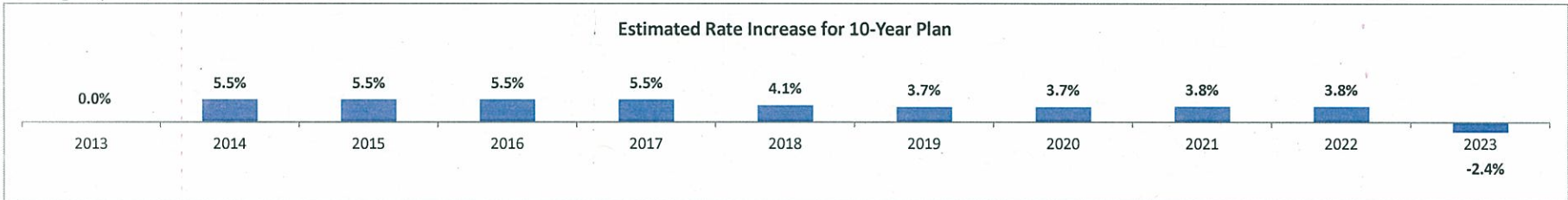


10-Year Plan to Increase Contingency Reserve to 14% of Liabilities and to Reduce Pension Discount Rate to 4.5%

STATE FUND								SELF INSURED			State Fund Rate Increase
Assessment Year	Contingency Reserve Increase to Get to Policy Range	% Rate Load Needed Above Break-Even	Pension Discount Rate as of June 30:	State Fund Increased Liability	% Rate Load Needed Above Break-Even	Combined Funding for C.R. and Pension Discount Rate	Total % Rate Load Above Break-Even*	Increased Self-Insurance 2 <sup>nd</sup> Injury Fund Liability (funded the following year)	2 <sup>nd</sup> Injury Assessment Rate per \$1 of Paid Benefits	Increased Self-Insurance Cash-Funded Liability (October)	
2012	NA	NA	6.50%	NA	NA	NA	NA	NA	\$ 0.078	NA	
2013	\$ 78.50	4.2%	6.50%	\$ -	0.0%	\$ 78.50	4.2%	\$ -	\$ 0.078	\$ -	0.0%
2014	\$ 69.00	3.7%	6.40%	\$ 46.73	2.5%	\$ 115.72	6.2%	\$ 4.70	\$ 0.078	\$ 0.73	5.5%
2015	\$ 97.96	5.2%	6.28%	\$ 56.07	3.0%	\$ 154.04	8.2%	\$ 5.56	\$ 0.087	\$ 0.90	5.5%
2016	\$ 118.96	6.4%	6.12%	\$ 75.00	4.0%	\$ 193.96	10.4%	\$ 7.52	\$ 0.089	\$ 1.14	5.5%
2017	\$ 118.96	6.4%	5.89%	\$ 114.78	6.1%	\$ 233.74	12.5%	\$ 11.58	\$ 0.092	\$ 1.71	5.5%
2018	\$ 127.32	6.8%	5.66%	\$ 119.46	6.4%	\$ 246.79	13.2%	\$ 12.08	\$ 0.100	\$ 1.81	4.1%
2019	\$ 127.32	6.8%	5.43%	\$ 124.16	6.6%	\$ 251.49	13.5%	\$ 12.68	\$ 0.101	\$ 1.91	3.7%
2020	\$ 127.32	6.8%	5.20%	\$ 129.11	6.9%	\$ 256.43	13.7%	\$ 13.18	\$ 0.102	\$ 2.01	3.7%
2021	\$ 127.32	6.8%	4.96%	\$ 134.31	7.2%	\$ 261.63	14.0%	\$ 13.78	\$ 0.103	\$ 2.11	3.8%
2022	\$ 127.32	6.8%	4.73%	\$ 139.83	7.5%	\$ 267.15	14.3%	\$ 14.48	\$ 0.104	\$ 2.21	3.8%
2023	\$ -		4.50%	\$ 145.66	0.0%	\$ 145.66	7.79%	\$ 15.08	\$ 0.105	\$ 2.31	-2.4%
<b>Totals</b>	<b>\$ 1,120.01</b>			<b>\$ 1,085.11</b>		<b>\$ 2,205.12</b>		<b>\$ 110.60</b>		<b>\$ 16.80</b>	

Contingency Reserve at Dec. 31, 2012 = \$590 M

Contingency Reserve at Dec. 31, 2012 = \$668 M



Future rating indications are assumed to be at 3.5%