



Associated Builders & Contractors of TN Workers' Compensation Self Insurance Fund

Premium Return/Method of Distribution

Premium Return Amount

To be determined by a vote of the Board of Directors of the ABC WC SIF.

Method of Distribution

a) Premium Size (40%): To be distributed as premium credits against current renewal invoices for active members and as cash return to the eligible fund members pro-rata based on the percentage the individual members paid in premiums for the policy year under consideration as it bears to the total premiums paid by all eligible fund members for that same year.

Eligible fund members are members who were insured for any length of time during the year under consideration for premium return.

b) Underwriting Profits (40%): To be distributed as premium credits against current renewal invoices for active members and as cash return to the eligible fund members who qualify by having a loss ratio for the policy year under consideration that equals 40% or less. Distribution to be made pro-rata based on the percentage the individual members paid premiums for the policy year as it bears to the total premiums paid by these qualified members for that same year.

Eligible fund members are members who were insured for any length of time during the year under consideration for premium return.

c) Longevity (20%): To be distributed to all members that participated in the policy year under consideration. A premium credit against current renewal invoices for active members and cash return to inactive members pro-rata based on total number of months each member has participated in the fund from the members' initial joining date (anniversary date) through the policy year under consideration.