



OFFICE OF INSURANCE REGULATION
Bureau of Property & Casualty Forms and Rates

TMIC FILE WCI010
 RECORD A

WORKERS' COMPENSATION EXCESSIVE PROFITS
 REPORTING FORM F
 SUBMISSION OF JULY 1, _____

COMPANY/GROUP CODE
 (Leading Company - Florida Certificate of Authority Number)

CALENDAR / ACCIDENT YEAR VALUATION AS OF 12/31/

COMPANY/GROUP NAME _____

ACCIDENT YEAR LOSS AND LOSS ADJUSTMENT EXPENSE

VOLUNTARY BUSINESS ONLY

ENTER WHOLE DOLLARS

- 5. LOSSES PAID - - - - - _____
- 6. LOSSES UNPAID - - - - - _____
- 7. LOSSES INCURRED (5 + 6) - - - - - _____
- 8. LOSS ADJUSTMENT EXPENSE PAID- - - - - _____
- 9. LOSS ADJUSTMENT EXPENSE UNPAID - - - - - _____
- 10. LOSS ADJUSTMENT EXPENSE INCURRED (8 + 9) - - - - - _____
- 11. LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT FACTOR § (USE 4
 DECIMALS IN FACTOR) - - - - - _____
- 12. PROJECTED ULTIMATE LOSS AND LOSS ADJUSTMENT EXPENSE FOR ACCIDENT
 YEAR - - - - - _____
- §§§ CONTROL TOTAL (SUM OF ITEMS 5 THROUGH 10 AND 12) (DO NOT INCLUDE
 ITEM 11) - - - - - _____

RESIDUAL MARKET

- 13. INSURER'S SHARE OF THE FLORIDA RESIDUAL MARKET HANDLED BY THE
 NATIONAL WORKERS' COMPENSATION REINSURANCE POOL (PLEASE PROVIDE
 WORKSHEETS USED TO DERIVE THESE FIGURES)
- A. CALENDAR YEAR EARNED PREMIUM - - - - - _____ -0-
- B. CALENDAR YEAR INCURRED EXPENSES - - - - - _____ -0-
- C. ACCIDENT YEAR INCURRED LOSSES AS OF 12/31/_____- - - - - _____ -0-
- 14. FOR SERVICING CARRIERS ONLY, PROVIDE THE FOLLOWING FOR BUSINESS
 PROCESSED AS A SERVICING CARRIER FOR THE NATIONAL WORKERS'
 COMPENSATION REINSURANCE POOL IN FLORIDA
- A. CALENDAR YEAR EARNED PREMIUM - - - - - _____
- B. CALENDAR YEAR INCURRED EXPENSES - - - - - _____
- C. CALENDAR YEAR PAID LOSSES - - - - - _____
- D. LOSSES UNPAID AT BEGINNING OF CALENDAR YEAR - - - - - _____
- E. LOSSES UNPAID AT END OF CALENDAR YEAR - - - - - _____
- F. ACCIDENT YEAR LOSSES PAID - - - - - _____
- G. ACCIDENT YEAR LOSSES UNPAID - - - - - _____
- §§§ CONTROL TOTAL (SUM OF ITEMS 13A, 13B, 13C, AND 14A TO 14 G) - - - - - _____



OFFICE OF INSURANCE REGULATION
Bureau of Property & Casualty Forms and Rates

TMIC FILE WCI030
 RECORD B

WORKERS' COMPENSATION EXCESSIVE PROFITS
 REPORTING FORM F
 SUBMISSION OF JULY 1, _____

COMPANY/GROUP CODE

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 (Leading Company - Florida Certificate of Authority Number)

CALENDAR / ACCIDENT YEAR

 VALUATION AS OF 12/31/

COMPANY/GROUP NAME _____

ACCIDENT YEAR LOSS AND LOSS ADJUSTMENT EXPENSE

VOLUNTARY BUSINESS ONLY

ENTER WHOLE DOLLARS

- 15. LOSSES PAID - - - - - _____
- 16. LOSSES UNPAID - - - - - _____
- 17. LOSSES INCURRED (15 + 16) - - - - - _____
- 18. LOSS ADJUSTMENT EXPENSE PAID- - - - - _____
- 19. LOSS ADJUSTMENT EXPENSE UNPAID - - - - - _____
- 20. LOSS ADJUSTMENT EXPENSE INCURRED (18 + 19) - - - - - _____

SERVICING CARRIER BUSINESS

- 21. LOSSES PAID - - - - - _____
- 22. LOSSES UNPAID - - - - - _____
- 23. LOSSES INCURRED (21 + 22) - - - - - _____

§§§ CONTROL TOTAL (SUM OF ITEMS 15, 16, 17, 18, 19, 20, 21, 22, 23) - - - - - _____



OFFICE OF INSURANCE REGULATION
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**INSTRUCTION SHEET FOR
WORKERS' COMPENSATION EXCESSIVE PROFITS
REPORTING FORM F**

GENERAL INSTRUCTIONS

- A. YOU SHOULD USE THE CHECK LIST PROVIDED TO INSURE THAT YOUR FILING IS COMPLETE PRIOR TO SUBMISSION TO THE FLORIDA OFFICE OF INSURANCE REGULATION.
- B. Data is to be a consolidation of the data of the individual insurers of the insurer group. Provide a list of all companies included in the submission and their Florida Certificate of Authority numbers.
- C. Fill out form completely including the coding boxes at the top of the pages.
- D. Data should be for Florida policyholders and should be direct with respect to reinsurance.
- E. Negative amounts should be placed in parentheses. Zero amounts should be shown as '-0-'.
- F. Forms are due July 1 of each year. Send forms to:

Office of Insurance Regulation
Bureau of Property & Casualty Forms & Rates
200 East Gaines Street
Tallahassee, Florida 32399-0330

- G. The Workers' Compensation Excessive Profits test uses data from three calendar/accident years. The data is for the three years previous to the most recent accident year. Each year you should submit pages 1 and 2 for each of these three years. The incurred losses and loss adjustment expenses shall be valued as of December 31 of the most recent calendar year. In addition, page 3 needs to be completed for each accident year starting with accident year 1980 until each accident year has been reported at eight stages of development. Thus, accident year 1980 will continue to be reported each year until it is valued as of 12/31/87; accident year 1981 will be reported until 12/31/88 and so on.

2001 SUBMISSION due July 1, 2001: Complete pages 1 and 2 for each calendar/accident year 1997, 1998 and 1999 valued as of 12-31-2000. Complete page 3 for accident years 1993, 1994, 1995 and 1996 valued as of 12-31-2000.

2002 SUBMISSION due July 1, 2002: Complete pages 1 and 2 for each calendar/accident year 1998, 1999 and 2000 valued as of 12-31-2001. Complete page 3 for accident years 1994, 1995, 1996 and 1997 valued as of 12-31-2001.

If you have no data to report for a particular accident year, then submit a form with "NONE" showing accident year and valuation date. If you have not written any workers' compensation in Florida for the last eight years, then you may send a letter of explanation in lieu of forms.



OFFICE OF INSURANCE REGULATION
Bureau of Property & Casualty Forms and Rates

WORKERS' COMPENSATION EXCESSIVE PROFITS
REPORTING FORM F INSTRUCTIONS - CONTINUED

H. The Certification for Reporting Form F signed by a company officer is to be included with the submission.

PREMIUMS, POLICYHOLDER DIVIDENDS, EXPENSES AND PROFIT FACTOR - PAGE 1
INSTRUCTIONS

- A. If premiums for lines 1 and 2 do not agree with Annual Statement Statutory Page 14, then provide an explanation for the difference.
- B. If lines 3b and 3c are not zero, then explain how the reserves for policyholder dividends are derived.
- C. For each of the expenses in item 4, please provide an explanation of the methodology used in deriving the expenses, including appropriate supporting data.
- D. The Calendar Year Profit and Contingencies Factor should be derived from the profit and contingencies percentage factor included in the approved rate filings for manual rates. Your profit and contingencies factor will be multiplied by your calendar year earned premiums to calculate "anticipated underwriting profit" in accordance with section 627.215(8) Florida Statutes. Your calendar year profit and contingencies factor is calculated by multiplying each portion of the calendar year earned premium times the profit and contingencies factor in the filing used to rate the policies that generated that portion of the calendar year earned premium. For those calendar years that are affected by more than one profit and contingencies factor, please show how the Calendar Year Profit and Contingencies Factor was derived.

For your information the following schedule shows the profit and contingencies factor filed by the National Council on Compensation Insurance (NCCI) in Florida. Years not listed can be obtained from NCCI.

<u>Date Filing Effective</u>	<u>Profit and Contingencies Factor</u>
1-1-1989	-3.0%
1-1-1990	-4.0%
1-1-1991	-4.0%
1-1-1992	-4.0%
1-1-1993	-4.0%
1-1-1994	-5.0%
1-1-1997	-4.1%
1-1-1998	-4.1%
1-1-1999	-4.1%
1-1-2000	-4.1%

The anticipated underwriting profit used by the Office shall be calculated using a profit and contingencies factor that is not less than zero, no matter what is filed by insurers.



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WORKERS' COMPENSATION EXCESSIVE PROFITS
REPORTING FORM F INSTRUCTIONS - CONTINUED

ACCIDENT YEAR LOSS AND LOSS ADJUSTMENT EXPENSE - PAGE 2 INSTRUCTIONS

- A. Data in this section is used to determine the ultimate loss and loss adjustment expense incurred for each of the 3 latest accident years.
- B. If losses unpaid in line 6 includes reserves for Incurred But Not Reported (IBNR) losses, then on a separate sheet show the split between IBNR and unpaid adjusted or in process of adjustment. Also provide a detailed explanation of how IBNR reserves were derived.
- C. For lines 8 and 9, provide an explanation of the methodology used in deriving the numbers, including appropriate supporting data.
- D. The appropriate loss and loss adjustment expense development factor should be entered on Line 11. This factor should be derived from the insurers' historical development of loss and loss adjustment expense in Florida to the extent such experience is available and credible. Please provide justification and supporting data for the development factor. Line 11 should be derived such that $(\text{Line 7} + \text{Line 10}) \times \text{Line 11} = \text{Line 12}$.

RESIDUAL MARKET - PAGE 2 INSTRUCTIONS

- A. The insurer's share of the Florida Residual Market will be included in the Excessive Profits Test. The insurer's portion of premium, expenses and losses can be calculated by using information supplied by the National Council on Compensation Insurance. The Florida Workers' Compensation Joint Underwriting Association (FWCJUA) replaced the Florida Assigned Risk Plan beginning on January 1, 1994. The FWCJUA does not assess the voluntary market for any operating deficits. The former Residual Market has been in run-off since January 1, 1994. Beginning with calendar/accident year 1997 there are no premium, expenses or losses being allocated to the voluntary market. Therefore, this section shows "-0-".
- B. Servicing Carriers for the National Workers' Compensation Reinsurance Pool are required to exclude from the Excessive Profits Test the experience of the business that they process for the Pool. All Servicing Carriers should complete item 14. Even though the former Residual Market is in run-off, servicing carriers will still have amounts to enter in at least 14.C., 14.D., and 14.E.



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WORKERS' COMPENSATION EXCESSIVE PROFITS
REPORTING FORM F INSTRUCTIONS - CONTINUED

ACCIDENT YEAR DEVELOPMENT - PAGE 3 INSTRUCTIONS

- A. This section is used to report the development of each accident year subsequent to its inclusion in the Excessive Profits Test. Each accident year will be reported at eight stages of development.
- B. Line 15 is the total paid losses for the accident year from inception to the valuation date on the top of the page.
- C. Line 16 is the reserves for the accident year on the valuation date. Reserves should be shown in the same manner as reported in prior years for Excessive Profits calculations on Form F. This means if you have previously included IBNR in these reserves, you should continue to include IBNR. If IBNR is included, please show the IBNR reserves on the bottom of the form in a footnote.



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WORKERS' COMPENSATION EXCESSIVE PROFITS

REPORTING FORM F

CERTIFICATION

I, _____, _____ Title
Name of Officer
of _____ do hereby
Company/Group Name

certify that the information on the Workers' Compensation Excessive Profits Reporting Form F (Form OIR-B1-15) is a full and true statement of the experience of the said insurer and that the form has been completed in accordance with instructions provided. I also acknowledge that I understand that this data is being provided in accordance with Section 627.215 Florida Statutes and will be used to calculate excessive profit in accordance with this statute.

Signature Date

Note: This certification must be signed by a company officer having appropriate authority.



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WORKERS' COMPENSATION EXCESSIVE PROFITS

CHECK LIST

- _____ List of all companies included in the submission and their Florida Certificate of Authority numbers.
- _____ All required years reported on appropriate form.
(See General Instruction G)
- _____ Explanation, justification and supporting data provided for:
- _____ 1. Reserves for policyholders dividends, if any.
 - _____ 2. Each expense in item 4.
 - _____ 3. Calendar Year Profit and Contingencies Factor.
 - _____ 4. Loss and loss adjustment expense development factor on Line 11.
 - _____ 5. Loss Adjustment expenses for Lines 8 and 9.
 - _____ 6. IBNR if included in unpaid.
- _____ Residual Market experience calculated using NCCI information. This item will remain as "-0-" for calendar/accident year 1997 and subsequent unless Florida Statutes are changed.
- _____ Any change from prior years in accounting or actuarial techniques used in developing data has been explained and justified.
- _____ Signed certification enclosed.