

Department of Consumer & Business Services
Oregon Division of Financial Regulation

WORKERS' COMPENSATION
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS (Excluding LAE)
SUMMARY OF SUPPORTING INFORMATION FORM

CALCULATION OF COMPANY LOSS COST MULTIPLIER

Insurer Name : _____ Date: _____
NAIC No. _____

1. Does this filing apply to all classes contained in item 4 of the Reference Filing Adoption Form? Yes No
[] []
If no, attach a list of affected classes.

2. Loss Cost Modification:
 - A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing: (CHECK ONE)
 - Without modification. (factor = 1.000) **Enter in 2B**
 - With the following modification(s). (Cite the nature and percent modification to the advisory organization's loss experience. Attach supporting data and/or rationale) **Enter in 2B**

 - B. Loss Cost Modification Expressed as a Factor: _____
 - C. Loss Adjustment Expense (LAE) Factor: _____
 - D. Combined Loss Cost Modification and LAE Factor: $2B \times 2C =$ _____

3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio
(Attach exhibit detailing insurer expense data, impact of premium discount plans, and other supporting information.)

PROJECTED EXPENSES: compared to standard premium at company rates

A. Total Production Expenses	_____ %
B. General Expense	_____ %
C. Taxes, Licenses & Fees	_____ %
D. Profit & Contingencies including offset for Investment Income	_____ %
E. Other (explain)	_____ %
F. TOTAL	_____ %

(Expense factor cannot exceed the Plan's (OWCIP) factor for the assigned risk plan, ORS 737.322.)

4. Expected Loss & Loss Adjustment Expense (Target Cost) Ratio:
ELR=1.000 - 3F (expressed in decimal form) _____

5. Overall impact of expense constant & minimum premiums:
(A 2.3% impact would be expressed as 1.023) _____

6. Overall impact of size-of-risk discounts plus expense gradation recognition in retrospective rating: (A 8.6% avg. discount would be expressed as 0.914) _____

7. Company Formula Loss Cost Multiplier: $2D/[(6-3F) \times 5] =$ _____

8. Company Selected Loss Cost Multiplier = _____
(Attach exhibit explaining any differences between 7 & 8.)

9. Are you amending your minimum premium formula? Yes No
[] []
If yes, attach documentation including rate level impact as well as changes in multipliers, Expense constants, maximum minimums, etc.

10. Are you changing your premium discount schedules? [] []
If yes, attach schedules and support detailing premium or rate level change.