SENATE JUDICIARY
EXHIBIT NO. 3
DATE 2/17/09
BILL NO. SB 235

2/9/09
SB 235
M Gee

Plan 1. = direct costs - no premiums (self insured)

Plan 2. = other ins. companies
- rates not filed w/ Ins. Commiss.

Plan 3 = State Fund
* look @ incentives paid out.

MED RATES
- actual OVHD
- actual losses
  (- 31% in W.C.
  - 20% of 69% for atty fees)
- anticipated losses
- profit

INSURANCE RATES
- settlement costs
- expenses
- anticipated risks
- actual payouts on claims (80% of 69%)
- pymts to attys (20% of 69%)

Attys
→ 20-25% of 69%
→ always get paid

Ins. Comp Report per 33-16-1001 +*
⇒ 1008(16) = prospective loss costs / adjustments

Reported to NCCI
- Develops advisory rates + pure rate + admin + profit

→ filed w/ & approved by Insurance Commissioner ⇒ Ins. Commis to include rates

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