

PROGRAM FEATURES	WORKERS' COMPENSATION COVERAGE TYPE				
	Traditional Policy (fully-insured)	Retrospectively-Rated Policy	Large Deductible	Captive	Self-Insurance
Risk Transfer					
Risk Assumed by Policyholder	None	Low	High	High	High
Coverage of Claims	Pay on Behalf	Pay on Behalf	Pay on Behalf	Pay on Behalf	Reimbursement
Volatility of Terms and Premiums from Year to Year	Very High	High	Low	Low	Low
Cost					
Relative Cost	Highest	High	Moderate	Moderate	Lowest
Administrative Expenses	Highest	High	Moderate	Moderate	Lowest
State Taxes, Fees and Assessments	High	High	High	High	Low
Profit-Sharing Potential	None	Some	High	High	Highest
Investment Income Retained by Policyholder	No	No	Some	Yes	Yes
Ability to Predict Budget-Certain Cost	High	High	Low	Low	Low
Regulatory Issues					
Subject to State-Mandated Experience Modifications	Yes	Yes	Yes	Yes	No
Regulatory Approval Required of Policyholder	No	No	No	No	Yes
Program Costs Tax-Deductible	Yes	Yes	Yes	Yes	Some
Collateral					
Collateral Required for Most Policyholders	No	Yes	Yes	Yes	Yes
Entity Holding Collateral	N/A	Issuing Carrier	Issuing Carrier	Issuing Carrier	State
Collateral Stacking in Future Years	N/A	Yes	Yes	Yes	No
Program Structure and Control					
Policyholder Able to Choose Supporting Vendors and Services	No	No	Some	Yes	Yes
Tailored Safety and Loss Control Services Included	Rarely	Rarely	Some	Yes	Yes
Policyholder Input on Claims Adjudication	No	No	Limited	Yes	Yes
Usual Standard Premium Range	up to \$200k	\$150k to \$500k	\$500k and above	\$1m and above	\$500k and above

Traditional Policies: Most often used by small to mid-sized employers seeking to avoid risk and secure a budget-certain cost.

Retro Policies: Usually a good choice for small to mid-sized employers with exceptional experience. Sometimes used by carriers to insure employers with volatile experience or those with more hazardous operations.

Large Deductibles: Used by larger, multi-state employers with strong financials.

Captives: Typically used by large, financially-strong, multi-state and multi-national employers seeking additional tax benefits .

Self-Insurance: Excellent option for public entities and for medium to large employers with solid financials operating in one state or a handful of states. Also used for operations in monopolistic states where private insurers are prohibited (Ohio, North Dakota, Washington, Wyoming).