



Basic Manual—2001 Edition—INDIANA

MISCELLANEOUS RULES

Effective 31 Dec 2009 12:00:01

INDIANA WORKERS COMPENSATION PREMIUM ALGORITHM

The following algorithm provides the framework for premium charges and credits. Where not specified, the premium base would be the result from the prior line.^[1]

| | PREMIUM ELEMENTS | EXPLANATORY NOTES |
|-------|---|---|
| | MANUAL PREMIUM | $[(\text{PAYROLL} / 100) * \text{RATE}]$ |
| + | Supplementary Disease (foundry, abrasive, sandblasting) | $[(\text{SUBJECT PAYROLL} / 100) * \text{DISEASE RATE}]$ |
| + | USL&H Exposure for non-F classification codes | $[(\text{SUBJECT PAYROLL} / 100) * (\text{RATE} * \text{USL\&H FACTOR})]$ |
| | TOTAL MANUAL PREMIUM | |
| + | Waiver of Subrogation factor^[**] | [% applied to the portion of Total Manual Premium where waiver is applicable] |
| + | Employers Liability (E/L) increased limits factor | [% applied to Total Manual Premium] |
| + | Employers Liability increased limits charge | [Balance to E/L increased limits minimum premium] |
| + | Employers Liability increased limits factor (Admiralty, FELA) | [Factor applied to the portion of Manual Premium where Admiralty/FELA coverage is applicable] |
| + | Employers Liability/Voluntary Compensation flat charge | [Coverage in Monopolistic State Funds] |
| – | Small Deductible credit | [% applied to Total Manual Premium] |
| | TOTAL SUBJECT PREMIUM | |
| x | Experience Modification (Exp Mod) | |
| [_] | [____] | |
| | TOTAL MODIFIED PREMIUM | |
| x | Schedule Rating factor (1 – SR credit %) or (1 + SR debit %) | |
| + | Supplemental Disease Exposure (Asbestos^[NOC]) ^[†] | |
| + | Atomic Energy Radiation Exposure^[NOC] ^[†] | |
| + | Charge for nonratable catastrophe loading^[†] | |
| + | Aircraft Seat Surcharge | |
| + | Balance to Minimum Premium (State Act) | [Balance to minimum premium at Standard Limits] |
| + | Balance to Minimum Premium (Admiralty, FELA) | |
| | TOTAL STANDARD PREMIUM ^[‡] | |
| – | Premium Discount^[§] | [% applied to Standard Premium] |
| + | Coal Mine Disease Charge | [Underground, surface, surface auger] |
| + | Expense Constant | |
| + | Terrorism | $[(\text{PAYROLL} / 100) * \text{TERRORISM VALUE}]$ |
| + | Catastrophe (other than Certified Acts of Terrorism) | $[(\text{PAYROLL} / 100) * \text{CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM)}]$ |

| | | |
|---|---------------------------------|--------|
| | | VALUE] |
| | ESTIMATED ANNUAL PREMIUM | |
| + | Second Injury Fund Surcharge | |
| | TOTAL AMOUNT DUE | |

[**] Premium charges established for Waiver of Subrogation are not filed by ICRB for the voluntary market.

[NOC] = Not Otherwise Classified.

[†] Nonratable Element Premiums generated by nonratable portion of manual rate are subject to all applicable premium elements applied to the policy, however, not subject to experience rating or retrospective rating.

[‡] Statistical calls for ratemaking data contain a different definition of “Standard Premium.” Refer to **Reporting Guidebook for the Annual Calls for Experience**.

[§] For policies subject to premium adjustments under a retrospective rating plan, premium discount does not apply.

Note: For short rate cancellations, short rate percentage/short rate penalty premium factor is subject to experience rating, included in Total Subject Premium, and applied prior to Experience Modification.

[¶] The above rating method would be used in absence of independent carrier filings.

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Basic Manual—2001 Edition—INDIANA

MISCELLANEOUS RULES

Applicable To Assigned Risk Policies Only

Effective 31 Dec 2009 12:00:01

INDIANA **ASSIGNED RISK** WORKERS COMPENSATION PREMIUM ALGORITHM

The following algorithm provides the framework for premium charges and credits. Where not specified, the premium base would be the result from the prior line.

| | PREMIUM ELEMENTS | EXPLANATORY NOTES |
|-------|---|---|
| | MANUAL PREMIUM | $[(\text{PAYROLL} / 100) * \text{RATE}]$ |
| + | Supplementary Disease (foundry, abrasive, sandblasting) | $[(\text{SUBJECT PAYROLL} / 100) * \text{DISEASE RATE}]$ |
| + | USL&H Exposure for non-F classification codes | $[(\text{SUBJECT PAYROLL} / 100) * (\text{RATE} * \text{USL\&H FACTOR})]$ |
| | TOTAL MANUAL PREMIUM | |
| + | Waiver of Subrogation factor | [% applied to the portion of Total Manual Premium where waiver is applicable] |
| + | Employers Liability (E/L) increased limits factor | [% applied to Total Manual Premium] |
| + | Employers Liability increased limits charge | [Balance to E/L increased limits minimum premium] |
| + | Employers Liability increased limits factor (Admiralty, FELA) | [Factor applied to the portion of Manual Premium where Admiralty/FELA coverage is applicable] |
| + | Employers Liability/Voluntary Compensation flat charge | [Coverage in Monopolistic State Funds] |
| – | Small Deductible Coinsurance credit | [% applied to Total Manual Premium] |
| | TOTAL SUBJECT PREMIUM | |
| x | Experience Modification (Exp Mod) | |
| [_] | [____] | |
| | TOTAL MODIFIED PREMIUM | |
| + | Supplemental Disease Exposure (Asbestos^[NOC]) ^[†] | |
| + | Atomic Energy Radiation Exposure ^[†][NOC] | |
| + | Charge for nonratable catastrophe loading^[†] | |
| + | Aircraft Seat Surcharge | |
| + | Balance to Minimum Premium (State Act) | [Balance to minimum premium at Standard Limits] |
| + | Balance to Minimum Premium (Admiralty, FELA) | |
| x | Assigned Risk Surcharge | [25% applied to entire total Standard Premium for risks with premium in excess of \$2,500] |
| | TOTAL STANDARD PREMIUM ^[†] | |
| + | Coal Mine Disease Charge | [Underground, surface, surface auger] |
| + | Expense Constant | |
| + | Terrorism | $[(\text{PAYROLL} / 100) * \text{TERRORISM VALUE}]$ |

| | | |
|---|--|--|
| + | Catastrophe (other than Certified Acts of Terrorism) | [(PAYROLL / 100) * CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) VALUE] |
| | ESTIMATED ANNUAL PREMIUM | |
| + | Second Injury Fund Surcharge | |
| | TOTAL AMOUNT DUE | |
| <p>[NOC] = Not Otherwise Classified.</p> <p>[†] Nonratable Element Premiums generated by nonratable portion of manual rate are subject to all applicable premium elements applied to the policy, however, not subject to experience rating or retrospective rating.</p> <p>[‡] Statistical calls for ratemaking data contain a different definition of “Standard Premium.” Refer to Reporting Guidebook for the Annual Calls for Experience.</p> | | |

§ For policies subject to premium adjustments under a retrospective rating plan, premium discount does not apply.

NOC = Not Otherwise Classified.

Note: For short rate cancellations, short rate percentage/short rate penalty premium factor is subject to experience rating, included in Total Subject Premium, and applied prior to Experience Modification. All Indiana assigned risk policies with total estimated annual standard premium or total audited standard premium that equals or exceeds \$100,000 are subject to the mandatory Loss Sensitive Rating Plan (LSRP).

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