 - ~~Premium developed by the catastrophe provisions as outlined in our manuals-~~
2. Basic premium is less than standard premium. It is the standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 17 05 05 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses ~~for~~ and the following expenses:
- a. Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - b. Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - c. Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - d. Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal-Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
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(APPLIES TO VOLUNTARY POLICIES IN: LA)**

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium are limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium for workers compensation and employers liability insurance, and the first four calculations for auto liability and general liability. This premium is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

For workers compensation and employers liability insurance, retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. For general liability and automobile liability insurance, retrospective development factors vary by first, second, third, and fourth calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 17 05 05 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)

3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days), and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel, the standard premium for the rating plan period will be calculated either pro rata or more than pro rata based on the time that the policy was in force for workers compensation and employers liability insurance, unless our manuals provide otherwise, and the applicable cancellation procedure for other lines of insurance. If the standard premium for the cancelled policy is calculated

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 17 05 05 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)**

more than pro rata, the standard premium will be increased by our short-rate cancellation procedure that has been filed with and approved by the commissioner.

- a. The cancelled premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.
- b. The cancelled retrospective rating plan premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.
- c. The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days).

Schedule

Premium Subject to Retrospective Rating Plan, Loss Limitations, Loss Conversion Factors, State Tax Multipliers, Excess Loss Premium Factors, Retrospective Development Factors

1. The premium for the following policies combined is to be calculated in accordance with the provisions of this Retrospective Rating Plan Premium Endorsement:

List of Policies

2. The retrospective rating plan does not apply to the premium for policies

in the states of

3. The retrospective rating plan does not apply to the premium for uninsured motorist insurance if afforded under the policies designated in paragraph 1.

4. The premium for the general liability and automobile liability insurance afforded under policies designated in paragraph 1 above for insurance in excess of the limits of liability stated below will not be subject to retrospective rating. State the dollar amount of the limit of liability and the manner in which it applies.

Coverage	Limit of Liability
<hr/>	\$ <hr/>
<hr/>	\$ <hr/>

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 17 05 05 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)**

9. Minimum Retrospective Rating Plan Premium Factor is _____
 Maximum Retrospective Rating Plan Premium Factor is _____

10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	\$ _____	\$ _____	\$ _____

TABLE OF STATES

11.A State	Excess Loss Premium Factors		Tax Multiplier	
	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	State (Other Than "F" Classes)	Federal ("F" Classes Only)	State (Other Than "F" Classes)	Federal ("F" Classes Only)

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 17 05 05 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)

11.B State	Excess Loss Premium Factors			Tax Multiplier		
	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage

12.A State	Retrospective Development Factors		
	Workers Compensation and Employers Liability		
	1st	2nd	3rd

12.B State	Retrospective Development Factors							
	General Liability				Automobile Liability			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 21**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 17 05 06 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)****LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION PROJECT—MULTIPLE LINES (WC 17 05 06 ~~A~~ B)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the duration of the wrap-up construction project described in the declarations or Information Page of such policies, beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 17 05 06 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses ~~for~~ and the following expenses:
- a. Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - b. Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - c. Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - d. Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements and any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7424~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
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(APPLIES TO VOLUNTARY POLICIES IN: LA)

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium are limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium for workers compensation and employers liability insurance, and the first four calculations for auto liability and general liability. This premium is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

For workers compensation and employers liability insurance, retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. For general liability and automobile liability insurance, retrospective development factors vary by first, second, third, and fourth calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 17 05 06 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)**

3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date, and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel, the standard premium for the rating plan period will be calculated either pro rata or more than pro rata based on the time that the policy was in force for workers compensation and employers liability insurance, unless our manuals provide otherwise, and the applicable cancellation procedure for other lines of insurance. If the standard premium for the cancelled policy is calculated

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
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(APPLIES TO VOLUNTARY POLICIES IN: LA)**

more than pro rata, the standard premium will be increased by our short-rate cancellation procedure that has been filed with and approved by the commissioner.

- a. The cancelled premium will be the minimum retrospective rating plan premium and will be used to determine the basic premium.
- b. The cancelled retrospective rating plan premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.
- c. The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date.

Schedule

Premium Subject to Retrospective Rating Plan, Loss Limitations, Loss Conversion Factors, State Tax Multipliers, Excess Loss Premium Factors, Retrospective Development Factors

1. The premium for the following policies combined is to be calculated in accordance with the provisions of this Retrospective Rating Plan Premium Endorsement:

List of Policies

2. The retrospective rating plan does not apply to the premium for policies _____

in the states of

3. The retrospective rating plan does not apply to the premium for uninsured motorist insurance if afforded under the policies designated in paragraph 1.
4. The premium for the general liability and automobile liability insurance afforded under policies designated in paragraph 1 above for insurance in excess of the limits of liability stated below will not be subject to retrospective rating. State the dollar amount of the limit of liability and the manner in which it applies.

Coverage

Limit of Liability

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 17 05 06 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)**

Loss Limitation for _____ insurance is \$ _____

8. Loss Conversion Factor is _____

9. Minimum Retrospective Rating Plan Premium Factor is _____
Maximum Retrospective Rating Plan Premium Factor is _____

10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	\$ _____	\$ _____	\$ _____

TABLE OF STATES

11.A State	Excess Loss Premium Factors		Tax Multiplier	
	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	State (Other Than "F" Classes)	Federal ("F" Classes Only)	State (Other Than "F" Classes)	Federal ("F" Classes Only)

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
LOUISIANA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 17 05 06 B)
(APPLIES TO VOLUNTARY POLICIES IN: LA)

11.B	Excess Loss Premium Factors			Tax Multiplier			
	State	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage

12.A	Retrospective Development Factors			
	State	Workers Compensation and Employers Liability		
		1st	2nd	3rd

12.B	Retrospective Development Factors								
	State	General Liability				Automobile Liability			
		1st	2nd	3rd	4th	1st	2nd	3rd	4th

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RHODE ISLAND SHORT RATE CANCELLATION ENDORSEMENT (WC 38 04 01 B)
(APPLIES IN: RI)**

RHODE ISLAND SHORT RATE CANCELLATION ENDORSEMENT (WC 38 04 01 ~~A~~ B)

This endorsement applies only to the insurance provided by the policy because Rhode Island is shown in Item 3.A of the Information Page.

The cancellation condition in the Workers Compensation and Employers Liability Insurance Policy Standard-Policy WC-00-00-00-A—Part Five Premium, E. Final Premium, states that if this policy is cancelled by you, the final premium will be more than pro rata but not less than the policy minimum premium.

The final premium will be calculated as follows based on the Short-Rate Cancellation Table attached to this endorsement:

If . . .	Then . . .
<p>This policy is cancelled by you, except when retiring from this business</p>	<p>Unless a different method has been filed by the carrier and approved by the appropriate regulatory authority, the premium for the cancelled policy must be calculated by using either the short-rate percentage or short-rate factor as follows, based on the Short Rate Cancellation Table located in Appendix B:</p> <p>Steps based on short-rate percentage:</p> <ol style="list-style-type: none"> 1. Determine the payroll developed during the period the policy was in effect. 2. Determine the full policy payroll by using the following formula: $\frac{\text{number of days for which the policy was written}}{\text{number of days the policy was in effect}} \times \text{actual payroll}$ 3. Apply authorized rates to such payroll. 4. Calculate the extended number of days by using the following formula. If the policy was written for a one-year period, the extended number of days is the number of days the policy was in effect: $\frac{\text{number of days the policy was in effect}}{\text{number of days for which the policy was written}} \times 365$ 5. Based on the extended number of days, apply the short-rate percentage shown in the Short Rate Cancellation Table located in the Appendix to the full policy premium calculated in step 3. This result is the short-rate manual premium. 6. If applicable: <ul style="list-style-type: none"> • Apply any pricing programs • Apply any experience rating modification

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RHODE ISLAND SHORT RATE CANCELLATION ENDORSEMENT (WC 38 04 01 B)
(APPLIES IN: RI)

If . . .	Then . . .
	<ul style="list-style-type: none"> • Apply any premium discount based on the final earned total standard premium • Add the short-rate portion of the expense constant but not less than \$15 • Apply catastrophe provisions based on the earned manual premium <p>7. The total earned premium for the short-rate cancelled policy must not be less than the annual minimum premium applicable to the policy.</p> <p>Steps based on the short-rate factor:</p> <ol style="list-style-type: none"> 1. Determine the payroll developed during the period that the policy was in effect. 2. Apply authorized rates to such payroll. 3. Based on the number of days that the policy was in effect, determine the applicable short-rate factor shown in the Short Rate Cancellation Table located in Appendix B. 4. Apply the short-rate factor to the premium calculated on the basis of the earned premium for the period that the policy was in effect in step 2. This result is the short-rate manual premium. 5. If applicable: <ul style="list-style-type: none"> • Apply any pricing programs • Apply any experience rating modification • Apply any premium discount based on the final earned total standard premium • Add the short-rate portion of the expense constant but not less than \$15 • Apply catastrophe provisions based on the earned manual premium 6. The total earned premium for the short-rate cancelled policy must not be less than the annual minimum premium applicable to the policy.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RHODE ISLAND SHORT RATE CANCELLATION ENDORSEMENT (WC 38 04 01 B)
(APPLIES IN: RI)**

SHORT RATE CANCELLATION TABLE

Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect	Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect	Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect
1	5%	18.2482	46	23%	1.8250	91	35%	1.4038
2	6	10.9489	47	23	1.7861	92	36	1.4283
3	7	8.5158	48	24	1.8250	93	36	1.4129
4	7	6.3869	49	24	1.7877	94	36	1.3979
5	8	5.8394	50	24	1.7520	95	37	1.4216
6	8	4.8662	51	24	1.7176	96	37	1.4068
7	9	4.6924	52	25	1.7548	97	37	1.3923
8	9	4.1058	53	25	1.7216	98	37	1.3781
9	10	4.0552	54	25	1.6899	99	38	1.4010
10	10	3.6496	55	26	1.7255	100	38	1.3870
11	11	3.6496	56	26	1.6947	101	38	1.3733
12	11	3.3455	57	26	1.6650	102	38	1.3598
13	12	3.3689	58	26	1.6362	103	39	1.3820
14	12	3.1283	59	27	1.6704	104	39	1.3688
15	13	3.1630	60	27	1.6425	105	39	1.3557
16	13	2.9653	61	27	1.6156	106	40	1.3774
17	14	3.0056	62	27	1.5895	107	40	1.3645
18	14	2.8386	63	28	1.6222	108	40	1.3519
19	15	2.8818	64	28	1.5969	109	40	1.3395
20	15	2.7377	65	28	1.5723	110	41	1.3605
21	16	2.7812	66	29	1.6038	111	41	1.3482
22	16	2.6547	67	29	1.5799	112	41	1.3362
23	17	2.6980	68	29	1.5566	113	41	1.3243
24	17	2.5856	69	29	1.5341	114	42	1.3447
25	17	2.4821	70	30	1.5643	115	42	1.3330
26	18	2.5270	71	30	1.5423	116	42	1.3215
27	18	2.4334	72	30	1.5208	117	43	1.3414
28	18	2.3465	73	30	1.5000	118	43	1.3301
29	18	2.2656	74	31	1.5291	119	43	1.3189
30	19	2.3117	75	31	1.5087	120	43	1.3079
31	19	2.2371	76	31	1.4888	121	44	1.3273
32	19	2.1672	77	32	1.5169	122	44	1.3164
33	20	2.2121	78	32	1.4974	123	44	1.3057
34	20	2.1471	79	32	1.4785	124	44	1.2951
35	20	2.0857	80	32	1.4600	125	45	1.3140
36	20	2.0278	81	33	1.4870	126	45	1.3036
37	21	2.0716	82	33	1.4689	127	45	1.2933
38	21	2.0171	83	33	1.4512	128	46	1.3117
39	21	1.9654	84	34	1.4774	129	46	1.3016
40	21	1.9162	85	34	1.4600	130	46	1.2916
41	22	1.9585	86	34	1.4430	131	46	1.2817
42	22	1.9119	87	34	1.4264	132	47	1.2996
43	22	1.8674	88	35	1.4517	133	47	1.2899

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RHODE ISLAND SHORT RATE CANCELLATION ENDORSEMENT (WC 38 04 01 B)
(APPLIES IN: RI)

Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect	Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect	Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect
44	23	1.9079	89	35	1.4354	134	47	1.2802
45	23	1.8655	90	35	1.4194	135	47	1.2708

SHORT RATE CANCELLATION TABLE (CONT'D)

Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect	Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect	Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect
136	48%	1.2882	181	60%	1.2099	226	70%	1.1305
137	48	1.2788	182	60	1.2033	227	70	1.1255
138	48	1.2696	183	61	1.2167	228	70	1.1206
139	49	1.2867	184	61	1.2101	229	71	1.1317
140	49	1.2775	185	61	1.2035	230	71	1.1267
141	49	1.2684	186	61	1.1970	231	71	1.1219
142	49	1.2595	187	61	1.1906	232	71	1.1170
143	50	1.2762	188	62	1.2037	233	72	1.1279
144	50	1.2674	189	62	1.1974	234	72	1.1231
145	50	1.2586	190	62	1.1910	235	72	1.1183
146	50	1.2500	191	62	1.1848	236	72	1.1136
147	51	1.2663	192	63	1.1977	237	72	1.1089
148	51	1.2578	193	63	1.1914	238	73	1.1195
149	51	1.2493	194	63	1.1853	239	73	1.1149
150	52	1.2653	195	63	1.1792	240	73	1.1102
151	52	1.2569	196	63	1.1732	241	73	1.1056
152	52	1.2487	197	64	1.1858	242	74	1.1161
153	52	1.2405	198	64	1.1798	243	74	1.1115
154	53	1.2562	199	64	1.1739	244	74	1.1070
155	53	1.2481	200	64	1.1680	245	74	1.1025
156	53	1.2401	201	65	1.1804	246	74	1.0980
157	54	1.2554	202	65	1.1745	247	75	1.1083
158	54	1.2475	203	65	1.1687	248	75	1.1038
159	54	1.2396	204	65	1.1630	249	75	1.0994
160	54	1.2319	205	65	1.1573	250	75	1.0950
161	55	1.2469	206	66	1.1694	251	76	1.1052
162	55	1.2392	207	66	1.1638	252	76	1.1008
163	55	1.2316	208	66	1.1582	253	76	1.0964
164	55	1.2241	209	66	1.1526	254	76	1.0921
165	56	1.2388	210	67	1.1645	255	76	1.0878
166	56	1.2313	211	67	1.1590	256	77	1.0979
167	56	1.2240	212	67	1.1535	257	77	1.0936
168	57	1.2384	213	67	1.1481	258	77	1.0893
169	57	1.2311	214	67	1.1428	259	77	1.0851

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RHODE ISLAND SHORT RATE CANCELLATION ENDORSEMENT (WC 38 04 01 B)
(APPLIES IN: RI)

Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect	Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect	Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect
170	57	1.2238	215	68	1.1544	260	77	1.0810
171	57	1.2167	216	68	1.1491	261	78	1.0908
172	58	1.2308	217	68	1.1438	262	78	1.0866
173	58	1.2237	218	68	1.1385	263	78	1.0825
174	58	1.2167	219	69	1.1500	264	78	1.0784
175	58	1.2097	220	69	1.1448	265	79	1.0881
176	59	1.2236	221	69	1.1396	266	79	1.0840
177	59	1.2167	222	69	1.1345	267	79	1.0800
178	59	1.2098	223	69	1.1294	268	79	1.0759
179	60	1.2235	224	70	1.1406	269	79	1.0719
180	60	1.2167	225	70	1.1356	270	80	1.0815

SHORT RATE CANCELLATION TABLE (CONT'D)

Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect	Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect	Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect
271	80%	1.0775	316	90%	1.0396	361	100%	1.0111
272	80	1.0735	317	90	1.0363	362	100	1.0083
273	80	1.0696	318	90	1.0330	363	100	1.0055
274	81	1.0790	319	90	1.0298	364	100	1.0027
275	81	1.0751	320	91	1.0380	365	100	1.0000
276	81	1.0712	321	91	1.0347			
277	81	1.0673	322	91	1.0315			
278	81	1.0635	323	91	1.0283			
279	82	1.0728	324	92	1.0364			
280	82	1.0689	325	92	1.0332			
281	82	1.0651	326	92	1.0301			
282	82	1.0614	327	92	1.0269			
283	83	1.0705	328	92	1.0238			
284	83	1.0667	329	93	1.0318			
285	83	1.0630	330	93	1.0286			
286	83	1.0593	331	93	1.0255			
287	83	1.0556	332	93	1.0224			
288	84	1.0646	333	94	1.0303			
289	84	1.0609	334	94	1.0272			
290	84	1.0572	335	94	1.0242			
291	84	1.0536	336	94	1.0211			
292	85	1.0625	337	94	1.0181			
293	85	1.0589	338	95	1.0259			
294	85	1.0553	339	95	1.0229			
295	85	1.0517	340	95	1.0198			

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
RHODE ISLAND SHORT RATE CANCELLATION ENDORSEMENT (WC 38 04 01 B)
(APPLIES IN: RI)

Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect	Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect	Days in Policy Period	Short Rate Percentages	Factor to Apply to Earned Premium for Period Policy in Effect
296	85	1.0481	341	95	1.0169			
297	86	1.0569	342	95	1.0139			
298	86	1.0534	343	96	1.0216			
299	86	1.0498	344	96	1.0186			
300	86	1.0463	345	96	1.0156			
301	86	1.0429	346	96	1.0127			
302	87	1.0515	347	97	1.0203			
303	87	1.0480	348	97	1.0174			
304	87	1.0446	349	97	1.0145			
305	87	1.0411	350	97	1.0116			
306	88	1.0497	351	97	1.0087			
307	88	1.0462	352	98	1.0162			
308	88	1.0429	353	98	1.0133			
309	88	1.0395	354	98	1.0105			
310	88	1.0361	355	98	1.0076			
311	89	1.0445	356	99	1.0150			
312	89	1.0412	357	99	1.0122			
313	89	1.0379	358	99	1.0094			
314	89	1.0346	359	99	1.0065			
315	90	1.0429	360	99	1.0038			

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 16
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 42 05 03 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)****TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN (WC 42
05 03 ~~A~~ B)**

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the state of Texas as listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy and any policy listed in the Schedule. The rating plan period is the one-year period beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and one elective element.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on Texas manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by terrorism ~~as outlined in Texas manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charges

The basic premium factor does not cover premium taxes or claim adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgments, expenses to recover against third parties, and employers liability loss adjustment expenses. This

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 42 05 03 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)

includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from Texas manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7424~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal-Mine Safety and Health Act~~
 - ~~Developed by Resulting from the application of terrorism provisions as outlined in Texas Manuals~~
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
 5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective element. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers are shown in the Schedule.

B. Retrospective Rating Plan Premium Elective Elements

Another element is included in determining retrospective rating plan premium if you elected to include it. It is the excess loss premium for the loss limitation. It is explained here.

- The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.
- The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.
- Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium elective element if you chose it. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 42 05 03 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)

are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.

3. If this endorsement applies to more than one policy, the standard premium will be the sum of the standard premiums for each policy.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, under the appropriate endorsement for that state, and if you begin work in that state during the retrospective rating plan period, the appropriate endorsement will apply to that insurance—if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective element you chose, will be determined by manuals for that state and added to the Schedule by endorsement.

F. Cancellation of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled, the effective date of cancellation will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.

Schedule

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 42 05 03 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)**

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2. Loss Limitation \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums, shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

5. The tax multipliers and excess loss premium factors for Texas are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multipliers	
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)
TX				

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 17
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
(WC 42 05 04 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)****TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN (WC 42 05 04 ~~A~~ B)**

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the state of Texas as listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the three-year period beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and one elective element.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on Texas manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by terrorism ~~as outlined in Texas manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claim adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgments, expenses to recover against third parties, and employers liability loss adjustment expenses. This

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
(WC 42 05 04 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)

includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements and any other elements excluded from Texas manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7424~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal-Mine Safety and Health Act~~
 - ~~Developed by Resulting from the application of terrorism provisions as outlined in Texas Manuals~~
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium and converted incurred losses and any elective element. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

Another element is included in determining retrospective rating plan premium if you elected to include it. It is the excess loss premium for the loss limitation. It is explained here.

- The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.
- The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.
- Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the retrospective rating plan policy period. Changes will be shown by endorsement.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium elective element if you chose it. This sum is multiplied by the applicable tax multiplier shown in the Schedule.

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
(WC 42 05 04 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)**

2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy, the standard premium will be the sum of the standard premiums for each policy.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, under the appropriate endorsement for that state, and if you begin work in that state during the retrospective rating plan period, the appropriate endorsement will apply to that insurance—if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective element you chose, will be determined by manuals for that state and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement.
2. If the other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be the standard premium for the rating period, increased pro rata to three years (1,095 days), and will include all of the applicable retrospective rating plan factors shown in the Schedule.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
(WC 42 05 04 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)**

4. If you cancel or do not renew, the maximum retrospective rating plan premium will be the standard premium for the rating period, increased pro rata to three years (1,095 days), and will include all of the applicable retrospective rating plan factors shown in the Schedule.

Schedule

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2. Loss Limitation \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums, shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

5. The tax multipliers and excess loss premium factors for Texas are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multipliers	
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)
TX				

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 18
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT LONG-TERM
CONSTRUCTION PROJECT (WC 42 05 05 A)
(APPLIES TO VOLUNTARY POLICIES IN: TX)****TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT LONG-TERM CONSTRUCTION
PROJECT (WC 42 05 05 A)**

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the state of Texas as listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the duration of the long-term construction project, expected to require more than one year for completion, but such project may be insured for any period not longer than three years, as described on the Information Page, beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and one elective element.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on Texas manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal-Mine~~ Safety and Health Act
 - Premium developed by terrorism ~~as outlined in Texas manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claim adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 18 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT LONG-TERM
CONSTRUCTION PROJECT (WC 42 05 05 A)
(APPLIES TO VOLUNTARY POLICIES IN: TX)

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgments, expenses to recover against third parties, and employers liability loss adjustment expenses. This includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from Texas manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal-Mine Safety and Health Act~~
 - ~~Developed by Resulting from the application of terrorism provisions as outlined in Texas Manuals~~
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

Another element is included in determining retrospective rating plan premium if you elected to include it. It is the excess loss premium for the loss limitation. It is explained here.

- The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.
- The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.
- Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the retrospective rating plan policy period. Changes will be shown by endorsement.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 18 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT LONG-TERM
CONSTRUCTION PROJECT (WC 42 05 05 A)
(APPLIES TO VOLUNTARY POLICIES IN: TX)

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium elective element if you chose it. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy, the standard premium will be the sum of the standard premiums for each policy.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, under the appropriate endorsement for that state, and if you begin work in that state during the retrospective rating plan period, the appropriate endorsement will apply to that insurance—if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective element you chose, will be determined by manuals for that state and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 18 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT LONG-TERM
CONSTRUCTION PROJECT (WC 42 05 05 A)
(APPLIES TO VOLUNTARY POLICIES IN: TX)**

3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date, and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel or do not renew, the maximum retrospective rating plan premium will be the standard premium for the rating period, increased pro rata to three years (1,095 days), and will include all of the applicable retrospective rating plan factors shown in the Schedule.

Schedule

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2. Loss Limitation \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

5. The tax multipliers and excess loss premium factors for Texas are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multipliers	
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)
TX				

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 19
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT NONRATABLE
CATASTROPHE ELEMENT OR SURCHARGE (WC 42 05 10 A)
(APPLIES TO VOLUNTARY POLICIES IN: TX)**

**TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT NONRATABLE CATASTROPHE
ELEMENT OR SURCHARGE (WC 42 05 10 A)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement changes the retrospective rating plan premium endorsement attached to the policy.

1. Standard premium excludes the portion of the premium that is determined by the application of a nonratable catastrophe element in a rate or a nonratable catastrophe surcharge required by Texas manuals. The classification codes involving such premiums are listed in the Schedule below.
2. Incurred losses do not include the cost in excess of the two most costly claims arising out of an accident involving two or more persons under a classification code for which Texas manuals contain a nonratable catastrophe element. ~~—~~
 - a. ~~The cost in excess of the two most costly claims arising out of an accident involving two or more persons under a classification code for which Texas manuals contain a nonratable catastrophe element~~
 - b. ~~Losses involving passenger employees, other than members of the flying crew, if the losses result from the crash of an aircraft described on the Aircraft Premium Endorsement~~
3. Terrorism, as described in Texas manuals, is included in the total policy premium but excluded from the standard premium used in a retrospective rating plan premium.

Schedule

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 20
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 42 05 12 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)****TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN—MULTIPLE
LINES (WC 42 05 12 ~~A~~ B)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the state of Texas as listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy and any Texas policy listed in the Schedule. The rating plan period is the one-year period beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and one elective element.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on Texas manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~-Mine Safety and Health Act
 - Premium developed by terrorism ~~as outlined in Texas manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claim adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 42 05 12 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses ~~for~~ and the following expenses:
- a. Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - b. Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - c. Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - d. Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from Texas manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by Resulting from the application of terrorism provisions as outlined in Texas Manuals~~
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers are shown in the Schedule.

B. Retrospective Rating Plan Premium Elective Elements

Another element is included in determining retrospective rating plan premium if you elected to include it. It is the excess loss premium for the loss. It is explained here.

- The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 42 05 12 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)**

who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

- The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.
- Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium elective element if you chose it. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy, the standard premium will be the sum of the standard premiums for each policy.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States under the appropriate endorsement for that state, and you begin work in that state during the retrospective rating plan period, the appropriate endorsement will apply to that insurance—if this retrospective rating plan applies in that state

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 42 05 12 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)**

on an interstate basis. The retrospective rating plan premium standard elements, and the elective element you chose, will be determined by manuals for that state and added to the Schedule by endorsement.

F. Cancellation of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled, the effective date of cancellation will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.

Schedule

Premium Subject to Retrospective Rating Plan, Loss Limitations, Loss Conversion Factors, State Tax Multipliers, Excess Loss Premium Factors

1. The premium for the following policies combined is to be calculated in accordance with the provisions of this Retrospective Rating Plan Premium Endorsement:

List of Policies

2. The retrospective rating plan does not apply to the premium for policies

in the states of

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 42 05 12 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)**

7. If the combination loss limitation does not apply for general liability, auto liability, auto physical damage, or theft insurance, specify the loss limitation that applies separately to each accident or occurrence:

Loss Limitation for _____ insurance is \$ _____
 Loss Limitation for _____ insurance is \$ _____
 Loss Limitation for _____ insurance is \$ _____
 Loss Limitation for _____ insurance is \$ _____

8. Loss Conversion Factor is _____

9. Minimum Retrospective Rating Plan Premium Factor _____
 Maximum Retrospective Rating Plan Premium Factor _____

10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	\$ _____	\$ _____	\$ _____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 42 05 12 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)

TABLE OF STATES

11.A	Excess Loss Premium Factors		Tax Multipliers	
	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
State	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)
TX				

11.B	Excess Loss Premium Factors			Tax Multipliers		
State	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage
TX						

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 21
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 42 05 13 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)****TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN—MULTIPLE
LINES (WC 42 05 13 ~~A~~ B)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the state of Texas as listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any Texas policy listed in the Schedule, and the renewals of each. The rating plan period is the three-year period beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and one elective element.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on Texas manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by terrorism ~~as outlined in Texas manuals~~
2. Basic premium is less than standard premium. It is the standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claim adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 42 05 13 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses ~~for~~ and the following expenses:
- a. Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - b. Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - c. Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - d. Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from Texas manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by Resulting from the application of terrorism provisions as outlined in Texas Manuals~~
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective element. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

Another element is included in determining retrospective rating plan premium if you elected to include it. It is the excess loss premium for the loss limitation. It is explained here.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 42 05 13 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)

- The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.
- The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.
- Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the policy period. Changes will be shown by endorsement.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium elective element if you chose it. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy, the standard premium will be the sum of the standard premiums for each policy.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 42 05 13 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)**

- 3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States under the appropriate endorsement, and if you begin work in that state during the retrospective rating plan period, the appropriate endorsement will apply to that insurance—if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective element you chose, will be determined by the manuals for that state and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

- 1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period of all insurance subject to this endorsement.
- 2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
- 3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days), and will include all of the applicable retrospective rating factors shown in the Schedule.
- 4. If you cancel or do not renew, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days), and will include all of the applicable retrospective rating plan factors shown in the Schedule.

Schedule

Premium Subject to Retrospective Rating Plan, Loss Limitations, Loss Conversion Factors, State Tax Multipliers, Excess Loss Premium Factors

- 1. The premium for the following policies combined is to be calculated in accordance with the provisions of this Retrospective Rating Plan Premium Endorsement:

List of Policies

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 42 05 13 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)**

If aggregate limits of liability are stated above, they will apply separately to each annual period included in the three-year period.

The incurred losses to be included in calculating the premium for the insurance subject to retrospective rating will not include that portion of the losses actually paid and the reserves for unpaid losses that is in excess of the limits of liability stated above, but that part of the incurred losses consisting of premiums on bonds, interest payable in accordance with the provisions of the policy, allocated loss adjustment expenses, and expenses incurred in seeking recovery against a third party will not be subject to such limits.

5. Workers Compensation and Employers Liability Loss Limitation is
\$ _____

6. Combination Loss Limitation of \$ _____ is the overall limit on the incurred losses arising out of any one accident or occurrence for the following combination of insurance:

7. If the combination loss limitation does not apply for general liability, auto liability, auto physical damage, or theft insurance, specify the loss limitation that applies separately to each accident or occurrence:

- Loss Limitation for _____ insurance is \$ _____
- Loss Limitation for _____ insurance is \$ _____
- Loss Limitation for _____ insurance is \$ _____
- Loss Limitation for _____ insurance is \$ _____

8. Loss Conversion Factor
is _____

9. Minimum Retrospective Rating Plan Premium
Factor _____
Maximum Retrospective Rating Plan Premium
Factor _____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 42 05 13 B)
(APPLIES TO VOLUNTARY POLICIES IN: TX)**

10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	\$ _____	\$ _____	\$ _____

TABLE OF STATES

11.A	Excess Loss Premium Factors		Tax Multipliers	
State	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)
TX				

11.B	Excess Loss Premium Factors			Tax Multipliers		
State	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage
TX						

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 22
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT LONG-TERM
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 42 05 14 A)
(APPLIES TO VOLUNTARY POLICIES IN: TX)****TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT LONG-TERM CONSTRUCTION PROJECT—MULTIPLE LINES (WC 42 05 14 A)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the state of Texas as listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the duration of the long-term construction project expected to require more than one-year for completion, but such project may be insured for any period not longer than three years, as described in the declarations or Information Page of such policies, beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and one elective element.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements or any other elements excluded based on Texas manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by terrorism ~~as outlined in Texas manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 22 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT LONG-TERM
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 42 05 14 A)
(APPLIES TO VOLUNTARY POLICIES IN: TX)**

The basic premium factor does not cover premium taxes or claim adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium.

The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses ~~for~~ and the following expenses:
- Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from Texas manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by Resulting from the application of terrorism provisions as outlined in Texas Manuals~~
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 22 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT LONG-TERM
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 42 05 14 A)
(APPLIES TO VOLUNTARY POLICIES IN: TX)****B. Retrospective Rating Plan Premium Elective Elements**

Another element is included in determining retrospective rating plan premium if you elected to include it. It is the excess loss premium for the loss limitation. It is explained here.

- The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.
- The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.
- Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the policy period. Changes will be shown by endorsement.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium elective element if you chose it. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy, the standard premium will be the sum of the standard premiums for each policy.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 22 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT LONG-TERM
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 42 05 14 A)
(APPLIES TO VOLUNTARY POLICIES IN: TX)**

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States under the appropriate endorsement for that state, and if you begin work in that state during the retrospective rating plan period, the appropriate endorsement will apply to that insurance—if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective element you chose, will be determined by manuals for that state and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date, and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel or do not renew, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.

Schedule

Premium Subject to Retrospective Rating Plan, Loss Limitations, Loss Conversion Factors, State Tax Multipliers, Excess Loss Premium Factors

1. The premium for the following policies combined is to be calculated in accordance with the provisions of this Retrospective Rating Plan Premium Endorsement:

List of Policies

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 22 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT LONG-TERM
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 42 05 14 A)
(APPLIES TO VOLUNTARY POLICIES IN: TX)**

If the aggregate limits of liability are stated above, they will apply separately to each annual period included in the duration of the construction project.

The incurred losses to be included in calculating the premium for the insurance subject to retrospective rating plan will not include that portion of the losses actually paid and the reserves for unpaid losses that is in excess of the limits of liability stated above, but that part of the incurred losses consisting of premiums on bonds, interest payable in accordance with the provisions of the policy, allocated loss adjustment expenses, and expenses incurred in seeking recovery against a third party will not be subject to such limits.

5. Workers Compensation and Employers Liability Loss Limitation is \$ _____

6. Combination Loss Limitation of \$ _____ is the overall limit on the incurred losses arising out of any one accident or occurrence for the following combination of insurance:

7. If the combination loss limitation does not apply for general liability, auto liability, auto physical damage, or theft insurance, specify the loss limitation that applies separately to each accident or occurrence:

Loss Limitation for _____ insurance is \$ _____

Loss Limitation for _____ insurance is \$ _____

Loss Limitation for _____ insurance is \$ _____

Loss Limitation for _____ insurance is \$ _____

8. Loss Conversion Factor _____
is _____

9. Minimum Retrospective Rating Plan Premium Factor _____
Maximum Retrospective Rating Plan Premium Factor _____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 22 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
TEXAS RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT LONG-TERM
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 42 05 14 A)
(APPLIES TO VOLUNTARY POLICIES IN: TX)**

10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	\$ _____	\$ _____	\$ _____

TABLE OF STATES

11.A	Excess Loss Premium Factors		Tax Multipliers	
State	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	State (Other than F-Classes)	Federal (F-Classes Only)	State (Other than F-Classes)	Federal (F-Classes Only)
TX				

11.B	Excess Loss Premium Factors			Tax Multipliers		
State	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage
TX						

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
WISCONSIN RETROSPECTIVE PREMIUM ENDORSEMENT LARGE RISK ALTERNATIVE
RATING OPTION (WC 48 05 07 A)
(APPLIES TO VOLUNTARY POLICIES IN: WI)****WISCONSIN RETROSPECTIVE PREMIUM ENDORSEMENT LARGE RISK ALTERNATIVE RATING
OPTION (WC 48 05 07 A)**

This endorsement is added to Part Five (Premium) because you have agreed to have the cost of the insurance rated retrospectively using a Large Risk Alternative Rating Option. This endorsement explains the rating plan and how the retrospective premium will be determined.

This endorsement applies to the states listed in the Schedule. It applies to the rating plan period as stated in the Schedule. It applies only to those policies listed in the Schedule.

The amount of retrospective rating plan premium depends on the five standard elements and the two elective elements. The various retrospective rating plan factors are shown in the Schedule.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard Premium is the premium we would charge during the rating period if you had not chosen a retrospective rating plan. Standard Premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employees subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals.~~
2. Basic Premium is less than Standard Premium. It is determined as follows:
 - a. If the Basic Premium Factor is expressed as a percentage, then the Basic Premium is determined by multiplying the Standard Premium times the Basic Premium Factor Percentage, as shown in the Schedule. The Basic Premium Factor may vary depending on the total amount of Standard Premium.
 - b. If the Basic Premium Factor is expressed as a rate per \$100 of remuneration, then the Basic Premium is determined by multiplying the total remuneration times the rate per \$100 of remuneration, as shown in the Schedule. The Basic Factor includes:
 - Our general administration costs and expenses
 - Cost of loss control services
 - Insurance charges

The Basic Premium Factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the Tax Multiplier and the Loss Conversion Factor.

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgments, expenses to recover against third parties, and employer's liability loss adjustment expenses. This includes paid and outstanding losses including reserves set on open claims. Incurred losses will include Allocated Loss Adjustment Expenses (ALAE).

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
WISCONSIN RETROSPECTIVE PREMIUM ENDORSEMENT LARGE RISK ALTERNATIVE
RATING OPTION (WC 48 05 07 A)
(APPLIES TO VOLUNTARY POLICIES IN: WI)**

The rating formula for incurred losses will not include loss for the following elements or any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421-~~
 - ~~For the disease-related portion of losses covered under ~~Developed by the occupational-disease rates for employers subject to the Federal Coal-Mine Safety and Health Act~~~~
 - ~~Developed by the~~Resulting from the application of catastrophe provisions as outlined in our manuals-
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A Loss Conversion Factor is applied to incurred losses to produce the converted incurred losses. The Loss Conversion Factor is shown in the Schedule.
 5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of Basic Premium, Converted Losses, and any elective elements. The percentage is called the Tax Multiplier. The Tax Multiplier is shown in the Schedule.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you chose to include them. They are the excess loss premium for the Loss Limitation and the Retrospective Development Premium. They are explained here:

1. The election of a Loss Limitation means that the amount of incurred losses to be included in the retrospective rating plan premium is limited to an amount called the Loss Limitation. If you elect a Loss Limitation you can decide to have the Loss Limit apply as follows:
 - a. Per Person—The Loss Limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident; or,
 - b. Per Accident—The Loss Limitation applies separately to each accident or occurrence regardless of the number of employees involved in that accident.

The charge for this Loss Limitation is included in the Basic Premium Factor as another expense item. If you chose a Loss Limitation, that amount will be shown in the Schedule.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of the retrospective rating plan premium and is called the retrospective development premium. It is a percentage of the Standard Premium multiplied by the Loss Conversion Factor. The percentage of Standard Premium is called the Retrospective Development Factor. The Retrospective Development Factors vary by first, second, and third calculations of the retrospective rating plan premium. If you chose this element, the Retrospective Development Factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
WISCONSIN RETROSPECTIVE PREMIUM ENDORSEMENT LARGE RISK ALTERNATIVE
RATING OPTION (WC 48 05 07 A)
(APPLIES TO VOLUNTARY POLICIES IN: WI)**

1. Retrospective rating plan premium is the sum of Basic Premium, Converted Losses, and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable Tax Multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by:
 - a. If the Minimum and Maximum Retrospective Rating Plan factors shown in the Schedule are shown as a percentage, then the minimum and maximum retrospective rating plan premiums are determined by applying the Minimum and Maximum Retrospective Rating Plan Factors, as shown in the Schedule, to the Standard Premium
 - b. If the Minimum and Maximum Retrospective Rating Plan Factors shown in the Schedule are expressed as rates per \$100 of remuneration, then the minimum and maximum rating plan premiums are determined by multiplying the rates per \$100 of remuneration, as shown in the Schedule, times the total remuneration.
3. If this endorsement applies to more than one policy or state, the Standard Premium will be the sum of the Standard Premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date eighteen months after the inception date of the Rating Plan Period, as shown in the Schedule, and annually thereafter.

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent; make an assignment for the benefit of creditors; are involved in reorganization, receivership, or liquidation; or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total Standard Premium as of the special valuation date.

2. After any calculation of the retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all Standard Premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not shown in the List of States, and if you begin work in that state during the Retrospective Rating Plan Period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled, the effective date of cancellation will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
WISCONSIN RETROSPECTIVE PREMIUM ENDORSEMENT LARGE RISK ALTERNATIVE
RATING OPTION (WC 48 05 07 A)
(APPLIES TO VOLUNTARY POLICIES IN: WI)**

3. If we cancel for nonpayment of premium, the maximum retrospective rating plan premium will be:
 - a. If the Maximum Retrospective Rating Plan Factor is shown as a percentage, then the maximum retrospective rating plan premium is based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
 - b. If the Maximum Retrospective Rating Plan Factor is shown as a rate per \$100 of remuneration, then the maximum retrospective rating plan premium is based on the total remuneration for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel, the Standard Premium for the rating plan period will be increased by our short rate table and procedure. This short rate premium will be the minimum retrospective rating plan premium. The short rate premium will be used to determine the retrospective development premium if you chose this elective element.

The maximum retrospective rating plan premium will be:

- a. If the Maximum Retrospective Rating Plan Factor is shown as a percentage, then the maximum retrospective rating plan premium is based on the short rate premium, increased pro rata to 365 days.
 - b. If the Maximum Retrospective Rating Plan Factor is shown as a rate per \$100 of remuneration, then the maximum retrospective rating plan premium is based on the total remuneration for the rating plan period, increased by our short rate table and procedure, and increased pro rata to 365 days.
5. Section F.4. will not apply if you cancel because:
 - a. All work covered by the insurance is completed;
 - b. All interest in the business covered by the insurance is sold; or,
 - c. You retire from all business covered by the insurance.

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
WISCONSIN RETROSPECTIVE PREMIUM ENDORSEMENT LARGE RISK ALTERNATIVE
RATING OPTION (WC 48 05 07 A)
(APPLIES TO VOLUNTARY POLICIES IN: WI)**

SCHEDULE

1. List of States: _____

2. List of Policies: _____

3. Rating Plan Period: From _____ To _____

4. The Plan Parameters are:

a. Loss Limitation: \$ _____ Per Person

OR

\$ _____ Per
Occurrence

b. Loss Conversion Factor: _____

c. Minimum Retrospective Rating Plan Premium Factor

_____ % of Standard Premium

OR

_____ per \$100 of remuneration (including/excluding) payroll for monopolistic states.

d. Maximum Retrospective Rating Plan Premium Factor

_____ % of Standard Premium

OR

_____ per \$100 of remuneration (including/excluding) payroll for monopolistic states.

e. Tax Multiplier: _____

f. Basic Premium Factor

The Basic Premium Factors shown are based on estimates of Standard Premium. If the actual standard premium is within the range of estimated standard premiums shown, the Basic Premium Factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the Basic Premium Factor will be recalculated.

50%

100%

150%

Estimated Standard
Premium:

Basic Premium Factor: _____

OR

The Basic Premium Factor is:

_____ per \$100 of remuneration (including/excluding) payroll for monopolistic states.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 54 05 01 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)****ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN (WC 54 05 01 A)**

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy and any policy listed in the Schedule. The rating plan period is the one-year period beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgements, expenses to recover against third parties, and employers liability loss adjustment expenses. This

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 54 05 01 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)**

includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal-Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers are shown in the Schedule.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium and is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 54 05 01 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)

Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled, the effective date of cancellation will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 54 05 01 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)**

- 3. If we cancel for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
- 4. If you cancel, the standard premium for the rating plan period will be increased by a cancellation fee of 7.5% of the unearned premium. The standard premium plus the cancellation fee will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The standard premium plus the cancellation fee will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days.

- 5. Section F.4. will not apply if you cancel because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2. Loss Limitation: \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums, shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

5. The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 16 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN
(WC 54 05 01 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)**

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 17
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
(WC 54 05 02 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)****ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN (WC 54 05 02 A)**

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the three-year period beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgements, expenses to recover against third parties, and employers liability loss adjustment expenses. This

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
(WC 54 05 02 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)

includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements and any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal-Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium and converted incurred losses and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the retrospective rating plan policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium and is called the retrospective development premium. It is a percentage of standard premium multiplied

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
(WC 54 05 02 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)

by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
(WC 54 05 02 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)**

premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement.
2. If the other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be the standard premium for the rating period, increased pro rata to three years (1,095 days), and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel or do not renew, the standard premium for the rating plan period will be increased by a cancellation fee of 7.5% of the unearned premium. The standard premium plus the cancellation fee will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The standard premium plus the cancellation fee will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days).

5. Section F.4. will not apply if you cancel or do not renew because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement _____

2. Loss Limitation: \$ _____

3. Loss Conversion Factor _____

Minimum Retrospective Rating Plan Premium Factor _____

Maximum Retrospective Rating Plan Premium Factor _____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 17 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR PLAN
(WC 54 05 02 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)**

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

5. The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 18
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT (WC 54 05 03 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)****ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION PROJECT (WC 54 05 03 A)**

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the duration of the wrap-up construction project described on the Information Page, beginning with the effective date of this endorsement.

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 18 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT (WC 54 05 03 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)**

3. Incurred losses are all amounts we pay or estimate we will pay for losses, interest on judgements, expenses to recover against third parties, and employers liability loss adjustment expenses. This includes paid and outstanding losses (including any reserves set on open claims). If the allocated loss adjustment expense (ALAE) option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the~~Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium is limited to an amount called the loss limitation. The loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by state, by classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the retrospective rating plan policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 18 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT (WC 54 05 03 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)

premium, and is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

Retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan

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**EXHIBIT 18 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
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premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date, and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel or do not renew, the standard premium for the rating plan period will be increased by a cancellation fee of 7.5% of the unearned premium. The standard premium plus the cancellation fee will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The standard premium plus the cancellation fee will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period plus the estimated standard premium from the end of the rating plan period to the estimated project completion date.

5. Section F.4. will not apply if you cancel or do not renew because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

1. Other policies subject to this Retrospective Rating Plan Premium Endorsement

2. Loss Limitation: \$

3. Loss Conversion Factor

Minimum Retrospective Rating Plan Premium Factor

Maximum Retrospective Rating Plan Premium Factor

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 18 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
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(APPLIES TO VOLUNTARY POLICIES IN: AK)**

4. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	_____	_____	_____

5. The tax multipliers, excess loss premium factors, and retrospective development factors, and the states where they apply, are shown in the Table of States.

TABLE OF STATES

State	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 19
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 54 05 04 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)****ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR PLAN—MULTIPLE LINES (WC 54 05 04 A)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, and any policy listed in the Schedule. The rating plan period is the one-year period beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421-~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~-Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 19 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
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(APPLIES TO VOLUNTARY POLICIES IN: AK)

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses ~~for~~ and the following expenses:
- a. Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - b. Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - c. Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - d. Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers are shown in the Schedule.

B. Retrospective Rating Plan Premium Elective Elements

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 19 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
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(APPLIES TO VOLUNTARY POLICIES IN: AK)

1. The election of a loss limitation means that the amounts of incurred loss to be included in the retrospective rating plan premium are limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium for workers compensation and employers liability insurance, and the first four calculations for auto liability and general liability. This premium is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

For workers compensation and employers liability insurance, retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. For general liability and automobile liability insurance, retrospective development factors vary by first, second, third, and fourth calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.
3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
EMPLOYERS LIABILITY INSURANCE**

**EXHIBIT 19 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT ONE-YEAR
PLAN—MULTIPLE LINES (WC 54 05 04 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)**

We may make a special valuation of a retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement, to continue the rating plan period.
2. If other policies listed in the Schedule of this endorsement are cancelled, the effective date of cancellation will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days, and will include all of the applicable retrospective rating plan factors shown in the Schedule.
4. If you cancel, the standard premium for the rating plan period will be increased by a cancellation fee of 7.5% of the unearned premium. The standard premium plus the cancellation fee will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

The standard premium plus the cancellation fee will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to 365 days.

5. Section F.4. will not apply if you cancel because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

**ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND
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Premium Subject to Retrospective Rating Plan, Loss Limitations, Loss Conversion Factors, State Tax Multipliers, Excess Loss Premium Factors, Retrospective Development Factors

- 1. The premium for the following policies combined is to be calculated in accordance with the provisions of this Retrospective Rating Plan Premium Endorsement:

List of Policies

- 2. The retrospective rating plan does not apply to the premium for policies

in the states of

- 3. The retrospective rating plan does not apply to the premium for uninsured motorist insurance if afforded under the policies designated in paragraph 1.

- 4. The premium for the general liability and automobile liability insurance afforded under policies designated in paragraph 1 above for insurance in excess of the limits of liability stated below will not be subject to retrospective rating. State the dollar amount of the limit of liability and the manner in which it applies.

Coverage

Limit of Liability

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

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_____	\$	_____
_____	\$	_____
_____	\$	_____

The incurred losses to be included in calculating the premium for the insurance subject to retrospective rating plan will not include that portion of the losses actually paid and the reserves for unpaid losses that is in excess of the limits of liability stated above, but that part of the incurred losses consisting of premiums on bonds, interest payable in accordance with the provisions of the policy, allocated loss adjustment expenses, and expenses incurred in seeking recovery against a third party will not be subject to such limits.

- 5. Workers Compensation and Employers Liability Loss Limitation is \$ _____
- 6. Combination Loss Limitation of \$ _____ is the overall limit on the incurred losses arising out of any one accident or occurrence for the following combination of insurance.
- 7. If the combination loss limitation does not apply, for general liability, auto liability, auto physical damage, or theft insurance, specify the loss limitation that applies separately to each accident or occurrence:

Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____
Loss Limitation for _____	insurance is \$ _____

- 8. Loss Conversion Factor is _____
- 9. Minimum Retrospective Rating Plan Premium Factor is _____
Maximum Retrospective Rating Plan Premium Factor is _____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

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FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
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10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	\$ _____	\$ _____	\$ _____

TABLE OF STATES

11.A	Excess Loss Premium Factors		Tax Multiplier	
	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
State	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)

11.B	Excess Loss Premium Factors			Tax Multiplier		
	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

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11.B	Excess Loss Premium Factors			Tax Multiplier		
State	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage

12.A	Retrospective Development Factors		
State	Workers Compensation and Employers Liability		
	1st	2nd	3rd

12.B	Retrospective Development Factors							
State	General Liability				Automobile Liability			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 20
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 54 05 05 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)****ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 54 05 05 A)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the three-year period beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is the standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 54 05 05 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses ~~for~~ and the following expenses:
- a. Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - b. Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - c. Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - d. Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements or any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7421~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

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EXHIBIT 20 (CONT'D)
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PLAN—MULTIPLE LINES (WC 54 05 05 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)

Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium are limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium for workers compensation and employers liability insurance, and the first four calculations for auto liability and general liability. This premium is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

For workers compensation and employers liability insurance, retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. For general liability and automobile liability insurance, retrospective development factors vary by first, second, third, and fourth calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 54 05 05 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)

3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation or nonrenewal will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days), and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel or do not renew, the standard premium for the rating plan period will be increased by a cancellation fee of 7.5% of the unearned premium. The standard premium plus the cancellation fee will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 54 05 05 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)**

The standard premium plus the cancellation fee will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, increased pro rata to three years (1,095 days).

- 5. Section F.4. will not apply if you cancel or do not renew because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

Premium Subject to Retrospective Rating Plan, Loss Limitations, Loss Conversion Factors, State Tax Multipliers, Excess Loss Premium Factors, Retrospective Development Factors

- 1. The premium for the following policies combined is to be calculated in accordance with the provisions of this Retrospective Rating Plan Premium Endorsement:

List of Policies

- 2. The retrospective rating plan does not apply to the premium for policies _____

in the states of _____

- 3. The retrospective rating plan does not apply to the premium for uninsured motorist insurance if afforded under the policies designated in paragraph 1.
- 4. The premium for the general liability and automobile liability insurance afforded under policies designated in paragraph 1 above for insurance in excess of the limits of liability stated below will not be subject to retrospective rating. State the dollar amount of the limit of liability and the manner in which it applies.

Coverage

Limit of Liability

\$ _____

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 54 05 05 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)
TABLE OF STATES (Cont'd)

11.A	Excess Loss Premium Factors		Tax Multiplier	
	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)
State				

11.B	Excess Loss Premium Factors			Tax Multiplier		
	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage
State						

12.A	Retrospective Development Factors		
	Workers Compensation and Employers Liability		
	1st	2nd	3rd
State			

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 20 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT THREE-YEAR
PLAN—MULTIPLE LINES (WC 54 05 05 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)**

12.B	Retrospective Development Factors							
State	General Liability				Automobile Liability			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 21
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 54 05 06 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)****ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP CONSTRUCTION PROJECT—MULTIPLE LINES (WC 54 05 06 A)**

This endorsement is issued because you chose to have the cost of the insurance rated retrospectively. This endorsement explains the rating plan and how the retrospective rating plan premium will be determined. For workers compensation and employers liability insurance, this endorsement refers to Part Five (Premium) of that policy.

This endorsement applies in the states listed in the Schedule. It determines the retrospective rating plan premium for the insurance provided during the rating plan period by this policy, any policy listed in the Schedule, and the renewals of each. The rating plan period is the duration of the wrap-up construction project described in the declarations or Information Page of such policies, beginning with the effective date of this endorsement.

The final premium for the policies designated in the Schedule is the sum of:

1. The premium for the insurance subject to a retrospective rating plan as shown in the Schedule and calculated as explained in this endorsement and referred to as the retrospective rating plan premium, and
2. The premium for the insurance not subject to a retrospective rating plan as shown in the Schedule and calculated in accordance with the provisions of such policies other than this endorsement

The amount of retrospective rating plan premium depends on five standard elements and two elective elements.

A. Retrospective Rating Plan Premium Standard Elements

The five standard elements are explained here.

1. Standard premium is the premium we would charge during the rating plan period if you had not chosen a retrospective rating plan. Standard premium does not include the following elements and any other elements excluded based on our manuals:
 - Premium discount
 - Expense constant
 - Premium resulting from the nonratable element codes
 - ~~Premium developed by the passenger seat surcharge under Classification Code 7421~~
 - Premium developed by the occupational disease rates for employers subject to the Federal ~~Coal~~ Mine Safety and Health Act
 - Premium developed by the catastrophe provisions ~~as outlined in our manuals~~
2. Basic premium is less than standard premium. It is standard premium multiplied by a percentage called the basic premium factor. The basic premium factor varies depending on the total amount of standard premium. The basic premium factor includes:
 - General administration costs of the carrier
 - Cost of loss control services
 - Insurance charge

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 54 05 06 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)

The basic premium factor does not cover premium taxes or claims adjustment expenses. Those elements are usually provided for in the tax multiplier and the loss conversion factor.

The Schedule shows a range of basic premium factors for differing amounts of estimated standard premium. The actual basic premium factor will be determined after the standard premium is determined. If earned standard premium is not within the range of the estimated standard premiums shown in the Schedule, the basic premium will be recalculated.

3. Incurred losses are all amounts we pay or estimate we will pay for losses ~~for~~ and the following expenses:
- a. Premiums on bonds paid for by the company in accordance with the provisions of the policies, except that this will not apply for workers compensation, employers liability, or auto physical damage insurance
 - b. Interest payable in accordance with the provisions of the policy, except that this will not apply for auto physical damage insurance
 - c. Allocated loss adjustment expenses (ALAE), except that this will apply for auto liability, general liability, and employers liability insurance only
 - d. Expenses incurred in seeking recovery against a third party under the insurance subject to retrospective rating, except that this will apply for workers compensation and employers liability insurance only if recovery is obtained against the third party

Incurred losses include paid and outstanding losses (including any reserves set on open claims). For workers compensation and employers liability insurance, if the ALAE option is elected, then incurred losses will include ALAE.

Note: The rating formula for incurred losses will not include a loss for the following elements and any other elements excluded from our manuals:

- Resulting from the nonratable element codes
 - ~~Developed by the passenger seat surcharge under Classification Code 7424~~
 - ~~For the disease-related portion of losses covered under Developed by the occupational disease rates for employers subject to the Federal Coal Mine Safety and Health Act~~
 - ~~Developed by the~~ Resulting from the application of catastrophe provisions as outlined in our manuals
 - Reported as fully fraudulent
 - Reported as noncompensable
4. Converted incurred losses are based on the incurred losses for a policy or policies to which the retrospective rating plan applies. A loss conversion factor is applied to incurred losses to produce the converted incurred losses. The loss conversion factor is shown in the Schedule.
5. Taxes are a part of the premium we collect. Taxes are determined as a percentage of basic premium, converted incurred losses, and any elective elements. The percentage is called the tax multiplier. It varies by state and by line of insurance. For workers compensation and employers liability insurance, it varies by federal and nonfederal classifications. The tax multipliers or an average tax multiplier are shown in the Schedule. Tax multipliers may change during the rating plan period. Changes will be shown by endorsement.

B. Retrospective Rating Plan Premium Elective Elements

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
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Two other elements are included in determining retrospective rating plan premium if you elected to include them. They are the excess loss premium for the loss limitation and the retrospective development premium. They are explained here.

1. The election of a loss limitation means that the amount of incurred loss to be included in the retrospective rating plan premium are limited to an amount called the loss limitation. For workers compensation and employers liability insurance, the loss limitation applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident. For other lines of insurance, the loss limitation applies separately to each accident or occurrence, either by line of insurance or to a combination of these lines of insurance, as shown in the Schedule.

The charge for this loss limitation is called the excess loss premium. Excess loss premium is a percentage of standard premium multiplied by the loss conversion factor. The percentage is called the excess loss premium factor.

Excess loss premium factors vary by line of insurance and by the amount of the loss limitation. For workers compensation and employers liability insurance, these factors also vary by state, classification, and by the amount of the loss limitation. If you chose this elective element, the loss conversion factor, the loss limitation, the excess loss premium factors, and the states where they apply are shown in the Schedule. Excess loss premium factors may change during the policy period. Changes will be shown by endorsement.

2. The retrospective development element is used to help stabilize premium adjustments. The premium for this element is charged with the first three calculations of a retrospective rating plan premium for workers compensation and employers liability insurance, and the first four calculations for auto liability and general liability. This premium is called the retrospective development premium. It is a percentage of standard premium multiplied by the loss conversion factor. The percentage of standard premium is called the retrospective development factor.

For workers compensation and employers liability insurance, retrospective development factors vary by state, by electing a loss limitation, and by first, second, and third calculations of retrospective rating plan premium. For general liability and automobile liability insurance, retrospective development factors vary by first, second, third, and fourth calculations of retrospective rating plan premium. If you chose this elective element, the retrospective development factors are shown in the Schedule.

C. Retrospective Rating Plan Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective rating plan premium. If the policies provide insurance for more than one insured, the retrospective rating plan premium will be determined for all insureds combined, not separately for each insured.

1. Retrospective rating plan premium is the sum of basic premium, converted losses, plus the excess loss premium and retrospective development premium elective elements if you chose them. This sum is multiplied by the applicable tax multiplier shown in the Schedule.
2. The retrospective rating plan premium will not be less than the minimum or more than the maximum retrospective rating plan premium. The minimum and maximum retrospective rating plan premiums are determined by applying the minimum and maximum retrospective rating plan premium factors, shown in the Schedule, to the standard premium.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
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(APPLIES TO VOLUNTARY POLICIES IN: AK)

3. If this endorsement applies to more than one policy or state, the standard premium will be the sum of the standard premiums for each policy and state.

D. Calculation of Retrospective Rating Plan Premium

1. We will calculate the retrospective rating plan premium using all loss information we have as of a date six months after the rating plan period ends and annually thereafter.

We may make a special valuation of the retrospective rating plan premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due to us if the retrospective rating plan premium is more than the total standard premium as of the special valuation date.

We may make interim calculations of retrospective rating plan premium for the first year and the first two years of the rating plan period. We will use all loss information we have as of a date six months after the end of each of these periods.

2. After any calculation of retrospective rating plan premium, you and we may agree that it is the final calculation.
3. After each calculation of the retrospective rating plan premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all standard premium and retrospective rating plan premium calculated under this endorsement.

E. Insureds Operating in More Than One State

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the retrospective rating plan period, this endorsement will apply to that insurance if this retrospective rating plan applies in that state on an interstate basis. The retrospective rating plan premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

F. Cancellation and Nonrenewal of a Policy Under a Retrospective Rating Plan

1. If the policy to which this endorsement is attached is cancelled or is not renewed, the effective date of the cancellation will become the end of the rating plan period of all insurance subject to this endorsement.
2. If other policies listed in the Schedule of this endorsement are cancelled or not renewed, the effective date of cancellation or nonrenewal will become the end of the rating plan period for all insurance subject to this endorsement unless we agree with you, by endorsement, to continue the rating plan period.
3. If we cancel or do not renew for nonpayment of premium, the maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date, and will include all of the applicable retrospective rating factors shown in the Schedule.
4. If you cancel or do not renew, the standard premium for the rating plan period will be increased by a cancellation fee of 7.5% of the unearned premium. The standard premium plus the cancellation fee will be the minimum retrospective rating plan premium and will be used to determine the basic premium.

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
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The standard premium plus the cancellation fee will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

The maximum retrospective rating plan premium will be based on the standard premium for the rating plan period, plus the estimated standard premium from the end of the rating plan period to the estimated project completion date.

- 5. Section F.4. will not apply if you cancel or do not renew because:
 - a. All work covered by the insurance is completed
 - b. All interest in the business covered by the insurance is sold
 - c. You retire from all business covered by the insurance

Schedule

Premium Subject to Retrospective Rating Plan, Loss Limitations, Loss Conversion Factors, State Tax Multipliers, Excess Loss Premium Factors, Retrospective Development Factors

- 1. The premium for the following policies combined is to be calculated in accordance with the provisions of this Retrospective Rating Plan Premium Endorsement:

List of Policies

- 2. The retrospective rating plan does not apply to the premium for policies _____

_____ in the states of _____

- 3. The retrospective rating plan does not apply to the premium for uninsured motorist insurance if afforded under the policies designated in paragraph 1.
- 4. The premium for the general liability and automobile liability insurance afforded under policies designated in paragraph 1 above for insurance in excess of the limits of liability stated below will not be subject to retrospective rating. State the dollar amount of the limit of liability and the manner in which it applies.

Coverage

Limit of Liability

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
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Loss Limitation _____ insurance is \$ _____
for _____
Loss Limitation _____ insurance is \$ _____
for _____

8. Loss Conversion Factor is _____

9. Minimum Retrospective Rating Plan Premium Factor is _____
Maximum Retrospective Rating Plan Premium Factor is _____

10. The basic premium factors shown here are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums shown here, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums shown below, the basic premium factor will be recalculated.

	50%	100%	150%
Estimated Standard Premium:	\$ _____	\$ _____	\$ _____
Basic Premium Factor:	\$ _____	\$ _____	\$ _____

TABLE OF STATES

11.A	Excess Loss Premium Factors		Tax Multiplier	
	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)
State				

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EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
ALASKA RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT WRAP-UP
CONSTRUCTION PROJECT—MULTIPLE LINES (WC 54 05 06 A)
(APPLIES TO VOLUNTARY POLICIES IN: AK)
TABLE OF STATES (Cont'd)

11.A	Excess Loss Premium Factors		Tax Multiplier	
	Workers Compensation and Employers Liability		Workers Compensation and Employers Liability	
	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)
State				

11.B	Excess Loss Premium Factors			Tax Multiplier		
	General Liability	Automobile Liability	Automobile Physical Damage	General Liability	Automobile Liability	Automobile Physical Damage
State						

12.A	Retrospective Development Factors		
	Workers Compensation and Employers Liability		
	1st	2nd	3rd
State			

ITEM P-1411—REVISIONS TO FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

**EXHIBIT 21 (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
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12.B	Retrospective Development Factors							
State	General Liability				Automobile Liability			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th