

**DELAWARE COMPENSATION RATING BUREAU, INC.**

DECEMBER 1, 2008 F CLASS RATE FILING

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**Delaware F Class Rate Revision**  
**Proposed Effective December 1, 2008**

**Calculation of Composite Pure Premium Multiplier**

<b>Item</b>	<b>Total</b>
(1) Pure Premium Test Correction Factor	1.0002
(2) Off-Balance Factor (Collectible Prem Ratio)	1.0115
(3) Expense Provision ( 1 / 0.6129 )	1.6316
(4) Rate Test Correction Factor	0.9998
(5) Composite Pure Premium Multiplier (1)*(2)*(3)*(4)	1.6503

## CALCULATION OF PER CLAIM AND CATASTROPHE LIMITATIONS

All Death, Permanent Total and Major Disability claims in the Pennsylvania experience for Manual Years 2001 through 2005 were translated using composite multipliers, yielding an average claim value of \$3,703. A value of \$905,341 was selected based on a review of Delaware State Act coverage experience as reported in the 12/1/08 Residual Market and Loss Cost Filing. Using twice the value as unity and using the indicated Hazard Group Relativities produced the following results:

Hazard Group (1)	Hazard Group Relativities @ (2)	Per Claim Limit 905,341 * (2) (3)	Per Accident Limit (3) * 2 (4)
I	0.843	763,202	1,526,404
II	0.896	811,186	1,622,372
III	1.086	983,200	1,966,400
IV	1.282	1,160,647	2,321,294

@ From DE State Act Coverage 12/1/08 Residual Market & Loss Cost Filing - Excess Loss Factor Study

## CREDIBILITY

The classification relativity criteria for 100 percent credibility for the various categories of loss are as follows:

Serious: 175 \* Average Cost of Serious Case (including Medical)  
 Non-Serious: 500 \* Average Cost of Non-Serious Case (including Medical)  
 Medical: 10 Percent of the Non-Serious

The following calculations are based on the figures in Table V, Section B.

	No. Cases	INDEMNITY AMOUNT (in hundreds)	MEDICAL AMOUNT (in hundreds)	TOTAL AMOUNT (in hundreds)	AVERAGE COST (4) / (1)
	(1)	(2)	(3)	(4)	(5)
Death	0	0	0	0	0
Permanent Total	0	0	0	0	0
Major	4	12,241	2,571	14,812	3,703
<b>Total Serious</b>	<b>4</b>	<b>12,241</b>	<b>2,571</b>	<b>14,812</b>	<b>3,703</b>
Minor	15	5,225	7,177	12,402	827
Temporary	0	17	22	39	0
<b>Total Non-Serious</b>	<b>15</b>	<b>5,242</b>	<b>7,199</b>	<b>12,441</b>	<b>829</b>

Accordingly, the criteria for 100 percent credibility will be:

Selected @

Serious: 175 *	3,703 =	648,025	158,434,675
Non-Serious: 500 *	829 =	414,500	16,302,500
Medical: .10 *	414,500 =	41,450	1,630,250

@ From DE State Act Coverage Residual Market & Loss Cost filing proposal for 12/1/08.

## EXPECTED LOSS CREDIBILITY TABLE

Serious, Non-Serious and Medical

Credibility (1)	Serious (2)	Non-Serious (3)	Medical (4)
1.00	157,247,961	16,180,391	1,618,039
0.99	154,883,472	15,937,091	1,593,709
0.98	152,530,954	15,695,024	1,569,502
0.97	150,190,468	15,454,194	1,545,419
0.96	147,862,075	15,214,608	1,521,461
0.95	145,545,839	14,976,274	1,497,627
0.94	143,241,825	14,739,197	1,473,920
0.93	140,950,096	14,503,385	1,450,339
0.92	138,670,721	14,268,843	1,426,884
0.91	136,403,765	14,035,579	1,403,558
0.90	134,149,298	13,803,601	1,380,360
0.89	131,907,389	13,572,914	1,357,291
0.88	129,678,109	13,343,527	1,334,353
0.87	127,461,529	13,115,447	1,311,545
0.86	125,257,723	12,888,682	1,288,868
0.85	123,066,766	12,663,238	1,266,324
0.84	120,888,733	12,439,124	1,243,912
0.83	118,723,701	12,216,349	1,221,635
0.82	116,571,750	11,994,919	1,199,492
0.81	114,432,958	11,774,843	1,177,484
0.80	112,307,408	11,556,129	1,155,613
0.79	110,195,183	11,338,787	1,133,879
0.78	108,096,366	11,122,824	1,112,282
0.77	106,011,045	10,908,251	1,090,825
0.76	103,939,308	10,695,074	1,069,507
0.75	101,881,243	10,483,305	1,048,331
0.74	99,836,943	10,272,952	1,027,295
0.73	97,806,501	10,064,025	1,006,403
0.72	95,790,012	9,856,534	985,653
0.71	93,787,574	9,650,488	965,049
0.70	91,799,285	9,445,899	944,590
0.69	89,825,247	9,242,776	924,278
0.68	87,865,564	9,041,130	904,113
0.67	85,920,342	8,840,971	884,097
0.66	83,989,689	8,642,312	864,231
0.65	82,073,715	8,445,164	844,516
0.64	80,172,536	8,249,538	824,954
0.63	78,286,265	8,055,446	805,545
0.62	76,415,023	7,862,900	786,290
0.61	74,558,931	7,671,913	767,191
0.60	72,718,113	7,482,498	748,250
0.59	70,892,698	7,294,667	729,467
0.58	69,082,816	7,108,436	710,844
0.57	67,288,602	6,923,816	692,382
0.56	65,510,195	6,740,823	674,082
0.55	63,747,736	6,559,470	655,947
0.54	62,001,370	6,379,774	637,977
0.53	60,271,248	6,201,749	620,175
0.52	58,557,523	6,025,411	602,541
0.51	56,860,354	5,850,777	585,078
0.50	55,179,904	5,677,864	567,786
0.49	53,516,342	5,506,687	550,669
0.48	51,869,839	5,337,267	533,727
0.47	50,240,576	5,169,620	516,962
0.46	48,628,736	5,003,766	500,377
0.45	47,034,511	4,839,725	483,973

## EXPECTED LOSS CREDIBILITY TABLE

Serious, Non-Serious and Medical

Credibility (1)	Serious (2)	Non-Serious (3)	Medical (4)
0.44	45,458,096	4,677,516	467,752
0.43	43,899,695	4,517,160	451,716
0.42	42,359,520	4,358,681	435,868
0.41	40,837,789	4,202,099	420,210
0.40	39,334,727	4,047,438	404,744
0.39	37,850,570	3,894,722	389,472
0.38	36,385,562	3,743,977	374,398
0.37	34,939,957	3,595,228	359,523
0.36	33,514,018	3,448,502	344,850
0.35	32,108,022	3,303,829	330,383
0.34	30,722,254	3,161,237	316,124
0.33	29,357,015	3,020,758	302,076
0.32	28,012,618	2,882,423	288,242
0.31	26,689,392	2,746,267	274,627
0.30	25,387,681	2,612,324	261,232
0.29	24,107,847	2,480,633	248,063
0.28	22,850,270	2,351,231	235,123
0.27	21,615,352	2,224,162	222,416
0.26	20,403,517	2,099,467	209,947
0.25	19,215,212	1,977,194	197,719
0.24	18,050,915	1,857,391	185,739
0.23	16,911,129	1,740,110	174,011
0.22	15,796,396	1,625,407	162,541
0.21	14,707,290	1,513,341	151,334
0.20	13,644,431	1,403,975	140,398
0.19	12,608,482	1,297,379	129,738
0.18	11,600,163	1,193,626	119,363
0.17	10,620,253	1,092,796	109,280
0.16	9,669,600	994,976	99,498
0.15	8,749,136	900,263	90,026
0.14	7,859,884	808,761	80,876
0.13	7,002,982	720,588	72,059
0.12	6,179,701	635,875	63,588
0.11	5,391,475	554,769	55,477
0.10	4,639,940	477,438	47,744
0.09	3,926,983	404,076	40,408
0.08	3,254,817	334,912	33,491
0.07	2,626,089	270,218	27,022
0.06	2,044,037	210,326	21,033
0.05	1,512,760	155,659	15,566
0.04	1,037,676	106,774	10,677
0.03	626,442	64,460	6,446
0.02	291,155	29,960	2,996
0.01	56,038	5,767	577
0.00	0	0	0

## Classification Credibility Table

### Payroll Conversion Factors

Convert the Expected Loss Credibility Table to a Payroll Basis

A)	<hr/> Five Year Payroll (00's) <hr/>		
	504,273,770		

B)	<hr/> Five Year Expected Losses * <hr/>		
	Serious	Non-Serious	Medical Only
	447,257,968	319,240,938	34,533,001

C) =A/B	<hr/> Ratio Payroll to Expected Loss <hr/>		
	Serious	Non-Serious	Medical Only
	1.1275	1.5796	14.6027

## PAYROLL CREDIBILITY TABLE (IN 00'S)

Serious, Non-Serious and Medical

Credi- bility (1)	Serious (2)	Non-Serious (3)	Medical (4)
1.00	177,297,076	25,558,546	23,627,738
0.99	174,631,115	25,174,229	23,272,454
0.98	171,978,651	24,791,860	22,918,967
0.97	169,339,753	24,411,445	22,567,290
0.96	166,714,490	24,032,995	22,217,439
0.95	164,102,933	23,656,522	21,869,398
0.94	161,505,158	23,282,036	21,523,212
0.93	158,921,233	22,909,547	21,178,865
0.92	156,351,238	22,539,064	20,836,359
0.91	153,795,245	22,170,601	20,495,736
0.90	151,253,333	21,804,168	20,156,983
0.89	148,725,581	21,439,775	19,820,113
0.88	146,212,068	21,077,435	19,485,157
0.87	143,712,874	20,717,160	19,152,098
0.86	141,228,083	20,358,962	18,820,953
0.85	138,757,779	20,002,851	18,491,749
0.84	136,302,046	19,648,840	18,164,474
0.83	133,860,973	19,296,945	17,839,169
0.82	131,434,648	18,947,174	17,515,822
0.81	129,023,160	18,599,542	17,194,446
0.80	126,626,603	18,254,061	16,875,070
0.79	124,245,069	17,910,748	16,557,695
0.78	121,878,653	17,569,613	16,242,320
0.77	119,527,453	17,230,673	15,928,990
0.76	117,191,570	16,893,939	15,617,690
0.75	114,871,101	16,559,429	15,308,463
0.74	112,566,153	16,227,155	15,001,281
0.73	110,276,830	15,897,134	14,696,201
0.72	108,003,239	15,569,381	14,393,195
0.71	105,745,490	15,243,911	14,092,321
0.70	103,503,694	14,920,742	13,793,564
0.69	101,277,966	14,599,889	13,496,954
0.68	99,068,423	14,281,369	13,202,491
0.67	96,875,186	13,965,198	12,910,203
0.66	94,698,374	13,651,396	12,620,106
0.65	92,538,114	13,339,981	12,332,214
0.64	90,394,534	13,030,970	12,046,556
0.63	88,267,764	12,724,383	11,763,132
0.62	86,157,938	12,420,237	11,481,957
0.61	84,065,195	12,118,554	11,203,060
0.60	81,989,672	11,819,354	10,926,470
0.59	79,931,517	11,522,656	10,652,188
0.58	77,890,875	11,228,486	10,380,242
0.57	75,867,899	10,936,860	10,110,647
0.56	73,862,745	10,647,804	9,843,417
0.55	71,875,572	10,361,339	9,578,597
0.54	69,906,545	10,077,491	9,316,187
0.53	67,955,832	9,796,283	9,056,229
0.52	66,023,607	9,517,739	8,798,725
0.51	64,110,049	9,241,887	8,543,719
0.50	62,215,342	8,968,754	8,291,209
0.49	60,339,676	8,698,363	8,041,254
0.48	58,483,243	8,430,747	7,793,855
0.47	56,646,249	8,165,932	7,549,041
0.46	54,828,900	7,903,949	7,306,855
0.45	53,031,411	7,644,830	7,067,313

**PAYROLL CREDIBILITY TABLE (IN 00'S)**

Serious, Non-Serious and Medical

Credibility (1)	Serious (2)	Non-Serious (3)	Medical (4)
0.44	51,254,003	7,388,604	6,830,442
0.43	49,496,906	7,135,306	6,596,273
0.42	47,760,359	6,884,973	6,364,850
0.41	46,044,607	6,637,636	6,136,201
0.40	44,349,905	6,393,333	5,910,355
0.39	42,676,518	6,152,103	5,687,343
0.38	41,024,721	5,913,986	5,467,222
0.37	39,394,802	5,679,022	5,250,007
0.36	37,787,055	5,447,254	5,035,741
0.35	36,201,795	5,218,728	4,824,484
0.34	34,639,341	4,993,490	4,616,264
0.33	33,100,034	4,771,589	4,411,125
0.32	31,584,227	4,553,075	4,209,111
0.31	30,092,289	4,338,003	4,010,296
0.30	28,624,610	4,126,427	3,814,693
0.29	27,181,597	3,918,408	3,622,390
0.28	25,763,679	3,714,004	3,433,431
0.27	24,371,309	3,513,286	3,247,874
0.26	23,004,965	3,316,318	3,065,793
0.25	21,665,152	3,123,176	2,887,231
0.24	20,352,407	2,933,935	2,712,291
0.23	19,067,298	2,748,678	2,541,030
0.22	17,810,436	2,567,493	2,373,537
0.21	16,582,469	2,390,473	2,209,885
0.20	15,384,096	2,217,719	2,050,190
0.19	14,216,063	2,049,340	1,894,525
0.18	13,079,184	1,885,452	1,743,022
0.17	11,974,335	1,726,181	1,595,783
0.16	10,902,474	1,571,664	1,452,939
0.15	9,864,651	1,422,055	1,314,623
0.14	8,862,019	1,277,519	1,181,008
0.13	7,895,862	1,138,241	1,052,256
0.12	6,967,613	1,004,428	928,556
0.11	6,078,888	876,313	810,114
0.10	5,231,532	754,161	697,191
0.09	4,427,673	638,278	590,066
0.08	3,669,806	529,027	489,059
0.07	2,960,915	426,836	394,594
0.06	2,304,652	332,231	307,139
0.05	1,705,637	245,879	227,306
0.04	1,169,980	168,660	155,913
0.03	706,313	101,821	94,129
0.02	328,277	47,325	43,750
0.01	63,183	9,110	8,426
0.00	0	0	0

TABLE V

## TOTAL EXPERIENCE ALL INDUSTRIES - MANUAL YEARS 2001 - 2005

MAN YEAR	PAYROLL IN THOUS	ALL LOSSES	DEATH NO. COMP. IN HUNDREDS	PERM. NO. COMP. IN HUNDREDS	TOTAL NO. COMP. IN HUNDREDS	MAJOR NO. COMP. IN HUNDREDS	PERM. NO. COMP. IN HUNDREDS	MINOR NO. COMP. IN HUNDREDS	TEMPORARY NO. COMP. IN HUNDREDS	MEDICAL IN HUNDREDS	PURE PREM.			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
A. EXPERIENCE AS REPORTED														
01	10,262	524,773	0	0	2	2,553	11	1,468		0	1,227	5.114		
02	6,177	729,701	0	0	1	5,010	1	421		0	1,866	11.813		
03	3,160	98,438	0	0		0	2	549		0	436	3.115		
04	1,293	137,937	0	0	1	783		0		0	597	10.668		
05	1,257	65,716	0	0		0	1	285	1	1	370	5.228		
ALL	22,149	1,556,565	0	0	4	8,346	15	2,723	1	1	4,496	7.028		
B. REPORTED PAYROLLS, TRANSLATED LOSSES & PURE PREMIUMS (EXCLUDING IBNR AND FREQUENCY TREND)														
01	10,262	1,504,218	0	0	3	5,118	11	3,763		0	6,161	14.658		
02	6,177	767,026	0	0		5,661	1	342		0	1,667	12.417		
03	3,160	167,821	0	0	1	0	2	683		0	995	5.311		
04	1,293	180,927	0	0		1,047		95		9	658	13.993		
05	1,257	141,220	0	0		415	1	342		8	647	11.235		
ALL	22,149	2,761,212	0	0	4	12,241	15	5,225		17	10,128	12.467		
PURE PREMIUM		12.467	.000	.000		5.527		2.359		.008	4.573			
C. REPORTED PAYROLLS, TRANSLATED LOSSES & PURE PREMIUMS (INCLUDING IBNR AND FREQUENCY TREND)														
01	10,262	1,461,317	0	0	4	6,823	8	2,737		0	5,053	14.240		
02	6,177	1,088,517	0	0		5,661	5	1,710		0	3,514	17.622		
03	3,160	167,821	0	0		0	2	683		0	995	5.311		
04	1,293	180,927	0	0		1,047		95		9	658	13.993		
05	1,257	141,318	0	0		415	1	343		9	647	11.242		
ALL	22,149	3,039,900	0	0	4	13,946	16	5,568		18	10,867	13.725		
PURE PREMIUM		13.725	.000	.000		6.296		2.514		.008	4.906			

TABLE V

TOTAL MEDICAL EXPERIENCE ALL INDUSTRIES - MANUAL YEARS 2001 - 2005

MAN YEAR	PAYROLL IN THOUS	ALL LOSSES	DEATH NO. COMP. IN HUNDREDS	PERM. NO. COMP. IN HUNDREDS	TOTAL NO. COMP. IN HUNDREDS	MAJOR PERM. NO. COMP. IN HUNDREDS	MINOR PERM. NO. COMP. IN HUNDREDS	TEMPORARY NO. COMP. IN HUNDREDS	MEDICAL ONLY IN HUNDREDS	PURE PREM.				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
A. EXPERIENCE AS REPORTED														
01	10,262	122,672	0	0	2	279	11	877		0			71	1.195
02	6,177	186,598	0	0	1	1,072	1	789		0			5	3.021
03	3,160	43,551	0	0		0	2	220		0			215	1.378
04	1,293	59,659	0	0	1	577		0		0			20	4.614
05	1,257	37,037	0	0		0	1	370		1			0	2.946
ALL	22,149	449,517	0	0	4	1,928	15	2,256		1			311	2.030
B. REPORTED PAYROLLS, TRANSLATED LOSSES & PURE PREMIUMS (EXCLUDING IBNR AND FREQUENCY TREND)														
01	10,262	616,073	0	0	3	830	11	5,077		0			254	6.003
02	6,177	166,742	0	0		1,205	1	461		0			1	2.699
03	3,160	99,501	0	0	1	0	2	921		0			74	3.149
04	1,293	65,841	0	0		363		258		8			29	5.092
05	1,257	64,700	0	0		173	1	460		14			0	5.147
ALL	22,149	1,012,857	0	0	4	2,571	15	7,177		22			358	4.573
PURE PREMIUM		4.573	.000	.000		1.161		3.240		.010			.162	
C. REPORTED PAYROLLS, TRANSLATED LOSSES & PURE PREMIUMS (INCLUDING IBNR AND FREQUENCY TREND)														
01	10,262	505,291	0	0	4	1,107	8	3,692		0			254	4.924
02	6,177	351,399	0	0		1,205	5	2,308		0			1	5.689
03	3,160	99,501	0	0		0	2	921		0			74	3.149
04	1,293	65,841	0	0		363		258		8			29	5.092
05	1,257	64,700	0	0		173	1	460		14			0	5.147
ALL	22,149	1,086,732	0	0	4	2,848	16	7,639		22			358	4.906
PURE PREMIUM		4.906	.000	.000		1.286		3.449		.010			.162	

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED					NUMBER OF CASES					
								DEATH	P . T .	MAJOR	MINOR	TEMP	ALL
2001	1												
2002													
2003													
2004													
2005													
<b>TOTAL</b>	<b>1</b>												

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
<b>TOTAL</b>											

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
<b>TOTAL</b>											

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B				
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	6	6		
TOTAL LOSSES	6	6		
EXPECTED LOSSES	27	16	1	
CREDIBILITY	.00	.00	.00	
<b>PURE PREMIUMS</b>				
INDICATED (PRE-TEST)	.600	.600	.000	1.200
INDICATED (POST-TEST)	.515	.398	.000	.913
PRES. ON RATE LEVEL	2.867	1.698	.074	4.639
DERIVED BY FORMULA	2.867	1.698	.074	4.639
UNDERLYING PRES. RATE	2.680	1.587	.069	4.336
PROPOSED	2.867	1.698	.074	4.639

YEAR	12-1-02	12-1-04	12-1-06	12-1-08	IND. RATE	7.655
IND. RATES				7.66	MINIMUM PREMIUM	
MAN. RATES	8.27	7.99	7.65	+ 7.66	PRESENT	1945

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2001										
2002										
2003										
2004	37									
2005	24									
<b>TOTAL</b>	<b>61</b>									

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
<b>TOTAL</b>											

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
<b>TOTAL</b>											

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B				
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.		43		
TOTAL LOSSES		43		
EXPECTED LOSSES	1,639	1,002	43	
CREDIBILITY	.00	.00	.00	
<b>PURE PREMIUMS</b>				
INDICATED (PRE-TEST)	.000	.070	.000	.070
INDICATED (POST-TEST)	.000	.046	.000	.046
PRES. ON RATE LEVEL	2.873	1.757	.075	4.705
DERIVED BY FORMULA	2.873	1.757	.075	4.705
UNDERLYING PRES. RATE	2.686	1.642	.070	4.398
PROPOSED	2.873	1.757	.075	4.705

YEAR	12-1-02	12-1-04	12-1-06	12-1-08	IND. RATE	7.764
IND. RATES				7.76	MINIMUM PREMIUM	
MAN. RATES	8.38	8.11	7.76	+ 7.76	PRESENT	1965

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2001										
2002										
2003	14									
2004										
2005										
<b>TOTAL</b>	<b>14</b>									

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
<b>TOTAL</b>											

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
<b>TOTAL</b>											

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B				
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.		-280		
TOTAL LOSSES				
EXPECTED LOSSES	418	260	13	
CREDIBILITY	.00	.00	.00	
PURE PREMIUMS				
INDICATED (PRE-TEST)	.000	.000	.000	.000
INDICATED (POST-TEST)	.000	.000	.000	.000
PRES. ON RATE LEVEL	3.191	1.989	.102	5.282
DERIVED BY FORMULA	3.191	1.989	.102	5.282
UNDERLYING PRES. RATE	2.983	1.859	.095	4.937
PROPOSED	3.191	1.989	.102	5.282

YEAR	12-1-02	12-1-04	12-1-06	12-1-08	IND. RATE	8.716
IND. RATES				8.72	MINIMUM PREMIUM	
MAN. RATES	9.41	9.10	8.71	+ 8.72	PRESENT	2175

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED					NUMBER OF CASES					
								DEATH	P . T .	MAJOR	MINOR	TEMP	ALL
2001	2												
2002	12												
2003													
2004													
2005	76												
<b>TOTAL</b>	<b>90</b>												

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
<b>TOTAL</b>											

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
<b>TOTAL</b>											

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B				
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	16	-304		
TOTAL LOSSES	16			
EXPECTED LOSSES	3,417	2,084	90	
CREDIBILITY	.00	.00	.00	
<b>PURE PREMIUMS</b>				
INDICATED (PRE-TEST)	.018	.000	.000	.018
INDICATED (POST-TEST)	.015	.000	.000	.015
PRES. ON RATE LEVEL	4.061	2.478	.107	6.646
DERIVED BY FORMULA	4.061	2.478	.107	6.646
UNDERLYING PRES. RATE	3.796	2.316	.100	6.212
PROPOSED	4.061	2.478	.107	6.646

YEAR	12-1-02	12-1-04	12-1-06	12-1-08	IND. RATE	10.967
IND. RATES				10.97	MINIMUM PREMIUM	
MAN. RATES	11.84	11.45	10.96	+ 10.97	PRESENT	2670

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2001	8,112	524,773	6.469			2	11			13
2002	1,052	608,437	57.836			1				1
2003	1,870	77,055	4.120				2			2
2004	219	136,864	62.494			1				1
2005	11									
<b>TOTAL</b>	<b>11,264</b>	<b>1,347,129</b>	<b>11.960</b>			<b>4</b>	<b>13</b>			<b>17</b>

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001			255,267	146,834				27,869	87,741		7,062
2002			500,970					107,210			257
2003				54,887					22,030		138
2004			78,278					57,660			926
<b>TOTAL</b>			<b>834,515</b>	<b>201,721</b>				<b>192,739</b>	<b>109,771</b>		<b>8,383</b>

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2001			511,810	376,335				83,022	507,670		25,381
2002			566,096					120,504			51
2003				68,320					92,055		48
2004			104,725	9,508	853			36,340	25,841	797	1,326
<b>TOTAL</b>			<b>1,182,631</b>	<b>454,163</b>	<b>853</b>			<b>239,866</b>	<b>625,566</b>	<b>797</b>	<b>26,806</b>

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B	1,422,497	1,081,379	26,806	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	180,201	105,627		
TOTAL LOSSES	1,602,698	1,187,006	26,806	
EXPECTED LOSSES	1,170,892	743,874	30,526	
CREDIBILITY	.01	.03	.03	
<b>PURE PREMIUMS</b>				
INDICATED (PRE-TEST)	14.228	10.538	.238	25.004
INDICATED (POST-TEST)	12.208	6.987	.249	19.444
PRES. ON RATE LEVEL	11.121	7.066	.290	18.477
DERIVED BY FORMULA	11.132	7.064	.289	18.485
UNDERLYING PRES. RATE	10.395	6.604	.271	17.270
PROPOSED	11.132	7.064	.289	18.485

YEAR	12-1-02	12-1-04	12-1-06	12-1-08	IND. RATE	30.505
IND. RATES				30.51	MINIMUM PREMIUM	
MAN. RATES	32.83	31.81	30.47	+ 30.51	PRESENT	3450

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2001	156									
2002	20									
2003	158	20,145	12.750							
2004	113									
2005	18									
<b>TOTAL</b>	<b>465</b>	<b>20,145</b>	<b>4.332</b>							

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2003											20,145
<b>TOTAL</b>											<b>20,145</b>

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2003											6,970
<b>TOTAL</b>											<b>6,970</b>

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B			6,970	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	1,290	-1,812		
TOTAL LOSSES	1,290		6,970	
EXPECTED LOSSES	18,000	10,783	470	
CREDIBILITY	.00	.00	.00	
<b>PURE PREMIUMS</b>				
INDICATED (PRE-TEST)	.277	.000	1,499	1,776
INDICATED (POST-TEST)	.238	.000	1,569	1,807
PRES. ON RATE LEVEL	4.142	2.481	.108	6.731
DERIVED BY FORMULA	4.142	2.481	.108	6.731
UNDERLYING PRES. RATE	3.871	2.319	.101	6.291
PROPOSED	4.142	2.481	.108	6.731

YEAR	12-1-02	12-1-04	12-1-06	12-1-08	IND. RATE	11.108
IND. RATES				11.11	MINIMUM PREMIUM	
MAN. RATES	12.00	11.60	11.10	+ 11.11	PRESENT	2700

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED					NUMBER OF CASES					
								DEATH	P . T .	MAJOR	MINOR	TEMP	ALL
2001	1												
2002													
2003													
2004													
2005													
<b>TOTAL</b>	<b>1</b>												

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
<b>TOTAL</b>											

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
<b>TOTAL</b>											

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B				
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	18	18		
TOTAL LOSSES	18	18		
EXPECTED LOSSES	82	50	2	
CREDIBILITY	.00	.00	.00	
<b>PURE PREMIUMS</b>				
INDICATED (PRE-TEST)	1.800	1.800	.000	3.600
INDICATED (POST-TEST)	1.544	1.193	.000	2.737
PRES. ON RATE LEVEL	8.771	5.303	.225	14.299
DERIVED BY FORMULA	8.771	5.303	.225	14.299
UNDERLYING PRES. RATE	8.198	4.957	.210	13.365
PROPOSED	8.771	5.303	.225	14.299

YEAR	12-1-02	12-1-04	12-1-06	12-1-08	IND. RATE	23.597
IND. RATES				23.60	MINIMUM PREMIUM	
MAN. RATES	25.48	24.64	23.58	+ 23.60	PRESENT	3450

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2001										
2002										
2003										
2004										
2005	8									
<b>TOTAL</b>	<b>8</b>									

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
<b>TOTAL</b>											

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
<b>TOTAL</b>											

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B				
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.		-60		
TOTAL LOSSES				
EXPECTED LOSSES	352	210	9	
CREDIBILITY	.00	.00	.00	
PURE PREMIUMS				
INDICATED (PRE-TEST)	.000	.000	.000	.000
INDICATED (POST-TEST)	.000	.000	.000	.000
PRES. ON RATE LEVEL	4.703	2.806	.119	7.628
DERIVED BY FORMULA	4.703	2.806	.119	7.628
UNDERLYING PRES. RATE	4.396	2.623	.111	7.130
PROPOSED	4.703	2.806	.119	7.628

YEAR	12-1-02	12-1-04	12-1-06	12-1-08	IND. RATE	12.588
IND. RATES				12.59	MINIMUM PREMIUM	
MAN. RATES	13.82	13.31	12.58	+ 12.59	PRESENT	3030

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2001	1,990									
2002	722	121,264	16.795				1			1
2003	780	1,238	.158							
2004	664	763	.114							
2005	800	65,584	8.198				1			1
<b>TOTAL</b>	<b>4,956</b>	<b>188,849</b>	<b>3.811</b>				<b>2</b>			<b>2</b>

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2002				42,133					78,923		208
2003											1,238
2004											763
2005				28,547					37,037		
<b>TOTAL</b>				<b>70,680</b>					<b>115,960</b>		<b>2,209</b>

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2002				34,188					46,145		42
2003											428
2004											1,093
2005			41,424	33,970	821			17,290	46,049	1,361	
<b>TOTAL</b>			<b>41,424</b>	<b>68,158</b>	<b>821</b>			<b>17,290</b>	<b>92,194</b>	<b>1,361</b>	<b>1,563</b>

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B	58,714	162,534	1,563	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.	8,777	3,382		
TOTAL LOSSES	67,491	165,916	1,563	
EXPECTED LOSSES	102,292	60,661	2,775	
CREDIBILITY	.00	.02	.02	
<b>PURE PREMIUMS</b>				
INDICATED (PRE-TEST)	1.362	3.348	.032	4.742
INDICATED (POST-TEST)	1.169	2.220	.034	3.423
PRES. ON RATE LEVEL	2.208	1.310	.060	3.578
DERIVED BY FORMULA	2.208	1.328	.059	3.595
UNDERLYING PRES. RATE	2.064	1.224	.056	3.344
PROPOSED	2.197	1.322	.059	3.578

YEAR	12-1-02	12-1-04	12-1-06	12-1-08	IND. RATE	5.904
IND. RATES				5.90	MINIMUM PREMIUM	
MAN. RATES	6.39	6.15	5.90	+ 5.90	PRESENT	1560

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2001										
2002	4,371									
2003	220									
2004	180	310	.172							
2005	186	132	.070						1	1
<b>TOTAL</b>	<b>4,957</b>	<b>442</b>	<b>.009</b>						<b>1</b>	<b>1</b>

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2004											310
2005					132						
<b>TOTAL</b>					<b>132</b>						<b>310</b>

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
2004											444
2005			45	241	19						
<b>TOTAL</b>			<b>45</b>	<b>241</b>	<b>19</b>						<b>444</b>

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL
TOTAL TRANS. LOSSES PG B	45	260	444	
TOTAL TRANS. LOSSES PG A				
IBNR + FREQUENCY ADJUST.		13,244		
TOTAL LOSSES	45	13,504	444	
EXPECTED LOSSES	40,251	25,281	1,041	
CREDIBILITY	.00	.02	.02	
<b>PURE PREMIUMS</b>				
INDICATED (PRE-TEST)	.001	.272	.009	.282
INDICATED (POST-TEST)	.001	.180	.009	.190
PRES. ON RATE LEVEL	.869	.546	.022	1.437
DERIVED BY FORMULA	.869	.539	.022	1.430
UNDERLYING PRES. RATE	.812	.510	.021	1.343
PROPOSED	.869	.539	.022	1.430

YEAR	12-1-02	12-1-04	12-1-06	12-1-08	IND. RATE	2.359
IND. RATES				2.36	MINIMUM PREMIUM	
MAN. RATES	2.54	2.46	2.37	+ 2.36	PRESENT	780

+PROPOSED

MANUAL YEAR	PAYROLL IN THOUS	TOTAL REPT. LOSSES	PURE PREM. REPORTED	NUMBER OF CASES						
				DEATH	P . T .	MAJOR	MINOR	TEMP	ALL	
2001										
2002										
2003	118									
2004	80									
2005	134									
<b>TOTAL</b>	<b>332</b>									

REPORTED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
<b>TOTAL</b>											

TRANSLATED LOSSES											
MANUAL YEAR	INDEMNITY					MEDICAL					
	DEATH	P . T .	MAJOR	MINOR	TEMP	DEATH	P . T .	MAJOR	MINOR	TEMP	MED. ONLY
<b>TOTAL</b>											

	SERIOUS	NON-SERIOUS	MED. ONLY	TOTAL		
TOTAL TRANS. LOSSES PG B						
TOTAL TRANS. LOSSES PG A						
IBNR + FREQUENCY ADJUST.		-974				
TOTAL LOSSES						
EXPECTED LOSSES	3,711	2,231	96			
CREDIBILITY	.00	.00	.00			
PURE PREMIUMS						
INDICATED (PRE-TEST)	.000	.000	.000	.000		
INDICATED (POST-TEST)	.000	.000	.000	.000		
PRES. ON RATE LEVEL	1.196	.719	.031	1.946		
DERIVED BY FORMULA	1.196	.719	.031	1.946		
UNDERLYING PRES. RATE	1.118	.672	.029	1.819		
PROPOSED	1.196	.719	.031	1.946		
YEAR	12-1-02	12-1-04	12-1-06	12-1-08	IND. RATE	3.211
IND. RATES				3.21	MINIMUM PREMIUM	
MAN. RATES	3.47	3.36	3.21	+ 3.21	PRESENT	965

+PROPOSED