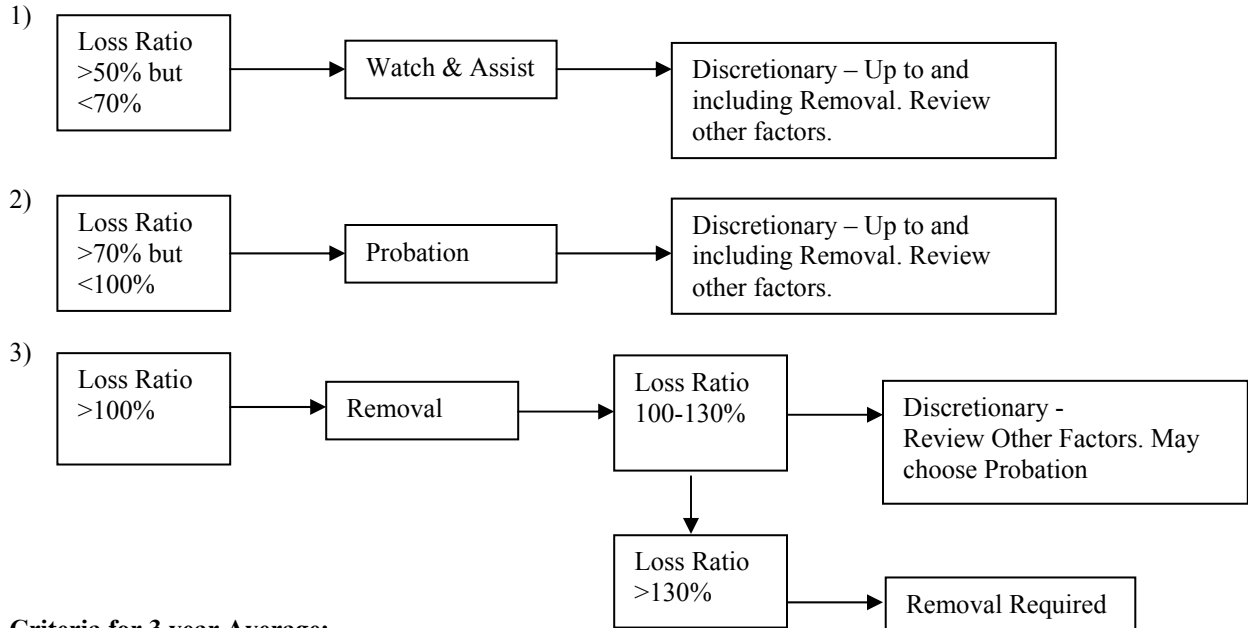


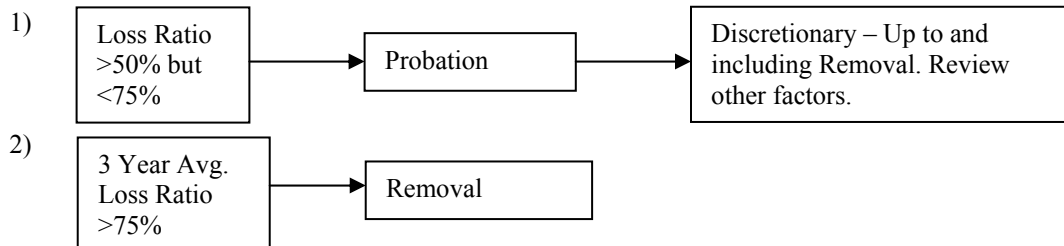
## NCBE Underwriting Review Criteria

Each participant in the group program is reviewed based on the current year (as of July 1<sup>st</sup>) and the most recently completed 2 policy years. Any participating company that meets the criteria below will be reviewed in depth. Each individual year (current and past two years) is assessed then the 3-year average is assessed to achieve a clear picture of current and past trends. The following criteria is utilized to determine the final status of each participant:

### Criteria for each Individual year:



### Criteria for 3 year Average:



**Discretionary Factors** – The following additional factors should be considered in determining account status.

- ◆ X-mod: >110% indicates problems in previous years.
- ◆ Consecutive years <50% L/R (or >50%).
- ◆ Detailed Claim Analysis – 1 severe injury? Fraudulent case? Multiple injury accident?
- ◆ Results of account survey – loss control efforts, safety attitude, operating practices.
- ◆ Frequency of no more than 1 “Medical Only” only injury per \$5,000 of premium.

Accounts with a Loss Ratio between 100- 130% may be placed on Probation (for the first year) rather than removal after assessment of the above and if the current year is >100% but <130% and past 2 years had a loss ratio <70%.

**Appeals** -Must be in writing within 30 days of status notification. If the Loss Ratio > 150% Removal stands, If Loss Ratio < 150% Discretionary – assess factors as listed above.