

**TENNESSEE SUMMARY OF SUPPORTING INFORMATION FORM
WORKERS COMPENSATION - INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS**

Date: _____
Insurer Name: _____
NAIC#: _____

CALCULATION OF COMPANY LOSS COST MULTIPLIER

1 Indicated Deviation from Advisory Loss Costs

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:

Without deviation (factor = 1.00).

With the following deviation: _____

(Deviations are to be supported by projections of losses and loss adjustment expenses, compared to losses derived from advisory loss costs. The indicated loss cost multiplier on Line 11 is to be based on the indicated deviation. The selected loss cost multiplier on line 12 may differ, but must be explained.)

B. Indicated Deviation from Advisory Loss Costs Expressed as a Factor: _____

2 Development of Expected Loss & Loss Adjustment Expense (Target Cost) Ratio
(Attach exhibit detailing insurer expense data and other supporting information)

PROJECTED EXPENSES: (Compared to Standard Premium at Company Rates)

A. Total Production Expense _____

B. General Expense _____

C. Taxes, Licenses and Fees _____

D. Profit and Contingencies including offset for Investment Income _____

E. Other (Explain) _____

F. TOTAL _____

3 Expected Loss and Loss Adjustment Expense (Target Cost) Ratio
ELR = 1.000 - 2F (expressed in decimal form) _____

4 Overall impact of experience modification factors:
(Use average experience modification factor) _____

5 Overall impact of small deductible credits:
(An average discount of 3.2% would be expressed as .968) _____

6 Overall impact of schedule rating plans:
(An average modification of -10% would be expressed as .900) _____

7 Summary of impact of experience modification, small deductible credits,
and schedule rating plans: [(4) * (5) * (6)] _____

8 Overall impact of expense constant and minimum premiums:
(A 2.3% impact would be expressed as 1.023) _____

9 Overall impact of premium discount (size of risk) plus expense gradation recognition in
retrospective rating: (An average discount of 8.6% would be expressed as .914) _____

10 Summary of impact of expense constant and minimum premiums and premium discount: $[(8) * (9)]$ _____

11 Company Formula Loss Cost Multiplier: $[(1B)/((7) * \{(10) - (2F)\})]$ _____

12 Company Select Loss Cost Multiplier:
(Attach exhibit explaining any difference between 11 and 12) _____

13 Selected Deviation from Advisory Loss Costs: $[(1B) * (12) / (11)]$ _____

14 Are you amending your minimum premium formula or expense constant?
If yes, attach documentation including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc. Yes No

15 Are you amending your premium discount schedule?
If yes, attach schedules and support detailing premium or rate level change. Yes No

16 Calculation check (OPTIONAL):

A. Needed Collected Premium	$[(1B) + (2F) * (7) * (11)]$	_____
B. Manual Premium	$[(12)]$	_____
C. Standard Premium	$[(16B) * (7)]$	_____
D. Collected Premium	$[(16C) * (10)]$	_____
E. Selected Deviation	$[(1B) * (16D) / (16A)]$	_____