

California Large Risk Deductible Plan

Effective January 1, 2019

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Part 1 – General Provisions**I. Purpose**

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The *Large Risk Deductible Plan* permits an employer who is insured for its workers' compensation liability to reimburse the insurer for losses incurred up to the deductible amount elected in connection with the workers' compensation insurance coverage. In exchange for agreeing to reimburse the insurer, the employer receives a premium reduction.

II. Coverage

The coverage is provided by a standard workers' compensation and employers' liability policy with the large risk deductible endorsement. Nothing in the endorsement relieves the insurer of its obligations under the California workers' compensation policy to provide benefits to injured employees in the event the employer fails to reimburse the insurer. Failure on the part of the employer to reimburse the insurer will permit the insurer to cancel the policy in accordance with the procedure for canceling a policy for non-payment of premium.

Part 2 – Application of Large Deductible Plan**I. Authority**

Part 2 – Application of Large Deductible Plan**I. Authority**

The application of this Plan is optional for those risks that are eligible and may be used upon agreement of the insurer and the insured. The term of the Plan is the same as the period of the policy or policies to which it applies and is effective for no more than one year. The deductible applies to indemnity and medical benefits paid in connection with the workers' compensation insurance coverage, benefits or damages paid in connection with the employers' liability insurance coverage and payments under the other states insurance coverage provided in this policy and, if elected, allocated loss adjustment expense. However, the deductible does not apply to any losses directly arising from certified terrorism losses, as defined by the Terrorism Risk Insurance Act of 2002 as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2015, and as may be amended in the future, reported with a Catastrophe Code assigned pursuant to the *California Workers' Compensation Uniform Statistical Reporting Plan—1995*. Except for the terrorism losses defined above, the deductible applies to each accident for bodily injury by accident and to each employee for bodily injury by disease. A policy period aggregate limit may be elected.

II. Deductible Amounts

The minimum deductible is \$100,000 per accident or per employee. Higher amounts are available in increments that correspond to those listed for the loss elimination ratios in Tables 2 and 3 of Appendix B.

III. Eligibility

A minimum of \$500,000 of either California or countrywide estimated annual standard workers' compensation premium is required to be eligible for this Plan.

IV. Security

Unless otherwise mandated by law, an irrevocable letter of credit or other security in a form acceptable to the insurer is required.

V. Policy Preparation

The calculated deductible premium credit (standard premium minus deductible premium) for the selected deductible will be shown in Item 4 of the Information Page.

Each policy to which this coverage applies shall include an approved large risk deductible endorsement.

VI. Unit Statistical Reporting

The *California Workers' Compensation Uniform Statistical Reporting Plan—1995* requires that gross incurred losses, prior to the application of the deductible, be reported. Total payroll and final premium, prior to the application of the deductible premium credit, shall also be reported.

Part 3 – Determination of Deductible Premium**I. Rating Procedure****Part 3 – Determination of Deductible Premium****I. Rating Procedure**

The deductible premium is calculated in accordance with the following procedures and definitions:

Formula

$$\text{Deductible Premium} = \frac{\text{Expected Losses Above Deductible} + \text{Fixed Expense Charge}}{1.00 - \text{Variable Expense Ratio}} + \text{Aggregate Limit (if applicable) Charge}$$

A. Expected Losses Above Deductible

Component of the deductible premium to cover losses (and ALAE, if applicable) in excess of the deductible limit.

1. Standard Premium – The standard premium is the premium for the risk determined on the basis of the insurer's authorized rates, the exposure subject to this Plan, any applicable experience modifications and shall include any other authorized premium charge applicable, excluding premium discount. Standard premium shall exclude premium charges arising from the Terrorism Risk Insurance Act of 2002 as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2015, and as may be amended in the future.
2. Expected Loss Ratio – The expected loss ratio or ratios at standard premium to be used for risks subject to this Plan are included in Appendix D. If ALAE is elected to be subject to the deductible, the expected loss and ALAE ratio included in Appendix D is used.
3. Expected Losses – Expected losses are the product of the standard premium (Item 1) and the expected loss ratio (Item 2).
4. Per Accident Deductible Amount – This is the per accident loss and, if elected, ALAE limitation selected by agreement between the insurer and insured. The deductible amount is restricted to a minimum of \$100,000.
5. Risk Excess Loss Factor for Per Accident Deductible – This factor represents the proportion of standard premium attributable to losses and, if elected, ALAE above the selected per accident deductible (see Appendix B).
6. Expected Losses Above the Deductible – This is the amount of expected losses and, if elected, ALAE estimated to be incurred in excess of the selected deductible and is computed as the product of the standard premium (Item 1) and the risk excess loss factor (Item 5).

B. Fixed Expense Charge

The fixed expense charge is the component of the deductible premium to cover expenses and profit and contingencies that are assumed not to vary with the final premium. Fixed expense information is included in Appendix D.

Notwithstanding the provisions of the rating procedure, the insured and insurer may agree to adjust retroactively the fixed expense charge based on actual costs.

C. Variable Expense Ratio

The variable expense ratio is the component of the deductible premium intended to reflect expenses and profit and contingencies that vary with the final deductible premium. Variable expense ratios are included in Appendix D.

Part 3 – Determination of Deductible Premium**I. Rating Procedure**

D. Aggregate Limit Charge

The aggregate limit is an optional element established by agreement between the insurer and the insured and applies to the aggregate amount of losses for the policy period after application of the per accident deductible. If an aggregate limit is selected, the minimum aggregate limit should be no less than the selected per accident deductible amount. The aggregate limit charge is the component of the deductible premium intended to provide for the amount of losses (and ALAE, if applicable) expected to exceed the established aggregate limit after application of the per accident deductible. If an aggregate limit is selected, the aggregate limit charge to be included in the deductible premium formula is determined by the insurer and the insured. [Appendix C provides the location of tables of insurance charges based on California experience, which can be used to establish aggregate limit charges in a manner similar to that described in the advisory California Retrospective Rating Plan. Tables of insurance charges (or loss and ALAE insurance charges if the ALAE Option is selected) for twenty-three (23) per accident deductible amounts (see Appendix C) are periodically updated and the revised tables are available in electronic format on the WCIRB website.]

E. Deductible Premium

Premium charged to the policyholder for workers' compensation deductible coverage. It is computed as follows:

1. Expected Losses Above the Deductible [Item A(6)].
2. Fixed Expense Charge (Item B).
3. Variable Expense Ratio (Item C).
4. Aggregate Limit Charge, if any (Item D).

$$5. \text{ Deductible Premium} = \frac{(1) + (2)}{1.00 - (3)} + (4)$$

The procedure to compute the deductible premium is illustrated in a sample computation included in Appendix A.

Appendix A
Illustrative Sample of Computation of Deductible Premium

Appendix A

Illustrative Sample of Computation of Deductible Premium

To illustrate the use of this Plan, assume the hypothetical information for an insured who has not elected to include allocated loss adjustment expense as subject to the deductible (the computation is similar if ALAE is elected as subject to the deductible) shown in Items 1–4 below and the distribution of expected losses by hazard group shown in Attachment 1. Then the deductible premium can be computed as follows:

1.	Estimated Annual Standard Premium Subject to the Plan (“First Dollar” Coverage)	\$850,000
2.	Selected Deductible (Per Accident Loss Limitation)	\$250,000
3.	Selected Aggregate Limit of Coverage	\$2,000,000
4.	Expected “First Dollar” Loss Ratio [This hypothetical figure is only for illustrative purposes. The actual expected loss ratio used will be consistent with expense-related values in Appendix D.]	0.700
5.	Expected “First Dollar” Losses [(1) x (4)]	\$595,000
6.	Risk Excess Loss Factor [Item (6), Attachment 1]	0.1818
7.	Expected Losses Above Deductible [(1) x (6)]	\$154,530
8.	Fixed Expense Charge [This hypothetical figure is only for illustrative purposes. The actual fixed expense charge used will be consistent with expense-related values in Appendix D.]	\$85,000
9.	Variable Expense Ratio [This hypothetical figure is only for illustrative purposes. The actual variable expense ratio used will be consistent with expense-related values in Appendix D.]	0.20
10.	Charge for Aggregate Limit [This hypothetical figure is only for illustrative purposes. Aggregate limit charges are determined by the insurer and the insured.]	\$115,000
11.	Deductible Premium	\$414,413
	$\frac{(7) + (8)}{1.00 - (9)} + (10)$	

Appendix A
Attachment 1 — Illustrative Calculation of Risk Excess Loss Factor

Attachment 1 — Illustrative Calculation of Risk Excess Loss Factor

This illustration is based on the information included in the sample computation in Appendix A and unlimited expected losses assumed to be distributed by hazard group as shown in column (2) of the table shown below. Based on this information, the Risk Loss Elimination Ratio (RLER) and the risk excess loss factor are computed as follows:

(1)	(2)	(3)	(4)
California Hazard Group	Expected Unlimited Losses	LER for Selected Limit	Expected Losses Eliminated (2) x (3)
1	59,500	0.156	9,282
2	89,250	0.178	15,887
3	119,000	0.206	24,514
4	89,250	0.246	21,956
5	29,750	0.293	8,717
6	119,000	0.318	37,842
7	89,250	0.407	36,325
Total	\$595,000	—	\$154,523
(5) Risk Loss Elimination Ratio (RLER) [Total (4)/Total (2)]			0.2597
(6) Risk Excess Loss Factor [The Risk Excess Loss Factor is used to determine the charge for the per accident deductible and is the product of the expected loss ratio and the RLER (Item 5).]			0.1818

Notes

Column (2)

Segregate expected losses (standard premium x expected loss ratio) by California hazard group based on Table 1 of Appendix B.

Column (3)

From Table 2 of Appendix B, enter the loss elimination ratio for each California hazard group for the selected per accident deductible.

Appendix B
Determination of Risk Excess Loss Factor

Appendix B
Determination of Risk Excess Loss Factor

To determine the risk excess loss factor, classifications are assigned to hazard groups based on the propensity for claim amounts of different sizes in the classification. Table 1 includes the list of hazard group assignments by classification. (If classifications other than those contained in the Standard Classification System of the *California Workers' Compensation Uniform Statistical Reporting Plan—1995* are included on the policy, unlimited expected losses shall be assigned to the appropriate standard classification.) Expected unlimited losses or, if the ALAE option is elected, losses and ALAE are segregated by hazard group based on the assignment of classifications to hazard group (see Table 1). The Risk Loss Elimination Ratio (RLER) and the risk excess loss factor are determined from the expected unlimited losses by hazard group and the table of loss elimination ratios (see Table 2) or, if ALAE is elected as subject to the deductible, the table of loss and ALAE elimination ratios (see Table 3), by completing the information in the table below (see Appendix A, Attachment 1, for illustrative example):

(1)	(2)	(3)	(4)
California Hazard Group	Expected Unlimited Losses	LER for Selected Limit	Expected Losses Eliminated (2) x (3)
1			
2			
3			
4			
5			
6			
7			
Total		—	

(5) Risk Loss Elimination Ratio (RLER)
 [Total (4)/Total (2)]

(6) Risk Excess Loss Factor [The Risk Excess Loss Factor is used to determine the charge for the per accident deductible and is the product of the expected loss ratio and the RLER (Item 5).]

NOTES

Column (2)

Segregate expected losses (standard premium x expected loss ratio) by California hazard group based on Table 1 of Appendix B.

Column (3)

From Table 2 of Appendix B, enter the loss elimination ratio for each California hazard group for the selected per accident deductible.

Appendix B**Table 1 — Table of Classifications by California Hazard Group****Table 1 — Table of Classifications by California Hazard Group**

Class No.	Hazard Group								
0005	1	2150	1	3146	1	3840	3	4683	3
0016	2	2163	4	3152	2	4000	4	4691	3
0034	3	2211	3	3165	2	4034	5	4692	3
0035	1	2222	2	3169	3	4036	4	4717	3
0036	2	2362	6	3175	3	4038	3	4720	2
0038	5	2402	3	3178	1	4041	3	4740	5
0040	2	2413	3	3179	1	4049	4	4771	3
0041	5	2501	1	3180	5	4111	4	4828	3
0042	3	2570	3	3220	3	4112	2	4829	5
0044	4	2571	3	3241	1	4114	4	4831	4
0045	4	2576	4	3255	1	4130	5	4922	4
0050	5	2578	1	3257	1	4133	4	4983	5
0079	2	2584	1	3300	1	4150	3	5020	5
0096	4	2585	1	3339	5	4239	3	5027	6
0106	7	2586	1	3365	2	4240	2	5028	5
0171	5	2589	3	3372	4	4243	1	5029	5
0172	3	2623	1	3373	4	4244	4	5040	7
0251	5	2660	2	3383	3	4250	4	5057	6
0400	3	2683	2	3400	5	4251	2	5059	7
0401	5	2688	1	3401	5	4279	3	5102	5
1122	5	2702	7	3501	3	4283	3	5107	3
1123	4	2710	1	3507	4	4286	2	5108	5
1124	4	2727	7	3560	2	4295	4	5128	6
1320	7	2731	2	3566	4	4297	3	5140	5
1322	7	2757	3	3567	4	4299	3	5146	4
1330	4	2759	3	3568	1	4304	3	5160	7
1438	2	2790	1	3569	2	4312	3	5183	4
1452	4	2797	2	3570	4	4351	3	5184	6
1463	6	2806	3	3572	2	4354	1	5185	5
1624	5	2812	4	3573	3	4360	3	5186	3
1699	3	2819	2	3574	5	4361	1	5187	6
1701	6	2840	1	3577	2	4362	3	5188	5
1710	6	2842	3	3578	4	4410	3	5190	6
1741	6	2852	2	3579	4	4414	3	5191	5
1803	4	2881	2	3612	3	4420	2	5192	3
1925	4	2883	4	3620	4	4431	4	5195	3
2002	2	2915	4	3632	3	4432	4	5201	3
2003	2	2923	5	3634	2	4470	4	5205	7
2014	5	2960	1	3643	1	4478	4	5207	7
2030	5	3004	1	3647	3	4492	2	5212	6
2063	3	3018	1	3651	2	4494	2	5213	6
2081	5	3022	1	3681	4	4495	1	5214	3
2095	3	3030	6	3682	1	4496	3	5222	6
2102	4	3039	4	3683	2	4497	3	5225	6
2106	3	3040	1	3719	7	4498	2	5348	2
2107	1	3060	3	3724	5	4499	5	5403	6
2108	1	3066	4	3726	5	4511	3	5432	5
2109	2	3070	3	3805	3	4512	3	5436	2
2111	3	3076	3	3807	3	4557	5	5443	4
2113	3	3081	2	3808	1	4558	2	5446	3
2116	1	3082	3	3815	3	4567	3	5447	6
2117	2	3085	3	3821	3	4611	3	5467	4
2121	2	3099	4	3828	2	4623	4	5470	4
2123	1	3110	6	3830	5	4635	5	5473	6
2142	3	3131	3	3831	2	4665	3	5474	5

Appendix B**Table 1 — Table of Classifications by California Hazard Group****Table 1 (Continued)****Table of Classifications by California Hazard Group**

Class No.	Hazard Group								
5479	4	7382	3	8070	5	8804	3	9151	1
5482	7	7392	1	8071	3	8806	1	9154	3
5484	3	7403	2	8078	1	8807	2	9155	3
5485	7	7405	1	8102	2	8808	2	9156	1
5506	6	7409	7	8103	5	8810	2	9180	5
5507	7	7410	2	8106	4	8813	1	9181	3
5538	5	7413	1	8107	2	8818	2	9182	4
5542	6	7421	2	8110	2	8820	4	9184	2
5552	7	7424	6	8111	3	8821	2	9185	5
5553	6	7428	2	8113	3	8822	3	9220	4
5606	4	7429	2	8116	1	8823	2	9402	5
5610	4	7500	5	8117	3	8827	4	9403	4
5630	6	7515	6	8204	3	8829	3	9410	3
5631	5	7520	5	8209	1	8830	3	9420	3
5632	6	7538	7	8215	5	8831	1	9422	2
5633	5	7539	7	8227	6	8834	2	9424	4
5645	6	7580	6	8232	5	8838	4	9426	4
5650	3	7600	3	8264	5	8839	2	9501	1
5697	5	7601	3	8265	7	8840	6	9507	2
5951	3	7605	4	8267	4	8846	1	9516	4
6003	7	7606	3	8278	6	8847	2	9519	3
6011	7	7607	4	8286	3	8850	2	9521	3
6204	7	7610	4	8290	2	8851	3	9522	3
6206	6	7706	6	8291	5	8852	5	9529	5
6213	6	7707	7	8292	2	8859	2	9549	3
6216	6	7720	4	8293	4	8868	2	9552	6
6218	6	7721	3	8304	5	8875	3	9586	2
6220	7	7722	5	8324	4	8901	2	9610	2
6233	7	7855	7	8350	2	9007	3	9620	4
6235	7	8001	1	8387	3	9008	2		
6237	7	8004	6	8388	3	9009	5		
6251	4	8006	2	8389	4	9010	3		
6254	4	8008	1	8390	2	9011	4		
6258	6	8013	4	8391	3	9015	4		
6307	5	8015	4	8392	4	9016	3		
6308	6	8017	2	8393	4	9031	3		
6315	6	8018	3	8397	2	9033	3		
6316	7	8019	3	8400	5	9043	3		
6325	5	8021	3	8500	5	9048	1		
6361	4	8028	4	8601	6	9050	2		
6364	3	8031	2	8604	6	9053	1		
6400	1	8032	3	8631	7	9059	2		
6504	3	8039	2	8720	4	9060	3		
6834	3	8041	4	8729	3	9061	1		
7133	7	8042	3	8740	2	9066	1		
7198	3	8046	3	8741	4	9067	3		
7207	4	8057	4	8742	4	9069	2		
7219	4	8059	2	8743	6	9070	2		
7227	4	8060	3	8745	3	9079	2		
7232	6	8061	3	8748	3	9085	3		
7248	4	8062	4	8749	1	9092	2		
7272	6	8063	2	8755	6	9095	4		
7332	1	8064	3	8800	1	9096	1		
7360	2	8065	2	8801	1	9097	3		
7365	5	8066	2	8803	3	9101	5		

Appendix B**Table 2 — Table of Ultimate Incurred Loss Elimination Ratios by California Hazard Group****Table 2 — Table of Ultimate Incurred Loss Elimination Ratios by California Hazard Group**

Accident Limit	California Hazard Group							All
	1	2	3	4	5	6	7	
25,000	0.636	0.652	0.682	0.718	0.745	0.776	0.818	0.689
35,000	0.554	0.574	0.609	0.651	0.684	0.719	0.771	0.617
50,000	0.461	0.485	0.522	0.570	0.610	0.648	0.711	0.533
75,000	0.357	0.383	0.421	0.473	0.519	0.558	0.633	0.434
100,000	0.291	0.318	0.355	0.406	0.456	0.492	0.574	0.368
150,000	0.217	0.244	0.277	0.324	0.374	0.405	0.494	0.290
200,000	0.179	0.204	0.234	0.277	0.325	0.353	0.443	0.247
250,000	0.156	0.178	0.206	0.246	0.293	0.318	0.407	0.219
300,000	0.141	0.161	0.187	0.224	0.269	0.293	0.380	0.199
400,000	0.121	0.138	0.161	0.194	0.236	0.258	0.341	0.172
500,000	0.108	0.122	0.144	0.174	0.214	0.235	0.313	0.154
600,000	0.099	0.111	0.131	0.159	0.197	0.217	0.291	0.141
700,000	0.091	0.102	0.121	0.147	0.183	0.202	0.273	0.131
800,000	0.085	0.095	0.113	0.137	0.172	0.190	0.258	0.122
900,000	0.080	0.089	0.106	0.129	0.162	0.179	0.245	0.115
1,000,000	0.076	0.084	0.100	0.122	0.153	0.170	0.234	0.109
2,000,000	0.050	0.055	0.066	0.080	0.102	0.113	0.161	0.072
3,000,000	0.036	0.040	0.048	0.059	0.075	0.083	0.118	0.053
4,000,000	0.028	0.031	0.037	0.045	0.057	0.063	0.090	0.040
5,000,000	0.021	0.024	0.028	0.034	0.044	0.049	0.069	0.031
6,000,000	0.017	0.018	0.022	0.027	0.034	0.038	0.054	0.024
7,000,000	0.013	0.015	0.017	0.021	0.027	0.030	0.043	0.019
8,000,000	0.010	0.012	0.014	0.017	0.021	0.024	0.034	0.015
9,000,000	0.008	0.009	0.011	0.013	0.017	0.019	0.027	0.012
10,000,000	0.007	0.007	0.009	0.011	0.014	0.015	0.022	0.010
15,000,000	0.003	0.003	0.003	0.004	0.005	0.006	0.008	0.004
20,000,000	0.001	0.001	0.001	0.002	0.002	0.002	0.003	0.001

Appendix B**Table 3 — Table of Ultimate Incurred Loss and ALAE Elimination Ratios by California Hazard Group****Table 3 — Table of Ultimate Incurred Loss and ALAE Elimination Ratios by California Hazard Group**

Accident Limit	California Hazard Group							All
	1	2	3	4	5	6	7	
25,000	0.674	0.691	0.717	0.746	0.768	0.800	0.832	0.721
35,000	0.596	0.617	0.647	0.681	0.708	0.746	0.786	0.653
50,000	0.501	0.527	0.560	0.600	0.634	0.677	0.726	0.568
75,000	0.389	0.419	0.454	0.500	0.540	0.588	0.648	0.464
100,000	0.313	0.346	0.381	0.427	0.471	0.520	0.587	0.392
150,000	0.223	0.257	0.290	0.333	0.380	0.427	0.500	0.301
200,000	0.175	0.208	0.238	0.278	0.324	0.368	0.443	0.250
250,000	0.147	0.178	0.206	0.243	0.287	0.329	0.403	0.217
300,000	0.129	0.158	0.184	0.217	0.260	0.301	0.374	0.194
400,000	0.107	0.132	0.155	0.185	0.225	0.263	0.331	0.165
500,000	0.093	0.116	0.136	0.163	0.200	0.237	0.301	0.146
600,000	0.083	0.104	0.123	0.148	0.183	0.218	0.278	0.132
700,000	0.076	0.095	0.113	0.136	0.169	0.203	0.260	0.121
800,000	0.071	0.089	0.105	0.126	0.157	0.190	0.245	0.113
900,000	0.066	0.083	0.098	0.118	0.148	0.180	0.232	0.106
1,000,000	0.062	0.078	0.092	0.112	0.139	0.171	0.221	0.100
2,000,000	0.040	0.051	0.060	0.073	0.092	0.114	0.151	0.065
3,000,000	0.030	0.038	0.045	0.054	0.068	0.085	0.112	0.048
4,000,000	0.023	0.029	0.034	0.041	0.052	0.065	0.086	0.037
5,000,000	0.018	0.022	0.027	0.032	0.041	0.051	0.067	0.029
6,000,000	0.014	0.018	0.021	0.026	0.032	0.040	0.053	0.023
7,000,000	0.011	0.014	0.017	0.020	0.026	0.032	0.043	0.018
8,000,000	0.009	0.012	0.014	0.017	0.021	0.026	0.035	0.015
9,000,000	0.007	0.009	0.011	0.014	0.017	0.021	0.028	0.012
10,000,000	0.006	0.008	0.009	0.011	0.014	0.018	0.023	0.010
15,000,000	0.003	0.003	0.004	0.005	0.006	0.007	0.010	0.004
20,000,000	0.001	0.002	0.002	0.002	0.003	0.003	0.005	0.002

Appendix C Determination of Insurance Charges

Appendix C

Determination of Insurance Charges

Table EULG shows the expected unlimited loss group ranges for use with Table M (Pure Unlimited Loss Insurance Charges) when the ALAE option is not elected. Table EULAG shows the expected unlimited loss and ALAE group ranges for use with Table MA (Unlimited Loss and ALAE Insurance Charges) when the ALAE option is elected.

The tables of insurance charges are organized by entry ratio and by expected loss or loss and ALAE size group. The estimated savings for a particular entry ratio is shown below the charge for that entry ratio and is computed based on the formula:

$$\text{Savings} = \text{Charge} + \text{Entry Ratio} - 1.0$$

Table HGSM is the table of California Hazard Group Severity Multipliers for selected per accident loss limitations. Table HGSMa is the table of California Hazard Group Loss and ALAE Severity Multipliers for selected per accident loss limitations.

For each of the twenty-three available per accident loss limitations, the tables, as listed below, of expected limited loss group ranges, expected limited loss and ALAE group ranges, tables of insurance charges and tables of loss and ALAE insurance charges are part of this Plan, are periodically updated and the revised tables are available in electronic format on the WCIRB website.

Tables for Losses Only

Per Accident Loss Limitation	Table of Expected Limited Loss Group Ranges	Table of Insurance Charges
\$100,000	Table ELLG-100K	Table L-100K
\$150,000	Table ELLG-150K	Table L-150K
\$200,000	Table ELLG-200K	Table L-200K
\$250,000	Table ELLG-250K	Table L-250K
\$300,000	Table ELLG-300K	Table L-300K
\$400,000	Table ELLG-400K	Table L-400K
\$500,000	Table ELLG-500K	Table L-500K
\$600,000	Table ELLG-600K	Table L-600K
\$700,000	Table ELLG-700K	Table L-700K
\$800,000	Table ELLG-800K	Table L-800K
\$900,000	Table ELLG-900K	Table L-900K
\$1,000,000	Table ELLG-1M	Table L-1M
\$2,000,000	Table ELLG-2M	Table L-2M
\$3,000,000	Table ELLG-3M	Table L-3M
\$4,000,000	Table ELLG-4M	Table L-4M
\$5,000,000	Table ELLG-5M	Table L-5M
\$6,000,000	Table ELLG-6M	Table L-6M
\$7,000,000	Table ELLG-7M	Table L-7M
\$8,000,000	Table ELLG-8M	Table L-8M
\$9,000,000	Table ELLG-9M	Table L-9M
\$10,000,000	Table ELLG-10M	Table L-10M
\$15,000,000	Table ELLG-15M	Table L-15M
\$20,000,000	Table ELLG-20M	Table L-20M

Appendix C
Determination of Insurance Charges

Table for Use with ALAE Option

Per Accident Loss & ALAE Limitation	Table of Expected Limited Loss & ALAE Group Ranges	Table of Loss & ALAE Insurance Charges
\$100,000	Table ELLAG-100K	Table LA-100K
\$150,000	Table ELLAG-150K	Table LA-150K
\$200,000	Table ELLAG-200K	Table LA-200K
\$250,000	Table ELLAG-250K	Table LA-250K
\$300,000	Table ELLAG-300K	Table LA-300K
\$400,000	Table ELLAG-400K	Table LA-400K
\$500,000	Table ELLAG-500K	Table LA-500K
\$600,000	Table ELLAG-600K	Table LA-600K
\$700,000	Table ELLAG-700K	Table LA-700K
\$800,000	Table ELLAG-800K	Table LA-800K
\$900,000	Table ELLAG-900K	Table LA-900K
\$1,000,000	Table ELLAG-1M	Table LA-1M
\$2,000,000	Table ELLAG-2M	Table LA-2M
\$3,000,000	Table ELLAG-3M	Table LA-3M
\$4,000,000	Table ELLAG-4M	Table LA-4M
\$5,000,000	Table ELLAG-5M	Table LA-5M
\$6,000,000	Table ELLAG-6M	Table LA-6M
\$7,000,000	Table ELLAG-7M	Table LA-7M
\$8,000,000	Table ELLAG-8M	Table LA-8M
\$9,000,000	Table ELLAG-9M	Table LA-9M
\$10,000,000	Table ELLAG-10M	Table LA-10M
\$15,000,000	Table ELLAG-15M	Table LA-15M
\$20,000,000	Table ELLAG-20M	Table LA-20M

Appendix C

Table EULG – Table of Expected Unlimited Loss Ranges/Pure Loss Ranges for Expected Unlimited Loss Groups (EULGs)

Table EULG – Table of Expected Unlimited Loss Ranges/Pure Loss Ranges for Expected Unlimited Loss Groups (EULGs)

Table M				Table M			
Expected Loss Group	Expected Unlimited Loss Range			Expected Loss Group	Expected Unlimited Loss Range		
99	1	—	1,773	56	101,924	—	109,606
98	1,774	—	3,071	55	109,607	—	116,792
97	3,072	—	4,342	54	116,793	—	123,883
96	4,343	—	5,606	53	123,884	—	130,974
95	5,607	—	6,865	52	130,975	—	138,064
94	6,866	—	8,123	51	138,065	—	145,295
93	8,124	—	9,379	50	145,296	—	155,853
92	9,380	—	10,635	49	155,854	—	169,827
91	10,636	—	11,890	48	169,828	—	183,799
90	11,891	—	13,145	47	183,800	—	199,909
89	13,146	—	14,399	46	199,910	—	218,460
88	14,400	—	15,654	45	218,461	—	236,412
87	15,655	—	16,908	44	236,413	—	253,417
86	16,909	—	18,162	43	253,418	—	269,408
85	18,163	—	19,416	42	269,409	—	284,517
84	19,417	—	20,670	41	284,518	—	299,626
83	20,671	—	21,923	40	299,627	—	363,253
82	21,924	—	23,177	39	363,254	—	439,298
81	23,178	—	24,431	38	439,299	—	459,260
80	24,432	—	25,684	37	459,261	—	479,221
79	25,685	—	26,938	36	479,222	—	538,743
78	26,939	—	28,192	35	538,744	—	620,153
77	28,193	—	29,445	34	620,154	—	674,074
76	29,446	—	30,699	33	674,075	—	731,419
75	30,700	—	31,952	32	731,420	—	820,665
74	31,953	—	33,206	31	820,666	—	948,516
73	33,207	—	34,523	30	948,517	—	1,092,400
72	34,524	—	36,328	29	1,092,401	—	1,352,161
71	36,329	—	38,575	28	1,352,162	—	1,598,996
70	38,576	—	41,989	27	1,598,997	—	1,680,969
69	41,990	—	46,408	26	1,680,970	—	1,834,135
68	46,409	—	50,223	25	1,834,136	—	2,046,011
67	50,224	—	53,693	24	2,046,012	—	2,456,971
66	53,694	—	57,088	23	2,456,972	—	2,909,049
65	57,089	—	60,411	22	2,909,050	—	3,111,621
64	60,412	—	63,733	21	3,111,622	—	3,424,830
63	63,734	—	67,279	20	3,424,831	—	4,132,067
62	67,280	—	71,447	19	4,132,068	—	5,382,533
61	71,448	—	76,028	18	5,382,534	—	6,927,478
60	76,029	—	80,609	17	6,927,479	—	8,494,687
59	80,610	—	86,353	16	8,494,688	—	10,059,400
58	86,354	—	93,859	15	10,059,401	—	and Over
57	93,860	—	101,923				

Appendix C

Table EULAG – Table of Expected Unlimited Loss Ranges/Loss and ALAE Ranges for Expected Unlimited Loss and ALAE Groups (EULAGs)

Table EULAG – Table of Expected Unlimited Loss Ranges/Loss and ALAE Ranges for Expected Unlimited Loss and ALAE Groups (EULAGs)

Table MA				Table MA			
Expected Loss & ALAE Group	Expected Unlimited Loss & ALAE Range			Expected Loss & ALAE Group	Expected Unlimited Loss & ALAE Range		
99	1	—	2,111	56	113,949	—	123,719
98	2,112	—	3,656	55	123,720	—	133,097
97	3,657	—	5,170	54	133,098	—	141,908
96	5,171	—	6,674	53	141,909	—	150,561
95	6,675	—	8,174	52	150,562	—	159,215
94	8,175	—	9,671	51	159,216	—	167,868
93	9,672	—	11,167	50	167,869	—	176,520
92	11,168	—	12,662	49	176,521	—	188,257
91	12,663	—	14,156	48	188,258	—	203,521
90	14,157	—	15,650	47	203,522	—	219,040
89	15,651	—	17,144	46	219,041	—	240,625
88	17,145	—	18,637	45	240,626	—	268,137
87	18,638	—	20,131	44	268,138	—	289,547
86	20,132	—	21,624	43	289,548	—	305,282
85	21,625	—	23,117	42	305,283	—	322,601
84	23,118	—	24,610	41	322,602	—	342,214
83	24,611	—	26,102	40	342,215	—	362,480
82	26,103	—	27,595	39	362,481	—	401,513
81	27,596	—	29,088	38	401,514	—	476,303
80	29,089	—	30,580	37	476,304	—	539,891
79	30,581	—	32,073	36	539,892	—	571,032
78	32,074	—	33,565	35	571,033	—	656,867
77	33,566	—	35,058	34	656,868	—	764,211
76	35,059	—	36,550	33	764,212	—	823,233
75	36,551	—	38,043	32	823,234	—	886,623
74	38,044	—	39,535	31	886,624	—	958,566
73	39,536	—	41,027	30	958,567	—	1,078,375
72	41,028	—	42,898	29	1,078,376	—	1,344,602
71	42,899	—	45,752	28	1,344,603	—	1,675,452
70	45,753	—	49,500	27	1,675,453	—	1,874,267
69	49,501	—	53,702	26	1,874,268	—	2,020,998
68	53,703	—	58,007	25	2,020,999	—	2,228,289
67	58,008	—	62,207	24	2,228,290	—	2,520,856
66	62,208	—	66,358	23	2,520,857	—	3,022,945
65	66,359	—	70,402	22	3,022,946	—	3,503,155
64	70,403	—	74,364	21	3,503,156	—	3,729,051
63	74,365	—	78,326	20	3,729,052	—	3,954,935
62	78,327	—	82,592	19	3,954,936	—	4,882,665
61	82,593	—	87,568	18	4,882,666	—	6,759,693
60	87,569	—	92,955	17	6,759,694	—	8,716,384
59	92,956	—	98,343	16	8,716,385	—	10,667,429
58	98,344	—	105,044	15	10,667,430	—	12,615,448
57	105,045	—	113,948	14	12,615,449	—	and Over

Appendix C
Tables of Pure Loss Insurance Charges

Tables of Pure Loss Insurance Charges

Tables of pure loss insurance charges are periodically updated and are available in electronic format on the [Filings and Plans](#) page of the WCIRB website.

Appendix C
Tables of Loss and ALAE Insurance Charges

Tables of Loss and ALAE Insurance Charges

Tables of loss and ALAE insurance charges are periodically updated and are available in electronic format on the [Filings and Plans](#) page of the WCIRB website.

Appendix C**Table HGSM – Table of California Pure Loss Hazard Group Severity Multipliers****Table HGSM – Table of California Pure Loss Hazard Group Severity Multipliers**

Accident Limit	California Hazard Group							All
	1	2	3	4	5	6	7	
25,000	1.098	1.061	0.998	0.910	0.920	0.808	0.735	1.000
35,000	1.105	1.068	0.997	0.904	0.913	0.792	0.716	1.000
50,000	1.116	1.077	0.997	0.897	0.902	0.773	0.693	1.000
75,000	1.131	1.089	0.997	0.886	0.887	0.746	0.661	1.000
100,000	1.145	1.099	0.998	0.877	0.874	0.724	0.636	1.000
150,000	1.165	1.114	1.000	0.865	0.854	0.694	0.601	1.000
200,000	1.180	1.123	1.002	0.858	0.841	0.678	0.580	1.000
250,000	1.190	1.129	1.003	0.854	0.831	0.667	0.565	1.000
300,000	1.199	1.133	1.004	0.851	0.825	0.660	0.554	1.000
400,000	1.210	1.139	1.005	0.846	0.816	0.650	0.539	1.000
500,000	1.218	1.143	1.006	0.844	0.809	0.643	0.528	1.000
600,000	1.225	1.147	1.007	0.842	0.805	0.638	0.519	1.000
700,000	1.229	1.149	1.008	0.840	0.801	0.634	0.513	1.000
800,000	1.233	1.152	1.008	0.839	0.798	0.630	0.507	1.000
900,000	1.237	1.154	1.009	0.838	0.795	0.627	0.503	1.000
1,000,000	1.240	1.155	1.009	0.837	0.793	0.625	0.499	1.000
2,000,000	1.256	1.166	1.012	0.832	0.778	0.609	0.475	1.000
3,000,000	1.264	1.172	1.014	0.830	0.771	0.601	0.461	1.000
4,000,000	1.269	1.176	1.015	0.828	0.766	0.596	0.452	1.000
5,000,000	1.273	1.178	1.016	0.827	0.763	0.593	0.447	1.000
6,000,000	1.276	1.180	1.017	0.827	0.761	0.590	0.442	1.000
7,000,000	1.278	1.182	1.017	0.826	0.759	0.589	0.439	1.000
8,000,000	1.279	1.183	1.018	0.826	0.758	0.587	0.437	1.000
9,000,000	1.281	1.184	1.018	0.826	0.757	0.586	0.435	1.000
10,000,000	1.282	1.184	1.018	0.825	0.756	0.585	0.434	1.000
15,000,000	1.284	1.186	1.019	0.825	0.754	0.583	0.431	1.000
20,000,000	1.285	1.186	1.019	0.824	0.753	0.583	0.430	1.000
Unlimited	1.285	1.187	1.019	0.824	0.753	0.582	0.429	1.000

Appendix C**Table HGSMA – Table of California Loss and ALAE Hazard Group Severity Multipliers****Table HGSMA – Table of California Loss and ALAE Hazard Group Severity Multipliers**

Accident Limit	California Hazard Group							All
	1	2	3	4	5	6	7	
25,000	1.095	1.056	0.999	0.915	0.927	0.818	0.748	1.000
35,000	1.101	1.063	0.998	0.909	0.920	0.804	0.731	1.000
50,000	1.110	1.070	0.997	0.903	0.911	0.787	0.711	1.000
75,000	1.123	1.080	0.996	0.894	0.899	0.765	0.685	1.000
100,000	1.134	1.088	0.997	0.886	0.888	0.746	0.663	1.000
150,000	1.152	1.101	0.998	0.875	0.871	0.717	0.630	1.000
200,000	1.166	1.110	1.000	0.868	0.858	0.698	0.607	1.000
250,000	1.177	1.116	1.001	0.863	0.849	0.686	0.591	1.000
300,000	1.185	1.121	1.001	0.860	0.842	0.678	0.580	1.000
400,000	1.198	1.127	1.003	0.855	0.832	0.666	0.562	1.000
500,000	1.207	1.132	1.004	0.852	0.825	0.658	0.551	1.000
600,000	1.213	1.135	1.004	0.850	0.820	0.653	0.542	1.000
700,000	1.218	1.137	1.005	0.849	0.816	0.648	0.535	1.000
800,000	1.223	1.140	1.005	0.848	0.813	0.644	0.529	1.000
900,000	1.226	1.141	1.006	0.847	0.810	0.641	0.524	1.000
1,000,000	1.229	1.143	1.006	0.846	0.808	0.638	0.520	1.000
2,000,000	1.247	1.153	1.009	0.842	0.795	0.621	0.496	1.000
3,000,000	1.256	1.158	1.010	0.840	0.789	0.611	0.483	1.000
4,000,000	1.262	1.161	1.011	0.839	0.785	0.605	0.475	1.000
5,000,000	1.266	1.163	1.012	0.838	0.782	0.601	0.469	1.000
6,000,000	1.269	1.165	1.013	0.837	0.780	0.599	0.465	1.000
7,000,000	1.272	1.166	1.013	0.837	0.778	0.596	0.462	1.000
8,000,000	1.274	1.167	1.013	0.836	0.777	0.595	0.460	1.000
9,000,000	1.275	1.168	1.014	0.836	0.776	0.594	0.458	1.000
10,000,000	1.276	1.168	1.014	0.836	0.776	0.593	0.457	1.000
15,000,000	1.279	1.170	1.014	0.835	0.774	0.590	0.453	1.000
20,000,000	1.280	1.170	1.014	0.835	0.773	0.589	0.452	1.000
Unlimited	1.281	1.171	1.015	0.835	0.773	0.588	0.451	1.000

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Appendix D
Expense-Related Rating Values

Appendix D
Expense-Related Rating Values

[To be filed by the insurer.]

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CALIFORNIA LARGE RISK DEDUCTIBLE ENDORSEMENT

1. This endorsement applies to the workers' compensation insurance coverage, the employers' liability insurance coverage and the other states insurance coverage provided in this policy.
2. This endorsement applies between you and us. It does not affect the rights of others under the policy. Nor does it change our obligations under the policy, except as otherwise stated in this endorsement.
3. In consideration of a reduced premium, you have agreed to reimburse us up to the deductible amounts stated in the Schedule at the end of this endorsement for all payments legally required, including allocated loss adjustment expenses which arise out of any claim or suit we defend, where you elect to include such expenses.
4. We will remain responsible for the full payment of all claims under this policy without regard to your ability or intention to reimburse us for the deductible amounts. The contract of insurance shall be fully enforceable by your employees or their dependents against us.

Deductible – Each Occurrence

5. The deductible amount stated in the Schedule is the most you must reimburse us for indemnity and medical benefits and damages combined, including allocated loss adjustment expenses, if elected by you, for bodily injury to one or more employees as the result of any one accident or for disablement of one employee due to bodily injury by disease.

Deductible – Policy Aggregate

6. The amount stated in the Schedule as aggregate is the most you must reimburse us for the sum of all indemnity and medical benefits, damages, and allocated loss adjustment expense, if elected by you, because of bodily injury by accident or bodily injury by disease for the policy period.
 - (a) If we cancel the policy, the aggregate amount stated in the Schedule will be reduced to a pro rata amount based on the time this policy was in force.
 - (b) If you cancel the policy as a result of your retiring from business, the aggregate deductible amount will be reduced to a pro rata amount based on the time this policy was in force.
 - (c) If you cancel the policy for any reason other than retiring from business, the aggregate deductible amount will not be reduced.
 - (d) If this policy is issued for a term of less than one year, the aggregate deductible amount will not be reduced.

Effect of Deductible on Limits of Liability

7. The applicable limits of liability as respects the employers' liability insurance coverage provided in this policy are subject to reduction by the application of the loss reimbursement amount(s) applicable to any claim for accident or disease covered by this policy. In the event of a claim, our obligation to pay is the amount available for benefits or damages that remains after the application of the specific loss reimbursement amount. The payment of loss adjustment expense, where such expense is elected by you, will not affect the limits of the liability.

(Ed. 01-15)

Allocated Loss Adjustment Expenses

8. Allocated loss adjustment expenses, which is electable by you, means claims expenses directly allocated by us to a particular claim. Such expenses shall not include cost of investigation or the salaries and traveling expenses of our employees other than those salaried employees who perform services which can be directly allocated to the handling of a particular claim.

Recovery from Others

9. If we recover any payments made under this policy from anyone liable for the injury, the amount we recover will be applied as follows:
- (a) First, to any payments made by us in excess of the deductible amount; and
 - (b) Then the remainder, if any, will be applied to reduce the deductible amount reimbursed by you.

Cancellation

10. We may cancel this policy for nonpayment of any deductible amounts or for failure to comply with any security-related terms of this policy. Such cancellation of this policy shall be treated in the same manner as nonpayment of premium as provided by the California Insurance Code. We will remain fully responsible for the full amount of all claims incurred prior to the effective date of cancellation.

Sole Representation

11. The first Named Insured stated in the Information Page will act on behalf of all the named insureds with respect to:
- (a) Changes to this endorsement;
 - (b) Obligations to receive premiums; or
 - (c) Giving or receiving notice of cancellation.

Your Duties and Understanding

12. All bodily injuries by accident or disease for which you are responsible shall be promptly reported to us for adjustment and payment, regardless of their severity or cost. You further understand that all such bodily injuries and their cost shall be included in experience data used to determine the experience rating for your policy, regardless of the eligibility of such claims for full or partial reimbursement under the deductible provisions of this policy.

Other Rights and Duties

13. All other terms of the policy, including those which govern the following items, apply irrespective of this deductible endorsement:
- (a) Our right and duty to defend any claim, proceeding or suit against you; and
 - (b) Your duties if injury occurs.

Additional Charges

14. Any assessments pursuant to California statute are not part of this Plan but are included in the cost of the coverage provided by the policy to which this endorsement is attached.

Schedule

- 1. Deductible Amount \$ _____ Each Accident
(Dollar Amount)
- 2. Aggregate Limit \$ _____ Negotiated Charge \$ _____
(Dollar Amount or "None") (Dollar Amount or "None")
- 3. Allocated Loss Adjustment Expenses are _____
(“Included” or “Excluded”)
- 4. The Fixed Expense Charge _____ be adjusted retroactively, based upon actual costs.
(“Will” or “Will Not”)

Notes:

- 1. This endorsement may be used to provide deductibles to policyholders for all or part of benefits payable under the policy pursuant to California Insurance Code Section 11735(e).
- 2. This endorsement has been approved for use in conjunction with the California Large Risk Deductible Plan (Advisory).

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated. **(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)**

Endorsement Effective Insured

Policy No. Insurance Company

Endorsement No.

Countersigned By _____

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