



2008 Loss Ratio Grant

- This option requires no specific action by the district. Grant money will be earned and paid to the district as described below
- The grant amount will be based on your workers compensation loss ratio (losses/premium) as follows:
 - 2% grant for districts with a loss ratio less than 35%
 - No grant for districts with a loss ratio greater than 35%
- The loss ratio calculation will be done approximately four months after your “First Policy” expires and, if needed, four months after your “Second Policy” expires.
 - “First Policy” is the one expiring during the 2008 grant program period. For example, if your district renews July 1, the first policy is for the 7-1-07/08 year.
 - “Second Policy” is the one starting during the 2008 grant program period. For example, if your district renews July 1, the second policy is for the 7-1-08/09 year.
- The grant will be based on the final audited workers compensation premium for the “First Policy” (see Scenario A). If a district does not qualify for a grant under the “First Policy,” the district will have a second chance to qualify upon renewal under the “Second Policy” (see Scenario B). However, a district joining the WASB Insurance Plan after June 15, 2008 (the start date for the 2008 grant program period) can only qualify for a grant based on the policy premium and loss ratio calculation for the “Second Policy.”
- The grant is only available to districts insured under workers compensation insurance policies written through the Wisconsin Association of School Boards Insurance Plan. The grant amount will be based in all cases on workers compensation policy premium net of terrorism charges.

The grant check will be mailed approximately two months after the appropriate loss ratio calculation. You do not have to do anything.

2008 Loss Ratio Grant, continued

- There will only be one loss ratio calculation for each policy, approximately four months after the policy expires. If claims are open, the calculation will use the current reserves. Any future changes in reserves will not alter the payment. (See Scenario C).
- If eligible, the 2008 Loss Ratio Grant will pay out a minimum grant amount of \$500 and a maximum of \$10,000.

Examples of 2008 Loss Ratio Grant Calculations

First Policy (7-1-07/08) workers compensation premium is \$100,000

Second Policy (7-1-08/09) workers compensation premium is \$110,000

Scenario A

- First policy loss ratio calculation on approximately 11-1-08: 25% loss ratio (2% grant).
- District is paid \$2,000 ($\$100,000 \times .02$) grant.
- Not eligible for additional grant, so no more calculations are done.

Scenario B

- First policy loss ratio calculation on approximately 11-1-08: 45% loss ratio (no grant).
- Second policy loss ratio calculation on approximately 11-1-09: 33% loss ratio (2% grant).
- District is paid \$2,000 ($\$100,000 \times .02$) grant.

Scenario C

- First policy loss ratio calculation on approximately 11-1-08: 80% loss ratio (no grant).
- Second policy loss ratio calculation on approximately 11-1-09: 38% loss ratio (no grant).
- No grant is paid and district is not eligible for any additional grant, even if at later dates the loss ratio decreases to less than 35% due to particular claim(s) being closed for less than the original reserve.