

MANUAL REVISIONS

New wording underlined.

SECTION 6 - EXPERIENCE RATING PLAN

**SECTION VI
RATING PROCEDURE**

- 1. **Actual Losses.** in the rating.
- 2. **Expected Losses.** the experience period.
- 3. **Credibility.** in Table B.
- 4. **Maximum Value Charge.** the experience period.
- 5. **Experience Modification.** The Experience Modification (M) shall be determined from the formula:

$$\frac{AC + ELC + E(1.000 - C)}{E}$$

= Indicated Modification, Final Modification Capped to +/- 25% of Prior Modification, except that where the Indicated Modification is less than unity (1.000) and the Capped Modification is greater than unity (1.000), then the Final Modification shall be set equal to unity (1.000).

The experience modification shall be rounded to three decimal places.