



**INDEMNITY DATA CALL
METHOD 2—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 2 (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.

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|---|
| Entities for Proposed Exclusion: |
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| |

| Gross Premium Estimation Worksheet | | | |
|---|-------------------------------------|---------------------------|--------|
| Item | Description | Formula | Amount |
| NAIC Direct Written Premium: | | | |
| A | Total | | |
| B | Large Deductible to be excluded | | |
| C | Non-Large Deductible to be excluded | | |
| Estimated Gross Premium: | | | |
| D | Net Ratio | B divided by A (B / A) | |
| E | Gross Ratio | From table below | |
| F | Non-Large Deductible Ratio | C divided by A (C / A) | |
| G | Ratio | Sum of E and F (E + F) | |

Worksheet Instructions

1. Fill in Items A, B, and C
2. Determine the Net Ratio (D)
3. Use the Net Ratio to determine the Gross Ratio (E) from the table below
4. Use the formulas to complete the worksheet
5. If the ratio (G) is 15% or less, the exclusion is acceptable

Large Deductible Net to Gross Ratio Table

| | | | | | | | |
|------------|--------------|------------|--------------|------------|--------------|------------|--------------|
| Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 0.0% | 0.0% | 0.9% | 4.3% | 1.8% | 8.4% | 2.7% | 12.2% |
| 0.1% | 0.5% | 1.0% | 4.8% | 1.9% | 8.8% | 2.8% | 12.6% |
| 0.2% | 1.0% | 1.1% | 5.3% | 2.0% | 9.3% | 2.9% | 13.0% |
| 0.3% | 1.5% | 1.2% | 5.7% | 2.1% | 9.7% | 3.0% | 13.4% |
| 0.4% | 2.0% | 1.3% | 6.2% | 2.2% | 10.1% | 3.1% | 13.8% |
| 0.5% | 2.5% | 1.4% | 6.6% | 2.3% | 10.5% | 3.2% | 14.2% |
| 0.6% | 2.9% | 1.5% | 7.1% | 2.4% | 10.9% | 3.3% | 14.6% |
| 0.7% | 3.4% | 1.6% | 7.5% | 2.5% | 11.4% | 3.4% | 15.0% |
| 0.8% | 3.9% | 1.7% | 8.0% | 2.6% | 11.8% | 3.5% | 15.4% |