

BEEVILLE INDEPENDENT SCHOOL DISTRICT

GUARANTEED COST WORKERS' COMPENSATION COMPARISON

DESCRIPTION OF COVERAGE	First Year 9/1/2011-2012 Guaranteed Cost (TX MUTUAL)	Second Year 9/1/2012-2013 Guaranteed Cost (TX MUTUAL)	Third Year 9/1/2013-2014 Guaranteed Cost (TX MUTUAL)	
Estimated Total Payroll Subject to Final Audit	\$18,867,648 Audited	\$19,963,499 Subject to Audit	\$19,963,499 Subject to Audit	
Guaranteed Cost Insurance Policy Annual Premium	\$115,399 Audited (In Network)	\$139,959 (In Network)	\$155,802 (In Network)	11% Increase Due to Experience Modifier of 1.40 Applied in 3 rd Year

APPLICATION OF HISTORICAL LOSSES TO EXPERIENCE MODIFICATION

9/1/2012-2013	\$61,730	Not Counted
9/1/2011-2012	\$98,567	Picked Up Year
9/1/2010-2011	\$65,773	Counted
9/1/2009-2010	\$135,653	Counted
9/1/2008-2009	\$89,530	Dropped Year

A "Guaranteed Cost" insurance policy means the first dollar of every loss is paid by the insurance company. An "Experience Modifier" is applied to all "Guaranteed Cost" policies whose premiums exceed \$10,000. The "Experience Modifier" is regulated and mandated by the National Council on Compensation (NCCI). It compares loss data to other employers with the same class codes and is expressed as a credit or a debit. The only control the District has on the Experience Modifier is through the reduction of losses.

9/1/2011-12 Premium @ \$115,399
 9/1/2012-13 Premium @ \$139,959

85% Loss Ratio
 44% Loss Ratio