

DELAWARE COMPENSATION RATING BUREAU, INC.

ACTUARIAL COMMITTEE

**Summary of Material for Modification of Experience
December 1, 2019 Residual Market Rate and Voluntary Market Loss Cost Revision**

As Filed

DELAWARE 2019 RESIDUAL MARKET RATE AND VOLUNTARY MARKET LOSS COST FILING

PROPOSED EFFECTIVE DATE - DECEMBER 1, 2019

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EXHIBIT I

INDICATED CHANGE IN RATE LEVEL

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(1a) Policy Year 2014 Loss and Loss Adjustment Expense Ratio	0.2885	0.4834	0.7719
(1b) Policy Year 2015 Loss and Loss Adjustment Expense Ratio	0.2877	0.5343	0.8220
(1c) Policy Year 2016 Loss and Loss Adjustment Expense Ratio	0.2535	0.5213	0.7748
(1d) Policy Year 2017 Loss and Loss Adjustment Expense Ratio	0.2498	0.5069	0.7567
(1e) Average (Midpoint = 7/1/2016)	0.2699	0.5115	0.7814
(2a) Policy Year 2014 Loss and LAE Ratio Trended to 12/1/2019	0.2243	0.4941	
(2b) Policy Year 2015 Loss and LAE Ratio Trended to 12/1/2019	0.2334	0.5441	
(2c) Policy Year 2016 Loss and LAE Ratio Trended to 12/1/2019	0.2146	0.5289	
(2d) Policy Year 2017 Loss and LAE Ratio Trended to 12/1/2019	0.2206	0.5124	
(2e) Average at 12/1/2020	0.2232	0.5199	0.7431
(3a) House Bill 373 Adjustment	1.0000	0.6607	
(3b) Average Trended Loss and LAE Ratio Post-Legislation (2e) * (3a)	0.2232	0.3435	0.5667
(4a) Excess Loss Factor at \$1,657,464 (Post-Legislative Basis) *			0.0853
(4b) Provision for Excess Loss (5a) - (3b)			0.0528
(5a) Total Trended Loss and LAE Ratio (3b) / (1.0 - (4a))	0.2294	0.3901	0.6195
(5b) Percentage of Total	37.03%	62.97%	
(6) Permissible Loss and Loss Adjustment Ratio			0.7128
(7) Indicated Change in Rates (5a) / (6)			0.8691
(8) Estimated Effect of the 7/1/20 Benefit Change			1.0039
(9) Indicated Change in Residual Market Rate Level (7) * (8)			0.8725
			-12.75%
(10) Indicated Change in Voluntary Market Loss Costs (9) * [0.7411 / 0.7457]			0.8671
			-13.29%

CHANGES IN MANUAL PREMIUM LEVEL BY INDUSTRY GROUP

	Mfg.	Cont.	Other	Total
(11) Current Collectible Premium Ratio	1.0983	1.0435	0.9156	
(12) Proposed Collectible Premium Ratio	1.1130	1.0522	0.9358	
(13) Change in Collectible Premium Ratio (12) / (11)	1.0134	1.0083	1.0221	1.0182
(14) Change in Residual Market Manual Rate Level (9) * (13)	0.8842	0.8797	0.8918	0.8884
(15) Change in Voluntary Market Manual Loss Cost Level (10) * (13)	0.8787	0.8743	0.8863	0.8829
(16) Current Offset for Residual Market Surcharge				0.9942
(17) Proposed Offset for Residual Market Surcharge				0.9946
(18) Adjusted Change in Voluntary Market Manual Loss Cost Level (15) * (17) / (16)	0.8791	0.8747	0.8867	0.8833

* \$2,533,000 on a Post-HB175, Pre-HB373 basis.

EXHIBIT II
EXPENSE LOADING

	<u>Current %</u>	<u>Proposed %</u>
LOSS AND LOSS ADJUSTMENT EXPENSE		
Losses	58.90	57.50
Loss Adjustment Expense	12.80	13.78 a
Loss & Loss Adjustment	71.70	71.28
UNDERWRITING EXPENSES		
Commission	5.46	5.43
Other Acquisition	2.35	2.14
General Expenses	3.50	3.16
Premium Discount	8.64	8.63
State Premium Tax	2.00	2.00
Other State Tax	0.33	0.33
Uncollectible Premium	1.45	2.00
Administrative Assessment	2.87	2.83 b
Workers Compensation Fund	2.00	2.00
Deviations	0.00	0.00
Policyholder Dividends	0.00	0.00
Underwriting Profit	-0.30	0.20
Underwriting Expense Total	28.30	28.72

a - As ratio to loss, Loss Adjustment Expense = 0.2396

b - As ratio to loss, Administrative Assessment = 0.0493

RESIDUAL MARKET MINIMUM PREMIUM:

It is proposed that the Minimum Premium formula increase from $(265 * \text{Rate}) + \text{Expense Constant}$ to

$$(275 * \text{Rate}) + \text{Expense Constant}$$

It is proposed that the Minimum Premium be subject to a Maximum Minimum Premium of \$2000. It is proposed to use a multiplier of 137.50 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 \$305 to \$315.

EXHIBIT III

**INTERNAL RATE OF RETURN ANALYSIS
STATE OF DELAWARE - 2019
TABLE I: INPUTS, ASSUMPTIONS & OUTPUTS**

Section 1: Inputs & Assumptions		
(1)	Commissions *	5.43
(2)	Other Expenses	5.63
(2A)	Other Acquisitions *	2.14
(2B)	General Expenses *	3.16
(2C)	Other Tax **	0.33
(3)	State Premium Taxes & Uncollectible Premium	
(3A)	Tax1 - Premium Tax **	2.00
(3B)	Uncollectible Premium **	2.00
(3C)	Tax3 - Workers Compensation Fund **	2.00
(4)	Premium Discount ***	8.63
(5)	Deviations	0.00
(6)	Dividends to Policyholders	0.00
(7)	Premium Written	1,000,000
Investment Income		
(8A)	Pre-Tax Return on Assets	4.98
(8B)	Investment Income Tax Rate	0.80
(8C)	Post-Tax Return on Assets	4.17
(10)	Reserve to Surplus Ratio	1.87
(11)	Internal Rate of Return (Cost of Capital)	10.35
* 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	74.11
(2)	Profit & Contingencies	0.20

EXHIBIT IV - 1

POLICY YEAR LOSS RATIO 2017*

(1) Standard Earned Premium Reported (Table I)			176,346,491
(2) Factor to 12/1/18 Rate Level (Exhibit V-1)			1.1318
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			1.0104
(4) Expense Constant Removal Factor			0.9973
(5) DCCPAP On-Level Factor			1.0152
(6) Other Adjustments			1.0000
(7) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) * (6)			204,177,216
Losses - Paid-to-29th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	9,804,073	27,512,138	37,316,211
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	4.6392	2.8790	
(10) Ultimate Incurred Losses (8) * (9)	45,483,055	79,207,445	124,690,500
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	20,649,443	46,345,374	66,994,817
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.7326	1.8941	
(13) Ultimate Incurred Losses (11) * (12)	35,777,225	87,782,773	123,559,998
Losses - Average of Incurred and Paid-to-29th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	40,630,140	83,495,109	124,125,249
(15) Factor to 7/1/19 Benefit Level (Exhibit V-3)	1.0127	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2396	1.2396	
(17) Adjusted Losses (14) * (15) * (16)	51,004,759	103,500,537	154,505,296
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.2498	0.5069	0.7567
(19) Normalized Claim Frequency (Exhibit VII-3)	0.5299	0.5299	
(20) Severity Ratio** (18) / (19)	0.4714	0.9566	1.4280

* 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 2016*

(1) Standard Earned Premium Reported (Table I)			165,458,328
(2) Factor to 12/1/18 Rate Level (Exhibit V-1)			1.1066
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			1.0020
(4) Expense Constant Removal Factor			0.9973
(5) DCCPAP On-Level Factor			1.0152
(6) Other Adjustments			1.0000
(7) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) * (6)			185,748,129
Losses - Paid-to-29th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	16,080,470	37,140,252	53,220,722
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	2.3434	2.0628	
(10) Ultimate Incurred Losses (8) * (9)	37,682,973	76,612,912	114,295,885
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	28,682,781	50,358,856	79,041,637
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.2688	1.5812	
(13) Ultimate Incurred Losses (11) * (12)	36,392,713	79,627,423	116,020,136
Losses - Average of Incurred and Paid-to-29th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	37,037,843	78,120,168	115,158,011
(15) Factor to 7/1/19 Benefit Level (Exhibit V-3)	1.0257	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2396	1.2396	
(17) Adjusted Losses (14) * (15) * (16)	47,092,051	96,837,760	143,929,811
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.2535	0.5213	0.7748
(19) Normalized Claim Frequency (Exhibit VII-3)	0.5307	0.5307	
(20) Severity Ratio** (18) / (19)	0.4776	0.9822	1.4598

* 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 2015*

(1) Standard Earned Premium Reported (Table I)	145,199,847
(2) Factor to 12/1/18 Rate Level (Exhibit V-1)	1.1686
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)	1.0020
(4) Expense Constant Removal Factor	0.9965
(5) DCCPAP On-Level Factor	1.0166
(6) Other Adjustments	1.0000
(7) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) * (6)	172,237,285

Losses - Paid-to-29th Method

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	24,692,824	42,292,757	66,985,581
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.6911	1.8149	
(10) Ultimate Incurred Losses (8) * (9)	41,758,035	76,757,125	118,515,160

Losses - Incurred Method

(11) Incurred Losses (Table I-B & I-C)	30,769,607	49,521,220	80,290,827
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.1378	1.4485	
(13) Ultimate Incurred Losses (11) * (12)	35,009,659	71,731,487	106,741,146

Losses - Average of Incurred and Paid-to-29th

(14) Ultimate Incurred Losses ((10) + (13)) / 2	38,383,847	74,244,306	112,628,153
(15) Factor to 7/1/19 Benefit Level (Exhibit V-3)	1.0415	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2396	1.2396	
(17) Adjusted Losses (14) * (15) * (16)	49,555,212	92,033,242	141,588,454
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.2877	0.5343	0.8220
(19) Normalized Claim Frequency (Exhibit VII-3)	0.6078	0.6078	
(20) Severity Ratio** (18) / (19)	0.4734	0.8791	1.3525

* 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 2014*

(1) Standard Earned Premium Reported (Table I)			146,687,320
(2) Factor to 12/1/18 Rate Level (Exhibit V-1)			1.0596
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			1.0025
(4) Expense Constant Removal Factor			0.9966
(5) DCCPAP On-Level Factor			1.0141
(6) Other Adjustments			1.0000
(7) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5) * (6)			157,478,247
Losses - Paid-to-29th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	26,306,826	37,197,594	63,504,420
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.4286	1.6755	
(10) Ultimate Incurred Losses (8) * (9)	37,581,932	62,324,569	99,906,501
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	30,189,075	44,274,791	74,463,866
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.0829	1.3665	
(13) Ultimate Incurred Losses (11) * (12)	32,691,749	60,501,502	93,193,251
Losses - Average of Incurred and Paid-to-29th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	35,136,841	61,413,036	96,549,877
(15) Factor to 7/1/19 Benefit Level (Exhibit V-3)	1.0431	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2396	1.2396	
(17) Adjusted Losses (14) * (15) * (16)	45,432,876	76,127,599	121,560,475
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.2885	0.4834	0.7719
(19) Normalized Claim Frequency (Exhibit VII-3)	0.5801	0.5801	
(20) Severity Ratio** (18) / (19)	0.4973	0.8333	1.3306

* 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 2013*

(1) Standard Earned Premium Reported (Table I)			134,430,051
(2) Factor to 12/1/18 Rate Level (Exhibit V-1)			1.1658
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			1.0015
(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)			158,594,227
Losses - Paid-to-29th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	34,154,600	47,480,466	81,635,066
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.2944	1.5782	
(10) Ultimate Incurred Losses (8) * (9)	44,209,714	74,933,671	119,143,385
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	38,321,526	53,449,101	91,770,627
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.0545	1.3078	
(13) Ultimate Incurred Losses (11) * (12)	40,410,049	69,900,734	110,310,783
Losses - Average of Incurred and Paid-to-29th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	42,309,882	72,417,203	114,727,085
(15) Factor to 7/1/19 Benefit Level (Exhibit V-3)	1.0552	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2396	1.2396	
(17) Adjusted Losses (14) * (15) * (16)	55,342,422	89,768,365	145,110,787
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.3490	0.5660	0.9150
(19) Normalized Claim Frequency (Exhibit VII-3)	0.6753	0.6753	
(20) Severity Ratio** (18) / (19)	0.5168	0.8381	1.3549

* 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 2012*

(1) Standard Earned Premium Reported (Table I)			114,525,756
(2) Factor to 12/1/18 Rate Level (Exhibit V-2)			1.4296
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			1.0001
(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)			165,731,366
Losses - Paid-to-29th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	31,772,684	44,194,196	75,966,880
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.2157	1.5032	
(10) Ultimate Incurred Losses (8) * (9)	38,626,052	66,432,715	105,058,767
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	35,234,010	50,054,456	85,288,466
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.0379	1.2626	
(13) Ultimate Incurred Losses (11) * (12)	36,569,379	63,198,756	99,768,135
Losses - Average of Incurred and Paid-to-29th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	37,597,716	64,815,736	102,413,452
(15) Factor to 7/1/19 Benefit Level (Exhibit V-3)	1.0783	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2396	1.2396	
(17) Adjusted Losses (14) * (15) * (16)	50,255,389	80,345,586	130,600,975
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.3032	0.4848	0.7880
(19) Normalized Claim Frequency (Exhibit VII-3)	0.6476	0.6476	
(20) Severity Ratio** (18) / (19)	0.4682	0.7486	1.2168

* 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 2011*

(1) Standard Earned Premium Reported (Table I)			104,913,893
(2) Factor to 12/1/18 Rate Level (Exhibit V-2)			1.6663
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			1.0001
(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)			176,803,031
Losses - Paid-to-29th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	35,978,035	50,384,981	86,363,016
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.1650	1.4422	
(10) Ultimate Incurred Losses (8) * (9)	41,914,411	72,665,220	114,579,631
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	37,676,653	58,041,227	95,717,880
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.0273	1.2260	
(13) Ultimate Incurred Losses (11) * (12)	38,705,226	71,158,544	109,863,770
Losses - Average of Incurred and Paid-to-29th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	40,309,819	71,911,882	112,221,701
(15) Factor to 7/1/19 Benefit Level (Exhibit V-3)	1.0940	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2396	1.2396	
(17) Adjusted Losses (14) * (15) * (16)	54,665,048	89,141,969	143,807,017
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.3092	0.5042	0.8134
(19) Normalized Claim Frequency (Exhibit VII-3)	0.7212	0.7212	
(20) Severity Ratio** (18) / (19)	0.4287	0.6991	1.1278

* 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 2010*

(1) Standard Earned Premium Reported (Table I)			105,346,615
(2) Factor to 12/1/18 Rate Level (Exhibit V-2)			1.6549
(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)			176,248,265
Losses - Paid-to-29th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	37,515,693	57,460,725	94,976,418
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.1302	1.3910	
(10) Ultimate Incurred Losses (8) * (9)	42,400,236	79,927,868	122,328,104
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	39,354,686	68,212,219	107,566,905
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.0202	1.1958	
(13) Ultimate Incurred Losses (11) * (12)	40,149,651	81,568,171	121,717,822
Losses - Average of Incurred and Paid-to-29th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	41,274,944	80,748,020	122,022,964
(15) Factor to 7/1/19 Benefit Level (Exhibit V-3)	1.0904	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2396	1.2396	
(17) Adjusted Losses (14) * (15) * (16)	55,789,684	100,095,246	155,884,930
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.3165	0.5679	0.8844
(19) Normalized Claim Frequency (Exhibit VII-3)	0.7697	0.7697	
(20) Severity Ratio** (18) / (19)	0.4112	0.7378	1.1490

* 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 2009*

(1) Standard Earned Premium Reported (Table I)			117,656,705
(2) Factor to 12/1/18 Rate Level (Exhibit V-2)			1.5210
(3) Premium Development Factor to Ultimate Level (Exhibit VI-1)			1.0000
(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)			181,059,898
Losses - Paid-to-29th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	41,200,773	52,028,631	93,229,404
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.1052	1.3471	
(10) Ultimate Incurred Losses (8) * (9)	45,535,094	70,087,769	115,622,863
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	44,457,574	61,499,393	105,956,967
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.0151	1.1702	
(13) Ultimate Incurred Losses (11) * (12)	45,128,883	71,966,590	117,095,473
Losses - Average of Incurred and Paid-to-29th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	45,331,989	71,027,180	116,359,169
(15) Factor to 7/1/19 Benefit Level (Exhibit V-3)	1.0876	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2396	1.2396	
(17) Adjusted Losses (14) * (15) * (16)	61,116,087	88,045,292	149,161,379
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.3375	0.4863	0.8238
(19) Normalized Claim Frequency (Exhibit VII-3)	0.7714	0.7714	
(20) Severity Ratio** (18) / (19)	0.4375	0.6304	1.0679

* 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 2008*

(1) Standard Earned Premium Reported (Table I)			149,789,433
(2) Factor to 12/1/18 Rate Level (Exhibit V-2)			1.2211
(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)			182,231,641
Losses - Paid-to-29th Method	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(8) Paid Losses (Table I-D & I-E)	37,956,947	48,653,864	86,610,811
(9) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.0866	1.3088	
(10) Ultimate Incurred Losses (8) * (9)	41,244,019	63,678,177	104,922,196
Losses - Incurred Method			
(11) Incurred Losses (Table I-B & I-C)	39,572,781	57,623,886	97,196,667
(12) Loss Development Factor to Ultimate Valuation (Exhibit VI-2 & VI-4)	1.0113	1.1481	
(13) Ultimate Incurred Losses (11) * (12)	40,019,953	66,157,984	106,177,937
Losses - Average of Incurred and Paid-to-29th			
(14) Ultimate Incurred Losses ((10) + (13)) / 2	40,631,986	64,918,081	105,550,067
(15) Factor to 7/1/19 Benefit Level (Exhibit V-3)	1.0917	1.0000	
(16) Factor to Include Loss Adjustment Expense	1.2396	1.2396	
(17) Adjusted Losses (14) * (15) * (16)	54,986,101	80,472,453	135,458,554
(18) Policy Year Loss and Loss Adjustment Expense Ratio (17) / (7)	0.3017	0.4416	0.7433
(19) Normalized Claim Frequency (Exhibit VII-3)	0.7740	0.7740	
(20) Severity Ratio** (18) / (19)	0.3898	0.5705	0.9603

* 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 2013 - 2017
PREMIUM ON-LEVEL FACTORS

<u>POLICY YEAR</u>		<u>(1)</u> RATE CHANGE DATE	<u>(2)</u> RATE CHANGE	<u>(3)</u> CUM. INDEX OF COL (2)	*	<u>(4)</u> PORTION OF YEAR ON-LEVEL	<u>(5)</u> PRODUCT (3) * (4)	<u>FACTOR TO ADJUST TO 12/1/18 RATE LEVEL</u>	
2017	VOL	12/01/16	BASE	0.6999	*	0.8268	0.5787		
		12/01/17	0.9700	0.6789		0.0524	0.0356		
		6/01/18	0.9000	0.6110		-----	-----		
		TO 12/01/18				0.8792	0.6143		
	RM	12/01/16	BASE	1.0000		0.1133	0.1133		
		12/01/17	0.9427	0.9427		0.0075	0.0071		
		6/01/18	0.8820	0.8315		-----	-----		
		TO 12/01/18				0.1208	0.1204		
	*	Loss, LAE and LBA portion of 12/1/16 rate.						0.7347	1.1318
	2016	VOL	12/01/15	BASE	0.7102	*	0.8069	0.5731	
12/01/16			1.0000	0.7102		0.0511	0.0363		
12/01/17			0.8730	0.6200		-----	-----		
TO 12/01/18						0.8580	0.6094		
RM		12/01/15	BASE	1.0000		0.1327	0.1327		
		12/01/16	1.0000	1.0000		0.0093	0.0093		
		12/01/17	0.8315	0.8315		-----	-----		
		TO 12/01/18				0.1420	0.1420		
*		Loss, LAE and LBA portion of 12/1/15 rate.						0.7514	1.1066
2015		VOL	12/01/14	BASE	0.7095	*	0.7757	0.5504	
	12/01/15		1.0720	0.7606		0.0562	0.0427		
	12/01/16		0.8730	0.6640		-----	-----		
	TO 12/01/18					0.8319	0.5931		
	RM	12/01/14	BASE	1.0000		0.1564	0.1564		
		12/01/15	1.0709	1.0709		0.0117	0.0125		
		12/01/16	0.8315	0.8905		-----	-----		
		TO 12/01/18				0.1681	0.1689		
	*	Loss, LAE and LBA portion of 12/1/14 rate.						0.7620	1.1686
	2014	VOL	12/01/13	BASE	0.7239	*	0.8056	0.5832	
12/01/14			0.8850	0.6407		0.0495	0.0317		
12/01/15			0.9359	0.5996		-----	-----		
TO 12/01/18						0.8551	0.6149		
RM		12/01/13	BASE	1.0000		0.1359	0.1359		
		12/01/14	0.9030	0.9030		0.0090	0.0081		
		12/01/15	0.8905	0.8041		-----	-----		
		TO 12/01/18				0.1449	0.1440		
*		Loss, LAE and LBA portion of 12/1/13 rate.						0.7589	1.0596
2013		VOL	12/01/12	BASE	0.7074	*	0.7580	0.5362	
	12/01/13		1.1400	0.8064		0.0577	0.0465		
	12/01/14		0.8282	0.6679		-----	-----		
	TO 12/01/18					0.8157	0.5827		
	RM	12/01/12	BASE	1.0000		0.1723	0.1723		
		12/01/13	1.1140	1.1140		0.0120	0.0134		
		12/01/14	0.8041	0.8958		-----	-----		
		TO 12/01/18				0.1843	0.1857		
	*	Loss, LAE and LBA portion of 12/1/12 rate.						0.7684	1.1658

EXHIBIT V - 2
POLICY YEARS 2008 - 2012
PREMIUM ON-LEVEL FACTORS

POLICY YEAR		(1) RATE CHANGE DATE	(2) RATE CHANGE	(3) CUM. INDEX OF COL (2)		(4) PORTION OF YEAR ON-LEVEL	(5) PRODUCT (3) * (4)	FACTOR TO ADJUST TO 12/1/18 RATE LEVEL
2012	VOL	12/01/11	BASE	0.7343	*	0.7707	0.5659	
		12/01/12	1.2166	0.8933		0.0792	0.0707	
		12/01/13	0.9442	0.8435		-----	-----	
		TO 12/01/18				0.8499	0.6366	
	RM	12/01/11	BASE	1.0000		0.1382	0.1382	
		12/01/12	1.2606	1.2606		0.0119	0.0150	
		12/01/13	0.8957	1.1291		-----	-----	
		TO 12/01/18				0.1501	0.1532	
*	Loss, LAE and LBA portion of 12/1/11 rate.						0.7898	1.4296
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	1.1487	0.9944		-----	-----	
		TO 12/01/18				0.8921	0.6923	
	RM	12/01/10	BASE	1.0000		0.1012	0.1012	
		12/01/11	1.1826	1.1826		0.0067	0.0079	
		12/01/12	1.1292	1.3354		-----	-----	
		TO 12/01/18				0.1079	0.1091	
*	Loss, LAE and LBA portion of 12/1/10 rate.						0.8014	1.6663
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	1.2935	0.9551		-----	-----	
		TO 12/01/18				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	1.3354	1.2812		-----	-----	
		TO 12/01/18				0.0760	0.0757	
*	Loss, LAE and LBA portion of 12/1/09 rate.						0.7742	1.6549
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	1.2611	0.8676		-----	-----	
		TO 12/01/18				0.9210	0.6868	
	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	1.2812	1.1637		-----	-----	
		TO 12/01/18				0.0787	0.0783	
*	Loss, LAE and LBA portion of 12/1/08 rate.						0.7651	1.5210
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	1.1551	0.6509		-----	-----	
		TO 12/01/18				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	1.1637	0.8730		-----	-----	
		TO 12/01/18				0.0964	0.0881	
*	Loss, LAE and LBA portion of 12/1/07 rate.						0.7149	1.2211

EXHIBIT V - 3
POLICY YEARS 2008 - 2017
INDEMNITY LOSS ON-LEVEL FACTORS

POLICY YEAR	(1) LAW AMENDMENT DATE	(2) BENEFIT CHANGE	(3) CUM. INDEX OF COL (2)	(4) PORTION OF YEAR ON-LEVEL	(5) PRODUCT (3) * (4)	FACTOR TO ADJUST TO 7/1/19 BENEFIT LEVEL
2017	7/01/16	BASE	1.0000	0.1250	0.1250	
	7/01/17	1.0165	1.0165	0.7500	0.7624	
	7/01/18	0.9861	1.0024	0.1250	0.1253	
	7/01/19	1.0231	1.0256	-----	-----	
				1.0000	1.0127	1.0127
2016	7/01/15	BASE	1.0000	0.1250	0.1250	
	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	1.0089	1.0444	-----	-----	
	TO 7/01/19			1.0000	1.0182	
2015	7/01/14	BASE	1.0000	0.1250	0.1250	
	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	1.0255	1.0409	-----	-----	
	TO 7/01/19			1.0000	0.9994	
2014	7/01/13	BASE	1.0000	0.1250	0.1250	
	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	1.0444	1.0539	-----	-----	
	TO 7/01/19			1.0000	1.0104	
2013	7/02/12	BASE	1.0000	0.1250	0.1250	
	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	1.0409	1.0793	-----	-----	
	TO 7/01/19			1.0000	1.0228	
2012	6/13/11	BASE	1.0000	0.1264	0.1264	
	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	1.0539	1.0968	-----	-----	
	TO 7/01/19			1.0000	1.0172	
2011	6/22/10	BASE	1.0000	0.1010	0.1010	
	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	1.0794	1.0898	-----	-----	
	TO 7/01/19			1.0000	0.9962	
2010	6/16/09	BASE	1.0000	0.1124	0.1124	
	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	1.0967	1.0868	-----	-----	
	TO 7/01/19			1.0000	0.9967	
2009	6/03/08	BASE	1.0000	0.1048	0.1048	
	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	1.0897	1.0902	-----	-----	
	TO 7/01/19			1.0000	1.0024	
2008	6/07/07	BASE	1.0000	0.0891	0.0891	
	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	1.0869	1.1109	-----	-----	
	TO 7/01/19			1.0000	1.0176	

EXHIBIT VI - 1

DEVELOPMENT FACTORS

PREMIUM

<u>Reports in Ratio</u>	<u>Calendar Years 14-15</u>	<u>Calendar Years 15-16</u>	<u>Calendar Years 16-17</u>	<u>Calendar Years 17-18</u>	<u>Unweighted Average</u>	<u>Cumulative Average</u>
2nd to 1st	1.0074	1.0126	1.0063	1.0073	1.0084	1.0104
3rd to 2nd	1.0031	0.9993	0.9990	0.9986	1.0000	1.0020
4th to 3rd	0.9978	1.0002	1.0002	0.9998	0.9995	1.0020
5th to 4th	1.0020	1.0003	1.0014	1.0001	1.0010	1.0025
6th to 5th	1.0057	0.9999	1.0000	1.0001	1.0014	1.0015
7th to 6th	1.0000	1.0000	0.9999	1.0001	1.0000	1.0001
8th to 7th	1.0000	1.0000	1.0000	1.0009	1.0002	1.0001
9th to 8th	1.0000	1.0000	0.9996	1.0001	0.9999	0.9999
10th to 9th	1.0000	1.0000	1.0000	1.0004	1.0000 *	1.0000
11th to 10th	1.0000	1.0000	1.0000	1.0000	1.0000 *	1.0000
12th to 11th	1.0000	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	1.0001	1.0000	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	1.0001	1.0000	1.0000 *	1.0000
20th to 19th	1.0000	1.0000	1.0001	1.0000	1.0000 *	1.0000
21st to 20th	1.0000	1.0000	1.0001	1.0013	1.0000 *	1.0000
22nd to 21st	1.0000	1.0001	1.0000	0.9988	1.0000 *	1.0000
23rd to 22nd	1.0000	1.0000	0.9999	1.0000	1.0000 *	1.0000
24th to 23rd	1.0002	1.0000	1.0000	1.0000	1.0000 *	1.0000
25th to 24th	1.0000	1.0002	1.0000	1.0000	1.0000 *	1.0000
26th to 25th	1.0000	1.0000	1.0003	1.0000	1.0000 *	1.0000
27th to 26th	1.0000	1.0000	1.0000	1.0002	1.0000 *	1.0000
28th to 27th	1.0000	1.0000	1.0000	1.0000	1.0000 *	1.0000
29th to 28th	1.0000	1.0000	1.0000	1.0000	1.0000 *	1.0000
Beyond 29th	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 14-15	Calendar Years 15-16	Calendar Years 16-17	Calendar Years 17-18	Unweighted Average	Fitted Value	Cumulative Average
2nd to 1st a	1.8383	1.9441	2.1255	2.0106	1.9796	1.9797	4.6392
3rd to 2nd a	1.4475	1.3806	1.4012	1.3174	1.3867	1.3857	2.3434
4th to 3rd a	1.1632	1.2342	1.2102	1.1616	1.1923	1.1838	1.6911
5th to 4th a	1.0875	1.0541	1.0962	1.0916	1.0824	1.1036	1.4286
6th to 5th a	1.0898	1.0516	1.0520	1.0426	1.0590	1.0648	1.2944
7th to 6th a	1.0393	1.0598	1.0524	1.0500	1.0504	1.0435	1.2157
8th to 7th a	1.0198	1.0191	1.0702	1.0330	1.0355	1.0308	1.1650
9th to 8th a	1.0410	1.0377	1.0212	1.0339	1.0335	1.0226	1.1302
10th to 9th a	1.0184	1.0226	1.0111	1.0367	1.0222	1.0171	1.1052
11th to 10th a	1.0075	1.0288	1.0147	1.0224	1.0184	1.0132	1.0866
12th to 11th a	1.0075	1.0043	1.0060	1.0050	1.0057	1.0105	1.0725
13th to 12th a	1.0088	1.0073	1.0058	1.0019	1.0060	1.0084	1.0613
14th to 13th a	1.0092	1.0012	1.0083	1.0090	1.0069	1.0069	1.0525
15th to 14th a	1.0069	1.0054	0.9996	1.0056	1.0044	1.0057	1.0453
16th to 15th a	1.0020	1.0023	1.0023	1.0002	1.0017	1.0048	1.0393
17th to 16th a	1.0078	1.0107	1.0119	1.0017	1.0080	1.0041	1.0344
18th to 17th a	1.0032	1.0025	1.0043	1.0019	1.0030	1.0036	1.0302
19th to 18th a	1.0036	0.9989	1.0067	1.0010	1.0026	1.0031	1.0265
20th to 19th a	1.0015	1.0029	1.0051	1.0010	1.0026	1.0027	1.0233
21st to 20th a	1.0025	0.9997	1.0016	1.0039	1.0019	1.0025	1.0205
22nd to 21st a	1.0051	1.0091	1.0006	0.9988	1.0034	1.0022	1.0180
23rd to 22nd a	0.9973	1.0008	1.0008	1.0010	1.0000	1.0020	1.0158
24th to 23rd a	1.0040	0.9982	1.0032	1.0036	1.0023	1.0019	1.0137
25th to 24th a	1.0027	1.0008	0.9992	1.0021	1.0012	1.0017	1.0118
26th to 25th a	0.9968	1.0014	1.0019	0.9991	0.9998	1.0016	1.0101
27th to 26th a	1.0045	1.0001	1.0013	1.0003	1.0016	1.0015	1.0085
28th to 27th a	1.0008	1.0004	0.9959	1.0018	0.9997	1.0015	1.0070
29th to 28th b	1.0175	1.0103	1.0041	1.0073	1.0098	1.0098	1.0055
Beyond 29th c	0.9994	0.9973	1.0065	0.9796	0.9957	0.9957	0.9957

INCURRED METHOD

Reports in Ratio	Calendar Years 14-15	Calendar Years 15-16	Calendar Years 16-17	Calendar Years 17-18	Unweighted Average	Fitted Value	Cumulative Average
2nd to 1st c	1.2829	1.2754	1.4626	1.4411	1.3655	1.3655	1.7326
3rd to 2nd c	1.1065	1.1557	1.0985	1.0995	1.1151	1.1152	1.2688
4th to 3rd c	1.0445	1.0872	1.0302	1.0541	1.0540	1.0507	1.1378
5th to 4th c	0.9857	1.0245	1.0280	1.0238	1.0155	1.0269	1.0829
6th to 5th c	1.0328	1.0222	1.0085	1.0113	1.0187	1.0160	1.0545
7th to 6th c	1.0033	1.0148	1.0288	1.0201	1.0168	1.0103	1.0379
8th to 7th c	1.0098	1.0039	1.0168	1.0041	1.0087	1.0070	1.0273
9th to 8th c	1.0135	1.0063	1.0046	1.0212	1.0114	1.0050	1.0202
10th to 9th c	1.0008	1.0080	0.9949	1.0236	1.0068	1.0037	1.0151
11th to 10th c	1.0017	0.9975	1.0029	1.0007	1.0007	1.0028	1.0113
12th to 11th c	1.0004	1.0051	1.0038	0.9968	1.0015	1.0022	1.0085
13th to 12th c	0.9949	0.9999	1.0016	0.9993	0.9989	1.0018	1.0063
14th to 13th c	0.9989	0.9994	0.9972	1.0066	1.0005	1.0014	1.0045
15th to 14th c	0.9964	0.9985	0.9985	1.0010	0.9986	1.0012	1.0031
16th to 15th c	0.9983	0.9964	0.9954	0.9982	0.9971	1.0010	1.0019
17th to 16th c	1.0003	1.0061	0.9977	1.0005	1.0012	1.0008	1.0009
18th to 17th c	0.9965	1.0007	1.0026	1.0007	1.0001	1.0007	1.0001
19th to 18th c	1.0029	0.9976	1.0002	0.9967	0.9994	1.0006	0.9994
20th to 19th c	0.9988	1.0004	0.9991	1.0008	0.9998	1.0005	0.9988
21st to 20th c	1.0102	0.9920	0.9983	1.0026	1.0008	1.0005	0.9983
22nd to 21st c	1.0029	0.9946	0.9991	0.9902	0.9967	1.0004	0.9978
23rd to 22nd c	0.9991	0.9991	1.0012	1.0006	1.0000	1.0003	0.9974
24th to 23rd c	1.0008	0.9977	1.0008	1.0046	1.0010	1.0003	0.9971
25th to 24th c	1.0149	0.9968	0.9985	0.9980	1.0021	1.0003	0.9968
26th to 25th c	0.9954	0.9985	0.9977	0.9989	0.9976	1.0002	0.9965
27th to 26th c	1.0017	0.9994	1.0027	0.9991	1.0007	1.0002	0.9963
28th to 27th c	0.9990	0.9990	0.9969	1.0012	0.9990	1.0002	0.9961
29th to 28th c	0.9993	0.9990	1.0004	0.9999	0.9997	1.0002	0.9959
Beyond 29th c	0.9994	0.9973	1.0065	0.9796	0.9957	0.9957	0.9957

a From Table I-D

b 28th (Paid - Table I-D) to 29th (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	1.9796	0.9796	0.9797	1.9797
3rd to 2nd	1.3867	0.3867	0.3857	1.3857
4th to 3rd	1.1923	0.1923	0.1838	1.1838
5th to 4th	1.0824	0.0824	0.1036	1.1036
6th to 5th	1.0590	0.0590	0.0648	1.0648
7th to 6th	1.0504	0.0504	0.0435	1.0435
8th to 7th	1.0355	0.0355	0.0308	1.0308
9th to 8th	1.0335	0.0335	0.0226	1.0226
10th to 9th	1.0222	0.0222	0.0171	1.0171
11th to 10th	1.0184	0.0184	0.0132	1.0132
12th to 11th	1.0057	0.0057	0.0105	1.0105
13th to 12th	1.0060	0.0060	0.0084	1.0084
14th to 13th	1.0069	0.0069	0.0069	1.0069
15th to 14th	1.0044	0.0044	0.0057	1.0057
16th to 15th	1.0017	0.0017	0.0048	1.0048
17th to 16th	1.0080	0.0080	0.0041	1.0041
18th to 17th	1.0030	0.0030	0.0036	1.0036
19th to 18th	1.0026	0.0026	0.0031	1.0031
20th to 19th	1.0026	0.0026	0.0027	1.0027
21st to 20th	1.0019	0.0019	0.0025	1.0025
22nd to 21st	1.0034	0.0034	0.0022	1.0022
23rd to 22nd	1.0000	0.0000	0.0020	1.0020
24th to 23rd	1.0023	0.0023	0.0019	1.0019
25th to 24th	1.0012	0.0012	0.0017	1.0017
26th to 25th	0.9998	-0.0002	0.0016	1.0016
27th to 26th	1.0016	0.0016	0.0015	1.0015
28th to 27th	0.9997	-0.0003	0.0015	1.0015
29th to 28th*	1.0098	0.0098	0.0098	1.0098

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

$a = 0.003056 \quad b = -0.132761 \quad c = 2.482746 \quad d = -1.373305$

* 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	1.3655	0.3655	0.3655	1.3655
3rd to 2nd	1.1151	0.1151	0.1152	1.1152
4th to 3rd	1.0540	0.0540	0.0507	1.0507
5th to 4th	1.0155	0.0155	0.0269	1.0269
6th to 5th	1.0187	0.0187	0.0160	1.0160
7th to 6th	1.0168	0.0168	0.0103	1.0103
8th to 7th	1.0087	0.0087	0.0070	1.0070
9th to 8th	1.0114	0.0114	0.0050	1.0050
10th to 9th	1.0068	0.0068	0.0037	1.0037
11th to 10th	1.0007	0.0007	0.0028	1.0028
12th to 11th	1.0015	0.0015	0.0022	1.0022
13th to 12th	0.9989	-0.0011	0.0018	1.0018
14th to 13th	1.0005	0.0005	0.0014	1.0014
15th to 14th	0.9986	-0.0014	0.0012	1.0012
16th to 15th	0.9971	-0.0029	0.0010	1.0010
17th to 16th	1.0012	0.0012	0.0008	1.0008
18th to 17th	1.0001	0.0001	0.0007	1.0007
19th to 18th	0.9994	-0.0006	0.0006	1.0006
20th to 19th	0.9998	-0.0002	0.0005	1.0005
21st to 20th	1.0008	0.0008	0.0005	1.0005
22nd to 21st	0.9967	-0.0033	0.0004	1.0004
23rd to 22nd	1.0000	0.0000	0.0003	1.0003
24th to 23rd	1.0010	0.0010	0.0003	1.0003
25th to 24th	1.0021	0.0021	0.0003	1.0003
26th to 25th	0.9976	-0.0024	0.0002	1.0002
27th to 26th	1.0007	0.0007	0.0002	1.0002
28th to 27th	0.9990	-0.0010	0.0002	1.0002
29th to 28th	0.9997	-0.0003	0.0002	1.0002
Beyond 29th+	0.9957	-0.0043	-0.0043	0.9957

$Y = a \cdot (1+x)^b$

$a = 2.632294 \quad b = -2.848435$

+ Selected four year average

EXHIBIT VI - 4

DEVELOPMENT FACTORS

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

Reports in Ratio	Calendar Years 14-15	Calendar Years 15-16	Calendar Years 16-17	Calendar Years 17-18	Unweighted Average	Fitted Value	Cumulative Average	
2nd to 1st	a	1.4553	1.4057	1.3447	1.3709	1.3942	1.3957	2.8790
3rd to 2nd	a	1.1744	1.1889	1.1395	1.0886	1.1479	1.1366	2.0628
4th to 3rd	a	1.0794	1.0854	1.0735	1.0514	1.0724	1.0832	1.8149
5th to 4th	a	1.0721	1.0179	1.0661	1.0599	1.0540	1.0616	1.6755
6th to 5th	a	1.0852	1.0459	1.0554	1.0336	1.0550	1.0499	1.5782
7th to 6th	a	1.0508	1.0635	1.0409	1.0253	1.0451	1.0423	1.5032
8th to 7th	a	1.0336	1.0421	1.0412	1.0334	1.0376	1.0368	1.4422
9th to 8th	a	1.0442	1.0320	1.0235	1.0315	1.0328	1.0326	1.3910
10th to 9th	a	1.0196	1.0420	1.0397	1.0312	1.0331	1.0293	1.3471
11th to 10th	a	1.0314	1.0438	1.0216	1.0122	1.0273	1.0264	1.3088
12th to 11th	a	1.0216	1.0200	1.0178	1.0191	1.0196	1.0240	1.2751
13th to 12th	a	1.0495	1.0216	1.0176	1.0107	1.0249	1.0218	1.2452
14th to 13th	a	1.0135	1.0141	1.0305	1.0229	1.0203	1.0199	1.2187
15th to 14th	a	1.0190	1.0302	1.0117	1.0277	1.0222	1.0182	1.1949
16th to 15th	a	1.0167	1.0087	1.0149	1.0144	1.0137	1.0166	1.1735
17th to 16th	a	1.0089	1.0063	1.0067	1.0098	1.0079	1.0152	1.1544
18th to 17th	a	1.0099	1.0145	1.0034	1.0063	1.0085	1.0139	1.1371
19th to 18th	a	1.0219	1.0179	1.0209	1.0145	1.0188	1.0126	1.1215
20th to 19th	a	1.0064	1.0139	1.0067	1.0045	1.0079	1.0114	1.1075
21st to 20th	a	1.0054	1.0050	1.0085	1.0242	1.0108	1.0103	1.0951
22nd to 21st	a	1.0127	1.0096	1.0034	1.0054	1.0078	1.0093	1.0839
23rd to 22nd	a	1.0072	1.0102	1.0056	1.0036	1.0067	1.0083	1.0739
24th to 23rd	a	1.0130	1.0029	1.0084	1.0060	1.0076	1.0074	1.0651
25th to 24th	a	1.0097	1.0026	1.0017	1.0192	1.0083	1.0065	1.0572
26th to 25th	a	1.0196	1.0044	1.0042	1.0011	1.0073	1.0057	1.0504
27th to 26th	a	1.0023	1.0030	1.0087	1.0051	1.0048	1.0049	1.0445
28th to 27th	a	1.0083	1.0012	1.0102	1.0058	1.0064	1.0041	1.0394
29th to 28th	b	1.0327	1.0697	1.0100	1.0125	1.0312	1.0312	1.0351
Beyond 29th	c	0.9826	1.0096	1.0396	0.9833	1.0038	1.0038	1.0038

INCURRED METHOD

Reports in Ratio	Calendar Years 14-15	Calendar Years 15-16	Calendar Years 16-17	Calendar Years 17-18	Unweighted Average	Fitted Value	Cumulative Average	
2nd to 1st	c	1.2919	1.2026	1.1434	1.1529	1.1977	1.1979	1.8941
3rd to 2nd	c	1.1434	1.1484	1.0880	1.0041	1.0960	1.0916	1.5812
4th to 3rd	c	1.0454	1.0563	1.0887	1.0302	1.0552	1.0600	1.4485
5th to 4th	c	1.0654	1.0314	1.0259	0.9946	1.0293	1.0449	1.3665
6th to 5th	c	1.0573	1.0576	1.0384	1.0274	1.0452	1.0358	1.3078
7th to 6th	c	1.0442	1.0317	1.0595	0.9973	1.0332	1.0298	1.2626
8th to 7th	c	1.0285	1.0635	1.0488	1.0033	1.0360	1.0253	1.2260
9th to 8th	c	1.0079	1.0398	1.0221	1.0257	1.0239	1.0219	1.1958
10th to 9th	c	1.0266	1.0274	1.0106	0.9990	1.0159	1.0192	1.1702
11th to 10th	c	1.0345	1.0264	0.9983	1.0084	1.0169	1.0169	1.1481
12th to 11th	c	1.0120	1.0380	0.9691	0.9986	1.0044	1.0150	1.1290
13th to 12th	c	1.0212	1.0234	1.0504	1.0063	1.0253	1.0134	1.1123
14th to 13th	c	1.0236	1.0239	1.0211	1.0203	1.0222	1.0120	1.0976
15th to 14th	c	0.9915	1.0314	1.0079	1.0078	1.0097	1.0107	1.0846
16th to 15th	c	1.0185	1.0120	1.0150	0.9794	1.0062	1.0096	1.0731
17th to 16th	c	1.0029	0.9935	1.0216	1.0010	1.0048	1.0086	1.0629
18th to 17th	c	1.0035	1.0207	1.0192	0.9602	1.0009	1.0077	1.0539
19th to 18th	c	1.0199	0.9941	1.0027	0.9936	1.0026	1.0069	1.0458
20th to 19th	c	1.0025	0.9996	1.0178	1.0004	1.0051	1.0061	1.0387
21st to 20th	c	1.0058	1.0045	0.9947	1.0193	1.0061	1.0054	1.0324
22nd to 21st	c	1.0070	0.9883	0.9826	0.9957	0.9934	1.0047	1.0268
23rd to 22nd	c	1.0153	0.9999	1.0035	1.0025	1.0053	1.0041	1.0220
24th to 23rd	c	1.0039	1.0072	1.0065	1.0115	1.0073	1.0036	1.0178
25th to 24th	c	1.0115	0.9998	1.0009	1.0056	1.0045	1.0030	1.0142
26th to 25th	c	1.0121	1.0072	1.0028	0.9936	1.0039	1.0025	1.0111
27th to 26th	c	1.0040	1.0050	0.9988	1.0037	1.0029	1.0020	1.0086
28th to 27th	c	1.0083	1.0015	1.0069	1.0095	1.0066	1.0016	1.0066
29th to 28th	c	1.0013	1.0054	1.0022	0.9953	1.0011	1.0012	1.0050
Beyond 29th	c	0.9826	1.0096	1.0396	0.9833	1.0038	1.0038	1.0038

- a From Table I-E
- b 28th (Paid - Table I-E) to 29th (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	1.3942	0.3942	0.3957	1.3957
3rd to 2nd	1.1479	0.1479	0.1366	1.1366
4th to 3rd	1.0724	0.0724	0.0832	1.0832
5th to 4th	1.0540	0.0540	0.0616	1.0616
6th to 5th	1.0550	0.0550	0.0499	1.0499
7th to 6th	1.0451	0.0451	0.0423	1.0423
8th to 7th	1.0376	0.0376	0.0368	1.0368
9th to 8th	1.0328	0.0328	0.0326	1.0326
10th to 9th	1.0331	0.0331	0.0293	1.0293
11th to 10th	1.0273	0.0273	0.0264	1.0264
12th to 11th	1.0196	0.0196	0.0240	1.0240
13th to 12th	1.0249	0.0249	0.0218	1.0218
14th to 13th	1.0203	0.0203	0.0199	1.0199
15th to 14th	1.0222	0.0222	0.0182	1.0182
16th to 15th	1.0137	0.0137	0.0166	1.0166
17th to 16th	1.0079	0.0079	0.0152	1.0152
18th to 17th	1.0085	0.0085	0.0139	1.0139
19th to 18th	1.0188	0.0188	0.0126	1.0126
20th to 19th	1.0079	0.0079	0.0114	1.0114
21st to 20th	1.0108	0.0108	0.0103	1.0103
22nd to 21st	1.0078	0.0078	0.0093	1.0093
23rd to 22nd	1.0067	0.0067	0.0083	1.0083
24th to 23rd	1.0076	0.0076	0.0074	1.0074
25th to 24th	1.0083	0.0083	0.0065	1.0065
26th to 25th	1.0073	0.0073	0.0057	1.0057
27th to 26th	1.0048	0.0048	0.0049	1.0049
28th to 27th	1.0064	0.0064	0.0041	1.0041
29th to 28th*	1.0312	0.0312	0.0312	1.0312

$Y = a+b*\log(x)+c/x^2$

$a = 0.068394 \quad b = -0.019650 \quad c = 0.327281$

* 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	1.1977	0.1977	0.1979	1.1979
3rd to 2nd	1.0960	0.0960	0.0916	1.0916
4th to 3rd	1.0552	0.0552	0.0600	1.0600
5th to 4th	1.0293	0.0293	0.0449	1.0449
6th to 5th	1.0452	0.0452	0.0358	1.0358
7th to 6th	1.0332	0.0332	0.0298	1.0298
8th to 7th	1.0360	0.0360	0.0253	1.0253
9th to 8th	1.0239	0.0239	0.0219	1.0219
10th to 9th	1.0159	0.0159	0.0192	1.0192
11th to 10th	1.0169	0.0169	0.0169	1.0169
12th to 11th	1.0044	0.0044	0.0150	1.0150
13th to 12th	1.0253	0.0253	0.0134	1.0134
14th to 13th	1.0222	0.0222	0.0120	1.0120
15th to 14th	1.0097	0.0097	0.0107	1.0107
16th to 15th	1.0062	0.0062	0.0096	1.0096
17th to 16th	1.0048	0.0048	0.0086	1.0086
18th to 17th	1.0009	0.0009	0.0077	1.0077
19th to 18th	1.0026	0.0026	0.0069	1.0069
20th to 19th	1.0051	0.0051	0.0061	1.0061
21st to 20th	1.0061	0.0061	0.0054	1.0054
22nd to 21st	0.9934	-0.0066	0.0047	1.0047
23rd to 22nd	1.0053	0.0053	0.0041	1.0041
24th to 23rd	1.0073	0.0073	0.0036	1.0036
25th to 24th	1.0045	0.0045	0.0030	1.0030
26th to 25th	1.0039	0.0039	0.0025	1.0025
27th to 26th	1.0029	0.0029	0.0020	1.0020
28th to 27th	1.0066	0.0066	0.0016	1.0016
29th to 28th	1.0011	0.0011	0.0012	1.0012
Beyond 29th+	1.0038	0.0038	0.0038	1.0038

$Y = a+b/x^1.5+c*\ln(x)/x$

$a = -0.027650 \quad b = 0.225571 \quad c = -0.116147$

+ Selected four year average

EXHIBIT VII - 1

DETERMINATION OF TREND

INDEMNITY

Policy Year	2011	2012	2013	2014	2015	2016	2017
Actual Loss Ratio	0.3092	0.3032	0.3490	0.2885	0.2877	0.2535	0.2498
Normalized Frequency	0.7212	0.6476	0.6753	0.5801	0.6078	0.5307	0.5299
Severity Loss Ratio	0.4287	0.4682	0.5168	0.4973	0.4734	0.4776	0.4714
x	1	2	3	4	5	6	7
y	0.4287	0.4682	0.5168	0.4973	0.4734	0.4776	0.4714

7 Point Exponential Regression: $y = 0.459701 * 1.008496 ^ x$

Selected Annual Trend = 0.8%

Policy Year	Annual Trend Factor (1)	Trend Period # Years to 12/1/20 (2)	Severity Trend Factor (3) = (1)^(2)	Frequency Trend Factor (4) #
2014	1.0085	5.9167	1.0513	0.7395
2015	1.0085	4.9167	1.0425	0.7782
2016	1.0085	3.9167	1.0337	0.8189
2017	1.0085	2.9167	1.0250	0.8618

Trended Loss Ratio

Policy Year	Actual Loss Ratio (5)	Combined Trend Factor (6) = (3)*(4)	Trended Loss Ratio (7) = (5)*(6)
2014	0.2885	0.7774	0.2243
2015	0.2877	0.8113	0.2334
2016	0.2535	0.8465	0.2146
2017	0.2498	0.8833	0.2206
Average			0.2232

See Page 24 for column (4).

EXHIBIT VII - 2

DETERMINATION OF TREND

MEDICAL

Policy Year	2011	2012	2013	2014	2015	2016	2017
Actual Loss Ratio	0.5042	0.4848	0.5660	0.4834	0.5343	0.5213	0.5069
Normalized Frequency	0.7212	0.6476	0.6753	0.5801	0.6078	0.5307	0.5299
Severity Loss Ratio	0.6991	0.7486	0.8381	0.8333	0.8791	0.9822	0.9566
x	1	2	3	4	5	6	7
y	0.6991	0.7486	0.8381	0.8333	0.8791	0.9822	0.9566

7 Point Exponential Regression: $y = 0.677115 * 1.056228 ^ x$

Selected Annual Trend = 5.6%

Policy Year	Annual Trend Factor (1)	Trend Period # Years to 12/1/20 (2)	Severity Trend Factor (3) = (1)^(2)	Frequency Trend Factor (4) #
2014	1.0562	5.9167	1.3822	0.7395
2015	1.0562	4.9167	1.3086	0.7782
2016	1.0562	3.9167	1.2389	0.8189
2017	1.0562	2.9167	1.1730	0.8618

Trended Loss Ratio

Policy Year	Actual Loss Ratio (5)	Combined Trend Factor (6) = (3)*(4)	Trended Loss Ratio (7) = (5)*(6)
2014	0.4834	1.0221	0.4941
2015	0.5343	1.0184	0.5441
2016	0.5213	1.0145	0.5289
2017	0.5069	1.0109	0.5124
Average			0.5199

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
2005	11.55	1.0000
2006	10.86	0.9403
2007	10.09	0.8736
2008	8.94	0.7740
2009	8.91	0.7714
2010	8.89	0.7697
2011	8.33	0.7212
2012	7.48	0.6476
2013	7.80	0.6753
2014	6.70	0.5801
2015	7.02	0.6078
2016	6.13	0.5307
2017	6.12	0.5299

Policy Year	2011	2012	2013	2014	2015	2016	2017
x	1	2	3	4	5	6	7
y	0.7212	0.6476	0.6753	0.5801	0.6078	0.5307	0.5299

7 Point (2011 - 2017) Exponential Regression: $y = 0.747557 * 0.950267 ^ x$

Selected Annual Trend = **-5.0%**

Policy Year	Annual Trend Factor (1)	# of Years to 12/1/20 (2)	Frequency Trend Factor (3) = (1)^(2)
2014	0.9503	5.9167	0.7395
2015	0.9503	4.9167	0.7782
2016	0.9503	3.9167	0.8189
2017	0.9503	2.9167	0.8618

TABLE I

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

ACCUMULATED STANDARD EARNED PREMIUM

Policy Year Valued	As of 12/31/14	As of 12/31/15	Ratio to Prior Year	Policy Year Valued	As of 12/31/15	As of 12/31/16	Ratio to Prior Year
Prior to 1986	490,822,657	490,822,657	1.0000	Prior to 1986	490,822,657	490,822,657	1.0000
1986	73,474,543	73,474,543	1.0000	1986	73,474,543	73,474,543	1.0000
1987	85,943,515	85,943,515	1.0000	1987	85,943,515	85,943,515	1.0000
1988	102,949,395	102,949,395	1.0000	1988	102,949,395	102,949,395	1.0000
1989	110,768,371	110,768,371	1.0000	1989	110,768,371	110,768,371	1.0000
1990	99,948,026	99,948,026	1.0000	1990	99,948,026	99,948,026	1.0000
1991	95,894,161	95,915,069	1.0002	1991	95,915,069	95,933,003	1.0002
1992	87,086,900	87,086,900	1.0000	1992	87,086,900	87,086,967	1.0000
1993	87,798,462	87,798,462	1.0000	1993	87,798,462	87,798,462	1.0000
1994	82,320,327	82,320,327	1.0000	1994	82,320,327	82,331,367	1.0001
1995	78,691,448	78,691,441	1.0000	1995	78,691,441	78,691,441	1.0000
1996	82,677,008	82,676,981	1.0000	1996	82,676,981	82,676,970	1.0000
1997	81,880,931	81,880,902	1.0000	1997	81,880,902	81,880,897	1.0000
1998	86,444,463	86,444,445	1.0000	1998	86,444,445	86,444,449	1.0000
1999	80,901,980	80,901,994	1.0000	1999	80,901,994	80,901,977	1.0000
2000	89,557,141	89,557,126	1.0000	2000	89,557,126	89,557,124	1.0000
2001	88,121,992	88,128,508	1.0001	2001	88,128,508	88,128,800	1.0000
2002	114,270,269	114,269,678	1.0000	2002	114,271,524	114,271,531	1.0000
2003	129,610,819	129,611,976	1.0000	2003	129,614,117	129,614,097	1.0000
2004	153,022,944	153,023,335	1.0000	2004	153,026,014	153,025,990	1.0000
2005	187,888,794	187,892,447	1.0000	2005	187,894,454	187,894,291	1.0000
2006	207,232,301	207,239,534	1.0000	2006	207,243,931	207,244,065	1.0000
2007	199,997,650	200,002,673	1.0000	2007	200,008,047	200,004,671	1.0000
2008	151,146,033	151,152,055	1.0000	2008	151,154,207	151,155,466	1.0000
2009	117,958,505	118,636,484	1.0057	2009	118,637,216	118,637,230	1.0000
2010	105,938,453	106,148,932	1.0020	2010	106,151,083	106,143,287	0.9999
2011	106,387,790	106,153,465	0.9978	2011	106,155,238	106,184,371	1.0003
2012	115,066,666	115,419,216	1.0031	2012	115,419,470	115,445,915	1.0002
2013	135,004,398	135,998,616	1.0074	2013	135,988,691	135,897,785	0.9993
2014	77,792,001	146,650,861	1.8852	2014	146,675,526	148,527,194	1.0126
2015		79,247,012		2015	79,279,491	147,074,696	1.8551
				2016		88,068,564	

Policy Year Valued	As of 12/31/16	As of 12/31/17	Ratio to Prior Year	Policy Year Valued	As of 12/31/17	As of 12/31/18	Ratio to Prior Year
Prior to 1987	564,160,886	564,160,889	1.0000	Prior to 1988	648,621,742	648,621,732	1.0000
1987	85,936,102	85,936,102	1.0000	1988	102,694,018	102,694,018	1.0000
1988	102,944,143	102,944,143	1.0000	1989	110,434,536	110,434,536	1.0000
1989	110,759,675	110,759,675	1.0000	1990	99,068,273	99,068,273	1.0000
1990	99,477,489	99,477,375	1.0000	1991	95,280,645	95,299,600	1.0002
1991	95,676,169	95,706,031	1.0003	1992	86,414,699	86,414,699	1.0000
1992	86,827,494	86,827,496	1.0000	1993	87,138,363	87,138,363	1.0000
1993	87,577,076	87,580,098	1.0000	1994	81,919,459	81,919,459	1.0000
1994	82,252,984	82,241,944	0.9999	1995	78,358,546	78,358,546	1.0000
1995	78,674,367	78,674,367	1.0000	1996	82,297,624	82,194,809	0.9988
1996	82,665,144	82,671,359	1.0001	1997	81,384,923	81,487,738	1.0013
1997	81,836,036	81,841,980	1.0001	1998	85,909,012	85,909,012	1.0000
1998	86,399,199	86,404,568	1.0001	1999	80,452,030	80,452,030	1.0000
1999	80,832,294	80,832,294	1.0000	2000	89,023,336	89,023,336	1.0000
2000	89,470,973	89,470,973	1.0000	2001	87,243,814	87,243,814	1.0000
2001	87,831,354	87,831,354	1.0000	2002	113,274,411	113,274,411	1.0000
2002	114,035,795	114,035,795	1.0000	2003	128,433,911	128,433,912	1.0000
2003	129,389,025	129,389,025	1.0000	2004	151,325,359	151,325,852	1.0000
2004	152,624,998	152,626,190	1.0000	2005	184,338,781	184,339,508	1.0000
2005	185,977,486	185,979,145	1.0000	2006	203,825,988	203,827,167	1.0000
2006	205,652,790	205,655,720	1.0000	2007	197,840,680	197,842,579	1.0000
2007	199,586,586	199,590,355	1.0000	2008	149,728,642	149,789,433	1.0004
2008	150,875,107	150,819,291	0.9996	2009	117,640,948	117,656,705	1.0001
2009	118,401,407	118,399,659	1.0000	2010	105,249,587	105,346,615	1.0009
2010	105,879,117	105,873,291	0.9999	2011	104,902,908	104,913,893	1.0001
2011	105,468,248	105,466,525	1.0000	2012	114,514,508	114,525,756	1.0001
2012	114,890,331	115,053,136	1.0014	2013	134,422,378	134,430,051	1.0001
2013	134,974,583	135,006,597	1.0002	2014	146,723,204	146,687,320	0.9998
2014	147,564,829	147,412,165	0.9990	2015	145,404,855	145,199,847	0.9986
2015	145,134,008	146,050,132	1.0063	2016	164,264,715	165,458,328	1.0073
2016	87,262,599	164,976,740	1.8906	2017	93,176,353	176,346,491	1.8926
2017		93,572,685		2018		95,432,226	

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 12/31/14	As of 12/31/15	Ratio to Prior Year	Policy Year Valued	As of 12/31/15	As of 12/31/16	Ratio to Prior Year
Prior to 1986	262,824,494	262,612,598	0.9992	Prior to 1986	262,612,598	262,720,266	1.0004
1986	35,977,667	35,974,035	0.9999	1986	35,974,035	35,907,468	0.9981
1987	46,364,891	46,467,950	1.0022	1987	46,467,950	46,526,462	1.0013
1988	44,490,971	44,600,881	1.0025	1988	44,600,881	44,595,881	0.9999
1989	51,379,428	51,471,730	1.0018	1989	51,471,730	51,551,851	1.0016
1990	53,699,797	54,429,832	1.0136	1990	54,429,832	54,529,030	1.0018
1991	51,181,107	51,284,697	1.0020	1991	51,284,697	51,181,516	0.9980
1992	46,981,290	47,269,635	1.0061	1992	47,269,635	47,357,711	1.0019
1993	53,274,094	53,523,285	1.0047	1993	53,523,285	53,491,887	0.9994
1994	43,435,055	43,792,055	1.0082	1994	43,792,055	43,428,806	0.9917
1995	46,893,477	46,919,141	1.0005	1995	46,919,141	46,821,721	0.9979
1996	60,490,044	61,178,201	1.0114	1996	61,178,201	61,177,918	1.0000
1997	54,624,477	54,609,654	0.9997	1997	54,609,654	54,391,657	0.9960
1998	47,930,777	48,004,686	1.0015	1998	48,004,686	48,494,400	1.0102
1999	57,943,778	58,415,800	1.0081	1999	58,415,800	58,411,160	0.9999
2000	78,762,584	78,281,886	0.9939	2000	78,281,886	78,612,940	1.0042
2001	66,598,726	67,330,193	1.0110	2001	67,330,193	68,323,048	1.0147
2002	70,903,513	71,514,046	1.0086	2002	71,514,046	72,398,526	1.0124
2003	81,828,087	82,359,817	1.0065	2003	82,359,817	83,373,363	1.0123
2004	85,113,092	86,762,662	1.0194	2004	86,762,662	88,763,793	1.0231
2005	91,747,231	93,121,096	1.0150	2005	93,121,096	94,378,496	1.0135
2006	94,750,655	95,737,718	1.0104	2006	95,737,718	97,509,447	1.0185
2007	94,083,964	95,974,059	1.0201	2007	95,974,059	98,363,272	1.0249
2008	89,181,727	91,559,544	1.0267	2008	91,559,544	95,085,785	1.0385
2009	94,402,393	98,802,504	1.0466	2009	98,802,504	101,213,338	1.0244
2010	95,121,364	98,318,734	1.0336	2010	98,318,734	102,662,196	1.0442
2011	87,216,268	91,146,948	1.0451	2011	91,146,948	93,761,905	1.0287
2012	69,111,352	77,951,169	1.1279	2012	77,951,169	83,335,162	1.0691
2013	58,142,238	74,893,635	1.2881	2013	74,897,237	86,239,942	1.1514
2014	20,272,734	54,336,043	2.6803	2014	54,332,546	66,860,283	1.2306
2015		22,712,398		2015	22,712,398	63,392,865	2.7911
				2016		24,255,800	

Policy Year Valued	As of 12/31/16	As of 12/31/17	Ratio to Prior Year	Policy Year Valued	As of 12/31/17	As of 12/31/18	Ratio to Prior Year
Prior to 1987	298,799,707	299,481,411	1.0023	Prior to 1988	346,157,532	345,297,109	0.9975
1987	46,862,927	47,040,134	1.0038	1988	44,509,574	44,520,352	1.0002
1988	44,594,362	44,640,238	1.0010	1989	51,576,855	51,477,612	0.9981
1989	51,549,588	51,591,809	1.0008	1990	54,170,477	54,404,988	1.0043
1990	54,196,746	54,260,227	1.0012	1991	51,046,987	51,094,224	1.0009
1991	51,166,647	51,153,549	0.9997	1992	47,127,293	46,964,486	0.9965
1992	47,325,346	47,303,716	0.9995	1993	53,472,349	53,540,761	1.0013
1993	53,450,249	53,623,192	1.0032	1994	43,655,041	43,994,226	1.0078
1994	43,711,984	43,810,262	1.0022	1995	46,176,432	46,244,732	1.0015
1995	46,781,716	46,370,006	0.9912	1996	60,786,706	60,358,668	0.9930
1996	61,128,331	60,913,121	0.9965	1997	54,512,973	55,080,598	1.0104
1997	54,283,272	54,702,878	1.0077	1998	48,253,910	48,283,438	1.0006
1998	48,480,800	48,547,166	1.0014	1999	58,570,321	58,285,862	0.9951
1999	58,290,620	58,917,299	1.0108	2000	79,272,940	77,682,665	0.9799
2000	78,596,138	79,368,689	1.0098	2001	68,342,822	68,393,086	1.0007
2001	68,189,674	68,550,109	1.0053	2002	72,464,729	71,604,000	0.9881
2002	72,351,104	72,606,541	1.0035	2003	83,125,993	83,519,636	1.0047
2003	82,862,497	83,691,639	1.0100	2004	88,558,584	89,822,980	1.0143
2004	88,691,386	91,231,043	1.0286	2005	88,745,979	89,023,292	1.0031
2005	91,828,020	90,379,560	0.9842	2006	96,103,784	95,890,725	0.9978
2006	96,913,555	96,949,879	1.0004	2007	96,896,163	97,392,878	1.0051
2007	98,323,749	98,693,306	1.0038	2008	96,342,647	97,196,667	1.0089
2008	95,048,573	96,472,260	1.0150	2009	103,490,561	105,956,967	1.0238
2009	101,066,312	104,613,954	1.0351	2010	107,178,381	107,566,905	1.0036
2010	102,602,647	107,533,290	1.0481	2011	95,130,260	95,717,880	1.0062
2011	93,555,965	96,048,067	1.0266	2012	83,559,302	85,288,466	1.0207
2012	82,729,280	84,945,056	1.0268	2013	91,170,025	91,770,627	1.0066
2013	85,899,730	91,387,997	1.0639	2014	71,614,783	74,463,866	1.0398
2014	65,641,065	71,690,659	1.0922	2015	77,301,437	80,290,827	1.0387
2015	62,600,514	77,722,630	1.2416	2016	63,585,623	79,041,637	1.2431
2016	23,930,102	63,942,626	2.6721	2017	26,612,048	66,994,817	2.5175
2017		26,705,537		2018		28,376,003	

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 12/31/14	As of 12/31/15	Ratio to Prior Year	Policy Year Valued	As of 12/31/15	As of 12/31/16	Ratio to Prior Year
Prior to 1986	192,598,631	192,584,303	0.9999	Prior to 1986	192,584,303	192,588,222	1.0000
1986	24,643,791	24,625,594	0.9993	1986	24,625,594	24,553,661	0.9971
1987	30,155,598	30,124,292	0.9990	1987	30,124,292	30,095,347	0.9990
1988	28,999,299	29,047,903	1.0017	1988	29,047,903	29,019,152	0.9990
1989	31,640,750	31,494,470	0.9954	1989	31,494,470	31,475,513	0.9994
1990	33,193,608	33,687,009	1.0149	1990	33,687,009	33,635,840	0.9985
1991	31,012,647	31,036,700	1.0008	1991	31,036,700	30,937,810	0.9968
1992	26,528,452	26,504,606	0.9991	1992	26,504,606	26,442,620	0.9977
1993	30,272,677	30,360,590	1.0029	1993	30,360,590	30,332,169	0.9991
1994	23,506,922	23,747,658	1.0102	1994	23,747,658	23,619,032	0.9946
1995	24,669,591	24,639,235	0.9988	1995	24,639,235	24,441,451	0.9920
1996	30,366,261	30,454,294	1.0029	1996	30,454,294	30,467,629	1.0004
1997	29,467,436	29,365,455	0.9965	1997	29,365,455	29,296,127	0.9976
1998	25,237,513	25,245,845	1.0003	1998	25,245,845	25,264,190	1.0007
1999	29,719,448	29,670,029	0.9983	1999	29,670,029	29,851,540	1.0061
2000	39,028,004	38,886,014	0.9964	2000	38,886,014	38,745,495	0.9964
2001	34,080,301	34,043,996	0.9989	2001	34,043,996	33,992,800	0.9985
2002	33,946,607	33,774,449	0.9949	2002	33,774,449	33,755,735	0.9994
2003	38,876,354	38,891,039	1.0004	2003	38,891,039	38,889,009	0.9999
2004	39,255,411	39,321,211	1.0017	2004	39,321,211	39,520,556	1.0051
2005	41,502,469	41,537,365	1.0008	2005	41,537,365	41,434,406	0.9975
2006	43,334,624	43,917,767	1.0135	2006	43,917,767	44,269,984	1.0080
2007	42,328,337	42,742,428	1.0098	2007	42,742,428	43,011,873	1.0063
2008	38,278,678	38,406,499	1.0033	2008	38,406,499	38,556,088	1.0039
2009	41,277,945	42,632,759	1.0328	2009	42,632,759	43,264,974	1.0148
2010	37,933,204	37,390,778	0.9857	2010	37,390,778	38,222,532	1.0222
2011	34,457,279	35,991,221	1.0445	2011	35,991,221	36,873,138	1.0245
2012	29,039,542	32,131,453	1.1065	2012	32,131,453	34,933,599	1.0872
2013	24,587,617	31,542,747	1.2829	2013	31,542,747	36,452,541	1.1557
2014	8,789,144	20,863,893	2.3738	2014	20,868,293	26,616,183	1.2754
2015		6,460,766		2015	6,460,766	19,462,395	3.0124
				2016		7,775,069	

Policy Year Valued	As of 12/31/16	As of 12/31/17	Ratio to Prior Year	Policy Year Valued	As of 12/31/17	As of 12/31/18	Ratio to Prior Year
Prior to 1987	217,333,844	217,327,073	1.0000	Prior to 1988	247,759,259	247,175,065	0.9976
1987	30,157,975	30,360,159	1.0067	1988	28,953,627	28,947,705	0.9998
1988	29,018,039	29,028,941	1.0004	1989	31,372,677	31,368,314	0.9999
1989	31,474,157	31,377,392	0.9969	1990	33,452,687	33,491,307	1.0012
1990	33,427,118	33,515,963	1.0027	1991	30,806,962	30,780,274	0.9991
1991	30,933,492	30,863,619	0.9977	1992	26,291,055	26,261,149	0.9989
1992	26,428,501	26,388,176	0.9985	1993	30,233,982	30,173,328	0.9980
1993	30,308,536	30,331,932	1.0008	1994	23,634,690	23,743,735	1.0046
1994	23,687,393	23,714,985	1.0012	1995	24,258,765	24,272,590	1.0006
1995	24,411,643	24,389,271	0.9991	1996	30,296,262	29,998,301	0.9902
1996	30,439,749	30,388,496	0.9983	1997	29,051,067	29,127,306	1.0026
1997	29,178,820	29,151,861	0.9991	1998	25,172,078	25,191,957	1.0008
1998	25,251,366	25,255,482	1.0002	1999	29,589,704	29,490,839	0.9967
1999	29,770,409	29,849,071	1.0026	2000	38,616,306	38,643,854	1.0007
2000	38,733,607	38,645,629	0.9977	2001	33,668,437	33,683,905	1.0005
2001	33,904,900	33,749,723	0.9954	2002	33,602,665	33,542,513	0.9982
2002	33,715,246	33,663,562	0.9985	2003	38,028,665	38,068,329	1.0010
2003	38,544,824	38,438,288	0.9972	2004	39,090,042	39,349,099	1.0066
2004	39,489,023	39,550,553	1.0016	2005	39,886,466	39,857,089	0.9993
2005	40,046,596	40,198,508	1.0038	2006	43,599,715	43,461,730	0.9968
2006	43,995,450	44,121,093	1.0029	2007	41,376,768	41,406,600	1.0007
2007	43,000,387	42,782,543	0.9949	2008	38,658,510	39,572,781	1.0236
2008	38,537,462	38,714,089	1.0046	2009	43,534,193	44,457,574	1.0212
2009	43,188,093	43,912,078	1.0168	2010	39,192,987	39,354,686	1.0041
2010	38,221,598	39,321,193	1.0288	2011	36,933,014	37,676,653	1.0201
2011	36,800,359	37,114,278	1.0085	2012	34,840,153	35,234,010	1.0113
2012	34,679,957	35,651,529	1.0280	2013	37,430,301	38,321,526	1.0238
2013	36,424,283	37,523,267	1.0302	2014	28,639,185	30,189,075	1.0541
2014	26,073,569	28,642,468	1.0985	2015	27,984,305	30,769,607	1.0995
2015	19,254,788	28,161,761	1.4626	2016	19,903,902	28,682,781	1.4411
2016	7,697,567	19,994,065	2.5975	2017	7,139,644	20,649,443	2.8922
2017		7,183,371		2018		8,638,891	

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 12/31/14	As of 12/31/15	Ratio to Prior Year	Policy Year Valued	As of 12/31/15	As of 12/31/16	Ratio to Prior Year
Prior to 1986	70,225,863	70,028,295	0.9972	Prior to 1986	70,028,295	70,132,044	1.0015
1986	11,333,876	11,348,441	1.0013	1986	11,348,441	11,353,807	1.0005
1987	16,209,293	16,343,658	1.0083	1987	16,343,658	16,431,115	1.0054
1988	15,491,672	15,552,978	1.0040	1988	15,552,978	15,576,729	1.0015
1989	19,738,678	19,977,260	1.0121	1989	19,977,260	20,076,338	1.0050
1990	20,506,189	20,742,823	1.0115	1990	20,742,823	20,893,190	1.0072
1991	20,168,460	20,247,997	1.0039	1991	20,247,997	20,243,706	0.9998
1992	20,452,838	20,765,029	1.0153	1992	20,765,029	20,915,091	1.0072
1993	23,001,417	23,162,695	1.0070	1993	23,162,695	23,159,718	0.9999
1994	19,928,133	20,044,397	1.0058	1994	20,044,397	19,809,774	0.9883
1995	22,223,886	22,279,906	1.0025	1995	22,279,906	22,380,270	1.0045
1996	30,123,783	30,723,907	1.0199	1996	30,723,907	30,710,289	0.9996
1997	25,157,041	25,244,199	1.0035	1997	25,244,199	25,095,530	0.9941
1998	22,693,264	22,758,841	1.0029	1998	22,758,841	23,230,210	1.0207
1999	28,224,330	28,745,771	1.0185	1999	28,745,771	28,559,620	0.9935
2000	39,734,580	39,395,872	0.9915	2000	39,395,872	39,867,445	1.0120
2001	32,518,425	33,286,197	1.0236	2001	33,286,197	34,330,248	1.0314
2002	36,956,906	37,739,597	1.0212	2002	37,739,597	38,642,791	1.0239
2003	42,951,733	43,468,778	1.0120	2003	43,468,778	44,484,354	1.0234
2004	45,857,681	47,441,451	1.0345	2004	47,441,451	49,243,237	1.0380
2005	50,244,762	51,583,731	1.0266	2005	51,583,731	52,944,090	1.0264
2006	51,416,031	51,819,951	1.0079	2006	51,819,951	53,239,463	1.0274
2007	51,755,627	53,231,631	1.0285	2007	53,231,631	55,351,399	1.0398
2008	50,903,049	53,153,045	1.0442	2008	53,153,045	56,529,697	1.0635
2009	53,124,448	56,169,745	1.0573	2009	56,169,745	57,948,364	1.0317
2010	57,188,160	60,927,956	1.0654	2010	60,927,956	64,439,664	1.0576
2011	52,758,989	55,155,727	1.0454	2011	55,155,727	56,888,767	1.0314
2012	40,071,810	45,819,716	1.1434	2012	45,819,716	48,401,563	1.0563
2013	33,554,621	43,350,888	1.2919	2013	43,354,490	49,787,401	1.1484
2014	11,483,590	33,472,150	2.9148	2014	33,464,253	40,244,100	1.2026
2015		16,251,632		2015	16,251,632	43,930,470	2.7031
				2016		16,480,731	

Policy Year Valued	As of 12/31/16	As of 12/31/17	Ratio to Prior Year	Policy Year Valued	As of 12/31/17	As of 12/31/18	Ratio to Prior Year
Prior to 1987	81,465,863	82,154,338	1.0085	Prior to 1988	98,398,273	98,122,044	0.9972
1987	16,704,952	16,679,975	0.9985	1988	15,555,947	15,572,647	1.0011
1988	15,576,323	15,611,297	1.0022	1989	20,204,178	20,109,298	0.9953
1989	20,075,431	20,214,417	1.0069	1990	20,717,790	20,913,681	1.0095
1990	20,769,628	20,744,264	0.9988	1991	20,240,025	20,313,950	1.0037
1991	20,233,155	20,289,930	1.0028	1992	20,836,238	20,703,337	0.9936
1992	20,896,845	20,915,540	1.0009	1993	23,238,367	23,367,433	1.0056
1993	23,141,713	23,291,260	1.0065	1994	20,020,351	20,250,491	1.0115
1994	20,024,591	20,095,277	1.0035	1995	21,917,667	21,972,142	1.0025
1995	22,370,073	21,980,735	0.9826	1996	30,490,444	30,360,367	0.9957
1996	30,688,582	30,524,625	0.9947	1997	25,461,906	25,953,292	1.0193
1997	25,104,452	25,551,017	1.0178	1998	23,081,832	23,091,481	1.0004
1998	23,229,434	23,291,684	1.0027	1999	28,980,617	28,795,023	0.9936
1999	28,520,211	29,068,228	1.0192	2000	40,656,634	39,038,811	0.9602
2000	39,862,531	40,723,060	1.0216	2001	34,674,385	34,709,181	1.0010
2001	34,284,774	34,800,386	1.0150	2002	38,862,064	38,061,487	0.9794
2002	38,635,858	38,942,979	1.0079	2003	45,097,328	45,451,307	1.0078
2003	44,317,673	45,253,351	1.0211	2004	49,468,542	50,473,881	1.0203
2004	49,202,363	51,680,490	1.0504	2005	48,859,513	49,166,203	1.0063
2005	51,781,424	50,181,052	0.9691	2006	52,504,069	52,428,995	0.9986
2006	52,918,105	52,828,786	0.9983	2007	55,519,395	55,986,278	1.0084
2007	55,323,362	55,910,763	1.0106	2008	57,684,137	57,623,886	0.9990
2008	56,511,111	57,758,171	1.0221	2009	59,956,368	61,499,393	1.0257
2009	57,878,219	60,701,876	1.0488	2010	67,985,394	68,212,219	1.0033
2010	64,381,049	68,212,097	1.0595	2011	58,197,246	58,041,227	0.9973
2011	56,755,606	58,933,789	1.0384	2012	48,719,149	50,054,456	1.0274
2012	48,049,323	49,293,527	1.0259	2013	53,739,724	53,449,101	0.9946
2013	49,475,447	53,864,730	1.0887	2014	42,975,598	44,274,791	1.0302
2014	39,567,496	43,048,191	1.0880	2015	49,317,132	49,521,220	1.0041
2015	43,345,726	49,560,869	1.1434	2016	43,681,721	50,358,856	1.1529
2016	16,232,535	43,948,561	2.7074	2017	19,472,404	46,345,374	2.3801
2017		19,522,166		2018		19,737,112	

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 12/31/14	As of 12/31/15	Ratio to Prior Year	Policy Year Valued	As of 12/31/15	As of 12/31/16	Ratio to Prior Year
Prior to 1986	191,058,352	191,216,924	1.0008	Prior to 1986	191,216,924	191,317,589	1.0005
1986	24,203,123	24,257,064	1.0022	1986	24,257,064	24,296,785	1.0016
1987	29,764,006	29,787,775	1.0008	1987	29,787,775	29,768,137	0.9993
1988	28,769,689	28,900,419	1.0045	1988	28,900,419	28,911,649	1.0004
1989	31,372,064	31,273,073	0.9968	1989	31,273,073	31,275,745	1.0001
1990	32,679,557	32,768,213	1.0027	1990	32,768,213	32,815,634	1.0014
1991	30,467,926	30,590,485	1.0040	1991	30,590,485	30,615,739	1.0008
1992	26,500,802	26,428,026	0.9973	1992	26,428,026	26,381,364	0.9982
1993	29,477,822	29,627,351	1.0051	1993	29,627,351	29,650,364	1.0008
1994	22,847,989	22,904,941	1.0025	1994	22,904,941	23,112,875	1.0091
1995	24,151,238	24,188,054	1.0015	1995	24,188,054	24,180,905	0.9997
1996	29,612,321	29,717,642	1.0036	1996	29,717,642	29,803,056	1.0029
1997	28,574,537	28,666,326	1.0032	1997	28,666,326	28,634,276	0.9989
1998	24,654,336	24,846,987	1.0078	1998	24,846,987	24,909,020	1.0025
1999	29,289,172	29,346,507	1.0020	1999	29,346,507	29,660,957	1.0107
2000	37,105,699	37,359,884	1.0069	2000	37,359,884	37,445,640	1.0023
2001	32,478,643	32,777,931	1.0092	2001	32,777,931	32,956,142	1.0054
2002	33,173,326	33,465,805	1.0088	2002	33,465,805	33,504,493	1.0012
2003	36,654,501	36,930,322	1.0075	2003	36,930,322	37,199,657	1.0073
2004	38,137,731	38,423,570	1.0075	2004	38,423,570	38,589,320	1.0043
2005	38,728,998	39,441,082	1.0184	2005	39,441,082	40,577,284	1.0288
2006	39,429,449	41,047,665	1.0410	2006	41,047,665	41,976,011	1.0226
2007	37,408,510	38,150,483	1.0198	2007	38,150,483	39,589,151	1.0377
2008	33,924,886	35,256,555	1.0393	2008	35,256,555	35,928,711	1.0191
2009	32,609,131	35,536,814	1.0898	2009	35,536,814	37,663,392	1.0598
2010	30,286,278	32,936,469	1.0875	2010	32,936,469	34,634,404	1.0516
2011	26,764,316	31,131,450	1.1632	2011	31,131,450	32,816,729	1.0541
2012	16,053,506	23,236,754	1.4475	2012	23,236,754	28,677,994	1.2342
2013	10,228,367	18,802,942	1.8383	2013	18,802,942	25,959,141	1.3806
2014	1,472,083	8,427,443	5.7248	2014	8,433,449	16,395,632	1.9441
2015		1,788,691		2015	1,788,691	8,948,972	5.0031
				2016		1,389,968	

Policy Year Valued	As of 12/31/16	As of 12/31/17	Ratio to Prior Year	Policy Year Valued	As of 12/31/17	As of 12/31/18	Ratio to Prior Year
Prior to 1987	215,744,323	215,950,908	1.0010	Prior to 1988	245,997,306	246,088,208	1.0004
1987	29,744,665	29,909,698	1.0055	1988	28,837,601	28,847,219	1.0003
1988	28,910,535	28,912,915	1.0001	1989	31,140,262	31,129,707	0.9997
1989	31,274,389	31,144,977	0.9959	1990	32,585,166	32,645,242	1.0018
1990	32,606,912	32,648,442	1.0013	1991	30,613,647	30,622,278	1.0003
1991	30,611,421	30,670,304	1.0019	1992	26,249,818	26,226,246	0.9991
1992	26,367,245	26,346,939	0.9992	1993	29,624,578	29,687,789	1.0021
1993	29,626,731	29,722,528	1.0032	1994	23,119,016	23,203,141	1.0036
1994	23,181,236	23,199,311	1.0008	1995	24,035,589	24,059,928	1.0010
1995	24,151,097	24,166,095	1.0006	1996	29,723,462	29,687,983	0.9988
1996	29,771,583	29,819,057	1.0016	1997	28,555,965	28,668,223	1.0039
1997	28,513,500	28,658,682	1.0051	1998	24,978,835	25,004,529	1.0010
1998	24,896,196	25,062,239	1.0067	1999	29,446,743	29,476,776	1.0010
1999	29,579,826	29,706,110	1.0043	2000	37,849,192	37,922,529	1.0019
2000	37,433,632	37,878,537	1.0119	2001	32,855,728	32,910,947	1.0017
2001	32,865,171	32,939,985	1.0023	2002	33,388,136	33,396,217	1.0002
2002	33,464,003	33,449,033	0.9996	2003	36,744,911	36,949,010	1.0056
2003	36,852,910	37,158,237	1.0083	2004	38,335,794	38,680,248	1.0090
2004	38,557,685	38,783,013	1.0058	2005	39,113,311	39,187,604	1.0019
2005	39,189,474	39,425,381	1.0060	2006	41,790,246	42,001,093	1.0050
2006	41,695,233	42,308,549	1.0147	2007	38,894,346	39,766,860	1.0224
2007	39,577,335	40,016,808	1.0111	2008	36,614,799	37,956,947	1.0367
2008	35,910,085	36,670,378	1.0212	2009	39,848,379	41,200,773	1.0339
2009	37,586,511	40,226,264	1.0702	2010	36,318,484	37,515,693	1.0330
2010	34,631,254	36,447,121	1.0524	2011	34,263,752	35,978,035	1.0500
2011	32,743,375	34,445,573	1.0520	2012	30,475,534	31,772,684	1.0426
2012	28,446,559	31,183,945	1.0962	2013	31,287,220	34,154,600	1.0916
2013	25,930,102	31,380,316	1.2102	2014	22,648,014	26,306,826	1.1616
2014	16,167,039	22,653,014	1.4012	2015	18,743,843	24,692,824	1.3174
2015	8,848,555	18,807,935	2.1255	2016	7,997,831	16,080,470	2.0106
2016	1,364,374	8,064,670	5.9109	2017	1,769,087	9,804,073	5.5419
2017		1,780,893		2018		1,685,327	

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 12/31/14	As of 12/31/15	Ratio to Prior Year	Policy Year Valued	As of 12/31/15	As of 12/31/16	Ratio to Prior Year
Prior to 1986	66,706,673	67,210,788	1.0076	Prior to 1986	67,210,788	67,737,065	1.0078
1986	10,988,718	11,037,428	1.0044	1986	11,037,428	11,055,392	1.0016
1987	15,233,141	15,359,833	1.0083	1987	15,359,833	15,567,723	1.0135
1988	15,403,490	15,438,285	1.0023	1988	15,438,285	15,457,393	1.0012
1989	19,238,260	19,615,614	1.0196	1989	19,615,614	19,673,599	1.0030
1990	19,093,934	19,278,239	1.0097	1990	19,278,239	19,362,743	1.0044
1991	19,663,997	19,919,128	1.0130	1991	19,919,128	19,971,589	1.0026
1992	20,332,085	20,479,467	1.0072	1992	20,479,467	20,539,372	1.0029
1993	21,320,771	21,592,012	1.0127	1993	21,592,012	21,811,797	1.0102
1994	18,620,549	18,720,598	1.0054	1994	18,720,598	18,899,989	1.0096
1995	20,667,579	20,800,179	1.0064	1995	20,800,179	20,903,406	1.0050
1996	26,133,720	26,705,408	1.0219	1996	26,705,408	27,077,824	1.0139
1997	22,672,143	22,896,442	1.0099	1997	22,896,442	23,305,801	1.0179
1998	21,010,561	21,197,315	1.0089	1998	21,197,315	21,504,438	1.0145
1999	26,177,334	26,615,522	1.0167	1999	26,615,522	26,784,382	1.0063
2000	34,735,678	35,394,065	1.0190	2000	35,394,065	35,701,068	1.0087
2001	27,991,326	28,370,177	1.0135	2001	28,370,177	29,227,079	1.0302
2002	33,111,186	34,749,035	1.0495	2002	34,749,035	35,238,556	1.0141
2003	35,824,008	36,598,807	1.0216	2003	36,598,807	37,388,254	1.0216
2004	40,554,766	41,828,990	1.0314	2004	41,828,990	42,665,217	1.0200
2005	41,432,524	42,246,171	1.0196	2005	42,246,171	44,096,712	1.0438
2006	41,230,728	43,052,466	1.0442	2006	43,052,466	44,859,830	1.0420
2007	43,467,878	44,928,128	1.0336	2007	44,928,128	46,366,216	1.0320
2008	42,182,135	44,325,062	1.0508	2008	44,325,062	46,189,131	1.0421
2009	42,662,536	46,296,017	1.0852	2009	46,296,017	49,235,121	1.0635
2010	47,894,355	51,346,994	1.0721	2010	51,346,994	53,703,588	1.0459
2011	43,138,738	46,565,930	1.0794	2011	46,565,930	47,398,452	1.0179
2012	32,075,941	37,670,099	1.1744	2012	37,670,099	40,886,912	1.0854
2013	24,352,201	35,438,750	1.4553	2013	35,441,796	42,138,399	1.1889
2014	4,456,041	22,530,627	5.0562	2014	22,536,821	31,679,399	1.4057
2015		7,762,162		2015	7,762,162	29,430,456	3.7915
				2016		6,560,967	

Policy Year Valued	As of 12/31/16	As of 12/31/17	Ratio to Prior Year	Policy Year Valued	As of 12/31/17	As of 12/31/18	Ratio to Prior Year
Prior to 1987	78,636,245	79,075,730	1.0056	Prior to 1988	94,298,219	94,755,955	1.0049
1987	15,534,157	15,664,497	1.0084	1988	15,409,758	15,435,647	1.0017
1988	15,457,393	15,465,820	1.0005	1989	19,861,600	19,894,198	1.0016
1989	19,673,039	19,874,555	1.0102	1990	19,379,846	19,492,189	1.0058
1990	19,241,671	19,409,349	1.0087	1991	19,993,463	20,095,095	1.0051
1991	19,959,416	20,042,520	1.0042	1992	20,474,737	20,496,271	1.0011
1992	20,519,492	20,555,008	1.0017	1993	21,915,837	22,337,022	1.0192
1993	21,791,052	21,973,878	1.0084	1994	19,144,813	19,259,839	1.0060
1994	19,114,098	19,221,073	1.0056	1995	20,899,692	20,975,881	1.0036
1995	20,895,275	20,966,321	1.0034	1996	27,242,488	27,389,423	1.0054
1996	27,051,310	27,281,270	1.0085	1997	23,354,199	23,919,926	1.0242
1997	23,289,461	23,445,462	1.0067	1998	21,737,347	21,835,093	1.0045
1998	21,498,789	21,949,136	1.0209	1999	26,739,675	27,128,666	1.0145
1999	26,740,668	26,832,781	1.0034	2000	35,858,937	36,083,191	1.0063
2000	35,692,766	35,930,747	1.0067	2001	29,478,873	29,767,689	1.0098
2001	29,176,562	29,611,403	1.0149	2002	35,557,164	36,068,700	1.0144
2002	35,227,309	35,641,170	1.0117	2003	38,185,409	39,243,296	1.0277
2003	37,217,933	38,351,686	1.0305	2004	42,535,792	43,508,558	1.0229
2004	42,617,972	43,368,202	1.0176	2005	42,616,670	43,072,405	1.0107
2005	42,931,008	43,695,908	1.0178	2006	45,283,259	46,148,372	1.0191
2006	44,535,353	45,497,927	1.0216	2007	47,785,581	48,366,592	1.0122
2007	46,338,784	48,177,284	1.0397	2008	47,180,878	48,653,864	1.0312
2008	46,169,296	47,255,343	1.0235	2009	50,440,082	52,028,631	1.0315
2009	49,162,803	51,187,580	1.0412	2010	55,605,110	57,460,725	1.0334
2010	53,640,635	55,835,884	1.0409	2011	49,144,011	50,384,981	1.0253
2011	47,264,268	49,882,562	1.0554	2012	42,758,667	44,194,196	1.0336
2012	40,562,529	43,242,834	1.0661	2013	44,795,089	47,480,466	1.0599
2013	41,845,211	44,919,780	1.0735	2014	35,378,915	37,197,594	1.0514
2014	31,113,335	35,454,860	1.1395	2015	38,849,845	42,292,757	1.0886
2015	29,044,116	39,054,787	1.3447	2016	27,092,754	37,140,252	1.3709
2016	6,474,412	27,325,421	4.2205	2017	6,645,924	27,512,138	4.1397
2017		6,684,275		2018		6,570,132	

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, 2019 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, 2019 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, 2019 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, 2019 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, 2020 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 2016 to 2018 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			
2016	299,796,215	308,043,997	0.9732
2017	320,425,571	331,020,815	0.9680
2018	320,946,454	323,067,007	0.9934
TOTAL	941,168,240	962,131,820	0.9782
MANUFACTURING AND UTILITIES			
2016	39,586,542	35,762,663	1.1069
2017	41,237,022	36,519,040	1.1292
2018	44,457,004	40,277,248	1.1038
TOTAL	125,280,568	112,558,951	1.1130
CONTRACTING AND QUARRYING			
2016	59,736,750	57,287,803	1.0427
2017	63,928,619	60,330,685	1.0596
2018	64,820,623	61,512,565	1.0538
TOTAL	188,485,992	179,131,053	1.0522
OTHER INDUSTRIES			
2016	200,472,923	214,993,532	0.9325
2017	215,259,930	234,171,090	0.9192
2018	211,668,826	221,277,193	0.9566
TOTAL	627,401,679	670,441,816	0.9358

* 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 (1)	Average Law Multiplier (2)	Adjustment Factor (3)	Loss Ratio Development Factor (4)	Expense Allowance * 1 / (PLR/CPR) (5)	Trend Factor (6)	Product (2) * (3) * (4) * (5) * (6) (7)	Expected Loss Rate Factor 1.0 / (7) (8)
<u>Manufacturing and Utilities</u>							
2015	0.9969	1.0000	1.7176	1.9357	1.1653	3.8623	0.2589
2016	1.0067	1.0000	1.9379	1.9357	1.1208	4.2325	0.2363
2017	1.0103	1.0000	2.5803	1.9357	1.0784	5.4417	0.1838
<u>Contracting and Quarrying</u>							
2015	0.9969	1.0000	1.6378	1.8299	1.1653	3.4816	0.2872
2016	1.0067	1.0000	1.7716	1.8299	1.1208	3.6578	0.2734
2017	1.0103	1.0000	2.6649	1.8299	1.0784	5.3130	0.1882
<u>Other Industries</u>							
2015	0.9969	1.0000	1.6498	1.6275	1.1653	3.1192	0.3206
2016	1.0067	1.0000	1.9636	1.6275	1.1208	3.6058	0.2773
2017	1.0103	1.0000	2.6046	1.6275	1.0784	4.6184	0.2165

* Permissible Loss Ratio = 0.5750
 Collectible Premium Ratios
 Manufacturing = 1.1130
 Contracting = 1.0522
 All Other = 0.9358

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	57.50
Loss Adjustment Expense	13.78
Loss & Loss Adjustment	71.28
Premium Discount	8.63
Acquisition	7.57
General Expenses	3.16
Profit and Contingencies	0.20
Taxes	2.33
Uncollectible Premium	2.00
Workers' Compensation Fund	2.00
Administrative Assessment	2.83
	28.72

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:

$$E = 0.0230 = \frac{ACQ}{0.0757} + \frac{GEN}{0.0316} + \frac{PROFIT}{0.0020} - \frac{PREM DISC}{0.0863}$$

$$A = 0.0484 = 0.0493 \times \frac{1 - 0.0230 - 0.0633}{1 - 0.0062 - 0.0633}$$

Then

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

$$S = \text{Delaware Insurance Plan Subsidy} = 0.0162$$

$$T = \frac{0.0230 + 0.5750(1 + 0.2396 + 0.0484)}{0.0230 + 0.5750(1 + 0.2396)} \times \frac{1}{1 - 0.0633 - 0.0162} = 1.1275$$

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 =	0.6219
Second Adjustment	RDF =	0.4784
Third Adjustment	RDF =	0.3966

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:

$$\text{\$25,000 limit Hazard Group C ELF} = 0.625$$

$$\text{First Adjustment RDF} = (1 - 0.625) \times 0.6219 = 0.2332$$

* The use of retrospective development factors is optional.