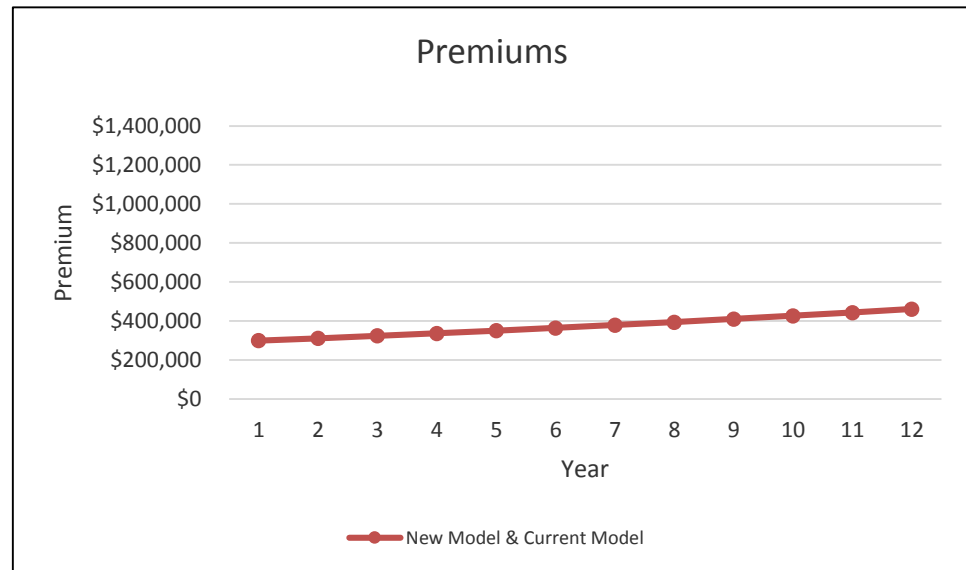
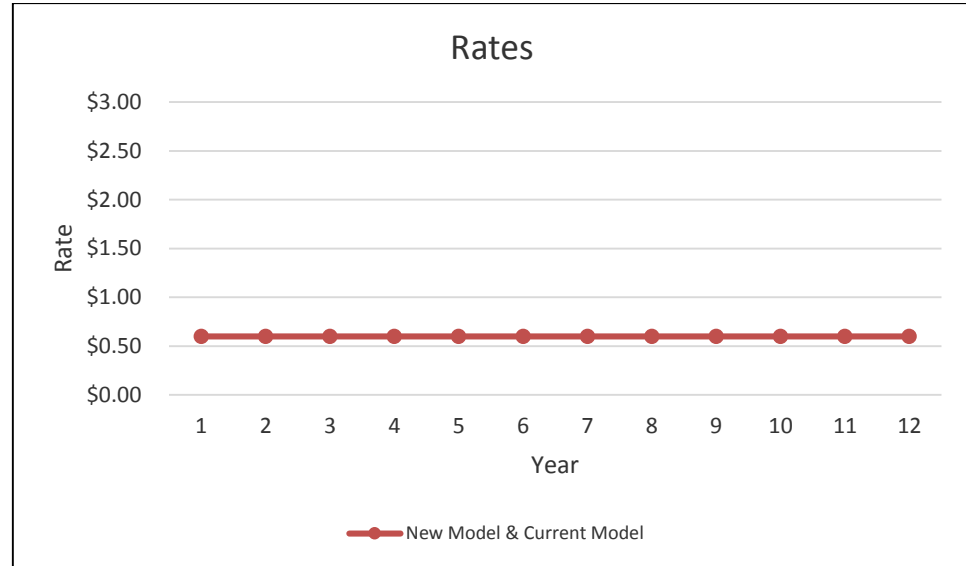


Large Employers - Payroll Greater than \$7,500,000

Scenario 1 - Consistently Low Cost Employer

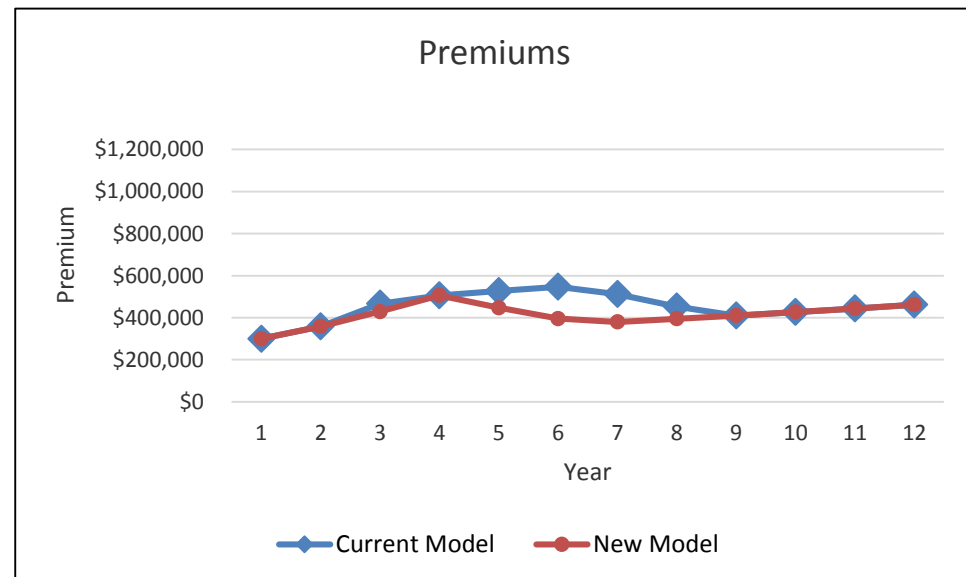
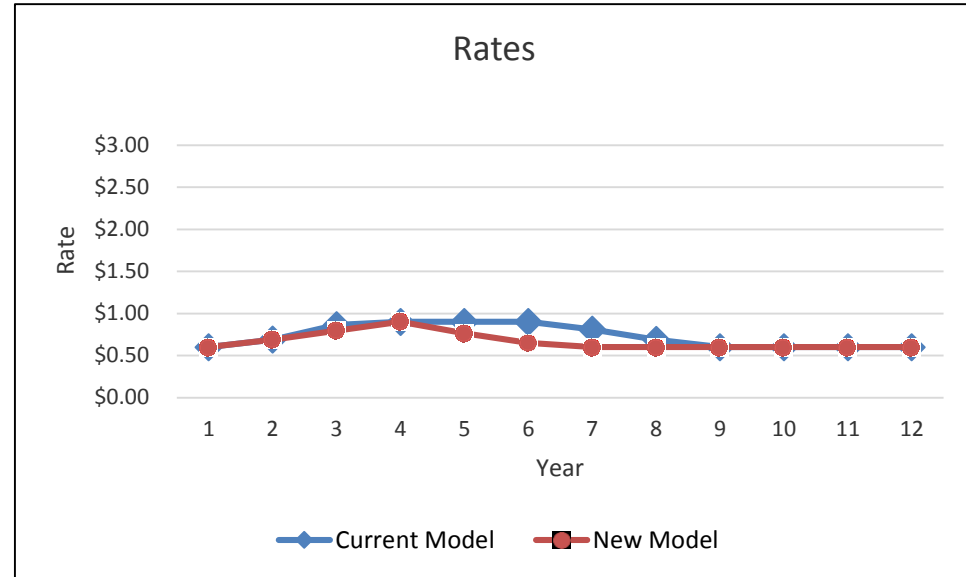
Scenario	Employer consistently has claims costs that would maintain the lowest rate in the category.
Assumptions	Category Average Rate is \$1.00 throughout the period. Assessable Payroll is \$50,000,000 in Year 1 increasing 4% per year thereafter. No change in category in current or new model 100% Experience Factor
Outcomes	Annual premium slowly rises by 4% per year in lock step with payroll increase. Total 12-year premium is \$4,507,742 under current model and \$4,507,742 under new model .
Explanation	Employer is consistently at the lower boundary of the risk category range in both models. The lower boundary is 40% below average (\$0.60) in the current model and 40% below average (\$0.60) in the new model . Employer pays the same amount under both models. The lower rate boundary remains the same for large employers in the new model.



Large Employers - Payroll Greater than \$7,500,000

Scenario 2 - Low Cost Firm With 50% Higher Claims Costs Ongoing for 5 Years

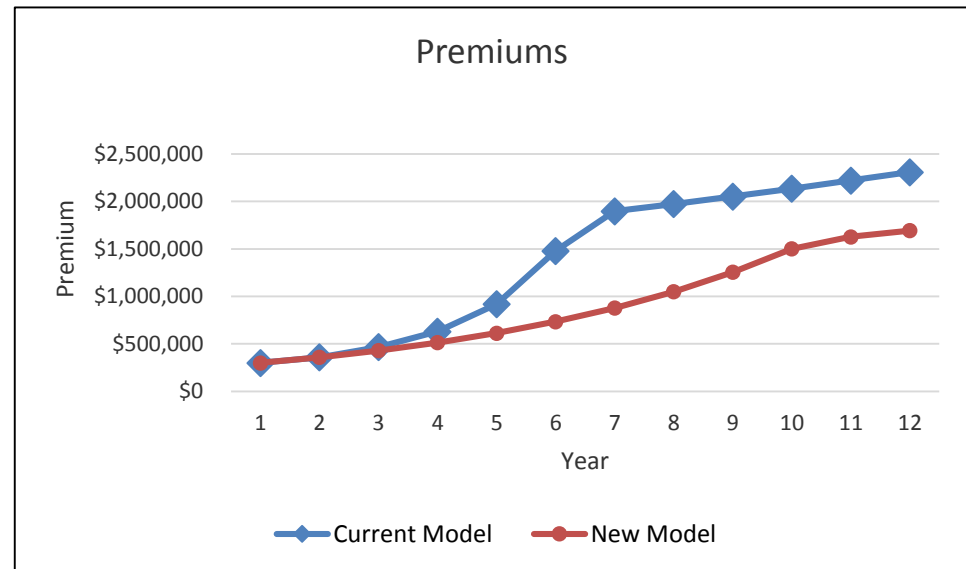
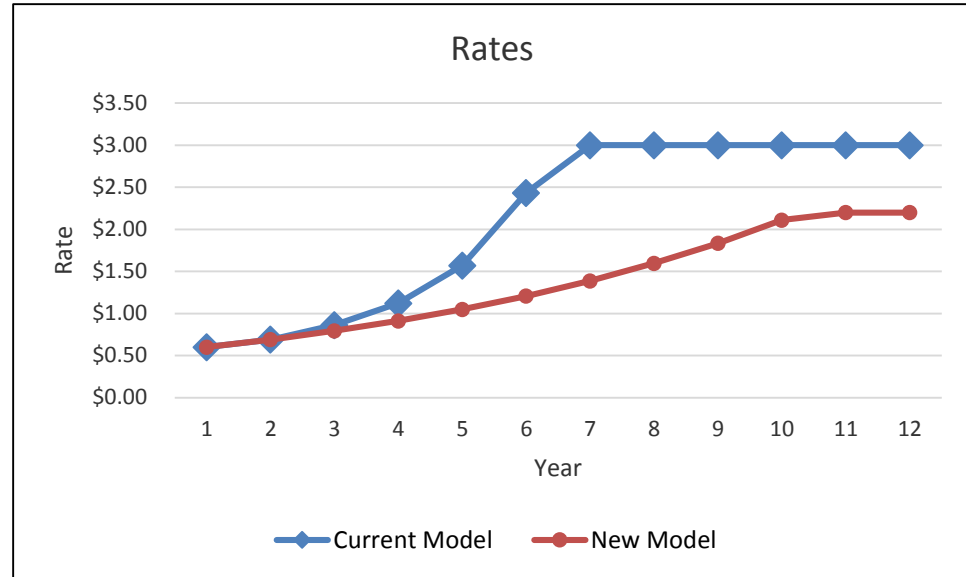
Scenario	Employer with generally low claims costs experiences high claims costs for 5 years.
Assumptions	Category Average Rate is \$1.00 throughout the period. Assessable Payroll is \$50,000,000 in Year 1 increasing 4% per year thereafter. 100% Experience Factor
Outcomes	Annual premium moderately rises for 3 years and then starts to decline until the lower boundary of the risk category range is reached. It then slowly rises by 4% per year in lock step with payroll increase. Total 12-year premium is \$5,414,296 under current model and \$4,954,998 under new model .
Explanation	Employer is protected from an extreme increase that can arise from one high cost claim. Their rate will also revert back towards the lower boundary of the risk category range earlier. The maximum rate increase per year Increases each year up to 5 years in the current model and Limited to 15% per year in the new model Employer is protected from prolonged increased premiums if and when a costly claim is incurred.



Large Employers - Payroll Greater than \$7,500,000

Scenario 3 - High Cost Employer with Consistently Poor Cost Experience

Scenario	Employer has consistently high claims costs.
Assumptions	Category Average Rate is \$1.00 throughout the period. Assessable Payroll is \$50,000,000 in Year 1 increasing 4% per year thereafter. 100% Experience Factor
Outcomes	Annual premium moderately rises until the upper boundary of the risk category range is reached. It then slowly rises by 4% per year in lock step with payroll increase. Total 12-year premium is \$16,743,431 under current model and \$10,956,995 under new model .
Explanation	Employer's rate increases until it reaches the upper boundary of the risk category range in both models. The upper boundary is 200% above average (\$3.00) in the current model and 120% above average (\$2.20) in the new model . Employer will pay a lower maximum rate under the new model if an employer has consistently poor cost experience.



Large Employers - Payroll Greater than \$7,500,000

Scenario 4 - Low Cost Employer with High Claims Costs all in One Year

Scenario	Employer with low claims costs experiences one calendar year with high claims costs.
Assumptions	Category Average Rate is \$1.00 throughout the period. Assessable Payroll is \$50,000,000 in Year 1 increasing 4% per year thereafter. 100% Experience Factor
Outcomes	Annual premium rises for 3 years then decreases until the lower boundary of the risk category range is reached. It then slowly rises by 4% per year in lock step with payroll increase. Total 12-year premium is \$4,565,898 under current model and \$4,973,774 under new model .
Explanation	Employer's one year of high claims costs will impact its rate for 3 years. The experience period is 1 year of claims costs on 5 years of claims in the current model and 3 years of claims costs on 3 years of claims in the new model . Short duration claims will impact an employer's rate for up to 3 years. Claims that last longer than 3 years will not impact their rate after the 3 rd year.

