

TABLE OF CONTENTS

- I. Instructions
- II. Definitions
- III. General Provisions
- IV. Application of the Merit Rating Plan

SECTION I – INSTRUCTIONS

1. The Merit Rating Plan of the Coal Mine Compensation Rating Bureau (CMCRB) is intended to grant premium discounts or assess premium surcharges to risks subject to the manual of the CMCRB and which do not qualify for the application of the CMCRB uniform Experience Rating Plan.
2. The following rules of the Experience Rating Plan of the CMCRB are equally applicable to the CMCRB Merit Rating Plan and are adopted herein by reference:
Section I, Paragraphs 2, 3, 4 and 5.
Section II, Paragraphs 1, 2, 3, 4 and 13.
Section III, Paragraphs 3, 4, 5, 6, 7, 8 and 9.
Section IV, Paragraphs 1, 2 and 3.
Section V, Paragraphs 1, 2, 3, 5, 6 and 7.
Any reference to the uniform Experience Rating Plan in the above mentioned rules shall mean the CMCRB Merit Rating Plan when used in conjunction with this section of the manual.

SECTION II – DEFINITIONS

1. Compensable Lost Time Accident shall be a covered traumatic claim resulting in a payment or reserve for indemnity/funeral benefits. Claims subject to a policyholder deductible shall be considered compensable for the purpose of this section.
2. Merit Rating Plan Discount shall be applied as a five (5) percent discount based on the carrier's traumatic premium for the risk.
3. Merit Rating Plan Surcharge shall be applied as a five (5) percent surcharge based on the carrier's traumatic premium for the risk.

SECTION III – GENERAL PROVISIONS

1. Eligibility
The Merit Rating Plan shall only apply to risks not subject to the CMCRB uniform Experience Rating Plan.
2. Experience Period
The eligible risk must have reported payrolls greater than zero under the uniform Statistical Plan for any CMCRB traumatic class in both of the latest two calendar years.

SECTION IV – APPLICATION OF THE MERIT RATING PLAN

1. Each eligible risk with no compensable lost time accidents during the latest two calendar accident years consistent with the payrolls in Section III, Paragraph 2, shall receive a five (5) percent traumatic premium discount.
2. Each eligible risk with one compensable lost time accident during the latest two calendar accident years consistent with the payrolls in Section III, Paragraph 2, shall receive no Merit Rating adjustment.
3. Each eligible risk with two or more compensable lost time accidents during the latest two calendar accident years consistent with the payrolls in Section III, Paragraph 2, shall receive a five (5) percent traumatic premium surcharge.
4. The discounts/surcharges under this Plan shall be determined annually.
5. The discounts/surcharges under this Plan shall not be cumulative from year to year.
6. The discounts/surcharges under this Plan shall apply regardless of any other premium adjustment applicable to the policy.
7. When another premium adjustment is applicable to the policy besides the merit adjustment, the combination of adjustments shall be in an additive fashion.