

MICHIGAN WORKERS' COMPENSATION PLACEMENT FACILITY

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February 1, 2009

CIRCULAR LETTER NO. 227 TO HOME OFFICES ONLY

RE: Net Direct Premium for Calendar Year 2008

Dear Member:

The Plan of Operations for the Facility provides that "each participating member will be assessed in proportion to its participation ratio with respect to the period for which the assessment is made." This requires that assessments be made on the basis of actual workers' compensation insurance premium written.

So that we may have the correct base for assessment for the 2008 reapportionment for the Facility and the Compensation Advisory Organization of Michigan (CAOM), please furnish us with a statement of your net direct voluntary workers' compensation premiums for Michigan for the 2008 calendar year. Such statements should be on the same basis as that submitted to the National Association of Insurance Commissioners.

The 2008 calendar years premium will be used as the basis for assessment for the third and fourth quarters of 2009 for the Facility and CAOM.

For accounting purposes, this premium must be separately reported for each company, not by groups. This figure should match the figure reported to the NCCI, page 14 line 16 column 1 of the annual statement.

You may submit this information via our web site. Clicking on link below takes you directly to form: <http://www.caom.com/forms/NetDirectPremiumForm.htm>

Your early reply will be greatly appreciated. Please report your writing no later than April 15th.

Respectfully,

George E. Bauer
Financial Specialist