

DUAL100 Dividend Plan

Dividend Program Features:

- 10% Flat Dividend (regardless of losses) for premium at or above \$10,000, plus a sliding scale dividend percentage based on losses.
- Earn up to 30% Return Premium.
- One time calculation valued six (6) months after policy expiration date; 100% of declared dividend paid nine (9) months after policy expiration; no recapture provision.
- No Loss Development Factor (LDF) or Incurred But Not Reported (IBNR) Factor applied.
- 5% Flat Dividend (regardless of losses) for premium below \$10,000.

Dividend Eligibility:

- Audited Discounted Premium of \$10,000 or more (below \$10,000 will qualify for a 5% Flat Dividend)
- All policy premiums, including audit adjustments, must be paid in full. Policies in audit dispute must be resolved prior to any dividend distribution. Any policy placed in collections is not eligible for a dividend.
- Policies with three (3) or more non-payment cancellation notices issued in the policy term are not eligible for a dividend.
- The policy must remain in effect for the full policy period to be eligible for a dividend.

Audited Discounted Premium	Total Possible Dividend as a Percentage of Premium						
	Incurred Loss Ratio						
	0%	≤ 5%	≤ 10%	≤ 15%	≤ 20%	≤ 25%	Greater than 25%
\$5,000 - \$9,999	5%	5%	5%	5%	5%	5%	5%
\$10,000 - \$14,999	14% (10+4)	12% (10+2)	10%	10%	10%	10%	10%
\$15,000 - \$19,999	16% (10+6)	13% (10+3)	11% (10+1)	10%	10%	10%	10%
\$20,000 - \$24,999	17% (10+7)	15% (10+5)	12% (10+2)	10%	10%	10%	10%
\$25,000 - \$34,999	18% (10+8)	16% (10+6)	13% (10+3)	10%	10%	10%	10%
\$35,000 - \$49,999	21% (10+11)	19% (10+9)	15% (10+5)	12% (10+2)	10%	10%	10%
\$50,000 - \$74,999	25% (10+15)	22% (10+12)	18% (10+8)	15% (10+5)	12% (10+2)	10%	10%
Over \$75,000	30% (10+20)	26% (10+16)	21% (10+11)	17% (10+7)	14% (10+4)	13% (10+3)	10%

Dividends cannot be guaranteed under New Jersey law and are at the discretion of the Board of Directors. The above exhibit illustrates the potential maximum dividend payable under this program. **This dividend only applies to Premium and Losses developed in New Jersey. Minimum Audited Discounted Premium of \$10,000: Below \$10,000 a flat dividend of 5% applies.**

The dividend calculation shall be made on eligible policies on the following basis: While the Board fully intends to declare dividends at the appropriate time, the potential dividend distribution is at the sole discretion of the Board of Directors. If the Board of Directors does not declare a dividend, no dividend distribution will be made to eligible policyholders. If the Board of Directors declares a dividend, which is less than the amount needed to fund all of the potential maximum dividends for all eligible policies, your dividend will be reduced on a pro-rata basis. A payment will not be made on dividends that are calculated for \$25 or less.

Audited Discounted Premium means the premium determined at audit by the application of standard rates to the payroll exposure, plus any applicable premium charges, such as increased Employers Liability - Coverage B, approved Credit programs, Experience Modification and Premium Discount. Premium not in dividend calculation includes Expense Constant and Terrorism Risk Insurance Act (TRIA).

Incurred Loss Ratio means the total of all claim payments and open reserves for medical, indemnity and allocated loss adjustment expense (ALAE) applicable to the policy term divided by the audited discounted premium.