

PENNSYLVANIA COMPENSATION RATING BUREAU

**Summary of Material for Modification of Experience
April 1, 2009 Loss Cost Revision**

As Filed

PENNSYLVANIA 2009 LOSS COST FILING

EFFECTIVE DATE - April 1, 2009

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* Incurred Losses exclude IBNR and Bulk Reserves.

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EXHIBIT I

INDICATED CHANGE IN LOSS COSTS

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(1) Policy Year 2004 Ratio of Loss to Expected Loss	0.5399	0.5499	1.0898
(2) Policy Year 2005 Ratio of Loss to Expected Loss	0.5070	0.5109	1.0179
(3) Policy Year 2006 Ratio of Loss to Expected Loss	0.4951	0.4897	0.9848
(4) Average (Midpoint = 1/1/2006)	0.5140	0.5168	1.0308
(5) Policy Year 2004 Ratio Trended to 4/1/2010 +	0.4888	0.5648	1.0536
(6) Policy Year 2005 Ratio Trended to 4/1/2010 +	0.4705	0.5252	0.9957
(7) Policy Year 2006 Ratio Trended to 4/1/2010 +	0.4695	0.5020	0.9715
(8) Average at 4/1/2010	0.4763	0.5307	1.0070
(9) Indicated Change in Loss Costs	0.4763	0.5307	1.0070

CHANGES IN MANUAL LOSS COST LEVEL BY INDUSTRY GROUP

	<u>Mfg.</u>	<u>Cont.</u>	<u>Other</u>	<u>Total</u>
(10) Current Collectible Premium Ratio	1.0562	1.1063	1.0544	
(11) Anticipated Collectible Premium Ratio	1.0463	1.0951	1.0399	
(12) Final Indicated Change in Manual Loss Cost Level (9T) * (11) / (10)	0.9976	0.9968	0.9932	0.9949

+ Refer to pages 18 and 19

EXHIBIT II

**CALCULATION OF EMPLOYER ASSESSMENT FACTOR AND
LOADING FOR LOSS BASED ASSESSMENTS**

(1)	2007 PCRB Member Paid Loss*	2,111,223,316
(2)	2008/2009 Fiscal Year Membership Assessment Amount	
	a. Administration Fund	59,647,508
	b. Subsequent Injury Fund	185,869
	c. Supersedeas Fund	14,034,054
	d. Uninsured Employers Guaranty Fund	2,135,743
	e. Total	<u>76,003,174</u>
(3)	2007 Employer Assessment Premium Base	3,162,103,251
(4)	2008/2009 Fiscal Year Membership Assessment Rate	
	a. Administration Fund (2a) / (3)	0.0189
	b. Subsequent Injury Fund (2b) / (3)	0.0001
	c. Supersedeas Fund (2c) / (3)	0.0044
	d. Uninsured Employers Guaranty Fund (2d) / (3)	0.0007
	e. Employer Assessment Factor	<u>0.0241</u>
(5)	2008/2009 Fiscal Year Budget for the Office of Small Business Advocate	183,000
(6)	2008/2009 Fiscal Year Membership Assessment Rate for the Office of Small Business Advocate (5) / (1)	0.0001
(7)	Merit Rating Plan Increment Factor	0.0029
(8)	Certified Safety Committee Program Increment Factor	0.0114
(9)	Overall Adjustment for the Office of Small Business Advocate, Merit Rating Plan and Certified Safety Committee Program (6) + (7) + (8)	<u>0.0144</u>

* Loss payments on deductible policies have been adjusted to a 1st dollar basis.

EXHIBIT III - 1

POLICY YEAR LOSS RATIO 2006

(1) Standard Earned Premium Reported (Table I)			1,765,209,118
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0189
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			1.0020
(5) Factor to Remove Loss Based Assessments			0.9897
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)			1,783,606,376
(7) Loss Cost Change 12/1/95 to 4/1/08			0.8973
(8) Expected Loss at Current Level (6)*(7)			1,600,430,001
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	193,536,358	356,345,602	549,881,960
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	4.3681	2.2325	
(11) Ultimate Incurred Losses	845,386,165	795,541,556	1,640,927,721
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	845,386,165	795,541,556	1,640,927,721
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5282	0.4971	1.0253
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	388,182,585	489,968,486	878,151,071
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.9046	1.5756	
(17) Ultimate Incurred Losses	739,332,551	771,994,347	1,511,326,898
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	739,332,551	771,994,347	1,511,326,898
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.4620	0.4824	0.9444
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	792,359,358	783,767,952	1,576,127,310
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.4951	0.4897	0.9848
(23) Normalized Claim Frequency (Exhibit VI-2)	0.4895	0.4895	
(24) Severity Ratio * (22) / (23)	1.0114	1.0004	2.0118

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 2

POLICY YEAR LOSS RATIO 2005

(1) Standard Earned Premium Reported (Table I)			1,854,972,566
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0049
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			1.0016
(5) Factor to Remove Loss Based Assessments			0.9912
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)			1,850,614,440
(7) Loss Cost Change 12/1/95 to 4/1/08			0.8373
(8) Expected Loss at Current Level (6) *(7)			1,549,519,471
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	359,257,803	451,222,197	810,480,000
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	2.3295	1.7478	
(11) Ultimate Incurred Losses	836,891,052	788,646,156	1,625,537,208
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	836,891,052	788,646,156	1,625,537,208
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5401	0.5090	1.0491
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	553,629,121	558,758,388	1,112,387,509
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.3265	1.4221	
(17) Ultimate Incurred Losses	734,389,029	794,610,304	1,528,999,333
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	734,389,029	794,610,304	1,528,999,333
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.4739	0.5128	0.9867
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	785,640,041	791,628,230	1,577,268,271
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5070	0.5109	1.0179
(23) Normalized Claim Frequency (Exhibit VI-2)	0.5067	0.5067	
(24) Severity Ratio * (22) / (23)	1.0006	1.0083	2.0089

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 3

POLICY YEAR LOSS RATIO 2004

(1) Standard Earned Premium Reported (Table I)			1,675,890,759
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0024
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			1.0000
(5) Factor to Remove Loss Based Assessments			0.9906
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)			1,664,121,716
(7) Loss Cost Change 12/1/95 to 4/1/08			0.8286
(8) Expected Loss at Current Level (6) *(7)			1,378,891,254
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	465,796,461	477,660,291	943,456,752
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.6794	1.5911	
(11) Ultimate Incurred Losses	782,258,577	760,005,289	1,542,263,866
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	782,258,577	760,005,289	1,542,263,866
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5673	0.5512	1.1185
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	617,632,028	560,760,950	1,178,392,978
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.1442	1.3489	
(17) Ultimate Incurred Losses	706,694,566	756,410,445	1,463,105,011
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	706,694,566	756,410,445	1,463,105,011
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5125	0.5486	1.0611
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	744,476,572	758,207,867	1,502,684,439
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5399	0.5499	1.0898
(23) Normalized Claim Frequency (Exhibit VI-2)	0.5483	0.5483	
(24) Severity Ratio * (22) / (23)	0.9847	1.0029	1.9876

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 4

POLICY YEAR LOSS RATIO 2003

(1) Standard Earned Premium Reported (Table I)			1,605,063,722
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0026
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			0.9992
(5) Factor to Remove Loss Based Assessments			0.9910
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)			1,593,477,953
(7) Loss Cost Change 12/1/95 to 4/1/08			0.8415
(8) Expected Loss at Current Level (6) *(7)			1,340,911,697
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	518,353,463	457,836,859	976,190,322
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.4419	1.5129	
(11) Ultimate Incurred Losses	747,413,858	692,661,384	1,440,075,242
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	747,413,858	692,661,384	1,440,075,242
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5574	0.5166	1.0740
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	615,581,565	521,805,618	1,137,387,183
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0783	1.2986	
(17) Ultimate Incurred Losses	663,781,602	677,616,776	1,341,398,378
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	663,781,602	677,616,776	1,341,398,378
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.4950	0.5053	1.0003
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	705,597,730	685,139,080	1,390,736,810
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5262	0.5110	1.0372
(23) Normalized Claim Frequency (Exhibit VI-2)	0.5775	0.5775	
(24) Severity Ratio * (22) / (23)	0.9112	0.8848	1.7960

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 5

POLICY YEAR LOSS RATIO 2002

(1) Standard Earned Premium Reported (Table I)			1,553,994,837
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0028
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			0.9988
(5) Factor to Remove Loss Based Assessments			0.9929
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)			1,545,425,028
(7) Loss Cost Change 12/1/95 to 4/1/08			0.8326
(8) Expected Loss at Current Level (6) *(7)			1,286,720,878
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	572,369,017	452,884,596	1,025,253,613
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.3189	1.4598	
(11) Ultimate Incurred Losses	754,897,497	661,120,933	1,416,018,430
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	754,897,497	661,120,933	1,416,018,430
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5867	0.5138	1.1005
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	655,002,014	517,536,981	1,172,538,995
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0488	1.2773	
(17) Ultimate Incurred Losses	686,966,112	661,049,986	1,348,016,098
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	686,966,112	661,049,986	1,348,016,098
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5339	0.5137	1.0476
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	720,931,805	661,085,460	1,382,017,265
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5603	0.5138	1.0741
(23) Normalized Claim Frequency (Exhibit VI-2)	0.6287	0.6287	
(24) Severity Ratio * (22) / (23)	0.8912	0.8172	1.7084

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 6

POLICY YEAR LOSS RATIO 2001

(1) Standard Earned Premium Reported (Table I)			1,541,621,402
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0020
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			0.9974
(5) Factor to Remove Loss Based Assessments			0.9923
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)			1,528,825,112
(7) Loss Cost Change 12/1/95 to 4/1/08			0.8409
(8) Expected Loss at Current Level (6) *(7)			1,285,589,037
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	616,275,673	461,248,066	1,077,523,739
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.2507	1.4217	
(11) Ultimate Incurred Losses	770,775,984	655,756,375	1,426,532,359
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	770,775,984	655,756,375	1,426,532,359
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5996	0.5101	1.1097
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	667,798,387	503,052,929	1,170,851,316
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0403	1.2634	
(17) Ultimate Incurred Losses	694,710,662	635,557,070	1,330,267,732
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	694,710,662	635,557,070	1,330,267,732
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5404	0.4944	1.0348
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	732,743,323	645,656,723	1,378,400,046
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5700	0.5022	1.0722
(23) Normalized Claim Frequency (Exhibit VI-2)	0.6558	0.6558	
(24) Severity Ratio * (22) / (23)	0.8692	0.7658	1.6350

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 7

POLICY YEAR LOSS RATIO 2000

(1) Standard Earned Premium Reported (Table I)				1,504,171,676
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)				1.0001
(3) Expense Constant Removal Factor				1.0000
(4) PCCPAP On-Level Factor				0.9966
(5) Factor to Remove Loss Based Assessments				0.9925
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)				1,487,963,343
(7) Loss Cost Change 12/1/95 to 4/1/08				0.8423
(8) Expected Loss at Current Level (6) *(7)				1,253,311,524
Losses - Paid-to-20th Method				
	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>	
(9) Paid Losses Reported (Table I-D & I-E)	651,677,529	481,862,110		1,133,539,639
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.2112	1.3893		
(11) Ultimate Incurred Losses	789,311,823	669,451,029		1,458,762,852
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000		
(13) Adjusted Losses (11) * (12)	789,311,823	669,451,029		1,458,762,852
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.6298	0.5341		1.1639
Losses - Incurred Method				
(15) Incurred Losses Reported (Table I-B & I-C)	703,313,786	552,116,588		1,255,430,374
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0335	1.2457		
(17) Ultimate Incurred Losses	726,874,798	687,771,634		1,414,646,432
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000		
(19) Adjusted Losses (17) * (18)	726,874,798	687,771,634		1,414,646,432
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5800	0.5488		1.1288
Losses - Average of Incurred and Paid to 20th Method				
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	758,093,311	678,611,332		1,436,704,643
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.6049	0.5415		1.1464
(23) Normalized Claim Frequency (Exhibit VI-2)	0.7107	0.7107		
(24) Severity Ratio * (22) / (23)	0.8511	0.7619		1.6130

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 8

POLICY YEAR LOSS RATIO 1999

(1) Standard Earned Premium Reported (Table I)			1,483,981,435
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0000
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			0.9919
(5) Factor to Remove Loss Based Assessments			0.9651
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)			1,420,589,740
(7) Loss Cost Change 12/1/95 to 4/1/08			0.8549
(8) Expected Loss at Current Level (6) *(7)			1,214,462,169
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	628,614,696	467,511,359	1,096,126,055
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.1796	1.3602	
(11) Ultimate Incurred Losses	741,513,895	635,908,951	1,377,422,846
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	741,513,895	635,908,951	1,377,422,846
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.6106	0.5236	1.1342
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	665,546,631	532,295,468	1,197,842,099
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0316	1.2172	
(17) Ultimate Incurred Losses	686,577,905	647,910,044	1,334,487,949
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	686,577,905	647,910,044	1,334,487,949
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5653	0.5335	1.0988
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	714,045,900	641,909,498	1,355,955,398
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5880	0.5286	1.1166
(23) Normalized Claim Frequency (Exhibit VI-2)	0.7586	0.7586	
(24) Severity Ratio * (22) / (23)	0.7751	0.6968	1.4719

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 9

POLICY YEAR LOSS RATIO 1998

(1) Standard Earned Premium Reported (Table I)			1,452,037,050
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0000
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			0.9919
(5) Factor to Remove Loss Based Assessments			0.9660
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)			1,391,306,181
(7) Loss Cost Change 12/1/95 to 4/1/08			0.8054
(8) Expected Loss at Current Level (6) *(7)			1,120,557,998
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	551,582,010	426,093,632	977,675,642
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.1548	1.3293	
(11) Ultimate Incurred Losses	636,966,905	566,406,265	1,203,373,170
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	636,966,905	566,406,265	1,203,373,170
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5684	0.5055	1.0739
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	586,225,438	495,814,548	1,082,039,986
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0231	1.1944	
(17) Ultimate Incurred Losses	599,767,246	592,200,896	1,191,968,142
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	599,767,246	592,200,896	1,191,968,142
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5352	0.5285	1.0637
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	618,367,076	579,303,581	1,197,670,657
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5518	0.5170	1.0688
(23) Normalized Claim Frequency (Exhibit VI-2)	0.8011	0.8011	
(24) Severity Ratio * (22) / (23)	0.6888	0.6454	1.3342

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT III - 10

POLICY YEAR LOSS RATIO 1997

(1) Standard Earned Premium Reported (Table I)			1,494,849,725
(2) Premium Development Factor to Ultimate Level (Exhibit V-1)			1.0000
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			0.9937
(5) Factor to Remove Loss Based Assessments			0.9725
(6) Standard Earned Premium on Level (1)*(2)*(3)*(4)*(5)			1,444,582,787
(7) Loss Cost Change 12/1/95 to 4/1/08			0.7082
(8) Expected Loss at Current Level (6) *(7)			1,023,053,530
Losses - Paid-to-20th Method	Indemnity	Medical	Total
(9) Paid Losses Reported (Table I-D & I-E)	531,708,671	393,899,002	925,607,673
(10) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.1355	1.3079	
(11) Ultimate Incurred Losses	603,755,196	515,180,505	1,118,935,701
(12) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(13) Adjusted Losses (11) * (12)	603,755,196	515,180,505	1,118,935,701
(14) Policy Year Ratio of Losses to Expected Losses (13) / (8)	0.5902	0.5036	1.0938
Losses - Incurred Method			
(15) Incurred Losses Reported (Table I-B & I-C)	557,946,207	437,441,370	995,387,577
(16) Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3)	1.0183	1.1782	
(17) Ultimate Incurred Losses	568,156,623	515,393,422	1,083,550,045
(18) Adjustment to Post-Act 44 Loss Levels	1.0000	1.0000	
(19) Adjusted Losses (17) * (18)	568,156,623	515,393,422	1,083,550,045
(20) Policy Year Ratio of Losses to Expected Losses (19) / (8)	0.5554	0.5038	1.0592
Losses - Average of Incurred and Paid to 20th Method			
(21) Adjusted Ultimate Incurred Losses ((13)+(19))/2	585,955,910	515,286,964	1,101,242,874
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5728	0.5037	1.0765
(23) Normalized Claim Frequency (Exhibit VI-2)	0.8608	0.8608	
(24) Severity Ratio * (22) / (23)	0.6654	0.5852	1.2506

* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

EXHIBIT IV-1

**POLICY YEARS 1993 - 1999
PREMIUM ON-LEVEL FACTORS**

<u>POLICY YEAR</u>	<u>(1) LOSS COST DATE</u>	<u>(2) LOSS COST CHANGE</u>	<u>(3) CUM. INDEX OF COL (2)</u>	<u>(4) PORTION OF YEAR ON-LEVEL</u>	<u>(5) PRODUCT (3) * (4)</u>	<u>FACTOR TO ADJUST TO 4/01/08 LC LEVEL</u>
PRIOR TO DEC 1993	12/01/92	BASE	1.0000	1.0000	1.0000	0.5102
	12/01/93	0.5102	0.5102	-----	-----	
	to 4/01/08			1.0000	1.0000	
1993 (DEC)	12/01/93	BASE	1.0000	1.0000	1.0000	0.5206
	12/01/95	0.5206	0.5206	-----	-----	
	to 4/01/08			1.0000	1.0000	
1994	12/01/93	BASE	1.0000	1.0000	1.0000	0.5206
	12/01/95	0.5206	0.5206	-----	-----	
	to 4/01/08			1.0000	1.0000	
1995	12/01/93	BASE	1.0000	0.9386	0.9386	0.5236
	12/01/95	0.9057	0.9057	0.0614	0.0556	
	2/01/97	0.5748	0.5206	-----	-----	
	to 4/01/08			1.0000	0.9942	
1996	12/01/95	BASE	1.0000	1.0000	1.0000	0.5748
	2/01/97	0.5748	0.5748	-----	-----	
	to 4/01/08			1.0000	1.0000	
1997	12/01/95	BASE	1.0000	0.2464	0.2464	0.7082
	2/01/97	0.7500	0.7500	0.7536	0.5652	
	4/01/98	0.7664	0.5748	-----	-----	
	to 4/01/08			1.0000	0.8116	
1998	2/01/97	BASE	1.0000	0.2997	0.2997	0.8054
	4/01/98	0.9306	0.9306	0.7003	0.6517	
	4/01/99	0.8235	0.7663	-----	-----	
	to 4/01/08			1.0000	0.9514	
1999	4/01/98	BASE	1.0000	0.3019	0.3019	0.8549
	4/01/99	0.9474	0.9474	0.6981	0.6614	
	4/01/00	0.8692	0.8235	-----	-----	
	to 4/01/08			1.0000	0.9633	

EXHIBIT IV-2

**POLICY YEARS 2000 - 2007
PREMIUM ON-LEVEL FACTORS**

<u>POLICY YEAR</u>	<u>(1) LOSS COST DATE</u>	<u>(2) LOSS COST CHANGE</u>	<u>(3) CUM. INDEX OF COL (2)</u>	<u>(4) PORTION OF YEAR ON-LEVEL</u>	<u>(5) PRODUCT (3) * (4)</u>	<u>FACTOR TO ADJUST TO 4/01/08 LC LEVEL</u>
2000	4/01/99	BASE	1.0000	0.2912	0.2912	0.8423
	4/01/00	1.0450	1.0450	0.7088	0.7407	
	4/01/01	0.8318	0.8692	-----	-----	
	to 4/01/08			1.0000	1.0319	
2001	4/01/00	BASE	1.0000	0.3007	0.3007	0.8409
	4/01/01	0.9845	0.9845	0.6993	0.6885	
	4/01/02	0.8449	0.8318	-----	-----	
	to 4/01/08			1.0000	0.9892	
2002	4/01/01	BASE	1.0000	0.3021	0.3021	0.8326
	4/01/02	1.0212	1.0212	0.6979	0.7127	
	4/01/03	0.8274	0.8449	-----	-----	
	to 4/01/08			1.0000	1.0148	
2003	4/01/02	BASE	1.0000	0.3071	0.3071	0.8415
	4/01/03	0.9759	0.9759	0.6929	0.6762	
	4/01/04	0.8478	0.8274	-----	-----	
	to 4/01/08			1.0000	0.9833	
2004	4/01/03	BASE	1.0000	0.3012	0.3012	0.8286
	4/01/04	1.0332	1.0332	0.6988	0.7220	
	4/01/05	0.8206	0.8478	-----	-----	
	to 4/01/08			1.0000	1.0232	
2005	4/01/04	BASE	1.0000	0.3071	0.3071	0.8373
	4/01/05	0.9711	0.9711	0.6929	0.6729	
	4/01/06	0.8450	0.8206	-----	-----	
	to 4/01/08			1.0000	0.9800	
2006	4/01/05	BASE	1.0000	0.3202	0.3202	0.8973
	4/01/06	0.9142	0.9142	0.6798	0.6215	
	4/01/07	0.9243	0.8450	-----	-----	
	to 4/01/08			1.0000	0.9417	
2007	4/01/06	BASE	1.0000	0.2948	0.2948	0.9055
	4/01/07	1.0295	1.0295	0.7052	0.7260	
	4/01/08	0.8978	0.9243	-----	-----	
				1.0000	1.0208	

EXHIBIT V - 1

DEVELOPMENT FACTORS

PREMIUM

<u>Reports in Ratio</u>	<u>Policy Year</u>	<u>2006-2007 Ratio</u>	<u>Policy Year</u>	<u>2005-2006 Ratio</u>	<u>Policy Year</u>	<u>2004-2005 Ratio</u>	<u>Policy Year</u>	<u>2003-2004 Ratio</u>	<u>Unweighted Average</u>	<u>Selected Average</u>	<u>Cumulative Average</u>
2nd to 1st	2006	1.0210	2005	1.0191	2004	1.0004	2003	1.0151	1.0139	1.0139	1.0189
3rd to 2nd	2005	1.0024	2004	0.9985	2003	1.0034	2002	1.0058	1.0025	1.0025	1.0049
4th to 3rd	2004	1.0023	2003	0.9993	2002	0.9988	2001	0.9988	0.9998	0.9998	1.0024
5th to 4th	2003	0.9995	2002	0.9990	2001	0.9998	2000	1.0008	0.9998	0.9998	1.0026
6th to 5th	2002	1.0006	2001	1.0007	2000	1.0007	1999	1.0013	1.0008	1.0008	1.0028
7th to 6th	2001	0.9999	2000	1.0003	1999	0.9989	1998	1.0083	1.0019	1.0019	1.0020
8th to 7th	2000	1.0015	1999	0.9997	1998	0.9995	1997	0.9997	1.0001	1.0001	1.0001
9th to 8th	1999	1.0005	1998	0.9996	1997	1.0001	1996	0.9998	1.0000	1.0000	1.0000
10th to 9th	1998	1.0002	1997	1.0000	1996	1.0001	1995	0.9999	1.0001	1.0000	1.0000
11th to 10th	1997	1.0000	1996	1.0006	1995	1.0004	1994	0.9998	1.0003	+	1.0000
12th to 11th	1996	1.0001	1995	1.0000	1994	1.0006	1993	1.0000	1.0000	#	1.0000
13th to 12th	1995	1.0000	1994	0.9994	1993	1.0002	1992	0.9999	1.0000	@	1.0000
14th to 13th	1994	1.0000	1993	1.0000	1992	1.0000	1991	1.0001	1.0000	&	1.0000
15th to 14th	1993	1.0001	1992	1.0000	1991	1.0001	1990	1.0000	1.0001		1.0000
16th to 15th	1992	0.9993	1991	0.9977	1990	0.9999	1989	1.0000	0.9992		1.0000
17th to 16th	1991	1.0003	1990	0.9960	1989	1.0000	1988	1.0000	0.9991		1.0000
18th to 17th	1990	1.0002	1989	0.9947	1988	1.0000	1987	1.0000	0.9987		1.0000
19th to 18th	1989	1.0004	1988	0.9994	1987	1.0001	1986	1.0002	1.0000		1.0000
20th to 19th	1988	0.9999	1987	0.9994	1986	1.0001	1985	1.0000	0.9999		1.0000

INCURRED METHOD

<u>Policy Year</u>	<u>Present Valuation</u>	<u>Premium Development Factor</u>
1989	Nineteenth	1.0000
1990	Eighteenth	1.0000
1991	Seventeenth	1.0000
1992	Sixteenth	1.0000
1993	Fifteenth	1.0000
1994	Fourteenth	1.0000
1995	Thirteenth	1.0000
1996	Twelfth	1.0000
1997	Eleventh	1.0000
1998	Tenth	1.0000
1999	Ninth	1.0000
2000	Eighth	1.0000
2001	Seventh	1.0001
2002	Sixth	1.0020
2003	Fifth	1.0028
2004	Fourth	1.0026
2005	Third	1.0024
2006	Second	1.0049
2007	First	1.0189

+ Due to the impact of Act 44, the 2003-2004 ratio was excluded and the 2002-2003 ratio(1.0001) was included in the unweighted average.

Due to the impact of Act 44, the 2004-2005 ratio was excluded and the 2002-2003 ratio(1.0000) was included in the unweighted average.

@ Due to the impact of Act 44, the 2005-2006 ratio was excluded and the 2002-2003 ratio(1.0000) was included in the unweighted average.

& Due to the impact of Act 44, the 2006-2007 ratio was excluded and the 2002-2003 ratio(1.0000) was included in the unweighted average.

EXHIBIT V - 2

DEVELOPMENT FACTORS

**INDEMNITY LOSSES
PAID METHOD**

<u>Reports in Ratio</u>		<u>Policy Year</u>	<u>2006-2007 Ratio</u>	<u>Policy Year</u>	<u>2005-2006 Ratio</u>	<u>Unweighted Average</u>	<u>Cumulative Average</u>	
2nd to 1st	a	2006	1.9094	2005	1.8408	1.8751	4.3681	
3rd to 2nd	a	2005	1.3845	2004	1.3896	1.3871	2.3295	
4th to 3rd	a	2004	1.1695	2003	1.1599	1.1647	1.6794	
5th to 4th	a	2003	1.0983	2002	1.0883	1.0933	1.4419	
6th to 5th	a	2002	1.0544	2001	1.0545	1.0545	1.3189	
7th to 6th	a	2001	1.0296	2000	1.0356	1.0326	1.2507	
8th to 7th	a	2000	1.0230	1999	1.0305	1.0268	1.2112	
9th to 8th	a	1999	1.0237	1998	1.0192	1.0215	1.1796	
10th to 9th	a	1998	1.0190	1997	1.0149	1.0170	1.1548	
11th to 10th	a	1997	1.0128	1996	1.0119	1.0124	1.1355	
12th to 11th	a	1996	1.0114	1995	1.0109	1.0112	1.1216	
13th to 12th	a	1995	1.0102	1994	1.0102	1.0102	1.1092	
14th to 13th	a	1994	1.0086	1993	1.0090	1.0088	1.0980	
15th to 14th	a	1993	1.0130	1992	1.0076	1.0103	1.0884	
16th to 15th	a	1992	1.0081	1991	1.0066	1.0074	1.0773	
17th to 16th	a	1991	1.0069	1990	1.0060	1.0065	1.0694	
18th to 17th	a	1990	1.0053	1989	1.0060	1.0057	1.0625	
19th to 18th	a	1989	1.0054	1988	1.0048	1.0051	1.0564	
20th to 19th	b	1988	1.0419	1987	1.0521	1.0470	1.0511	
Beyond 20th		1987	1.0006	1986	1.0042	1.0024	1.0039	d

INCURRED METHOD

<u>Reports in Ratio</u>		<u>Policy Year</u>	<u>2006-2007 Ratio</u>	<u>Policy Year</u>	<u>2005-2006 Ratio</u>	<u>Unweighted Average</u>	<u>Cumulative Average</u>	
2nd to 1st	c	2006	1.4596	2005	1.4119	1.4358	1.9046	
3rd to 2nd	c	2005	1.1529	2004	1.1656	1.1593	1.3265	
4th to 3rd	c	2004	1.0676	2003	1.0548	1.0612	1.1442	
5th to 4th	c	2003	1.0338	2002	1.0223	1.0281	1.0783	
6th to 5th	c	2002	1.0112	2001	1.0052	1.0082	1.0488	
7th to 6th	c	2001	1.0068	2000	1.0062	1.0065	1.0403	
8th to 7th	c	2000	0.9976	1999	1.0061	1.0019	1.0335	
9th to 8th	c	1999	1.0105	1998	1.0061	1.0083	1.0316	
10th to 9th	c	1998	1.0035	1997	1.0059	1.0047	1.0231	
11th to 10th	c	1997	1.0006	1996	1.0138	1.0072	1.0183	
12th to 11th	c	1996	0.9917	1995	0.9991	0.9954	1.0110	
13th to 12th	c	1995	1.0014	1994	0.9988	1.0001	1.0157	
14th to 13th	c	1994	1.0000	1993	1.0007	1.0004	1.0156	
15th to 14th	c	1993	1.0039	1992	0.9993	1.0016	1.0152	
16th to 15th	c	1992	1.0064	1991	1.0015	1.0040	1.0136	
17th to 16th	c	1991	1.0081	1990	1.0009	1.0045	1.0095	
18th to 17th	c	1990	1.0026	1989	0.9991	1.0009	1.0050	
19th to 18th	c	1989	1.0010	1988	1.0010	1.0010	1.0041	
20th to 19th	c	1988	1.0012	1987	0.9972	0.9992	1.0031	
Beyond 20th		1987	1.0006	1986	1.0042	1.0024	1.0039	d

a From Table I-D

b 19th (Paid - Table 1-D) to 20th (Incurred - Table I-B)

c From Table I-B

d Derived separately. See Exhibit # 7 of the April 1, 2009 Filing Package.

EXHIBIT V - 3**DEVELOPMENT FACTORS****MEDICAL LOSSES
PAID METHOD**

<u>Reports in Ratio</u>	<u>Policy Year</u>	<u>2006-2007 Ratio</u>	<u>Policy Year</u>	<u>2005-2006 Ratio</u>	<u>Unweighted Average</u>	<u>Cumulative Average</u>	
2nd to 1st	a	2006	1.2638	2005	1.2908	1.2773	2.2325
3rd to 2nd	a	2005	1.0904	2004	1.1065	1.0985	1.7478
4th to 3rd	a	2004	1.0476	2003	1.0558	1.0517	1.5911
5th to 4th	a	2003	1.0359	2002	1.0368	1.0364	1.5129
6th to 5th	a	2002	1.0262	2001	1.0273	1.0268	1.4598
7th to 6th	a	2001	1.0226	2000	1.0239	1.0233	1.4217
8th to 7th	a	2000	1.0202	1999	1.0226	1.0214	1.3893
9th to 8th	a	1999	1.0269	1998	1.0194	1.0232	1.3602
10th to 9th	a	1998	1.0163	1997	1.0165	1.0164	1.3293
11th to 10th	a	1997	1.0129	1996	1.0224	1.0177	1.3079
12th to 11th	a	1996	1.0168	1995	1.0164	1.0166	1.2851
13th to 12th	a	1995	1.0159	1994	1.0135	1.0147	1.2642
14th to 13th	a	1994	1.0116	1993	1.0135	1.0126	1.2458
15th to 14th	a	1993	1.0127	1992	1.0118	1.0123	1.2303
16th to 15th	a	1992	1.0133	1991	1.0111	1.0122	1.2154
17th to 16th	a	1991	1.0109	1990	1.0116	1.0113	1.2007
18th to 17th	a	1990	1.0108	1989	1.0101	1.0105	1.1873
19th to 18th	a	1989	1.0100	1988	1.0105	1.0103	1.1750
20th to 19th	b	1988	1.1167	1987	1.1083	1.1125	1.1630
Beyond 20th		1987	1.0370	1986	1.0672	1.0521	1.0454

d**INCURRED METHOD**

<u>Reports in Ratio</u>	<u>Policy Year</u>	<u>2006-2007 Ratio</u>	<u>Policy Year</u>	<u>2005-2006 Ratio</u>	<u>Unweighted Average</u>	<u>Cumulative Average</u>	
2nd to 1st	c	2006	1.0914	2005	1.1243	1.1079	1.5756
3rd to 2nd	c	2005	1.0405	2004	1.0681	1.0543	1.4221
4th to 3rd	c	2004	1.0273	2003	1.0501	1.0387	1.3489
5th to 4th	c	2003	1.0207	2002	1.0126	1.0167	1.2986
6th to 5th	c	2002	1.0094	2001	1.0126	1.0110	1.2773
7th to 6th	c	2001	1.0203	2000	1.0080	1.0142	1.2634
8th to 7th	c	2000	1.0163	1999	1.0304	1.0234	1.2457
9th to 8th	c	1999	1.0219	1998	1.0163	1.0191	1.2172
10th to 9th	c	1998	1.0107	1997	1.0169	1.0138	1.1944
11th to 10th	c	1997	1.0079	1996	1.0206	1.0143	1.1782
12th to 11th	c	1996	1.0134	1995	1.0199	1.0167	1.1616
13th to 12th	c	1995	1.0105	1994	1.0106	1.0106	1.1425
14th to 13th	c	1994	1.0110	1993	1.0146	1.0128	1.1305
15th to 14th	c	1993	1.0126	1992	1.0108	1.0117	1.1162
16th to 15th	c	1992	1.0133	1991	1.0115	1.0124	1.1033
17th to 16th	c	1991	1.0098	1990	1.0089	1.0094	1.0898
18th to 17th	c	1990	1.0094	1989	1.0086	1.0090	1.0796
19th to 18th	c	1989	1.0080	1988	1.0144	1.0112	1.0700
20th to 19th	c	1988	1.0101	1987	1.0142	1.0122	1.0582
Beyond 20th		1987	1.0370	1986	1.0672	1.0521	1.0454

d**a** From Table I-E**b** 19th (Paid - Table 1-E) to 20th (Incurred - Table I-C)**c** From Table I-C**d** Derived separately. See Exhibit # 7 of the April 1, 2009 Filing Package.

EXHIBIT VI - 1

DETERMINATION OF TREND

INDEMNITY

Policy Year	2000	2001	2002	2003	2004	2005	2006
Actual Loss Ratio	0.6049	0.5700	0.5603	0.5262	0.5399	0.5070	0.4951
Normalized Frequency	0.7107	0.6558	0.6287	0.5775	0.5483	0.5067	0.4895
Severity Loss Ratio	0.8511	0.8692	0.8912	0.9112	0.9847	1.0006	1.0114
x	1	2	3	4	5	6	7
y	0.8511	0.8692	0.8912	0.9112	0.9847	1.0006	1.0114

7 Point Exponential Regression: $y = 0.817318 * 1.03263 ^ x$

Policy Year	Fitted Value @ Midpoint of PY (1)	Fitted Value @ 4/1/10 (2)	Severity Trend Factor (3) = (2) / (1)	Frequency Trend Factor (4) #
2004	0.9596	1.1358	1.1836	0.7649
2005	0.9910	1.1358	1.1461	0.8097
2006	1.0233	1.1358	1.1099	0.8542

Trended Loss Ratio

Policy Year	Actual Loss Ratio (5)	Combined Trend Factor (6) = (3)*(4)	Trended Loss Ratio (7) = (5) * (6)
2004	0.5399	0.9054	0.4888
2005	0.5070	0.9280	0.4705
2006	0.4951	0.9481	0.4695

MEDICAL

Policy Year	2000	2001	2002	2003	2004	2005	2006
Actual Loss Ratio	0.5415	0.5022	0.5138	0.5110	0.5499	0.5109	0.4897
Normalized Frequency	0.7107	0.6558	0.6287	0.5775	0.5483	0.5067	0.4895
Severity Loss Ratio	0.7619	0.7658	0.8172	0.8848	1.0029	1.0083	1.0004
x	1	2	3	4	5	6	7
y	0.7619	0.7658	0.8172	0.8848	1.0029	1.0083	1.0004

7 Point Exponential Regression: $y = 0.707364 * 1.05775 ^ x$

Policy Year	Fitted Value @ Midpoint of PY (1)	Fitted Value @ 4/1/10 (2)	Severity Trend Factor (3) = (2) / (1)	Frequency Trend Factor (4) #
2004	0.9366	1.2577	1.3428	0.7649
2005	0.9907	1.2577	1.2695	0.8097
2006	1.0479	1.2577	1.2002	0.8542

Trended Loss Ratio

Policy Year	Actual Loss Ratio (5)	Combined Trend Factor (6) = (3)*(4)	Trended Loss Ratio (7) = (5) * (6)
2004	0.5499	1.0272	0.5648
2005	0.5109	1.0279	0.5252
2006	0.4897	1.0252	0.5020

See page 19 for column (4).

EXHIBIT VI - 2

DETERMINATION OF TREND

Claim Frequency

Policy Year Frequency per \$1 million of Expected Losses
{1 = PY 1995, 12 = PY 2006}

Policy Year	Claim Frequency	Normalized Frequency
1995	33.18	1.0000
1996	30.18	0.9096
1997	28.56	0.8608
1998	26.58	0.8011
1999	25.17	0.7586
2000	23.58	0.7107
2001	21.76	0.6558
2002	20.86	0.6287
2003	19.16	0.5775
2004	18.19	0.5483
2005	16.81	0.5067
2006	16.24	0.4895

Policy Year	2000	2001	2002	2003	2004	2005	2006
x	1	2	3	4	5	6	7
y	23.58	21.76	20.86	19.16	18.19	16.81	16.24

7 Point Regression: $y = 1/(a+b*x)$ $a = 0.039097$, $b = 0.003240$

SELECTED FREQUENCY TREND FACTOR

Policy Year	Fitted Frequency (1)	Frequency Trended to 4/1/10 (2)	Frequency Trend to 4/1/10 (3) = (2)/(1)
2004	18.08	13.83	0.7649
2005	17.08	13.83	0.8097
2006	16.19	13.83	0.8542

TABLE I

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

ACCUMULATED STANDARD EARNED PREMIUM

Policy Year Valued	As of 12/31/05	As of 12/31/06	Ratio to Prior Year
Prior			
to 1986	11,157,213,910	11,157,307,396	1.0000
1986	1,406,666,739	1,405,817,218	0.9994
1987	1,675,126,350	1,674,161,783	0.9994
1988	1,897,732,223	1,887,703,020	0.9947
1989	2,045,604,244	2,037,520,904	0.9960
1990	2,298,416,558	2,293,096,189	0.9977
1991	2,455,629,242	2,455,556,796	1.0000
1992	2,343,669,415	2,343,737,469	1.0000
1993	2,502,292,475	2,500,797,471	0.9994
1994	1,893,328,865	1,893,286,472	1.0000
1995	1,780,518,121	1,781,512,251	1.0006
1996	1,792,669,131	1,792,738,979	1.0000
1997	1,495,195,379	1,494,567,308	0.9996
1998	1,451,873,205	1,451,368,431	0.9997
1999	1,481,391,594	1,481,778,758	1.0003
2000	1,503,187,193	1,504,279,549	1.0007
2001	1,542,389,584	1,540,784,906	0.9990
2002	1,555,930,590	1,554,775,461	0.9993
2003	1,603,841,982	1,601,417,147	0.9985
2004	1,640,503,914	1,671,821,458	1.0191
2005	1,119,862,336	1,816,809,476	1.6224
2006		1,126,292,391	

Policy Year Valued	As of 12/31/06	As of 12/31/07	Ratio to Prior Year
Prior			
to 1986	11,157,273,257	11,157,547,830	1.0000
1986	1,405,520,492	1,405,552,340	1.0000
1987	1,673,735,405	1,673,500,982	0.9999
1988	1,887,139,349	1,887,849,925	1.0004
1989	2,036,659,643	2,037,148,852	1.0002
1990	2,292,262,425	2,292,939,227	1.0003
1991	2,455,041,410	2,453,401,393	0.9993
1992	2,343,043,871	2,343,177,926	1.0001
1993	2,500,703,426	2,500,615,055	1.0000
1994	1,893,216,531	1,893,295,736	1.0000
1995	1,781,509,203	1,781,774,901	1.0001
1996	1,792,682,874	1,792,657,335	1.0000
1997	1,494,546,045	1,494,849,725	1.0002
1998	1,451,367,836	1,452,037,050	1.0005
1999	1,481,777,151	1,483,981,435	1.0015
2000	1,504,277,137	1,504,171,676	0.9999
2001	1,540,761,681	1,541,621,402	1.0006
2002	1,554,744,531	1,553,994,837	0.9995
2003	1,601,414,745	1,605,063,722	1.0023
2004	1,671,820,080	1,675,890,759	1.0024
2005	1,816,809,476	1,854,972,566	1.0210
2006	1,092,228,254	1,765,209,118	1.6162
2007		1,132,879,296	

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

TABLE I - A - ADJUSTED TO POST ACT 44 MEDICAL COST AND POST ACT 57 LEVEL

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

Policy Year Valued	As of 12/31/05	As of 12/31/06	Ratio to Prior Year
Prior			
to 1986	5,881,016,257	5,904,175,510	1.0039
1986	998,412,613	1,000,725,068	1.0023
1987	1,241,992,150	1,248,593,422	1.0053
1988	1,447,614,721	1,450,930,014	1.0023
1989	1,709,023,956	1,715,269,285	1.0037
1990	1,766,835,066	1,775,709,246	1.0050
1991	1,608,707,011	1,614,374,002	1.0035
1992	1,422,572,445	1,431,072,181	1.0060
1993	1,231,994,168	1,235,980,156	1.0032
1994	1,130,176,423	1,138,071,112	1.0070
1995	1,012,032,914	1,028,736,359	1.0165
1996	923,125,394	932,959,845	1.0107
1997	978,495,352	988,812,135	1.0105
1998	1,047,432,245	1,065,290,204	1.0170
1999	1,182,629,178	1,190,883,955	1.0070
2000	1,229,331,662	1,239,694,191	1.0084
2001	1,138,139,398	1,158,724,683	1.0181
2002	1,083,678,480	1,140,823,004	1.0527
2003	970,261,254	1,084,552,813	1.1178
2004	858,789,698	1,074,670,752	1.2514
2005	343,543,931	891,255,022	2.5943
2006		343,049,966	

Policy Year Valued	As of 12/31/06	As of 12/31/07	Ratio to Prior Year
Prior			
to 1986	5,904,163,207	5,917,236,842	1.0022
1986	1,000,675,719	1,003,100,429	1.0024
1987	1,248,032,376	1,253,139,839	1.0041
1988	1,450,226,833	1,455,063,070	1.0033
1989	1,713,799,431	1,722,372,253	1.0050
1990	1,774,964,322	1,790,403,281	1.0087
1991	1,614,109,922	1,628,513,061	1.0089
1992	1,431,002,333	1,441,412,677	1.0073
1993	1,235,928,062	1,241,059,126	1.0042
1994	1,138,079,979	1,143,590,579	1.0048
1995	1,028,736,345	1,029,053,892	1.0003
1996	932,936,242	936,480,752	1.0038
1997	988,805,826	995,387,577	1.0067
1998	1,065,290,204	1,082,039,986	1.0157
1999	1,190,883,955	1,197,842,099	1.0058
2000	1,239,694,191	1,255,430,374	1.0127
2001	1,158,724,683	1,170,851,316	1.0105
2002	1,140,638,069	1,172,538,995	1.0280
2003	1,084,552,279	1,137,387,183	1.0487
2004	1,074,670,753	1,178,392,978	1.0965
2005	891,255,022	1,112,387,509	1.2481
2006	330,487,247	878,151,071	2.6571
2007		383,864,759	

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

TABLE I - B - ADJUSTED TO POST ACT 44 MEDICAL COST AND POST ACT 57 LEVEL

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INDEMNITY INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

Policy Year Valued	As of 12/31/05	As of 12/31/06	Ratio to Prior Year
Prior			
to 1986	4,537,284,525	4,540,203,598	1.0006
1986	697,208,437	695,237,353	0.9972
1987	841,508,592	842,349,548	1.0010
1988	964,315,048	963,476,188	0.9991
1989	1,116,304,898	1,117,268,182	1.0009
1990	1,144,857,102	1,146,603,178	1.0015
1991	1,017,199,173	1,016,455,952	0.9993
1992	881,230,138	881,816,911	1.0007
1993	769,616,263	768,680,423	0.9988
1994	703,512,104	702,895,888	0.9991
1995	610,614,365	619,067,825	1.0138
1996	524,157,686	527,262,064	1.0059
1997	552,642,893	556,001,271	1.0061
1998	576,576,679	580,107,647	1.0061
1999	663,030,419	667,120,254	1.0062
2000	694,960,020	698,572,354	1.0052
2001	645,979,554	660,373,911	1.0223
2002	600,722,622	633,659,281	1.0548
2003	494,697,629	576,608,613	1.1656
2004	379,432,576	535,732,411	1.4119
2005	122,978,767	379,313,306	3.0844
2006		120,639,505	

Policy Year Valued	As of 12/31/06	As of 12/31/07	Ratio to Prior Year
Prior			
to 1986	4,540,243,758	4,538,455,934	0.9996
1986	695,241,550	697,506,287	1.0033
1987	841,958,360	842,950,308	1.0012
1988	963,016,824	963,969,035	1.0010
1989	1,116,328,246	1,119,259,447	1.0026
1990	1,146,017,103	1,155,308,898	1.0081
1991	1,016,225,786	1,022,701,672	1.0064
1992	881,806,472	885,287,437	1.0039
1993	768,645,966	768,617,548	1.0000
1994	702,913,540	703,864,426	1.0014
1995	619,067,811	613,906,940	0.9917
1996	527,238,461	527,571,873	1.0006
1997	555,999,754	557,946,207	1.0035
1998	580,107,647	586,225,438	1.0105
1999	667,120,254	665,546,631	0.9976
2000	698,572,354	703,313,786	1.0068
2001	660,373,911	667,798,387	1.0112
2002	633,585,835	655,002,014	1.0338
2003	576,606,950	615,581,565	1.0676
2004	535,732,412	617,632,028	1.1529
2005	379,313,306	553,629,121	1.4596
2006	115,054,207	388,182,585	3.3739
2007		131,256,655	

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

TABLE I - C - ADJUSTED TO POST ACT 44 MEDICAL COST AND POST ACT 57 LEVEL

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

MEDICAL INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

Policy Year Valued	As of 12/31/05	As of 12/31/06	Ratio to Prior Year
Prior			
to 1986	1,343,731,732	1,363,971,912	1.0151
1986	301,204,176	305,487,715	1.0142
1987	400,483,558	406,243,874	1.0144
1988	483,299,673	487,453,826	1.0086
1989	592,719,058	598,001,103	1.0089
1990	621,977,964	629,106,068	1.0115
1991	591,507,838	597,918,050	1.0108
1992	541,342,307	549,255,270	1.0146
1993	462,377,905	467,299,733	1.0106
1994	426,664,319	435,175,224	1.0199
1995	401,418,549	409,668,534	1.0206
1996	398,967,708	405,697,781	1.0169
1997	425,852,459	432,810,864	1.0163
1998	470,855,566	485,182,557	1.0304
1999	519,598,759	523,763,701	1.0080
2000	534,371,642	541,121,837	1.0126
2001	492,159,844	498,350,772	1.0126
2002	482,955,858	507,163,723	1.0501
2003	475,563,625	507,944,200	1.0681
2004	479,357,122	538,938,341	1.1243
2005	220,565,164	511,941,716	2.3210
2006		222,410,461	

Policy Year Valued	As of 12/31/06	As of 12/31/07	Ratio to Prior Year
Prior			
to 1986	1,363,919,449	1,378,780,908	1.0109
1986	305,434,169	305,594,142	1.0005
1987	406,074,016	410,189,531	1.0101
1988	487,210,009	491,094,035	1.0080
1989	597,471,185	603,112,806	1.0094
1990	628,947,219	635,094,383	1.0098
1991	597,884,136	605,811,389	1.0133
1992	549,195,861	556,125,240	1.0126
1993	467,282,096	472,441,578	1.0110
1994	435,166,439	439,726,153	1.0105
1995	409,668,534	415,146,952	1.0134
1996	405,697,781	408,908,879	1.0079
1997	432,806,072	437,441,370	1.0107
1998	485,182,557	495,814,548	1.0219
1999	523,763,701	532,295,468	1.0163
2000	541,121,837	552,116,588	1.0203
2001	498,350,772	503,052,929	1.0094
2002	507,052,234	517,536,981	1.0207
2003	507,945,329	521,805,618	1.0273
2004	538,938,341	560,760,950	1.0405
2005	511,941,716	558,758,388	1.0914
2006	215,433,040	489,968,486	2.2743
2007		252,608,104	

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

TABLE I - D - ADJUSTED TO POST ACT 44 MEDICAL COST AND POST ACT 57 LEVEL

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INDEMNITY PAID LOSSES

Policy Year Valued	As of 12/31/05	As of 12/31/06	Ratio to Prior Year
Prior			
to 1986	4,365,335,880	4,387,544,384	1.0051
1986	660,829,425	665,088,096	1.0064
1987	805,598,464	809,443,848	1.0048
1988	914,455,983	919,925,555	1.0060
1989	1,061,611,629	1,067,962,786	1.0060
1990	1,079,639,445	1,086,729,473	1.0066
1991	944,750,881	951,903,136	1.0076
1992	805,571,202	812,826,980	1.0090
1993	700,853,085	708,035,040	1.0102
1994	639,928,935	646,926,405	1.0109
1995	561,251,174	567,950,078	1.0119
1996	480,177,182	487,327,271	1.0149
1997	511,983,043	521,790,835	1.0192
1998	522,884,666	538,820,484	1.0305
1999	593,321,892	614,454,339	1.0356
2000	600,203,690	632,926,053	1.0545
2001	537,062,009	584,493,649	1.0883
2002	449,314,677	521,163,473	1.1599
2003	318,971,442	443,244,570	1.3896
2004	182,772,443	336,443,211	1.8408
2005	43,738,365	188,154,289	4.3018
2006		42,874,586	

Policy Year Valued	As of 12/31/06	As of 12/31/07	Ratio to Prior Year
Prior			
to 1986	4,387,584,544	4,408,261,223	1.0047
1986	665,092,293	669,223,358	1.0062
1987	809,052,660	813,138,772	1.0051
1988	919,466,191	924,396,009	1.0054
1989	1,067,022,850	1,072,690,049	1.0053
1990	1,086,143,398	1,093,686,550	1.0069
1991	951,672,970	959,337,696	1.0081
1992	812,816,541	823,392,376	1.0130
1993	708,000,583	714,065,952	1.0086
1994	646,944,057	653,532,398	1.0102
1995	567,950,064	574,442,834	1.0114
1996	487,303,668	493,521,264	1.0128
1997	521,789,318	531,708,671	1.0190
1998	538,820,484	551,582,010	1.0237
1999	614,454,339	628,614,696	1.0230
2000	632,926,053	651,677,529	1.0296
2001	584,493,649	616,275,673	1.0544
2002	521,139,823	572,369,017	1.0983
2003	443,242,907	518,353,463	1.1695
2004	336,443,212	465,796,461	1.3845
2005	188,154,289	359,257,803	1.9094
2006	41,646,437	193,536,358	4.6471
2007		44,983,052	

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

TABLE I - E - ADJUSTED TO POST ACT 44 MEDICAL COST AND POST ACT 57 LEVEL

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

MEDICAL PAID LOSSES

Policy Year Valued	As of 12/31/05	As of 12/31/06	Ratio to Prior Year
Prior			
to 1986	1,194,595,330	1,209,645,708	1.0126
1986	275,629,986	279,057,899	1.0124
1987	363,642,172	367,478,308	1.0105
1988	450,440,246	454,991,728	1.0101
1989	543,141,219	549,427,129	1.0116
1990	583,245,154	589,742,718	1.0111
1991	542,108,257	548,504,780	1.0118
1992	492,263,270	498,900,167	1.0135
1993	425,499,003	431,231,167	1.0135
1994	390,314,502	396,698,166	1.0164
1995	360,719,205	368,783,674	1.0224
1996	354,223,860	360,069,700	1.0165
1997	380,224,004	387,587,858	1.0194
1998	405,751,913	414,941,247	1.0226
1999	447,535,106	458,248,297	1.0239
2000	458,695,904	471,205,535	1.0273
2001	433,518,313	449,455,738	1.0368
2002	414,144,607	437,271,307	1.0558
2003	394,978,712	437,026,855	1.1065
2004	339,364,042	438,049,497	1.2908
2005	94,578,138	357,049,928	3.7752
2006		106,204,010	

Policy Year Valued	As of 12/31/06	As of 12/31/07	Ratio to Prior Year
Prior			
to 1986	1,209,593,245	1,227,070,169	1.0144
1986	279,004,353	282,126,040	1.0112
1987	367,308,450	371,364,327	1.0110
1988	454,747,911	459,312,512	1.0100
1989	549,090,934	555,028,763	1.0108
1990	589,583,869	596,034,596	1.0109
1991	548,470,866	555,775,088	1.0133
1992	498,840,758	505,179,193	1.0127
1993	431,213,530	436,225,639	1.0116
1994	396,689,381	402,982,945	1.0159
1995	368,783,674	374,979,364	1.0168
1996	360,069,700	364,707,587	1.0129
1997	387,583,066	393,899,002	1.0163
1998	414,941,247	426,093,632	1.0269
1999	458,248,297	467,511,359	1.0202
2000	471,205,535	481,862,110	1.0226
2001	449,455,738	461,248,066	1.0262
2002	437,192,976	452,884,596	1.0359
2003	437,027,984	457,836,859	1.0476
2004	438,049,497	477,660,291	1.0904
2005	357,049,928	451,222,197	1.2638
2006	102,750,441	356,345,602	3.4681
2007		116,312,709	

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

EXHIBIT VII

LOSS COST FORMULAE

The experience used for classification relativities for the April 1, 2009 revision will include all available risks. It is proposed that catastrophes be limited in accordance with the procedure previously employed in other Bureau filings. The experience period will be five (5) years for all classifications regardless of whether a classification might meet the full credibility requirements with less than five years of data. Credibility will be based on reported payrolls for classifications using payroll as the exposure base. For non-payroll classifications, expected losses will be used as the basis for credibility. Thus, two credibility tables will be prepared for use in the April 1, 2009 filing. The values for these respective tables will be established such that the credibilities assigned to a payroll-based classification having the same portion of total statewide expected losses and payrolls attributable to its experience using each table would be equal. All occupational disease losses will be included in the exhibit of classification experience, with the total amount of such losses by type of injury being shown on a separate line on the classification loss cost worksheets.

Most classifications are subject to standard procedures as described below. However, circumstances will sometimes require that some classifications' rating procedure be modified to recognize situations where the normal rating process would not be appropriate. Such classifications, and the manner in which their loss costs have been derived, are separately identified within the filing material.

The calculation of classification loss costs will be made using the following procedure:

- (1) Determine the present pure premiums by category (serious, non-serious, medical only and total) for each classification.
- (2) Adjust the present pure premiums by category (serious, non-serious, medical-only and total) to the April 1, 2009 loss cost level.
- (3) Determine Expected Losses (serious, non-serious, medical-only and total) for each classification by multiplying the exposures from the experience period by the present pure premiums.
- (4) Determine the indicated pure premiums (serious, non-serious, medical-only and total) from the exposures and losses from the experience period.
- (5) Test the indicated total pure premiums by multiplying the exposures of the latest two years for each classification and obtaining the total Actual Losses for all classifications combined.
- (6) Calculate Expected Losses by multiplying the present pure premiums by the exposures from the last two years for each classification and by the overall average loss cost change.
- (7) Obtain correction factors by dividing the Expected Losses derived in (6) by the Actual Losses derived in (5).

Loss Cost Formulae (Continued)

- (8) Multiply the indicated (pre-test) pure premiums from (4) times the correction factors derived in (7) to obtain indicated (post-test) pure premiums.
- (9) Determine “formula” pure premiums from (2) and (8) above for each type of loss (serious, non-serious and medical-only), with credibility for each category of loss corresponding to either the amount of reported payroll (for all classifications in which payroll is the exposure base) or to the amount of Expected Losses (for all “non-payroll” classifications). Credibility weights will be taken from exhibits appearing in the Class Book. The complement of credibility is in each case to be assigned to the present loss costs on April 1, 2009 level for each category of loss.
- (10) Select proposed total pure premiums for each classification, using the middle value from the total pure premiums derived in (2), (8) and (9) above. If the proposed pure premium selected on this basis is different from the formula pure premium derived in (9) above, partial pure premiums are to be allocated between categories (serious, non-serious and medical-only) in the same proportion as the partial pure premiums comprising the formula pure premium.
- (11) Test the proposed total pure premiums selected in (10) by multiplying by the exposures of the two latest years for each classification and obtaining the total Expected Losses for all classifications combined.
- (12) Obtain a correction factor by dividing the Expected Losses derived in (6) above by the Expected Losses derived in (11) above.
- (13) Calculate the “composite pure premium multiplier” as the product of the following items:
 - (a) The pure premium correction factor determined in (12) above.
 - (b) The proposed experience rating plan off-balance factor.
- (14) Apply the composite pure premium multiplier obtained in (13) above to the proposed total pure premiums to obtain classification loss costs.
- (15) Test to assure that the maximum departure of the classification loss costs derived in (14) above from current loss costs is in accordance with the following parameters:

Maximum Change in Loss Cost:
Upward: The overall average change plus 25% rounded to the nearest 1%.
Downward: The overall average change minus 25% rounded to the nearest 1%.
- (16) Loss costs are to be rounded to the nearest \$.01.
- (17) Test the limited loss costs derived in (16) above to determine if balance has been achieved within 0.0005 of the indicated change in loss cost level. If such balance has not been achieved, calculate the necessary correction factor to adjust the composite pure premium multipliers derived in (13) above to achieve the necessary balance. Perform steps (14) through (17) iteratively until the desired balance is achieved.

EXHIBIT VIII**COLLECTIBLE PREMIUM RATIOS ***

Manual Year	Premium at Manual Rates	Collected Premium (Excluding Constants)	Collectible Premium Ratio (2)/(3)
(1)	(2)	(3)	(4)
ALL INDUSTRIES			
2003	2,716,535,198	2,534,217,186	1.0719
2004	2,878,063,280	2,737,320,106	1.0514
2005	3,045,203,583	2,949,492,455	1.0325
TOTAL	8,639,802,061	8,221,029,747	1.0509
MANUFACTURING AND UTILITIES			
2003	632,943,864	593,482,482	1.0665
2004	660,038,549	632,047,004	1.0443
2005	702,481,599	681,634,067	1.0306
TOTAL	1,995,464,012	1,907,163,553	1.0463
CONTRACTING AND QUARRYING			
2003	481,602,838	433,897,804	1.1099
2004	516,304,845	471,895,476	1.0941
2005	558,393,483	515,355,021	1.0835
TOTAL	1,556,301,166	1,421,148,301	1.0951
OTHER INDUSTRIES			
2003	1,601,988,496	1,507,440,425	1.0627
2004	1,701,719,886	1,633,916,683	1.0415
2005	1,784,328,501	1,751,360,785	1.0188
TOTAL	5,088,036,883	4,892,717,893	1.0399

* Excludes classifications and coverages not subject to experience rating.

EXHIBIT IX

CALCULATION OF EXPECTED LOSS COST FACTORS (a)

Policy Year Beginning 4/1 (1)	Act 57 Adjust- ment (2)	Adjust- ment Factor (3)	Loss Ratio Development Factor (4)	Collectible Premium Ratio (5)	Trend Factor (6)	Product (2) * (3) * (4) * (5) * (6) (7)	Expected Loss Cost Factor 1.0 / (7) (8)
<u>Manufacturing and Utilities</u>							
2005	1.0000	1.0000	1.2691	1.0463	0.9807	1.3022	0.7679
2006	1.0000	1.0000	1.4333	1.0463	0.9888	1.4829	0.6744
2007	1.0000	1.0000	1.8438	1.0463	0.9949	1.9193	0.5210
<u>Contracting and Quarrying</u>							
2005	1.0000	1.0000	1.3269	1.0951	0.9807	1.4250	0.7018
2006	1.0000	1.0000	1.4885	1.0951	0.9888	1.6118	0.6204
2007	1.0000	1.0000	1.8917	1.0951	0.9949	2.0610	0.4852
<u>Other Industries</u>							
2005	1.0000	1.0000	1.2711	1.0399	0.9807	1.2963	0.7714
2006	1.0000	1.0000	1.4409	1.0399	0.9888	1.4816	0.6749
2007	1.0000	1.0000	1.8632	1.0399	0.9949	1.9277	0.5188

a Apply to pure Loss Costs (pre-LBA, Merit Rating Plan, PCCPAP and Certified Safety Committee adjustments).

EXHIBIT X

RETROSPECTIVE DEVELOPMENT FACTORS *

Retrospective development factors for first, second and third adjustments are calculated below. They are intended for application to retrospective plans with no loss limitation.

First Adjustment	RDF =	0.4380
Second Adjustment	RDF =	0.2975
Third Adjustment	RDF =	0.2141

For those companies using retrospective development factors with loss limitations, the following formula may be used:

$$\text{RDF(LIM)} = (1.0 - \text{ELF}) \times \text{RDF}$$

RDF(LIM) = Retrospective Development Factors at limited basis
ELF = Excess Loss Factors for given Hazard Group and Loss Limitation
RDF = Retrospective Development Factors without Loss Limitation

For Example:

$$\text{The \$25,000 limit Hazard Group C ELF} = 0.6650$$

$$\begin{aligned} \text{Then First Adjustment RDF} &= (1 - 0.6650) * 0.438 \\ &= 0.1467 \end{aligned}$$

* The use of retrospective development factors is optional.