

DELAWARE COMPENSATION RATING BUREAU, INC.

ACTUARIAL COMMITTEE

**Summary of Material for Modification of Experience
December 1, 2018 Residual Market Rate and Voluntary Market Loss Cost Revision**

Amended

DELAWARE 2018 RESIDUAL MARKET RATE AND VOLUNTARY MARKET LOSS COST FILING

PROPOSED EFFECTIVE DATE - DECEMBER 1, 2018

INDEX

PART I - INDICATED RATE AND LOSS COST CHANGE

<u>Exhibit</u>	<u>Description</u>	<u>Page</u>
I	Indicated Change in Rate Level	1 Amended
II	Expense Loading	2
III	Internal Rate of Return Assumptions	3
IV	Policy Year Loss Ratios	4
V	Policy Year On-Level Factors	14
VI	Policy Year Development Factors	17
VII	Determination of Trend Factors	22

Table

I	Policy Year Data From Supplemental Call - Standard Earned Premium	25
I-A	Policy Year Data From Supplemental Call - Total Incurred*	26
I-B	Policy Year Data From Supplemental Call - Indemnity Incurred Losses*	27
I-C	Policy Year Data From Supplemental Call - Medical Incurred Losses*	28
I-D	Policy Year Data From Supplemental Call - Indemnity Paid Losses*	29
I-E	Policy Year Data From Supplemental Call - Medical Paid Losses*	30

* Losses exclude IBNR and Bulk Reserves and individual claims have been capped at amounts varying by policy year

PART II - CLASSIFICATION RELATIVITY

Exhibit

VIII	Rate and Loss Cost Formulae	31
------	-----------------------------	----

PART III - EXPERIENCE RATING & RETROSPECTIVE RATING PLANS

Exhibit

IX	Collectible Premium Ratios	34
X	Expected Loss Rate Factors	35 Amended
XI	Tax Multiplier	36
XII	Retrospective Development Factors	37

EXHIBIT I

INDICATED CHANGE IN RATE LEVEL

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(1a) Policy Year 2013 Loss and Loss Adjustment Expense Ratio	0.3169	0.5402	0.8571
(1b) Policy Year 2014 Loss and Loss Adjustment Expense Ratio	0.2668	0.4680	0.7348
(1c) Policy Year 2015 Loss and Loss Adjustment Expense Ratio	0.2797	0.5752	0.8549
(1d) Policy Year 2016 Loss and Loss Adjustment Expense Ratio	0.2249	0.5285	0.7534
(1e) Average (Midpoint = 7/1/2015)	0.2721	0.5280	0.8001
(2a) Policy Year 2013 Loss and LAE Ratio Trended to 12/1/2019	0.2695	0.5829	
(2b) Policy Year 2014 Loss and LAE Ratio Trended to 12/1/2019	0.2332	0.4986	
(2c) Policy Year 2015 Loss and LAE Ratio Trended to 12/1/2019	0.2513	0.6049	
(2d) Policy Year 2016 Loss and LAE Ratio Trended to 12/1/2019	0.2077	0.5487	
(2e) Average at 12/1/2019	0.2404	0.5588	0.7992
(3a) House Bill 373 Adjustment	1.0000	0.6607	
(3b) Average Trended Loss and LAE Ratio Post-Legislation (2e) * (3a)	0.2404	0.3692	0.6096
(4a) Excess Loss Factor at \$1,819,104 (Post-Legislative Basis) *			0.0765
(4b) Provision for Excess Loss (5a) - (3b)			0.0505
(5a) Total Trended Loss and LAE Ratio (3b) / (1.0 - (4a))	0.2482	0.4119	0.6601
(5b) Percentage of Total	37.60%	62.40%	
(6) Permissible Loss and Loss Adjustment Ratio			0.7170
(7) Indicated Change in Rates (5a) / (6)			0.9206
(8) Estimated Effect of the 7/1/19 Benefit Change			1.0077
(9) Indicated Change in Residual Market Rate Level (7) * (8)			0.9277
(9a) Factor to Adjust for Compromise With Insurance Department			0.99933
(9b) Change in Residual Market Rate Level to Reflect Compromise (9) * (9a)			0.9271
			-7.29%
(10) Indicated Change in Voluntary Market Loss Costs (9) * [0.7457 / 0.7681]			0.9006
(10a) Factor to Adjust for Compromise With Insurance Department			0.99933
(10b) Change in Voluntary Market Loss Cost Level to Reflect Compromise (10) * (10a)			0.9000
			-10.00%

CHANGES IN MANUAL PREMIUM LEVEL BY INDUSTRY GROUP

	Mfg.	Cont.	Other	Total
(11) Current Collectible Premium Ratio	1.0910	1.0442	0.9299	
(12) Proposed Collectible Premium Ratio	1.0983	1.0435	0.9156	
(13) Change in Collectible Premium Ratio (12) / (11)	1.0067	0.9993	0.9846	0.9902
(14) Change in Residual Market Manual Rate Level (9b) * (13)	0.9333	0.9265	0.9128	0.9180
(15) Change in Voluntary Market Manual Loss Cost Level (10b) * (13)	0.9060	0.8994	0.8861	0.8912
(16) Current Offset for Residual Market Surcharge				0.9927
(17) Proposed Offset for Residual Market Surcharge				0.9942
(18) Adjusted Change in Voluntary Market Manual Loss Cost Level (15) * (17) / (16)	0.9074	0.9008	0.8874	0.8925

* \$2,672,000 on a Post-HB175, Pre-HB373 basis.

EXHIBIT II
EXPENSE LOADING

	<u>Current %</u>	<u>Proposed %</u>
LOSS AND LOSS ADJUSTMENT EXPENSE		
Losses	61.36	58.90
Loss Adjustment Expense	12.81	12.80 a
Loss & Loss Adjustment	74.17	71.70
UNDERWRITING EXPENSES		
Commission	5.38	5.46
Other Acquisition	2.39	2.35
General Expenses	3.26	3.50
Premium Discount	8.38	8.64
State Premium Tax	2.00	2.00
Other State Tax	0.33	0.33
Uncollectible Premium	1.10	1.45
Administrative Assessment	2.64	2.87 b
Workers Compensation Fund	3.00	2.00
Deviations	0.00	0.00
Policyholder Dividends	0.00	0.00
Underwriting Profit	-2.65	-0.30
Underwriting Expense Total	25.83	28.30

a - As ratio to loss, Loss Adjustment Expense = 0.2174

b - As ratio to loss, Administrative Assessment = 0.0487

RESIDUAL MARKET MINIMUM PREMIUM:

It is proposed that the Minimum Premium formula remain at

$$(265 * \text{Rate}) + \text{Expense Constant}$$

It is proposed that the Minimum Premium be subject to a Maximum Minimum Premium of \$2000.

It is proposed to use a multiplier of 132.50 in the Minimum Premium formula for the Farm Classes, (0006, 0016, 0034, 0036, 0083).

RESIDUAL MARKET EXPENSE CONSTANT:

It is proposed that the expense constant increase from \$295 to \$305.

EXHIBIT III

**INTERNAL RATE OF RETURN ANALYSIS
STATE OF DELAWARE - 2018
TABLE I: INPUTS, ASSUMPTIONS & OUTPUTS**

Section 1: Inputs & Assumptions		
(1)	Commissions *	5.46
(2)	Other Expenses	6.18
(2A)	Other Acquisitions *	2.35
(2B)	General Expenses *	3.50
(2C)	Other Tax **	0.33
(3)	State Premium Taxes & Uncollectible Premium	
(3A)	Tax1 - Premium Tax **	2.00
(3B)	Uncollectible Premium **	1.45
(3C)	Tax3 - Workers Compensation Fund **	2.00
(4)	Premium Discount ***	8.64
(5)	Deviations	0.00
(6)	Dividends to Policyholders	0.00
(7)	Premium Written	1,000,000
Investment Income		
(8A)	Pre-Tax Return on Assets	5.07
(8B)	Investment Income Tax Rate	0.80
(8C)	Post-Tax Return on Assets	4.27
(10)	Reserve to Surplus Ratio	1.89
(11)	Internal Rate of Return (Cost of Capital)	10.73
* Applies to standard premium at DCRB level (before premium discount)		
** Applies to net premium at company level (after deviations and premium discounts)		
*** Applies to standard premium at company level (after deviations)		

Section 2: Outputs		
(1)	Loss Ratio - including loss adjustment expense & loss based assessments	74.57
(2)	Profit & Contingencies	-0.30

EXHIBIT IV - 1

POLICY YEAR LOSS RATIO 2016*

(1) Standard Earned Premium Reported (Table I)			162,955,874
(2) Factor to 6/1/18 Rate Level (Exhibit V-1)			1.1936
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			1.0088
(4) Expense Constant Removal Factor			0.9967
(5) DCCPAP On-Level Factor			1.0155
(6) Other Adjustments			1.0000
(7) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) * (6)			198,599,563
Losses - Paid-to-28th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	7,974,256	27,258,277	35,232,533
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	4.9050	3.0015	
(10) Ultimate Incurred Losses (8) * (9)	39,113,726	81,815,718	120,929,444
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	19,650,544	43,112,566	62,763,110
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.7371	2.1018	
(13) Ultimate Incurred Losses (11) * (12)	34,134,960	90,613,991	124,748,951
Losses - Average of Incurred and Paid-to-28th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	36,624,343	86,214,855	122,839,198
(15) Factor to 7/1/18 Benefit Level (Exhibit V-3)	1.0016	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2174	1.2174	
(17) Adjusted Losses (14) * (15) * (16)	44,657,814	104,957,964	149,615,778
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.2249	0.5285	0.7534
(19) Normalized Claim Frequency (Exhibit VII-3)	0.4614	0.4614	
(20) Severity Ratio** (18) / (19)	0.4874	1.1454	1.6328

* Projected losses limited on a per claim basis, with the loss limitation varying by policy year.

** Severity ratio represents loss and loss adjustment expense ratio adjusted to a common level of frequency.

EXHIBIT IV - 2

POLICY YEAR LOSS RATIO 2015*

(1) Standard Earned Premium Reported (Table I)			144,196,548
(2) Factor to 6/1/18 Rate Level (Exhibit V-1)			1.2617
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			1.0020
(4) Expense Constant Removal Factor			0.9965
(5) DCCPAP On-Level Factor			1.0155
(6) Other Adjustments			1.0000
(7) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) * (6)			184,474,320
Losses - Paid-to-28th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	18,817,519	38,934,424	57,751,943
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	2.4786	2.1639	
(10) Ultimate Incurred Losses (8) * (9)	46,641,103	84,250,200	130,891,303
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	28,161,664	52,029,320	80,190,984
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.3032	1.7312	
(13) Ultimate Incurred Losses (11) * (12)	36,700,281	90,073,159	126,773,440
Losses - Average of Incurred and Paid-to-28th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	41,670,692	87,161,680	128,832,372
(15) Factor to 7/1/18 Benefit Level (Exhibit V-3)	1.0170	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2174	1.2174	
(17) Adjusted Losses (14) * (15) * (16)	51,592,309	106,110,629	157,702,938
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.2797	0.5752	0.8549
(19) Normalized Claim Frequency (Exhibit VII-3)	0.5445	0.5445	
(20) Severity Ratio** (18) / (19)	0.5137	1.0565	1.5702

* Projected losses limited on a per claim basis, with the loss limitation varying by policy year.

** Severity ratio represents loss and loss adjustment expense ratio adjusted to a common level of frequency.

EXHIBIT IV - 3

POLICY YEAR LOSS RATIO 2014*

(1) Standard Earned Premium Reported (Table I)			144,634,010
(2) Factor to 6/1/18 Rate Level (Exhibit V-1)			1.1431
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			1.0020
(4) Expense Constant Removal Factor			0.9967
(5) DCCPAP On-Level Factor			1.0141
(6) Other Adjustments			1.0000
(7) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) * (6)			167,443,238
Losses - Paid-to-28th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	22,373,935	34,294,403	56,668,338
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.7569	1.8836	
(10) Ultimate Incurred Losses (8) * (9)	39,308,766	64,596,937	103,905,703
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	27,889,963	41,209,211	69,099,174
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.1738	1.5567	
(13) Ultimate Incurred Losses (11) * (12)	32,737,239	64,150,379	96,887,618
Losses - Average of Incurred and Paid-to-28th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	36,023,003	64,373,658	100,396,661
(15) Factor to 7/1/18 Benefit Level (Exhibit V-3)	1.0185	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2174	1.2174	
(17) Adjusted Losses (14) * (15) * (16)	44,665,710	78,368,491	123,034,201
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.2668	0.4680	0.7348
(19) Normalized Claim Frequency (Exhibit VII-3)	0.5185	0.5185	
(20) Severity Ratio** (18) / (19)	0.5146	0.9027	1.4173

* Projected losses limited on a per claim basis, with the loss limitation varying by policy year.

** Severity ratio represents loss and loss adjustment expense ratio adjusted to a common level of frequency.

EXHIBIT IV - 4

POLICY YEAR LOSS RATIO 2013*

(1) Standard Earned Premium Reported (Table I)			131,778,597
(2) Factor to 6/1/18 Rate Level (Exhibit V-1)			1.2577
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			1.0022
(4) Expense Constant Removal Factor			0.9966
(5) DCCPAP On-Level Factor			1.0139
(6) Other Adjustments			1.0000
(7) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) * (6)			167,838,792
Losses - Paid-to-28th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	30,147,559	43,142,070	73,289,629
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.4806	1.7311	
(10) Ultimate Incurred Losses (8) * (9)	44,636,476	74,683,237	119,319,713
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	36,079,815	51,514,297	87,594,112
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.1130	1.4416	
(13) Ultimate Incurred Losses (11) * (12)	40,156,834	74,263,011	114,419,845
Losses - Average of Incurred and Paid-to-28th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	42,396,655	74,473,124	116,869,779
(15) Factor to 7/1/18 Benefit Level (Exhibit V-3)	1.0304	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2174	1.2174	
(17) Adjusted Losses (14) * (15) * (16)	53,182,744	90,663,581	143,846,325
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.3169	0.5402	0.8571
(19) Normalized Claim Frequency (Exhibit VII-3)	0.6040	0.6040	
(20) Severity Ratio** (18) / (19)	0.5246	0.8943	1.4189

* Projected losses limited on a per claim basis, with the loss limitation varying by policy year.

** Severity ratio represents loss and loss adjustment expense ratio adjusted to a common level of frequency.

EXHIBIT IV - 5

POLICY YEAR LOSS RATIO 2012*

(1) Standard Earned Premium Reported (Table I)			112,746,890
(2) Factor to 6/1/18 Rate Level (Exhibit V-1)			1.5422
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			1.0013
(4) Expense Constant Removal Factor			0.9966
(5) DCCPAP On-Level Factor			1.0156
(6) Other Adjustments			1.0000
(7) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) * (6)			176,219,133
Losses - Paid-to-28th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	30,724,059	42,435,272	73,159,331
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.3410	1.6265	
(10) Ultimate Incurred Losses (8) * (9)	41,200,963	69,020,970	110,221,933
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	35,148,125	48,450,871	83,598,996
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.0786	1.3585	
(13) Ultimate Incurred Losses (11) * (12)	37,910,768	65,820,508	103,731,276
Losses - Average of Incurred and Paid-to-28th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	39,555,866	67,420,739	106,976,605
(15) Factor to 7/1/18 Benefit Level (Exhibit V-3)	1.0528	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2174	1.2174	
(17) Adjusted Losses (14) * (15) * (16)	50,697,912	82,078,008	132,775,920
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.2877	0.4658	0.7535
(19) Normalized Claim Frequency (Exhibit VII-3)	0.5763	0.5763	
(20) Severity Ratio** (18) / (19)	0.4992	0.8082	1.3074

* Projected losses limited on a per claim basis, with the loss limitation varying by policy year.

** Severity ratio represents loss and loss adjustment expense ratio adjusted to a common level of frequency.

EXHIBIT IV - 6

POLICY YEAR LOSS RATIO 2011*

(1) Standard Earned Premium Reported (Table I)			103,516,108
(2) Factor to 6/1/18 Rate Level (Exhibit V-2)			1.7974
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			0.9999
(4) Expense Constant Removal Factor			0.9968
(5) DCCPAP On-Level Factor			1.0145
(6) Other Adjustments			1.0000
(7) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) * (6)			188,134,880
Losses - Paid-to-28th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	33,813,759	49,214,277	83,028,036
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.2581	1.5458	
(10) Ultimate Incurred Losses (8) * (9)	42,541,090	76,075,429	118,616,519
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	36,374,138	57,945,661	94,319,799
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.0571	1.2957	
(13) Ultimate Incurred Losses (11) * (12)	38,451,101	75,080,193	113,531,294
Losses - Average of Incurred and Paid-to-28th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	40,496,096	75,577,811	116,073,907
(15) Factor to 7/1/18 Benefit Level (Exhibit V-3)	1.0681	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2174	1.2174	
(17) Adjusted Losses (14) * (15) * (16)	52,657,274	92,008,427	144,665,701
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.2799	0.4891	0.7690
(19) Normalized Claim Frequency (Exhibit VII-3)	0.6426	0.6426	
(20) Severity Ratio** (18) / (19)	0.4356	0.7611	1.1967

* Projected losses limited on a per claim basis, with the loss limitation varying by policy year.

** Severity ratio represents loss and loss adjustment expense ratio adjusted to a common level of frequency.

EXHIBIT IV - 7

POLICY YEAR LOSS RATIO 2010*

(1) Standard Earned Premium Reported (Table I)			103,608,768
(2) Factor to 6/1/18 Rate Level (Exhibit V-2)			1.7849
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			0.9999
(4) Expense Constant Removal Factor			0.9970
(5) DCCPAP On-Level Factor			1.0141
(6) Other Adjustments			1.0000
(7) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) * (6)			186,957,507
Losses - Paid-to-28th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	35,005,402	53,387,809	88,393,211
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.2036	1.4795	
(10) Ultimate Incurred Losses (8) * (9)	42,132,502	78,987,263	121,119,765
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	37,638,703	65,107,430	102,746,133
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.0427	1.2467	
(13) Ultimate Incurred Losses (11) * (12)	39,245,876	81,169,433	120,415,309
Losses - Average of Incurred and Paid-to-28th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	40,689,189	80,078,348	120,767,537
(15) Factor to 7/1/18 Benefit Level (Exhibit V-3)	1.0648	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2174	1.2174	
(17) Adjusted Losses (14) * (15) * (16)	52,744,888	97,487,381	150,232,269
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.2821	0.5214	0.8035
(19) Normalized Claim Frequency (Exhibit VII-3)	0.6862	0.6862	
(20) Severity Ratio** (18) / (19)	0.4111	0.7598	1.1709

* Projected losses limited on a per claim basis, with the loss limitation varying by policy year.

** Severity ratio represents loss and loss adjustment expense ratio adjusted to a common level of frequency.

EXHIBIT IV - 8

POLICY YEAR LOSS RATIO 2009*

(1) Standard Earned Premium Reported (Table I)			115,152,826
(2) Factor to 6/1/18 Rate Level (Exhibit V-2)			1.6406
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			0.9999
(4) Expense Constant Removal Factor			0.9971
(5) DCCPAP On-Level Factor			1.0147
(6) Other Adjustments			1.0000
(7) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) * (6)			191,121,811
Losses - Paid-to-28th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	38,550,804	49,002,036	87,552,840
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.1651	1.4233	
(10) Ultimate Incurred Losses (8) * (9)	44,915,542	69,744,598	114,660,140
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	41,748,513	57,951,604	99,700,117
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.0327	1.2075	
(13) Ultimate Incurred Losses (11) * (12)	43,113,689	69,976,562	113,090,251
Losses - Average of Incurred and Paid-to-28th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	44,014,616	69,860,580	113,875,196
(15) Factor to 7/1/18 Benefit Level (Exhibit V-3)	1.0620	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2174	1.2174	
(17) Adjusted Losses (14) * (15) * (16)	56,905,564	85,048,270	141,953,834
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.2977	0.4450	0.7427
(19) Normalized Claim Frequency (Exhibit VII-3)	0.6862	0.6862	
(20) Severity Ratio** (18) / (19)	0.4338	0.6485	1.0823

* Projected losses limited on a per claim basis, with the loss limitation varying by policy year.

** Severity ratio represents loss and loss adjustment expense ratio adjusted to a common level of frequency.

EXHIBIT IV - 9

POLICY YEAR LOSS RATIO 2008*

(1) Standard Earned Premium Reported (Table I)			146,412,868
(2) Factor to 6/1/18 Rate Level (Exhibit V-2)			1.3172
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			1.0000
(4) Expense Constant Removal Factor			0.9974
(5) DCCPAP On-Level Factor			0.9989
(6) Other Adjustments			1.0000
(7) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) * (6)			192,142,018
Losses - Paid-to-28th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	34,357,379	45,066,564	79,423,943
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.1367	1.3746	
(10) Ultimate Incurred Losses (8) * (9)	39,054,033	61,948,499	101,002,532
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	36,043,140	54,312,305	90,355,445
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.0255	1.1756	
(13) Ultimate Incurred Losses (11) * (12)	36,962,240	63,849,546	100,811,786
Losses - Average of Incurred and Paid-to-28th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	38,008,137	62,899,023	100,907,160
(15) Factor to 7/1/18 Benefit Level (Exhibit V-3)	1.0660	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2174	1.2174	
(17) Adjusted Losses (14) * (15) * (16)	49,324,999	76,573,271	125,898,270
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.2567	0.3985	0.6552
(19) Normalized Claim Frequency (Exhibit VII-3)	0.6904	0.6904	
(20) Severity Ratio** (18) / (19)	0.3718	0.5772	0.9490

* Projected losses limited on a per claim basis, with the loss limitation varying by policy year.

** Severity ratio represents loss and loss adjustment expense ratio adjusted to a common level of frequency.

EXHIBIT IV - 10

POLICY YEAR LOSS RATIO 2007*

(1) Standard Earned Premium Reported (Table I)			194,794,662
(2) Factor to 6/1/18 Rate Level (Exhibit V-2)			0.9762
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			1.0000
(4) Expense Constant Removal Factor			0.9977
(5) DCCPAP On-Level Factor			0.9974
(6) Other Adjustments			1.0000
(7) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) * (6)			189,227,909
Losses - Paid-to-28th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	38,293,859	46,290,595	84,584,454
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.1149	1.3323	
(10) Ultimate Incurred Losses (8) * (9)	42,693,823	61,672,960	104,366,783
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	40,977,735	53,278,398	94,256,133
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.0202	1.1491	
(13) Ultimate Incurred Losses (11) * (12)	41,805,485	61,222,207	103,027,692
Losses - Average of Incurred and Paid-to-28th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	42,249,654	61,447,584	103,697,238
(15) Factor to 7/1/18 Benefit Level (Exhibit V-3)	1.0843	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2174	1.2174	
(17) Adjusted Losses (14) * (15) * (16)	55,770,676	74,806,289	130,576,965
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.2947	0.3953	0.6900
(19) Normalized Claim Frequency (Exhibit VII-3)	0.7802	0.7802	
(20) Severity Ratio** (18) / (19)	0.3777	0.5067	0.8844

* Projected losses limited on a per claim basis, with the loss limitation varying by policy year.

** Severity ratio represents loss and loss adjustment expense ratio adjusted to a common level of frequency.

**EXHIBIT V - 1
POLICY YEARS 2011 - 2016
PREMIUM ON-LEVEL FACTORS**

<u>POLICY YEAR</u>		<u>(1) RATE CHANGE DATE</u>	<u>(2) RATE 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 06/1/18 RATE LEVEL</u>	
2016	VOL	12/01/15	BASE	0.7102	*	0.8046	0.5714		
		12/01/16	1.0000	0.7102		0.0530	0.0376		
		12/01/17	0.9700	0.6889		-----	-----		
		TO 06/1/18				0.8576	0.6090		
	RM	12/01/15	BASE	1.0000	1.0000		0.1333	0.1333	
		12/01/16	1.0000	1.0000	1.0000		0.0091	0.0091	
		12/01/17	0.8969	0.8969	0.8969		-----	-----	
		TO 06/1/18				0.1424	0.1424		
	*	Loss, LAE and LBA portion of 12/1/15 rate.						0.7514	1.1936
	2015	VOL	12/01/14	BASE	0.7095	*	0.7784	0.5523	
12/01/15			1.0720	0.7606		0.0558	0.0424		
12/01/16			0.9700	0.7378		-----	-----		
TO 06/1/18						0.8342	0.5947		
RM		12/01/14	BASE	1.0000	1.0000		0.1545	0.1545	
		12/01/15	1.0709	1.0709	1.0709		0.0113	0.0121	
		12/01/16	0.8969	0.9605	0.9605		-----	-----	
		TO 06/1/18				0.1658	0.1666		
*		Loss, LAE and LBA portion of 12/1/14 rate.						0.7613	1.2617
2014		VOL	12/01/13	BASE	0.7239	*	0.8065	0.5838	
	12/01/14		0.8850	0.6407		0.0494	0.0317		
	12/01/15		1.0398	0.6662		-----	-----		
	TO 06/1/18					0.8559	0.6155		
	RM	12/01/13	BASE	1.0000	1.0000		0.1351	0.1351	
		12/01/14	0.9030	0.9030	0.9030		0.0090	0.0081	
		12/01/15	0.9605	0.8673	0.8673		-----	-----	
		TO 06/1/18				0.1441	0.1432		
	*	Loss, LAE and LBA portion of 12/1/13 rate.						0.7587	1.1431
	2013	VOL	12/01/12	BASE	0.7074	*	0.7587	0.5367	
12/01/13			1.1400	0.8064		0.0576	0.0464		
12/01/14			0.9203	0.7421		-----	-----		
TO 06/1/18						0.8163	0.5831		
RM		12/01/12	BASE	1.0000	1.0000		0.1717	0.1717	
		12/01/13	1.1140	1.1140	1.1140		0.0120	0.0134	
		12/01/14	0.8673	0.9662	0.9662		-----	-----	
		TO 06/1/18				0.1837	0.1851		
*		Loss, LAE and LBA portion of 12/1/12 rate.						0.7682	1.2577
2012		VOL	12/01/11	BASE	0.7343	*	0.7713	0.5664	
	12/01/12		1.2166	0.8933		0.0791	0.0707		
	12/01/13		1.0491	0.9372		-----	-----		
	TO 06/1/18					0.8504	0.6371		
	RM	12/01/11	BASE	1.0000	1.0000		0.1377	0.1377	
		12/01/12	1.2606	1.2606	1.2606		0.0119	0.0150	
		12/01/13	0.9662	1.2180	1.2180		-----	-----	
		TO 06/1/18				0.1496	0.1527		
	*	Loss, LAE and LBA portion of 12/1/11 rate.						0.7898	1.5422
	2011	VOL	12/01/10	BASE	0.7688	*	0.8259	0.6350	
12/01/11			1.1261	0.8657		0.0662	0.0573		
12/01/12			1.2763	1.1049		-----	-----		
TO 06/1/18						0.8921	0.6923		
RM		12/01/10	BASE	1.0000	1.0000		0.1012	0.1012	
		12/01/11	1.1826	1.1826	1.1826		0.0067	0.0079	
		12/01/12	1.2180	1.4404	1.4404		-----	-----	
		TO 06/1/18				0.1079	0.1091		
*		Loss, LAE and LBA portion of 12/1/10 rate.						0.8014	1.7974

**EXHIBIT V - 2
POLICY YEARS 2007 - 2010
PREMIUM ON-LEVEL FACTORS**

<u>POLICY YEAR</u>		<u>(1) RATE CHANGE DATE</u>	<u>(2) RATE 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 06/1/18 RATE LEVEL</u>	
2010	VOL	12/01/09	BASE	0.7574	*	0.8561	0.6484		
		12/01/10	0.9749	0.7384		0.0679	0.0501		
		12/01/11	1.4373	1.0613		-----	-----		
		TO 06/1/18				0.9240	0.6985		
	RM	12/01/09	BASE	1.0000		0.0696	0.0696		
		12/01/10	0.9594	0.9594		0.0064	0.0061		
		12/01/11	1.4404	1.3819		-----	-----		
		TO 06/1/18				0.0760	0.0757		
	*	Loss, LAE and LBA portion of 12/1/09 rate.						0.7742	1.7849
2009	VOL	12/01/08	BASE	0.7511	*	0.8421	0.6325		
		12/01/09	0.9160	0.6880		0.0789	0.0543		
		12/01/10	1.4012	0.9640		-----	-----		
		TO 06/1/18				0.9210	0.6868		
						0.9036	0.6268		
	RM	12/01/08	BASE	1.0000		0.0743	0.0743		
		12/01/09	0.9083	0.9083		0.0044	0.0040		
		12/01/10	1.3819	1.2552		-----	-----		
		TO 06/1/18				0.0787	0.0783		
	*	Loss, LAE and LBA portion of 12/1/08 rate.						0.7651	1.6406
2008	VOL	12/01/07	BASE	0.7627	*	0.2616	0.1995		
		10/01/08	0.8843	0.6745		0.5907	0.3984		
		12/01/08	0.8354	0.5635		0.0513	0.0289		
		12/01/09	1.2835	0.7233		-----	-----		
		TO 06/1/18				0.9036	0.6268		
	RM	12/01/07	BASE	1.0000		0.0286	0.0286		
		10/01/08	0.8843	0.8843		0.0646	0.0571		
		12/01/08	0.8484	0.7502		0.0032	0.0024		
		12/01/09	1.2552	0.9417		-----	-----		
		TO 06/1/18				0.0964	0.0881		
	*	Loss, LAE and LBA portion of 12/1/07 rate.						0.7149	1.3172
2007	VOL	12/01/06	BASE	0.7292	*+	0.8181	0.5966		
		12/01/07	0.8225	0.5998	+	0.0392	0.0235		
		10/01/08	0.8843	0.6448	+	0.0126	0.0081		
		12/01/07 & 10/01/08	0.7273	0.5304	+	0.0103	0.0055		
		12/01/08	1.0722	0.5687	+	-----	-----		
		TO 06/1/18				0.8802	0.6337		
	RM	12/01/06	BASE	1.0000	+	0.114	0.114		
		12/01/07	0.7800	0.7800	+	0.0032	0.0025		
		10/01/08	0.8843	0.8843	+	0.0018	0.0016		
		12/01/07 & 10/01/08	0.6898	0.6898	+	0.0008	0.0006		
		12/01/08	1.0649	0.7345	+	-----	-----		
		TO 06/1/18				0.1198	0.1187		
	*	Loss, LAE and LBA portion of 12/1/06 rate.						0.7524	0.9762
	+	Cumulative rate change							
Area				Area					
I	0.7292		0.7292	I	1.0000		1.0000		
II	0.7292 x 0.8225		0.5998	II	1.0000x0.7800		0.7800		
III	0.7292 x 0.8843		0.6448	III	1.0000 x 0.8843		0.8843		
IV	0.7292 x 0.8225 x 0.8843		0.5304	IV	1.0000 x 0.7800 x 0.8843		0.6898		
Current	Cumulative to 06/1/18		0.5687	Current	Cumulative to 06/1/18		0.7345		

EXHIBIT V - 3
POLICY YEARS 2007 - 2016
INDEMNITY LOSS ON-LEVEL FACTORS

<u>POLICY YEAR</u>	<u>(1) LAW AMENDMENT DATE</u>	<u>(2) BENEFIT 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 7/1/18 BENEFIT LEVEL</u>
2016	7/01/15	BASE	1.0000	0.1250	0.1250	1.0016
	7/01/16	1.0184	1.0184	0.7500	0.7638	
	7/01/17	1.0165	1.0352	0.1250	0.1294	
	7/01/18	0.9851	1.0198	----- 1.0000	----- 1.0182	
2015	7/01/14	BASE	1.0000	0.1250	0.1250	1.0170
	7/01/15	0.9967	0.9967	0.7500	0.7475	
	7/01/16	1.0184	1.0150	0.1250	0.1269	
	7/01/17	1.0014	1.0164	----- 1.0000	----- 0.9994	
	TO 7/01/18					
2014	7/01/13	BASE	1.0000	0.1250	0.1250	1.0185
	7/01/14	1.0124	1.0124	0.7500	0.7593	
	7/01/15	0.9967	1.0091	0.1250	0.1261	
	7/01/16	1.0198	1.0291	----- 1.0000	----- 1.0104	
	TO 7/01/18					
2013	7/02/12	BASE	1.0000	0.1250	0.1250	1.0304
	7/01/13	1.0242	1.0242	0.7500	0.7682	
	7/01/14	1.0124	1.0369	0.1250	0.1296	
	7/01/15	1.0164	1.0539	----- 1.0000	----- 1.0228	
	TO 7/01/18					
2012	6/13/11	BASE	1.0000	0.1264	0.1264	1.0528
	7/02/12	1.0161	1.0161	0.7486	0.7607	
	7/01/13	1.0242	1.0407	0.1250	0.1301	
	7/01/14	1.0290	1.0709	----- 1.0000	----- 1.0172	
	TO 7/01/18					
2011	6/22/10	BASE	1.0000	0.1010	0.1010	1.0681
	6/13/11	0.9936	0.9936	0.7746	0.7696	
	7/02/12	1.0161	1.0096	0.1244	0.1256	
	7/01/13	1.0539	1.0640	----- 1.0000	----- 0.9962	
	TO 7/01/18					
2010	6/16/09	BASE	1.0000	0.1124	0.1124	1.0648
	6/22/10	0.9974	0.9974	0.7367	0.7348	
	6/13/11	0.9936	0.9910	0.1509	0.1495	
	7/02/12	1.0709	1.0613	----- 1.0000	----- 0.9967	
	TO 7/01/18					
2009	6/03/08	BASE	1.0000	0.1048	0.1048	1.0620
	6/16/09	1.0031	1.0031	0.7576	0.7599	
	6/22/10	0.9974	1.0005	0.1376	0.1377	
	6/13/11	1.0640	1.0645	----- 1.0000	----- 1.0024	
	TO 7/01/18					
2008	6/07/07	BASE	1.0000	0.0891	0.0891	1.0660
	6/03/08	1.0189	1.0189	0.7645	0.7789	
	6/16/09	1.0031	1.0221	0.1464	0.1496	
	6/22/10	1.0613	1.0848	----- 1.0000	----- 1.0176	
	TO 7/01/18					
2007	6/07/06	BASE	1.0000	0.0938	0.0938	1.0843
	6/07/07	1.0297	1.0297	0.7399	0.7619	
	6/03/08	1.0189	1.0492	0.1663	0.1745	
	6/16/09	1.0646	1.1170	----- 1.0000	----- 1.0302	
	TO 7/01/18					

EXHIBIT VI - 1

DEVELOPMENT FACTORS

PREMIUM

<u>Reports in Ratio</u>	<u>Calendar Years 13-14</u>	<u>Calendar Years 14-15</u>	<u>Calendar Years 15-16</u>	<u>Calendar Years 16-17</u>	<u>Unweighted Average</u>	<u>Cumulative Average</u>
2nd to 1st	1.0016	1.0069	1.0122	1.0063	1.0068	1.0088
3rd to 2nd	0.9996	1.0031	0.9983	0.9990	1.0000	1.0020
4th to 3rd	1.0012	0.9978	1.0001	1.0002	0.9998	1.0020
5th to 4th	0.9999	1.0020	1.0003	1.0013	1.0009	1.0022
6th to 5th	1.0000	1.0058	0.9999	1.0000	1.0014	1.0013
7th to 6th	1.0000	1.0000	1.0000	0.9999	1.0000	0.9999
8th to 7th	1.0000	1.0000	1.0000	1.0000	1.0000	0.9999
9th to 8th	1.0000	1.0000	1.0000	0.9996	0.9999	0.9999
10th to 9th	1.0000	1.0000	1.0000	1.0000	1.0000 *	1.0000
11th to 10th	1.0000	1.0000	1.0000	1.0000	1.0000 *	1.0000
12th to 11th	1.0002	1.0000	1.0000	1.0000	1.0000 *	1.0000
13th to 12th	1.0000	1.0000	1.0000	1.0000	1.0000 *	1.0000
14th to 13th	1.0000	1.0001	1.0000	1.0000	1.0000 *	1.0000
15th to 14th	1.0000	1.0000	1.0000	1.0000	1.0000 *	1.0000
16th to 15th	1.0000	1.0000	1.0000	1.0000	1.0000 *	1.0000
17th to 16th	1.0000	1.0000	1.0000	1.0000	1.0000 *	1.0000
18th to 17th	1.0000	1.0000	1.0000	1.0000	1.0000 *	1.0000
19th to 18th	1.0000	1.0000	1.0000	1.0001	1.0000 *	1.0000
20th to 19th	1.0000	1.0000	1.0000	1.0001	1.0000 *	1.0000
21st to 20th	1.0000	1.0000	1.0000	1.0001	1.0000 *	1.0000
22nd to 21st	1.0000	1.0000	1.0001	1.0000	1.0000 *	1.0000
23rd to 22nd	1.0006	1.0000	1.0000	0.9999	1.0000 *	1.0000
24th to 23rd	1.0000	1.0002	1.0000	1.0000	1.0000 *	1.0000
25th to 24th	1.0000	1.0000	1.0002	1.0000	1.0000 *	1.0000
26th to 25th	1.0000	1.0000	1.0000	1.0003	1.0000 *	1.0000
27th to 26th	1.0000	1.0000	1.0000	1.0000	1.0000 *	1.0000
28th to 27th	1.0000	1.0000	1.0000	1.0000	1.0000 *	1.0000
Beyond 28th	1.0000	1.0000	1.0000	1.0000	1.0000 *	1.0000

* Selected

EXHIBIT VI - 2

DEVELOPMENT FACTORS

**INDEMNITY LOSSES
PAID METHOD - LIMITED LOSS BASIS**

Reports in Ratio		Calendar Years 13-14	Calendar Years 14-15	Calendar Years 15-16	Calendar Years 16-17	Unweighted Average	Fitted Value	Cumulative Average
2nd to 1st	a	2.0393	1.8261	1.9351	2.1150	1.9789	1.9789	4.9050
3rd to 2nd	a	1.3943	1.4467	1.3849	1.4110	1.4092	1.4108	2.4786
4th to 3rd	a	1.1985	1.1596	1.2364	1.1949	1.1974	1.1866	1.7569
5th to 4th	a	1.1210	1.0869	1.0539	1.0945	1.0891	1.1041	1.4806
6th to 5th	a	1.0546	1.0904	1.0532	1.0534	1.0629	1.0659	1.3410
7th to 6th	a	1.0310	1.0406	1.0591	1.0524	1.0458	1.0453	1.2581
8th to 7th	a	1.0547	1.0204	1.0182	1.0685	1.0405	1.0330	1.2036
9th to 8th	a	1.0284	1.0422	1.0393	1.0219	1.0330	1.0250	1.1651
10th to 9th	a	1.0164	1.0184	1.0232	1.0114	1.0174	1.0196	1.1367
11th to 10th	a	1.0341	1.0078	1.0274	1.0151	1.0211	1.0157	1.1149
12th to 11th	a	1.0127	1.0079	1.0045	1.0057	1.0077	1.0129	1.0976
13th to 12th	a	1.0112	1.0092	1.0077	1.0061	1.0086	1.0107	1.0837
14th to 13th	a	1.0087	1.0094	1.0011	1.0087	1.0070	1.0090	1.0722
15th to 14th	a	1.0028	1.0042	1.0052	0.9994	1.0029	1.0077	1.0626
16th to 15th	a	1.0101	1.0013	1.0025	1.0022	1.0040	1.0066	1.0545
17th to 16th	a	1.0084	1.0084	1.0112	1.0130	1.0103	1.0057	1.0476
18th to 17th	a	1.0035	1.0033	1.0027	1.0047	1.0036	1.0049	1.0416
19th to 18th	a	1.0005	1.0033	0.9988	1.0072	1.0025	1.0043	1.0366
20th to 19th	a	1.0387	1.0016	1.0026	1.0053	1.0121	1.0038	1.0321
21st to 20th	a	1.0007	1.0036	0.9997	1.0013	1.0013	1.0033	1.0282
22nd to 21st	a	0.9984	1.0053	1.0110	1.0007	1.0039	1.0029	1.0248
23rd to 22nd	a	1.0198	0.9970	1.0008	1.0014	1.0048	1.0026	1.0219
24th to 23rd	a	1.0021	1.0043	0.9981	1.0034	1.0020	1.0023	1.0192
25th to 24th	a	0.9999	1.0029	1.0009	0.9992	1.0007	1.0020	1.0169
26th to 25th	a	1.0002	0.9967	1.0015	1.0021	1.0001	1.0018	1.0149
27th to 26th	a	1.0015	1.0048	1.0001	1.0013	1.0019	1.0016	1.0130
28th to 27th	b	1.0167	1.0129	1.0043	1.0033	1.0093	1.0093	1.0114
Beyond 28th	c	0.9896	0.9990	1.0029	1.0168	1.0021	1.0021	1.0021

INCURRED METHOD

Reports in Ratio		Calendar Years 13-14	Calendar Years 14-15	Calendar Years 15-16	Calendar Years 16-17	Unweighted Average	Fitted Value	Cumulative Average
2nd to 1st	c	1.3228	1.2848	1.2769	1.4485	1.3333	1.3330	1.7371
3rd to 2nd	c	1.0995	1.1071	1.1258	1.1004	1.1082	1.1102	1.3032
4th to 3rd	c	1.0578	1.0427	1.0886	1.0419	1.0578	1.0546	1.1738
5th to 4th	c	1.0632	0.9869	1.0250	1.0282	1.0258	1.0319	1.1130
6th to 5th	c	1.0329	1.0338	1.0243	1.0087	1.0249	1.0204	1.0786
7th to 6th	c	1.0344	1.0052	1.0141	1.0289	1.0207	1.0138	1.0571
8th to 7th	c	1.0099	1.0102	1.0055	1.0119	1.0094	1.0097	1.0427
9th to 8th	c	1.0009	1.0128	1.0065	1.0058	1.0065	1.0070	1.0327
10th to 9th	c	1.0083	1.0009	1.0082	0.9948	1.0031	1.0052	1.0255
11th to 10th	c	1.0237	1.0017	0.9971	1.0028	1.0063	1.0039	1.0202
12th to 11th	c	0.9964	0.9997	1.0053	1.0061	1.0019	1.0030	1.0162
13th to 12th	c	1.0020	0.9946	1.0000	0.9979	0.9986	1.0023	1.0132
14th to 13th	c	1.0031	1.0002	0.9993	0.9971	0.9999	1.0018	1.0109
15th to 14th	c	0.9977	0.9960	0.9992	0.9983	0.9978	1.0014	1.0090
16th to 15th	c	0.9997	0.9981	0.9985	1.0000	0.9991	1.0011	1.0076
17th to 16th	c	0.9981	1.0004	1.0068	0.9975	1.0007	1.0009	1.0065
18th to 17th	c	0.9962	0.9964	1.0008	1.0032	0.9992	1.0007	1.0056
19th to 18th	c	0.9993	1.0014	0.9976	1.0002	0.9996	1.0006	1.0049
20th to 19th	c	0.9884	0.9987	1.0005	0.9992	0.9967	1.0005	1.0043
21st to 20th	c	0.9989	1.0122	0.9914	0.9991	1.0004	1.0004	1.0038
22nd to 21st	c	0.9983	1.0031	0.9948	0.9990	0.9988	1.0003	1.0034
23rd to 22nd	c	1.0086	0.9990	0.9990	1.0018	1.0021	1.0003	1.0031
24th to 23rd	c	0.9988	1.0008	0.9975	1.0008	0.9995	1.0002	1.0028
25th to 24th	c	0.9978	1.0159	0.9966	0.9983	1.0022	1.0002	1.0026
26th to 25th	c	0.9990	0.9952	0.9984	0.9976	0.9976	1.0001	1.0024
27th to 26th	c	0.9997	1.0017	0.9994	1.0028	1.0009	1.0001	1.0023
28th to 27th	c	1.0005	0.9990	0.9990	0.9968	0.9988	1.0001	1.0022
Beyond 28th	c	0.9896	0.9990	1.0029	1.0168	1.0021	1.0021	1.0021

a From Table I-D

b 27th (Paid - Table I-D) to 28th (Incurred - Table I-B)

c From Table I-B

EXHIBIT VI - 3

FITTED DEVELOPMENT FACTORS

INDEMNITY LOSSES

Paid Development

	<u>4 Year Average</u>	<u>4 Year Average - 1</u>	<u>Fitted Value</u>	<u>Fitted Value + 1</u>
2nd to 1st	1.9789	0.9789	0.9789	1.9789
3rd to 2nd	1.4092	0.4092	0.4108	1.4108
4th to 3rd	1.1974	0.1974	0.1866	1.1866
5th to 4th	1.0891	0.0891	0.1041	1.1041
6th to 5th	1.0629	0.0629	0.0659	1.0659
7th to 6th	1.0458	0.0458	0.0453	1.0453
8th to 7th	1.0405	0.0405	0.0330	1.0330
9th to 8th	1.0330	0.0330	0.0250	1.0250
10th to 9th	1.0174	0.0174	0.0196	1.0196
11th to 10th	1.0211	0.0211	0.0157	1.0157
12th to 11th	1.0077	0.0077	0.0129	1.0129
13th to 12th	1.0086	0.0086	0.0107	1.0107
14th to 13th	1.0070	0.0070	0.0090	1.0090
15th to 14th	1.0029	0.0029	0.0077	1.0077
16th to 15th	1.0040	0.0040	0.0066	1.0066
17th to 16th	1.0103	0.0103	0.0057	1.0057
18th to 17th	1.0036	0.0036	0.0049	1.0049
19th to 18th	1.0025	0.0025	0.0043	1.0043
20th to 19th	1.0121	0.0121	0.0038	1.0038
21st to 20th	1.0013	0.0013	0.0033	1.0033
22nd to 21st	1.0039	0.0039	0.0029	1.0029
23rd to 22nd	1.0048	0.0048	0.0026	1.0026
24th to 23rd	1.0020	0.0020	0.0023	1.0023
25th to 24th	1.0007	0.0007	0.0020	1.0020
26th to 25th	1.0001	0.0001	0.0018	1.0018
27th to 26th	1.0019	0.0019	0.0016	1.0016
28th to 27th*	1.0093	0.0093	0.0093	1.0093

$Y = a+b/x+c/x^2+d/x^3+e/x^4$

a = -0.001333 b = 0.020972 c = 1.381491 d = 1.322975 e = -1.745232

* Paid-Incurred four year average

Incurred Development

	<u>4 Year Average</u>	<u>4 Year Average - 1</u>	<u>Fitted Value</u>	<u>Fitted Value + 1</u>
2nd to 1st	1.3333	0.3333	0.3330	1.3330
3rd to 2nd	1.1082	0.1082	0.1102	1.1102
4th to 3rd	1.0578	0.0578	0.0546	1.0546
5th to 4th	1.0258	0.0258	0.0319	1.0319
6th to 5th	1.0249	0.0249	0.0204	1.0204
7th to 6th	1.0207	0.0207	0.0138	1.0138
8th to 7th	1.0094	0.0094	0.0097	1.0097
9th to 8th	1.0065	0.0065	0.0070	1.0070
10th to 9th	1.0031	0.0031	0.0052	1.0052
11th to 10th	1.0063	0.0063	0.0039	1.0039
12th to 11th	1.0019	0.0019	0.0030	1.0030
13th to 12th	0.9986	-0.0014	0.0023	1.0023
14th to 13th	0.9999	-0.0001	0.0018	1.0018
15th to 14th	0.9978	-0.0022	0.0014	1.0014
16th to 15th	0.9991	-0.0009	0.0011	1.0011
17th to 16th	1.0007	0.0007	0.0009	1.0009
18th to 17th	0.9992	-0.0008	0.0007	1.0007
19th to 18th	0.9996	-0.0004	0.0006	1.0006
20th to 19th	0.9967	-0.0033	0.0005	1.0005
21st to 20th	1.0004	0.0004	0.0004	1.0004
22nd to 21st	0.9988	-0.0012	0.0003	1.0003
23rd to 22nd	1.0021	0.0021	0.0003	1.0003
24th to 23rd	0.9995	-0.0005	0.0002	1.0002
25th to 24th	1.0022	0.0022	0.0002	1.0002
26th to 25th	0.9976	-0.0024	0.0001	1.0001
27th to 26th	1.0009	0.0009	0.0001	1.0001
28th to 27th	0.9988	-0.0012	0.0001	1.0001
Beyond 28th+	1.0021	0.0021	0.0021	1.0021

$Y = a*x^b*exp(-c*x)$

a = 0.381100 b = -1.400509 c = 0.134845

+ Selected four year average

EXHIBIT VI - 4

DEVELOPMENT FACTORS

**MEDICAL LOSSES
PAID METHOD - LIMITED LOSS BASIS**

Reports in Ratio	Calendar Years 13-14	Calendar Years 14-15	Calendar Years 15-16	Calendar Years 16-17	Unweighted Average	Fitted Value	Cumulative Average	
2nd to 1st	a	1.3604	1.4416	1.3991	1.3447	1.3865	1.3871	3.0015
3rd to 2nd	a	1.1127	1.1686	1.1930	1.1372	1.1529	1.1488	2.1639
4th to 3rd	a	1.1042	1.0798	1.0854	1.0754	1.0862	1.0881	1.8836
5th to 4th	a	1.0575	1.0702	1.0179	1.0670	1.0532	1.0643	1.7311
6th to 5th	a	1.0532	1.0854	1.0474	1.0577	1.0609	1.0522	1.6265
7th to 6th	a	1.0357	1.0487	1.0600	1.0422	1.0467	1.0448	1.5458
8th to 7th	a	1.0455	1.0322	1.0428	1.0413	1.0405	1.0395	1.4795
9th to 8th	a	1.0287	1.0447	1.0318	1.0240	1.0323	1.0354	1.4233
10th to 9th	a	1.0274	1.0197	1.0424	1.0400	1.0324	1.0318	1.3746
11th to 10th	a	1.0320	1.0326	1.0423	1.0221	1.0323	1.0287	1.3323
12th to 11th	a	1.0330	1.0219	1.0207	1.0182	1.0235	1.0260	1.2951
13th to 12th	a	1.0212	1.0526	1.0216	1.0184	1.0285	1.0234	1.2623
14th to 13th	a	1.0217	1.0152	1.0150	1.0312	1.0208	1.0211	1.2334
15th to 14th	a	1.0046	1.0174	1.0340	1.0127	1.0172	1.0190	1.2079
16th to 15th	a	1.0047	1.0179	1.0092	1.0159	1.0119	1.0170	1.1854
17th to 16th	a	1.0226	1.0095	1.0066	1.0071	1.0115	1.0153	1.1656
18th to 17th	a	1.0181	1.0100	1.0155	1.0032	1.0117	1.0137	1.1480
19th to 18th	a	1.0141	1.0224	1.0178	1.0223	1.0192	1.0123	1.1325
20th to 19th	a	1.0243	1.0070	1.0146	1.0065	1.0131	1.0111	1.1188
21st to 20th	a	1.0086	1.0050	1.0054	1.0090	1.0070	1.0100	1.1065
22nd to 21st	a	1.0116	1.0134	1.0096	1.0038	1.0096	1.0091	1.0955
23rd to 22nd	a	1.0083	1.0078	1.0108	1.0056	1.0081	1.0084	1.0856
24th to 23rd	a	1.0072	1.0139	1.0031	1.0089	1.0083	1.0078	1.0766
25th to 24th	a	1.0167	1.0095	1.0027	1.0019	1.0077	1.0073	1.0683
26th to 25th	a	1.0050	1.0202	1.0048	1.0045	1.0086	1.0070	1.0605
27th to 26th	a	1.0112	1.0023	1.0031	1.0095	1.0065	1.0069	1.0532
28th to 27th	b	1.0371	1.0748	1.0043	1.0284	1.0362	1.0362	1.0459
Beyond 28th	c	1.0165	0.9833	1.0211	1.0165	1.0094	1.0094	1.0094

INCURRED METHOD

Reports in Ratio	Calendar Years 13-14	Calendar Years 14-15	Calendar Years 15-16	Calendar Years 16-17	Unweighted Average	Fitted Value	Cumulative Average	
2nd to 1st	c	1.2377	1.2823	1.1887	1.1503	1.2148	1.2141	2.1018
3rd to 2nd	c	1.0855	1.1393	1.1472	1.0868	1.1147	1.1121	1.7312
4th to 3rd	c	1.0692	1.0465	1.0567	1.0893	1.0654	1.0798	1.5567
5th to 4th	c	1.1216	1.0709	1.0321	1.0271	1.0629	1.0612	1.4416
6th to 5th	c	1.0812	1.0567	1.0613	1.0376	1.0592	1.0485	1.3585
7th to 6th	c	1.0224	1.0343	1.0250	1.0584	1.0350	1.0393	1.2957
8th to 7th	c	1.0615	1.0285	1.0597	1.0464	1.0490	1.0324	1.2467
9th to 8th	c	1.0329	1.0066	1.0396	1.0187	1.0245	1.0272	1.2075
10th to 9th	c	1.0161	1.0259	1.0286	1.0118	1.0206	1.0230	1.1756
11th to 10th	c	1.0119	1.0356	1.0274	0.9971	1.0180	1.0196	1.1491
12th to 11th	c	1.0135	1.0116	1.0392	0.9778	1.0105	1.0169	1.1270
13th to 12th	c	0.9987	1.0226	1.0170	1.0447	1.0208	1.0146	1.1083
14th to 13th	c	0.9887	1.0256	1.0252	1.0181	1.0144	1.0127	1.0924
15th to 14th	c	0.9764	0.9929	1.0334	1.0086	1.0028	1.0110	1.0787
16th to 15th	c	0.9990	1.0199	1.0176	1.0264	1.0157	1.0096	1.0669
17th to 16th	c	1.0017	1.0030	0.9921	1.0229	1.0049	1.0083	1.0568
18th to 17th	c	0.9846	1.0020	1.0219	1.0141	1.0057	1.0072	1.0481
19th to 18th	c	0.9932	1.0197	1.0013	1.0031	1.0043	1.0062	1.0406
20th to 19th	c	0.9761	1.0027	0.9973	1.0201	0.9991	1.0053	1.0342
21st to 20th	c	1.0122	1.0055	1.0047	0.9961	1.0046	1.0045	1.0287
22nd to 21st	c	1.0034	1.0071	0.9861	0.9807	0.9943	1.0038	1.0241
23rd to 22nd	c	0.9838	1.0164	0.9994	1.0034	1.0008	1.0031	1.0202
24th to 23rd	c	1.0027	1.0042	1.0078	1.0058	1.0051	1.0025	1.0171
25th to 24th	c	1.0077	1.0127	0.9997	1.0010	1.0053	1.0020	1.0146
26th to 25th	c	0.9967	1.0125	1.0080	1.0001	1.0043	1.0015	1.0125
27th to 26th	c	1.0041	1.0037	1.0051	1.0089	1.0055	1.0010	1.0110
28th to 27th	c	1.0056	1.0086	1.0011	1.0072	1.0056	1.0006	1.0100
Beyond 28th	c	1.0165	0.9833	1.0211	1.0165	1.0094	1.0094	1.0094

- a From Table I-E
- b 27th (Paid - Table I-E) to 28th (Incurred - Table I-C)
- c From Table I-C

EXHIBIT VI - 5

FITTED DEVELOPMENT FACTORS

MEDICAL LOSSES

Paid Development

	<u>4 Year Average</u>	<u>4 Year Average - 1</u>	<u>Fitted Value</u>	<u>Fitted Value + 1</u>
2nd to 1st	1.3865	0.3865	0.3871	1.3871
3rd to 2nd	1.1529	0.1529	0.1488	1.1488
4th to 3rd	1.0862	0.0862	0.0881	1.0881
5th to 4th	1.0532	0.0532	0.0643	1.0643
6th to 5th	1.0609	0.0609	0.0522	1.0522
7th to 6th	1.0467	0.0467	0.0448	1.0448
8th to 7th	1.0405	0.0405	0.0395	1.0395
9th to 8th	1.0323	0.0323	0.0354	1.0354
10th to 9th	1.0324	0.0324	0.0318	1.0318
11th to 10th	1.0323	0.0323	0.0287	1.0287
12th to 11th	1.0235	0.0235	0.0260	1.0260
13th to 12th	1.0285	0.0285	0.0234	1.0234
14th to 13th	1.0208	0.0208	0.0211	1.0211
15th to 14th	1.0172	0.0172	0.0190	1.0190
16th to 15th	1.0119	0.0119	0.0170	1.0170
17th to 16th	1.0115	0.0115	0.0153	1.0153
18th to 17th	1.0117	0.0117	0.0137	1.0137
19th to 18th	1.0192	0.0192	0.0123	1.0123
20th to 19th	1.0131	0.0131	0.0111	1.0111
21st to 20th	1.0070	0.0070	0.0100	1.0100
22nd to 21st	1.0096	0.0096	0.0091	1.0091
23rd to 22nd	1.0081	0.0081	0.0084	1.0084
24th to 23rd	1.0083	0.0083	0.0078	1.0078
25th to 24th	1.0077	0.0077	0.0073	1.0073
26th to 25th	1.0086	0.0086	0.0070	1.0070
27th to 26th	1.0065	0.0065	0.0069	1.0069
28th to 27th*	1.0362	0.0362	0.0362	1.0362

$Y = a + b \ln(x) + c \ln(x)^2 + d \ln(x)^3 + e \ln(x)^4$

$a = 0.387144 \quad b = -0.520475 \quad c = 0.311137 \quad d = -0.087652 \quad e = 0.009267$

* Paid-Incurred four year average

Incurred Development

	<u>4 Year Average</u>	<u>4 Year Average - 1</u>	<u>Fitted Value</u>	<u>Fitted Value + 1</u>
2nd to 1st	1.2148	0.2148	0.2141	1.2141
3rd to 2nd	1.1147	0.1147	0.1121	1.1121
4th to 3rd	1.0654	0.0654	0.0798	1.0798
5th to 4th	1.0629	0.0629	0.0612	1.0612
6th to 5th	1.0592	0.0592	0.0485	1.0485
7th to 6th	1.0350	0.0350	0.0393	1.0393
8th to 7th	1.0490	0.0490	0.0324	1.0324
9th to 8th	1.0245	0.0245	0.0272	1.0272
10th to 9th	1.0206	0.0206	0.0230	1.0230
11th to 10th	1.0180	0.0180	0.0196	1.0196
12th to 11th	1.0105	0.0105	0.0169	1.0169
13th to 12th	1.0208	0.0208	0.0146	1.0146
14th to 13th	1.0144	0.0144	0.0127	1.0127
15th to 14th	1.0028	0.0028	0.0110	1.0110
16th to 15th	1.0157	0.0157	0.0096	1.0096
17th to 16th	1.0049	0.0049	0.0083	1.0083
18th to 17th	1.0057	0.0057	0.0072	1.0072
19th to 18th	1.0043	0.0043	0.0062	1.0062
20th to 19th	0.9991	-0.0009	0.0053	1.0053
21st to 20th	1.0046	0.0046	0.0045	1.0045
22nd to 21st	0.9943	-0.0057	0.0038	1.0038
23rd to 22nd	1.0008	0.0008	0.0031	1.0031
24th to 23rd	1.0051	0.0051	0.0025	1.0025
25th to 24th	1.0053	0.0053	0.0020	1.0020
26th to 25th	1.0043	0.0043	0.0015	1.0015
27th to 26th	1.0055	0.0055	0.0010	1.0010
28th to 27th	1.0056	0.0056	0.0006	1.0006
Beyond 28th+	1.0094	0.0094	0.0094	1.0094

$Y = a + b/x + c \exp(-x)$

$a = -0.010644 \quad b = 0.302936 \quad c = -0.212506$

+ Selected four year average

EXHIBIT VII - 1

DETERMINATION OF TREND

INDEMNITY

Policy Year	2010	2011	2012	2013	2014	2015	2016
Actual Loss Ratio	0.2821	0.2799	0.2877	0.3169	0.2668	0.2797	0.2249
Normalized Frequency	0.6862	0.6426	0.5763	0.6040	0.5185	0.5445	0.4614
Severity Loss Ratio	0.4111	0.4356	0.4992	0.5246	0.5146	0.5137	0.4874
x	1	2	3	4	5	6	7
y	0.4111	0.4356	0.4992	0.5246	0.5146	0.5137	0.4874

7 Point Exponential Regression: $y = 0.425591 * 1.031595 ^ x$

Selected Annual Trend = 3.2%

Policy Year	Annual Trend Factor (1)	Trend Period # Years to 12/1/19 (2)	Severity Trend Factor (3) = (1)^(2)	Frequency Trend Factor (4) #
2013	1.0316	5.9167	1.2021	0.7075
2014	1.0316	4.9167	1.1653	0.7501
2015	1.0316	3.9167	1.1296	0.7953
2016	1.0316	2.9167	1.0950	0.8432

Trended Loss Ratio

Policy Year	Actual Loss Ratio (5)	Combined Trend Factor (6) = (3)*(4)	Trended Loss Ratio (7) = (5)*(6)
2013	0.3169	0.8505	0.2695
2014	0.2668	0.8741	0.2332
2015	0.2797	0.8984	0.2513
2016	0.2249	0.9233	0.2077
Average			0.2404

See Page 24 for column (4).

EXHIBIT VII - 2

DETERMINATION OF TREND

MEDICAL

Policy Year	2010	2011	2012	2013	2014	2015	2016
Actual Loss Ratio	0.5214	0.4891	0.4658	0.5402	0.4680	0.5752	0.5285
Normalized Frequency	0.6862	0.6426	0.5763	0.6040	0.5185	0.5445	0.4614
Severity Loss Ratio	0.7598	0.7611	0.8082	0.8943	0.9027	1.0565	1.1454
x	1	2	3	4	5	6	7
y	0.7598	0.7611	0.8082	0.8943	0.9027	1.0565	1.1454

7 Point Exponential Regression: $y = 0.672061 * 1.073959 ^ x$

Selected Annual Trend = 7.4%

Policy Year	Annual Trend Factor (1)	Trend Period # Years to 12/1/19 (2)	Severity Trend Factor (3) = (1)^(2)	Frequency Trend Factor (4) #
2013	1.0740	5.9167	1.5253	0.7075
2014	1.0740	4.9167	1.4202	0.7501
2015	1.0740	3.9167	1.3224	0.7953
2016	1.0740	2.9167	1.2314	0.8432

Trended Loss Ratio

Policy Year	Actual Loss Ratio (5)	Combined Trend Factor (6) = (3)*(4)	Trended Loss Ratio (7) = (5)*(6)
2013	0.5402	1.0791	0.5829
2014	0.4680	1.0653	0.4986
2015	0.5752	1.0517	0.6049
2016	0.5285	1.0383	0.5487
Average			0.5588

See Page 24 for column (4).

EXHIBIT VII - 3

DETERMINATION OF TREND

CLAIM FREQUENCY

Policy Year Frequency per \$1 million of Expected Losses

Policy Year	Claim Frequency	Normalized Frequency
2004	11.92	1.0000
2005	10.66	0.8943
2006	10.01	0.8398
2007	9.30	0.7802
2008	8.23	0.6904
2009	8.18	0.6862
2010	8.18	0.6862
2011	7.66	0.6426
2012	6.87	0.5763
2013	7.20	0.6040
2014	6.18	0.5185
2015	6.49	0.5445
2016	5.50	0.4614

Policy Year	2010	2011	2012	2013	2014	2015	2016
x	1	2	3	4	5	6	7
y	0.6862	0.6426	0.5763	0.6040	0.5185	0.5445	0.4614

7 Point (2010 - 2016) Exponential Regression: $y = 0.721592 * 0.943509 ^ x$

Annual Trend = **-5.6%**

Policy Year	2008	2011	2012	2013	2014	2015	2016
x	1	2	3	4	5	6	7
y	0.6904	0.6426	0.5763	0.6040	0.5185	0.5445	0.4614

7 Point (2008, 2011 - 2016) Exponential Regression: $y = 0.724109 * 0.942893 ^ x$

Annual Trend = **-5.7%**

Selected Annual Trend (Average of -5.6% and -5.7%) = -5.7%

Policy Year	Annual Trend Factor (1)	# of Years to 12/1/19 (2)	Frequency Trend Factor (3) = (1)^(2)
2013	0.9432	5.9167	0.7075
2014	0.9432	4.9167	0.7501
2015	0.9432	3.9167	0.7953
2016	0.9432	2.9167	0.8432

TABLE I

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

ACCUMULATED STANDARD EARNED PREMIUM

Policy Year Valued	As of 12/31/13	As of 12/31/14	Ratio to Prior Year	Policy Year Valued	As of 12/31/14	As of 12/31/15	Ratio to Prior Year
Prior to 1986	475,901,634	475,901,634	1.0000	Prior to 1986	468,466,819	468,466,819	1.0000
1986	68,727,386	68,727,386	1.0000	1986	67,779,157	67,779,157	1.0000
1987	81,080,364	81,080,364	1.0000	1987	79,968,600	79,968,600	1.0000
1988	98,509,492	98,509,492	1.0000	1988	97,464,093	97,464,093	1.0000
1989	105,487,107	105,487,107	1.0000	1989	104,451,377	104,451,377	1.0000
1990	94,125,731	94,125,731	1.0000	1990	93,303,791	93,303,791	1.0000
1991	90,695,845	90,750,388	1.0006	1991	89,721,438	89,742,346	1.0002
1992	82,084,698	82,084,698	1.0000	1992	80,122,911	80,122,911	1.0000
1993	84,936,458	84,936,458	1.0000	1993	82,114,214	82,114,214	1.0000
1994	77,193,665	77,193,605	1.0000	1994	76,416,051	76,416,051	1.0000
1995	73,445,394	73,445,418	1.0000	1995	72,348,142	72,348,135	1.0000
1996	77,188,731	77,188,734	1.0000	1996	76,274,362	76,274,335	1.0000
1997	80,784,678	80,784,703	1.0000	1997	78,200,634	78,200,605	1.0000
1998	84,068,560	84,068,572	1.0000	1998	79,724,223	79,724,205	1.0000
1999	80,572,172	80,572,143	1.0000	1999	75,185,175	75,185,189	1.0000
2000	85,738,581	85,738,501	1.0000	2000	83,345,879	83,345,864	1.0000
2001	88,449,374	88,449,339	1.0000	2001	86,070,048	86,076,901	1.0001
2002	113,699,746	113,717,630	1.0002	2002	109,405,067	109,404,476	1.0000
2003	129,655,791	129,655,762	1.0000	2003	125,136,672	125,137,871	1.0000
2004	149,122,206	149,121,079	1.0000	2004	149,109,516	149,109,989	1.0000
2005	183,000,631	182,998,946	1.0000	2005	183,005,048	183,008,751	1.0000
2006	202,487,230	202,495,026	1.0000	2006	202,539,583	202,546,825	1.0000
2007	195,753,446	195,750,621	1.0000	2007	195,750,621	195,755,664	1.0000
2008	148,482,656	148,479,227	1.0000	2008	148,479,227	148,485,351	1.0000
2009	116,318,345	116,311,214	0.9999	2009	116,243,401	116,921,404	1.0058
2010	104,350,998	104,476,537	1.0012	2010	104,825,699	105,036,158	1.0020
2011	105,111,781	105,072,860	0.9996	2011	105,308,058	105,077,476	0.9978
2012	113,287,818	113,468,957	1.0016	2012	113,754,808	114,108,833	1.0031
2013	69,137,130	132,377,593	1.9147	2013	132,809,505	133,729,149	1.0069
2014		76,798,021		2014	76,795,636	144,662,700	1.8837
				2015		78,262,291	

Policy Year Valued	As of 12/31/15	As of 12/31/16	Ratio to Prior Year	Policy Year Valued	As of 12/31/16	As of 12/31/17	Ratio to Prior Year
Prior to 1986	468,466,819	468,466,819	1.0000	Prior to 1987	536,109,662	536,109,665	1.0000
1986	67,779,157	67,779,157	1.0000	1987	79,961,187	79,961,187	1.0000
1987	79,968,600	79,968,600	1.0000	1988	97,458,841	97,458,841	1.0000
1988	97,464,093	97,464,093	1.0000	1989	104,442,681	104,442,681	1.0000
1989	104,451,377	104,451,377	1.0000	1990	92,833,254	92,833,140	1.0000
1990	93,303,791	93,303,791	1.0000	1991	89,503,446	89,533,308	1.0003
1991	89,742,346	89,760,280	1.0002	1992	79,863,505	79,863,507	1.0000
1992	80,122,911	80,122,978	1.0000	1993	81,892,828	81,895,850	1.0000
1993	82,114,214	82,114,214	1.0000	1994	76,348,708	76,337,668	0.9999
1994	76,416,051	76,427,091	1.0001	1995	72,331,061	72,331,061	1.0000
1995	72,348,135	72,348,135	1.0000	1996	76,262,498	76,268,713	1.0001
1996	76,274,335	76,274,324	1.0000	1997	78,155,739	78,161,683	1.0001
1997	78,200,605	78,200,600	1.0000	1998	79,678,959	79,684,328	1.0001
1998	79,724,205	79,724,209	1.0000	1999	75,115,489	75,115,489	1.0000
1999	75,185,189	75,185,172	1.0000	2000	83,259,711	83,259,711	1.0000
2000	83,345,864	83,345,862	1.0000	2001	85,779,747	85,779,747	1.0000
2001	86,076,901	86,077,193	1.0000	2002	109,168,747	109,168,747	1.0000
2002	109,404,476	109,404,483	1.0000	2003	124,793,466	124,793,465	1.0000
2003	125,018,558	125,018,538	1.0000	2004	148,554,368	148,555,560	1.0000
2004	148,955,384	148,955,360	1.0000	2005	180,996,846	180,998,505	1.0000
2005	182,913,814	182,913,651	1.0000	2006	200,294,501	200,297,431	1.0000
2006	201,885,642	201,885,776	1.0000	2007	194,790,893	194,794,662	1.0000
2007	195,212,354	195,208,978	1.0000	2008	146,468,684	146,412,868	0.9996
2008	146,747,784	146,749,043	1.0000	2009	115,154,574	115,152,826	1.0000
2009	115,390,383	115,390,397	1.0000	2010	103,616,070	103,608,768	0.9999
2010	103,888,036	103,880,240	0.9999	2011	103,518,238	103,516,108	1.0000
2011	104,205,228	104,234,361	1.0003	2012	112,599,318	112,746,890	1.0013
2012	113,141,644	113,154,902	1.0001	2013	131,754,924	131,778,597	1.0002
2013	132,898,313	132,678,126	0.9983	2014	144,781,773	144,634,010	0.9990
2014	143,989,548	145,744,138	1.0122	2015	143,294,314	144,196,548	1.0063
2015	78,250,963	145,154,433	1.8550	2016	86,269,333	162,955,874	1.8889
2016		86,976,681		2017		92,643,011	

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 - Individual Losses Limited *

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

Policy Year Valued	As of 12/31/13	As of 12/31/14	Ratio to Prior Year	Policy Year Valued	As of 12/31/14	As of 12/31/15	Ratio to Prior Year
Prior				Prior			
to 1986	256,189,038	256,118,239	0.9997	to 1986	252,982,379	252,786,609	0.9992
1986	34,299,624	34,371,308	1.0021	1986	33,428,843	33,424,768	0.9999
1987	43,529,832	43,583,006	1.0012	1987	43,370,380	43,469,662	1.0023
1988	42,758,179	42,682,366	0.9982	1988	42,470,843	42,573,728	1.0024
1989	49,983,523	50,063,938	1.0016	1989	49,850,745	49,944,604	1.0019
1990	50,134,266	50,145,689	1.0002	1990	49,583,034	50,310,866	1.0147
1991	48,162,028	48,097,810	0.9987	1991	47,748,529	47,851,115	1.0021
1992	43,969,799	43,992,111	1.0005	1992	43,600,343	43,889,269	1.0066
1993	52,319,432	52,550,783	1.0044	1993	50,556,888	50,799,614	1.0048
1994	40,880,505	40,175,261	0.9827	1994	39,201,414	39,557,572	1.0091
1995	43,853,627	43,697,909	0.9964	1995	43,379,418	43,403,286	1.0006
1996	58,127,031	57,567,482	0.9904	1996	56,841,768	57,439,605	1.0105
1997	54,213,272	54,199,661	0.9997	1997	52,737,184	52,684,263	0.9990
1998	47,976,269	47,945,052	0.9993	1998	44,804,083	44,876,878	1.0016
1999	55,570,400	54,861,396	0.9872	1999	52,134,094	52,591,610	1.0088
2000	78,903,934	78,566,462	0.9957	2000	72,991,098	72,584,847	0.9944
2001	60,044,468	60,066,692	1.0004	2001	59,344,613	60,092,707	1.0126
2002	70,783,837	71,155,817	1.0053	2002	67,362,078	67,977,593	1.0091
2003	80,629,196	82,037,199	1.0175	2003	78,206,359	78,671,796	1.0060
2004	81,143,076	82,156,474	1.0125	2004	82,155,938	83,803,884	1.0201
2005	86,111,838	87,656,971	1.0179	2005	87,656,829	88,917,576	1.0144
2006	89,434,715	92,776,236	1.0374	2006	92,798,959	93,672,537	1.0094
2007	87,692,168	90,129,714	1.0278	2007	90,144,087	91,969,381	1.0202
2008	80,517,736	85,367,453	1.0602	2008	85,366,471	87,245,308	1.0220
2009	85,297,424	93,421,750	1.0952	2009	93,421,633	97,782,061	1.0467
2010	84,941,276	90,427,528	1.0646	2010	91,001,991	94,393,761	1.0373
2011	78,793,163	85,961,098	1.0910	2011	86,059,801	89,934,149	1.0450
2012	53,933,980	68,604,093	1.2720	2012	68,420,263	77,028,190	1.1258
2013	19,448,625	56,505,622	2.9054	2013	56,687,154	72,748,299	1.2833
2014		20,016,368		2014	20,061,326	52,993,488	2.6416
				2015		22,498,734	

Policy Year Valued	As of 12/31/15	As of 12/31/16	Ratio to Prior Year	Policy Year Valued	As of 12/31/16	As of 12/31/17	Ratio to Prior Year
Prior				Prior			
to 1986	252,781,316	253,062,296	1.0011	to 1987	286,294,974	286,832,692	1.0019
1986	33,425,188	33,396,526	0.9991	1987	43,453,953	43,614,685	1.0037
1987	43,470,681	43,528,878	1.0013	1988	42,560,803	42,586,413	1.0006
1988	42,574,900	42,562,188	0.9997	1989	50,024,415	50,066,501	1.0008
1989	49,946,076	50,025,712	1.0016	1990	50,077,629	50,333,166	1.0051
1990	50,309,887	50,407,898	1.0019	1991	47,729,080	47,660,816	0.9986
1991	47,851,324	47,746,629	0.9978	1992	43,944,833	43,922,806	0.9995
1992	43,888,425	43,977,290	1.0020	1993	50,717,088	50,866,322	1.0029
1993	50,799,976	50,758,998	0.9992	1994	39,478,217	39,577,779	1.0025
1994	39,557,466	39,195,135	0.9908	1995	43,264,600	42,844,983	0.9903
1995	43,402,472	43,300,585	0.9977	1996	57,322,434	57,184,271	0.9976
1996	57,438,609	57,374,731	0.9989	1997	52,537,431	53,005,108	1.0089
1997	52,684,726	52,646,802	0.9993	1998	45,628,602	45,700,501	1.0016
1998	44,877,511	45,366,539	1.0109	1999	52,448,272	52,895,935	1.0085
1999	52,591,596	52,567,878	0.9995	2000	73,167,928	73,942,798	1.0106
2000	72,585,232	73,186,210	1.0083	2001	60,926,587	61,736,189	1.0133
2001	60,091,141	61,061,329	1.0161	2002	68,811,988	69,072,676	1.0038
2002	67,979,299	68,861,770	1.0130	2003	78,818,171	79,470,464	1.0083
2003	78,624,733	79,330,418	1.0090	2004	85,726,584	87,782,298	1.0240
2004	83,802,065	85,805,278	1.0239	2005	87,580,565	86,733,773	0.9903
2005	88,915,187	90,132,900	1.0137	2006	94,778,474	94,747,956	0.9997
2006	93,574,358	95,378,184	1.0193	2007	93,846,822	94,256,133	1.0044
2007	91,608,852	93,884,660	1.0248	2008	89,148,193	90,355,445	1.0135
2008	85,984,555	89,186,115	1.0372	2009	96,639,909	99,700,117	1.0317
2009	94,863,581	96,787,873	1.0203	2010	98,099,214	102,746,133	1.0474
2010	93,734,590	98,157,789	1.0472	2011	91,902,071	94,319,799	1.0263
2011	89,485,311	92,107,412	1.0293	2012	81,355,749	83,598,996	1.0276
2012	76,605,767	81,958,937	1.0699	2013	81,919,741	87,594,112	1.0693
2013	72,278,819	82,259,416	1.1381	2014	63,262,542	69,099,174	1.0923
2014	52,738,868	64,478,807	1.2226	2015	64,674,041	80,190,984	1.2399
2015	22,498,696	65,432,301	2.9083	2016	23,871,683	62,763,110	2.6292
2016		24,134,056		2017		25,931,388	

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.

* Losses limited on a per-claim basis, with the actual limitation varying by policy year as described in Exhibit 1a.

Losses are expressed on a post-HB175, pre-HB373 basis.

TABLE I - B - Individual Losses Limited *

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INDEMNITY INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

Policy Year Valued	As of 12/31/13	As of 12/31/14	Ratio to Prior Year	Policy Year Valued	As of 12/31/14	As of 12/31/15	Ratio to Prior Year
Prior				Prior			
to 1986	188,471,210	188,225,715	0.9987	to 1986	185,666,414	185,661,466	1.0000
1986	23,719,152	23,731,443	1.0005	1986	22,822,611	22,804,517	0.9992
1987	28,468,418	28,459,992	0.9997	1987	28,354,018	28,324,649	0.9990
1988	27,743,455	27,716,672	0.9990	1988	27,599,782	27,647,865	1.0017
1989	30,874,453	30,808,006	0.9978	1989	30,696,730	30,550,450	0.9952
1990	31,471,721	31,433,118	0.9988	1990	31,075,982	31,569,383	1.0159
1991	28,913,713	29,162,114	1.0086	1991	28,963,153	28,987,206	1.0008
1992	24,775,344	24,732,326	0.9983	1992	24,532,363	24,508,517	0.9990
1993	30,533,912	30,500,301	0.9989	1993	28,788,411	28,876,324	1.0031
1994	22,213,563	21,954,846	0.9884	1994	21,103,054	21,359,499	1.0122
1995	23,171,149	23,155,445	0.9993	1995	22,969,252	22,938,896	0.9987
1996	28,997,313	28,886,002	0.9962	1996	28,522,961	28,562,992	1.0014
1997	29,211,676	29,156,759	0.9981	1997	28,474,797	28,372,816	0.9964
1998	25,000,273	24,993,074	0.9997	1998	23,414,256	23,422,588	1.0004
1999	28,301,331	28,235,223	0.9977	1999	26,688,557	26,639,138	0.9981
2000	38,518,744	38,638,813	1.0031	2000	35,694,773	35,552,783	0.9960
2001	30,657,742	30,718,747	1.0020	2001	30,363,426	30,369,521	1.0002
2002	34,296,243	34,173,913	0.9964	2002	32,309,279	32,133,935	0.9946
2003	38,027,887	38,929,671	1.0237	2003	37,133,158	37,123,028	0.9997
2004	37,430,244	37,740,365	1.0083	2004	37,740,365	37,806,165	1.0017
2005	40,221,330	40,255,841	1.0009	2005	40,255,841	40,290,770	1.0009
2006	41,841,377	42,256,428	1.0099	2006	42,278,390	42,818,797	1.0128
2007	39,380,503	40,734,164	1.0344	2007	40,749,254	41,165,188	1.0102
2008	34,963,281	36,114,274	1.0329	2008	36,114,274	36,303,272	1.0052
2009	38,469,721	40,901,810	1.0632	2009	40,901,810	42,285,249	1.0338
2010	34,184,616	36,160,415	1.0578	2010	36,430,866	35,954,385	0.9869
2011	30,796,523	33,862,115	1.0995	2011	33,908,936	35,357,045	1.0427
2012	21,726,739	28,739,771	1.3228	2012	28,680,932	31,753,575	1.1071
2013	7,942,019	23,969,249	3.0180	2013	24,022,747	30,863,522	1.2848
2014		8,651,691		2014	8,696,649	20,328,423	2.3375
				2015		6,429,097	

Policy Year Valued	As of 12/31/15	As of 12/31/16	Ratio to Prior Year	Policy Year Valued	As of 12/31/16	As of 12/31/17	Ratio to Prior Year
Prior				Prior			
to 1986	185,661,466	185,787,018	1.0007	to 1987	208,459,253	208,704,910	1.0012
1986	22,804,517	22,768,790	0.9984	1987	28,271,958	28,487,853	1.0076
1987	28,324,649	28,297,166	0.9990	1988	27,618,082	27,628,928	1.0004
1988	27,647,865	27,619,195	0.9990	1989	30,530,138	30,431,956	0.9968
1989	30,550,450	30,531,494	0.9994	1990	31,309,490	31,397,888	1.0028
1990	31,569,383	31,518,213	0.9984	1991	28,883,998	28,813,881	0.9976
1991	28,987,206	28,888,316	0.9966	1992	24,432,412	24,391,818	0.9983
1992	24,508,517	24,446,531	0.9975	1993	28,824,270	28,847,492	1.0008
1993	28,876,324	28,847,903	0.9990	1994	21,317,620	21,356,235	1.0018
1994	21,359,499	21,249,259	0.9948	1995	22,711,304	22,688,700	0.9990
1995	22,938,896	22,741,112	0.9914	1996	28,548,446	28,521,380	0.9991
1996	28,562,992	28,576,326	1.0005	1997	28,187,062	28,164,423	0.9992
1997	28,372,816	28,304,369	0.9976	1998	23,475,978	23,480,072	1.0002
1998	23,422,588	23,440,933	1.0008	1999	26,739,518	26,824,169	1.0032
1999	26,639,138	26,820,649	1.0068	2000	35,488,924	35,400,841	0.9975
2000	35,552,783	35,500,812	0.9985	2001	30,257,720	30,256,844	1.0000
2001	30,369,521	30,345,622	0.9992	2002	32,071,813	32,016,402	0.9983
2002	32,133,935	32,112,304	0.9993	2003	36,762,053	36,654,427	0.9971
2003	37,107,735	37,106,238	1.0000	2004	37,973,977	37,892,932	0.9979
2004	37,806,165	38,005,510	1.0053	2005	38,787,148	39,023,006	1.0061
2005	40,290,770	40,175,232	0.9971	2006	42,833,947	42,953,796	1.0028
2006	42,756,244	43,108,481	1.0082	2007	41,190,112	40,977,735	0.9948
2007	40,933,539	41,201,598	1.0065	2008	35,835,110	36,043,140	1.0058
2008	35,656,650	35,853,736	1.0055	2009	41,256,214	41,748,513	1.0119
2009	40,760,267	41,333,095	1.0141	2010	36,583,220	37,638,703	1.0289
2010	35,715,393	36,584,154	1.0243	2011	36,058,873	36,374,138	1.0087
2011	35,249,448	36,131,652	1.0250	2012	34,185,032	35,148,125	1.0282
2012	31,635,644	34,438,674	1.0886	2013	34,627,603	36,079,815	1.0419
2013	30,784,324	34,655,861	1.1258	2014	25,346,090	27,889,963	1.1004
2014	20,274,467	25,888,704	1.2769	2015	19,441,983	28,161,664	1.4485
2015	6,429,097	19,645,957	3.0558	2016	7,670,022	19,650,544	2.5620
2016		7,740,524		2017		6,979,377	

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.

* Losses limited on a per-claim basis, with the actual limitation varying by policy year as described in Exhibit 1a.

Losses are expressed on a post-HB175, pre-HB373 basis.

TABLE I - C - Individual Losses Limited *

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

MEDICAL INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

Policy Year Valued	As of 12/31/13	As of 12/31/14	Ratio to Prior Year	Policy Year Valued	As of 12/31/14	As of 12/31/15	Ratio to Prior Year
Prior				Prior			
to 1986	67,717,828	67,892,524	1.0026	to 1986	67,315,965	67,125,143	0.9972
1986	10,580,472	10,639,865	1.0056	1986	10,606,232	10,620,251	1.0013
1987	15,061,414	15,123,014	1.0041	1987	15,016,362	15,145,013	1.0086
1988	15,014,724	14,965,694	0.9967	1988	14,871,061	14,925,863	1.0037
1989	19,109,070	19,255,932	1.0077	1989	19,154,015	19,394,154	1.0125
1990	18,662,545	18,712,571	1.0027	1990	18,507,052	18,741,483	1.0127
1991	19,248,315	18,935,696	0.9838	1991	18,785,376	18,863,909	1.0042
1992	19,194,455	19,259,785	1.0034	1992	19,067,980	19,380,752	1.0164
1993	21,785,520	22,050,482	1.0122	1993	21,768,477	21,923,290	1.0071
1994	18,666,942	18,220,415	0.9761	1994	18,098,360	18,198,073	1.0055
1995	20,682,478	20,542,464	0.9932	1995	20,410,166	20,464,390	1.0027
1996	29,129,718	28,681,480	0.9846	1996	28,318,807	28,876,613	1.0197
1997	25,001,596	25,042,902	1.0017	1997	24,262,387	24,311,447	1.0020
1998	22,975,996	22,951,978	0.9990	1998	21,389,827	21,454,290	1.0030
1999	27,269,069	26,626,173	0.9764	1999	25,445,537	25,952,472	1.0199
2000	40,385,190	39,927,649	0.9887	2000	37,296,325	37,032,064	0.9929
2001	29,386,726	29,347,945	0.9987	2001	28,981,187	29,723,186	1.0256
2002	36,487,594	36,981,904	1.0135	2002	35,052,799	35,843,658	1.0226
2003	42,601,309	43,107,528	1.0119	2003	41,073,201	41,548,768	1.0116
2004	43,712,832	44,416,109	1.0161	2004	44,415,573	45,997,719	1.0356
2005	45,890,508	47,401,130	1.0329	2005	47,400,988	48,626,806	1.0259
2006	47,593,338	50,519,808	1.0615	2006	50,520,569	50,853,740	1.0066
2007	48,311,665	49,395,550	1.0224	2007	49,394,833	50,804,193	1.0285
2008	45,554,455	49,253,179	1.0812	2008	49,252,197	50,942,036	1.0343
2009	46,827,703	52,519,940	1.1216	2009	52,519,823	55,496,812	1.0567
2010	50,756,660	54,267,113	1.0692	2010	54,571,125	58,439,376	1.0709
2011	47,996,640	52,098,983	1.0855	2011	52,150,865	54,577,104	1.0465
2012	32,207,241	39,864,322	1.2377	2012	39,739,331	45,274,615	1.1393
2013	11,506,606	32,536,373	2.8276	2013	32,664,407	41,884,777	1.2823
2014		11,364,677		2014	11,364,677	32,665,065	2.8743
				2015		16,069,637	

Policy Year Valued	As of 12/31/15	As of 12/31/16	Ratio to Prior Year	Policy Year Valued	As of 12/31/16	As of 12/31/17	Ratio to Prior Year
Prior				Prior			
to 1986	67,119,850	67,275,278	1.0023	to 1987	77,835,721	78,127,782	1.0038
1986	10,620,671	10,627,736	1.0007	1987	15,181,995	15,126,832	0.9964
1987	15,146,032	15,231,712	1.0057	1988	14,942,721	14,957,485	1.0010
1988	14,927,035	14,942,993	1.0011	1989	19,494,277	19,634,545	1.0072
1989	19,395,626	19,494,218	1.0051	1990	18,768,139	18,935,278	1.0089
1990	18,740,504	18,889,685	1.0080	1991	18,845,082	18,846,935	1.0001
1991	18,864,118	18,858,313	0.9997	1992	19,512,421	19,530,988	1.0010
1992	19,379,908	19,530,759	1.0078	1993	21,892,818	22,018,830	1.0058
1993	21,923,652	21,911,095	0.9994	1994	18,160,597	18,221,544	1.0034
1994	18,197,967	17,945,876	0.9861	1995	20,553,296	20,156,283	0.9807
1995	20,463,576	20,559,473	1.0047	1996	28,773,988	28,662,891	0.9961
1996	28,875,617	28,798,405	0.9973	1997	24,350,369	24,840,685	1.0201
1997	24,311,910	24,342,433	1.0013	1998	22,152,624	22,220,429	1.0031
1998	21,454,923	21,925,606	1.0219	1999	25,708,754	26,071,766	1.0141
1999	25,952,458	25,747,229	0.9921	2000	37,679,004	38,541,957	1.0229
2000	37,032,449	37,685,398	1.0176	2001	30,668,867	31,479,345	1.0264
2001	29,721,620	30,715,707	1.0334	2002	36,740,175	37,056,274	1.0086
2002	35,845,364	36,749,466	1.0252	2003	42,056,118	42,816,037	1.0181
2003	41,516,998	42,224,180	1.0170	2004	47,752,607	49,889,366	1.0447
2004	45,995,900	47,799,768	1.0392	2005	48,793,417	47,710,767	0.9778
2005	48,624,417	49,957,668	1.0274	2006	51,944,527	51,794,160	0.9971
2006	50,818,114	52,269,703	1.0286	2007	52,656,710	53,278,398	1.0118
2007	50,675,313	52,683,062	1.0396	2008	53,313,083	54,312,305	1.0187
2008	50,327,905	53,332,379	1.0597	2009	55,383,695	57,951,604	1.0464
2009	54,103,314	55,454,778	1.0250	2010	61,515,994	65,107,430	1.0584
2010	58,019,197	61,573,635	1.0613	2011	55,843,198	57,945,661	1.0376
2011	54,235,863	55,975,760	1.0321	2012	47,170,717	48,450,871	1.0271
2012	44,970,123	47,520,263	1.0567	2013	47,292,138	51,514,297	1.0893
2013	41,494,495	47,603,555	1.1472	2014	37,916,452	41,209,211	1.0868
2014	32,464,401	38,590,103	1.1887	2015	45,232,058	52,029,320	1.1503
2015	16,069,599	45,786,344	2.8493	2016	16,201,661	43,112,566	2.6610
2016		16,393,532		2017		18,952,011	

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.

* Losses limited on a per-claim basis, with the actual limitation varying by policy year as described in Exhibit 1a.

Losses are expressed on a post-HB175, pre-HB373 basis.

TABLE I - D - Individual Losses Limited *

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INDEMNITY PAID LOSSES

Policy Year Valued	As of 12/31/13	As of 12/31/14	Ratio to Prior Year	Policy Year Valued	As of 12/31/14	As of 12/31/15	Ratio to Prior Year
Prior				Prior			
to 1986	186,797,821	186,807,908	1.0001	to 1986	184,212,008	184,355,444	1.0008
1986	23,341,514	23,384,626	1.0018	1986	22,465,939	22,507,283	1.0018
1987	28,028,893	28,070,004	1.0015	1987	27,963,355	27,988,133	1.0009
1988	27,479,631	27,484,018	1.0002	1988	27,370,173	27,500,382	1.0048
1989	30,556,809	30,554,742	0.9999	1989	30,428,044	30,329,053	0.9967
1990	30,857,942	30,924,152	1.0021	1990	30,561,931	30,650,587	1.0029
1991	28,070,280	28,627,393	1.0198	1991	28,418,432	28,540,991	1.0043
1992	24,741,848	24,703,005	0.9984	1992	24,504,713	24,431,937	0.9970
1993	29,693,075	29,713,191	1.0007	1993	27,993,556	28,143,085	1.0053
1994	20,502,297	21,295,913	1.0387	1994	20,444,121	20,516,782	1.0036
1995	22,640,560	22,652,529	1.0005	1995	22,466,336	22,503,152	1.0016
1996	28,160,639	28,258,473	1.0035	1996	27,894,881	27,987,962	1.0033
1997	27,959,965	28,196,116	1.0084	1997	27,604,978	27,696,767	1.0033
1998	24,188,898	24,433,673	1.0101	1998	22,831,079	23,023,730	1.0084
1999	27,854,682	27,933,530	1.0028	1999	26,385,285	26,420,381	1.0013
2000	36,164,225	36,478,505	1.0087	2000	33,971,016	34,115,201	1.0042
2001	29,304,966	29,633,353	1.0112	2001	29,233,361	29,508,256	1.0094
2002	32,729,211	33,144,825	1.0127	2002	31,535,999	31,825,292	1.0092
2003	35,350,336	36,556,006	1.0341	2003	34,994,590	35,270,411	1.0079
2004	36,032,839	36,622,685	1.0164	2004	36,622,685	36,908,524	1.0078
2005	36,635,503	37,676,302	1.0284	2005	37,676,302	38,368,511	1.0184
2006	36,390,932	38,381,669	1.0547	2006	38,381,669	39,999,885	1.0422
2007	34,858,150	35,939,556	1.0310	2007	35,939,556	36,673,704	1.0204
2008	30,695,442	32,371,781	1.0546	2008	32,371,781	33,686,822	1.0406
2009	28,808,903	32,294,754	1.1210	2009	32,294,754	35,215,622	1.0904
2010	24,233,150	29,042,891	1.1985	2010	29,280,846	31,823,910	1.0869
2011	18,901,504	26,353,987	1.3943	2011	26,393,267	30,605,243	1.1596
2012	7,817,826	15,943,220	2.0393	2012	15,905,822	23,010,466	1.4467
2013	1,703,766	10,013,413	5.8772	2013	10,030,773	18,317,143	1.8261
2014		1,462,937		2014	1,462,937	8,364,398	5.7175
				2015		1,776,434	

Policy Year Valued	As of 12/31/15	As of 12/31/16	Ratio to Prior Year	Policy Year Valued	As of 12/31/16	As of 12/31/17	Ratio to Prior Year
Prior				Prior			
to 1986	184,355,444	184,560,116	1.0011	to 1987	206,964,688	207,376,458	1.0020
1986	22,507,283	22,534,396	1.0012	1987	27,944,622	28,109,112	1.0059
1987	27,988,133	27,969,956	0.9994	1988	27,510,579	27,512,903	1.0001
1988	27,500,382	27,511,693	1.0004	1989	30,330,370	30,199,541	0.9957
1989	30,329,053	30,331,726	1.0001	1990	30,489,284	30,530,433	1.0013
1990	30,650,587	30,698,007	1.0015	1991	28,561,927	28,620,614	1.0021
1991	28,540,991	28,566,245	1.0009	1992	24,371,156	24,350,581	0.9992
1992	24,431,937	24,385,275	0.9981	1993	28,142,465	28,238,088	1.0034
1993	28,143,085	28,166,098	1.0008	1994	20,811,463	20,840,651	1.0014
1994	20,516,782	20,743,102	1.0110	1995	22,466,195	22,480,967	1.0007
1995	22,503,152	22,496,003	0.9997	1996	28,030,116	28,065,417	1.0013
1996	27,987,962	28,061,589	1.0026	1997	27,544,005	27,689,184	1.0053
1997	27,696,767	27,664,781	0.9988	1998	23,120,808	23,286,851	1.0072
1998	23,023,730	23,085,763	1.0027	1999	26,634,883	26,760,434	1.0047
1999	26,420,381	26,716,014	1.0112	2000	34,188,949	34,633,854	1.0130
2000	34,115,201	34,200,957	1.0025	2001	29,571,103	29,635,831	1.0022
2001	29,508,256	29,662,074	1.0052	2002	31,820,571	31,801,887	0.9994
2002	31,825,292	31,861,062	1.0011	2003	35,178,239	35,482,602	1.0087
2003	35,255,118	35,524,986	1.0077	2004	37,042,639	37,267,804	1.0061
2004	36,908,524	37,074,274	1.0045	2005	38,032,889	38,249,879	1.0057
2005	38,368,511	39,420,973	1.0274	2006	40,584,900	41,198,216	1.0151
2006	39,937,332	40,865,678	1.0232	2007	37,861,583	38,293,859	1.0114
2007	36,442,055	37,873,399	1.0393	2008	33,621,306	34,357,379	1.0219
2008	33,040,200	33,639,932	1.0182	2009	36,077,918	38,550,804	1.0685
2009	34,136,726	36,154,799	1.0591	2010	33,260,940	35,005,402	1.0524
2010	31,584,918	33,264,090	1.0532	2011	32,100,838	33,813,759	1.0534
2011	30,528,646	32,174,192	1.0539	2012	28,072,355	30,724,059	1.0945
2012	22,892,535	28,303,790	1.2364	2013	25,229,452	30,147,559	1.1949
2013	18,237,945	25,258,491	1.3849	2014	15,856,420	22,373,935	1.4110
2014	8,312,308	16,085,013	1.9351	2015	8,897,354	18,817,519	2.1150
2015	1,776,434	8,994,138	5.0630	2016	1,349,154	7,974,256	5.9106
2016		1,374,748		2017		1,755,728	

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.

* Losses limited on a per-claim basis, with the actual limitation varying by policy year as described in Exhibit 1a.

Losses are expressed on a post-HB175, pre-HB373 basis.

TABLE I - E - Individual Losses Limited *

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

MEDICAL PAID LOSSES

Policy Year Valued	As of 12/31/13	As of 12/31/14	Ratio to Prior Year	Policy Year Valued	As of 12/31/14	As of 12/31/15	Ratio to Prior Year
Prior				Prior			
to 1986	63,767,478	64,379,291	1.0096	to 1986	63,802,304	64,307,489	1.0079
1986	10,259,664	10,294,230	1.0034	1986	10,260,597	10,309,307	1.0047
1987	14,040,511	14,198,311	1.0112	1987	14,091,659	14,212,542	1.0086
1988	14,863,243	14,938,103	1.0050	1988	14,843,470	14,877,827	1.0023
1989	18,449,740	18,757,169	1.0167	1989	18,655,252	19,032,607	1.0202
1990	17,625,481	17,751,847	1.0072	1990	17,546,328	17,712,610	1.0095
1991	18,300,459	18,451,792	1.0083	1991	18,301,472	18,556,412	1.0139
1992	18,919,351	19,139,714	1.0116	1992	18,947,909	19,095,291	1.0078
1993	20,280,321	20,453,822	1.0086	1993	20,171,817	20,442,993	1.0134
1994	16,510,181	16,911,292	1.0243	1994	16,789,237	16,873,576	1.0050
1995	18,749,874	19,014,493	1.0141	1995	18,882,195	19,014,651	1.0070
1996	24,716,082	25,162,892	1.0181	1996	24,800,219	25,355,743	1.0224
1997	22,317,473	22,822,130	1.0226	1997	22,228,619	22,450,294	1.0100
1998	21,168,522	21,267,953	1.0047	1998	19,705,802	19,892,556	1.0095
1999	24,598,187	24,711,950	1.0046	1999	23,532,893	23,954,938	1.0179
2000	34,255,404	34,997,232	1.0217	2000	32,641,601	33,209,881	1.0174
2001	25,466,041	26,005,906	1.0212	2001	25,584,486	25,972,840	1.0152
2002	32,014,397	33,071,328	1.0330	2002	31,209,423	32,850,457	1.0526
2003	35,065,145	36,185,701	1.0320	2003	34,372,131	35,125,044	1.0219
2004	38,069,601	39,112,074	1.0274	2004	39,111,538	40,385,762	1.0326
2005	38,766,752	39,881,118	1.0287	2005	39,880,976	40,666,976	1.0197
2006	38,818,303	40,585,627	1.0455	2006	40,586,388	42,400,478	1.0447
2007	40,501,292	41,945,812	1.0357	2007	41,945,095	43,296,500	1.0322
2008	38,782,768	40,845,039	1.0532	2008	40,844,057	42,834,596	1.0487
2009	39,946,444	42,242,954	1.0575	2009	42,242,837	45,849,229	1.0854
2010	41,538,179	45,864,826	1.1042	2010	46,146,365	49,385,146	1.0702
2011	38,403,151	42,729,672	1.1127	2011	42,771,237	46,185,971	1.0798
2012	23,489,899	31,956,104	1.3604	2012	31,869,442	37,243,070	1.1686
2013	5,107,361	23,640,708	4.6288	2013	23,768,742	34,265,903	1.4416
2014		4,364,034		2014	4,364,034	22,138,884	5.0730
				2015		7,559,711	

Policy Year Valued	As of 12/31/15	As of 12/31/16	Ratio to Prior Year	Policy Year Valued	As of 12/31/16	As of 12/31/17	Ratio to Prior Year
Prior				Prior			
to 1986	64,302,196	64,889,388	1.0091	to 1987	75,173,493	75,269,635	1.0013
1986	10,309,727	10,330,904	1.0021	1987	14,371,091	14,492,420	1.0084
1987	14,213,561	14,422,918	1.0147	1988	14,897,601	14,904,424	1.0005
1988	14,878,999	14,897,873	1.0013	1989	19,092,255	19,293,865	1.0106
1989	19,034,079	19,092,308	1.0031	1990	17,675,377	17,843,787	1.0095
1990	17,711,631	17,797,189	1.0048	1991	18,594,213	18,678,804	1.0045
1991	18,556,621	18,607,512	1.0027	1992	19,135,248	19,170,988	1.0019
1992	19,094,447	19,153,582	1.0031	1993	20,643,708	20,826,990	1.0089
1993	20,443,355	20,664,528	1.0108	1994	17,250,136	17,345,961	1.0056
1994	16,873,470	17,035,415	1.0096	1995	19,109,922	19,182,166	1.0038
1995	19,013,837	19,117,453	1.0054	1996	25,697,501	25,927,629	1.0090
1996	25,354,747	25,725,166	1.0146	1997	22,833,137	22,982,670	1.0065
1997	22,450,757	22,850,241	1.0178	1998	20,422,632	20,877,731	1.0223
1998	19,893,189	20,201,490	1.0155	1999	24,067,292	24,144,715	1.0032
1999	23,954,924	24,112,325	1.0066	2000	33,508,983	33,747,451	1.0071
2000	33,210,266	33,516,077	1.0092	2001	26,802,648	27,228,394	1.0159
2001	25,971,274	26,853,237	1.0340	2002	33,331,686	33,754,957	1.0127
2002	32,852,163	33,344,582	1.0150	2003	35,681,270	36,793,632	1.0312
2003	35,093,274	35,852,012	1.0216	2004	41,168,616	41,925,669	1.0184
2004	40,383,943	41,218,183	1.0207	2005	41,220,254	41,970,278	1.0182
2005	40,664,587	42,384,505	1.0423	2006	43,832,354	44,799,395	1.0221
2006	42,364,852	44,159,060	1.0424	2007	44,512,150	46,290,595	1.0400
2007	43,167,620	44,539,726	1.0318	2008	44,010,014	45,066,564	1.0240
2008	42,220,465	44,029,310	1.0428	2009	47,059,288	49,002,036	1.0413
2009	44,461,584	47,130,380	1.0600	2010	51,224,422	53,387,809	1.0422
2010	48,964,967	51,284,894	1.0474	2011	46,530,357	49,214,277	1.0577
2011	45,844,730	46,665,796	1.0179	2012	39,771,787	42,435,272	1.0670
2012	36,938,578	40,094,315	1.0854	2013	40,118,776	43,142,070	1.0754
2013	33,875,621	40,412,581	1.1930	2014	30,155,554	34,294,403	1.1372
2014	21,957,172	30,721,339	1.3991	2015	28,954,611	38,934,424	1.3447
2015	7,559,673	29,312,128	3.8774	2016	6,411,340	27,258,277	4.2516
2016		6,473,100		2017		6,588,686	

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.

* Losses limited on a per-claim basis, with the actual limitation varying by policy year as described in Exhibit 1a.

Losses are expressed on a post-HB175, pre-HB373 basis.

EXHIBIT VIII
DELAWARE COMPENSATION RATING BUREAU, INC.
RATE AND LOSS COST FORMULAE

The experience used for classification relativities for the December 1, 2018 revision will include all available risks. It is proposed that catastrophes be limited in accordance with the procedure previously employed in other DCRB 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 December 1, 2018 filing. The values for these respective tables will be established such that the credibility 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 rate worksheets.

The larger 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 rates or loss costs have been derived, are separately identified within the filing material.

The calculation of assigned risk classification rates will be made in accordance with the following procedure:

- (1) Determine the pure premiums underlying present Manual Residual Market Rates 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 December 1, 2018 on-rate-level to obtain present on-rate-level pure premiums.
- (3) Determine Expected Losses (serious, non-serious, medical only and total) for each classification by multiplying the exposures from the experience period by the pure premiums underlying present Manual Rates.
- (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 three 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 three years for each classification and by the overall average rate change.
- (7) Obtain correction factors by category of loss (serious, non-serious and medical only) by dividing the Expected Losses derived in (6) by the Actual Losses derived in (5).
- (8) Multiply the indicated (pre-test) pure premiums from (4) times the correction factors derived in (7) to obtain indicated (post-test) pure premiums.

RATE AND LOSS COST FORMULAE (continued)

- (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 on December 1, 2018 level pure premiums 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 three 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 multipliers” for each industry group 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 (Collectible Premium Ratio).
 - (c) The inverse of the permissible loss and loss adjustment ratio.
 - (d) The estimated effect of the July 1, 2019 benefit change.
- (14) Apply the composite pure premium multiplier obtained in (13) above to the proposed total pure premiums to obtain Manual Rates.
- (15) Test to assure that the maximum departure of the Manual Rates derived in (14) above from current Manual Rates is in accordance with the following parameters:

Maximum Change in Rates:
Upward: The industry group average change plus 25% rounded to the nearest 1%.
Downward: The industry group average change minus 25% rounded to the nearest 1%.
- (16) Manual rates are to be rounded to the nearest \$.01.
- (17) Test the Manual Rates derived in (16) above to determine if balance has been achieved within 0.0005 of the indicated change in rate level by industry group. 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.

RATE AND LOSS COST FORMULAE (continued)

Non-reviewed Classifications

- (18) For classifications with insufficient credibility (non-reviewed classifications), an alternative calculation is used to derive indicated rates.

Insufficient credibility is defined as having five-year payroll less than that necessary to achieve 5% credibility for the non-serious component of pure premium. For non-payroll based classifications, expected losses replace payrolls.

For these non-reviewed classes, the indicated rate is calculated as follows:

- a) An average loss cost using Pennsylvania loss cost values and the Delaware distribution of business by class is calculated.
- b) Classification relativities are then calculated that relate the Pennsylvania loss cost by classification to the average overall loss cost calculated in (a) above.
- c) Indicated average loss costs are calculated by class by multiplying the relativities in (b) above times the average Delaware loss cost value for all classes combined times the average manual change in rates times the indicated composite pure premium multiplier.
- d) A second indicated rate is calculated by applying the average manual change in rates by industry group to the current Delaware rate for the class.
- e) A final indicated rate, subject to capping and balancing criteria previously described, is calculated by applying one-third weight to (c) above plus two-thirds weight to (d) above.

Loss Costs

The calculation of non-assigned risk classification loss costs will be made in accordance with the following procedure:

- (19) Multiply the proposed assigned risk Manual Rates by classification by the permissible loss, loss adjustment expense and loss based assessment ratio.

EXHIBIT IX

COLLECTIBLE PREMIUM RATIOS *

Manual Years 2015 to 2017 Market Profile Report Data

Manual Year	Premium at Manual Rates	Collected Premium (Excluding Constants)	Collectible Premium Ratio (2)/(3)
(1)	(2)	(3)	(4)
ALL INDUSTRIES			
2015	257,877,946	270,816,210	0.9522
2016	293,201,296	301,256,550	0.9733
2017	313,670,999	329,103,892	0.9531
TOTAL	864,750,241	901,176,651	0.9596
MANUFACTURING AND UTILITIES			
2015	35,968,946	32,877,651	1.0940
2016	35,937,227	32,692,578	1.0992
2017	38,953,163	35,365,073	1.1015
TOTAL	110,859,336	100,935,302	1.0983
CONTRACTING AND QUARRYING			
2015	49,604,268	48,128,370	1.0307
2016	61,563,634	58,417,371	1.0539
2017	61,886,594	59,290,571	1.0438
TOTAL	173,054,497	165,836,311	1.0435
OTHER INDUSTRIES			
2015	172,304,732	189,810,188	0.9078
2016	195,700,435	210,146,601	0.9313
2017	212,831,242	234,448,248	0.9078
TOTAL	580,836,409	634,405,038	0.9156

* Excludes classifications and coverages not subject to experience rating.

EXHIBIT X

EXPECTED LOSS RATE FACTORS

CALCULATION OF EXPECTED LOSS RATE FACTORS

Policy Year Beginning 12/1	Average Law Multiplier	Adjustment Factor	Loss Ratio Development Factor	Expense Allowance ** 1 / (PLR/CPR)	Trend Factor	Product (2) * (3) * (4) * (5) * (6)	Expected Loss Rate Factor 1.0 / (7)	Factor to Reflect Approved Rate Levels*	Combined Effect (8) * (9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<u>Manufacturing and Utilities</u>									
2014	0.9558	1.0000	1.5997	1.8647	1.2567	3.5830	0.2791	1.0006	0.2793
2015	0.9914	1.0000	2.0079	1.8647	1.1863	4.4035	0.2271	1.0006	0.2272
2016	1.0023	1.0000	2.5133	1.8647	1.1202	5.2619	0.1900	1.0006	0.1901
<u>Contracting and Quarrying</u>									
2014	0.9558	1.0000	1.7108	1.7716	1.2567	3.6405	0.2747	1.0006	0.2749
2015	0.9914	1.0000	1.8856	1.7716	1.1863	3.9288	0.2545	1.0006	0.2547
2016	1.0023	1.0000	2.2604	1.7716	1.1202	4.4962	0.2224	1.0006	0.2225
<u>Other Industries</u>									
2014	0.9558	1.0000	1.6580	1.5545	1.2567	3.0958	0.3230	1.0007	0.3232
2015	0.9914	1.0000	1.9050	1.5545	1.1863	3.4828	0.2871	1.0007	0.2873
2016	1.0023	1.0000	2.5715	1.5545	1.1202	4.4882	0.2228	1.0007	0.2230

* (12/1/18 Filed Change in Manual Rate Level)/(12/1/18 Approved Change in Manual Rate Level) by Industry Group, from Exhibit 12, Page

** Permissible Loss Ratio = 0.5890
 Collectible Premium Ratios
 Manufacturing = 1.0983
 Contracting = 1.0435
 All Other = 0.9156

EXHIBIT XI

**CALCULATION OF TAX MULTIPLIER FOR USE IN RETROSPECTIVE RATING PLANS
(O/T U.S.L. & H.W. Act Coverages)**

Expense Provisions for O/T U.S.L. & H.W. Classes

Losses	58.90
Loss Adjustment Expense	12.80
Loss & Loss Adjustment	71.70
Premium Discount	8.64
Acquisition	7.81
General Expenses	3.50
Profit and Contingencies	(0.30)
Taxes	2.33
Uncollectible Premium	1.45
Workers' Compensation Fund	2.00
Administrative Assessment	2.87
	28.30

If

- T = Tax multiplier
- E = Expense provision in rates (General, Acquisition, and Profit), less premium discount
- L = Loss provision in rates
- C = Loss conversion factor
- B = Assessments made on premiums
- A = Assessments made on losses (adjusted so as not to collect profit and general expense dollars on the extra premium generated by the assessments)

Using average discount (Schedule Y) this yields:

$$E = 0.0237 = \frac{ACQ}{0.0781} + \frac{GEN}{0.0350} + \frac{PROFIT}{(0.0030)} - \frac{PREM DISC}{0.0864}$$

$$A = 0.0479 = 0.0487 \times \frac{1 - 0.0237 - 0.0578}{1 - 0.0087 - 0.0578}$$

Then

$$T = \frac{E + L(1 + C + A)}{E + L(1 + C)} \times \frac{1}{1 - B - S}$$

$$S = \text{Delaware Insurance Plan Subsidy} = 0.0255$$

$$T = \frac{0.0237 + 0.5890(1 + 0.2174 + 0.0479)}{0.0237 + 0.5890(1 + 0.2174)} \times \frac{1}{1 - 0.0578 - 0.0255} = 1.1324$$

EXHIBIT XII

DELAWARE RETROSPECTIVE DEVELOPMENT FACTORS *

Retrospective development factors for first, second and third adjustments are calculated below. They are intended for use in retrospective plans with no loss limitation and applicable to the expected loss portion of premium.

First Adjustment	RDF =	0.6010
Second Adjustment	RDF =	0.4779
Third Adjustment	RDF =	0.4000

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 (Pure Premium) Factors exclusive of allocated loss adjustment expenses for given Hazard Group and Loss Limitation
RDF = Retrospective Development Factors without Loss Limitation

For Example:

$$\text{\$25,000 limit Hazard Group C ELF} = 0.664$$

$$\text{First Adjustment RDF} = (1 - 0.664) * 0.601 = 0.2019$$

* The use of retrospective development factors is optional.