

351.123
L 12a
1979

PLEASE RETURN

STATE DOCUMENTS COLLECTION

JUN 27 1984

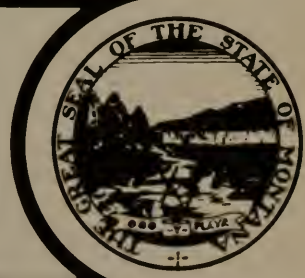
MONTANA STATE LIBRARY
1515 E. 6th AVE.
HELENA, MONTANA 59620

Administrative Assessment Report

Fiscal 1979



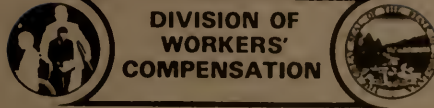
**DIVISION OF
WORKERS'
COMPENSATION**



Montana State Library



3 0864 1003 9813 3



THOMAS L. JUDGE
GOVERNOR

815 FRONT STREET
HELENA, MONTANA 59601

NORMAN H. GROSFIELD
DIVISION ADMINISTRATOR

TO: All Plan I Self-Insurers and Plan II Insurance Carriers

Please find enclosed your bill for the assessments, which have been levied for fiscal year July 1, 1978, through June 30, 1979. The three assessments based on existing statutes are explained as follows:

REHABILITATION ASSESSMENT (Section 94-1406, R.C.M. 1947):

Assessments in this category are based on one percent of the compensation paid. The compensation paid is compiled from the monthly reports submitted to the Division by the Self-insurers, insurance companies or the insurance adjusters. The assessments are collected by the Division and transferred to the Department of Social and Rehabilitation Services to assist in the rehabilitation of injured workers. The Rehabilitative Services Division receives matching funds from the federal government.

SUBSEQUENT INJURY FUND ASSESSMENT (Section 92-7099.1, R.C.M. 1947):

Assessments in this category may be levied up to a maximum of five percent (5%) of the compensation paid. The Subsequent Injury Fund is used to reduce the liability of employers who hire employees certified by the Division to have a permanent physical impairment which is a substantial obstacle to obtaining employment. The Division determined that at the present the amount in the Subsequent Injury Fund is sufficient to meet the financial obligations. Therefore, there will be no Subsequent Injury assessment for this year.

ADMINISTRATIVE ASSESSMENTS (Section 92-116.1, R.C.M. 1947):

The statute allows the Division to levy administrative assessments to pay for operating costs based on equitable cost allocation procedures. The Administrative Assessment Report shows the detailed calculations used to determine the assessment rate.

Please send your remittance for the total assessment due within ten days to the Division of Workers' Compensation, 815 Front Street, Helena, MT 59601

Feel free to contact me if you have any questions.

Sincerely,

JAMES J. MURPHY
Assistant Administrator

JJM/BC
Enclosures

REPORT ON ADMINISTRATIVE ASSESSMENTS LEVIED
AGAINST PLAN I SELF-INSURERS, PLAN II INSURANCE
CARRIERS, AND PLAN III STATE COMPENSATION INSURANCE FUND

For the Period July 1, 1978 - June 30, 1979

In order to fund the administrative and operational functions of the Division of Workers' Compensation, the Montana Workers' Compensation Act requires the Division to assess Compensation Plan I self-insurers, Plan II private insurance carriers, and Plan III, State Compensation Insurance Fund.

Section 92-116.1, Revised Codes of Montana, 1947, provides the basis for levying administrative assessments against the three compensation plans. The statute provides in part:

"...the assessments shall be sufficient to fund the direct costs identified to the three (3) plans and an equitable portion of the indirect costs distributed to the plans using proper accounting and cost allocation procedures. Plan No. 3 shall be assessed an amount sufficient to fund its direct costs and an equitable portion of the indirect costs as referred to above. Other sources of revenue including unexpended funds from the preceding fiscal year shall be used to reduce the costs before levying the assessments."

The law requires the Division to allocate the costs of operation to Plans I, II and III on an equitable basis in order to calculate an assessment rate. The total needed assessment consists of direct and indirect costs. Direct costs include major program costs that can be identified to one of the three plans. Indirect costs cannot be directly attributed to one of the three plans and, therefore, must be allocated to each plan based on reasonable and logical factors.

The administrative assessments are separated into three phases.

PHASE ONE consists of the schedules identified as "Exhibit A". The purpose of these schedules is to recalculate the fiscal year 1977-78 assessments so that unexpended funds can be properly credited to the three plans and actual costs can be redistributed based on actual factors.

Exhibit A-1

This schedule allocates the executive, centralized services and accounting units' actual costs to the other programs and sub-programs. The Division determined that the use of actual operating costs was a more equitable method of distribution rather than the total employee positions used in previous years. This year two new sub-programs, Crime Victims and Uninsured Employers, are also assessed their fair share of the executive, centralized services and accounting units' costs, which reduces the assessment to Plans I, II and III. Separate schedules will be prepared to assess these two sub-programs for the direct and indirect costs.

Exhibit A-2

This schedule shows the distribution to Plans I, II and III of the 1977-78 estimated cost allocations compared to the distribution of the actual costs using actual factors. This method allows for a proper allocation of the unexpended funds to Plans I, II and III, which will change the 1978-79 assessments by the totals shown at the bottom of page 8.

The distribution is made using actual cost figures, the programs' share of administrative costs, other funding sources and relevant criteria or factors for each program.

Exhibit A-3

This schedule identifies and distributes \$9,297.08 to Plans I and II which was collected over and above the 1977-78 needed assessment. Plans I and II are credited with the amounts shown and the 1978-79 needed assessment is reduced accordingly.

PHASE TWO consists of the schedules identified as "Exhibit B". The purpose of these schedules is to determine the total needed assessment for 1978-79 based on estimated costs distributed to the three plans using 1977-78 actual factors.

Exhibit B-1

This schedule allocates the fiscal year 1979 executive, centralized services, and accounting units' estimated costs to the other programs based on the actual

fiscal year 1978 operating costs. Since there is no uniform factor, such as claims, inspections, etc., which would equitably allocate these administrative costs to Plans I, II and III, the Division determined that allocating the costs to the other programs and in turn allocating the total costs, as shown in Exhibit B-2, to the three plans is most equitable.

Exhibit B-2

This schedule distributes the fiscal year 1979 estimated costs to the three plans. The distribution of these costs is based upon relative criteria for each program; i.e., number of inspections in the mining program or number of claims processed in the insurance compliance program. The factors and percentages used to distribute the costs are the 1977-78 actual figures as shown on Exhibit A-2.

At the bottom of the schedule, the "Total Needed Assessment" is shown for all three plans. The total needed assessment has been reconciled to the amounts appropriated by the legislature to fund the Division's operations for fiscal year 1978-79.

The total needed assessment for each plan is increased or decreased to provide for the proper distribution of the actual costs and unexpended balances from fiscal year 1977-78 as shown on Exhibit A-2. The assessment for Plans I and II is further reduced by the amount of over-collection from the fiscal year 1977-78 assessments.

PHASE THREE consists of the schedule shown as "Exhibit C-1". This phase calculates the assessment rate.

Exhibit C-1

This exhibit shows the calculation necessary to arrive at the assessment rate charged to each self-insurer and insurance carrier. The rate for Plan I is determined by dividing the total Plan I needed assessment calculated in Exhibit B-2 by the total calendar year 1977 gross annual payroll. The rate for Plan II is determined by dividing the total Plan II needed assessment calculated in

Exhibit B-2 by the total gross annual premium for calendar year 1977. Gross annual payroll was taken from reports submitted to the Division by all self-insurers. Gross annual premium was determined from the insurance carriers' annual reports submitted to the State Auditor's Office. An assessment rate for Plan III is unnecessary because the total amount to be assessed has been determined in Exhibit B-2.

Each Plan I self-insurer will be assessed by multiplying the rate determined in Exhibit C-1 by its gross annual payroll for calendar year 1977. Assessments for each Plan II insurance carrier will be determined by multiplying the rate determined in Exhibit C-1 by its gross annual premium for calendar year 1977. State law provides a minimum assessment of \$200.00.

ALLOCATION OF EXECUTIVE, CENTRALIZED SERVICES AND ACCOUNTING
UNITS' ACTUAL FISCAL YEAR 1977-78 COSTS TO OTHER PROGRAMS AND
SUB-PROGRAMS BASED ON THE ACTUAL F/Y 1978 OPERATING COSTS

<u>Program or Sub-Program</u>	<u>Actual Costs</u>	<u>Percentage of Total</u>	<u>Actual Cost Allocation**</u>
State Insurance Fund	\$ 983,718.59	40.0%	\$221,916.83
Insurance Compliance	371,134.90	15.1	83,773.60
Auditing	211,492.32	8.6	47,712.12
Rehabilitation	118,364.51	4.8	26,630.02
Crime Victims	15,701.09	0.6	3,328.75
Uninsured Employers	12,735.18	0.5	2,773.96
Data Processing	175,742.30	7.2	39,945.03
Safety Administration	58,184.65	2.4	13,315.01
Safety Compliance	217,315.16	8.8	48,821.70
Boiler Inspection	101,459.89	4.1	22,746.48
Mining Inspection	115,101.36	4.7	26,075.23
Training & Consultation	<u>79,815.54</u>	<u>3.2</u>	<u>17,753.35</u>
Total	<u>\$2,460,765.49</u>	<u>100.0%</u>	<u>\$554,792.08</u>

Actual Costs

Executive	\$250,379.90
Centralized Services	162,441.88
Accounting	132,671.30
Commissioner's Assessment	<u>9,299.00</u>
Total	<u>\$554,792.08</u>

** These figures represent the actual costs which should be allocated to the various Programs and sub-programs and are added to the program costs on Exhibit A-2.

SCHEDULE OF FISCAL YEAR 1977-78 ESTIMATED COST ALLOCATION COMPARED TO THE 1977-78
 ACTUAL COSTS AND FACTORS TO DETERMINE THE INCREASES OR DECREASES AFFECTING THE
 FISCAL YEAR 1978-79 ESTIMATED COST ALLOCATION AS SHOWN ON EXHIBIT B-2

Program or Sub-Program	Costs and Factors	Plan I	Plan II	Plan III
1. Workers' Compensation Judge				
1977-78 Allocation	\$152,531.00	\$ 18,151.19	\$ 99,145.15	\$ 35,234.66
Actual:	222	36	136	50
# of Hearings		16.2%	61.3%	22.5%
Percent of Total				
Cost Allocation	\$152,531.00	\$ 24,710.02	\$ 93,501.50	\$ 34,319.48
INCREASE OR (DECREASE)	\$.00	\$ 6,558.83	(\$ 5,643.65)	(\$ 915.18)
2. Auditing				
1977-78 Allocation	\$268,218.78	\$.00	\$.00	\$268,218.78
Actual:	\$211,492.32			
Cost	47,712.12			
Share of Administration	\$259,204.44	\$.00	\$.00	\$259,204.44
INCREASE OR (DECREASE)	(\$ 9,014.34)	\$.00	\$.00	(\$ 9,014.34)
3. Rehabilitation				
1977-78 Allocation	\$142,498.60	\$ 11,399.89	\$ 51,157.00	\$ 79,941.71
Actual:	478	38	179	261
# of Claimants		8.0%	37.4%	54.6%
Percent of Total	\$118,364.51			
Cost	26,630.02			
Share of Administration	\$144,994.53	\$ 11,599.56	\$ 54,227.96	\$ 79,167.01
INCREASE OR (DECREASE)	\$ 2,495.93	\$ 199.67	\$ 3,070.96	(\$ 774.70)
4. Data Processing				
1977-78 Allocation	\$161,027.99	\$ 9,500.65	\$ 62,639.89	\$ 88,887.45
Actual:	643,849	35,538	255,189	353,122
# of Documents We Processed		5.5%	39.6%	54.9%
Percent of Total	\$175,742.30			
Cost	39,945.03			
Share of Administration	\$170,843.34	\$ 9,396.38	\$ 67,653.96	\$ 93,793.00
Less Federal Funding	(44,843.99)			
INCREASE OR (DECREASE)	\$ 9,815.35	(\$ 104.27)	\$ 5,014.07	\$ 4,905.55

5. Safety Administration									
1977-78 Allocation									
Actual:									
Activity All Units									
Percent of Total									
Cost									
Share of Administration									
	\$ 58,184.65								
	<u>13,315.01</u>								
INCREASE OR (DECREASE)									
	\$ 68,900.39								
	<u>11,943</u>								
	\$ 71,499.66								
	<u>\$ 2,599.27</u>								
	\$273,339.19								
	<u>9,759</u>								
	\$217,315.16								
	<u>48,821.70</u>								
INCREASE OR (DECREASE)									
	(\$ 7,202.33)								
6. Safety Compliance									
1977-78 Allocation									
Actual:									
Inspection Hours									
Percent of Total									
Cost									
Share of Administration									
	\$217,315.16								
	<u>48,821.70</u>								
INCREASE OR (DECREASE)									
	(\$ 7,202.33)								
7. Boiler Inspection									
1977-78 Allocation									
Actual:									
Boiler Activity									
Percent of Total									
Cost									
Share of Administration									
Less Fees Collected									
	\$101,459.89								
	<u>22,746.48</u>								
	(27,271.00)								
INCREASE OR (DECREASE)									
	\$126,863.60								
	<u>1,587</u>								
	\$ 6,089.45								
	<u>68,633.21</u>								
	\$ 52,140.94								
	<u>37.9%</u>								
	602								
	<u>57.5%</u>								
	\$ 55,737.84								
	<u>\$ 36,738.50</u>								
INCREASE OR (DECREASE)									
	(\$ 1,630.42)								
	\$ 17,608.89								
	<u>70</u>								
	\$ 51,417.95								
	<u>38.3%</u>								
	197								
	<u>45.5%</u>								
	\$ 45,611.60								
	<u>\$ 54,186.10</u>								
INCREASE OR (DECREASE)									
	(\$ 5,806.35)								
8. Mining Inspection									
1977-78 Allocation									
Actual:									
Mining Activity									
Percent of Total									
Cost									
Share of Administration									
Less Federal Funding									
	\$115,101.36								
	<u>26,075.23</u>								
	(\$ 22,086.26)								
INCREASE OR (DECREASE)									
	\$ 1,697.75								
	<u>\$ 1,683.74</u>								
	\$ 19,292.63								
	<u>\$ 45,611.60</u>								
	\$ 54,186.10								
	<u>\$ 5,820.36</u>								
	\$ 48,365.74								
	<u>\$ 15,402.44</u>								
	\$ 53,604.50								
	<u>9,837</u>								
	\$ 12,884.37								
	<u>1,718</u>								
	\$ 10,295.95								
	<u>(\$ 2,588.42)</u>								
	\$ 24,873.87								
	<u>629</u>								
	\$ 17,032.76								
	<u>(\$ 7,841.11)</u>								
	\$ 545.50								
	<u>8,889</u>								
	\$ 242,450.68								
	<u>91.1%</u>								
	\$ 545.50								
	<u>545.50</u>								
	\$ 52,140.94								
	<u>37.9%</u>								
	602								
	<u>57.5%</u>								
	\$ 55,737.84								
	<u>\$ 36,738.50</u>								
INCREASE OR (DECREASE)									
	(\$ 15,402.44)								
	\$ 48,365.74								
	<u>197</u>								
	\$ 51,417.95								
	<u>38.3%</u>								
	197								
	<u>45.5%</u>								
	\$ 45,611.60								
	<u>\$ 54,186.10</u>								
INCREASE OR (DECREASE)									
	(\$ 5,806.35)								
	\$ 1,683.74								
	<u>\$ 1,683.74</u>								
	\$ 19,292.63								
	<u>\$ 45,611.60</u>								
	\$ 54,186.10								
	<u>\$ 5,820.36</u>								
	\$ 48,365.74								
	<u>\$ 15,402.44</u>								
	\$ 53,604.50								
	<u>9,837</u>								
	\$ 12,884.37								
	<u>1,718</u>								
	\$ 10,295.95								
	<u>(\$ 2,588.42)</u>								
	\$ 24,873.87								
	<u>629</u>								
	\$ 17,032.76								
	<u>(\$ 7,841.11)</u>								
	\$ 545.50								
	<u>8,889</u>								
	\$ 242,450.68								

SCHEDULE OF FISCAL YEAR 1977-78 COSTS AND FACTORS (Continued)

Program or Sub-Program	Costs and Factors	Plan I	Plan II	Plan III
9. Safety Training & Consultation 1977-78 Allocation	\$ 99,219.77	\$ 2,579.71	\$ 14,585.31	\$ 82,054.75
Actual:	164	5	10	149
# First Aid & Safety Courses		3.0%	6.1%	90.9%
Percent of Total Cost	\$ 79,815.54			
Share of Administration	<u>17,753.35</u>	\$ 2,927.07	\$ 5,951.70	\$ 88,690.12
INCREASE OR (DECREASE)	<u>(\$ 1,650.88)</u>	\$ 347.36	<u>(\$ 8,633.61)</u>	\$ 6,635.37
10. Insurance Compliance 1977-78 Allocation	\$461,994.37	\$120,118.54	\$341,875.83	\$.00
Actual:	3,594	943	2,651	0
# of Claims		26.2%	73.8%	0%
Percent of Total Cost (Excludes General Fund)	\$371,134.90			
Share of Administration	<u>\$ 83,773.60</u>	\$119,186.03	\$335,722.47	\$.00
INCREASE OR (DECREASE)	<u>(\$ 7,085.87)</u>	<u>(\$ 932.51)</u>	<u>(\$ 6,153.36)</u>	\$.00
11. State Insurance Fund 1977-78 Allocation	\$1,169,726.73	\$.00	\$.00	\$1,169,726.73
Actual:				
Cost	\$983,718.59			
Share of Administration	<u>221,916.83</u>	\$.00	\$.00	\$1,205,635.42
INCREASE OR (DECREASE)	<u>35,908.69</u>	\$.00	\$.00	<u>35,908.69</u>
TOTAL INCREASES OR (DECREASES) to Exhibit B-2	<u>(\$ 2,364.66)</u>	<u>\$ 6,092.15</u>	<u>(\$ 41,476.84)</u>	<u>\$ 33,020.03</u>

SCHEDULE CALCULATING AMOUNT OF INCOME COLLECTED
 IN EXCESS OF 1977-78 NEEDED ASSESSMENT
 TO BE CARRIED FORWARD TO 1978-79 ASSESSMENT

	<u>Plan I</u>	<u>Plan II</u>	<u>Total</u>
Total Collected	\$173,814.07	\$663,004.53	\$836,818.60
Total Needed Assessment F/Y 1978	<u>\$172,963.87</u>	<u>\$654,557.65</u>	<u>\$827,521.52</u>
Adjustment Credit F/Y 1979 To Exhibit <u>B-2</u>	<u>\$ 850.20</u>	<u>\$ 8,446.88</u>	<u>\$ 9,297.08</u>

ALLOCATION OF EXECUTIVE, CENTRALIZED SERVICES AND ACCOUNTING
 UNITS' ESTIMATED FISCAL YEAR 1978-79 COSTS TO OTHER PROGRAMS
 AND SUB-PROGRAMS BASED ON THE ACTUAL F/Y 1978 OPERATING COSTS
 PER EXHIBIT A-1

<u>Program or Sub-Program</u>	<u>Percent of Total</u>	<u>Estimated Cost Allocation**</u>
State Insurance Fund	40.0%	\$275,854.80
Insurance Compliance	15.1%	104,135.19
Auditing	8.6%	59,308.78
Rehabilitation	4.8%	33,102.58
Crime Victims	0.6%	4,137.82
Uninsured Employers	0.5%	3,448.18
Data Processing	7.2%	49,653.86
Safety Administration	2.4%	16,551.29
Safety Compliance	8.8%	60,688.06
Boiler Inspection	4.1	28,275.12
Mining Inspection	4.7	32,412.94
Training and Consultation	3.2	22,068.38
Total	<u>100.0%</u>	<u>\$689,637.00</u>
<u>Estimated Costs</u>		
Executive		\$286,904.00
Centralized Services		256,543.00
Accounting		133,753.00
Commissioner's Assessment		<u>12,437.00</u>
Total		<u>\$689,637.00</u>

** These figures are the estimated costs of administration allocated to the various programs and are added to the program costs on Exhibit B-2.

SCHEDULE OF FISCAL YEAR 1978-79 ESTIMATED COSTS PER
OPERATIONAL PLAN ALLOCATED TO PLANS I, II AND III
USING ACTUAL 1977-78 FACTORS** TO CALCULATE NEEDED ASSESSMENT

<u>Program or Sub-Program</u>	<u>Total Cost</u>	<u>Plan I</u>	<u>Plan II</u>	<u>Plan III</u>
1. Workers' Compensation Judge Cost	\$154,906.00	16.2%	61.3%	22.5%
Supplemental Appropriation	<u>.00</u>			
ALLOCATION	<u>\$154,906.00</u>	<u>\$ 25,094.77</u>	<u>\$ 94,957.38</u>	<u>\$ 34,853.85</u>
2. Auditing Cost	\$229,563.00	<u>0.0%</u>	<u>0.0%</u>	<u>100.0%</u>
Share of Administration	<u>59,308.78</u>			
ALLOCATION	<u>\$288,871.78</u>	<u>\$.00</u>	<u>\$.00</u>	<u>\$288,871.78</u>
3. Rehabilitation Cost	\$131,264.00	<u>8.0%</u>	<u>37.4%</u>	<u>54.6%</u>
Share of Administration	<u>33,102.58</u>			
ALLOCATION	<u>\$164,366.58</u>	<u>\$ 13,149.33</u>	<u>\$ 61,473.10</u>	<u>\$ 89,744.15</u>
4. Data Processing Cost	\$175,874.00	<u>5.5%</u>	<u>39.6%</u>	<u>54.9%</u>
Share of Administration	\$ 49,653.86			
Less Federal Funding	<u>(\$ 47,912.00)</u>			
ALLOCATION	<u>\$177,615.86</u>	<u>\$ 9,768.87</u>	<u>\$ 70,335.88</u>	<u>\$ 97,511.11</u>
5. Safety Administration Cost	\$ 53,914.00	<u>3.2%</u>	<u>14.4%</u>	<u>82.4%</u>
Share of Administration	<u>16,551.29</u>			
ALLOCATION	<u>\$ 70,465.29</u>	<u>\$ 2,254.89</u>	<u>\$ 10,147.00</u>	<u>\$ 58,063.40</u>
6. Safety Compliance Cost	\$236,981.00	<u>2.5%</u>	<u>6.4%</u>	<u>91.1%</u>
Share of Administration	<u>\$ 60,688.06</u>			
ALLOCATION	<u>\$297,669.06</u>	<u>\$ 7,441.73</u>	<u>\$ 19,050.82</u>	<u>\$271,176.51</u>
7. Boiler Inspection Cost	\$138,110.00	<u>4.6%</u>	<u>57.5%</u>	<u>37.9%</u>
Share of Administration	\$ 28,275.12			
Less Estimated Fees	<u>(\$ 27,500.00)</u>			
ALLOCATION	<u>\$138,885.12</u>	<u>\$ 6,388.72</u>	<u>\$ 79,858.94</u>	<u>\$ 52,637.46</u>

SCHEDULE OF FISCAL YEAR 1978-79 ESTIMATED COSTS (Continued)

<u>Program or Sub-Program</u>	<u>Total Cost</u>	<u>Plan I</u>	<u>Plan II</u>	<u>Plan III</u>
8. Mining Inspection		<u>16.2%</u>	<u>38.3%</u>	<u>45.5%</u>
Cost	\$119,716.00			
Share of Administration	\$ 32,412.94			
Less Federal Funding	<u>(\$ 24,574.00)</u>			
ALLOCATION	<u>\$127,554.94</u>	<u>\$ 20,663.90</u>	<u>\$ 48,853.54</u>	<u>\$ 58,037.50</u>
9. Safety Training & Consultation		<u>3.0%</u>	<u>6.1%</u>	<u>90.9%</u>
Cost	\$107,225.00			
Share of Administration	<u>22,068.38</u>			
ALLOCATION	<u>\$129,293.38</u>	<u>\$ 3,878.80</u>	<u>\$ 7,886.90</u>	<u>\$117,527.68</u>
10. Insurance Compliance		<u>26.2%</u>	<u>73.8%</u>	<u>0.0%</u>
Cost (Excludes General Fund)	\$338,855.00			
Share of Administration	<u>104,135.19</u>			
ALLOCATION	<u>\$442,990.19</u>	<u>\$116,063.43</u>	<u>\$326,926.76</u>	<u>\$.00</u>
11. State Insurance Fund		<u>0.0%</u>	<u>0.0%</u>	<u>100.0%</u>
Cost	\$ 970,720.00			
Share of Administration	<u>275,854.80</u>			
ALLOCATION	<u>\$1,246,574.80</u>	<u>\$.00</u>	<u>\$.00</u>	<u>\$1,246,574.80</u>
TOTAL NEEDED ASSESSMENT	\$3,239,193.00	\$204,704.44	\$719,490.32	\$2,314,998.24
Adjustment Exhibit <u>A-2</u>	<u>(\$ 2,364.66)</u>	<u>\$ 6,092.15</u>	<u>(\$ 41,476.84)</u>	<u>\$ 33,020.03</u>
Collection Adjustment Exhibit <u>A-3</u>	<u>(\$ 9,297.08)</u>	<u>(\$ 850.20)</u>	<u>(\$ 8,446.88)</u>	<u>(\$.00)</u>
NET NEEDED ASSESSMENT	<u>\$3,227,531.26</u>	<u>\$209,946.39</u>	<u>\$669,566.60</u>	<u>\$2,348,018.27</u>

** Factors shown on Exhibit A-2 and only Percent of Total figures shown on this schedule.

CALCULATION OF FISCAL YEAR 1978-79 ASSESSMENT RATE
FOR PLANS I, II AND III BASED ON 1977 CALENDAR YEAR
GROSS PAYROLL AND GROSS ANNUAL PREMIUM

Plan I

Net F/Y 79 Needed Assessment (Exhibit <u>B-2</u>)	\$ 209,946.39
Divided by	.
Gross Annual Payroll	\$299,878,617.00
Equals	<u> </u>
Plan I Assessment Rate	<u>.070%</u>

Plan II

Net F/Y 79 Needed Assessment (Exhibit <u>B-2</u>)	\$ 669,566.60
Divided by	.
Gross Annual Premium	\$ 27,371,713.58
Equals	<u> </u>
Plan II Assessment Rate	<u>2.45%</u>

Plan III

Net F/Y 79 Needed Assessment (Exhibit B-2)	<u>\$ 2,348,018.27</u>
--	------------------------

