

## Calculation of 2012 Deficiency Assessment for Self-Insurers

Member: ABC Corporation

1) Total Pure Premium	2,008,628
2) Projection Factor	1.067
3) Experience Modification Factor	<u>0.680</u>
4) Est. 2012 Pure Premium	1,457,380
5) Deficiency Assessment Rate	<u>1.59%</u>
6) Est. 2012 Deficiency Assessment	23,172

1) This is the product of per \$100 of 2010 payroll times the class-specific 2012 MWCIA pure premium rate.

2) Since the Deficiency Assessment is based on estimated 2012 pure premium, we calculated a factor to project the increase in total self-insurer pure premium from 2010 to 2012. This factor reflects changes in wage and number of workers.

3) This is the calculated experience modification factor for this member for 2012.

4) = (1) x (2) x (3)

5) This is the 2012 Deficiency Assessment rate approved by the MN Department of Commerce.

6) = (5) x (4)