

# Broker Bulletin

## SeaBright Offers Simplified Retrospective Rating Plan in Illinois, Michigan and Minnesota

February 1, 2012

### To Our Valued Brokers,

SeaBright Insurance Company is launching another product to help our brokerages and producers earn greater commissions by placing quality business with SeaBright.

Our new Loss Divisor Plan is now available for your Illinois, Michigan, and Minnesota clients with coverage effective dates of February 15, 2012 and after. Like our other “loss sensitive” plans, this new product allows policyholders to retain some risk and receive return premiums when their loss experience is favorable, lowering their overall insurance cost.

### How Does it Work?

The Loss Divisor Plan is a simplified Retrospective Rating Plan. Policy premiums are collected during the policy term. At 6 months after policy expiration and again at 30 months, the final Loss Divisor premium is determined and adjusted by dividing incurred losses by a previously agreed-upon “loss divisor.” These premiums are subject to pre-established minimum and maximum premium factors.

The factors are flexible with our Loss Divisor Plan. For example, at policy inception, policyholders may elect a higher maximum premium as a percentage of the policy premium in exchange for a higher loss divisor. This gives the policyholder increased participation in results and a larger return premium when favorable loss results are achieved, but requires that additional premiums be paid if loss experience is adverse.

Unlike a dividend plan, return premiums from our Loss Divisor Plan are contractually guaranteed if specified parameters are met or exceeded. Our plan is easier to understand and administer than other retrospective rating plans. Final premiums are determined 30 months post expiration, not 48 or more as with other plans, simplifying financial planning.

This new risk-sharing opportunity is backed by SeaBright’s responsive suite of services. Our loss control, claims, and medical management staff helps policyholders achieve superior results that translate to lower Loss Divisor premiums.

To qualify for participation in our Loss Divisor Plan, an account must generate a minimum of \$100,000 estimated annual premiums (\$250,000 in Minnesota).

Don’t miss this new opportunity to attract new prospects and provide an appealing plan option to your current clients. Call us today to get started.

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