

Exhibit D: Carrier's Estimate of Ultimate Liability

Important Note: "Ultimate Liability" is also referred to as the carrier's most recent "loss adjustment" amount.

Applicable ESAC Standard and Instructions:

1. *In lieu of an Accredited PEO demonstrating to ESAC that reserves are adequate and established based on actuarially developed estimates performed by an Independent Certified Actuary, the PEO may provide a carrier confirmation letter from each current or former workers' compensation carrier for which there is any potential remaining claim liability or any such carrier that continues to hold collateral for a potential claim liability.*
2. *The carrier's confirmation should include a transmittal letter on the carrier's letterhead signed by an authorized corporate manager or officer, with the form and content of such letter similar to the following example.*

Acceptable Form of Letter on Carrier Letterhead

ESAC
One Financial Centre
650 S. Shackleford Road, Suite 327
Little Rock, AR 72211

Re: <Name of PEO> - <Policy or plan number and effective date>

We estimate the above named PEO has a financial liability for all reported claims and the estimated incurred but not reported claims through <Date of Carrier's most recent loss adjustment> for the most recent policy year and for all prior policy years covered by our company equal to \$ _____.

This estimate is based on our consideration of the terms of our policy and claims funding arrangement with the PEO and appropriate application of generally accepted actuarial methods, including but not limited to incurred but not reported claims, incurred but unpaid claims, future claims development, retrospective premium adjustments, inflationary trends and the degree of risk. Our estimate includes consideration of all policy years insured by our company for which we consider there to be a potential for outstanding claim liability.

Our estimate of this PEO's financial liability under our policy(ies) or plan(s) is based on:

- ☐ The enclosed claims information and calculations; or
- ☐ Our internal calculations of the amount of collateral we determined the PEO needed to provide to our company to guarantee payment of the PEO's portion of its claims liability. The total amount of collateral that we now hold for this purpose is:

\$ _____ in the form of _____

This information is based on data analysis and information for our company's internal use and is being provided to <Name of PEO> for ESAC's use as a courtesy to our Policyholder. No guaranty or warranty regarding the use of information by ESAC, the PEO or any other entity is either directly or indirectly intended or implied.

Sincerely,

Signature of authorized Corporate Manager or Officer
Name and Title