

LOSS COSTS – IMPLEMENTATION

APRIL 5, 2018

COMMERCIAL AUTOMOBILE

LI-CA-2018-086

## NEVADA REVISED COMMERCIAL AUTO ADVISORY PROSPECTIVE LOSS COSTS TO BE IMPLEMENTED

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### KEY MESSAGE

Loss costs representing a **+9.2%** statewide change to be implemented.

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### BACKGROUND

In circular [LI-CA-2018-075](#), we provided you with information about the Commercial Auto loss cost level experience review.

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### ISO ACTION

We are implementing CA-2018-BRLA1, which:

- Changes the liability and physical damage loss costs for Trucks, Tractors and Trailers, and Private Passenger Types and Public Autos; and
- Changes the liability loss cost for Hired Autos in Rule **90.B.3.b**.

Refer to the attached explanatory material for complete details about the filing.

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### SUPPLEMENTARY INFORMATION

We are including the following supplementary information:

- Supplementary Information – Nevada, which provides additional information on the attached loss cost level experience review.
- The loss cost exhibits contained in this filing in a Microsoft® Excel workbook.

NOTE: This supplementary information is **not** part of the experience review document and, in states where we are making a filing, is **not** part of the filing.

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### EFFECTIVE DATE

We do not establish an effective date for Commercial Auto loss costs revisions in this state. Each insurer that elects to utilize this revision is responsible for determining its own effective date.

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### IMPACT ON THE STATISTICAL REPORTING OF LOSS COST MULTIPLIER

For the purpose of reporting your company Loss Cost Multiplier under the CSP, as of October 1, 2018, the multiplier must be based on the relationship between your gross rates and the ISO advisory prospective loss costs contained in this circular.

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## COMPANY ACTION

You must independently determine the final rates you will use and the effective date of any rate change. If you decide to use our prospective loss costs to revise your rates, you are NOT required to file anything with the Insurance Department.

You must document your files in case the Insurance Department wishes to review the information at a later date. In all internal correspondence on this revision, you should refer to ISO Revision Designation Number CA-2018-BRLA1, NOT this circular number.

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## RATING SOFTWARE IMPACT

No new attributes are being introduced with this revision.

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## POLICYHOLDER NOTIFICATION

If you decide to implement this revision, you should check all applicable laws for the state(s) to which this revision applies, to determine whether or not a specific policyholder notice requirement may apply. Please note that circular [LI-CL-2017-074](#) contains the ISO Guide To Renewals With Changed Conditions For Commercial Lines, which is available only as a guide to assist participating companies in complying with various conditional renewal statutes or regulations, for the major commercial lines of insurance serviced by ISO. The information in the Guide does not necessarily reflect all requirements or exceptions that may apply, and it is not intended as a substitute for your review of all applicable statutes and regulations concerning policyholder notification.

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## FUTURE ISO ACTION

We will provide a status report for this and other Basic Limits Loss Costs (BRLA1) revisions. Please refer to the Insurance Lines Services web site ([www.verisk.com/ils](http://www.verisk.com/ils)). In addition to other information, this web site contains copies of major multistate filing status reports that are updated approximately every two weeks.

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## REVISION DISTRIBUTION

We will issue a Notice to Manualholders with an edition date of 10-18 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

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## REFERENCE(S)

- [LI-CA-2018-075](#) (03/07/2018) Commercial Auto Experience Level Indications Reviewed By Staff
- [LI-CL-2017-074](#) (11/20/2017) Revised Lead Time Requirements Listing

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## ATTACHMENT(S)

- Filing CA-2018-BRLA1
- Supplementary Information Exhibit
- Excel Workbook

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## FILES AVAILABLE FOR DOWNLOAD

To download all files associated with this circular, including attachments in the full circular PDF and/or any additional files not included in the PDF, search for the circular number on [ISOnet Circulars](#). Then click the Word/Excel link under the Full Circular column on the Search Results screen.

Please note that in some instances, not all files listed in the Attachment(s) block (if applicable) are included in the PDF.

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## ACKNOWLEDGEMENT OF ACTUARIAL QUALIFICATIONS

The American Academy of Actuaries' "Qualifications Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" requires that an actuary issuing a Statement of Actuarial Opinion should include an acknowledgment with the opinion that he/she has met the qualification standards of the AAA. ISO considers this loss cost review a Statement of Actuarial Opinion; therefore, we are including the following acknowledgment:

I, David Terné, am a Director of Actuarial Operations for ISO and I, James Davidson, am an Actuarial Director for Commercial Auto for ISO. We are jointly responsible for the content of this Statement of Actuarial Opinion. We are both members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

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NEVADA

BASIC LIMITS PROSPECTIVE LOSS COST LEVEL – COMMERCIAL AUTOMOBILE

FILING CA-2018-BRLA1

EXECUTIVE SUMMARY

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PURPOSE

This document:

- revises the advisory prospective loss costs for the major Commercial Automobile classes. These loss costs represent a 9.2% statewide change from the loss costs currently in effect.
  - provides the analyses used to derive these advisory loss costs.
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DEFINITION OF  
THE ISO ADVISORY  
PROSPECTIVE  
LOSS COST

Advisory prospective loss costs in this document are that portion of a rate that does not include provisions for expenses (other than loss adjustment expenses) or profit, and are based on historical aggregate losses and loss adjustment expenses adjusted through development to their ultimate value and projected through trending to a future point in time. Throughout this document the words “loss cost” are synonymous with the words “prospective loss cost.”

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OPTIONAL CLASS  
PLAN LOSS COSTS

The loss costs contained in this filing CA-2018-BRLA1 are intended for use with the class plan in our standard manual. The prospective loss costs in this filing have also been used as the basis to develop the loss costs for the Optional Class Plan, which are located in companion filing CA-2018-BRLB1.

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AUTO DEALERS  
LIABILITY  
COVERAGE

The Auto Dealers Liability coverage is not being reviewed this year.

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REVISED LOSS  
COST CHANGES

The statewide advisory loss cost level changes are:

<u>Trucks, Tractors &amp; Trailers</u>	<u>Indicated</u>	<u>Filed</u>
Single Limit Liability	9.5%	9.5%
Physical Damage		
Other than Collision	10.0%	10.0%
Collision	5.2%	5.2%
Total Trucks, Tractors & Trailers	9.2%	9.2%

REVISED LOSS COST CHANGES (CONT'D)	<u>Private Passenger Types</u>		
	Single Limit Liability	10.5%	10.5%
	Physical Damage		
	Other than Collision	3.1%	3.1%
	Collision	6.2%	6.2%
	Total Private Passenger Types	9.6%	9.6%
	<u>Grand Total</u>	9.2%	9.2%

Loss cost level changes are relative to the current loss costs.

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INDICATED VS. FILED	Indicated changes are based on standard ISO methodology, utilizing a 10/1/2018 trend effective date. The filed loss cost level changes are the same as the indicated.
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PRIOR ISO REVISIONS	The latest selected revisions in this state are:			
	<u>Filing</u>	CA-17-BRLA1	CA-16-BRLA1	CA-15-BRLA1
	Rate Level/ Loss Costs	Loss Costs	Loss Costs	Loss Costs
	Effective Date	10/1/17	10/1/16	10/1/15
	<u>Changes</u>			
	Indicated	13.7%	3.9%	5.6%
	Filed	13.6%	3.7%	5.3%
	Approved	13.6%	3.7%	5.3%

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HISTORICAL SOURCE DATA	<p>The sources of the data underlying this loss cost review are:</p> <ul style="list-style-type: none"> <li>• ISO companies reporting voluntary automobile experience under the Commercial Automobile modules of ISO's statistical plans.</li> <li>• Accident year data through year ended 03/31/2017 for all coverages.</li> </ul>
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ADJUSTMENTS TO  
REPORTED  
EXPERIENCE

Loss Trend

To adjust the loss data to levels expected to prevail during the period when the revised loss costs will be in effect, historical losses have been multiplied by trend factors. These trend factors are based on the changes in claim cost and claim frequency that are expected to arise between the historical experience period and the prospective period during which the revised loss costs are anticipated to be in effect. Based on earlier analyses, there had been differences in historical frequency trends between Trucks, Tractors, and Trailers (TTT) and Private Passenger Types (PPT) liability classes. In general, Commercial Auto classes had experienced an abnormally long period of negative frequency trends prior to 2010. For the most recent 6 years, however, the frequency trends have been slightly increasing (TTT BI) or somewhat cyclical and/or flat (TTT PD and PPT BI and PD) over the experience period. An exponential curve of the form  $Y=A(B^X)$  does not fit the data well. To reflect these recent patterns and the difficulty in predicting turning points and rates of change, frequency trend is being selected to be 0% for TTT and PPT for both the Bodily Injury and Property Damage coverages.

Claim cost trend data through fourth quarter 2016 and claim frequency trend data through third quarter 2016 were used in selecting the following annual liability trend factors:

<u>Coverage</u>	<u>Annual Trend Factor</u>
Trucks, Tractors, and Trailers Liability:	
Bodily Injury	+3.2%
Property Damage	+6.3%
Private Passenger Types Liability:	
Bodily Injury	+3.2%
Property Damage	+6.3%
Trucks, Tractors & Trailers OTC	+6.5%
Trucks, Tractors & Trailers Collision	+5.5%
Private Passenger Types OTC	+5.0%
Private Passenger Types Collision	+5.0%

ADJUSTMENTS TO OCN Trend

REPORTED

EXPERIENCE

(CONT'D)

To recognize the trend in the Original Cost New (OCN) relativities for Trucks, Tractors & Trailers and Private Passenger Type's physical damage, aggregate loss costs at current level have been multiplied by trend factors. The selected annual OCN trend factors for Trucks, Tractors & Trailers are +0.9% and +1.3% for OTC and Collision respectively. For Private Passenger Types, the OCN Trend factors are +1.0% and +0.6% for OTC and Collision respectively.

Standard actuarial procedures have been used in calculating the loss costs including adjusting the losses to ultimate settlement level, reflecting all loss adjustment expenses.

TEN LARGEST  
COMPANIES/  
GROUPS  
IN THIS REVIEW

LIABILITY (ASLOB 19.3 & 19.4)

1. Liberty Mutual Insurance Company
2. Zurich American Insurance Company
3. Travelers Indemnity Company
4. Tokio Marine Companies
5. American International Group
6. Hartford Accident & Indemnity Co.
7. Nationwide Mutual Insurance Co.
8. Employers Mutual Casualty Company
9. Continental Casualty Company
10. Western National Mutual Ins. Co.

PHYSICAL DAMAGE (ASLOB 21.2)

1. Liberty Mutual Insurance Company
2. Travelers Indemnity Company
3. Zurich American Insurance Company
4. Tokio Marine Companies
5. Hartford Accident & Indemnity Co.
6. Sentry Insurance A Mutual Company
7. Allstate Insurance Company
8. Western National Mutual Ins. Co.
9. Employers Mutual Casualty Company
10. Chubb Group of Insurance Companies

Insurers are listed in descending order based on the percent of statewide written premium volume from Annual Statement Page 15 for the year ending 12/31/2016 for the Annual Statement Line of Business (ASLOB) indicated.

MARKET SHARE

The market share of ISO participating insurers used in this review as measured by Annual Statement Page 15 written premium for the year ending 12/31/2016 is:

Liability (ASLOB 19.3 & 19.4)

46.2%

Physical Damage (ASLOB 21.2)

38.9%



COMPANY  
DECISION

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We encourage each insurer to decide independently whether the judgments made and the procedures or data used by ISO in developing the loss costs contained herein are appropriate for its use. We have included within this document the information upon which ISO relied in order to make such independent judgments.

The data underlying the enclosed material comes from companies reporting to Insurance Services Office, Inc. Therefore, the ISO experience permits the establishment of a much broader statistical ratemaking base than could be employed by using any individual company's data. A broader data base enhances the validity of ratemaking analysis derived therefrom. At the same time, however, an individual company may benefit from a comparison of its own experience to the aggregate ISO experience, and may reach valid conclusions with respect to the manner in which its own costs can be expected to differ from ISO's projections based on the aggregate data.

Some calculations included in this document involve areas of ISO staff judgment. Each company should carefully review and evaluate its own experience in order to determine whether the ISO selected loss costs are appropriate for its use.

The material has been developed exclusively by the staff of Insurance Services Office, Inc.

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NEVADA  
COMMERCIAL AUTOMOBILE  
Table of Contents

**SECTION A – SCOPE OF REVISION**

Summary of Prospective Loss Cost Level Changes .....	A2
Revised Prospective Loss Costs and Percentage Changes .....	A3-A20

**SECTION B – CALCULATION OF CHANGES**

Overview of ISO Actuarial Procedures .....	B2
Step 1:	
Determination of Statewide Loss Cost Level Changes .....	B3-B5
Trucks, Tractors & Trailers Liability Statewide Changes .....	B6-B7
Trucks, Tractors & Trailers Physical Damage Statewide Changes .....	B8-B10
Private Passenger Types Liability Statewide Changes .....	B11-B12
Private Passenger Types Physical Damage Statewide Changes .....	B13-B15
Step 2:	
Determination of Territory Relativities .....	B16
Trucks, Tractors & Trailers Liability Territory Development .....	B17
Private Passenger Liability Territory Development .....	B18
Explanatory Memorandum for Trucks, Tractors & Trailers and Private Passenger Types Liability Territory Development .....	B19-B20
Trucks, Tractors & Trailers Physical Damage Territory Development .....	B21-B22
Private Passenger Types Physical Damage Territory Development .....	B23-B24
Explanatory Memorandum for Trucks, Tractors & Trailers and Private Passenger Types Physical Damage Territory Development .....	B25-B26

**SECTION C – SUPPORTING MATERIAL**

Loss Adjustment Expense .....	C2-C4
Loss Trend .....	C5-C28
Physical Damage OCN Trend .....	C29-C31
Loss Development for Liability .....	C32-C43
Loss Development for Physical Damage .....	C44-C52
Credibility Procedures and Tables .....	C53-C58
Claims for Credibility .....	C59-C60
Relativities for Developing Minor Class & Coverage Loss Costs .....	C61
Excess Wind and Water Procedure .....	C62-C67

**SECTION D – REVISED PROSPECTIVE LOSS COSTS**

Liability and Medical Payments .....	D2-D7
Physical Damage - All Coverages Except Garages .....	D8-D13
Hired Autos (Rule 90) .....	D14

NEVADA  
COMMERCIAL AUTOMOBILE

SECTION A - SCOPE OF REVISION

Summary of Prospective Loss Cost Level Changes .....	A2
Revised Prospective Loss Costs and Percentage Changes .....	A3-A20

NEVADA  
STATEWIDE LOSS COST LEVEL CHANGES (A)

Coverages	Aggregate Loss Cost at Current Level (B)	Loss Cost Changes (C)
<b>TRUCKS, TRACTORS &amp; TRAILERS (D)</b>		
Single Limit Liability	\$ 41,032,366	9.5%
Physical Damage		
Other Than Collision	989,028	10.0%
Collision	3,653,513	5.2%
Combined	4,642,541	6.2%
Total Trucks, Tractors & Trailers	45,674,907	9.2%
<b>PRIVATE PASSENGER TYPES</b>		
Single Limit Liability	5,315,889	10.5%
Physical Damage		
Other Than Collision	230,760	3.1%
Collision	1,057,342	6.2%
Combined	1,288,102	5.6%
Total Private Passenger Types	6,603,991	9.6%
<b>GRAND TOTAL ALL COVERAGES</b>	52,278,898	9.2%
TOTAL LIABILITY	46,348,255	9.6%
TOTAL PHYSICAL DAMAGE	5,930,643	6.1%

(A) An implementation date of 10/1/2018 is assumed for purposes of trending.

(B) Accident Year ending 03/31/2017 Aggregate Loss Cost at Current Level for all coverages.

The liability loss costs are on a Total Limits basis.

(C) Loss Cost changes are calculated on a \$100,000 CSL Basic Limits basis for liability and on an all deductibles combined basis for physical damage.

(D) Classes related to Trucks, Tractors & Trailers, such as the Public Automobile classes, are impacted by the Trucks, Tractors & Trailers loss cost level changes.

## TERRITORY LOSS COST LEVEL CHANGES

## FOR TRUCKS, TRACTORS &amp; TRAILERS POLICY COVERAGES

TERRITORY CODE	\$100,000 CSL LIABILITY	\$500 MED PAY
105	4.3%	8.3%
106	5.8%	12.5%
108	5.6%	4.3%
109	10.5%	12.1%
110	7.4%	7.7%
111	7.5%	9.1%

## TERRITORY LOSS COST LEVEL CHANGES

## FOR TRUCKS, TRACTORS &amp; TRAILERS POLICY COVERAGES

TERRITORY CODE	PHYSICAL DAMAGE		SPECIFIED CAUSES OF LOSS
	COMPREHENSIVE	COLLISION	
105	10.4%	4.9%	10.3%
106	10.8%	1.4%	10.9%
108	10.3%	6.3%	10.2%
109	8.8%	6.8%	8.5%
110	11.1%	3.2%	11.1%
111	13.0%	6.5%	12.8%

REVISED BASE LOSS COSTS BY TERRITORY  
FOR TRUCKS, TRACTORS & TRAILERS POLICY COVERAGES

TERRITORY	LIABILITY				
CODE	\$100,000	\$500			SPECIFIED CAUSES
	CSL	MED PAY (a)	COMPREHENSIVE (b)	COLLISION (c)	OF LOSS (d)
105	362	13	74	214	64
106	239	9	82	211	71
108	679	24	75	169	65
109	1018	37	74	205	64
110	393	14	70	192	60
111	331	12	61	180	53

(a) THE LOSS COSTS FOR MEDICAL PAYMENTS HAVE BEEN CALCULATED BY A RELATIVITY OF 0.036 TO THE TRUCKS, TRACTORS & TRAILERS CSL LIABILITY LOSS COSTS.

(b) COMPREHENSIVE BASE LOSS COST IS THE \$15,001-\$20,000 OCN, AGE 1, \$500 DEDUCTIBLE LOSS COST.

(c) COLLISION BASE LOSS COST IS THE \$15,001-\$20,000 OCN, AGE 1, \$500 DEDUCTIBLE LOSS COST.

(d) THE LOSS COSTS FOR SPECIFIED CAUSES OF LOSS HAVE BEEN CALCULATED BY A RELATIVITY OF 0.864 TO THE TRUCKS, TRACTORS & TRAILERS COMPREHENSIVE BASE LOSS COSTS.

## TERRITORY LOSS COST LEVEL CHANGES

## FOR PRIVATE PASSENGER TYPES POLICY COVERAGES

TERRITORY CODE	LIABILITY \$100,000	\$500
	CSL	MED PAY
105	10.3%	14.3%
106	10.9%	14.3%
108	10.2%	6.3%
109	10.8%	6.7%
110	10.2%	14.3%
111	9.2%	16.7%



## TERRITORY LOSS COST LEVEL CHANGES

## FOR PRIVATE PASSENGER TYPES POLICY COVERAGES

TERRITORY CODE	COMPREHENSIVE	PHYSICAL DAMAGE	COLLISION
105	3.8%		4.8%
106	11.3%		8.2%
108	4.2%		6.1%
109	0.0%		5.7%
110	4.4%		8.8%
111	4.9%		6.8%

REVISED BASE LOSS COSTS BY TERRITORY  
FOR PRIVATE PASSENGER TYPES POLICY COVERAGES

TERRITORY	LIABILITY			
CODE	\$100,000	\$500		
	CSL	MED PAY (a)	COMPREHENSIVE (b)	COLLISION (c)
105	363	8	54	371
106	378	8	69	303
108	830	17	50	296
109	782	16	49	373
110	366	8	47	285
111	333	7	43	298

(a) THE LOSS COSTS FOR MEDICAL PAYMENTS HAVE BEEN CALCULATED BY A RELATIVITY OF 0.021 TO THE PRIVATE PASSENGER TYPES CSL LIABILITY LOSS COSTS.

(b) COMPREHENSIVE BASE LOSS COST IS THE \$15,001-\$20,000 OCN, AGE 1, \$ 500 DEDUCTIBLE LOSS COST.

(c) COLLISION BASE LOSS COST IS THE \$15,001-\$20,000 OCN, AGE 1, \$500 DEDUCTIBLE LOSS COST.

## TERRITORY LOSS COST LEVEL CHANGES

## FOR VAN POOLS POLICY COVERAGES

TERRITORY CODE	\$100,000 CSL LIABILITY	\$500 MED PAY
105	4.2%	5.4%
106	5.9%	4.2%
108	5.6%	4.3%
109	10.5%	10.2%
110	7.5%	7.7%
111	7.6%	6.1%

## TERRITORY LOSS COST LEVEL CHANGES

## FOR VAN POOLS POLICY COVERAGES

TERRITORY CODE	PHYSICAL DAMAGE		SPECIFIED CAUSES OF LOSS
	COMPREHENSIVE	COLLISION	
105	10.3%	5.0%	10.2%
106	12.0%	1.5%	10.8%
108	11.6%	6.4%	10.0%
109	8.7%	6.6%	8.3%
110	10.9%	3.4%	10.9%
111	12.7%	6.5%	12.5%

REVISED BASE LOSS COSTS BY TERRITORY  
FOR VAN POOLS POLICY COVERAGES

TERRITORY	LIABILITY				
CODE	\$100,000	\$500			SPECIFIED CAUSES
	CSL (a)	MED PAY (b)	COMPREHENSIVE (c)	COLLISION (d)	OF LOSS (e)
105	543	39	75	272	65
106	359	25	84	268	72
108	1019	72	77	215	66
109	1527	108	75	260	65
110	590	42	71	244	61
111	497	35	62	229	54

- (a) THE LOSS COSTS FOR VAN POOLS HAVE BEEN CALCULATED BY A RELATIVITY OF 1.50 TO THE TRUCKS, TRACTORS & TRAILERS CSL LIABILITY LOSS COSTS.
- (b) THE LOSS COSTS FOR MEDICAL PAYMENTS HAVE BEEN CALCULATED BY A RELATIVITY OF 0.071 TO THE VAN POOLS CSL LIABILITY LOSS COSTS.
- (c) COMPREHENSIVE BASE LOSS COST IS THE \$15,001-\$20,000 OCN, AGE 1, \$500 DEDUCTIBLE LOSS COST, AND HAS BEEN CALCULATED BY A RELATIVITY OF 1.02 TO THE TRUCKS, TRACTORS & TRAILERS LOSS COST.
- (d) COLLISION BASE LOSS COST IS THE \$15,001-\$20,000 OCN, AGE 1, \$500 DEDUCTIBLE LOSS COST, AND HAS BEEN CALCULATED BY A RELATIVITY OF 1.27 TO THE TRUCKS, TRACTORS & TRAILERS LOSS COST.
- (e) THE LOSS COSTS FOR SPECIFIED CAUSES OF LOSS HAVE BEEN CALCULATED BY A RELATIVITY OF 1.02 TO THE CORRESPONDING TRUCKS, TRACTORS & TRAILERS LOSS COST.

TERRITORY LOSS COST LEVEL CHANGES  
FOR TAXIS AND LIMOUSINES POLICY COVERAGES

TERRITORY CODE	\$100,000 CSL LIABILITY	\$500 MED PAY
105	4.3%	5.2%
106	5.8%	6.0%
108	5.6%	5.6%
109	10.5%	10.2%
110	7.4%	7.3%
111	7.4%	7.2%

TERRITORY LOSS COST LEVEL CHANGES  
FOR TAXIS AND LIMOUSINES POLICY COVERAGES

TERRITORY CODE	PHYSICAL DAMAGE		SPECIFIED CAUSES OF LOSS
	COMPREHENSIVE	COLLISION	
105	10.3%	5.0%	10.2%
106	12.0%	1.5%	10.8%
108	11.6%	6.4%	10.0%
109	8.7%	6.6%	8.3%
110	10.9%	3.4%	10.9%
111	12.7%	6.5%	12.5%

REVISED BASE LOSS COSTS BY TERRITORY  
FOR TAXIS AND LIMOUSINES POLICY COVERAGES

TERRITORY	LIABILITY				
CODE	\$100,000	\$500			SPECIFIED CAUSES
	CSL (a)	MED PAY (b)	COMPREHENSIVE (c)	COLLISION (d)	OF LOSS (e)
105	2244	81	75	272	65
106	1482	53	84	268	72
108	4210	152	77	215	66
109	6312	227	75	260	65
110	2437	88	71	244	61
111	2052	74	62	229	54

- (a) THE LOSS COSTS FOR TAXIS AND LIMOUSINES HAVE BEEN CALCULATED BY A RELATIVITY OF 6.20 TO THE TRUCKS, TRACTORS & TRAILERS CSL LIABILITY LOSS COSTS.
- (b) THE LOSS COSTS FOR MEDICAL PAYMENTS HAVE BEEN CALCULATED BY A RELATIVITY OF 0.036 TO THE TAXIS AND LIMOUSINES CSL LIABILITY LOSS COSTS.
- (c) COMPREHENSIVE BASE LOSS COST IS THE \$15,001-\$20,000 OCN, AGE 1, \$500 DEDUCTIBLE LOSS COST, AND HAS BEEN CALCULATED BY A RELATIVITY OF 1.02 TO THE TRUCKS, TRACTORS & TRAILERS LOSS COST.
- (d) COLLISION BASE LOSS COST IS THE \$15,001-\$20,000 OCN, AGE 1, \$500 DEDUCTIBLE LOSS COST, AND HAS BEEN CALCULATED BY A RELATIVITY OF 1.27 TO THE TRUCKS, TRACTORS & TRAILERS LOSS COST.
- (e) THE LOSS COSTS FOR SPECIFIED CAUSES OF LOSS HAVE BEEN CALCULATED BY A RELATIVITY OF 1.02 TO THE CORRESPONDING TRUCKS, TRACTORS & TRAILERS LOSS COST.



## TERRITORY LOSS COST LEVEL CHANGES

## FOR SCHOOL AND CHURCH BUSES POLICY COVERAGES

TERRITORY CODE	\$100,000 CSL LIABILITY	\$500 MED PAY
105	4.2%	12.5%
106	5.6%	20.0%
108	5.4%	6.7%
109	10.5%	9.1%
110	7.5%	0.0%
111	7.7%	14.3%

## TERRITORY LOSS COST LEVEL CHANGES

## FOR SCHOOL AND CHURCH BUSES POLICY COVERAGES

TERRITORY CODE	PHYSICAL DAMAGE		SPECIFIED CAUSES OF LOSS
	COMPREHENSIVE	COLLISION	
105	10.6%	4.5%	9.8%
106	9.6%	1.5%	11.1%
108	10.4%	6.8%	12.2%
109	8.3%	6.4%	9.8%
110	11.4%	3.3%	10.5%
111	13.2%	6.4%	12.1%

REVISED BASE LOSS COSTS BY TERRITORY  
FOR SCHOOL AND CHURCH BUSES POLICY COVERAGES

TERRITORY	LIABILITY				
CODE	\$100,000	\$500			SPECIFIED CAUSES
	CSL (a)	MED PAY (b)	COMPREHENSIVE (c)	COLLISION (d)	OF LOSS (e)
105	199	9	52	139	45
106	131	6	57	137	50
108	373	16	53	110	46
109	560	24	52	133	45
110	216	9	49	125	42
111	182	8	43	117	37

- (a) THE LOSS COSTS FOR SCHOOL AND CHURCH BUSES HAVE BEEN CALCULATED BY A RELATIVITY OF 0.55 TO THE TRUCKS, TRACTORS & TRAILERS CSL LIABILITY LOSS COSTS.
- (b) THE LOSS COSTS FOR MEDICAL PAYMENTS HAVE BEEN CALCULATED BY A RELATIVITY OF 0.043 TO THE SCHOOL AND CHURCH BUSES CSL LIABILITY LOSS COSTS.
- (c) COMPREHENSIVE BASE LOSS COST IS THE \$15,001-\$20,000 OCN, AGE 1, \$500 DEDUCTIBLE LOSS COST, AND HAS BEEN CALCULATED BY A RELATIVITY OF 0.70 TO THE TRUCKS, TRACTORS & TRAILERS LOSS COST.
- (d) COLLISION BASE LOSS COST IS THE \$15,001-\$20,000 OCN, AGE 1, \$500 DEDUCTIBLE LOSS COST, AND HAS BEEN CALCULATED BY A RELATIVITY OF 0.65 TO THE TRUCKS, TRACTORS & TRAILERS LOSS COST.
- (e) THE LOSS COSTS FOR SPECIFIED CAUSES OF LOSS HAVE BEEN CALCULATED BY A RELATIVITY OF 0.70 TO THE CORRESPONDING TRUCKS, TRACTORS & TRAILERS LOSS COST.

TERRITORY LOSS COST LEVEL CHANGES  
FOR ALL OTHER BUSES POLICY COVERAGES

TERRITORY CODE	\$100,000 CSL LIABILITY	\$500 MED PAY
105	4.3%	4.8%
106	5.7%	7.4%
108	5.6%	6.4%
109	10.5%	10.7%
110	7.3%	6.7%
111	7.5%	8.1%

TERRITORY LOSS COST LEVEL CHANGES  
FOR ALL OTHER BUSES POLICY COVERAGES

TERRITORY CODE	PHYSICAL DAMAGE		SPECIFIED CAUSES OF LOSS
	COMPREHENSIVE	COLLISION	
105	10.6%	4.5%	9.8%
106	9.6%	1.5%	11.1%
108	10.4%	6.8%	12.2%
109	8.3%	6.4%	9.8%
110	11.4%	3.3%	10.5%
111	13.2%	6.4%	12.1%

REVISED BASE LOSS COSTS BY TERRITORY  
FOR ALL OTHER BUSES POLICY COVERAGES

TERRITORY	LIABILITY				
CODE	\$100,000	\$500			SPECIFIED CAUSES
	CSL (a)	MED PAY (b)	COMPREHENSIVE (c)	COLLISION (d)	OF LOSS (e)
105	1376	44	52	139	45
106	908	29	57	137	50
108	2580	83	53	110	46
109	3868	124	52	133	45
110	1493	48	49	125	42
111	1258	40	43	117	37

- (a) THE LOSS COSTS FOR ALL OTHER BUSES HAVE BEEN CALCULATED BY A RELATIVITY OF 3.80 TO THE TRUCKS, TRACTORS & TRAILERS CSL LIABILITY LOSS COSTS.
- (b) THE LOSS COSTS FOR MEDICAL PAYMENTS HAVE BEEN CALCULATED BY A RELATIVITY OF 0.032 TO THE ALL OTHER BUSES CSL LIABILITY LOSS COSTS.
- (c) COMPREHENSIVE BASE LOSS COST IS THE \$15,001-\$20,000 OCN, AGE 1, \$500 DEDUCTIBLE LOSS COST, AND HAS BEEN CALCULATED BY A RELATIVITY OF 0.70 TO THE TRUCKS, TRACTORS & TRAILERS LOSS COST.
- (d) COLLISION BASE LOSS COST IS THE \$15,001-\$20,000 OCN, AGE 1, \$500 DEDUCTIBLE LOSS COST, AND HAS BEEN CALCULATED BY A RELATIVITY OF 0.65 TO THE TRUCKS, TRACTORS & TRAILERS LOSS COST.
- (e) THE LOSS COSTS FOR SPECIFIED CAUSES OF LOSS HAVE BEEN CALCULATED BY A RELATIVITY OF 0.70 TO THE CORRESPONDING TRUCKS, TRACTORS & TRAILERS LOSS COST.

NEVADA  
COMMERCIAL AUTOMOBILE

SECTION B - CALCULATION OF CHANGES

Overview of ISO Actuarial Procedures .....	B2
Step 1:	
Determination of Statewide Loss Cost Level Changes .....	B3-B5
Trucks, Tractors & Trailers Liability Statewide Changes .....	B6-B7
Trucks, Tractors & Trailers Physical Damage Statewide Changes .....	B8-B10
Private Passenger Types Liability Statewide Changes .....	B11-B12
Private Passenger Types Physical Damage Statewide Changes .....	B13-B15
Step 2:	
Determination of Territory Relativities .....	B16
Trucks, Tractors & Trailers Liability Territory Development .....	B17
Private Passenger Liability Territory Development .....	B18
Explanatory Memorandum for Trucks, Tractors & Trailers and Private Passenger Types Liability Territory Development .....	B19-B20
Trucks, Tractors & Trailers Physical Damage Territory Development .....	B21-B22
Private Passenger Types Physical Damage Territory Development .....	B23-B24
Explanatory Memorandum for Trucks, Tractors & Trailers and Private Passenger Types Physical Damage Territory Development .....	B25-B26

## OVERVIEW OF ISO ACTUARIAL PROCEDURES – COMMERCIAL AUTOMOBILE

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INTRODUCTION	Commercial Automobile advisory prospective loss costs are determined by evaluating the adequacy of the current ISO loss costs to pay for our best estimate of losses and all loss adjustment expenses that will be incurred in the prospective (or future) period. This evaluation is done separately by coverage for the major classes.
STEP 1: DETERMINATION OF STATEWIDE LOSS COST INDICATION	The first step in this process is the determination of the statewide loss cost indication by major class/coverage. In other words, what percentage changes on average must be made to the current ISO loss costs in order to achieve adequacy for the prospective conditions? The percentage changes are presented on the exhibits labeled "Determination of Statewide Advisory Loss Cost Level Change."
STEP 2: DISTRIBUTION TO TERRITORIES	For all of the liability coverages and for Trucks, Tractors & Trailers and Private Passenger Types Physical Damage, ISO then distributes the filed statewide basic limit loss cost change to the individual territorial loss costs by comparing the relative loss experience by territory to the statewide average.
STEP 3: APPLICATION OF PERCENT CHANGES	The last step is the calculation of the ISO advisory prospective loss costs. This is achieved by applying either the filed statewide or territorial changes to the current ISO loss costs. For liability, the percentage change is applied at the basic limit; for physical damage, it is applied at the base OCN, age and deductible. The resulting Loss Costs are displayed in Section D.



## OVERVIEW OF ISO ACTUARIAL PROCEDURES – COMMERCIAL AUTOMOBILE

### STEP 1 – DETERMINATION OF STATEWIDE ADVISORY LOSS COST LEVEL CHANGE

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OBJECTIVE	The objective of this procedure is to determine the indicated statewide advisory loss cost level change. This procedure answers the question: what percentage changes must be made on average to the current ISO loss costs in order for them to be adequate to cover indemnity losses and all loss adjustment expenses incurred in the prospective period in which the revised loss costs are assumed to be in effect?
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DESCRIPTION	This procedure compares the developed and trended incurred losses and loss adjustment expenses with the aggregate loss costs at current ISO loss cost level, which is the aggregate amount that would have been collected if the current ISO loss costs were used during the experience period. This experience ratio (losses and all loss adjustment expenses divided by aggregate loss costs) is calculated for several years and a weighted average is calculated. The weights are determined as a function of the credibility or volume of claim experience. The average experience ratio is then credibility weighted with the expected experience ratio in order to minimize the impact of random variation in the observed losses. This credibility weighted experience ratio is the indicated statewide advisory loss cost level change in decimal form.
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EXPERIENCE BASE	The experience used in this review is the latest available as reported under the ISO Commercial Statistical Plan. All coverages are on an accident year basis. For liability, the review is conducted on a \$100,000 basic limits basis - indemnity losses are limited to \$100,000 per occurrence.
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AGGREGATE LOSS COSTS (Item 1)	<p>The aggregate loss costs at current ISO loss cost level are the loss-related revenue that would have been collected if the current ISO loss costs were used during the experience period. It is calculated by extending the exposures by the current ISO loss costs. For liability, the \$100,000 basic limit loss costs are used. For Trucks, Tractors, and Trailers and Private Passenger Types Physical Damage, loss costs are on an all deductibles combined basis.</p> <p>Trucks, Tractors &amp; Trailers and Private Passenger Types physical damage aggregate loss costs are placed on the prospective OCN relativity level by the application of OCN trend factors.</p>
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INCURRED  
LOSSES & LAE  
(Item 2)

The incurred losses and loss adjustment expenses are our best estimate of the ultimate payment for indemnity losses and loss adjustment expenses using the claim frequency and severity levels ISO expects to occur during the prospective period for which the revised loss costs will be used.

For the liability coverages, the reported incurred losses and allocated loss adjustment expenses are subject to the following adjustments:

- Incurred indemnity losses are capped at the basic limit;
- Developed to an ultimate settlement basis by the application of loss development factors;
- Loaded for unallocated loss adjustment expenses;
- Placed on the prospective cost/frequency levels by the application of trend factors.

For the physical damage coverages, the reported paid (accident year) losses are subject to the following adjustments:

- Paid Other Than Collision losses are adjusted using an Excess Wind and Water procedure;
- Developed to an ultimate settlement basis by the application of loss development factors;
- Loaded for all loss adjustment expenses;
- Placed on the prospective cost/frequency levels by the application of trend factors.

Refer to Section C for the support for these loss related adjustments.

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EXPERIENCE  
RATIO  
(Item 3)

The experience ratio is the ratio of the incurred losses and loss adjustment expenses to the aggregate loss costs at current ISO loss cost level. It measures the adequacy of the current ISO loss costs for the prospective period.

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YEAR WEIGHTS  
(Item 4)

The number of years of experience used and year weights are determined by the total number of claims in the experience period. To the extent there is adequate credibility, ISO uses fewer years and gives greater weight to the most recent years. Refer to the credibility pages of Section C for the methodology used to arrive at both the number of years used and the year weights.

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EXPECTED  
EXPERIENCE  
RATIO  
(Item 7)

The expected experience ratio is our best prediction of the experience ratio if the most recent data was not available. For this review we have assumed that the current loss costs were adequate when implemented and will be inadequate for the prospective period to the extent of the net trend. It is calculated as the combined trend factor projected for the number of years between the last revision (or review) and this revision.

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CREDIBILITY

Credibility is based upon the number of claims for all years in the experience period. The procedure for assigning credibility is outlined in the credibility pages of Section C.

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CREDIBILITY  
WEIGHTED  
EXPERIENCE  
RATIO

The average experience ratio is credibility weighted with the expected experience ratio. The resulting credibility weighted experience ratio, converted to a percentage, is the indicated change to the current ISO loss costs.

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## INSURANCE SERVICES OFFICE, INC.

## NEVADA

AUTOMOBILE LIABILITY INSURANCE - TRUCKS, TRACTORS AND TRAILERS (A)  
 DETERMINATION OF STATEWIDE ADVISORY LOSS COST LEVEL CHANGES  
 SINGLE LIMIT LIABILITY COVERAGE

	(1)	(2)	(3)	(4)	(5)
ACCIDENT	AGGREGATE		EXPERIENCE	ACCIDENT	NUMBER
YEAR	LOSS COST	\$ 100,000	RATIO	YEAR	OF
ENDING	AT CURRENT	INCURRED	(2) / (1)	WEIGHTS	INCURRED
	LEVEL (B)	LOSSES (C)			CLAIMS
03/31/13	\$ 24,255,331	\$ 29,612,516	1.221	10%	1,702
03/31/14	\$ 24,003,781	\$ 25,559,828	1.065	15%	1,520
03/31/15	\$ 22,654,592	\$ 22,786,346	1.006	20%	1,342
03/31/16	\$ 21,067,955	\$ 25,783,316	1.224	25%	1,389
03/31/17	\$ 20,035,335	\$ 21,645,349	1.080	30%	1,374
(6)	AVERAGE EXPERIENCE RATIO (SUM OF (3) * (4)).				1.113
(7)	EXPECTED EXPERIENCE RATIO (D).				1.039
(8)	CREDIBILITY (E).				0.75
(9)	CREDIBILITY WEIGHTED EXPERIENCE RATIO: ((6) * (8)) + ((7) * (1.000 - (8))).				1.095
(10)	INDICATED PERCENTAGE CHANGE IN ADVISORY LOSS COST LEVEL ((9) - 1.000).				9.5%
(11)	FILED CHANGE.				9.5%

- (A) TRUCK, TRACTOR AND TRAILER EXPERIENCE IS FOR VEHICLES WRITTEN IN ACCORDANCE WITH RULE 23 OF THE COMMERCIAL LINES MANUAL, DIVISION 1, AUTOMOBILE.
- (B) THE AGGREGATE LOSS COST AT CURRENT LEVEL IS CALCULATED BY EXTENDING EXPOSURES BY THE CURRENT LOSS COSTS FROM THE LAST REVISION.
- (C) LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSES FOR BODILY INJURY AND PROPERTY DAMAGE LIABILITY. SEE FOLLOWING PAGE.
- (D) EXPECTED EXPERIENCE RATIO IS EQUAL TO THE COMBINED TREND FACTOR SHOWN ON THE FOLLOWING PAGE, PROJECTED FOR M YEARS. THE PERIOD M IS EQUAL TO THE NUMBER OF YEARS FROM ONE YEAR BEYOND THE IMPLEMENTATION DATE OF THE LAST REVISION TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 10/01/18 WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING, SUBJECT TO A MAXIMUM OF THE N-VALUE CORRESPONDING TO THE LATEST YEAR SHOWN ON THE FOLLOWING PAGE, FOOTNOTE B. IN THIS REVISION, THE PERIOD M IS 1.00 YEAR(S).
- (E) CREDIBILITY IS BASED ON A 5 YEAR TOTAL OF CLAIMS FOR B.I. AND P.D. SHOWN IN COLUMN (5). THE STANDARD FOR FULL CREDIBILITY IS 11,500 CLAIMS (SEE CREDIBILITY TABLES IN SECTION C).

NEVADA  
TRUCKS, TRACTORS AND TRAILERS  
AUTOMOBILE LIABILITY INSURANCE  
DETERMINATION OF SINGLE LIMIT LOSSES

	ACC. YEAR ENDING	BODILY INJURY	PROPERTY DAMAGE	COMBINED
(1) INCURRED LOSSES AND	03/31/13	\$17,058,895	\$3,848,458	
ALLOCATED LOSS	03/31/14	\$14,441,948	\$3,949,460	
ADJUSTMENT EXPENSES.	03/31/15	\$12,884,881	\$3,467,368	
	03/31/16	\$12,655,652	\$4,281,658	
	03/31/17	\$8,065,241	\$3,767,609	
(2) DEVELOPED LOSSES AND	03/31/13	\$18,515,724	\$4,252,546	
ALL LOSS ADJUSTMENT	03/31/14	\$15,940,445	\$4,368,517	
EXPENSES (A) .	03/31/15	\$15,001,095	\$3,846,767	
	03/31/16	\$17,344,824	\$4,788,007	
	03/31/17	\$14,877,467	\$4,408,837	
(3) SELECTED ANNUAL LOSS TREND (SEE TREND EXHIBIT IN SECTION C) .		+ 3.2%	+ 6.3%	+ 3.9%
(4) TRENDED LOSSES AND	03/31/13	\$23,089,109	\$6,523,407	\$29,612,516
ALL LOSS ADJUSTMENT	03/31/14	\$19,256,057	\$6,303,771	\$25,559,828
EXPENSES (B) .	03/31/15	\$17,566,281	\$5,220,065	\$22,786,346
	03/31/16	\$19,669,030	\$6,114,286	\$25,783,316
	03/31/17	\$16,350,335	\$5,295,014	\$21,645,349

(A) INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSES ARE ADJUSTED BY THE FOLLOWING FACTORS:

1 - UNALLOCATED LOSS ADJUSTMENT FACTORS: B.I. 1.080 P.D. 1.105

2 - LOSS DEVELOPMENT FACTORS:

YEAR ENDING	B.I.	P.D.
03/31/13	1.005	1.000
03/31/14	1.022	1.001
03/31/15	1.078	1.004
03/31/16	1.269	1.012
03/31/17	1.708	1.059

(B) TRENDED LOSSES ARE EQUAL TO (2) \* ((1.0 + (3))\*\*N), WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF ACCIDENT TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 10/01/18, WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING.

YEAR ENDING	AVERAGE DATE OF ACCIDENT	PROJECTION PERIOD
03/31/13	10/01/12	7.000
03/31/14	10/01/13	6.000
03/31/15	10/01/14	5.000
03/31/16	10/01/15	4.000
03/31/17	10/01/16	3.000

## INSURANCE SERVICES OFFICE, INC.

## NEVADA

AUTOMOBILE PHYSICAL DAMAGE INSURANCE - TRUCKS, TRACTORS AND TRAILERS (A)  
DETERMINATION OF STATEWIDE ADVISORY LOSS COST LEVEL CHANGES

		(1) AGGREGATE LOSS COST AT CURRENT LEVEL (B)	(2) INCURRED LOSSES (C)	(3) EXPERIENCE RATIO (2) / (1)	(4) ACCIDENT YEAR WEIGHTS	(5) NUMBER OF PAID CLAIMS
COV- ERAGE O.T.C.	ACCIDENT YEAR ENDING					
	03/31/13	\$ 819,086	\$ 985,707	1.203	10%	164
	03/31/14	\$ 936,906	\$ 1,054,477	1.125	15%	180
	03/31/15	\$ 961,156	\$ 1,164,498	1.212	20%	194
	03/31/16	\$ 988,592	\$ 1,378,164	1.394	25%	209
	03/31/17	\$ 989,028	\$ 1,165,258	1.178	30%	184
COLL.	03/31/13	\$ 3,661,854	\$ 3,766,583	1.029	10%	447
	03/31/14	\$ 3,980,830	\$ 4,275,558	1.074	15%	492
	03/31/15	\$ 3,748,604	\$ 3,898,245	1.040	20%	456
	03/31/16	\$ 3,666,360	\$ 3,524,917	0.961	25%	458
	03/31/17	\$ 3,653,513	\$ 4,200,232	1.150	30%	487

O.T.C. COLLISION

- (6) AVERAGE EXPERIENCE RATIO (SUM OF (3)\*(4)). 1.233 1.057
- (7) EXPECTED EXPERIENCE RATIO (D). 1.056 1.041
- (8) CREDIBILITY (E). 0.25 0.70
- (9) CREDIBILITY WEIGHTED EXPERIENCE RATIO:  
((6) \* (8)) + ((7) \* (1.000 - (8))). 1.100 1.052
- (10) INDICATED PERCENTAGE CHANGE IN ADVISORY  
LOSS COST LEVEL ((9) - 1.000). 10.0% 5.2%
- (11) FILED CHANGE. 10.0% 5.2%
- (A) TRUCK, TRACTOR AND TRAILER EXPERIENCE INCLUDES FLEET AND NON-FLEET LOCAL AND INTERMEDIATE EXPERIENCE ALSO INCLUDES LONG DISTANCE FOR LIGHT VEHICLES: COVERAGES 01, 03, 10, 11, 12, 20, 21, 31, 55, 726, 727, 731, 735 AND 737 FOR O.T.C. AND 74, 76, 77, 78, 84, 101 AND 102 FOR COLLISION.
- (B) THE AGGREGATE LOSS COST AT CURRENT LEVEL IS CALCULATED BY EXTENDING EXPOSURES BY THE CURRENT LOSS COSTS AND ADJUSTING TO A PROSPECTIVE OCN LEVEL BY THE APPLICATION OF OCN TREND FACTORS. (SEE SUBSEQUENT PAGE).
- (C) LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSES FOR O.T.C. AND COLL. SEE FOLLOWING PAGE.
- (D) EXPECTED EXPERIENCE RATIO IS EQUAL TO THE TREND FACTOR DIVIDED BY THE OCN TREND FACTOR, PROJECTED FOR M YEARS. THE PERIOD M IS EQUAL TO THE NUMBER OF YEARS FROM ONE YEAR BEYOND THE IMPLEMENTATION DATE OF THE LAST REVISION TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 10/01/18, WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING, SUBJECT TO A MAXIMUM OF THE N-VALUE CORRESPONDING TO THE LATEST YEAR SHOWN ON THE FOLLOWING PAGE, FOOTNOTE B. IN THIS REVISION, THE PERIOD IS 1.00 YEAR(S).
- (E) CREDIBILITY IS BASED ON A 5 YEAR TOTAL OF CLAIMS FOR O.T.C. AND A 5 YEAR TOTAL OF CLAIMS FOR COLLISION SHOWN IN COLUMN (5). THE STANDARDS FOR FULL CREDIBILITY ARE 11,000 CLAIMS FOR O.T.C. AND 4,500 CLAIMS FOR COLLISION (SEE CREDIBILITY TABLES IN SECTION C).

## INSURANCE SERVICES OFFICE, INC.

NEVADA  
TRUCKS, TRACTORS AND TRAILERS  
AUTOMOBILE PHYSICAL DAMAGE INSURANCE  
DETERMINATION OF PHYSICAL DAMAGE LOSSES

	ACC. YEAR ENDING	O.T.C.	COLLISION
(1) PAID LOSSES.	03/31/13	\$556,405	\$2,270,805
	03/31/14	\$633,982	\$2,719,717
	03/31/15	\$744,868	\$2,618,925
	03/31/16	\$938,182	\$2,510,651
	03/31/17	\$824,713	\$3,215,515
(2) DEVELOPED LOSSES AND	03/31/13	\$634,302	\$2,588,716
ALL LOSS ADJUSTMENT	03/31/14	\$722,740	\$3,100,478
EXPENSES (A).	03/31/15	\$849,998	\$2,982,589
	03/31/16	\$1,071,666	\$2,844,970
	03/31/17	\$964,617	\$3,577,711
(3) SELECTED ANNUAL LOSS TREND (SEE TREND EXHIBIT IN SECTION C)		+ 6.5%	+ 5.5%
(4) TRENDED LOSSES & ALL LOSS	03/31/13	\$985,707	\$3,766,583
ADJUSTMENT EXPENSES (B).	03/31/14	\$1,054,477	\$4,275,558
	03/31/15	\$1,164,498	\$3,898,245
	03/31/16	\$1,378,164	\$3,524,917
	03/31/17	\$1,165,258	\$4,200,232

## (A) PAID LOSSES ARE ADJUSTED BY THE FOLLOWING:

## 1-LOSS ADJUSTMENT EXPENSE FACTORS:

O.T.C.	COLL.
1.140	1.140

## 2-LOSS DEVELOPMENT FACTORS:

YEAR ENDING	O.T.C.	COLL.
03/31/13	1.000	1.000
03/31/14	1.000	1.000
03/31/15	1.001	0.999
03/31/16	1.002	0.994
03/31/17	1.026	0.976

(B) TRENDED LOSSES ARE EQUAL TO (2) \* ((1.0 + (3))\*\*N), WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF ACCIDENT TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATES OF 10/01/18 FOR OTC AND 10/01/18 FOR COLLISION, WHICH ARE ASSUMED FOR THE PURPOSE OF TRENDING.

YEAR ENDING	AVERAGE DATE OF ACCIDENT	PROJECTION PERIOD OTC	PROJECTION PERIOD COLL
03/31/13	10/01/12	7.000	7.000
03/31/14	10/01/13	6.000	6.000
03/31/15	10/01/14	5.000	5.000
03/31/16	10/01/15	4.000	4.000
03/31/17	10/01/16	3.000	3.000

## INSURANCE SERVICES OFFICE, INC.

## NEVADA

## TRUCKS, TRACTORS AND TRAILERS

## AUTOMOBILE PHYSICAL DAMAGE INSURANCE

## DETERMINATION OF PHYSICAL DAMAGE TRENDED

## AGGREGATE LOSS COSTS

	ACC. YEAR ENDING	O.T.C.	COLLISION
(1) AGGREGATE LOSS COSTS	03/31/13	\$769,094	\$3,344,159
AT CURRENT LEVEL.	03/31/14	\$888,063	\$3,682,544
	03/31/15	\$918,887	\$3,513,217
	03/31/16	\$954,241	\$3,481,823
	03/31/17	\$963,027	\$3,512,994
(2) SELECTED ANNUAL OCN TREND		0.9%	1.3%
(SEE OCN EXHIBIT IN SECTION C).			
(3) TRENDED AGGREGATE	03/31/13	\$819,086	\$3,661,854
LOSS COSTS AT	03/31/14	\$936,906	\$3,980,830
CURRENT LEVEL (A).	03/31/15	\$961,156	\$3,748,604
	03/31/16	\$988,592	\$3,666,360
	03/31/17	\$989,028	\$3,653,513

(A) TRENDED AGGREGATE LOSS COSTS ARE EQUAL TO (1) \* ((1.0 + (2))\*\*N), WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF WRITING TO SIX MONTHS BEYOND THE ANTICIPATED IMPLEMENTATION DATES OF 10/01/18 FOR OTC AND 10/01/18 FOR COLLISION, WHICH ARE ASSUMED FOR THE PURPOSE OF TRENDING.

YEAR ENDING	AVERAGE DATE OF WRITING	PROJECTION PERIOD OTC	PROJECTION PERIOD COLL
03/31/13	04/01/12	7.000	7.000
03/31/14	04/01/13	6.000	6.000
03/31/15	04/01/14	5.000	5.000
03/31/16	04/01/15	4.000	4.000
03/31/17	04/01/16	3.000	3.000



## INSURANCE SERVICES OFFICE, INC.

## NEVADA

AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER TYPES (A)  
 DETERMINATION OF STATEWIDE ADVISORY LOSS COST LEVEL CHANGES  
 SINGLE LIMIT LIABILITY COVERAGE

	(1)	(2)	(3)	(4)	(5)
ACCIDENT	AGGREGATE		EXPERIENCE	ACCIDENT	NUMBER
YEAR	LOSS COST	\$ 100,000	RATIO	YEAR	OF
ENDING	AT CURRENT	INCURRED	(2) / (1)	WEIGHTS	INCURRED
	LEVEL (B)	LOSSES (C)			CLAIMS
03/31/13	\$ 3,001,846	\$ 4,123,200	1.374	10%	218
03/31/14	\$ 3,037,191	\$ 3,426,543	1.128	15%	251
03/31/15	\$ 2,767,533	\$ 3,537,511	1.278	20%	239
03/31/16	\$ 2,653,932	\$ 3,557,038	1.340	25%	213
03/31/17	\$ 2,585,549	\$ 3,111,956	1.204	30%	190
(6)	AVERAGE EXPERIENCE RATIO (SUM OF (3) * (4)).				1.258
(7)	EXPECTED EXPERIENCE RATIO (D).				1.039
(8)	CREDIBILITY (E).				0.30
(9)	CREDIBILITY WEIGHTED EXPERIENCE RATIO: ((6) * (8)) + ((7) * (1.000 - (8))).				1.105
(10)	INDICATED PERCENTAGE CHANGE IN ADVISORY LOSS COST LEVEL ((9) - 1.000).				10.5%
(11)	FILED CHANGE.				10.5%

- (A) PRIVATE PASSENGER TYPE EXPERIENCE IS FOR VEHICLES WRITTEN IN ACCORDANCE WITH RULE 31 OF THE COMMERCIAL LINES MANUAL, DIVISION 1, AUTOMOBILE.
- (B) THE AGGREGATE LOSS COST AT CURRENT LEVEL IS CALCULATED BY EXTENDING EXPOSURES BY THE CURRENT LOSS COSTS FROM THE LAST REVISION.
- (C) LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSES FOR BODILY INJURY AND PROPERTY DAMAGE LIABILITY. SEE FOLLOWING PAGE.
- (D) EXPECTED EXPERIENCE RATIO IS EQUAL TO THE COMBINED TREND FACTOR SHOWN ON THE FOLLOWING PAGE, PROJECTED FOR M YEARS. THE PERIOD M IS EQUAL TO THE NUMBER OF YEARS FROM ONE YEAR BEYOND THE IMPLEMENTATION DATE OF THE LAST REVISION TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 10/01/18 WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING, SUBJECT TO A MAXIMUM OF THE N-VALUE CORRESPONDING TO THE LATEST YEAR SHOWN ON THE FOLLOWING PAGE, FOOTNOTE B. IN THIS REVISION, THE PERIOD M IS 1.00 YEAR(S).
- (E) CREDIBILITY IS BASED ON A 5 YEAR TOTAL OF CLAIMS FOR B.I. AND P.D. SHOWN IN COLUMN (5). THE STANDARD FOR FULL CREDIBILITY IS 11,500 CLAIMS (SEE CREDIBILITY TABLES IN SECTION C).

NEVADA  
PRIVATE PASSENGER TYPES  
AUTOMOBILE LIABILITY INSURANCE  
DETERMINATION OF SINGLE LIMIT LOSSES

	ACC. YEAR ENDING	BODILY INJURY	PROPERTY DAMAGE	COMBINED
(1) INCURRED LOSSES AND	03/31/13	\$2,486,461	\$450,556	
ALLOCATED LOSS	03/31/14	\$2,009,823	\$469,038	
ADJUSTMENT EXPENSES.	03/31/15	\$1,999,708	\$561,828	
	03/31/16	\$1,836,084	\$522,526	
	03/31/17	\$1,056,198	\$553,989	
(2) DEVELOPED LOSSES AND	03/31/13	\$2,693,434	\$498,362	
ALL LOSS ADJUSTMENT	03/31/14	\$2,216,192	\$519,325	
EXPENSES (A) .	03/31/15	\$2,297,904	\$623,923	
	03/31/16	\$2,478,713	\$584,319	
	03/31/17	\$2,128,535	\$643,378	
(3) SELECTED ANNUAL LOSS TREND (SEE TREND EXHIBIT IN SECTION C) .		+ 3.2%	+ 6.3%	+ 3.9%
(4) TRENDED LOSSES AND	03/31/13	\$3,358,712	\$764,488	\$4,123,200
ALL LOSS ADJUSTMENT	03/31/14	\$2,677,159	\$749,384	\$3,426,543
EXPENSES (B) .	03/31/15	\$2,690,846	\$846,665	\$3,537,511
	03/31/16	\$2,810,861	\$746,177	\$3,557,038
	03/31/17	\$2,339,260	\$772,696	\$3,111,956

(A) INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSES ARE ADJUSTED BY THE FOLLOWING FACTORS:

1 - UNALLOCATED LOSS ADJUSTMENT FACTORS: B.I. 1.080 P.D. 1.105

2 - LOSS DEVELOPMENT FACTORS:

YEAR ENDING	B.I.	P.D.
03/31/13	1.003	1.001
03/31/14	1.021	1.002
03/31/15	1.064	1.005
03/31/16	1.250	1.012
03/31/17	1.866	1.051

(B) TRENDED LOSSES ARE EQUAL TO (2) \* ((1.0 + (3))\*\*N), WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF ACCIDENT TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 10/01/18, WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING.

YEAR ENDING	AVERAGE DATE OF ACCIDENT	PROJECTION PERIOD
03/31/13	10/01/12	7.000
03/31/14	10/01/13	6.000
03/31/15	10/01/14	5.000
03/31/16	10/01/15	4.000
03/31/17	10/01/16	3.000

## INSURANCE SERVICES OFFICE, INC.

## NEVADA

AUTOMOBILE PHYSICAL DAMAGE INSURANCE - PRIVATE PASSENGER TYPES (A)  
DETERMINATION OF STATEWIDE ADVISORY LOSS COST LEVEL CHANGES

		(1) AGGREGATE LOSS COST AT CURRENT LEVEL (B)	(2) INCURRED LOSSES (C)	(3) EXPERIENCE RATIO (2) / (1)	(4) ACCIDENT YEAR WEIGHTS	(5) NUMBER OF PAID CLAIMS
COV- ERAGE O.T.C.	ACCIDENT YEAR ENDING					
	03/31/13	\$ 210,750	\$ 257,108	1.220	10%	84
	03/31/14	\$ 235,814	\$ 154,513	0.655	15%	63
	03/31/15	\$ 242,494	\$ 293,475	1.210	20%	80
	03/31/16	\$ 239,256	\$ 223,796	0.935	25%	102
	03/31/17	\$ 230,760	\$ 229,304	0.994	30%	93
COLL.	03/31/13	\$ 996,354	\$ 878,237	0.881	10%	145
	03/31/14	\$ 1,102,407	\$ 1,348,995	1.224	15%	155
	03/31/15	\$ 1,092,553	\$ 1,343,776	1.230	20%	178
	03/31/16	\$ 1,072,847	\$ 1,355,927	1.264	25%	191
	03/31/17	\$ 1,057,342	\$ 876,362	0.829	30%	164

O.T.C. COLLISION

- (6) AVERAGE EXPERIENCE RATIO (SUM OF (3) \* (4)). 0.994 1.083
- (7) EXPECTED EXPERIENCE RATIO (D). 1.040 1.044
- (8) CREDIBILITY (E). 0.20 0.45
- (9) CREDIBILITY WEIGHTED EXPERIENCE RATIO:  
((6) \* (8)) + ((7) \* (1.000 - (8))). 1.031 1.062
- (10) INDICATED PERCENTAGE CHANGE IN ADVISORY  
LOSS COST LEVEL ((9) - 1.000). 3.1% 6.2%
- (11) FILED CHANGE. 3.1% 6.2%
- (A) PRIVATE PASSENGER TYPES EXPERIENCE INCLUDES COVERAGES 01, 03, 10, 55, 61, 62, 65, 66, 722, 723, 726, 727, 729, 731, 734, 735, 736 AND 737 FOR O.T.C. AND 73, 74, 76, 77, 78, 84, 101 AND 102 FOR COLLISION.
- (B) THE AGGREGATE LOSS COST AT CURRENT LEVEL IS CALCULATED BY EXTENDING EXPOSURES BY THE CURRENT LOSS COSTS AND ADJUSTING TO A PROSPECTIVE OCN LEVEL BY THE APPLICATION OF OCN TREND FACTORS. (SEE SUBSEQUENT PAGE).
- (C) LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSES FOR O.T.C. AND COLL. SEE FOLLOWING PAGE.
- (D) EXPECTED EXPERIENCE RATIO IS EQUAL TO THE LOSS TREND FACTOR DIVIDED BY THE OCN TREND FACTOR, PROJECTED FOR M YEARS. THE PERIOD M IS EQUAL TO THE NUMBER OF YEARS FROM ONE YEAR BEYOND THE IMPLEMENTATION DATE OF THE LAST REVISION TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 10/01/18, WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING, SUBJECT TO A MAXIMUM OF THE N-VALUE CORRESPONDING TO THE LATEST YEAR SHOWN ON THE FOLLOWING PAGE, FOOTNOTE B. IN THIS REVISION, THE PERIOD IS 1.00 YEAR(S).
- (E) CREDIBILITY IS BASED ON A 5 YEAR TOTAL OF CLAIMS FOR O.T.C. AND A 5 YEAR TOTAL OF CLAIMS FOR COLLISION SHOWN IN COLUMN (5). THE STANDARDS FOR FULL CREDIBILITY ARE 8,500 CLAIMS FOR O.T.C. AND 3,500 CLAIMS FOR COLLISION (SEE CREDIBILITY TABLES IN SECTION C).

## INSURANCE SERVICES OFFICE, INC.

NEVADA  
PRIVATE PASSENGER TYPES  
AUTOMOBILE PHYSICAL DAMAGE INSURANCE  
DETERMINATION OF PHYSICAL DAMAGE LOSSES

	ACC. YEAR ENDING	O.T.C.	COLLISION
(1) PAID LOSSES.	03/31/13	\$160,294	\$547,536
	03/31/14	\$101,147	\$883,082
	03/31/15	\$201,751	\$924,711
	03/31/16	\$161,279	\$983,048
	03/31/17	\$172,150	\$697,322
(2) DEVELOPED LOSSES AND ALL LOSS ADJUSTMENT EXPENSES (A).	03/31/13	\$182,735	\$624,192
	03/31/14	\$115,308	\$1,006,713
	03/31/15	\$229,997	\$1,053,117
	03/31/16	\$184,041	\$1,115,071
	03/31/17	\$198,018	\$756,789
(3) SELECTED ANNUAL LOSS TREND (SEE TREND EXHIBIT IN SECTION C)		+ 5.0%	+ 5.0%
(4) TRENDED LOSSES & ALL LOSS ADJUSTMENT EXPENSES (B).	03/31/13	\$257,108	\$878,237
	03/31/14	\$154,513	\$1,348,995
	03/31/15	\$293,475	\$1,343,776
	03/31/16	\$223,796	\$1,355,927
	03/31/17	\$229,304	\$876,362
(A) PAID LOSSES ARE ADJUSTED BY THE FOLLOWING:			
1-LOSS ADJUSTMENT EXPENSE FACTORS:			
	O.T.C.	COLL.	
	1.140	1.140	
2-LOSS DEVELOPMENT FACTORS:			
	YEAR		
	ENDING	O.T.C.	COLL.
	03/31/13	1.000	1.000
	03/31/14	1.000	1.000
	03/31/15	1.000	0.999
	03/31/16	1.001	0.995
	03/31/17	1.009	0.952
(B) TRENDED LOSSES ARE EQUAL TO (2) * ((1.0 + (3))**N), WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF ACCIDENT TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATES OF 10/01/18 FOR OTC AND 10/01/18 FOR COLLISION, WHICH ARE ASSUMED FOR THE PURPOSE OF TRENDING.			
	YEAR ENDING	AVERAGE DATE OF ACCIDENT	PROJECTION PERIOD OTC
	03/31/13	10/01/12	7.000
	03/31/14	10/01/13	6.000
	03/31/15	10/01/14	5.000
	03/31/16	10/01/15	4.000
	03/31/17	10/01/16	3.000

## INSURANCE SERVICES OFFICE, INC.

## NEVADA

## PRIVATE PASSENGER TYPES

## AUTOMOBILE PHYSICAL DAMAGE INSURANCE

## DETERMINATION OF PHYSICAL DAMAGE TRENDED

## AGGREGATE LOSS COSTS

	ACC. YEAR ENDING	O.T.C.	COLLISION
(1) AGGREGATE LOSS COSTS	03/31/13	\$196,595	\$955,276
AT CURRENT LEVEL.	03/31/14	\$222,046	\$1,063,073
	03/31/15	\$230,726	\$1,060,731
	03/31/16	\$229,832	\$1,047,702
	03/31/17	\$224,039	\$1,038,646
(2) SELECTED ANNUAL OCN TREND		1.0%	0.6%
(SEE OCN EXHIBIT IN SECTION C).			
(3) TRENDED AGGREGATE	03/31/13	\$210,750	\$996,354
LOSS COSTS AT	03/31/14	\$235,814	\$1,102,407
CURRENT LEVEL (A).	03/31/15	\$242,494	\$1,092,553
	03/31/16	\$239,256	\$1,072,847
	03/31/17	\$230,760	\$1,057,342

(A) TRENDED AGGREGATE LOSS COSTS ARE EQUAL TO (1) \* ((1.0 + (2))\*\*N), WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF WRITING TO SIX MONTHS BEYOND THE ANTICIPATED IMPLEMENTATION DATES OF 10/01/18 FOR OTC AND 10/01/18 FOR COLLISION, WHICH ARE ASSUMED FOR THE PURPOSE OF TRENDING.

YEAR ENDING	AVERAGE DATE OF WRITING	PROJECTION PERIOD OTC	PROJECTION PERIOD COLL
03/31/13	04/01/12	7.000	7.000
03/31/14	04/01/13	6.000	6.000
03/31/15	04/01/14	5.000	5.000
03/31/16	04/01/15	4.000	4.000
03/31/17	04/01/16	3.000	3.000

## OVERVIEW OF ISO ACTUARIAL PROCEDURES – COMMERCIAL AUTOMOBILE

### STEP 2 – DETERMINATION OF TERRITORY RELATIVITIES

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OBJECTIVE	The objective of this procedure is to distribute the statewide loss cost indication by territory. In other words, what percentage changes by territory should be made in order to equitably achieve an adequate statewide prospective loss cost level?
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TRUCKS, TRACTORS & TRAILERS AND PRIVATE PASSENGER TYPES LIABILITY AND PHYSICAL DAMAGE	For Trucks, Tractors & Trailers and Private Passenger Types, this procedure compares the individual territory experience ratios to the statewide average experience ratio. The territory experience ratio is calculated for the latest 5 years and a statewide weighted-average experience ratio for the same period is calculated using the aggregate loss costs (product of earned car years (col 1) and underlying loss cost (col 2)) as weights. The territory experience ratio is then credibility weighted with the statewide average experience ratio to produce a formula experience ratio. The territory formula experience ratio is then compared to the statewide weighted average formula experience ratio to determine the territory index to state. The territory index is then multiplied by the filed loss cost level change in order to produce the indicated change to the individual territories. This change is then applied to the current territory base loss cost.
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## INSURANCE SERVICES OFFICE

NEVADA  
COMMERCIAL AUTOMOBILE INSURANCE  
SINGLE LIMIT LIABILITY

DETERMINATION OF LOSS COST LEVEL CHANGES BY TERRITORY  
TRUCKS, TRACTORS, AND TRAILERS (TTT)+

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
T	EARNED	\$100000	EXPER								ADV
E	CAR YRS	UND	LOSS COST				INDEX	BASE CLASS			LOSS
R	YR ENDED	LOSS	5YRS END	EXPER		FORM	(6) TO	LOSS COST			COST
R	03/31/2017	COST	03/31/2017	RATIO	CRED	RATIO	STATE	PRES	IND*	REV	CHG**
105	1143	393.89	282.00	0.716	0.10	1.080	.952	347	362	362	4.3%
106	9282	203.58	207.46	1.019	0.25	1.095	.965	226	239	239	5.8%
108	394	738.91	440.45	0.596	0.05	1.094	.964	643	679	679	5.6%
109	15100	1014.61	1174.55	1.158	0.65	1.145	1.009	921	1018	1018	10.5%
110	373	348.09	345.61	0.993	0.05	1.114	.981	366	393	393	7.4%
111	5917	330.21	364.90	1.105	0.25	1.116	.983	308	331	331	7.5%
SW	32209	622.04	696.86	1.120		1.135					

+ REFER TO EXPLANATORY NOTE ON PAGE B-19

\* KEYED TO A STATEWIDE LOSS COST CHANGE OF 9.5 PERCENT

\*\* PERCENTAGE CHANGE IN LOSS COST IS (COL 10/COL 8)

## INSURANCE SERVICES OFFICE

NEVADA  
COMMERCIAL AUTOMOBILE INSURANCE  
SINGLE LIMIT LIABILITY

DETERMINATION OF LOSS COST LEVEL CHANGES BY TERRITORY  
PRIVATE PASSENGER TYPES+

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
T	EARNED	\$25000	EXPER								ADV
E	CAR YRS	UND	LOSS COST				INDEX	BASE CLASS			LOSS
R	YR ENDED	LOSS	5YRS END	EXPER		FORM	(6) TO	LOSS COST			COST
R	03/31/2017	COST	03/31/2017	RATIO	CRED	RATIO	STATE	PRES	IND*	REV	CHG**
105	249	330.20	297.75	0.902	0.00	1.265	.997	329	363	363	10.3%
106	768	343.97	462.38	1.344	0.10	1.273	1.003	341	378	378	10.9%
108	57	765.33	901.26	1.178	0.00	1.265	.997	753	830	830	10.2%
109	2654	710.64	914.29	1.287	0.25	1.271	1.002	706	782	782	10.8%
110	68	358.85	549.16	1.530	0.00	1.265	.997	332	366	366	10.2%
111	917	310.90	356.05	1.145	0.10	1.253	.987	305	333	333	9.2%
SW	4713	548.59	694.03	1.265		1.269					

+ REFER TO EXPLANATORY NOTE ON PAGE B-19

\* KEYED TO A STATEWIDE LOSS COST CHANGE OF 10.5 PERCENT

\*\* PERCENTAGE CHANGE IN LOSS COST IS (COL 10/COL 8)



EXPLANATORY MEMORANDUM FOR TRUCKS, TRACTORS & TRAILERS AND PRIVATE  
PASSENGER TYPES LIABILITY TERRITORY DEVELOPMENT

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COLUMN (1) EARNED CAR YEARS	Number of car-years, or exposures, earned in the latest year. These exposures are used to calculate the weighted averages through the analysis. (For calculating the weighted average of the Experience Ratio in Col (4) and the Formula Experience Ratio in Col (6) the product of [Col(1) x Col(2)] are used as weights).
COLUMN (2) \$100,000 LOSS COST	Average \$100,000 loss cost at current level (earned aggregate loss cost at current level divided by exposures) is based on the latest accident year experience available and reflects the \$100,000 basic limit at the present ISO manual level.
COLUMN (3) 5 YEAR ENDED EXPERIENCE LOSS COST	Loss cost based on the latest 5 years of experience (for purposes of stability). The loss cost is Bodily Injury and Property Damage combined and is trended and developed to an ultimate settlement basis including all loss adjustment expenses.
COLUMN (4) EXPERIENCE RATIO LOSS COST	For each coverage, an experience ratio by territory is derived by dividing the 5 year experience loss cost by the average \$100,000 loss cost at present ISO manual level. [Col. (3) / Col. (2)]
COLUMN (5) CREDIBILITY	The experience ratio thus calculated is assigned a credibility value on the basis of the number of claims underlying the 5 year pure premium (See Section C for credibility standards). The complement of the credibility is assigned to the statewide experience ratio which appears in Col. (4).
COLUMN (6) FORMULA EXPERIENCE RATIO	<p>The formula experience ratio is a credibility weighted average of the territory group experience ratio and statewide experience ratio. The formula is as follows:</p> $\frac{[\text{Terr. Group Col. (4)} \times \text{Terr. Group Col. (5)}] + [\text{SW Total Col. (4)} \times (1.0 - \text{Terr. Group Col. (5)})]}{[\text{Terr. Group Col. (4)} + \text{SW Total Col. (4)}]}$

COLUMN (7)  
INDEX TO  
STATE

Territory indices to state are calculated by dividing the territory formula experience ratio by the statewide average formula experience ratio

$$[\text{Terr. Col (6)} / \text{SW Total Col. (6)}]$$

(Statewide Total Col. (6) is the weighted average formula experience ratio using the individual products of [ Col. (1) x Col. (2) ] as weights.)

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COLUMN (8)  
BASE CLASS  
LOSS COST

Present ISO \$100,000 base class loss cost.

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COLUMN (9)  
INDICATED BASE  
LOSS COST

Indicated base class loss cost for a particular territory. It is calculated by applying the product of the statewide loss cost level change and the territory index [Col. (7)] to the present ISO loss cost.

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COLUMN (10)  
REVISED BASE  
LOSS COST

Revised \$100,000 base loss cost.

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COLUMN (11)  
ADVISORY  
LOSS COST  
CHANGE

Percentage change from the present \$100,000 base loss cost to the revised \$100,000 base loss cost.

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## INSURANCE SERVICES OFFICE

NEVADA  
COMMERCIAL AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE - COMPREHENSIVE

DETERMINATION OF LOSS COST LEVEL CHANGES BY TERRITORY  
TRUCKS, TRACTORS AND TRAILERS+

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
T	EARNED		EXPER								ADV
E	CAR YRS	UND	LOSS COST				INDEX	BASE CLASS			LOSS
R	YR ENDED	LOSS	5YRS END	EXPER		FORM	(6) TO	LOSS COST			COST
R	03/31/2017	COST	03/31/2017	RATIO	CRED	RATIO	STATE	PRES	IND*	REV	CHG**
105	695	44.56	49.25	1.105	0.05	1.215	1.001	67	74	74	10.4%
106	4851	48.18	61.54	1.277	0.15	1.229	1.012	74	82	82	10.8%
108	251	43.29	167.23	3.863	0.00	1.221	1.006	68	75	75	10.3%
109	11475	46.06	49.02	1.064	0.15	1.197	.986	68	74	74	8.8%
110	188	40.76	74.76	1.834	0.00	1.221	1.006	63	70	70	11.1%
111	4901	36.18	52.32	1.446	0.10	1.244	1.025	54	61	61	13.0%
SW	22361	44.23	54.01	1.221		1.214					

+ REFER TO EXPLANATORY NOTE ON PAGE B-25

\* KEYED TO A STATEWIDE LOSS COST CHANGE OF 10.0 PERCENT

\*\* PERCENTAGE CHANGE IN LOSS COST IS (COL 10/COL 8)

## INSURANCE SERVICES OFFICE

NEVADA  
COMMERCIAL AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE - COLLISION

DETERMINATION OF LOSS COST LEVEL CHANGES BY TERRITORY  
TRUCKS, TRACTORS AND TRAILERS+

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
T	EARNED		EXPER								ADV
E	CAR YRS	UND	LOSS COST				INDEX	BASE CLASS			LOSS
R	YR ENDED	LOSS	5YRS END	EXPER		FORM	(6) TO	LOSS COST			COST
R	03/31/2017	COST	03/31/2017	RATIO	CRED	RATIO	STATE	PRES	IND*	REV	CHG**
105	754	160.65	169.18	1.053	0.10	1.029	.997	204	214	214	4.9%
106	5246	178.75	161.46	0.903	0.25	.995	.964	208	211	211	1.4%
108	244	145.73	189.26	1.299	0.05	1.040	1.008	159	169	169	6.3%
109	11560	158.29	168.55	1.065	0.55	1.047	1.015	192	205	205	6.8%
110	183	128.77	99.26	0.771	0.05	1.013	.982	186	192	192	3.2%
111	4768	148.02	159.64	1.079	0.30	1.042	1.010	169	180	180	6.5%
SW	22755	160.56	164.73	1.026		1.032					

+ REFER TO EXPLANATORY NOTE ON PAGE B-25

\* KEYED TO A STATEWIDE LOSS COST CHANGE OF 5.2 PERCENT

\*\* PERCENTAGE CHANGE IN LOSS COST IS (COL 10/COL 8)

## INSURANCE SERVICES OFFICE

NEVADA  
COMMERCIAL AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE - COMPREHENSIVE

DETERMINATION OF LOSS COST LEVEL CHANGES BY TERRITORY  
PRIVATE PASSENGER TYPES+

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
T	EARNED		EXPER								ADV
E	CAR YRS	UND	LOSS COST				INDEX	BASE CLASS			LOSS
R	YR ENDED	LOSS	5YRS END	EXPER		FORM	(6) TO	LOSS COST			COST
R	03/31/2017	COST	03/31/2017	RATIO	CRED	RATIO	STATE	PRES	IND*	REV	CHG**
105	159	56.22	166.07	2.954	0.00	1.007	1.014	52	54	54	3.8%
106	542	68.17	115.30	1.691	0.10	1.075	1.083	62	69	69	11.3%
108	32	50.05	20.25	0.405	0.00	1.007	1.014	48	50	50	4.2%
109	2440	58.10	42.78	0.736	0.15	.966	.973	49	49	49	0.0%
110	62	53.14	4.50	0.085	0.00	1.007	1.014	45	47	47	4.4%
111	869	43.98	43.83	0.997	0.05	1.007	1.014	41	43	43	4.9%
SW	4104	56.23	56.60	1.007		.993					

+ REFER TO EXPLANATORY NOTE ON PAGE B-25

\* KEYED TO A STATEWIDE LOSS COST CHANGE OF 3.1 PERCENT

\*\* PERCENTAGE CHANGE IN LOSS COST IS (COL 10/COL 8)

## INSURANCE SERVICES OFFICE

NEVADA  
COMMERCIAL AUTOMOBILE INSURANCE  
PHYSICAL DAMAGE - COLLISION

DETERMINATION OF LOSS COST LEVEL CHANGES BY TERRITORY  
PRIVATE PASSENGER TYPES+

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
T	EARNED		EXPER								ADV
E	CAR YRS	UND	LOSS COST				INDEX	BASE CLASS			LOSS
R	YR ENDED	LOSS	5YRS END	EXPER		FORM	(6) TO	LOSS COST			COST
R	03/31/2017	COST	03/31/2017	RATIO	CRED	RATIO	STATE	PRES	IND*	REV	CHG**
105	163	280.57	220.33	0.785	0.05	1.065	.986	354	371	371	4.8%
106	523	224.41	273.96	1.221	0.15	1.101	1.019	280	303	303	8.2%
108	32	211.84	102.28	0.483	0.00	1.080	1.000	279	296	296	6.1%
109	2248	309.06	329.04	1.065	0.35	1.075	.995	353	373	373	5.7%
110	50	230.54	364.96	1.583	0.05	1.105	1.023	262	285	285	8.8%
111	816	222.01	247.03	1.113	0.20	1.087	1.006	279	298	298	6.8%
SW	3832	275.92	298.01	1.080		1.080					

+ REFER TO EXPLANATORY NOTE ON PAGE B-25

\* KEYED TO A STATEWIDE LOSS COST CHANGE OF 6.2 PERCENT

\*\* PERCENTAGE CHANGE IN LOSS COST IS (COL 10/COL 8)

EXPLANATORY MEMORANDUM FOR TRUCKS, TRACTORS & TRAILERS AND  
PRIVATE PASSENGER TYPES  
PHYSICAL DAMAGE TERRITORY DEVELOPMENT

---

COLUMN (1) EARNED CAR YEARS	Number of car-years, or exposures, earned in the latest year. These exposures are used to calculate the weighted averages through the analysis. (For calculating the weighted average of the Experience Ratio in Col (4) and the Formula Experience Ratio in Col (6) the product of [Col(1) x Col(2)] are used as weights).
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COLUMN (2) UNDERLYING LOSS COST	Average loss cost at current level (earned aggregate loss cost at current level divided by exposures) is based on the latest accident year experience available and reflects the present ISO manual loss cost trended to a prospective OCN level by the application of OCN factors.
---------------------------------------	---

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COLUMN (3) 5 YEAR ENDED EXPERIENCE LOSS COST	Loss cost based on the latest 5 years of experience (for purposes of stability). The loss cost is trended and include all loss adjustment expenses.
---	---

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COLUMN (4) EXPERIENCE RATIO LOSS COST	For each coverage, an experience ratio by territory is derived by dividing the 5 year experience loss cost by the average loss cost at present ISO manual level. [Col. (3) / Col. (2)]
--	--

---

COLUMN (5) CREDIBILITY	The experience ratio thus calculated is assigned a credibility value on the basis of the number of claims underlying the 5 year pure premium (See Section C for credibility standards). The complement of the credibility is assigned to the statewide experience ratio which appears in Col. (4).
---------------------------	--

---

COLUMN (6) FORMULA EXPERIENCE RATIO	The formula experience ratio is a credibility weighted average of the territory group experience ratio and statewide experience ratio. The formula is as follows:
--	---

$$\begin{aligned} &[\text{Terr. Group Col. (4) x Terr. Group Col. (5)}] \\ &+ [\text{SW Total Col.(4) x (1.0 - Terr. Group Col. (5))}] \end{aligned}$$

---

COLUMN (7)  
INDEX TO  
STATE

Territory indices to state are calculated by dividing the territory formula experience ratio by the statewide average formula experience ratio

$$[\text{Terr. Col (6)} / \text{SW Total Col. (6)}]$$

(Statewide Total Col. (6) is the weighted average formula experience ratio using the individual products of [ Col. (1) x Col. (2) ] as weights.)

---

COLUMN (8)  
BASE CLASS  
LOSS COST

Present ISO base class loss cost.

---

COLUMN (9)  
INDICATED BASE  
LOSS COST

Indicated base class loss cost for a particular territory. It is calculated by applying the product of the statewide loss cost level change and the territory index [Col. (7)] to the present ISO loss cost.

---

COLUMN (10)  
REVISED BASE  
LOSS COST

Revised base loss cost.

---

COLUMN (11)  
ADVISORY  
LOSS COST  
CHANGE

Percentage change:  
 $[\text{Col. (10)} / \text{Col. (8)}]$

---



NEVADA  
COMMERCIAL AUTOMOBILE

SECTION C - SUPPORTING MATERIAL

Loss Adjustment Expense .....	C2-C4
Loss Trend.....	C5-C28
Physical Damage OCN Trend .....	C29-C31
Loss Development for Liability.....	C32-C43
Loss Development for Physical Damage.....	C44-C52
Credibility Procedures and Tables.....	C53-C58
Claims for Credibility.....	C59-C60
Relativities for Developing Minor Class & Coverage Loss Costs .....	C61
Excess Wind and Water Procedure .....	C62-C67

## LOSS ADJUSTMENT EXPENSE FACTORS

---

OBJECTIVE	The reported indemnity losses must be loaded for any loss adjustment expenses (LAE) that are not reported in statistical detail to ISO.
LIABILITY COVERAGES	For the liability coverages, allocated loss adjustment expenses are reported in detail to ISO under the Commercial Statistical Plan. Unallocated loss adjustment expenses must be loaded into the losses. A factor representing the ratio of the sum of the incurred indemnity losses plus all LAE to the sum of the incurred indemnity losses plus allocated LAE was selected based on multistate financial data from a Special Call Submission for available writers.
PHYSICAL DAMAGE COVERAGES	For the physical damage coverages, accident year paid indemnity losses are reported. All loss adjustment expenses must be loaded into the reported losses. A factor representing the ratio of incurred losses plus all LAE to incurred losses was selected based on multistate financial data from the Insurance Expense Exhibits for agency and direct writers.

COMMERCIAL AUTOMOBILE LIABILITY INSURANCE  
MULTISTATE LOSS ADJUSTMENT EXPENSE EXPERIENCE

Calendar Year

Development of Unallocated Loss Adjustment Expense Factor

Bodily Injury  
(000's)

<u>ITEM</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>3 YR AVG</u>	<u>5 YR AVG</u>
(1) Direct Losses Incurred	4,059,001	4,205,932	4,811,095	5,400,783	5,769,671		
(2) Allocated Loss Adjustment Expenses Incurred	458,941	481,717	517,613	610,635	670,289		
(3) Unallocated Loss Adjustment Expenses Incurred	383,262	432,507	471,784	479,398	479,146		
(4) Unallocated LAE as a Ratio to Losses + Allocated LAE (3) / [(1) + (2)]	8.5%	9.2%	8.9%	8.0%	7.4%	8.1%	8.4%
(5) Selected Factor							8.0%

Property Damage  
(000's)

<u>ITEM</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>3 YR AVG</u>	<u>5 YR AVG</u>
(1) Direct Losses Incurred	855,668	964,805	1,033,470	1,128,053	1,203,935		
(2) Allocated Loss Adjustment Expenses Incurred	57,874	70,950	69,317	85,116	71,849		
(3) Unallocated Loss Adjustment Expenses Incurred	108,187	112,861	128,692	129,040	123,937		
(4) Unallocated LAE as a Ratio to Losses + Allocated LAE (3) / [(1) + (2)]	11.8%	10.9%	11.7%	10.6%	9.7%	10.7%	11.0%
(5) Selected Factor							10.5%

All items are from Special Call Submission for available writers.

COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE INSURANCE  
MULTISTATE LOSS ADJUSTMENT EXPENSE EXPERIENCE

Calendar Year

Development of Factor to Include all Loss Adjustment Expenses

(000's)

<u>ITEM</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>3 YR AVG</u>	<u>5 YR AVG</u>
(1) Direct Losses Incurred	3,776,678	3,729,471	4,160,445	4,385,421	4,973,189		
(2) Loss Adjustment Expenses Incurred	551,510	589,857	664,010	585,458	628,271		
(3) Losses + LAE Incurred as Ratio to Losses Incurred [(1)+(2)]/(1)	1.146	1.158	1.160	1.134	1.126	1.140	1.145
(4) Selected							1.140

Items (1) and (2) are from the Insurance Expense Exhibits for agency and direct writers.

## AVERAGE ANNUAL CHANGE IN LOSSES (LOSS TREND)

---

OBJECTIVE	The application of the average annual change in losses to historical data recognizes that advisory loss costs are being made for use in a future period based on historical experience. Due to economic and social factors, claim cost and frequency levels continue to change from those underlying the historical data.
DETERMINATION OF HISTORICAL AVERAGE CLAIM COST TREND	To determine the historical average claim cost trend, ISO makes use of the Least Squares Method fitted to the reported time series data; specifically, an exponential curve represented by the equation $Y=A(B^X)$ is fitted to the paid claim cost data. The parameters A and B are calculated by regressing Y, which is the applicable claim cost on X, which is the unit of time. The resulting fitted curve allows the determination of a historical average trend for the data under review.
LIABILITY LOSS TREND	The historical average annual change in claim costs for both Bodily Injury and Property Damage coverages are measured in this document using a credibility-weighted mix of multistate and statewide data. Prospective average annual changes for claim frequency have been selected based on the historical multistate data, as well as other relevant factors. Combining the state credibility-weighted claim cost trends with the selected claim frequency trends results in the selected Bodily Injury and Property Damage pure premium trend used to adjust the losses to a prospective level.
TREND CREDIBILITY FOR LIABILITY CLAIM SEVERITY	<p>Trend credibility is based on a full credibility standard of 975,000 claims for BI and 390,000 claims for PD. These standards were developed using a Bayesian analysis. Partial credibility is determined by the following formula:</p> $A = C/(C+K)$ <p>where C equals the number of claims for the latest year ended point and K equals 25,000 for bodily injury and 10,000 for property damage. The resulting table of partial credibilities is shown in this section.</p>

---

LIABILITY:  
FREQUENCY  
TREND

---

The data underlying the claim frequency trend selections is shown on the attached claim frequency exhibits. The exhibits include quarterly points for Multistate incurred frequency trend separately for Trucks, Tractors, and Trailers and Private Passenger Types. As can be seen from these exhibits (and corresponding graphs), frequency for both bodily injury and property damage has generally changed from year to year in an unpredictable manner.

Commercial Auto classes had experienced an abnormally long period of negative frequency trends prior to 2010. For the most recent 6 years, however, the frequency trends have been slightly increasing (TTT BI) or somewhat cyclical and/or flat (TTT PD and PPT BI and PD) over the experience period. An exponential curve of the form  $Y=A(B^X)$  does not fit the data well. To reflect these recent patterns and the difficulty in predicting turning points and rates of change, frequency trend is being selected to be 0% for TTT and PPT for both the Bodily Injury and Property Damage coverages.

---

PHYSICAL  
DAMAGE:  
LOSS TREND

Data Selections

- In our Physical Damage Trend review, we try to include as much data as possible for each deductible level that we analyze. With this goal in mind, for a given deductible level, we include all losses written at or below that deductible level. For example, consider an event causing \$1,500 of damage on a policy written with a \$250 deductible. This would be reported as a \$1,250 loss. In order to include as much data as possible in our review, we would generate 3 different records for this loss, one at each deductible that we analyze:

At \$250 deductible: \$1,250 loss

At \$500 deductible: \$1,000 loss

At \$1,000 deductible: \$500 loss

Each of these deductible levels is analyzed independently of the other levels, so that there are no instances of double-counting loss records.

- Wind and Water losses are removed from our Other Than Collision trend reviews due to the high variability of these types of losses from year to year.

Data Adjustments

In our Physical Damage trend review, we employ two adjustments to the data with the objective of diminishing distortions in the trend that we do not wish to measure. Our goal is to only measure inflationary effects.

1) All losses are divided by the appropriate class plan and age factors that correspond to that record in order to diminish the effect that variations in these factors from one year to the next have on the trend calculation.

PHYSICAL  
DAMAGE:  
LOSS TREND  
(CONT'D)

For example, consider 12 Truck exposures reported with Age Code 1 (current model year, age factor of 1.00). Each exposure experiences a loss of \$500. The average severity of the losses for these 12 exposures is \$500.

Now consider these 12 exposures 5 years in the future. The exposures are now reported with Age Code A (6th preceding model year, age factor of 0.80). Assume that there is 10% inflation per year on all severities. Also assume that each of these 12 exposures experience the same amount of damage as they did 5 years ago. The average severity of the losses for these 12 exposures is now \$644 (taking into account both inflation and the older age of the vehicles).

If we analyze the severity trend without dividing each loss by its corresponding age factor, we get an annual trend of  $(\$644/\$500)^{1/5} - 1 = 5.2\%$

If we first divide each loss by its corresponding age factor, we get an annual trend of  $((\$644/0.80) / (\$500/1.00))^{1/5} - 1 = 10.0\%$

The first calculated severity is not equal to the assumed inflation because the calculation includes the decrease in average severity caused by aging of the vehicles. By dividing each loss record by its corresponding class plan and age factors, we remove distortions on the severity trend caused by the change in the distribution of classes and ages from one year to the next.

2) All Other Than Collision losses are adjusted to correct for the distortion on trend results created by a change in the distribution of types of loss from one year to the next. The Other Than Collision severity is a weighted-average of the severities for each type of loss (glass, fire, theft, etc.). Since each type of loss has a different severity (for example, glass losses have a much smaller severity than other types of loss), then variations in the distribution of types of loss may lead to changes in the severity that we do not want to measure (if one year 5% of losses are glass losses, and the next year 30% of losses are glass losses, we would expect the average severity of all Other Than Collision losses to decrease). To correct this, we calculate the proportion of losses for each type of loss averaged over all years in the experience period.

Consider the following example, where an adjustment is NOT made to the data. Assume 10% annual inflation for all losses:

	Year 1		Year 2	
Type of Loss	Glass	Fire	Glass	Fire
Claims	10	3	15	5
Severity of Each Loss	\$50	\$1,000	\$55	\$1,100
Total Losses	\$500	\$3,000	\$825	\$5,500

Average severity of losses in Year 1 is  $(\$500 + \$3,000) / 13 \text{ claims} = \$269$

Average severity of losses in Year 2 is  $(\$825 + \$5,500) / 20 \text{ claims} = \$316.25$

Average Severity trend =  $(\$316.25/\$269) - 1 = 17.6\%$

PHYSICAL  
DAMAGE:  
LOSS TREND  
(CONT'D)

Now consider the same scenario, where an adjustment IS made to the data:

	Year 1		Year 2	
Type of Loss	Glass	Fire	Glass	Fire
Claims	10	3	15	5
Percentage of Total Claims	10/13 = 77%	3/13 = 23%	15/20 = 75%	5/20 = 25%

Average Percentage of Claims for Glass losses:  $(77\% + 75\%) / 2 = 76\%$

Average Percentage of Claims for Fire losses:  $(23\% + 25\%) / 2 = 24\%$

The number of claims for each type of loss for each year is replaced by these averages:

	Year 1		Year 2	
Type of Loss	Glass	Fire	Glass	Fire
Claims	76% x 13 = 9.88	24% x 13 = 3.12	76% x 20 = 15.2	24% x 20 = 4.8
Severity of Each Loss	\$50	\$1,000	\$55	\$1,100
Total Losses	\$494	\$3,120	\$836	\$5,280

Average severity of losses in Year 1 is  $(\$494 + \$3,120) / 13 \text{ claims} = \$278$

Average severity of losses in Year 2 is  $(\$836 + \$5,280) / 20 \text{ claims} = \$305.80$

Average Severity trend =  $(\$305.80 / \$278) - 1 = 10.0\%$

Note that the total number of claims each year remains unchanged from the total before the adjustment is made.

Year 1 claims =  $9.88 + 3.12 = 13 \text{ claims}$

Year 2 claims =  $15.2 + 4.8 = 20 \text{ claims}$

Although new claims totals by type of loss are used in the calculation, the impact of the adjustment is to change only the loss totals, so frequency figures are not changed. The result is equivalent to a re-weighting of the severities so that each type of loss has a consistent weight from year to year.

By keeping each type of loss' proportion of total claims constant from year to year, we remove distortions in the trend caused by changes in the distribution of types of loss.



PHYSICAL  
DAMAGE:  
LOSS TREND  
(CONT'D)

The trend selections for physical damage are based on the data in the attached exhibits. Each exhibit includes the distribution of losses, by deductible, for the most recent year. We analyze frequency trend and severity trend separately, using data at the \$250, \$500, and \$1,000 deductibles for OTC, and at the \$500, \$1,000, and \$2,000 deductibles for Collision.

Historically, claim frequency (like liability claim frequency) had been variable from year to year, often cyclical. As a result, an exponential curve of the form  $Y=A(B^x)$  did not fit the frequency data well. In the interest of long-term stability, we have selected 0.0% trend factors for frequency.

Based on this multistate experience and on the continued positive trends in the Consumer Price Index for Bodywork, ISO has selected the following annual trends:

	Trucks, Tractors & Trailers <u>Pure Premium</u>	Private Passenger Types <u>Pure Premium</u>
OTC:	+6.5%	+5.0%
COLL:	+5.5%	+5.0%

---

## INSURANCE SERVICES OFFICE

COMMERCIAL AUTO LIABILITY  
DETERMINATION OF FACTORS TO ADJUST ACCIDENT YEAR  
LOSS RATIOS FOR SUBSEQUENT CHANGES

## AVERAGE PAID CLAIM COST DATA

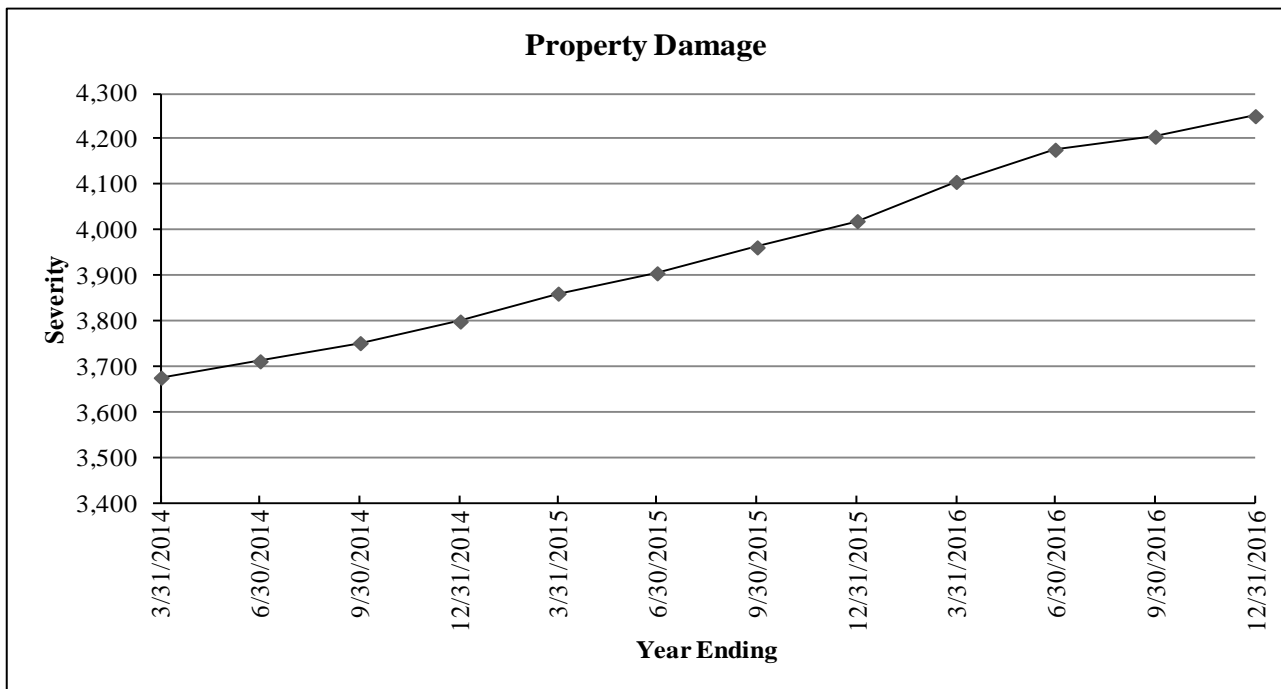
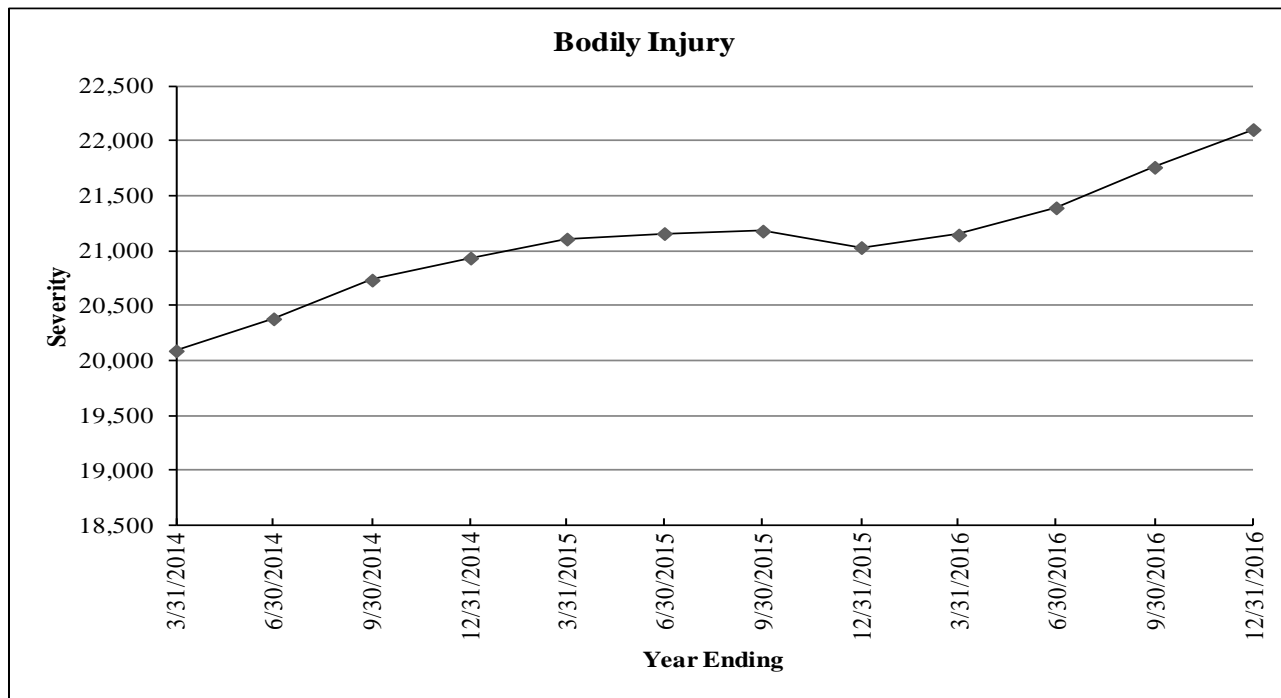
NEVADA					MULTISTATE*			
BODILY INJURY		PROPERTY DAMAGE			BODILY INJURY		PROPERTY DAMAGE	
(\$100000 LIMITS)		(\$100000 LIMITS)			(\$100000 LIMITS)		(\$100000 LIMITS)	
(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)
YEAR	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-	EXPONEN-
ENDED	ACTUAL	TIAL FIT	ACTUAL	TIAL FIT	ACTUAL	TIAL FIT	ACTUAL	TIAL FIT
3/31/2014	20376.37	21539.18	3468.15	3324.61	20088.87	20321.23	3676.14	3655.72
6/30/2014	22123.29	22228.90	3525.81	3417.03	20380.29	20456.67	3712.11	3707.17
9/30/2014	22939.38	22940.71	3506.84	3512.01	20732.93	20593.01	3752.08	3759.33
12/31/2014	23812.03	23675.30	3551.16	3609.64	20933.35	20730.27	3799.50	3812.23
3/31/2015	25466.55	24433.43	3610.18	3709.99	21106.46	20868.43	3860.83	3865.87
6/30/2015	25502.56	25215.82	3621.40	3813.12	21156.78	21007.52	3905.50	3920.27
9/30/2015	26762.56	26023.27	3797.67	3919.12	21179.18	21147.53	3962.46	3975.44
12/31/2015	27823.47	26856.58	3926.57	4028.06	21029.30	21288.48	4020.15	4031.38
3/31/2016	27630.86	27716.57	4161.95	4140.04	21143.66	21430.37	4106.33	4088.10
6/30/2016	28623.16	28604.10	4422.89	4255.12	21391.10	21573.20	4177.05	4145.63
9/30/2016	28971.30	29520.05	4516.81	4373.41	21760.24	21716.98	4205.66	4203.97
12/31/2016	29260.58	30465.32	4512.28	4494.99	22103.74	21861.73	4250.83	4263.12

	BODILY INJURY	PROPERTY DAMAGE
(9) AVERAGE ANNUAL PERCENT CHANGE IN PAID CLAIM COST (12TH POINT / 8TH POINT)		
(A) NEVADA	13.4%	11.6%
(B) MULTISTATE	2.7%	5.7%
(10) CREDIBILITY	0.05	0.10
(11) WEIGHTED AVERAGE ANNUAL PERCENT CHANGE IN PAID CLAIM COSTS { (10) * (9A) } + { (1.0 - (10)) * (9B) }	3.2%	6.3%
(12) AVERAGE ANNUAL PERCENT CHANGE IN CLAIM FREQUENCY		
(A) TRUCKS, TRACTORS, TRAILERS	0.0%	0.0%
(B) PRIVATE PASSENGER TYPES#	0.0%	0.0%
(13) AVERAGE ANNUAL PERCENT CHANGE IN LIABILITY LOSS RATIO		
(A) TRUCKS, TRACTORS, TRAILERS { 1.0 + (11) } * { 1.0 + (12A) }	3.2%	6.3%
(B) PRIVATE PASSENGER TYPES AND AUTO DEALERS# { 1.0 + (11) } * { 1.0 + (12B) }	3.2%	6.3%

\* EXCLUDES MASSACHUSETTS

# THE PRIVATE PASSENGER TYPES FREQUENCY IS ALSO USED FOR THE AUTO DEALERS COVERAGE.

Commercial Automobile Liability  
Average Paid Claim Cost Experience  
Multistate\*



\* Excludes Massachusetts

## INSURANCE SERVICES OFFICE, INC.

COMMERCIAL AUTO LIABILITY  
INCURRED CLAIM FREQUENCY

## MULTISTATE\*

TRUCKS, TRACTORS, AND TRAILERS

<u>YEAR ENDING</u>	<u>BODILY INJURY ACTUAL</u>	<u>BODILY INJURY ACTUAL CHANGE@</u>	<u>PROPERTY DAMAGE ACTUAL</u>	<u>PROPERTY DAMAGE ACTUAL CHANGE@</u>
12/31/2010	0.7818		2.8895	
3/31/2011	0.7920		2.9395	
6/30/2011	0.7918		2.9392	
9/30/2011	0.7939		2.9462	
12/31/2011	0.7924	1.4% &	2.9345	1.6% &
3/31/2012	0.7919		2.8289	
6/30/2012	0.7932		2.8175	
9/30/2012	0.7840	-1.2%	2.7782	-5.7%
12/31/2012	0.7932		2.7713	
3/31/2013	0.7969		2.8072	
6/30/2013	0.8161		2.8516	
9/30/2013	0.8354	6.6%	2.8976	4.3%
12/31/2013	0.8340		2.9127	
3/31/2014	0.8414		3.0039	
6/30/2014	0.8209		2.9990	
9/30/2014	0.8094	-3.1%	3.0018	3.6%
12/31/2014	0.8143		3.0024	
3/31/2015	0.8048		2.9674	
6/30/2015	0.8135		2.9657	
9/30/2015	0.8210	1.4%	2.9812	-0.7%
12/31/2015	0.8266		2.9951	
3/31/2016	0.8346		2.9640	
6/30/2016	0.8408		2.9661	
9/30/2016	0.8494	3.5%	2.9583	-0.8%

\* EXCLUDES MASSACHUSETTS

@ CHANGE BASED ON YEARS ENDING 9/30/XXXX

&amp; CHANGE BASED ON YEAR ENDING 12/31/2011 DIVIDED BY 12/31/2010

## INSURANCE SERVICES OFFICE, INC.

COMMERCIAL AUTO LIABILITY  
INCURRED CLAIM FREQUENCY

## MULTISTATE\*

PRIVATE PASSENGER TYPES

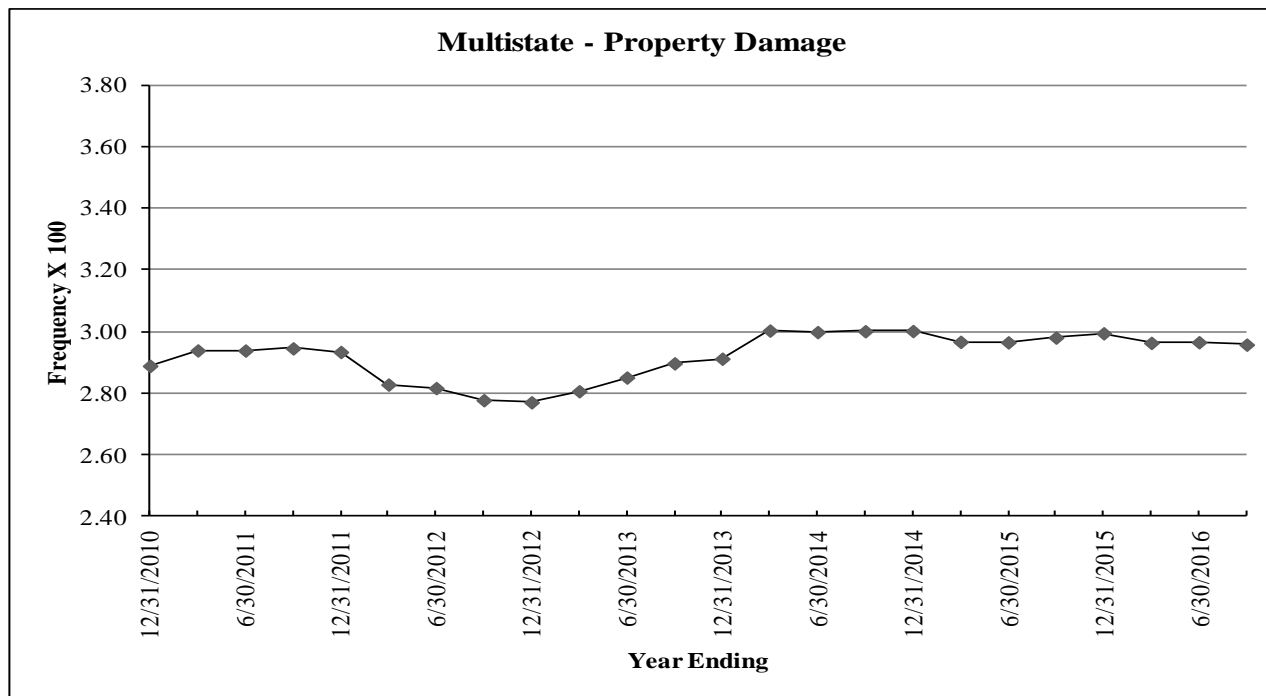
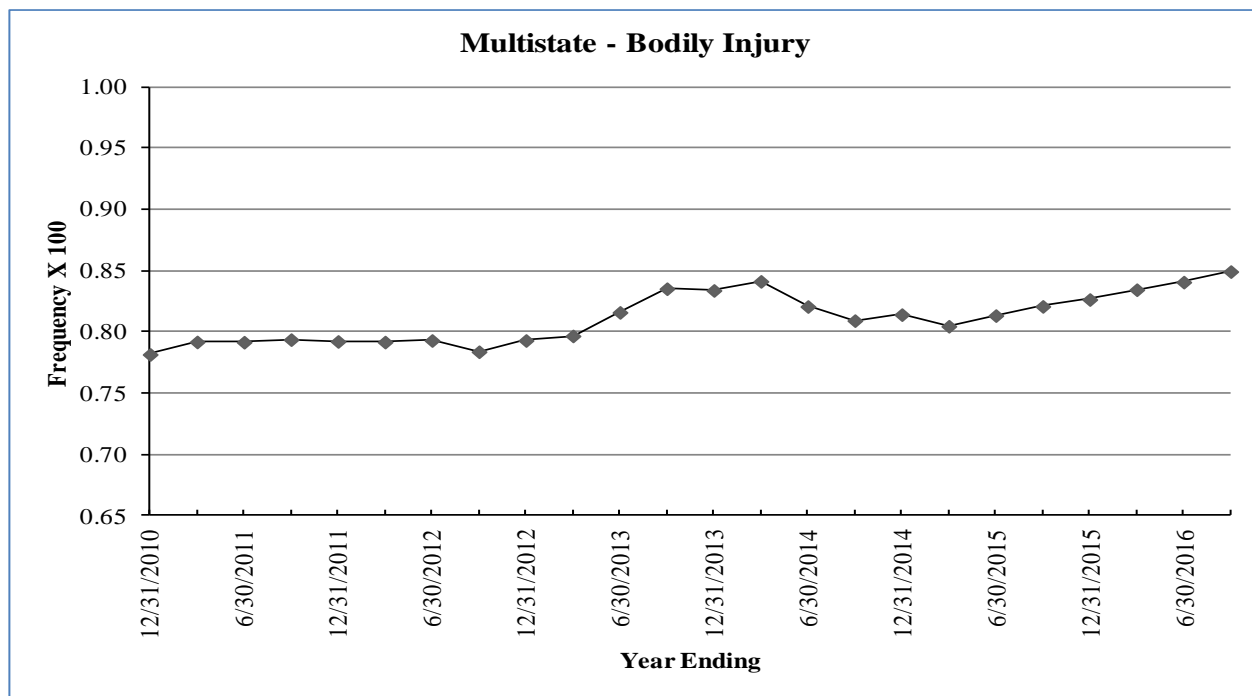
<u>YEAR ENDING</u>	<u>BODILY INJURY ACTUAL</u>	<u>BODILY INJURY ACTUAL CHANGE@</u>	<u>PROPERTY DAMAGE ACTUAL</u>	<u>PROPERTY DAMAGE ACTUAL CHANGE@</u>
12/31/2010	0.8786		3.3406	
3/31/2011	0.8891		3.3765	
6/30/2011	0.9204		3.3849	
9/30/2011	0.9378		3.3833	
12/31/2011	0.9370	6.6% &	3.3425	0.1% &
3/31/2012	0.9616		3.3280	
6/30/2012	0.9470		3.3350	
9/30/2012	0.9331	-0.5%	3.3194	-1.9%
12/31/2012	0.9198		3.2786	
3/31/2013	0.9128		3.2543	
6/30/2013	0.9189		3.2182	
9/30/2013	0.9319	-0.1%	3.2230	-2.9%
12/31/2013	0.9330		3.2488	
3/31/2014	0.9285		3.2876	
6/30/2014	0.9199		3.2862	
9/30/2014	0.9056	-2.8%	3.2590	1.1%
12/31/2014	0.8951		3.2283	
3/31/2015	0.8635		3.1815	
6/30/2015	0.8454		3.1421	
9/30/2015	0.8327	-8.0%	3.1557	-3.2%
12/31/2015	0.8201		3.1602	
3/31/2016	0.8343		3.1661	
6/30/2016	0.8418		3.1990	
9/30/2016	0.8631	3.7%	3.1959	1.3%

\* EXCLUDES MASSACHUSETTS

@ CHANGE BASED ON YEARS ENDING 9/30/XXXX

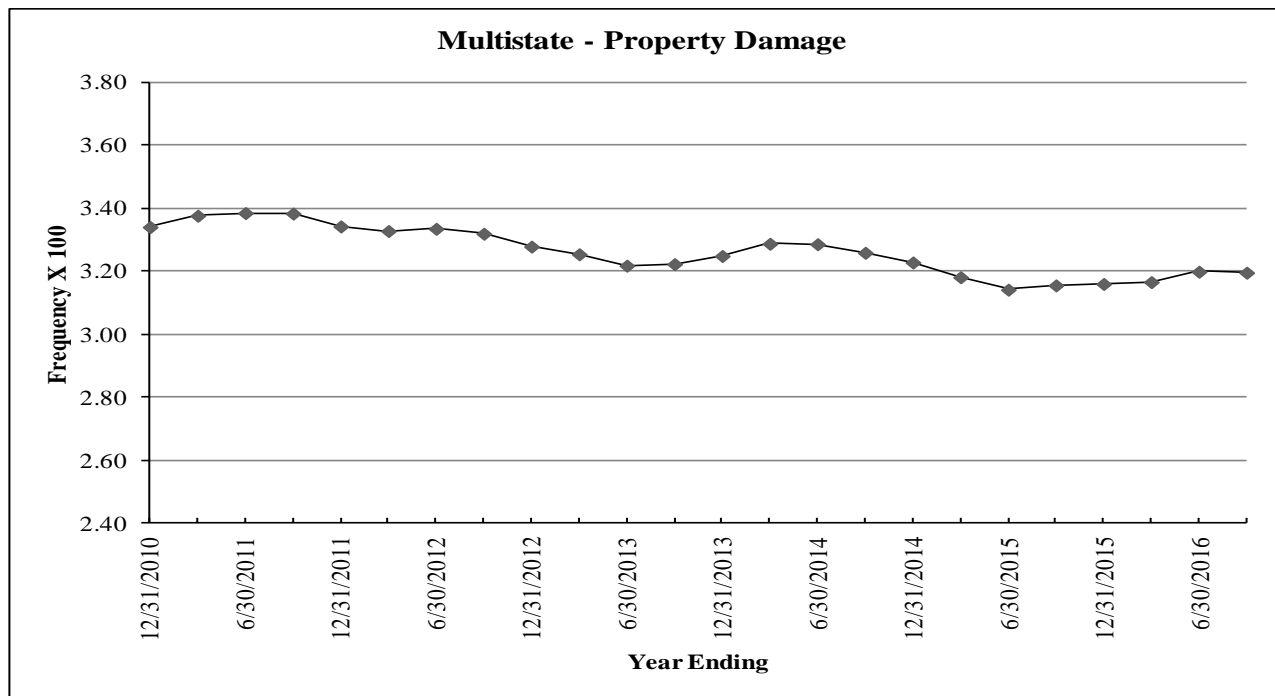
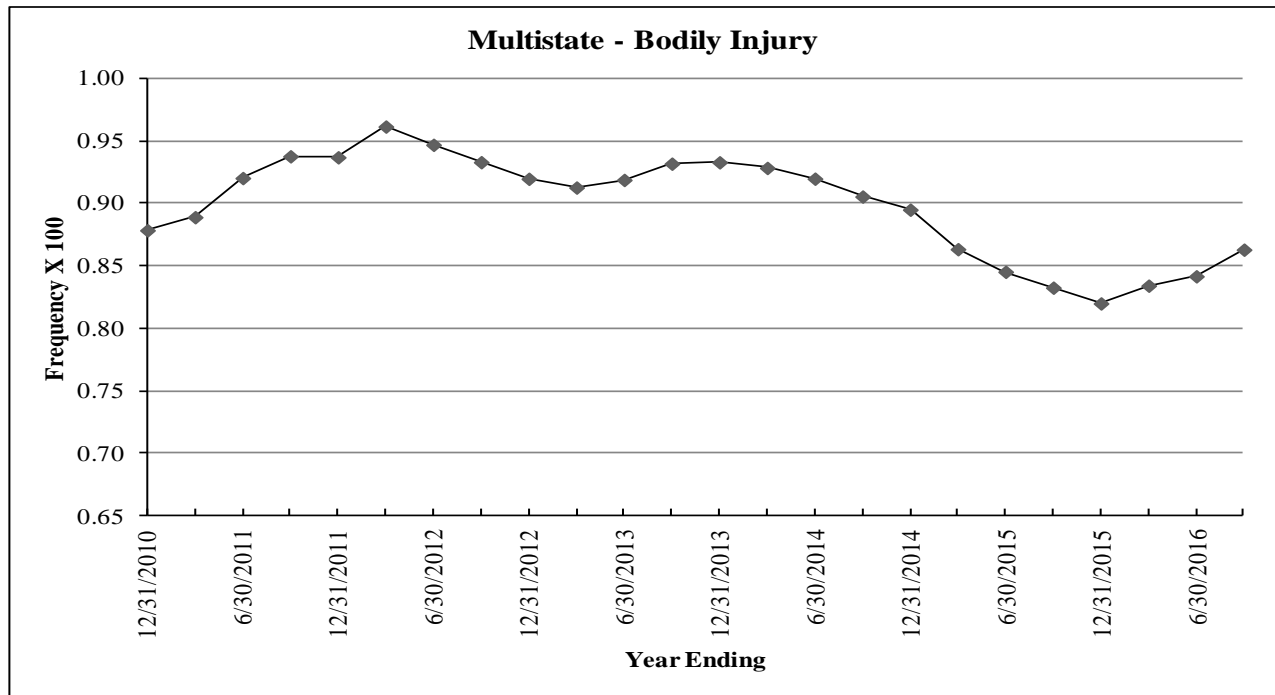
&amp; CHANGE BASED ON YEAR ENDING 12/31/2011 DIVIDED BY 12/31/2010

Commercial Automobile Liability  
Incurred Claim Frequency Experience  
Trucks, Tractors, and Trailers  
Multistate\*



\* Excludes Massachusetts

Commercial Automobile Liability  
Incurred Claim Frequency Experience  
Private Passenger Types  
Multistate\*



\* Excludes Massachusetts

Multistate\*  
Trucks, Tractors & Trailers Physical Damage  
Other Than Collision

Frequency (expressed as claims per 100 exposures)

	\$250 Deductible		\$500 Deductible		\$1,000 Deductible	
Year Ending:	Actual	Change **	Actual	Change **	Actual	Change **
06/30/2012	2.53		1.37		0.83	
12/31/2012	2.38		1.31		0.80	
06/30/2013	2.33		1.30		0.79	
12/31/2013	2.27	-4.6%	1.28	-2.3%	0.77	-3.8%
06/30/2014	2.35		1.29		0.78	
12/31/2014	2.31	1.8%	1.25	-2.3%	0.76	-1.3%
06/30/2015	2.20		1.24		0.75	
12/31/2015	2.11	-8.7%	1.24	-0.8%	0.76	0.0%
06/30/2016	2.03		1.24		0.79	
12/31/2016	2.02	-4.3%	1.24	0.0%	0.79	3.9%

Volume\*\*\* of losses for the most recent year by deductible:

Deductible	Percent of Losses
Full	0.2%
\$50	0.6%
\$100	2.3%
\$200	0.2%
\$250	11.0%
\$500	33.5%
\$1,000	43.9%
\$2,000	3.8%
\$3,000	1.5%
\$5,000	1.8%

\* Multistate data excludes Massachusetts

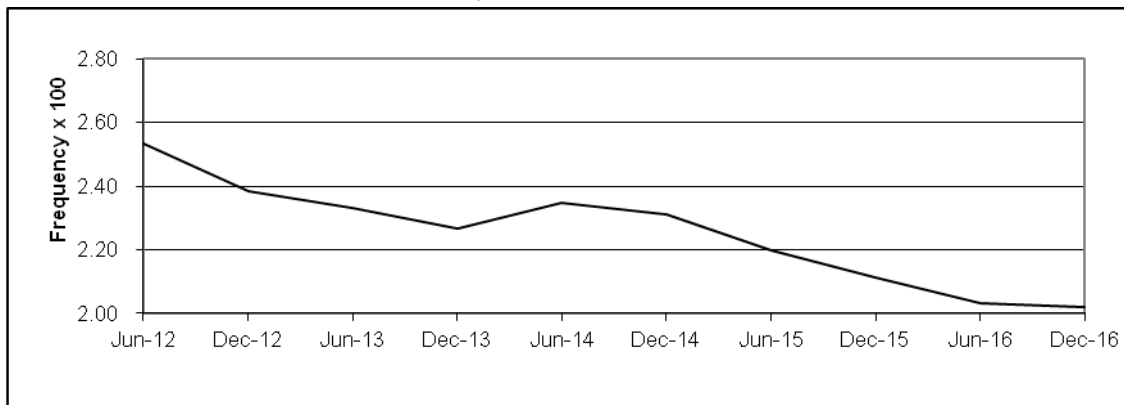
\*\* Change based on years ending 12/31/xxxx

\*\*\*Deductibles above \$1,000, totaling 7.1% of losses, are excluded from the trend calculations.

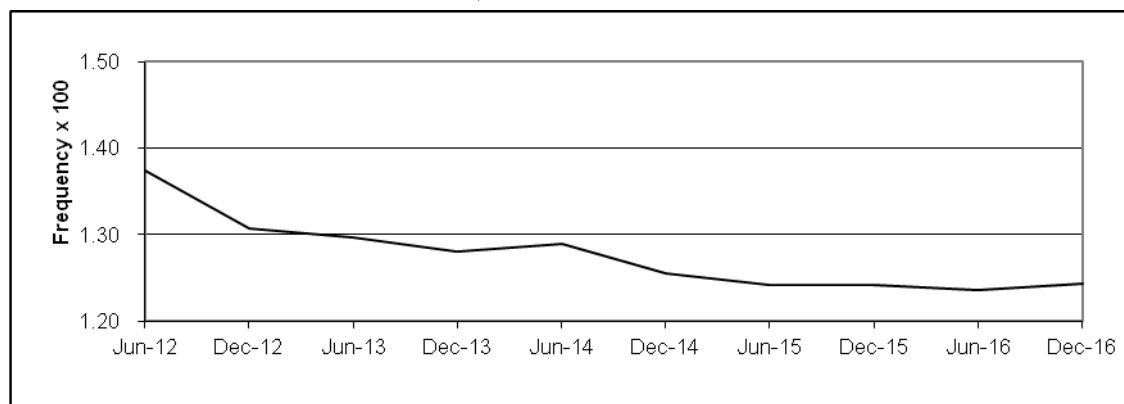


Multistate\*  
Trucks, Tractors & Trailers Physical Damage  
Other Than Collision Frequency Trend

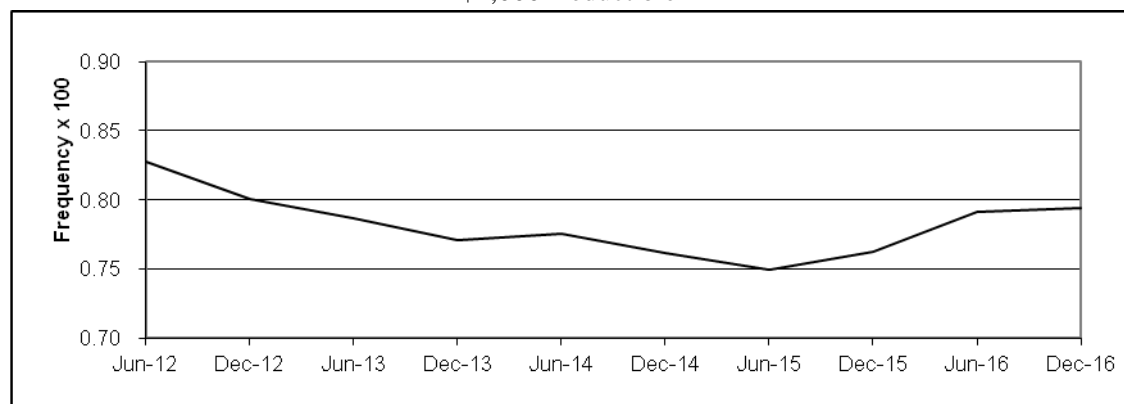
\$250 Deductible



\$500 Deductible



\$1,000 Deductible



\* Multistate data excludes Massachusetts  
Selected Other Than Collision Frequency Trend Factor: 0.0%

Multistate\*  
Trucks, Tractors & Trailers Physical Damage  
Other Than Collision Loss Trend

Severity Trend

Year Ending:	\$250 Deductible	\$500 Deductible	\$1,000 Deductible
06/30/2012	2,692.43	4,765.56	7,591.23
12/31/2012	2,939.79	5,142.89	8,216.06
06/30/2013	2,996.17	5,296.30	8,348.47
12/31/2013	3,020.21	5,246.79	8,349.31
06/30/2014	3,085.14	5,464.68	8,658.09
12/31/2014	3,269.75	5,705.86	8,833.61
06/30/2015	3,421.26	5,903.18	9,103.20
12/31/2015	3,518.83	6,188.31	9,518.01
06/30/2016	4,149.10	6,561.49	9,862.84
12/31/2016	4,280.12	6,724.77	10,316.65

Average Annual Change Using Exponential Fits:

10 point fit:	9.9%	7.5%	6.2%
8 point fit:	11.4%	7.9%	6.5%
6 point fit:	14.6%	9.0%	7.4%
Selected severity trend:	6.5%		
Selected frequency trend:	0.0%		
Selected pure premium trend:	6.5%		

\* Multistate data excludes Massachusetts

Multistate\*  
Trucks, Tractors & Trailers Physical Damage  
Collision

Frequency (expressed as claims per 100 exposures)

	\$500 Deductible		\$1,000 Deductible		\$2,000 Deductible	
Year Ending:	Actual	Change **	Actual	Change **	Actual	Change **
06/30/2012	2.18		1.84		1.45	
12/31/2012	2.17		1.83		1.44	
06/30/2013	2.22		1.88		1.49	
12/31/2013	2.22	2.3%	1.89	3.3%	1.51	4.9%
06/30/2014	2.29		1.95		1.56	
12/31/2014	2.27	2.3%	1.95	3.2%	1.57	4.0%
06/30/2015	2.24		1.94		1.57	
12/31/2015	2.26	-0.4%	1.96	0.5%	1.60	1.9%
06/30/2016	2.25		1.96		1.61	
12/31/2016	2.31	2.2%	2.01	2.6%	1.65	3.1%

Volume\*\*\* of losses for the most recent year by deductible:

Deductible	Percent of Losses
\$100	0.1%
\$200	0.0%
\$250	2.0%
\$500	37.1%
\$1,000	51.2%
\$2,000	5.0%
\$3,000	1.2%
\$5,000	3.2%

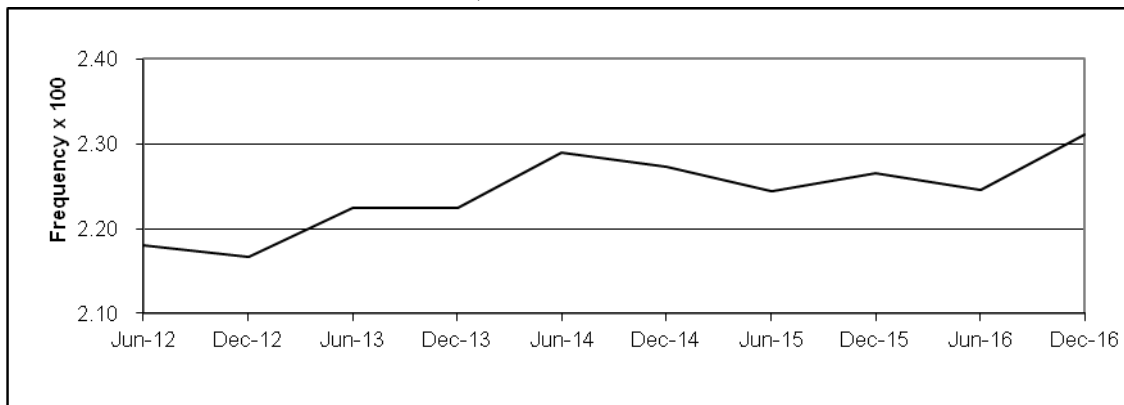
\* Multistate data excludes Massachusetts

\*\* Change based on years ending 12/31/xxxx

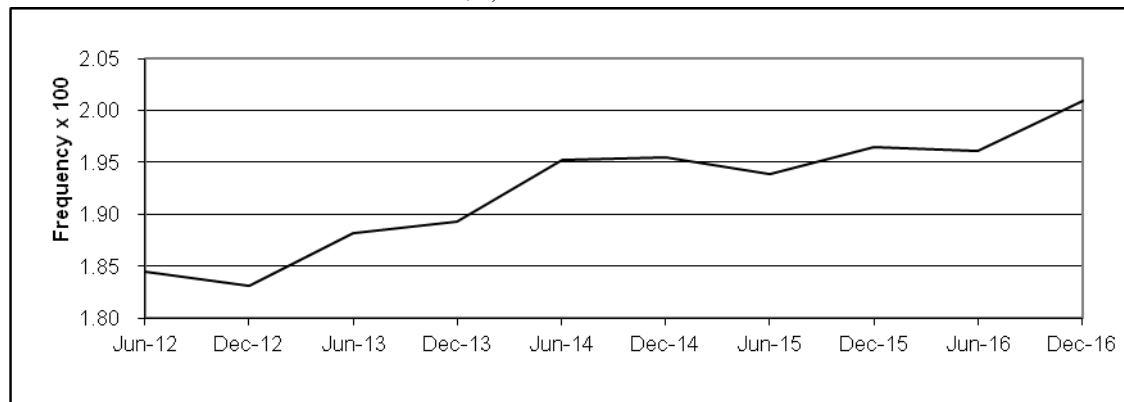
\*\*\*Deductibles above \$2,000, totaling 4.4% of losses, are excluded from the trend calculations.

Multistate\*  
Trucks, Tractors & Trailers Physical Damage  
Collision Frequency Trend

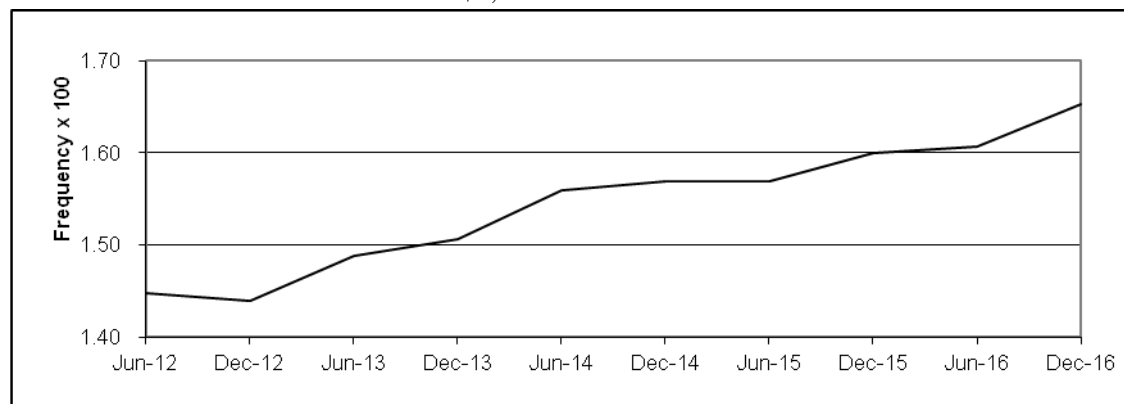
\$500 Deductible



\$1,000 Deductible



\$2,000 Deductible



\* Multistate data excludes Massachusetts  
Selected Collision Frequency Trend Factor: 0.0%

Multistate\*  
Trucks, Tractors & Trailers Physical Damage  
Collision Loss Trend

Severity Trend

Year Ending:	\$500 Deductible	\$1,000 Deductible	\$2,000 Deductible
06/30/2012	7,538.84	9,161.48	10,026.25
12/31/2012	7,611.33	9,308.93	10,255.26
06/30/2013	7,714.78	9,404.00	10,220.27
12/31/2013	7,931.00	9,552.46	10,353.64
06/30/2014	8,122.70	9,867.33	10,777.70
12/31/2014	8,427.65	10,238.49	11,219.82
06/30/2015	8,716.43	10,426.73	11,335.66
12/31/2015	8,877.32	10,619.60	11,523.11
06/30/2016	9,283.23	10,995.51	11,914.75
12/31/2016	9,588.82	11,322.06	12,197.70

Average Annual Change Using Exponential Fits:

10 point fit:	5.7%	4.9%	4.6%
8 point fit:	6.4%	5.5%	5.3%
6 point fit:	6.7%	5.4%	4.8%

Selected severity trend:	5.5%
Selected frequency trend:	0.0%
Selected pure premium trend:	5.5%

\* Multistate data excludes Massachusetts

Multistate\*  
Private Passenger Types Physical Damage  
Other Than Collision

Frequency (expressed as claims per 100 exposures)

	\$250 Deductible		\$500 Deductible		\$1,000 Deductible	
Year Ending:	Actual	Change **	Actual	Change **	Actual	Change **
06/30/2012	5.21		2.97		1.65	
12/31/2012	4.87		2.84		1.59	
06/30/2013	4.86		2.83		1.57	
12/31/2013	4.94	1.4%	2.85	0.4%	1.56	-1.9%
06/30/2014	5.23		3.00		1.63	
12/31/2014	5.07	2.6%	2.97	4.2%	1.62	3.8%
06/30/2015	4.78		2.90		1.60	
12/31/2015	4.89	-3.6%	3.00	1.0%	1.66	2.5%
06/30/2016	4.92		3.07		1.71	
12/31/2016	4.88	-0.2%	2.99	-0.3%	1.70	2.4%

Volume\*\*\* of losses for the most recent year by deductible:

Deductible	Percent of Losses
Full	0.9%
\$50	0.7%
\$100	3.7%
\$200	0.7%
\$250	15.7%
\$500	43.0%
\$1,000	32.8%
\$2,000	1.7%
\$3,000	0.3%
\$5,000	0.4%

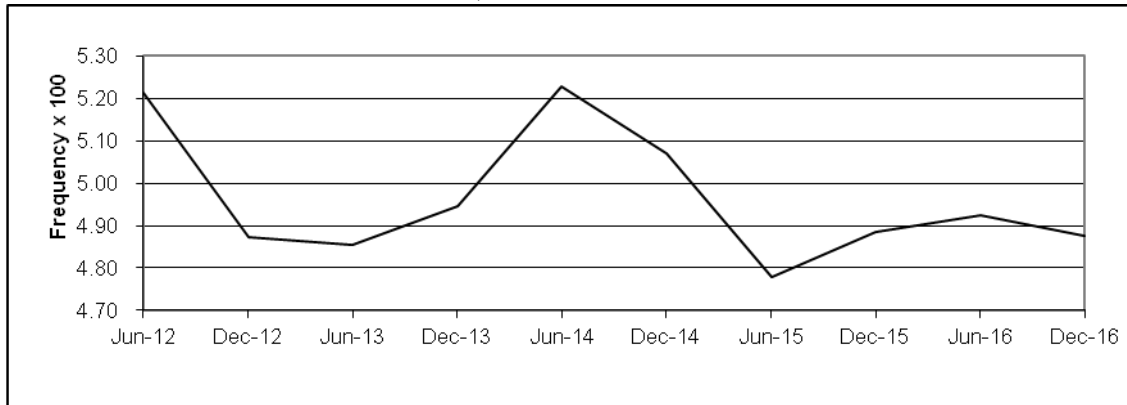
\* Multistate data excludes Massachusetts

\*\* Change based on years ending 12/31/xxxx

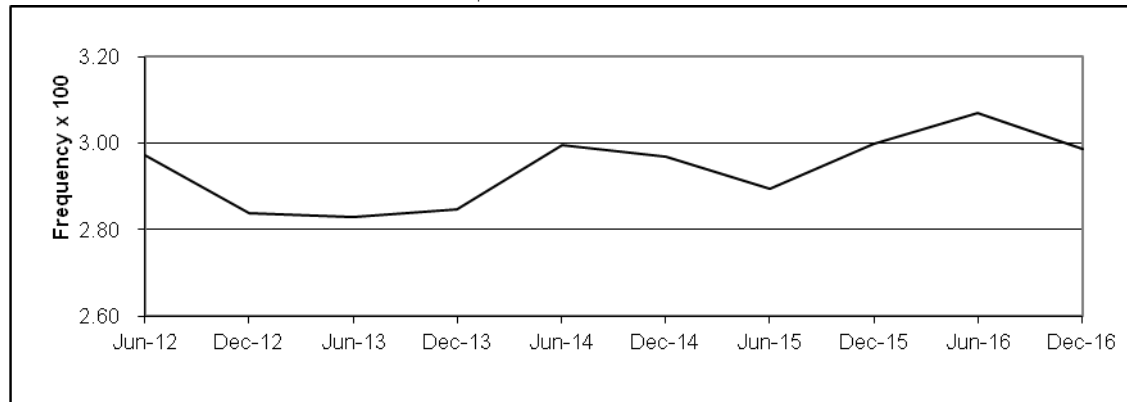
\*\*\*Deductibles above \$1,000, totaling 2.4% of losses, are excluded from the trend calculations.

Multistate\*  
Private Passenger Types Physical Damage  
Other Than Collision Frequency Trend

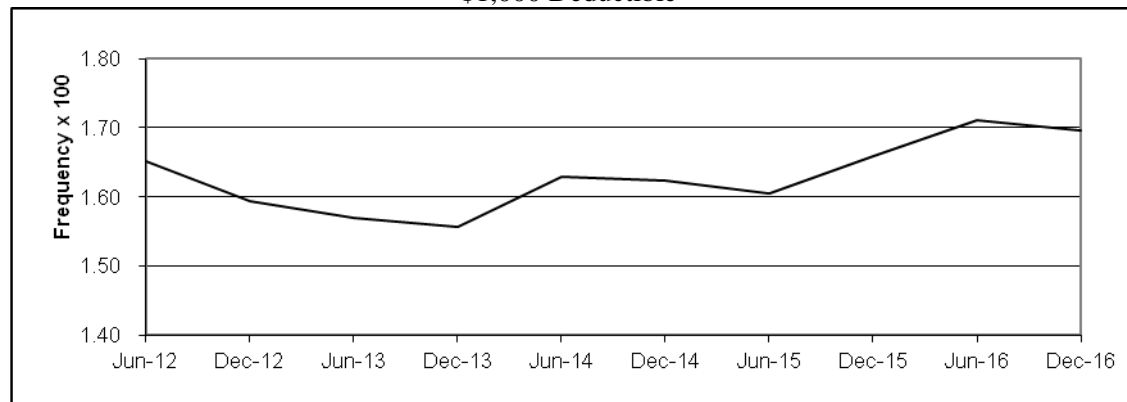
\$250 Deductible



\$500 Deductible



\$1,000 Deductible



\* Multistate data excludes Massachusetts  
Selected Other Than Collision Frequency Trend Factor: 0.0%

Multistate\*  
Private Passenger Types Physical Damage  
Other Than Collision Loss Trend

Severity Trend

Year Ending:	\$250 Deductible	\$500 Deductible	\$1,000 Deductible
06/30/2012	1,433.90	2,004.59	2,944.20
12/31/2012	1,468.10	2,086.89	2,979.23
06/30/2013	1,547.57	2,168.10	3,120.96
12/31/2013	1,492.31	2,177.75	3,201.79
06/30/2014	1,434.86	2,179.81	3,222.57
12/31/2014	1,560.39	2,234.18	3,322.28
06/30/2015	1,636.37	2,257.29	3,351.19
12/31/2015	1,674.65	2,371.74	3,456.80
06/30/2016	1,776.74	2,487.98	3,596.05
12/31/2016	1,802.42	2,511.44	3,619.49

Average Annual Change Using Exponential Fits:

10 point fit:	5.2%	4.8%	4.8%
8 point fit:	6.0%	4.8%	4.5%
6 point fit:	9.3%	6.4%	5.0%

Selected severity trend:	5.0%
Selected frequency trend:	0.0%
Selected pure premium trend:	5.0%

\* Multistate data excludes Massachusetts



Multistate\*  
Private Passenger Types Physical Damage  
Collision

Frequency (expressed as claims per 100 exposures)

	\$500 Deductible		\$1,000 Deductible		\$2,000 Deductible	
Year Ending:	Actual	Change **	Actual	Change **	Actual	Change **
06/30/2012	5.16		4.14		2.95	
12/31/2012	5.13		4.08		2.91	
06/30/2013	5.18		4.15		2.96	
12/31/2013	5.18	1.0%	4.18	2.5%	2.99	2.7%
06/30/2014	5.33		4.35		3.12	
12/31/2014	5.33	2.9%	4.40	5.3%	3.19	6.7%
06/30/2015	5.30		4.32		3.16	
12/31/2015	5.32	-0.2%	4.39	-0.2%	3.24	1.6%
06/30/2016	5.19		4.36		3.24	
12/31/2016	5.18	-2.6%	4.38	-0.2%	3.29	1.5%

Volume\*\*\* of losses for the most recent year by deductible:

Deductible	Percent of Losses
\$ 100	0.5%
\$ 200	0.2%
\$ 250	2.6%
\$ 500	47.9%
\$ 1,000	46.8%
\$ 2,000	1.4%
\$ 3,000	0.1%
\$ 5,000	0.4%

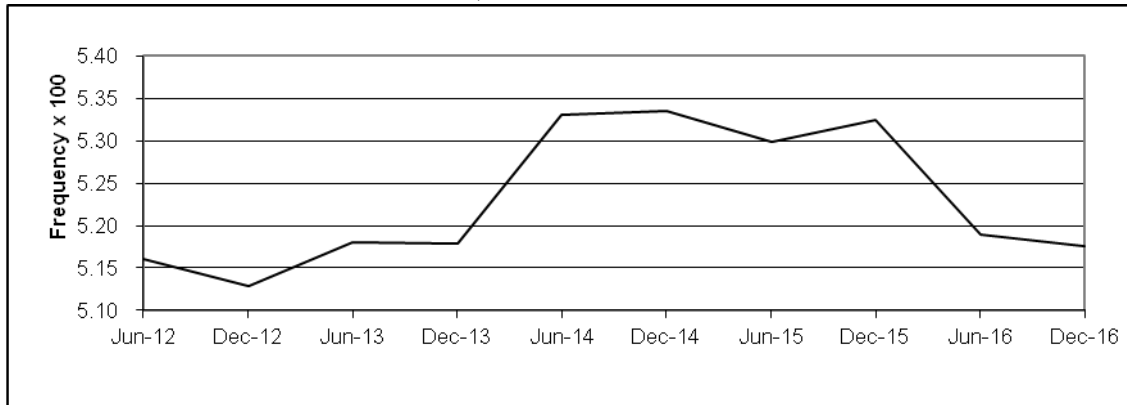
\* Multistate data excludes Massachusetts

\*\* Change based on years ending 12/31/xxxx

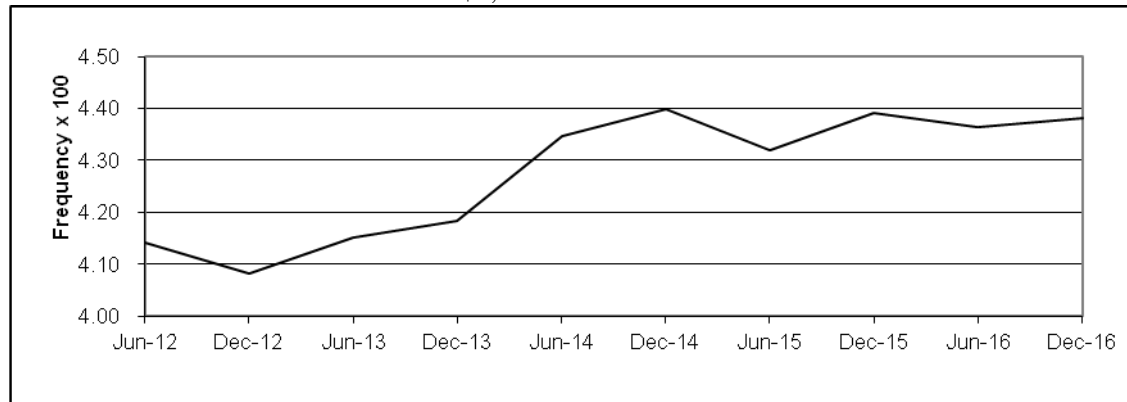
\*\*\*Deductibles above \$2,000, totaling 0.5% of losses, are excluded from the trend calculations.

Multistate\*  
Private Passenger Types Physical Damage  
Collision Frequency Trend

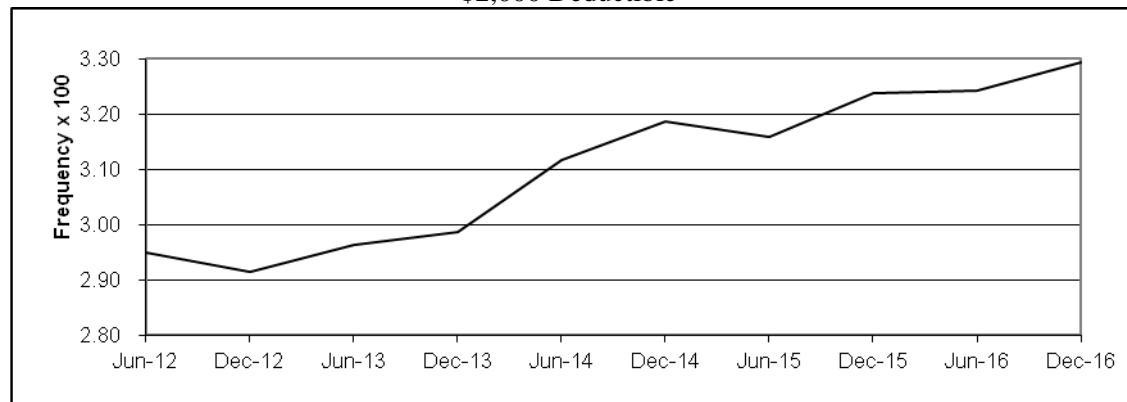
\$500 Deductible



\$1,000 Deductible



\$2,000 Deductible



\* Multistate data excludes Massachusetts  
Selected Collision Frequency Trend Factor: 0.0%

Multistate\*  
Private Passenger Types Physical Damage  
Collision Loss Trend

Severity Trend

Year Ending:	\$500 Deductible	\$1,000 Deductible	\$2,000 Deductible
06/30/2012	4,921.52	5,382.99	5,981.67
12/31/2012	4,903.71	5,429.79	6,018.80
06/30/2013	4,989.41	5,453.09	6,043.91
12/31/2013	5,012.35	5,483.17	6,077.25
06/30/2014	5,095.40	5,560.52	6,149.31
12/31/2014	5,319.98	5,734.96	6,342.16
06/30/2015	5,454.76	5,901.29	6,494.68
12/31/2015	5,588.22	6,082.68	6,639.80
06/30/2016	5,778.31	6,270.13	6,845.08
12/31/2016	6,026.59	6,435.21	7,011.02

Average Annual Change Using Exponential Fits:

10 point fit:	4.8%	4.2%	3.7%
8 point fit:	5.7%	5.2%	4.6%
6 point fit:	6.6%	6.1%	5.3%

Selected severity trend:	5.0%
Selected frequency trend:	0.0%
Selected pure premium trend:	5.0%

\* Multistate data excludes Massachusetts

COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE  
SUPPLEMENTARY EXHIBIT

Quarterly Values <u>Ending</u>	Consumer Price Index for Bodywork	
	<u>Actual</u>	<u>Exponential Fit</u>
12/31/2013	2.735	2.736
3/31/2014	2.764	2.749
6/30/2014	2.785	2.762
9/30/2014	2.784	2.776
12/31/2014	2.785	2.789
3/31/2015	2.792	2.803
6/30/2015	2.804	2.816
9/30/2015	2.805	2.830
12/31/2015	2.831	2.844
3/31/2016	2.847	2.857
6/30/2016	2.866	2.871
9/30/2016	2.877	2.885
12/31/2016	2.913	2.899
3/31/2017	2.925	2.913
6/30/2017	2.942	2.927
9/31/2017	2.945	2.942
	<u>R-Squared</u>	<u>Average Annual Change</u>
16 Point Fit	0.9600	2.0%
12 Point Fit	0.9788	2.3%

## PHYSICAL DAMAGE OCN TREND

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### OBJECTIVE

In Physical Damage for Trucks, Tractors & Trailers and Private Passenger Types, as new, higher-valued commercial automobiles are introduced, there is an increase in revenue due to the original cost new component of the rating procedure. In order to reflect the revenue impact of the higher-valued vehicles during the prospective period, ISO uses an OCN trend procedure. The effect of this procedure is to reduce the indicated loss costs for Trucks, Tractors & Trailers and Private Passenger Types physical damage coverages.

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### DESCRIPTION OF ORIGINAL COST NEW DATA

The average original cost new (OCN) relativities for Comprehensive and Collision are displayed on the following exhibits. The data is displayed by coverage. To determine the historical average trend for OCN, ISO makes use of the Least Squares Method to fit a curve to the reported time series data. Specifically, an exponential curve represented by the equation

$$Y = A(B^X)$$

is fitted to the average OCN relativities. Based on the results of these curves, ISO has selected annual OCN trends of 0.9% and 1.3% for Trucks, Tractors & Trailers OTC and Collision coverages respectively. This trend is necessary to reflect the additional revenue generated by the shift in the OCN distribution as new, higher-priced automobiles are introduced.

For Private Passenger Types, OCN trends of 1.0% and 0.6% were selected for the OTC and Collision coverages respectively.

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MULTISTATE  
TRUCKS, TRACTORS & TRAILERS  
PHYSICAL DAMAGE  
OCN TREND CALCULATION

AVERAGE OCN RELATIVITIES

YEAR ENDING	OTHER THAN COLLISION	COLLISION
6/30/2012	1.214	1.344
12/31/2012	1.219	1.353
6/30/2013	1.225	1.361
12/31/2013	1.231	1.370
6/30/2014	1.237	1.379
12/31/2014	1.243	1.388
6/30/2015	1.249	1.397
12/31/2015	1.255	1.405
6/30/2016	1.261	1.415
12/31/2016	1.266	1.426

EXPONENTIAL TREND (AVERAGE ANNUAL CHANGE)

9 POINTS	1.0%	1.3%
7 POINTS	0.9%	1.3%
5 POINTS	0.9%	1.3%

Selected Other Than Collision Physical Damage Annual OCN Trend: 0.9%

Selected Collision Physical Damage Annual OCN Trend: 1.3%

Data excludes the following state: Massachusetts.

MULTISTATE  
PRIVATE PASSENGER TYPES  
PHYSICAL DAMAGE  
OCN TREND CALCULATION

AVERAGE OCN RELATIVITIES

YEAR ENDING	OTHER THAN COLLISION	COLLISION
6/30/2012	1.296	1.147
12/31/2012	1.300	1.149
6/30/2013	1.304	1.151
12/31/2013	1.309	1.153
6/30/2014	1.314	1.155
12/31/2014	1.320	1.158
6/30/2015	1.326	1.162
12/31/2015	1.332	1.166
6/30/2016	1.340	1.170
12/31/2016	1.348	1.174

EXPONENTIAL TREND (AVERAGE ANNUAL CHANGE)

9 POINTS	0.9%	0.5%
7 POINTS	1.0%	0.6%
5 POINTS	1.0%	0.7%
Selected Other Than Collision Physical Damage Annual OCN Trend:		1.0%
Selected Collision Physical Damage Annual OCN Trend:		0.6%

Data excludes the following state: Massachusetts.

## LOSS DEVELOPMENT FOR LIABILITY

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OBJECTIVE	The application of loss development recognizes the important concept that some of the losses for a particular accident year have not been finally determined at the time the experience is compiled.
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DESCRIPTION OF EXPERIENCE PERIOD DATA	For Trucks, Tractors & Trailers and Private Passenger Types Liability, the incurred losses and allocated loss adjustment expenses underlying the statewide loss cost level indications are on an accident year basis and were evaluated as of June 30, 2017. In other words, accident year ended March 31, 2017 includes all losses and allocated loss adjustment expenses paid through June 30, 2017 on accidents occurring from April 1, 2016 to March 31, 2017 and all losses and allocated loss adjustment expenses outstanding on these accidents as of June 30, 2017, 15 months after the inception of the accident year. Similarly, the incurred losses and allocated loss adjustment expenses for accident year ended March 31, 2016 include all loss and loss adjustment expenses paid through June 30, 2017 on accidents occurring from April 1, 2015 to March 31, 2016 and all losses and allocated loss adjustment expenses outstanding on these accidents as of June 30, 2017, 27 months after the inception of the accident year. The immature experience reported as of 15 or as of 27 months must be adjusted to a mature or ultimate settlement basis through the use of a loss development factor.
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DESCRIPTION OF LOSS DEVELOPMENT METHODOLOGY	<p>For Bodily Injury Coverage, states are divided into two multistate groups. One group (No-Fault) consists of states with a no-fault law that has a tort threshold. The other group (Tort) contains the remaining states. The applicable multistate group for this state is used in this document. Losses are developed up to 123 months and are based on \$100,000 CSL data. Three-year averages for Trucks, Tractors &amp; Trailers and Private Passenger Types are calculated for each link ratio based on a "best three of five" approach. Specifically, for the latest five years, the highest and lowest ratios were removed from the calculation and the three year average was calculated using the three remaining factors. Beyond 123 months the loss development is assumed to be unity.</p> <p>For Property Damage Coverage, one multistate group is used. Losses are developed up to 111 months and \$100,000 CSL data is used. Three-year averages for Trucks, Tractors &amp; Trailers and Private Passenger Types are calculated for each link ratio based on a "best three of five" years approach. Specifically, for the latest five years, the highest and lowest ratios were removed from the calculation and the three year average was calculated using the three remaining factors. Development beyond 111 months is assumed to be unity.</p>
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STATE  
CREDIBILITY  
WEIGHTED  
FACTORS

For Trucks, Tractors & Trailers and Private Passenger Types, statewide loss development factors are credibility weighted with multistate factors. A Bayesian credibility study was done on state 15 to 27 months and 27 to 39 months loss development factors. The study concluded that there is significant statewide variation for bodily injury through 39 months and for property damage through 27 months. For these link ratios, statewide credibility is determined by the formula  $Z = L / (L + K)$ , where Z is the credibility, and L is the 3-year total losses for the particular state (at the earliest of the two evaluations). The complement of credibility is assigned to multistate loss development factors. K is a constant that varies by coverage as follows:

Trucks, Tractors & Trailers

	<u>15 to 27</u>	<u>27 to 39</u>
Bodily Injury (tort)	\$ 2,500,000	\$ 11,000,000
Bodily Injury (no-fault)	900,000	3,000,000
Property Damage	1,500,000	-

Private Passenger Types

	<u>15 to 27</u>	<u>27 to 39</u>
Bodily Injury (tort)	\$ 1,500,000	\$ 4,000,000
Bodily Injury (no-fault)	700,000	1,700,000
Property Damage	600,000	-

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TRUCKS,  
TRACTORS &  
TRAILERS AND  
PRIVATE  
PASSENGER  
TYPES

For Trucks, Tractors & Trailers and Private Passenger Types, Bodily Injury loss development factors to ultimate are calculated by accumulating the statewide credibility-weighted 15 to 27 month factor and 27 to 39 month factor, and the multistate average 39 to ultimate factor.

For the property damage coverage, loss development factors to ultimate are calculated by accumulating the statewide credibility-weighted 15-27 month factor and the multistate average 27 to ultimate factor.

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## Insurance Services Office

## Nevada

## Automobile Liability Insurance - Trucks, Tractors and Trailers

## Loss Development

## Incurred Losses and Expenses

## Bodily Injury

Accident Year	\$100,000 Basic Limit			Loss Development Factors	
				15 to 27 Months	27 to 39 Months
<u>Ending</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>		
12/31/2005	6,572,436	9,358,653	10,898,310	1.424	1.165
12/31/2006	7,100,533	10,063,133	12,325,543	1.417	1.225
12/31/2007	7,102,830	10,598,175	12,281,381	1.492	1.159
12/31/2008	6,244,105	8,276,707	9,229,133	1.326	1.115
12/31/2009	5,291,567	7,996,376	8,985,352	1.511	1.124
12/31/2010	5,754,201	7,758,312	8,858,893	1.348	1.142
12/31/2011	7,102,050	9,314,199	11,483,071	1.311	1.233
12/31/2012	8,218,676	11,353,351	13,268,916	1.381	1.169
12/31/2013	7,710,478	10,534,921	12,587,545	1.366	1.195
12/31/2014	7,604,851	10,100,435	12,488,493	1.328	1.236
12/31/2015	6,829,538	10,696,647		1.566	
12/31/2016	7,422,937				

(1) Average Factor (Best 3 of 5) :	(A) State	1.358	1.199
	(B) Multistate	1.242	1.115
(2) Credibility		0.900	0.740
(3) Credibility Weighted Factors		1.346	1.177

## Property Damage

Accident Year	\$100,000 Basic Limit			Loss Development Factors	
				15 to 27 Months	27 to 39 Months
<u>Ending</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>		
12/31/2005	3,918,785	3,987,843	4,165,016	1.018	1.044
12/31/2006	4,340,730	4,424,215	4,434,704	1.019	1.002
12/31/2007	4,567,675	4,676,173	4,730,508	1.024	1.012
12/31/2008	3,421,613	3,467,597	3,476,559	1.013	1.003
12/31/2009	2,693,353	2,769,590	2,756,799	1.028	0.995
12/31/2010	2,675,620	2,760,360	2,764,919	1.032	1.002
12/31/2011	3,084,864	3,117,073	3,128,703	1.010	1.004
12/31/2012	3,021,180	3,103,533	3,110,247	1.027	1.002
12/31/2013	3,313,083	3,568,390	3,668,821	1.077	1.028
12/31/2014	3,345,833	3,528,069	3,491,877	1.054	0.990
12/31/2015	3,564,242	3,781,018		1.061	
12/31/2016	3,131,022				

(1) Average Factor (Best 3 of 5) :	(A) State	1.047	1.003
	(B) Multistate	1.042	1.008
(2) Credibility		0.870	0.000
(3) Credibility Weighted Factors		1.046	1.008

## Summary of Factors

	Bodily Injury	Property Damage
39 to Ultimate **	1.078	1.004
27 to Ultimate	1.269	1.012
15 to Ultimate	1.708	1.059
** Multistate factors		

## Insurance Services Office

Basic Limits Loss Development  
Trucks, Tractors and Trailers - Bodily Injury  
Tort States #  
Incurred Losses and Expenses

Accident Year Ended	\$100,000 Basic Limit				
	15 Months	27 Months	39 Months	51 Months	63 Months
12/31/2005	377,840,590	460,522,960	504,022,573	523,366,843	530,907,640
12/31/2006	373,870,297	458,090,073	507,224,363	532,527,813	537,188,170
12/31/2007	372,298,968	458,851,140	510,479,799	530,985,652	539,950,565
12/31/2008	337,299,786	417,357,076	460,433,347	479,495,388	485,672,554
12/31/2009	296,917,776	372,118,439	413,235,642	435,136,311	440,387,371
12/31/2010	321,747,357	392,839,682	433,015,404	458,111,187	466,645,232
12/31/2011	338,480,679	413,704,004	463,019,508	481,307,929	490,083,032
12/31/2012	345,723,129	428,711,874	476,195,198	501,505,422	512,534,526
12/31/2013	362,564,906	452,914,455	504,379,463	538,190,941	
12/31/2014	395,394,282	488,828,473	565,440,745		
12/31/2015	416,675,178	543,855,258			
12/31/2016	472,428,712				

## Ratios

Accident Year Ended	27:15	39:27	51:39	63:51
12/31/2005	1.219	1.094	1.038	1.014
12/31/2006	1.225	1.107	1.050	1.009
12/31/2007	1.232	1.113	1.040	1.017
12/31/2008	1.237	1.103	1.041	1.013
12/31/2009	1.253	1.110	1.053	1.012
12/31/2010	1.221	1.102	1.058	1.019
12/31/2011	1.222	1.119	1.039	1.018
12/31/2012	1.240	1.111	1.053	1.022
12/31/2013	1.249	1.114	1.067	
12/31/2014	1.236	1.157		
12/31/2015	1.305			

Average Factor : 1.242 1.115 1.055 1.017  
( Best 3 of 5 )

## Summary of factors

63 to Ult:	(75:63) (75:Ult) =	1.005
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.022
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	1.078
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.202
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.493

# Includes Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Dist. of Col., Georgia, Idaho, Illinois, Indiana, Iowa, Louisiana, Maine, Maryland, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Hawaii, Alaska, and Puerto Rico

## Insurance Services Office

Basic Limits Loss Development  
Trucks, Tractors and Trailers - Bodily Injury  
Tort States #  
Incurred Losses and Expenses

Accident Year <u>Ended</u>	\$100,000 Basic Limit				
	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>
12/31/2005	534,255,818	534,880,485	534,516,731	534,118,891	534,292,639
12/31/2006	540,293,016	540,048,106	540,608,037	540,969,013	540,843,114
12/31/2007	541,328,962	542,183,030	541,779,788	541,901,914	541,898,127
12/31/2008	488,325,442	488,642,148	489,137,332	489,129,134	
12/31/2009	442,232,433	442,212,909	441,992,433		
12/31/2010	469,000,655	469,213,761			
12/31/2011	493,924,348				

Ratios					
Accident Year <u>Ended</u>	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>	<u>123:111</u>
12/31/2005	1.006	1.001	0.999	0.999	1.000
12/31/2006	1.006	1.000	1.001	1.001	1.000
12/31/2007	1.003	1.002	0.999	1.000	1.000
12/31/2008	1.005	1.001	1.001	1.000	
12/31/2009	1.004	1.000	1.000		
12/31/2010	1.005	1.000			
12/31/2011	1.008				
Average Factor :	1.005	1.000	1.000	1.000	1.000
( Best 3 of 5 )					

Summary of factors			
123 to Ult:	(1.000)	=	1.000
111 to Ult:	(123:111) (123:Ult)	=	1.000
99 to Ult:	(111:99) (123:111) (123:Ult)	=	1.000
87 to Ult:	(99:87) (111:99) (123:111) (123:Ult)	=	1.000
75 to Ult:	(87:75) (99:87) (111:99) (123:111) (123:Ult)	=	1.000

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## Insurance Services Office

Basic Limits Loss Development  
Trucks, Tractors and Trailers - Property Damage  
Multistate #  
Incurred Losses and Expenses

Accident Year Ended	\$100,000 Basic Limit				
	15 Months	27 Months	39 Months	51 Months	63 Months
12/31/2005	473,045,631	489,188,166	490,958,685	490,888,022	490,929,075
12/31/2006	479,238,796	495,943,450	499,862,012	500,322,542	500,475,568
12/31/2007	498,795,373	518,021,489	521,719,796	521,467,258	522,025,769
12/31/2008	453,497,729	467,032,625	469,798,910	470,565,761	471,311,665
12/31/2009	388,414,512	399,162,597	401,870,932	403,001,250	402,890,578
12/31/2010	405,682,745	420,758,252	423,788,783	425,100,793	425,221,014
12/31/2011	445,216,922	460,476,607	464,356,105	465,786,937	467,133,213
12/31/2012	442,772,605	460,317,796	464,565,729	466,693,026	467,118,739
12/31/2013	474,334,473	493,968,290	501,240,656	502,072,267	
12/31/2014	509,767,453	536,431,756	539,176,560		
12/31/2015	547,843,228	573,155,239			
12/31/2016	571,838,407				

## Ratios

Accident Year Ended	27:15	39:27	51:39	63:51
12/31/2005	1.034	1.004	1.000	1.000
12/31/2006	1.035	1.008	1.001	1.000
12/31/2007	1.039	1.007	1.000	1.001
12/31/2008	1.030	1.006	1.002	1.002
12/31/2009	1.028	1.007	1.003	1.000
12/31/2010	1.037	1.007	1.003	1.000
12/31/2011	1.034	1.008	1.003	1.003
12/31/2012	1.040	1.009	1.005	1.001
12/31/2013	1.041	1.015	1.002	
12/31/2014	1.052	1.005		
12/31/2015	1.046			

Average Factor : 1.042 1.008 1.003 1.001  
( Best 3 of 5 )

## Summary of factors

63 to Ult:	(75:63) (75:Ult) =	1.000
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.001
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	1.004
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.012
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.055

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## Insurance Services Office

Basic Limits Loss Development  
Trucks, Tractors and Trailers - Property Damage  
Multistate #  
Incurred Losses and Expenses

Accident Year <u>Ended</u>	\$100,000 Basic Limit			
	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>
12/31/2005	491,229,765	490,951,557	491,016,296	490,995,236
12/31/2006	500,505,398	500,549,322	500,509,031	500,444,944
12/31/2007	522,854,568	522,650,407	522,756,453	522,736,089
12/31/2008	471,251,480	471,257,656	471,226,400	471,208,545
12/31/2009	403,007,314	403,088,494	403,375,644	
12/31/2010	425,763,859	425,760,433		
12/31/2011	467,171,411			

Ratios				
Accident Year <u>Ended</u>	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>
12/31/2005	1.001	0.999	1.000	1.000
12/31/2006	1.000	1.000	1.000	1.000
12/31/2007	1.002	1.000	1.000	1.000
12/31/2008	1.000	1.000	1.000	1.000
12/31/2009	1.000	1.000	1.001	
12/31/2010	1.001	1.000		
12/31/2011	1.000			
Average Factor :	1.000	1.000	1.000	1.000
( Best 3 of 5 )				

Summary of factors			
111 to Ult:	(1.000)	=	1.000
99 to Ult:	(111:99) (111:Ult)	=	1.000
87 to Ult:	(99:87) (111:99) (111:Ult)	=	1.000
75 to Ult:	(87:75) (99:87) (111:99) (111:Ult)	=	1.000

# Includes Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Dist. of Col., Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Hawaii, Alaska, and Puerto Rico

## Insurance Services Office

Nevada

Automobile Liability Insurance - Private Passenger Types

Loss Development

Incurred Losses and Expenses

## Bodily Injury

Accident Year Ending	\$100,000 Basic Limit			Loss Development Factors	
	15 Months	27 Months	39 Months	15 to 27 Months	27 to 39 Months
12/31/2005	586,704	932,313	1,089,576	1.589	1.169
12/31/2006	563,765	1,119,158	1,299,034	1.985	1.161
12/31/2007	830,950	1,077,952	1,323,159	1.297	1.227
12/31/2008	899,315	1,052,654	1,014,573	1.171	0.964
12/31/2009	824,834	811,129	881,642	0.983	1.087
12/31/2010	1,442,228	2,148,438	2,338,732	1.490	1.089
12/31/2011	1,357,213	2,201,459	2,471,537	1.622	1.123
12/31/2012	1,352,464	2,217,598	2,969,305	1.640	1.339
12/31/2013	1,836,884	2,645,165	3,178,646	1.440	1.202
12/31/2014	959,416	1,586,684	2,178,704	1.654	1.373
12/31/2015	991,520	1,521,028		1.534	
12/31/2016	913,323				

(1) Average Factor (Best 3 of 5) :	(A) State	1.599	1.221
	(B) Multistate	1.221	1.100
(2) Credibility		0.720	0.620
(3) Credibility Weighted Factors		1.493	1.175

## Property Damage

Accident Year Ending	\$100,000 Basic Limit			Loss Development Factors	
	15 Months	27 Months	39 Months	15 to 27 Months	27 to 39 Months
12/31/2005	395,296	442,656	457,924	1.120	1.034
12/31/2006	404,576	453,719	441,326	1.121	0.973
12/31/2007	431,439	413,137	413,737	0.958	1.001
12/31/2008	460,317	456,808	453,150	0.992	0.992
12/31/2009	306,001	320,901	320,901	1.049	1.000
12/31/2010	489,619	501,256	558,617	1.024	1.114
12/31/2011	420,408	477,068	533,068	1.135	1.117
12/31/2012	471,736	492,494	488,072	1.044	0.991
12/31/2013	490,409	477,897	535,798	0.974	1.121
12/31/2014	535,684	559,604	559,399	1.045	1.000
12/31/2015	456,568	465,996		1.021	
12/31/2016	364,901				

(1) Average Factor (Best 3 of 5) :	(A) State	1.037	1.077
	(B) Multistate	1.043	1.007
(2) Credibility		0.710	0.000
(3) Credibility Weighted Factors		1.039	1.007

## Summary of Factors

	Bodily Injury	Property Damage
39 to Ultimate **	1.064	1.005
27 to Ultimate	1.250	1.012
15 to Ultimate	1.866	1.051
** Multistate factors		

## Insurance Services Office

Basic Limits Loss Development  
Private Passenger Types - Bodily Injury  
Tort States #  
Incurred Losses and Expenses

Accident Year <u>Ended</u>	\$100,000 Basic Limit <u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
12/31/2005	68,038,926	82,378,721	90,731,249	93,703,002	94,501,826
12/31/2006	66,118,949	82,347,324	91,654,693	95,377,198	96,223,944
12/31/2007	65,324,952	79,229,640	88,907,855	92,299,473	93,625,137
12/31/2008	64,507,040	79,149,602	86,114,900	88,262,123	88,994,930
12/31/2009	61,585,577	75,275,378	82,576,926	83,850,627	85,705,927
12/31/2010	66,572,448	78,504,384	85,624,662	89,494,026	91,287,638
12/31/2011	70,954,830	86,342,263	94,600,857	98,336,259	99,524,421
12/31/2012	70,403,712	86,142,496	92,623,933	96,399,227	98,388,716
12/31/2013	71,167,590	83,842,807	93,345,277	98,736,866	
12/31/2014	66,304,672	81,002,869	91,542,708		
12/31/2015	71,893,053	90,250,428			
12/31/2016	76,910,074				

## Ratios

Accident Year <u>Ended</u>	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
12/31/2005	1.211	1.101	1.033	1.009
12/31/2006	1.245	1.113	1.041	1.009
12/31/2007	1.213	1.122	1.038	1.014
12/31/2008	1.227	1.088	1.025	1.008
12/31/2009	1.222	1.097	1.015	1.022
12/31/2010	1.179	1.091	1.045	1.020
12/31/2011	1.217	1.096	1.039	1.012
12/31/2012	1.224	1.075	1.041	1.021
12/31/2013	1.178	1.113	1.058	
12/31/2014	1.222	1.130		
12/31/2015	1.255			

Average Factor : 1.221 1.100 1.042 1.018  
( Best 3 of 5 )

## Summary of factors

63 to Ult:	(75:63) (75:Ult) =	1.003
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.021
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	1.064
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.170
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.429

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## Insurance Services Office

Basic Limits Loss Development  
Private Passenger Types - Bodily Injury  
Tort States #  
Incurred Losses and Expenses

Accident Year <u>Ended</u>	\$100,000 Basic Limit <u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>
12/31/2005	94,500,266	94,498,606	94,650,421	94,652,484	94,653,246
12/31/2006	96,957,934	97,069,571	97,249,366	97,132,120	97,083,194
12/31/2007	93,978,906	94,057,823	94,255,602	94,195,527	94,229,130
12/31/2008	88,736,463	88,811,980	88,898,822	89,093,162	
12/31/2009	85,767,791	85,601,477	85,720,393		
12/31/2010	91,228,403	90,959,855			
12/31/2011	100,220,330				

Ratios					
Accident Year <u>Ended</u>	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>	<u>123:111</u>
12/31/2005	1.000	1.000	1.002	1.000	1.000
12/31/2006	1.008	1.001	1.002	0.999	0.999
12/31/2007	1.004	1.001	1.002	0.999	1.000
12/31/2008	0.997	1.001	1.001	1.002	
12/31/2009	1.001	0.998	1.001		
12/31/2010	0.999	0.997			
12/31/2011	1.007				
Average Factor :	1.001	1.000	1.002	1.000	1.000
( Best 3 of 5 )					

Summary of factors			
123 to Ult:	(1.000)	=	1.000
111 to Ult:	(123:111) (123:Ult)	=	1.000
99 to Ult:	(111:99) (123:111) (123:Ult)	=	1.000
87 to Ult:	(99:87) (111:99) (123:111) (123:Ult)	=	1.002
75 to Ult:	(87:75) (99:87) (111:99) (123:111) (123:Ult)	=	1.002

# Includes Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Dist. of Col., Georgia, Idaho, Illinois, Indiana, Iowa, Louisiana, Maine, Maryland, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Hawaii, Alaska, and Puerto Rico

## Insurance Services Office

Basic Limits Loss Development  
Private Passenger Types - Property Damage  
Multistate #  
Incurred Losses and Expenses

Accident Year Ended	\$100,000 Basic Limit 15 Months	27 Months	39 Months	51 Months	63 Months
12/31/2005	89,783,140	93,014,756	93,249,905	93,292,784	93,512,440
12/31/2006	88,138,002	91,103,174	91,802,445	91,777,965	91,785,178
12/31/2007	93,514,526	95,700,851	96,167,555	96,469,308	96,513,235
12/31/2008	87,349,338	90,399,412	90,725,539	90,889,361	90,994,108
12/31/2009	80,757,159	83,276,961	83,699,034	83,944,512	83,995,472
12/31/2010	80,791,288	83,606,419	84,048,413	84,242,824	84,283,843
12/31/2011	84,460,665	87,017,636	87,829,610	88,242,484	88,757,736
12/31/2012	86,093,532	89,399,001	90,016,799	90,343,822	90,311,253
12/31/2013	86,691,856	90,403,979	91,152,043	91,404,464	
12/31/2014	85,822,297	90,285,484	90,959,854		
12/31/2015	95,404,013	99,951,520			
12/31/2016	102,583,997				

## Ratios

Accident Year Ended	27:15	39:27	51:39	63:51
12/31/2005	1.036	1.003	1.000	1.002
12/31/2006	1.034	1.008	1.000	1.000
12/31/2007	1.023	1.005	1.003	1.000
12/31/2008	1.035	1.004	1.002	1.001
12/31/2009	1.031	1.005	1.003	1.001
12/31/2010	1.035	1.005	1.002	1.000
12/31/2011	1.030	1.009	1.005	1.006
12/31/2012	1.038	1.007	1.004	1.000
12/31/2013	1.043	1.008	1.003	
12/31/2014	1.052	1.007		
12/31/2015	1.048			

Average Factor : 1.043 1.007 1.003 1.001  
( Best 3 of 5 )

## Summary of factors

63 to Ult:	(75:63) (75:Ult) =	1.001
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.002
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	1.005
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.012
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.056

# Includes Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Dist. of Col., Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Hawaii, Alaska, and Puerto Rico

## Insurance Services Office

Basic Limits Loss Development  
Private Passenger Types - Property Damage  
Multistate #  
Incurred Losses and Expenses

Accident Year <u>Ended</u>	\$100,000 Basic Limit <u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>
12/31/2005	93,567,298	93,649,179	93,649,926	93,664,911
12/31/2006	91,724,572	91,837,382	91,851,087	91,853,773
12/31/2007	96,615,438	96,508,358	96,509,300	96,510,189
12/31/2008	90,956,269	90,923,625	90,926,843	90,939,790
12/31/2009	84,033,527	84,075,880	84,068,653	
12/31/2010	84,655,241	84,566,351		
12/31/2011	88,905,567			

Ratios				
Accident Year <u>Ended</u>	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>
12/31/2005	1.001	1.001	1.000	1.000
12/31/2006	0.999	1.001	1.000	1.000
12/31/2007	1.001	0.999	1.000	1.000
12/31/2008	1.000	1.000	1.000	1.000
12/31/2009	1.000	1.001	1.000	
12/31/2010	1.004	0.999		
12/31/2011	1.002			
Average Factor :	1.001	1.000	1.000	1.000
( Best 3 of 5 )				

Summary of factors			
111 to Ult:	(1.000)	=	1.000
99 to Ult:	(111:99) (111:Ult)	=	1.000
87 to Ult:	(99:87) (111:99) (111:Ult)	=	1.000
75 to Ult:	(87:75) (99:87) (111:99) (111:Ult)	=	1.000

# Includes Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Dist. of Col., Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Hawaii, Alaska, and Puerto Rico

## LOSS DEVELOPMENT FOR PHYSICAL DAMAGE

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OBJECTIVE	The application of loss development recognizes the important concept that some of the losses for a particular accident year have not been finally determined at the time the experience is compiled.
DESCRIPTION OF EXPERIENCE PERIOD DATA	For Physical Damage, paid losses underlying the statewide loss cost level indications are on an accident year basis and were evaluated as of June 30, 2017. In other words, accident year ended March 31, 2017 includes all losses paid through June 30, 2017 on accidents occurring from April 1, 2016 to March 31, 2017. Similarly, the paid losses for accident year ended March 31, 2016 include all losses paid through June 30, 2017 on accidents occurring from April 1, 2015 to March 31, 2016. The immature paid loss experience reported as of 15 or as of 27 months must be adjusted to a mature or ultimate settlement basis through the use of a loss development factor.
DESCRIPTION OF LOSS DEVELOPMENT METHODOLOGY	For Collision and Other Than Collision coverages, one multistate group is used. Losses are developed to an ultimate settlement basis. Three-year averages are calculated for each age-to-age link ratio. These link ratios are accumulated to develop losses to 123 months. Development beyond 123 months is assumed to be 1.000.

Insurance Services Office  
Physical Damage Loss Development  
Trucks, Tractors and Trailers - Other Than Collision  
Multistate #  
Paid Losses

Accident Year Ended	15 Months	27 Months	39 Months	51 Months	63 Months
12/31/2005	109,115,437	111,563,492	111,596,389	111,623,152	111,645,846
12/31/2006	102,807,358	104,314,626	104,417,210	104,404,749	104,325,652
12/31/2007	112,395,566	115,496,656	115,415,357	115,306,837	115,253,703
12/31/2008	142,878,639	145,759,420	145,742,818	145,628,803	145,594,299
12/31/2009	118,446,693	120,350,577	120,603,534	120,587,692	120,607,750
12/31/2010	138,996,661	141,524,438	141,686,983	141,479,820	141,615,766
12/31/2011	159,404,162	162,003,949	162,106,699	162,194,233	162,151,543
12/31/2012	186,812,587	191,092,628	191,132,273	191,235,386	191,490,844
12/31/2013	148,756,638	152,397,696	152,598,900	152,953,588	
12/31/2014	157,426,606	161,318,070	161,443,453		
12/31/2015	156,682,563	160,391,003			
12/31/2016	203,521,110				

Accident Year Ended	Ratios			
	27:15	39:27	51:39	63:51
12/31/2005	1.022	1.000	1.000	1.000
12/31/2006	1.015	1.001	1.000	0.999
12/31/2007	1.028	0.999	0.999	1.000
12/31/2008	1.020	1.000	0.999	1.000
12/31/2009	1.016	1.002	1.000	1.000
12/31/2010	1.018	1.001	0.999	1.001
12/31/2011	1.016	1.001	1.001	1.000
12/31/2012	1.023	1.000	1.001	1.001
12/31/2013	1.024	1.001	1.002	
12/31/2014	1.025	1.001		
12/31/2015	1.024			

Average Factor : 1.024 1.001 1.001 1.000  
( Best 3 of 5 )

Summary of factors			
63 to Ult:	(75:63) (75:Ult) =		1.000
51 to Ult:	(63:51) (75:63) (75:Ult) =		1.000
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =		1.001
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =		1.002
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =		1.026

# Includes Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Dist. of Col., Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Hawaii, Alaska, and Puerto Rico

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Insurance Services Office  
Physical Damage Loss Development  
Trucks, Tractors and Trailers - Other Than Collision  
Multistate #  
Paid Losses

Accident Year <u>Ended</u>	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>
12/31/2005	111,665,996	111,654,581	111,630,449	111,600,877	111,588,119
12/31/2006	104,274,115	104,226,793	104,369,085	104,361,011	104,357,526
12/31/2007	115,341,016	115,287,453	115,279,313	115,191,853	115,197,721
12/31/2008	145,557,256	145,526,868	145,534,028	145,589,193	
12/31/2009	120,444,322	120,443,987	120,447,758		
12/31/2010	141,707,620	141,755,968			
12/31/2011	162,126,687				

Ratios					
Accident Year <u>Ended</u>	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>	<u>123:111</u>
12/31/2005	1.000	1.000	1.000	1.000	1.000
12/31/2006	1.000	1.000	1.001	1.000	1.000
12/31/2007	1.001	1.000	1.000	0.999	1.000
12/31/2008	1.000	1.000	1.000	1.000	
12/31/2009	0.999	1.000	1.000		
12/31/2010	1.001	1.000			
12/31/2011	1.000				
Average Factor :	1.000	1.000	1.000	1.000	1.000
( Best 3 of 5 )					

Summary of factors			
123 to Ult:	(123:Ult)	=	1.000
111 to Ult:	(111:123) (123:Ult)	=	1.000
99 to Ult:	(111:99) (111:123) (123:Ult)	=	1.000
87 to Ult:	(99:87) (111:99) (111:123) (123:Ult)	=	1.000
75 to Ult:	(87:75) (99:87) (111:99) (111:123) (123:Ult)	=	1.000

# Includes Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Dist. of Col., Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Hawaii, Alaska, and Puerto Rico  
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## Insurance Services Office

Physical Damage Loss Development  
Trucks, Tractors and Trailers - Collision  
Multistate #  
Paid Losses

Accident Year Ended	15 Months	27 Months	39 Months	51 Months	63 Months
12/31/2005	322,462,871	315,481,884	313,924,633	313,099,494	312,986,852
12/31/2006	317,326,930	311,098,621	309,421,553	308,463,882	308,720,750
12/31/2007	356,146,440	348,974,452	347,143,636	346,829,346	346,595,856
12/31/2008	360,324,032	354,662,031	353,851,118	353,227,788	352,336,706
12/31/2009	304,165,283	298,733,571	297,915,144	297,497,601	297,622,725
12/31/2010	329,251,603	322,632,140	321,499,107	321,373,585	321,375,283
12/31/2011	356,530,430	349,805,929	347,993,425	347,651,356	347,742,914
12/31/2012	358,909,613	353,688,539	351,615,502	351,043,928	351,020,502
12/31/2013	380,389,550	373,855,744	372,641,752	373,375,687	
12/31/2014	422,368,572	414,567,492	412,060,782		
12/31/2015	454,074,201	440,852,901			
12/31/2016	486,657,593				

## Ratios

Accident Year Ended	27:15	39:27	51:39	63:51
12/31/2005	0.978	0.995	0.997	1.000
12/31/2006	0.980	0.995	0.997	1.001
12/31/2007	0.980	0.995	0.999	0.999
12/31/2008	0.984	0.998	0.998	0.997
12/31/2009	0.982	0.997	0.999	1.000
12/31/2010	0.980	0.996	1.000	1.000
12/31/2011	0.981	0.995	0.999	1.000
12/31/2012	0.985	0.994	0.998	1.000
12/31/2013	0.983	0.997	1.002	
12/31/2014	0.982	0.994		
12/31/2015	0.971			

Average Factor :                      0.982                      0.995                      0.999                      1.000  
( Best 3 of 5 )

## Summary of factors

63 to Ult:	(75:63) (75:Ult) =	1.000
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.000
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	0.999
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	0.994
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	0.976

# Includes Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Dist. of Col., Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Hawaii, Alaska, and Puerto Rico

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## Insurance Services Office

Physical Damage Loss Development  
Trucks, Tractors and Trailers - Collision  
Multistate #  
Paid Losses

Accident Year Ended	75 Months	87 Months	99 Months	111 Months	123 Months
12/31/2005	312,900,474	312,915,299	312,916,819	312,891,036	312,845,391
12/31/2006	308,716,770	308,686,027	308,648,341	308,639,202	308,617,912
12/31/2007	346,524,126	346,478,641	346,431,313	346,424,745	346,429,008
12/31/2008	352,372,498	352,258,433	352,233,610	352,208,663	
12/31/2009	297,437,228	297,355,436	297,315,625		
12/31/2010	321,280,907	321,178,470			
12/31/2011	347,668,131				

Accident Year Ended	Ratios				
	75:63	87:75	99:87	111:99	123:111
12/31/2005	1.000	1.000	1.000	1.000	1.000
12/31/2006	1.000	1.000	1.000	1.000	1.000
12/31/2007	1.000	1.000	1.000	1.000	1.000
12/31/2008	1.000	1.000	1.000	1.000	
12/31/2009	0.999	1.000	1.000		
12/31/2010	1.000	1.000			
12/31/2011	1.000				
Average Factor :	1.000	1.000	1.000	1.000	1.000
( Best 3 of 5 )					

Summary of factors		
123 to Ult:	(123:Ult) =	1.000
111 to Ult:	(111:123) (123:Ult) =	1.000
99 to Ult:	(111:99) (111:123) (123:Ult) =	1.000
87 to Ult:	(99:87) (111:99) (111:123) (123:Ult) =	1.000
75 to Ult:	(87:75) (99:87) (111:99) (111:123) (123:Ult) =	1.000

# Includes Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Dist. of Col., Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Hawaii, Alaska, and Puerto Rico  
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## Insurance Services Office

Physical Damage Loss Development  
Private Passenger Types - Other Than Collision  
Multistate #  
Paid Losses

Accident Year Ended	15 Months	27 Months	39 Months	51 Months	63 Months
12/31/2005	52,660,729	52,959,934	52,844,320	52,883,312	52,883,845
12/31/2006	47,550,085	47,832,020	47,742,310	47,652,804	47,637,924
12/31/2007	44,246,559	44,998,032	44,832,953	44,844,254	44,962,802
12/31/2008	51,460,193	51,981,969	51,823,856	51,807,289	51,797,978
12/31/2009	47,784,162	47,901,244	47,898,038	47,825,753	47,816,436
12/31/2010	52,121,005	52,245,507	52,222,238	52,217,376	52,215,658
12/31/2011	67,766,233	67,890,700	67,769,002	67,818,296	67,816,079
12/31/2012	79,043,728	78,061,908	78,135,658	78,170,898	78,187,828
12/31/2013	54,710,377	55,157,745	55,376,373	55,380,784	
12/31/2014	57,920,380	58,658,468	58,767,088		
12/31/2015	50,974,195	51,626,381			
12/31/2016	63,283,643				

## Ratios

Accident Year Ended	27:15	39:27	51:39	63:51
12/31/2005	1.006	0.998	1.001	1.000
12/31/2006	1.006	0.998	0.998	1.000
12/31/2007	1.017	0.996	1.000	1.003
12/31/2008	1.010	0.997	1.000	1.000
12/31/2009	1.002	1.000	0.998	1.000
12/31/2010	1.002	1.000	1.000	1.000
12/31/2011	1.002	0.998	1.001	1.000
12/31/2012	0.988	1.001	1.000	1.000
12/31/2013	1.008	1.004	1.000	
12/31/2014	1.013	1.002		
12/31/2015	1.013			

Average Factor : 1.008 1.001 1.000 1.000  
( Best 3 of 5 )

## Summary of factors

63 to Ult: (75:63) (75:Ult) = 1.000  
 51 to Ult: (63:51) (75:63) (75:Ult) = 1.000  
 39 to Ult: (51:39) (63:51) (75:63) (75:Ult) = 1.000  
 27 to Ult: (39:27) (51:39) (63:51) (75:63) (75:Ult) = 1.001  
 15 to Ult: (27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) = 1.009

# Include Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Dist. of Col., Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Hawaii, Alaska, and Puerto Rico

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## Insurance Services Office

Physical Damage Loss Development  
Private Passenger Types - Other Than Collision  
Multistate #  
Paid Losses

Accident Year Ended	75 Months	87 Months	99 Months	111 Months	123 Months
12/31/2005	52,877,734	52,888,739	52,905,885	52,906,881	52,905,381
12/31/2006	47,683,870	47,682,959	47,677,011	47,676,197	47,675,039
12/31/2007	44,894,920	44,886,358	44,885,282	44,883,865	44,890,901
12/31/2008	51,795,292	51,796,702	51,795,033	51,793,835	
12/31/2009	47,817,481	47,817,498	47,819,654		
12/31/2010	52,196,068	52,197,593			
12/31/2011	67,824,191				

Accident Year Ended	Ratios				
	75:63	87:75	99:87	111:99	123:111
12/31/2005	1.000	1.000	1.000	1.000	1.000
12/31/2006	1.001	1.000	1.000	1.000	1.000
12/31/2007	0.998	1.000	1.000	1.000	1.000
12/31/2008	1.000	1.000	1.000	1.000	
12/31/2009	1.000	1.000	1.000		
12/31/2010	1.000	1.000			
12/31/2011	1.000				
Average Factor :	1.000	1.000	1.000	1.000	1.000
( Best 3 of 5 )					

Summary of factors		
123 to Ult:	(123:Ult) =	1.000
111 to Ult:	(111:123) (123:Ult) =	1.000
99 to Ult:	(111:99) (111:123) (123:Ult) =	1.000
87 to Ult:	(99:87) (111:99) (111:123) (123:Ult) =	1.000
75 to Ult:	(87:75) (99:87) (111:99) (111:123) (123:Ult) =	1.000

# Include Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Dist. of Col., Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Hawaii, Alaska, and Puerto Rico  
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## Insurance Services Office

Physical Damage Loss Development  
Private Passenger Types - Collision  
Multistate #  
Paid Losses

Accident Year Ended	15 Months	27 Months	39 Months	51 Months	63 Months
12/31/2005	154,579,191	148,728,881	147,932,626	147,592,414	147,495,633
12/31/2006	140,056,612	134,281,262	133,518,349	133,248,516	133,238,424
12/31/2007	146,276,838	141,484,399	140,927,857	140,575,526	140,568,555
12/31/2008	148,738,892	143,444,291	142,739,339	142,605,668	142,563,101
12/31/2009	139,981,785	134,990,801	134,352,838	134,272,164	134,216,825
12/31/2010	143,504,046	136,502,358	135,864,999	135,661,681	135,643,072
12/31/2011	152,236,234	145,687,545	145,204,743	144,970,654	144,932,529
12/31/2012	153,435,001	147,570,957	146,966,745	146,825,288	146,805,766
12/31/2013	154,839,038	148,207,618	147,201,722	147,214,414	
12/31/2014	163,562,326	156,653,964	156,464,520		
12/31/2015	174,634,552	165,637,516			
12/31/2016	173,831,773				

## Ratios

Accident Year Ended	27:15	39:27	51:39	63:51
12/31/2005	0.962	0.995	0.998	0.999
12/31/2006	0.959	0.994	0.998	1.000
12/31/2007	0.967	0.996	0.997	1.000
12/31/2008	0.964	0.995	0.999	1.000
12/31/2009	0.964	0.995	0.999	1.000
12/31/2010	0.951	0.995	0.999	1.000
12/31/2011	0.957	0.997	0.998	1.000
12/31/2012	0.962	0.996	0.999	1.000
12/31/2013	0.957	0.993	1.000	
12/31/2014	0.958	0.999		
12/31/2015	0.948			

Average Factor :                      0.957                      0.996                      0.999                      1.000  
( Best 3 of 5 )

## Summary of factors

63 to Ult:	(75:63) (75:Ult) =	1.000
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.000
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	0.999
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	0.995
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	0.952

# Include Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Dist. of Col., Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Hawaii, Alaska, and Puerto Rico

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## Insurance Services Office

Physical Damage Loss Development  
Private Passenger Types - Collision  
Multistate #  
Paid Losses

Accident Year Ended	75 Months	87 Months	99 Months	111 Months	123 Months
12/31/2005	147,434,154	147,470,800	147,455,877	147,444,309	147,447,660
12/31/2006	133,304,797	133,268,661	133,250,034	133,233,676	133,209,780
12/31/2007	140,518,945	140,501,902	140,487,660	140,481,064	140,483,506
12/31/2008	142,528,087	142,488,167	142,479,073	142,472,300	
12/31/2009	134,153,497	134,127,695	134,109,292		
12/31/2010	135,588,998	135,554,414			
12/31/2011	144,840,017				

Ratios					
Accident Year Ended	75:63	87:75	99:87	111:99	123:111
12/31/2005	1.000	1.000	1.000	1.000	1.000
12/31/2006	1.000	1.000	1.000	1.000	1.000
12/31/2007	1.000	1.000	1.000	1.000	1.000
12/31/2008	1.000	1.000	1.000	1.000	
12/31/2009	1.000	1.000	1.000		
12/31/2010	1.000	1.000			
12/31/2011	0.999				
Average Factor :	1.000	1.000	1.000	1.000	1.000
( Best 3 of 5 )					

Summary of factors		
123 to Ult:	(123:Ult) =	1.000
111 to Ult:	(111:123) (123:Ult) =	1.000
99 to Ult:	(111:99) (111:123) (123:Ult) =	1.000
87 to Ult:	(99:87) (111:99) (111:123) (123:Ult) =	1.000
75 to Ult:	(87:75) (99:87) (111:99) (111:123) (123:Ult) =	1.000

# Include Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Dist. of Col., Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Hawaii, Alaska, and Puerto Rico  
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## CREDIBILITY PROCEDURE FOR EXPERIENCE LOSS RATIO

---

**OBJECTIVE** The extent to which the state experience is reflected in the development of the prospective loss costs is determined by the credibility of the data for that state. Specifically, ISO credibility procedures are based upon the volume of claims for each coverage separately.

---

**METHODOLOGY** The standards for full credibility were determined from a credibility study using various size of loss distributions for liability, other than collision and collision respectively. Separate standards by coverage/major class for full credibility were calculated using the Mayerson, Jones and Bowers expansion formula.

---

**CREDIBILITY FOR EXPERIENCE LOSS RATIO** The assignment of credibility to the experience loss ratio is based on the total number of claims for the years used. For liability, the claims are based on BI and PD claims combined. For physical damage, credibility is determined separately for OTC and Collision. Partial credibility (Z), as used for the experience loss ratio, is determined using the square root rule as follows:

$$Z = \sqrt{\frac{\text{Claims}}{X}}$$

Where X equals the full credibility standard, by line and coverage, as shown on the following pages of this section.

---

**YEAR WEIGHTS** The weights assigned to the loss ratio by year are based on the credibility of the average number of claims for the years of experience used. A maximum of five years of experience may be used. This procedure is described in detail in the flow chart on the following page. The claim standard used to determine the year weights is based on the credibility standard for each coverage. The schedules of the number of claims required for the year weight assignments are shown on the following pages.

---

COMMERCIAL AUTOMOBILE LIABILITY  
FLOWCHART TO DETERMINE  
YEAR WEIGHTS AND  
EXPERIENCE PERIOD CREDIBILITY

Step  
1:

Determine Number of Years to be used and Year Weights

1. Add latest 2 years of claims and divide by 2 to determine the 2 year average.
2. If 2 year Avg. claims  $\geq$  11,500,  
Then use 2 years of experience and assign 70/30 weights.
3. Add latest 3 years of claims and divide by 3 to determine the 3 year average.
4. If 3 year Avg. claims  $\geq$  1,380,  
Then use 3 years of experience and assign 50/30/20 weights.
5. If 3 year Avg. claims  $<$  1,380,  
Then use 5 years of experience and assign 30/25/20/15/10 weights.

Step  
2:

Determine the Experience Period Credibility

Calculate partial credibility based on the total number of claims for the number of years used in the review as determined from Step 1.

COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE  
FLOWCHART TO DETERMINE  
YEAR WEIGHTS AND  
EXPERIENCE PERIOD CREDIBILITY

Step Determine Number of Years to be used and Year Weights  
1:

1. Add latest 2 years of claims and divide by 2 to determine the 2 year average.
2. If 2 year Avg. claims  $\geq$  Full Standard,  
Then use 2 years of experience and assign 70/30 weights.
3. Add latest 3 years of claims and divide by 3 to determine the 3 year average.
4. If 3 year Avg. claims  $\geq$  Intermediate Threshold,  
Then use 3 years of experience and assign 50/30/20 weights.
5. If 3 year Avg. claims  $<$  Intermediate Threshold,  
Then use 5 years of experience and assign 30/25/20/15/10 weights.

Step Determine the Experience Period Credibility  
2:

Calculate partial credibility based on the total number of claims for the number of years used in the review as determined from Step 1.

<u>Coverage</u>	<u>Intermediate Threshold</u>	<u>Full Standard</u>
Trucks, Tractors & Trailers OTC	1,350	11,000
Trucks, Tractors & Trailers Collision	550	4,500
Private Passenger Types OTC	1,050	8,500
Private Passenger Types Collision	450	3,500

# Tables For Use With Trend Data

Bodily Injury				Property Damage			
<u>Number of Claims</u>			<u>Cred.</u>	<u>Number of Claims</u>			<u>Cred.</u>
0	-	641	0.00	0	-	256	0.00
642	-	2027	0.05	257	-	810	0.05
2028	-	3571	0.10	811	-	1428	0.10
3572	-	5303	0.15	1429	-	2121	0.15
5304	-	7258	0.20	2122	-	2903	0.20
7259	-	9482	0.25	2904	-	3793	0.25
9483	-	12037	0.30	3794	-	4814	0.30
12038	-	14999	0.35	4815	-	5999	0.35
15000	-	18478	0.40	6000	-	7391	0.40
18479	-	22619	0.45	7392	-	9047	0.45
22620	-	27631	0.50	9048	-	11052	0.50
27632	-	33823	0.55	11053	-	13529	0.55
33824	-	41666	0.60	13530	-	16666	0.60
41667	-	51923	0.65	16667	-	20769	0.65
51924	-	65909	0.70	20770	-	26363	0.70
65910	-	86111	0.75	26364	-	34444	0.75
86112	-	117857	0.80	34445	-	47142	0.80
117858	-	174999	0.85	47143	-	69999	0.85
175000	-	308333	0.90	70000	-	123333	0.90
308334	-	974999	0.95	123334	-	389999	0.95
975000	-	and over	1.00	390000	-	and over	1.00

K = 25,000

K = 10,000

$$\text{CREDIBILITY FORMULA} = (\# \text{ CLAIMS}) / (\# \text{ CLAIMS} + K)$$



ALL LIABILITY COVERAGES  
CREDIBILITY TABLE  
NUMBER OF CLAIMS

<u>Credibility</u>			
0.00*	0	-	28
0.05	29	-	114
0.10	115	-	258
0.15	259	-	459
0.20	460	-	718
0.25	719	-	1,034
0.30	1035	-	1,408
0.35	1,409	-	1,839
0.40	1,840	-	2,328
0.45	2,329	-	2,874
0.50	2,875	-	3,478
0.55	3,479	-	4,139
0.60	4,140	-	4,858
0.65	4,859	-	5,634
0.70	5,635	-	6,468
0.75	6,469	-	7,359
0.80	7,360	-	8,308
0.85	8,309	-	9,314
0.90	9,315	-	10,378
0.95	10,379	-	11,499
1.00		>	11,499

The credibility for the loss cost level ratio is determined by the total number of claims for the total number of years of experience used in the review.

\*The credibility underlying the calculation of the statewide indication is subject to a minimum of 5% given that there is at least one claim in the experience period.

PHYSICAL DAMAGE  
CREDIBILITY TABLES  
NUMBER OF CLAIMS

OTHER THAN COLLISION

<u>Cred</u>	<u>Trucks, Tractors &amp; Trailers</u>			<u>Private Passenger Types</u>		
0.00*	0	-	27	0	-	21
0.05	28	-	109	22	-	84
0.10	110	-	247	85	-	191
0.15	248	-	439	192	-	339
0.20	440	-	687	340	-	531
0.25	688	-	989	532	-	764
0.30	990	-	1.347	765	-	1.041
0.35	1.348	-	1.759	1.042	-	1.359
0.40	1.760	-	2.227	1.360	-	1.721
0.45	2.228	-	2.749	1.722	-	2.124
0.50	2.750	-	3.327	2.125	-	2.571
0.55	3.328	-	3.959	2.572	-	3.059
0.60	3.960	-	4.647	3.060	-	3.591
0.65	4.648	-	5.389	3.592	-	4.164
0.70	5.390	-	6.187	4.165	-	4.781
0.75	6.188	-	7.039	4.782	-	5.439
0.80	7.040	-	7.947	5.440	-	6.141
0.85	7.948	-	8.909	6.142	-	6.884
0.90	8.910	-	9.927	6.885	-	7.671
0.95	9.928	-	10.999	7.672	-	8.499
1.00		>	10.999		>	8.499

COLLISION

<u>Cred</u>	<u>Trucks, Tractors &amp; Trailers</u>			<u>Private Passenger Types</u>		
0.00*	0	-	11	0	-	8
0.05	12	-	44	9	-	34
0.10	45	-	101	35	-	78
0.15	102	-	179	79	-	139
0.20	180	-	281	140	-	218
0.25	282	-	404	219	-	314
0.30	405	-	551	315	-	428
0.35	552	-	719	429	-	559
0.40	720	-	911	560	-	708
0.45	912	-	1.124	709	-	874
0.50	1.125	-	1.361	875	-	1.058
0.55	1.362	-	1.619	1.059	-	1.259
0.60	1.620	-	1.901	1.260	-	1.478
0.65	1.902	-	2.204	1.479	-	1.714
0.70	2.205	-	2.531	1.715	-	1.968
0.75	2.532	-	2.879	1.969	-	2.239
0.80	2.880	-	3.251	2.240	-	2.528
0.85	3.252	-	3.644	2.529	-	2.834
0.90	3.645	-	4.061	2.835	-	3.158
0.95	4.062	-	4.499	3.159	-	3.499
1.00		>	4.499		>	3.499

The credibility for loss cost level ratio is determined by the total number of claims for the total number of years of experience used in the review.

\*The credibility underlying the calculation of the statewide indication is subject to a minimum of 5% given that there is at least one claim in the experience period.

NEVADA  
CLAIMS PER TERRITORY  
LIABILITY

Territory	Trucks, Tractors & Trailers	Private Passenger Types
	Incurred Claims 5 Years Ending 03/31/2017 Combined BI and PD	Incurred Claims 5 Years Ending 03/31/2017 Combined BI and PD
105	152	27
106	728	134
108	79	7
109	5,285	749
110	52	10
111	1,031	184
SW Total	7,327	1,111

Claims for Trend

BI	PD
<u>651</u>	<u>1,100</u>

NEVADA  
CLAIMS PER TERRITORY  
PHYSICAL DAMAGE

Territory	Trucks, Tractors & Trailers Paid Claims 5 Years Ending 03/31/2017		Private Passenger Types Paid Claims 5 Years Ending 03/31/2017	
	OTC	Coll	OTC	Coll
105	32	71	17	29
106	288	371	86	93
108	16	19	6	4
109	432	1,417	238	517
110	7	17	3	17
111	156	445	72	173
SW Total	931	2,340	422	833

## RELATIVITIES USED TO DEVELOP MINOR CLASS AND COVERAGE LOSS COSTS

### (1) Public Automobiles Liability

\$100,000 Limit Loss Costs for the Public Automobiles section have been calculated as factor derivatives off the Trucks, Tractors & Trailers Liability \$100,000 Base loss costs. The relativities used are listed below.

	Differentials to Base Loss Cost CSL Liab
Taxis and Limousines	6.20
School and Church Buses	0.55
Other Buses	3.80
Van Pools	1.50

### (2) Public Automobiles Physical Damage

The relativities applied to Trucks, Tractors & Trailers physical damage revised base loss costs to develop the Public Automobile physical damage revised base loss costs are as follows:

Taxis, Limousines and Van Pools	
Other Than Collision:	1.02
Collision:	1.27
School, Church and Other Buses	
Other Than Collision:	0.70
Collision:	0.65

### (3) Medical Payments Relativities

The latest multistate differentials that relate Medical Payments loss costs to the \$100,000 limit liability base loss costs are listed below.

Class of Business	<u>500</u>	<u>1000</u>	<u>2000</u>	<u>5000</u>
Trucks, Tractors & Trailers	0.036	0.057	0.078	0.114
Van Pools	0.071	0.100	0.121	0.157
Taxis and Limousines	0.036	0.050	0.071	0.107
School and Church Buses	0.043	0.064	0.078	0.100
All Other Buses	0.032	0.039	0.050	0.068
Private Passenger Types	0.021	0.036	0.050	0.064

### (4) Specified Causes of Loss Relativity

The relativity applied to the Trucks, Tractors & Trailers \$500 Deductible Comprehensive loss cost to develop the Trucks, Tractors & Trailers Specified Causes of Loss loss cost is: 0.864

(5) The loss cost for hired autos is set forth in Section D. It applies in all territories and is calculated as 0.15% of the statewide \$100,000 Combined Single Limit average loss cost for all Trucks, Tractors & Trailers.

WIND AND WATER PROCEDURE  
OTHER THAN COLLISION

---

OBJECTIVE

Other Than Collision losses which result from the perils of Wind and Water are relatively infrequent and do not affect each year similarly. While catastrophic incidents are rare, their impact on loss cost indications can be significant. The occurrence of a weather related catastrophe can result in a large positive indication, followed by an indicated decrease when the catastrophe leaves the experience period in subsequent reviews. This ultimately leads to loss cost instability.

In order to address this ratemaking problem, the Wind and Water procedure removes the Wind and Water losses that actually occur in a given year and replaces them with an expected Wind and Water provision, based on the state's long term history of Wind and Water losses. Due to the lower credibility of catastrophic loss experience, a longer experience period or a larger body of data is necessary to compensate.

---

DESCRIPTION OF  
WIND AND WATER  
ADJUSTMENT  
PROCEDURE

The Wind and Water procedure begins by comparing Wind and Water losses to non-Wind and Water losses for each year in the long term review period. Wind and Water losses have been separately identified as losses reported under the Commercial Statistical Plan (CSP) using Type of Loss (TOL) codes 06 and 07. A ratio of Wind and Water to non-Wind and Water losses is calculated for each year.

The long term 'normal' Wind and Water to non-Wind and Water ratio is determined by calculating the average of the Wind and Water to non-Wind and Water ratios for all years for which data is currently available.

The variation from the long term normal Wind and Water to non-Wind and Water ratio is then determined by calculating the difference between the normal ratio and the Wind and Water ratio for each year.

The loss adjustment required in order to bring each year of experience to a normal Wind and Water level is determined by applying the variation factor (column (5)) to the reported non-Wind and Water losses (column (3)).

The major steps of the procedure are shown in the Exhibits on the following pages.

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## INSURANCE SERVICES OFFICE, INC.

WIND AND WATER PROCEDURE  
OTHER THAN COLLISION  
NEVADA

## TRUCKS, TRACTORS, AND TRAILERS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(2) - (1)	(1) / (3)	AVG (4) - (4)	(3) x (5)	(2) + (6)
YEAR ENDING	OTC WIND & WATER LOSSES	OTC TOTAL LOSSES	TOTAL - WIND&WATER LOSSES	WIND & WATER / NON (W&W)	VARIATION FROM AVG. WIND RATIO	WIND & WATER ADJUSTMENT	ADJ OTC TOTAL LOSSES
1987	3,837	426,657	422,820	0.009	0.068	28,752	455,409
1988	10,577	377,752	367,175	0.029	0.048	17,624	395,376
1989	68,684	578,764	510,080	0.135	-0.058	-29,585	549,179
1990	7,925	537,469	529,544	0.015	0.062	32,832	570,301
1991	7,948	629,469	621,521	0.013	0.064	39,777	669,246
1992	37,993	607,292	569,299	0.067	0.010	5,693	612,985
1993	53,226	534,877	481,651	0.111	-0.034	-16,376	518,501
1994	15,788	563,812	548,024	0.029	0.048	26,305	590,117
1995	30,388	737,059	706,671	0.043	0.034	24,027	761,086
1996	11,593	704,809	693,216	0.017	0.060	41,593	746,402
1997	356,297	1,273,188	916,891	0.389	-0.312	-286,070	987,118
1998	32,982	1,023,879	990,897	0.033	0.044	43,599	1,067,478
1999	92,222	969,665	877,443	0.105	-0.028	-24,568	945,097
2000	89,095	1,138,851	1,049,756	0.085	-0.008	-8,398	1,130,453
2001	29,266	913,641	884,375	0.033	0.044	38,913	952,554
2002	35,453	936,558	901,105	0.039	0.038	34,242	970,800
2003	84,307	957,132	872,825	0.097	-0.020	-17,457	939,675
2004	22,520	484,918	462,398	0.049	0.028	12,947	497,865
2005	9,560	701,705	692,145	0.014	0.063	43,605	745,310
2006	217,243	904,506	687,263	0.316	-0.239	-164,256	740,250
2007	23,011	1,060,316	1,037,305	0.022	0.055	57,052	1,117,368
2008	28,891	410,969	382,078	0.076	0.001	382	411,351
2009	30,874	438,374	407,500	0.076	0.001	408	438,782
2010	54,060	499,450	445,390	0.121	-0.044	-19,597	479,853
2011	16,535	447,158	430,623	0.038	0.039	16,794	463,952
2012	50,946	612,828	561,882	0.091	-0.014	-7,866	604,962
2013	47,058	563,636	516,578	0.091	-0.014	-7,232	556,404
2014	20,563	609,257	588,694	0.035	0.042	24,725	633,982
2015	54,625	746,251	691,626	0.079	-0.002	-1,383	744,868
2016	31,568	902,475	870,907	0.036	0.041	35,707	938,182
2017	67,885	833,904	766,019	0.089	-0.012	-9,192	824,712

(8) NORMAL WIND TO NON W&amp;W RATIO= AVG. (4) 0.077

## INSURANCE SERVICES OFFICE, INC.

WIND AND WATER PROCEDURE  
OTHER THAN COLLISION  
NEVADA

## PRIVATE PASSENGER TYPES

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(2) - (1)	(1) / (3)	AVG (4) - (4)	(3) x (5)	(2) + (6)
YEAR ENDING	OTC WIND & WATER LOSSES	OTC TOTAL LOSSES	TOTAL - WIND&WATER LOSSES	WIND & WATER / NON (W&W)	VARIATION FROM AVG. WIND RATIO	WIND & WATER ADJUSTMENT	ADJ OTC TOTAL LOSSES
1987	6,248	192,255	186,007	0.034	0.101	18,787	211,042
1988	11,427	151,564	140,137	0.082	0.053	7,427	158,991
1989	819	268,110	267,291	0.003	0.132	35,282	303,392
1990	11,817	292,680	280,863	0.042	0.093	26,120	318,800
1991	15,598	244,521	228,923	0.068	0.067	15,338	259,859
1992	8,086	386,358	378,272	0.021	0.114	43,123	429,481
1993	6,376	292,412	286,036	0.022	0.113	32,322	324,734
1994	3,287	177,230	173,943	0.019	0.116	20,177	197,407
1995	31,098	267,665	236,567	0.131	0.004	946	268,611
1996	3,837	174,313	170,476	0.023	0.112	19,093	193,406
1997	107,786	243,170	135,384	0.796	-0.661	-89,489	153,681
1998	41,820	271,575	229,755	0.182	-0.047	-10,798	260,777
1999	91,157	307,877	216,720	0.421	-0.286	-61,982	245,895
2000	56,310	627,248	570,938	0.099	0.036	20,554	647,802
2001	5,200	164,780	159,580	0.033	0.102	16,277	181,057
2002	2,475	276,402	273,927	0.009	0.126	34,515	310,917
2003	35,885	262,038	226,153	0.159	-0.024	-5,428	256,610
2004	17,033	174,712	157,679	0.108	0.027	4,257	178,969
2005	10,516	146,927	136,411	0.077	0.058	7,912	154,839
2006	16,851	242,074	225,223	0.075	0.060	13,513	255,587
2007	1,200	213,497	212,297	0.006	0.129	27,386	240,883
2008	18,205	147,387	129,182	0.141	-0.006	-775	146,612
2009	13,312	187,952	174,640	0.076	0.059	10,304	198,256
2010	11,026	134,587	123,561	0.089	0.046	5,684	140,271
2011	7,955	67,978	60,023	0.133	0.002	120	68,098
2012	8,593	109,565	100,972	0.085	0.050	5,049	114,614
2013	56,494	197,720	141,226	0.400	-0.265	-37,425	160,295
2014	4,096	93,215	89,119	0.046	0.089	7,932	101,147
2015	36,406	214,196	177,790	0.205	-0.07	-12,445	201,751
2016	45,203	187,280	142,077	0.318	-0.183	-26,000	161,280
2017	43,887	195,497	151,610	0.289	-0.154	-23,348	172,149

(8) NORMAL WIND TO NON W&amp;W RATIO= AVG. (4) 0.135



## EXPLANATORY MEMORANDUM FOR WIND AND WATER PROCEDURE

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COLUMN (1) OTC WIND AND WATER LOSSES	Dollar amount of Other Than Collision losses resulting from the perils of Wind and Water (Type of Loss Codes 06 & 07).
COLUMN (2) OTC TOTAL LOSSES	Dollar amount of Other Than Collision losses resulting from all perils.
COLUMN (3) OTC LOSSES OTHER THAN WIND AND WATER	Dollar amount of Other Than Collision losses resulting from all perils other than Wind and Water. Column (2) - Column (1).
COLUMN (4) WIND AND WATER TO NON-WIND AND WATER RATIO	Ratio of Wind and Water losses to Non-Wind and Water losses. Column (1) ÷ Column (3)
COLUMN (5) VARIATION FROM AVERAGE WIND RATIO	Variation from the long term average Wind and Water to non-Wind and Water ratio. Avg (4) - Column (4).
COLUMN (6) WIND AND WATER ADJUSTMENT	Wind and Water loss adjustment to bring experience to average Wind and Water level. Column (3) * Column (5).
COLUMN (7) ADJUSTED OTC TOTAL LOSSES	Column (2) + Column (6).

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TERRITORIAL WIND AND WATER PROCEDURE  
OTHER THAN COLLISION

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OBJECTIVE

The statewide Wind and Water procedure removes the actual Wind and Water losses that occur in a given year and replaces them with an expected Wind and Water provision. The territorial excess Wind and Water procedure distributes the statewide expected Wind and Water loss provision to the individual territories in proportion to each territory's long-term Wind and Water loss experience.

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DESCRIPTION OF  
TERRITORIAL WIND  
AND WATER  
PROCEDURE

The first step is to calculate long term Wind and Water to non-Wind and Water ratios by territory. The earliest year of historical Wind and Water experience available for Commercial Auto is 1987. As a new year becomes available, it is added to the procedure. For each year, the territorial ratios are calculated as Wind and Water losses divided by non-Wind and Water losses. An average is then taken of all the ratios for each territory to get the long term Wind and Water to non-Wind and Water ratio.

One potential problem with the average ratios is that a high Wind and Water ratio for one year can distort the average ratio for that territory. To mitigate the effect of unusually large ratios, the ratios are capped at 10 times the statewide median of the Wind and Water ratios before calculating the average. (The statewide median ratio is subject to a minimum value of 0.05.)

The territorial capped average Wind and Water ratios are multiplied by the latest 5 years non-Wind and Water losses for each territory to get the territorial expected Wind and Water losses. The territorial expected Wind and Water losses are divided by the statewide total expected Wind and Water losses to get the territorial expected Wind and Water distribution.

The statewide wind provision is calculated for each year from the statewide procedure by subtracting the non-Wind and Water losses from the total adjusted losses. The individual territorial Wind and Water provisions are then calculated by distributing the statewide wind provision to the territories based on the expected Wind and Water distribution.

Territorial adjusted total losses = territorial Wind and Water provision + territorial non-Wind and Water losses

Because the actual Wind and Water losses are replaced with an expected Wind and Water provision, the number of Wind and Water claims must be adjusted. The territorial Wind and Water provision is divided by the territory's average Wind and Water claim cost to produce the adjusted number of Wind and Water claims. The adjusted Wind and Water claims are added to the non-Wind and Water claims, resulting in the total adjusted claims.

A sample of the territory Wind and Water procedure is shown on the following page.

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## METHODOLOGY FOR CALCULATING 'WIND &amp; WATER PROVISIONS' BY TERRITORY

In order to develop 'Wind and Water Provisions' by territory, the statewide provision is distributed using each territory's 'expected' wind and water losses. This procedure is illustrated in the following example:

Territory	(1) Long-Term Capped* Ratio of Wind & Water to Non-Wind & Water Losses	(2) Non-Wind & Water Losses for Latest Five Years	(3) 'Expected' Wind & Water Losses for Latest Five Years (1) x (2)	(4) 'Expected' Wind & Water Distribution (3) / Total (3)
A	.250	500,000	125,000	.500
B	.750	100,000	75,000	.300
C	.200	250,000	50,000	.200
Territory	(5) Statewide Wind Provision for Year 20XX **	(6) Territory Wind Provision for Year 20XX (4) x (5)	(7) Non-Wind & Water Losses for Year 20XX	(8) Adjusted Total Losses for Year 20XX (6) + (7)
A		50,000	150,000	200,000
B		30,000	50,000	80,000
C		20,000	80,000	100,000
	100,000			
Territory	(9) Non-Wind & Water Claims for Year 20XX	(10) Five-Year Average Wind & Water Claim Cost	(11) Adjusted Wind & Water Claims for Year 20XX (6) / (10)	(12) Total Adjusted Claims for Year 20XX (9) + (11)
A	200	500	100	300
B	100	400	75	175
C	150	400	50	200

\* Average of yearly capped ratios of wind & water to non-wind & water losses, based on territory experience capped at 10 times the statewide median wind & water to non-wind & water ratio. The statewide median ratio is subject to a minimum value of 0.05.

\*\* The Statewide Wind Provision for year 20XX = Total Adjusted Losses for Year 20XX - Non-Wind & Water Losses for Year 20XX

NEVADA  
COMMERCIAL AUTOMOBILE

SECTION D - REVISED PROSPECTIVE LOSS COSTS

Liability and Medical Payments .....	D2-D7
Physical Damage - All Coverages Except Garages .....	D8-D13
Hired Autos (Rule 90).....	D14

COMMERCIAL LINES MANUAL  
DIVISION ONE  
AUTOMOBILE  
LOSS COST PAGES

NEVADA (27)  
TERRITORY 105

LIABILITY	MEDICAL PAYMENTS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 362	\$13	\$21	\$28	\$41	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 363	\$8	\$13	\$18	\$23	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 2244	\$81	\$112	\$159	\$240	N/A
– SCHOOL AND CHURCH BUSES					
\$ 199	\$9	\$13	\$16	\$20	N/A
– OTHER BUSES					
\$ 1376	\$44	\$54	\$69	\$94	N/A
– VAN POOLS					
\$ 543	\$39	\$54	\$66	\$85	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 341	Refer to Rule 49.				N/A
<ul style="list-style-type: none"><li>• For liability increased limits factors, refer to Rule 100.</li><li>• For liability fleet factors, refer to Rules 22. and 39.</li><li>• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49.</li></ul>					

COMMERCIAL LINES MANUAL  
DIVISION ONE  
AUTOMOBILE  
LOSS COST PAGES

LIABILITY	MEDICAL PAYMENTS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 239	\$9	\$14	\$19	\$27	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 378	\$8	\$14	\$19	\$24	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 1482	\$53	\$74	\$105	\$159	N/A
– SCHOOL AND CHURCH BUSES					
\$ 131	\$6	\$8	\$10	\$13	N/A
– OTHER BUSES					
\$ 908	\$29	\$35	\$45	\$62	N/A
– VAN POOLS					
\$ 359	\$25	\$36	\$43	\$56	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 222	Refer to Rule 49.				N/A
<ul style="list-style-type: none"><li>• For liability increased limits factors, refer to Rule 100.</li><li>• For liability fleet factors, refer to Rules 22. and 39.</li><li>• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49.</li></ul>					

COMMERCIAL LINES MANUAL  
DIVISION ONE  
AUTOMOBILE  
LOSS COST PAGES

NEVADA (27)  
TERRITORY 108

LIABILITY	MEDICAL PAYMENTS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 679	\$24	\$39	\$53	\$77	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 830	\$17	\$30	\$42	\$53	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 4210	\$152	\$211	\$299	\$450	N/A
– SCHOOL AND CHURCH BUSES					
\$ 373	\$16	\$24	\$29	\$37	N/A
– OTHER BUSES					
\$ 2580	\$83	\$101	\$129	\$175	N/A
– VAN POOLS					
\$ 1019	\$72	\$102	\$123	\$160	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 630	Refer to Rule 49.				N/A
<ul style="list-style-type: none"><li>• For liability increased limits factors, refer to Rule 100.</li><li>• For liability fleet factors, refer to Rules 22. and 39.</li><li>• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49.</li></ul>					

COMMERCIAL LINES MANUAL  
DIVISION ONE  
AUTOMOBILE  
LOSS COST PAGES

LIABILITY	MEDICAL PAYMENTS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 1018	\$37	\$58	\$79	\$116	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 782	\$16	\$28	\$39	\$50	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 6312	\$227	\$316	\$448	\$675	N/A
– SCHOOL AND CHURCH BUSES					
\$ 560	\$24	\$36	\$44	\$56	N/A
– OTHER BUSES					
\$ 3868	\$124	\$151	\$193	\$263	N/A
– VAN POOLS					
\$ 1527	\$108	\$153	\$185	\$240	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 902	Refer to Rule 49.				N/A
<ul style="list-style-type: none"><li>• For liability increased limits factors, refer to Rule 100.</li><li>• For liability fleet factors, refer to Rules 22. and 39.</li><li>• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49.</li></ul>					



COMMERCIAL LINES MANUAL  
DIVISION ONE  
AUTOMOBILE  
LOSS COST PAGES

NEVADA (27)  
TERRITORY 110

LIABILITY	MEDICAL PAYMENTS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 393	\$14	\$22	\$31	\$45	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 366	\$8	\$13	\$18	\$23	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 2437	\$88	\$122	\$173	\$261	N/A
– SCHOOL AND CHURCH BUSES					
\$ 216	\$9	\$14	\$17	\$22	N/A
– OTHER BUSES					
\$ 1493	\$48	\$58	\$75	\$102	N/A
– VAN POOLS					
\$ 590	\$42	\$59	\$71	\$93	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 359	Refer to Rule 49.				N/A
<ul style="list-style-type: none"><li>• For liability increased limits factors, refer to Rule 100.</li><li>• For liability fleet factors, refer to Rules 22. and 39.</li><li>• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49.</li></ul>					

COMMERCIAL LINES MANUAL  
DIVISION ONE  
AUTOMOBILE  
LOSS COST PAGES

LIABILITY	MEDICAL PAYMENTS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 331	\$12	\$19	\$26	\$38	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 333	\$7	\$12	\$17	\$21	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 2052	\$74	\$103	\$146	\$220	N/A
– SCHOOL AND CHURCH BUSES					
\$ 182	\$8	\$12	\$14	\$18	N/A
– OTHER BUSES					
\$ 1258	\$40	\$49	\$63	\$86	N/A
– VAN POOLS					
\$ 497	\$35	\$50	\$60	\$78	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 302	Refer to Rule 49.				N/A
<ul style="list-style-type: none"><li>• For liability increased limits factors, refer to Rule 100.</li><li>• For liability fleet factors, refer to Rules 22. and 39.</li><li>• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49.</li></ul>					

COMMERCIAL LINES MANUAL  
DIVISION ONE  
AUTOMOBILE  
LOSS COST PAGES

NEVADA (27)  
TERRITORY 105

<b>PHYSICAL DAMAGE</b> <b>Original Cost New Range</b> <b>\$15,001 – 20,000</b>			
	<b>Specified Causes Of Loss</b>	<b>\$500 Ded. Comp.</b>	<b>\$500 Ded. Coll.</b>
<b>RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS</b>			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 64	\$ 74	\$ 214
<b>RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS</b>			
	N/A	\$ 54	\$ 371
<b>RULE 40. PUBLIC AUTO CLASSIFICATIONS</b>			
– TAXICABS AND LIMOUSINES			
	\$ 65	\$ 75	\$ 272
– SCHOOL AND CHURCH BUSES			
	\$ 45	\$ 52	\$ 139
– OTHER BUSES			
	\$ 45	\$ 52	\$ 139
– VAN POOLS			
	\$ 65	\$ 75	\$ 272
<ul style="list-style-type: none"> <li>• For physical damage fleet factors, refer to Rules <b>22.</b> and <b>39.</b></li> <li>• For additional coverages, refer to the Additional Coverages Table in Rules <b>23.</b> and <b>40.</b></li> <li>• For Deductible factors, refer to Rule <b>98.</b></li> <li>• For Original Cost New and Age Group factors, refer to Rule <b>101.</b></li> <li>• For Stated Amount factors, refer to Rule <b>101.</b></li> <li>• For Towing and Labor Costs Coverage rating, refer to Rule <b>34.</b></li> </ul>			

COMMERCIAL LINES MANUAL  
DIVISION ONE  
AUTOMOBILE  
LOSS COST PAGES

<b>PHYSICAL DAMAGE</b> <b>Original Cost New Range</b> <b>\$15,001 – 20,000</b>			
	<b>Specified Causes Of Loss</b>	<b>\$500 Ded. Comp.</b>	<b>\$500 Ded. Coll.</b>
<b>RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS</b>			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 71	\$ 82	\$ 211
<b>RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS</b>			
	N/A	\$ 69	\$ 303
<b>RULE 40. PUBLIC AUTO CLASSIFICATIONS</b>			
– TAXICABS AND LIMOUSINES			
	\$ 72	\$ 84	\$ 268
– SCHOOL AND CHURCH BUSES			
	\$ 50	\$ 57	\$ 137
– OTHER BUSES			
	\$ 50	\$ 57	\$ 137
– VAN POOLS			
	\$ 72	\$ 84	\$ 268
<ul style="list-style-type: none"> <li>• For physical damage fleet factors, refer to Rules <b>22.</b> and <b>39.</b></li> <li>• For additional coverages, refer to the Additional Coverages Table in Rules <b>23.</b> and <b>40.</b></li> <li>• For Deductible factors, refer to Rule <b>98.</b></li> <li>• For Original Cost New and Age Group factors, refer to Rule <b>101.</b></li> <li>• For Stated Amount factors, refer to Rule <b>101.</b></li> <li>• For Towing and Labor Costs Coverage rating, refer to Rule <b>34.</b></li> </ul>			

COMMERCIAL LINES MANUAL  
DIVISION ONE  
AUTOMOBILE  
LOSS COST PAGES

NEVADA (27)  
TERRITORY 108

<b>PHYSICAL DAMAGE</b> <b>Original Cost New Range</b> <b>\$15,001 – 20,000</b>			
	<b>Specified Causes Of Loss</b>	<b>\$500 Ded. Comp.</b>	<b>\$500 Ded. Coll.</b>
<b>RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS</b>			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 65	\$ 75	\$ 169
<b>RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS</b>			
	N/A	\$ 50	\$ 296
<b>RULE 40. PUBLIC AUTO CLASSIFICATIONS</b>			
– TAXICABS AND LIMOUSINES			
	\$ 66	\$ 77	\$ 215
– SCHOOL AND CHURCH BUSES			
	\$ 46	\$ 53	\$ 110
– OTHER BUSES			
	\$ 46	\$ 53	\$ 110
– VAN POOLS			
	\$ 66	\$ 77	\$ 215
<ul style="list-style-type: none"> <li>• For physical damage fleet factors, refer to Rules <b>22.</b> and <b>39.</b></li> <li>• For additional coverages, refer to the Additional Coverages Table in Rules <b>23.</b> and <b>40.</b></li> <li>• For Deductible factors, refer to Rule <b>98.</b></li> <li>• For Original Cost New and Age Group factors, refer to Rule <b>101.</b></li> <li>• For Stated Amount factors, refer to Rule <b>101.</b></li> <li>• For Towing and Labor Costs Coverage rating, refer to Rule <b>34.</b></li> </ul>			

COMMERCIAL LINES MANUAL  
DIVISION ONE  
AUTOMOBILE  
LOSS COST PAGES

<b>PHYSICAL DAMAGE</b> <b>Original Cost New Range</b> <b>\$15,001 – 20,000</b>			
	<b>Specified Causes Of Loss</b>	<b>\$500 Ded. Comp.</b>	<b>\$500 Ded. Coll.</b>
<b>RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS</b>			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 64	\$ 74	\$ 205
<b>RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS</b>			
	N/A	\$ 49	\$ 373
<b>RULE 40. PUBLIC AUTO CLASSIFICATIONS</b>			
– TAXICABS AND LIMOUSINES			
	\$ 65	\$ 75	\$ 260
– SCHOOL AND CHURCH BUSES			
	\$ 45	\$ 52	\$ 133
– OTHER BUSES			
	\$ 45	\$ 52	\$ 133
– VAN POOLS			
	\$ 65	\$ 75	\$ 260
<ul style="list-style-type: none"> <li>• For physical damage fleet factors, refer to Rules <b>22.</b> and <b>39.</b></li> <li>• For additional coverages, refer to the Additional Coverages Table in Rules <b>23.</b> and <b>40.</b></li> <li>• For Deductible factors, refer to Rule <b>98.</b></li> <li>• For Original Cost New and Age Group factors, refer to Rule <b>101.</b></li> <li>• For Stated Amount factors, refer to Rule <b>101.</b></li> <li>• For Towing and Labor Costs Coverage rating, refer to Rule <b>34.</b></li> </ul>			

COMMERCIAL LINES MANUAL  
DIVISION ONE  
AUTOMOBILE  
LOSS COST PAGES

NEVADA (27)  
TERRITORY 110

<b>PHYSICAL DAMAGE</b> <b>Original Cost New Range</b> <b>\$15,001 – 20,000</b>			
	<b>Specified Causes Of Loss</b>	<b>\$500 Ded. Comp.</b>	<b>\$500 Ded. Coll.</b>
<b>RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS</b>			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 60	\$ 70	\$ 192
<b>RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS</b>			
	N/A	\$ 47	\$ 285
<b>RULE 40. PUBLIC AUTO CLASSIFICATIONS</b>			
– TAXICABS AND LIMOUSINES			
	\$ 61	\$ 71	\$ 244
– SCHOOL AND CHURCH BUSES			
	\$ 42	\$ 49	\$ 125
– OTHER BUSES			
	\$ 42	\$ 49	\$ 125
– VAN POOLS			
	\$ 61	\$ 71	\$ 244
<ul style="list-style-type: none"> <li>• For physical damage fleet factors, refer to Rules <b>22.</b> and <b>39.</b></li> <li>• For additional coverages, refer to the Additional Coverages Table in Rules <b>23.</b> and <b>40.</b></li> <li>• For Deductible factors, refer to Rule <b>98.</b></li> <li>• For Original Cost New and Age Group factors, refer to Rule <b>101.</b></li> <li>• For Stated Amount factors, refer to Rule <b>101.</b></li> <li>• For Towing and Labor Costs Coverage rating, refer to Rule <b>34.</b></li> </ul>			

COMMERCIAL LINES MANUAL  
DIVISION ONE  
AUTOMOBILE  
LOSS COST PAGES

<b>PHYSICAL DAMAGE</b> <b>Original Cost New Range</b> <b>\$15,001 – 20,000</b>			
	<b>Specified Causes Of Loss</b>	<b>\$500 Ded. Comp.</b>	<b>\$500 Ded. Coll.</b>
<b>RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS</b>			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 53	\$ 61	\$ 180
<b>RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS</b>			
	N/A	\$ 43	\$ 298
<b>RULE 40. PUBLIC AUTO CLASSIFICATIONS</b>			
– TAXICABS AND LIMOUSINES			
	\$ 54	\$ 62	\$ 229
– SCHOOL AND CHURCH BUSES			
	\$ 37	\$ 43	\$ 117
– OTHER BUSES			
	\$ 37	\$ 43	\$ 117
– VAN POOLS			
	\$ 54	\$ 62	\$ 229
<ul style="list-style-type: none"> <li>• For physical damage fleet factors, refer to Rules <b>22.</b> and <b>39.</b></li> <li>• For additional coverages, refer to the Additional Coverages Table in Rules <b>23.</b> and <b>40.</b></li> <li>• For Deductible factors, refer to Rule <b>98.</b></li> <li>• For Original Cost New and Age Group factors, refer to Rule <b>101.</b></li> <li>• For Stated Amount factors, refer to Rule <b>101.</b></li> <li>• For Towing and Labor Costs Coverage rating, refer to Rule <b>34.</b></li> </ul>			



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**90. HIRED AUTOS**

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<b>Cost Of Hire Basis – All Territories Liability Base Loss Cost</b>
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\$ <u>1,020.92</u>
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**Table 90.B.3.b.(LC) Cost Of Hire Basis Liability Loss Cost**

## Supplementary Information – Nevada

### **Introduction**

This document provides additional information on the attached loss cost level experience review, including:

- A summary of recent trends in Liability claim costs
- A summary of significant factors used in the development of loss cost indications and a comparison to the factors used in the prior filing that underlie the loss costs currently in effect
- A discussion of the experience underlying the loss cost level evaluation, and how it compares to the prior review
- Issues related to Commercial Auto in Nevada

Statistical plan data reported to ISO is first processed through a system of rigorous automated data verification processes so that only data that would be valid is used for ratemaking. Subsequent to this initial data submission review, additional analyses involving an even more customized data review for this line was performed by staff. During these processes, various data records were excluded from the review, corrected or adjusted. Specifically, various reported exposure amounts have been adjusted prior to their use in the calculations. The ISO staff responsible for this loss cost review also reviewed the data for reasonableness.

### **Trends in Liability Claim Costs**

The table below shows the latest sixteen evaluations of 12-pt. paid claim cost trends.

#### **Multistate Paid Claim Cost Trends**

<u>Data Through</u>	<u>\$100,000 Bodily Injury</u>	<u>\$100,000 Property Damage</u>
03/31/2013	+0.4%	+5.2%
06/30/2013	+0.5%	+5.4%
09/30/2013	+0.9%	+5.5%
12/31/2013	+1.1%	+5.4%
03/31/2014	+1.4%	+4.8%
06/30/2014	+1.5%	+4.2%
09/30/2014	+1.8%	+3.7%
12/31/2014	+1.8%	+3.3%
03/31/2015	+1.5%	+3.3%
06/30/2015	+2.2%	+3.5%
09/30/2015	+1.9%	+3.7%
12/31/2015	+2.3%	+4.6%
03/31/2016	+2.9%	+4.8%
06/30/2016	+2.9%	+5.2%
09/30/2016	+2.6%	+5.5%
12/31/2016	+2.7%	+5.7%

ISO believes that bodily injury claim cost trends will primarily be driven by changes in the costs of providing medical care. At times, other factors serve to reduce (or exacerbate) the claim cost trends.

## Supplementary Information – Nevada

### Trends in Medical Care Costs

The table below shows the last twelve annual rates of change, based upon the CPI, for Medical Care and Hospital & Other Related Services, separately.

<u>Period</u>	<u>CPI – Medical Care Annual Rate of Change<sup>1</sup></u>	<u>CPI – Hospital &amp; Other Related Services Annual Rate of Change</u>
October 2005 - September 2006	4.2%	7.3%
October 2006 - September 2007	4.6%	6.8%
October 2007 - September 2008	3.2%	6.6%
October 2008 - September 2009	3.5%	6.6%
October 2009 - September 2010	3.4%	7.3%
October 2010 - September 2011	2.8%	4.9%
October 2011 - September 2012	4.1%	4.7%
October 2012 - September 2013	2.4%	5.4%
October 2013 - September 2014	2.0%	3.5%
October 2014 - September 2015	2.5%	3.3%
October 2015 - September 2016	4.9%	5.6%
October 2016 - September 2017	1.6%	4.3%

### Claim Frequencies

Historically, frequency trend for commercial auto liability has been quite variable, often cyclic in nature. As a result, an exponential curve of the form  $Y=A(B^X)$  does not fit the data well over the long term. Based on earlier analyses, there had been differences in historical frequency trends between Trucks, Tractors, and Trailers (TTT) and Private Passenger Types (PPT) liability classes. In general, Commercial Auto classes had experienced an abnormally long period of negative frequency trends prior to 2010. For the most recent 6 years, however, the frequency trends have been slightly increasing (TTT BI) or somewhat cyclical and/or flat (TTT PD and PPT BI and PD) over the experience period. To reflect these recent patterns and the difficulty in predicting turning points and rates of change, frequency trend is being selected to be 0% for TTT and PPT for both the Bodily Injury and Property Damage coverages.

### Claim Counts

Claim counts are now being estimated from information on the individual loss records reported to ISO, rather than the claim counts that have been reported to ISO via the statistical plans. This is being done to address company inconsistencies in interpreting ISO's claim count reporting rules.

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<sup>1</sup> Annual Rate of Change for a particular year is calculated as the CPI index for September of that year divided by the same index for September for the previous year, minus one.

## Supplementary Information – Nevada

### Nevada Trends

#### **Trucks, Tractors & Trailers and Private Passenger Types Liability**

	Current Trends <u>Data through 12/31/2016</u>	Previous Trends <u>Data through 12/31/2015</u>
Nevada Claim Cost Trends		
Bodily Injury (\$100,000 Limit)	13.4%	12.4%
Property Damage (\$100,000 Limit)	11.6%	3.5%
Credibility-Weighted Claim Cost Trends		
Bodily Injury (\$100,000 Limit)	3.2%	2.3%
Property Damage (\$100,000 Limit)	6.3%	4.5%
Selected Claim Frequency Trends		
Trucks, Tractors & Trailers		
Bodily Injury	0.0%	0.0%
Property Damage	0.0%	0.0%
Private Passenger Types		
Bodily Injury	0.0%	0.0%
Property Damage	0.0%	0.0%
Selected Pure Premium Trends		
Trucks, Tractors & Trailers		
Bodily Injury (\$100,000 Limit)	3.2%	2.3%
Property Damage (\$100,000 Limit)	6.3%	4.5%
Private Passenger Types		
Bodily Injury (\$100,000 Limit)	3.2%	2.3%
Property Damage (\$100,000 Limit)	6.3%	4.5%

Nevada bodily injury severity trend receives 5% weight when combined with multistate trend in the filing, property damage trend receives 10% weight.

If the prior trends were used to calculate the indicated changes in this document, the Truck, Tractors & Trailers Liability indication would have been 5.3% rather than 9.5%. For the Private Passenger Types coverage, the indication would have been 8.0% instead of 10.5%.

## Supplementary Information – Nevada

### Physical Damage Loss Trend

		Current Trends <u>Data through 12/31/2016</u>	Previous Trends <u>Data through 12/31/2015</u>
Trucks, Tractors & Trailers	<u>Coverage</u>		
	OTC	+6.5%	+4.5%
	Collision	+5.5%	+5.5%
Private Passenger Types	OTC	+5.0%	+4.5%
	Collision	+5.0%	+4.5%

### Physical Damage OCN Trend

		Current Trends <u>Data through 12/31/2016</u>	Previous Trends <u>Data through 12/31/2015</u>
Trucks, Tractors & Trailers	<u>Coverage</u>		
	OTC	+0.9%	+0.9%
	Collision	+1.3%	+1.1%
Private Passenger Types	OTC	+1.0%	+0.8%
	Collision	+0.6%	+0.5%

The loss trend has increased by 2.0 points for Trucks, Tractors & Trailers OTC and has increased by 0.5 points for Private Passenger Types OTC. The OCN trend has remained the same for Trucks, Tractors and Trailers OTC and has increased by 0.2 points for Private Passenger Types OTC. If the prior loss and OCN trends were used, the Trucks, Tractors and Trailers and Private Passenger Types OTC indications in this document would have 6.0%, instead of 10.0%, and 2.6%, instead of 3.1%, respectively.

The loss trend has remained the same for Trucks, Tractors & Trailers collision and has increased by 0.5 points for Private Passenger Types collision. The collision OCN trend has increased by 0.2 points for Trucks, Tractors, & Trailers collision and has increased by 0.1 points for Private Passenger Types collision. If the prior loss and OCN trends were used, the Trucks, Tractors and Trailers and Private Passenger Types collision indications in this document would have been 5.9%, instead 5.2%, and 5.1%, instead of 6.2%, respectively.

## Supplementary Information – Nevada

### Loss Development

#### Methodology

For the Trucks, Tractors & Trailers and Private Passenger Types Liability coverages, we continue to employ a credibility-weighted combination of Nevada and multistate factors for the 15 to 27 month link ratios for BI and PD, and the 27 to 39 month link ratios for BI only. For all coverages, the "best three of five" link ratios have been used. Specifically, the highest and lowest link ratios from the latest five years of the experience have been removed from the calculation and the remaining three ratios are used to calculate the three-year average.

#### Factors

	<u>Current (100K)</u>	<u>Previous (100K)</u>
Trucks, Tractors and Trailers BI		
39 to Ultimate	1.078	1.071
27 to Ultimate	1.269	1.236
15 to Ultimate	1.708	1.660
Trucks, Tractors and Trailers PD		
39 to Ultimate	1.004	1.004
27 to Ultimate	1.012	1.012
15 to Ultimate	1.059	1.056
Private Passenger Types BI		
39 to Ultimate	1.064	1.050
27 to Ultimate	1.250	1.169
15 to Ultimate	1.866	1.756
Private Passenger Types PD		
39 to Ultimate	1.005	1.005
27 to Ultimate	1.012	1.012
15 to Ultimate	1.051	1.049

## Supplementary Information – Nevada

### **Other Factors**

Unallocated Loss Adjustment Expense factors:

	<u>Data through 12/31/2016</u>	<u>Data through 12/31/2015</u>
Bodily Injury	1.080	1.085
Property Damage	1.105	1.110
Physical Damage	1.140	1.150

### **Indicated vs. Filed Changes**

An overall change of 9.2% is indicated when each of the coverage indications is weighted by its respective loss cost volume. Staff will file the indications, which reflect a 10/1/2018 proposed effective date.

### **Notes**

- The Auto Dealers Liability coverage is not being reviewed this year.
- The Auto Dealers and Garagekeepers physical damage coverages are not being reviewed this year.
- Trucks, Tractors and Trailers Liability (9.5%) — The high indication is due to poor experience in four out of five years in the review.
- Trucks, Tractors and Trailers Other than Collision (10.0%) — The high indication is due to very poor experience in all five years in the review.
- Private Passenger Types Liability (10.5%) — The high indication is due to very poor experience in all five years in the review.