

PENNSYLVANIA COMPENSATION RATING BUREAU

**Summary of Material for Modification of Experience
April 1, 2019 Loss Cost Revision**

Superseded

Amended

PENNSYLVANIA 2019 LOSS COST FILING

EFFECTIVE DATE - April 1, 2019

INDEX

PART I - INDICATED LOSS COST CHANGE

| <u>Exhibit</u> | <u>Description</u> | <u>Page</u> |
|-----------------------|---|--------------------|
| I | Indicated Change in Loss Cost Level | 1 Amended |
| II | Employer Assessment Factor and Loss Assessment Load | 2 |
| III | Policy Year Ratios of Losses to Expected Losses | 3 Amended |
| IV | Policy Year Premium On-Level Factors | 13 |
| V | Policy Year Development Factors | 15 Amended |
| VI | Determination of Trend Factors | 18 Amended |

| <u>Table</u> | <u>Description</u> | |
|---------------------|--|----|
| I | Policy Year Data From Supplemental Call - Accumulated Standard Earned Premium | 20 |
| I-A | Adjusted Policy Year Data From Supplemental Call - Total Incurred Losses * | 21 |
| I-B | Adjusted Policy Year Data From Supplemental Call - Indemnity Incurred Losses * | 22 |
| I-C | Adjusted Policy Year Data From Supplemental Call - Medical Incurred Losses * | 23 |
| I-D | Adjusted Policy Year Data From Supplemental Call - Indemnity Paid Losses | 24 |
| I-E | Adjusted Policy Year Data From Supplemental Call - Medical Paid Losses | 25 |

* Incurred Losses exclude IBNR and Bulk Reserves.

Note: Table I reflects the adjustment of reported data to a Post-Act 57 and HB 1846 Basis

PART II - CLASSIFICATION RELATIVITY

| <u>Exhibit</u> | <u>Description</u> | |
|-----------------------|---------------------------|----|
| VII | Loss Cost Formulae | 26 |

PART III - EXPERIENCE RATING PLAN

| <u>Exhibit</u> | <u>Description</u> | |
|-----------------------|-----------------------------------|------------|
| VIII | Collectible Premium Ratios | 28 |
| IX | Expected Loss Cost Factors | 29 Amended |
| X | Retrospective Development Factors | 30 Amended |

EXHIBIT I

INDICATED CHANGE IN LOSS COSTS

| | <u>Indemnity</u> | <u>Medical</u> | <u>Total</u> |
|---|------------------|----------------|---------------|
| (1) Policy Year 2014 Ratio of Loss to Expected Loss | 0.5317 | 0.6142 | 1.1459 |
| (2) Policy Year 2015 Ratio of Loss to Expected Loss | 0.4956 | 0.5386 | 1.0342 |
| (3) Policy Year 2016 Ratio of Loss to Expected Loss | 0.4765 | 0.5215 | 0.9980 |
| (4) Average (Midpoint = 1/1/2016) | 0.5013 | 0.5581 | 1.0594 |
| (5) Policy Year 2014 Ratio Trended to 4/1/2020 + | 0.4245 | 0.5083 | 0.9328 |
| (6) Policy Year 2015 Ratio Trended to 4/1/2020 + | 0.4130 | 0.4621 | 0.8751 |
| (7) Policy Year 2016 Ratio Trended to 4/1/2020 + | 0.4145 | 0.4638 | 0.8783 |
| (8) Average at 4/1/2020 | 0.4173 | 0.4781 | 0.8954 |
| (9a) Protz Adjustment | 1.1337 | 1.0000 | |
| (9b) House Bill 1840 Adjustment | 0.8961 | 1.0000 | |
| (10) Indicated Change in Loss Costs | 0.4239 | 0.4781 | 0.9020 |
| | | | -9.80% |

CHANGES IN MANUAL LOSS COST LEVEL BY INDUSTRY GROUP

| | <u>Mfg.</u> | <u>Cont.</u> | <u>Other</u> | <u>Total</u> |
|--|-------------|--------------|--------------|--------------|
| (11) Current Collectible Premium Ratio | 1.0389 | 1.1238 | 0.9931 | |
| (12) Anticipated Collectible Premium Ratio | 1.0411 | 1.1268 | 0.9929 | |
| (13) Final Indicated Change in Manual Loss Cost Level (10T) * (12) / (11) | 0.9039 | 0.9044 | 0.9018 | 0.9029 |

+ Refer to pages 18 and 19

EXHIBIT II

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

| | | |
|------------|--|-------------------|
| (1) | 2017 PCRB Member Paid Loss* | 2,144,419,288 |
| (2) | 2018/2019 Fiscal Year Membership Assessment Amount | |
| | a. Administration Fund | 41,047,540 |
| | b. Subsequent Injury Fund | 143,127 |
| | c. Supersedeas Fund | 18,349,804 |
| | d. Uninsured Employers Guaranty Fund | 2,169,313 |
| | e. Total | <u>61,709,784</u> |
| (3) | 2017 Employer Assessment Premium Base | 3,363,452,501 |
| (4) | 2018/2019 Fiscal Year Membership Assessment Rate | |
| | a. Administration Fund (2a) / (3) | 0.0122 |
| | b. Subsequent Injury Fund (2b) / (3) | 0.0000 |
| | c. Supersedeas Fund (2c) / (3) | 0.0055 |
| | d. Uninsured Employers Guaranty Fund (2d) / (3) | 0.0006 |
| | e. Employer Assessment Factor (4a) + (4b) + (4c) + (4d) | <u>0.0183</u> |
| (5) | 2018/2019 Fiscal Year Budget for the Office of Small Business Advocate | 275,000 |
| (6) | 2018/2019 Fiscal Year Membership Assessment Rate for the Office of Small Business Advocate (5) / (1) | 0.0001 |
| (7) | Merit Rating Plan Increment Factor | 0.0033 |
| (8) | Certified Safety Committee Program Increment Factor | 0.0100 |
| (9) | Overall Adjustment for the Office of Small Business Advocate, Merit Rating Plan and Certified Safety Committee Program (6) + (7) + (8) | 0.0134 |

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

EXHIBIT III - 1

POLICY YEAR LOSS RATIO 2016

| | | | | |
|---|---|-------------|-------------|---------------|
| (1) | Standard Earned Premium Reported (Table I) | | | 1,492,574,056 |
| (2) | Premium Development Factor to Ultimate Level (Exhibit V-1) | | | 1.0092 |
| (3) | Expense Constant Removal Factor | | | 1.0000 |
| (4) | PCCPAP On-Level Factor | | | 1.0078 |
| (5) | Factor to Remove Loss Based Assessments | | | 0.9853 |
| (6) | Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) | | | 1,495,739,515 |
| (7) | Loss Cost Change to 1/1/19 Level | | | 0.8518 |
| (8) | Expected Loss at Current Level (6) * (7) | | | 1,274,070,919 |
| Losses - Paid-to-30th Method | | | | |
| | | Indemnity | Medical | Total |
| (9) | Paid Losses (Table I-D & I-E) | 207,070,815 | 358,709,085 | 565,779,900 |
| (10) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 3.1043 | 1.9409 | |
| (11) | Ultimate Incurred Losses (9) * (10) | 642,809,931 | 696,218,463 | 1,339,028,394 |
| (12) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (13) | Adjusted Losses (11) * (12) | 642,809,931 | 696,218,463 | 1,339,028,394 |
| (14) | Policy Year Ratio of Losses to Expected Losses (13) / (8) | 0.5045 | 0.5465 | 1.0510 |
| Losses - Incurred Method | | | | |
| (15) | Incurred Losses (Table I-B & I-C) | 359,295,065 | 491,373,811 | 850,668,876 |
| (16) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.5904 | 1.2877 | |
| (17) | Ultimate Incurred Losses (15) * (16) | 571,422,871 | 632,742,056 | 1,204,164,927 |
| (18) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (19) | Adjusted Losses (17) * (18) | 571,422,871 | 632,742,056 | 1,204,164,927 |
| (20) | Policy Year Ratio of Losses to Expected Losses (19) / (8) | 0.4485 | 0.4966 | 0.9451 |
| Losses - Average of Incurred and Paid-to-30th Method | | | | |
| (21) | Adjusted Ultimate Incurred Losses ((13) + (19)) / 2 | 607,116,401 | 664,480,260 | 1,271,596,661 |
| (22) | Policy Year Ratio of Losses to Expected Losses (21) / (8) | 0.4765 | 0.5215 | 0.9980 |
| (23) | Normalized Claim Frequency (Exhibit VI-2) | 0.5373 | 0.5373 | |
| (24) | Severity Ratio * (22) / (23) | 0.8869 | 0.9706 | 1.8575 |

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

EXHIBIT III - 2

POLICY YEAR LOSS RATIO 2015

| | | | | |
|---|---|-------------|-------------|---------------|
| (1) | Standard Earned Premium Reported (Table I) | | | 1,507,408,015 |
| (2) | Premium Development Factor to Ultimate Level (Exhibit V-1) | | | 1.0005 |
| (3) | Expense Constant Removal Factor | | | 1.0000 |
| (4) | PCCPAP On-Level Factor | | | 1.0076 |
| (5) | Factor to Remove Loss Based Assessments | | | 0.9853 |
| (6) | Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) | | | 1,497,285,279 |
| (7) | Loss Cost Change to 1/1/19 Level | | | 0.8299 |
| (8) | Expected Loss at Current Level (6) * (7) | | | 1,242,597,053 |
| Losses - Paid-to-30th Method | | | | |
| | | Indemnity | Medical | Total |
| (9) | Paid Losses (Table I-D & I-E) | 391,792,076 | 450,619,207 | 842,411,283 |
| (10) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.6693 | 1.5474 | |
| (11) | Ultimate Incurred Losses (9) * (10) | 654,019,512 | 697,288,161 | 1,351,306,673 |
| (12) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (13) | Adjusted Losses (11) * (12) | 654,018,512 | 697,288,161 | 1,351,306,673 |
| (14) | Policy Year Ratio of Losses to Expected Losses (13) / (8) | 0.5263 | 0.5612 | 1.0875 |
| Losses - Incurred Method | | | | |
| (15) | Incurred Losses (Table I-B & I-C) | 496,705,992 | 534,288,608 | 1,030,994,600 |
| (16) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.1630 | 1.2000 | |
| (17) | Ultimate Incurred Losses (15) * (16) | 577,669,069 | 641,146,330 | 1,218,815,399 |
| (18) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (19) | Adjusted Losses (17) * (18) | 577,669,069 | 641,146,330 | 1,218,815,399 |
| (20) | Policy Year Ratio of Losses to Expected Losses (19) / (8) | 0.4649 | 0.5160 | 0.9809 |
| Losses - Average of Incurred and Paid-to-30th Method | | | | |
| (21) | Adjusted Ultimate Incurred Losses ((13) + (19)) / 2 | 615,843,791 | 669,217,246 | 1,285,061,037 |
| (22) | Policy Year Ratio of Losses to Expected Losses (21) / (8) | 0.4956 | 0.5386 | 1.0342 |
| (23) | Normalized Claim Frequency (Exhibit VI-2) | 0.5803 | 0.5803 | |
| (24) | Severity Ratio * (22) / (23) | 0.8541 | 0.9282 | 1.7823 |

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

EXHIBIT III - 3

POLICY YEAR LOSS RATIO 2014

| | | | | |
|---|---|-------------|-------------|---------------|
| (1) | Standard Earned Premium Reported (Table I) | | | 1,513,882,133 |
| (2) | Premium Development Factor to Ultimate Level (Exhibit V-1) | | | 1.0001 |
| (3) | Expense Constant Removal Factor | | | 1.0000 |
| (4) | PCCPAP On-Level Factor | | | 1.0066 |
| (5) | Factor to Remove Loss Based Assessments | | | 0.9857 |
| (6) | Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) | | | 1,502,232,569 |
| (7) | Loss Cost Change to 1/1/19 Level | | | 0.7825 |
| (8) | Expected Loss at Current Level (6) * (7) | | | 1,175,496,985 |
| Losses - Paid-to-30th Method | | | | |
| | | Indemnity | Medical | Total |
| (9) | Paid Losses (Table I-D & I-E) | 488,886,040 | 525,968,802 | 1,014,854,842 |
| (10) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.3350 | 1.4460 | |
| (11) | Ultimate Incurred Losses (9) * (10) | 652,662,863 | 760,550,888 | 1,413,213,751 |
| (12) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (13) | Adjusted Losses (11) * (12) | 652,662,863 | 760,550,888 | 1,413,213,751 |
| (14) | Policy Year Ratio of Losses to Expected Losses (13) / (8) | 0.5552 | 0.6470 | 1.2022 |
| Losses - Incurred Method | | | | |
| (15) | Incurred Losses (Table I-B & I-C) | 564,960,436 | 584,417,377 | 1,149,377,813 |
| (16) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.0572 | 1.1694 | |
| (17) | Ultimate Incurred Losses (15) * (16) | 597,276,173 | 683,417,681 | 1,280,693,854 |
| (18) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (19) | Adjusted Losses (17) * (18) | 597,276,173 | 683,417,681 | 1,280,693,854 |
| (20) | Policy Year Ratio of Losses to Expected Losses (19) / (8) | 0.5081 | 0.5814 | 1.0895 |
| Losses - Average of Incurred and Paid-to-30th Method | | | | |
| (21) | Adjusted Ultimate Incurred Losses ((13) + (19)) / 2 | 624,969,518 | 721,984,285 | 1,346,953,803 |
| (22) | Policy Year Ratio of Losses to Expected Losses (21) / (8) | 0.5317 | 0.6142 | 1.1459 |
| (23) | Normalized Claim Frequency (Exhibit VI-2) | 0.6292 | 0.6292 | |
| (24) | Severity Ratio * (22) / (23) | 0.8451 | 0.9762 | 1.8213 |

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

EXHIBIT III - 4

POLICY YEAR LOSS RATIO 2013

| | | | | |
|---|---|-------------|-------------|---------------|
| (1) | Standard Earned Premium Reported (Table I) | | | 1,502,866,414 |
| (2) | Premium Development Factor to Ultimate Level (Exhibit V-1) | | | 0.9999 |
| (3) | Expense Constant Removal Factor | | | 1.0000 |
| (4) | PCCPAP On-Level Factor | | | 1.0067 |
| (5) | Factor to Remove Loss Based Assessments | | | 0.9853 |
| (6) | Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) | | | 1,490,546,396 |
| (7) | Loss Cost Change to 1/1/19 Level | | | 0.7452 |
| (8) | Expected Loss at Current Level (6) * (7) | | | 1,110,755,174 |
| Losses - Paid-to-30th Method | | | | |
| | | Indemnity | Medical | Total |
| (9) | Paid Losses (Table I-D & I-E) | 529,754,399 | 517,270,705 | 1,047,025,104 |
| (10) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.2209 | 1.3985 | |
| (11) | Ultimate Incurred Losses (9) * (10) | 646,777,146 | 723,403,081 | 1,370,180,227 |
| (12) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (13) | Adjusted Losses (11) * (12) | 646,777,146 | 723,403,081 | 1,370,180,227 |
| (14) | Policy Year Ratio of Losses to Expected Losses (13) / (8) | 0.5823 | 0.6513 | 1.2336 |
| Losses - Incurred Method | | | | |
| (15) | Incurred Losses (Table I-B & I-C) | 578,028,628 | 579,531,357 | 1,157,559,985 |
| (16) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.0306 | 1.1640 | |
| (17) | Ultimate Incurred Losses (15) * (16) | 595,716,304 | 674,574,500 | 1,270,290,804 |
| (18) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (19) | Adjusted Losses (17) * (18) | 595,716,304 | 674,574,500 | 1,270,290,804 |
| (20) | Policy Year Ratio of Losses to Expected Losses (19) / (8) | 0.5363 | 0.6073 | 1.1436 |
| Losses - Average of Incurred and Paid-to-30th Method | | | | |
| (21) | Adjusted Ultimate Incurred Losses ((13) + (19)) / 2 | 621,246,725 | 698,988,791 | 1,320,235,516 |
| (22) | Policy Year Ratio of Losses to Expected Losses (21) / (8) | 0.5593 | 0.6293 | 1.1886 |
| (23) | Normalized Claim Frequency (Exhibit VI-2) | 0.6868 | 0.6868 | |
| (24) | Severity Ratio * (22) / (23) | 0.8144 | 0.9163 | 1.7307 |

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

EXHIBIT III - 5

POLICY YEAR LOSS RATIO 2012

| | | | | |
|---|---|-------------|-------------|---------------|
| (1) | Standard Earned Premium Reported (Table I) | | | 1,539,247,581 |
| (2) | Premium Development Factor to Ultimate Level (Exhibit V-1) | | | 1.0001 |
| (3) | Expense Constant Removal Factor | | | 1.0000 |
| (4) | PCCPAP On-Level Factor | | | 1.0067 |
| (5) | Factor to Remove Loss Based Assessments | | | 0.9858 |
| (6) | Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) | | | 1,527,709,536 |
| (7) | Loss Cost Change to 1/1/19 Level | | | 0.7114 |
| (8) | Expected Loss at Current Level (6) * (7) | | | 1,086,812,564 |
| Losses - Paid-to-30th Method | | | | |
| | | Indemnity | Medical | Total |
| (9) | Paid Losses (Table I-D & I-E) | 527,719,678 | 503,111,608 | 1,030,831,286 |
| (10) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.1726 | 1.3739 | |
| (11) | Ultimate Incurred Losses (9) * (10) | 618,804,094 | 691,225,038 | 1,310,029,132 |
| (12) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (13) | Adjusted Losses (11) * (12) | 618,804,094 | 691,225,038 | 1,310,029,132 |
| (14) | Policy Year Ratio of Losses to Expected Losses (13) / (8) | 0.5694 | 0.6360 | 1.2054 |
| Losses - Incurred Method | | | | |
| (15) | Incurred Losses (Table I-B & I-C) | 571,753,520 | 556,010,152 | 1,127,763,672 |
| (16) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.0249 | 1.1469 | |
| (17) | Ultimate Incurred Losses (15) * (16) | 585,990,183 | 637,688,043 | 1,223,678,226 |
| (18) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (19) | Adjusted Losses (17) * (18) | 585,990,183 | 637,688,043 | 1,223,678,226 |
| (20) | Policy Year Ratio of Losses to Expected Losses (19) / (8) | 0.5392 | 0.5868 | 1.1260 |
| Losses - Average of Incurred and Paid-to-30th Method | | | | |
| (21) | Adjusted Ultimate Incurred Losses ((13) + (19)) / 2 | 602,397,139 | 664,456,541 | 1,266,853,680 |
| (22) | Policy Year Ratio of Losses to Expected Losses (21) / (8) | 0.5543 | 0.6114 | 1.1657 |
| (23) | Normalized Claim Frequency (Exhibit VI-2) | 0.7030 | 0.7030 | |
| (24) | Severity Ratio * (22) / (23) | 0.7885 | 0.8698 | 1.6583 |

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

EXHIBIT III - 6

POLICY YEAR LOSS RATIO 2011

| | | | | |
|---|---|-------------|-------------|---------------|
| (1) | Standard Earned Premium Reported (Table I) | | | 1,650,529,182 |
| (2) | Premium Development Factor to Ultimate Level (Exhibit V-1) | | | 1.0001 |
| (3) | Expense Constant Removal Factor | | | 1.0000 |
| (4) | PCCPAP On-Level Factor | | | 1.0057 |
| (5) | Factor to Remove Loss Based Assessments | | | 0.9862 |
| (6) | Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) | | | 1,637,193,768 |
| (7) | Loss Cost Change to 1/1/19 Level | | | 0.6852 |
| (8) | Expected Loss at Current Level (6) * (7) | | | 1,121,805,170 |
| Losses - Paid-to-30th Method | | | | |
| | | Indemnity | Medical | Total |
| (9) | Paid Losses (Table I-D & I-E) | 597,630,706 | 557,259,255 | 1,154,889,961 |
| (10) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.1401 | 1.3529 | |
| (11) | Ultimate Incurred Losses (9) * (10) | 681,358,768 | 753,916,046 | 1,435,274,814 |
| (12) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (13) | Adjusted Losses (11) * (12) | 681,358,768 | 753,916,046 | 1,435,274,814 |
| (14) | Policy Year Ratio of Losses to Expected Losses (13) / (8) | 0.6074 | 0.6721 | 1.2795 |
| Losses - Incurred Method | | | | |
| (15) | Incurred Losses (Table I-B & I-C) | 629,011,884 | 596,687,478 | 1,225,699,362 |
| (16) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.0202 | 1.1414 | |
| (17) | Ultimate Incurred Losses (15) * (16) | 641,717,924 | 681,059,087 | 1,322,777,011 |
| (18) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (19) | Adjusted Losses (17) * (18) | 641,717,924 | 681,059,087 | 1,322,777,011 |
| (20) | Policy Year Ratio of Losses to Expected Losses (19) / (8) | 0.5720 | 0.6071 | 1.1791 |
| Losses - Average of Incurred and Paid-to-30th Method | | | | |
| (21) | Adjusted Ultimate Incurred Losses ((13) + (19)) / 2 | 661,538,346 | 717,487,567 | 1,379,025,913 |
| (22) | Policy Year Ratio of Losses to Expected Losses (21) / (8) | 0.5897 | 0.6396 | 1.2293 |
| (23) | Normalized Claim Frequency (Exhibit VI-2) | 0.7519 | 0.7519 | |
| (24) | Severity Ratio * (22) / (23) | 0.7843 | 0.8507 | 1.6350 |

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

EXHIBIT III - 7

POLICY YEAR LOSS RATIO 2010

| | | | | |
|---|---|-------------|-------------|---------------|
| (1) | Standard Earned Premium Reported (Table I) | | | 1,602,977,986 |
| (2) | Premium Development Factor to Ultimate Level (Exhibit V-1) | | | 0.9998 |
| (3) | Expense Constant Removal Factor | | | 1.0000 |
| (4) | PCCPAP On-Level Factor | | | 1.0055 |
| (5) | Factor to Remove Loss Based Assessments | | | 0.9859 |
| (6) | Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) | | | 1,588,750,251 |
| (7) | Loss Cost Change to 1/1/19 Level | | | 0.6909 |
| (8) | Expected Loss at Current Level (6) * (7) | | | 1,097,667,548 |
| Losses - Paid-to-30th Method | | | | |
| | | Indemnity | Medical | Total |
| (9) | Paid Losses (Table I-D & I-E) | 630,380,745 | 559,862,860 | 1,190,243,605 |
| (10) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.1208 | 1.3349 | |
| (11) | Ultimate Incurred Losses (9) * (10) | 706,530,739 | 747,360,932 | 1,453,891,671 |
| (12) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (13) | Adjusted Losses (11) * (12) | 706,530,739 | 747,360,932 | 1,453,891,671 |
| (14) | Policy Year Ratio of Losses to Expected Losses (13) / (8) | 0.6437 | 0.6809 | 1.3246 |
| Losses - Incurred Method | | | | |
| (15) | Incurred Losses (Table I-B & I-C) | 654,448,556 | 604,879,879 | 1,259,328,435 |
| (16) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.0153 | 1.1312 | |
| (17) | Ultimate Incurred Losses (15) * (16) | 664,461,619 | 684,240,119 | 1,348,701,738 |
| (18) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (19) | Adjusted Losses (17) * (18) | 664,461,619 | 684,240,119 | 1,348,701,738 |
| (20) | Policy Year Ratio of Losses to Expected Losses (19) / (8) | 0.6053 | 0.6234 | 1.2287 |
| Losses - Average of Incurred and Paid-to-30th Method | | | | |
| (21) | Adjusted Ultimate Incurred Losses ((13) + (19)) / 2 | 685,496,179 | 715,800,526 | 1,401,296,705 |
| (22) | Policy Year Ratio of Losses to Expected Losses (21) / (8) | 0.6245 | 0.6521 | 1.2766 |
| (23) | Normalized Claim Frequency (Exhibit VI-2) | 0.8008 | 0.8008 | |
| (24) | Severity Ratio * (22) / (23) | 0.7799 | 0.8143 | 1.5942 |

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

EXHIBIT III - 8

POLICY YEAR LOSS RATIO 2009

| | | | | |
|---|---|-------------|-------------|---------------|
| (1) | Standard Earned Premium Reported (Table I) | | | 1,532,188,924 |
| (2) | Premium Development Factor to Ultimate Level (Exhibit V-1) | | | 0.9998 |
| (3) | Expense Constant Removal Factor | | | 1.0000 |
| (4) | PCCPAP On-Level Factor | | | 0.9987 |
| (5) | Factor to Remove Loss Based Assessments | | | 0.9859 |
| (6) | Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) | | | 1,508,319,575 |
| (7) | Loss Cost Change to 1/1/19 Level | | | 0.6877 |
| (8) | Expected Loss at Current Level (6) * (7) | | | 1,037,271,372 |
| Losses - Paid-to-30th Method | | | | |
| | | Indemnity | Medical | Total |
| (9) | Paid Losses (Table I-D & I-E) | 617,701,546 | 525,267,841 | 1,142,969,387 |
| (10) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.1065 | 1.3191 | |
| (11) | Ultimate Incurred Losses (9) * (10) | 683,486,761 | 692,880,809 | 1,376,367,570 |
| (12) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (13) | Adjusted Losses (11) * (12) | 683,486,761 | 692,880,809 | 1,376,367,570 |
| (14) | Policy Year Ratio of Losses to Expected Losses (13) / (8) | 0.6589 | 0.6680 | 1.3269 |
| Losses - Incurred Method | | | | |
| (15) | Incurred Losses (Table I-B & I-C) | 634,354,346 | 556,677,803 | 1,191,032,149 |
| (16) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.0133 | 1.1246 | |
| (17) | Ultimate Incurred Losses (15) * (16) | 642,791,259 | 626,039,857 | 1,268,831,116 |
| (18) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (19) | Adjusted Losses (17) * (18) | 642,791,259 | 626,039,857 | 1,268,831,116 |
| (20) | Policy Year Ratio of Losses to Expected Losses (19) / (8) | 0.6197 | 0.6035 | 1.2232 |
| Losses - Average of Incurred and Paid-to-30th Method | | | | |
| (21) | Adjusted Ultimate Incurred Losses ((13) + (19)) / 2 | 663,139,010 | 659,460,333 | 1,322,599,343 |
| (22) | Policy Year Ratio of Losses to Expected Losses (21) / (8) | 0.6393 | 0.6358 | 1.2751 |
| (23) | Normalized Claim Frequency (Exhibit VI-2) | 0.8126 | 0.8126 | |
| (24) | Severity Ratio * (22) / (23) | 0.7867 | 0.7824 | 1.5691 |

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

EXHIBIT III - 9**POLICY YEAR LOSS RATIO 2008**

| | | | | |
|---|---|-------------|-------------|---------------|
| (1) | Standard Earned Premium Reported (Table I) | | | 1,726,572,321 |
| (2) | Premium Development Factor to Ultimate Level (Exhibit V-1) | | | 1.0000 |
| (3) | Expense Constant Removal Factor | | | 1.0000 |
| (4) | PCCPAP On-Level Factor | | | 0.9989 |
| (5) | Factor to Remove Loss Based Assessments | | | 0.9862 |
| (6) | Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) | | | 1,700,872,603 |
| (7) | Loss Cost Change to 1/1/19 Level | | | 0.6492 |
| (8) | Expected Loss at Current Level (6) * (7) | | | 1,104,206,494 |
| Losses - Paid-to-30th Method | | | | |
| | | Indemnity | Medical | Total |
| (9) | Paid Losses (Table I-D & I-E) | 678,358,010 | 598,014,414 | 1,276,372,424 |
| (10) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.0954 | 1.3025 | |
| (11) | Ultimate Incurred Losses (9) * (10) | 743,073,364 | 778,913,774 | 1,521,987,138 |
| (12) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (13) | Adjusted Losses (11) * (12) | 743,073,364 | 778,913,774 | 1,521,987,138 |
| (14) | Policy Year Ratio of Losses to Expected Losses (13) / (8) | 0.6729 | 0.7054 | 1.3783 |
| Losses - Incurred Method | | | | |
| (15) | Incurred Losses (Table I-B & I-C) | 700,250,984 | 626,418,940 | 1,326,669,924 |
| (16) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.0115 | 1.1165 | |
| (17) | Ultimate Incurred Losses (15) * (16) | 708,303,870 | 699,396,747 | 1,407,700,617 |
| (18) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (19) | Adjusted Losses (17) * (18) | 708,303,870 | 699,396,747 | 1,407,700,617 |
| (20) | Policy Year Ratio of Losses to Expected Losses (19) / (8) | 0.6415 | 0.6334 | 1.2749 |
| Losses - Average of Incurred and Paid-to-30th Method | | | | |
| (21) | Adjusted Ultimate Incurred Losses ((13) + (19)) / 2 | 725,688,617 | 739,155,261 | 1,464,843,878 |
| (22) | Policy Year Ratio of Losses to Expected Losses (21) / (8) | 0.6572 | 0.6694 | 1.3266 |
| (23) | Normalized Claim Frequency (Exhibit VI-2) | 0.8394 | 0.8394 | |
| (24) | Severity Ratio * (22) / (23) | 0.7829 | 0.7974 | 1.5803 |

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

EXHIBIT III - 10

POLICY YEAR LOSS RATIO 2007

| | | | | |
|---|---|-------------|-------------|---------------|
| (1) | Standard Earned Premium Reported (Table I) | | | 1,875,078,635 |
| (2) | Premium Development Factor to Ultimate Level (Exhibit V-1) | | | 1.0000 |
| (3) | Expense Constant Removal Factor | | | 1.0000 |
| (4) | PCCPAP On-Level Factor | | | 1.0013 |
| (5) | Factor to Remove Loss Based Assessments | | | 0.9873 |
| (6) | Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) | | | 1,853,671,781 |
| (7) | Loss Cost Change to 1/1/19 Level | | | 0.6098 |
| (8) | Expected Loss at Current Level (6) * (7) | | | 1,130,369,052 |
| Losses - Paid-to-30th Method | | | | |
| | | Indemnity | Medical | Total |
| (9) | Paid Losses (Table I-D & I-E) | 726,048,352 | 663,090,515 | 1,389,138,867 |
| (10) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.0865 | 1.2855 | |
| (11) | Ultimate Incurred Losses (9) * (10) | 788,851,534 | 852,402,857 | 1,641,254,391 |
| (12) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (13) | Adjusted Losses (11) * (12) | 788,851,534 | 852,402,857 | 1,641,254,391 |
| (14) | Policy Year Ratio of Losses to Expected Losses (13) / (8) | 0.6979 | 0.7541 | 1.4520 |
| Losses - Incurred Method | | | | |
| (15) | Incurred Losses (Table I-B & I-C) | 750,610,425 | 695,328,858 | 1,445,939,283 |
| (16) | Loss Development Factor to Ultimate Valuation (Exhibit V-2 & V-3) | 1.0093 | 1.1113 | |
| (17) | Ultimate Incurred Losses (15) * (16) | 757,591,102 | 772,718,960 | 1,530,310,062 |
| (18) | Adjustment to Post-Act 44 Loss Levels | 1.0000 | 1.0000 | |
| (19) | Adjusted Losses (17) * (18) | 757,591,102 | 772,718,960 | 1,530,310,062 |
| (20) | Policy Year Ratio of Losses to Expected Losses (19) / (8) | 0.6702 | 0.6836 | 1.3538 |
| Losses - Average of Incurred and Paid-to-30th Method | | | | |
| (21) | Adjusted Ultimate Incurred Losses ((13) + (19)) / 2 | 773,221,318 | 812,560,909 | 1,585,782,227 |
| (22) | Policy Year Ratio of Losses to Expected Losses (21) / (8) | 0.6840 | 0.7188 | 1.4028 |
| (23) | Normalized Claim Frequency (Exhibit VI-2) | 0.9081 | 0.9081 | |
| (24) | Severity Ratio * (22) / (23) | 0.7532 | 0.7916 | 1.5448 |

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

EXHIBIT IV - 1

**POLICY YEARS 2007 - 2012
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 01/01/19 LC LEVEL</u> |
|--------------------|-------------------------------|---------------------------------|--|---|----------------------------------|--|
| 2007 | 4/01/06 | BASE | 1.0000 | 0.3043 | 0.3043 | 0.6098 |
| | 4/01/07 | 1.0295 | 1.0295 | 0.6957 | 0.7162 | |
| | 4/01/08 | 0.6045 | 0.6223 | ----- | ----- | |
| | to 01/01/19 | | | 1.0000 | 1.0205 | |
| 2008 | 4/01/07 | BASE | 1.0000 | 0.3260 | 0.3260 | 0.6492 |
| | 4/01/08 | 0.8978 | 0.8978 | 0.6740 | 0.6051 | |
| | 4/01/09 | 0.6733 | 0.6045 | ----- | ----- | |
| | to 01/01/19 | | | 1.0000 | 0.9311 | |
| 2009 | 4/01/08 | BASE | 1.0000 | 0.3039 | 0.3039 | 0.6877 |
| | 4/01/09 | 0.9700 | 0.9700 | 0.6961 | 0.6752 | |
| | 4/01/10 | 0.6941 | 0.6733 | ----- | ----- | |
| | to 01/01/19 | | | 1.0000 | 0.9791 | |
| 2010 | 4/01/09 | BASE | 1.0000 | 0.2929 | 0.2929 | 0.6909 |
| | 4/01/10 | 1.0068 | 1.0068 | 0.7071 | 0.7119 | |
| | 4/01/11 | 0.6895 | 0.6942 | ----- | ----- | |
| | to 01/01/19 | | | 1.0000 | 1.0048 | |
| 2011 | 4/01/10 | BASE | 1.0000 | 0.2923 | 0.2923 | 0.6852 |
| | 4/01/11 | 1.0087 | 1.0087 | 0.7077 | 0.7139 | |
| | 4/01/12 | 0.6835 | 0.6894 | ----- | ----- | |
| | to 01/01/19 | | | 1.0000 | 1.0062 | |
| 2012 | 4/01/11 | BASE | 1.0000 | 0.3074 | 0.3074 | 0.7114 |
| | 4/01/12 | 0.9434 | 0.9434 | 0.6926 | 0.6534 | |
| | 4/01/13 | 0.7245 | 0.6835 | ----- | ----- | |
| | to 01/01/19 | | | 1.0000 | 0.9608 | |

EXHIBIT IV - 2

**POLICY YEARS 2013 - 2017
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 01/01/19 LC LEVEL</u> |
|--------------------|-------------------------------|---------------------------------|--|---|----------------------------------|--|
| 2013 | 4/01/12 | BASE | 1.0000 | 0.3065 | 0.3065 | 0.7452 |
| | 4/01/13 | 0.9599 | 0.9599 | 0.6935 | 0.6657 | |
| | 4/01/14 | 0.7548 | 0.7245 | ----- | ----- | |
| | to 01/01/19 | | | 1.0000 | 0.9722 | |
| 2014 | 4/01/13 | BASE | 1.0000 | 0.3119 | 0.3119 | 0.7825 |
| | 4/01/14 | 0.9485 | 0.9485 | 0.6881 | 0.6527 | |
| | 4/01/15 | 0.7958 | 0.7548 | ----- | ----- | |
| | to 01/01/19 | | | 1.0000 | 0.9646 | |
| 2015 | 4/01/14 | BASE | 1.0000 | 0.3135 | 0.3135 | 0.8299 |
| | 4/01/15 | 0.9401 | 0.9401 | 0.6865 | 0.6454 | |
| | 4/01/16 | 0.8465 | 0.7958 | ----- | ----- | |
| | to 01/01/19 | | | 1.0000 | 0.9589 | |
| 2016 | 4/01/15 | BASE | 1.0000 | 0.3024 | 0.3024 | 0.8518 |
| | 4/01/16 | 0.9910 | 0.9910 | 0.6976 | 0.6913 | |
| | 4/01/17 | 0.8541 | 0.8464 | ----- | ----- | |
| | to 01/01/19 | | | 1.0000 | 0.9937 | |
| 2017 | 4/01/16 | BASE | 1.0000 | 0.3143 | 0.3143 | 0.8921 |
| | 4/01/17 | 0.9379 | 0.9379 | 0.6857 | 0.6431 | |
| | 2/01/18 | 0.9107 | 0.8541 | ----- | ----- | |
| | to 01/01/19 | | | 1.0000 | 0.9574 | |

EXHIBIT V - 1

DEVELOPMENT FACTORS

PREMIUM

| <u>Reports in Ratio</u> | <u>Policy Year</u> | <u>2016-2017 Ratio</u> | <u>Policy Year</u> | <u>2015-2016 Ratio</u> | <u>Policy Year</u> | <u>2014-2015 Ratio</u> | <u>Policy Year</u> | <u>2013-2014 Ratio</u> | <u>Unweighted Average</u> | <u>Selected Average</u> | <u>Cumulative Average</u> |
|-------------------------|--------------------|------------------------|--------------------|------------------------|--------------------|------------------------|--------------------|------------------------|---------------------------|-------------------------|---------------------------|
| 2nd to 1st | 2015 | 1.0092 | 2014 | 1.0084 | 2013 | 1.0099 | 2012 | 1.0073 | 1.0087 | 1.0087 | 1.0092 |
| 3rd to 2nd | 2014 | 1.0007 | 2013 | 1.0012 | 2012 | 0.9994 | 2011 | 1.0003 | 1.0004 | 1.0004 | 1.0005 |
| 4th to 3rd | 2013 | 1.0006 | 2012 | 0.9996 | 2011 | 1.0002 | 2010 | 1.0002 | 1.0002 | 1.0002 | 1.0001 |
| 5th to 4th | 2012 | 0.9995 | 2011 | 0.9999 | 2010 | 1.0001 | 2009 | 0.9997 | 0.9998 | 0.9998 | 0.9999 |
| 6th to 5th | 2011 | 1.0002 | 2010 | 1.0002 | 2009 | 0.9997 | 2008 | 0.9997 | 1.0000 | 1.0000 | 1.0001 |
| 7th to 6th | 2010 | 1.0003 | 2009 | 1.0011 | 2008 | 1.0000 | 2007 | 0.9999 | 1.0003 | 1.0003 | 1.0001 |
| 8th to 7th | 2009 | 0.9999 | 2008 | 0.9999 | 2007 | 1.0000 | 2006 | 1.0000 | 1.0000 | 1.0000 | 0.9998 |
| 9th to 8th | 2008 | 0.9988 | 2007 | 1.0002 | 2006 | 1.0000 | 2005 | 1.0000 | 0.9998 | 0.9998 | 0.9998 |
| 10th to 9th | 2007 | 1.0000 | 2006 | 1.0000 | 2005 | 1.0000 | 2004 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 11th to 10th | 2006 | 1.0000 | 2005 | 1.0000 | 2004 | 1.0000 | 2003 | 0.9999 | 1.0000 | 1.0000 | 1.0000 |
| 12th to 11th | 2005 | 1.0000 | 2004 | 1.0000 | 2003 | 1.0001 | 2002 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 13th to 12th | 2004 | 1.0000 | 2003 | 1.0000 | 2002 | 1.0000 | 2001 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 14th to 13th | 2003 | 1.0000 | 2002 | 1.0000 | 2001 | 1.0000 | 2000 | 1.0001 | 1.0000 | 1.0000 | 1.0000 |
| 15th to 14th | 2002 | 1.0000 | 2001 | 1.0000 | 2000 | 1.0000 | 1999 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 16th to 15th | 2001 | 1.0000 | 2000 | 1.0000 | 1999 | 1.0000 | 1998 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 17th to 16th | 2000 | 1.0000 | 1999 | 0.9999 | 1998 | 1.0000 | 1997 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 18th to 17th | 1999 | 1.0000 | 1998 | 1.0000 | 1997 | 1.0000 | 1996 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 19th to 18th | 1998 | 1.0000 | 1997 | 0.9999 | 1996 | 1.0001 | 1995 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 20th to 19th | 1997 | 1.0000 | 1996 | 1.0000 | 1995 | 1.0000 | 1994 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 21st to 20th | 1996 | 1.0000 | 1995 | 1.0000 | 1994 | 1.0000 | 1993 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 22nd to 21st | 1995 | 1.0000 | 1994 | 1.0002 | 1993 | 1.0000 | 1992 | 1.0000 | 1.0001 | 1.0000 | 1.0000 |
| 23rd to 22nd | 1994 | 1.0000 | 1993 | 1.0000 | 1992 | 1.0000 | 1991 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 24th to 23rd | 1993 | 1.0000 | 1992 | 1.0000 | 1991 | 1.0000 | 1990 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 25th to 24th | 1992 | 1.0000 | 1991 | 1.0000 | 1990 | 1.0000 | 1989 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 26th to 25th | 1991 | 1.0000 | 1990 | 1.0000 | 1989 | 1.0000 | 1988 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 27th to 26th | 1990 | 1.0000 | 1989 | 1.0000 | 1988 | 1.0000 | 1987 | 1.0001 | 1.0000 | 1.0000 | 1.0000 |
| 28th to 27th | 1989 | 1.0000 | 1988 | 1.0000 | 1987 | 1.0000 | 1986 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 29th to 28th | 1988 | 1.0000 | 1987 | 1.0000 | 1986 | 1.0000 | | | | 1.0000 | 1.0000 |
| 30th to 29th | 1987 | 1.0000 | 1986 | 1.0000 | | | | | | 1.0000 | 1.0000 |

| <u>Policy Year</u> | <u>Present Valuation</u> | <u>Premium Development Factor</u> |
|--------------------|--------------------------|-----------------------------------|
| 1988 | Twenty-Ninth | 1.0000 |
| 1989 | Twenty-Eighth | 1.0000 |
| 1990 | Twenty-Seventh | 1.0000 |
| 1991 | Twenty-Sixth | 1.0000 |
| 1992 | Twenty-Fifth | 1.0000 |
| 1993 | Twenty-Fourth | 1.0000 |
| 1994 | Twenty-Third | 1.0000 |
| 1995 | Twenty-Second | 1.0000 |
| 1996 | Twenty-First | 1.0000 |
| 1997 | Twentieth | 1.0000 |
| 1998 | Nineteenth | 1.0000 |
| 1999 | Eighteenth | 1.0000 |
| 2000 | Seventeenth | 1.0000 |
| 2001 | Sixteenth | 1.0000 |
| 2002 | Fifteenth | 1.0000 |
| 2003 | Fourteenth | 1.0000 |
| 2004 | Thirteenth | 1.0000 |
| 2005 | Twelfth | 1.0000 |
| 2006 | Eleventh | 1.0000 |
| 2007 | Tenth | 1.0000 |
| 2008 | Ninth | 1.0000 |
| 2009 | Eighth | 0.9998 |
| 2010 | Seventh | 0.9998 |
| 2011 | Sixth | 1.0001 |
| 2012 | Fifth | 1.0001 |
| 2013 | Fourth | 0.9999 |
| 2014 | Third | 1.0001 |
| 2015 | Second | 1.0005 |
| 2016 | First | 1.0092 |

EXHIBIT V - 2

DEVELOPMENT FACTORS

**INDEMNITY LOSSES
PAID METHOD**

| Reports in Ratio | Policy Year | 2016-2017 Ratio | Policy Year | 2015-2016 Ratio | Policy Year | 2014-2015 Ratio | Policy Year | 2013-2014 Ratio | Policy Year | 2012-2013 Ratio | 2 Year Average | 3 Year Average | 5 Year Average | Selected Average | Cumulative Average | | |
|---------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|-------------------|-------------------|-------------------|---------------------|-----------------------|--------|--------|
| 2nd to 1st | a | 2015 | 2014 | 1.7883 | 2014 | 1.8713 | 2013 | 1.9193 | 2012 | 1.9105 | 2011 | 1.9079 | 1.8298 | 1.8596 | 1.8795 | 1.8596 | 3.1043 |
| 3rd to 2nd | a | 2014 | 2013 | 1.2325 | 2013 | 1.2582 | 2012 | 1.2606 | 2011 | 1.2852 | 2010 | 1.2987 | 1.2454 | 1.2504 | 1.2670 | 1.2504 | 1.6693 |
| 4th to 3rd | a | 2013 | 2012 | 1.0813 | 2012 | 1.0979 | 2011 | 1.1011 | 2010 | 1.1133 | 2009 | 1.1150 | 1.0896 | 1.0934 | 1.1017 | 1.0934 | 1.3350 |
| 5th to 4th | a | 2012 | 2011 | 1.0362 | 2011 | 1.0380 | 2010 | 1.0493 | 2009 | 1.0465 | 2008 | 1.0494 | 1.0371 | 1.0412 | 1.0439 | 1.0412 | 1.2209 |
| 6th to 5th | a | 2011 | 2010 | 1.0226 | 2010 | 1.0275 | 2009 | 1.0356 | 2008 | 1.0291 | 2007 | 1.0272 | 1.0251 | 1.0286 | 1.0284 | 1.0286 | 1.1726 |
| 7th to 6th | a | 2010 | 2009 | 1.0166 | 2009 | 1.0220 | 2008 | 1.0131 | 2007 | 1.0184 | 2006 | 1.0266 | 1.0193 | 1.0172 | 1.0193 | 1.0172 | 1.1401 |
| 8th to 7th | a | 2009 | 2008 | 1.0131 | 2008 | 1.0111 | 2007 | 1.0144 | 2006 | 1.0152 | 2005 | 1.0175 | 1.0121 | 1.0129 | 1.0143 | 1.0129 | 1.1208 |
| 9th to 8th | a | 2008 | 2007 | 1.0069 | 2007 | 1.0104 | 2006 | 1.0131 | 2005 | 1.0125 | 2004 | 1.0138 | 1.0087 | 1.0101 | 1.0113 | 1.0101 | 1.1065 |
| 10th to 9th | a | 2007 | 2006 | 1.0076 | 2006 | 1.0088 | 2005 | 1.0083 | 2004 | 1.0118 | 2003 | 1.0100 | 1.0082 | 1.0082 | 1.0093 | 1.0082 | 1.0954 |
| 11th to 10th | a | 2006 | 2005 | 1.0072 | 2005 | 1.0081 | 2004 | 1.0094 | 2003 | 1.0083 | 2002 | 1.0108 | 1.0077 | 1.0082 | 1.0088 | 1.0082 | 1.0865 |
| 12th to 11th | a | 2005 | 2004 | 1.0051 | 2004 | 1.0068 | 2003 | 1.0071 | 2002 | 1.0057 | 2001 | 1.0074 | 1.0060 | 1.0063 | 1.0064 | 1.0063 | 1.0776 |
| 13th to 12th | a | 2004 | 2003 | 1.0061 | 2003 | 1.0045 | 2002 | 1.0054 | 2001 | 1.0049 | 2000 | 1.0051 | 1.0053 | 1.0053 | 1.0052 | 1.0053 | 1.0708 |
| 14th to 13th | a | 2003 | 2002 | 1.0042 | 2002 | 1.0045 | 2001 | 1.0040 | 2000 | 1.0037 | 1999 | 1.0022 | 1.0044 | 1.0042 | 1.0037 | 1.0042 | 1.0651 |
| 15th to 14th | a | 2002 | 2001 | 1.0033 | 2001 | 1.0020 | 2000 | 1.0031 | 1999 | 1.0019 | 1998 | 1.0024 | 1.0027 | 1.0028 | 1.0025 | 1.0028 | 1.0606 |
| 16th to 15th | a | 2001 | 2000 | 1.0028 | 2000 | 1.0021 | 1999 | 1.0013 | 1998 | 1.0024 | 1997 | 1.0026 | 1.0025 | 1.0021 | 1.0022 | 1.0021 | 1.0577 |
| 17th to 16th | a | 2000 | 1999 | 1.0020 | 1999 | 1.0017 | 1998 | 1.0026 | 1997 | 1.0039 | 1996 | 1.0049 | 1.0019 | 1.0021 | 1.0030 | 1.0021 | 1.0555 |
| 18th to 17th | a | 1999 | 1998 | 1.0016 | 1998 | 1.0020 | 1997 | 1.0029 | 1996 | 1.0034 | 1995 | 1.0039 | 1.0018 | 1.0022 | 1.0028 | 1.0022 | 1.0533 |
| 19th to 18th | a | 1998 | 1997 | 1.0016 | 1997 | 1.0019 | 1996 | 1.0028 | 1995 | 1.0043 | 1994 | 1.0068 | 1.0018 | 1.0021 | 1.0035 | 1.0021 | 1.0510 |
| 20th to 19th | a | 1997 | 1996 | 1.0020 | 1996 | 1.0028 | 1995 | 1.0034 | 1994 | 1.0054 | 1993 | 1.0053 | 1.0024 | 1.0027 | 1.0038 | 1.0027 | 1.0488 |
| 21st to 20th | a | 1996 | 1995 | 1.0027 | 1995 | 1.0039 | 1994 | 1.0045 | 1993 | 1.0049 | 1992 | 1.0052 | 1.0033 | 1.0037 | 1.0042 | 1.0037 | 1.0460 |
| 22nd to 21st | a | 1995 | 1994 | 1.0028 | 1994 | 1.0046 | 1993 | 1.0043 | 1992 | 1.0049 | 1991 | 1.0037 | 1.0037 | 1.0039 | 1.0041 | 1.0039 | 1.0421 |
| 23rd to 22nd | a | 1994 | 1993 | 1.0039 | 1993 | 1.0041 | 1992 | 1.0039 | 1991 | 1.0033 | 1990 | 1.0033 | 1.0040 | 1.0040 | 1.0037 | 1.0040 | 1.0380 |
| 24th to 23rd | a | 1993 | 1992 | 1.0039 | 1992 | 1.0040 | 1991 | 1.0034 | 1990 | 1.0030 | 1989 | 1.0037 | 1.0040 | 1.0038 | 1.0036 | 1.0038 | 1.0339 |
| 25th to 24th | a | 1992 | 1991 | 1.0031 | 1991 | 1.0036 | 1990 | 1.0032 | 1989 | 1.0033 | 1988 | 1.0024 | 1.0034 | 1.0033 | 1.0031 | 1.0033 | 1.0301 |
| 26th to 25th | a | 1991 | 1990 | 1.0030 | 1990 | 1.0029 | 1989 | 1.0031 | 1988 | 1.0025 | 1987 | 1.0030 | 1.0030 | 1.0030 | 1.0029 | 1.0030 | 1.0267 |
| 27th to 26th | a | 1990 | 1989 | 1.0023 | 1989 | 1.0030 | 1988 | 1.0021 | 1987 | 1.0020 | 1986 | 1.0031 | 1.0027 | 1.0025 | 1.0025 | 1.0025 | 1.0236 |
| 28th to 27th | a | 1989 | 1988 | 1.0026 | 1988 | 1.0019 | 1987 | 1.0021 | 1986 | 1.0026 | | 1.0023 | 1.0022 | 1.0023 | 1.0022 | 1.0022 | 1.0211 |
| 29th to 28th | a | 1988 | 1987 | 1.0016 | 1987 | 1.0016 | 1986 | 1.0031 | | | | 1.0016 | 1.0021 | 1.0021 | 1.0021 | 1.0021 | 1.0188 |
| 30th to 29th | b | 1987 | 1986 | 1.0125 | 1986 | 1.0191 | | | | | | 1.0158 | 1.0158 | 1.0158 | 1.0158 | 1.0158 | 1.0167 |
| Beyond 30th | c | 1986 & Prior | 1985 & Prior | 1.0011 | 1985 & Prior | 1.0004 | 1985 & Prior | 1.0017 | 1985 & Prior | 1.0010 | 1985 & Prior | 1.0010 | 1.0008 | 1.0011 | 1.0010 | 1.0009 | 1.0009 |

INCURRED METHOD

| Reports in Ratio | Policy Year | 2016-2017 Ratio | Policy Year | 2015-2016 Ratio | Policy Year | 2014-2015 Ratio | Policy Year | 2013-2014 Ratio | Policy Year | 2012-2013 Ratio | 2 Year Average | 3 Year Average | 5 Year Average | Selected Average | Cumulative Average | | |
|---------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|-------------------|-------------------|-------------------|---------------------|-----------------------|--------|--------|
| 2nd to 1st | c | 2015 | 2014 | 1.3390 | 2014 | 1.3303 | 2013 | 1.3936 | 2012 | 1.3808 | 2011 | 1.3937 | 1.3347 | 1.3543 | 1.3675 | 1.3675 | 1.5904 |
| 3rd to 2nd | c | 2014 | 2013 | 1.0876 | 2013 | 1.0948 | 2012 | 1.1086 | 2011 | 1.0992 | 2010 | 1.1100 | 1.0912 | 1.0970 | 1.1000 | 1.1000 | 1.1630 |
| 4th to 3rd | c | 2013 | 2012 | 1.0106 | 2012 | 1.0319 | 2011 | 1.0240 | 2010 | 1.0337 | 2009 | 1.0291 | 1.0213 | 1.0222 | 1.0259 | 1.0259 | 1.0572 |
| 5th to 4th | c | 2012 | 2011 | 1.0054 | 2011 | 1.0040 | 2010 | 1.0040 | 2009 | 1.0037 | 2008 | 1.0089 | 1.0047 | 1.0051 | 1.0056 | 1.0056 | 1.0306 |
| 6th to 5th | c | 2011 | 2010 | 1.0078 | 2010 | 1.0002 | 2009 | 1.0112 | 2008 | 1.0034 | 2007 | 1.0000 | 1.0040 | 1.0064 | 1.0045 | 1.0045 | 1.0249 |
| 7th to 6th | c | 2010 | 2009 | 1.0062 | 2009 | 1.0058 | 2008 | 1.0028 | 2007 | 1.0025 | 2006 | 1.0068 | 1.0060 | 1.0049 | 1.0048 | 1.0048 | 1.0202 |
| 8th to 7th | c | 2009 | 2008 | 1.0041 | 2008 | 0.9999 | 2007 | 1.0003 | 2006 | 1.0035 | 2005 | 1.0025 | 1.0020 | 1.0014 | 1.0021 | 1.0021 | 1.0153 |
| 9th to 8th | c | 2008 | 2007 | 1.0010 | 2007 | 1.0013 | 2006 | 0.9989 | 2005 | 1.0026 | 2004 | 1.0050 | 1.0012 | 1.0004 | 1.0018 | 1.0018 | 1.0133 |
| 10th to 9th | c | 2007 | 2006 | 1.0032 | 2006 | 1.0025 | 2005 | 1.0013 | 2004 | 1.0018 | 2003 | 1.0022 | 1.0029 | 1.0023 | 1.0022 | 1.0022 | 1.0115 |
| 11th to 10th | c | 2006 | 2005 | 1.0011 | 2005 | 1.0014 | 2004 | 0.9996 | 2003 | 1.0024 | 2002 | 1.0020 | 1.0013 | 1.0007 | 1.0013 | 1.0013 | 1.0093 |
| 12th to 11th | c | 2005 | 2004 | 1.0011 | 2004 | 1.0014 | 2003 | 0.9998 | 2002 | 1.0007 | 2001 | 1.0051 | 1.0013 | 1.0008 | 1.0016 | 1.0016 | 1.0080 |
| 13th to 12th | c | 2004 | 2003 | 1.0009 | 2003 | 1.0007 | 2002 | 0.9986 | 2001 | 1.0014 | 2000 | 1.0015 | 1.0008 | 1.0001 | 1.0006 | 1.0006 | 1.0063 |
| 14th to 13th | c | 2003 | 2002 | 1.0016 | 2002 | 1.0016 | 2001 | 0.9996 | 2000 | 0.9993 | 1999 | 0.9997 | 1.0016 | 1.0009 | 1.0004 | 1.0004 | 1.0057 |
| 15th to 14th | c | 2002 | 2001 | 1.0014 | 2001 | 1.0013 | 2000 | 0.9998 | 1999 | 1.0004 | 1998 | 1.0005 | 1.0014 | 1.0008 | 1.0007 | 1.0007 | 1.0053 |
| 16th to 15th | c | 2001 | 2000 | 1.0001 | 2000 | 0.9999 | 1999 | 0.9995 | 1998 | 1.0010 | 1997 | 1.0014 | 1.0000 | 0.9998 | 1.0004 | 1.0004 | 1.0047 |
| 17th to 16th | c | 2000 | 1999 | 1.0011 | 1999 | 1.0005 | 1998 | 0.9996 | 1997 | 0.9983 | 1996 | 1.0008 | 1.0004 | 0.9999 | 0.9999 | 0.9999 | 1.0043 |
| 18th to 17th | c | 1999 | 1998 | 1.0009 | 1998 | 1.0003 | 1997 | 0.9996 | 1996 | 1.0002 | 1995 | 1.0009 | 1.0006 | 1.0003 | 1.0004 | 1.0004 | 1.0044 |
| 19th to 18th | c | 1998 | 1997 | 0.9996 | 1997 | 1.0021 | 1996 | 0.9970 | 1995 | 1.0011 | 1994 | 1.0025 | 1.0009 | 0.9996 | 1.0005 | 1.0005 | 1.0040 |
| 20th to 19th | c | 1997 | 1996 | 1.0004 | 1996 | 0.9999 | 1995 | 1.0004 | 1994 | 1.0002 | 1993 | 1.0011 | 1.0002 | 1.0002 | 1.0004 | 1.0004 | 1.0036 |
| 21st to 20th | c | 1996 | 1995 | 0.9997 | 1995 | 0.9984 | 1994 | 1.0008 | 1993 | 1.0017 | 1992 | 0.9992 | 0.9991 | 0.9996 | 1.0000 | 1.0000 | 1.0032 |
| 22nd to 21st | c | 1995 | 1994 | 1.0009 | 1994 | 1.0017 | 1993 | 1.0003 | 1992 | 0.9995 | 1991 | 0.9990 | 1.0013 | 1.0010 | 1.0003 | 1.0003 | 1.0032 |
| 23rd to 22nd | c | 1994 | 1993 | 0.9997 | 1993 | 1.0002 | 1992 | 0.9989 | 1991 | 1.0000 | 1990 | 1.0009 | 1.0000 | 0.9996 | 0.9999 | 0.9999 | 1.0029 |
| 24th to 23rd | c | 1993 | 1992 | 1.0006 | 1992 | 1.0011 | 1991 | 1.0006 | 1990 | 1.0001 | 1989 | 1.0009 | 1.0009 | 1.0008 | 1.0007 | 1.0007 | 1.0030 |
| 25th to 24th | c | 1992 | 1991 | 0.9993 | 1991 | 1.0008 | 1990 | 1.0002 | 1989 | 0.9996 | 1988 | 0.9999 | 1.0001 | 1.0001 | 1.0000 | 1.0000 | 1.0023 |
| 26th to 25th | c | 1991 | 1990 | 1.0000 | 1990 | 1.0006 | 1989 | 1.0019 | 1988 | 1.0002 | 1987 | 0.9994 | 1.0003 | 1.0008 | 1.0004 | 1.0004 | 1.0024 |
| 27th to 26th | c | 1990 | 1989 | 1.0001 | 1989 | 1.0005 | 1988 | 0.9996 | 1987 | 1.0006 | 1986 | 1.0010 | 1.0003 | 1.0001 | 1.0004 | 1.0004 | 1.0019 |
| 28th to 27th | c | 1989 | 1988 | 1.0002 | 1988 | 1.0004 | 1987 | 1.0005 | 1986 | 1.0001 | | 1.0003 | 1.0004 | 1.0003 | 1.0003 | 1.0003 | 1.0016 |
| 29th to 28th | c | 1988 | 1987 | 0.9996 | 1987 | 0.9992 | 1986 | 1.0010 | | | | 0.9994 | 0.9999 | 0.9999 | 0.9999 | 0.9999 | 1.0013 |
| 30th to 29th | c | 1987 | 1986 | 1.0005 | 1986 | 1.0004 | | | | | | 1.0005 | 1.0005 | 1.0005 | 1.0005 | 1.0005 | 1.0014 |
| Beyond 30th | c | 1986 & Prior | 1985 & Prior | 1.0011 | 1985 & Prior | 1.0004 | 1985 & Prior | 1.0017 | 1985 & Prior | 1.0010 | 1985 & Prior | 1.0010 | 1.0008 | 1.0011 | 1.0010 | 1.0009 | 1.0009 |

a From Table I-D
b 29th (Paid - Table I-D) to 30th (Incurred - Table I-B)
c From Table I-B
d Derived separately. See Exhibit 7 of the April 1, 2019 Filing.

EXHIBIT V - 3

DEVELOPMENT FACTORS

**MEDICAL LOSSES
PAID METHOD**

| Reports in Ratio | Policy Year | 2016-2017 Ratio | Policy Year | 2015-2016 Ratio | Policy Year | 2014-2015 Ratio | Policy Year | 2013-2014 Ratio | Policy Year | 2012-2013 Ratio | 2 Year Average | 3 Year Average | 5 Year Average | Selected Average | Cumulative Average |
|---------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|-------------------|-------------------|-------------------|---------------------|-----------------------|
| 2nd to 1st | a | 2015 | 2014 | 1.2608 | 2013 | 1.2528 | 2012 | 1.2529 | 2011 | 1.2548 | 1.2550 | 1.2543 | 1.2541 | 1.2543 | 1.9409 |
| 3rd to 2nd | a | 2014 | 2013 | 1.0776 | 2012 | 1.0695 | 2011 | 1.0831 | 2010 | 1.0828 | 1.0704 | 1.0701 | 1.0752 | 1.0701 | 1.5474 |
| 4th to 3rd | a | 2013 | 2012 | 1.0372 | 2011 | 1.0350 | 2010 | 1.0390 | 2009 | 1.0403 | 1.0335 | 1.0340 | 1.0363 | 1.0340 | 1.4460 |
| 5th to 4th | a | 2012 | 2011 | 1.0177 | 2010 | 1.0203 | 2009 | 1.0248 | 2008 | 1.0248 | 1.0168 | 1.0179 | 1.0207 | 1.0179 | 1.3985 |
| 6th to 5th | a | 2011 | 2010 | 1.0157 | 2009 | 1.0160 | 2008 | 1.0169 | 2007 | 1.0194 | 1.0153 | 1.0155 | 1.0166 | 1.0155 | 1.3739 |
| 7th to 6th | a | 2010 | 2009 | 1.0134 | 2008 | 1.0128 | 2007 | 1.0215 | 2006 | 1.0215 | 1.0138 | 1.0135 | 1.0167 | 1.0135 | 1.3529 |
| 8th to 7th | a | 2009 | 2008 | 1.0110 | 2007 | 1.0135 | 2006 | 1.0150 | 2005 | 1.0162 | 1.0113 | 1.0120 | 1.0134 | 1.0120 | 1.3349 |
| 9th to 8th | a | 2008 | 2007 | 1.0139 | 2006 | 1.0148 | 2005 | 1.0142 | 2004 | 1.0165 | 1.0117 | 1.0127 | 1.0138 | 1.0127 | 1.3191 |
| 10th to 9th | a | 2007 | 2006 | 1.0146 | 2005 | 1.0137 | 2004 | 1.0131 | 2003 | 1.0128 | 1.0130 | 1.0132 | 1.0131 | 1.0132 | 1.3025 |
| 11th to 10th | a | 2006 | 2005 | 1.0097 | 2004 | 1.0109 | 2003 | 1.0124 | 2002 | 1.0151 | 1.0096 | 1.0100 | 1.0115 | 1.0100 | 1.2855 |
| 12th to 11th | a | 2005 | 2004 | 1.0095 | 2003 | 1.0108 | 2002 | 1.0156 | 2001 | 1.0120 | 1.0099 | 1.0102 | 1.0116 | 1.0102 | 1.2728 |
| 13th to 12th | a | 2004 | 2003 | 1.0107 | 2002 | 1.0141 | 2001 | 1.0086 | 2000 | 1.0126 | 1.0092 | 1.0108 | 1.0107 | 1.0108 | 1.2600 |
| 14th to 13th | a | 2003 | 2002 | 1.0149 | 2001 | 1.0067 | 2000 | 1.0109 | 1999 | 1.0115 | 1.0116 | 1.0099 | 1.0104 | 1.0099 | 1.2465 |
| 15th to 14th | a | 2002 | 2001 | 1.0092 | 2000 | 1.0104 | 1999 | 1.0134 | 1998 | 1.0111 | 1.0101 | 1.0102 | 1.0110 | 1.0102 | 1.2342 |
| 16th to 15th | a | 2001 | 2000 | 1.0081 | 1999 | 1.0079 | 1998 | 1.0076 | 1997 | 1.0113 | 1.0069 | 1.0072 | 1.0081 | 1.0072 | 1.2218 |
| 17th to 16th | a | 2000 | 1999 | 1.0080 | 1998 | 1.0105 | 1997 | 1.0098 | 1996 | 1.0192 | 1.0080 | 1.0088 | 1.0111 | 1.0088 | 1.2130 |
| 18th to 17th | a | 1999 | 1998 | 1.0092 | 1997 | 1.0098 | 1996 | 1.0110 | 1995 | 1.0133 | 1.0080 | 1.0085 | 1.0100 | 1.0086 | 1.2024 |
| 19th to 18th | a | 1998 | 1997 | 1.0115 | 1996 | 1.0111 | 1995 | 1.0091 | 1994 | 1.0135 | 1.0099 | 1.0103 | 1.0107 | 1.0103 | 1.1922 |
| 20th to 19th | a | 1997 | 1996 | 1.0117 | 1995 | 1.0082 | 1994 | 1.0121 | 1993 | 1.0145 | 1.0104 | 1.0095 | 1.0111 | 1.0096 | 1.1800 |
| 21st to 20th | a | 1996 | 1995 | 1.0067 | 1994 | 1.0140 | 1993 | 1.0126 | 1992 | 1.0120 | 1.0082 | 1.0101 | 1.0110 | 1.0101 | 1.1688 |
| 22nd to 21st | a | 1995 | 1994 | 1.0125 | 1993 | 1.0110 | 1992 | 1.0113 | 1991 | 1.0097 | 1.0115 | 1.0113 | 1.0110 | 1.0113 | 1.1571 |
| 23rd to 22nd | a | 1994 | 1993 | 1.0080 | 1992 | 1.0102 | 1991 | 1.0080 | 1990 | 1.0088 | 1.0099 | 1.0100 | 1.0094 | 1.0100 | 1.1441 |
| 24th to 23rd | a | 1993 | 1992 | 1.0118 | 1991 | 1.0067 | 1990 | 1.0070 | 1989 | 1.0105 | 1.0106 | 1.0093 | 1.0091 | 1.0093 | 1.1328 |
| 25th to 24th | a | 1992 | 1991 | 1.0059 | 1990 | 1.0063 | 1989 | 1.0082 | 1988 | 1.0075 | 1.0070 | 1.0068 | 1.0072 | 1.0068 | 1.1223 |
| 26th to 25th | a | 1991 | 1990 | 1.0077 | 1989 | 1.0087 | 1988 | 1.0086 | 1987 | 1.0106 | 1.0070 | 1.0076 | 1.0084 | 1.0076 | 1.1148 |
| 27th to 26th | a | 1990 | 1989 | 1.0100 | 1988 | 1.0067 | 1987 | 1.0084 | 1986 | 1.0105 | 1.0080 | 1.0076 | 1.0083 | 1.0076 | 1.1064 |
| 28th to 27th | a | 1989 | 1988 | 1.0058 | 1987 | 1.0070 | 1986 | 1.0123 | | | 1.0073 | 1.0072 | 1.0085 | 1.0072 | 1.0981 |
| 29th to 28th | a | 1988 | 1987 | 1.0084 | 1986 | 1.0056 | | | | | 1.0067 | 1.0063 | 1.0063 | 1.0063 | 1.0903 |
| 30th to 29th | b | 1987 | 1986 | 1.0658 | | | | | | | 1.0768 | 1.0768 | 1.0768 | 1.0768 | 1.0834 |
| Beyond 30th | c | 1986 & Prior | 1.0036 | 1985 & Prior | 1.0141 | 1985 & Prior | 0.9954 | 1985 & Prior | 1.0201 | 1985 & Prior | 1.0058 | 1.0089 | 1.0044 | 1.0078 | 1.0062 |

INCURRED METHOD

| Reports in Ratio | Policy Year | 2016-2017 Ratio | Policy Year | 2015-2016 Ratio | Policy Year | 2014-2015 Ratio | Policy Year | 2013-2014 Ratio | Policy Year | 2012-2013 Ratio | 2 Year Average | 3 Year Average | 5 Year Average | Selected Average | Cumulative Average |
|---------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|-------------------|-------------------|-------------------|---------------------|-----------------------|
| 2nd to 1st | c | 2015 | 2014 | 1.0717 | 2013 | 1.0874 | 2012 | 1.0682 | 2011 | 1.0904 | 1.0598 | 1.0690 | 1.0731 | 1.0731 | 1.2877 |
| 3rd to 2nd | c | 2014 | 2013 | 1.0201 | 2012 | 1.0252 | 2011 | 1.0316 | 2010 | 1.0340 | 1.0201 | 1.0218 | 1.0262 | 1.0262 | 1.2000 |
| 4th to 3rd | c | 2013 | 2012 | 1.0047 | 2011 | 0.9925 | 2010 | 1.0139 | 2009 | 1.0144 | 1.0011 | 0.9982 | 1.0046 | 1.0046 | 1.1694 |
| 5th to 4th | c | 2012 | 2011 | 1.0088 | 2010 | 1.0061 | 2009 | 1.0164 | 2008 | 1.0125 | 1.0198 | 1.0152 | 1.0149 | 1.0149 | 1.1640 |
| 6th to 5th | c | 2011 | 2010 | 0.9987 | 2009 | 0.9982 | 2008 | 1.0073 | 2007 | 1.0114 | 1.0036 | 1.0018 | 1.0048 | 1.0048 | 1.1469 |
| 7th to 6th | c | 2010 | 2009 | 1.0162 | 2008 | 1.0082 | 2007 | 1.0061 | 2006 | 1.0065 | 1.0122 | 1.0109 | 1.0090 | 1.0090 | 1.1414 |
| 8th to 7th | c | 2009 | 2008 | 0.9991 | 2007 | 0.9987 | 2006 | 1.0211 | 2005 | 1.0131 | 0.9982 | 0.9984 | 1.0059 | 1.0059 | 1.1312 |
| 9th to 8th | c | 2008 | 2007 | 1.0062 | 2006 | 1.0072 | 2005 | 1.0108 | 2004 | 1.0141 | 1.0020 | 1.0037 | 1.0072 | 1.0072 | 1.1246 |
| 10th to 9th | c | 2007 | 2006 | 1.0041 | 2005 | 1.0032 | 2004 | 1.0115 | 2003 | 1.0026 | 1.0032 | 1.0032 | 1.0047 | 1.0047 | 1.1165 |
| 11th to 10th | c | 2006 | 2005 | 1.0083 | 2004 | 1.0012 | 2003 | 1.0100 | 2002 | 1.0102 | 1.0065 | 1.0047 | 1.0069 | 1.0069 | 1.1113 |
| 12th to 11th | c | 2005 | 2004 | 0.9996 | 2003 | 1.0063 | 2002 | 1.0164 | 2001 | 1.0072 | 1.0035 | 1.0044 | 1.0074 | 1.0074 | 1.1037 |
| 13th to 12th | c | 2004 | 2003 | 1.0033 | 2002 | 1.0094 | 2001 | 1.0044 | 2000 | 1.0081 | 1.0051 | 1.0065 | 1.0064 | 1.0064 | 1.0957 |
| 14th to 13th | c | 2003 | 2002 | 1.0033 | 2001 | 1.0038 | 2000 | 1.0043 | 1999 | 1.0066 | 1.0040 | 1.0039 | 1.0045 | 1.0045 | 1.0887 |
| 15th to 14th | c | 2002 | 2001 | 1.0019 | 2000 | 1.0054 | 1999 | 1.0140 | 1998 | 1.0077 | 1.0039 | 1.0044 | 1.0070 | 1.0070 | 1.0838 |
| 16th to 15th | c | 2001 | 2000 | 1.0048 | 1999 | 0.9998 | 1998 | 1.0042 | 1997 | 1.0098 | 1.0027 | 1.0017 | 1.0038 | 1.0038 | 1.0763 |
| 17th to 16th | c | 2000 | 1999 | 1.0035 | 1998 | 1.0001 | 1997 | 1.0065 | 1996 | 1.0121 | 1.0029 | 1.0019 | 1.0049 | 1.0049 | 1.0722 |
| 18th to 17th | c | 1999 | 1998 | 1.0010 | 1997 | 1.0026 | 1996 | 1.0130 | 1995 | 1.0081 | 0.9977 | 0.9993 | 1.0038 | 1.0038 | 1.0670 |
| 19th to 18th | c | 1998 | 1997 | 1.0052 | 1996 | 0.9932 | 1995 | 1.0016 | 1994 | 1.0058 | 1.0067 | 1.0022 | 1.0028 | 1.0028 | 1.0629 |
| 20th to 19th | c | 1997 | 1996 | 1.0060 | 1995 | 1.0113 | 1994 | 1.0095 | 1993 | 1.0061 | 1.0020 | 1.0051 | 1.0062 | 1.0062 | 1.0599 |
| 21st to 20th | c | 1996 | 1995 | 0.9991 | 1994 | 1.0079 | 1993 | 1.0108 | 1992 | 1.0093 | 1.0035 | 1.0049 | 1.0070 | 1.0070 | 1.0534 |
| 22nd to 21st | c | 1995 | 1994 | 1.0053 | 1993 | 1.0067 | 1992 | 1.0052 | 1991 | 1.0100 | 1.0033 | 1.0044 | 1.0057 | 1.0057 | 1.0461 |
| 23rd to 22nd | c | 1994 | 1993 | 1.0057 | 1992 | 1.0017 | 1991 | 1.0018 | 1990 | 1.0065 | 1.0045 | 1.0035 | 1.0038 | 1.0038 | 1.0402 |
| 24th to 23rd | c | 1993 | 1992 | 1.0045 | 1991 | 1.0041 | 1990 | 1.0088 | 1989 | 1.0054 | 1.0046 | 1.0044 | 1.0055 | 1.0055 | 1.0363 |
| 25th to 24th | c | 1992 | 1991 | 0.9988 | 1990 | 1.0037 | 1989 | 1.0042 | 1988 | 1.0107 | 0.9992 | 1.0007 | 1.0034 | 1.0034 | 1.0306 |
| 26th to 25th | c | 1991 | 1990 | 1.0025 | 1989 | 1.0055 | 1988 | 1.0095 | 1987 | 1.0097 | 1.0040 | 1.0058 | 1.0067 | 1.0067 | 1.0271 |
| 27th to 26th | c | 1990 | 1989 | 1.0067 | 1988 | 0.9993 | 1987 | 1.0054 | 1986 | 1.0057 | 1.0032 | 1.0019 | 1.0033 | 1.0033 | 1.0203 |
| 28th to 27th | c | 1989 | 1988 | 1.0017 | 1987 | 1.0022 | 1986 | 1.0035 | | | 1.0014 | 1.0016 | 1.0021 | 1.0021 | 1.0169 |
| 29th to 28th | c | 1988 | 1987 | 1.0013 | 1986 | 0.9984 | | | | | 0.9997 | 0.9992 | 0.9992 | 0.9992 | 1.0148 |
| 30th to 29th | c | 1987 | 1986 | 1.0086 | | | | | | | 1.0134 | 1.0134 | 1.0134 | 1.0093 | 1.0156 |
| Beyond 30th | c | 1986 & Prior | 1.0036 | 1985 & Prior | 1.0141 | 1985 & Prior | 0.9954 | 1985 & Prior | 1.0201 | 1985 & Prior | 1.0058 | 1.0089 | 1.0044 | 1.0078 | 1.0062 |

a From Table I-E

b 29th (Paid - Table I-E) to 30th (Incurred - Table I-C)

c From Table I-C

d Derived separately. See Exhibit 7 of the April 1, 2019 Filing.

e Derived separately. Selected age-to-age factors 19-20 to 28-29 were reverse accumulated, and fitted to the curve $Y=1.005187^*(1.004268)^{x-t}$. The curve evaluated at $t=11$ divided by the cumulative 19-29 factor equals 1.00933 (1.0534/1.04366=1.00933).

EXHIBIT VI - 1

DETERMINATION OF TREND

INDEMNITY

| Policy Year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------------------|--------|--------|--------|--------|--------|--------|--------|
| Actual Loss Ratio | 0.6245 | 0.5897 | 0.5543 | 0.5593 | 0.5317 | 0.4956 | 0.4765 |
| Normalized Frequency | 0.8008 | 0.7519 | 0.7030 | 0.6868 | 0.6292 | 0.5803 | 0.5373 |
| Severity Loss Ratio | 0.7799 | 0.7843 | 0.7885 | 0.8144 | 0.8451 | 0.8541 | 0.8869 |
| x | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| y | 0.7799 | 0.7843 | 0.7885 | 0.8144 | 0.8451 | 0.8541 | 0.8869 |

7 Point Exponential Regression: $y = 0.750829 * 1.022592 ^ x$

Selected Annual Severity Trend Factor =

2.26%

| Policy Year | Annual Severity Trend Factor (1) | Trend Period # of Years to 4/1/20 (2) | Severity Trend Factor (3) = (1) ^ (2) | Frequency Trend Factor (4) # |
|-------------|----------------------------------|---------------------------------------|---------------------------------------|------------------------------|
| 2014 | 1.0226 | 5.2500 | 1.1244 | 0.7101 |
| 2015 | 1.0226 | 4.2500 | 1.0996 | 0.7579 |
| 2016 | 1.0226 | 3.2500 | 1.0753 | 0.8090 |

Trended Loss Ratio

| Policy Year | Actual Loss Ratio (5) | Combined Trend Factor (6) = (3) * (4) | Trended Loss Ratio (7) = (5) * (6) |
|-------------|-----------------------|---------------------------------------|------------------------------------|
| 2014 | 0.5317 | 0.7984 | 0.4245 |
| 2015 | 0.4956 | 0.8334 | 0.4130 |
| 2016 | 0.4765 | 0.8699 | 0.4145 |

MEDICAL

| Policy Year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------------------|--------|--------|--------|--------|--------|--------|--------|
| Actual Loss Ratio | 0.6521 | 0.6396 | 0.6114 | 0.6293 | 0.6142 | 0.5386 | 0.5215 |
| Normalized Frequency | 0.8008 | 0.7519 | 0.7030 | 0.6868 | 0.6292 | 0.5803 | 0.5373 |
| Severity Loss Ratio | 0.8143 | 0.8507 | 0.8698 | 0.9163 | 0.9762 | 0.9282 | 0.9706 |
| x | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| y | 0.8143 | 0.8507 | 0.8698 | 0.9163 | 0.9762 | 0.9282 | 0.9706 |

7 Point Exponential Regression: $y = 0.802634 * 1.029591 ^ x$

Selected Annual Severity Trend Factor =

2.96%

| Policy Year | Annual Severity Trend Factor (1) | Trend Period # of Years to 4/1/20 (2) | Severity Trend Factor (3) = (1) ^ (2) | Frequency Trend Factor (4) # |
|-------------|----------------------------------|---------------------------------------|---------------------------------------|------------------------------|
| 2014 | 1.0296 | 5.2500 | 1.1654 | 0.7101 |
| 2015 | 1.0296 | 4.2500 | 1.1319 | 0.7579 |
| 2016 | 1.0296 | 3.2500 | 1.0994 | 0.8090 |

Trended Loss Ratio

| Policy Year | Actual Loss Ratio (5) | Combined Trend Factor (6) = (3) * (4) | Trended Loss Ratio (7) = (5) * (6) |
|-------------|-----------------------|---------------------------------------|------------------------------------|
| 2014 | 0.6142 | 0.8276 | 0.5083 |
| 2015 | 0.5386 | 0.8579 | 0.4621 |
| 2016 | 0.5215 | 0.8894 | 0.4638 |

EXHIBIT VI - 2

DETERMINATION OF TREND

CLAIM FREQUENCY

Policy Year Frequency per \$1 million of Expected Losses
{1 = PY 2005, 12 = PY 2016}

| Policy Year | Claim Frequency | Normalized Frequency |
|-------------|-----------------|----------------------|
| 2005 | 25.35 | 1.0000 |
| 2006 | 24.42 | 0.9633 |
| 2007 | 23.02 | 0.9081 |
| 2008 | 21.28 | 0.8394 |
| 2009 | 20.60 | 0.8126 |
| 2010 | 20.30 | 0.8008 |
| 2011 | 19.06 | 0.7519 |
| 2012 | 17.82 | 0.7030 |
| 2013 | 17.41 | 0.6868 |
| 2014 | 15.95 | 0.6292 |
| 2015 | 14.71 | 0.5803 |
| 2016 | 13.62 | 0.5373 |

| Policy Year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------|--------|--------|--------|--------|--------|--------|--------|
| x | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| y | 0.8008 | 0.7519 | 0.7030 | 0.6868 | 0.6292 | 0.5803 | 0.5373 |

7 Point Exponential Regression: $y = 0.862171 * 0.936859 ^ x$

Selected Annual Frequency Trend Factor =

-6.3%

| Policy Year | Annual Frequency Trend Factor (1) | Trend Period # of Years to 4/1/20 (2) | Frequency Trend Factor (3) = (1) ^ (2) |
|-------------|-----------------------------------|---------------------------------------|--|
| 2014 | 0.9369 | 5.2500 | 0.7101 |
| 2015 | 0.9369 | 4.2500 | 0.7579 |
| 2016 | 0.9369 | 3.2500 | 0.8090 |

TABLE I

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

ACCUMULATED STANDARD EARNED PREMIUM

| Policy Year Valued | As of 12/31/15 | As of 12/31/16 | Ratio to Prior Year |
|--------------------|----------------|----------------|---------------------|
| Prior to 1986 | 11,270,003,930 | 11,270,002,435 | 1.0000 |
| 1986 | 1,399,780,511 | 1,399,780,511 | 1.0000 |
| 1987 | 1,668,430,035 | 1,668,400,312 | 1.0000 |
| 1988 | 1,858,386,098 | 1,858,386,098 | 1.0000 |
| 1989 | 1,988,338,672 | 1,988,338,672 | 1.0000 |
| 1990 | 2,245,147,958 | 2,245,147,958 | 1.0000 |
| 1991 | 2,332,660,111 | 2,332,664,363 | 1.0000 |
| 1992 | 2,164,654,772 | 2,164,656,978 | 1.0000 |
| 1993 | 2,294,465,498 | 2,294,465,498 | 1.0000 |
| 1994 | 1,721,499,568 | 1,721,832,130 | 1.0002 |
| 1995 | 1,572,710,109 | 1,572,715,440 | 1.0000 |
| 1996 | 1,492,135,961 | 1,492,135,492 | 1.0000 |
| 1997 | 1,233,600,116 | 1,233,498,713 | 0.9999 |
| 1998 | 1,181,535,270 | 1,181,529,594 | 1.0000 |
| 1999 | 1,189,127,076 | 1,189,035,153 | 0.9999 |
| 2000 | 1,244,872,551 | 1,244,872,847 | 1.0000 |
| 2001 | 1,325,974,300 | 1,325,962,965 | 1.0000 |
| 2002 | 1,380,506,692 | 1,380,499,686 | 1.0000 |
| 2003 | 1,448,139,650 | 1,448,153,855 | 1.0000 |
| 2004 | 1,565,911,962 | 1,565,945,507 | 1.0000 |
| 2005 | 1,743,873,990 | 1,743,888,342 | 1.0000 |
| 2006 | 1,732,229,909 | 1,732,229,725 | 1.0000 |
| 2007 | 1,787,935,442 | 1,788,239,502 | 1.0002 |
| 2008 | 1,651,011,268 | 1,650,791,507 | 0.9999 |
| 2009 | 1,469,195,419 | 1,470,814,925 | 1.0011 |
| 2010 | 1,538,155,138 | 1,538,459,936 | 1.0002 |
| 2011 | 1,579,918,334 | 1,579,758,670 | 0.9999 |
| 2012 | 1,448,492,533 | 1,447,969,688 | 0.9996 |
| 2013 | 1,390,724,937 | 1,392,434,479 | 1.0012 |
| 2014 | 1,369,050,958 | 1,380,574,220 | 1.0084 |
| 2015 | 762,374,589 | 1,349,300,392 | 1.7699 |
| 2016 | | 763,986,020 | |

| Policy Year Valued | As of 12/31/16 | As of 12/31/17 | Ratio to Prior Year |
|--------------------|----------------|----------------|---------------------|
| Prior to 1987 | 12,725,082,066 | 12,725,080,080 | 1.0000 |
| 1987 | 1,696,103,858 | 1,696,133,581 | 1.0000 |
| 1988 | 1,892,997,460 | 1,892,967,737 | 1.0000 |
| 1989 | 2,028,267,129 | 2,028,267,129 | 1.0000 |
| 1990 | 2,290,237,152 | 2,290,233,534 | 1.0000 |
| 1991 | 2,398,356,893 | 2,398,359,195 | 1.0000 |
| 1992 | 2,244,461,676 | 2,244,461,757 | 1.0000 |
| 1993 | 2,410,370,517 | 2,410,370,517 | 1.0000 |
| 1994 | 1,821,555,070 | 1,821,555,070 | 1.0000 |
| 1995 | 1,680,387,555 | 1,680,387,566 | 1.0000 |
| 1996 | 1,596,667,871 | 1,596,668,963 | 1.0000 |
| 1997 | 1,313,190,488 | 1,313,191,877 | 1.0000 |
| 1998 | 1,259,206,442 | 1,259,209,776 | 1.0000 |
| 1999 | 1,271,772,231 | 1,271,772,492 | 1.0000 |
| 2000 | 1,334,900,985 | 1,334,908,458 | 1.0000 |
| 2001 | 1,430,995,800 | 1,430,998,196 | 1.0000 |
| 2002 | 1,499,195,071 | 1,499,188,529 | 1.0000 |
| 2003 | 1,566,155,744 | 1,566,149,453 | 1.0000 |
| 2004 | 1,674,834,898 | 1,674,833,631 | 1.0000 |
| 2005 | 1,839,468,089 | 1,839,505,833 | 1.0000 |
| 2006 | 1,813,980,851 | 1,813,987,513 | 1.0000 |
| 2007 | 1,875,147,287 | 1,875,078,635 | 1.0000 |
| 2008 | 1,728,696,141 | 1,726,572,321 | 0.9988 |
| 2009 | 1,532,354,422 | 1,532,188,924 | 0.9999 |
| 2010 | 1,602,462,818 | 1,602,977,986 | 1.0003 |
| 2011 | 1,650,159,797 | 1,650,529,182 | 1.0002 |
| 2012 | 1,539,983,161 | 1,539,247,581 | 0.9995 |
| 2013 | 1,501,970,455 | 1,502,866,414 | 1.0006 |
| 2014 | 1,512,765,321 | 1,513,882,133 | 1.0007 |
| 2015 | 1,493,674,368 | 1,507,408,015 | 1.0092 |
| 2016 | 841,321,118 | 1,492,574,056 | 1.7741 |
| 2017 | | 873,888,955 | |

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 A POST ACT 57 AND HB 1846 BASIS

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

| Policy Year Valued | As of 12/31/15 | As of 12/31/16 | Ratio to Prior Year |
|--------------------|----------------|----------------|---------------------|
| Prior to 1986 | 6,486,417,316 | 6,491,316,598 | 1.0008 |
| 1986 | 1,036,365,462 | 1,039,428,204 | 1.0030 |
| 1987 | 1,293,715,579 | 1,293,585,933 | 0.9999 |
| 1988 | 1,494,643,713 | 1,495,955,494 | 1.0009 |
| 1989 | 1,767,581,810 | 1,772,372,052 | 1.0027 |
| 1990 | 1,809,937,550 | 1,814,279,573 | 1.0024 |
| 1991 | 1,607,375,789 | 1,607,431,121 | 1.0000 |
| 1992 | 1,369,167,394 | 1,372,469,365 | 1.0024 |
| 1993 | 1,143,826,846 | 1,146,311,334 | 1.0022 |
| 1994 | 1,053,424,347 | 1,056,617,224 | 1.0030 |
| 1995 | 920,299,813 | 919,080,904 | 0.9987 |
| 1996 | 829,636,154 | 831,681,929 | 1.0025 |
| 1997 | 864,402,180 | 867,407,529 | 1.0035 |
| 1998 | 877,671,300 | 878,219,865 | 1.0006 |
| 1999 | 981,659,463 | 983,422,947 | 1.0018 |
| 2000 | 1,038,241,281 | 1,040,297,279 | 1.0020 |
| 2001 | 1,038,392,857 | 1,040,030,581 | 1.0016 |
| 2002 | 1,112,969,636 | 1,115,544,394 | 1.0023 |
| 2003 | 1,108,114,642 | 1,112,008,159 | 1.0035 |
| 2004 | 1,226,553,486 | 1,227,249,281 | 1.0006 |
| 2005 | 1,266,551,547 | 1,272,508,580 | 1.0047 |
| 2006 | 1,311,479,430 | 1,315,748,218 | 1.0033 |
| 2007 | 1,396,272,263 | 1,401,345,021 | 1.0036 |
| 2008 | 1,279,126,441 | 1,278,522,840 | 0.9995 |
| 2009 | 1,144,925,992 | 1,157,110,468 | 1.0106 |
| 2010 | 1,232,742,400 | 1,232,089,845 | 0.9995 |
| 2011 | 1,178,416,473 | 1,185,829,330 | 1.0063 |
| 2012 | 1,031,723,818 | 1,050,804,002 | 1.0185 |
| 2013 | 1,038,376,903 | 1,096,243,845 | 1.0557 |
| 2014 | 861,374,530 | 1,017,184,293 | 1.1809 |
| 2015 | 321,556,846 | 812,498,333 | 2.5268 |
| 2016 | | 297,788,586 | |

| Policy Year Valued | As of 12/31/16 | As of 12/31/17 | Ratio to Prior Year |
|--------------------|----------------|----------------|---------------------|
| Prior to 1987 | 7,495,119,199 | 7,497,704,919 | 1.0003 |
| 1987 | 1,304,019,471 | 1,312,417,468 | 1.0064 |
| 1988 | 1,512,745,823 | 1,511,233,524 | 0.9990 |
| 1989 | 1,793,392,872 | 1,794,284,589 | 1.0005 |
| 1990 | 1,839,262,355 | 1,839,057,981 | 0.9999 |
| 1991 | 1,635,073,376 | 1,636,573,432 | 1.0009 |
| 1992 | 1,407,825,517 | 1,406,901,670 | 0.9993 |
| 1993 | 1,176,741,769 | 1,179,173,752 | 1.0021 |
| 1994 | 1,097,244,698 | 1,098,356,484 | 1.0010 |
| 1995 | 961,173,527 | 962,156,701 | 1.0010 |
| 1996 | 879,748,164 | 882,544,395 | 1.0032 |
| 1997 | 908,058,043 | 907,505,308 | 0.9994 |
| 1998 | 935,821,877 | 939,095,533 | 1.0035 |
| 1999 | 1,038,456,899 | 1,036,421,441 | 0.9980 |
| 2000 | 1,105,732,542 | 1,107,508,384 | 1.0016 |
| 2001 | 1,110,232,238 | 1,110,614,794 | 1.0003 |
| 2002 | 1,198,348,938 | 1,202,357,495 | 1.0033 |
| 2003 | 1,199,231,142 | 1,202,828,667 | 1.0030 |
| 2004 | 1,293,319,310 | 1,295,923,887 | 1.0020 |
| 2005 | 1,324,921,041 | 1,330,283,958 | 1.0040 |
| 2006 | 1,355,776,919 | 1,359,534,511 | 1.0028 |
| 2007 | 1,441,991,696 | 1,445,939,283 | 1.0027 |
| 2008 | 1,327,363,062 | 1,326,669,924 | 0.9995 |
| 2009 | 1,189,960,124 | 1,191,032,149 | 1.0009 |
| 2010 | 1,250,378,643 | 1,259,328,435 | 1.0072 |
| 2011 | 1,215,824,655 | 1,225,699,362 | 1.0081 |
| 2012 | 1,108,078,627 | 1,127,763,672 | 1.0178 |
| 2013 | 1,153,051,848 | 1,157,559,985 | 1.0039 |
| 2014 | 1,092,416,105 | 1,149,377,813 | 1.0521 |
| 2015 | 880,788,071 | 1,030,994,600 | 1.1705 |
| 2016 | 330,011,395 | 850,668,876 | 2.5777 |
| 2017 | | 362,179,066 | |

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 A POST ACT 57 AND HB 1846 BASIS

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INDEMNITY INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

| Policy Year Valued | As of 12/31/15 | As of 12/31/16 | Ratio to Prior Year |
|--------------------|----------------|----------------|---------------------|
| Prior to 1986 | 4,671,047,086 | 4,671,353,956 | 1.0001 |
| 1986 | 709,958,220 | 710,223,713 | 1.0004 |
| 1987 | 859,471,128 | 858,795,309 | 0.9992 |
| 1988 | 971,713,782 | 972,140,554 | 1.0004 |
| 1989 | 1,129,971,629 | 1,130,519,400 | 1.0005 |
| 1990 | 1,154,725,763 | 1,155,458,990 | 1.0006 |
| 1991 | 996,986,924 | 997,801,259 | 1.0008 |
| 1992 | 837,728,861 | 838,662,162 | 1.0011 |
| 1993 | 731,532,753 | 731,646,821 | 1.0002 |
| 1994 | 667,404,748 | 668,564,530 | 1.0017 |
| 1995 | 564,381,655 | 563,486,707 | 0.9984 |
| 1996 | 481,434,927 | 481,377,066 | 0.9999 |
| 1997 | 490,465,134 | 491,514,461 | 1.0021 |
| 1998 | 489,050,563 | 489,207,206 | 1.0003 |
| 1999 | 555,033,287 | 555,308,615 | 1.0005 |
| 2000 | 590,913,809 | 590,838,562 | 0.9999 |
| 2001 | 593,685,011 | 594,475,158 | 1.0013 |
| 2002 | 619,093,878 | 620,062,653 | 1.0016 |
| 2003 | 603,367,812 | 603,777,247 | 1.0007 |
| 2004 | 650,858,643 | 651,767,703 | 1.0014 |
| 2005 | 665,360,222 | 666,303,453 | 1.0014 |
| 2006 | 690,507,362 | 692,203,844 | 1.0025 |
| 2007 | 729,703,005 | 730,660,505 | 1.0013 |
| 2008 | 675,382,557 | 675,303,249 | 0.9999 |
| 2009 | 611,742,931 | 615,292,553 | 1.0058 |
| 2010 | 636,210,844 | 636,347,190 | 1.0002 |
| 2011 | 606,667,197 | 609,071,865 | 1.0040 |
| 2012 | 523,810,198 | 540,493,744 | 1.0319 |
| 2013 | 495,301,954 | 542,249,780 | 1.0948 |
| 2014 | 363,630,226 | 483,727,223 | 1.3303 |
| 2015 | 105,828,642 | 343,601,938 | 3.2468 |
| 2016 | | 98,250,325 | |

| Policy Year Valued | As of 12/31/16 | As of 12/31/17 | Ratio to Prior Year |
|--------------------|----------------|----------------|---------------------|
| Prior to 1987 | 5,346,841,588 | 5,347,825,880 | 1.0002 |
| 1987 | 862,871,442 | 863,300,994 | 1.0005 |
| 1988 | 980,028,227 | 979,588,821 | 0.9996 |
| 1989 | 1,141,900,342 | 1,142,110,456 | 1.0002 |
| 1990 | 1,166,189,332 | 1,166,247,884 | 1.0001 |
| 1991 | 1,011,782,148 | 1,011,749,304 | 1.0000 |
| 1992 | 855,690,103 | 855,050,848 | 0.9993 |
| 1993 | 746,201,477 | 746,615,911 | 1.0006 |
| 1994 | 691,457,977 | 691,263,631 | 0.9997 |
| 1995 | 586,822,198 | 587,334,801 | 1.0009 |
| 1996 | 505,695,753 | 505,560,965 | 0.9997 |
| 1997 | 513,904,100 | 514,132,168 | 1.0004 |
| 1998 | 514,921,065 | 514,723,208 | 0.9996 |
| 1999 | 586,249,831 | 586,761,348 | 1.0009 |
| 2000 | 623,301,092 | 624,014,355 | 1.0011 |
| 2001 | 633,975,501 | 634,059,265 | 1.0001 |
| 2002 | 664,081,054 | 664,994,362 | 1.0014 |
| 2003 | 648,692,031 | 649,749,346 | 1.0016 |
| 2004 | 687,507,393 | 688,128,676 | 1.0009 |
| 2005 | 693,210,446 | 693,974,966 | 1.0011 |
| 2006 | 712,262,228 | 713,046,040 | 1.0011 |
| 2007 | 748,179,067 | 750,610,425 | 1.0032 |
| 2008 | 699,565,675 | 700,250,984 | 1.0010 |
| 2009 | 631,770,843 | 634,354,346 | 1.0041 |
| 2010 | 650,390,326 | 654,448,556 | 1.0062 |
| 2011 | 624,150,971 | 629,011,884 | 1.0078 |
| 2012 | 568,700,926 | 571,753,520 | 1.0054 |
| 2013 | 571,991,438 | 578,028,628 | 1.0106 |
| 2014 | 519,468,634 | 564,960,436 | 1.0876 |
| 2015 | 370,945,158 | 496,705,992 | 1.3390 |
| 2016 | 106,662,866 | 359,295,065 | 3.3685 |
| 2017 | | 113,343,806 | |

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 A POST ACT 57 AND HB 1846 BASIS

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

MEDICAL INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

| Policy Year Valued | As of 12/31/15 | As of 12/31/16 | Ratio to Prior Year |
|--------------------|----------------|----------------|---------------------|
| Prior | | | |
| to 1986 | 1,815,370,230 | 1,819,962,642 | 1.0025 |
| 1986 | 326,407,242 | 329,204,491 | 1.0086 |
| 1987 | 434,244,451 | 434,790,624 | 1.0013 |
| 1988 | 522,929,931 | 523,814,940 | 1.0017 |
| 1989 | 637,610,181 | 641,852,652 | 1.0067 |
| 1990 | 655,211,787 | 658,820,583 | 1.0055 |
| 1991 | 610,388,865 | 609,629,862 | 0.9988 |
| 1992 | 531,438,533 | 533,807,203 | 1.0045 |
| 1993 | 412,294,093 | 414,664,513 | 1.0057 |
| 1994 | 386,019,599 | 388,052,694 | 1.0053 |
| 1995 | 355,918,158 | 355,594,197 | 0.9991 |
| 1996 | 348,201,227 | 350,304,863 | 1.0060 |
| 1997 | 373,937,046 | 375,893,068 | 1.0052 |
| 1998 | 388,620,737 | 389,012,659 | 1.0010 |
| 1999 | 426,626,176 | 428,114,332 | 1.0035 |
| 2000 | 447,327,472 | 449,458,717 | 1.0048 |
| 2001 | 444,707,846 | 445,555,423 | 1.0019 |
| 2002 | 493,875,758 | 495,481,741 | 1.0033 |
| 2003 | 504,746,830 | 508,230,912 | 1.0069 |
| 2004 | 575,694,843 | 575,481,578 | 0.9996 |
| 2005 | 601,191,325 | 606,205,127 | 1.0083 |
| 2006 | 620,972,068 | 623,544,374 | 1.0041 |
| 2007 | 666,569,258 | 670,684,516 | 1.0062 |
| 2008 | 603,743,884 | 603,219,591 | 0.9991 |
| 2009 | 533,183,061 | 541,817,915 | 1.0162 |
| 2010 | 596,531,556 | 595,749,655 | 0.9987 |
| 2011 | 571,749,276 | 576,757,464 | 1.0088 |
| 2012 | 507,913,620 | 510,310,258 | 1.0047 |
| 2013 | 543,074,949 | 553,994,065 | 1.0201 |
| 2014 | 497,744,304 | 533,457,070 | 1.0717 |
| 2015 | 215,728,204 | 468,896,395 | 2.1736 |
| 2016 | | 199,538,261 | |

| Policy Year Valued | As of 12/31/16 | As of 12/31/17 | Ratio to Prior Year |
|--------------------|----------------|----------------|---------------------|
| Prior | | | |
| to 1987 | 2,148,277,611 | 2,149,879,039 | 1.0007 |
| 1987 | 441,148,029 | 449,116,474 | 1.0181 |
| 1988 | 532,717,596 | 531,644,703 | 0.9980 |
| 1989 | 651,492,530 | 652,174,133 | 1.0010 |
| 1990 | 673,093,023 | 672,810,097 | 0.9996 |
| 1991 | 623,291,228 | 624,824,128 | 1.0025 |
| 1992 | 552,135,414 | 551,850,822 | 0.9995 |
| 1993 | 430,540,292 | 432,557,841 | 1.0047 |
| 1994 | 405,786,721 | 407,092,853 | 1.0032 |
| 1995 | 374,351,329 | 374,821,900 | 1.0013 |
| 1996 | 374,052,411 | 376,983,430 | 1.0078 |
| 1997 | 394,153,943 | 393,373,140 | 0.9980 |
| 1998 | 420,900,812 | 424,372,325 | 1.0082 |
| 1999 | 452,207,068 | 449,660,093 | 0.9944 |
| 2000 | 482,431,450 | 483,494,029 | 1.0022 |
| 2001 | 476,256,737 | 476,555,529 | 1.0006 |
| 2002 | 534,267,884 | 537,363,133 | 1.0058 |
| 2003 | 550,539,111 | 553,079,321 | 1.0046 |
| 2004 | 605,811,917 | 607,795,211 | 1.0033 |
| 2005 | 631,710,595 | 636,308,992 | 1.0073 |
| 2006 | 643,514,691 | 646,488,471 | 1.0046 |
| 2007 | 693,812,629 | 695,328,858 | 1.0022 |
| 2008 | 627,797,387 | 626,418,940 | 0.9978 |
| 2009 | 558,189,281 | 556,677,803 | 0.9973 |
| 2010 | 599,988,317 | 604,879,879 | 1.0082 |
| 2011 | 591,673,684 | 596,687,478 | 1.0085 |
| 2012 | 539,377,701 | 556,010,152 | 1.0308 |
| 2013 | 581,060,410 | 579,531,357 | 0.9974 |
| 2014 | 572,947,471 | 584,417,377 | 1.0200 |
| 2015 | 509,842,913 | 534,288,608 | 1.0479 |
| 2016 | 223,348,529 | 491,373,811 | 2.2000 |
| 2017 | | 248,835,260 | |

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 A POST ACT 57 AND HB 1846 BASIS

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INDEMNITY PAID LOSSES

| Policy Year Valued | As of 12/31/15 | As of 12/31/16 | Ratio to Prior Year |
|--------------------|----------------|----------------|---------------------|
| Prior to 1986 | 4,615,442,310 | 4,622,309,471 | 1.0015 |
| 1986 | 696,900,534 | 698,564,097 | 1.0024 |
| 1987 | 847,440,598 | 848,791,355 | 1.0016 |
| 1988 | 955,603,586 | 957,466,331 | 1.0019 |
| 1989 | 1,103,735,994 | 1,107,001,684 | 1.0030 |
| 1990 | 1,128,642,219 | 1,131,885,139 | 1.0029 |
| 1991 | 966,575,323 | 970,035,392 | 1.0036 |
| 1992 | 810,102,571 | 813,374,508 | 1.0040 |
| 1993 | 705,791,401 | 708,686,115 | 1.0041 |
| 1994 | 641,843,514 | 644,824,525 | 1.0046 |
| 1995 | 545,978,294 | 548,117,208 | 1.0039 |
| 1996 | 467,274,536 | 468,566,883 | 1.0028 |
| 1997 | 483,318,146 | 484,217,616 | 1.0019 |
| 1998 | 482,712,773 | 483,668,208 | 1.0020 |
| 1999 | 547,227,987 | 548,170,808 | 1.0017 |
| 2000 | 580,940,771 | 582,187,685 | 1.0021 |
| 2001 | 583,166,232 | 584,322,984 | 1.0020 |
| 2002 | 600,047,342 | 602,757,553 | 1.0045 |
| 2003 | 581,930,148 | 584,538,554 | 1.0045 |
| 2004 | 621,023,099 | 625,253,755 | 1.0068 |
| 2005 | 639,024,711 | 644,182,722 | 1.0081 |
| 2006 | 659,742,866 | 665,549,573 | 1.0088 |
| 2007 | 695,961,031 | 703,186,199 | 1.0104 |
| 2008 | 642,346,262 | 649,491,887 | 1.0111 |
| 2009 | 580,155,804 | 592,912,564 | 1.0220 |
| 2010 | 588,700,310 | 604,872,862 | 1.0275 |
| 2011 | 548,332,094 | 569,162,862 | 1.0380 |
| 2012 | 441,101,700 | 484,288,050 | 1.0979 |
| 2013 | 366,727,262 | 461,424,980 | 1.2582 |
| 2014 | 196,578,853 | 367,854,060 | 1.8713 |
| 2015 | 35,536,327 | 200,610,421 | 5.6452 |
| 2016 | | 33,146,038 | |

| Policy Year Valued | As of 12/31/16 | As of 12/31/17 | Ratio to Prior Year |
|--------------------|----------------|----------------|---------------------|
| Prior to 1987 | 5,286,418,574 | 5,295,502,099 | 1.0017 |
| 1987 | 852,641,232 | 853,880,088 | 1.0015 |
| 1988 | 964,966,867 | 966,472,224 | 1.0016 |
| 1989 | 1,118,301,875 | 1,121,185,339 | 1.0026 |
| 1990 | 1,142,602,411 | 1,145,284,577 | 1.0023 |
| 1991 | 983,906,099 | 986,836,071 | 1.0030 |
| 1992 | 830,206,732 | 832,797,450 | 1.0031 |
| 1993 | 723,224,997 | 726,072,048 | 1.0039 |
| 1994 | 666,891,546 | 669,464,524 | 1.0039 |
| 1995 | 571,495,824 | 573,086,417 | 1.0028 |
| 1996 | 492,854,468 | 494,205,518 | 1.0027 |
| 1997 | 506,327,000 | 507,328,183 | 1.0020 |
| 1998 | 509,147,214 | 509,937,775 | 1.0016 |
| 1999 | 578,891,498 | 579,813,076 | 1.0016 |
| 2000 | 614,571,578 | 615,828,881 | 1.0020 |
| 2001 | 623,540,881 | 625,285,886 | 1.0028 |
| 2002 | 646,558,664 | 648,714,310 | 1.0033 |
| 2003 | 629,396,524 | 632,027,395 | 1.0042 |
| 2004 | 658,799,931 | 662,796,389 | 1.0061 |
| 2005 | 670,732,234 | 674,126,170 | 1.0051 |
| 2006 | 685,744,354 | 690,652,695 | 1.0072 |
| 2007 | 720,585,443 | 726,048,352 | 1.0076 |
| 2008 | 673,737,119 | 678,358,010 | 1.0069 |
| 2009 | 609,734,463 | 617,701,546 | 1.0131 |
| 2010 | 620,059,446 | 630,380,745 | 1.0166 |
| 2011 | 584,449,524 | 597,630,706 | 1.0226 |
| 2012 | 509,287,964 | 527,719,678 | 1.0362 |
| 2013 | 489,926,380 | 529,754,399 | 1.0813 |
| 2014 | 396,649,412 | 488,886,040 | 1.2325 |
| 2015 | 219,082,176 | 391,792,076 | 1.7883 |
| 2016 | 36,744,328 | 207,070,815 | 5.6354 |
| 2017 | | 38,416,320 | |

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 A POST ACT 57 AND HB 1846 BASIS

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

MEDICAL PAID LOSSES

| Policy Year Valued | As of 12/31/15 | As of 12/31/16 | Ratio to Prior Year |
|--------------------|----------------|----------------|---------------------|
| Prior to 1986 | 1,705,270,913 | 1,716,778,186 | 1.0067 |
| 1986 | 308,890,928 | 311,563,552 | 1.0087 |
| 1987 | 404,974,563 | 408,359,861 | 1.0084 |
| 1988 | 492,444,665 | 495,299,191 | 1.0058 |
| 1989 | 592,059,407 | 597,991,333 | 1.0100 |
| 1990 | 623,109,550 | 627,899,844 | 1.0077 |
| 1991 | 572,049,508 | 575,438,604 | 1.0059 |
| 1992 | 496,502,157 | 502,357,284 | 1.0118 |
| 1993 | 387,325,760 | 390,436,908 | 1.0080 |
| 1994 | 357,163,476 | 361,610,589 | 1.0125 |
| 1995 | 328,587,654 | 330,803,804 | 1.0067 |
| 1996 | 319,173,309 | 322,909,446 | 1.0117 |
| 1997 | 342,369,870 | 346,294,167 | 1.0115 |
| 1998 | 357,240,305 | 360,521,301 | 1.0092 |
| 1999 | 395,256,904 | 398,429,281 | 1.0080 |
| 2000 | 419,298,435 | 422,698,744 | 1.0081 |
| 2001 | 420,707,318 | 424,578,710 | 1.0092 |
| 2002 | 458,164,649 | 465,011,216 | 1.0149 |
| 2003 | 476,434,067 | 481,552,560 | 1.0107 |
| 2004 | 538,312,893 | 543,448,844 | 1.0095 |
| 2005 | 560,009,273 | 565,454,987 | 1.0097 |
| 2006 | 576,166,472 | 584,587,785 | 1.0146 |
| 2007 | 624,624,650 | 633,292,151 | 1.0139 |
| 2008 | 563,551,224 | 569,743,049 | 1.0110 |
| 2009 | 496,119,195 | 502,748,005 | 1.0134 |
| 2010 | 532,993,372 | 541,365,571 | 1.0157 |
| 2011 | 525,710,219 | 535,032,910 | 1.0177 |
| 2012 | 450,990,086 | 467,783,647 | 1.0372 |
| 2013 | 441,398,945 | 475,659,032 | 1.0776 |
| 2014 | 363,367,476 | 458,149,815 | 1.2608 |
| 2015 | 98,517,819 | 328,844,337 | 3.3379 |
| 2016 | | 88,515,806 | |

| Policy Year Valued | As of 12/31/16 | As of 12/31/17 | Ratio to Prior Year |
|--------------------|----------------|----------------|---------------------|
| Prior to 1987 | 2,026,449,865 | 2,039,429,362 | 1.0064 |
| 1987 | 412,904,619 | 416,739,984 | 1.0093 |
| 1988 | 503,382,991 | 505,825,828 | 1.0049 |
| 1989 | 607,210,632 | 612,553,295 | 1.0088 |
| 1990 | 640,909,184 | 644,783,537 | 1.0060 |
| 1991 | 588,505,171 | 592,197,669 | 1.0063 |
| 1992 | 519,279,617 | 523,495,677 | 1.0081 |
| 1993 | 404,446,215 | 408,255,169 | 1.0094 |
| 1994 | 377,179,027 | 381,638,691 | 1.0118 |
| 1995 | 348,746,766 | 352,423,286 | 1.0105 |
| 1996 | 345,226,585 | 348,560,947 | 1.0097 |
| 1997 | 364,314,877 | 367,596,686 | 1.0090 |
| 1998 | 390,695,695 | 393,889,797 | 1.0082 |
| 1999 | 421,169,450 | 424,031,014 | 1.0068 |
| 2000 | 454,071,268 | 457,712,491 | 1.0080 |
| 2001 | 454,082,693 | 456,603,866 | 1.0056 |
| 2002 | 501,668,567 | 507,194,708 | 1.0110 |
| 2003 | 521,367,478 | 525,618,743 | 1.0082 |
| 2004 | 572,227,575 | 576,635,051 | 1.0077 |
| 2005 | 590,176,205 | 596,206,243 | 1.0102 |
| 2006 | 603,698,575 | 609,399,839 | 1.0094 |
| 2007 | 655,702,334 | 663,090,515 | 1.0113 |
| 2008 | 592,395,006 | 598,014,414 | 1.0095 |
| 2009 | 519,307,199 | 525,267,841 | 1.0115 |
| 2010 | 552,047,693 | 559,862,860 | 1.0142 |
| 2011 | 549,135,877 | 557,259,255 | 1.0148 |
| 2012 | 495,292,478 | 503,111,608 | 1.0158 |
| 2013 | 502,324,871 | 517,270,705 | 1.0298 |
| 2014 | 494,683,314 | 525,968,802 | 1.0632 |
| 2015 | 360,733,667 | 450,619,207 | 1.2492 |
| 2016 | 99,076,072 | 358,709,085 | 3.6205 |
| 2017 | | 105,006,184 | |

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, 2019 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, 2019 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, 2019 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, 2019 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 are 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 (1) | Premium at Manual Rates (2) | Collected Premium (Excluding Constants) (3) | Collectible Premium Ratio (2)/(3) (4) |
|-----------------------------|--------------------------------|--|--|
| ALL INDUSTRIES | | | |
| 2013 | 2,766,011,508 | 2,696,545,428 | 1.0258 |
| 2014 | 2,760,704,168 | 2,683,299,409 | 1.0288 |
| 2015 | 2,681,727,250 | 2,619,302,172 | 1.0238 |
| TOTAL | 8,208,442,926 | 7,999,147,009 | 1.0262 |
| MANUFACTURING AND UTILITIES | | | |
| 2013 | 564,108,735 | 542,555,306 | 1.0397 |
| 2014 | 564,454,471 | 542,749,865 | 1.0400 |
| 2015 | 539,960,740 | 517,361,937 | 1.0437 |
| TOTAL | 1,668,523,946 | 1,602,667,108 | 1.0411 |
| CONTRACTING AND QUARRYING | | | |
| 2013 | 532,737,012 | 475,481,439 | 1.1204 |
| 2014 | 541,022,560 | 475,368,814 | 1.1381 |
| 2015 | 515,063,009 | 459,191,927 | 1.1217 |
| TOTAL | 1,588,822,581 | 1,410,042,180 | 1.1268 |
| OTHER INDUSTRIES | | | |
| 2013 | 1,669,165,761 | 1,678,508,683 | 0.9944 |
| 2014 | 1,655,227,137 | 1,665,180,730 | 0.9940 |
| 2015 | 1,626,703,501 | 1,642,748,308 | 0.9902 |
| TOTAL | 4,951,096,399 | 4,986,437,721 | 0.9929 |

* Excludes classifications and coverages not subject to experience rating.

EXHIBIT IX

CALCULATION OF EXPECTED LOSS COST FACTORS (a)

| Policy Year Beginning 4/1 (1) | HB 1846 Adjustment Factor (2) | Protz & HB 1840 Adjustment 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) |
|--|--|--|--|--|---------------------------------|--|--|
| Manufacturing and Utilities | | | | | | | |
| 2015 | 1.0000 | 0.9840 | 1.1517 | 1.0411 | 0.8547 | 1.0084 | 0.9917 |
| 2016 | 1.0000 | 0.9787 | 1.2286 | 1.0411 | 0.8889 | 1.1128 | 0.8986 |
| 2017 | 1.0000 | 0.9839 | 1.5272 | 1.0411 | 0.9245 | 1.4462 | 0.6915 |
| Contracting and Quarrying | | | | | | | |
| 2015 | 1.0000 | 0.9840 | 1.1843 | 1.1268 | 0.8547 | 1.1223 | 0.8910 |
| 2016 | 1.0000 | 0.9787 | 1.2414 | 1.1268 | 0.8889 | 1.2169 | 0.8218 |
| 2017 | 1.0000 | 0.9839 | 1.5054 | 1.1268 | 0.9245 | 1.5429 | 0.6481 |
| Other Industries | | | | | | | |
| 2015 | 1.0000 | 0.9840 | 1.1344 | 0.9929 | 0.8547 | 0.9473 | 1.0556 |
| 2016 | 1.0000 | 0.9787 | 1.2210 | 0.9929 | 0.8889 | 1.0547 | 0.9481 |
| 2017 | 1.0000 | 0.9839 | 1.5185 | 0.9929 | 0.9245 | 1.3714 | 0.7292 |

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 = | 0.3132 |
| Second Adjustment | RDF = | 0.1734 |
| Third Adjustment | RDF = | 0.1237 |

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:

$$\text{The \$25,000 limit Hazard Group C ELF} = 0.662$$

$$\begin{aligned} \text{Then First Adjustment RDF} &= (1 - 0.662) * 0.3132 \\ &= 0.1059 \end{aligned}$$

* The use of retrospective development factors is optional.