



# Workers' Compensation Standard Dividend Program

The Donegal Insurance Group has Workers' Compensation Dividend Plans available for your Best-In-Class business. The applicable plan will be listed on the policy through the use of a participating endorsement. The plan provisions are listed below:

1. Dividends cannot be guaranteed and are subject to approval annually by the Board of Directors.
2. Dividends will be due and payable only for a policy period that has expired. Terminated and short term policy periods are not eligible. The dividend will be computed and distributed to eligible insureds approximately eighteen (18) months after the inception date of the policy. Any dividend payable may be applied to an outstanding premium balance due for the policy period of the dividend.
3. A policy may be eligible for a dividend if the final earned premium exceeds the minimum eligibility threshold as set forth in the applicable dividend program. The final earned premium is calculated using the actual payroll as determined by the Donegal Insurance Group at audit. Non-compliance with the final audit as of ten (10) months after policy expiration will deem the policy ineligible for a dividend payment.
4. The dividend program requires that the incurred loss ratio (based upon paid claims and adjusting expenses + open reserves) as of eighteen (18) months after inception of the policy period not exceed the maximum loss ratio as set forth in the applicable dividend program.

MINIMUM EARNED PREMIUM	LOSS RATIO	DIVIDEND PAYMENT
\$25,000	0% - 5%	8%
	5.01% - 10%	6%
	10.01% - 20%	4%
	20.01% - 30%	3%
	Over 30%	0%

*\*Not applicable in D.C., ME, MI, NH, WV, or WI*