

**RETROSPECTIVE PREMIUM ENDORSEMENT
LARGE RISK ALTERNATIVE RATING OPTION
Schedule of Variability**

[Insert 1] (only present if applicable)

- 1.1 "Non-subject premium" also includes excess loss premium associated with the agreed upon loss limitation. The excess loss premium is an amount determined by multiplying the excess loss premium factor shown in the schedule by the standard premium for the policies listed in the schedule.
- 1.2 "Non-subject premium" also includes excess loss premium associated with the agreed upon loss limitation. The excess loss premium is an amount determined by multiplying the excess loss premium factor shown in the schedule by the total payroll for the policies listed in the schedule.

[Insert 2] (only present if applicable)

- 2.1 "Payroll" will be calculated in accordance with current available rules of the NCCI Basic Manual in all states whose insurance departments have designated NCCI as the licensed rating and statistical organization. The payroll rules as defined in each independent state workers compensation manual will apply for non-NCCI states except in monopolistic state fund states, where payroll will be calculated in accordance with the current definition used by the state fund. Payroll includes monopolistic states' Employers Liability payroll.
- 2.2 "Payroll" will be calculated in accordance with current available rules of the NCCI Basic Manual in all states whose insurance departments have designated NCCI as the licensed rating and statistical organization. The payroll rules as defined in each independent state workers compensation manual will apply for non-NCCI states except in monopolistic state fund states, where payroll will be calculated in accordance with the current definition used by the state fund. Payroll excludes monopolistic states' Employers Liability payroll.

[Insert 3]

- 3.1 An amount determined by multiplying the basic premium factor shown in the Schedule by the total subject premium for the policies listed in the Schedule, then subtracting any basic and excess loss premium developed in the state of Florida, as developed in subpart b.
- 3.2 An amount determined by multiplying the basic premium factor shown in the Schedule by the total subject premium for the policies listed in the Schedule, then subtracting any basic and excess loss premium developed in the states of Florida, *{list of other retro rated states that do not qualify for LRARO}*, as developed in subpart b.
- 3.3 An amount determined by applying the rate shown in the Schedule to the payroll developed under the workers compensation classifications for the policies listed in the Schedule, then subtracting any basic and excess loss premium developed in the state of Florida, as developed in subpart b.
- 3.4 An amount determined by applying the rate shown in the Schedule to the payroll developed under the workers compensation classifications for the policies listed in the Schedule, then subtracting any basic and excess loss premium developed in

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the states of Florida, *{list of other retro rated states that do not qualify for LRARO}*, as developed in subpart b.

[Insert 4]

- 4.1 The basic and excess loss premium, if any, developed in the state of Florida, by multiplying the state's subject premium by the basic and excess loss premium factors for the state calculated in accordance with the filed retrospective rating plan rules and table values for the state. Excess loss premium is a charge for limiting the amount of incurred loss included in the retrospective premium calculation. If applicable to this plan, the amount of the loss limitation is shown in the Schedule, and applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.
- 4.2 The basic and excess loss premium, if any, developed in the states of Florida, *{list of other retro rated states that do not qualify for LRARO}*, by multiplying those states' subject premium by the basic and excess loss premium factors for the state calculated in accordance with the filed retrospective rating plan rules and table values for those states. Excess loss premium is a charge for limiting the amount of incurred loss included in the retrospective premium calculation. If applicable to this plan, the amount of the loss limitation is shown in the Schedule, and applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

[Insert 5] (only present if applicable)

The amount of incurred loss included in the retrospective premium calculation is limited to an amount called the loss limitation, as shown in the Schedule. The loss limitation amount applies separately to each person who sustains bodily injury by disease and separately to all bodily injury arising out of any one accident.

[Insert 6]

- 6.1 Converted losses are calculated by multiplying the incurred losses by the loss conversion factor. The loss conversion factor is shown in the Schedule.
- 6.2 Converted losses are calculated by multiplying the incurred losses by the loss conversion factors. The loss conversion factors are shown in the Schedule.
- 6.3 For the first *{number}* plan adjustments, converted losses are calculated by multiplying the incurred losses by the loss development factor applicable to that adjustment and by the loss conversion factor(s), all of which are shown in the Schedule. The loss development factors are used to help stabilize premium adjustments by increasing the incurred losses included in the early retrospective premium calculations to an expected ultimate value.

For plan adjustments beyond the *{ordinal number}* adjustment, converted losses are calculated by multiplying the incurred losses by the loss conversion factor(s) shown in the Schedule

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[Insert 7] (only present if applicable)

- 7.1 The loss conversion factor applies to the first *{amount}* of Incurred Loss per accident for bodily injury by accident and per person for bodily injury by disease, and a loss conversion factor of 1.00 applies to that portion of Incurred Loss in excess of *{amount}* per accident or per person.
- 7.2 The loss conversion factors apply to the first *{amount}* of Incurred Loss per accident for bodily injury by accident and per person for bodily injury by disease, and a loss conversion factor of 1.00 applies to that portion of Incurred Loss in excess of *{amount}* per accident or per person.

[Insert 8]

- 8.1 For Florida, the tax multiplier used is the tax multiplier filed as part of the retrospective rating plan values for the state. For all other states, the tax multiplier used is that value which would produce, when combined with the tax multiplier premium developed in Florida, an amount equivalent to applying the tax multiplier shown in the Schedule to the entire plan.
- 8.2 For Florida, *{list of other retro rated states that do not qualify for LRARO}*, the tax multiplier used is the tax multiplier filed as part of the retrospective rating plan values for those states. For all other states, the tax multiplier used is that value which would produce, when combined with the tax multiplier premium developed in Florida, *{list of other retro rated states that do not qualify for LRARO}*, an amount equivalent to applying the tax multiplier shown in the Schedule to the entire plan.

[Insert 9]

- 9.1 The retrospective premium will not be less than the minimum nor more than the maximum retrospective premium. The minimum and maximum retrospective premiums are determined by multiplying the minimum and maximum factors shown in the Schedule, respectively, by the subject standard premium.
- 9.2 The retrospective premium will not be less than the minimum retrospective premium. The minimum retrospective premium is determined by multiplying the minimum factor shown in the Schedule, by the subject standard premium.
- 9.3 The retrospective premium will not be less than the minimum nor more than the maximum retrospective premium. The minimum and maximum retrospective premiums are determined by applying the minimum and maximum factors shown in the Schedule, respectively, to each \$100 of total payroll developed under the workers compensation classifications in the states subject to retrospective rating.
- 9.4 The retrospective premium will not be less than the minimum retrospective premium. The minimum retrospective premium is determined by applying the minimum factor shown in the Schedule, to each \$100 of total payroll developed under the workers compensation classifications in the states subject to retrospective rating.

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[Insert 10] *(only present if applicable)*

The {*ordinal number*} adjustment shall determine the final amount of retrospective premium.

[Insert 11]

- 11.1 If we cancel for nonpayment of premium, the maximum retrospective premium will be based on the subject premium for the rating plan period, increased pro-rata to 365 days.
- 11.2 If we cancel for nonpayment of premium, the maximum retrospective premium will be based on the total payroll for the rating plan period, increased pro-rata to 365 days.

[Insert 12]

- 12.1 If you cancel, the subject premium for the rating plan period will become the minimum retrospective premium. The maximum retrospective premium will be based on the subject premium for the rating plan period, increased pro-rata to 365 days.
- 12.2 If you cancel, the subject premium for the rating plan period will become the minimum retrospective premium. The maximum retrospective premium will be based on the total payroll for the rating plan period, increased pro-rata to 365 days.