

DAWSON COMPANIES

Ohio Municipal Joint Self-Insurance Pool

THREE-YEAR COMMITMENT PROGRAM ADDENDUM For The City of Gahanna

Option One: Three year commitment with prepaid surplus year one

Effective: 07/04/2008-09

Annual contribution: \$178,548

Surplus contribution: \$76,341

Total contribution year one: \$254,889

Option Two: Three year commitment with 50% of Three year surplus prepaid year one and annual surplus contribution of 25% for the next two years

Effective: 07/04/2008-09

Annual contribution: \$178,548

Surplus contribution: \$38,171

Total contribution year one: \$216,719

The contract issued will continue to be rated on an annual basis. Should Option One or Option Two be selected, the OMJSP will guarantee that the member's rate will not change, subject to the requirements listed below.

- 1) The member must achieve a loss ratio of 55% or lower, reviewed annually.
- 2) Contribution will change if exposures change.
- 3) The availability of acceptable reinsurance terms to the Pool

Attached is a sample calculation to be used for comparison purposes only. This comparison can be used as a tool to see the savings available for a three year commitment under Option One or Option Two.

The attached document will need to be signed in agreement that either Option One or Option Two has been selected.

Contributions are fully earned at inception and this is a three-year commitment that changes the member's participation agreement.

City of Gahanna
Three-Year Commitment Program Example

		2008	2009	2010	Total
Current Program One Year	Contribution	\$187,119	\$187,119	\$187,119	\$561,357
	Surplus	<u>\$ 26,673</u>	<u>\$ 26,673</u>	<u>\$ 26,673</u>	<u>\$ 80,019</u>
	Total	\$213,792	\$213,792	\$213,792	\$641,376

Option One Three Year	Contribution	\$178,548	\$178,548	\$178,548	\$535,644
	Surplus	<u>\$ 76,341</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 76,341</u>
	Total	\$ 254,889	\$178,548	\$ 178,548	\$611,985

SAVINGS \$ 29,391

Option Two Three Year	Contribution	\$178,548	\$178,548	\$178,548	\$535,644
	Surplus	<u>\$ 38,171</u>	<u>\$ 19,085</u>	<u>\$ 19,085</u>	<u>\$ 76,341</u>
	Total	\$216,719	\$197,633	\$ 197,633	\$611,985

SAVINGS \$ 29,391

**Three Year
Options**

Option One Three year commitment with prepaid surplus year one

Option Two Three year commitment with 50% of three year surplus prepaid year one and annual surplus contributions of 25% for the next two years

OHIO MUNICIPAL JOINT SELF-INSURANCE POOL

SELECTION OF

THREE YEAR COMMITMENT PROGRAM

Contract Number: OML001395305.08

Effective Date: 07/04/2008

Pool Member: City of Gahanna

It is understood and agreed that the undersigned Pool Member:

(Applicable item marked)

_____ Has reviewed the Three Year Commitment and selected Option One: Three Year Commitment with prepaid surplus year one

_____ Has reviewed the Three Year Commitment and selected Option Two: Three Year Commitment with 50% of Three Year Surplus Prepaid Year One. 25% Surplus Contributions Year Two and Year Three.

_____ Authorized Pool Member Representative

Title _____ Date _____

*The policy issued to the member will continue to be rated on an annual basis. Should the member select Option One or Option Two, the OMJSP will guarantee that the member's rate will not change, subject to the requirements listed below.

- 1) The member must achieve a loss ratio of 55% or lower, reviewed annually.
- 2) Premium will change if exposures change.
- 3) The availability of acceptable reinsurance terms to the Pool