



March 21, 2005

Circular 2005-03

To: All ICRB Members

Re: Contact Information for the Indiana Assigned Risk Reinsurance Pool

On November 16, 2004, the Indiana Department of Insurance (IDOI) approved the ICRB filing titled "Indiana Assigned Risk Reinsurance Pool." The filing creates an Indiana workers compensation assigned risk pool (Indiana Pool) effective January 1, 2005. Bureau members are required to participate in the Assigned Risk Plan and be a member of the Indiana Pool. We have selected Compensation Insurance Services (CIS) to assist the Bureau with Pool administration services. The purpose of this memorandum is to provide you with information regarding the operation of the Plan and Pool and to briefly describe your responsibilities as a Member.

Operation of the Indiana Assigned Risk Reinsurance Pool

The ICRB has promulgated regulations governing the establishment and operation of the Indiana Plan and Pool. The approved filing can be found on the Indiana Department of Insurance website at:

www.in.gov/idoi/pdf/final_order_for_workers_compensation_assigned_risk_plan.pdf

Members' Obligations

Section 4.03 of the Articles of Administration for the Indiana Assigned Risk Reinsurance Pool provides that each Member shall:

- (a) designate and provide to the Plan Administrator the name and address of an official of the Member's organization with authority to represent the Member in its dealings with the Indiana Pool and to whom all correspondence from the Indiana Pool shall be sent;
- (b) report to the Plan Administrator, in the form and manner prescribed by the Plan Administrator, the Net Premiums Written by such Member during each calendar year;

Included in this mailing is a notice regarding the contact form that must be completed and returned to the ICRB (c/o CIS) in order to comply with these provisions.

The existing Take-Out Credit Program continues in effect for the new Indiana Pool. A copy of the Take-Out Credit Program is also attached.

If you have any questions, please contact either Jim Hathcock or Jim Meadows at 877-247-4277.

Sincerely,

Ronald W. Cooper, CWCP
President

FORM IN-3
INDIANA WORKERS' COMPENSATION ASSIGNED RISK REINSURANCE POOL
MEMBER COMPANY CONTACT FORM

The Articles of Administration of the Indiana Assigned Risk Reinsurance Pool (Indiana Pool) for the Indiana Worker's Compensation Insurance Plan provide that each Member shall designate and provide to the Administrator the name and address of an official of the Member's organization with authority to represent the Member in its dealings with the Pool and to whom all correspondence from the Pool shall be sent. Form IN-3 is used for this purpose. Each Member must file a separate Form IN-3.

Member Company Information

Member Company Name:		
Member Company Address:		
City:	State:	Zip:
NCCI Carrier Number:	NAIC Number:	

Contact Information

Contact Name:	Telephone #:	
	Fax #:	
Title:	Email ID:	
Company:		
Address: (if different from above)		
City:	State:	Zip:

Mail/Fax To: ICRB
(c/o) Compensation Insurance Services
P.O. Box 12653
Jackson, MS 39236
Fax Number (601) 977-9466

<i>For Office Use Only</i>	
Date Entered/Updated:	
Contact #:	
Initials:	

TAKE-OUT CREDIT PROGRAM

1. Each member of the Pool which removes a risk insured through the Pool, shall be eligible for a take-out credit applicable against the member's residual market assessment base levied under the Articles of Agreement.
2. An offer to take a risk out of the Pool must be made in writing to the named insured, stating the amount of the estimated annual premium, the amount of the down payment required and the amount of each installment (if available).
3. A carrier will not receive credit for any policy removed from the Pool within one calendar year of that carrier or a member of that carrier's group writing the policy in the voluntary market. Any carrier, other than the last voluntary carrier of record, may remove a policy without any restriction on the length of time the policy resided in the residual market.
4. The kind and amount of coverage to be offered such voluntary risks shall not be less than those afforded by the policy being replaced unless such kinds and amounts of coverage are refused by the insured.

Credits

1. A member of the Pool, removing a risk from the residual market, shall be eligible for a take-out credit applicable to the residual market assessment base in accordance with the following schedule:

First Year	1.0
Second Year	1.0
Third Year	1.0

2. There shall be no maximum limit on Credits received under this program, provided, however, that the credits shall not reduce the member's Pool assessment base below zero.
3. Upon taking a risk out of the Pool, a member shall report such individual risk credit on a form and in a manner prescribed by the Plan Manager.
4. A member company will receive a credit against their assessment base for the amount of annual premium reflected in their financial statements (Page 14) for the respective calendar year. This reported premium shall be stated on the same financial basis as the premiums that are reported for use in determining each member's residual market assessment base and shall be subject to subsequent adjustments and audits. The premium shall be the gross direct premiums charged less all premiums (except dividends and savings refunded under participating policies) returned to the policyholders for all Workers Compensation and Occupational Disease insurance, exclusive of premiums for risk reinsurance by the Plan, and for risks written under Special National Defense Comprehensive Rating or Special National Defense Premium Discount Plans.

As audit premiums retro adjustment, etc. are developed, the member company will receive a credit against their assessment base for the amount of such premium adjustment in the calendar year in which such adjustment is reflected on Page 14. Regardless of when an adjustment was made and/or reflected on Page 14, the adjustment will be allowed if related the first, second or third year of voluntary coverage by the member company.

5. If the carrier keeps the risk out of the residual market for three years, that carrier will receive credit for each of the three years. If the carrier does not write the business for three years, they will receive credit only for the period of time that they covered the risk in the voluntary market. In no instance shall a carrier receive credit for risks returned to the Pool within one policy year.
6. A request for credit must be submitted annually during the three-year time frame in order to qualify for the credit.

INDIANA ASSIGNED RISK
REINSURANCE POOL
c/o Compensation Insurance Services
P. O. Box 12653
Jackson, MS 39236

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