



**WCTI**  
WORKERS' COMPENSATION  
TRUST OF ILLINOIS

**WCTI ANNUAL MEETING  
ADJUSTMENT BILLING SESSION  
HILTON LISLE/NAPERVILLE  
FRIDAY, MAY 6<sup>TH</sup>, 2016**

## WCTI CONTACTS

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Claims



“The Workers’ Compensation Trust of Illinois (WCTI) is a group of safety focused Illinois Manufacturers that have pooled their excellent loss experience to self-insure their workers’ compensation risk.”

### MANAGING RISK – SELF INSURANCE

1980-Illinois Workers’ Compensation Act Amended  
1981-WCTI Established (35 Years of Service)

*Member companies receive:*

- \*Progressive safety programs
- \*Aggressive claims management
  - \*Conservative budgeting
  - \*Regulative oversight



# WCTI PROCESS

- Proposals – Estimated Quote (Start of Policy)
  - Marketing
  - Underwriting
  - Loss Control
  - Account Management
  - Claims
  - Accounting (Invoicing & Payment)
- Payroll Audits – Final Audited Quote (End of Policy: January - March)
  - Underwriting
  - Payroll Audit Firm
    - Physical or Phone Audit
- Adjustment Bills – Retrospective Billing (End of Policy: April - June)
  - Delivery (Account Management, Marketing, Underwriting)
  - Payment (Accounting)



# UNDERWRITING PROPOSALS

## WORKERS COMPENSATION TRUST OF ILLINOIS WORKERS COMPENSATION COVERAGE - QUOTE

**Insured:** SAMPLE COMPANY

**Agency:** ABC AGENCY

**Address** 123 SAMPLE STREET  
DANVILLE IL 61832

**Member#:** 0149999 00

**IL**

**Coverage Period:** 01/01/2015 to 1/1/2016 12:01 AM

<u>Code</u>	<u>Classification</u>	<u>Payroll</u>	<u>Rate</u>	<u>Premium</u>
4484	PLASTIC /MOLDED PROD MFG NOC	\$2,730,000	\$4.47	\$122,031
8742	SALES/REPORTER/METER COLLECTOR	\$360,000	\$.44	\$1,584
8810	CLERICAL OFFICE EMPLOYEES, NOC	\$4,600,000	\$.20	\$9,200
Total		\$9,923,000		\$132,815
				Experience Modification 0.67
				Standard Premium \$88,986

Manual Premium is calculated by taking the payroll times the rate and then dividing by 100 to equal premium. Then we take the manual premium of \$88,986 times the modifier of .67 to equal the standard premium of \$88,986.

Trended Expected Losses	\$27,992
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	<u>Actual Deposit Contribution</u>	<u>Potential Max Contribution</u>
<b>The Minimum Claim Fund</b> is \$12,000 or TEL or 15% of Standard Premium, whichever is greater.		
<b>The Maximum Claim Fund</b> is 80% of the Standard Premium.		
Claim Fund	\$27,992	\$71,189
Admin Fee (Standard Premium multiplied by 17.1%)	\$15,217	\$15,217
Excess Fee (Standard Premium multiplied by 4.98%)	\$4,432	\$4,432
State Total	\$47,641	\$90,838
<b>Total:</b>	<b>\$47,641</b>	<b>\$90,838</b>

**NOTE:** This quotation is good for 30 days and is based upon information made available to the company at the time the quotation was issued. Subsequent information may alter the terms and conditions quoted.

This quotation is subject to change with the endorsement of a final modification factor.



# UNDERWRITING – TRENDED EXCECTED LOSSES

## WORKERS COMPENSATION TRUST OF ILLINOIS WORKERS COMPENSATION COVERAGE - LOSS HISTORY

**Insured: SAMPLE COMPANY**  
**Address: 123 SAMPLE STREET**  
DANVILLE IL 61832

**Agency: ABC AGENCY**

**Member#: 0149999 00**

**Policy #: WC014999908**

### LOSS HISTORY

LIABILITY PERIOD	PAYROLL	# OF CLAIMS	PAID AMOUNT	RESERVE AMOUNT	TOTAL INCURRED	VALUE DATE	SOURCE	PAYROLL LOSS RATIO
1/1/12 - 1/1/13	\$14,397,970 A	4	\$85,708	\$0	\$85,708	1-Sept -2014	LOSS RUN	0.60%
1/1/13 - 1/1/14	\$10,460,239 A	0	\$0	\$0	\$0	1-Sept -2014	LOSS RUN	0.00%
1/1/14 - 1/1/15	\$8,500,000 E	0	\$0	\$0	\$0	1-Sept -2014	LOSS RUN	0.00%
<b>TOTAL</b>	<b>\$33,358,209</b>	<b>4</b>	<b>\$85,708</b>	<b>\$0</b>	<b>\$85,708</b>			

### EXPECTED LOSS CALCULATION

Three Year Pure Payroll Loss Ratio 0.0026  
(Use the total of the three years incurred losses divided by payroll. \$85,708 divided by \$33,358,209 equals .0026)

Expected Losses \$19,994  
(Multiply the current payroll times the pure payroll loss ratio. \$7,690,000 multiplied by .0026 equals \$19,994)

Trend Factor 1.40  
(Factor that is used for undeveloped claims)

Trended Expected Losses \$27,992  
(Multiply the expected losses by the trend factor. \$19,994 multiplied by 1.40 equals \$27,992)

Trended Expected Loss Ratio 31.46%  
(Divide the trended expected losses by the standard premium. \$2,799 divided by \$88,986 equals 31.46%)



# UNDERWRITING – PAYMENT PLAN

## WORKERS COMPENSATION TRUST OF ILLINOIS WORKERS COMPENSATION COVERAGE - PAYMENT PLAN

**Insured:** SAMPLE COMPANY

**Agency:** ABC AGENCY

**Address:** 123 SAMPLE STREET  
DANVILLE IL 61834

**Member#:** 0149999 00

**COVERAGE PERIOD** FROM: January 01, 2015 TO: January 1, 2016

	PREMIUM DUE	INVOICE DATE	AMOUNT DUE	
			\$47,641	
	Deposit	January 01, 2015	\$11,911	(25% deposit)
	Installment 1	February 01, 2015	\$3,573	(10 equal installments)
	Installment 2	March 01, 2015	\$3,573	
	Installment 3	April 01, 2015	\$3,573	
	Installment 4	May 01, 2015	\$3,573	
	Installment 5	June 01, 2015	\$3,573	
	Installment 6	July 01, 2015	\$3,573	
	Installment 7	August 01, 2015	\$3,573	
	Installment 8	September 01, 2015	\$3,573	
	Installment 9	October 01, 2015	\$3,573	
	Installment 10	November 01, 2015	\$3,573	
		<b>No December Payment</b>		

**MAKE CHECKS PAYABLE TO:**  
WCTI

**MAIL PAYMENTS TO:**  
WCTI  
PO BOX 1803  
INDIANAPOLIS IN 46206-1803

**NOTES: PAYMENT WILL BE DUE ON OR BEFORE THE 5<sup>TH</sup> OF THE MONTH. (ACH, EMAIL INVOICES)**



# UNDERWRITING – PAYROLL AUDIT

**Coverage Period: 01/01/2015 to 01/01/2016 12:01 AM**

<u>Code</u>	<u>Classification</u>	<u>Payroll</u>	<u>Rate</u>	<u>Premium</u>
4484	PLASTIC /MOLDED PROD MFG NOC	\$3,629,183	\$4.47	\$162,224
8742	SALES/REPORTER/METER COLLECTOR	\$606,584	\$.44	\$2,669
8810	CLERICAL OFFICE EMPLOYEES, NOC	\$5,364,476	\$.20	\$10,729
Total		\$3,868,000		\$175,622
				Experience Modification 0.67
				Standard Premium \$117,667 (A)

Audited Manual Premium is calculated by taking the audited payroll times the rate and then dividing by 100 to equal audited manual premium. Then we take the audited manual premium of \$175,622 multiplied by the modifier of .67 to equal the audited standard premium of \$117,667.

	<u>Audited Contribution</u>	<u>Estimated Contribution</u>	<u>Contribution Adjustment</u>
Claim Fund	\$27,992 (B)	\$27,992	\$0
Admin Fee(Standard Premium multiplied by 17.1%)	\$20,121	\$15,217	\$4,904
Excess Fee (Standard Premium multiplied by 4.98%)	\$5,860	\$4,432	\$1,428
State Total	\$46,100	\$45,964	\$6,332
<b>Totals:</b>	<b>\$53,973</b>	<b>\$47,641</b>	<b>\$6,332</b>

Maximum Claim Fund: \$94,134 (C) (80% of Standard Premium) (80% * \$117,667)	Maximum Contribution: \$120,115 (Maximum Claim Fund plus audited Admin & Excess Fee) (\$94,134 + \$20,121 + \$5,860)
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We compare the audited contribution to the estimated contribution to see if there is an overpayment or additional premium due and the amount is reflected on the Adjustment Bill.





# ACCOUNTING – ADJUSTMENT BILLS

- Payroll Audits
  - Current Year
    - Mailed in April for review
  - Prior Year(s)
    - Maximum Contribution
- Loss Runs
  - ICE – [www.wcti.info](http://www.wcti.info) (Click on the blue iCE button)
  - Monthly
    - Monitor and review all years
    - January 31<sup>st</sup> Valuation Date of Losses
    - Total Incurred = Total Paid + Total Outstanding Reserves
- Quarterly Newsletter
  - [www.wcti.info](http://www.wcti.info) (About WCTI, Newsletters)
  - Shared Claims percentages
    - Members who have exceeded their maximum claims fund generate shared claims. Shared Claims are distributed proportionately amongst other members according to their standard premium and maximum claims fund.



- Quarterly Newsletter – Last Page

## **WCTI - WORKERS' COMPENSATION TRUST OF ILLINOIS SHARED CLAIMS INFORMATION**

When a Member's claim dollars exceed their maximum claims fund, shared claims are generated. The dollars that exceed a member's maximum claims fund are then distributed to the other members of the Trust.

Shared Claims are measured as a percentage of Standard Premium. As of March 31, 2016 they are as follows:

- 2016 – 2.59%
- 2015 – 13.84%
- 2014 – 8.46%
- 2013 – 23.94%
- 2012 – 27.01%
- 2011 – 21.40%
- 2010 – 19.25%
- 2009 – 6.88%
- 2008 – 16.67%
- 2007 – 12.12%



and maximum claims fund.



# Three Sections

1. Deposit Summary

2. Claims Fund Adjustment

3. Summary of All Adjustments

and maximum claims fund.



Summary – Cover Page

Deposit Summary	<u>Policy Year</u>	<u>Deposit Held</u>	<u>Deposit Released</u>
		2015	\$ (15,225)
	2014	(39,543)	(19,108)
	2013	-	-
		<u>\$ (54,768)</u>	<u>\$ (19,108)</u>

  

Claim Fund Adjustment	<u>Policy Year</u>	<u>Change In Experience</u>
		2015
	2014	-
	2013	9,116
	2012	13,676
	2011	(1,344)
		<u>\$ 21,448</u>

  

Summary:	
Deposit Released	\$ (19,108)
Claim Adjustment Total	21,448
Mid-Term Billing	-
2015 Payroll Audit	6,332
2015 Investment Income Allocation	-
<b>Total Due/Refund for January 2016</b>	<b><u>\$ 8,672</u></b>



# ACCOUNTING – ADJUSTMENT BILLS

## Detail

	2015	2014	2013	2012	2011
(A) Standard Premium	\$117,667	\$102,174	\$161,877	\$296,595	\$276,628
(B) Minimum Claim Fund (amount actually paid in policy period)	\$27,992	\$46,746	\$19,127	\$41,805	\$40,710
(C) Maximum Claim Fund	\$94,134	\$81,739	\$129,502	\$237,274	\$222,329
(D) Total Incurred as of 1/31/2016	\$0	\$0	\$0	\$85,708	\$21,596
Shared Claims as a % of Standard Premium	10.85%	7.05%	22.34%	26.38%	21.63%
(E) Shared Claims Amount as of 1/31/2016	\$12,767	\$7,203	\$36,163	\$78,241	\$60,112
<b>(F) Member Claim Responsibility as of 1/31/2016 (Total Incurred plus Shared Claims less Minimum Claim Fund) D plus E less B - If incurred claims (D) are greater then maximum claim fund (C) then the maximum claim fund (C) is used for calculation.</b>	<b>(\$15,225)</b>	<b>(\$39,543)</b>	<b>\$17,036</b>	<b>\$122,144</b>	<b>\$40,998</b>
(G) Total Incurred as of 1/31/2015		\$0	\$0	\$85,708	\$21,596
(H) Shared Claims Amount as of 1/31/2015		\$3,439	\$27,047	\$64,565	\$61,456
<b>(I) Member Claim Responsibility as of 1/31/2015 (Total Incurred plus Shared Claims less Minimum Claim Fund) G plus H less B - If incurred claims are greater then maximum claim fund then the maximum claim fund is used for calculation.</b>		<b>(\$43,307)</b>	<b>\$7,920</b>	<b>\$108,468</b>	<b>\$42,342</b>
<b>Change in Member Responsibility</b>		<b>\$3,764</b>	<b>\$9,116</b>	<b>\$13,676</b>	<b>(\$1,344)</b>
<b>Refund Held from Prior Year</b>	<b>\$0</b>	<b>(\$43,307)</b>	<b>\$0</b>		
<b>Member Deposit or Adjustment Due</b>	<b>(\$15,225)</b>	<b>(\$39,543)</b>	<b>\$9,116</b>	<b>\$13,676</b>	<b>(\$1,344)</b>
<b>Standard Premium - Policy Year 2014</b>		\$102,174			
<b>20% of Standard Premium - Policy Year 2014</b>		\$20,435			
<b>Early Return</b>		(\$19,108)			



# ACCOUNTING – ADJUSTMENT BILLS

Member Name:	SAMPLE MEMBER					
Member Address:	123 DANVILLE STREET					
	2015	2014	2013			
(A) Standard Premium	\$117,667	\$102,174	\$161,877			
(B) Minimum Claim Fund (amount actually paid in policy period)	\$27,992	\$46,746	\$19,127	\$41,805	\$40,710	
(C) Maximum Claim Fund	\$94,134	\$81,739	\$129,502	\$237,274	\$222,329	
(D) Total Incurred as of 1/31/2016	\$0	\$0	\$0	\$85,708	\$21,596	
Shared Claims as a % of Standard Premium	10.85%	7.05%	22.34%	26.38%	21.63%	
(E) Shared Claims Amount as of 1/31/2016	\$12,767	\$7,203	\$36,163	\$78,2		
(F) Member Claim Responsibility as of 1/31/2016 (Total Incurred plus Shared Claims less Minimum Claim Fund) D plus E less B - If incurred claims are greater then maximum claim fund then the maximum claim fund is used for calculation.	(\$15,225)	(\$39,543)				

The report starts with the Member's Audited Standard Premium (A) per Policy Year.

The second row lists the Minimum Claim Fund (B) that was paid throughout each of the policy years.

The Maximum Claim Fund (C) reflects the greatest Member Claim Responsibility. The Maximum Claim Fund includes the Total Incurred Claims and Shared Claims Combined.

Total Incurred Claims (D) as of 1/31/2016. This amount is inclusive of Paid and Reserve amounts.

Shared Claims (E) amount as of 1/31/2016

Calculates the Member's Claim Responsibility as of 1/31/2016. This field adds the Incurred Claims(D) plus the Shared Claims (E) less the amount that was already paid (minimum claim fund (B)).  
If the Incurred amount (D) is greater then the Maximum Claim Fund (C) then the maximum claim fund is used for the calculation versus the Total Incurred Amount.



# ACCOUNTING – ADJUSTMENT BILLS

	2015	2014	2013	2012	2011					
(F) Member Claim Responsibility as of 1/31/2016 (Total Incurred plus Shared Claims less Minimum Claim Fund) D plus E less B - If incurred claims are greater then maximum claim fund then the maximum claim fund is used for calculation.	(\$15,225)	(\$39,543)	\$17,036	\$122,144	\$40,900	<p><b>Total Incurred Claims (G) (Paid &amp; Reserve) as of 1/ 31/ 2015. This field reflects the amount from last year's adjustment invoice.</b></p>				
(G) Total Incurred as of 1/31/2015		\$0	\$0	\$85,708	\$21,000	<p><b>Shared Claims (H) as of 1/ 31/ 2015. This amount reflects the amount from last year's adjustment invoice.</b></p>				
(H) Shared Claims Amount as of 1/31/2015		\$3,439	\$27,047	\$64,565	\$61,000					
(I) Member Claim Responsibility as of 1/31/2015 (Total Incurred plus Shared Claims less Minimum Claim Fund) G plus H less B - If incurred claims are greater then maximum claim fund then the maximum claim fund is used for calculation.		(\$43,307)				<p><b>Calculates the Member's previous Claim Responsibility as of 1/ 31/ 2015. This field adds the Incurred Claims (G) plus the Shared Claims (H) less the amount that was already paid (minimum claim fund (B)).</b></p> <p><b>If the Incurred plus shared claim amount is greater then the Maximum Claim Fund (G + H &gt; D); then the maximum claim fund ( C) is used for the calculation versus the Total Incurred plus Shared Claim Amount (G + H).</b></p>				
Change in Member Responsibility		\$3,764				<p><b>Change in Experience takes the Member Responsibility as of 1/ 31/ 2016 and subtracts the amount already received as of 1/ 31/ 2015. The difference is the amount underpaid / overpaid.</b></p>				
Refund Held from Prior Year	\$0	(\$43,307)								
Member Deposit or Adjustment Due	(\$15,225)	(\$39,543)	\$9,146	\$13,676	(\$1,344)	<p><b>If there was a refund held last year, it will be entered here.</b></p>				
Standard Premium - Policy Year 2014		\$102,174				<p><b>Adds together the Change in Experience and the Refund Held to determine the Member Deposit or Adjustment Due.</b></p>				
20% of Standard Premium - Policy Year 2014		\$20,435								
Early Return		(\$19,108)				<p><b>Early return of deposit held is available for policy year 2014 if the deposit held is greater than 20% of Standard Premium and you are a current member in good standing with no open claims.</b></p>				



# ACCOUNTING – ADJUSTMENT BILLS

## Summary

The Most Current Two Policy years will reflect the Deposit that is being held. If there is an amount due then it will reflect \$0 and the amount due will be reflected under Claim Adjustment below.

Deposit Summary		Deposit Held	Deposit Released
Policy Year			
2015	\$	(15,225)	\$ -
2014		(39,543)	(19,108)
2013		-	-
	\$	(54,768)	\$ (19,108)

  

Claim Fund Adjustment		Change In Experience
Policy Year		
2015	\$	-
2014		-
2013		9,116
2012		13,676
2011		(1,344)
	\$	21,448

  

Summary:		
Deposit Released	\$	(19,108)
Claim Adjustment Total		21,448
Mid Year Billing		-
2015 Payroll Audit		6,332
2015 Investment Income Allocation		-
<b>Total Due/Refund for January 2016</b>	<b>\$</b>	<b>8,672</b>

Reflects the amount that will be released for Early Return.

Reflects the amount that has been held for two years and is now being released.

Reflects the Claim Fund Adjustment if underpaid or overpaid as of 1/31/2016.

Totals each of the policy years Claim Fund Adjustments.

Amount Released that is reflected above in Deposit Summary.

Amount Released that is reflected above in Claim Fund Adjustment.

Amount Underpaid or Overpaid from Payroll Audit.

Investment Income Credit

Total Due / Refund as of 1/31/2016.





### **Early Return of Deposit Held**

If the member is a current member in good standing and has no open claims on the Adjustment Billing date of January 31st, WCTI will hold no more than 20% of a member's Standard Premium for additional claims development.

This amount will be held in order to offset additional development in shared claims and additional maturation in the member's claims.

The claim year that is eligible for early return will be the claim year immediately prior to the claim year that was most recently concluded.



# ACCOUNTING – ADJUSTMENT BILLS

## Example for Early Return of Deposit Held

	2015	2014	2013
(A) Standard Premium	\$117,667	\$102,174	\$161,877
(B) Minimum Claim Fund (amount actually paid in policy)	\$27,992	\$46,746	\$19,127
(C) Maximum Claim Fund	\$94,134	\$81,739	\$129,502
(D) Total Incurred as of 1/31/2016	\$0	\$0	\$0
Shared Claims as a % of Standard Premium	10.85%	7.05%	22.34%
(E) Shared Claims Amount as of 1/31/2016	\$12,767	\$7,203	\$36,163
<b>(F) Member Claim Responsibility as of 1/31/2016 (Incurred plus Shared Claims less Minimum Claim Fund) D plus E less B - If incurred claims are greater then maximum claim fund then the maximum claim fund is used for</b>	<b>(\$15,225)</b>	<b>(\$39,543)</b>	<b>\$17,036</b>
(G) Total Incurred as of 1/31/2015		\$0	\$0
(H) Shared Claims Amount as of 1/31/2015		\$3,439	\$27,047
<b>(I) Member Claim Responsibility as of 1/31/2015 (Incurred plus Shared Claims less Minimum Claim Fund) G plus H less B - If incurred claims are greater then maximum claim fund then the maximum claim fund is used for</b>		<b>(\$43,307)</b>	<b>\$7,920</b>
<b>Change in Experience</b>		<b>\$3,764</b>	<b>\$9,116</b>
<b>Refund Held from Prior Year</b>	<b>\$0</b>	<b>(\$43,307)</b>	<b>\$0</b>
<b>Member Deposit or Adjustment Due</b>	<b>(\$15,225)</b>	<b>(\$39,543)</b>	<b>\$9,116</b>
<b>Standard Premium - Policy Year 2014</b>		<b>\$102,174</b>	
<b>20% of Standard Premium - Policy Year 2014</b>		<b>\$20,435</b>	
<b>Early Return</b>		<b>(\$19,108)</b>	<b>18</b>

All Claims are Closed.  
Member is in good standing.



## Example for Early Return of Deposit Held

	<u>Policy Year</u>	<u>Deposit Held</u>	<u>Deposit Released</u>
<u>Deposit Summary</u>	2015	\$ (15,225)	N/A
	2014	(39,543)	\$ (19,108)
	2013	N/A	\$ -
		\$ (54,768)	\$ (19,108)
 <u>Claim Fund Adjustment</u>	 <u>Policy Year</u>	 <u>Change In Experience</u>	
	2015	\$ -	
	2014	-	
	2013	9,116	
	2012	13,676	
	2011	(1,344)	
		\$ 21,448	
 <u>Summary:</u>			
Deposit Released		\$ (19,108)	
Claim Adjustment Total		21,448	
Mid-Term Billing		-	
2015 Payroll Audit		6,332	
2015 Investment Income Allocation		-	
<b>Total Due/Refund for January 2016</b>		<b>\$ 8,672</b>	

Due to all claims in the 2014 policy year being closed as of 1/31/2016 and it is a member is good standing, the Deposit Held will be 20% of the Standard Premium.

The Early Return is the amount that is held greater than 20% of the Standard Premium. The amount held is \$39,543 and 20% of the Standard Premium is \$20,435. \$39,543 less \$20,435 equals \$19,108 Early Return.



## Interim/Preliminary Adjustment Bill

- One page document
- No payment required
- No refunds returned
- Valued as of September 30<sup>th</sup> and mailed in November
- Valued as of January 31<sup>st</sup> and mailed in February
- Issued to current members only – for information and planning purposes



## Interim/Preliminary Adjustment Bill



WCTI  
WORKERS' COMPENSATION  
TRUST OF ILLINOIS

Call or email Tiffany McNeely with questions or if you desire an electronic version of this presentation - 217-444-1211 or tmcneely@ccmsi.com

### WORKERS' COMPENSATION TRUST OF ILLINOIS

#### SAMPLE MEMBER

[Interim Adjustment Billing]

Valued as of January 31, 2016

~Subject to Change~

Policy Year	Gross Amount	Early Return of Claim Fund	# of Years In The Program 33.52		Refund Held	Amount Due	Refund Amount Due
2015	(108,791)				(108,791)	-	N/A
2014	(58,772)	6,486			(52,286)	-	(6,486)
2013	(5,860)				N/A	-	(5,860)
2012	-				N/A	-	-
2011	(1,361)				N/A	-	(1,361)
2010	6,337				N/A	6,337	-
2009	(372)				N/A	-	(372)
2008	(3,214)				N/A	-	(3,214)
2007	142				N/A	142	-
2006	(5)				N/A	-	(5)
2003	-				N/A	-	-
	<b>(171,896)</b>	<b>6,486</b>			<b>(161,077)</b>	<b>6,479</b>	<b>(17,298)</b>

Tentatively, your company owes WCTI: \$6,479

Tentatively, WCTI owes your company: -\$17,298

**Tentatively, the net amount due to (-\$) or due from (\$) your company: -\$10,819**

Tentatively, an estimated refund of -\$161,077 will be held on behalf of your company.

Gross Amount: The amount of claim fund deposits currently DUE TO or DUE FROM the insured based on their experience and the experience of other Trust members.

Early Return of Claim Fund: This amount represents the amount of funds that can be returned to a current member earlier than scheduled.

Refund Held: The portion of the "Gross Amount" which may be held for two, full calendar years.

Amount Due: The current amount due "FROM" the insured if Adjustment Bills were valued and issued today.

Refund Amount Due: The amount due "TO" the insured if Adjustment Bills were valued and issued today.



# ACCOUNTING – ADJUSTMENT BILLS

## WORKERS' COMPENSATION TRUST OF ILLINOIS

### SAMPLE MEMBER

#### [Detail of Interim Adjustment Billing]

Valued as of January 31, 2016

~Subject to Change~

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2003	Gross Amount
Total Incurred at 1/31/2016	2,472	6,174	24,966	241,446	25,863	32,398	173,218	4,278	1,254	34,152	331,575	877,796
Total Allocated Shared Claims at 1/31/2016	21,528	19,281	61,857	-	61,167	50,520	21,152	59,126	34,320	77,218	-	406,169
<b>Total Incurred + Shared Claims or MAX at 1/31/2016</b>	<b>24,000</b>	<b>25,455</b>	<b>86,823</b>	<b>232,643</b>	<b>87,030</b>	<b>82,918</b>	<b>194,370</b>	<b>63,404</b>	<b>35,574</b>	<b>111,370</b>	<b>192,204</b>	<b>1,135,791</b>
2015 Claim Fund Contribution	(132,791)											(132,791)
2015 Mid Year Billing	-	-										-
Total Incurred + Shared Claims at 1/31/2015	-	(59,980)	(71,729)	(232,643)	(88,391)	(76,581)	(194,742)	(66,618)	(35,432)	(111,375)	(192,204)	(1,129,695)
<b>Total</b>	<b>(108,791)</b>	<b>(34,525)</b>	<b>15,094</b>	<b>-</b>	<b>(1,361)</b>	<b>6,337</b>	<b>(372)</b>	<b>(3,214)</b>	<b>142</b>	<b>(5)</b>	<b>-</b>	<b>(126,695)</b>
Refund Held at 1/31/2015	-	(24,247)	(20,954)	-								(45,201)
<b>Gross Amount</b>	<b>(108,791)</b>	<b>(58,772)</b>	<b>(5,860)</b>	<b>-</b>	<b>(1,361)</b>	<b>6,337</b>	<b>(372)</b>	<b>(3,214)</b>	<b>142</b>	<b>(5)</b>	<b>-</b>	<b>(171,896)</b>
Refund Held at 1/31/2016	108,791	52,286										161,077
2014 Early Return of Claim Fund	-	(6,486)										(6,486)
<b>Amount Due (Refund Due)</b>	<b>-</b>	<b>(6,486)</b>	<b>(5,860)</b>	<b>-</b>	<b>(1,361)</b>	<b>6,337</b>	<b>(372)</b>	<b>(3,214)</b>	<b>142</b>	<b>(5)</b>	<b>-</b>	<b>-\$10,819</b>

**THIS IS NOT A BILL! The final Adjustment Bill will be valued as of January 31, 2016!**

**No funds pertaining to your Adjustment Bill will be refunded or collected until after January 31, 2016.**

**Terminated members may not be immediately eligible to receive refunds.**

**ALL INFORMATION IS BASED ON UNAUDITED 2015 PAYROLL. THIS PRESENTATION IS FOR INFORMATIONAL PURPOSES ONLY.**

**Broker: (No Agency)**



## “Do It Yourself” Adjustment Bills

WCTI understands that your company may only view Adjustment Billing once a year. Therefore, it can be difficult to remember how to calculate an estimated Adjustment Billing balance.

For the Adjustment Bill, there are three types of “Amounts”:

1. **Fixed Amounts** - \_\_\_\_\_
2. **Variable Amounts** - \_\_\_\_\_
3. **Calculated Amounts** - \_\_\_\_\_

The **ONLY** items that changes from year to year:

- Standard Premium (Current Year)
- Your Company’s Claims at 1/31 (Current & Prior Year)
- Your Company’s Shared Claims (Current & Prior Year)

This example will only address the claims calculation portion of the Adjustment Bill. WCTI will produce a DIY Adjustment Bill template for each company.



# ACCOUNTING – ADJUSTMENT BILLS

## “Do It Yourself” Adjustment Bills

Fixed  
Variable  
Calculated

	2015	2014	2013
(A) Standard Premium	\$117,667	\$102,174	\$161,877
(B) Minimum Claim Fund (amount actually paid in policy period)	\$27,992	\$46,746	\$19,127
(C) Maximum Claim Fund (80% of (A))	\$94,134	\$81,739	\$129,502
(D) Total Incurred as of 1/31/2016 ( Summary Loss Report)	\$0	\$0	\$0
Shared Claims as a % of Standard Premium (Newsletter/Website)	10.85%	7.05%	22.34%
(E) Shared Claims Amount as of 1/31/2016	\$12,767	\$7,203	\$36,163
(F) Member Claim Responsibility as of 1/31/2016 (Incurred plus Shared Claims less Minimum Claim Fund) D plus E less B - If incurred claims are greater then maximum claim fund then the maximum claim fund is used for	(\$15,225)	(\$39,543)	\$17,036
(G) Total Incurred as of 1/31/2015	\$0	\$0	\$0
(H) Shared Claims Amount as of 1/31/2015	\$0	\$3,439	\$27,047
(I) Member Claim Responsibility as of 1/31/2015 (Incurred plus Shared Claims less Minimum Claim Fund) G plus H less B - If incurred claims are greater then maximum claim fund then the maximum claim fund is used for	\$0	(\$43,307)	\$7,920
Change in Experience		\$3,764	\$9,116
Refund Held from Prior Year	\$0	(\$43,307)	\$0
Member Deposit or Adjustment Due	(\$15,225)	(\$39,543)	\$9,116
Standard Premium - Policy Year 2014		\$102,174	
20% of Standard Premium - Policy Year 2014		\$20,435	
Early Return		(\$19,108)	





## “Do It Yourself” Adjustment Bills



## “Do It Yourself” Adjustment Bills



## “Do It Yourself” Adjustment Bills

### DIY ADJUSTMENT BILLING

### SAMPLE MEMBER

### Member Input Tab



2015						
SOURCE OF DATA:	Quarterly Newsletter/Website	Prior Year Adjustment Bill	Prior Year Adjustment Bill	Annual Quote/Proposal	Annual Quote/Proposal	Monthly Summary Loss Report
@ 1/31/2016	Shared Claims %	Total Incurred - PY	Shared Claims - PY \$	Minimum Claim Fund	Standard Premium	Total Incurred - CY
2003	12.47%	381,575	-	50,243	240,255	331,575
2004	23.58%		-	60,949	222,654	585,140
2005	16.14%		-	205,942	243,625	155,667
2006	21.89%	34,152	77,223	281,371	352,085	34,152
2007	12.12%	1,254	34,178	233,469	283,117	1,254
2008	16.67%	4,278	62,340	47,055	354,489	4,278
2009	6.89%	173,218	21,524	15,457	306,597	173,218
2010	19.18%	32,398	44,183	67,201	263,195	32,398
2011	21.63%	25,863	62,528	82,985	282,761	25,863
2012	26.52%	241,484	-	107,576	290,804	241,446
2013	22.07%	24,922	46,807	92,683	280,145	24,966
2014	7.37%	51,181	8,799	84,227	261,429	6,174
2015	9.95%			132,791	228,027	2,472



# ACCOUNTING – ADJUSTMENT BILLS

## “Do It Yourself” Adjustment Bills

Member Name:	SAMPLE MEMBER										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	TOTAL
(A) Standard Premium	\$228,027	\$261,429	\$280,145	\$290,804	\$282,761	\$263,195	\$306,597	\$354,489	\$283,117	\$352,085	
Shared Claims as a % of Standard Premium	9.95%	7.37%	22.07%	26.52%	21.63%	19.18%	6.89%	16.67%	12.12%	21.89%	
(B) Minimum Claim Fund (amount actually paid in policy period)	132,791	84,227	92,683	107,576	82,985	67,201	15,457	47,055	233,469	281,371	
(C) Maximum Claim Fund	\$182,422	\$209,143	\$224,116	\$232,643	\$226,209	\$210,556	\$245,278	\$283,591	\$226,494	\$281,668	
(D) Total Incurred as of 1/31/2016	2,472	6,174	24,966	241,446	25,863	32,398	173,218	4,278	1,254	34,152	
(E) Shared Claims Amount as of 1/31/2016	\$22,689	\$19,267	\$61,828	\$0	\$61,161	\$50,481	\$21,125	\$59,093	\$34,314	\$77,071	
<b>TOTAL (D +E)</b>	<b>25,161</b>	<b>25,441</b>	<b>86,794</b>	<b>241,446</b>	<b>87,024</b>	<b>82,879</b>	<b>194,343</b>	<b>63,371</b>	<b>35,568</b>	<b>111,223</b>	<b>2,064,953</b>
<b>THE LESSER OF (C) OR (D+E)</b>	<b>\$25,161</b>	<b>\$25,441</b>	<b>\$86,794</b>	<b>\$232,643</b>	<b>\$87,024</b>	<b>\$82,879</b>	<b>\$194,343</b>	<b>\$63,371</b>	<b>\$35,568</b>	<b>\$111,223</b>	<b>\$1,509,674</b>
(G) Total Incurred as of 1/31/2015	-	51,181	24,922	241,484	25,863	32,398	173,218	4,278	1,254	34,152	
(H) Shared Claims Amount as of 1/31/2015	-	8,799	46,807	-	62,528	44,183	21,524	62,340	34,178	77,223	
<b>TOTAL (G +H)</b>	<b>-</b>	<b>59,980</b>	<b>71,729</b>	<b>241,484</b>	<b>88,391</b>	<b>76,581</b>	<b>194,742</b>	<b>66,618</b>	<b>35,432</b>	<b>111,375</b>	<b>2,108,414</b>
<b>THE LESSER OF (C) OR (G+H)</b>	<b>\$0</b>	<b>\$59,980</b>	<b>\$71,729</b>	<b>\$232,643</b>	<b>\$88,391</b>	<b>\$76,581</b>	<b>\$194,742</b>	<b>\$66,618</b>	<b>\$35,432</b>	<b>\$111,375</b>	<b>\$1,502,718</b>
Change in Experience - Due/(Refund)	\$25,161	(\$34,539)	\$15,065	\$0	(\$1,367)	\$6,298	(\$399)	(\$3,247)	\$136	(\$152)	\$6,956
Refund Held from Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>(Member Deposit) or Adjustment Due</b>	<b>\$25,161</b>	<b>(\$34,539)</b>	<b>\$15,065</b>	<b>\$0</b>	<b>(\$1,367)</b>	<b>\$6,298</b>	<b>(\$399)</b>	<b>(\$3,247)</b>	<b>\$136</b>	<b>(\$152)</b>	<b>\$6,956</b>

**TOTAL ESTIMATED DIY ADJUSTMENT BILL \$6,956**



# SUGGESTIONS AND COMMENTS

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CCMSI  
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Fax: 217-477-6711  
tmcneely@ccmsi.com





WCTI

WORKERS' COMPENSATION  
TRUST OF ILLINOIS

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THANK YOU FOR ATTENDING THE  
ADJUSTMENT BILLING SESSION

HILTON LISLE/NAPERVILLE  
FRIDAY, MAY 6<sup>th</sup>, 2016

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