

Retro adjustment report – covers periods after 2011

A1 Adjustment Calculation Worksheet – Premium Based Plan - Coverage Periods After 2011

A2 Adjustment Calculation Worksheet - Loss Based Plan - Coverage Periods After 2011

A1 or A2

Department of Labor and Industries
Adjustment Report
Program Key: A232223

Retro ID: XXXXX Adjustment Date: 06/30/2011 Page: 1

Name: RETRO PARTICIPANT NAME
Address: Street Address City ST ZIP
Coverage Period: 06/30/2011 - 06/30/2011

Plan Type	Single	Multiple	Minimum	Maximum	Rate Factor	Final Incurred Losses
P	1	1	0.0000	0.2000	5	448,443

Standard Premium Paid: 1,500,000
Retro Premium: 769,151
Refund Due: 730,849

Final Incurred Losses: 448,443
Premium Admin Expense Charge: 77,000
Net Insurance Charge: 471,443

Retro Premium: 769,151

* Prior Retro Premium will display here in place of Standard Premium for all adjustments other than the first.

B Adjustment Calculation Worksheet – Page 2 - Prior Adjustment Information

Department of Labor and Industries
Adjustment Report
Program Key: A232223

Retro ID: XXXXX Adjustment Date: 06/30/2011 Page: 2

Name: RETRO PARTICIPANT NAME
Address: Street Address City ST ZIP
Coverage Period: 06/30/2011 - 06/30/2011

Plan Type	Single	Multiple	Minimum	Maximum	Rate Factor	Final Incurred Losses
P	1	1	0.0000	0.2000	5	448,443

Prior Adjustments

Adj No	Employee Number	Standard Premium Paid	Final Incurred Losses	Rate Factor	Refund Amount	Additional Premium Paid

Final/penalty/credits: Assessed: 0.00 paid: 0.00 balance: 0.00

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- This page is identical for Premium and Loss Based plans, and for all coverage periods.

C Adjustment Report – Member Claim and Premium Detail by Account

Department of Labor and Industries
Adjustment Report
Program Key: A232223

Retro ID: XXXXX Adjustment Date: 06/30/2011 Page: 3

Name: RETRO PARTICIPANT NAME
Address: Street Address City ST ZIP
Coverage Period: 06/30/2011 - 06/30/2011

Claim Number	Claim Date	Claim Type	Claim Status	Case Incurred Loss	Final Incurred Loss
000 000 001	01/18/11	WA	CLDSD	10,000	10,000
000 000 002	01/18/11	WA	CLDSD	3,500	3,500
000 000 003	01/18/11	WA	CLDSD	100,000	100,000
000 000 004	01/18/11	WA	CLDSD	115,000	115,000

Standard Premium Paid: 1,500,000
Final Incurred Losses: 448,443
Net Insurance Charge: 471,443

- Discounted Developed Loss = Case Incurred Losses multiplied by the Discounted Loss Development Factor (LDF) by benefit type and by the Final Incurred Loss = Discounted Developed Loss multiplied by the Expected Loss Ratio Factor (ELRF) by benefit type and by the Performance Adjustment Factor (PAF)
- For purposes of this sample report, costs on all non-medical claims are 50% Medical Aid and 50% Indemnity, with the full indemnity portion based on the claim type.
- This page is identical for Premium and Loss Based plans, and for all coverage periods.

D Adjustment Factors and Averages Page

Department of Labor and Industries
Adjustment Report
Program Key: A232223

Retro ID: XXXXX Adjustment Date: 06/30/2011 Page: 4

Name: RETRO PARTICIPANT NAME
Address: Street Address City ST ZIP
Coverage Period: 06/30/2011 - 06/30/2011

CLAIM TYPE	ELRF	PAF	LDF	ELDF	ELDF	ELDF	ELDF
000 000 001	1.0000	1.0000	1.1637	1.0000	1.0000	1.0000	1.0000

AVERAGE CLAIM VALUES: PRIORITY: 280,400 = 1 INDENTIFY: 280,594.00 = 100.00% (11,496.00)

INDEMNITY DATE	EL	MSC	MA	IND	MSC	MA
07/1 - 07/31	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

- Separate Adjustment Factors and Averages Reports will be created for each coverage period.
- This report lists the Loss Development Factors (LDF) and Expected Loss Ratio Factors (ELRF) by type of claim and benefit (Medical or Indemnity), and the Performance Adjustment Factor (PAF) for coverage periods beginning after 1-1-2011.
- Claims and values identified with * in report C are displaying average reserves calculated by L&I actuaries on some Retro claims.
- Averages apply to claims by claim type, benefit type and date of injury for claims with dates of injury after 1/1/2011, that are open, not yet case reserved, and claims where paid to date values are less than the applicable average.

Understanding your Retro adjustment report

Approximately 10 months after the end of each coverage period, group sponsors will receive an adjustment report, outlining the performance of all group members during the coverage period. For each year of Retro enrollment, we will send three adjustment reports, each spaced a year apart.

What information is found in the reports?

The adjustment report displays information and costs related to claims filed within each coverage period.

The report also displays the calculations that were used to determine whether the group received a premium refund or an additional premium assessment.

Please see the reverse side and attached sample reports for detailed explanations of the adjustment report fields.



Contact us for more information:
360-902-4851
 Email to Retro@lni.wa.gov
 On the Web at www.Retro.Lni.wa.gov



1. **Plan Type:** Your choice of plans (loss or premium based) determines what L&I takes into consideration when applying an insurance charge.
2. **Single Loss Limit:** A cap on losses that would be considered for a single incident (claim or event). Choices are: \$120,000, \$250,000, \$500,000, \$1 Million and No Limit.
3. **Maximum Loss Ratio:** A factor selected at time of enrollment, which sets the upper limit or cap on your aggregate loss ratio. Expressed as a ratio of final losses to standard premium.
4. **Minimum Loss Ratio:** A factor selected at time of enrollment, which sets the lower limit or floor on your aggregate loss ratio. Expressed as a ratio of final losses to standard premium.
5. **Hazard Group:** Hazard groups are determined by the distribution of standard premium by risk class, and are used to determine the insurance charges that will be assigned.
6. **Size Group:** Classification of Retro participants into groups, based on their standard premium paid. For coverage periods beginning 1/1/2011, the range is 1 (smallest) to 74 (largest).
7. **Standard Premium:** Portion of total premium paid during a retro coverage period minus the Supplemental Pension and Stay at Work fund premiums (Accident and Medical Aid fund premiums only).
- 7A. **Prior Retro Premium Paid (for all adjustments after the first):** Standard premium paid minus refunds already paid, plus additional premium assessments paid (minus interest, fee, and penalties).
8. **Final Incurred Losses (previously named "Total Incurred Losses Developed"):** Case Incurred Losses multiplied by the Loss Development Factor (LDF), Expected Loss Ratio Factor (ELRF), Performance Adjustment Factor (PAF), and any capping.
9. **Retro Premium:** Actual premium responsibility of participants at the time of an annual adjustment.
10. **Refund or Additional Premium Due:** Indicates a refund earned or additional premium assessment due at the time of each adjustment.
11. **Premium Admin Expense Factor:** This factor is used to calculate non-claim insurance expenses within each coverage period.
12. **Premium Admin Expense Charge:** Identifies your portion of the non-claim insurance expenses within each coverage period. It is calculated by multiplying standard premium by the premium admin expense factor.
13. **Claims Admin Expense Factor:** Used to calculate the cost of claims and their administration during each retro enrollment period.
14. **Incurred Loss And Expense Charge:** Determines the cost of all claims and their administration within each coverage period. It is calculated by multiplying final incurred losses by the claims admin expense factor.
15. **Premium or Loss Based Insurance Charge Factor:** Used to calculate net insurance charges. The factors and charges depend on your plan choices at time of enrollment, and are found in tables in WAC 296-17B-910-990.
16. **Premium or Loss Based Insurance Savings Factor:** Used to calculate net insurance charges. The factors and charges depend on your plan choices at time of enrollment, and are found in tables in WAC 296-17B-910-990.
17. **Net Insurance Charge Percent:** Calculated by subtracting the insurance savings factor from the insurance charges factor.
18. **Performance Adjustment Factor (PAF):** An actuarially determined factor unique to each Retro coverage year. PAFs insure that aggregate refunds for a given Retro coverage year are in proportion to how Retro employers' performance compares to non-retro employers.
19. **Net Insurance Charge:** Charges for the protection provided by your single loss limit and maximum loss ratio.
20. **Additional Premium Paid:** Any portion of additional premium assessments from prior adjustments that have been paid within the current coverage period.
21. **Claim Type:** The following codes are used to describe these types of claims:
 - FATAL – A work-related death
 - TPD – Total Permanent Disability/ Pension, awarded or reserved
 - SSLIF – Structured Settlement with ongoing, lifetime payments
 - SSPER – Structured Settlement with fixed, periodic payments
 - SSONE – Structured Settlement with one-time lump-sum payment
 - PPD – Permanent Partial Disability, awarded or reserved
 - TL – Time Loss or Loss of Earning Power, paid or reserved
 - MISC – Miscellaneous Accident Fund, paid or reserved
 - MA – Medical Aid only
22. **Claim Status:** Open or closed as of the freeze date.
23. **Case Incurred Loss:** For each claim, the total benefits paid or awarded if the claim is closed; or total benefits paid or awarded plus reserves, or averages if any, if the claim is open.
24. **Discounted/Developed Loss:** Calculated by multiplying the case incurred loss by the discounted loss development factor (LDF) based on type of claim.
25. **Final Incurred Loss:** Calculated by multiplying case incurred loss by loss development factor (LDF), expected loss ratio factor (ELRF), performance adjustment factor (PAF) and any capping.

Adjustment Calculation Worksheet – Premium Based Plan - Coverage Periods After 2011

Department of Labor and Industries
 Adjustment Report
 Program Key: A2522235

Retro ID: XXXXX

Adjustment Date: MM/DD/YYYY
 Page: 1

Name	RETRO PARTICIPANT NAME	UBI	###	###	###
Coverage Period	MM/DD/YYYY - MM/DD/YYYY	Address	Street Address	City	ST ZIP
Adjustment Number	1				
①	②	③	④	⑤	⑥
Plan	Single	Maximum	Minimum	Hazard	Size
Type	Loss Limit	Loss Ratio	Loss Ratio	Group	Group
P	500,000	.7000	.2000	5	66
					Standard Premium
					Final Incurred Losses
					1,500,000
					448,443

Refund or Additional Premium Calculation

⑦ or ⑦A	⑨	⑩
Standard Premium Paid *	Retro Premium	Refund Due
1,500,000	974,819	525,181
		or
		Additional Premium Due

⑦	⑪	⑫
Standard Premium Paid	Premium Admin Expense Charge	Premium Admin Expense Charge
1,500,000	0.0480	72,000

⑧	⑬	⑭
Final Incurred Losses	Incurred Loss and Expense Charge	Incurred Loss and Expense Charge
448,443	1.0700	479,834

⑮	⑯	⑰	⑱
Premium Based Insurance Charge	Net Insurance Charge Pct	Standard Premium Paid	Performance Adjustment Factor
0.2980	0.2968	1,500,000	.9501
	x	x	=
			422,985

⑫	⑭	⑯	⑰
Premium Admin Expense Charge	Incurred Loss and Expense Charge	Net Insurance Charge	Retro Premium
72,000	479,834	422,985	974,819

* Prior Retro Premium 7A will display here in place of Standard Premium Paid 7 for all adjustments other than the first.

Adjustment Calculation Worksheet - Loss Based Plan - Coverage Periods After 2011

Department of Labor and Industries Retro ID: XXXXX Adjustment Date: MM/DD/YYYY
 Adjustment Report Page: 1
 Program Key: A2522235

(1) Name	RETRO PARTICIPANT NAME	UBI	###	###	###
Coverage Period	MM/DD/YYYY - MM/DD/YYYY	Address	Street	Address	
Adjustment Number	1		City	ST	ZIP
(2) Plan Type	Single	(3) Maximum Loss Ratio	(4) Minimum Loss Ratio	(5) Hazard Group	(6) Size Group
(7) L	500,000	0.7000	0.2000	5	66
					(8) Final Incurred Losses
					1,500,000
					448,443

Refund or Additional Premium Calculation					
(7) Standard Premium Paid *	1,500,000	(9) Retro Premium	769,151	(10) Refund Due	730,849
				or	
				Additional Premium Due	

(7) Your Standard Premium	1,500,000	(11) Premium Admin Expense Factor	0.0480	(12) Premium Admin Expense Charge	72,000
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(8) Final Incurred Losses	448,443	(13) Claims Admin Expense Factor	1.0700	(14) Incurred Loss and Expense Charge	479,834
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Net Insurance Charge (Loss Based Plans)					
(15) Loss Insurance Charge Factor	0.3130	(16) Loss Insurance Savings Factor	0.0013	(17) Net Insurance Charge Pct	.4529
(18) Net Insurance Charge Pct	.4529	(19) Incurred Loss and Expense Charge	479,834	(20) Net Insurance Charge	217,317

(12) Premium Admin Expense Charge	72,000	(14) Incurred Loss and Expense Charge	479,834	(19) Net Insurance Charge	217,317	(9) Retro Premium	769,151
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* Prior Retro Premium (7A) will display here in place of Standard Premium Paid (7) for all adjustments other than the first.

B

Adjustment Calculation Worksheet – Page 2 - Prior Adjustment Information

Department of Labor and Industries
 Adjustment Report
 Program Key: A2522OLD

Retro ID: XXXXX

Adjustment Date: MM/DD/YYYY
 Page: 2

Name	RETRO PARTICIPANT NAME	UBI	### ### ##	Street Address	City	ST	ZIP
Coverage Period	MM/DD/YYYY - MM/DD/YYYY	Address					
Adjustment Number	2						
Plan Type	Single	Maximum Loss Ratio	Minimum Loss Ratio	Hazard Group	Size Group	Standard Premium	Final Incurred Losses
P	500,000	.7000	.2000	5	66	1,500,000	448,443

Prior Adjustments

Adj No	Employer Members	Standard Premium Paid	Final Incurred Losses	Retro Premium	Refund Amount	Additional Premium Due	Additional Premium Paid

Fees/Penalty/Interest:	Assessed:	0.00	Paid:	0.00	Balance:	0.00
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- This page is identical for Premium and Loss Based plans, and for all coverage periods.

Adjustment Report – Member Claim and Premium Detail by Account

Department of Labor and Industries Retro ID: _____ Adjustment Date: MM/DD/YYYY
 Adjustment Report Page: 3
 Program Key: A2522OLD

Name	Retro Group Name	UBI	###	###	###
Coverage Period	MM/DD/YYYY - MM/DD/YYYY	Address	Street	Address	
Adjustment Number	1		CITY, ST	ZIP	

Premium and Incurred Loss Summary

UBI No	Account ID	Standard Premium Paid	Employer Name	(21) Claim Type	(22) Injury Date	(23) Case Incurred Loss	(24) Discounted * Developed Loss	(25) Final ** Incurred Loss
000 000 001	XXX,XXX-00	900,000.00	COMPANY A					
@#####	WORKER ADAM			MA	01/19/11	10,000	16,692	12,900
@#####	WORKER BEVERLY			TL	02/18/11	5,000	16,066	15,072
@#####	WORKER CHRISTOPHER			TL	03/12/11	100,000	321,325	301,434
000 000 002	XXX,XXX-01	250,000.00	COMPANY B					
@#####	WORKER GEORGE			PPD	04/19/11	5,000	10,984	10,320
@#####	WORKER HOLLY			TL	05/18/11	15,000	48,199	45,215
@#####	WORKER IAN			TL	06/08/11	20,000	64,265	60,287
@#####	WORKER JENNIFER			MA	07/03/11	500	835	645
000 000 004	XXX,XXX-02	100,000.00	COMPANY C					
@#####	WORKER KRAIG			MISC	08/03/11	500	2,639	2,570
000 000 005	XXX,XXX-03	250,000.00	COMPANY D					
NO CLAIMS FOUND FOR THIS EMPLOYER								
TOTALS: Standard Premium				1,500,000	156,000	481,005	448,443	

* Discounted Developed Loss = Case Incurred Losses multiplied by the Discounted Loss Development Factor (LDF)
 ** Final Incurred Loss = Discounted Developed Loss multiplied by the Expected Loss Ratio Factor (ELRF) by benefit type and by the Performance Adjustment Factor (PAF)
 • For purposes of this sample report, costs on all non-medical claims are 50% Medical Aid and 50% Indemnity, with the full indemnity portion based on the claim type.
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Adjustment Factors and Averages Page

DEPARTMENT OF LABOR AND INDUSTRIES
QUARTERLY AVERAGES AND FACTORS REPORT
PROGRAM KEY: RP22043A

RETRO ID:
RETRO GROUP NAME:

DATE: MM/DD/YYYY
PAGE: 1

DISCOUNTED LOSS DEVELOPMENT FACTORS FOR COVERAGE PERIOD: MM/DD/YYYY

CLAIM TYPE	FATAL		TPD		SS-LIF		SS-PER		SS-ONE		PPD	
	IND	MA	IND	MA	IND	MA	IND	MA	IND	MA	IND	MA
FACTOR	1.0000	1.0000	1.0000	1.1637	1.0000	1.1637	1.0000	1.6348	1.0000	1.6348	2.7588	1.6348

CLAIM TYPE	TL		MISC		ELRF		PAF	
	IND	MA	IND	MA	IND	MA	IND	MA
FACTOR	4.0000	2.4265	8.0000	2.5543	1.0929	0.8134		0.9501

AVERAGE CLAIM VALUES: FATALITY: 280,400 = (INDEMNITY: 268,594.00 + MEDICAL: 11,806.00)

INJURY DATE	TPD		
	TPD	TL	MISC
1/1 - 3/31	119,149	4,039	76,740
4/1 - 6/30	119,740	4,059	77,121
7/1 - 9/30	120,335	4,079	77,504
10/1 - 12/31	120,335	4,079	77,504

INJURY DATE	PPD		
	PPD	TL	MISC
1/1 - 3/31	12,339	16,853	903
4/1 - 6/30	11,088	15,145	811
7/1 - 9/30	8,345	11,397	611
10/1 - 12/31	8,345	11,397	611

INJURY DATE	TL	
	MISC	MA
1/1 - 3/31	4,347	181
4/1 - 6/30	4,368	182
7/1 - 9/30	4,390	183
10/1 - 12/31	4,390	183

INJURY DATE	MISC	
	MISC	MA
1/1 - 3/31	173	5,678
4/1 - 6/30	174	4,852
7/1 - 9/30	175	3,304
10/1 - 12/31	175	3,304

INJURY DATE	MA	
	MISC	MA
1/1 - 3/31	824	
4/1 - 6/30	704	
7/1 - 9/30	500	
10/1 - 12/31	500	

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- Claims and values identified with * in report C are displaying average reserves calculated by L&I's actuaries on some Retro claims. Averages apply to claims by claim type, benefit type and date of injury for claims with dates of injury after 1/1/2011, that are open, not yet case reserved, and claims where paid to date values are less than the applicable average.