

PENNSYLVANIA COMPENSATION RATING BUREAU

Retrospective Test of Trend Projections for Loss Ratios

Attached is a retrospective test of the predictive accuracy of various trend procedures.

Results for both indemnity and medical are shown using both linear and exponential fits. All possible combinations of from four to ten data points, which permitted a test of the projected loss ratio three years hence, were used. Our current review trends policy year 2006 3.25 years, policy year 2005 4.25 years, and policy year 2004 5.25 years. An average of those three values is then calculated.

Current estimates of policy year ultimate loss (to expected loss) ratios are compared with predicted values based on trending through earlier years. The results are shown for three loss development approaches: incurred, paid to twentieth and the average of the incurred and the paid to twentieth methods.

As an illustration, the incurred loss development approach generated an indemnity loss ratio of 0.5404 for policy year 2001. Fitting the loss ratios for policy years 1995 to 1998 using a straight line and projecting that to 2001 yielded a loss ratio of 0.3964, which understates our current estimate for 2001 by 0.1440 points.

Please note that the boxed numbers correspond to those numbers that do not have a comparable value in Exhibit 11b, Retrospective Test of Trend Projections for Severity Ratios.

Indemnity
Actual Ultimate Loss Ratios
Including Average of Paid and Incurred

INDEMNITY	Loss Ratio	Loss	Loss
Policy	Average	Ratio	Ratio
Year	(Pd & Inc)	(Incur)	(Pd-20)
1989	0.8612	0.8577	0.8648
1990	0.8575	0.8571	0.8578
1991	0.8436	0.8463	0.8410
1992	0.7768	0.7813	0.7724
1993	0.7703	0.7719	0.7688
1994	0.7326	0.7312	0.7340
1995	0.6824	0.6750	0.6898
1996	0.5408	0.5308	0.5508
1997	0.5728	0.5554	0.5902
1998	0.5518	0.5352	0.5684
1999	0.5880	0.5653	0.6106
2000	0.6049	0.5800	0.6298
2001	0.5700	0.5404	0.5996
2002	0.5603	0.5339	0.5867
2003	0.5262	0.4950	0.5574
2004	0.5399	0.5125	0.5673
2005	0.5070	0.4739	0.5401
2006	0.4951	0.4620	0.5282

Trend # Years = 3

Indemnity
Linear Fit
Trended Loss Ratios

Years Used (# Yrs)	3 Yr Trend To	Loss Ratio Average (Pd & Inc)	Loss Ratio (Incur)	Loss Ratio (Pd-20)
89-92 (4)	1995	0.7146	0.7276	0.7017
90-93 (4)	1996	0.6643	0.6699	0.6590
91-94(4)	1997	0.6281	0.6231	0.6330
92-95 (4)	1998	0.5961	0.5780	0.6141
93-96(4)	1999	0.3491	0.3265	0.3717
94-97 (4)	2000	0.3527	0.3209	0.3845
95-98 (4)	2001	0.4250	0.3964	0.4536
96-99 (4)	2002	0.6176	0.5842	0.6509
97-00 (4)	2003	0.6390	0.6057	0.6722
98-01 (4)	2004	0.6109	0.5689	0.6529
99-02 (4)	2005	0.5277	0.4947	0.5608
00-03 (4)	2006	0.4547	0.4197	0.4898
89-93 (5)	1996	0.6906	0.6992	0.6823
90-94 (5)	1997	0.6346	0.6345	0.6349
91-95 (5)	1998	0.5778	0.5648	0.5908
92-96 (5)	1999	0.4206	0.3991	0.4421
93-97 (5)	2000	0.3664	0.3362	0.3965
94-98 (5)	2001	0.3805	0.3497	0.4112
95-99 (5)	2002	0.4983	0.4648	0.5316
96-00 (5)	2003	0.6434	0.6075	0.6792
97-01(5)	2004	0.6013	0.5627	0.6398
98-02 (5)	2005	0.5745	0.5372	0.6118
99-03 (5)	2006	0.4858	0.4496	0.5221
89-94 (6)	1997	0.6544	0.6578	0.6510
90-95 (6)	1998	0.5863	0.5783	0.5943
91-96 (6)	1999	0.4361	0.4183	0.4537
92-97 (6)	2000	0.4029	0.3743	0.4315
93-98 (6)	2001	0.3725	0.3417	0.4032
94-99 (6)	2002	0.4412	0.4064	0.4760
95-00 (6)	2003	0.5482	0.5121	0.5842
96-01 (6)	2004	0.6151	0.5751	0.6552
97-02 (6)	2005	0.5760	0.5396	0.6125
98-03 (6)	2006	0.5282	0.4890	0.5674
89-95 (7)	1998	0.6050	0.6013	0.6088
90-96 (7)	1999	0.4613	0.4480	0.4746
91-97 (7)	2000	0.4087	0.3837	0.4336
92-98 (7)	2001	0.3907	0.3605	0.4208
93-99 (7)	2002	0.4159	0.3811	0.4506
94-00 (7)	2003	0.4903	0.4529	0.5276
95-01 (7)	2004	0.5457	0.5056	0.5858
96-02 (7)	2005	0.5925	0.5539	0.6311
97-03 (7)	2006	0.5375	0.4989	0.5762
89-96 (8)	1999	0.4906	0.4814	0.4997
90-97 (8)	2000	0.4259	0.4053	0.4465
91-98 (8)	2001	0.3897	0.3622	0.4172
92-99 (8)	2002	0.4171	0.3827	0.4513
93-00 (8)	2003	0.4571	0.4194	0.4946
94-01 (8)	2004	0.4967	0.4555	0.5378
95-02(8)	2005	0.5393	0.4998	0.5787
96-03 (8)	2006	0.5571	0.5166	0.5976
89-97 (9)	2000	0.4494	0.4330	0.4657
90-98 (9)	2001	0.4004	0.3765	0.4244
91-99 (9)	2002	0.4067	0.3747	0.4387
92-00 (9)	2003	0.4477	0.4103	0.4850
93-01 (9)	2004	0.4648	0.4234	0.5061
94-02 (9)	2005	0.4974	0.4565	0.5383
95-03 (9)	2006	0.5169	0.4756	0.5583
89-98 (10)	2001	0.4184	0.3982	0.4386
90-99 (10)	2002	0.4086	0.3798	0.4374
91-00 (10)	2003	0.4308	0.3952	0.4662
92-01 (10)	2004	0.4526	0.4114	0.4937
93-02 (10)	2005	0.4676	0.4260	0.5091
94-03 (10)	2006	0.4824	0.4396	0.5251

Indemnity

Linear Fit

Differences: (Actual - Trended)

Years Used (# Yrs)	3 Yr Trend To	Loss Ratio Average (Pd & Inc)	Loss Ratio (Incur)	Loss Ratio (Pd-20)
89-92 (4)	1995	-0.0322	-0.0526	-0.0119
90-93 (4)	1996	-0.1235	-0.1391	-0.1082
91-94(4)	1997	-0.0553	-0.0677	-0.0428
92-95 (4)	1998	-0.0443	-0.0428	-0.0457
93-96(4)	1999	0.2389	0.2389	0.2389
94-97 (4)	2000	0.2522	0.2591	0.2453
95-98 (4)	2001	0.1450	0.1440	0.1460
96-99 (4)	2002	-0.0573	-0.0503	-0.0642
97-00 (4)	2003	-0.1128	-0.1107	-0.1148
98-01 (4)	2004	-0.0710	-0.0564	-0.0856
99-02 (4)	2005	-0.0207	-0.0208	-0.0207
00-03 (4)	2006	0.0404	0.0423	0.0384
89-93 (5)	1996	-0.1498	-0.1684	-0.1315
90-94 (5)	1997	-0.0618	-0.0791	-0.0447
91-95 (5)	1998	-0.0260	-0.0296	-0.0224
92-96 (5)	1999	0.1674	0.1662	0.1685
93-97 (5)	2000	0.2385	0.2438	0.2333
94-98 (5)	2001	0.1895	0.1907	0.1884
95-99 (5)	2002	0.0620	0.0691	0.0551
96-00 (5)	2003	-0.1172	-0.1125	-0.1218
97-01(5)	2004	-0.0613	-0.0502	-0.0725
98-02 (5)	2005	-0.0675	-0.0633	-0.0717
99-03 (5)	2006	0.0093	0.0124	0.0061
89-94 (6)	1997	-0.0816	-0.1024	-0.0608
90-95 (6)	1998	-0.0345	-0.0431	-0.0259
91-96 (6)	1999	0.1519	0.1470	0.1569
92-97 (6)	2000	0.2020	0.2057	0.1983
93-98 (6)	2001	0.1975	0.1987	0.1964
94-99 (6)	2002	0.1191	0.1275	0.1107
95-00 (6)	2003	-0.0220	-0.0171	-0.0268
96-01 (6)	2004	-0.0752	-0.0626	-0.0879
97-02 (6)	2005	-0.0690	-0.0657	-0.0724
98-03 (6)	2006	-0.0331	-0.0270	-0.0392
89-95 (7)	1998	-0.0532	-0.0661	-0.0404
90-96 (7)	1999	0.1267	0.1173	0.1360
91-97 (7)	2000	0.1962	0.1963	0.1962
92-98 (7)	2001	0.1793	0.1799	0.1788
93-99 (7)	2002	0.1444	0.1528	0.1361
94-00 (7)	2003	0.0359	0.0421	0.0298
95-01 (7)	2004	-0.0058	0.0070	-0.0185
96-02 (7)	2005	-0.0855	-0.0800	-0.0910
97-03 (7)	2006	-0.0424	-0.0369	-0.0480
89-96 (8)	1999	0.0974	0.0839	0.1109
90-97 (8)	2000	0.1790	0.1747	0.1833
91-98 (8)	2001	0.1803	0.1782	0.1824
92-99 (8)	2002	0.1432	0.1512	0.1354
93-00 (8)	2003	0.0691	0.0756	0.0628
94-01 (8)	2004	0.0432	0.0570	0.0295
95-02(8)	2005	-0.0323	-0.0259	-0.0386
96-03 (8)	2006	-0.0620	-0.0546	-0.0694
89-97 (9)	2000	0.1555	0.1470	0.1641
90-98 (9)	2001	0.1696	0.1639	0.1752
91-99 (9)	2002	0.1536	0.1592	0.1480
92-00 (9)	2003	0.0785	0.0847	0.0724
93-01 (9)	2004	0.0751	0.0891	0.0612
94-02 (9)	2005	0.0096	0.0174	0.0018
95-03 (9)	2006	-0.0218	-0.0136	-0.0301
89-98 (10)	2001	0.1516	0.1422	0.1610
90-99 (10)	2002	0.1517	0.1541	0.1493
91-00 (10)	2003	0.0954	0.0998	0.0912
92-01 (10)	2004	0.0873	0.1011	0.0736
93-02 (10)	2005	0.0394	0.0479	0.0310
94-03 (10)	2006	0.0127	0.0224	0.0031

**Indemnity
Exponential Fit
Trended Loss Ratios**

Years Used (# Yrs)	3 Yr Trend To	Loss Ratio Average (Pd & Inc)	Loss Ratio (Incur)	Loss Ratio (Pd-20)
89-92 (4)	1995	0.7203	0.7320	0.7090
90-93 (4)	1996	0.6762	0.6811	0.6716
91-94(4)	1997	0.6422	0.6381	0.6462
92-95 (4)	1998	0.6070	0.5917	0.6225
93-96(4)	1999	0.4059	0.3902	0.4219
94-97 (4)	2000	0.4053	0.3824	0.4288
95-98 (4)	2001	0.4502	0.4262	0.4746
96-99 (4)	2002	0.6199	0.5851	0.6549
97-00 (4)	2003	0.6414	0.6072	0.6757
98-01 (4)	2004	0.6120	0.5687	0.6558
99-02 (4)	2005	0.5296	0.4973	0.5621
00-03 (4)	2006	0.4642	0.4308	0.4978
89-93 (5)	1996	0.6988	0.7063	0.6916
90-94 (5)	1997	0.6488	0.6487	0.6491
91-95 (5)	1998	0.5965	0.5856	0.6073
92-96 (5)	1999	0.4552	0.4393	0.4714
93-97 (5)	2000	0.4176	0.3959	0.4398
94-98 (5)	2001	0.4219	0.3985	0.4460
95-99 (5)	2002	0.5093	0.4794	0.5396
96-00 (5)	2003	0.6473	0.6097	0.6853
97-01(5)	2004	0.6014	0.5622	0.6410
98-02 (5)	2005	0.5745	0.5371	0.6123
99-03 (5)	2006	0.4903	0.4554	0.5254
89-94 (6)	1997	0.6657	0.6684	0.6631
90-95 (6)	1998	0.6051	0.5981	0.6121
91-96 (6)	1999	0.4722	0.4587	0.4859
92-97 (6)	2000	0.4432	0.4220	0.4649
93-98 (6)	2001	0.4197	0.3970	0.4430
94-99 (6)	2002	0.4666	0.4382	0.4955
95-00 (6)	2003	0.5535	0.5197	0.5878
96-01 (6)	2004	0.6167	0.5752	0.6588
97-02 (6)	2005	0.5758	0.5392	0.6126
98-03 (6)	2006	0.5283	0.4898	0.5673
89-95 (7)	1998	0.6209	0.6171	0.6247
90-96 (7)	1999	0.4935	0.4826	0.5045
91-97 (7)	2000	0.4520	0.4332	0.4711
92-98 (7)	2001	0.4332	0.4107	0.4562
93-99 (7)	2002	0.4506	0.4236	0.4783
94-00 (7)	2003	0.5058	0.4737	0.5385
95-01 (7)	2004	0.5505	0.5125	0.5891
96-02 (7)	2005	0.5929	0.5535	0.6328
97-03 (7)	2006	0.5371	0.4989	0.5756
89-96 (8)	1999	0.5165	0.5080	0.5250
90-97 (8)	2000	0.4666	0.4503	0.4831
91-98 (8)	2001	0.4368	0.4162	0.4577
92-99 (8)	2002	0.4525	0.4261	0.4794
93-00 (8)	2003	0.4818	0.4513	0.5131
94-01 (8)	2004	0.5102	0.4742	0.5470
95-02(8)	2005	0.5437	0.5064	0.5817
96-03 (8)	2006	0.5562	0.5156	0.5974
89-97 (9)	2000	0.4844	0.4704	0.4984
90-98 (9)	2001	0.4465	0.4280	0.4653
91-99 (9)	2002	0.4489	0.4246	0.4737
92-00 (9)	2003	0.4757	0.4460	0.5061
93-01 (9)	2004	0.4870	0.4527	0.5221
94-02 (9)	2005	0.5097	0.4736	0.5467
95-03 (9)	2006	0.5215	0.4825	0.5611
89-98 (10)	2001	0.4602	0.4437	0.4768
90-99 (10)	2002	0.4525	0.4303	0.4751
91-00 (10)	2003	0.4666	0.4390	0.4948
92-01 (10)	2004	0.4786	0.4454	0.5128
93-02 (10)	2005	0.4880	0.4531	0.5239
94-03 (10)	2006	0.4948	0.4570	0.5336

Indemnity
Exponential Fit
Differences: (Actual - Trended)

Years Used (# Yrs)	3 Yr Trend To	Loss Ratio Average (Pd & Inc)	Loss Ratio (Incur)	Loss Ratio (Pd-20)
89-92 (4)	1995	-0.0379	-0.0570	-0.0192
90-93 (4)	1996	-0.1354	-0.1503	-0.1208
91-94(4)	1997	-0.0694	-0.0827	-0.0560
92-95 (4)	1998	-0.0552	-0.0565	-0.0541
93-96(4)	1999	0.1821	0.1751	0.1887
94-97 (4)	2000	0.1996	0.1976	0.2010
95-98 (4)	2001	0.1198	0.1142	0.1250
96-99 (4)	2002	-0.0596	-0.0512	-0.0682
97-00 (4)	2003	-0.1152	-0.1122	-0.1183
98-01 (4)	2004	-0.0721	-0.0562	-0.0885
99-02 (4)	2005	-0.0226	-0.0234	-0.0220
00-03 (4)	2006	0.0309	0.0312	0.0304
89-93 (5)	1996	-0.1580	-0.1755	-0.1408
90-94 (5)	1997	-0.0760	-0.0933	-0.0589
91-95 (5)	1998	-0.0447	-0.0504	-0.0389
92-96 (5)	1999	0.1328	0.1260	0.1392
93-97 (5)	2000	0.1873	0.1841	0.1900
94-98 (5)	2001	0.1481	0.1419	0.1536
95-99 (5)	2002	0.0510	0.0545	0.0471
96-00 (5)	2003	-0.1211	-0.1147	-0.1279
97-01(5)	2004	-0.0615	-0.0497	-0.0737
98-02 (5)	2005	-0.0675	-0.0632	-0.0722
99-03 (5)	2006	0.0048	0.0066	0.0028
89-94 (6)	1997	-0.0929	-0.1130	-0.0729
90-95 (6)	1998	-0.0533	-0.0629	-0.0437
91-96 (6)	1999	0.1158	0.1066	0.1247
92-97 (6)	2000	0.1617	0.1580	0.1649
93-98 (6)	2001	0.1503	0.1434	0.1566
94-99 (6)	2002	0.0937	0.0957	0.0912
95-00 (6)	2003	-0.0273	-0.0247	-0.0304
96-01 (6)	2004	-0.0768	-0.0627	-0.0915
97-02 (6)	2005	-0.0688	-0.0653	-0.0725
98-03 (6)	2006	-0.0332	-0.0278	-0.0391
89-95 (7)	1998	-0.0691	-0.0819	-0.0563
90-96 (7)	1999	0.0945	0.0827	0.1061
91-97 (7)	2000	0.1529	0.1468	0.1587
92-98 (7)	2001	0.1368	0.1297	0.1434
93-99 (7)	2002	0.1097	0.1103	0.1084
94-00 (7)	2003	0.0204	0.0213	0.0189
95-01 (7)	2004	-0.0106	0.0000	-0.0218
96-02 (7)	2005	-0.0859	-0.0796	-0.0927
97-03 (7)	2006	-0.0420	-0.0369	-0.0474
89-96 (8)	1999	0.0715	0.0573	0.0856
90-97 (8)	2000	0.1383	0.1297	0.1467
91-98 (8)	2001	0.1332	0.1242	0.1419
92-99 (8)	2002	0.1078	0.1078	0.1073
93-00 (8)	2003	0.0444	0.0437	0.0443
94-01 (8)	2004	0.0297	0.0383	0.0203
95-02(8)	2005	-0.0367	-0.0325	-0.0416
96-03 (8)	2006	-0.0611	-0.0536	-0.0692
89-97 (9)	2000	0.1205	0.1096	0.1314
90-98 (9)	2001	0.1235	0.1124	0.1343
91-99 (9)	2002	0.1114	0.1093	0.1130
92-00 (9)	2003	0.0505	0.0490	0.0513
93-01 (9)	2004	0.0529	0.0598	0.0452
94-02 (9)	2005	-0.0027	0.0003	-0.0066
95-03 (9)	2006	-0.0264	-0.0205	-0.0329
89-98 (10)	2001	0.1098	0.0967	0.1228
90-99 (10)	2002	0.1078	0.1036	0.1116
91-00 (10)	2003	0.0596	0.0560	0.0626
92-01 (10)	2004	0.0613	0.0671	0.0545
93-02 (10)	2005	0.0190	0.0208	0.0162
94-03 (10)	2006	0.0003	0.0050	-0.0054

Medical
Actual Ultimate Loss Ratios
Including Average of Paid and Incurred

MEDICAL	Policy Year	Loss Ratio Average (Pd & Inc)	Loss Ratio (Incur)	Loss Ratio (Pd-20)
	1989	0.4979	0.4953	0.5006
	1990	0.5172	0.5090	0.5254
	1991	0.5472	0.5443	0.5502
	1992	0.5373	0.5371	0.5375
	1993	0.5270	0.5223	0.5316
	1994	0.5110	0.5085	0.5135
	1995	0.5133	0.5135	0.5132
	1996	0.4695	0.4727	0.4664
	1997	0.5037	0.5038	0.5036
	1998	0.5170	0.5285	0.5055
	1999	0.5286	0.5335	0.5236
	2000	0.5415	0.5488	0.5341
	2001	0.5022	0.4944	0.5101
	2002	0.5138	0.5137	0.5138
	2003	0.5110	0.5053	0.5166
	2004	0.5499	0.5486	0.5512
	2005	0.5109	0.5128	0.5090
	2006	0.4897	0.4824	0.4971

Trend # Years = 3

Medical
Linear Fit
Trended Loss Ratios

Years Used (# Yrs)	3 Yr Trend To	Loss Ratio Average (Pd & Inc)	Loss Ratio (Incur)	Loss Ratio (Pd-20)
89-92 (4)	1995	0.5916	0.5937	0.5894
90-93 (4)	1996	0.5410	0.5429	0.5388
91-94(4)	1997	0.4771	0.4731	0.4810
92-95 (4)	1998	0.4826	0.4823	0.4830
93-96(4)	1999	0.4286	0.4395	0.4180
94-97 (4)	2000	0.4698	0.4749	0.4648
95-98 (4)	2001	0.5213	0.5389	0.5035
96-99 (4)	2002	0.5905	0.6028	0.5779
97-00 (4)	2003	0.5790	0.5917	0.5660
98-01 (4)	2004	0.5082	0.4872	0.5293
99-02 (4)	2005	0.4839	0.4714	0.4964
00-03 (4)	2006	0.4812	0.4655	0.4967
89-93 (5)	1996	0.5645	0.5627	0.5661
90-94 (5)	1997	0.5116	0.5127	0.5104
91-95 (5)	1998	0.4801	0.4800	0.4802
92-96 (5)	1999	0.4370	0.4420	0.4321
93-97 (5)	2000	0.4609	0.4678	0.4541
94-98 (5)	2001	0.5041	0.5206	0.4876
95-99 (5)	2002	0.5455	0.5583	0.5324
96-00 (5)	2003	0.5965	0.6084	0.5843
97-01(5)	2004	0.5294	0.5226	0.5362
98-02 (5)	2005	0.5042	0.4894	0.5190
99-03 (5)	2006	0.4880	0.4734	0.5025
89-94 (6)	1997	0.5363	0.5349	0.5375
90-95 (6)	1998	0.5038	0.5068	0.5008
91-96 (6)	1999	0.4427	0.4468	0.4386
92-97 (6)	2000	0.4572	0.4609	0.4535
93-98 (6)	2001	0.4887	0.5045	0.4731
94-99 (6)	2002	0.5281	0.5417	0.5145
95-00 (6)	2003	0.5644	0.5771	0.5514
96-01 (6)	2004	0.5558	0.5527	0.5588
97-02 (6)	2005	0.5208	0.5146	0.5269
98-03 (6)	2006	0.5011	0.4846	0.5176
89-95 (7)	1998	0.5245	0.5253	0.5236
90-96 (7)	1999	0.4667	0.4727	0.4608
91-97 (7)	2000	0.4556	0.4591	0.4522
92-98 (7)	2001	0.4793	0.4912	0.4675
93-99 (7)	2002	0.5116	0.5255	0.4976
94-00 (7)	2003	0.5484	0.5621	0.5346
95-01 (7)	2004	0.5399	0.5403	0.5394
96-02 (7)	2005	0.5440	0.5403	0.5475
97-03 (7)	2006	0.5145	0.5045	0.5244
89-96 (8)	1999	0.4890	0.4929	0.4851
90-97 (8)	2000	0.4716	0.4768	0.4664
91-98 (8)	2001	0.4732	0.4838	0.4627
92-99 (8)	2002	0.4998	0.5112	0.4883
93-00 (8)	2003	0.5321	0.5464	0.5178
94-01 (8)	2004	0.5317	0.5350	0.5284
95-02(8)	2005	0.5338	0.5330	0.5345
96-03 (8)	2006	0.5349	0.5273	0.5422
89-97 (9)	2000	0.4888	0.4926	0.4851
90-98 (9)	2001	0.4832	0.4944	0.4720
91-99 (9)	2002	0.4911	0.5017	0.4805
92-00 (9)	2003	0.5193	0.5317	0.5070
93-01 (9)	2004	0.5209	0.5263	0.5155
94-02 (9)	2005	0.5283	0.5300	0.5265
95-03 (9)	2006	0.5281	0.5234	0.5327
89-98 (10)	2001	0.4960	0.5053	0.4866
90-99 (10)	2002	0.4969	0.5082	0.4855
91-00 (10)	2003	0.5093	0.5209	0.4975
92-01 (10)	2004	0.5114	0.5164	0.5064
93-02 (10)	2005	0.5196	0.5234	0.5158
94-03 (10)	2006	0.5244	0.5223	0.5264

Medical**Linear Fit****Differences: (Actual - Trended)**

Years Used (# Yrs)	3 Yr Trend To	Loss Ratio Average (Pd & Inc)	Loss Ratio (Incur)	Loss Ratio (Pd-20)
89-92 (4)	1995	-0.0783	-0.0802	-0.0762
90-93 (4)	1996	-0.0715	-0.0702	-0.0724
91-94(4)	1997	0.0266	0.0307	0.0226
92-95 (4)	1998	0.0345	0.0462	0.0225
93-96(4)	1999	0.1000	0.0940	0.1056
94-97 (4)	2000	0.0717	0.0739	0.0693
95-98 (4)	2001	-0.0191	-0.0445	0.0066
96-99 (4)	2002	-0.0767	-0.0891	-0.0640
97-00 (4)	2003	-0.0680	-0.0863	-0.0494
98-01 (4)	2004	0.0418	0.0615	0.0219
99-02 (4)	2005	0.0270	0.0414	0.0126
00-03 (4)	2006	0.0085	0.0169	0.0004
89-93 (5)	1996	-0.0950	-0.0900	-0.0997
90-94 (5)	1997	-0.0079	-0.0089	-0.0068
91-95 (5)	1998	0.0369	0.0485	0.0253
92-96 (5)	1999	0.0916	0.0915	0.0915
93-97 (5)	2000	0.0807	0.0810	0.0800
94-98 (5)	2001	-0.0019	-0.0262	0.0225
95-99 (5)	2002	-0.0317	-0.0446	-0.0186
96-00 (5)	2003	-0.0855	-0.1031	-0.0677
97-01(5)	2004	0.0206	0.0260	0.0150
98-02 (5)	2005	0.0067	0.0234	-0.0100
99-03 (5)	2006	0.0017	0.0090	-0.0054
89-94 (6)	1997	-0.0326	-0.0311	-0.0339
90-95 (6)	1998	0.0132	0.0217	0.0047
91-96 (6)	1999	0.0859	0.0867	0.0850
92-97 (6)	2000	0.0843	0.0879	0.0806
93-98 (6)	2001	0.0135	-0.0101	0.0370
94-99 (6)	2002	-0.0143	-0.0280	-0.0007
95-00 (6)	2003	-0.0534	-0.0718	-0.0348
96-01 (6)	2004	-0.0059	-0.0041	-0.0076
97-02 (6)	2005	-0.0099	-0.0018	-0.0179
98-03 (6)	2006	-0.0114	-0.0022	-0.0205
89-95 (7)	1998	-0.0075	0.0032	-0.0181
90-96 (7)	1999	0.0619	0.0608	0.0628
91-97 (7)	2000	0.0859	0.0897	0.0819
92-98 (7)	2001	0.0229	0.0032	0.0426
93-99 (7)	2002	0.0022	-0.0118	0.0162
94-00 (7)	2003	-0.0374	-0.0568	-0.0180
95-01 (7)	2004	0.0100	0.0083	0.0118
96-02 (7)	2005	-0.0331	-0.0275	-0.0385
97-03 (7)	2006	-0.0248	-0.0221	-0.0273
89-96 (8)	1999	0.0396	0.0406	0.0385
90-97 (8)	2000	0.0699	0.0720	0.0677
91-98 (8)	2001	0.0290	0.0106	0.0474
92-99 (8)	2002	0.0140	0.0025	0.0255
93-00 (8)	2003	-0.0211	-0.0411	-0.0012
94-01 (8)	2004	0.0182	0.0136	0.0228
95-02(8)	2005	-0.0229	-0.0202	-0.0255
96-03 (8)	2006	-0.0452	-0.0449	-0.0451
89-97 (9)	2000	0.0527	0.0562	0.0490
90-98 (9)	2001	0.0190	0.0000	0.0381
91-99 (9)	2002	0.0227	0.0120	0.0333
92-00 (9)	2003	-0.0083	-0.0264	0.0096
93-01 (9)	2004	0.0290	0.0223	0.0357
94-02 (9)	2005	-0.0174	-0.0172	-0.0175
95-03 (9)	2006	-0.0384	-0.0410	-0.0356
89-98 (10)	2001	0.0062	-0.0109	0.0235
90-99 (10)	2002	0.0169	0.0055	0.0283
91-00 (10)	2003	0.0017	-0.0156	0.0191
92-01 (10)	2004	0.0385	0.0322	0.0448
93-02 (10)	2005	-0.0087	-0.0106	-0.0068
94-03 (10)	2006	-0.0347	-0.0399	-0.0293

**Medical
Exponential Fit
Trended Loss Ratios**

Years Used (# Yrs)	3 Yr Trend To	Loss Ratio Average (Pd & Inc)	Loss Ratio (Incur)	Loss Ratio (Pd-20)
89-92 (4)	1995	0.5963	0.5991	0.5935
90-93 (4)	1996	0.5412	0.5434	0.5390
91-94(4)	1997	0.4794	0.4755	0.4832
92-95 (4)	1998	0.4840	0.4838	0.4845
93-96(4)	1999	0.4327	0.4423	0.4236
94-97 (4)	2000	0.4702	0.4751	0.4654
95-98 (4)	2001	0.5216	0.5394	0.5039
96-99 (4)	2002	0.5987	0.6124	0.5847
97-00 (4)	2003	0.5819	0.5956	0.5681
98-01 (4)	2004	0.5075	0.4868	0.5293
99-02 (4)	2005	0.4850	0.4734	0.4968
00-03 (4)	2006	0.4829	0.4688	0.4974
89-93 (5)	1996	0.5664	0.5647	0.5680
90-94 (5)	1997	0.5117	0.5128	0.5106
91-95 (5)	1998	0.4821	0.4819	0.4823
92-96 (5)	1999	0.4407	0.4454	0.4364
93-97 (5)	2000	0.4622	0.4686	0.4561
94-98 (5)	2001	0.5037	0.5199	0.4877
95-99 (5)	2002	0.5468	0.5602	0.5333
96-00 (5)	2003	0.6043	0.6174	0.5910
97-01(5)	2004	0.5289	0.5214	0.5365
98-02 (5)	2005	0.5041	0.4898	0.5190
99-03 (5)	2006	0.4889	0.4754	0.5028
89-94 (6)	1997	0.5367	0.5353	0.5378
90-95 (6)	1998	0.5041	0.5071	0.5013
91-96 (6)	1999	0.4464	0.4502	0.4427
92-97 (6)	2000	0.4593	0.4627	0.4559
93-98 (6)	2001	0.4887	0.5038	0.4740
94-99 (6)	2002	0.5281	0.5419	0.5143
95-00 (6)	2003	0.5667	0.5802	0.5531
96-01 (6)	2004	0.5582	0.5541	0.5621
97-02 (6)	2005	0.5206	0.5141	0.5271
98-03 (6)	2006	0.5013	0.4854	0.5177
89-95 (7)	1998	0.5246	0.5256	0.5237
90-96 (7)	1999	0.4676	0.4733	0.4621
91-97 (7)	2000	0.4583	0.4615	0.4552
92-98 (7)	2001	0.4800	0.4912	0.4690
93-99 (7)	2002	0.5112	0.5250	0.4975
94-00 (7)	2003	0.5490	0.5632	0.5348
95-01 (7)	2004	0.5406	0.5404	0.5404
96-02 (7)	2005	0.5456	0.5413	0.5498
97-03 (7)	2006	0.5144	0.5044	0.5245
89-96 (8)	1999	0.4884	0.4924	0.4845
90-97 (8)	2000	0.4726	0.4775	0.4678
91-98 (8)	2001	0.4746	0.4843	0.4649
92-99 (8)	2002	0.4996	0.5107	0.4886
93-00 (8)	2003	0.5318	0.5463	0.5175
94-01 (8)	2004	0.5317	0.5346	0.5286
95-02(8)	2005	0.5344	0.5331	0.5354
96-03 (8)	2006	0.5360	0.5279	0.5440
89-97 (9)	2000	0.4887	0.4924	0.4850
90-98 (9)	2001	0.4837	0.4943	0.4732
91-99 (9)	2002	0.4915	0.5016	0.4815
92-00 (9)	2003	0.5188	0.5310	0.5067
93-01 (9)	2004	0.5205	0.5255	0.5153
94-02 (9)	2005	0.5284	0.5298	0.5268
95-03 (9)	2006	0.5286	0.5234	0.5335
89-98 (10)	2001	0.4958	0.5049	0.4868
90-99 (10)	2002	0.4968	0.5078	0.4860
91-00 (10)	2003	0.5090	0.5203	0.4977
92-01 (10)	2004	0.5111	0.5156	0.5064
93-02 (10)	2005	0.5194	0.5229	0.5158
94-03 (10)	2006	0.5246	0.5221	0.5268

Medical
Exponential Fit
Differences: (Actual - Trended)

Years Used (# Yrs)	3 Yr Trend To	Loss Ratio Average (Pd & Inc)	Loss Ratio (Incur)	Loss Ratio (Pd-20)
89-92 (4)	1995	-0.0830	-0.0856	-0.0803
90-93 (4)	1996	-0.0717	-0.0707	-0.0726
91-94(4)	1997	0.0243	0.0283	0.0204
92-95 (4)	1998	0.0330	0.0447	0.0210
93-96(4)	1999	0.0959	0.0912	0.1000
94-97 (4)	2000	0.0713	0.0737	0.0687
95-98 (4)	2001	-0.0194	-0.0450	0.0062
96-99 (4)	2002	-0.0849	-0.0987	-0.0709
97-00 (4)	2003	-0.0709	-0.0903	-0.0515
98-01 (4)	2004	0.0424	0.0618	0.0219
99-02 (4)	2005	0.0259	0.0394	0.0122
00-03 (4)	2006	0.0068	0.0136	-0.0003
89-93 (5)	1996	-0.0969	-0.0920	-0.1016
90-94 (5)	1997	-0.0080	-0.0090	-0.0070
91-95 (5)	1998	0.0349	0.0466	0.0232
92-96 (5)	1999	0.0879	0.0881	0.0872
93-97 (5)	2000	0.0793	0.0802	0.0780
94-98 (5)	2001	-0.0015	-0.0255	0.0224
95-99 (5)	2002	-0.0330	-0.0465	-0.0195
96-00 (5)	2003	-0.0933	-0.1121	-0.0744
97-01(5)	2004	0.0210	0.0272	0.0147
98-02 (5)	2005	0.0068	0.0230	-0.0100
99-03 (5)	2006	0.0008	0.0070	-0.0057
89-94 (6)	1997	-0.0330	-0.0315	-0.0342
90-95 (6)	1998	0.0129	0.0214	0.0042
91-96 (6)	1999	0.0822	0.0833	0.0809
92-97 (6)	2000	0.0822	0.0861	0.0782
93-98 (6)	2001	0.0135	-0.0094	0.0361
94-99 (6)	2002	-0.0143	-0.0282	-0.0005
95-00 (6)	2003	-0.0557	-0.0749	-0.0365
96-01 (6)	2004	-0.0083	-0.0055	-0.0109
97-02 (6)	2005	-0.0097	-0.0013	-0.0181
98-03 (6)	2006	-0.0116	-0.0030	-0.0206
89-95 (7)	1998	-0.0076	0.0029	-0.0182
90-96 (7)	1999	0.0610	0.0602	0.0615
91-97 (7)	2000	0.0832	0.0873	0.0789
92-98 (7)	2001	0.0222	0.0032	0.0411
93-99 (7)	2002	0.0026	-0.0113	0.0163
94-00 (7)	2003	-0.0380	-0.0579	-0.0182
95-01 (7)	2004	0.0093	0.0082	0.0108
96-02 (7)	2005	-0.0347	-0.0285	-0.0408
97-03 (7)	2006	-0.0247	-0.0220	-0.0274
89-96 (8)	1999	0.0402	0.0411	0.0391
90-97 (8)	2000	0.0689	0.0713	0.0663
91-98 (8)	2001	0.0276	0.0101	0.0452
92-99 (8)	2002	0.0142	0.0030	0.0252
93-00 (8)	2003	-0.0208	-0.0410	-0.0009
94-01 (8)	2004	0.0182	0.0140	0.0226
95-02(8)	2005	-0.0235	-0.0203	-0.0264
96-03 (8)	2006	-0.0463	-0.0455	-0.0469
89-97 (9)	2000	0.0528	0.0564	0.0491
90-98 (9)	2001	0.0185	0.0001	0.0369
91-99 (9)	2002	0.0223	0.0121	0.0323
92-00 (9)	2003	-0.0078	-0.0257	0.0099
93-01 (9)	2004	0.0294	0.0231	0.0359
94-02 (9)	2005	-0.0175	-0.0170	-0.0178
95-03 (9)	2006	-0.0389	-0.0410	-0.0364
89-98 (10)	2001	0.0064	-0.0105	0.0233
90-99 (10)	2002	0.0170	0.0059	0.0278
91-00 (10)	2003	0.0020	-0.0150	0.0189
92-01 (10)	2004	0.0388	0.0330	0.0448
93-02 (10)	2005	-0.0085	-0.0101	-0.0068
94-03 (10)	2006	-0.0349	-0.0397	-0.0297