

State of Tennessee Advisory Council on Workers' Compensation

Assigned Risk Plan Data

August 2012

Presented by

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TWCIP – General Organizational Structure

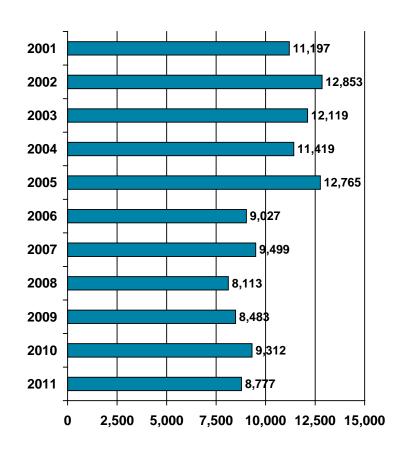
Tennessee Workers Compensation Insurance Plan - General Organizational Structure

Tennessee Department of Tennessee Department of Commerce & Insurance Finance and **Aon Group** · Regulatory Oversight Administration · Provides Operational · Bid Process Oversight Comprehensive Plan Administration Oversight · State Contract Oversight · Application Processing Answers Written & Telephone Inquiries Database Design & Management · Assigns Applications to Servicing Carrier(s) & Direct Assignment Carrier(s) Agent Guide Distribution Servicing Carrier and Direct Assignment Carrier Oversight Initiates Underwriting Process Populates Policyholder Database • Dispute Resolution Process · Website Design & Management Cost Reduction Seminars · Servicing Carrier bid Process Servicing Carrier(s) **Direct Assignment Carrier(s)** · Policy Administration · Claims Administration · General Risk Control . Billing & Collections Premium Audit Pool Reporting Other States' Coverage Underwriting Nashville Bank & Trust SIGMA Actuarial Waller Lansden Lattimore, Black, · Premium Deposits Consulting, Inc. Dortch & Davis, LLC Morgan & Cain, P.C. · Fund Management **Brentwood. Tennessee** Nashville, TN Brentwood, TN Investment Development of Loss Plan Documents Plan Accounting Sensitive Rating Plan Trust Services Litigation Services Actuarial Analysis of Management Manage Deficit LSRP · Statutory/Regulatory Assessment Process Compliance · Arrange Surplus · Miscellaneous Legal Distribution



TWCIP – Incoming Phone Calls

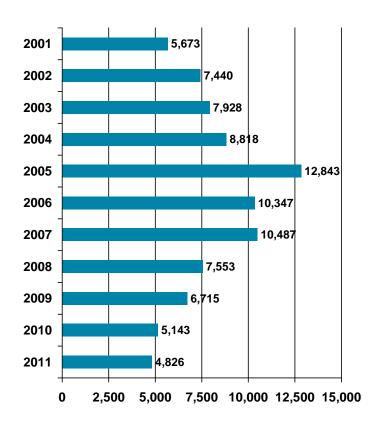
Tennessee Workers Compensation Insurance Plan - Phone Call Volume (Incoming Calls Only)





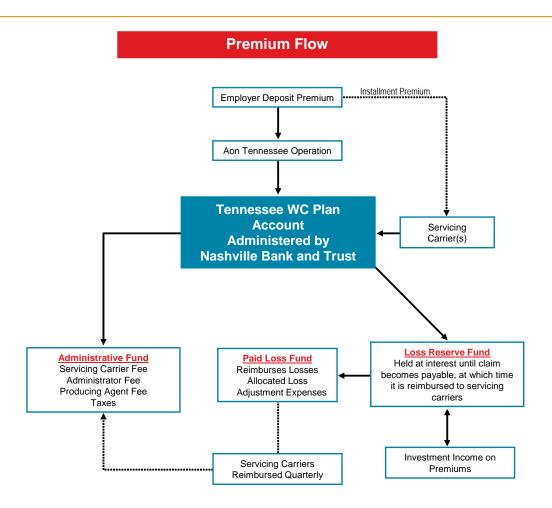
TWCIP – Applications Processed

Tennessee Workers Compensation Insurance Plan - New Applications Processed





TWCIP – Premium Flow





Tennessee Workers Compensation Insurance Plan Report: Assignment Summary Comparison

	Written Premium	Written Premium	Premium	Policy
Service Carrier ? Insurance Company	1/1/10 - 12/31/10	1/1/11 -12/31/11	Variance	Variance
Yes				
Berkley	\$14,433,951.89	\$16,433,347.00	13.9%	-4.9%
Companion P&C	\$5,674,855.00	\$7,164,856.00	26.3%	-0.7%
Summary for two Insurance Compannies				
Subtotals	\$20,108,806.89	\$23,598,203.00	17.4%	-3.6%
No				
American Guarantee	\$2,045,564.00	\$1,848,302.00	-9.6%	-38.2%
Cincinnati	\$759,143.00	\$527,648.00	-30.5%	-37.1%
C N A Insurance	\$1,170,284.00	\$846,022.00	-27.7%	-36.4%
Travelers	\$2,722,354.00	\$2,634,402.00	-3.2%	-0.6%
Hartford	\$2,020,596.00	\$2,598,637.00	28.6%	14.1%
ACE American Ins Co	\$1,366,230.00	\$2,271,319.00	66.2%	46.4%
Summary for 9 Insurance Companies				
Subtotals	\$10,084,171.00	\$10,726,330.00	6.4%	-5.5%
Grand Totals	\$30,192,977.89	\$34,324,533.00	13.7%	-4.3%



Tennessee Workers Compensation Insurance Plan Report: Premium Size Comparison

Report: Premium Size Comparison

		Policy Count	Policy Count	Policy	Est. Annual Premium	Est. Annual Premium	Premium
Low Premium	High Premium	1/1/10-12/31/10	1/1/11-12/31/11	Variance	1/1/10 to 12/31/10	1/1/11 to 12/31/11	Variance
\$0.00	\$2,499.99	7,682	6,905	-10.1%	\$7,229,333.67	\$6,821,173.00	-5.6%
\$2,500.00	\$4,999.99	994	1,141	14.8%	\$3,459,380.22	\$4,033,297.00	16.6%
\$5,000.00	\$9,999.99	562	643	14.4%	\$3,822,688.00	\$4,411,939.00	15.4%
\$10,000.00	\$24,999.99	388	470	21.1%	\$5,738,862.00	\$6,953,799.00	21.2%
\$25,000.00	\$49,999.99	102	131	28.4%	\$3,488,994.00	\$4,444,106.00	27.4%
\$50,000.00	\$99,999.99	39	52	33.3%	\$2,772,292.00	\$3,558,435.00	28.4%
\$100,000.00	\$249,999.99	14	19	35.7%	\$2,016,687.00	\$2,393,079.00	18.7%
\$250,000.00	\$499,999.99	5	5	0.0%	\$1,664,741.00	\$1,708,705.00	2.6%
\$500,000.00	and up	0	0	#DIV/0!	\$0.00	\$0.00	#DIV/0!
	·						
Totals		9,786	9,366	-4.3%	\$30,192,977.89	\$34,324,533.00	13.7%



Tennessee Workers Compensation Insurance Plan Report: Classifications Rank -- 1 to 20

For Effective Date from 1/1/2011 to 12/31/2011

By Palicy Count								
Rank '11	Rank '10	Code	Description	Policy Count	Premium			
1	1	5645	Carpentry (one or two family dwellings)	1133	\$2,073,771.00			
2	4	5551	Roofing	619	\$2,590,635.00			
3	3	5474	Painting or Paperhanging	417	\$636,071.00			
4	5	5403	Carpentry NOC	414	\$736,651.00			
5	2	5437	Carpentry (cabinets or interior trim)	412	\$586,352.00			
6	6	8810	Clerical	388	\$1,140,713.00			
7	7	9014	Buildings - Operations by Contractors	272	\$452,105.00			
8	9	5606	Contractors - Executive Supervisor	235	\$645,384.00			
9	12	5445	Wallboard Installation Within Buildings	204	\$449,165.00			
10	8	5022	Masonry NOC	198	\$352,056.00			
11	17	8742	Salespersons, Collectors Or Messengers	188	\$391,201.00			
12	15	7711	Firefighters-Volunteer and Drivers	186	\$567,992.00			
13	10	6217	Excavation & Drivers	185	\$502,112.00			
14	11	5478	Carpet, Linoleum, Vinyl, Asphalt, or Rubber	170	\$205,744.00			
15	14	0042	Landscape Gardening & Drivers	169	\$398,804.00			
16	13	5190	Electrical Wiring - Within Buildings	167	\$349,952.00			
17	18	8835	Nursing-Home Health, Public and Traveling	165	\$865,831.00			
18	21	5221	Concrete or Cement Work - Floors, Driveways	121	\$265,192.00			
19	24	0106	Tree Pruning, Spraying, Repairing & Drivers	120	\$1,006,918.00			
20	19	5183	Plumbing NOC & Drivers	120	\$166,809.00			



Tennessee Workers Compensation Insurance Plan Report: Classifications Rank -- 1 to 20 For Effective Date from 1/1/2010 to 12/31/2010

By Policy Count									
Rank '10	Rank '09	Code	Description	Policy Count	Premium				
1	1	5645	Carpentry (one or two family dwellings)	1361	\$1,950,940.00				
2	2	5437	Carpentry (cabinets or interior trim)	507	\$605,378.00				
3	3	5474	Painting or Paperhanging	494	\$767,177.00				
4	4	5551	Roofing	484	\$1,500,579.00				
5	5	5403	Carpentry NOC	394	\$680,729.00				
6	7	8810	Clerical	316	\$569,684.00				
7	6	9014	Buildings - Operations by Contractors	270	\$405,850.00				
8	9	5022	Masonry NOC	260	\$496,399.00				
9	10	5606	Contractors - Executive Supervisors	239	\$319,821.00				
10	8	6217	Excavation & Drivers	237	\$755,042.00				
11	12	5478	Carpet, Linoleum, Vinyl, Asphalt	237	\$250,426.00				
12	11	5445	Wallboard Installation Within Buildings	225	\$526,871.00				
13	14	5190	Electrical Wiring - Within Buildings	205	\$284,860.00				
14	13	0042	Landscapce Gardening & Drivers	180	\$376,029.00				
15	16	7711	Firefighters & Drivers	177	\$423,752.00				
16	15	7219	Trucking NOC	173	\$890,323.00				
17	18	8742	Salespersons, Collectors or Messengers	171	\$269,675.00				
18	17	8835	Nursing-Home Health, Public and Travel	160	\$808,401.00				
19	20	5183	Plumbing NOC & Drivers	147	\$177,506.00				
20	19	5348	Stone, Mosiaic or Terrazzo / Ceramic T	127	\$127,709.00				



Tennessee Workers Compensation Insurance Plan Report: Classifications Rank -- 1 to 20

For Effective Date from 1/1/2011 to 12/31/2011

By Premium								
Rank '11	Rank '10	Code	Description	Policy Count	Premium			
1	2	5551	Roofing-All Kinds & Yard Employees	619	\$2,590,635.00			
2	1	5645	Carpentry (one or two family dwellings)	1133	\$2,073,771.00			
3	11	8810	Clerical	388	\$1,140,713.00			
4	7	0106	Tree Pruning, Spraying, Repairing & Drivers	120	\$1,006,918.00			
5	4	8835	Nursing-Home Health, Public and Travel	165	\$865,831.00			
6	8	5403	Carpentry NOC	414	\$736,651.00			
7	n/a	7229	Trucking: Long Distance Hauling - All Employees	72	\$717,853.00			
8	14	7720	Police Officers & Drivers	77	\$686,816.00			
9	24	5606	Contractor-Executive Supervisor	235	\$645,384.00			
10	5	5474	Painting or Paperhanging	417	\$636,071.00			
11	9	5437	Carpentry (cabinets or interior trim)	412	\$586,352.00			
12	18	7711	Firefighters & Drivers	186	\$567,992.00			
13	6	6217	Excavation & Drivers	185	\$502,112.00			
14	13	9180	Amusement Device Operation NOC-Not Travelling	47	\$498,355.00			
15	138	7538	Electric Light or Power Line Construction	4	\$492,193.00			
16	23	7705	Ambulance or Rescue Workers & Drivers	24	\$470,089.00			
17	20	9014	Buildings-Operations by Contractors	272	\$452,105.00			
18	12	5445	Wallboard Installation Within Buildings	204	\$449,165.00			
19	n/a	2501	Clothing Manufacturing	1	\$421,507.00			
20	36	8018	Store: Wholesale NOC	9	\$419,501.00			

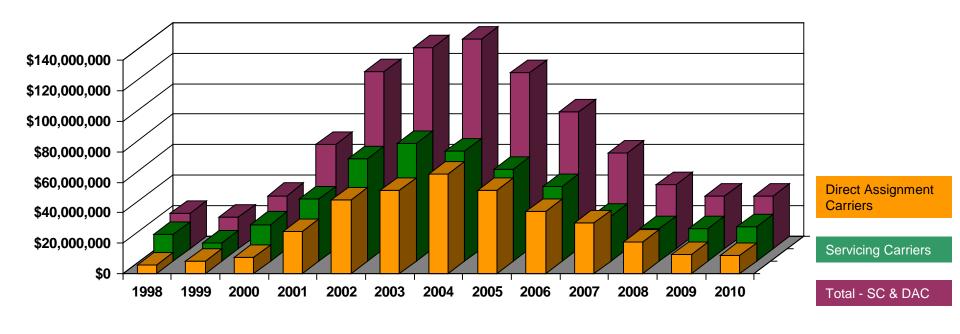


Tennessee Workers Compensation Insurance Plan Report: Classifications Rank -- 1 to 20 For Effective Date from 1/1/2010 to 12/31/2010

By Premium Premium									
Rank '10	Rank '09	Code Description	Policy Count	Premium					
1	1	5645 Carpentry (one or two family dwellings)	1361	\$1,950,940.00					
2	3	5551 Roofing-All Kinds & Yard Employeees	484	\$1,500,579.00					
3	4	7219 Trucking NOC	173	\$890,323.00					
4	8	8835 Nursing-Home Health, Public and Trav	160	\$808,401.00					
5	7	5474 Painting or Paperhanging	494	\$767,177.00					
6	11	_6217 Excavation & Drivers	237	\$755,042.00					
7	6	0106 Tree Pruning, Spraying, Repairing & Drivers	91	\$728,770.00					
8	9	5403 Carpentry NOC	394	\$680,729.00					
9	10	5437 Carpentry-Installation of Cabinet Work or Interior	507	\$605,378.00					
10	14	7370 Taxicab: All Other Employees	14	\$591,366.00					
11	12	8810 Clerical	316	\$569,684.00					
12	21	5445 Wallboard Installation Within Buildings	225	\$526,871.00					
13	16	9180 Amusement Device Operation NOC-Not Travelling	53	\$515,496.00					
14	2	7720 Police Officers & Drivers	88	\$505,470.00					
15	36	8864 Social Services Organization	66	\$504,105.00					
16	15	5022 Masonry NOC	260	\$496,399.00					
17	65	7539 Electric Light or Power Company - NOC	4	\$485,754.00					
18	24	7711 Firefighters - Volunteer	177	\$423,752.00					
19	28	4611 Drug Medicine or Pharmaceutical Preparaton-NO M	4	\$409,134.00					
20	18	9014 Buildings-Operations by Contractors	270	\$405,850.00					



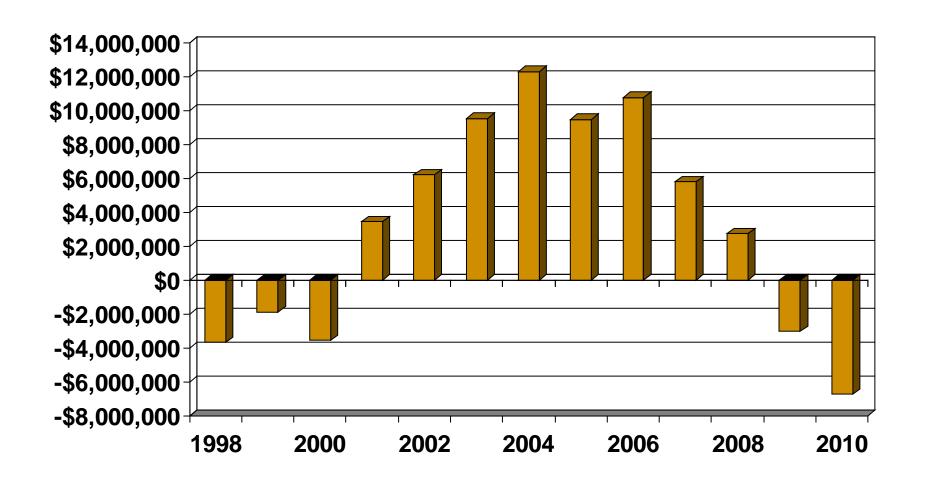
Servicing Carrier and Direct Assignment Carrier Written Premium Report – All Plan Years as of 03/31/2012



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
DAC	\$27,928,022	\$48,553,973	\$54,437,336	\$65,176,450	\$54,941,266	\$40,744,156	\$33,410,456	\$20,775,453	\$12,652,393	\$12,003,117
<u>SC</u>	\$40,687,333	\$67,294,519	<u>\$77,471,871</u>	<u>\$72,295,598</u>	<u>\$60,409,558</u>	<u>\$49,224,759</u>	\$29,395,353	\$21,397,263	<u>\$21,621,664</u>	\$22,668,050
Total	\$68,615,355	\$115,848,492	\$131,909,207	\$137,472,048	\$115,350,824	\$89,968,915	\$62,805,809	\$42,172,716	\$34,274,057	\$34,671,167

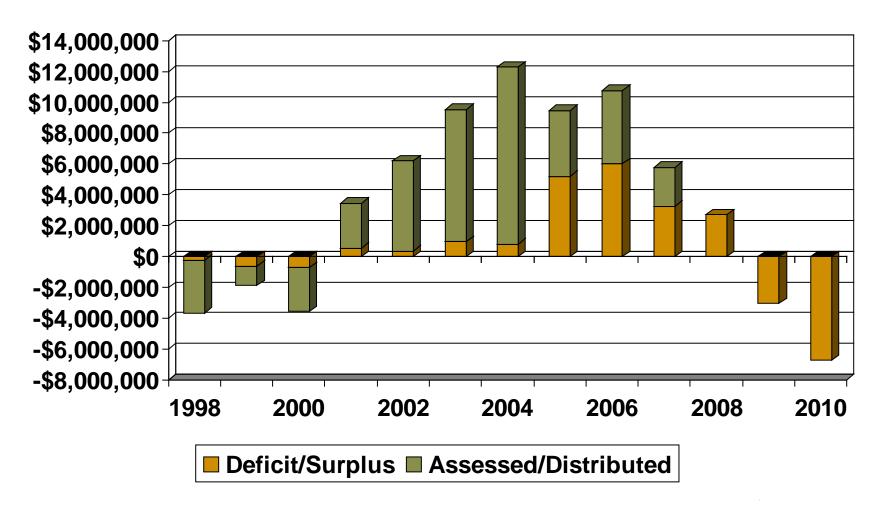


Deficit/Surplus All Plan Years





Deficit Assessments and Surplus Distributions All Plan Years







State of Tennessee
Advisory Council on Workers' Compensation

Assigned Risk Plan Data August 2012

Questions?

