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Workers Compensation *for* Management Firms *with up to 40% savings*

The Problem:

- Workers' Compensation Coverage is mandated by law.
- The individual state WC boards set rates, forms and underwriting guidelines that limit discretionary pricing by insurance companies.
- Guaranteed Cost WC1 rating models do not adequately differentiate between high, low and average performers.
- Experience modification factors2 are slow to react and only partially make up the performance gap.

How does the program work?

- A homogeneous group of Alternative Asset Management Firms aggregate their WC purchase to qualify them for a lucrative dividend as early as 18 months after inception of the program.
- Up to 40% of the individual deposit premiums are returned by the A.M. Best "A" rated carrier based on the aggregate loss ratio of the group
- No downside for the individual firms if the loss experience of the group exceeds targets

Why doesn't the traditional market work for asset management firms?

- WC ratings plans are devised to provide stability for smaller firms
- The rating plans do not consider total number of employees-just total compensation
- A firm that employs 100 data entry clerks making $25,000 per year will pay the same premium as a hedge fund that employs 10 fund managers at $250,000 per year
- For example: In NY, lost wages are capped at 2/3 of the average weekly wage (approximately $1,000 per week), but the premium is based on total compensation including bonus
- All premiums based on compensation excess of ~$80,000 per year are theoretically redundant (assuming no differentiation for Medical Costs between high and low wage earners).

Program Highlights:

- Competitive rates at inception
- Benchmarked against major industry competition
- Up to 40% dividends paid after 18 months
- A.M. Best "A" rated carrier
- Full Property/Casualty programs available, but not required