WORKERS’ COMPENSATION SELF-INSURANCE REPLACEMENT INSURANCE

This Endorsement is attached to and part of Policy Number ________________ as of its effective date,

Issued by

To

RATING PLAN ENDORSEMENT

The premium for the insurance afforded under the policy to which this endorsement is attached will be calculated retrospectively as follows, separately by State and summed:

I. Formula

\[
\text{Premium} = (\text{Subject Benefits} + \text{Adjusting Fees} + \text{Profit & Administration} + \text{Excess Premium})
\times 
\text{Tax Multiplier}
\less 
\text{Discount};
\]

the sum for all States combined being subject to the Maximum Premium and the Minimum Premium.

II. Definitions

**Subject Benefits** means all benefits we have paid and expect to pay, limited in the case of each claimant per accident or per disease to an amount not greater than the “Loss Limit”.

**Adjusting Fees** means the fees for claims adjusting services calculated in accordance with the Adjusting Fee Schedule set forth in the SCHEDULE below.

**Profit & Administration** means the sum according to the amount(s) or the calculation method set forth in the SCHEDULE below.

**Excess Premium** means the premium for the risk of loss we bear in excess of the “Loss Limit” and the Maximum Premium, and is set forth as a sum or a calculation method in the SCHEDULE below.

**Tax Multiplier** is set forth as a factor or factors in the SCHEDULE below.

**Loss Limit** means the most that we will include in the Formula as benefits paid or payable to any one claimant on account of any one accident or disease, and is set forth in the SCHEDULE below.

**Discount** is a part of the investment income we earn on the premium you have paid us in cash, calculated monthly on the basis of the annual Discount Rate set forth in the SCHEDULE below on the difference on the last business day of each month between:

a) the Premium you have paid us, less the sum of the Adjusting Fees, Profit and Administration and
   Excess Premium, multiplied by the Tax Multiplier, and

b) the Subject Benefits we have paid to claimants,

until this Rating Plan is terminated by mutual agreement between you and us.
**Maximum Premium** is the most you must pay, and is set forth as a sum or a calculation method in the SCHEDULE below.

**Minimum Premium** is the least you must pay, and is set forth as a sum or a calculation method in the SCHEDULE below.

**SCHEDULE**

The Estimated Premium is

The Maximum Premium is

The Minimum Premium is

The Estimated Premium is payable in installments due as follows:

Adjusting Fee Schedule:

Profit & Administration is estimated as _________________ and is calculated as follows:

Loss Limit is

Excess Premium is estimated as _________________ and is calculated as follows:

Tax Multiplier is (are by State)

Discount Rate is

We will recalculate the premium within _____ days/months of the due date of the final Installment set forth above, and annually thereafter until you and we agree to terminate this Rating Plan. If at any time within 60 days after such a calculation you have paid us more than the recalculated premium, upon your request we will pay you the difference.

____________________________
Authorized Representative