PINNACOL ASSURANCE

2017 Agent General Dividend Tool Kit
How Pinnacol's 2017 General Dividend Applies to Safety Groups

The 2017 general dividend returns a portion of Pinnacol's surplus to policyholders. Dividends are designed to reward those whose commitment to workplace safety and effective claims management have contributed to Pinnacol's success. The information below explains how policyholders qualify for the general dividend and how it is disbursed through the safety group dividend program.

- If a safety group **as a whole qualifies**, its members receive a portion of the general dividend based on their individual loss ratio performance. If a safety group **as a whole does not qualify** for the general dividend, members also do not qualify, regardless of their individual experience.

- Safety group members will receive a general dividend **only** if their group's losses divided by qualifying premium net of program dividends is less than 71.3 percent.

- If a safety group program's losses divided by qualifying premium net of program dividends is greater than 71.3 percent, individual members will not receive a general dividend, regardless of their claims history.

For safety groups and their members, Pinnacol uses policies with an expiration date from June 2, 2015, to June 1, 2016, to determine each safety group's underwriting performance. This allows Pinnacol to return general dividends to qualified safety groups in a timely, consistent manner.

As a safety group, here's how the general dividend works for you:

- Safety group members are evaluated as a group, excluding members who participate in the Individual Loss Control Dividend.

- If the safety group is retaining the bonus portion of the safety group dividend, it will also receive a portion of the general dividend, based on the terms of the contract with Pinnacol.

- If the safety group is retaining the bonus portion of their ILCD policyholders, it will also receive a portion of the ILCD policyholders general dividends paid out, based on the terms of the contract with Pinnacol.

- Safety group members are potentially eligible to receive the general dividend in addition to the many benefits of program participation, including eligibility for an up-front premium discount and the opportunity to earn a separate safety group dividend.

A Pinnacol agency relationship manager will send the email on the following page to the safety group executive director, and copy the group's agent. We look forward to continuing our partnership with you to provide effective risk management solutions.