

**Workers' Compensation Program
Contribution Assurance Program (CAP) Agreement
THIS AGREEMENT AMENDS AND EXTENDS YOUR MEMBERSHIP AGREEMENT
PLEASE READ CAREFULLY**

Primex³ is offering members in our **Workers' Compensation Program** an opportunity to stabilize their annual contributions through participation in our Contribution Assurance Program (CAP). CAP is offered to members who qualify, providing them predictability by limiting the annual contribution increase during a defined period of years (CAP Period). By signing this Agreement, you agree to extend your Membership Agreement for **two (2) years** and Primex³ agrees to guarantee that your annual contribution increase will not exceed ten percent (10%) of the prior year's contribution. Because performance matters with Primex³, you may realize an annual increase that is less than the CAP through sound risk management and stable underwriting exposures. The annual member contribution will be based upon your exposure base, members' loss experience, and the rates established each year by the Primex³ Board of Trustees.

We are offering this opportunity so that our members can extend their commitment to pooling through the Primex³ programs. Participation in CAP for each year of the CAP Period is conditioned upon a two-year commitment to participation in the Primex³ Workers' Compensation Program.

The following CAP Period years qualify for the Contribution Assurance Program (CAP):

CY 2016 January 1, 2016 to December 31, 2016

(maximum 10% increase over January 1, 2015 to December 31, 2015 contribution)

CY 2017 January 1, 2017 to December 31, 2017

(maximum 10% increase over January 1, 2016 to December 31, 2016 contribution)

By signing this Agreement, the **Town of Allenstown** agrees to extend its risk pool membership and participation in the Primex³ **Workers' Compensation Program** for two coverage period years, through **December 31, 2017**. The **Town of Allenstown** agrees and understands it remains bound by and subject to the terms and conditions of the Membership Agreement, Public Entity Coverage Documents and Trust Agreement, and all Trust by-laws, policies and procedures.

The **Town of Allenstown** agrees that the ten percent (10%) maximum increase currently available for this CAP Period does not apply to any other year or period of years, and upon expiration of the CAP Period in this Agreement, any subsequent participation in a Primex³ CAP will be subject to underwriting review, membership criteria, CAP criteria, determination of contribution and the maximum increase in place for the subsequent CAP Period.

The **Town of Allenstown** further acknowledges that by extending its Membership Agreement for two (2) coverage period years, the Public Entity Coverage Documents, General Conditions Section (L) ("Terminating Participation in Our Program(s)") is suspended during year one (1) of the two (2) year term, as there is no right to cancel or terminate during year one (1) but shall be reinstated for the end of year two (2).

The **Town of Allenstown** agrees that failure to provide notice in strict accordance with the Public Entity Coverage Documents, General Conditions Section (L) shall result in automatic renewal of risk management pool membership and continuation in the Primex³ Workers' Compensation Program, but not continuation of CAP which must be separately offered and accepted.

Primex³ acknowledges that the Member is a NH public entity which receives budgetary authorization for appropriations from an annual meeting of its legislative body and pertains to a fiscal year which commences on the following January 1 or July 1, of any given year. The Member also acknowledges that it is legally required to carry insurance coverage. As such, if the legislative body, at such annual meeting for any years that are within the anticipated term of the contract, fails to approve such appropriation, and there are no other lawful means of funding the coverage, this contract may be terminated by the Member by notice to Primex³ made within 30 days of the legislative action at which such funding initiative was defeated and such cancellation shall be effective as of the commencement on the following fiscal year or on the anniversary of the policy, whichever first occurs.

The Member, however, agrees that it shall seek the requisite appropriations in good faith and that the availability of lower cost or otherwise preferable coverage alternatives during the term of this Agreement shall not constitute a good faith and permissible basis on which to fail to pursue the appropriations or assert that appropriations are unavailable. In the event of an early termination, the Member agrees to return the difference between the CAP increase and the uncapped contribution.

By affixing my signature below, I am attesting, representing and warranting that I am a duly authorized representative of the governing body of the **Town of Allenstown** with legal authority to contractually bind the **Town of Allenstown** to the terms of this Agreement, and that I understand the commitment being made to membership in the Primex³ risk management pool and participation in the Workers' Compensation Program.

Authorized Representative
of the Governing Body

Title

Date

Print Name

RESOLUTION TO ENTER PRIMEX³
Workers' Compensation Contribution Assurance Program (CAP)

RESOLVED: To hereby accept the offer of the New Hampshire Public Risk Management Exchange (Primex³) to enter into its **Workers' Compensation Contribution Assurance Program (CAP)** as of the date of the adoption of this resolution, and to be contractually bound to all of the terms and conditions of Primex³ risk management pool membership during the term of the **Workers' Compensation Contribution Assurance Program (CAP)**. The coverage provided by Primex³ in each year of membership shall be as then set forth in the Coverage Documents of Primex³.

I attest that the foregoing is a true copy of the Resolution of the Governing Board of the Town of Allenstown adopted on _____.

Board: _____

Title of Board

Signature: _____

Name: _____

Title: _____ duly authorized

Date: _____

Bow Brook Place
46 Donovan Street
Concord, NH 03301-2624

(603) 225-2841
(800) 698-2364

www.nhprimex.org

October 15, 2014

Town of Allenstown
Cindy Baird, Administrative Assistant
16 School Street
Allenstown, NH 03275

RE: **Contribution Assurance Program (CAP) for CY 2016 and 2017 for the Workers' Compensation Program**

Dear Cindy:

Primex³ is pleased to offer Town of Allenstown the option of participating in the **Contribution Assurance Program (CAP)** for the next two years. For members who have demonstrated commitment to the Primex³ pool, CAP provides stability by creating a limit on your Workers' Compensation contributions for future renewals.

The following years qualify for the Workers' Compensation **Contribution Assurance Program (CAP)**:

CY 2016 January 1, 2016 to December 31, 2016
(maximum 10% increase over January 1, 2015 to December 31, 2015 contribution)

CY 2017 January 1, 2017 to December 31, 2017
(maximum 10% increase over January 1, 2016 to December 31, 2016 contribution)

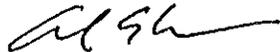
Based on your performance, we are pleased to offer you a **CAP Agreement** that provides you the opportunity to participate in **CAP** until December 31, 2017. (See enclosed **CAP Agreement and Resolution**.) Please return your executed **CAP Agreement and Resolution** on or before **December 19, 2014** to ensure budgetary peace of mind for the next two renewals.

The percentage listed is a maximum. Actual increases will not exceed that percentage, but could actually be lower, based on each member's and the pool's risk management performance and exposure changes. Performance still impacts contribution amounts, so it remains important for both Primex³ and our members to leverage our partnership to effectively manage risks and any claims that occur.

Our goal has always been to provide members with the best programs at the best value. Now, add the best long-term contribution assurance and you have a commitment like no other. **CAP** provides predictable contributions in the Workers' Compensation Program that you and your taxpayers can count on for budgetary stability.

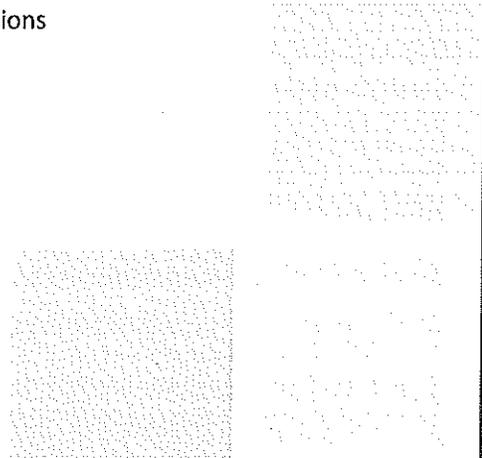
Please contact your Member Services Consultant or myself with questions at 800-698-2364.

Sincerely,



Carl Weber
Director of Member Services

Enclosures



OCTOBER 15, 2014

WORKERS' COMPENSATION PROGRAM
MEMBER CONTRIBUTION SUMMARY
JANUARY 1, 2015 - JANUARY 1, 2016 RENEWAL

MEMBER: Allenstown, Town of
MEMBER NUMBER: 103

2014		2015	
		Contribution Assurance Program (CAP)	No
		PRIME ³ Program	No
Member Contribution	\$36,206	Member Contribution	\$39,621

Your 2014 Payroll (2012 Audited)	\$1,368,559
Your 2015 Payroll (2013 Audited)	\$1,349,673
Change in Payroll	-1.4%
Your 2014 Loss Ratio Adjustment Factor	0.94
Your 2015 Loss Ratio Adjustment Factor	0.89
Change in Loss Ratio Adjustment Factor	-5.3%
Change from 2014 to 2015:	
Contribution Amount Change	\$3,415
Contribution Percent Change	9.4%

Please contact the Primex³ Member Services Team
if you have any questions or comments.

Invoices will be mailed around January 1, 2015.

OCTOBER 15, 2014

UNEMPLOYMENT COMPENSATION PROGRAM

**MEMBER CONTRIBUTION SUMMARY
JANUARY 1, 2015 - JANUARY 1, 2016 RENEWAL**

**MEMBER: Allenstown, Town of
MEMBER NUMBER: UM103**

2014		2015	
Member Contribution	\$3,604	Member Contribution	\$3,187

Your 2014 Taxable Wages (2012 reported)	\$563,127
Your 2015 Taxable Wages (2013 reported)	\$505,811
Change in Taxable Wages	-10.2%
Your 2013 Loss Ratio	107%
Your 2014 Loss Ratio (through June)	57%
Your 2014 Unemployment Rate	0.64%
Your 2015 Unemployment Rate	0.63%
Change from 2014 to 2015:	
Contribution Amount Change	-\$ 417
Contribution Percent Change	-11.6%

**Please contact the Primex³ Member Services Team
if you have any questions or comments.**

Invoices will be mailed around January 1, 2015.

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October 15, 2014

Town of Allenstown
Cindy Baird, Administrative Assistant
16 School Street
Allenstown, NH 03275

RE: 2015 Workers' Compensation Program Renewal

Dear Cindy:

As you prepare your budget for the coming year, we thank you for your continued trust and partnership in our Workers' Compensation Program. Our goal in all of our programs is to provide our members with the best service, value, and coverage through our core values: **Trust. Excellence. Service.**

Enclosed is your 2015 Workers' Compensation Member Contribution Summary. The intent of the Summary is to build awareness of your member contribution and how performance and payroll changes affect your contribution. Invoices will be mailed around January 1, 2015.

Workers' Compensation Trends and What We Are Doing

- ❖ **Medical Costs:** Medical utilization and costs continue to rise for the Workers' Compensation Program. Medical claims make up almost two-thirds of the overall claim costs in the program. This trend is not unique to our pooled program. In response to these costs, the Governor recently appointed a task-force "in order to reduce costs for our workers and businesses." **Tammy Denver, Director of Claims and Coverage** at Primex³, has been appointed to this task force and hopes to provide the pool perspective as they study ways to improve Workers' Compensation costs throughout the state.
- ❖ **Our Service:** Prevention through risk management is always our goal. However, once an injury occurs, having knowledgeable in-house claims teams reaching out to your injured employees and keeping you aware of their status, helps us both work toward effective treatment and timely return to work.
- ❖ **Our Partnerships:** We have partnered with **Best Doctors**® to ensure that your injured employees receive the best medical care possible while focusing on an expeditious return to work. Cost savings are a positive by-product of having affiliated doctors and nurse patient advocates assisting to provide the highest quality care for injured workers. We also have a Pharmacy Benefit Manager (PBM) in place to save on the cost of recurring prescription

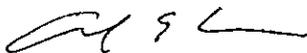
What Workers' Compensation Members Can Do

- ❖ **Prompt Claims Reporting:** National studies have found that the longer it takes to report a claim, the more costly it will be. Strive for reporting all claims within 24 hours of the injury, but no later than five calendar days from the date of injury as required by the NH Workers' Compensation Statute.
- ❖ **Temporary Alternate Duty (TAD):** TAD may be the single most effective way to control Workers' Compensation costs. TAD is a win/win by providing meaningful work and connection to the workplace, which allows the employee to recover and retain knowledge and expertise, while significantly reducing the duration and cost of the claim.
- ❖ **Active Joint Loss Management Committees (JLMCs):** JLMCs play the front-line role in promoting safety, and reviewing losses to understand or identify trends to create prevention strategies. JLMCs are responsible for meeting quarterly (at minimum), inspecting buildings, and addressing and making recommendations around safety concerns.
- ❖ **Benchmarking Losses:** Benchmarking is an important step where members decide to place a limitation on their expected losses in certain recurring and problematic areas. It is often said: *"If you can't measure it, you can't manage it."* Benchmarking provides the essential measurement and accountability that helps lead to managing the long-term loss trend.
- ❖ **Ask for Help:** Whether asking about the status of a claim, developing alternative work for injured employees, or inquiring for risk management services or training, contact us to ask for help. Our mission at Primex³ is to be that creative partner in helping members meet their risk management needs. Together we will continue to manage the risk and costs associated with our Workers' Compensation Program.

The Primex³ Membership Agreement and Public Entity Coverage Document have a 45-day written notice requirement in the event that you elect to terminate membership in the Workers' Compensation Program. **This notice must be provided on official letterhead to the Chief Executive Officer of Primex³ by 4:30 PM on November 17, 2014 and must specify a final decision regarding your participation in the program.** Please carefully review your Public Entity Coverage Document, General Conditions, Section L, regarding notice of termination.

Please contact either myself or your Member Services Consultant if you have any additional questions regarding your contribution and performance in the Workers' Compensation Program.

Sincerely,



Carl Weber
Director of Member Services

Skilled Advocacy before the Department of Employment Security

Primex³ staff provide skilled advocacy and claim mitigation before the New Hampshire Department of Employment Security on your behalf. Primex³ staff reviews all claims and requests the appropriate documentation to substantiate when an employee is terminated for misconduct or voluntarily resigns. Primex³ strongly asserts the employer's position during the initial claim adjudication and before both the Employment Security Appeals Tribunal and Appellate Board to ensure benefits are only paid under qualifying circumstances. Primex³ utilizes in-house representation so that legal costs for our members are only utilized in the rare circumstance where counsel is warranted. Primex³ staff has fostered a congenial relationship with the Department of Employment Security to allow for effective advocacy on behalf of our members.

The Primex³ Unemployment Compensation Program remains the best choice for rate stability and professional advocacy for local government in New Hampshire.

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October 15, 2014

Town of Allenstown
Cindy Baird, Administrative Assistant
16 School Street
Allenstown, NH 03275

RE: 2015 Unemployment Compensation Program Renewal

Dear Cindy:

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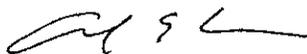
Enclosed is your 2015 Unemployment Compensation Member Contribution Summary. The intent of the Summary is to build awareness of your member contribution and how performance and payroll changes affect your contribution. Invoices will be mailed around January 1, 2015.

As a reminder, the Unemployment Compensation Program reporting is available through the **Primex³ Partner Platform (P³)**. This access allows members to view contributions, claim summary reports, and coverage documents. If you do not have a **P³** login, please contact the Member Services Department.

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