

ICP - Industry Summary

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. Your industry participates in the Cost Relief Pricing Option for 2010.

Report Details

This report shows how ICP affects the premiums of employers in the Experience Rating Plan for Large Business for Industry 70000, TEST INDUSTRY.

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 industry premiums based on standard pricing.

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

This table shows a breakdown of the types and number of employers within your industry

Year	Total Number of Employers	Number of Small Business Employers	Number of Experience Rated Employers	Number of Non Experience Rated Employers
2010	29	5	23	1

This table shows the impact of ICP on experience rated employers within your industry for 2010.

	ICP Options			
	Standard Pricing	Cost Relief	Experience Rating	Cost Relief/ Experience Rating
Insurable Earnings	\$2,396,581,104	\$2,396,581,104	\$2,396,581,104	\$2,396,581,104
Industry Rate	\$1.32	\$1.31	\$1.32	\$1.31
Industry Rated Premiums	\$31,634,871	\$31,395,212	\$31,634,871	\$31,395,212
Discount Premium	\$2,208,255	\$2,182,972	\$4,091,950	\$4,040,259
Surcharge Premium	\$1,749,951	\$1,798,819	\$3,465,873	\$3,564,740
Net Premiums	\$31,176,567	\$31,011,059	\$31,008,793	\$30,919,694
Premium Change from Standard Pricing	-	(\$195,200)	(\$267,430)	(\$349,589)
Number of Employers with Discounts	15	15	15	15
Number of Employers with Surcharges	8	8	8	8
Number of Employers with no Adjustment	0	0	0	0
Rate Increases	N/A	4	8	6
Rate Decreases	N/A	16	15	17

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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.

These tables show the premium costs for your industry under standard pricing.

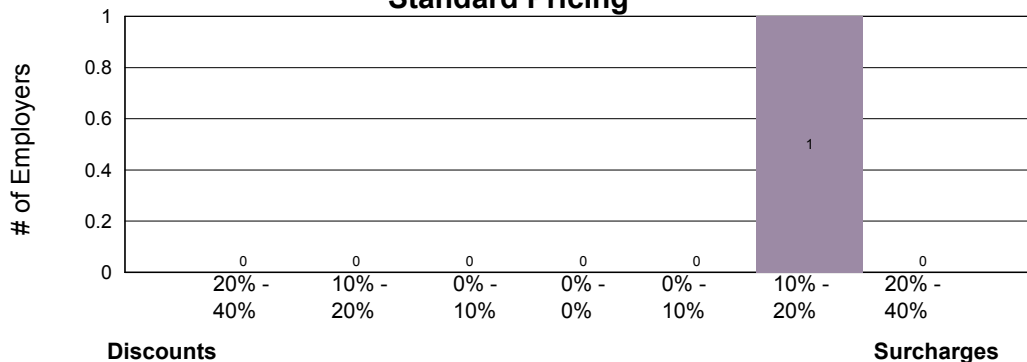
Rate Year	Industry Rate	Insurable Earnings	Industry Rated Premiums	Discount Premium	Surcharge Premium	Net Premium
2008	\$1.14	\$2,106,894,418	\$24,018,596	\$1,296,918	\$773,197	\$23,494,875
2009	\$1.26	\$2,309,489,601	\$29,099,569	\$1,689,864	\$1,236,796	\$28,646,500
2010	\$1.32	\$2,396,581,104	\$31,634,871	\$1,796,916	\$1,511,653	\$31,349,608
2011	\$1.32	\$2,396,581,104	\$31,634,871	\$2,208,255	\$1,749,951	\$31,176,567
2012 - Forecast	\$1.33	\$2,396,581,104	\$31,634,871	\$2,208,255	\$1,749,951	\$31,176,567

**Does not include poor performance surcharge, if applicable.

Rate Year	Number of Employers with Discounts	Number of Employers with Surcharges	Number of Employers with no Adjustments
2008	17	7	0
2009	15	8	0
2010	16	7	0
2011	15	8	0
2012 - Forecast	15	8	0

**Does not include poor performance surcharge, if applicable.

2010 Experience Rating Distribution Standard Pricing



*The chart above illustrates the discount and surcharge distribution for 2010. The distribution is generally consistent from year to year.

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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.

The table below illustrates claim activity for the experience period affecting the 2010 rate year.

Experience Period	Experience Rated Claims	Cost Relief Claims	Number of Employers with Cost Relief	Number of Employers with no Cost Relief
2006 - 2008	4870	76	11	12

These tables show the premium costs for your industry using the cost relief option of ICP

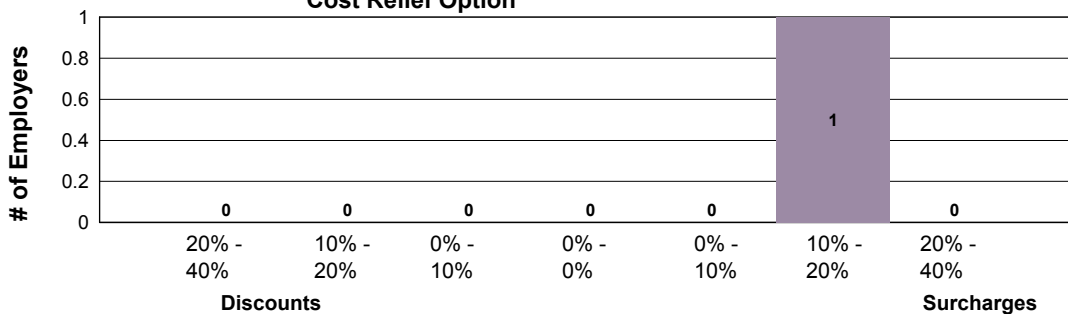
Rate Year	Industry Rate	Insurable Earnings	Industry Rated Premiums	Discount Premium	Surcharge Premium	Net Premium	Premium Change from Standard Pricing
2008	\$1.13	\$2,106,894,418	\$23,807,907	\$1,169,300	\$851,020	\$23,489,627	\$10,080
2009	\$1.24	\$2,309,489,601	\$28,637,671	\$1,620,817	\$1,330,874	\$28,347,728	\$(252,661)
2010	\$1.31	\$2,396,581,104	\$31,395,212	\$1,740,983	\$1,623,320	\$31,277,550	\$(14,370)
2011	\$1.31	\$2,396,581,104	\$31,395,212	\$2,182,972	\$1,798,819	\$31,011,059	\$(195,200)
2012 - Forecast	\$1.33	\$2,396,581,104	\$31,395,212	\$2,182,972	\$1,798,819	\$31,011,059	\$(195,200)

Rate Year	Number of Employers with Discounts	Number of Employers with Surcharges	Number of Employers with no Adjustments	Rate Decreases	Rate Increases
2008	16	8	0	14	6
2009	15	8	0	18	2
2010	16	7	0	12	6
2011	15	8	0	16	4
2012 - Forecast	15	8	0	16	4

*Data in the above table is reflective of the cost relief option being selected for 2008 and subsequent years.

**Does not include poor performance surcharge, if applicable.

**2010 Experience Rating Distribution
Cost Relief Option**



*The chart above illustrates the discount and surcharge distribution for 2010. The distribution is generally consistent from year to year.

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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.

Employers may experience a change in industry rate with this option due to modified experience rating factors.

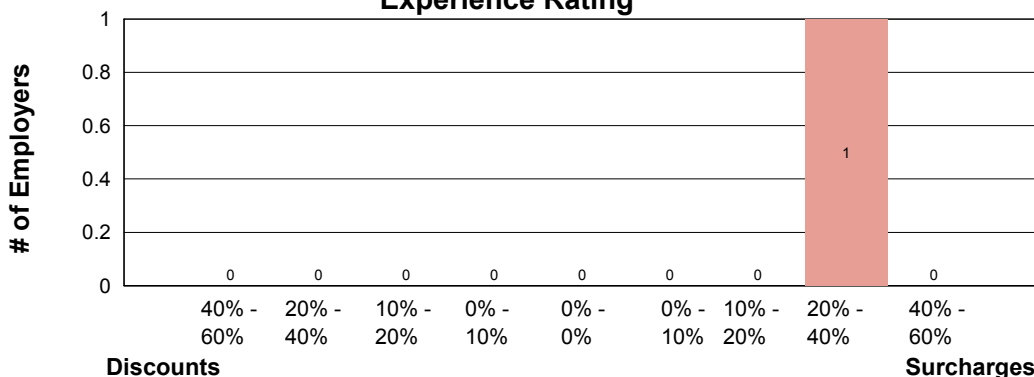
These tables show the premium costs for your industry using the experience rating option of ICP.

Rate Year	Industry Rate	Insurable Earnings	Industry Rated Premiums	Discount Premium	Surcharge Premium	Net Premium	Premium Change from Standard Pricing
2008	\$1.15	\$2,106,894,418	\$24,229,286	\$2,418,321	\$1,540,445	\$23,351,410	\$(218,149)
2009	\$1.26	\$2,309,489,601	\$29,099,569	\$3,229,509	\$2,452,738	\$28,322,798	\$(299,631)
2010	\$1.32	\$2,396,581,104	\$31,634,871	\$3,309,586	\$2,998,077	\$31,323,361	\$(226)
2011	\$1.32	\$2,396,581,104	\$31,634,871	\$4,091,950	\$3,465,873	\$31,008,793	\$(267,430)
2012 - Forecast	\$1.33	\$2,396,581,104	\$31,634,871	\$4,091,950	\$3,465,873	\$31,008,793	\$(267,430)

Rate Year	Number of Employers with Discounts	Number of Employers with Surcharges	Number of Employers with no Adjustments	Rate Decreases	Rate Increases
2008	17	7	0	16	7
2009	15	8	0	15	8
2010	16	7	0	16	7
2011	15	8	0	15	8
2012 - Forecast	15	8	0	15	8

***Does not include poor performance surcharge, if applicable.*

2010 Experience Rating Distribution
Experience Rating



**The chart above illustrates the discount and surcharge distribution for 2010. The distribution is generally consistent from year to year.*

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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 industry rate due to the removal of the levy while also modifying the experience rating factors.

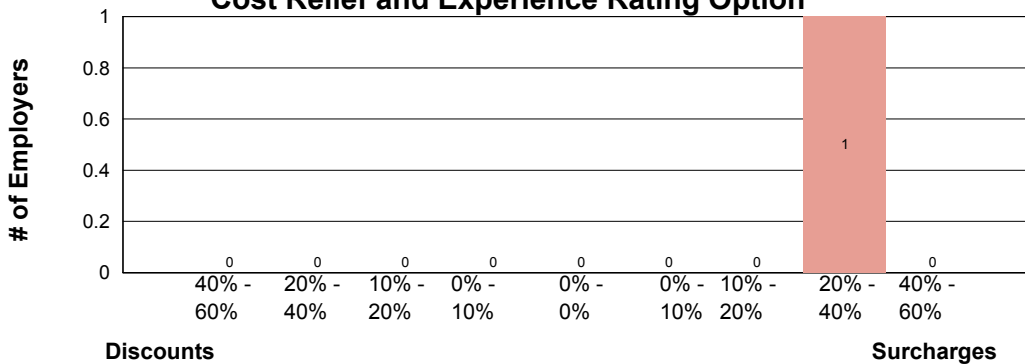
These tables show the premium costs for your industry using the combination option under ICP.

Rate Year	Industry Rate	Insurable Earnings	Industry Rated Premiums	Discount Premium	Surcharge Premium	Net Premium	Premium Change from Standard Pricing
2008	\$1.13	\$2,106,894,418	\$23,807,907	\$2,168,778	\$1,683,869	\$23,322,998	\$(202,906)
2009	\$1.24	\$2,309,489,601	\$28,637,671	\$3,086,237	\$2,641,197	\$28,192,632	\$(401,820)
2010	\$1.31	\$2,396,581,104	\$31,395,212	\$3,220,673	\$3,221,782	\$31,396,322	\$101,224
2011	\$1.31	\$2,396,581,104	\$31,395,212	\$4,040,259	\$3,564,740	\$30,919,694	\$(349,589)
2012 - Forecast	\$1.33	\$2,396,581,104	\$31,395,212	\$4,040,259	\$3,564,740	\$30,919,694	\$(349,589)

Rate Year	Number of Employers with Discounts	Number of Employers with Surcharges	Number of Employers with no Adjustments
2008	16	8	0
2009	15	8	0
2010	16	7	0
2011	15	8	0
2012 - Forecast	15	8	0

**Does not include poor performance surcharge, if applicable.

2010 Experience Rating Distribution Cost Relief and Experience Rating Option



*The chart above illustrates the discount and surcharge distribution for 2010. The distribution is generally consistent from year to year.