

Performance Bonus Plan (prior)

Profitability Table—Current Written Premium

Loss Percentage	\$500,000- \$749,999	\$750,000- \$999,999	\$1,000,000- \$1,249,999	\$1,250,000 +
17.0% or less	4.6%	4.9%	5.3%	5.7%
20.0% or less	4.2%	4.5%	4.9%	5.2%
23.0% or less	3.8%	4.2%	4.5%	4.8%
26.0% or less	3.5%	3.8%	4.1%	4.3%
29.0% or less	3.1%	3.4%	3.6%	3.9%
31.0% or less	2.8%	3.0%	3.2%	3.4%
35.0% or less	2.4%	2.6%	2.8%	3.0%
38.0% or less	2.0%	2.2%	2.4%	2.5%
41.0% or less	1.7%	1.8%	2.0%	2.1%
44.0% or less	1.3%	1.4%	1.5%	1.6%
47.0% or less	1.0%	1.1%	1.2%	1.3%
50.0% or less	0.6%	0.7%	0.8%	0.9%
54.0% or less	0.1%	0.1%	0.1%	0.2%
Over 54.0%	0.0%	0.0%	0.0%	0.0%

Gold, Silver & Bronze New Business Growth Table- Current Written Premium

Ratio of Current Yr New Business Written Premium to Prior Yr Total Written Premium	\$500,000 to \$749,999	\$750,000 and above
0 - 4.9%	0.00%	0.00%
5% - 9.9%	0.20%	0.30%
10% - 14.9%	0.40%	0.60%
15% - 19.9%	0.70%	0.90%
20% - 24.9%	1.00%	1.20%
25% and higher	1.20%	1.50%

Platinum New Business Growth Table—Current Written Premium

Ratio of Current Yr New Business Written Premium to Prior Yr Total Written Premium	\$500,000 to \$749,999	\$750,000 to \$999,999	\$1,000,000 to \$1,249,999	\$1,250,000 and above
0 - 4.9%	0.00%	0.00%	0.00%	0.00%
5% - 9.9%	0.40%	0.60%	0.80%	1.00%
10% - 14.9%	0.80%	1.20%	1.40%	1.60%
15% - 19.9%	1.40%	1.80%	2.00%	2.20%
20% - 24.9%	2.00%	2.40%	2.60%	2.80%
25% and higher	2.40%	3.00%	3.20%	3.40%

Example:

	A.	B.	C.
	Prior	Current	Prior & Current
1. Written Premium	580,000	630,000	
2. New Business Premium		60,000	
3. Earned Premium	560,000	610,000	1,170,000
4. Total Incurred Losses	325,000	250,000	575,000
5. Shock Losses	75,000	0	75,000
6. Net Incurred Losses	250,000	250,000	500,000
7. Net Loss Ratio (6.C/3.C)			42.73%

Profitability Bonus

8. Loss Percentages (row 7 col. C):	42.73%
9. Profitability Bonus Percent:	1.3%
(from Profitability table based on 1.B from above)	
10. Profitability Bonus (9. x 3.B):	\$7,930

New Business Growth Bonus

11. Ratio of Current Year New Business Premium to Prior Year Written Premium (2.B / 1.A):	10.34%	
12. New Business Growth Bonus Percent:		
(from Growth Table based on 1.B from above)		0.40%
13. New Business Growth Bonus (12. x 3. B)	\$2,440	
14. Sub-Total Performance Bonus (10. + 13.):	\$10,370	
15. Company Modification Factor (Sample 1.0)	x 1.0	
16. Total Performance Bonus	\$10,370	