



## **Texas Sign Association Comp Group, Inc. Dividend Distribution Formula**

Per the Plan of Operation, as on file and approved by the Texas Department of Insurance and the Board of Directors of the Texas Sign Association Comp Group, Inc. Dividends, after declared and released by the carrier will be distributed as follows:

An individual calculation of all members that participated in the Safety Group during the dividend period (defined as Plan Year) will be performed to determine an individual loss ratio. Loss ratio is defined as incurred losses divided by earned premiums that fall within that dividend period.

There will be three dividend classes:

Class A = Loss Ratio < 30%  
Class B = Loss Ratio > 30% but < 45%  
Class C = Loss Ratio > 45%

Class A = 100% of Declared Dividend Percentage  
Class B = 50% of Declared Dividend Percentage  
Class C = 0% of Declared Dividend Percentage

Any member whom is falls in Class B will have 50% of their dividend retained by the Texas Sign Association Comp Group, Inc. Any member who falls in Class C will have 100% of their dividend retained by the Texas Sign Association Comp Group, Inc. These retained dividends will be redistributed to the member in the form of a "Safety Grant". Any "Safety Grant" not redeemed will be paid to the Texas Sign Association for Association safety programs.

Any member, regardless of Class whom is not in good standing with the Group will have their dividend retained by the Texas Sign Association Comp Group, Inc. and paid to the Texas Sign Association for future marketing of the group to new members.

The carrier will distribute the dividend to the Group, regardless of this formula based solely on the calculation of the Group as a whole.