

Department of Consumer & Business Services
Oregon Insurance Division

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 x 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: $2D/[(6-3F)x5] =$ _____
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.