CIS PAID LOSS RETROSPECTIVE RATING PLAN

ENTITY:          YEAR:  2013-2014

PLAN
- The Retro Plan is a PAID LOSS Retro plan
- Based on projected payroll, operations, and experience modification, we develop the adjusted contribution.
- From the adjusted contribution, the retro contribution is calculated based on the following factors:
  - Minimum Factor: to determine the minimum contribution you pay
  - Maximum Factor: to determine the maximum contribution you pay
  - Basic Factor: to fund for expenses needed to administer the plan
  - Paid Loss: actual loss amounts that we pay
  - Loss Conversion Factor (LCF): to fund for claim handling and adjustment expenses

HOW IT WORKS
The Retro Contribution is calculated based on a retro formula:

Retro Contribution = (Adjusted Contribution x Basic Factor) + (Paid Loss x LCF)

- At inception, you pay an initial contribution based on the minimum factor plus the WCD Assessment.
- Each quarter, we bill you an amount based on the actual paid loss x LCF.
- Loss reserves are not used in calculations until buy-out or mandatory final close-out.

EVALUATION, BUY-OUT AND CLOSE-OUT
- We do retro evaluations for the plan duration until plan buy-out or mandatory final close-out, whichever comes first.
- 1st, 2nd and 3rd evaluations are at 24, 36 and 48 months from the inception as illustrated by the time line below.
- You can opt to have early buy-out on any of the evaluation dates by sending us a request.
- The plan will have its mandatory final close-out at 60 months from inception.
- Early buy-out and mandatory final close-out calculations will include loss reserves.

<table>
<thead>
<tr>
<th>1st Evaluation 24 mo*</th>
<th>2nd Evaluation 36 mo*</th>
<th>3rd Evaluation 48 mo*</th>
<th>Mandatory Final Close-out 60 mo*</th>
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<tbody>
<tr>
<td>1st 12 months</td>
<td>2nd 12 months</td>
<td>1st Evaluation 24 mo*</td>
<td>2nd Evaluation 36 mo*</td>
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*We will incorporate actuarial factors for Loss Development and Incurred but not Reported (IBNR) in the calculations at regular evaluations, early buy-outs and mandatory final close-out.

EXAMPLE FOR COST PROJECTION

| ADJUSTED CONTRIBUTION | $200,000 |
| MINIMUM FACTOR        | .30      |
| MAXIMUM FACTOR        | 1.30     |
| BASIC FACTOR          | .30      |
| LOSS CONVERSION FACTOR| 1.20     |
| INITIAL CONTRIBUTION  | $60,000  |

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<th>PAID LOSS PROJECTED</th>
<th>RETRO CONTRIBUTION**</th>
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**Does not include Tax Assessment, any applicable multi-line credits and agent commission