

COMMONWEALTH OF MASSACHUSETTS

DIVISION OF INSURANCE

In re:)
)
 APPLICATION OF THE WORKERS')
 COMPENSATION RATING AND INSPECTION)
 BUREAU OF MASSACHUSETTS FOR APPROVAL) Docket No. R2010-01
 OF A RATE REVISION TO BE EFFECTIVE)
 ON AND AFTER SEPTEMBER 1, 2010)
)

STIPULATION WITH RESPECT TO RATES,
CLASSIFICATIONS AND RATING PLANS FOR 2010

In order to avoid further hearings, delay and uncertainty for insureds and insurers, and to permit orderly implementation of new workers' compensation insurance rates effective on and after September 1, 2010, but without in any way admitting or agreeing to any position taken by any other party, the Workers' Compensation Rating and Inspection Bureau of Massachusetts ("WCRIBMA"), the Office of the Attorney General ("AG") and the State Rating Bureau ("SRB") stipulate as follows, with respect only to the pending filing by the WCRIBMA for a revision of rates:

1. No party will object to or appeal from approval by the Commissioner of Insurance ("Commissioner") of the WCRIBMA's rate filing dated March 1, 2010 (the "WCRIBMA Filing"), subject to the condition that there shall be a -2.4% overall change in the existing workers' compensation average rates, to be effective on and after September 1, 2010, subject to the other conditions set forth in this Stipulation.

2. To implement the -2.4% overall change stipulated in ¶ 1 above, the rating values shown in sections IX, X, XI and XII of the WCRIBMA Filing shall be computed in a manner

consistent with the WCRIBMA Filing except that they should reflect a -2.4% overall average rate change resulting from substituting an underwriting profit provision of 0% in Section VII-B, Exhibit 1 and a Factor to Remove the Large Deductible Contribution to the Residual Market Subsidy of 1.002 in Section I-D Exhibit 1. These substitutions reflect only an agreed-upon method of implementing the parties' overall negotiated resolution and do not reflect any position by any party with respect to the underwriting profit provision or any other provision actually calculated in the WCRIBMA Filing.

3. These revised rates, classifications, rating programs, rating plans, rating factors and rating values shall apply to new and renewal policies effective on and after September 1, 2010, including all such policies in the Massachusetts Workers' Compensation Assigned Risk Pool.

4. On March 1, 2011, the WCRIBMA will submit a general revision of workers' compensation insurance rates and rating values pursuant to 211 CMR 110.04 and G.L. c. 152, §§ 52 and 53A, for rates applicable to new and renewal policies effective on and after September 1, 2011.

5. The WCRIBMA will conduct a study of industry experience to obtain data suitable for the purposes of verifying or revising its recommendations for expense constants.

6. The WCRIBMA, AG and SRB agree that this Stipulation will have no precedential value and will not be relevant in future hearings on any line of insurance and that they will not attempt to introduce it (or the decision adopting it) as evidence or to rely on it (or the decision adopting it) for any purpose in future hearings, provided that the Stipulation may be considered in any future hearing with respect to the implementation of this Stipulation, but only on the issue of the implementation of this Stipulation. The WCRIBMA, AG and SRB each

acknowledge that this Stipulation does not imply approval or disapproval by either party of any particular ratemaking methodology or projection. Each party reserves the right to contest in future hearings all aspects of rate-setting resolved for present purposes only by this Stipulation.

7. Each party enters into this Stipulation upon the condition that it is approved by the Commissioner, in its entirety, on the record of this hearing no later than May 13, 2010. If the Commissioner does not approve this Stipulation in its entirety on or before May 13, 2010, this Stipulation shall be null and void and shall not be relied upon by any party, or by the Commissioner, for any purpose whatsoever.

8. If any person not a party to this Stipulation successfully challenges the Commissioner's approval of this Stipulation and the Commissioner's approval is suspended, set aside or otherwise rendered ineffective, this Stipulation shall be null and void and shall not be relied upon by any party, or by the Commissioner, for any purpose.

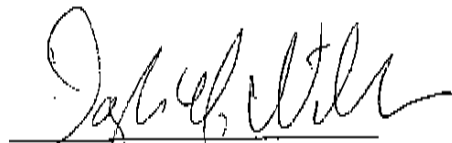
9. It is understood and agreed that the WCRIBMA shall, by May 14, 2010, provide both the SRB and the AG with proposed revised manual pages reflecting this Stipulation applicable to new and renewal policies effective on and after September 1, 2010 for review by the SRB and the AG; absent a showing by the SRB or the AG by May 24, 2010 of good cause to believe that the proposed revised manual pages do not accurately reflect this Stipulation, the WCRIBMA may publish the revised manual pages to the industry on or after May 25, 2010.

10. At the direction of the Division of Insurance, the WCRIBMA, as statistical agent, shall provide to the AG on January 2, 2011, the database underlying the WCRIBMA filing.

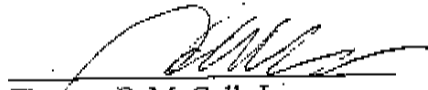
11. This Stipulation shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

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12. The Parties may execute this Stipulation in counterparts, each of which shall be deemed an original and all of which shall constitute one original.



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Dated: May 11, 2010

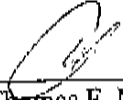
APPROVED:

Joseph G. Murphy
Commissioner of Insurance
Division of Insurance

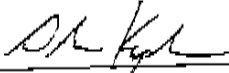
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