

PENNSYLVANIA COMPENSATION RATING BUREAU

Paid and Incurred Loss Development and Trend

Page 1 of the attachment shows the calculation of expected losses. Standard Earned Premiums are developed to ultimate, adjusted to current rate level, adjusted to remove expense constants, adjusted for the Pennsylvania Construction Classification Premium Adjustment Program, multiplied by the permissible loss ratio underlying the 12/1/92 rate level, adjusted to remove loss based assessments included in manual loss costs, and then multiplied by the factor representing the cumulative loss cost change to 4/1/08 to yield expected losses at current levels.

Pages 2 through 13 present indemnity losses.

Page 2 shows incurred and paid loss development factors and ratios of incurred to paid losses. Data for the latest two sets of factors (2005-2006 and 2006-2007) are based on the current Table I. Ratios for earlier periods are also shown for comparison purposes. With the exception of the “tail” factor, an average of the latest two factors has been selected. The “tail” factor has been calculated by a method that uses a four-year average and incorporates an adjustment to account for the fact that the tail factor calculation methodology traditionally understates the true result. Tail factor calculations are presented in Exhibit 7.

Page 3 arranges the factors according to the loss development approach shown. There are 2 methods shown: case incurred and paid to twentieth.

Page 4 shows on-level factors that adjust indemnity benefits to a post-Act 44 basis. Loss adjustment expense is not included in this analysis.

Page 5 shows the loss base (paid or incurred losses depending on the method) to which the development factors apply and also the projected ultimate level of losses. Note that staff has added a column showing the average of the case incurred and the paid to twentieth methods.

The top portion of page 6 presents ultimate loss ratios (ratios of projected loss to expected loss) by policy year for each methodology. Expected losses include provisions for both indemnity and medical combined.

The middle portion of page 6 presents information on claim frequencies, which are discussed further in Exhibit 8. The first column shows frequencies by policy year. The second column shows normalized values for claim frequency with policy year 1994 set equal to unity. The third and fourth columns show fitted frequency values. The fifth column shows the frequency trend factors, which are the ratio of the trended to the fitted frequency values.

The lower portion of page 6 shows severity ratios which are defined herein as loss ratios adjusted to a common underlying claim frequency level. The severity ratios are calculated by dividing the loss ratios in the top section of page 6 by the normalized claim frequencies in the middle portion of page 6 for each policy year and loss development approach.

Page 7 shows fitted values for severity ratios fitted to a straight line for each loss development approach and using from 4 to 10 points. The top portion of page 8 shows those same straight lines trended to the midpoint of the prospective rating period (4/1/10). The second section of page 8 shows severity trend factors by policy year calculated by dividing the trended points on page 8 by the fitted values on page 7.

Pages 9 and 10 present the analogous exponential severity trend factor calculation. Page 11 shows the loss ratio trend factors by policy year, which are the product of the severity (page 10) and frequency (page 6) trend factors that were previously calculated.

Pages 12 and 13 show averages of the three latest policy years trended to the midpoint of the prospective rating period (4/1/10) on a linear and an exponential basis respectively.

Pages 14 through 25 show experience for medical losses laid out the same way as Pages 2 through 13. Page 26 shows a summary of annualized severity trend factors and page 27 shows annualized loss ratio trend factors.

| PREMIUMS | PDF 02-03 | PDF 03-04 | PDF 04-05 | PDF 05-06 | PDF 06-07 | Shaded Values | Selected PDF |
|----------|-----------|-----------|-----------|-----------|-----------|---------------|--------------|
| 19-20 | 1.0000 | 1.0000 | 1.0001 | 0.9994 | 0.9999 | 0.9999 | 1.0000 |
| 18-19 | 1.0000 | 1.0002 | 1.0001 | 0.9994 | 1.0004 | 1.0000 | 1.0000 |
| 17-18 | 1.0002 | 1.0000 | 1.0000 | 0.9947 | 1.0002 | 0.9987 | 1.0000 |
| 16-17 | 0.9998 | 1.0000 | 1.0000 | 0.9960 | 1.0003 | 0.9991 | 1.0000 |
| 15-16 | 1.0000 | 1.0000 | 0.9999 | 0.9977 | 0.9993 | 0.9992 | 1.0000 |
| 14-15 | 1.0000 | 1.0000 | 1.0001 | 1.0000 | 1.0001 | 1.0001 | 1.0000 |
| 13-14 | 1.0000 | 1.0001 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 12-13 | 1.0000 | 0.9999 | 1.0002 | 0.9994 | 1.0000 | 1.0000 | 1.0000 |
| 11-12 | 1.0000 | 1.0000 | 1.0006 | 1.0000 | 1.0001 | 1.0000 | 1.0000 |
| 10-11 | 1.0001 | 0.9998 | 1.0004 | 1.0006 | 1.0000 | 1.0003 | 1.0000 |
| 9-10 | 0.9999 | 0.9999 | 1.0001 | 1.0000 | 1.0002 | 1.0001 | 1.0000 |
| 8-9 | 1.0001 | 0.9998 | 1.0001 | 0.9996 | 1.0005 | 1.0000 | 1.0000 |
| 7-8 | 0.9999 | 0.9997 | 0.9995 | 0.9997 | 1.0015 | 1.0001 | 1.0001 |
| 6-7 | 1.0000 | 1.0083 | 0.9989 | 1.0003 | 0.9999 | 1.0019 | 1.0019 |
| 5-6 | 0.9934 | 1.0013 | 1.0007 | 1.0007 | 1.0006 | 1.0008 | 1.0008 |
| 4-5 | 1.0011 | 1.0008 | 0.9998 | 0.9990 | 0.9995 | 0.9998 | 0.9998 |
| 3-4 | 1.0011 | 0.9988 | 0.9988 | 0.9993 | 1.0023 | 0.9998 | 0.9998 |
| 2-3 | 0.9986 | 1.0058 | 1.0034 | 0.9985 | 1.0024 | 1.0025 | 1.0025 |
| 1-2 | 1.0079 | 1.0151 | 1.0004 | 1.0191 | 1.0210 | 1.0139 | 1.0139 |

| PREMIUMS | Policy Year | Reported SEP | Cum PDF | Ultimate SEP | Premium On-Level to 12/1/92 | ECRF | PCCPAP Factor |
|----------|-------------|--------------|---------|--------------|-----------------------------|--------|---------------|
| 19-20 | 1988 | 1887849925 | 1.0000 | 1887849925 | 1.7528 | 0.9894 | 1.0000 |
| 18-19 | 1989 | 2037148852 | 1.0000 | 2037148852 | 1.6199 | 0.9902 | 1.0000 |
| 17-18 | 1990 | 2292939227 | 1.0000 | 2292939227 | 1.4862 | 0.9913 | 1.0000 |
| 16-17 | 1991 | 2453401393 | 1.0000 | 2453401393 | 1.2445 | 0.9913 | 1.0051 |
| 15-16 | 1992 | 2343177926 | 1.0000 | 2343177926 | 1.2271 | 0.9916 | 1.0048 |
| 14-15 | 1993 | 2500615055 | 1.0000 | 2500615055 | 1.0000 | 0.9936 | 1.0048 |
| 13-14 | 1994 | 1893295736 | 1.0000 | 1893295736 | 1.0000 | 1.0000 | 1.0050 |
| 12-13 | 1995 | 1781774901 | 1.0000 | 1781774901 | 1.0000 | 1.0000 | 1.0038 |
| 11-12 | 1996 | 1792657335 | 1.0000 | 1792657335 | 1.0000 | 1.0000 | 0.9963 |
| 10-11 | 1997 | 1494849725 | 1.0000 | 1494849725 | 1.0000 | 1.0000 | 0.9937 |
| 9-10 | 1998 | 1452037050 | 1.0000 | 1452037050 | 1.0000 | 1.0000 | 0.9919 |
| 8-9 | 1999 | 1483981435 | 1.0000 | 1483981435 | 1.0000 | 1.0000 | 0.9919 |
| 7-8 | 2000 | 1504171676 | 1.0001 | 1504322093 | 1.0000 | 1.0000 | 0.9966 |
| 6-7 | 2001 | 1541621402 | 1.0020 | 1544704645 | 1.0000 | 1.0000 | 0.9974 |
| 5-6 | 2002 | 1553994837 | 1.0028 | 1558346023 | 1.0000 | 1.0000 | 0.9988 |
| 4-5 | 2003 | 1605063722 | 1.0026 | 1609236888 | 1.0000 | 1.0000 | 0.9992 |
| 3-4 | 2004 | 1675890759 | 1.0024 | 1679912897 | 1.0000 | 1.0000 | 1.0000 |
| 2-3 | 2005 | 1854972566 | 1.0049 | 1864061932 | 1.0000 | 1.0000 | 1.0016 |
| 1-2 | 2006 | 1765209118 | 1.0189 | 1798571570 | 1.0000 | 1.0000 | 1.0020 |

| PREMIUMS | Policy Year | On-Level SEP | Expected Loss Ratio 12/1/92 Level | Expected Losses 12/1/92 Level | Loss Cost On-Level To 4/1/08 | Expected Losses Current Level |
|----------|-------------|--------------|-----------------------------------|-------------------------------|------------------------------|-------------------------------|
| 1988 | 1988 | 3273947701 | 0.7815 | 2558590128 | 0.5102 | 1305392683 |
| 1989 | 1989 | 3267637647 | 0.7815 | 2553658821 | 0.5102 | 1302876730 |
| 1990 | 1990 | 3378118713 | 0.7815 | 2639999774 | 0.5102 | 1346927885 |
| 1991 | 1991 | 3042130832 | 0.7815 | 2377425245 | 0.5102 | 1212962360 |
| 1992 | 1992 | 2864846571 | 0.7815 | 2238877595 | 0.5102 | 1142275349 |
| 1993 | 1993 | 2496537252 | 0.79162914 | 1976331637 | 0.51083938 | 1009588021 |
| 1994 | 1994 | 1902762215 | 0.9869 | 1877836030 | 0.5206 | 977601437 |
| 1995 | 1995 | 1788545646 | 0.9864 | 1764221425 | 0.5236 | 923746338 |
| 1996 | 1996 | 1786024503 | 0.9789 | 1748339386 | 0.5748 | 1004945479 |
| 1997 | 1997 | 1485432172 | 0.9725 | 1444582787 | 0.7082 | 1023053530 |
| 1998 | 1998 | 1440275550 | 0.9660 | 1391306181 | 0.8054 | 1120557998 |
| 1999 | 1999 | 1471961185 | 0.9651 | 1420589740 | 0.8549 | 1214462169 |
| 2000 | 2000 | 1499207398 | 0.9925 | 1487963343 | 0.8423 | 1253311524 |
| 2001 | 2001 | 1540688413 | 0.9923 | 1528825112 | 0.8409 | 1285589037 |
| 2002 | 2002 | 1556476008 | 0.9929 | 1545425028 | 0.8326 | 1286720878 |
| 2003 | 2003 | 1607949498 | 0.9910 | 1593477953 | 0.8415 | 1340911697 |
| 2004 | 2004 | 1679912897 | 0.9906 | 1664121716 | 0.8286 | 1378891254 |
| 2005 | 2005 | 1867044431 | 0.9912 | 1850614440 | 0.8373 | 1549519471 |
| 2006 | 2006 | 1802168713 | 0.9897 | 1783606375 | 0.8973 | 1600430000 |

| INDEMNITY | Inc. LDF 00-01 | Inc. LDF 01-02 | Inc. LDF 02-03 | Inc. LDF 03-04 | Inc. LDF 04-05 | Inc. LDF 05-06 | Inc. LDF 06-07 | 2 Yr. Avg. LDF | Selected Inc. LDF |
|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|
| Beyond | 0.9901 | 1.0130 | 1.0005 | 1.0012 | 1.0082 | 1.0042 | 1.0006 | 1.0024 | 1.0039 |
| 19-20 | 1.0010 | 0.9998 | 0.9970 | 1.0005 | 1.0017 | 0.9972 | 1.0012 | 0.9992 | 0.9992 |
| 18-19 | 0.9993 | 1.0007 | 0.9998 | 0.9997 | 1.0023 | 1.0010 | 1.0010 | 1.0010 | 1.0010 |
| 17-18 | 0.9977 | 0.9989 | 1.0019 | 1.0003 | 1.0015 | 0.9991 | 1.0026 | 1.0009 | 1.0009 |
| 16-17 | 1.0006 | 1.0010 | 1.0021 | 0.9985 | 1.0032 | 1.0009 | 1.0081 | 1.0045 | 1.0045 |
| 15-16 | 0.9982 | 1.0027 | 1.0007 | 0.9995 | 1.0019 | 1.0015 | 1.0064 | 1.0040 | 1.0040 |
| 14-15 | 0.9991 | 1.0000 | 0.9989 | 0.9981 | 1.0021 | 0.9993 | 1.0039 | 1.0016 | 1.0016 |
| 13-14 | 1.0029 | 1.0038 | 1.0002 | 0.9987 | 1.0037 | 1.0007 | 1.0000 | 1.0004 | 1.0004 |
| 12-13 | 0.9983 | 1.0021 | 0.9989 | 0.9993 | 1.0039 | 0.9988 | 1.0014 | 1.0001 | 1.0001 |
| 11-12 | 0.9989 | 0.9992 | 1.0038 | 0.9986 | 1.0024 | 0.9991 | 0.9917 | 0.9954 | 0.9954 |
| 10-11 | 0.9985 | 0.9977 | 1.0013 | 1.0003 | 1.0036 | 1.0138 | 1.0006 | 1.0072 | 1.0072 |
| 9-10 | 0.9967 | 1.0004 | 1.0003 | 0.9927 | 1.0037 | 1.0059 | 1.0035 | 1.0047 | 1.0047 |
| 8-9 | 1.0015 | 0.9966 | 0.9983 | 0.9991 | 1.0077 | 1.0061 | 1.0105 | 1.0083 | 1.0083 |
| 7-8 | 1.0020 | 0.9987 | 0.9965 | 1.0026 | 1.0057 | 1.0061 | 0.9976 | 1.0019 | 1.0019 |
| 6-7 | 0.9982 | 1.0081 | 1.0151 | 1.0121 | 1.0118 | 1.0062 | 1.0068 | 1.0065 | 1.0065 |
| 5-6 | 1.0167 | 1.0105 | 1.0128 | 1.0270 | 1.0113 | 1.0052 | 1.0112 | 1.0082 | 1.0082 |
| 4-5 | 1.0280 | 1.0301 | 1.0208 | 1.0297 | 1.0234 | 1.0223 | 1.0338 | 1.0281 | 1.0281 |
| 3-4 | 1.0514 | 1.0676 | 1.0711 | 1.0635 | 1.0481 | 1.0548 | 1.0676 | 1.0612 | 1.0612 |
| 2-3 | 1.1621 | 1.1639 | 1.1682 | 1.1363 | 1.1486 | 1.1656 | 1.1529 | 1.1593 | 1.1593 |
| 1-2 | 1.4206 | 1.4337 | 1.4381 | 1.4256 | 1.3972 | 1.4119 | 1.4596 | 1.4358 | 1.4358 |

| INDEMNITY | Paid LDF 00-01 | Paid LDF 01-02 | Paid LDF 02-03 | Paid LDF 03-04 | Paid LDF 04-05 | Paid LDF 05-06 | Paid LDF 06-07 | 2 Yr. Avg. LDF | Selected Paid LDF |
|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|
| 19-20 | 1.0073 | 1.0066 | 1.0061 | 1.0062 | 1.0067 | 1.0064 | 1.0051 | 1.0058 | 1.0058 |
| 18-19 | 1.0103 | 1.0079 | 1.0070 | 1.0071 | 1.0069 | 1.0048 | 1.0054 | 1.0051 | 1.0051 |
| 17-18 | 1.0073 | 1.0075 | 1.0069 | 1.0088 | 1.0055 | 1.0060 | 1.0053 | 1.0057 | 1.0057 |
| 16-17 | 1.0102 | 1.0082 | 1.0083 | 1.0076 | 1.0066 | 1.0060 | 1.0069 | 1.0065 | 1.0065 |
| 15-16 | 1.0123 | 1.0128 | 1.0078 | 1.0083 | 1.0068 | 1.0066 | 1.0081 | 1.0074 | 1.0074 |
| 14-15 | 1.0117 | 1.0101 | 1.0096 | 1.0077 | 1.0078 | 1.0076 | 1.0130 | 1.0103 | 1.0103 |
| 13-14 | 1.0113 | 1.0101 | 1.0100 | 1.0113 | 1.0098 | 1.0090 | 1.0086 | 1.0088 | 1.0088 |
| 12-13 | 1.0125 | 1.0135 | 1.0104 | 1.0124 | 1.0121 | 1.0102 | 1.0102 | 1.0102 | 1.0102 |
| 11-12 | 1.0154 | 1.0139 | 1.0127 | 1.0151 | 1.0155 | 1.0109 | 1.0114 | 1.0112 | 1.0112 |
| 10-11 | 1.0168 | 1.0156 | 1.0172 | 1.0159 | 1.0174 | 1.0119 | 1.0128 | 1.0124 | 1.0124 |
| 9-10 | 1.0199 | 1.0216 | 1.0209 | 1.0179 | 1.0153 | 1.0149 | 1.0190 | 1.0170 | 1.0170 |
| 8-9 | 1.0286 | 1.0232 | 1.0235 | 1.0227 | 1.0188 | 1.0192 | 1.0237 | 1.0215 | 1.0215 |
| 7-8 | 1.0283 | 1.0287 | 1.0291 | 1.0276 | 1.0243 | 1.0305 | 1.0230 | 1.0268 | 1.0268 |
| 6-7 | 1.0415 | 1.0409 | 1.0369 | 1.0354 | 1.0359 | 1.0356 | 1.0296 | 1.0326 | 1.0326 |
| 5-6 | 1.0633 | 1.0540 | 1.0601 | 1.0586 | 1.0531 | 1.0545 | 1.0544 | 1.0545 | 1.0545 |
| 4-5 | 1.0933 | 1.0930 | 1.0999 | 1.1059 | 1.1017 | 1.0883 | 1.0983 | 1.0933 | 1.0933 |
| 3-4 | 1.1714 | 1.1937 | 1.1907 | 1.1763 | 1.1708 | 1.1599 | 1.1695 | 1.1647 | 1.1647 |
| 2-3 | 1.3740 | 1.3892 | 1.3803 | 1.3736 | 1.3889 | 1.3896 | 1.3845 | 1.3871 | 1.3871 |
| 1-2 | 1.7952 | 1.8299 | 1.8587 | 1.8246 | 1.8170 | 1.8408 | 1.9094 | 1.8751 | 1.8751 |

| INDEMNITY | Pd-Inc. LDF 00-01 | Pd-Inc. LDF 01-02 | Pd-Inc. LDF 02-03 | Pd-Inc. LDF 03-04 | Pd-Inc. LDF 04-05 | Pd-Inc. LDF 05-06 | Pd-Inc. LDF 06-07 | 2 Yr. Avg. Pd-Inc. LDF | Selected Pd-Inc. LDF |
|-----------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------------|-------------------------|
| 19-20 | 1.0723 | 1.0714 | 1.0566 | 1.0587 | 1.0557 | 1.0521 | 1.0419 | 1.0470 | 1.0470 |
| 18-19 | 1.0796 | 1.0669 | 1.0675 | 1.0637 | 1.0606 | 1.0456 | 1.0484 | 1.0470 | 1.0470 |
| 17-18 | 1.0710 | 1.0746 | 1.0739 | 1.0702 | 1.0520 | 1.0536 | 1.0490 | 1.0513 | 1.0513 |
| 16-17 | 1.0835 | 1.0790 | 1.0793 | 1.0589 | 1.0581 | 1.0524 | 1.0637 | 1.0581 | 1.0581 |
| 15-16 | 1.0857 | 1.0881 | 1.0708 | 1.0667 | 1.0599 | 1.0620 | 1.0746 | 1.0683 | 1.0683 |
| 14-15 | 1.0975 | 1.0812 | 1.0793 | 1.0687 | 1.0702 | 1.0759 | 1.0892 | 1.0826 | 1.0826 |
| 13-14 | 1.0906 | 1.0877 | 1.0796 | 1.0808 | 1.0880 | 1.0946 | 1.0856 | 1.0901 | 1.0901 |
| 12-13 | 1.0987 | 1.0906 | 1.0881 | 1.1020 | 1.1018 | 1.0968 | 1.0880 | 1.0924 | 1.0924 |
| 11-12 | 1.1007 | 1.1025 | 1.1119 | 1.1173 | 1.1186 | 1.0984 | 1.0809 | 1.0897 | 1.0897 |
| 10-11 | 1.1182 | 1.1199 | 1.1356 | 1.1354 | 1.1213 | 1.1030 | 1.0826 | 1.0928 | 1.0928 |
| 9-10 | 1.1396 | 1.1530 | 1.1550 | 1.1380 | 1.1099 | 1.0981 | 1.0693 | 1.0837 | 1.0837 |
| 8-9 | 1.1909 | 1.1750 | 1.1703 | 1.1335 | 1.1132 | 1.0860 | 1.0880 | 1.0870 | 1.0870 |
| 7-8 | 1.2103 | 1.1990 | 1.1650 | 1.1370 | 1.1016 | 1.1094 | 1.0832 | 1.0963 | 1.0963 |
| 6-7 | 1.2456 | 1.2147 | 1.1777 | 1.1343 | 1.1415 | 1.1244 | 1.1112 | 1.1178 | 1.1178 |
| 5-6 | 1.2870 | 1.2181 | 1.1883 | 1.1988 | 1.1750 | 1.1639 | 1.1425 | 1.1532 | 1.1532 |
| 4-5 | 1.3287 | 1.2768 | 1.2877 | 1.2877 | 1.2749 | 1.2296 | 1.2569 | 1.2433 | 1.2433 |
| 3-4 | 1.4641 | 1.4973 | 1.4865 | 1.4648 | 1.4060 | 1.4103 | 1.3888 | 1.3996 | 1.3996 |
| 2-3 | 1.9277 | 1.9139 | 1.9012 | 1.8396 | 1.8524 | 1.8077 | 1.8358 | 1.8218 | 1.8218 |
| 1-2 | 2.9593 | 2.9712 | 3.0147 | 2.9273 | 2.8087 | 2.9311 | 2.9424 | 2.9368 | 2.9368 |

| INDEMNITY | Selected Paid LDF | Selected Pd-Incur LDF | Selected Incurred LDF |
|-----------|-------------------------|-----------------------------|-----------------------------|
| Beyond | | | 1.0039 |
| 19-20 | 1.0058 | 1.0470 | 0.9992 |
| 18-19 | 1.0051 | 1.0470 | 1.0010 |
| 17-18 | 1.0057 | 1.0513 | 1.0009 |
| 16-17 | 1.0065 | 1.0581 | 1.0045 |
| 15-16 | 1.0074 | 1.0683 | 1.0040 |
| 14-15 | 1.0103 | 1.0826 | 1.0016 |
| 13-14 | 1.0088 | 1.0901 | 1.0004 |
| 12-13 | 1.0102 | 1.0924 | 1.0001 |
| 11-12 | 1.0112 | 1.0897 | 0.9954 |
| 10-11 | 1.0124 | 1.0928 | 1.0072 |
| 9-10 | 1.0170 | 1.0837 | 1.0047 |
| 8-9 | 1.0215 | 1.0870 | 1.0083 |
| 7-8 | 1.0268 | 1.0963 | 1.0019 |
| 6-7 | 1.0326 | 1.1178 | 1.0065 |
| 5-6 | 1.0545 | 1.1532 | 1.0082 |
| 4-5 | 1.0933 | 1.2433 | 1.0281 |
| 3-4 | 1.1647 | 1.3996 | 1.0612 |
| 2-3 | 1.3871 | 1.8218 | 1.1593 |
| 1-2 | 1.8751 | 2.9368 | 1.4358 |

| INDEMNITY | Policy Year | Incurred LDF | Paid to 20th LDF |
|-----------|----------------|-----------------|---------------------|
| Beyond | | 1.0039 | 1.0039 |
| 19-20 | 1988 | 0.9992 | 1.0470 |
| 18-19 | 1989 | 1.0010 | 1.0051 |
| 17-18 | 1990 | 1.0009 | 1.0057 |
| 16-17 | 1991 | 1.0045 | 1.0065 |
| 15-16 | 1992 | 1.0040 | 1.0074 |
| 14-15 | 1993 | 1.0016 | 1.0103 |
| 13-14 | 1994 | 1.0004 | 1.0088 |
| 12-13 | 1995 | 1.0001 | 1.0102 |
| 11-12 | 1996 | 0.9954 | 1.0112 |
| 10-11 | 1997 | 1.0072 | 1.0124 |
| 9-10 | 1998 | 1.0047 | 1.0170 |
| 8-9 | 1999 | 1.0083 | 1.0215 |
| 7-8 | 2000 | 1.0019 | 1.0268 |
| 6-7 | 2001 | 1.0065 | 1.0326 |
| 5-6 | 2002 | 1.0082 | 1.0545 |
| 4-5 | 2003 | 1.0281 | 1.0933 |
| 3-4 | 2004 | 1.0612 | 1.1647 |
| 2-3 | 2005 | 1.1593 | 1.3871 |
| 1-2 | 2006 | 1.4358 | 1.8751 |

| INDEMNITY | Policy Year | Incurred Cum LDF | Paid to 20th Cum LDF |
|-----------|----------------|---------------------|-------------------------|
| Beyond | | 1.0039 | 1.0039 |
| 19-20 | 1988 | 1.0031 | 1.0511 |
| 18-19 | 1989 | 1.0041 | 1.0564 |
| 17-18 | 1990 | 1.005 | 1.0625 |
| 16-17 | 1991 | 1.0095 | 1.0694 |
| 15-16 | 1992 | 1.0136 | 1.0773 |
| 14-15 | 1993 | 1.0152 | 1.0884 |
| 13-14 | 1994 | 1.0156 | 1.098 |
| 12-13 | 1995 | 1.0157 | 1.1092 |
| 11-12 | 1996 | 1.011 | 1.1216 |
| 10-11 | 1997 | 1.0183 | 1.1355 |
| 9-10 | 1998 | 1.0231 | 1.1548 |
| 8-9 | 1999 | 1.0316 | 1.1796 |
| 7-8 | 2000 | 1.0335 | 1.2112 |
| 6-7 | 2001 | 1.0403 | 1.2507 |
| 5-6 | 2002 | 1.0488 | 1.3189 |
| 4-5 | 2003 | 1.0783 | 1.4419 |
| 3-4 | 2004 | 1.1442 | 1.6794 |
| 2-3 | 2005 | 1.3265 | 2.3295 |
| 1-2 | 2006 | 1.9046 | 4.3681 |

| INDEMNITY | Policy Year | Benefit Level Factor | LAE |
|-----------|----------------|-------------------------|--------|
| Beyond | | | |
| 19-20 | 1988 | 0.9943 | 1.0000 |
| 18-19 | 1989 | 0.9943 | 1.0000 |
| 17-18 | 1990 | 0.9943 | 1.0000 |
| 16-17 | 1991 | 0.9943 | 1.0000 |
| 15-16 | 1992 | 0.9946 | 1.0000 |
| 14-15 | 1993 | 0.9987 | 1.0000 |
| 13-14 | 1994 | 1.0000 | 1.0000 |
| 12-13 | 1995 | 1.0000 | 1.0000 |
| 11-12 | 1996 | 1.0000 | 1.0000 |
| 10-11 | 1997 | 1.0000 | 1.0000 |
| 9-10 | 1998 | 1.0000 | 1.0000 |
| 8-9 | 1999 | 1.0000 | 1.0000 |
| 7-8 | 2000 | 1.0000 | 1.0000 |
| 6-7 | 2001 | 1.0000 | 1.0000 |
| 5-6 | 2002 | 1.0000 | 1.0000 |
| 4-5 | 2003 | 1.0000 | 1.0000 |
| 3-4 | 2004 | 1.0000 | 1.0000 |
| 2-3 | 2005 | 1.0000 | 1.0000 |
| 1-2 | 2006 | 1.0000 | 1.0000 |

| INDEMNITY | Policy Year | Incurred Base | Paid to 20th Base |
|-----------|-------------|---------------|-------------------|
| Beyond | | | |
| 19-20 | 1988 | 963969035 | 924396009 |
| 18-19 | 1989 | 1119259447 | 1072690049 |
| 17-18 | 1990 | 1155308898 | 1093686550 |
| 16-17 | 1991 | 1022701672 | 959337696 |
| 15-16 | 1992 | 885287437 | 823392376 |
| 14-15 | 1993 | 768617548 | 714065952 |
| 13-14 | 1994 | 703864426 | 653532398 |
| 12-13 | 1995 | 613906940 | 574442834 |
| 11-12 | 1996 | 527571873 | 493521264 |
| 10-11 | 1997 | 557946207 | 531708671 |
| 9-10 | 1998 | 586225438 | 551582010 |
| 8-9 | 1999 | 665546631 | 628614696 |
| 7-8 | 2000 | 703313786 | 651677529 |
| 6-7 | 2001 | 667798387 | 616275673 |
| 5-6 | 2002 | 655002014 | 572369017 |
| 4-5 | 2003 | 615581565 | 518353463 |
| 3-4 | 2004 | 617632028 | 465796461 |
| 2-3 | 2005 | 553629121 | 359257803 |
| 1-2 | 2006 | 388182585 | 193536358 |

| INDEMNITY | Policy Year | Proj Ult Incurred (Avg Pd & Inc) | Proj Ult Incurred (Incur) | Proj Ult Incurred (Pd-20) |
|-----------|-------------|----------------------------------|---------------------------|---------------------------|
| Beyond | | | | |
| 19-20 | 1988 | 969294992 | 966957339 | 971632645 |
| 18-19 | 1989 | 1128519090 | 1123848411 | 1133189768 |
| 17-18 | 1990 | 1161563701 | 1161085442 | 1162041959 |
| 16-17 | 1991 | 1029166535 | 1032417338 | 1025915732 |
| 15-16 | 1992 | 892183977 | 897327346 | 887040607 |
| 14-15 | 1993 | 778744959 | 780300535 | 777189382 |
| 13-14 | 1994 | 716211642 | 714844711 | 717578573 |
| 12-13 | 1995 | 630358635 | 623545279 | 637171991 |
| 11-12 | 1996 | 543454307 | 533375164 | 553533450 |
| 10-11 | 1997 | 585955910 | 568156623 | 603755196 |
| 9-10 | 1998 | 618367076 | 599767246 | 636966905 |
| 8-9 | 1999 | 714045900 | 686577905 | 741513895 |
| 7-8 | 2000 | 758093311 | 726874798 | 789311823 |
| 6-7 | 2001 | 732743323 | 694710662 | 770775984 |
| 5-6 | 2002 | 720931805 | 686966112 | 754897497 |
| 4-5 | 2003 | 705597730 | 663781602 | 747413858 |
| 3-4 | 2004 | 744476572 | 706694566 | 782258577 |
| 2-3 | 2005 | 785640041 | 734389029 | 836891052 |
| 1-2 | 2006 | 792359358 | 739332551 | 845386165 |

| INDEMNITY | Policy Year | Adjusted Incurred (Avg Pd & Inc) | Adjusted Incurred (Incur) | Adjusted Incurred (Pd-20) |
|-----------|-------------|----------------------------------|---------------------------|---------------------------|
| Beyond | | | | |
| 19-20 | 1988 | 963770011 | 961445682 | 966094339 |
| 18-19 | 1989 | 1122086531 | 1117442475 | 1126730586 |
| 17-18 | 1990 | 1154942788 | 1154467255 | 1155418320 |
| 16-17 | 1991 | 1023300286 | 1026532559 | 1020068012 |
| 15-16 | 1992 | 887366184 | 892481778 | 882250588 |
| 14-15 | 1993 | 777732591 | 779286144 | 776179036 |
| 13-14 | 1994 | 716211642 | 714844711 | 717578573 |
| 12-13 | 1995 | 630358635 | 623545279 | 637171991 |
| 11-12 | 1996 | 543454307 | 533375164 | 553533450 |
| 10-11 | 1997 | 585955910 | 568156623 | 603755196 |
| 9-10 | 1998 | 618367076 | 599767246 | 636966905 |
| 8-9 | 1999 | 714045900 | 686577905 | 741513895 |
| 7-8 | 2000 | 758093311 | 726874798 | 789311823 |
| 6-7 | 2001 | 732743323 | 694710662 | 770775984 |
| 5-6 | 2002 | 720931805 | 686966112 | 754897497 |
| 4-5 | 2003 | 705597730 | 663781602 | 747413858 |
| 3-4 | 2004 | 744476572 | 706694566 | 782258577 |
| 2-3 | 2005 | 785640041 | 734389029 | 836891052 |
| 1-2 | 2006 | 792359358 | 739332551 | 845386165 |

| INDEMNITY | | Loss | Loss | Loss |
|-----------|----------------|---------|---------|------|
| Policy | Ratio | Ratio | Ratio | |
| Year | (Avg Pd & Inc) | (Incur) | (Pd-20) | |
| 1988 | 0.7383 | 0.7365 | 0.7401 | |
| 1989 | 0.8612 | 0.8577 | 0.8648 | |
| 1990 | 0.8575 | 0.8571 | 0.8578 | |
| 1991 | 0.8436 | 0.8463 | 0.8410 | |
| 1992 | 0.7768 | 0.7813 | 0.7724 | |
| 1993 | 0.7703 | 0.7719 | 0.7688 | |
| 1994 | 0.7326 | 0.7312 | 0.7340 | |
| 1995 | 0.6824 | 0.6750 | 0.6898 | |
| 1996 | 0.5408 | 0.5308 | 0.5508 | |
| 1997 | 0.5728 | 0.5554 | 0.5902 | |
| 1998 | 0.5518 | 0.5352 | 0.5684 | |
| 1999 | 0.5880 | 0.5653 | 0.6106 | |
| 2000 | 0.6049 | 0.5800 | 0.6298 | |
| 2001 | 0.5700 | 0.5404 | 0.5996 | |
| 2002 | 0.5603 | 0.5339 | 0.5867 | |
| 2003 | 0.5262 | 0.4950 | 0.5574 | |
| 2004 | 0.5399 | 0.5125 | 0.5673 | |
| 2005 | 0.5070 | 0.4739 | 0.5401 | |
| 2006 | 0.4951 | 0.4620 | 0.5282 | |

| INDEMNITY FREQUENCY | | Claim | Normalized | Fitted | Frequency | Frequency |
|---------------------|-----------|-----------|------------|------------|--------------------|--------------|
| Policy | Frequency | Frequency | Frequency | Frequency* | Trended to 4/1/10* | Trend Factor |
| Year | | | | | | |
| 1995 | | 33.18 | 1.0000 | | | |
| 1996 | | 30.18 | 0.9096 | | | |
| 1997 | | 28.56 | 0.8608 | | | |
| 1998 | | 26.58 | 0.8011 | | | |
| 1999 | | 25.17 | 0.7586 | | | |
| 2000 | | 23.58 | 0.7107 | | | |
| 2001 | | 21.76 | 0.6558 | | | |
| 2002 | | 20.86 | 0.6287 | | | |
| 2003 | | 19.16 | 0.5775 | | | |
| 2004 | | 18.19 | 0.5483 | 18.08 | 13.83 | 0.7649 |
| 2005 | | 16.81 | 0.5067 | 17.08 | 13.83 | 0.8097 |
| 2006 | | 16.24 | 0.4895 | 16.19 | 13.83 | 0.8542 |

* $y=1/(a+b*x)$ a=0.03097, b=0.003240

| INDEMNITY SEVERITY RATIOS | | Severity | Severity | Severity |
|---------------------------|----------------|----------|----------|----------|
| Policy | Ratio | Ratio | Ratio | |
| Year | (Avg Pd & Inc) | (Incur) | (Pd-20) | |
| 1995 | 0.6824 | 0.6750 | 0.6898 | |
| 1996 | 0.5945 | 0.5836 | 0.6055 | |
| 1997 | 0.6654 | 0.6452 | 0.6856 | |
| 1998 | 0.6888 | 0.6681 | 0.7095 | |
| 1999 | 0.7751 | 0.7452 | 0.8049 | |
| 2000 | 0.8511 | 0.8161 | 0.8862 | |
| 2001 | 0.8692 | 0.8240 | 0.9143 | |
| 2002 | 0.8912 | 0.8492 | 0.9332 | |
| 2003 | 0.9112 | 0.8571 | 0.9652 | |
| 2004 | 0.9847 | 0.9347 | 1.0347 | |
| 2005 | 1.0006 | 0.9353 | 1.0659 | |
| 2006 | 1.0114 | 0.9438 | 1.0791 | |

| INDEMNITY Linear FITTED | Policy Year | Severity Ratio (Avg Pd & Inc) | Severity Ratio (Incur) | Severity Ratio (Pd-20) |
|--------------------------------------|----------------|-------------------------------------|------------------------------|------------------------------|
| 4 Point | 2003 | 0.9295 | 0.8786 | 0.9803 |
| | 2004 | 0.9612 | 0.9047 | 1.0176 |
| | 2005 | 0.9928 | 0.9308 | 1.0549 |
| | 2006 | 1.0245 | 0.9568 | 1.0922 |
| 5 Point | 2002 | 0.8939 | 0.8505 | 0.9371 |
| | 2003 | 0.9268 | 0.8773 | 0.9764 |
| | 2004 | 0.9598 | 0.9040 | 1.0156 |
| | 2005 | 0.9928 | 0.9308 | 1.0549 |
| | 2006 | 1.0258 | 0.9575 | 1.0941 |
| 6 Point | 2001 | 0.8652 | 0.8239 | 0.9065 |
| | 2002 | 0.8970 | 0.8506 | 0.9434 |
| | 2003 | 0.9288 | 0.8773 | 0.9803 |
| | 2004 | 0.9606 | 0.9040 | 1.0172 |
| | 2005 | 0.9924 | 0.9308 | 1.0541 |
| | 2006 | 1.0242 | 0.9575 | 1.0910 |
| 7 Point | 2000 | 0.8416 | 0.8060 | 0.8773 |
| | 2001 | 0.8715 | 0.8307 | 0.9124 |
| | 2002 | 0.9014 | 0.8553 | 0.9475 |
| | 2003 | 0.9313 | 0.8800 | 0.9827 |
| | 2004 | 0.9612 | 0.9047 | 1.0178 |
| | 2005 | 0.9911 | 0.9294 | 1.0529 |
| | 2006 | 1.0210 | 0.9541 | 1.0880 |
| 8 Point | 1999 | 0.7965 | 0.7663 | 0.8266 |
| | 2000 | 0.8294 | 0.7939 | 0.8649 |
| | 2001 | 0.8624 | 0.8216 | 0.9031 |
| | 2002 | 0.8953 | 0.8493 | 0.9413 |
| | 2003 | 0.9283 | 0.8770 | 0.9796 |
| | 2004 | 0.9612 | 0.9047 | 1.0178 |
| | 2005 | 0.9942 | 0.9324 | 1.0560 |
| | 2006 | 1.0272 | 0.9601 | 1.0942 |
| 9 Point | 1998 | 0.7353 | 0.7119 | 0.7586 |
| | 1999 | 0.7732 | 0.7443 | 0.8021 |
| | 2000 | 0.8112 | 0.7767 | 0.8456 |
| | 2001 | 0.8491 | 0.8091 | 0.8891 |
| | 2002 | 0.8870 | 0.8415 | 0.9326 |
| | 2003 | 0.9250 | 0.8739 | 0.9760 |
| | 2004 | 0.9629 | 0.9063 | 1.0195 |
| | 2005 | 1.0008 | 0.9387 | 1.0630 |
| 10 Point | 1997 | 0.6863 | 0.6677 | 0.7049 |
| | 1998 | 0.7260 | 0.7019 | 0.7500 |
| | 1999 | 0.7657 | 0.7362 | 0.7951 |
| | 2000 | 0.8054 | 0.7705 | 0.8402 |
| | 2001 | 0.8450 | 0.8047 | 0.8853 |
| | 2002 | 0.8847 | 0.8390 | 0.9304 |
| | 2003 | 0.9244 | 0.8733 | 0.9755 |
| | 2004 | 0.9641 | 0.9075 | 1.0206 |
| | 2005 | 1.0037 | 0.9418 | 1.0657 |
| | 2006 | 1.0434 | 0.9761 | 1.1108 |

| INDEMNITY Linear TRENDED | | Severity Ratio (Avg Pd & Inc) | Severity Ratio (Incur) | Severity Ratio (Pd-20) |
|---------------------------------------|--------|-------------------------------------|------------------------------|------------------------------|
| 4 Point | Fitted | 1.1273 | 1.0416 | 1.2134 |
| 5 Point | Fitted | 1.1330 | 1.0444 | 1.2217 |
| 6 Point | Fitted | 1.1275 | 1.0443 | 1.2109 |
| 7 Point | Fitted | 1.1182 | 1.0343 | 1.2022 |
| 8 Point | Fitted | 1.1342 | 1.0501 | 1.2185 |
| 9 Point | Fitted | 1.1621 | 1.0763 | 1.2478 |
| 10 Point | Fitted | 1.1724 | 1.0874 | 1.2574 |

| INDEMNITY Linear Severity Trend Factor | | Sev Trend Factor (Avg Pd & Inc) | Sev Trend Factor (Incur) | Sev Trend Factor (Pd-20) |
|---|------|---------------------------------------|--------------------------------|--------------------------------|
| 4 Point | 2004 | 1.1729 | 1.1513 | 1.1924 |
| | 2005 | 1.1355 | 1.1190 | 1.1502 |
| | 2006 | 1.1004 | 1.0886 | 1.1110 |
| 5 Point | 2004 | 1.1804 | 1.1553 | 1.2029 |
| | 2005 | 1.1412 | 1.1221 | 1.1581 |
| | 2006 | 1.1045 | 1.0908 | 1.1166 |
| 6 Point | 2004 | 1.1737 | 1.1551 | 1.1905 |
| | 2005 | 1.1361 | 1.1220 | 1.1488 |
| | 2006 | 1.1009 | 1.0907 | 1.1099 |
| 7 Point | 2004 | 1.1633 | 1.1432 | 1.1812 |
| | 2005 | 1.1282 | 1.1129 | 1.1418 |
| | 2006 | 1.0952 | 1.0841 | 1.1049 |
| 8 Point | 2004 | 1.1800 | 1.1607 | 1.1972 |
| | 2005 | 1.1409 | 1.1262 | 1.1538 |
| | 2006 | 1.1043 | 1.0937 | 1.1135 |
| 9 Point | 2004 | 1.2068 | 1.1876 | 1.2239 |
| | 2005 | 1.1611 | 1.1467 | 1.1739 |
| | 2006 | 1.1187 | 1.1084 | 1.1277 |
| 10 Point | 2004 | 1.2161 | 1.1982 | 1.2320 |
| | 2005 | 1.1680 | 1.1546 | 1.1799 |
| | 2006 | 1.1236 | 1.1141 | 1.1319 |

| INDEMNITY Expon'l FITTED | Policy Year | Severity Ratio (Avg Pd & Inc) | Severity Ratio (Incur) | Severity Ratio (Pd-20) |
|---------------------------------------|----------------|-------------------------------------|------------------------------|------------------------------|
| 4 Point | 2003 | 0.9292 | 0.8780 | 0.9802 |
| | 2004 | 0.9602 | 0.9038 | 1.0166 |
| | 2005 | 0.9924 | 0.9304 | 1.0543 |
| | 2006 | 1.0256 | 0.9578 | 1.0934 |
| 5 Point | 2002 | 0.8943 | 0.8507 | 0.9380 |
| | 2003 | 0.9259 | 0.8765 | 0.9752 |
| | 2004 | 0.9586 | 0.9030 | 1.0140 |
| | 2005 | 0.9924 | 0.9304 | 1.0543 |
| | 2006 | 1.0274 | 0.9586 | 1.0962 |
| 6 Point | 2001 | 0.8667 | 0.8248 | 0.9085 |
| | 2002 | 0.8964 | 0.8500 | 0.9428 |
| | 2003 | 0.9272 | 0.8761 | 0.9784 |
| | 2004 | 0.9591 | 0.9029 | 1.0153 |
| | 2005 | 0.9921 | 0.9305 | 1.0536 |
| | 2006 | 1.0262 | 0.9590 | 1.0934 |
| 7 Point | 2000 | 0.8440 | 0.8076 | 0.8804 |
| | 2001 | 0.8715 | 0.8306 | 0.9124 |
| | 2002 | 0.9000 | 0.8542 | 0.9457 |
| | 2003 | 0.9293 | 0.8785 | 0.9801 |
| | 2004 | 0.9596 | 0.9035 | 1.0157 |
| | 2005 | 0.9910 | 0.9292 | 1.0527 |
| | 2006 | 1.0233 | 0.9556 | 1.0910 |
| 8 Point | 1999 | 0.7995 | 0.7683 | 0.8306 |
| | 2000 | 0.8292 | 0.7936 | 0.8647 |
| | 2001 | 0.8600 | 0.8198 | 0.9002 |
| | 2002 | 0.8920 | 0.8468 | 0.9372 |
| | 2003 | 0.9252 | 0.8747 | 0.9757 |
| | 2004 | 0.9596 | 0.9035 | 1.0157 |
| | 2005 | 0.9954 | 0.9333 | 1.0574 |
| | 2006 | 1.0324 | 0.9640 | 1.1009 |
| 9 Point | 1998 | 0.7387 | 0.7142 | 0.7633 |
| | 1999 | 0.7720 | 0.7431 | 0.8008 |
| | 2000 | 0.8067 | 0.7731 | 0.8403 |
| | 2001 | 0.8430 | 0.8043 | 0.8816 |
| | 2002 | 0.8810 | 0.8367 | 0.9251 |
| | 2003 | 0.9206 | 0.8705 | 0.9706 |
| | 2004 | 0.9620 | 0.9057 | 1.0184 |
| | 2005 | 1.0053 | 0.9422 | 1.0685 |
| 10 Point | 1997 | 0.6923 | 0.6720 | 0.7127 |
| | 1998 | 0.7258 | 0.7015 | 0.7502 |
| | 1999 | 0.7610 | 0.7323 | 0.7897 |
| | 2000 | 0.7979 | 0.7644 | 0.8313 |
| | 2001 | 0.8366 | 0.7979 | 0.8750 |
| | 2002 | 0.8771 | 0.8330 | 0.9211 |
| | 2003 | 0.9196 | 0.8695 | 0.9696 |
| | 2004 | 0.9642 | 0.9077 | 1.0206 |
| | 2005 | 1.0109 | 0.9475 | 1.0743 |
| | 2006 | 1.0599 | 0.9891 | 1.1309 |

| INDEMNITY Expon'l | | Severity Ratio (Avg Pd & Inc) | Severity Ratio (Incur) | Severity Ratio (Pd-20) |
|-------------------|--------|-------------------------------|------------------------|------------------------|
| TRENDED | | | | |
| 4 Point | Fitted | 1.1413 | 1.0523 | 1.2309 |
| 5 Point | Fitted | 1.1499 | 1.0563 | 1.2442 |
| 6 Point | Fitted | 1.1453 | 1.0577 | 1.2333 |
| 7 Point | Fitted | 1.1358 | 1.0469 | 1.2254 |
| 8 Point | Fitted | 1.1625 | 1.0711 | 1.2547 |
| 9 Point | Fitted | 1.2122 | 1.1148 | 1.3107 |
| 10 Point | Fitted | 1.2361 | 1.1373 | 1.3360 |

| INDEMNITY Expon'l | | Sev Trend Factor (Avg Pd & Inc) | Sev Trend Factor (Incur) | Sev Trend Factor (Pd-20) |
|------------------------------|------|---------------------------------|--------------------------|--------------------------|
| Severity Trend Factor | | | | |
| 4 Point | 2004 | 1.1885 | 1.1643 | 1.2108 |
| | 2005 | 1.1501 | 1.1310 | 1.1675 |
| | 2006 | 1.1129 | 1.0987 | 1.1257 |
| 5 Point | 2004 | 1.1996 | 1.1697 | 1.2271 |
| | 2005 | 1.1587 | 1.1353 | 1.1802 |
| | 2006 | 1.1192 | 1.1019 | 1.1350 |
| 6 Point | 2004 | 1.1941 | 1.1715 | 1.2148 |
| | 2005 | 1.1544 | 1.1367 | 1.1706 |
| | 2006 | 1.1161 | 1.1029 | 1.1280 |
| 7 Point | 2004 | 1.1836 | 1.1587 | 1.2064 |
| | 2005 | 1.1462 | 1.1266 | 1.1641 |
| | 2006 | 1.1100 | 1.0955 | 1.1232 |
| 8 Point | 2004 | 1.2114 | 1.1855 | 1.2352 |
| | 2005 | 1.1679 | 1.1477 | 1.1865 |
| | 2006 | 1.1260 | 1.1111 | 1.1397 |
| 9 Point | 2004 | 1.2600 | 1.2309 | 1.2870 |
| | 2005 | 1.2058 | 1.1832 | 1.2266 |
| | 2006 | 1.1538 | 1.1372 | 1.1691 |
| 10 Point | 2004 | 1.2820 | 1.2530 | 1.3091 |
| | 2005 | 1.2228 | 1.2003 | 1.2436 |
| | 2006 | 1.1663 | 1.1498 | 1.1814 |

| INDEMNITY Linear LR Trend Factor | | LR Trend Factor (Avg Pd & Inc) | LR Trend Factor (Incur) | LR Trend Factor (Pd-20) |
|--|------|--------------------------------------|-------------------------------|-------------------------------|
| 4 Point | 2004 | 0.8972 | 0.8806 | 0.9121 |
| | 2005 | 0.9194 | 0.9061 | 0.9313 |
| | 2006 | 0.9400 | 0.9299 | 0.9490 |
| 5 Point | 2004 | 0.9029 | 0.8837 | 0.9201 |
| | 2005 | 0.9240 | 0.9086 | 0.9377 |
| | 2006 | 0.9435 | 0.9318 | 0.9538 |
| 6 Point | 2004 | 0.8978 | 0.8835 | 0.9106 |
| | 2005 | 0.9199 | 0.9085 | 0.9302 |
| | 2006 | 0.9404 | 0.9317 | 0.9481 |
| 7 Point | 2004 | 0.8898 | 0.8744 | 0.9035 |
| | 2005 | 0.9135 | 0.9011 | 0.9245 |
| | 2006 | 0.9355 | 0.9260 | 0.9438 |
| 8 Point | 2004 | 0.9026 | 0.8878 | 0.9157 |
| | 2005 | 0.9238 | 0.9119 | 0.9342 |
| | 2006 | 0.9433 | 0.9342 | 0.9512 |
| 9 Point | 2004 | 0.9231 | 0.9084 | 0.9362 |
| | 2005 | 0.9401 | 0.9285 | 0.9505 |
| | 2006 | 0.9556 | 0.9468 | 0.9633 |
| 10 Point | 2004 | 0.9302 | 0.9165 | 0.9424 |
| | 2005 | 0.9457 | 0.9349 | 0.9554 |
| | 2006 | 0.9598 | 0.9517 | 0.9669 |

| INDEMNITY Expon'l LR Trend Factor | | LR Trend Factor (Avg Pd & Inc) | LR Trend Factor (Incur) | LR Trend Factor (Pd-20) |
|---|------|--------------------------------------|-------------------------------|-------------------------------|
| 4 Point | 2004 | 0.9091 | 0.8906 | 0.9261 |
| | 2005 | 0.9312 | 0.9158 | 0.9453 |
| | 2006 | 0.9506 | 0.9385 | 0.9616 |
| 5 Point | 2004 | 0.9176 | 0.8947 | 0.9386 |
| | 2005 | 0.9382 | 0.9193 | 0.9556 |
| | 2006 | 0.9560 | 0.9412 | 0.9695 |
| 6 Point | 2004 | 0.9134 | 0.8961 | 0.9292 |
| | 2005 | 0.9347 | 0.9204 | 0.9478 |
| | 2006 | 0.9534 | 0.9421 | 0.9635 |
| 7 Point | 2004 | 0.9053 | 0.8863 | 0.9228 |
| | 2005 | 0.9281 | 0.9122 | 0.9426 |
| | 2006 | 0.9482 | 0.9358 | 0.9594 |
| 8 Point | 2004 | 0.9266 | 0.9068 | 0.9448 |
| | 2005 | 0.9456 | 0.9293 | 0.9607 |
| | 2006 | 0.9618 | 0.9491 | 0.9735 |
| 9 Point | 2004 | 0.9638 | 0.9415 | 0.9844 |
| | 2005 | 0.9763 | 0.9580 | 0.9932 |
| | 2006 | 0.9856 | 0.9714 | 0.9986 |
| 10 Point | 2004 | 0.9806 | 0.9584 | 1.0013 |
| | 2005 | 0.9901 | 0.9719 | 1.0069 |
| | 2006 | 0.9963 | 0.9822 | 1.0092 |

| INDEMNITY Linear TRENDED LR | Base Policy Year | Trended LR (Avg Pd & Inc) | Trended LR (Incur) | Trended LR (Pd-20) |
|--|------------------------|---------------------------------|--------------------------|--------------------------|
| 4 Point | 2004 | 0.4844 | 0.4513 | 0.5174 |
| | 2005 | 0.4661 | 0.4294 | 0.5030 |
| | 2006 | 0.4654 | 0.4296 | 0.5013 |
| | 3 Yr Ave | 0.4720 | 0.4368 | 0.5072 |
| 5 Point | 2004 | 0.4875 | 0.4529 | 0.5220 |
| | 2005 | 0.4685 | 0.4306 | 0.5065 |
| | 2006 | 0.4671 | 0.4305 | 0.5038 |
| | 3 Yr Ave | 0.4744 | 0.4380 | 0.5108 |
| 6 Point | 2004 | 0.4847 | 0.4528 | 0.5166 |
| | 2005 | 0.4664 | 0.4305 | 0.5024 |
| | 2006 | 0.4656 | 0.4304 | 0.5008 |
| | 3 Yr Ave | 0.4722 | 0.4379 | 0.5066 |
| 7 Point | 2004 | 0.4804 | 0.4481 | 0.5126 |
| | 2005 | 0.4631 | 0.4270 | 0.4993 |
| | 2006 | 0.4632 | 0.4278 | 0.4985 |
| | 3 Yr Ave | 0.4689 | 0.4343 | 0.5035 |
| 8 Point | 2004 | 0.4873 | 0.4550 | 0.5195 |
| | 2005 | 0.4684 | 0.4321 | 0.5046 |
| | 2006 | 0.4670 | 0.4316 | 0.5024 |
| | 3 Yr Ave | 0.4742 | 0.4396 | 0.5088 |
| 9 Point | 2004 | 0.4984 | 0.4656 | 0.5311 |
| | 2005 | 0.4766 | 0.4400 | 0.5134 |
| | 2006 | 0.4731 | 0.4374 | 0.5088 |
| | 3 Yr Ave | 0.4827 | 0.4477 | 0.5178 |
| 10 Point | 2004 | 0.5022 | 0.4697 | 0.5346 |
| | 2005 | 0.4795 | 0.4430 | 0.5160 |
| | 2006 | 0.4752 | 0.4397 | 0.5107 |
| | 3 Yr Ave | 0.4856 | 0.4508 | 0.5204 |

| INDEMNITY Expon'l TRENDED LR | Base Policy Year | Trended LR (Avg Pd & Inc) | Trended LR (Incur) | Trended LR (Pd-20) |
|---|------------------------|---------------------------------|--------------------------|--------------------------|
| 4 Point | 2004 | 0.4908 | 0.4564 | 0.5254 |
| | 2005 | 0.4721 | 0.4340 | 0.5106 |
| | 2006 | 0.4706 | 0.4336 | 0.5079 |
| | 3 Yr Ave | 0.4778 | 0.4413 | 0.5146 |
| 5 Point | 2004 | 0.4954 | 0.4585 | 0.5325 |
| | 2005 | 0.4757 | 0.4357 | 0.5161 |
| | 2006 | 0.4733 | 0.4348 | 0.5121 |
| | 3 Yr Ave | 0.4815 | 0.4430 | 0.5202 |
| 6 Point | 2004 | 0.4931 | 0.4593 | 0.5271 |
| | 2005 | 0.4739 | 0.4362 | 0.5119 |
| | 2006 | 0.4720 | 0.4353 | 0.5089 |
| | 3 Yr Ave | 0.4797 | 0.4436 | 0.5160 |
| 7 Point | 2004 | 0.4888 | 0.4542 | 0.5235 |
| | 2005 | 0.4705 | 0.4323 | 0.5091 |
| | 2006 | 0.4695 | 0.4323 | 0.5068 |
| | 3 Yr Ave | 0.4763 | 0.4396 | 0.5131 |
| 8 Point | 2004 | 0.5003 | 0.4647 | 0.5360 |
| | 2005 | 0.4794 | 0.4404 | 0.5189 |
| | 2006 | 0.4762 | 0.4385 | 0.5142 |
| | 3 Yr Ave | 0.4853 | 0.4479 | 0.5230 |
| 9 Point | 2004 | 0.5204 | 0.4825 | 0.5585 |
| | 2005 | 0.4950 | 0.4540 | 0.5364 |
| | 2006 | 0.4880 | 0.4488 | 0.5275 |
| | 3 Yr Ave | 0.5011 | 0.4618 | 0.5408 |
| 10 Point | 2004 | 0.5294 | 0.4912 | 0.5680 |
| | 2005 | 0.5020 | 0.4606 | 0.5438 |
| | 2006 | 0.4933 | 0.4538 | 0.5331 |
| | 3 Yr Ave | 0.5082 | 0.4685 | 0.5483 |

| MEDICAL | Inc. LDF 00-01 | Inc. LDF 01-02 | Inc. LDF 02-03 | Inc. LDF 03-04 | Inc. LDF 04-05 | Inc. LDF 05-06 | Inc. LDF 06-07 | 2 Yr. Avg. LDF | Selected Inc. LDF |
|---------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|
| Beyond | 1.0878 | 1.1246 | 1.0804 | 0.9969 | 1.0554 | 1.0672 | 1.0370 | 1.0521 | 1.0454 |
| 19-20 | 1.0177 | 1.0181 | 1.0096 | 1.0159 | 1.0175 | 1.0142 | 1.0101 | 1.0122 | 1.0122 |
| 18-19 | 1.0071 | 1.0143 | 1.0185 | 1.0141 | 1.0174 | 1.0144 | 1.0080 | 1.0112 | 1.0112 |
| 17-18 | 1.0155 | 1.0128 | 1.0154 | 1.0094 | 1.0180 | 1.0086 | 1.0094 | 1.0090 | 1.0090 |
| 16-17 | 1.0195 | 1.0109 | 1.0282 | 1.0111 | 1.0078 | 1.0089 | 1.0098 | 1.0094 | 1.0094 |
| 15-16 | 1.0120 | 1.0168 | 1.0180 | 1.0136 | 1.0139 | 1.0115 | 1.0133 | 1.0124 | 1.0124 |
| 14-15 | 0.9992 | 1.0084 | 1.0126 | 1.0109 | 1.0102 | 1.0108 | 1.0126 | 1.0117 | 1.0117 |
| 13-14 | 1.0105 | 1.0110 | 1.0125 | 1.0087 | 1.0183 | 1.0146 | 1.0110 | 1.0128 | 1.0128 |
| 12-13 | 1.0261 | 1.0128 | 1.0136 | 1.0076 | 1.0155 | 1.0106 | 1.0105 | 1.0106 | 1.0106 |
| 11-12 | 1.0136 | 1.0084 | 1.0172 | 1.0176 | 1.0153 | 1.0199 | 1.0134 | 1.0167 | 1.0167 |
| 10-11 | 1.0120 | 1.0154 | 1.0090 | 1.0160 | 1.0114 | 1.0206 | 1.0079 | 1.0143 | 1.0143 |
| 9-10 | 1.0155 | 1.0073 | 1.0103 | 1.0254 | 1.0169 | 1.0169 | 1.0107 | 1.0138 | 1.0138 |
| 8-9 | 1.0315 | 1.0111 | 1.0173 | 1.0221 | 1.0198 | 1.0163 | 1.0219 | 1.0191 | 1.0191 |
| 7-8 | 1.0198 | 1.0111 | 1.0101 | 1.0212 | 1.0206 | 1.0304 | 1.0163 | 1.0234 | 1.0234 |
| 6-7 | 1.0190 | 1.0218 | 1.0258 | 1.0106 | 1.0184 | 1.0080 | 1.0203 | 1.0142 | 1.0142 |
| 5-6 | 1.0214 | 1.0163 | 1.0043 | 1.0301 | 1.0227 | 1.0126 | 1.0094 | 1.0110 | 1.0110 |
| 4-5 | 1.0296 | 1.0130 | 1.0137 | 1.0306 | 1.0252 | 1.0126 | 1.0207 | 1.0167 | 1.0167 |
| 3-4 | 1.0247 | 1.0041 | 1.0192 | 1.0309 | 1.0205 | 1.0501 | 1.0273 | 1.0387 | 1.0387 |
| 2-3 | 1.0660 | 1.0554 | 1.0363 | 1.0502 | 1.0456 | 1.0681 | 1.0405 | 1.0543 | 1.0543 |
| 1-2 | 1.1438 | 1.1262 | 1.1152 | 1.1134 | 1.1072 | 1.1243 | 1.0914 | 1.1079 | 1.1079 |

| MEDICAL | Paid LDF 00-01 | Paid LDF 01-02 | Paid LDF 02-03 | Paid LDF 03-04 | Paid LDF 04-05 | Paid LDF 05-06 | Paid LDF 06-07 | 2 Yr. Avg. LDF | Selected Paid LDF |
|---------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|
| 19-20 | 1.0180 | 1.0121 | 1.0121 | 1.0128 | 1.0116 | 1.0124 | 1.0110 | 1.0117 | 1.0117 |
| 18-19 | 1.0159 | 1.0129 | 1.0120 | 1.0142 | 1.0125 | 1.0105 | 1.0100 | 1.0103 | 1.0103 |
| 17-18 | 1.0171 | 1.0125 | 1.0154 | 1.0113 | 1.0103 | 1.0101 | 1.0108 | 1.0105 | 1.0105 |
| 16-17 | 1.0135 | 1.0154 | 1.0131 | 1.0107 | 1.0103 | 1.0116 | 1.0109 | 1.0113 | 1.0113 |
| 15-16 | 1.0164 | 1.0125 | 1.0109 | 1.0115 | 1.0136 | 1.0111 | 1.0133 | 1.0122 | 1.0122 |
| 14-15 | 1.0124 | 1.0140 | 1.0188 | 1.0129 | 1.0108 | 1.0118 | 1.0127 | 1.0123 | 1.0123 |
| 13-14 | 1.0117 | 1.0133 | 1.0116 | 1.0133 | 1.0127 | 1.0135 | 1.0116 | 1.0126 | 1.0126 |
| 12-13 | 1.0132 | 1.0124 | 1.0128 | 1.0134 | 1.0143 | 1.0135 | 1.0159 | 1.0147 | 1.0147 |
| 11-12 | 1.0130 | 1.0135 | 1.0131 | 1.0144 | 1.0141 | 1.0164 | 1.0168 | 1.0166 | 1.0166 |
| 10-11 | 1.0152 | 1.0123 | 1.0153 | 1.0123 | 1.0163 | 1.0224 | 1.0129 | 1.0177 | 1.0177 |
| 9-10 | 1.0125 | 1.0160 | 1.0145 | 1.0160 | 1.0156 | 1.0165 | 1.0163 | 1.0164 | 1.0164 |
| 8-9 | 1.0169 | 1.0156 | 1.0159 | 1.0149 | 1.0151 | 1.0194 | 1.0269 | 1.0232 | 1.0232 |
| 7-8 | 1.0135 | 1.0182 | 1.0174 | 1.0172 | 1.0160 | 1.0226 | 1.0202 | 1.0214 | 1.0214 |
| 6-7 | 1.0204 | 1.0202 | 1.0210 | 1.0183 | 1.0233 | 1.0239 | 1.0226 | 1.0233 | 1.0233 |
| 5-6 | 1.0231 | 1.0214 | 1.0220 | 1.0253 | 1.0290 | 1.0273 | 1.0262 | 1.0268 | 1.0268 |
| 4-5 | 1.0302 | 1.0266 | 1.0335 | 1.0386 | 1.0351 | 1.0368 | 1.0359 | 1.0364 | 1.0364 |
| 3-4 | 1.0498 | 1.0494 | 1.0481 | 1.0587 | 1.0523 | 1.0558 | 1.0476 | 1.0517 | 1.0517 |
| 2-3 | 1.1056 | 1.1054 | 1.0964 | 1.0972 | 1.0942 | 1.1065 | 1.0904 | 1.0985 | 1.0985 |
| 1-2 | 1.3018 | 1.2905 | 1.2702 | 1.2777 | 1.2599 | 1.2908 | 1.2638 | 1.2773 | 1.2773 |

| MEDICAL | Pd-Inc. LDF 00-01 | Pd-Inc. LDF 01-02 | Pd-Inc. LDF 02-03 | Pd-Inc. LDF 03-04 | Pd-Inc. LDF 04-05 | Pd-Inc. LDF 05-06 | Pd-Inc. LDF 06-07 | 2 Yr. Avg. LDF | Selected LDF |
|---------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------|-----------------|
| 19-20 | 1.1259 | 1.1327 | 1.1017 | 1.1375 | 1.1712 | 1.1083 | 1.1167 | 1.1125 | 1.1125 |
| 18-19 | 1.1278 | 1.1090 | 1.1262 | 1.1751 | 1.1125 | 1.1172 | 1.0799 | 1.0986 | 1.0986 |
| 17-18 | 1.1094 | 1.1234 | 1.1709 | 1.1083 | 1.1194 | 1.0822 | 1.0984 | 1.0903 | 1.0903 |
| 16-17 | 1.1214 | 1.1671 | 1.1131 | 1.1149 | 1.0882 | 1.1010 | 1.0772 | 1.0891 | 1.0891 |
| 15-16 | 1.1649 | 1.0959 | 1.1151 | 1.0937 | 1.1114 | 1.0786 | 1.1045 | 1.0916 | 1.0916 |
| 14-15 | 1.0856 | 1.1093 | 1.1031 | 1.1065 | 1.0813 | 1.1029 | 1.1148 | 1.1089 | 1.1089 |
| 13-14 | 1.1110 | 1.1043 | 1.1075 | 1.0851 | 1.1104 | 1.1158 | 1.0956 | 1.1057 | 1.1057 |
| 12-13 | 1.1018 | 1.1098 | 1.0883 | 1.1042 | 1.1189 | 1.0982 | 1.1085 | 1.1034 | 1.1034 |
| 11-12 | 1.1043 | 1.0868 | 1.1143 | 1.1201 | 1.1065 | 1.1149 | 1.1257 | 1.1203 | 1.1203 |
| 10-11 | 1.0949 | 1.1107 | 1.1152 | 1.1021 | 1.1139 | 1.1357 | 1.1356 | 1.1357 | 1.1357 |
| 9-10 | 1.1053 | 1.1225 | 1.1004 | 1.1202 | 1.1282 | 1.1453 | 1.1286 | 1.1370 | 1.1370 |
| 8-9 | 1.1273 | 1.1073 | 1.1078 | 1.1223 | 1.1432 | 1.1383 | 1.1949 | 1.1666 | 1.1666 |
| 7-8 | 1.1071 | 1.1109 | 1.1241 | 1.1416 | 1.1329 | 1.1958 | 1.1616 | 1.1787 | 1.1787 |
| 6-7 | 1.1188 | 1.1403 | 1.1399 | 1.1232 | 1.1891 | 1.1703 | 1.1717 | 1.1710 | 1.1710 |
| 5-6 | 1.1387 | 1.1366 | 1.1353 | 1.1819 | 1.1953 | 1.1797 | 1.1192 | 1.1495 | 1.1495 |
| 4-5 | 1.1855 | 1.1661 | 1.2031 | 1.2081 | 1.2068 | 1.1495 | 1.1838 | 1.1667 | 1.1667 |
| 3-4 | 1.2135 | 1.2457 | 1.2266 | 1.2426 | 1.1918 | 1.2246 | 1.1940 | 1.2093 | 1.2093 |
| 2-3 | 1.3691 | 1.3356 | 1.3194 | 1.2741 | 1.2740 | 1.2860 | 1.2801 | 1.2831 | 1.2831 |
| 1-2 | 1.6454 | 1.6408 | 1.5454 | 1.5381 | 1.5152 | 1.5881 | 1.5649 | 1.5765 | 1.5765 |

| MEDICAL | Selected Paid LDF | Selected Pd-Incur LDF | Selected Incurred LDF |
|---------|-------------------------|-----------------------------|-----------------------------|
| Beyond | | | 1.0454 |
| 19-20 | 1.0117 | 1.1125 | 1.0122 |
| 18-19 | 1.0103 | 1.0986 | 1.0112 |
| 17-18 | 1.0105 | 1.0903 | 1.0090 |
| 16-17 | 1.0113 | 1.0891 | 1.0094 |
| 15-16 | 1.0122 | 1.0916 | 1.0124 |
| 14-15 | 1.0123 | 1.1089 | 1.0117 |
| 13-14 | 1.0126 | 1.1057 | 1.0128 |
| 12-13 | 1.0147 | 1.1034 | 1.0106 |
| 11-12 | 1.0166 | 1.1203 | 1.0167 |
| 10-11 | 1.0177 | 1.1357 | 1.0143 |
| 9-10 | 1.0164 | 1.1370 | 1.0138 |
| 8-9 | 1.0232 | 1.1666 | 1.0191 |
| 7-8 | 1.0214 | 1.1787 | 1.0234 |
| 6-7 | 1.0233 | 1.1710 | 1.0142 |
| 5-6 | 1.0268 | 1.1495 | 1.0110 |
| 4-5 | 1.0364 | 1.1667 | 1.0167 |
| 3-4 | 1.0517 | 1.2093 | 1.0387 |
| 2-3 | 1.0985 | 1.2831 | 1.0543 |
| 1-2 | 1.2773 | 1.5765 | 1.1079 |

| MEDICAL | Policy Year | Incurred LDF | Paid to 20th LDF |
|---------|----------------|-----------------|---------------------|
| Beyond | | 1.0454 | 1.0454 |
| 19-20 | 1988 | 1.0122 | 1.1125 |
| 18-19 | 1989 | 1.0112 | 1.0103 |
| 17-18 | 1990 | 1.0090 | 1.0105 |
| 16-17 | 1991 | 1.0094 | 1.0113 |
| 15-16 | 1992 | 1.0124 | 1.0122 |
| 14-15 | 1993 | 1.0117 | 1.0123 |
| 13-14 | 1994 | 1.0128 | 1.0126 |
| 12-13 | 1995 | 1.0106 | 1.0147 |
| 11-12 | 1996 | 1.0167 | 1.0166 |
| 10-11 | 1997 | 1.0143 | 1.0177 |
| 9-10 | 1998 | 1.0138 | 1.0164 |
| 8-9 | 1999 | 1.0191 | 1.0232 |
| 7-8 | 2000 | 1.0234 | 1.0214 |
| 6-7 | 2001 | 1.0142 | 1.0233 |
| 5-6 | 2002 | 1.0110 | 1.0268 |
| 4-5 | 2003 | 1.0167 | 1.0364 |
| 3-4 | 2004 | 1.0387 | 1.0517 |
| 2-3 | 2005 | 1.0543 | 1.0985 |
| 1-2 | 2006 | 1.1079 | 1.2773 |

| MEDICAL | Policy Year | Incurred Cum LDF | Paid to 20th Cum LDF |
|---------|----------------|---------------------|-------------------------|
| Beyond | | 1.0454 | 1.0454 |
| 19-20 | 1988 | 1.0582 | 1.163 |
| 18-19 | 1989 | 1.07 | 1.175 |
| 17-18 | 1990 | 1.0796 | 1.1873 |
| 16-17 | 1991 | 1.0898 | 1.2007 |
| 15-16 | 1992 | 1.1033 | 1.2154 |
| 14-15 | 1993 | 1.1162 | 1.2303 |
| 13-14 | 1994 | 1.1305 | 1.2458 |
| 12-13 | 1995 | 1.1425 | 1.2642 |
| 11-12 | 1996 | 1.1616 | 1.2851 |
| 10-11 | 1997 | 1.1782 | 1.3079 |
| 9-10 | 1998 | 1.1944 | 1.3293 |
| 8-9 | 1999 | 1.2172 | 1.3602 |
| 7-8 | 2000 | 1.2457 | 1.3893 |
| 6-7 | 2001 | 1.2634 | 1.4217 |
| 5-6 | 2002 | 1.2773 | 1.4598 |
| 4-5 | 2003 | 1.2986 | 1.5129 |
| 3-4 | 2004 | 1.3489 | 1.5911 |
| 2-3 | 2005 | 1.4221 | 1.7478 |
| 1-2 | 2006 | 1.5756 | 2.2325 |

| MEDICAL | Policy Year | Benefit Level Factor | LAE |
|---------|----------------|-------------------------|--------|
| Beyond | | | |
| 19-20 | 1988 | 1.0000 | 1.0000 |
| 18-19 | 1989 | 1.0000 | 1.0000 |
| 17-18 | 1990 | 1.0000 | 1.0000 |
| 16-17 | 1991 | 1.0000 | 1.0000 |
| 15-16 | 1992 | 1.0000 | 1.0000 |
| 14-15 | 1993 | 1.0000 | 1.0000 |
| 13-14 | 1994 | 1.0000 | 1.0000 |
| 12-13 | 1995 | 1.0000 | 1.0000 |
| 11-12 | 1996 | 1.0000 | 1.0000 |
| 10-11 | 1997 | 1.0000 | 1.0000 |
| 9-10 | 1998 | 1.0000 | 1.0000 |
| 8-9 | 1999 | 1.0000 | 1.0000 |
| 7-8 | 2000 | 1.0000 | 1.0000 |
| 6-7 | 2001 | 1.0000 | 1.0000 |
| 5-6 | 2002 | 1.0000 | 1.0000 |
| 4-5 | 2003 | 1.0000 | 1.0000 |
| 3-4 | 2004 | 1.0000 | 1.0000 |
| 2-3 | 2005 | 1.0000 | 1.0000 |
| 1-2 | 2006 | 1.0000 | 1.0000 |

| MEDICAL | Policy Year | Incurred Base | Paid to 20th Base |
|---------|-------------|---------------|-------------------|
| Beyond | | | |
| 19-20 | 1988 | 491094035 | 459312512 |
| 18-19 | 1989 | 603112806 | 555028763 |
| 17-18 | 1990 | 635094383 | 596034596 |
| 16-17 | 1991 | 605811389 | 555775088 |
| 15-16 | 1992 | 556125240 | 505179193 |
| 14-15 | 1993 | 472441578 | 436225639 |
| 13-14 | 1994 | 439726153 | 402982945 |
| 12-13 | 1995 | 415146952 | 374979364 |
| 11-12 | 1996 | 408908879 | 364707587 |
| 10-11 | 1997 | 437441370 | 393899002 |
| 9-10 | 1998 | 495814548 | 426093632 |
| 8-9 | 1999 | 532295468 | 467511359 |
| 7-8 | 2000 | 552116588 | 481862110 |
| 6-7 | 2001 | 503052929 | 461248066 |
| 5-6 | 2002 | 517536981 | 452884596 |
| 4-5 | 2003 | 521805618 | 457836859 |
| 3-4 | 2004 | 560760950 | 477660291 |
| 2-3 | 2005 | 558758388 | 451222197 |
| 1-2 | 2006 | 489968486 | 356345602 |

| MEDICAL | Policy Year | Proj Ult Incurred (Avg Pd & Inc) | Proj Ult Incurred (Incur) | Proj Ult Incurred (Pd20) |
|---------|-------------|----------------------------------|---------------------------|--------------------------|
| Beyond | | | | |
| 19-20 | 1988 | 526928080 | 519675708 | 534180451 |
| 18-19 | 1989 | 648744750 | 645330702 | 652158797 |
| 17-18 | 1990 | 696659886 | 685647896 | 707671876 |
| 16-17 | 1991 | 663766200 | 660213252 | 667319148 |
| 15-16 | 1992 | 613783884 | 613572977 | 613994791 |
| 14-15 | 1993 | 532013847 | 527339289 | 536688404 |
| 13-14 | 1994 | 499573285 | 497110416 | 502036153 |
| 12-13 | 1995 | 474177153 | 474305393 | 474048912 |
| 11-12 | 1996 | 471837137 | 474988554 | 468685720 |
| 10-11 | 1997 | 515286964 | 515393422 | 515180505 |
| 9-10 | 1998 | 579303581 | 592200896 | 566406265 |
| 8-9 | 1999 | 641909498 | 647910044 | 635908951 |
| 7-8 | 2000 | 678611332 | 687771634 | 669451029 |
| 6-7 | 2001 | 645656723 | 635557070 | 655756375 |
| 5-6 | 2002 | 661085460 | 661049986 | 661120933 |
| 4-5 | 2003 | 685139080 | 677616776 | 692661384 |
| 3-4 | 2004 | 758207867 | 756410445 | 760005289 |
| 2-3 | 2005 | 791628230 | 794610304 | 788646156 |
| 1-2 | 2006 | 783767952 | 771994347 | 795541556 |

| MEDICAL | Policy Year | Adjusted Incurred (Avg Pd & Inc) | Adjusted Incurred (Incur) | Adjusted Incurred (Pd20) |
|---------|-------------|----------------------------------|---------------------------|--------------------------|
| Beyond | | | | |
| 19-20 | 1988 | 526928080 | 519675708 | 534180451 |
| 18-19 | 1989 | 648744750 | 645330702 | 652158797 |
| 17-18 | 1990 | 696659886 | 685647896 | 707671876 |
| 16-17 | 1991 | 663766200 | 660213252 | 667319148 |
| 15-16 | 1992 | 613783884 | 613572977 | 613994791 |
| 14-15 | 1993 | 532013847 | 527339289 | 536688404 |
| 13-14 | 1994 | 499573285 | 497110416 | 502036153 |
| 12-13 | 1995 | 474177153 | 474305393 | 474048912 |
| 11-12 | 1996 | 471837137 | 474988554 | 468685720 |
| 10-11 | 1997 | 515286964 | 515393422 | 515180505 |
| 9-10 | 1998 | 579303581 | 592200896 | 566406265 |
| 8-9 | 1999 | 641909498 | 647910044 | 635908951 |
| 7-8 | 2000 | 678611332 | 687771634 | 669451029 |
| 6-7 | 2001 | 645656723 | 635557070 | 655756375 |
| 5-6 | 2002 | 661085460 | 661049986 | 661120933 |
| 4-5 | 2003 | 685139080 | 677616776 | 692661384 |
| 3-4 | 2004 | 758207867 | 756410445 | 760005289 |
| 2-3 | 2005 | 791628230 | 794610304 | 788646156 |
| 1-2 | 2006 | 783767952 | 771994347 | 795541556 |

| MEDICAL | Policy Year | Loss Ratio (Avg Pd & Inc) | Loss Ratio (Incur) | Loss Ratio (Pd-20) |
|---------|-------------|---------------------------|--------------------|--------------------|
| | 1988 | 0.4037 | 0.3981 | 0.4092 |
| | 1989 | 0.4979 | 0.4953 | 0.5006 |
| | 1990 | 0.5172 | 0.5090 | 0.5254 |
| | 1991 | 0.5472 | 0.5443 | 0.5502 |
| | 1992 | 0.5373 | 0.5371 | 0.5375 |
| | 1993 | 0.5270 | 0.5223 | 0.5316 |
| | 1994 | 0.5110 | 0.5085 | 0.5135 |
| | 1995 | 0.5133 | 0.5135 | 0.5132 |
| | 1996 | 0.4695 | 0.4727 | 0.4664 |
| | 1997 | 0.5037 | 0.5038 | 0.5036 |
| | 1998 | 0.5170 | 0.5285 | 0.5055 |
| | 1999 | 0.5286 | 0.5335 | 0.5236 |
| | 2000 | 0.5415 | 0.5488 | 0.5341 |
| | 2001 | 0.5022 | 0.4944 | 0.5101 |
| | 2002 | 0.5138 | 0.5137 | 0.5138 |
| | 2003 | 0.5110 | 0.5053 | 0.5166 |
| | 2004 | 0.5499 | 0.5486 | 0.5512 |
| | 2005 | 0.5109 | 0.5128 | 0.5090 |
| | 2006 | 0.4897 | 0.4824 | 0.4971 |

| MEDICAL FREQUENCY | Policy Year | Claim Frequency | Normalized Frequency | Fitted Frequency* | Frequency Trended to 4/1/10* | Frequency Trend Factor |
|-------------------|-------------|-----------------|----------------------|-------------------|------------------------------|------------------------|
| | 1995 | 33.18 | 1.0000 | | | |
| | 1996 | 30.18 | 0.9096 | | | |
| | 1997 | 28.56 | 0.8608 | | | |
| | 1998 | 26.58 | 0.8011 | | | |
| | 1999 | 25.17 | 0.7586 | | | |
| | 2000 | 23.58 | 0.7107 | | | |
| | 2001 | 21.76 | 0.6558 | | | |
| | 2002 | 20.86 | 0.6287 | | | |
| | 2003 | 19.16 | 0.5775 | | | |
| | 2004 | 18.19 | 0.5483 | 18.08 | 13.83 | 0.7649 |
| | 2005 | 16.81 | 0.5067 | 17.08 | 13.83 | 0.8097 |
| | 2006 | 16.24 | 0.4895 | 16.19 | 13.83 | 0.8542 |

* $y=1/(a+b*x)$ $a=0.03097$, $b=0.003240$

| MEDICAL SEVERITY | Policy Year | Severity Ratio (Avg Pd & Inc) | Severity Ratio (Incur) | Severity Ratio (Pd-20) |
|------------------|-------------|-------------------------------|------------------------|------------------------|
| | 1995 | 0.5133 | 0.5135 | 0.5132 |
| | 1996 | 0.5162 | 0.5197 | 0.5128 |
| | 1997 | 0.5852 | 0.5853 | 0.5850 |
| | 1998 | 0.6454 | 0.6597 | 0.6310 |
| | 1999 | 0.6968 | 0.7033 | 0.6902 |
| | 2000 | 0.7619 | 0.7722 | 0.7515 |
| | 2001 | 0.7658 | 0.7539 | 0.7778 |
| | 2002 | 0.8172 | 0.8171 | 0.8172 |
| | 2003 | 0.8848 | 0.8750 | 0.8945 |
| | 2004 | 1.0029 | 1.0005 | 1.0053 |
| | 2005 | 1.0083 | 1.0120 | 1.0045 |
| | 2006 | 1.0004 | 0.9855 | 1.0155 |

| MEDICAL Linear FITTED | Policy Year | Severity Ratio (Avg Pd & Inc) | Severity Ratio (Incur) | Severity Ratio (Pd-20) |
|------------------------------------|----------------|-------------------------------------|------------------------------|------------------------------|
| 4 Point | 2003 | 0.9213 | 0.9168 | 0.9256 |
| | 2004 | 0.9565 | 0.9511 | 0.9618 |
| | 2005 | 0.9917 | 0.9854 | 0.9981 |
| | 2006 | 1.0269 | 1.0197 | 1.0343 |
| 5 Point | 2002 | 0.8447 | 0.8433 | 0.8461 |
| | 2003 | 0.8937 | 0.8906 | 0.8967 |
| | 2004 | 0.9427 | 0.9380 | 0.9474 |
| | 2005 | 0.9917 | 0.9854 | 0.9981 |
| | 2006 | 1.0407 | 1.0328 | 1.0487 |
| 6 Point | 2001 | 0.7801 | 0.7739 | 0.7862 |
| | 2002 | 0.8333 | 0.8273 | 0.8394 |
| | 2003 | 0.8866 | 0.8806 | 0.8925 |
| | 2004 | 0.9399 | 0.9340 | 0.9457 |
| | 2005 | 0.9931 | 0.9874 | 0.9989 |
| | 2006 | 1.0464 | 1.0408 | 1.0521 |
| 7 Point | 2000 | 0.7431 | 0.7445 | 0.7416 |
| | 2001 | 0.7926 | 0.7924 | 0.7928 |
| | 2002 | 0.8421 | 0.8402 | 0.8440 |
| | 2003 | 0.8916 | 0.8880 | 0.8952 |
| | 2004 | 0.9411 | 0.9359 | 0.9464 |
| | 2005 | 0.9906 | 0.9837 | 0.9976 |
| | 2006 | 1.0401 | 1.0315 | 1.0488 |
| 8 Point | 1999 | 0.6949 | 0.6994 | 0.6903 |
| | 2000 | 0.7442 | 0.7467 | 0.7415 |
| | 2001 | 0.7934 | 0.7940 | 0.7927 |
| | 2002 | 0.8426 | 0.8413 | 0.8440 |
| | 2003 | 0.8919 | 0.8886 | 0.8952 |
| | 2004 | 0.9411 | 0.9359 | 0.9464 |
| | 2005 | 0.9904 | 0.9832 | 0.9976 |
| | 2006 | 1.0396 | 1.0304 | 1.0488 |
| 9 Point | 1998 | 0.6456 | 0.6550 | 0.6360 |
| | 1999 | 0.6948 | 0.7018 | 0.6878 |
| | 2000 | 0.7441 | 0.7486 | 0.7395 |
| | 2001 | 0.7934 | 0.7954 | 0.7913 |
| | 2002 | 0.8426 | 0.8421 | 0.8431 |
| | 2003 | 0.8919 | 0.8889 | 0.8948 |
| | 2004 | 0.9411 | 0.9357 | 0.9466 |
| | 2005 | 0.9904 | 0.9825 | 0.9983 |
| 2006 | 1.0396 | 1.0293 | 1.0501 | |
| 10 Point | 1997 | 0.5925 | 0.6003 | 0.5845 |
| | 1998 | 0.6423 | 0.6483 | 0.6362 |
| | 1999 | 0.6922 | 0.6964 | 0.6880 |
| | 2000 | 0.7421 | 0.7444 | 0.7397 |
| | 2001 | 0.7919 | 0.7924 | 0.7914 |
| | 2002 | 0.8418 | 0.8405 | 0.8431 |
| | 2003 | 0.8917 | 0.8885 | 0.8948 |
| | 2004 | 0.9415 | 0.9365 | 0.9465 |
| | 2005 | 0.9914 | 0.9846 | 0.9983 |
| | 2006 | 1.0413 | 1.0326 | 1.0500 |

| MEDICAL Linear TRENDED | | Severity Ratio (Avg Pd & Inc) | Severity Ratio (Incur) | Severity Ratio (Pd-20) |
|-------------------------------------|--------|-------------------------------------|------------------------------|------------------------------|
| 4 Point | Fitted | 1.1414 | 1.1312 | 1.1520 |
| 5 Point | Fitted | 1.1999 | 1.1868 | 1.2134 |
| 6 Point | Fitted | 1.2195 | 1.2143 | 1.2249 |
| 7 Point | Fitted | 1.2010 | 1.1870 | 1.2152 |
| 8 Point | Fitted | 1.1996 | 1.1841 | 1.2153 |
| 9 Point | Fitted | 1.1997 | 1.1813 | 1.2183 |
| 10 Point | Fitted | 1.2033 | 1.1887 | 1.2180 |

| MEDICAL Linear Severity Trend Factor | | Sev Trend Factor (Avg Pd & Inc) | Sev Trend Factor (Incur) | Sev Trend Factor (Pd-20) |
|---|------|---------------------------------------|--------------------------------|--------------------------------|
| 4 Point | 2004 | 1.1933 | 1.1893 | 1.1977 |
| | 2005 | 1.1509 | 1.1479 | 1.1542 |
| | 2006 | 1.1115 | 1.1093 | 1.1138 |
| 5 Point | 2004 | 1.2728 | 1.2652 | 1.2807 |
| | 2005 | 1.2099 | 1.2043 | 1.2157 |
| | 2006 | 1.1530 | 1.1491 | 1.1570 |
| 6 Point | 2004 | 1.2976 | 1.3000 | 1.2952 |
| | 2005 | 1.2280 | 1.2297 | 1.2263 |
| | 2006 | 1.1654 | 1.1667 | 1.1643 |
| 7 Point | 2004 | 1.2762 | 1.2684 | 1.2840 |
| | 2005 | 1.2124 | 1.2067 | 1.2181 |
| | 2006 | 1.1547 | 1.1507 | 1.1587 |
| 8 Point | 2004 | 1.2747 | 1.2653 | 1.2841 |
| | 2005 | 1.2113 | 1.2044 | 1.2182 |
| | 2006 | 1.1539 | 1.1491 | 1.1587 |
| 9 Point | 2004 | 1.2748 | 1.2625 | 1.2870 |
| | 2005 | 1.2114 | 1.2024 | 1.2203 |
| | 2006 | 1.1540 | 1.1477 | 1.1602 |
| 10 Point | 2004 | 1.2780 | 1.2693 | 1.2868 |
| | 2005 | 1.2138 | 1.2073 | 1.2202 |
| | 2006 | 1.1556 | 1.1512 | 1.1601 |

| MEDICAL Expon'l FITTED | Policy Year | Severity Ratio (Avg Pd & Inc) | Severity Ratio (Incur) | Severity Ratio (Pd-20) |
|-------------------------------------|----------------|-------------------------------------|------------------------------|------------------------------|
| 4 Point | 2003 | 0.9196 | 0.9147 | 0.9245 |
| | 2004 | 0.9547 | 0.9490 | 0.9602 |
| | 2005 | 0.9910 | 0.9846 | 0.9974 |
| | 2006 | 1.0288 | 1.0215 | 1.0360 |
| 5 Point | 2002 | 0.8440 | 0.8423 | 0.8456 |
| | 2003 | 0.8904 | 0.8873 | 0.8934 |
| | 2004 | 0.9394 | 0.9347 | 0.9440 |
| | 2005 | 0.9910 | 0.9846 | 0.9974 |
| | 2006 | 1.0455 | 1.0372 | 1.0539 |
| 6 Point | 2001 | 0.7819 | 0.7753 | 0.7884 |
| | 2002 | 0.8301 | 0.8236 | 0.8364 |
| | 2003 | 0.8812 | 0.8750 | 0.8874 |
| | 2004 | 0.9355 | 0.9295 | 0.9414 |
| | 2005 | 0.9931 | 0.9874 | 0.9988 |
| | 2006 | 1.0543 | 1.0489 | 1.0596 |
| 7 Point | 2000 | 0.7482 | 0.7492 | 0.7470 |
| | 2001 | 0.7914 | 0.7911 | 0.7916 |
| | 2002 | 0.8371 | 0.8353 | 0.8388 |
| | 2003 | 0.8855 | 0.8820 | 0.8888 |
| | 2004 | 0.9366 | 0.9313 | 0.9418 |
| | 2005 | 0.9907 | 0.9834 | 0.9980 |
| | 2006 | 1.0479 | 1.0384 | 1.0575 |
| 8 Point | 1999 | 0.7029 | 0.7069 | 0.6988 |
| | 2000 | 0.7445 | 0.7470 | 0.7418 |
| | 2001 | 0.7884 | 0.7894 | 0.7874 |
| | 2002 | 0.8350 | 0.8341 | 0.8358 |
| | 2003 | 0.8844 | 0.8814 | 0.8872 |
| | 2004 | 0.9366 | 0.9313 | 0.9418 |
| | 2005 | 0.9919 | 0.9841 | 0.9997 |
| | 2006 | 1.0505 | 1.0399 | 1.0612 |
| 9 Point | 1998 | 0.6567 | 0.6655 | 0.6478 |
| | 1999 | 0.6968 | 0.7039 | 0.6896 |
| | 2000 | 0.7394 | 0.7445 | 0.7341 |
| | 2001 | 0.7845 | 0.7874 | 0.7815 |
| | 2002 | 0.8324 | 0.8328 | 0.8319 |
| | 2003 | 0.8833 | 0.8808 | 0.8856 |
| | 2004 | 0.9372 | 0.9316 | 0.9427 |
| | 2005 | 0.9944 | 0.9854 | 1.0035 |
| 2006 | 1.0551 | 1.0422 | 1.0682 | |
| 10 Point | 1997 | 0.6071 | 0.6137 | 0.6003 |
| | 1998 | 0.6461 | 0.6516 | 0.6404 |
| | 1999 | 0.6877 | 0.6919 | 0.6832 |
| | 2000 | 0.7319 | 0.7347 | 0.7289 |
| | 2001 | 0.7790 | 0.7802 | 0.7776 |
| | 2002 | 0.8290 | 0.8284 | 0.8295 |
| | 2003 | 0.8824 | 0.8797 | 0.8849 |
| | 2004 | 0.9391 | 0.9341 | 0.9440 |
| | 2005 | 0.9995 | 0.9919 | 1.0071 |
| | 2006 | 1.0638 | 1.0532 | 1.0744 |

| MEDICAL Expon'l TRENDED | | Severity Ratio (Avg Pd & Inc) | Severity Ratio (Incur) | Severity Ratio (Pd-20) |
|--------------------------------------|--------|-------------------------------------|------------------------------|------------------------------|
| 4 Point | Fitted | 1.1616 | 1.1514 | 1.1721 |
| 5 Point | Fitted | 1.2441 | 1.2282 | 1.2603 |
| 6 Point | Fitted | 1.2803 | 1.2765 | 1.2841 |
| 7 Point | Fitted | 1.2577 | 1.2392 | 1.2765 |
| 8 Point | Fitted | 1.2660 | 1.2440 | 1.2884 |
| 9 Point | Fitted | 1.2792 | 1.2505 | 1.3089 |
| 10 Point | Fitted | 1.3026 | 1.2800 | 1.3257 |

| MEDICAL Expon'l Severity Trend Factor | | Sev Trend Factor (Avg Pd & Inc) | Sev Trend Factor (Incur) | Sev Trend Factor (Pd-20) |
|--|------|---------------------------------------|--------------------------------|--------------------------------|
| 4 Point | 2004 | 1.2168 | 1.2133 | 1.2207 |
| | 2005 | 1.1722 | 1.1694 | 1.1752 |
| | 2006 | 1.1292 | 1.1271 | 1.1314 |
| 5 Point | 2004 | 1.3244 | 1.3141 | 1.3351 |
| | 2005 | 1.2554 | 1.2474 | 1.2636 |
| | 2006 | 1.1900 | 1.1842 | 1.1959 |
| 6 Point | 2004 | 1.3686 | 1.3734 | 1.3639 |
| | 2005 | 1.2892 | 1.2929 | 1.2856 |
| | 2006 | 1.2144 | 1.2170 | 1.2118 |
| 7 Point | 2004 | 1.3428 | 1.3305 | 1.3554 |
| | 2005 | 1.2695 | 1.2601 | 1.2791 |
| | 2006 | 1.2002 | 1.1934 | 1.2071 |
| 8 Point | 2004 | 1.3517 | 1.3357 | 1.3680 |
| | 2005 | 1.2763 | 1.2640 | 1.2888 |
| | 2006 | 1.2051 | 1.1962 | 1.2141 |
| 9 Point | 2004 | 1.3650 | 1.3423 | 1.3885 |
| | 2005 | 1.2864 | 1.2691 | 1.3043 |
| | 2006 | 1.2124 | 1.1999 | 1.2253 |
| 10 Point | 2004 | 1.3871 | 1.3704 | 1.4043 |
| | 2005 | 1.3033 | 1.2905 | 1.3163 |
| | 2006 | 1.2245 | 1.2154 | 1.2339 |

| MEDICAL Linear LR Trend Factor | | LR Trend Factor (Avg Pd & Inc) | LR Trend Factor (Incur) | LR Trend Factor (Pd-20) |
|---------------------------------------|------|--------------------------------------|-------------------------------|-------------------------------|
| 4 Point | 2004 | 0.9128 | 0.9097 | 0.9161 |
| | 2005 | 0.9319 | 0.9295 | 0.9346 |
| | 2006 | 0.9494 | 0.9476 | 0.9514 |
| 5 Point | 2004 | 0.9736 | 0.9678 | 0.9796 |
| | 2005 | 0.9797 | 0.9751 | 0.9844 |
| | 2006 | 0.9849 | 0.9816 | 0.9883 |
| 6 Point | 2004 | 0.9925 | 0.9944 | 0.9907 |
| | 2005 | 0.9943 | 0.9957 | 0.9929 |
| | 2006 | 0.9955 | 0.9966 | 0.9945 |
| 7 Point | 2004 | 0.9762 | 0.9702 | 0.9821 |
| | 2005 | 0.9817 | 0.9771 | 0.9863 |
| | 2006 | 0.9863 | 0.9829 | 0.9898 |
| 8 Point | 2004 | 0.9750 | 0.9678 | 0.9822 |
| | 2005 | 0.9808 | 0.9752 | 0.9864 |
| | 2006 | 0.9857 | 0.9816 | 0.9898 |
| 9 Point | 2004 | 0.9751 | 0.9657 | 0.9844 |
| | 2005 | 0.9809 | 0.9736 | 0.9881 |
| | 2006 | 0.9857 | 0.9804 | 0.9910 |
| 10 Point | 2004 | 0.9775 | 0.9709 | 0.9843 |
| | 2005 | 0.9828 | 0.9776 | 0.9880 |
| | 2006 | 0.9871 | 0.9834 | 0.9910 |
| MEDICAL Expon'l LR Trend Factor | | LR Trend Factor (Avg Pd & Inc) | LR Trend Factor (Incur) | LR Trend Factor (Pd-20) |
| 4 Point | 2004 | 0.9307 | 0.9281 | 0.9337 |
| | 2005 | 0.9491 | 0.9469 | 0.9516 |
| | 2006 | 0.9646 | 0.9628 | 0.9664 |
| 5 Point | 2004 | 1.0130 | 1.0052 | 1.0212 |
| | 2005 | 1.0165 | 1.0100 | 1.0231 |
| | 2006 | 1.0165 | 1.0115 | 1.0215 |
| 6 Point | 2004 | 1.0468 | 1.0505 | 1.0432 |
| | 2005 | 1.0439 | 1.0469 | 1.0410 |
| | 2006 | 1.0373 | 1.0396 | 1.0351 |
| 7 Point | 2004 | 1.0271 | 1.0177 | 1.0367 |
| | 2005 | 1.0279 | 1.0203 | 1.0357 |
| | 2006 | 1.0252 | 1.0194 | 1.0311 |
| 8 Point | 2004 | 1.0339 | 1.0217 | 1.0464 |
| | 2005 | 1.0334 | 1.0235 | 1.0435 |
| | 2006 | 1.0294 | 1.0218 | 1.0371 |
| 9 Point | 2004 | 1.0441 | 1.0267 | 1.0621 |
| | 2005 | 1.0416 | 1.0276 | 1.0561 |
| | 2006 | 1.0356 | 1.0250 | 1.0467 |
| 10 Point | 2004 | 1.0610 | 1.0482 | 1.0741 |
| | 2005 | 1.0553 | 1.0449 | 1.0658 |
| | 2006 | 1.0460 | 1.0382 | 1.0540 |

| MEDICAL Linear TRENDED LR | Base Policy Year | Trended LR (Avg Pd & Inc) | Trended LR (Incur) | Trended LR (Pd-20) |
|--|------------------------|---------------------------------|--------------------------|--------------------------|
| 4 Point | 2004 | 0.5019 | 0.4991 | 0.5050 |
| | 2005 | 0.4761 | 0.4766 | 0.4757 |
| | 2006 | 0.4649 | 0.4571 | 0.4729 |
| | 3 Yr Ave | 0.4810 | 0.4776 | 0.4845 |
| 5 Point | 2004 | 0.5354 | 0.5309 | 0.5400 |
| | 2005 | 0.5005 | 0.5000 | 0.5011 |
| | 2006 | 0.4823 | 0.4735 | 0.4913 |
| | 3 Yr Ave | 0.5061 | 0.5015 | 0.5108 |
| 6 Point | 2004 | 0.5458 | 0.5455 | 0.5461 |
| | 2005 | 0.5080 | 0.5106 | 0.5054 |
| | 2006 | 0.4875 | 0.4808 | 0.4944 |
| | 3 Yr Ave | 0.5138 | 0.5123 | 0.5153 |
| 7 Point | 2004 | 0.5368 | 0.5323 | 0.5413 |
| | 2005 | 0.5016 | 0.5011 | 0.5020 |
| | 2006 | 0.4830 | 0.4742 | 0.4920 |
| | 3 Yr Ave | 0.5071 | 0.5025 | 0.5118 |
| 8 Point | 2004 | 0.5362 | 0.5309 | 0.5414 |
| | 2005 | 0.5011 | 0.5001 | 0.5021 |
| | 2006 | 0.4827 | 0.4735 | 0.4920 |
| | 3 Yr Ave | 0.5067 | 0.5015 | 0.5118 |
| 9 Point | 2004 | 0.5362 | 0.5298 | 0.5426 |
| | 2005 | 0.5011 | 0.4993 | 0.5029 |
| | 2006 | 0.4827 | 0.4729 | 0.4926 |
| | 3 Yr Ave | 0.5067 | 0.5007 | 0.5127 |
| 10 Point | 2004 | 0.5375 | 0.5326 | 0.5425 |
| | 2005 | 0.5021 | 0.5013 | 0.5029 |
| | 2006 | 0.4834 | 0.4744 | 0.4926 |
| | 3 Yr Ave | 0.5077 | 0.5028 | 0.5127 |

| MEDICAL Expon'l TRENDED LR | Base Policy Year | Trended LR (Avg Pd & Inc) | Trended LR (Incur) | Trended LR (Pd-20) |
|---|------------------------|---------------------------------|--------------------------|--------------------------|
| 4 Point | 2004 | 0.5118 | 0.5092 | 0.5147 |
| | 2005 | 0.4849 | 0.4856 | 0.4844 |
| | 2006 | 0.4724 | 0.4645 | 0.4804 |
| | 3 Yr Ave | 0.4897 | 0.4864 | 0.4932 |
| 5 Point | 2004 | 0.5570 | 0.5515 | 0.5629 |
| | 2005 | 0.5193 | 0.5179 | 0.5208 |
| | 2006 | 0.4978 | 0.4879 | 0.5078 |
| | 3 Yr Ave | 0.5247 | 0.5191 | 0.5305 |
| 6 Point | 2004 | 0.5756 | 0.5763 | 0.5750 |
| | 2005 | 0.5333 | 0.5369 | 0.5299 |
| | 2006 | 0.5080 | 0.5015 | 0.5145 |
| | 3 Yr Ave | 0.5390 | 0.5382 | 0.5398 |
| 7 Point | 2004 | 0.5648 | 0.5583 | 0.5714 |
| | 2005 | 0.5252 | 0.5232 | 0.5272 |
| | 2006 | 0.5020 | 0.4918 | 0.5126 |
| | 3 Yr Ave | 0.5307 | 0.5244 | 0.5371 |
| 8 Point | 2004 | 0.5685 | 0.5605 | 0.5768 |
| | 2005 | 0.5280 | 0.5249 | 0.5311 |
| | 2006 | 0.5041 | 0.4929 | 0.5155 |
| | 3 Yr Ave | 0.5335 | 0.5261 | 0.5411 |
| 9 Point | 2004 | 0.5742 | 0.5632 | 0.5854 |
| | 2005 | 0.5322 | 0.5270 | 0.5376 |
| | 2006 | 0.5071 | 0.4945 | 0.5203 |
| | 3 Yr Ave | 0.5378 | 0.5282 | 0.5478 |
| 10 Point | 2004 | 0.5834 | 0.5750 | 0.5920 |
| | 2005 | 0.5392 | 0.5358 | 0.5425 |
| | 2006 | 0.5122 | 0.5008 | 0.5239 |
| | 3 Yr Ave | 0.5449 | 0.5372 | 0.5528 |

| INDEMNITY | | (Avg Pd & Inc) | (Incur) | (Pd-20) |
|--------------|---------|----------------|---------|---------|
| Severity | | | | |
| Annual Trend | | | | |
| 4 Point | Linear | 3.0% | 2.7% | 3.3% |
| 5 Point | Linear | 3.1% | 2.7% | 3.5% |
| 6 Point | Linear | 3.0% | 2.7% | 3.3% |
| 7 Point | Linear | 2.9% | 2.5% | 3.1% |
| 8 Point | Linear | 3.1% | 2.8% | 3.4% |
| 9 Point | Linear | 3.6% | 3.3% | 3.9% |
| 10 Point | Linear | 3.7% | 3.5% | 4.0% |
| 4 Point | Expon'l | 3.3% | 2.9% | 3.7% |
| 5 Point | Expon'l | 3.5% | 3.0% | 4.0% |
| 6 Point | Expon'l | 3.4% | 3.1% | 3.8% |
| 7 Point | Expon'l | 3.3% | 2.8% | 3.6% |
| 8 Point | Expon'l | 3.7% | 3.3% | 4.1% |
| 9 Point | Expon'l | 4.5% | 4.0% | 4.9% |
| 10 Point | Expon'l | 4.8% | 4.4% | 5.3% |

| MEDICAL | | (Avg Pd & Inc) | (Incur) | (Pd-20) |
|--------------|---------|----------------|---------|---------|
| Severity | | | | |
| Annual Trend | | | | |
| 4 Point | Linear | 3.3% | 3.3% | 3.4% |
| 5 Point | Linear | 4.5% | 4.4% | 4.7% |
| 6 Point | Linear | 4.9% | 4.9% | 4.9% |
| 7 Point | Linear | 4.6% | 4.5% | 4.7% |
| 8 Point | Linear | 4.6% | 4.4% | 4.7% |
| 9 Point | Linear | 4.6% | 4.4% | 4.8% |
| 10 Point | Linear | 4.6% | 4.5% | 4.7% |
| 4 Point | Expon'l | 3.8% | 3.8% | 3.9% |
| 5 Point | Expon'l | 5.5% | 5.3% | 5.7% |
| 6 Point | Expon'l | 6.2% | 6.2% | 6.1% |
| 7 Point | Expon'l | 5.8% | 5.6% | 6.0% |
| 8 Point | Expon'l | 5.9% | 5.7% | 6.2% |
| 9 Point | Expon'l | 6.1% | 5.8% | 6.5% |
| 10 Point | Expon'l | 6.4% | 6.2% | 6.7% |

| INDEMNITY | | (Avg Pd & Inc) | (Incur) | (Pd-20) |
|--------------|---------|----------------|---------|---------|
| Loss Ratio | | | | |
| Annual Trend | | | | |
| 4 Point | Linear | -1.99% | -2.33% | -1.69% |
| 5 Point | Linear | -1.87% | -2.27% | -1.52% |
| 6 Point | Linear | -1.98% | -2.27% | -1.71% |
| 7 Point | Linear | -2.14% | -2.46% | -1.85% |
| 8 Point | Linear | -1.88% | -2.18% | -1.61% |
| 9 Point | Linear | -1.47% | -1.76% | -1.21% |
| 10 Point | Linear | -1.33% | -1.60% | -1.09% |
| 4 Point | Expon'l | -1.70% | -2.09% | -1.35% |
| 5 Point | Expon'l | -1.53% | -2.00% | -1.10% |
| 6 Point | Expon'l | -1.61% | -1.97% | -1.29% |
| 7 Point | Expon'l | -1.78% | -2.18% | -1.42% |
| 8 Point | Expon'l | -1.34% | -1.75% | -0.97% |
| 9 Point | Expon'l | -0.60% | -1.04% | -0.19% |
| 10 Point | Expon'l | -0.27% | -0.70% | 0.13% |

| MEDICAL | | (Avg Pd & Inc) | (Incur) | (Pd-20) |
|--------------|---------|----------------|---------|---------|
| Loss Ratio | | | | |
| Annual Trend | | | | |
| 4 Point | Linear | -1.68% | -1.74% | -1.61% |
| 5 Point | Linear | -0.49% | -0.60% | -0.38% |
| 6 Point | Linear | -0.14% | -0.11% | -0.17% |
| 7 Point | Linear | -0.45% | -0.56% | -0.33% |
| 8 Point | Linear | -0.46% | -0.60% | -0.33% |
| 9 Point | Linear | -0.46% | -0.64% | -0.29% |
| 10 Point | Linear | -0.42% | -0.54% | -0.29% |
| 4 Point | Expon'l | -1.26% | -1.32% | -1.20% |
| 5 Point | Expon'l | 0.36% | 0.21% | 0.51% |
| 6 Point | Expon'l | 0.99% | 1.06% | 0.92% |
| 7 Point | Expon'l | 0.62% | 0.44% | 0.81% |
| 8 Point | Expon'l | 0.75% | 0.52% | 0.98% |
| 9 Point | Expon'l | 0.94% | 0.62% | 1.27% |
| 10 Point | Expon'l | 1.25% | 1.02% | 1.49% |