

**WORKERS' COMPENSATION INSURANCE
EXPENSE MULTIPLIER FILING**

INSURER NAME: _____ **NAIC NUMBER:** _____

SELECTED PRIMARY EXPENSE MULTIPLIER: _____ **TIER:** _____*

*If filing tiered programs, a separate WCLC VA form must be filed for each tier.

The above insurer hereby declares that it is a member or subscriber of the National Council on Compensation Insurance (NCCI) and files to be deemed to have independently submitted as its own filing the approved prospective loss costs filed on its behalf by NCCI.

For policies effective on or after _____, the insurer's rates will be the combination of the applicable NCCI loss costs and the insurer's selected expense multiplier along with any expense constant, premium discount table, and minimum premium formula specified in the insurer's attached manual exception pages. The selected multiplier(s), along with any expense constant, premium discount table, and minimum premium formula filed, represent a rate level ____ increase or ____ decrease of _____%, and a premium level ____ increase or ____ decrease of _____%.

The selected multiplier(s) and the attached exception pages apply to the applicable NCCI loss costs, including every subsequently approved NCCI loss costs filing on its effective date.

Note: The selected expense multiplier shown at the top of this page is the insurer's sole multiplier, or sole multiplier for the tier shown, unless exceptions are noted below or provided in an attached schedule. If exceptions are noted, the expense multiplier shown above is the insurer's primary multiplier, applicable to all classifications not included in the exceptions below. Exceptions in excess of 27 must be filed on an attached schedule.**

Exceptions, if any, to the insurer's primary expense multiplier shown above are as follows:

<u>Class Code</u>	<u>Multiplier</u>	<u>Class Code</u>	<u>Multiplier</u>	<u>Class Code</u>	<u>Multiplier</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

**If there are more than 27 exceptions, do not list any exceptions above.

_____ Exceptions are in excess of 27 and, as required, are filed on the attached schedule.

**SUMMARY OF SUPPORTING INFORMATION
WORKERS' COMPENSATION EXPENSE MULTIPLIER**

INSURER: _____ **NAIC NUMBER:** _____

EFFECTIVE DATE OF MULTIPLIER: _____

TIER: _____*

*If filing tiered programs, a separate WCLC VA form must be filed for each tier.

Development of Expected Loss ratio:

a. Total Production Expense	_____	%
b. General Expense	_____	%
c. Taxes, Licenses and Fees	_____	%
d. Underwriting Profit and Contingencies	_____	%
e. Residual Market Costs	_____	%
f. Other (Explain) **	_____	%
**	_____	
g. Total	_____	%

Expected Loss Ratio (100% – g) in decimal form: _____

Indicated Insurer Loss Costs Multiplier (1.00/ELR): _____***

Selected Insurer Primary Loss Costs Multiplier: _____****

***Multipliers must be expressed as a factor to be applied to loss costs (e.g. 1.25)

****Explain any differences between the indicated and selected multiplier below:

____ Competitive Reasons
____ Other (explain) _____

COMPLETED BY: _____

TITLE: _____

TELEPHONE NUMBER: _____

SIGNATURE: _____

NOTE: *If an insurer makes any modification to the approved NCCI loss costs (other than the application of an expense multiplier to represent the insurer's expenses, profit and contingencies), the resulting rates will be deemed to be independent rates and shall be subject to the 60 day delayed-effect provisions of § 38.2-1912 of the Code of Virginia, as provided by § 38.2-1906 E.*

SUMMARY OF ATTACHED MANUAL EXCEPTION PAGES

(Check all that apply)

- Expense Constant
- Premium Discount Table
- Minimum Premium Formula
- Drug-Free Premium Discount Rules

Tiered Rating:

- Rating Plan Criteria

Small Deductible Plan:

- Variable Expense Multiplier
- Safety Factor

Retrospective Rating Values:

- Expected Loss Ratio (ELR) Factor
- Tax Multiplier
- Table of Expense Ratios (insurers must file the table)
- Excess Loss Premium Factors
- Retrospective Premium Development Factors

Other (explain):

NOTE: *Please attach exception pages only for values being changed or filed for the first time. These values remain filed until withdrawn or changed; therefore, it is not necessary to re-file values that are not being changed. A completed and signed rate certification form COF-1 (05/05) must be attached whenever this form, WCLC VA (05/10), is filed.*

DEFINITIONS

The following are commonly accepted definitions for use with Form WCLC VA:

Expense Multiplier: total production expenses, general expenses, taxes, licenses and fees, underwriting profit and contingencies and other expenses (excluding loss adjustment expenses)

Total Production Expenses: commission and brokerage and other expenses associated with production, sales, field supervision, advertising and collection

General Expenses: payroll, rent, board and bureau fees, pensions and employee benefits

Taxes, Licenses and Fees: premium taxes, fire programs fund assessment, maintenance assessment of the Bureau of Insurance, payroll taxes, guaranty fund assessments, etc.

Underwriting Profit and Contingences: investment income, risk evaluation, cost of capital, surplus, competitive considerations

Other Expenses: expenses not included above (must be described)

Loss Costs: historical aggregate losses and loss adjustment expenses projected through development to their ultimate value and through trending to a future point in time (loss costs do not include provisions for profit or expenses other than loss adjustment expenses)