

ICP - Employer Summary

Account: 11 TEST ACCOUNT
Industry: 70000 TEST INDUSTRY

Industry Custom Pricing (ICP) is a voluntary pricing option where industries take greater control of the premiums they pay. ICP motivates and rewards employers who make injury prevention and disability management a priority. Employers who perform well will pay less, and employers who perform poorly will pay more.

Report details

This report shows how ICP affects the premiums for TEST ACCOUNT (account 11) in Industry 70000, TEST INDUSTRY. Your industry participates in the Cost Relief Pricing Option for 2010.

There are three pricing options available in ICP: Cost Relief, Experience Rating, and a combination of both Cost Relief and Experience Rating. In this report, each option is compared to premiums based on standard pricing.

Note that ICP impacts all employers within an industry. To see how ICP could impact your industry premiums, you can request an *ICP - Industry* Summary report by clicking on this link in the Request Reports screen of the Request Claim and Premium Reports service.

Summary of ICP Impact on Industry Rate for Industry 70000

Rate Year	Standard Pricing	Cost Relief Option	Experience Rating Option	Cost Relief/Experience Rating Option
2008	\$1.14	\$1.13	\$1.15	\$1.13
2009	\$1.26	\$1.24	\$1.26	\$1.24
2010	\$1.32	\$1.31	\$1.32	\$1.31
2011	\$1.32	\$1.31	\$1.32	\$1.31
2012 - Forecast	\$1.33	\$1.33	\$1.33	\$1.33

Summary of ICP Impact on Employer Rate for Account 11

Rate Year	Standard Pricing	Cost Relief Option	Experience Rating Option	Cost Relief/Experience Rating Option
2008	\$1.17	\$1.17	\$1.20	\$1.20
2009	\$1.34	\$1.34	\$1.43	\$1.44
2010	\$1.45	\$1.46	\$1.59	\$1.61
2011	\$1.47	\$1.47	\$1.61	\$1.63
2012 - Forecast	\$1.47	\$1.47	\$1.61	\$1.63

Summary of ICP Impact on Premiums for Account 11

Rate Year	Standard Pricing	Cost Relief Option	Experience Rating Option	Cost Relief/Experience Rating Option
2008	\$10,429,409	\$10,429,409	\$10,696,830	\$10,696,830
2009	\$12,885,702	\$12,885,702	\$13,751,160	\$13,847,322
2010	\$14,355,000	\$14,454,000	\$15,741,000	\$15,939,000
2011	\$14,553,000	\$14,553,000	\$15,939,000	\$16,137,000
2012 - Forecast	\$14,553,000	\$14,553,000	\$15,939,000	\$16,137,000
5 Year Total Premium	\$66,776,111	\$66,875,111	\$72,066,990	\$72,757,152

** Does not include poor performance surcharge, if applicable

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Standard Pricing

Employers participating in the Experience Rating Plan for Large Employers can achieve up to 40% in discounts or surcharges while employers in the Experience Rating Plan for Small Employers can achieve a 5% discount or surcharge.

Cost relief applies in standard pricing where employers may have certain costs removed from their experience record. In return the industry pays a cost relief levy.

This table shows the premiums you pay today through the standard pricing program.

Rate Year	Insurable Earnings	Industry Rate	Rate Adjustment*	Employer Rate**	Premium
2008	\$891,402,486	\$1.14	2.33%	\$1.17	\$10,429,409
2009	\$961,619,571	\$1.26	6.69%	\$1.34	\$12,885,702
2010	\$990,000,000	\$1.32	10.17%	\$1.45	\$14,355,000
2011	\$1,110,000,000	\$1.32	11.16%	\$1.47	\$14,553,000
2012 - Forecast	\$1,410,000,000	\$1.33	11.16%	\$1.47	\$14,553,000
5 Year Total Premium					\$66,776,111

* Brackets denote a discount position; without brackets, a surcharge

** Does not include poor performance surcharge, if applicable

Option 1 - Cost Relief

In this option, experience rating parameters do not change but the cost relief levy is removed.

Employers get a lower premium rate in return for including some previously relieved costs on their experience record. As well those costs are used to measure the industry average experience.

The overall industry premium is reduced when the levy is removed. Most employers pay less, but some will pay more as certain costs will not be subsidized by the rest of the industry.

Your experience record shows you have 33 claims with cost relief for 2010. Three years of claims history is used to determine this number. For example, your experience record for 2006 to 2008 is used to determine 2010.

This table shows the premiums your company would pay as a result of adding back the costs that were relieved, revising the industry average with those costs, and lowering the industry rate by removing the levy for cost relief.

Rate Year	Insurable Earnings	Industry Rate	Rate Adjustment*	Employer Rate**	Premium	Premium Change from Standard Pricing
2008	\$891,402,486	\$1.13	3.17%	\$1.17	\$10,429,409	\$0
2009	\$961,619,571	\$1.24	7.96%	\$1.34	\$12,885,702	\$0
2010	\$990,000,000	\$1.31	11.36%	\$1.46	\$14,454,000	\$99,000
2011	\$1,110,000,000	\$1.31	12.30%	\$1.47	\$14,553,000	\$0
2012 - Forecast	\$1,410,000,000	\$1.33	12.30%	\$1.47	\$14,553,000	\$0
5 Year Total Premium					\$66,875,111	

* Brackets denote a discount position; without brackets, a surcharge

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Option 2 - Experience Rating

This option allows employers to earn bigger discounts or surcharges--up to 60%, and increase experience rating parameters including the participation factor and experience ratio. The overall rate for the industry and employer premium distribution may change however the overall premium the industry pays stays the same. Employers performing well will get bigger discounts, while those doing poorly will have bigger surcharges.

This table shows the premiums your company would pay as a result of modified experience rating factors.

Rate Year	Insurable Earnings	Industry Rate	Rate Adjustment*	Employer Rate**	Premium	Premium Change from Standard Pricing
2008	\$891,402,486	\$1.15	4.65%	\$1.20	\$10,696,830	\$267,421
2009	\$961,619,571	\$1.26	13.39%	\$1.43	\$13,751,160	\$865,458
2010	\$990,000,000	\$1.32	20.34%	\$1.59	\$15,741,000	\$1,386,000
2011	\$1,110,000,000	\$1.32	22.32%	\$1.61	\$15,939,000	\$1,386,000
2012 - Forecast	\$1,410,000,000	\$1.33	22.32%	\$1.61	\$15,939,000	\$1,386,000
5 Year Total Premium					\$72,066,990	

* Brackets denote a discount position; without brackets, a surcharge

** Does not include poor performance surcharge, if applicable

Option 3 - Combination of Cost Relief and Experience Rating

In this option, the cost relief levy is removed and experience rating factors are modified. Employers may experience a change in rate due to the removal of the levy while also modifying the experience rating factors.

This table shows the premium your company would pay based on the removal of the levy and modified experience rating factors.

Rate Year	Insurable Earnings	Industry Rate	Rate Adjustment*	Employer Rate**	Premium	Premium Change from Standard Pricing
2008	\$891,402,486	\$1.13	6.34%	\$1.20	\$10,696,830	\$267,421
2009	\$961,619,571	\$1.24	15.93%	\$1.44	\$13,847,322	\$961,620
2010	\$990,000,000	\$1.31	22.72%	\$1.61	\$15,939,000	\$1,584,000
2011	\$1,110,000,000	\$1.31	24.60%	\$1.63	\$16,137,000	\$1,584,000
2012 - Forecast	\$1,410,000,000	\$1.33	24.60%	\$1.63	\$16,137,000	\$1,584,000
5 Year Total Premium					\$72,757,152	

* Brackets denote a discount position; without brackets, a surcharge

** Does not include poor performance surcharge, if applicable