|  |  |  |
| --- | --- | --- |
| Original Draft IV Location Before Formatting/Font Size Change | New Location | Comment |
| Pg 1 | Pg 1 | Changed draft date to June 17,, 2016 |
| Pg 3 | Pg. 1 | Added executive summary and recommendations section  |
| Several Locations | Same | Several locations in document. Corrected wording from professional employment concerns to professional employer concerns per Steve Politis |
| Pg. 3 | Pg.1 | Added wording “It is intended to serve as a resource for” |
| Pg.4 | Appendix I |  We are considering adding a copy of the draft wording modifying IL SB 1805 to the appendices. We are waiting for Deputy Commissioner , Jim Stephens to provide his advice on this matter. |
| Pg.3-Various | Various | Changed all year references to 2016 rather than 2015  |
| Pg.4 | Pg.2 | Changed the wording of the second recommendation to read “Require the insurer’s staff to evaluate the creditworthiness of policyholders. Where indicated, the underwriting department should bring in the other resources such as the finance department” Per Bob Wake and several insurers.” |
| Pg.6 | Pg.3 | Corrected wording to ensure, per Robin Coombs , KY |
| Pg. 6 | Pg.3 | Clarified that members of the NAIC and IAIABC met to begin planning the study |
| Pg. 6 | Pg.3 | Added wording landscape and its impact on |
| Pg.6 | Pg.3 |  Corrected wording and removed run on sentence per Robin Coombs, KY |
| Pg.7 | Pg. 4 | Corrected wording to read for each claim. Per John Zillmer, Zurich |
| Pg.8 | Various | Changed wording to read “large deductible” –Per Bob Wake and Mike Riley |
| Pg. 9 |  | Added “or more” per Bob Wake |
| Pg. 10 | Pg.6 | Added California Data to the study |
| Pg. 10 | Pg. 6 | Added clarifying wording from Mike Riley |
| Pg. 11 |  | Changed wording to “guaranty association per Bob Wake |
| Pg. 11 |  | Sentence broken up for Clarity per Robin Coombs, KY |
| Pg. 11 |  | Added the word “fund” for clarity per Charles Hansberry, LA |
| Pg. 12 | Pg.7 | Corrected total of states with existing legislation to eight and added Indiana to the list of states. Per Barbara Cox |
| Pg.13 | Pg.8 | Corrected table and amount from estates to read “less than 24 million.” Per Barb Cox |
| Pg. 15 |  | Added word “arise” per Charles Hansberry, LA |
| Pg. 16 | Pg.  | Foot note #20 was not removed despite request from AIG. Regulators felt this should be retained. |
| Pg. 17 |  | Added the word “be” per Rod Jordan |
| Pg. 18 | Pg. 13, 2nd Bullet | Changed wording to match executive summary. Removed requirement for auditors to review credit worthiness. |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

1. .
2. Page 8.
3. Pg 9
4. Pg 10
5. Pg 10
6. Pg 11
7. Pg 11 Pg 11
8. Pg 12. Pg 13. Pg 15 Pg 16 Pg 17
9. Pg 18. Changed wording to match executive summary. Removed requirement for auditors to review credit worthiness.
10. Pg 20. Clarified that Idaho has a bulletin pending.
11. Pg 21. Added word reported per Charles Hansberry, LA
12. Pg 22 Added “filing” per Charles Hansberry, LA
13. Pg 22 Barbara Cox confirmed it is standard practice to pre-pay claims
14. Pg 23 The authors agreed to deleted the state regulations Appendix table C because a completely accurate table could not be created from the state responses received. Wording will be added stating “Regulations are under review in several states. Readers should check with the state you are interested in to determine existing laws and pending legislation.”
15. Page 32. Added “be” per NAPEO

Pg 33. Some of the insurance underwriters have pointed out that this is true of any carrier that writes large deductible business, not just PEOs with large deductibles. Since this is in the PEO section, I think it should stay in “as is.” I left this section in even though Robyn Crosson objected saying this was true for all large insureds. She said: “I really think this not unique. Unless you want to say because of the number of co-employees or increased WC claims exposure. Otherwise, it is the same in my mind.”

1. Pg 34. Added “The NAIC/IAIABC Working Group is hopeful this paper improves the understanding of how large deductible policies are used throughout the US workers' compensation market. This effort enhanced communication among stakeholders which is the first step in addressing challenges that may arise”."   Per Jennifer Horejsh
2. Pg 35. Appendix C -Deleted old appendix (C) and added new appendix (C)…WCIRB-CA Exhibits
3. Appendix I- We plan to modify Appendix I adding a section outlining any proposed changes Illinois has for SB 1805.