



**INDEMNITY DATA CALL
METHOD 3—PREMIUM VERIFICATION WORKSHEET AND INSTRUCTIONS**

Worksheet

Use this worksheet to determine if proposed exclusions are less than or equal to 15% of the group’s total written premium when using Premium Determination Method 3 (an option for affiliate groups with Large Deductible Direct Premium greater than 0.3% of their total premium [NAIC Direct Premiums]). Only include premium from the states where the Indemnity Data Call applies.

Refer to the *Indemnity Data Call Reporting Guidebook*, Part 2-G, for the Business Exclusion Option requirements.

Fill in Items A, B, C, and D, and use the formulas to complete the worksheet. Only include premium from the states where the Indemnity Data Call applies.

Entities for Proposed Exclusion:

Gross Premium Estimation Worksheet			
Item	Description	Formula	Amount
	NAIC Direct Written Premium:		
A	Total including Large Deductible		
B	Large Deductible		
C	Large Deductible to be excluded		
D	Non-Large Deductible to be excluded		
	Estimated Gross Premium:		
E	Large Deductible to be excluded	5 times C (5 x C)	
F	Total Excluded	Sum of D and E (D + E)	
G	Add-on for Large Deductible business	4 times B (4 x B)	
H	Estimated Total	Sum of A and G (A + G)	
I	Ratio	F divided by H (F / H)	

Worksheet Instructions

1. Fill in Items A, B, C, and D
2. Use the formulas to complete the worksheet
3. If the ratio (I) is 15% or less, the exclusion is acceptable