

**Re Page B-166:**

Q. Provide the criteria by which incidents are characterized as major, moderate and minor as referenced in the Operating Experience Section at page B-166.

A. The criteria by which incidents are characterized as major, moderate and minor are as follows:

Major Incident:

A major incident would be rated as Major Loss Potential or a Condition Report rated as Class "A" when there is a reasonable potential that the individual(s) involved was or could be killed or permanently totally or partially disabled. From a property perspective, an incident would be rated as Major Loss Potential or a Condition Report rated as Class "A" when the estimated cost of the damages is greater than \$50,000.

Moderate Incident:

A moderate incident would be rated as Moderate Loss Potential or a Condition Report rated as Class "B" when there is a reasonable potential that the individual(s) involved was or could be temporarily disabled. From a property perspective, an incident should be rated as Moderate Loss Potential or a Condition Report rated as Class "B" when the estimated cost of the damages is greater than \$5,000 but less than \$50,000.

Minor Incident:

A minor incident would be rated as Minor Loss Potential or a Condition Report rated as Class "C" when they fall outside of the above guidelines.

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From a property perspective, an incident should be rated as Minor Loss

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Potential or a Condition Report rated as Class "C" when the estimated cost of

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the damages is less than \$5,000.