



Proud to announce our loyal policyholders are being rewarded for their commitment to safety with our largest ever \$50 million corporate dividend!

Big news—no, HUGE news—for Chesapeake Employers Insurance members. For the seventh consecutive year we are paying a corporate dividend to our eligible policyholders. This year's dividend of \$50 million brings a total of \$120 million reinvested in growing Maryland's businesses, workers and economy.

How can we do this?

In 2023, Chesapeake Employers' financial performance exceeded expectations. As Maryland's only nonprofit workers' compensation insurance carrier, we are proud to reinvest our profits back into our policyholders' businesses as member dividends for eligible customers like you.

Approximately
97% of Our
POLICYHOLDERS
Will Receive a
Corporate Dividend
in 2024!

Important Change to the 2024 Corporate Dividend Calculation & Payments.

Starting with the 2024 corporate dividend, we are transitioning from accident year to policy year experience to determine policyholder eligibility. Policy year experience gives us a better match of losses to premiums to determine loss ratio. Because we valued the data at a later point in time, we increased the loss ratio for the policy year(s) experience to 40.3% for policyholders to be eligible for the corporate dividend. Please see the Policy Year Experience 2022 chart below and Corporate Dividend Requirements At-A-Glance diagram on page 2 for the updated transition period and eligibility details.

Policy Year Experience 2022 for a 2024 Corporate Dividend

Policy Year 2022

Experience year looked at for the 2024 dividend transition:
All policies with effective dates from 1/1/2022 – 12/31/2022.

Example: If a new policy is effective 12/31/2022, it expires on 12/31/2023.

Evaluated as of March 31, 2024

Only experience from the 2022 policy year is considered. This evaluation date allows time for audits to be completed. Claim incurred losses as of 3/31/2024 will reflect cumulative payments and reserves as of 3/31/2024.

Example: A claim in policy year 2022 with an accident date of 3/1/2022 would include all payments between then and 3/31/2024 plus the reserves as of 3/31/2024 in its incurred losses.

- Policy year 2022 includes all policies with effective dates between 1/1/2022 and 12/31/2022.
- The evaluation date for the 2024 corporate dividend ends on 3/31/2024, considering all premiums, audits, and incurred loss values as of that date.

Q: What is a corporate dividend?

A: A corporate dividend is a portion of the insurance company's profits that is paid to policyholders. If the insurance company has a good year financially, it can share its success by returning some of its policyholder premium in the form of a corporate dividend.

Q: How is my dividend determined?

A: We calculate your "loss ratio," for the eligible policy period from 2022. This is accomplished by determining the dollar amount of losses incurred during the policy period valued as of March 31, 2024, and the premiums for the policy period. We divide the losses incurred by the premiums for the policy period and this is your "loss ratio." If your loss ratio is less than 40.3%, then you will receive a dividend. The lower your loss ratio, the higher your dividend.

Q: When will I receive my 2024 corporate dividend?

A: Dividends will be paid to qualifying policyholders 45 days before the policy's renewal date beginning with July 1, 2024, renewal quotes.

Q: Will I receive a corporate dividend even if I switched carriers or was insured with Chesapeake Employers for only a portion of the year?

A: Qualifying policyholders whose policy expired or was cancelled during the year will also receive a dividend.

Q: Can you apply my corporate dividend to my current premium balance?

A: No. Your dividend will be mailed to you in the form of a check made payable to the policyholder.

Q: Could I receive a check for participating in the corporate dividend plan and for either an individual dividend plan or the safety or affinity group dividend plan?

A: For safety or affinity group plan dividend payments, you may receive both dividends. For the safe returns individual dividend plan payments, the corporate dividend will be reduced for any individual dividend plan payments.

Q: Are corporate dividends tax exempt? A: Please check with your tax advisor.

Q: Will Chesapeake Employers issue a corporate dividend every year?

A: Corporate dividends are based on the financial performance of Chesapeake Employers. They are not guaranteed. Corporate dividends must be approved by Chesapeake Employers' Board of Directors and the Maryland Insurance Administration.

Q: Are Zurich other states coverage premiums included in the corporate dividend calculation?

A: Yes. Other states premiums and losses are included in the corporate dividend calculation.

The Corporate Dividend plans differ by plan year as described in the chart below:

Corporate Dividend Requirements At-A-Glance

	2023 Dividend \$15 Million	2024 Dividend \$50 Million
Experience Years	1/1/2022 – 12/31/2022	1/1/2022 – 12/31/2022 All policies written and expired in 2022 evaluated as of 3/31/2024.
Payout	Dividends will be paid beginning with 7/1/2023 renewal quotes. (Note: 60 days prior to renewal date or, if policy expired or was cancelled, on the expiration date.)	Dividends will be paid beginning with 7/1/2024 renewal quotes. (Note: 45 days prior to renewal date or, if policy expired or was cancelled, on the expiration date.)
Coverage Period	2022 for 2023 payout.	2022 evaluated as of 3/31/2024 for 2024 payout.
Accident Year Loss Ratio	Less than 31% evaluated as of 12/31 of each earnings period.	Policy Year Loss Ratio Less than 40.3% evaluated as of 3/31/2024 for the 2022 experience.
Minimum Dividend	\$50. Amounts less than \$50 will not be distributed.	\$50. Amounts less than \$50 will not be distributed.

For additional information about policyholder corporate dividends, please contact your agent, visit the company website, www.ceiwc.com or call Chesapeake Employers' Customer Service Center at 1-800-264-4943.

Thank you for your continued trust in Chesapeake Employers' Insurance Company.