

**PENNSYLVANIA COMPENSATION RATING BUREAU**

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**Summary of Material for Modification of Experience  
April 1, 2021 Loss Cost Revision**

**As Filed**

**PENNSYLVANIA 2021 LOSS COST FILING**

**EFFECTIVE DATE -April 1, 2021**

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## EXHIBIT I

### INDICATED CHANGE IN LOSS COSTS

|   | <u>Indemnity</u> | <u>Medical</u> | <u>Total</u>  |
|---|------------------|----------------|---------------|
| (1) Policy Year 2016 Ratio of Loss to Expected Loss | 0.5585           | 0.5902         | 1.1487        |
| (2) Policy Year 2017 Ratio of Loss to Expected Loss | 0.5526           | 0.5911         | 1.1437        |
| (3) Policy Year 2018 Ratio of Loss to Expected Loss | 0.5553           | 0.6322         | 1.1875        |
| (4) Average (Midpoint = 1/1/2018)                   | 0.5555           | 0.6045         | 1.1600        |
| (5) Policy Year 2016 Ratio Trended to 4/1/2022 +    | 0.4362           | 0.4830         | 0.9192        |
| (6) Policy Year 2017 Ratio Trended to 4/1/2022 +    | 0.4525           | 0.5026         | 0.9551        |
| (7) Policy Year 2018 Ratio Trended to 4/1/2022 +    | 0.4766           | 0.5584         | 1.0350        |
| (8) Average at 4/1/2022                             | 0.4551           | 0.5147         | 0.9698        |
| (9) Indicated Change in Loss Costs                  | 0.4551           | 0.5147         | 0.9698        |
|   |                  |                | <b>-3.02%</b> |

### CHANGES IN MANUAL LOSS COST LEVEL BY INDUSTRY GROUP

|  | <u>Mfg.</u> | <u>Cont.</u> | <u>Other</u> | <u>Total</u> |
|--|-------------|--------------|--------------|--------------|
| (10) Current Collectible Premium Ratio   | 1.0427      | 1.1287       | 0.9928       |              |
| (11) Anticipated Collectible Premium Ratio                                     | 1.0426      | 1.1272       | 0.9955       |              |
| (12) Final Indicated Change in Manual<br>Loss Cost Level<br>(9T) * (11) / (10) | 0.9697      | 0.9685       | 0.9724       | 0.9710       |

+ Refer to pages 20 and 21

**EXHIBIT II**

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

|            |  |                   |
|------------|--|-------------------|
| <b>(1)</b> | 2019 PCRB Member Paid Loss*  | 2,212,053,126     |
| <b>(2)</b> | 2020/2021 Fiscal Year Membership Assessment Amount   |                   |
|            | a. Administration Fund   | 53,599,112        |
|            | b. Subsequent Injury Fund  | 137,366           |
|            | c. Supersedeas Fund  | 28,842,757        |
|            | d. Uninsured Employers Guaranty Fund   | 5,582,573         |
|            | e. Total   | <u>88,161,808</u> |
| <b>(3)</b> | 2019 Employer Assessment Premium Base  | 3,553,479,446     |
| <b>(4)</b> | 2020/2021 Fiscal Year Membership Assessment Rate   |                   |
|            | a. Administration Fund (2a) / (3)  | 0.0151            |
|            | b. Subsequent Injury Fund (2b) / (3)   | 0.0000            |
|            | c. Supersedeas Fund (2c) / (3)   | 0.0081            |
|            | d. Uninsured Employers Guaranty Fund (2d) / (3)  | 0.0016            |
|            | e. Employer Assessment Factor (4a) + (4b) + (4c) + (4d)  | <u>0.0248</u>     |
| <b>(5)</b> | 2020/2021 Fiscal Year Budget for the Office of Small Business Advocate   | 280,000           |
| <b>(6)</b> | 2020/2021 Fiscal Year Membership Assessment Rate for the Office of Small Business Advocate (5) / (1)                                   | 0.0001            |
| <b>(7)</b> | Merit Rating Plan Increment Factor   | 0.0033            |
| <b>(8)</b> | Certified Safety Committee Program Increment Factor  | 0.0107            |
| <b>(9)</b> | Overall Adjustment for the Office of Small Business Advocate, Merit Rating Plan and Certified Safety Committee Program (6) + (7) + (8) | 0.0141            |

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

**EXHIBIT III - 1**

**POLICY YEAR LOSS RATIO 2018**

|  |                  |                |               |
|--|------------------|----------------|---------------|
| (1) Standard Earned Premium Reported (Table I)                         |                  |                | 1,714,406,962 |
| (2) Premium Development Factor to Ultimate Level (Exhibit V-1)         |                  |                | 1.0092        |
| (3) Expense Constant Removal Factor                                    |                  |                | 1.0000        |
| (4) PCCPAP On-Level Factor   |                  |                | 1.0062        |
| (5) Factor to Remove Loss Based Assessments                            |                  |                | 0.9864        |
| (6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)       |                  |                | 1,717,230,289 |
| (7) Loss Cost Change to 04/1/20 Level                                  |                  |                | 0.6749        |
| (8) Expected Loss at Current Level (6) * (7)                           |                  |                | 1,158,958,722 |
| <b>Losses - Paid-to-20th Method</b>                                    | <b>Indemnity</b> | <b>Medical</b> | <b>Total</b>  |
| (9) Paid Losses Reported (Table I-D-Reported & I-E-Reported)           | 239,806,810      | 438,312,112    | 678,118,922   |
| (10) Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 2.7317           | 1.6707         |               |
| (11) Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0023           | 1.0000         |               |
| (12) Ultimate Incurred Losses (9) * (10) * (11)                        | 656,556,681      | 732,288,046    | 1,388,844,727 |
| (13) Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (14) Adjusted Losses (12) * (13)                                       | 656,556,681      | 732,288,046    | 1,388,844,727 |
| (15) Policy Year Ratio of Losses to Expected Losses (14) / (8)         | 0.5665           | 0.6318         | 1.1983        |
| <b>Losses - Incurred Method</b>  |                  |                |               |
| (16) Incurred Losses Reported (Table I-B-Reported & I-C-Reported)      | 419,967,356      | 628,654,339    | 1,048,621,695 |
| (17) Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.4937           | 1.1663         |               |
| (18) Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0054           | 1.0000         |               |
| (19) Ultimate Incurred Losses (16) * (17) * (18)                       | 630,684,813      | 733,199,556    | 1,363,884,369 |
| (20) Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (21) Adjusted Losses (19) * (20)                                       | 630,684,813      | 733,199,556    | 1,363,884,369 |
| (22) Policy Year Ratio of Losses to Expected Losses (21) / (8)         | 0.5442           | 0.6326         | 1.1768        |
| <b>Losses - Average of Incurred and Paid-to-20th Method</b>            |                  |                |               |
| (23) Adjusted Ultimate Incurred Losses ((14) + (21)) / 2               | 643,620,747      | 732,743,801    | 1,376,364,548 |
| (24) Policy Year Ratio of Losses to Expected Losses (23) / (8)         | 0.5553           | 0.6322         | 1.1875        |
| (25) Normalized Claim Frequency (Exhibit VI-2)                         | 0.5863           | 0.5863         |               |
| (26) Severity Ratio * (24) / (25)                                      | 0.9471           | 1.0783         | 2.0254        |

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

**EXHIBIT III - 2**

**POLICY YEAR LOSS RATIO 2017**

|  |                  |                |               |
|--|------------------|----------------|---------------|
| (1) Standard Earned Premium Reported (Table I)                         |                  |                | 1,594,074,056 |
| (2) Premium Development Factor to Ultimate Level (Exhibit V-1)         |                  |                | 0.9995        |
| (3) Expense Constant Removal Factor                                    |                  |                | 1.0000        |
| (4) PCCPAP On-Level Factor   |                  |                | 1.0068        |
| (5) Factor to Remove Loss Based Assessments                            |                  |                | 0.9863        |
| (6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)       |                  |                | 1,582,134,978 |
| (7) Loss Cost Change to 04/1/20 Level                                  |                  |                | 0.6981        |
| (8) Expected Loss at Current Level (6) * (7)                           |                  |                | 1,104,488,428 |
| <b>Losses - Paid-to-20th Method</b>                                    | <b>Indemnity</b> | <b>Medical</b> | <b>Total</b>  |
| (9) Paid Losses Reported (Table I-D-Reported & I-E-Reported)           | 412,969,296      | 493,041,337    | 906,010,633   |
| (10) Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.5107           | 1.3474         |               |
| (11) Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0073           | 1.0000         |               |
| (12) Ultimate Incurred Losses (9) * (10) * (11)                        | 628,441,587      | 664,323,897    | 1,292,765,484 |
| (13) Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (14) Adjusted Losses (12) * (13)                                       | 628,441,587      | 664,323,897    | 1,292,765,484 |
| (15) Policy Year Ratio of Losses to Expected Losses (14) / (8)         | 0.5690           | 0.6015         | 1.1705        |
| <b>Losses - Incurred Method</b>  |                  |                |               |
| (16) Incurred Losses Reported (Table I-B-Reported & I-C-Reported)      | 525,978,410      | 575,170,843    | 1,101,149,253 |
| (17) Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.1173           | 1.1150         |               |
| (18) Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0078           | 1.0000         |               |
| (19) Ultimate Incurred Losses (16) * (17) * (18)                       | 592,261,686      | 641,315,490    | 1,233,577,176 |
| (20) Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (21) Adjusted Losses (19) * (20)                                       | 592,261,686      | 641,315,490    | 1,233,577,176 |
| (22) Policy Year Ratio of Losses to Expected Losses (21) / (8)         | 0.5362           | 0.5806         | 1.1168        |
| <b>Losses - Average of Incurred and Paid-to-20th Method</b>            |                  |                |               |
| (23) Adjusted Ultimate Incurred Losses ((14) + (21)) / 2               | 610,351,637      | 652,819,694    | 1,263,171,331 |
| (24) Policy Year Ratio of Losses to Expected Losses (23) / (8)         | 0.5526           | 0.5911         | 1.1437        |
| (25) Normalized Claim Frequency (Exhibit VI-2)                         | 0.6139           | 0.6139         |               |
| (26) Severity Ratio * (24) / (25)                                      | 0.9001           | 0.9628         | 1.8629        |

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

**EXHIBIT III - 3**

**POLICY YEAR LOSS RATIO 2016**

|  |                  |                |               |
|--|------------------|----------------|---------------|
| (1) Standard Earned Premium Reported (Table I)                         |                  |                | 1,519,599,286 |
| (2) Premium Development Factor to Ultimate Level (Exhibit V-1)         |                  |                | 0.9995        |
| (3) Expense Constant Removal Factor                                    |                  |                | 1.0000        |
| (4) PCCPAP On-Level Factor   |                  |                | 1.0078        |
| (5) Factor to Remove Loss Based Assessments                            |                  |                | 0.9853        |
| (6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)       |                  |                | 1,508,185,344 |
| (7) Loss Cost Change to 04/1/20 Level                                  |                  |                | 0.6666        |
| (8) Expected Loss at Current Level (6) * (7)                           |                  |                | 1,005,356,350 |
| <b>Losses - Paid-to-20th Method</b>                                    | <b>Indemnity</b> | <b>Medical</b> | <b>Total</b>  |
| (9) Paid Losses Reported (Table I-D-Reported & I-E-Reported)           | 457,728,654      | 476,799,520    | 934,528,174   |
| (10) Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.2441           | 1.2708         |               |
| (11) Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0119           | 1.0000         |               |
| (12) Ultimate Incurred Losses (9) * (10) * (11)                        | 576,258,523      | 605,916,830    | 1,182,175,353 |
| (13) Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (14) Adjusted Losses (12) * (13)                                       | 576,258,523      | 605,916,830    | 1,182,175,353 |
| (15) Policy Year Ratio of Losses to Expected Losses (14) / (8)         | 0.5732           | 0.6027         | 1.1759        |
| <b>Losses - Incurred Method</b>  |                  |                |               |
| (16) Incurred Losses Reported (Table I-B-Reported & I-C-Reported)      | 523,101,163      | 524,445,573    | 1,047,546,736 |
| (17) Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.0333           | 1.1076         |               |
| (18) Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0116           | 1.0000         |               |
| (19) Ultimate Incurred Losses (16) * (17) * (18)                       | 546,812,508      | 580,875,917    | 1,127,688,425 |
| (20) Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (21) Adjusted Losses (19) * (20)                                       | 546,812,508      | 580,875,917    | 1,127,688,425 |
| (22) Policy Year Ratio of Losses to Expected Losses (21) / (8)         | 0.5439           | 0.5778         | 1.1217        |
| <b>Losses - Average of Incurred and Paid-to-20th Method</b>            |                  |                |               |
| (23) Adjusted Ultimate Incurred Losses ((14) + (21)) / 2               | 561,535,516      | 593,396,374    | 1,154,931,890 |
| (24) Policy Year Ratio of Losses to Expected Losses (23) / (8)         | 0.5585           | 0.5902         | 1.1487        |
| (25) Normalized Claim Frequency (Exhibit VI-2)                         | 0.6491           | 0.6491         |               |
| (26) Severity Ratio * (24) / (25)                                      | 0.8604           | 0.9093         | 1.7697        |

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

**EXHIBIT III - 4****POLICY YEAR LOSS RATIO 2015**

|   |   |                  |                |               |
|---|---|------------------|----------------|---------------|
| (1)   | Standard Earned Premium Reported (Table I)                        |                  |                | 1,510,546,720 |
| (2)   | Premium Development Factor to Ultimate Level (Exhibit V-1)        |                  |                | 1.0002        |
| (3)   | Expense Constant Removal Factor                                   |                  |                | 1.0000        |
| (4)   | PCCPAP On-Level Factor  |                  |                | 1.0076        |
| (5)   | Factor to Remove Loss Based Assessments                           |                  |                | 0.9853        |
| (6)   | Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)      |                  |                | 1,499,953,011 |
| (7)   | Loss Cost Change to 04/1/20 Level                                 |                  |                | 0.6495        |
| (8)   | Expected Loss at Current Level (6) * (7)                          |                  |                | 974,219,481   |
| <b>Losses - Paid-to-20th Method</b>                         |   |                  |                |               |
|   |   | <b>Indemnity</b> | <b>Medical</b> | <b>Total</b>  |
| (9)   | Paid Losses Reported (Table I-D-Reported & I-E-Reported)          | 511,887,757      | 490,811,380    | 1,002,699,137 |
| (10)  | Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.1564           | 1.2469         |               |
| (11)  | Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0144           | 1.0000         |               |
| (12)  | Ultimate Incurred Losses (9) * (10) * (11)                        | 600,455,724      | 611,992,710    | 1,212,448,434 |
| (13)  | Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (14)  | Adjusted Losses (12) * (13)                                       | 600,455,724      | 611,992,710    | 1,212,448,434 |
| (15)  | Policy Year Ratio of Losses to Expected Losses (14) / (8)         | 0.6163           | 0.6282         | 1.2445        |
| <b>Losses - Incurred Method</b>                             |   |                  |                |               |
| (16)  | Incurred Losses Reported (Table I-B-Reported & I-C-Reported)      | 552,087,229      | 538,919,903    | 1,091,007,132 |
| (17)  | Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.0143           | 1.1056         |               |
| (18)  | Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0140           | 1.0000         |               |
| (19)  | Ultimate Incurred Losses (16) * (17) * (18)                       | 567,834,979      | 595,829,845    | 1,163,664,824 |
| (20)  | Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (21)  | Adjusted Losses (19) * (20)                                       | 567,834,979      | 595,829,845    | 1,163,664,824 |
| (22)  | Policy Year Ratio of Losses to Expected Losses (21) / (8)         | 0.5829           | 0.6116         | 1.1945        |
| <b>Losses - Average of Incurred and Paid-to-20th Method</b> |   |                  |                |               |
| (23)  | Adjusted Ultimate Incurred Losses ((14) + (21)) / 2               | 584,145,352      | 603,911,278    | 1,188,056,630 |
| (24)  | Policy Year Ratio of Losses to Expected Losses (23) / (8)         | 0.5996           | 0.6199         | 1.2195        |
| (25)  | Normalized Claim Frequency (Exhibit VI-2)                         | 0.6936           | 0.6936         |               |
| (26)  | Severity Ratio * (24) / (25)                                      | 0.8645           | 0.8938         | 1.7583        |

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



**EXHIBIT III - 5**

**POLICY YEAR LOSS RATIO 2014**

|  |                  |                |               |
|--|------------------|----------------|---------------|
| (1) Standard Earned Premium Reported (Table I)                         |                  |                | 1,475,220,185 |
| (2) Premium Development Factor to Ultimate Level (Exhibit V-1)         |                  |                | 1.0003        |
| (3) Expense Constant Removal Factor                                    |                  |                | 1.0000        |
| (4) PCCPAP On-Level Factor   |                  |                | 1.0066        |
| (5) Factor to Remove Loss Based Assessments                            |                  |                | 0.9857        |
| (6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)       |                  |                | 1,464,160,875 |
| (7) Loss Cost Change to 04/1/20 Level                                  |                  |                | 0.6124        |
| (8) Expected Loss at Current Level (6) * (7)                           |                  |                | 896,652,120   |
| <b>Losses - Paid-to-20th Method</b>                                    | <b>Indemnity</b> | <b>Medical</b> | <b>Total</b>  |
| (9) Paid Losses Reported (Table I-D-Reported & I-E-Reported)           | 536,063,218      | 529,879,285    | 1,065,942,503 |
| (10) Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.1169           | 1.2342         |               |
| (11) Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0151           | 0.9981         |               |
| (12) Ultimate Incurred Losses (9) * (10) * (11)                        | 607,787,235      | 652,706,762    | 1,260,493,997 |
| (13) Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (14) Adjusted Losses (12) * (13)                                       | 607,787,235      | 652,706,762    | 1,260,493,997 |
| (15) Policy Year Ratio of Losses to Expected Losses (14) / (8)         | 0.6778           | 0.7279         | 1.4057        |
| <b>Losses - Incurred Method</b>  |                  |                |               |
| (16) Incurred Losses Reported (Table I-B-Reported & I-C-Reported)      | 563,434,088      | 566,014,725    | 1,129,448,813 |
| (17) Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.0137           | 1.1163         |               |
| (18) Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0149           | 0.9982         |               |
| (19) Ultimate Incurred Losses (16) * (17) * (18)                       | 579,639,604      | 630,693,330    | 1,210,332,934 |
| (20) Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (21) Adjusted Losses (19) * (20)                                       | 579,639,604      | 630,693,330    | 1,210,332,934 |
| (22) Policy Year Ratio of Losses to Expected Losses (21) / (8)         | 0.6464           | 0.7034         | 1.3498        |
| <b>Losses - Average of Incurred and Paid-to-20th Method</b>            |                  |                |               |
| (23) Adjusted Ultimate Incurred Losses ((14) + (21)) / 2               | 593,713,420      | 641,700,046    | 1,235,413,466 |
| (24) Policy Year Ratio of Losses to Expected Losses (23) / (8)         | 0.6621           | 0.7157         | 1.3778        |
| (25) Normalized Claim Frequency (Exhibit VI-2)                         | 0.7513           | 0.7513         |               |
| (26) Severity Ratio * (24) / (25)                                      | 0.8812           | 0.9526         | 1.8338        |

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

**EXHIBIT III - 6****POLICY YEAR LOSS RATIO 2013**

|   |   |                  |                |               |
|---|---|------------------|----------------|---------------|
| (1)   | Standard Earned Premium Reported (Table I)                        |                  |                | 1,476,003,174 |
| (2)   | Premium Development Factor to Ultimate Level (Exhibit V-1)        |                  |                | 1.0001        |
| (3)   | Expense Constant Removal Factor                                   |                  |                | 1.0000        |
| (4)   | PCCPAP On-Level Factor  |                  |                | 1.0067        |
| (5)   | Factor to Remove Loss Based Assessments                           |                  |                | 0.9853        |
| (6)   | Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)      |                  |                | 1,464,196,182 |
| (7)   | Loss Cost Change to 04/1/20 Level                                 |                  |                | 0.5832        |
| (8)   | Expected Loss at Current Level (6) * (7)                          |                  |                | 853,919,213   |
| <b>Losses - Paid-to-20th Method</b>                         |   |                  |                |               |
|   |   | <b>Indemnity</b> | <b>Medical</b> | <b>Total</b>  |
| (9)   | Paid Losses Reported (Table I-D-Reported & I-E-Reported)          | 542,824,207      | 520,011,886    | 1,062,836,093 |
| (10)  | Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.0959           | 1.2215         |               |
| (11)  | Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0156           | 0.9935         |               |
| (12)  | Ultimate Incurred Losses (9) * (10) * (11)                        | 604,166,260      | 631,054,820    | 1,235,221,080 |
| (13)  | Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (14)  | Adjusted Losses (12) * (13)                                       | 604,166,260      | 631,054,820    | 1,235,221,080 |
| (15)  | Policy Year Ratio of Losses to Expected Losses (14) / (8)         | 0.7075           | 0.7390         | 1.4465        |
| <b>Losses - Incurred Method</b>                             |   |                  |                |               |
| (16)  | Incurred Losses Reported (Table I-B-Reported & I-C-Reported)      | 562,326,997      | 561,847,995    | 1,124,174,992 |
| (17)  | Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.0139           | 1.1196         |               |
| (18)  | Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0154           | 0.9940         |               |
| (19)  | Ultimate Incurred Losses (16) * (17) * (18)                       | 578,922,804      | 625,250,659    | 1,204,173,463 |
| (20)  | Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (21)  | Adjusted Losses (19) * (20)                                       | 578,922,804      | 625,250,659    | 1,204,173,463 |
| (22)  | Policy Year Ratio of Losses to Expected Losses (21) / (8)         | 0.6780           | 0.7322         | 1.4102        |
| <b>Losses - Average of Incurred and Paid-to-20th Method</b> |   |                  |                |               |
| (23)  | Adjusted Ultimate Incurred Losses ((14) + (21)) / 2               | 591,544,532      | 628,152,740    | 1,219,697,272 |
| (24)  | Policy Year Ratio of Losses to Expected Losses (23) / (8)         | 0.6927           | 0.7356         | 1.4283        |
| (25)  | Normalized Claim Frequency (Exhibit VI-2)                         | 0.8224           | 0.8224         |               |
| (26)  | Severity Ratio * (24) / (25)                                      | 0.8423           | 0.8945         | 1.7368        |

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

**EXHIBIT III - 7**

**POLICY YEAR LOSS RATIO 2012**

|  |                  |                |               |
|--|------------------|----------------|---------------|
| (1) Standard Earned Premium Reported (Table I)                         |                  |                | 1,509,129,399 |
| (2) Premium Development Factor to Ultimate Level (Exhibit V-1)         |                  |                | 0.9996        |
| (3) Expense Constant Removal Factor                                    |                  |                | 1.0000        |
| (4) PCCPAP On-Level Factor   |                  |                | 1.0067        |
| (5) Factor to Remove Loss Based Assessments                            |                  |                | 0.9858        |
| (6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)       |                  |                | 1,497,068,283 |
| (7) Loss Cost Change to 04/1/20 Level                                  |                  |                | 0.5567        |
| (8) Expected Loss at Current Level (6) * (7)                           |                  |                | 833,417,913   |
| <b>Losses - Paid-to-20th Method</b>                                    | <b>Indemnity</b> | <b>Medical</b> | <b>Total</b>  |
| (9) Paid Losses Reported (Table I-D-Reported & I-E-Reported)           | 536,243,768      | 505,805,263    | 1,042,049,031 |
| (10) Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.0796           | 1.2096         |               |
| (11) Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0156           | 0.9920         |               |
| (12) Ultimate Incurred Losses (9) * (10) * (11)                        | 587,964,121      | 606,937,545    | 1,194,901,666 |
| (13) Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (14) Adjusted Losses (12) * (13)                                       | 587,964,121      | 606,937,545    | 1,194,901,666 |
| (15) Policy Year Ratio of Losses to Expected Losses (14) / (8)         | 0.7055           | 0.7283         | 1.4338        |
| <b>Losses - Incurred Method</b>  |                  |                |               |
| (16) Incurred Losses Reported (Table I-B-Reported & I-C-Reported)      | 563,380,175      | 555,712,085    | 1,119,092,260 |
| (17) Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.0121           | 1.1110         |               |
| (18) Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0153           | 0.9927         |               |
| (19) Ultimate Incurred Losses (16) * (17) * (18)                       | 578,930,029      | 612,909,783    | 1,191,839,812 |
| (20) Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (21) Adjusted Losses (19) * (20)                                       | 578,930,029      | 612,909,783    | 1,191,839,812 |
| (22) Policy Year Ratio of Losses to Expected Losses (21) / (8)         | 0.6946           | 0.7354         | 1.4300        |
| <b>Losses - Average of Incurred and Paid-to-20th Method</b>            |                  |                |               |
| (23) Adjusted Ultimate Incurred Losses ((14) + (21)) / 2               | 583,447,075      | 609,923,664    | 1,193,370,739 |
| (24) Policy Year Ratio of Losses to Expected Losses (23) / (8)         | 0.7001           | 0.7318         | 1.4319        |
| (25) Normalized Claim Frequency (Exhibit VI-2)                         | 0.8396           | 0.8396         |               |
| (26) Severity Ratio * (24) / (25)                                      | 0.8338           | 0.8716         | 1.7054        |

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

**EXHIBIT III - 8****POLICY YEAR LOSS RATIO 2011**

|   |   |                  |                |               |
|---|---|------------------|----------------|---------------|
| (1)   | Standard Earned Premium Reported (Table I)                        |                  |                | 1,616,603,935 |
| (2)   | Premium Development Factor to Ultimate Level (Exhibit V-1)        |                  |                | 0.9997        |
| (3)   | Expense Constant Removal Factor                                   |                  |                | 1.0000        |
| (4)   | PCCPAP On-Level Factor  |                  |                | 1.0057        |
| (5)   | Factor to Remove Loss Based Assessments                           |                  |                | 0.9862        |
| (6)   | Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)      |                  |                | 1,602,901,266 |
| (7)   | Loss Cost Change to 04/1/20 Level                                 |                  |                | 0.5364        |
| (8)   | Expected Loss at Current Level (6) * (7)                          |                  |                | 859,796,239   |
| <b>Losses - Paid-to-20th Method</b>                         |   |                  |                |               |
|   |   | <b>Indemnity</b> | <b>Medical</b> | <b>Total</b>  |
| (9)   | Paid Losses Reported (Table I-D-Reported & I-E-Reported)          | 596,723,737      | 555,999,886    | 1,152,723,623 |
| (10)  | Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.0688           | 1.1981         |               |
| (11)  | Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0157           | 0.9915         |               |
| (12)  | Ultimate Incurred Losses (9) * (10) * (11)                        | 647,787,601      | 660,494,179    | 1,308,281,780 |
| (13)  | Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (14)  | Adjusted Losses (12) * (13)                                       | 647,787,601      | 660,494,179    | 1,308,281,780 |
| (15)  | Policy Year Ratio of Losses to Expected Losses (14) / (8)         | 0.7534           | 0.7682         | 1.5216        |
| <b>Losses - Incurred Method</b>                             |   |                  |                |               |
| (16)  | Incurred Losses Reported (Table I-B-Reported & I-C-Reported)      | 613,398,723      | 589,966,324    | 1,203,365,047 |
| (17)  | Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.0098           | 1.1039         |               |
| (18)  | Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0155           | 0.9920         |               |
| (19)  | Ultimate Incurred Losses (16) * (17) * (18)                       | 629,027,720      | 646,058,713    | 1,275,086,433 |
| (20)  | Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (21)  | Adjusted Losses (19) * (20)                                       | 629,027,720      | 646,058,713    | 1,275,086,433 |
| (22)  | Policy Year Ratio of Losses to Expected Losses (21) / (8)         | 0.7316           | 0.7514         | 1.4830        |
| <b>Losses - Average of Incurred and Paid-to-20th Method</b> |   |                  |                |               |
| (23)  | Adjusted Ultimate Incurred Losses ((14) + (21)) / 2               | 638,407,661      | 653,276,446    | 1,291,684,107 |
| (24)  | Policy Year Ratio of Losses to Expected Losses (23) / (8)         | 0.7425           | 0.7598         | 1.5023        |
| (25)  | Normalized Claim Frequency (Exhibit VI-2)                         | 0.8959           | 0.8959         |               |
| (26)  | Severity Ratio * (24) / (25)                                      | 0.8287           | 0.8480         | 1.6767        |

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

**EXHIBIT III - 9****POLICY YEAR LOSS RATIO 2010**

|   |   |             |             |               |
|---|---|-------------|-------------|---------------|
| (1)   | Standard Earned Premium Reported (Table I)                        |             |             | 1,570,007,364 |
| (2)   | Premium Development Factor to Ultimate Level (Exhibit V-1)        |             |             | 1.0000        |
| (3)   | Expense Constant Removal Factor                                   |             |             | 1.0000        |
| (4)   | PCCPAP On-Level Factor  |             |             | 1.0055        |
| (5)   | Factor to Remove Loss Based Assessments                           |             |             | 0.9859        |
| (6)   | Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)      |             |             | 1,556,383,547 |
| (7)   | Loss Cost Change to 04/1/20 Level                                 |             |             | 0.5407        |
| (8)   | Expected Loss at Current Level (6) * (7)                          |             |             | 841,536,584   |
| <b>Losses - Paid-to-20th Method</b>                         |   |             |             |               |
|   |   | Indemnity   | Medical     | Total         |
| (9)   | Paid Losses Reported (Table I-D-Reported & I-E-Reported)          | 622,865,173 | 561,368,936 | 1,184,234,109 |
| (10)  | Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.0609      | 1.1887      |               |
| (11)  | Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0157      | 0.9914      |               |
| (12)  | Ultimate Incurred Losses (9) * (10) * (11)                        | 671,203,151 | 661,574,430 | 1,332,777,581 |
| (13)  | Benefit Level Factor  | 1.0000      | 1.0000      |               |
| (14)  | Adjusted Losses (12) * (13)                                       | 671,203,151 | 661,574,430 | 1,332,777,581 |
| (15)  | Policy Year Ratio of Losses to Expected Losses (14) / (8)         | 0.7976      | 0.7862      | 1.5838        |
| <b>Losses - Incurred Method</b>                             |   |             |             |               |
| (16)  | Incurred Losses Reported (Table I-B-Reported & I-C-Reported)      | 636,876,628 | 601,140,612 | 1,238,017,240 |
| (17)  | Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.0082      | 1.1035      |               |
| (18)  | Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0156      | 0.9920      |               |
| (19)  | Ultimate Incurred Losses (16) * (17) * (18)                       | 652,122,642 | 658,044,167 | 1,310,166,809 |
| (20)  | Benefit Level Factor  | 1.0000      | 1.0000      |               |
| (21)  | Adjusted Losses (19) * (20)                                       | 652,122,642 | 658,044,167 | 1,310,166,809 |
| (22)  | Policy Year Ratio of Losses to Expected Losses (21) / (8)         | 0.7749      | 0.7820      | 1.5569        |
| <b>Losses - Average of Incurred and Paid-to-20th Method</b> |   |             |             |               |
| (23)  | Adjusted Ultimate Incurred Losses ((14) + (21)) / 2               | 661,662,897 | 659,809,299 | 1,321,472,196 |
| (24)  | Policy Year Ratio of Losses to Expected Losses (23) / (8)         | 0.7863      | 0.7841      | 1.5704        |
| (25)  | Normalized Claim Frequency (Exhibit VI-2)                         | 0.9566      | 0.9566      |               |
| (26)  | Severity Ratio * (24) / (25)                                      | 0.8220      | 0.8197      | 1.6417        |

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

**EXHIBIT III - 10****POLICY YEAR LOSS RATIO 2009**

|   |   |                  |                |               |
|---|---|------------------|----------------|---------------|
| (1)   | Standard Earned Premium Reported (Table I)                        |                  |                | 1,497,808,730 |
| (2)   | Premium Development Factor to Ultimate Level (Exhibit V-1)        |                  |                | 1.0000        |
| (3)   | Expense Constant Removal Factor                                   |                  |                | 1.0000        |
| (4)   | PCCPAP On-Level Factor  |                  |                | 0.9987        |
| (5)   | Factor to Remove Loss Based Assessments                           |                  |                | 0.9859        |
| (6)   | Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)      |                  |                | 1,474,769,930 |
| (7)   | Loss Cost Change to 04/1/20 Level                                 |                  |                | 0.5382        |
| (8)   | Expected Loss at Current Level (6) * (7)                          |                  |                | 793,721,176   |
| <b>Losses - Paid-to-20th Method</b>                         |   |                  |                |               |
|   |   | <b>Indemnity</b> | <b>Medical</b> | <b>Total</b>  |
| (9)   | Paid Losses Reported (Table I-D-Reported & I-E-Reported)          | 607,449,501      | 514,374,326    | 1,121,823,827 |
| (10)  | Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.0539           | 1.1807         |               |
| (11)  | Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0158           | 1.0048         |               |
| (12)  | Ultimate Incurred Losses (9) * (10) * (11)                        | 650,309,536      | 610,248,512    | 1,260,558,048 |
| (13)  | Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (14)  | Adjusted Losses (12) * (13)                                       | 650,309,536      | 610,248,512    | 1,260,558,048 |
| (15)  | Policy Year Ratio of Losses to Expected Losses (14) / (8)         | 0.8193           | 0.7688         | 1.5881        |
| <b>Losses - Incurred Method</b>                             |   |                  |                |               |
| (16)  | Incurred Losses Reported (Table I-B-Reported & I-C-Reported)      | 619,702,498      | 539,125,699    | 1,158,828,197 |
| (17)  | Loss Development Factor to Ultimate Valuation (Exhibit V-3 & V-5) | 1.0076           | 1.1018         |               |
| (18)  | Adjustment to Post-HB 1840 & HB 1846 Loss Levels                  | 1.0157           | 1.0046         |               |
| (19)  | Ultimate Incurred Losses (16) * (17) * (18)                       | 634,204,228      | 596,739,861    | 1,230,944,089 |
| (20)  | Benefit Level Factor  | 1.0000           | 1.0000         |               |
| (21)  | Adjusted Losses (19) * (20)                                       | 634,204,228      | 596,739,861    | 1,230,944,089 |
| (22)  | Policy Year Ratio of Losses to Expected Losses (21) / (8)         | 0.7990           | 0.7518         | 1.5508        |
| <b>Losses - Average of Incurred and Paid-to-20th Method</b> |   |                  |                |               |
| (23)  | Adjusted Ultimate Incurred Losses ((14) + (21)) / 2               | 642,256,882      | 603,494,187    | 1,245,751,069 |
| (24)  | Policy Year Ratio of Losses to Expected Losses (23) / (8)         | 0.8092           | 0.7603         | 1.5695        |
| (25)  | Normalized Claim Frequency (Exhibit VI-2)                         | 0.9752           | 0.9752         |               |
| (26)  | Severity Ratio * (24) / (25)                                      | 0.8297           | 0.7796         | 1.6093        |

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

**EXHIBIT IV - 1****POLICY YEARS 2009 - 2014  
PREMIUM ON-LEVEL FACTORS**

| <u>POLICY<br/>YEAR</u> | <u>(1)<br/>LOSS COST<br/>DATE</u> | <u>(2)<br/>LOSS COST<br/>CHANGE</u> | <u>(3)<br/>CUM.<br/>INDEX OF<br/>COL (2)</u> | <u>(4)<br/>PORTION<br/>OF YEAR<br/>ON-LEVEL</u> | <u>(5)<br/>PRODUCT<br/>(3) * (4)</u> | <u>FACTOR<br/>TO ADJUST<br/>to 04/01/20<br/>LC LEVEL</u> |
|------------------------|-----------------------------------|-------------------------------------|--|---|--------------------------------------|--|
| 2009                   | 4/01/08                           | BASE                                | 1.0000                                       | 0.3039  | 0.3039                               | 0.5382   |
|                        | 4/01/09                           | 0.9700                              | 0.9700                                       | 0.6961  | 0.6752                               |  |
|                        | 4/01/10                           | 0.5433                              | 0.5270                                       | -----   | -----                                |  |
|                        | to 04/01/20                       |                                     |  | 1.0000  | 0.9791                               |  |
| 2010                   | 4/01/09                           | BASE                                | 1.0000                                       | 0.2929  | 0.2929                               | 0.5407   |
|                        | 4/01/10                           | 1.0068                              | 1.0068                                       | 0.7071  | 0.7119                               |  |
|                        | 4/01/11                           | 0.5396                              | 0.5433                                       | -----   | -----                                |  |
|                        | to 04/01/20                       |                                     |  | 1.0000  | 1.0048                               |  |
| 2011                   | 4/01/10                           | BASE                                | 1.0000                                       | 0.2923  | 0.2923                               | 0.5364   |
|                        | 4/01/11                           | 1.0087                              | 1.0087                                       | 0.7077  | 0.7139                               |  |
|                        | 4/01/12                           | 0.5350                              | 0.5397                                       | -----   | -----                                |  |
|                        | to 04/01/20                       |                                     |  | 1.0000  | 1.0062                               |  |
| 2012                   | 4/01/11                           | BASE                                | 1.0000                                       | 0.3083  | 0.3083                               | 0.5567   |
|                        | 4/01/12                           | 0.9434                              | 0.9434                                       | 0.6917  | 0.6525                               |  |
|                        | 4/01/13                           | 0.5670                              | 0.5349                                       | -----   | -----                                |  |
|                        | to 04/01/20                       |                                     |  | 1.0000  | 0.9608                               |  |
| 2013                   | 4/01/12                           | BASE                                | 1.0000                                       | 0.3067  | 0.3067                               | 0.5832   |
|                        | 4/01/13                           | 0.9599                              | 0.9599                                       | 0.6933  | 0.6655                               |  |
|                        | 4/01/14                           | 0.5907                              | 0.5670                                       | -----   | -----                                |  |
|                        | to 04/01/20                       |                                     |  | 1.0000  | 0.9722                               |  |
| 2014                   | 4/01/13                           | BASE                                | 1.0000                                       | 0.3123  | 0.3123                               | 0.6124   |
|                        | 4/01/14                           | 0.9485                              | 0.9485                                       | 0.6877  | 0.6523                               |  |
|                        | 4/01/15                           | 0.6228                              | 0.5907                                       | -----   | -----                                |  |
|                        | to 04/01/20                       |                                     |  | 1.0000  | 0.9646                               |  |

**EXHIBIT IV - 2**

**POLICY YEARS 2015 - 2018  
PREMIUM ON-LEVEL FACTORS**

| <u>POLICY<br/>YEAR</u> | <u>(1)<br/>LOSS COST<br/>DATE</u> | <u>(2)<br/>LOSS COST<br/>CHANGE</u> | <u>(3)<br/>CUM.<br/>INDEX OF<br/>COL (2)</u> | <u>(4)<br/>PORTION<br/>OF YEAR<br/>ON-LEVEL</u> | <u>(5)<br/>PRODUCT<br/>(3) * (4)</u> | <u>FACTOR<br/>TO ADJUST<br/>to 04/01/20<br/>LC LEVEL</u> |
|------------------------|-----------------------------------|-------------------------------------|--|---|--------------------------------------|--|
| 2015                   | 4/01/14                           | BASE                                | 1.0000                                       | 0.3142  | 0.3142                               |  |
|                        | 4/01/15                           | 0.9401                              | 0.9401                                       | 0.6858  | 0.6447                               |  |
|                        | 4/01/16                           | 0.6625                              | 0.6228                                       | -----   | -----                                |  |
|                        | to 04/01/20                       |                                     |  | 1.0000  | 0.9589                               | 0.6495   |
| 2016                   | 4/01/15                           | BASE                                | 1.0000                                       | 0.3074  | 0.3074                               |  |
|                        | 4/01/16                           | 0.9910                              | 0.9910                                       | 0.6926  | 0.6864                               |  |
|                        | 4/01/17                           | 0.6685                              | 0.6625                                       | -----   | -----                                |  |
|                        | to 04/01/20                       |                                     |  | 1.0000  | 0.9938                               | 0.6666   |
| 2017                   | 4/01/16                           | BASE                                | 1.0000                                       | 0.3174  | 0.3174                               |  |
|                        | 4/01/17                           | 0.9379                              | 0.9379                                       | 0.6826  | 0.6402                               |  |
|                        | 2/01/18                           | 0.7128                              | 0.6685                                       | -----   | -----                                |  |
|                        | to 04/01/20                       |                                     |  | 1.0000  | 0.9576                               | 0.6981   |
| 2018                   | 4/01/17                           | BASE                                | 1.0000                                       | 0.1605  | 0.1605                               |  |
|                        | 2/01/18                           | 1.0606                              | 1.0606                                       | 0.1347  | 0.1429                               |  |
|                        | 4/01/18                           | 1.0070                              | 1.0680                                       | 0.7048  | 0.7527                               |  |
|                        | 1/01/19                           | 0.6674                              | 0.7128                                       | -----   | -----                                |  |
|                        | to 04/01/20                       |                                     |  | 1.0000  | 1.0561                               | 0.6749   |
| 2019                   | 1/01/19                           | BASE                                | 1.0000                                       | 0.3336  | 0.3336                               |  |
|                        | 4/01/19                           | 0.8705                              | 0.8705                                       | 0.6664  | 0.5801                               |  |
|                        | 4/01/20                           | 0.8992                              | 0.7828                                       | -----   | -----                                |  |
|                        |                                   |                                     | 1.0000                                       | 0.9137  | 0.8567                               |  |



**EXHIBIT V - 1**

**DEVELOPMENT FACTORS**

**PREMIUM**

| <u>Reports in Ratio</u> | <u>Policy Year</u> | <u>2018-2019 Ratio</u> | <u>Policy Year</u> | <u>2017-2018 Ratio</u> | <u>Policy Year</u> | <u>2016-2017 Ratio</u> | <u>Policy Year</u> | <u>2015-2016 Ratio</u> | <u>Unweighted Average</u> | <u>Selected Average</u> | <u>Cumulative Average</u> |
|-------------------------|--------------------|------------------------|--------------------|------------------------|--------------------|------------------------|--------------------|------------------------|---------------------------|-------------------------|---------------------------|
| 2nd to 1st              | 2017               | 1.0126                 | 2016               | 1.0088                 | 2015               | 1.0090                 | 2014               | 1.0084                 | 1.0097                    | 1.0097                  | 1.0092                    |
| 3rd to 2nd              | 2016               | 0.9990                 | 2015               | 0.9991                 | 2014               | 1.0005                 | 2013               | 1.0012                 | 1.0000                    | 1.0000                  | 0.9995                    |
| 4th to 3rd              | 2015               | 0.9990                 | 2014               | 0.9981                 | 2013               | 1.0005                 | 2012               | 0.9996                 | 0.9993                    | 0.9993                  | 0.9995                    |
| 5th to 4th              | 2014               | 1.0003                 | 2013               | 1.0000                 | 2012               | 0.9995                 | 2011               | 0.9999                 | 0.9999                    | 0.9999                  | 1.0002                    |
| 6th to 5th              | 2013               | 1.0001                 | 2012               | 1.0001                 | 2011               | 1.0002                 | 2010               | 1.0002                 | 1.0002                    | 1.0002                  | 1.0003                    |
| 7th to 6th              | 2012               | 1.0001                 | 2011               | 1.0004                 | 2010               | 1.0003                 | 2009               | 1.0011                 | 1.0005                    | 1.0005                  | 1.0001                    |
| 8th to 7th              | 2011               | 0.9996                 | 2010               | 1.0000                 | 2009               | 0.9999                 | 2008               | 0.9999                 | 0.9999                    | 0.9999                  | 0.9996                    |
| 9th to 8th              | 2010               | 1.0000                 | 2009               | 1.0000                 | 2008               | 0.9988                 | 2007               | 1.0002                 | 0.9997                    | 0.9997                  | 0.9997                    |
| 10th to 9th             | 2009               | 1.0000                 | 2008               | 1.0000                 | 2007               | 1.0000                 | 2006               | 1.0000                 | 1.0000                    | 1.0000                  | 1.0000                    |
| 11th to 10th            | 2008               | 1.0000                 | 2007               | 1.0000                 | 2006               | 1.0000                 | 2005               | 1.0000                 | 1.0000                    | 1.0000                  | 1.0000                    |
| 12th to 11th            | 2007               | 1.0000                 | 2006               | 1.0000                 | 2005               | 1.0000                 | 2004               | 1.0000                 | 1.0000                    | 1.0000                  | 1.0000                    |
| 13th to 12th            | 2006               | 1.0000                 | 2005               | 1.0000                 | 2004               | 1.0000                 | 2003               | 1.0000                 | 1.0000                    | 1.0000                  | 1.0000                    |
| 14th to 13th            | 2005               | 1.0000                 | 2004               | 1.0000                 | 2003               | 1.0000                 | 2002               | 1.0000                 | 1.0000                    | 1.0000                  | 1.0000                    |
| 15th to 14th            | 2004               | 1.0000                 | 2003               | 1.0000                 | 2002               | 1.0000                 | 2001               | 1.0000                 | 1.0000                    | 1.0000                  | 1.0000                    |
| 16th to 15th            | 2003               | 1.0000                 | 2002               | 0.9999                 | 2001               | 1.0000                 | 2000               | 1.0000                 | 1.0000                    | 1.0000                  | 1.0000                    |
| 17th to 16th            | 2002               | 1.0001                 | 2001               | 1.0001                 | 2000               | 1.0000                 | 1999               | 0.9999                 | 1.0000                    | 1.0000                  | 1.0000                    |
| 18th to 17th            | 2001               | 1.0000                 | 2000               | 1.0001                 | 1999               | 1.0000                 | 1998               | 1.0000                 | 1.0000                    | 1.0000                  | 1.0000                    |
| 19th to 18th            | 2000               | 1.0000                 | 1999               | 1.0000                 | 1998               | 1.0000                 | 1997               | 0.9999                 | 1.0000                    | 1.0000                  | 1.0000                    |
| 20th to 19th            | 1999               | 1.0000                 | 1998               | 1.0000                 | 1997               | 1.0000                 | 1996               | 1.0000                 | 1.0000                    | 1.0000                  | 1.0000                    |

| <u>Policy Year</u> | <u>Present Valuation</u> | <u>Premium Development Factor</u> |
|--------------------|--------------------------|-----------------------------------|
| 2000               | Nineteenth               | 1.0000                            |
| 2001               | Eighteenth               | 1.0000                            |
| 2002               | Seventeenth              | 1.0000                            |
| 2003               | Sixteenth                | 1.0000                            |
| 2004               | Fifteenth                | 1.0000                            |
| 2005               | Fourteenth               | 1.0000                            |
| 2006               | Thirteenth               | 1.0000                            |
| 2007               | Twelfth                  | 1.0000                            |
| 2008               | Eleventh                 | 1.0000                            |
| 2009               | Tenth                    | 1.0000                            |
| 2010               | Ninth                    | 1.0000                            |
| 2011               | Eighth                   | 0.9997                            |
| 2012               | Seventh                  | 0.9996                            |
| 2013               | Sixth                    | 1.0001                            |
| 2014               | Fifth                    | 1.0003                            |
| 2015               | Fourth                   | 1.0002                            |
| 2016               | Third                    | 0.9995                            |
| 2017               | Second                   | 0.9995                            |
| 2018               | First                    | 1.0092                            |









**EXHIBIT VI - 1**

**DETERMINATION OF TREND**

**INDEMNITY**

| Policy Year          | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   |
|----------------------|--------|--------|--------|--------|--------|--------|--------|
| Actual Loss Ratio    | 0.7001 | 0.6927 | 0.6621 | 0.5996 | 0.5585 | 0.5526 | 0.5553 |
| Normalized Frequency | 0.8396 | 0.8224 | 0.7513 | 0.6936 | 0.6491 | 0.6139 | 0.5863 |
| Severity Loss Ratio  | 0.8338 | 0.8423 | 0.8812 | 0.8645 | 0.8604 | 0.9001 | 0.9471 |
| <b>x</b>             | 1      | 2      | 3      | 4      | 5      | 6      | 7      |
| <b>y</b>             | 0.8338 | 0.8423 | 0.8812 | 0.8645 | 0.8604 | 0.9001 | 0.9471 |

**7 Point Exponential Regression:  $y = 0.815637 * 1.017693 ^ x$**

**Selected Annual Severity Trend Factor =**

**1.77%**

| Policy Year | Annual Severity Trend Factor (1) | Trend Period # of Years to 4/1/22 (2) | Severity Trend Factor (3) = (1) ^ (2) | Frequency Trend Factor (4) # |
|-------------|----------------------------------|---------------------------------------|---------------------------------------|------------------------------|
| 2016        | 1.0177                           | 5.2500                                | 1.0965                                | 0.7124                       |
| 2017        | 1.0177                           | 4.2500                                | 1.0774                                | 0.7600                       |
| 2018        | 1.0177                           | 3.2500                                | 1.0587                                | 0.8107                       |

**Trended Loss Ratio**

| Policy Year | Actual Loss Ratio (5) | Combined Trend Factor (6) = (3) * (4) | Trended Loss Ratio (7) = (5) * (6) |
|-------------|-----------------------|---------------------------------------|------------------------------------|
| 2016        | 0.5585                | 0.7811                                | 0.4362                             |
| 2017        | 0.5526                | 0.8188                                | 0.4525                             |
| 2018        | 0.5553                | 0.8583                                | 0.4766                             |

**MEDICAL**

| Policy Year          | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   |
|----------------------|--------|--------|--------|--------|--------|--------|--------|
| Actual Loss Ratio    | 0.7318 | 0.7356 | 0.7157 | 0.6199 | 0.5902 | 0.5911 | 0.6322 |
| Normalized Frequency | 0.8396 | 0.8224 | 0.7513 | 0.6936 | 0.6491 | 0.6139 | 0.5863 |
| Severity Loss Ratio  | 0.8716 | 0.8945 | 0.9526 | 0.8938 | 0.9093 | 0.9628 | 1.0783 |
| <b>x</b>             | 1      | 2      | 3      | 4      | 5      | 6      | 7      |
| <b>y</b>             | 0.8716 | 0.8945 | 0.9526 | 0.8938 | 0.9093 | 0.9628 | 1.0783 |

**7 Point Exponential Regression:  $y = 0.841687 * 1.026747 ^ x$**

**Selected Annual Severity Trend Factor =**

**2.67%**

| Policy Year | Annual Severity Trend Factor (1) | Trend Period # of Years to 4/1/22 (2) | Severity Trend Factor (3) = (1) ^ (2) | Frequency Trend Factor (4) # |
|-------------|----------------------------------|---------------------------------------|---------------------------------------|------------------------------|
| 2016        | 1.0267                           | 5.2500                                | 1.1486                                | 0.7124                       |
| 2017        | 1.0267                           | 4.2500                                | 1.1187                                | 0.7600                       |
| 2018        | 1.0267                           | 3.2500                                | 1.0896                                | 0.8107                       |

**Trended Loss Ratio**

| Policy Year | Actual Loss Ratio (5) | Combined Trend Factor (6) = (3) * (4) | Trended Loss Ratio (7) = (5) * (6) |
|-------------|-----------------------|---------------------------------------|------------------------------------|
| 2016        | 0.5902                | 0.8183                                | 0.4830                             |
| 2017        | 0.5911                | 0.8502                                | 0.5026                             |
| 2018        | 0.6322                | 0.8833                                | 0.5584                             |

**EXHIBIT VI - 2**

**DETERMINATION OF TREND**

**CLAIM FREQUENCY**

Policy Year Frequency per \$1 million of Expected Losses  
{1 = PY 2008, 12 = PY 2018}

| Policy Year | Claim Frequency | Normalized Frequency |
|-------------|-----------------|----------------------|
| 2008        | 27.87           | 1.0000               |
| 2009        | 27.18           | 0.9752               |
| 2010        | 26.66           | 0.9566               |
| 2011        | 24.97           | 0.8959               |
| 2012        | 23.40           | 0.8396               |
| 2013        | 22.92           | 0.8224               |
| 2014        | 20.94           | 0.7513               |
| 2015        | 19.33           | 0.6936               |
| 2016        | 18.09           | 0.6491               |
| 2017        | 17.11           | 0.6139               |
| 2018        | 16.34           | 0.5863               |

| Policy Year | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   |
|-------------|--------|--------|--------|--------|--------|--------|--------|
| <b>x</b>    | 1      | 2      | 3      | 4      | 5      | 6      | 7      |
| <b>y</b>    | 0.8396 | 0.8224 | 0.7513 | 0.6936 | 0.6491 | 0.6139 | 0.5863 |

**7 Point Exponential Regression:  $y = 0.909010 * 0.937457 ^ x$**

**Selected Annual Frequency Trend Factor =**

|              |
|--------------|
| <b>-6.3%</b> |
|--------------|

| Policy Year | Annual Frequency Trend Factor (1) | Trend Period # of Years to 4/1/22 (2) | Frequency Trend Factor (3) = (1) ^ (2) |
|-------------|-----------------------------------|---------------------------------------|--|
| 2016        | 0.9375                            | 5.2500                                | 0.7124                                 |
| 2017        | 0.9375                            | 4.2500                                | 0.7600                                 |
| 2018        | 0.9375                            | 3.2500                                | 0.8107                                 |

TABLE I

## POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

## ACCUMULATED STANDARD EARNED PREMIUM

| Policy Year<br>Valued | As of<br>12/31/17 | As of<br>12/31/18 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1988               | 14,411,402,418    | 14,411,405,899    | 1.0000                 |
| 1988                  | 1,892,607,569     | 1,892,607,569     | 1.0000                 |
| 1989                  | 2,028,082,946     | 2,028,082,946     | 1.0000                 |
| 1990                  | 2,290,035,843     | 2,290,035,843     | 1.0000                 |
| 1991                  | 2,398,254,432     | 2,398,256,274     | 1.0000                 |
| 1992                  | 2,244,372,912     | 2,244,372,912     | 1.0000                 |
| 1993                  | 2,410,288,015     | 2,410,288,015     | 1.0000                 |
| 1994                  | 1,821,433,152     | 1,821,433,152     | 1.0000                 |
| 1995                  | 1,680,295,166     | 1,680,295,166     | 1.0000                 |
| 1996                  | 1,596,524,889     | 1,596,524,889     | 1.0000                 |
| 1997                  | 1,313,138,328     | 1,313,143,128     | 1.0000                 |
| 1998                  | 1,259,127,734     | 1,259,167,435     | 1.0000                 |
| 1999                  | 1,271,720,235     | 1,271,772,099     | 1.0000                 |
| 2000                  | 1,332,882,520     | 1,332,955,347     | 1.0001                 |
| 2001                  | 1,427,036,571     | 1,427,131,245     | 1.0001                 |
| 2002                  | 1,498,637,483     | 1,498,516,520     | 0.9999                 |
| 2003                  | 1,548,391,398     | 1,548,393,028     | 1.0000                 |
| 2004                  | 1,639,937,700     | 1,639,952,523     | 1.0000                 |
| 2005                  | 1,798,432,036     | 1,798,466,899     | 1.0000                 |
| 2006                  | 1,774,713,609     | 1,774,731,889     | 1.0000                 |
| 2007                  | 1,836,804,159     | 1,836,833,814     | 1.0000                 |
| 2008                  | 1,694,223,990     | 1,694,258,219     | 1.0000                 |
| 2009                  | 1,497,791,226     | 1,497,815,336     | 1.0000                 |
| 2010                  | 1,570,006,391     | 1,570,050,713     | 1.0000                 |
| 2011                  | 1,617,074,353     | 1,617,728,567     | 1.0004                 |
| 2012                  | 1,508,696,170     | 1,508,841,397     | 1.0001                 |
| 2013                  | 1,475,742,876     | 1,475,774,443     | 1.0000                 |
| 2014                  | 1,477,738,398     | 1,474,923,467     | 0.9981                 |
| 2015                  | 1,513,573,740     | 1,512,283,838     | 0.9991                 |
| 2016                  | 1,508,064,645     | 1,521,360,877     | 1.0088                 |
| 2017                  | 882,235,302       | 1,574,321,870     | 1.7845                 |
| 2018                  |                   | 946,384,955       |                        |

| Policy Year<br>Valued | As of<br>12/31/18 | As of<br>12/31/19 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1989               | 16,341,273,497    | 16,341,273,515    | 1.0000                 |
| 1989                  | 2,028,102,615     | 2,028,102,615     | 1.0000                 |
| 1990                  | 2,290,405,048     | 2,290,405,048     | 1.0000                 |
| 1991                  | 2,398,443,076     | 2,398,447,133     | 1.0000                 |
| 1992                  | 2,244,438,656     | 2,244,438,656     | 1.0000                 |
| 1993                  | 2,409,615,601     | 2,409,616,845     | 1.0000                 |
| 1994                  | 1,820,873,362     | 1,821,087,752     | 1.0001                 |
| 1995                  | 1,679,960,543     | 1,679,960,543     | 1.0000                 |
| 1996                  | 1,596,023,271     | 1,596,023,271     | 1.0000                 |
| 1997                  | 1,312,458,966     | 1,312,458,966     | 1.0000                 |
| 1998                  | 1,258,395,757     | 1,258,423,653     | 1.0000                 |
| 1999                  | 1,270,965,472     | 1,270,946,009     | 1.0000                 |
| 2000                  | 1,331,848,694     | 1,331,794,138     | 1.0000                 |
| 2001                  | 1,426,111,586     | 1,426,050,363     | 1.0000                 |
| 2002                  | 1,497,895,978     | 1,498,049,368     | 1.0001                 |
| 2003                  | 1,546,429,878     | 1,546,429,878     | 1.0000                 |
| 2004                  | 1,638,122,114     | 1,638,116,780     | 1.0000                 |
| 2005                  | 1,796,793,031     | 1,796,786,072     | 1.0000                 |
| 2006                  | 1,773,722,054     | 1,773,721,993     | 1.0000                 |
| 2007                  | 1,836,137,283     | 1,836,132,240     | 1.0000                 |
| 2008                  | 1,694,030,143     | 1,694,028,578     | 1.0000                 |
| 2009                  | 1,497,813,191     | 1,497,808,730     | 1.0000                 |
| 2010                  | 1,570,019,943     | 1,570,007,364     | 1.0000                 |
| 2011                  | 1,617,272,957     | 1,616,603,935     | 0.9996                 |
| 2012                  | 1,509,038,993     | 1,509,129,399     | 1.0001                 |
| 2013                  | 1,475,876,622     | 1,476,003,174     | 1.0001                 |
| 2014                  | 1,474,817,787     | 1,475,220,185     | 1.0003                 |
| 2015                  | 1,512,094,314     | 1,510,546,720     | 0.9990                 |
| 2016                  | 1,521,151,625     | 1,519,599,286     | 0.9990                 |
| 2017                  | 1,574,173,802     | 1,594,074,056     | 1.0126                 |
| 2018                  | 945,201,510       | 1,714,406,962     | 1.8138                 |
| 2019                  |                   | 821,609,460       |                        |

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 - REPORTED

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

| Policy Year<br>Valued | As of<br>12/31/17 | As of<br>12/31/18 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1988               | 10,679,091,107    | 10,694,925,605    | 1.0015                 |
| 1988                  | 1,798,752,883     | 1,799,755,243     | 1.0006                 |
| 1989                  | 2,110,452,321     | 2,114,069,323     | 1.0017                 |
| 1990                  | 2,146,750,168     | 2,148,744,816     | 1.0009                 |
| 1991                  | 1,885,716,600     | 1,887,720,510     | 1.0011                 |
| 1992                  | 1,601,034,249     | 1,604,538,396     | 1.0022                 |
| 1993                  | 1,319,575,125     | 1,317,924,907     | 0.9987                 |
| 1994                  | 1,210,072,564     | 1,213,610,751     | 1.0029                 |
| 1995                  | 1,037,083,163     | 1,038,923,640     | 1.0018                 |
| 1996                  | 924,540,899       | 925,479,768       | 1.0010                 |
| 1997                  | 936,956,491       | 938,875,940       | 1.0020                 |
| 1998                  | 965,889,943       | 968,216,277       | 1.0024                 |
| 1999                  | 1,058,000,519     | 1,059,045,529     | 1.0010                 |
| 2000                  | 1,119,950,345     | 1,123,861,113     | 1.0035                 |
| 2001                  | 1,115,973,217     | 1,117,281,732     | 1.0012                 |
| 2002                  | 1,204,472,328     | 1,215,741,923     | 1.0094                 |
| 2003                  | 1,189,357,025     | 1,192,676,853     | 1.0028                 |
| 2004                  | 1,261,431,520     | 1,267,813,158     | 1.0051                 |
| 2005                  | 1,278,992,209     | 1,283,304,115     | 1.0034                 |
| 2006                  | 1,310,085,660     | 1,316,546,098     | 1.0049                 |
| 2007                  | 1,380,152,658     | 1,383,814,975     | 1.0027                 |
| 2008                  | 1,273,559,877     | 1,275,309,242     | 1.0014                 |
| 2009                  | 1,156,760,909     | 1,157,966,559     | 1.0010                 |
| 2010                  | 1,230,184,919     | 1,236,731,424     | 1.0053                 |
| 2011                  | 1,199,254,398     | 1,199,710,664     | 1.0004                 |
| 2012                  | 1,106,824,155     | 1,108,945,341     | 1.0019                 |
| 2013                  | 1,138,515,889     | 1,129,557,645     | 0.9921                 |
| 2014                  | 1,120,371,953     | 1,130,925,307     | 1.0094                 |
| 2015                  | 1,038,607,095     | 1,078,477,065     | 1.0384                 |
| 2016                  | 856,480,774       | 999,009,875       | 1.1664                 |
| 2017                  | 366,132,192       | 939,250,063       | 2.5653                 |
| 2018                  |                   | 409,529,992       |                        |

| Policy Year<br>Valued | As of<br>12/31/18 | As of<br>12/31/19 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1989               | 12,536,348,582    | 12,545,446,134    | 1.0007                 |
| 1989                  | 2,114,447,991     | 2,113,257,631     | 0.9994                 |
| 1990                  | 2,148,928,748     | 2,149,762,658     | 1.0004                 |
| 1991                  | 1,887,457,005     | 1,888,538,648     | 1.0006                 |
| 1992                  | 1,604,260,278     | 1,610,986,043     | 1.0042                 |
| 1993                  | 1,317,113,155     | 1,316,885,559     | 0.9998                 |
| 1994                  | 1,212,325,627     | 1,212,628,899     | 1.0003                 |
| 1995                  | 1,038,648,738     | 1,039,236,247     | 1.0006                 |
| 1996                  | 925,362,423       | 922,409,808       | 0.9968                 |
| 1997                  | 937,666,482       | 937,580,426       | 0.9999                 |
| 1998                  | 967,394,993       | 968,884,087       | 1.0015                 |
| 1999                  | 1,058,250,803     | 1,058,976,673     | 1.0007                 |
| 2000                  | 1,122,993,629     | 1,124,515,761     | 1.0014                 |
| 2001                  | 1,116,695,836     | 1,117,197,352     | 1.0004                 |
| 2002                  | 1,215,770,815     | 1,214,343,679     | 0.9988                 |
| 2003                  | 1,191,655,923     | 1,190,107,887     | 0.9987                 |
| 2004                  | 1,266,841,581     | 1,266,922,462     | 1.0001                 |
| 2005                  | 1,282,803,756     | 1,286,261,532     | 1.0027                 |
| 2006                  | 1,316,001,930     | 1,316,938,453     | 1.0007                 |
| 2007                  | 1,383,357,577     | 1,383,787,406     | 1.0003                 |
| 2008                  | 1,275,129,955     | 1,275,227,010     | 1.0001                 |
| 2009                  | 1,157,903,212     | 1,158,828,197     | 1.0008                 |
| 2010                  | 1,236,705,725     | 1,238,017,240     | 1.0011                 |
| 2011                  | 1,199,268,337     | 1,203,365,047     | 1.0034                 |
| 2012                  | 1,108,809,455     | 1,119,092,260     | 1.0093                 |
| 2013                  | 1,129,478,333     | 1,124,174,992     | 0.9953                 |
| 2014                  | 1,130,302,400     | 1,129,448,813     | 0.9992                 |
| 2015                  | 1,078,361,841     | 1,091,007,132     | 1.0117                 |
| 2016                  | 998,816,718       | 1,047,546,736     | 1.0488                 |
| 2017                  | 938,700,947       | 1,101,149,253     | 1.1731                 |
| 2018                  | 409,116,329       | 1,048,621,695     | 2.5631                 |
| 2019                  |                   | 415,778,112       |                        |

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.

TABLE I - B - REPORTED

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INDEMNITY INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

| Policy Year<br>Valued | As of<br>12/31/17 | As of<br>12/31/18 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1988               | 7,030,595,810     | 7,030,165,341     | 0.9999                 |
| 1988                  | 1,103,132,427     | 1,102,477,214     | 0.9994                 |
| 1989                  | 1,283,967,822     | 1,284,319,748     | 1.0003                 |
| 1990                  | 1,307,287,195     | 1,308,139,976     | 1.0007                 |
| 1991                  | 1,128,528,180     | 1,129,061,098     | 1.0005                 |
| 1992                  | 949,029,335       | 951,282,245       | 1.0024                 |
| 1993                  | 819,671,800       | 819,697,306       | 1.0000                 |
| 1994                  | 750,042,931       | 749,983,180       | 0.9999                 |
| 1995                  | 620,153,885       | 620,272,728       | 1.0002                 |
| 1996                  | 513,151,598       | 512,934,881       | 0.9996                 |
| 1997                  | 513,828,327       | 514,165,240       | 1.0007                 |
| 1998                  | 514,340,124       | 514,725,714       | 1.0007                 |
| 1999                  | 586,528,300       | 587,050,668       | 1.0009                 |
| 2000                  | 622,824,960       | 622,819,105       | 1.0000                 |
| 2001                  | 632,710,612       | 633,261,274       | 1.0009                 |
| 2002                  | 664,639,464       | 665,392,877       | 1.0011                 |
| 2003                  | 644,020,323       | 643,543,407       | 0.9993                 |
| 2004                  | 672,830,386       | 673,183,300       | 1.0005                 |
| 2005                  | 672,179,108       | 673,526,473       | 1.0020                 |
| 2006                  | 695,029,207       | 696,813,814       | 1.0026                 |
| 2007                  | 726,424,626       | 728,036,385       | 1.0022                 |
| 2008                  | 681,273,166       | 680,941,693       | 0.9995                 |
| 2009                  | 616,774,977       | 618,591,428       | 1.0029                 |
| 2010                  | 635,307,411       | 636,623,397       | 1.0021                 |
| 2011                  | 611,844,878       | 611,905,442       | 1.0001                 |
| 2012                  | 559,191,093       | 561,164,276       | 1.0035                 |
| 2013                  | 565,571,831       | 564,269,535       | 0.9977                 |
| 2014                  | 551,769,555       | 561,297,669       | 1.0173                 |
| 2015                  | 500,516,784       | 540,427,526       | 1.0797                 |
| 2016                  | 362,003,903       | 481,497,273       | 1.3301                 |
| 2017                  | 114,333,444       | 388,759,194       | 3.4002                 |
| 2018                  |                   | 117,822,859       |                        |

| Policy Year<br>Valued | As of<br>12/31/18 | As of<br>12/31/19 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1989               | 8,166,302,630     | 8,169,151,949     | 1.0003                 |
| 1989                  | 1,284,658,652     | 1,284,495,801     | 0.9999                 |
| 1990                  | 1,308,409,512     | 1,307,509,771     | 0.9993                 |
| 1991                  | 1,128,983,751     | 1,128,622,483     | 0.9997                 |
| 1992                  | 951,095,607       | 954,306,118       | 1.0034                 |
| 1993                  | 819,182,695       | 819,483,127       | 1.0004                 |
| 1994                  | 749,258,414       | 748,602,570       | 0.9991                 |
| 1995                  | 620,182,502       | 620,456,975       | 1.0004                 |
| 1996                  | 512,864,282       | 512,684,207       | 0.9996                 |
| 1997                  | 513,756,060       | 514,346,623       | 1.0011                 |
| 1998                  | 514,185,888       | 514,755,870       | 1.0011                 |
| 1999                  | 586,537,040       | 586,272,774       | 0.9995                 |
| 2000                  | 622,484,205       | 622,751,640       | 1.0004                 |
| 2001                  | 632,878,753       | 632,912,138       | 1.0001                 |
| 2002                  | 665,383,227       | 665,389,289       | 1.0000                 |
| 2003                  | 642,982,640       | 641,598,291       | 0.9978                 |
| 2004                  | 672,710,098       | 672,658,472       | 0.9999                 |
| 2005                  | 673,353,492       | 672,717,531       | 0.9991                 |
| 2006                  | 696,522,959       | 697,076,774       | 1.0008                 |
| 2007                  | 727,750,457       | 727,650,568       | 0.9999                 |
| 2008                  | 680,921,356       | 680,011,266       | 0.9987                 |
| 2009                  | 618,562,362       | 619,702,498       | 1.0018                 |
| 2010                  | 636,624,708       | 636,876,628       | 1.0004                 |
| 2011                  | 611,708,555       | 613,398,723       | 1.0028                 |
| 2012                  | 561,114,636       | 563,380,175       | 1.0040                 |
| 2013                  | 564,218,659       | 562,326,997       | 0.9966                 |
| 2014                  | 560,967,833       | 563,434,088       | 1.0044                 |
| 2015                  | 540,356,561       | 552,087,229       | 1.0217                 |
| 2016                  | 481,401,780       | 523,101,163       | 1.0866                 |
| 2017                  | 388,498,790       | 525,978,410       | 1.3539                 |
| 2018                  | 117,779,336       | 419,967,356       | 3.5657                 |
| 2019                  |                   | 125,246,412       |                        |

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

TABLE I - C - REPORTED

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

MEDICAL INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

| Policy Year<br>Valued | As of<br>12/31/17 | As of<br>12/31/18 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1988               | 3,648,495,297     | 3,664,760,264     | 1.0045                 |
| 1988                  | 695,620,456       | 697,278,029       | 1.0024                 |
| 1989                  | 826,484,499       | 829,749,575       | 1.0040                 |
| 1990                  | 839,462,973       | 840,604,840       | 1.0014                 |
| 1991                  | 757,188,420       | 758,659,412       | 1.0019                 |
| 1992                  | 652,004,914       | 653,256,151       | 1.0019                 |
| 1993                  | 499,903,325       | 498,227,601       | 0.9966                 |
| 1994                  | 460,029,633       | 463,627,571       | 1.0078                 |
| 1995                  | 416,929,278       | 418,650,912       | 1.0041                 |
| 1996                  | 411,389,301       | 412,544,887       | 1.0028                 |
| 1997                  | 423,128,164       | 424,710,700       | 1.0037                 |
| 1998                  | 451,549,819       | 453,490,563       | 1.0043                 |
| 1999                  | 471,472,219       | 471,994,861       | 1.0011                 |
| 2000                  | 497,125,385       | 501,042,008       | 1.0079                 |
| 2001                  | 483,262,605       | 484,020,458       | 1.0016                 |
| 2002                  | 539,832,864       | 550,349,046       | 1.0195                 |
| 2003                  | 545,336,702       | 549,133,446       | 1.0070                 |
| 2004                  | 588,601,134       | 594,629,858       | 1.0102                 |
| 2005                  | 606,813,101       | 609,777,642       | 1.0049                 |
| 2006                  | 615,056,453       | 619,732,284       | 1.0076                 |
| 2007                  | 653,728,032       | 655,778,590       | 1.0031                 |
| 2008                  | 592,286,711       | 594,367,549       | 1.0035                 |
| 2009                  | 539,985,932       | 539,375,131       | 0.9989                 |
| 2010                  | 594,877,508       | 600,108,027       | 1.0088                 |
| 2011                  | 587,409,520       | 587,805,222       | 1.0007                 |
| 2012                  | 547,633,062       | 547,781,065       | 1.0003                 |
| 2013                  | 572,944,058       | 565,288,110       | 0.9866                 |
| 2014                  | 568,602,398       | 569,627,638       | 1.0018                 |
| 2015                  | 538,090,311       | 538,049,539       | 0.9999                 |
| 2016                  | 494,476,871       | 517,512,602       | 1.0466                 |
| 2017                  | 251,798,748       | 550,490,869       | 2.1862                 |
| 2018                  |                   | 291,707,133       |                        |

| Policy Year<br>Valued | As of<br>12/31/18 | As of<br>12/31/19 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1989               | 4,370,045,952     | 4,376,294,185     | 1.0014                 |
| 1989                  | 829,789,339       | 828,761,830       | 0.9988                 |
| 1990                  | 840,519,236       | 842,252,887       | 1.0021                 |
| 1991                  | 758,473,254       | 759,916,165       | 1.0019                 |
| 1992                  | 653,164,671       | 656,679,925       | 1.0054                 |
| 1993                  | 497,930,460       | 497,402,432       | 0.9989                 |
| 1994                  | 463,067,213       | 464,026,329       | 1.0021                 |
| 1995                  | 418,466,236       | 418,779,272       | 1.0007                 |
| 1996                  | 412,498,141       | 409,725,601       | 0.9933                 |
| 1997                  | 423,910,422       | 423,233,803       | 0.9984                 |
| 1998                  | 453,209,105       | 454,128,217       | 1.0020                 |
| 1999                  | 471,713,763       | 472,703,899       | 1.0021                 |
| 2000                  | 500,509,424       | 501,764,121       | 1.0025                 |
| 2001                  | 483,817,083       | 484,285,214       | 1.0010                 |
| 2002                  | 550,387,588       | 548,954,390       | 0.9974                 |
| 2003                  | 548,673,283       | 548,509,596       | 0.9997                 |
| 2004                  | 594,131,483       | 594,263,990       | 1.0002                 |
| 2005                  | 609,450,264       | 613,544,001       | 1.0067                 |
| 2006                  | 619,478,971       | 619,861,679       | 1.0006                 |
| 2007                  | 655,607,120       | 656,136,838       | 1.0008                 |
| 2008                  | 594,208,599       | 595,215,744       | 1.0017                 |
| 2009                  | 539,340,850       | 539,125,699       | 0.9996                 |
| 2010                  | 600,081,017       | 601,140,612       | 1.0018                 |
| 2011                  | 587,559,782       | 589,966,324       | 1.0041                 |
| 2012                  | 547,694,819       | 555,712,085       | 1.0146                 |
| 2013                  | 565,259,674       | 561,847,995       | 0.9940                 |
| 2014                  | 569,334,567       | 566,014,725       | 0.9942                 |
| 2015                  | 538,005,280       | 538,919,903       | 1.0017                 |
| 2016                  | 517,414,938       | 524,445,573       | 1.0136                 |
| 2017                  | 550,202,157       | 575,170,843       | 1.0454                 |
| 2018                  | 291,336,993       | 628,654,339       | 2.1578                 |
| 2019                  |                   | 290,531,700       |                        |

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

TABLE I - D - REPORTED

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INDEMNITY PAID LOSSES

| Policy Year<br>Valued | As of<br>12/31/17 | As of<br>12/31/18 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1988               | 6,960,325,744     | 6,970,136,815     | 1.0014                 |
| 1988                  | 1,088,193,680     | 1,089,807,070     | 1.0015                 |
| 1989                  | 1,260,161,832     | 1,262,954,255     | 1.0022                 |
| 1990                  | 1,282,975,702     | 1,286,412,760     | 1.0027                 |
| 1991                  | 1,100,691,821     | 1,103,774,567     | 1.0028                 |
| 1992                  | 923,040,954       | 926,473,546       | 1.0037                 |
| 1993                  | 797,005,463       | 799,764,340       | 1.0035                 |
| 1994                  | 725,259,731       | 728,273,157       | 1.0042                 |
| 1995                  | 604,492,157       | 606,132,952       | 1.0027                 |
| 1996                  | 501,418,711       | 502,534,448       | 1.0022                 |
| 1997                  | 507,040,503       | 507,843,083       | 1.0016                 |
| 1998                  | 509,353,915       | 510,218,049       | 1.0017                 |
| 1999                  | 579,771,693       | 580,665,321       | 1.0015                 |
| 2000                  | 614,774,082       | 615,710,665       | 1.0015                 |
| 2001                  | 623,929,801       | 625,142,739       | 1.0019                 |
| 2002                  | 648,347,997       | 650,751,446       | 1.0037                 |
| 2003                  | 627,018,566       | 629,476,083       | 1.0039                 |
| 2004                  | 647,665,302       | 651,135,896       | 1.0054                 |
| 2005                  | 653,231,094       | 657,096,706       | 1.0059                 |
| 2006                  | 672,660,275       | 677,959,486       | 1.0079                 |
| 2007                  | 702,643,144       | 707,516,035       | 1.0069                 |
| 2008                  | 659,500,105       | 664,818,914       | 1.0081                 |
| 2009                  | 600,267,227       | 604,302,435       | 1.0067                 |
| 2010                  | 611,703,612       | 617,655,664       | 1.0097                 |
| 2011                  | 581,359,817       | 590,617,264       | 1.0159                 |
| 2012                  | 515,281,115       | 528,651,410       | 1.0259                 |
| 2013                  | 517,898,449       | 536,064,585       | 1.0351                 |
| 2014                  | 478,107,200       | 517,569,375       | 1.0825                 |
| 2015                  | 394,886,610       | 478,328,920       | 1.2113                 |
| 2016                  | 208,677,651       | 374,937,190       | 1.7967                 |
| 2017                  | 38,844,846        | 225,413,466       | 5.8029                 |
| 2018                  |                   | 41,922,583        |                        |

| Policy Year<br>Valued | As of<br>12/31/18 | As of<br>12/31/19 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1989               | 8,093,339,858     | 8,104,914,374     | 1.0014                 |
| 1989                  | 1,263,293,159     | 1,265,803,347     | 1.0020                 |
| 1990                  | 1,286,682,296     | 1,289,605,028     | 1.0023                 |
| 1991                  | 1,103,697,220     | 1,107,051,005     | 1.0030                 |
| 1992                  | 926,286,908       | 929,931,440       | 1.0039                 |
| 1993                  | 799,249,729       | 801,781,105       | 1.0032                 |
| 1994                  | 727,548,391       | 730,794,525       | 1.0045                 |
| 1995                  | 606,042,726       | 608,030,051       | 1.0033                 |
| 1996                  | 502,463,849       | 503,833,590       | 1.0027                 |
| 1997                  | 507,433,903       | 508,748,173       | 1.0026                 |
| 1998                  | 509,678,223       | 510,136,492       | 1.0009                 |
| 1999                  | 580,151,693       | 580,832,745       | 1.0012                 |
| 2000                  | 615,375,765       | 616,484,541       | 1.0018                 |
| 2001                  | 624,760,218       | 626,266,587       | 1.0024                 |
| 2002                  | 650,741,796       | 654,197,374       | 1.0053                 |
| 2003                  | 628,915,316       | 631,297,090       | 1.0038                 |
| 2004                  | 650,662,694       | 655,522,128       | 1.0075                 |
| 2005                  | 656,923,725       | 660,161,292       | 1.0049                 |
| 2006                  | 677,668,631       | 681,105,637       | 1.0051                 |
| 2007                  | 707,230,107       | 710,905,222       | 1.0052                 |
| 2008                  | 664,798,577       | 668,123,042       | 1.0050                 |
| 2009                  | 604,273,369       | 607,449,501       | 1.0053                 |
| 2010                  | 617,656,975       | 622,865,173       | 1.0084                 |
| 2011                  | 590,420,377       | 596,723,737       | 1.0107                 |
| 2012                  | 528,601,770       | 536,243,768       | 1.0145                 |
| 2013                  | 536,013,709       | 542,824,207       | 1.0127                 |
| 2014                  | 517,239,539       | 536,063,218       | 1.0364                 |
| 2015                  | 478,257,955       | 511,887,757       | 1.0703                 |
| 2016                  | 374,857,534       | 457,728,654       | 1.2211                 |
| 2017                  | 225,295,855       | 412,969,296       | 1.8330                 |
| 2018                  | 41,876,164        | 239,806,810       | 5.7266                 |
| 2019                  |                   | 44,630,755        |                        |

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

## TABLE I - E - REPORTED

## POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

## MEDICAL PAID LOSSES

| Policy Year<br>Valued | As of<br>12/31/17 | As of<br>12/31/18 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1988               | 3,503,703,527     | 3,520,229,159     | 1.0047                 |
| 1988                  | 669,736,322       | 672,490,387       | 1.0041                 |
| 1989                  | 786,864,556       | 792,278,318       | 1.0069                 |
| 1990                  | 809,487,235       | 813,425,253       | 1.0049                 |
| 1991                  | 724,711,846       | 728,151,711       | 1.0047                 |
| 1992                  | 623,411,603       | 627,024,489       | 1.0058                 |
| 1993                  | 475,964,788       | 479,527,352       | 1.0075                 |
| 1994                  | 434,701,113       | 438,492,704       | 1.0087                 |
| 1995                  | 394,454,549       | 397,529,791       | 1.0078                 |
| 1996                  | 382,997,117       | 386,767,077       | 1.0098                 |
| 1997                  | 397,274,854       | 401,791,819       | 1.0114                 |
| 1998                  | 418,420,105       | 421,568,549       | 1.0075                 |
| 1999                  | 443,916,501       | 447,913,278       | 1.0090                 |
| 2000                  | 471,162,705       | 475,316,653       | 1.0088                 |
| 2001                  | 463,276,978       | 466,805,835       | 1.0076                 |
| 2002                  | 509,637,289       | 516,180,502       | 1.0128                 |
| 2003                  | 519,114,058       | 523,820,481       | 1.0091                 |
| 2004                  | 557,600,830       | 562,925,870       | 1.0095                 |
| 2005                  | 568,962,766       | 576,286,952       | 1.0129                 |
| 2006                  | 578,052,821       | 586,085,243       | 1.0139                 |
| 2007                  | 624,092,709       | 630,001,631       | 1.0095                 |
| 2008                  | 564,390,015       | 569,408,613       | 1.0089                 |
| 2009                  | 508,631,881       | 511,931,101       | 1.0065                 |
| 2010                  | 549,991,195       | 556,220,408       | 1.0113                 |
| 2011                  | 547,754,215       | 551,976,514       | 1.0077                 |
| 2012                  | 494,157,688       | 500,013,193       | 1.0118                 |
| 2013                  | 510,961,553       | 515,487,813       | 1.0089                 |
| 2014                  | 514,819,643       | 524,118,927       | 1.0181                 |
| 2015                  | 453,886,620       | 481,105,405       | 1.0600                 |
| 2016                  | 361,319,804       | 449,702,385       | 1.2446                 |
| 2017                  | 106,748,784       | 399,256,841       | 3.7402                 |
| 2018                  |                   | 125,269,760       |                        |

  

| Policy Year<br>Valued | As of<br>12/31/18 | As of<br>12/31/19 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1989               | 4,200,524,588     | 4,217,490,642     | 1.0040                 |
| 1989                  | 792,318,082       | 796,067,311       | 1.0047                 |
| 1990                  | 813,339,649       | 816,906,243       | 1.0044                 |
| 1991                  | 727,965,553       | 730,851,343       | 1.0040                 |
| 1992                  | 626,933,009       | 631,343,525       | 1.0070                 |
| 1993                  | 479,230,211       | 481,667,289       | 1.0051                 |
| 1994                  | 438,084,504       | 441,109,272       | 1.0069                 |
| 1995                  | 397,364,827       | 399,851,346       | 1.0063                 |
| 1996                  | 386,720,331       | 389,469,071       | 1.0071                 |
| 1997                  | 401,190,638       | 404,009,550       | 1.0070                 |
| 1998                  | 421,287,091       | 424,073,028       | 1.0066                 |
| 1999                  | 447,632,180       | 451,508,812       | 1.0087                 |
| 2000                  | 474,784,069       | 478,368,645       | 1.0075                 |
| 2001                  | 466,602,460       | 469,642,833       | 1.0065                 |
| 2002                  | 516,219,044       | 522,266,118       | 1.0117                 |
| 2003                  | 523,360,318       | 527,449,327       | 1.0078                 |
| 2004                  | 562,427,495       | 567,210,681       | 1.0085                 |
| 2005                  | 575,959,574       | 580,257,071       | 1.0075                 |
| 2006                  | 585,831,930       | 590,867,935       | 1.0086                 |
| 2007                  | 629,830,161       | 634,939,309       | 1.0081                 |
| 2008                  | 569,249,663       | 573,431,088       | 1.0073                 |
| 2009                  | 511,896,820       | 514,374,326       | 1.0048                 |
| 2010                  | 556,193,398       | 561,368,936       | 1.0093                 |
| 2011                  | 551,731,074       | 555,999,886       | 1.0077                 |
| 2012                  | 499,926,947       | 505,805,263       | 1.0118                 |
| 2013                  | 515,459,377       | 520,011,886       | 1.0088                 |
| 2014                  | 523,825,856       | 529,879,285       | 1.0116                 |
| 2015                  | 481,061,146       | 490,811,380       | 1.0203                 |
| 2016                  | 449,610,213       | 476,799,520       | 1.0605                 |
| 2017                  | 399,116,875       | 493,041,337       | 1.2353                 |
| 2018                  | 125,060,425       | 438,312,112       | 3.5048                 |
| 2019                  |                   | 132,295,694       |                        |

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

TABLE I - A - ADJUSTED TO A POST-HB 1840 & HB 1846 BASIS

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

| Policy Year<br>Valued | As of<br>12/31/17 | As of<br>12/31/18 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1988               | 8,902,216,461     | 8,918,017,806     | 1.0018                 |
| 1988                  | 1,526,219,907     | 1,527,276,357     | 1.0007                 |
| 1989                  | 1,812,066,645     | 1,815,620,099     | 1.0020                 |
| 1990                  | 1,859,721,885     | 1,861,597,822     | 1.0010                 |
| 1991                  | 1,652,237,192     | 1,654,154,127     | 1.0012                 |
| 1992                  | 1,421,326,402     | 1,424,560,577     | 1.0023                 |
| 1993                  | 1,190,070,123     | 1,188,392,342     | 0.9986                 |
| 1994                  | 1,108,902,082     | 1,112,419,513     | 1.0032                 |
| 1995                  | 970,990,759       | 972,804,878       | 1.0019                 |
| 1996                  | 890,510,567       | 891,439,238       | 1.0010                 |
| 1997                  | 915,418,004       | 917,334,070       | 1.0021                 |
| 1998                  | 949,344,206       | 951,669,565       | 1.0024                 |
| 1999                  | 1,047,437,898     | 1,048,482,139     | 1.0010                 |
| 2000                  | 1,115,412,969     | 1,119,313,711     | 1.0035                 |
| 2001                  | 1,117,831,143     | 1,119,136,644     | 1.0012                 |
| 2002                  | 1,212,442,938     | 1,223,702,636     | 1.0093                 |
| 2003                  | 1,202,884,937     | 1,206,175,709     | 1.0027                 |
| 2004                  | 1,281,532,097     | 1,287,886,844     | 1.0050                 |
| 2005                  | 1,304,571,630     | 1,308,876,907     | 1.0033                 |
| 2006                  | 1,340,487,647     | 1,346,941,680     | 1.0048                 |
| 2007                  | 1,415,327,172     | 1,418,979,945     | 1.0026                 |
| 2008                  | 1,303,756,198     | 1,305,468,172     | 1.0013                 |
| 2009                  | 1,169,051,905     | 1,170,260,024     | 1.0010                 |
| 2010                  | 1,235,475,479     | 1,242,006,051     | 1.0053                 |
| 2011                  | 1,204,270,675     | 1,204,678,788     | 1.0003                 |
| 2012                  | 1,111,681,277     | 1,113,761,145     | 1.0019                 |
| 2013                  | 1,144,124,112     | 1,135,062,361     | 0.9921                 |
| 2014                  | 1,128,120,031     | 1,138,662,693     | 1.0093                 |
| 2015                  | 1,046,569,601     | 1,086,761,790     | 1.0384                 |
| 2016                  | 862,239,738       | 1,006,063,945     | 1.1668                 |
| 2017                  | 367,951,074       | 944,710,949       | 2.5675                 |
| 2018                  |                   | 411,202,499       |                        |

| Policy Year<br>Valued | As of<br>12/31/18 | As of<br>12/31/19 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1989               | 10,481,245,820    | 10,489,584,427    | 1.0008                 |
| 1989                  | 1,815,957,319     | 1,814,663,491     | 0.9993                 |
| 1990                  | 1,861,773,921     | 1,862,581,493     | 1.0004                 |
| 1991                  | 1,653,931,398     | 1,654,906,187     | 1.0006                 |
| 1992                  | 1,424,312,628     | 1,430,532,412     | 1.0044                 |
| 1993                  | 1,187,660,953     | 1,187,284,708     | 0.9997                 |
| 1994                  | 1,111,229,367     | 1,111,476,422     | 1.0002                 |
| 1995                  | 972,550,891       | 973,029,963       | 1.0005                 |
| 1996                  | 891,325,976       | 888,310,438       | 0.9966                 |
| 1997                  | 916,162,562       | 916,035,776       | 0.9999                 |
| 1998                  | 950,856,205       | 952,322,259       | 1.0015                 |
| 1999                  | 1,047,691,729     | 1,048,374,413     | 1.0007                 |
| 2000                  | 1,118,457,087     | 1,119,933,159     | 1.0013                 |
| 2001                  | 1,118,548,241     | 1,118,992,258     | 1.0004                 |
| 2002                  | 1,223,731,180     | 1,222,192,766     | 0.9987                 |
| 2003                  | 1,205,142,981     | 1,203,483,710     | 0.9986                 |
| 2004                  | 1,286,899,428     | 1,286,815,451     | 0.9999                 |
| 2005                  | 1,308,365,343     | 1,311,698,223     | 1.0025                 |
| 2006                  | 1,346,384,530     | 1,347,192,656     | 1.0006                 |
| 2007                  | 1,418,511,576     | 1,418,795,573     | 1.0002                 |
| 2008                  | 1,305,283,158     | 1,305,253,508     | 1.0000                 |
| 2009                  | 1,170,196,050     | 1,171,025,152     | 1.0007                 |
| 2010                  | 1,241,980,606     | 1,243,143,302     | 1.0009                 |
| 2011                  | 1,204,235,435     | 1,208,174,195     | 1.0033                 |
| 2012                  | 1,113,625,170     | 1,123,682,696     | 1.0090                 |
| 2013                  | 1,134,982,432     | 1,129,445,063     | 0.9951                 |
| 2014                  | 1,138,035,190     | 1,136,791,379     | 0.9989                 |
| 2015                  | 1,086,645,474     | 1,098,749,321     | 1.0111                 |
| 2016                  | 1,005,869,390     | 1,053,636,039     | 1.0475                 |
| 2017                  | 944,158,126       | 1,105,253,798     | 1.1706                 |
| 2018                  | 410,788,281       | 1,050,884,247     | 2.5582                 |
| 2019                  |                   | 416,548,682       |                        |

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

TABLE I - B - ADJUSTED TO A POST-HB 1840 & HB 1846 BASIS

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INDEMNITY INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

| Policy Year<br>Valued | As of<br>12/31/17 | As of<br>12/31/18 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1988               | 6,304,174,763     | 6,303,711,141     | 0.9999                 |
| 1988                  | 994,707,604       | 994,106,481       | 0.9994                 |
| 1989                  | 1,159,889,488     | 1,160,177,865     | 1.0002                 |
| 1990                  | 1,184,968,331     | 1,185,702,400     | 1.0006                 |
| 1991                  | 1,027,596,637     | 1,028,042,580     | 1.0004                 |
| 1992                  | 869,268,434       | 871,251,371       | 1.0023                 |
| 1993                  | 757,926,027       | 757,923,969       | 1.0000                 |
| 1994                  | 702,001,899       | 701,921,392       | 0.9999                 |
| 1995                  | 596,273,922       | 596,366,407       | 1.0002                 |
| 1996                  | 513,595,278       | 513,368,363       | 0.9996                 |
| 1997                  | 522,002,601       | 522,336,131       | 1.0006                 |
| 1998                  | 522,522,540       | 522,907,154       | 1.0007                 |
| 1999                  | 595,859,127       | 596,380,725       | 1.0009                 |
| 2000                  | 632,733,214       | 632,717,334       | 1.0000                 |
| 2001                  | 642,776,133       | 643,323,781       | 1.0009                 |
| 2002                  | 675,212,927       | 675,956,444       | 1.0011                 |
| 2003                  | 654,265,765       | 653,759,793       | 0.9992                 |
| 2004                  | 683,534,155       | 683,860,179       | 1.0005                 |
| 2005                  | 682,872,516       | 684,213,253       | 1.0020                 |
| 2006                  | 706,086,128       | 707,864,330       | 1.0025                 |
| 2007                  | 737,981,003       | 739,583,218       | 1.0022                 |
| 2008                  | 692,111,248       | 691,742,383       | 0.9995                 |
| 2009                  | 626,586,985       | 628,405,905       | 1.0029                 |
| 2010                  | 645,414,243       | 646,714,296       | 1.0020                 |
| 2011                  | 621,578,455       | 621,590,866       | 1.0000                 |
| 2012                  | 568,087,024       | 570,018,890       | 1.0034                 |
| 2013                  | 574,569,270       | 573,163,467       | 0.9976                 |
| 2014                  | 560,547,420       | 570,064,841       | 1.0170                 |
| 2015                  | 508,479,290       | 548,712,251       | 1.0791                 |
| 2016                  | 367,762,867       | 488,551,343       | 1.3284                 |
| 2017                  | 116,152,326       | 394,220,080       | 3.3940                 |
| 2018                  |                   | 119,495,366       |                        |

| Policy Year<br>Valued | As of<br>12/31/18 | As of<br>12/31/19 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1989               | 7,328,022,613     | 7,330,112,987     | 1.0003                 |
| 1989                  | 1,160,484,070     | 1,160,217,751     | 0.9998                 |
| 1990                  | 1,185,946,769     | 1,185,020,691     | 0.9992                 |
| 1991                  | 1,027,972,122     | 1,027,504,000     | 0.9995                 |
| 1992                  | 871,080,321       | 873,784,851       | 1.0031                 |
| 1993                  | 757,447,734       | 757,599,518       | 1.0002                 |
| 1994                  | 701,242,145       | 700,530,084       | 0.9990                 |
| 1995                  | 596,279,579       | 596,445,615       | 1.0003                 |
| 1996                  | 513,297,680       | 513,054,683       | 0.9995                 |
| 1997                  | 521,920,444       | 522,470,276       | 1.0011                 |
| 1998                  | 522,358,743       | 522,905,685       | 1.0010                 |
| 1999                  | 595,858,929       | 595,551,476       | 0.9995                 |
| 2000                  | 632,377,108       | 632,598,483       | 1.0004                 |
| 2001                  | 642,935,177       | 642,911,063       | 1.0000                 |
| 2002                  | 675,946,641       | 675,841,424       | 0.9998                 |
| 2003                  | 653,190,112       | 651,694,528       | 0.9977                 |
| 2004                  | 683,379,457       | 683,162,973       | 0.9997                 |
| 2005                  | 684,037,523       | 683,276,666       | 0.9989                 |
| 2006                  | 707,568,854       | 707,994,272       | 1.0006                 |
| 2007                  | 739,292,747       | 739,047,026       | 0.9997                 |
| 2008                  | 691,721,723       | 690,684,928       | 0.9985                 |
| 2009                  | 628,376,377       | 629,420,631       | 1.0017                 |
| 2010                  | 646,715,628       | 646,818,728       | 1.0002                 |
| 2011                  | 621,390,856       | 622,923,074       | 1.0025                 |
| 2012                  | 569,968,464       | 572,008,724       | 1.0036                 |
| 2013                  | 573,111,787       | 570,986,097       | 0.9963                 |
| 2014                  | 569,729,833       | 571,805,864       | 1.0036                 |
| 2015                  | 548,640,194       | 559,829,418       | 1.0204                 |
| 2016                  | 488,454,452       | 529,190,466       | 1.0834                 |
| 2017                  | 393,955,969       | 530,082,955       | 1.3455                 |
| 2018                  | 119,451,288       | 422,229,908       | 3.5347                 |
| 2019                  |                   | 126,016,982       |                        |

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

TABLE I - C - ADJUSTED TO A POST-HB 1840 & HB 1846 BASIS

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

MEDICAL INCURRED LOSSES EXCLUDING BULK AND IBNR RESERVES

| Policy Year<br>Valued | As of<br>12/31/17 | As of<br>12/31/18 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1988               | 2,598,041,698     | 2,614,306,665     | 1.0063                 |
| 1988                  | 531,512,303       | 533,169,876       | 1.0031                 |
| 1989                  | 652,177,157       | 655,442,233       | 1.0050                 |
| 1990                  | 674,753,555       | 675,895,422       | 1.0017                 |
| 1991                  | 624,640,555       | 626,111,547       | 1.0024                 |
| 1992                  | 552,057,968       | 553,309,205       | 1.0023                 |
| 1993                  | 432,144,097       | 430,468,373       | 0.9961                 |
| 1994                  | 406,900,183       | 410,498,121       | 1.0088                 |
| 1995                  | 374,716,837       | 376,438,471       | 1.0046                 |
| 1996                  | 376,915,289       | 378,070,875       | 1.0031                 |
| 1997                  | 393,415,403       | 394,997,939       | 1.0040                 |
| 1998                  | 426,821,666       | 428,762,410       | 1.0045                 |
| 1999                  | 451,578,772       | 452,101,414       | 1.0012                 |
| 2000                  | 482,679,755       | 486,596,378       | 1.0081                 |
| 2001                  | 475,055,010       | 475,812,863       | 1.0016                 |
| 2002                  | 537,230,010       | 547,746,192       | 1.0196                 |
| 2003                  | 548,619,172       | 552,415,916       | 1.0069                 |
| 2004                  | 597,997,941       | 604,026,665       | 1.0101                 |
| 2005                  | 621,699,113       | 624,663,654       | 1.0048                 |
| 2006                  | 634,401,519       | 639,077,350       | 1.0074                 |
| 2007                  | 677,346,169       | 679,396,727       | 1.0030                 |
| 2008                  | 611,644,950       | 613,725,788       | 1.0034                 |
| 2009                  | 542,464,920       | 541,854,119       | 0.9989                 |
| 2010                  | 590,061,236       | 595,291,755       | 1.0089                 |
| 2011                  | 582,692,220       | 583,087,922       | 1.0007                 |
| 2012                  | 543,594,253       | 543,742,256       | 1.0003                 |
| 2013                  | 569,554,842       | 561,898,894       | 0.9866                 |
| 2014                  | 567,572,612       | 568,597,852       | 1.0018                 |
| 2015                  | 538,090,311       | 538,049,539       | 0.9999                 |
| 2016                  | 494,476,871       | 517,512,602       | 1.0466                 |
| 2017                  | 251,798,748       | 550,490,869       | 2.1862                 |
| 2018                  |                   | 291,707,133       |                        |

| Policy Year<br>Valued | As of<br>12/31/18 | As of<br>12/31/19 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1989               | 3,153,223,207     | 3,159,471,440     | 1.0020                 |
| 1989                  | 655,473,249       | 654,445,740       | 0.9984                 |
| 1990                  | 675,827,151       | 677,560,802       | 1.0026                 |
| 1991                  | 625,959,276       | 627,402,187       | 1.0023                 |
| 1992                  | 553,232,307       | 556,747,561       | 1.0064                 |
| 1993                  | 430,213,219       | 429,685,191       | 0.9988                 |
| 1994                  | 409,987,222       | 410,946,338       | 1.0023                 |
| 1995                  | 376,271,312       | 376,584,348       | 1.0008                 |
| 1996                  | 378,028,296       | 375,255,756       | 0.9927                 |
| 1997                  | 394,242,119       | 393,565,500       | 0.9983                 |
| 1998                  | 428,497,462       | 429,416,574       | 1.0021                 |
| 1999                  | 451,832,800       | 452,822,936       | 1.0022                 |
| 2000                  | 486,079,980       | 487,334,677       | 1.0026                 |
| 2001                  | 475,613,064       | 476,081,195       | 1.0010                 |
| 2002                  | 547,784,540       | 546,351,342       | 0.9974                 |
| 2003                  | 551,952,869       | 551,789,182       | 0.9997                 |
| 2004                  | 603,519,971       | 603,652,478       | 1.0002                 |
| 2005                  | 624,327,820       | 628,421,557       | 1.0066                 |
| 2006                  | 638,815,676       | 639,198,384       | 1.0006                 |
| 2007                  | 679,218,829       | 679,748,547       | 1.0008                 |
| 2008                  | 613,561,434       | 614,568,579       | 1.0016                 |
| 2009                  | 541,819,672       | 541,604,521       | 0.9996                 |
| 2010                  | 595,264,979       | 596,324,574       | 1.0018                 |
| 2011                  | 582,844,579       | 585,251,121       | 1.0041                 |
| 2012                  | 543,656,707       | 551,673,973       | 1.0147                 |
| 2013                  | 561,870,645       | 558,458,966       | 0.9939                 |
| 2014                  | 568,305,357       | 564,985,515       | 0.9942                 |
| 2015                  | 538,005,280       | 538,919,903       | 1.0017                 |
| 2016                  | 517,414,938       | 524,445,573       | 1.0136                 |
| 2017                  | 550,202,157       | 575,170,843       | 1.0454                 |
| 2018                  | 291,336,993       | 628,654,339       | 2.1578                 |
| 2019                  |                   | 290,531,700       |                        |

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.



TABLE I - D - ADJUSTED TO A POST-HB 1840 & HB 1846 BASIS

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

INDEMNITY PAID LOSSES

| Policy Year<br>Valued | As of<br>12/31/17 | As of<br>12/31/18 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1988               | 6,241,360,495     | 6,250,104,676     | 1.0014                 |
| 1988                  | 981,353,889       | 982,791,833       | 1.0015                 |
| 1989                  | 1,138,609,362     | 1,141,098,127     | 1.0022                 |
| 1990                  | 1,163,236,337     | 1,166,299,637     | 1.0026                 |
| 1991                  | 1,002,713,773     | 1,005,461,290     | 1.0027                 |
| 1992                  | 846,037,473       | 849,096,793       | 1.0036                 |
| 1993                  | 737,664,634       | 740,123,501       | 1.0033                 |
| 1994                  | 679,848,247       | 682,533,983       | 1.0040                 |
| 1995                  | 581,796,609       | 583,308,837       | 1.0026                 |
| 1996                  | 502,033,324       | 503,129,557       | 1.0022                 |
| 1997                  | 515,106,792       | 515,919,731       | 1.0016                 |
| 1998                  | 517,457,007       | 518,332,294       | 1.0017                 |
| 1999                  | 588,995,032       | 589,900,193       | 1.0015                 |
| 2000                  | 624,554,259       | 625,502,930       | 1.0015                 |
| 2001                  | 633,855,632       | 635,084,225       | 1.0019                 |
| 2002                  | 658,662,286       | 661,096,756       | 1.0037                 |
| 2003                  | 636,993,535       | 639,482,770       | 1.0039                 |
| 2004                  | 657,968,731       | 661,484,118       | 1.0053                 |
| 2005                  | 663,623,067       | 667,538,570       | 1.0059                 |
| 2006                  | 683,361,338       | 688,728,943       | 1.0079                 |
| 2007                  | 713,821,192       | 718,756,975       | 1.0069                 |
| 2008                  | 669,991,809       | 675,379,265       | 1.0080                 |
| 2009                  | 609,816,620       | 613,903,909       | 1.0067                 |
| 2010                  | 621,434,942       | 627,463,814       | 1.0097                 |
| 2011                  | 590,608,420       | 599,985,349       | 1.0159                 |
| 2012                  | 523,478,501       | 537,021,360       | 1.0259                 |
| 2013                  | 526,137,473       | 544,538,070       | 1.0350                 |
| 2014                  | 485,713,202       | 525,684,697       | 1.0823                 |
| 2015                  | 401,168,691       | 485,687,952       | 1.2107                 |
| 2016                  | 211,997,414       | 380,402,787       | 1.7944                 |
| 2017                  | 39,462,812        | 228,439,385       | 5.7887                 |
| 2018                  |                   | 42,463,658        |                        |

| Policy Year<br>Valued | As of<br>12/31/18 | As of<br>12/31/19 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1989               | 7,262,865,653     | 7,273,050,069     | 1.0014                 |
| 1989                  | 1,141,404,332     | 1,143,613,046     | 1.0019                 |
| 1990                  | 1,166,544,007     | 1,169,115,718     | 1.0022                 |
| 1991                  | 1,005,390,833     | 1,008,341,828     | 1.0029                 |
| 1992                  | 848,925,743       | 852,132,566       | 1.0038                 |
| 1993                  | 739,647,267       | 741,874,624       | 1.0030                 |
| 1994                  | 681,854,736       | 684,711,009       | 1.0042                 |
| 1995                  | 583,222,008       | 585,030,275       | 1.0031                 |
| 1996                  | 503,058,874       | 504,387,523       | 1.0026                 |
| 1997                  | 515,504,043       | 516,818,313       | 1.0025                 |
| 1998                  | 517,783,883       | 518,242,152       | 1.0009                 |
| 1999                  | 589,378,396       | 590,059,448       | 1.0012                 |
| 2000                  | 625,162,703       | 626,271,479       | 1.0018                 |
| 2001                  | 634,695,621       | 636,201,990       | 1.0024                 |
| 2002                  | 661,086,952       | 664,542,530       | 1.0052                 |
| 2003                  | 638,913,088       | 641,294,862       | 1.0037                 |
| 2004                  | 661,003,396       | 665,862,830       | 1.0074                 |
| 2005                  | 667,362,840       | 670,600,407       | 1.0049                 |
| 2006                  | 688,433,468       | 691,870,474       | 1.0050                 |
| 2007                  | 718,466,504       | 722,141,619       | 1.0051                 |
| 2008                  | 675,358,605       | 678,683,070       | 1.0049                 |
| 2009                  | 613,874,381       | 617,050,513       | 1.0052                 |
| 2010                  | 627,465,146       | 632,673,344       | 1.0083                 |
| 2011                  | 599,785,339       | 606,088,699       | 1.0105                 |
| 2012                  | 536,970,934       | 544,612,932       | 1.0142                 |
| 2013                  | 544,486,390       | 551,296,888       | 1.0125                 |
| 2014                  | 525,349,689       | 544,173,368       | 1.0358                 |
| 2015                  | 485,615,895       | 519,245,697       | 1.0693                 |
| 2016                  | 380,321,969       | 463,193,089       | 1.2179                 |
| 2017                  | 228,320,196       | 415,993,637       | 1.8220                 |
| 2018                  | 42,416,640        | 240,347,286       | 5.6663                 |
| 2019                  |                   | 44,630,755        |                        |

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

TABLE I - E - ADJUSTED TO A POST-HB 1840 & HB 1846 BASIS

POLICY YEAR DATA ACCUMULATED TO END OF CALENDAR YEAR

MEDICAL PAID LOSSES

| Policy Year<br>Valued | As of<br>12/31/17 | As of<br>12/31/18 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1988               | 2,453,249,928     | 2,469,775,560     | 1.0067                 |
| 1988                  | 505,628,169       | 508,382,234       | 1.0054                 |
| 1989                  | 612,557,214       | 617,970,976       | 1.0088                 |
| 1990                  | 644,777,817       | 648,715,835       | 1.0061                 |
| 1991                  | 592,163,981       | 595,603,846       | 1.0058                 |
| 1992                  | 523,464,657       | 527,077,543       | 1.0069                 |
| 1993                  | 408,205,560       | 411,768,124       | 1.0087                 |
| 1994                  | 381,571,663       | 385,363,254       | 1.0099                 |
| 1995                  | 352,242,108       | 355,317,350       | 1.0087                 |
| 1996                  | 348,523,105       | 352,293,065       | 1.0108                 |
| 1997                  | 367,562,093       | 372,079,058       | 1.0123                 |
| 1998                  | 393,691,952       | 396,840,396       | 1.0080                 |
| 1999                  | 424,023,054       | 428,019,831       | 1.0094                 |
| 2000                  | 456,717,075       | 460,871,023       | 1.0091                 |
| 2001                  | 455,069,383       | 458,598,240       | 1.0078                 |
| 2002                  | 507,034,435       | 513,577,648       | 1.0129                 |
| 2003                  | 522,396,528       | 527,102,951       | 1.0090                 |
| 2004                  | 566,997,637       | 572,322,677       | 1.0094                 |
| 2005                  | 583,848,778       | 591,172,964       | 1.0125                 |
| 2006                  | 597,397,887       | 605,430,309       | 1.0134                 |
| 2007                  | 647,710,846       | 653,619,768       | 1.0091                 |
| 2008                  | 583,748,254       | 588,766,852       | 1.0086                 |
| 2009                  | 511,110,869       | 514,410,089       | 1.0065                 |
| 2010                  | 545,174,923       | 551,404,136       | 1.0114                 |
| 2011                  | 543,036,915       | 547,259,214       | 1.0078                 |
| 2012                  | 490,118,879       | 495,974,384       | 1.0119                 |
| 2013                  | 507,572,337       | 512,098,597       | 1.0089                 |
| 2014                  | 513,789,857       | 523,089,141       | 1.0181                 |
| 2015                  | 453,886,620       | 481,105,405       | 1.0600                 |
| 2016                  | 361,319,804       | 449,702,385       | 1.2446                 |
| 2017                  | 106,748,784       | 399,256,841       | 3.7402                 |
| 2018                  |                   | 125,269,760       |                        |

| Policy Year<br>Valued | As of<br>12/31/18 | As of<br>12/31/19 | Ratio to<br>Prior Year |
|-----------------------|-------------------|-------------------|------------------------|
| Prior                 |                   |                   |                        |
| to 1989               | 2,983,701,843     | 3,000,667,897     | 1.0057                 |
| 1989                  | 618,001,992       | 621,751,221       | 1.0061                 |
| 1990                  | 648,647,564       | 652,214,158       | 1.0055                 |
| 1991                  | 595,451,575       | 598,337,365       | 1.0048                 |
| 1992                  | 527,000,645       | 531,411,161       | 1.0084                 |
| 1993                  | 411,512,970       | 413,950,048       | 1.0059                 |
| 1994                  | 385,004,513       | 388,029,281       | 1.0079                 |
| 1995                  | 355,169,903       | 357,656,422       | 1.0070                 |
| 1996                  | 352,250,486       | 354,999,226       | 1.0078                 |
| 1997                  | 371,522,335       | 374,341,247       | 1.0076                 |
| 1998                  | 396,575,448       | 399,361,385       | 1.0070                 |
| 1999                  | 427,751,217       | 431,627,849       | 1.0091                 |
| 2000                  | 460,354,625       | 463,939,201       | 1.0078                 |
| 2001                  | 458,398,441       | 461,438,814       | 1.0066                 |
| 2002                  | 513,615,996       | 519,663,070       | 1.0118                 |
| 2003                  | 526,639,904       | 530,728,913       | 1.0078                 |
| 2004                  | 571,815,983       | 576,599,169       | 1.0084                 |
| 2005                  | 590,837,130       | 595,134,627       | 1.0073                 |
| 2006                  | 605,168,635       | 610,204,640       | 1.0083                 |
| 2007                  | 653,441,870       | 658,551,018       | 1.0078                 |
| 2008                  | 588,602,498       | 592,783,923       | 1.0071                 |
| 2009                  | 514,375,642       | 516,853,148       | 1.0048                 |
| 2010                  | 551,377,360       | 556,552,898       | 1.0094                 |
| 2011                  | 547,015,871       | 551,284,683       | 1.0078                 |
| 2012                  | 495,888,835       | 501,767,151       | 1.0119                 |
| 2013                  | 512,070,348       | 516,622,857       | 1.0089                 |
| 2014                  | 522,796,646       | 528,850,075       | 1.0116                 |
| 2015                  | 481,061,146       | 490,811,380       | 1.0203                 |
| 2016                  | 449,610,213       | 476,799,520       | 1.0605                 |
| 2017                  | 399,116,875       | 493,041,337       | 1.2353                 |
| 2018                  | 125,060,425       | 438,312,112       | 3.5048                 |
| 2019                  |                   | 132,295,694       |                        |

NOTE: So as to maximize the use of available data, the companies used in one stage of development were allowed to be independent of those used in the other stage of development; therefore, the figures shown at each valuation may vary.

## EXHIBIT VII

### LOSS COST FORMULAE

The experience used for classification relativities for the April 1, 2021 revision will include all available risks. It is proposed that catastrophes be limited in accordance with the procedure previously employed in other Bureau filings. The experience period will be five (5) years for all classifications regardless of whether a classification might meet the full credibility requirements with less than five years of data. Credibility will be based on reported payrolls for classifications using payroll as the exposure base. For non-payroll classifications, expected losses will be used as the basis for credibility. Thus, two credibility tables will be prepared for use in the April 1, 2021 filing. The values for these respective tables will be established such that the credibilities assigned to a payroll-based classification having the same portion of total statewide expected losses and payrolls attributable to its experience using each table would be equal. All occupational disease losses will be included in the exhibit of classification experience, with the total amount of such losses by type of injury being shown on a separate line on the classification loss cost worksheets.

Most classifications are subject to standard procedures as described below. However, circumstances will sometimes require that some classifications' rating procedure be modified to recognize situations where the normal rating process would not be appropriate. Such classifications, and the manner in which their loss costs have been derived, are separately identified within the filing material.

The calculation of classification loss costs will be made using the following procedure:

- (1) Determine the present pure premiums by category (serious, non-serious, medical only and total) for each classification.
- (2) Adjust the present pure premiums by category (serious, non-serious, medical-only and total) to the April 1, 2021 loss cost level.
- (3) Determine Expected Losses (serious, non-serious, medical-only and total) for each classification by multiplying the exposures from the experience period by the present pure premiums.
- (4) Determine the indicated pure premiums (serious, non-serious, medical-only and total) from the exposures and losses from the experience period.
- (5) Test the indicated total pure premiums by multiplying the exposures of the latest two years for each classification and obtaining the total Actual Losses for all classifications combined.
- (6) Calculate Expected Losses by multiplying the present pure premiums by the exposures from the last two years for each classification and by the overall average loss cost change.
- (7) Obtain correction factors by dividing the Expected Losses derived in (6) by the Actual Losses derived in (5).

## LOSS COST FORMULAE (CONTINUED)

- (8) Multiply the indicated (pre-test) pure premiums from (4) times the correction factors derived in (7) to obtain indicated (post-test) pure premiums.
- (9) Determine “formula” pure premiums from (2) and (8) above for each type of loss (serious, non-serious and medical-only), with credibility for each category of loss corresponding to either the amount of reported payroll (for all classifications in which payroll is the exposure base) or to the amount of Expected Losses (for all “non-payroll” classifications). Credibility weights will be taken from exhibits appearing in the Class Book. The complement of credibility is in each case to be assigned to the present loss costs on April 1, 2021 level for each category of loss.
- (10) Select proposed total pure premiums for each classification, using the middle value from the total pure premiums derived in (2), (8) and (9) above. If the proposed pure premium selected on this basis is different from the formula pure premium derived in (9) above, partial pure premiums are to be allocated between categories (serious, non-serious and medical-only) in the same proportion as the partial pure premiums comprising the formula pure premium.
- (11) Test the proposed total pure premiums selected in (10) by multiplying by the exposures of the two latest years for each classification and obtaining the total Expected Losses for all classifications combined.
- (12) Obtain a correction factor by dividing the Expected Losses derived in (6) above by the Expected Losses derived in (11) above.
- (13) Calculate the “composite pure premium multiplier” as the product of the following items:
  - (a) The pure premium correction factor determined in (12) above.
  - (b) The proposed experience rating plan off-balance factor.
- (14) Apply the composite pure premium multiplier obtained in (13) above to the proposed total pure premiums to obtain classification loss costs.
- (15) Test to assure that the maximum departure of the classification loss costs derived in (14) above from current loss costs are in accordance with the following parameters:

Maximum Change in Loss Cost:  
Upward: The overall average change plus 25% rounded to the nearest 1%.  
Downward: The overall average change minus 25% rounded to the nearest 1%.
- (16) Loss costs are to be rounded to the nearest \$.01.
- (17) Test the limited loss costs derived in (16) above to determine if balance has been achieved within 0.0005 of the indicated change in loss cost level. If such balance has not been achieved, calculate the necessary correction factor to adjust the composite pure premium multipliers derived in (13) above to achieve the necessary balance. Perform steps (14) through (17) iteratively until the desired balance is achieved.

**EXHIBIT VIII**

**COLLECTIBLE PREMIUM RATIOS \***

| Manual<br>Year                     | Premium at<br>Manual Rates | Collected Premium<br>(Excluding Constants) | Collectible<br>Premium<br>Ratio (2)/(3) |
|------------------------------------|----------------------------|--|---|
| (1)                                | (2)                        | (3)  | (4)                                     |
| <b>ALL INDUSTRIES</b>              |                            |  |   |
| 2015                               | 2,668,481,736              | 2,604,394,742                              | 1.0246                                  |
| 2016                               | 2,662,923,582              | 2,595,273,255                              | 1.0261                                  |
| 2017                               | 2,692,957,550              | 2,603,539,679                              | 1.0343                                  |
| <b>TOTAL</b>                       | <b>8,024,362,868</b>       | <b>7,803,207,676</b>                       | <b>1.0283</b>                           |
| <b>MANUFACTURING AND UTILITIES</b> |                            |  |   |
| 2015                               | 539,115,132                | 515,274,641                                | 1.0463                                  |
| 2016                               | 530,257,949                | 510,029,686                                | 1.0397                                  |
| 2017                               | 525,909,098                | 504,758,536                                | 1.0419                                  |
| <b>TOTAL</b>                       | <b>1,595,282,179</b>       | <b>1,530,062,863</b>                       | <b>1.0426</b>                           |
| <b>CONTRACTING AND QUARRYING</b>   |                            |  |   |
| 2015                               | 514,760,318                | 458,723,943                                | 1.1222                                  |
| 2016                               | 517,845,123                | 460,435,572                                | 1.1247                                  |
| 2017                               | 543,213,785                | 478,856,242                                | 1.1344                                  |
| <b>TOTAL</b>                       | <b>1,575,819,226</b>       | <b>1,398,015,757</b>                       | <b>1.1272</b>                           |
| <b>OTHER INDUSTRIES</b>            |                            |  |   |
| 2015                               | 1,614,606,286              | 1,630,396,158                              | 0.9903                                  |
| 2016                               | 1,614,820,510              | 1,624,807,997                              | 0.9939                                  |
| 2017                               | 1,623,834,667              | 1,619,924,901                              | 1.0024                                  |
| <b>TOTAL</b>                       | <b>4,853,261,463</b>       | <b>4,875,129,056</b>                       | <b>0.9955</b>                           |

\* Excludes classifications and coverages not subject to experience rating.

**EXHIBIT IX**

**CALCULATION OF EXPECTED LOSS COST FACTORS (a)**

| <b>Policy Year<br/>Beginning<br/>4/1<br/>(1)</b> | <b>HB 1846<br/>Adjustment<br/>Factor<br/>(2)</b> | <b>Protz &amp; HB 1840<br/>Adjustment<br/>Factor<br/>(3)</b> | <b>Loss Ratio<br/>Development<br/>Factor<br/>(4)</b> | <b>Collectible<br/>Premium<br/>Ratio<br/>(5)</b> | <b>Trend<br/>Factor<br/>(6)</b> | <b>Product<br/>(2) * (3) * (4)<br/>* (5) * (6)<br/>(7)</b> | <b>Expected<br/>Loss Cost<br/>Factor<br/>1.0 / (7)<br/>(8)</b> |
|--|--|--|--|--|---------------------------------|--|--|
| <b><u>Manufacturing and Utilities</u></b>        |  |  |  |  |                                 |  |  |
| 2017   | 1.0000   | 1.0019   | 1.1294   | 1.0426   | 0.8443                          | 0.9960   | 1.0040   |
| 2018   | 1.0000   | 1.0006   | 1.2022   | 1.0426   | 0.8808                          | 1.1047   | 0.9052   |
| 2019   | 1.0000   | 1.0006   | 1.4297   | 1.0426   | 0.9188                          | 1.3704   | 0.7297   |
| <b><u>Contracting and Quarrying</u></b>          |  |  |  |  |                                 |  |  |
| 2017   | 1.0000   | 1.0019   | 1.1419   | 1.1272   | 0.8443                          | 1.0888   | 0.9184   |
| 2018   | 1.0000   | 1.0006   | 1.2348   | 1.1272   | 0.8808                          | 1.2267   | 0.8152   |
| 2019   | 1.0000   | 1.0006   | 1.4403   | 1.1272   | 0.9188                          | 1.4926   | 0.6700   |
| <b><u>Other Industries</u></b>                   |  |  |  |  |                                 |  |  |
| 2017   | 1.0000   | 1.0019   | 1.1114   | 0.9955   | 0.8443                          | 0.9359   | 1.0685   |
| 2018   | 1.0000   | 1.0006   | 1.1834   | 0.9955   | 0.8808                          | 1.0383   | 0.9631   |
| 2019   | 1.0000   | 1.0006   | 1.4432   | 0.9955   | 0.9188                          | 1.3209   | 0.7571   |

a Apply to pure Loss Costs (pre-LBA, Merit Rating Plan, PCCPAP and Certified Safety Committee adjustments).

## EXHIBIT X

### RETROSPECTIVE DEVELOPMENT FACTORS \*

Retrospective development factors for first, second and third adjustments are calculated below. They are intended for application to retrospective plans with no loss limitation.

|                   |       |        |
|-------------------|-------|--------|
| First Adjustment  | RDF = | 0.2756 |
| Second Adjustment | RDF = | 0.1522 |
| Third Adjustment  | RDF = | 0.1022 |

For those companies using retrospective development factors with loss limitations, the following formula may be used:

$$\text{RDF(LIM)} = (1.0 - \text{ELF}) \times \text{RDF}$$

RDF(LIM) = Retrospective Development Factors at limited basis  
ELF = Excess Loss Factors for given Hazard Group and Loss Limitation  
RDF = Retrospective Development Factors without Loss Limitation

For Example:

$$\text{The \$25,000 limit Hazard Group C ELF} = 0.665$$

$$\begin{aligned} \text{Then First Adjustment RDF} &= (1 - 0.665) * 0.2756 \\ &= 0.0923 \end{aligned}$$

\* The use of retrospective development factors is optional.