



LOSS COSTS – IMPLEMENTATION

JUNE 8, 2018

COMMERCIAL AUTOMOBILE

LI-CA-2018-154

VIRGINIA REVISED COMMERCIAL AUTO ADVISORY PROSPECTIVE LOSS COSTS AMENDED AND TO BE IMPLEMENTED

KEY MESSAGE

Loss costs representing a +14.7% statewide change were amended and are acknowledged.

BACKGROUND

In circular [LI-CA-2017-337](#), we advised you that we submitted filing CA-2017-BRLA1 to the Insurance Department. Subsequent to this submission, we submitted an amendment to reflect the approval of the CA-2016-RADLC filing announced in circular [LI-CA-2018-011](#).

INSURANCE DEPARTMENT ACTION

The Insurance Department has acknowledged this revision as amended.

EFFECTIVE DATE

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies written on or after October 1, 2018.

This effective date applies only to those insurers who have filed their Commercial Auto loss cost adjustments to be automatically applicable to future ISO loss cost revisions.

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 referenced circular [LI-CA-2017-337](#).

COMPANY ACTION

You must independently determine the final rates you will use. The action, if any, you must take in response to this filing is dependent upon how you filed to have your loss cost adjustments apply to subsequent revisions of ISO loss costs. Any submission you make with respect to this revision must comply with applicable regulatory filing requirements.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Reference Filing Number CA-2017-BRLA1, NOT this circular number.

CAUTION: This reference filing revises only certain advisory prospective loss costs for Commercial Auto in this state. In determining whether or not to revise your rates, you should consider the application of your loss cost adjustments to any loss costs not included in this revision.

RATING SOFTWARE IMPACT

No new attributes are being introduced with this revision.

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.

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). In addition to other information, this web site contains copies of major multistate filing status reports that are updated approximately every two weeks.

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.

REFERENCE(S)

- [LI-CA-2018-011](#) (01/12/2018) Virginia Commercial Automobile 2013 Loss Costs Revision To Become Effective; Effective Date Revised
- [LI-CA-2017-337](#) (11/22/2017) Virginia Revised Commercial Auto Advisory Prospective Loss Costs Filed
- [LI-CL-2017-074](#) (11/20/2017) Revised Lead Time Requirements Listing

ATTACHMENT(S)

- Filing CA-2017-BRLA1 Amendment
- Supplementary Information
- Amended Excel Workbook

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VIRGINIA
BASIC LIMITS PROSPECTIVE LOSS COST LEVEL – COMMERCIAL AUTOMOBILE
FILING CA-2017-BRLA1 (Amended)
EXECUTIVE SUMMARY

PURPOSE

This document:

- revises the advisory prospective loss costs for the major Commercial Automobile classes. These loss costs represent a 14.7% 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.”

OPTIONAL CLASS
PLAN LOSS COSTS

The loss costs contained in this filing CA-2017-BRLA1 (Amended) 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-2017-BRLB1 (Amended).

REVISED LOSS
COST CHANGES

The statewide advisory loss cost level changes are:

<u>Trucks, Tractors & Trailers</u>	<u>Indicated</u>	<u>Filed</u>
Single Limit Liability	16.4%	16.4%
Physical Damage		
Other than Collision	8.7%	8.7%
Collision	16.6%	16.6%
Total Trucks, Tractors & Trailers	16.1%	16.1%
 <u>Private Passenger Types</u>		
Single Limit Liability	3.7%	3.7%
Physical Damage		
Other than Collision	5.4%	5.4%
Collision	19.6%	19.6%
Total Private Passenger Types	7.8%	7.8%
 <u>Grand Total</u>	14.7%	14.7%

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

INDICATED VS.
FILED

Indicated changes are based on standard ISO methodology, utilizing a 10/01/2018 trend effective date. The filed loss cost level changes are the same as the indicated.

PRIOR ISO
REVISIONS

The latest selected revisions in this state are:

<u>Filing</u>	CA-16-BRLA1	CA-15-BRLA1	CA-13-BRLA1
Rate Level/ Loss Costs	Loss Costs	Loss Costs	Loss Costs
Effective Date	10/01/17	10/01/16	03/01/15
<u>Changes</u>			
Indicated	2.5%	4.1%	13.9%
Filed	2.8%	3.1%	13.9%
Approved	2.8%	3.1%	13.9%

HISTORICAL
SOURCE DATA

The sources of the data underlying this loss cost review are:

- ISO companies reporting voluntary automobile experience under the Commercial Automobile modules of ISO's statistical plans.
 - Accident year data through year ended 09/30/2016 for all coverages.
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GARAGE
COVERAGES

Due to the recent approval of a new Auto Dealers Coverage Form, the Garage coverages are not being reviewed this year.

We have, however, included a minor editorial change to the footnote section of the Liability loss cost pages to replace reference to "Garages" with "Auto Dealers", where applicable.

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. Due to the limited volume of data for the Auto Dealers coverage, the PPT frequency trend will be used for the Auto Dealers coverage.

Claim cost trend data through second quarter 2016 and claim frequency trend data through first 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	+2.9%
Property Damage	+5.1%
Private Passenger Types and Auto Dealers Liability:	
Bodily Injury	+2.9%
Property Damage	+5.1%
Trucks, Tractors & Trailers OTC	+6.0%
Trucks, Tractors & Trailers Collision	+6.0%
Private Passenger Types OTC	+5.0%
Private Passenger Types Collision	+5.5%

ADJUSTMENTS TO
REPORTED
EXPERIENCE
(CONT'D)

OCN Trend

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 +1.1% for OTC and Collision respectively. For Private Passenger Types, the OCN Trend factors are +0.9% and +0.5% 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. Travelers Indemnity Co.
2. Liberty Mutual Insurance Co.
3. Zurich American Insurance Co.
4. Selective Insurance Co. of America
5. Cincinnati Insurance Co.
6. Nationwide Mutual Insurance Co.
7. Hartford Accident & Indemnity Co.
8. Harleysville Insurance
9. Tokio Marine Group
10. Canal Insurance Co.

PHYSICAL DAMAGE (ASLOB 21.2)

1. Travelers Indemnity Co.
2. Cincinnati Insurance Co.
3. Liberty Mutual Insurance Co.
4. Zurich American Insurance Co.
5. Hartford Accident & Indemnity Co.
6. American Alternative Ins. Corp.
7. Harleysville Insurance
8. Pennsylvania Nat'l Mut. Cas. Ins. Co.
9. Tokio Marine Group
10. Canal Insurance Co.

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)
46.8%

Physical Damage (ASLOB 21.2)
37.9%

COMPANY
DECISION

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.

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COMMERCIAL AUTOMOBILE
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VIRGINIA
COMMERCIAL AUTOMOBILE

SECTION A - SCOPE OF REVISION

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

VIRGINIA
STATEWIDE LOSS COST LEVEL CHANGES (A)

Coverages	Aggregate Loss Cost at Current Level (B)	Loss Cost Changes (C)
TRUCKS, TRACTORS & TRAILERS (D)		
Single Limit Liability	\$ 72,451,047	+16.4%
Physical Damage		
Other Than Collision	4,258,842	+8.7%
Collision	15,135,378	+16.6%
Combined	19,394,220	+14.9%
Total Trucks, Tractors & Trailers	91,845,267	+16.1%
PRIVATE PASSENGER TYPES		
Single Limit Liability	12,020,828	+3.7%
Physical Damage		
Other Than Collision	1,659,815	+5.4%
Collision	4,561,820	+19.6%
Combined	6,221,635	+15.8%
Total Private Passenger Types	18,242,463	+7.8%
GRAND TOTAL ALL COVERAGES	110,087,730	+14.7%
TOTAL LIABILITY	84,471,875	+14.6%
TOTAL PHYSICAL DAMAGE	25,615,855	+15.1%

(A) An implementation date of 10/01/2018 is assumed for purposes of trending.

(B) Accident Year ending 09/30/2016 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.

VIRGINIA

TERRITORY LOSS COST LEVEL CHANGES

FOR TRUCKS, TRACTORS & TRAILERS POLICY COVERAGES

TERRITORY CODE	\$100,000 CSL LIABILITY	\$500 MED PAY
102	16.3%	15.4%
103	13.3%	11.1%
109	18.1%	11.1%
110	18.7%	18.2%
111	13.1%	12.5%
114	13.1%	16.7%
115	15.4%	14.3%
116	18.4%	28.6%
117	15.2%	16.7%
120	16.7%	25.0%
121	18.3%	18.8%
122	18.1%	14.3%
123	17.5%	20.0%
124	15.8%	22.2%
125	17.3%	18.8%
126	16.5%	20.0%

VIRGINIA

TERRITORY LOSS COST LEVEL CHANGES

FOR TRUCKS, TRACTORS & TRAILERS POLICY COVERAGES

TERRITORY CODE	PHYSICAL DAMAGE		SPECIFIED CAUSES OF LOSS
	COMPREHENSIVE	COLLISION	
102	3.7%	21.7%	2.6%
103	5.4%	21.5%	5.7%
109	8.7%	12.6%	8.0%
110	5.7%	17.4%	5.3%
111	10.8%	20.1%	10.6%
114	10.8%	12.0%	11.3%
115	9.0%	17.9%	8.9%
116	12.7%	16.7%	13.3%
117	11.4%	19.6%	12.0%
120	10.0%	13.8%	8.6%
121	12.7%	11.6%	13.7%
122	7.4%	15.3%	8.2%
123	8.8%	15.3%	8.6%
124	7.1%	16.5%	8.0%
125	8.7%	18.3%	8.0%
126	5.8%	16.8%	6.5%

VIRGINIA

REVISED BASE LOSS COSTS BY TERRITORY

FOR TRUCKS, TRACTORS & TRAILERS POLICY COVERAGES

TERRITORY	LIABILITY		PHYSICAL DAMAGE		SPECIFIED CAUSES
	\$100,000	\$500	COMPREHENSIVE	COLLISION	OF LOSS
CODE	CSL	MED PAY (a)	(b)	(c)	(d)
102	428	15	56	219	40
103	289	10	78	215	56
109	281	10	75	179	54
110	356	13	56	223	40
111	259	9	72	221	52
114	199	7	82	252	59
115	217	8	85	184	61
116	245	9	71	196	51
117	190	7	78	214	56
120	273	10	88	222	63
121	531	19	80	240	58
122	457	16	73	233	53
123	342	12	87	219	63
124	301	11	75	261	54
125	516	19	75	233	54
126	339	12	91	250	66

(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 0.720 TO THE TRUCKS, TRACTORS & TRAILERS COMPREHENSIVE BASE LOSS COSTS.

VIRGINIA

TERRITORY LOSS COST LEVEL CHANGES

FOR PRIVATE PASSENGER TYPES POLICY COVERAGES

TERRITORY	LIABILITY	\$500
CODE	\$100,000	MED PAY
	CSL	
102	3.3%	0.0%
103	-1.7%	0.0%
109	0.8%	0.0%
110	3.1%	0.0%
111	1.0%	0.0%
114	0.5%	0.0%
115	1.8%	0.0%
116	14.6%	0.0%
117	2.5%	0.0%
120	4.5%	0.0%
121	6.7%	16.7%
122	10.3%	0.0%
123	6.1%	25.0%
124	3.5%	0.0%
125	4.7%	0.0%
126	1.3%	0.0%

VIRGINIA

TERRITORY LOSS COST LEVEL CHANGES

FOR PRIVATE PASSENGER TYPES POLICY COVERAGES

TERRITORY CODE	COMPREHENSIVE	PHYSICAL DAMAGE	COLLISION
102	1.9%		19.0%
103	4.7%		23.9%
109	6.2%		14.8%
110	4.8%		22.8%
111	5.1%		19.0%
114	5.4%		15.3%
115	8.5%		17.7%
116	10.3%		19.8%
117	8.1%		16.8%
120	5.7%		22.7%
121	3.3%		15.3%
122	9.9%		19.6%
123	2.8%		16.7%
124	8.8%		13.5%
125	5.1%		18.3%
126	3.8%		16.7%

VIRGINIA

REVISED BASE LOSS COSTS BY TERRITORY

FOR PRIVATE PASSENGER TYPES POLICY COVERAGES

TERRITORY CODE	LIABILITY	\$500 MED PAY (a)	PHYSICAL DAMAGE	
	\$100,000 CSL		COMPREHENSIVE	COLLISION
102	281	6	55	282
103	289	6	67	347
109	243	5	69	263
110	332	7	65	307
111	202	4	62	219
114	191	4	59	219
115	166	3	77	219
116	165	3	64	254
117	208	4	80	216
120	210	4	93	254
121	317	7	63	309
122	290	6	78	329
123	227	5	73	224
124	207	4	87	253
125	354	7	62	387
126	230	5	82	272

(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.

VIRGINIA
TERRITORY LOSS COST LEVEL CHANGES
FOR VAN POOLS POLICY COVERAGES

TERRITORY CODE	\$100,000 CSL LIABILITY	\$500 MED PAY
102	16.3%	17.9%
103	13.3%	14.8%
109	18.2%	20.0%
110	18.7%	18.8%
111	13.1%	16.7%
114	13.3%	10.5%
115	15.6%	15.0%
116	18.3%	18.2%
117	14.9%	11.1%
120	16.8%	16.0%
121	18.2%	18.8%
122	18.1%	19.5%
123	17.4%	16.1%
124	15.9%	14.3%
125	17.3%	17.0%
126	16.5%	16.1%

VIRGINIA
TERRITORY LOSS COST LEVEL CHANGES
FOR VAN POOLS POLICY COVERAGES

TERRITORY CODE	PHYSICAL DAMAGE		SPECIFIED CAUSES OF LOSS
	COMPREHENSIVE	COLLISION	
102	3.6%	21.4%	2.5%
103	6.7%	21.3%	5.6%
109	10.0%	12.4%	7.8%
110	5.6%	17.4%	5.1%
111	10.6%	20.1%	10.4%
114	12.0%	11.9%	11.1%
115	8.7%	18.2%	8.8%
116	12.5%	16.9%	13.0%
117	12.7%	19.8%	11.8%
120	9.8%	13.7%	8.5%
121	13.9%	11.7%	13.5%
122	7.2%	15.2%	8.0%
123	8.5%	15.4%	8.5%
124	8.5%	16.5%	7.8%
125	10.0%	18.4%	7.8%
126	5.7%	16.9%	6.3%

VIRGINIA
REVISED BASE LOSS COSTS BY TERRITORY
FOR VAN POOLS POLICY COVERAGES

TERRITORY CODE	LIABILITY \$100,000	\$500	PHYSICAL DAMAGE		SPECIFIED CAUSES
	CSL (a)	MED PAY (b)	COMPREHENSIVE (c)	COLLISION (d)	OF LOSS (e)
102	642	46	57	278	41
103	434	31	80	273	57
109	422	30	77	227	55
110	534	38	57	283	41
111	389	28	73	281	53
114	299	21	84	320	60
115	326	23	87	234	62
116	368	26	72	249	52
117	285	20	80	272	57
120	410	29	90	282	64
121	797	57	82	305	59
122	686	49	74	296	54
123	513	36	89	278	64
124	452	32	77	331	55
125	774	55	77	296	55
126	509	36	93	318	67

- (a) THE LOSS COSTS FOR VAN POOLS HAVE BEEN CALCULATED BY A RELATIVITY OF 1.50 TO THE TRUCKS, TRACKERS & 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.

VIRGINIA

TERRITORY LOSS COST LEVEL CHANGES

FOR TAXIS AND LIMOUSINES POLICY COVERAGES

TERRITORY CODE	\$100,000 CSL LIABILITY	\$500 MED PAY
102	16.3%	17.1%
103	13.3%	14.0%
109	18.0%	18.9%
110	18.7%	17.9%
111	13.1%	13.7%
114	13.1%	12.8%
115	15.4%	14.3%
116	18.4%	19.6%
117	15.2%	13.5%
120	16.7%	17.3%
121	18.2%	19.0%
122	18.1%	18.6%
123	17.5%	16.9%
124	15.8%	15.5%
125	17.3%	17.3%
126	16.5%	16.9%

VIRGINIA

TERRITORY LOSS COST LEVEL CHANGES

FOR TAXIS AND LIMOUSINES POLICY COVERAGES

TERRITORY CODE	PHYSICAL DAMAGE		SPECIFIED CAUSES OF LOSS
	COMPREHENSIVE	COLLISION	
102	3.6%	21.4%	2.5%
103	6.7%	21.3%	5.6%
109	10.0%	12.4%	7.8%
110	5.6%	17.4%	5.1%
111	10.6%	20.1%	10.4%
114	12.0%	11.9%	11.1%
115	8.7%	18.2%	8.8%
116	12.5%	16.9%	13.0%
117	12.7%	19.8%	11.8%
120	9.8%	13.7%	8.5%
121	13.9%	11.7%	13.5%
122	7.2%	15.2%	8.0%
123	8.5%	15.4%	8.5%
124	8.5%	16.5%	7.8%
125	10.0%	18.4%	7.8%
126	5.7%	16.9%	6.3%

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

TERRITORY	LIABILITY		PHYSICAL DAMAGE		SPECIFIED CAUSES
	\$100,000	\$500	COMPREHENSIVE	COLLISION	OF LOSS
CODE	CSL (a)	MED PAY (b)	(c)	(d)	(e)
102	2654	96	57	278	41
103	1792	65	80	273	57
109	1742	63	77	227	55
110	2207	79	57	283	41
111	1606	58	73	281	53
114	1234	44	84	320	60
115	1345	48	87	234	62
116	1519	55	72	249	52
117	1178	42	80	272	57
120	1693	61	90	282	64
121	3292	119	82	305	59
122	2833	102	74	296	54
123	2120	76	89	278	64
124	1866	67	77	331	55
125	3199	115	77	296	55
126	2102	76	93	318	67

- (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.

VIRGINIA

TERRITORY LOSS COST LEVEL CHANGES

FOR SCHOOL AND CHURCH BUSES POLICY COVERAGES

TERRITORY CODE	\$100,000 CSL LIABILITY	\$500 MED PAY
102	16.3%	11.1%
103	13.6%	16.7%
109	18.3%	16.7%
110	18.8%	14.3%
111	12.7%	20.0%
114	12.4%	25.0%
115	15.5%	25.0%
116	18.4%	20.0%
117	15.4%	25.0%
120	16.3%	0.0%
121	18.2%	18.2%
122	17.8%	22.2%
123	17.5%	14.3%
124	16.1%	16.7%
125	17.4%	20.0%
126	16.3%	14.3%

VIRGINIA

TERRITORY LOSS COST LEVEL CHANGES

FOR SCHOOL AND CHURCH BUSES POLICY COVERAGES

TERRITORY CODE	PHYSICAL DAMAGE		SPECIFIED CAUSES OF LOSS
	COMPREHENSIVE	COLLISION	
102	2.6%	21.4%	3.7%
103	5.8%	21.7%	5.4%
109	10.4%	12.6%	8.6%
110	5.4%	16.9%	3.7%
111	8.7%	20.0%	9.1%
114	9.6%	12.3%	10.8%
115	9.1%	18.8%	10.3%
116	13.6%	16.5%	12.5%
117	12.2%	19.8%	11.4%
120	10.7%	13.4%	7.3%
121	12.0%	11.4%	13.9%
122	6.3%	15.3%	8.8%
123	8.9%	14.5%	7.3%
124	8.2%	16.4%	8.6%
125	10.4%	18.0%	8.6%
126	6.7%	17.3%	7.0%

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

TERRITORY	LIABILITY		PHYSICAL DAMAGE	SPECIFIED CAUSES	
CODE	\$100,000	\$500	COMPREHENSIVE	COLLISION	OF LOSS
	CSL (a)	MED PAY (b)	(c)	(d)	(e)
102	235	10	39	142	28
103	159	7	55	140	39
109	155	7	53	116	38
110	196	8	39	145	28
111	142	6	50	144	36
114	109	5	57	164	41
115	119	5	60	120	43
116	135	6	50	127	36
117	105	5	55	139	39
120	150	6	62	144	44
121	292	13	56	156	41
122	251	11	51	151	37
123	188	8	61	142	44
124	166	7	53	170	38
125	284	12	53	151	38
126	186	8	64	163	46

- (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.

VIRGINIA

TERRITORY LOSS COST LEVEL CHANGES

FOR ALL OTHER BUSES POLICY COVERAGES

TERRITORY CODE	\$100,000 CSL LIABILITY	\$500 MED PAY
102	16.3%	15.6%
103	13.3%	12.9%
109	18.1%	17.2%
110	18.7%	19.4%
111	13.1%	10.7%
114	13.0%	14.3%
115	15.5%	13.0%
116	18.3%	20.0%
117	15.2%	15.0%
120	16.6%	17.9%
121	18.3%	18.2%
122	18.1%	19.1%
123	17.5%	20.0%
124	15.8%	15.6%
125	17.3%	16.7%
126	16.5%	17.1%

VIRGINIA

TERRITORY LOSS COST LEVEL CHANGES

FOR ALL OTHER BUSES POLICY COVERAGES

TERRITORY CODE	PHYSICAL DAMAGE		SPECIFIED CAUSES OF LOSS
	COMPREHENSIVE	COLLISION	
102	2.6%	21.4%	3.7%
103	5.8%	21.7%	5.4%
109	10.4%	12.6%	8.6%
110	5.4%	16.9%	3.7%
111	8.7%	20.0%	9.1%
114	9.6%	12.3%	10.8%
115	9.1%	18.8%	10.3%
116	13.6%	16.5%	12.5%
117	12.2%	19.8%	11.4%
120	10.7%	13.4%	7.3%
121	12.0%	11.4%	13.9%
122	6.3%	15.3%	8.8%
123	8.9%	14.5%	7.3%
124	8.2%	16.4%	8.6%
125	10.4%	18.0%	8.6%
126	6.7%	17.3%	7.0%

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

TERRITORY	LIABILITY		PHYSICAL DAMAGE		SPECIFIED CAUSES
	\$100,000	\$500	COMPREHENSIVE	COLLISION	OF LOSS
CODE	CSL (a)	MED PAY (b)	(c)	(d)	(e)
102	1626	52	39	142	28
103	1098	35	55	140	39
109	1068	34	53	116	38
110	1353	43	39	145	28
111	984	31	50	144	36
114	756	24	57	164	41
115	825	26	60	120	43
116	931	30	50	127	36
117	722	23	55	139	39
120	1037	33	62	144	44
121	2018	65	56	156	41
122	1737	56	51	151	37
123	1300	42	61	142	44
124	1144	37	53	170	38
125	1961	63	53	151	38
126	1288	41	64	163	46

- (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.

VIRGINIA
COMMERCIAL AUTOMOBILE

SECTION B - CALCULATION OF CHANGES

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OVERVIEW OF ISO ACTUARIAL PROCEDURES – COMMERCIAL AUTOMOBILE

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

OBJECTIVE	<p>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?</p>
DESCRIPTION	<p>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.</p>
EXPERIENCE BASE	<p>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.</p>
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 & 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>

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.

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.

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.

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.

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.

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.

INSURANCE SERVICES OFFICE, INC.

VIRGINIA

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
09/30/14	\$ 43,810,568	\$ 50,867,392	1.161	20%	5,523
09/30/15	\$ 45,137,506	\$ 51,197,369	1.134	30%	5,528
09/30/16	\$ 47,477,750	\$ 56,149,580	1.183	50%	5,969
(6)	AVERAGE EXPERIENCE RATIO (SUM OF (3) * (4)).				1.164
(7)	EXPECTED EXPERIENCE RATIO (D).				1.038
(8)	CREDIBILITY (E).				1.00
(9)	CREDIBILITY WEIGHTED EXPERIENCE RATIO: ((6) * (8)) + ((7) * (1.000 - (8))).				1.164
(10)	INDICATED PERCENTAGE CHANGE IN ADVISORY LOSS COST LEVEL ((9) - 1.000).				16.4%
(11)	FILED CHANGE.				16.4%

- (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 3 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).

INSURANCE SERVICES OFFICE, INC.

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

	ACC. YEAR ENDING	BODILY INJURY	PROPERTY DAMAGE	COMBINED
(1) INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSES.	09/30/14 09/30/15 09/30/16	\$20,534,781 \$19,562,706 \$18,923,631	\$15,694,990 \$16,286,749 \$18,048,294	
(2) DEVELOPED LOSSES AND ALL LOSS ADJUSTMENT EXPENSES (A).	09/30/14 09/30/15 09/30/16	\$23,817,573 \$24,918,778 \$28,354,883	\$17,491,123 \$18,277,153 \$20,854,985	
(3) SELECTED ANNUAL LOSS TREND (SEE TREND EXHIBIT IN SECTION C).		+ 2.9%	+ 5.1%	+ 3.8%
(4) TRENDED LOSSES AND ALL LOSS ADJUSTMENT EXPENSES (B).	09/30/14 09/30/15 09/30/16	\$27,866,563 \$28,332,651 \$31,332,147	\$23,000,829 \$22,864,718 \$24,817,433	\$50,867,392 \$51,197,369 \$56,149,580

- (A) INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSES ARE ADJUSTED BY THE FOLLOWING FACTORS:
 1 - UNALLOCATED LOSS ADJUSTMENT FACTORS: B.I. 1.085 P.D. 1.110
 2 - LOSS DEVELOPMENT FACTORS:

YEAR ENDING	B.I.	P.D.
09/30/14	1.069	1.004
09/30/15	1.174	1.011
09/30/16	1.381	1.041

- (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
09/30/14	04/01/14	5.500
09/30/15	04/01/15	4.500
09/30/16	04/01/16	3.500

INSURANCE SERVICES OFFICE, INC.

VIRGINIA

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

		(1)	(2)	(3)	(4)	(5)
	ACCIDENT	AGGREGATE		EXPERIENCE	ACCIDENT	NUMBER
COV-	YEAR	LOSS COST		RATIO	YEAR	OF
ERAGE	ENDING	AT CURRENT	INCURRED	(2) / (1)	WEIGHTS	PAID
O.T.C.		LEVEL (B)	LOSSES (C)			CLAIMS
	09/30/12	\$ 4,070,171	\$ 5,425,463	1.333	10%	1,234
	09/30/13	\$ 3,792,093	\$ 3,826,506	1.009	15%	943
	09/30/14	\$ 4,290,426	\$ 5,108,832	1.191	20%	1,433
	09/30/15	\$ 4,261,254	\$ 4,267,981	1.002	25%	1,294
	09/30/16	\$ 4,258,842	\$ 4,664,117	1.095	30%	1,095
COLL.	09/30/14	\$ 14,089,021	\$ 15,976,135	1.134	20%	1,676
	09/30/15	\$ 14,370,599	\$ 15,695,304	1.092	30%	1,764
	09/30/16	\$ 15,135,378	\$ 18,481,923	1.221	50%	1,918

O.T.C. COLLISION

(6)	AVERAGE EXPERIENCE RATIO (SUM OF (3) * (4)).	1.102	1.166
(7)	EXPECTED EXPERIENCE RATIO (D).	1.051	1.048
(8)	CREDIBILITY (E).	0.70	1.00
(9)	CREDIBILITY WEIGHTED EXPERIENCE RATIO: ((6) * (8)) + ((7) * (1.000 - (8))).	1.087	1.166
(10)	INDICATED PERCENTAGE CHANGE IN ADVISORY LOSS COST LEVEL ((9) - 1.000).	8.7%	16.6%
(11)	FILED CHANGE.	8.7%	16.6%

(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 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 3 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.

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

	ACC. YEAR ENDING	O.T.C.	COLLISION
(1) PAID LOSSES.	09/30/12	\$3,047,670	----
	09/30/13	\$2,279,040	----
	09/30/14	\$3,220,627	\$10,101,692
	09/30/15	\$2,849,138	\$10,561,902
	09/30/16	\$3,205,541	\$13,431,021
(2) DEVELOPED LOSSES AND	09/30/12	\$3,504,821	----
ALL LOSS ADJUSTMENT	09/30/13	\$2,620,896	----
EXPENSES (A) .	09/30/14	\$3,707,424	\$11,593,711
	09/30/15	\$3,283,061	\$12,073,310
	09/30/16	\$3,804,337	\$15,074,978
(3) SELECTED ANNUAL LOSS TREND (SEE TREND EXHIBIT IN SECTION C)		+ 6.0%	+ 6.0%
(4) TRENDED LOSSES & ALL LOSS	09/30/12	\$5,425,463	----
ADJUSTMENT EXPENSES (B) .	09/30/13	\$3,826,506	----
	09/30/14	\$5,108,832	\$15,976,135
	09/30/15	\$4,267,981	\$15,695,304
	09/30/16	\$4,664,117	\$18,481,923

(A) PAID LOSSES ARE ADJUSTED BY THE FOLLOWING:

1-LOSS ADJUSTMENT EXPENSE FACTORS:

O.T.C.	COLL.
1.150	1.150

2-LOSS DEVELOPMENT FACTORS:

YEAR ENDING	O.T.C.	COLL.
09/30/12	1.000	-----
09/30/13	1.000	-----
09/30/14	1.001	0.998
09/30/15	1.002	0.994
09/30/16	1.032	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
09/30/12	04/01/12	7.500	-----
09/30/13	04/01/13	6.500	-----
09/30/14	04/01/14	5.500	5.500
09/30/15	04/01/15	4.500	4.500
09/30/16	04/01/16	3.500	3.500

INSURANCE SERVICES OFFICE, INC.

VIRGINIA
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	09/30/12	\$3,803,897	----
AT CURRENT LEVEL.	09/30/13	\$3,577,448	----
	09/30/14	\$4,082,233	\$13,266,498
	09/30/15	\$4,093,425	\$13,686,285
	09/30/16	\$4,126,784	\$14,567,254
(2) SELECTED ANNUAL OCN TREND		0.9%	1.1%
(SEE OCN EXHIBIT IN SECTION C).			

(3) TRENDED AGGREGATE	09/30/12	\$4,070,171	----
LOSS COSTS AT	09/30/13	\$3,792,093	----
CURRENT LEVEL (A).	09/30/14	\$4,290,426	\$14,089,021
	09/30/15	\$4,261,254	\$14,370,599
	09/30/16	\$4,258,842	\$15,135,378

(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
09/30/12	10/01/11	7.500	-----
09/30/13	10/01/12	6.500	-----
09/30/14	10/01/13	5.500	5.500
09/30/15	10/01/14	4.500	4.500
09/30/16	10/01/15	3.500	3.500

INSURANCE SERVICES OFFICE, INC.

VIRGINIA

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
09/30/12	\$ 7,567,578	\$ 9,317,679	1.231	10%	1,300
09/30/13	\$ 7,762,995	\$ 7,437,744	0.958	15%	1,151
09/30/14	\$ 7,696,538	\$ 7,322,385	0.951	20%	1,117
09/30/15	\$ 7,696,429	\$ 8,809,989	1.145	25%	1,137
09/30/16	\$ 7,929,306	\$ 7,720,118	0.974	30%	1,125
(6)	AVERAGE EXPERIENCE RATIO (SUM OF (3)*(4)).				1.035
(7)	EXPECTED EXPERIENCE RATIO (D).				1.040
(8)	CREDIBILITY (E).				0.70
(9)	CREDIBILITY WEIGHTED EXPERIENCE RATIO: ((6) * (8)) + ((7) * (1.000 - (8))).				1.037
(10)	INDICATED PERCENTAGE CHANGE IN ADVISORY LOSS COST LEVEL ((9) - 1.000).				3.7%
(11)	FILED CHANGE.				3.7%

(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).

INSURANCE SERVICES OFFICE, INC.

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

	ACC. YEAR ENDING	BODILY INJURY	PROPERTY DAMAGE	COMBINED
(1) INCURRED LOSSES AND	09/30/12	\$3,646,434	\$2,724,868	
ALLOCATED LOSS	09/30/13	\$2,775,734	\$2,453,955	
ADJUSTMENT EXPENSES.	09/30/14	\$2,737,390	\$2,506,777	
	09/30/15	\$3,523,883	\$2,773,221	
	09/30/16	\$2,425,080	\$2,815,953	
(2) DEVELOPED LOSSES AND	09/30/12	\$3,972,206	\$3,027,627	
ALL LOSS ADJUSTMENT	09/30/13	\$3,047,811	\$2,726,615	
EXPENSES (A) .	09/30/14	\$3,118,572	\$2,793,651	
	09/30/15	\$4,324,278	\$3,112,136	
	09/30/16	\$3,512,667	\$3,225,730	
(3) SELECTED ANNUAL LOSS TREND (SEE TREND EXHIBIT IN SECTION C) .		+ 2.9%	+ 5.1%	+ 4.0%
(4) TRENDED LOSSES AND	09/30/12	\$4,921,564	\$4,396,115	\$9,317,679
ALL LOSS ADJUSTMENT	09/30/13	\$3,669,564	\$3,768,180	\$7,437,744
EXPENSES (B) .	09/30/14	\$3,648,730	\$3,673,655	\$7,322,385
	09/30/15	\$4,916,707	\$3,893,282	\$8,809,989
	09/30/16	\$3,881,499	\$3,838,619	\$7,720,118

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

1 - UNALLOCATED LOSS ADJUSTMENT FACTORS: B.I. 1.085 P.D. 1.110

2 - LOSS DEVELOPMENT FACTORS:

YEAR ENDING	B.I.	P.D.
09/30/12	1.004	1.001
09/30/13	1.012	1.001
09/30/14	1.050	1.004
09/30/15	1.131	1.011
09/30/16	1.335	1.032

(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
09/30/12	04/01/12	7.500
09/30/13	04/01/13	6.500
09/30/14	04/01/14	5.500
09/30/15	04/01/15	4.500
09/30/16	04/01/16	3.500

INSURANCE SERVICES OFFICE, INC.

VIRGINIA

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

		(1)	(2)	(3)	(4)	(5)
	ACCIDENT	AGGREGATE		EXPERIENCE	ACCIDENT	NUMBER
COV-	YEAR	LOSS COST		RATIO	YEAR	OF
ERAGE	ENDING	AT CURRENT	INCURRED	(2) / (1)	WEIGHTS	PAID
O.T.C.		LEVEL (B)	LOSSES (C)			CLAIMS
	09/30/12	\$ 1,733,936	\$ 1,719,163	0.991	10%	757
	09/30/13	\$ 1,633,645	\$ 1,589,779	0.973	15%	670
	09/30/14	\$ 1,751,576	\$ 2,072,506	1.183	20%	881
	09/30/15	\$ 1,687,297	\$ 1,801,668	1.068	25%	775
	09/30/16	\$ 1,659,815	\$ 1,724,559	1.039	30%	691
COLL.	09/30/14	\$ 4,654,982	\$ 4,939,514	1.061	20%	919
	09/30/15	\$ 4,561,225	\$ 5,519,488	1.210	30%	941
	09/30/16	\$ 4,561,820	\$ 5,896,156	1.293	50%	961

		O.T.C.	COLLISION
(6)	AVERAGE EXPERIENCE RATIO (SUM OF (3) * (4)).	1.061	1.222
(7)	EXPECTED EXPERIENCE RATIO (D).	1.041	1.050
(8)	CREDIBILITY (E).	0.65	0.85
(9)	CREDIBILITY WEIGHTED EXPERIENCE RATIO: ((6) * (8)) + ((7) * (1.000 - (8))).	1.054	1.196
(10)	INDICATED PERCENTAGE CHANGE IN ADVISORY LOSS COST LEVEL ((9) - 1.000).	5.4%	19.6%
(11)	FILED CHANGE.	5.4%	19.6%
(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 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 MAXI- MUM 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 3 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.

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

	ACC. YEAR ENDING	O.T.C.	COLLISION
(1) PAID LOSSES.	09/30/12	\$1,036,702	----
	09/30/13	\$1,006,859	----
	09/30/14	\$1,377,813	\$3,203,822
	09/30/15	\$1,256,102	\$3,792,195
	09/30/16	\$1,239,638	\$4,446,988
(2) DEVELOPED LOSSES AND	09/30/12	\$1,192,210	----
ALL LOSS ADJUSTMENT	09/30/13	\$1,157,890	----
EXPENSES (A) .	09/30/14	\$1,584,482	\$3,680,712
	09/30/15	\$1,445,961	\$4,339,219
	09/30/16	\$1,454,096	\$4,889,018
(3) SELECTED ANNUAL LOSS TREND (SEE TREND EXHIBIT IN SECTION C)		+ 5.0%	+ 5.5%
(4) TRENDED LOSSES & ALL LOSS	09/30/12	\$1,719,163	----
ADJUSTMENT EXPENSES (B) .	09/30/13	\$1,589,779	----
	09/30/14	\$2,072,506	\$4,939,514
	09/30/15	\$1,801,668	\$5,519,488
	09/30/16	\$1,724,559	\$5,896,156

(A) PAID LOSSES ARE ADJUSTED BY THE FOLLOWING:

1-LOSS ADJUSTMENT EXPENSE FACTORS:

O.T.C.	COLL.
1.150	1.150

2-LOSS DEVELOPMENT FACTORS:

YEAR ENDING	O.T.C.	COLL.
09/30/12	1.000	-----
09/30/13	1.000	-----
09/30/14	1.000	0.999
09/30/15	1.001	0.995
09/30/16	1.020	0.956

(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
09/30/12	04/01/12	7.500	-----
09/30/13	04/01/13	6.500	-----
09/30/14	04/01/14	5.500	5.500
09/30/15	04/01/15	4.500	4.500
09/30/16	04/01/16	3.500	3.500

INSURANCE SERVICES OFFICE, INC.

VIRGINIA

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	09/30/12	\$1,620,500	----
AT CURRENT LEVEL.	09/30/13	\$1,541,172	----
	09/30/14	\$1,666,581	\$4,528,194
	09/30/15	\$1,620,843	\$4,458,676
	09/30/16	\$1,608,346	\$4,481,159
(2) SELECTED ANNUAL OCN TREND		0.9%	0.5%
(SEE OCN EXHIBIT IN SECTION C).			

(3) TRENDED AGGREGATE	09/30/12	\$1,733,936	----
LOSS COSTS AT	09/30/13	\$1,633,645	----
CURRENT LEVEL (A).	09/30/14	\$1,751,576	\$4,654,982
	09/30/15	\$1,687,297	\$4,561,225
	09/30/16	\$1,659,815	\$4,561,820

(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
09/30/12	10/01/11	7.500	-----
09/30/13	10/01/12	6.500	-----
09/30/14	10/01/13	5.500	5.500
09/30/15	10/01/14	4.500	4.500
09/30/16	10/01/15	3.500	3.500

OVERVIEW OF ISO ACTUARIAL PROCEDURES – COMMERCIAL AUTOMOBILE

STEP 2 – DETERMINATION OF TERRITORY RELATIVITIES

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

VIRGINIA
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	09/30/2016	COST	09/30/2016	RATIO	CRED	RATIO	STATE	PRES	IND*	REV	CHG**
102	18972	404.47	468.66	1.159	0.60	1.159	.999	368	428	428	16.3%
103	16877	301.93	329.89	1.093	0.45	1.129	.973	255	289	289	13.3%
109	2040	253.42	320.30	1.264	0.15	1.175	1.013	238	281	281	18.1%
110	3754	335.63	422.05	1.257	0.25	1.184	1.021	300	356	356	18.7%
111	5164	263.55	272.25	1.033	0.25	1.128	.972	229	259	259	13.1%
114	10533	196.25	202.82	1.033	0.25	1.128	.972	176	199	199	13.1%
115	4528	195.22	217.15	1.112	0.15	1.152	.993	188	217	217	15.4%
116	17106	206.60	249.25	1.206	0.40	1.178	1.016	207	245	245	18.4%
117	6120	175.84	195.78	1.113	0.20	1.150	.991	165	190	190	15.2%
120	30345	250.66	291.30	1.162	0.60	1.161	1.001	234	273	273	16.7%
121	7852	493.57	597.04	1.210	0.40	1.179	1.016	449	531	531	18.3%
122	6509	412.74	499.74	1.211	0.35	1.177	1.015	387	457	457	18.1%
123	7154	307.36	367.81	1.197	0.30	1.170	1.009	291	342	342	17.5%
124	990	272.79	300.23	1.101	0.10	1.153	.994	260	301	301	15.8%
125	13381	504.35	591.91	1.174	0.60	1.168	1.007	440	516	516	17.3%
126	1972	316.18	373.24	1.180	0.15	1.162	1.002	291	339	339	16.5%
SW	153297	309.71	359.10	1.159		1.160					

+ REFER TO EXPLANATORY NOTE ON PAGE B-19

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 16.4 PERCENT

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

INSURANCE SERVICES OFFICE

VIRGINIA
COMMERCIAL AUTOMOBILE INSURANCE
SINGLE LIMIT LIABILITY

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

	(1) T EARNED E CAR YRS R YR ENDED R 09/30/2016	(2) \$25000 UND LOSS COST	(3) EXPER LOSS COST 5YRS END 09/30/2016	(4) EXPER RATIO	(5) CRED	(6) FORM RATIO	(7) INDEX (6) TO STATE	(8) BASE CLASS PRES	(9) LOSS COST IND*	(10) CLASS REV	(11) ADV LOSS COST CHG**
102	3978	278.39	292.48	1.051	0.25	1.052	.997	272	281	281	3.3%
103	4664	296.46	233.37	0.787	0.20	.999	.947	294	289	289	-1.7%
109	502	242.81	124.06	0.511	0.05	1.025	.972	241	243	243	0.8%
110	855	328.31	337.58	1.028	0.10	1.050	.995	322	332	332	3.1%
111	1243	203.58	166.41	0.817	0.10	1.029	.975	200	202	202	1.0%
114	1367	195.79	146.83	0.750	0.10	1.022	.969	190	191	191	0.5%
115	874	163.91	126.90	0.774	0.05	1.038	.984	163	166	166	1.8%
116	2209	146.79	263.15	1.793	0.15	1.163	1.102	144	165	165	14.6%
117	892	205.76	172.30	0.837	0.05	1.041	.987	203	208	208	2.5%
120	4819	203.42	225.22	1.107	0.25	1.066	1.010	201	210	210	4.5%
121	1378	303.19	392.42	1.294	0.15	1.088	1.031	297	317	317	6.7%
122	1413	265.68	405.77	1.527	0.15	1.123	1.064	263	290	290	10.3%
123	1110	217.12	283.36	1.305	0.10	1.077	1.021	214	227	227	6.1%
124	91	200.74	132.96	0.662	0.00	1.052	.997	200	207	207	3.5%
125	5126	340.26	370.42	1.089	0.35	1.065	1.009	338	354	354	4.7%
126	377	233.24	156.19	0.670	0.05	1.033	.979	227	230	230	1.3%
SW	30898	256.62	269.92	1.052		1.055					

+ REFER TO EXPLANATORY NOTE ON PAGE B-19

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 3.7 PERCENT

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

EXPLANATORY MEMORANDUM FOR TRUCKS, TRACTORS & TRAILERS AND PRIVATE
PASSENGER TYPES LIABILITY 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).
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> $\frac{[\text{Terr. Group Col. (4)} \times \text{Terr. Group Col. (5)}] + [\text{SW Total Col. (4)} \times (1.0 - \text{Terr. Group Col. (5)})]}{\text{Terr. Group Col. (5)} + (1.0 - \text{Terr. Group Col. (5)})}$

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

[Terr. Col (6) / 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 \$100,000 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 \$100,000 base loss cost.

COLUMN (11)
ADVISORY
LOSS COST
CHANGE

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

INSURANCE SERVICES OFFICE

VIRGINIA
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	09/30/2016	COST	09/30/2016	RATIO	CRED	RATIO	STATE	PRES	IND*	REV	CHG**
102	12028	35.95	33.34	0.927	0.25	1.086	.955	54	56	56	3.7%
103	8566	49.53	47.35	0.956	0.20	1.102	.969	74	78	78	5.4%
109	1340	43.87	44.60	1.017	0.05	1.133	.996	69	75	75	8.7%
110	2240	33.99	28.59	0.841	0.10	1.109	.975	53	56	56	5.7%
111	3789	41.56	56.77	1.366	0.10	1.162	1.022	65	72	72	10.8%
114	6147	50.97	62.87	1.233	0.15	1.153	1.014	74	82	82	10.8%
115	2882	49.00	53.84	1.099	0.10	1.135	.998	78	85	85	9.0%
116	9451	39.36	51.12	1.299	0.20	1.171	1.030	63	71	71	12.7%
117	3432	43.81	61.73	1.409	0.10	1.166	1.026	70	78	78	11.4%
120	17832	51.91	60.46	1.165	0.30	1.147	1.009	80	88	88	10.0%
121	5226	47.56	72.59	1.526	0.10	1.178	1.036	71	80	80	12.7%
122	4479	44.61	42.10	0.944	0.10	1.120	.985	68	73	73	7.4%
123	4488	53.15	60.86	1.145	0.20	1.140	1.003	80	87	87	8.8%
124	596	44.37	30.19	0.680	0.05	1.116	.982	70	75	75	7.1%
125	8494	50.57	56.10	1.109	0.20	1.133	.996	69	75	75	8.7%
126	1176	54.78	45.78	0.836	0.10	1.109	.975	86	91	91	5.8%
SW	92166	46.20	52.61	1.139		1.137					

+ REFER TO EXPLANATORY NOTE ON PAGE B-25

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 8.7 PERCENT

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

INSURANCE SERVICES OFFICE

VIRGINIA
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	09/30/2016	COST	09/30/2016	RATIO	CRED	RATIO	STATE	PRES	IND*	REV	CHG**
102	12901	148.70	177.15	1.191	0.50	1.141	1.045	180	219	219	21.7%
103	8501	147.33	179.09	1.216	0.40	1.140	1.044	177	215	215	21.5%
109	1358	125.55	104.83	0.835	0.15	1.052	.963	159	179	179	12.6%
110	2393	145.70	166.58	1.143	0.20	1.101	1.008	190	223	223	17.4%
111	3755	138.81	169.43	1.221	0.25	1.123	1.028	184	221	221	20.1%
114	6099	204.35	190.45	0.932	0.25	1.051	.962	225	252	252	12.0%
115	2926	122.65	143.09	1.167	0.20	1.105	1.012	156	184	184	17.9%
116	9748	130.21	143.53	1.102	0.35	1.094	1.002	168	196	196	16.7%
117	3565	131.46	162.70	1.238	0.20	1.120	1.026	179	214	214	19.6%
120	18818	160.48	167.55	1.044	0.55	1.065	.975	195	222	222	13.8%
121	5625	190.40	178.62	0.938	0.30	1.044	.956	215	240	240	11.6%
122	4685	170.99	180.74	1.057	0.30	1.080	.989	202	233	233	15.3%
123	4624	167.81	175.00	1.043	0.25	1.078	.987	190	219	219	15.3%
124	606	192.79	205.95	1.068	0.05	1.089	.997	224	261	261	16.5%
125	9209	174.21	195.79	1.124	0.50	1.107	1.014	197	233	233	18.3%
126	1220	157.41	175.19	1.113	0.10	1.092	1.000	214	250	250	16.8%
SW	96033	157.60	171.81	1.090		1.092					

+ REFER TO EXPLANATORY NOTE ON PAGE B-25

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 16.6 PERCENT

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

INSURANCE SERVICES OFFICE

VIRGINIA
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	09/30/2016	COST	09/30/2016	RATIO	CRED	RATIO	STATE	PRES	IND*	REV	CHG**
102	2846	65.66	60.36	0.919	0.20	1.045	.973	54	55	55	1.9%
103	2766	68.88	72.04	1.046	0.20	1.070	.996	64	67	67	4.7%
109	376	68.79	82.36	1.197	0.05	1.082	1.007	65	69	69	6.2%
110	595	63.08	59.30	0.940	0.10	1.062	.989	62	65	65	4.8%
111	1009	62.18	67.57	1.087	0.10	1.077	1.003	59	62	62	5.1%
114	1029	60.82	66.28	1.090	0.10	1.077	1.003	56	59	59	5.4%
115	683	70.34	99.24	1.411	0.10	1.110	1.034	71	77	77	8.5%
116	1693	61.46	86.35	1.405	0.15	1.125	1.047	58	64	64	10.3%
117	660	79.95	110.24	1.379	0.10	1.106	1.030	74	80	80	8.1%
120	3309	94.31	101.46	1.076	0.25	1.076	1.002	88	93	93	5.7%
121	1009	69.32	56.87	0.820	0.10	1.050	.978	61	63	63	3.3%
122	1144	87.79	116.31	1.325	0.15	1.113	1.036	71	78	78	9.9%
123	841	79.30	68.50	0.864	0.15	1.044	.972	71	73	73	2.8%
124	71	84.90	137.40	1.618	0.05	1.103	1.027	80	87	87	8.8%
125	4172	73.47	75.51	1.028	0.25	1.064	.991	59	62	62	5.1%
126	287	94.52	56.71	0.600	0.05	1.052	.980	79	82	82	3.8%
SW	22490	73.80	79.38	1.076		1.074					

+ REFER TO EXPLANATORY NOTE ON PAGE B-25

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 5.4 PERCENT

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

INSURANCE SERVICES OFFICE

VIRGINIA
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	09/30/2016	COST	09/30/2016	RATIO	CRED	RATIO	STATE	PRES	IND*	REV	CHG**
102	2764	207.14	252.14	1.217	0.40	1.219	.993	237	282	282	19.0%
103	4073	159.87	219.19	1.371	0.35	1.274	1.038	280	347	347	23.9%
109	368	171.07	136.58	0.798	0.10	1.179	.961	229	263	263	14.8%
110	586	189.61	282.44	1.490	0.15	1.261	1.028	250	307	307	22.8%
111	981	138.25	168.83	1.221	0.15	1.221	.995	184	219	219	19.0%
114	1012	150.21	143.03	0.952	0.15	1.181	.963	190	219	219	15.3%
115	628	135.90	154.47	1.137	0.15	1.208	.985	186	219	219	17.7%
116	1657	161.55	203.89	1.262	0.25	1.231	1.003	212	254	254	19.8%
117	634	142.74	149.24	1.046	0.15	1.195	.974	185	216	216	16.8%
120	3230	159.75	209.98	1.314	0.40	1.258	1.025	207	254	254	22.7%
121	1001	220.74	234.71	1.063	0.25	1.182	.963	268	309	309	15.3%
122	1115	245.88	304.59	1.239	0.25	1.226	.999	275	329	329	19.6%
123	827	153.98	162.53	1.056	0.15	1.196	.975	192	224	224	16.7%
124	69	174.15	10.31	0.059	0.05	1.163	.948	223	253	253	13.5%
125	4107	298.37	360.06	1.207	0.60	1.213	.989	327	387	387	18.3%
126	287	198.72	195.89	0.986	0.10	1.198	.976	233	272	272	16.7%
SW	23339	195.45	238.57	1.221		1.227					

+ REFER TO EXPLANATORY NOTE ON PAGE B-25

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 19.6 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).
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.
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.
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	<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> $\begin{aligned} &[\text{Terr. Group Col. (4)} \times \text{Terr. Group Col. (5)}] \\ &+ [\text{SW Total Col. (4)} \times (1.0 - \text{Terr. Group Col. (5)})] \end{aligned}$

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

VIRGINIA
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-C47
Loss Development for Physical Damage.....	C48-C56
Credibility Procedures and Tables.....	C57-C62
Claims for Credibility.....	C63-C64
Relativities for Developing Minor Class & Coverage Loss Costs	C65
Excess Wind and Water Procedure	C66-C71

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>3 YR AVG</u>	<u>5 YR AVG</u>
(1) Direct Losses Incurred	3,382,082	4,091,432	4,241,671	4,816,654	5,408,567		
(2) Allocated Loss Adjustment Expenses Incurred	290,174	463,736	481,558	518,587	611,974		
(3) Unallocated Loss Adjustment Expenses Incurred	368,213	392,749	440,405	473,498	481,607		
(4) Unallocated LAE as a Ratio to Losses + Allocated LAE (3) / [(1) + (2)]	10.0%	8.6%	9.3%	8.9%	8.0%	8.7%	9.0%
(5) Selected Factor							8.5%

Property Damage
(000's)

<u>ITEM</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>3 YR AVG</u>	<u>5 YR AVG</u>
(1) Direct Losses Incurred	834,325	892,691	1,005,713	1,066,493	1,164,414		
(2) Allocated Loss Adjustment Expenses Incurred	50,208	64,825	79,678	75,866	93,908		
(3) Unallocated Loss Adjustment Expenses Incurred	108,058	110,707	115,006	129,452	129,263		
(4) Unallocated LAE as a Ratio to Losses + Allocated LAE (3) / [(1) + (2)]	12.2%	11.6%	10.6%	11.3%	10.3%	10.7%	11.2%
(5) Selected Factor							11.0%

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>3 YR AVG</u>	<u>5 YR AVG</u>
(1) Direct Losses Incurred	3,672,754	3,776,681	3,729,471	4,160,445	4,385,421		
(2) Loss Adjustment Expenses Incurred	487,270	551,511	589,857	664,010	585,473		
(3) Losses + LAE Incurred as Ratio to Losses Incurred [(1)+(2)]/(1)	1.133	1.146	1.158	1.160	1.134	1.150	1.146
(4) Selected							1.150

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. Due to the limited volume of data for the Auto Dealers coverage, the PPT frequency trend will be used for the Auto Dealers coverage.

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:	+6.0%	+5.0%
COLL:	+6.0%	+5.5%

INSURANCE SERVICES OFFICE

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

AVERAGE PAID CLAIM COST DATA

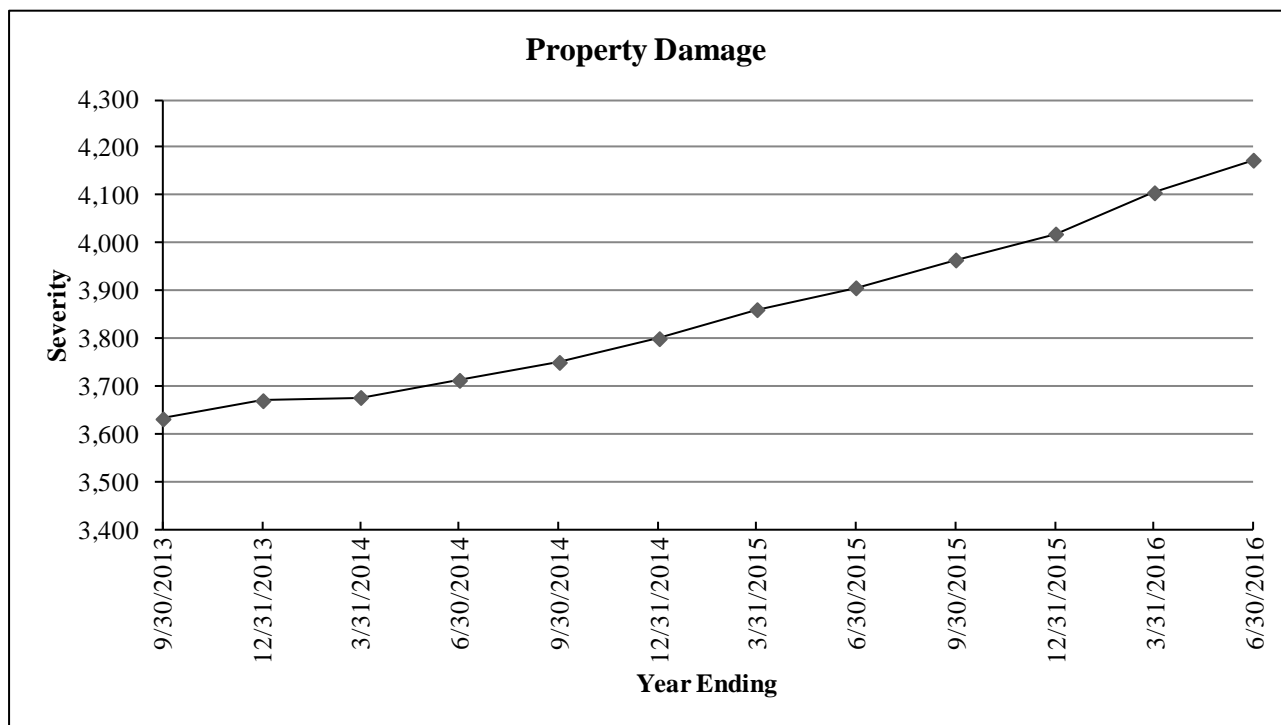
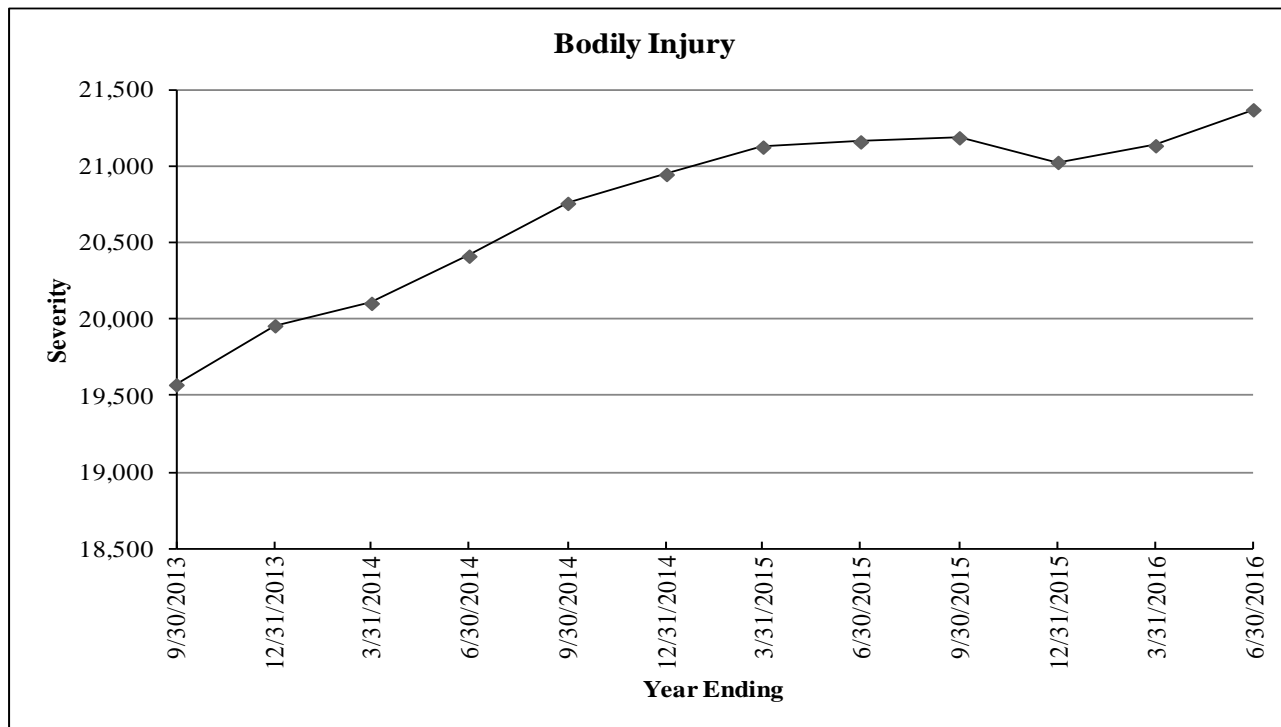
YEAR ENDED	VIRGINIA				MULTISTATE*			
	BODILY INJURY (\$100000 LIMITS)		PROPERTY DAMAGE (\$100000 LIMITS)		BODILY INJURY (\$100000 LIMITS)		PROPERTY DAMAGE (\$100000 LIMITS)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	EXPONEN- ACTUAL	TIAL FIT	EXPONEN- ACTUAL	TIAL FIT	EXPONEN- ACTUAL	TIAL FIT	EXPONEN- ACTUAL	TIAL FIT
9/30/2013	14488.15	14671.86	3288.42	3252.74	19572.27	19921.89	3632.38	3593.02
12/31/2013	14793.32	14796.93	3291.78	3292.16	19958.04	20064.93	3670.53	3638.89
3/31/2014	15009.95	14923.06	3355.44	3332.06	20104.44	20209.00	3677.28	3685.34
6/30/2014	15101.83	15050.27	3414.64	3372.44	20412.64	20354.11	3713.13	3732.39
9/30/2014	15291.27	15178.56	3427.81	3413.31	20757.40	20500.26	3750.72	3780.04
12/31/2014	15119.19	15307.95	3444.09	3454.68	20946.18	20647.46	3800.41	3828.29
3/31/2015	15455.27	15438.44	3409.91	3496.54	21124.83	20795.71	3861.15	3877.17
6/30/2015	15615.52	15570.04	3455.30	3538.92	21158.94	20945.03	3906.90	3926.66
9/30/2015	15971.03	15702.76	3503.44	3581.81	21185.51	21095.42	3965.24	3976.79
12/31/2015	15913.47	15836.62	3574.63	3625.21	21024.91	21246.89	4019.59	4027.56
3/31/2016	16075.51	15971.61	3754.78	3669.15	21133.85	21399.45	4105.94	4078.98
6/30/2016	15731.41	16107.76	3829.46	3713.62	21368.56	21553.11	4174.20	4131.05

	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>
(9) AVERAGE ANNUAL PERCENT CHANGE IN PAID CLAIM COST (12TH POINT / 8TH POINT)		
(A) VIRGINIA	3.5%	4.9%
(B) MULTISTATE	2.9%	5.2%
(10) CREDIBILITY	0.05	0.40
(11) WEIGHTED AVERAGE ANNUAL PERCENT CHANGE IN PAID CLAIM COSTS { (10) * (9A) } + { (1.0 - (10)) * (9B) }	2.9%	5.1%
(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) }	2.9%	5.1%
(B) PRIVATE PASSENGER TYPES AND AUTO DEALERS# { 1.0 + (11) } * { 1.0 + (12B) }	2.9%	5.1%

* 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>
6/30/2010	0.7010		2.7183	
9/30/2010	0.7189		2.7624	
12/31/2010	0.7334		2.7674	
3/31/2011	0.7410		2.8119	
6/30/2011	0.7392	5.4% &	2.8130	3.5% &
9/30/2011	0.7463		2.8248	
12/31/2011	0.7503		2.8240	
3/31/2012	0.7497	1.2%	2.7241	-3.1%
6/30/2012	0.7513		2.7137	
9/30/2012	0.7404		2.6750	
12/31/2012	0.7436		2.6601	
3/31/2013	0.7404	-1.2%	2.6920	-1.2%
6/30/2013	0.7511		2.7261	
9/30/2013	0.7632		2.7658	
12/31/2013	0.7630		2.7811	
3/31/2014	0.7761	4.8%	2.8674	6.5%
6/30/2014	0.7645		2.8650	
9/30/2014	0.7583		2.8631	
12/31/2014	0.7609		2.8623	
3/31/2015	0.7503	-3.3%	2.8295	-1.3%
6/30/2015	0.7566		2.8315	
9/30/2015	0.7629		2.8508	
12/31/2015	0.7729		2.8585	
3/31/2016	0.7874	4.9%	2.8191	-0.4%

* EXCLUDES MASSACHUSETTS

@ CHANGE BASED ON YEARS ENDING 3/31/XXXX

& CHANGE BASED ON YEAR ENDING 6/30/2011 DIVIDED BY 6/30/2010

INSURANCE SERVICES OFFICE, INC.

COMMERCIAL AUTO LIABILITY
INCURRED CLAIM FREQUENCY

MULTISTATE*

PRIVATE PASSENGER TYPES

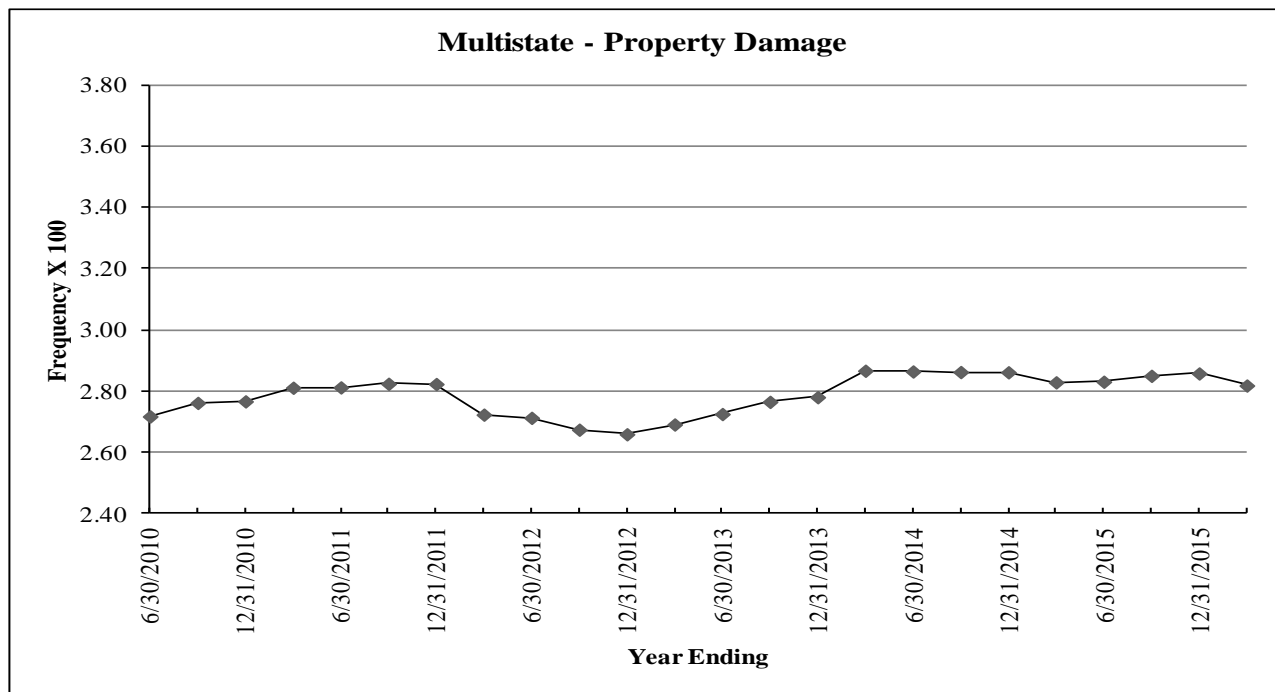
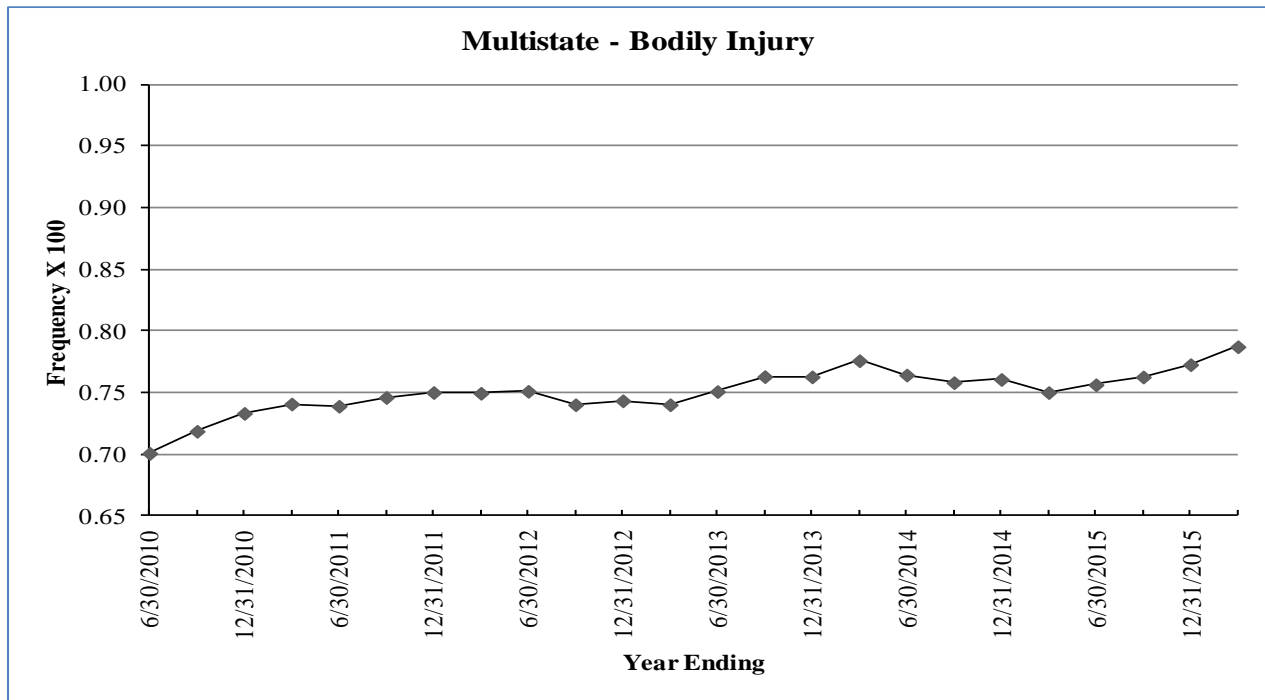
<u>YEAR ENDING</u>	<u>BODILY INJURY ACTUAL</u>	<u>BODILY INJURY ACTUAL CHANGE@</u>	<u>PROPERTY DAMAGE ACTUAL</u>	<u>PROPERTY DAMAGE ACTUAL CHANGE@</u>
6/30/2010	0.7909		3.1443	
9/30/2010	0.7917		3.1928	
12/31/2010	0.8199		3.2440	
3/31/2011	0.8362		3.2783	
6/30/2011	0.8690	9.9% &	3.2956	4.8% &
9/30/2011	0.8894		3.3004	
12/31/2011	0.8947		3.2676	
3/31/2012	0.9196	10.0%	3.2596	-0.6%
6/30/2012	0.9128		3.2706	
9/30/2012	0.8998		3.2520	
12/31/2012	0.8785		3.2060	
3/31/2013	0.8624	-6.2%	3.1712	-2.7%
6/30/2013	0.8565		3.1248	
9/30/2013	0.8638		3.1376	
12/31/2013	0.8663		3.1614	
3/31/2014	0.8641	0.2%	3.1972	0.8%
6/30/2014	0.8645		3.1943	
9/30/2014	0.8521		3.1553	
12/31/2014	0.8457		3.1243	
3/31/2015	0.8214	-4.9%	3.0862	-3.5%
6/30/2015	0.7967		3.0545	
9/30/2015	0.7825		3.0746	
12/31/2015	0.7751		3.0813	
3/31/2016	0.7932	-3.4%	3.0690	-0.6%

* EXCLUDES MASSACHUSETTS

@ CHANGE BASED ON YEARS ENDING 3/31/XXXX

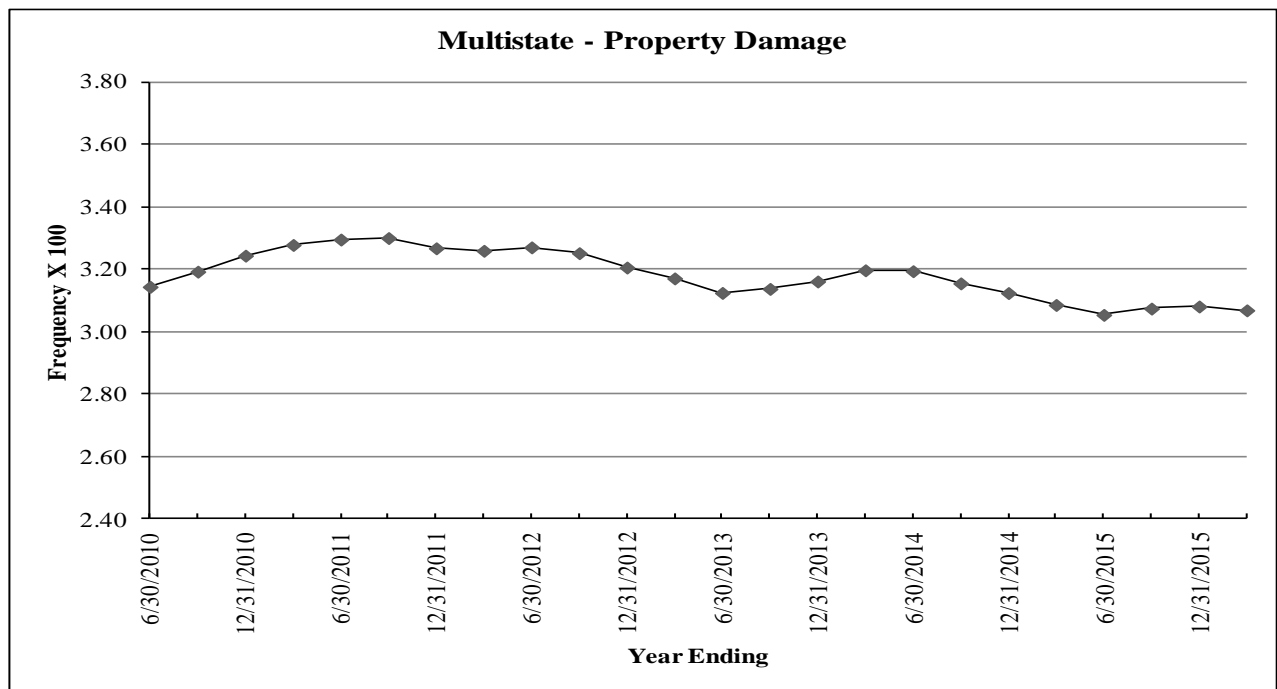
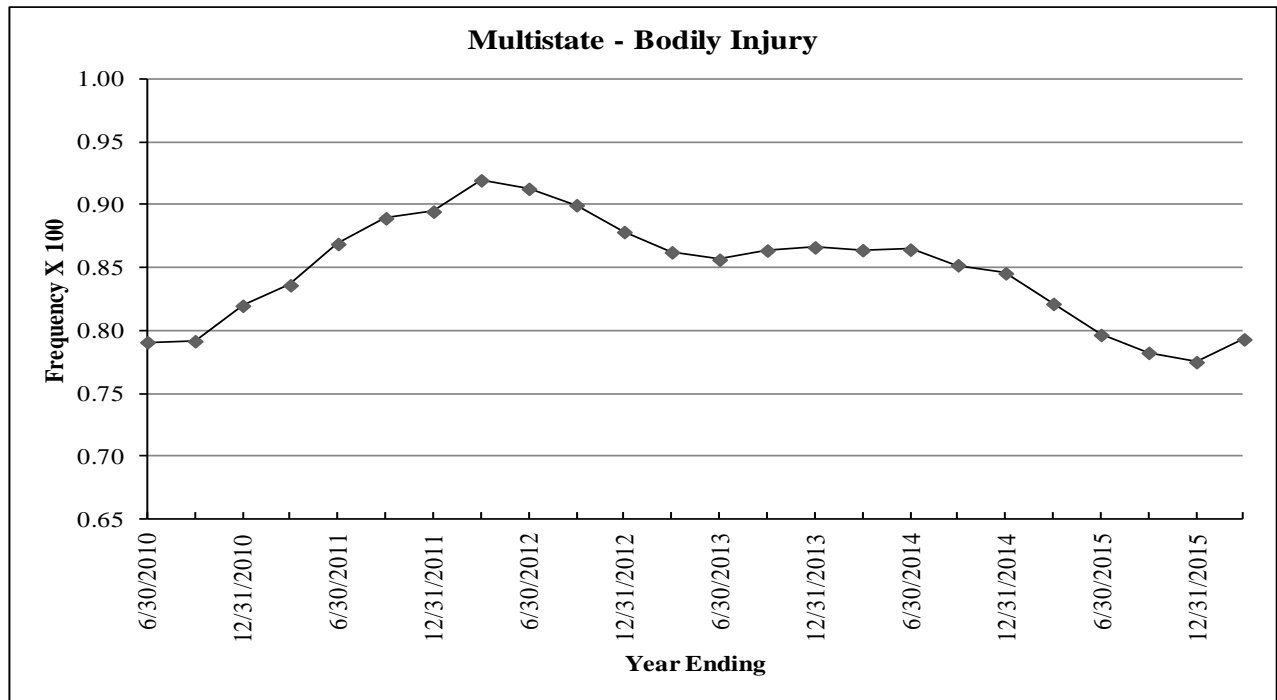
& CHANGE BASED ON YEAR ENDING 6/30/2011 DIVIDED BY 6/30/2010

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 **
12/31/2011	2.67		1.43		0.85	
06/30/2012	2.57		1.41		0.84	
12/31/2012	2.41		1.35		0.82	
06/30/2013	2.34	-8.9%	1.32	-6.4%	0.79	-6.0%
12/31/2013	2.28		1.31		0.78	
06/30/2014	2.35	0.4%	1.31	-0.8%	0.78	-1.3%
12/31/2014	2.31		1.28		0.77	
06/30/2015	2.21	-6.0%	1.27	-3.1%	0.76	-2.6%
12/31/2015	2.13		1.27		0.78	
06/30/2016	2.02	-8.6%	1.25	-1.6%	0.79	3.9%

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

Deductible	Percent of Losses
Full	0.3%
\$50	0.6%
\$100	2.3%
\$200	0.2%
\$250	10.6%
\$500	33.4%
\$1,000	43.3%
\$2,000	3.9%
\$3,000	2.3%
\$5,000	1.6%

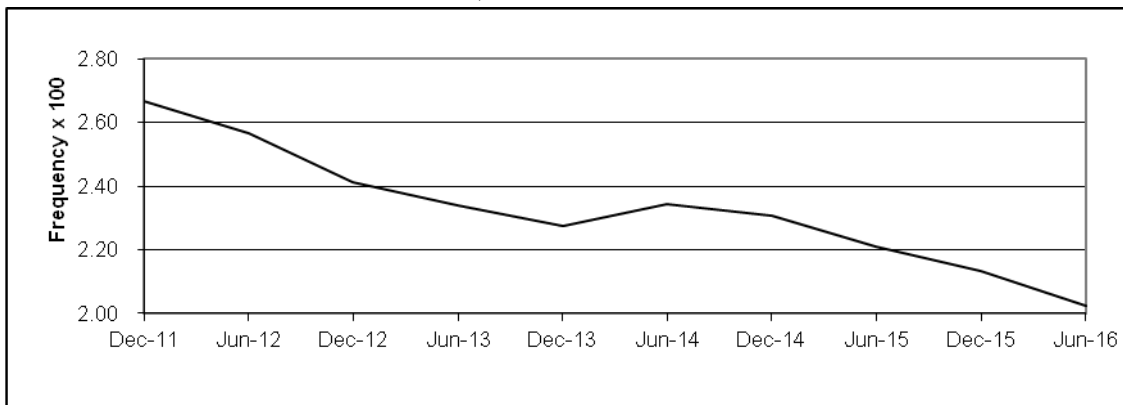
* Multistate data excludes Massachusetts

** Change based on years ending 06/30/xxxx

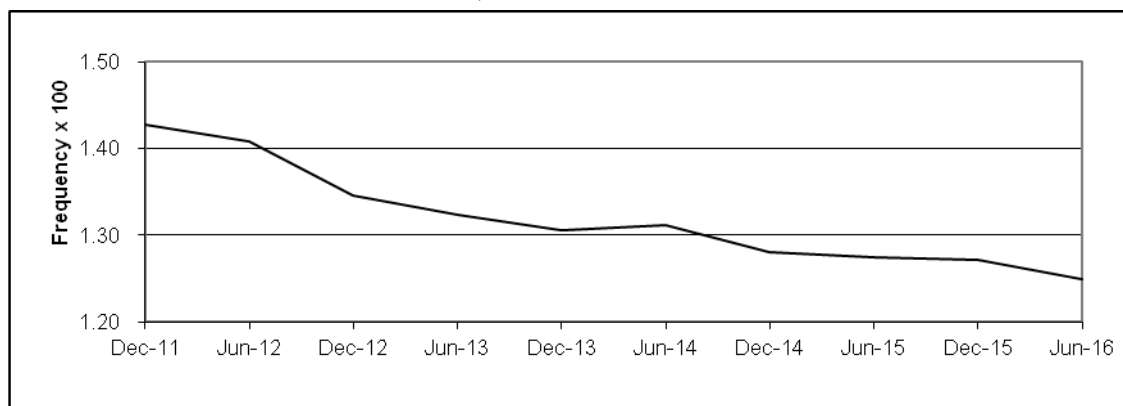
***Deductibles above \$1,000, totaling 7.8% of losses, are excluded from the trend calculations.

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

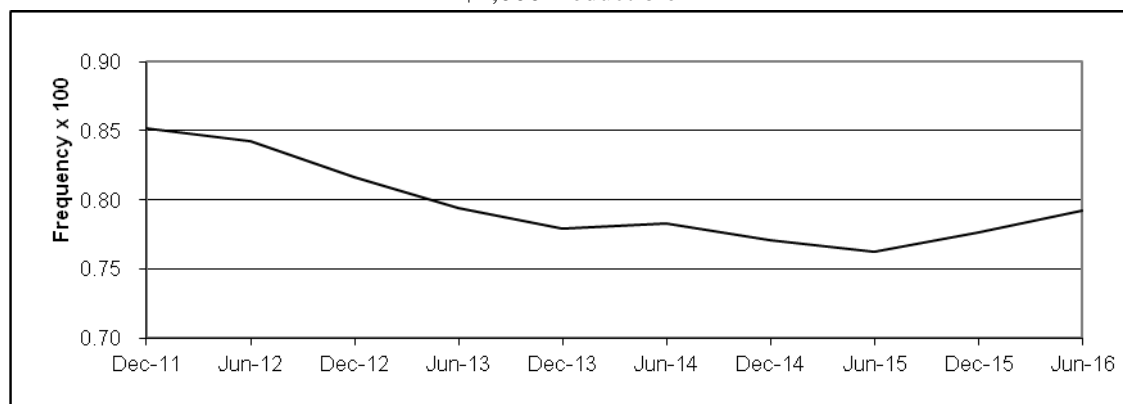
\$250 Deductible



\$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
12/31/2011	2,521.17	4,475.24	7,173.84
06/30/2012	2,675.44	4,728.47	7,656.78
12/31/2012	2,904.76	5,067.82	8,201.65
06/30/2013	2,944.41	5,225.98	8,363.94
12/31/2013	2,977.83	5,242.22	8,414.42
06/30/2014	3,082.51	5,457.61	8,699.67
12/31/2014	3,267.94	5,644.53	8,823.50
06/30/2015	3,405.49	5,853.47	9,121.29
12/31/2015	3,498.40	6,148.12	9,573.45
06/30/2016	4,008.58	6,402.14	9,770.56

Average Annual Change Using Exponential Fits:

10 point fit:	9.1%	7.6%	6.3%
8 point fit:	8.9%	6.9%	5.3%
6 point fit:	11.5%	8.3%	6.3%

Selected severity trend:	6.0%
Selected frequency trend:	0.0%
Selected pure premium trend:	6.0%

* 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 **
12/31/2011	2.28		1.92		1.50	
06/30/2012	2.17		1.84		1.44	
12/31/2012	2.15		1.82		1.43	
06/30/2013	2.20	1.4%	1.87	1.6%	1.48	2.8%
12/31/2013	2.19		1.88		1.50	
06/30/2014	2.26	2.7%	1.94	3.7%	1.55	4.7%
12/31/2014	2.24		1.94		1.56	
06/30/2015	2.21	-2.2%	1.92	-1.0%	1.52	-1.9%
12/31/2015	2.23		1.95		1.51	
06/30/2016	2.20	-0.5%	1.94	1.0%	1.55	2.0%

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

Deductible	Percent of Losses
\$100	0.2%
\$200	0.0%
\$250	2.1%
\$500	38.7%
\$1,000	50.3%
\$2,000	4.8%
\$3,000	1.2%
\$5,000	2.8%

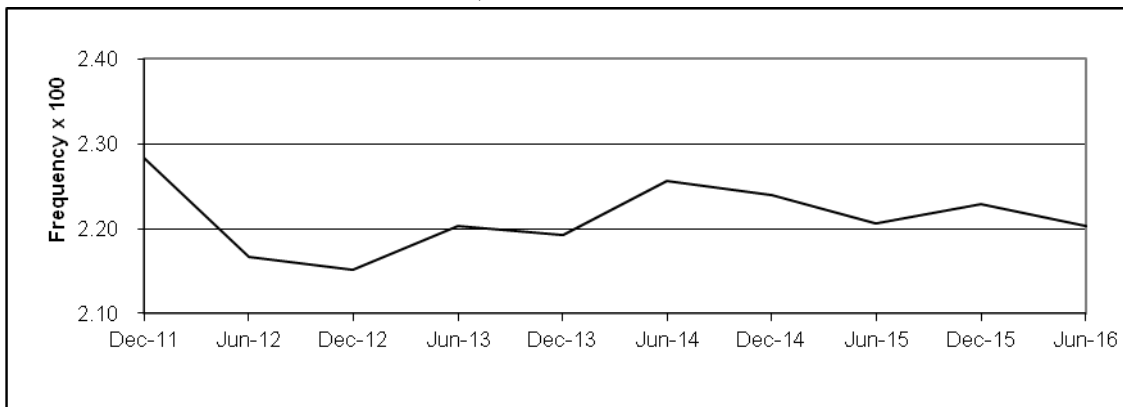
* Multistate data excludes Massachusetts

** Change based on years ending 06/30/xxxx

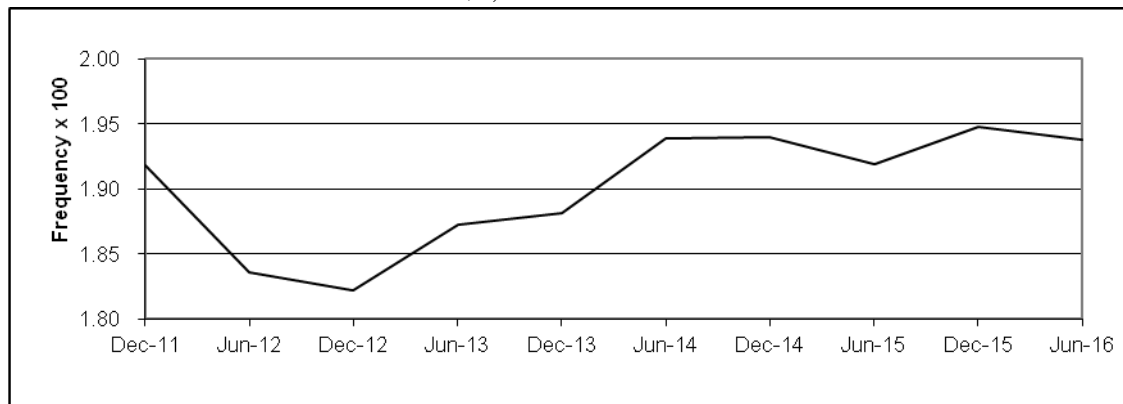
***Deductibles above \$2,000, totaling 4.0% of losses, are excluded from the trend calculations.

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

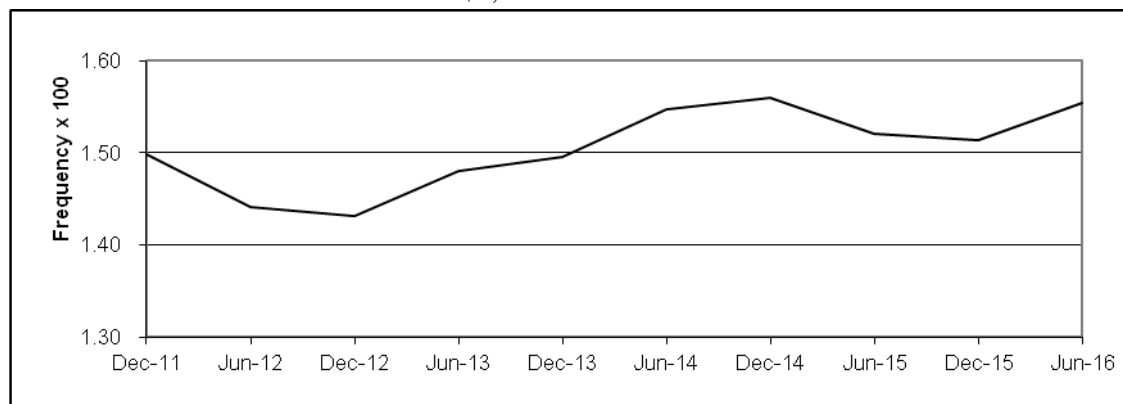
\$500 Deductible



\$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
12/31/2011	7,172.49	8,677.95	9,425.97
06/30/2012	7,619.22	9,225.07	10,106.89
12/31/2012	7,692.86	9,379.80	10,344.56
06/30/2013	7,847.36	9,513.87	10,354.71
12/31/2013	8,090.18	9,664.75	10,486.23
06/30/2014	8,270.89	9,963.06	10,877.03
12/31/2014	8,641.71	10,404.84	11,381.21
06/30/2015	9,007.34	10,668.10	11,556.42
12/31/2015	9,233.59	10,946.37	11,838.37
06/30/2016	9,657.55	11,311.86	12,174.74

Average Annual Change Using Exponential Fits:

10 point fit:	6.4%	5.6%	5.3%
8 point fit:	6.8%	5.8%	5.2%
6 point fit:	7.4%	6.5%	6.0%

Selected severity trend:	6.0%
Selected frequency trend:	0.0%
Selected pure premium trend:	6.0%

* 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 **
12/31/2011	5.50		3.13		1.69	
06/30/2012	5.22		2.99		1.66	
12/31/2012	4.89		2.86		1.61	
06/30/2013	4.86	-6.9%	2.86	-4.3%	1.58	-4.8%
12/31/2013	4.92		2.86		1.57	
06/30/2014	5.23	7.6%	3.01	5.2%	1.64	3.8%
12/31/2014	5.13		3.02		1.65	
06/30/2015	4.84	-7.5%	2.94	-2.3%	1.62	-1.2%
12/31/2015	4.93		3.01		1.67	
06/30/2016	4.91	1.4%	3.02	2.7%	1.70	4.9%

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

Deductible	Percent of Losses
Full	1.1%
\$50	0.8%
\$100	3.7%
\$200	0.6%
\$250	15.2%
\$500	44.0%
\$1,000	32.8%
\$2,000	1.3%
\$3,000	0.1%
\$5,000	0.3%

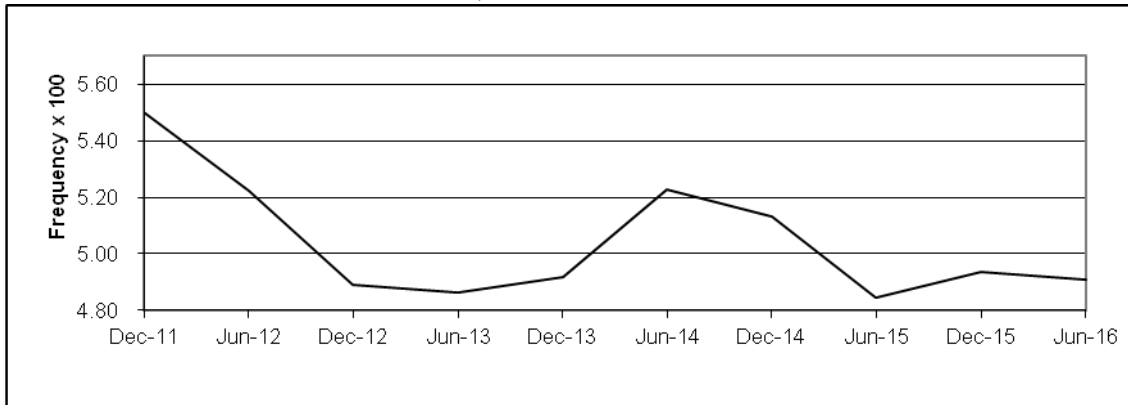
* Multistate data excludes Massachusetts

** Change based on years ending 06/30/xxxx

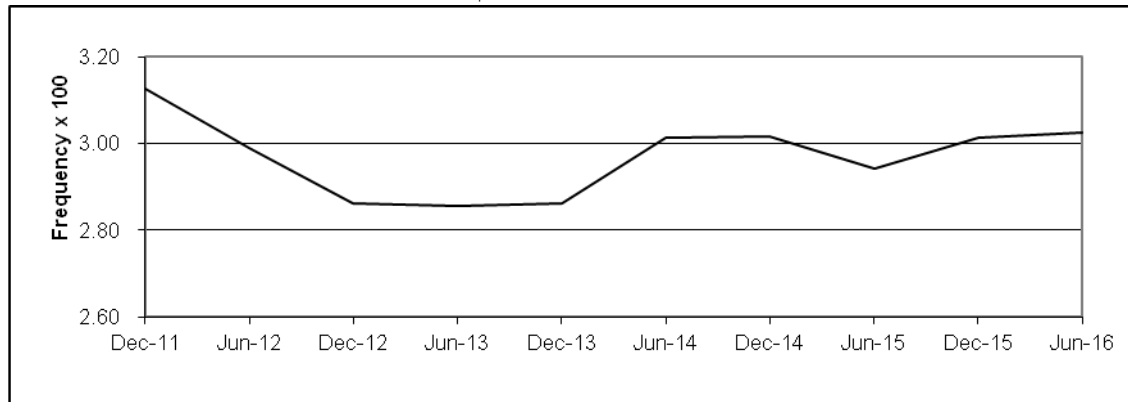
***Deductibles above \$1,000, totaling 1.7% of losses, are excluded from the trend calculations.

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

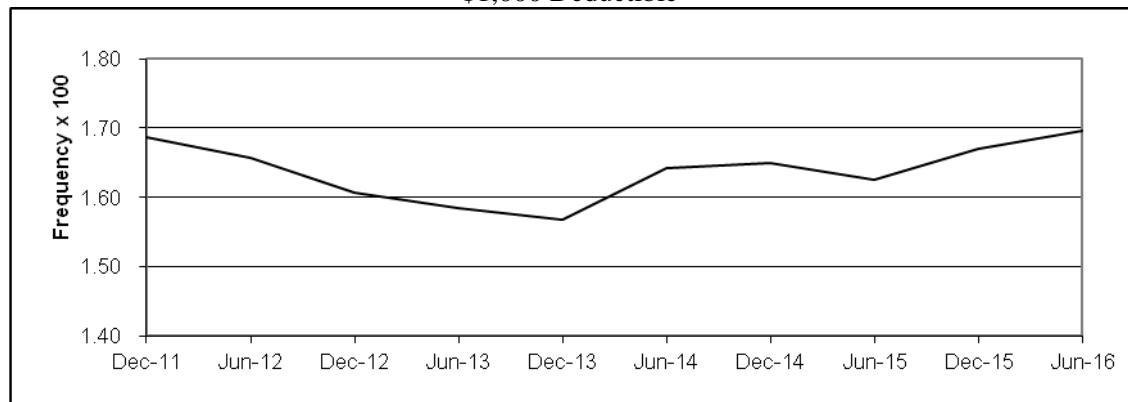
\$250 Deductible



\$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
12/31/2011	1,343.28	1,933.90	2,834.38
06/30/2012	1,409.11	1,996.96	2,947.46
12/31/2012	1,467.63	2,102.52	3,028.09
06/30/2013	1,547.73	2,169.84	3,147.85
12/31/2013	1,498.06	2,159.92	3,180.55
06/30/2014	1,464.87	2,188.88	3,241.76
12/31/2014	1,571.30	2,256.84	3,344.27
06/30/2015	1,638.60	2,291.42	3,375.03
12/31/2015	1,676.99	2,404.88	3,481.77
06/30/2016	1,770.20	2,525.66	3,606.89

Average Annual Change Using Exponential Fits:

10 point fit:	5.3%	5.3%	5.1%
8 point fit:	5.0%	4.9%	4.7%
6 point fit:	7.6%	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 **
12/31/2011	5.14		4.15		2.95	
06/30/2012	5.05		4.07		2.92	
12/31/2012	4.99		4.00		2.88	
06/30/2013	5.03	-0.4%	4.07	0.0%	2.92	0.0%
12/31/2013	4.97		4.08		2.94	
06/30/2014	5.13	2.0%	4.24	4.2%	3.08	5.5%
12/31/2014	5.19		4.31		3.16	
06/30/2015	5.13	0.0%	4.23	-0.2%	3.13	1.6%
12/31/2015	5.09		4.29		3.20	
06/30/2016	4.92	-4.1%	4.27	0.9%	3.23	3.2%

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

Deductible	Percent of Losses
\$ 100	0.3%
\$ 200	0.2%
\$ 250	2.6%
\$ 500	47.9%
\$ 1,000	47.1%
\$ 2,000	1.3%
\$ 3,000	0.2%
\$ 5,000	0.4%

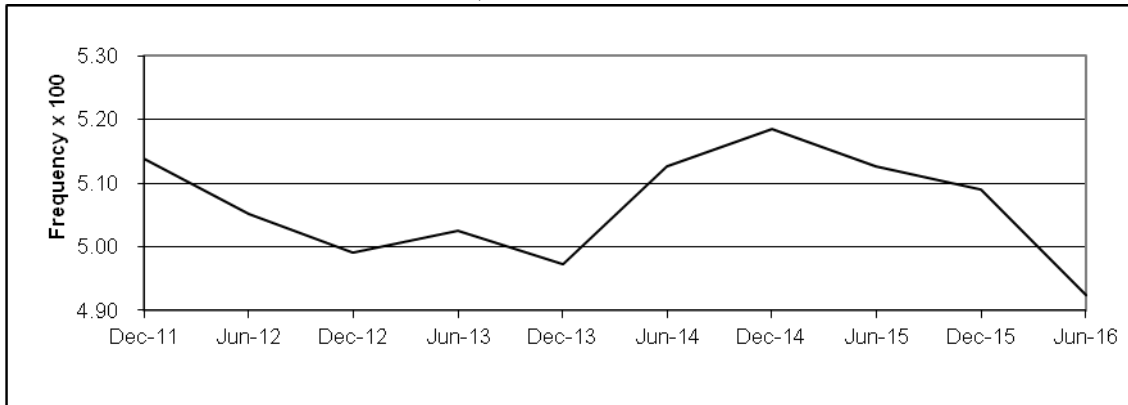
* Multistate data excludes Massachusetts

** Change based on years ending 06/30/xxxx

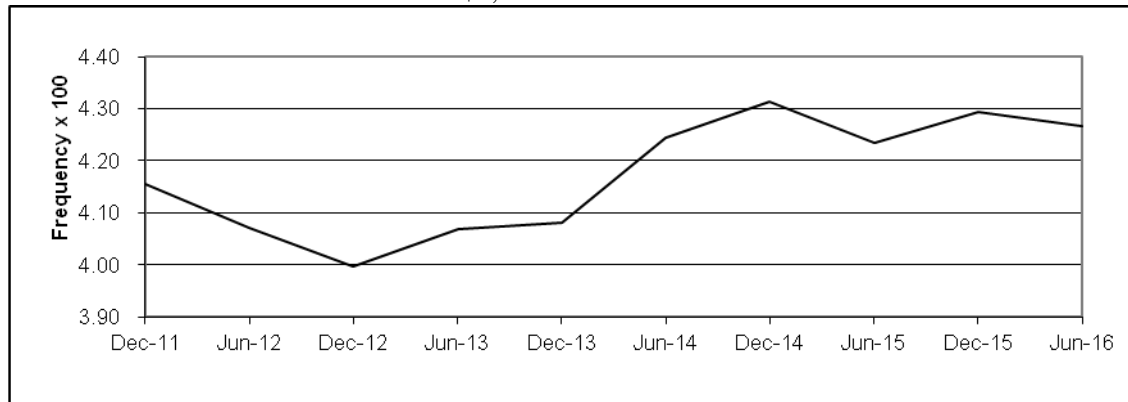
***Deductibles above \$2,000, totaling 0.6% of losses, are excluded from the trend calculations.

Multistate*
Private Passenger Types Physical Damage
Collision Frequency Trend

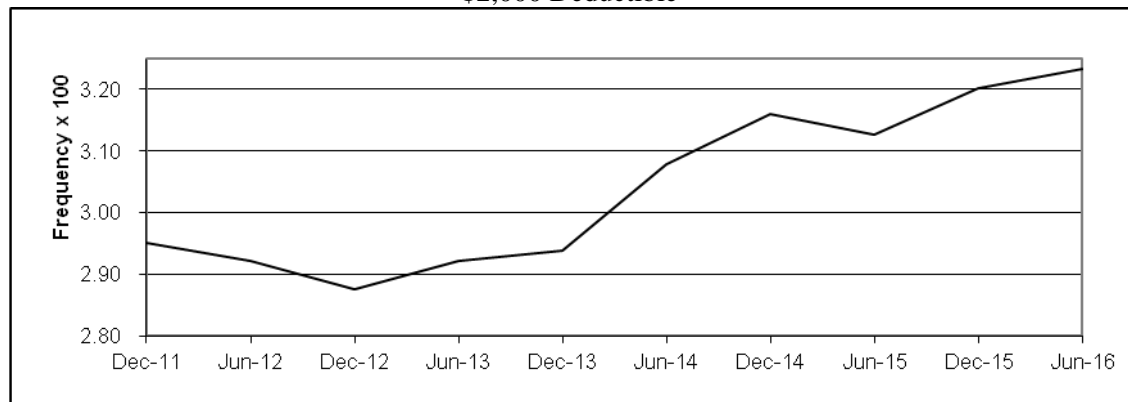
\$500 Deductible



\$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
12/31/2011	4,862.97	5,184.10	5,726.48
06/30/2012	5,006.87	5,426.48	5,990.53
12/31/2012	4,998.49	5,486.47	6,044.27
06/30/2013	5,077.69	5,512.93	6,081.49
12/31/2013	5,141.29	5,556.49	6,114.70
06/30/2014	5,242.25	5,631.90	6,161.31
12/31/2014	5,453.67	5,802.98	6,346.15
06/30/2015	5,643.33	6,022.43	6,581.87
12/31/2015	5,898.47	6,289.44	6,825.30
06/30/2016	6,281.49	6,599.16	7,113.27

Average Annual Change Using Exponential Fits:

10 point fit:	5.3%	4.8%	4.2%
8 point fit:	6.6%	5.4%	4.8%
6 point fit:	8.3%	7.3%	6.5%

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

* 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>
6/30/2013	2.701	2.709
9/30/2013	2.718	2.722
12/31/2013	2.735	2.735
3/31/2014	2.764	2.748
6/30/2014	2.785	2.761
9/30/2014	2.784	2.774
12/31/2014	2.785	2.788
3/31/2015	2.792	2.801
6/30/2015	2.804	2.814
9/30/2015	2.805	2.828
12/31/2015	2.831	2.841
3/31/2016	2.847	2.855
6/30/2016	2.866	2.869
9/30/2016	2.877	2.882
12/31/2016	2.913	2.896
3/31/2017	2.925	2.910
		Average
		Annual
		<u>Change</u>
16 Point Fit	<u>R-Squared</u>	
12 Point Fit		
	0.9617	1.9%
	0.9248	1.9%

PHYSICAL DAMAGE OCN TREND

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.

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 1.1% 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 0.9% and 0.5% were selected for the OTC and Collision coverages respectively.

MULTISTATE
TRUCKS, TRACTORS & TRAILERS
PHYSICAL DAMAGE
OCN TREND CALCULATION

AVERAGE OCN RELATIVITIES

YEAR ENDING	OTHER THAN COLLISION	COLLISION
12/31/2011	1.207	1.334
6/30/2012	1.212	1.342
12/31/2012	1.218	1.350
6/30/2013	1.223	1.356
12/31/2013	1.229	1.363
6/30/2014	1.235	1.371
12/31/2014	1.241	1.380
6/30/2015	1.247	1.387
12/31/2015	1.252	1.393
6/30/2016	1.258	1.404

EXPONENTIAL TREND (AVERAGE ANNUAL CHANGE)

9 POINTS	0.9%	1.1%
7 POINTS	0.9%	1.1%
5 POINTS	0.9%	1.1%

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

Selected Collision Physical Damage Annual OCN Trend: 1.1%

Data excludes the following state: Massachusetts.

MULTISTATE
PRIVATE PASSENGER TYPES
PHYSICAL DAMAGE
OCN TREND CALCULATION

AVERAGE OCN RELATIVITIES

YEAR ENDING	OTHER THAN COLLISION	COLLISION
12/31/2011	1.292	1.146
6/30/2012	1.298	1.148
12/31/2012	1.302	1.150
6/30/2013	1.307	1.152
12/31/2013	1.311	1.154
6/30/2014	1.317	1.157
12/31/2014	1.323	1.160
6/30/2015	1.328	1.162
12/31/2015	1.333	1.165
6/30/2016	1.340	1.169

EXPONENTIAL TREND (AVERAGE ANNUAL CHANGE)

9 POINTS	0.8%	0.4%
7 POINTS	0.8%	0.5%
5 POINTS	0.9%	0.5%
Selected Other Than Collision Physical Damage Annual OCN Trend:		0.9%
Selected Collision Physical Damage Annual OCN Trend:		0.5%

Data excludes the following state: Massachusetts.

LOSS DEVELOPMENT FOR LIABILITY

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 Trucks, Tractors & Trailers, Private Passenger Types, and Auto Dealers 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 December 31, 2016. In other words, accident year ended September 30, 2016 includes all losses and allocated loss adjustment expenses paid through December 31, 2016 on accidents occurring from October 1, 2015 to September 30, 2016 and all losses and allocated loss adjustment expenses outstanding on these accidents as of December 31, 2016, 15 months after the inception of the accident year. Similarly, the incurred losses and allocated loss adjustment expenses for accident year ended September 30, 2015 include all loss and loss adjustment expenses paid through December 31, 2016 on accidents occurring from October 1, 2014 to September 30, 2015 and all losses and allocated loss adjustment expenses outstanding on these accidents as of December 31, 2016, 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.
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 & Trailers, Private Passenger Types, and Auto Dealers 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 & Trailers, Private Passenger Types, and Auto Dealers 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>

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	-

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.

AUTO DEALERS

For the Auto Dealers Bodily Injury coverage, development is based upon \$100,000 CSL multistate tort or no-fault data. For the Auto Dealers Property Damage coverage, basic limits multistate experience is used.

Insurance Services Office

Virginia

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	27 to 39
<u>Ending</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>Months</u>	<u>Months</u>
06/30/2005	14,467,099	18,375,767	20,142,658	1.270	1.096
06/30/2006	16,827,456	19,749,081	21,094,465	1.174	1.068
06/30/2007	15,275,930	18,756,481	20,808,243	1.228	1.109
06/30/2008	13,788,808	16,742,730	17,706,232	1.214	1.058
06/30/2009	13,777,502	15,810,391	17,459,098	1.148	1.104
06/30/2010	11,875,930	14,534,989	15,794,342	1.224	1.087
06/30/2011	12,383,836	15,942,634	17,163,720	1.287	1.077
06/30/2012	15,060,938	17,399,384	19,224,008	1.155	1.105
06/30/2013	13,825,430	16,046,231	17,567,708	1.161	1.095
06/30/2014	15,184,984	17,817,527	20,522,425	1.173	1.152
06/30/2015	16,358,133	19,433,039		1.188	
06/30/2016	19,976,424				

(1) Average Factor (Best 3 of 5) :	(A) State	1.174	1.096
	(B) Multistate	1.217	1.107
(2) Credibility		0.950	0.820
(3) Credibility Weighted Factors		1.176	1.098

Property Damage

Accident Year	\$100,000 Basic Limit			Loss Development Factors	
				15 to 27	27 to 39
<u>Ending</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>Months</u>	<u>Months</u>
06/30/2005	17,451,907	17,752,381	17,896,676	1.017	1.008
06/30/2006	17,155,792	17,512,366	17,502,683	1.021	0.999
06/30/2007	16,505,668	17,171,687	17,400,512	1.040	1.013
06/30/2008	15,655,656	16,014,313	16,092,196	1.023	1.005
06/30/2009	13,206,090	13,275,414	13,275,996	1.005	1.000
06/30/2010	13,265,071	13,543,033	13,634,861	1.021	1.007
06/30/2011	13,769,336	13,873,187	14,028,945	1.008	1.011
06/30/2012	14,755,348	15,200,015	15,347,396	1.030	1.010
06/30/2013	13,809,172	14,112,563	14,246,510	1.022	1.009
06/30/2014	15,078,170	15,646,392	15,898,036	1.038	1.016
06/30/2015	15,958,881	16,545,066		1.037	
06/30/2016	17,873,646				

(1) Average Factor (Best 3 of 5) :	(A) State	1.030	1.010
	(B) Multistate	1.040	1.007
(2) Credibility		0.970	0.000
(3) Credibility Weighted Factors		1.030	1.007

Summary of Factors

	Bodily Injury	Property Damage
39 to Ultimate **	1.069	1.004
27 to Ultimate	1.174	1.011
15 to Ultimate	1.381	1.041
** 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
06/30/2005	413,738,141	493,727,551	544,173,701	562,894,187	571,496,892
06/30/2006	422,377,854	500,487,249	549,986,051	571,542,029	579,220,576
06/30/2007	412,975,931	499,063,338	551,794,623	572,905,966	579,263,811
06/30/2008	391,763,549	469,964,185	518,322,501	540,161,310	546,266,517
06/30/2009	346,920,808	422,874,716	468,082,243	486,398,534	492,888,068
06/30/2010	326,506,809	405,190,584	442,840,086	464,303,313	470,723,241
06/30/2011	366,014,793	443,171,790	493,180,219	518,980,909	527,204,324
06/30/2012	393,954,861	481,580,442	529,378,558	550,177,602	561,699,073
06/30/2013	408,270,476	496,538,677	549,918,846	585,214,321	
06/30/2014	430,803,220	522,779,393	587,654,821		
06/30/2015	450,074,019	564,076,979			
06/30/2016	514,806,358				

Ratios

Accident Year Ended	27:15	39:27	51:39	63:51
06/30/2005	1.193	1.102	1.034	1.015
06/30/2006	1.185	1.099	1.039	1.013
06/30/2007	1.208	1.106	1.038	1.011
06/30/2008	1.200	1.103	1.042	1.011
06/30/2009	1.219	1.107	1.039	1.013
06/30/2010	1.241	1.093	1.048	1.014
06/30/2011	1.211	1.113	1.052	1.016
06/30/2012	1.222	1.099	1.039	1.021
06/30/2013	1.216	1.108	1.064	
06/30/2014	1.213	1.124		
06/30/2015	1.253			

Average Factor : 1.217 1.107 1.046 1.014
(Best 3 of 5)

Summary of factors

63 to Ult:	(75:63) (75:Ult) =	1.008
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.022
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	1.069
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.184
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.440

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	\$100,000 Basic Limit				
<u>Ended</u>	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>
06/30/2005	573,710,260	573,832,827	573,829,416	573,692,325	573,814,778
06/30/2006	582,694,791	583,629,685	584,091,584	583,828,242	584,087,190
06/30/2007	580,140,030	580,622,557	580,679,141	580,338,499	580,464,634
06/30/2008	548,743,254	549,778,476	549,326,495	549,474,921	
06/30/2009	495,560,645	496,525,013	496,513,368		
06/30/2010	474,288,007	474,616,088			
06/30/2011	531,476,963				

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>
06/30/2005	1.004	1.000	1.000	1.000	1.000
06/30/2006	1.006	1.002	1.001	1.000	1.000
06/30/2007	1.002	1.001	1.000	0.999	1.000
06/30/2008	1.005	1.002	0.999	1.000	
06/30/2009	1.005	1.002	1.000		
06/30/2010	1.008	1.001			
06/30/2011	1.008				
Average Factor :	1.006	1.002	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)	=	1.002

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
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
06/30/2005	521,441,417	540,292,668	542,314,736	542,419,942	542,147,638
06/30/2006	536,193,047	555,665,389	559,572,194	560,305,224	560,455,636
06/30/2007	540,591,439	562,093,070	565,858,503	567,200,545	567,184,937
06/30/2008	529,717,368	549,982,604	552,338,487	553,244,077	554,245,236
06/30/2009	448,770,368	463,737,569	466,223,061	466,684,771	466,763,282
06/30/2010	434,644,520	447,873,896	450,768,373	452,657,856	453,118,334
06/30/2011	473,475,467	492,647,150	495,063,641	496,329,342	496,987,368
06/30/2012	499,110,557	515,956,343	520,035,661	520,459,283	520,839,805
06/30/2013	513,392,366	533,106,623	537,576,686	539,868,024	
06/30/2014	558,786,166	582,176,162	586,341,189		
06/30/2015	580,769,941	609,350,228			
06/30/2016	622,846,892				

Ratios

Accident Year Ended	27:15	39:27	51:39	63:51
06/30/2005	1.036	1.004	1.000	0.999
06/30/2006	1.036	1.007	1.001	1.000
06/30/2007	1.040	1.007	1.002	1.000
06/30/2008	1.038	1.004	1.002	1.002
06/30/2009	1.033	1.005	1.001	1.000
06/30/2010	1.030	1.006	1.004	1.001
06/30/2011	1.040	1.005	1.003	1.001
06/30/2012	1.034	1.008	1.001	1.001
06/30/2013	1.038	1.008	1.004	
06/30/2014	1.042	1.007		
06/30/2015	1.049			

Average Factor : 1.040 1.007 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) =	1.011
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.051

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
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>
06/30/2005	542,466,945	542,310,269	542,323,380	542,335,465
06/30/2006	560,501,179	560,161,716	560,235,420	560,096,557
06/30/2007	567,166,961	567,029,489	567,157,589	567,096,084
06/30/2008	554,390,651	554,413,142	554,404,999	554,374,276
06/30/2009	466,969,910	467,037,208	467,092,397	
06/30/2010	452,765,864	453,281,773		
06/30/2011	497,919,284			

Ratios				
Accident Year <u>Ended</u>	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>
06/30/2005	1.001	1.000	1.000	1.000
06/30/2006	1.000	0.999	1.000	1.000
06/30/2007	1.000	1.000	1.000	1.000
06/30/2008	1.000	1.000	1.000	1.000
06/30/2009	1.000	1.000	1.000	
06/30/2010	0.999	1.001		
06/30/2011	1.002			
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

Virginia

Automobile Liability Insurance - Private Passenger Types

Loss Development

Incurred Losses and Expenses

Bodily Injury

Accident Year	\$100,000 Basic Limit			Loss Development Factors	
				15 to 27	27 to 39
<u>Ending</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>Months</u>	<u>Months</u>
06/30/2005	3,631,629	4,254,208	4,539,424	1.171	1.067
06/30/2006	2,870,681	3,633,956	3,871,202	1.266	1.065
06/30/2007	3,026,447	3,732,382	3,989,862	1.233	1.069
06/30/2008	2,932,266	3,868,694	4,187,490	1.319	1.082
06/30/2009	2,842,898	3,875,359	3,988,858	1.363	1.029
06/30/2010	2,995,775	3,695,634	3,781,677	1.234	1.023
06/30/2011	2,396,351	3,174,187	3,597,358	1.325	1.133
06/30/2012	3,200,728	3,523,036	3,801,835	1.101	1.079
06/30/2013	2,505,029	3,029,136	3,264,983	1.209	1.078
06/30/2014	2,380,592	2,363,213	2,527,802	0.993	1.070
06/30/2015	3,034,355	3,698,542		1.219	
06/30/2016	2,591,356				

(1) Average Factor (Best 3 of 5) :	(A) State	1.176	1.076
	(B) Multistate	1.204	1.080
(2) Credibility		0.840	0.690
(3) Credibility Weighted Factors		1.180	1.077

Property Damage

Accident Year	\$100,000 Basic Limit			Loss Development Factors	
				15 to 27	27 to 39
<u>Ending</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>Months</u>	<u>Months</u>
06/30/2005	2,971,053	2,986,173	3,013,045	1.005	1.009
06/30/2006	2,801,215	2,891,404	2,891,031	1.032	1.000
06/30/2007	2,726,798	2,866,981	2,872,458	1.051	1.002
06/30/2008	2,969,930	3,005,698	3,002,763	1.012	0.999
06/30/2009	2,442,639	2,496,925	2,513,524	1.022	1.007
06/30/2010	2,605,333	2,714,455	2,727,334	1.042	1.005
06/30/2011	2,511,055	2,511,168	2,510,849	1.000	1.000
06/30/2012	2,447,937	2,513,246	2,513,594	1.027	1.000
06/30/2013	2,475,331	2,532,648	2,532,330	1.023	1.000
06/30/2014	2,551,090	2,568,940	2,579,995	1.007	1.004
06/30/2015	2,363,186	2,574,228		1.089	
06/30/2016	2,625,175				

(1) Average Factor (Best 3 of 5) :	(A) State	1.019	1.001
	(B) Multistate	1.039	1.007
(2) Credibility		0.920	0.000
(3) Credibility Weighted Factors		1.021	1.007

Summary of Factors

	Bodily Injury	Property Damage
39 to Ultimate **	1.050	1.004
27 to Ultimate	1.131	1.011
15 to Ultimate	1.335	1.032
** Multistate factors		

Insurance Services Office

Basic Limits Loss Development
Private Passenger Types - 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
06/30/2005	73,760,200	87,001,405	96,483,144	99,622,858	100,418,556
06/30/2006	72,304,130	85,020,509	93,595,547	97,516,728	98,542,727
06/30/2007	73,090,528	88,178,941	97,446,215	100,713,022	101,737,783
06/30/2008	68,039,496	82,783,138	90,800,676	94,088,061	94,886,937
06/30/2009	69,415,032	84,377,550	90,214,932	92,527,495	93,041,218
06/30/2010	67,205,693	78,785,190	84,068,838	87,085,242	88,056,798
06/30/2011	74,590,205	91,082,594	98,726,298	103,258,282	103,796,614
06/30/2012	77,350,412	92,300,954	99,481,848	103,373,691	105,049,837
06/30/2013	75,253,581	87,877,722	94,709,192	98,338,927	
06/30/2014	75,377,701	90,457,041	99,975,903		
06/30/2015	73,437,958	89,589,852			
06/30/2016	75,502,951				

Ratios

Accident Year Ended	27:15	39:27	51:39	63:51
06/30/2005	1.180	1.109	1.033	1.008
06/30/2006	1.176	1.101	1.042	1.011
06/30/2007	1.206	1.105	1.034	1.010
06/30/2008	1.217	1.097	1.036	1.008
06/30/2009	1.216	1.069	1.026	1.006
06/30/2010	1.172	1.067	1.036	1.011
06/30/2011	1.221	1.084	1.046	1.005
06/30/2012	1.193	1.078	1.039	1.016
06/30/2013	1.168	1.078	1.038	
06/30/2014	1.200	1.105		
06/30/2015	1.220			

Average Factor : 1.204 1.080 1.038 1.008
(Best 3 of 5)

Summary of factors

63 to Ult:	(75:63) (75:Ult) =	1.004
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.012
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	1.050
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.135
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.366

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 - Bodily Injury
Tort States #
Incurred Losses and Expenses

Accident Year	\$100,000 Basic Limit				
<u>Ended</u>	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>
06/30/2005	101,185,003	100,938,878	100,977,354	100,911,628	100,924,569
06/30/2006	99,051,456	99,307,122	99,406,038	99,420,796	99,404,065
06/30/2007	102,037,192	102,147,963	102,017,007	102,027,202	101,985,043
06/30/2008	94,995,663	95,325,784	95,391,539	95,351,541	
06/30/2009	92,987,299	92,762,278	92,884,864		
06/30/2010	88,315,602	88,264,525			
06/30/2011	104,010,967				

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>
06/30/2005	1.008	0.998	1.000	0.999	1.000
06/30/2006	1.005	1.003	1.001	1.000	1.000
06/30/2007	1.003	1.001	0.999	1.000	1.000
06/30/2008	1.001	1.003	1.001	1.000	
06/30/2009	0.999	0.998	1.001		
06/30/2010	1.003	0.999			
06/30/2011	1.002				
Average Factor :	1.002	1.001	1.001	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)	=	1.001
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
06/30/2005	95,969,707	100,700,923	100,920,970	100,921,557	100,951,418
06/30/2006	94,789,065	97,971,956	98,727,781	98,868,429	98,917,879
06/30/2007	97,228,626	101,042,322	101,459,026	101,485,786	101,511,114
06/30/2008	96,378,988	99,588,624	100,232,295	100,160,650	99,994,091
06/30/2009	90,252,524	93,157,906	93,676,025	93,553,540	93,458,017
06/30/2010	85,128,697	87,932,173	88,446,964	88,759,161	88,871,532
06/30/2011	90,367,460	93,866,195	94,656,569	94,803,010	95,079,974
06/30/2012	93,040,696	95,788,594	96,264,181	96,857,047	96,956,839
06/30/2013	92,349,916	95,682,362	96,456,928	96,708,523	
06/30/2014	94,690,336	98,596,158	99,569,139		
06/30/2015	94,043,782	98,531,842			
06/30/2016	99,366,865				

Ratios

Accident Year Ended	27:15	39:27	51:39	63:51
06/30/2005	1.049	1.002	1.000	1.000
06/30/2006	1.034	1.008	1.001	1.001
06/30/2007	1.039	1.004	1.000	1.000
06/30/2008	1.033	1.006	0.999	0.998
06/30/2009	1.032	1.006	0.999	0.999
06/30/2010	1.033	1.006	1.004	1.001
06/30/2011	1.039	1.008	1.002	1.003
06/30/2012	1.030	1.005	1.006	1.001
06/30/2013	1.036	1.008	1.003	
06/30/2014	1.041	1.010		
06/30/2015	1.048			

Average Factor : 1.039 1.007 1.003 1.000
(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) =	1.001
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) =	1.011
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.050

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	\$100,000 Basic Limit			
<u>Ended</u>	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>
06/30/2005	100,961,180	101,138,790	101,119,512	101,161,522
06/30/2006	98,928,958	98,885,246	99,006,507	99,002,959
06/30/2007	101,329,799	101,392,392	101,331,417	101,365,110
06/30/2008	100,001,979	100,008,608	100,005,099	100,005,154
06/30/2009	93,520,464	93,479,368	93,486,688	
06/30/2010	88,970,502	88,939,955		
06/30/2011	95,306,293			

Ratios

Accident Year				
<u>Ended</u>	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>
06/30/2005	1.000	1.002	1.000	1.000
06/30/2006	1.000	1.000	1.001	1.000
06/30/2007	0.998	1.001	0.999	1.000
06/30/2008	1.000	1.000	1.000	1.000
06/30/2009	1.001	1.000	1.000	
06/30/2010	1.001	1.000		
06/30/2011	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

Insurance Services Office

Basic Limits Loss Development
Auto Dealers - 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>
06/30/2005	19,973,592	26,061,057	30,020,629	31,494,824	32,464,251
06/30/2006	19,132,613	25,147,927	29,791,790	32,517,924	33,652,206
06/30/2007	18,767,916	23,632,871	29,352,667	31,440,465	32,183,671
06/30/2008	13,388,237	20,560,472	26,990,312	28,386,590	29,492,357
06/30/2009	9,925,307	14,020,596	15,855,353	16,920,667	17,579,263
06/30/2010	8,734,820	12,145,989	15,784,262	16,862,310	17,583,544
06/30/2011	10,622,652	15,244,310	17,351,862	18,374,712	19,106,316
06/30/2012	12,126,545	16,436,403	19,938,784	21,797,339	22,404,496
06/30/2013	9,288,957	13,400,808	15,618,559	16,904,511	
06/30/2014	10,562,049	13,354,364	16,343,729		
06/30/2015	13,749,218	17,917,139			
06/30/2016	10,593,181				

Ratios

Accident Year <u>Ended</u>	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
06/30/2005	1.305	1.152	1.049	1.031
06/30/2006	1.314	1.185	1.092	1.035
06/30/2007	1.259	1.242	1.071	1.024
06/30/2008	1.536	1.313	1.052	1.039
06/30/2009	1.413	1.131	1.067	1.039
06/30/2010	1.391	1.300	1.068	1.043
06/30/2011	1.435	1.138	1.059	1.040
06/30/2012	1.355	1.213	1.093	1.028
06/30/2013	1.443	1.165	1.082	
06/30/2014	1.264	1.224		
06/30/2015	1.303			

Average Factor :	1.364	1.201	1.072	1.039
(Best 3 of 5)				

Summary of factors

63 to Ult:	(75:63) (75:Ult) =	1.024
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.064
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	1.141
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.370
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.869

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
 Auto Dealers - Bodily Injury
 Tort States #
 Incurred Losses and Expenses

Accident Year	\$100,000 Basic Limit				
<u>Ended</u>	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>
06/30/2005	32,897,349	32,990,051	33,050,429	33,054,374	33,067,915
06/30/2006	33,857,117	34,030,242	34,068,924	34,309,033	34,455,641
06/30/2007	32,794,417	32,599,050	32,814,378	32,990,505	33,020,670
06/30/2008	29,354,464	29,309,816	29,333,447	29,378,665	
06/30/2009	17,886,936	18,779,398	18,923,752		
06/30/2010	17,584,836	17,623,439			
06/30/2011	19,816,647				

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>
06/30/2005	1.013	1.003	1.002	1.000	1.000
06/30/2006	1.006	1.005	1.001	1.007	1.004
06/30/2007	1.019	0.994	1.007	1.005	1.001
06/30/2008	0.995	0.998	1.001	1.002	
06/30/2009	1.018	1.050	1.008		
06/30/2010	1.000	1.002			
06/30/2011	1.037				
Average Factor :	1.012	1.002	1.003	1.005	1.002
(Best 3 of 5)					

Summary of factors

123 to Ult:	(1.000)	=	1.000
111 to Ult:	(123:111) (123:Ult)	=	1.002
99 to Ult:	(111:99) (123:111) (123:Ult)	=	1.007
87 to Ult:	(99:87) (111:99) (123:111) (123:Ult)	=	1.010
75 to Ult:	(87:75) (99:87) (111:99) (123:111) (123:Ult)	=	1.012

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
Auto Dealers - Property Damage
Multistate #
Incurred Losses and Expenses

Accident Year Ended	\$100,000 Basic Limit				
	15 Months	27 Months	39 Months	51 Months	63 Months
06/30/2005	16,521,995	17,500,878	17,976,713	18,034,273	18,097,562
06/30/2006	17,498,525	18,470,714	18,673,503	18,906,796	19,118,864
06/30/2007	16,486,506	17,691,446	18,194,243	18,490,478	19,044,428
06/30/2008	15,287,961	16,735,566	17,547,892	18,087,044	18,337,498
06/30/2009	11,797,550	12,933,589	12,913,530	13,060,281	13,072,684
06/30/2010	10,955,996	11,633,503	12,617,290	12,949,624	12,902,347
06/30/2011	11,265,851	12,134,668	12,822,811	12,912,455	13,201,523
06/30/2012	12,324,519	13,800,181	14,526,137	14,719,045	15,054,829
06/30/2013	11,722,706	12,336,662	12,865,244	13,233,597	
06/30/2014	10,829,480	11,897,079	12,503,747		
06/30/2015	10,648,997	11,827,826			
06/30/2016	13,337,320				

Ratios

Accident Year Ended	27:15	39:27	51:39	63:51
06/30/2005	1.059	1.027	1.003	1.004
06/30/2006	1.056	1.011	1.012	1.011
06/30/2007	1.073	1.028	1.016	1.030
06/30/2008	1.095	1.049	1.031	1.014
06/30/2009	1.096	0.998	1.011	1.001
06/30/2010	1.062	1.085	1.026	0.996
06/30/2011	1.077	1.057	1.007	1.022
06/30/2012	1.120	1.053	1.013	1.023
06/30/2013	1.052	1.043	1.029	
06/30/2014	1.099	1.051		
06/30/2015	1.111			

Average Factor : 1.096 1.054 1.017 1.012
(Best 3 of 5)

Summary of factors

63 to Ult:	(75:63) (75:Ult) =	1.006
51 to Ult:	(63:51) (75:63) (75:Ult) =	1.018
39 to Ult:	(51:39) (63:51) (75:63) (75:Ult) =	1.035
27 to Ult:	(39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.091
15 to Ult:	(27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) =	1.196

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
Auto Dealers - Property Damage
Multistate #
Incurred Losses and Expenses

Accident Year	\$100,000 Basic Limit			
<u>Ended</u>	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>
06/30/2005	18,180,175	18,334,087	18,324,959	18,307,063
06/30/2006	19,485,050	19,542,632	19,536,947	19,521,520
06/30/2007	18,913,249	18,998,610	18,913,762	18,925,053
06/30/2008	18,692,796	18,809,848	18,749,761	18,765,776
06/30/2009	13,160,363	13,143,400	13,115,741	
06/30/2010	12,831,798	12,823,628		
06/30/2011	13,409,033			

Ratios

Accident Year				
<u>Ended</u>	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>
06/30/2005	1.005	1.008	1.000	0.999
06/30/2006	1.019	1.003	1.000	0.999
06/30/2007	0.993	1.005	0.996	1.001
06/30/2008	1.019	1.006	0.997	1.001
06/30/2009	1.007	0.999	0.998	
06/30/2010	0.995	0.999		
06/30/2011	1.016			
Average Factor :	1.006	1.002	0.998	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)	=	0.998
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

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 December 31, 2016. In other words, accident year ended September 30, 2016 includes all losses paid through December 31, 2016 on accidents occurring from October 1, 2015 to September 30, 2016. Similarly, the paid losses for accident year ended September 30, 2015 include all losses paid through December 31, 2016 on accidents occurring from October 1, 2014 to September 30, 2015. 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
06/30/2005	103,352,480	105,755,215	105,693,559	105,709,371	105,743,697
06/30/2006	116,752,795	118,580,946	118,390,777	118,434,174	118,316,070
06/30/2007	108,595,146	110,882,949	110,882,463	110,714,185	110,698,919
06/30/2008	137,228,208	140,920,068	140,910,357	140,742,919	140,715,844
06/30/2009	131,340,289	133,244,000	133,038,930	133,187,933	133,232,083
06/30/2010	133,754,434	136,739,981	137,057,781	136,987,898	136,859,805
06/30/2011	151,371,707	156,107,626	156,240,132	156,226,804	156,297,034
06/30/2012	163,773,386	168,572,858	168,344,192	168,430,060	168,479,622
06/30/2013	190,295,472	195,380,216	195,571,655	195,714,255	
06/30/2014	158,442,427	163,474,402	163,872,317		
06/30/2015	154,497,515	159,103,010			
06/30/2016	175,789,794				

Accident Year Ended	Ratios				
	27:15	39:27	51:39	63:51	
06/30/2005	1.023	0.999	1.000	1.000	
06/30/2006	1.016	0.998	1.000	0.999	
06/30/2007	1.021	1.000	0.998	1.000	
06/30/2008	1.027	1.000	0.999	1.000	
06/30/2009	1.014	0.998	1.001	1.000	
06/30/2010	1.022	1.002	0.999	0.999	
06/30/2011	1.031	1.001	1.000	1.000	
06/30/2012	1.029	0.999	1.001	1.000	
06/30/2013	1.027	1.001	1.001		
06/30/2014	1.032	1.002			
06/30/2015	1.030				

Average Factor : 1.030 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) = 1.032

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
Trucks, Tractors and Trailers - Other Than Collision
Multistate #
Paid Losses

Accident Year Ended	75 Months	87 Months	99 Months	111 Months	123 Months
06/30/2005	105,775,709	105,729,674	105,685,126	105,685,088	105,667,044
06/30/2006	118,354,797	118,327,281	118,308,618	118,282,357	118,277,821
06/30/2007	110,660,307	110,695,179	110,655,324	110,646,648	110,649,911
06/30/2008	140,742,006	140,721,545	140,721,212	140,715,141	
06/30/2009	133,181,437	133,155,703	133,224,800		
06/30/2010	136,966,006	136,927,387			
06/30/2011	156,343,523				

Accident Year Ended	Ratios				
	75:63	87:75	99:87	111:99	123:111
06/30/2005	1.000	1.000	1.000	1.000	1.000
06/30/2006	1.000	1.000	1.000	1.000	1.000
06/30/2007	1.000	1.000	1.000	1.000	1.000
06/30/2008	1.000	1.000	1.000	1.000	
06/30/2009	1.000	1.000	1.001		
06/30/2010	1.001	1.000			
06/30/2011	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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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
06/30/2005	316,215,448	310,742,089	309,280,315	308,508,456	308,447,149
06/30/2006	324,782,815	317,315,453	315,587,420	314,943,205	314,887,616
06/30/2007	344,994,346	337,758,991	335,555,779	335,244,646	335,358,898
06/30/2008	375,840,807	369,786,375	367,977,389	367,370,867	367,108,813
06/30/2009	335,715,655	330,620,232	329,412,391	328,860,124	328,795,318
06/30/2010	317,165,922	312,897,665	312,060,600	311,801,045	311,640,315
06/30/2011	355,084,387	350,688,358	349,245,064	348,690,571	348,686,659
06/30/2012	372,125,998	366,986,955	365,145,555	364,960,481	364,961,494
06/30/2013	386,875,964	379,058,506	377,320,828	376,729,960	
06/30/2014	423,200,159	414,239,915	412,785,071		
06/30/2015	452,402,843	440,769,909			
06/30/2016	485,580,517				

Ratios

Accident Year Ended	27:15	39:27	51:39	63:51
06/30/2005	0.983	0.995	0.998	1.000
06/30/2006	0.977	0.995	0.998	1.000
06/30/2007	0.979	0.993	0.999	1.000
06/30/2008	0.984	0.995	0.998	0.999
06/30/2009	0.985	0.996	0.998	1.000
06/30/2010	0.987	0.997	0.999	0.999
06/30/2011	0.988	0.996	0.998	1.000
06/30/2012	0.986	0.995	0.999	1.000
06/30/2013	0.980	0.995	0.998	
06/30/2014	0.979	0.996		
06/30/2015	0.974			

Average Factor : 0.982 0.996 0.998 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) =	0.998
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

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

Accident Year Ended	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>
06/30/2005	308,343,480	308,319,675	308,263,843	308,229,071	308,168,064
06/30/2006	314,915,197	314,987,140	314,969,279	314,961,562	314,925,096
06/30/2007	335,249,285	335,213,983	335,176,959	335,143,663	335,122,576
06/30/2008	367,009,612	366,929,840	366,893,569	366,869,062	
06/30/2009	328,731,005	328,611,348	328,556,957		
06/30/2010	311,655,998	311,608,922			
06/30/2011	348,599,623				

Accident Year Ended	Ratios				
	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>	<u>123:111</u>
06/30/2005	1.000	1.000	1.000	1.000	1.000
06/30/2006	1.000	1.000	1.000	1.000	1.000
06/30/2007	1.000	1.000	1.000	1.000	1.000
06/30/2008	1.000	1.000	1.000	1.000	
06/30/2009	1.000	1.000	1.000		
06/30/2010	1.000	1.000			
06/30/2011	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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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
06/30/2005	47,140,594	47,653,653	47,520,737	47,474,396	47,454,960
06/30/2006	55,777,097	56,622,333	56,636,085	56,547,836	56,531,806
06/30/2007	46,670,407	47,342,757	47,283,826	47,307,537	47,322,911
06/30/2008	49,489,632	50,190,182	50,101,845	50,101,293	50,063,616
06/30/2009	49,032,552	49,355,357	49,211,821	49,191,653	49,159,586
06/30/2010	51,099,683	51,891,391	51,925,905	51,894,193	51,894,639
06/30/2011	59,162,319	60,884,503	60,874,069	60,859,653	60,885,310
06/30/2012	65,764,013	66,407,057	66,504,201	66,498,943	66,487,085
06/30/2013	75,981,810	76,436,520	76,481,322	76,552,161	
06/30/2014	58,772,727	60,398,547	60,583,546		
06/30/2015	52,252,135	53,189,456			
06/30/2016	58,634,401				

Ratios

Accident Year Ended	27:15	39:27	51:39	63:51
06/30/2005	1.011	0.997	0.999	1.000
06/30/2006	1.015	1.000	0.998	1.000
06/30/2007	1.014	0.999	1.001	1.000
06/30/2008	1.014	0.998	1.000	0.999
06/30/2009	1.007	0.997	1.000	0.999
06/30/2010	1.015	1.001	0.999	1.000
06/30/2011	1.029	1.000	1.000	1.000
06/30/2012	1.010	1.001	1.000	1.000
06/30/2013	1.006	1.001	1.001	
06/30/2014	1.028	1.003		
06/30/2015	1.018			

Average Factor : 1.019 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) =	1.020

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

Accident Year Ended	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>
06/30/2005	47,463,946	47,469,764	47,434,790	47,434,479	47,432,945
06/30/2006	56,547,289	56,556,260	56,551,157	56,551,839	56,551,699
06/30/2007	47,399,067	47,400,172	47,391,399	47,390,061	47,392,777
06/30/2008	50,065,649	50,055,594	50,056,217	50,056,239	
06/30/2009	49,167,520	49,166,731	49,164,439		
06/30/2010	51,877,237	51,878,184			
06/30/2011	60,892,109				

Accident Year Ended	Ratios				
	<u>75:63</u>	<u>87:75</u>	<u>99:87</u>	<u>111:99</u>	<u>123:111</u>
06/30/2005	1.000	1.000	0.999	1.000	1.000
06/30/2006	1.000	1.000	1.000	1.000	1.000
06/30/2007	1.002	1.000	1.000	1.000	1.000
06/30/2008	1.000	1.000	1.000	1.000	
06/30/2009	1.000	1.000	1.000		
06/30/2010	1.000	1.000			
06/30/2011	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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Physical Damage Loss Development
Private Passenger Types - Collision
Multistate #
Paid Losses

Accident Year Ended	15 Months	27 Months	39 Months	51 Months	63 Months
06/30/2005	155,738,110	151,145,401	150,925,541	150,777,455	150,665,967
06/30/2006	148,911,869	144,593,867	143,935,264	143,729,104	143,677,315
06/30/2007	145,910,215	140,926,481	140,134,814	140,073,393	139,995,594
06/30/2008	150,246,796	145,142,270	144,265,321	144,034,275	143,990,131
06/30/2009	148,650,215	144,017,424	143,510,510	143,253,889	143,289,979
06/30/2010	139,835,858	135,195,493	134,820,471	134,672,708	134,576,768
06/30/2011	146,918,740	141,850,660	141,271,475	141,056,666	141,074,629
06/30/2012	156,547,529	151,153,096	150,248,730	150,167,529	150,073,990
06/30/2013	159,536,238	152,759,606	151,870,048	151,781,240	
06/30/2014	164,679,566	157,763,114	157,423,452		
06/30/2015	174,523,720	166,508,750			
06/30/2016	182,103,712				

Ratios

Accident Year Ended	27:15	39:27	51:39	63:51
06/30/2005	0.971	0.999	0.999	0.999
06/30/2006	0.971	0.995	0.999	1.000
06/30/2007	0.966	0.994	1.000	0.999
06/30/2008	0.966	0.994	0.998	1.000
06/30/2009	0.969	0.996	0.998	1.000
06/30/2010	0.967	0.997	0.999	0.999
06/30/2011	0.966	0.996	0.998	1.000
06/30/2012	0.966	0.994	0.999	0.999
06/30/2013	0.958	0.994	0.999	
06/30/2014	0.958	0.998		
06/30/2015	0.954			

Average Factor : 0.961 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) =	0.956

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

Accident Year Ended	75 Months	87 Months	99 Months	111 Months	123 Months
06/30/2005	150,627,606	150,682,511	150,676,794	150,679,588	150,671,060
06/30/2006	143,707,779	143,737,465	143,712,317	143,703,246	143,685,937
06/30/2007	139,957,790	139,947,836	139,933,973	139,938,710	139,925,597
06/30/2008	143,960,728	143,939,262	143,932,848	143,928,983	
06/30/2009	143,257,406	143,233,024	143,211,653		
06/30/2010	134,527,582	134,487,785			
06/30/2011	141,018,299				

Accident Year Ended	Ratios				
	75:63	87:75	99:87	111:99	123:111
06/30/2005	1.000	1.000	1.000	1.000	1.000
06/30/2006	1.000	1.000	1.000	1.000	1.000
06/30/2007	1.000	1.000	1.000	1.000	1.000
06/30/2008	1.000	1.000	1.000	1.000	
06/30/2009	1.000	1.000	1.000		
06/30/2010	1.000	1.000			
06/30/2011	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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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 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 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 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.

<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 & 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 & 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.

VIRGINIA
CLAIMS PER TERRITORY
LIABILITY

Territory	Trucks, Tractors & Trailers	Private Passenger Types
	Incurred Claims 5 Years Ending 09/30/2016 Combined BI and PD	Incurred Claims 5 Years Ending 09/30/2016 Combined BI and PD
102	4,502	832
103	2,515	689
109	355	74
110	854	179
111	850	189
114	1,006	148
115	419	88
116	2,078	333
117	695	107
120	4,460	738
121	2,259	340
122	1,798	310
123	1,209	158
124	135	17
125	4,445	1,576
126	355	52
SW Total	27,935	5,830

Claims for Trend

BI	PD
<u>1,764</u>	<u>5,992</u>

VIRGINIA
CLAIMS PER TERRITORY
PHYSICAL DAMAGE

Territory	Trucks, Tractors & Trailers Paid Claims 5 Years Ending 09/30/2016		Private Passenger Types Paid Claims 5 Years Ending 09/30/2016	
	OTC	Coll	OTC	Coll
102	774	1,250	453	585
103	611	783	531	550
109	85	113	71	58
110	188	252	106	129
111	185	297	126	135
114	369	391	132	135
115	191	195	105	83
116	534	655	264	280
117	195	240	122	99
120	1,304	1,464	668	562
121	243	478	130	224
122	200	459	208	240
123	456	346	212	132
124	47	36	23	10
125	501	1,126	566	1,280
126	116	97	57	55
SW Total	5,999	8,182	3,774	4,557

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: 0.720

(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.

WIND AND WATER PROCEDURE
OTHER THAN COLLISION
VIRGINIA

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	128,287	2,994,855	2,866,568	0.045	0.047	134,729	3,129,584
1988	48,625	2,959,810	2,911,185	0.017	0.075	218,339	3,178,149
1989	71,522	2,603,376	2,531,854	0.028	0.064	162,039	2,765,415
1990	73,712	3,382,048	3,308,336	0.022	0.070	231,584	3,613,632
1991	19,839	2,656,306	2,636,467	0.008	0.084	221,463	2,877,769
1992	41,941	2,425,011	2,383,070	0.018	0.074	176,347	2,601,358
1993	316,836	2,994,806	2,677,970	0.118	-0.026	-69,627	2,925,179
1994	82,586	2,682,954	2,600,368	0.032	0.060	156,022	2,838,976
1995	46,299	3,179,493	3,133,194	0.015	0.077	241,256	3,420,749
1996	347,456	4,274,820	3,927,364	0.088	0.004	15,709	4,290,529
1997	222,673	4,249,743	4,027,070	0.055	0.037	149,002	4,398,745
1998	369,308	4,727,652	4,358,344	0.085	0.007	30,508	4,758,160
1999	1,225,014	5,693,324	4,468,310	0.274	-0.182	-813,232	4,880,092
2000	270,422	5,016,024	4,745,602	0.057	0.035	166,096	5,182,120
2001	228,026	4,523,542	4,295,516	0.053	0.039	167,525	4,691,067
2002	588,728	4,194,304	3,605,576	0.163	-0.071	-255,996	3,938,308
2003	1,300,762	4,605,540	3,304,778	0.394	-0.302	-998,043	3,607,497
2004	588,615	3,307,374	2,718,759	0.217	-0.125	-339,845	2,967,529
2005	74,228	1,991,026	1,916,798	0.039	0.053	101,590	2,092,616
2006	220,782	2,428,221	2,207,439	0.100	-0.008	-17,660	2,410,561
2007	192,999	2,107,980	1,914,981	0.101	-0.009	-17,235	2,090,745
2008	252,944	2,256,517	2,003,573	0.126	-0.034	-68,121	2,188,396
2009	105,051	1,945,869	1,840,818	0.057	0.035	64,429	2,010,298
2010	125,179	3,122,426	2,997,247	0.042	0.050	149,862	3,272,288
2011	334,989	3,405,906	3,070,917	0.109	-0.017	-52,206	3,353,700
2012	325,852	3,117,459	2,791,607	0.117	-0.025	-69,790	3,047,669
2013	153,263	2,239,402	2,086,139	0.073	0.019	39,637	2,279,039
2014	177,852	3,126,276	2,948,424	0.06	0.032	94,350	3,220,626
2015	66,626	2,676,861	2,610,235	0.026	0.066	172,276	2,849,137
2016	678,624	3,613,485	2,934,861	0.231	-0.139	-407,946	3,205,539

(8) NORMAL WIND TO NON W&W RATIO= AVG. (4) 0.092

WIND AND WATER PROCEDURE
OTHER THAN COLLISION
VIRGINIA

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	116,470	1,557,387	1,440,917	0.081	0.080	115,273	1,672,660
1988	76,460	1,538,685	1,462,225	0.052	0.109	159,383	1,698,068
1989	97,993	1,555,589	1,457,596	0.067	0.094	137,014	1,692,603
1990	75,552	1,680,121	1,604,569	0.047	0.114	182,921	1,863,042
1991	35,089	1,524,710	1,489,621	0.024	0.137	204,078	1,728,788
1992	75,685	1,381,778	1,306,093	0.058	0.103	134,528	1,516,306
1993	209,248	1,611,364	1,402,116	0.149	0.012	16,825	1,628,189
1994	122,664	1,636,876	1,514,212	0.081	0.080	121,137	1,758,013
1995	75,453	1,785,977	1,710,524	0.044	0.117	200,131	1,986,108
1996	383,861	2,431,396	2,047,535	0.187	-0.026	-53,236	2,378,160
1997	392,593	2,285,640	1,893,047	0.207	-0.046	-87,080	2,198,560
1998	316,417	2,393,606	2,077,189	0.152	0.009	18,695	2,412,301
1999	965,773	3,070,135	2,104,362	0.459	-0.298	-627,100	2,443,035
2000	359,637	2,501,601	2,141,964	0.168	-0.007	-14,994	2,486,607
2001	42,133	1,732,955	1,690,822	0.025	0.136	229,952	1,962,907
2002	307,404	1,759,475	1,452,071	0.212	-0.051	-74,056	1,685,419
2003	639,535	2,019,789	1,380,254	0.463	-0.302	-416,837	1,602,952
2004	366,341	1,500,947	1,134,606	0.323	-0.162	-183,806	1,317,141
2005	24,812	1,005,829	981,017	0.025	0.136	133,418	1,139,247
2006	237,175	1,122,432	885,257	0.268	-0.107	-94,722	1,027,710
2007	107,306	1,140,161	1,032,855	0.104	0.057	58,873	1,199,034
2008	142,337	1,040,533	898,196	0.158	0.003	2,695	1,043,228
2009	65,645	1,000,606	934,961	0.070	0.091	85,081	1,085,687
2010	318,012	1,557,698	1,239,686	0.257	-0.096	-119,010	1,438,688
2011	243,310	1,261,997	1,018,687	0.239	-0.078	-79,458	1,182,539
2012	184,162	1,076,874	892,712	0.206	-0.045	-40,172	1,036,702
2013	82,273	949,614	867,341	0.095	0.066	57,245	1,006,859
2014	157,516	1,344,574	1,187,058	0.133	0.028	33,238	1,377,812
2015	51,359	1,132,817	1,081,458	0.047	0.114	123,286	1,256,103
2016	455,610	1,523,770	1,068,160	0.427	-0.266	-284,131	1,239,639

(8) NORMAL WIND TO NON W&W RATIO= AVG. (4) 0.161

EXPLANATORY MEMORANDUM FOR WIND AND WATER PROCEDURE

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. $\text{Column (2)} - \text{Column (1)}$.
COLUMN (4) WIND AND WATER TO NON-WIND AND WATER RATIO	Ratio of Wind and Water losses to Non-Wind and Water losses. $\text{Column (1)} \div \text{Column (3)}$
COLUMN (5) VARIATION FROM AVERAGE WIND RATIO	Variation from the long term average Wind and Water to non-Wind and Water ratio. $\text{Avg (4)} - \text{Column (4)}$.
COLUMN (6) WIND AND WATER ADJUSTMENT	Wind and Water loss adjustment to bring experience to average Wind and Water level. $\text{Column (3)} * \text{Column (5)}$.
COLUMN (7) ADJUSTED OTC TOTAL LOSSES	$\text{Column (2)} + \text{Column (6)}$.

TERRITORIAL WIND AND WATER PROCEDURE OTHER THAN COLLISION

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.

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.

METHODOLOGY FOR CALCULATING 'WIND & 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	100,000	50,000	150,000	200,000
B		30,000	50,000	80,000
C		20,000	80,000	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

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SECTION D - REVISED PROSPECTIVE LOSS COSTS

Liability and Medical Payments	D2-D17
Physical Damage - All Coverages Except Garages	D18-D33
Hired Autos (Rule 90).....	D34

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VIRGINIA (45)
TERRITORY 102

LIABILITY	MEDICAL EXPENSE BENEFITS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 428	\$15	\$24	\$33	\$49	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 281	\$6	\$10	\$14	\$18	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 2654	\$96	\$133	\$188	\$284	N/A
– SCHOOL AND CHURCH BUSES					
\$ 235	\$10	\$15	\$18	\$24	N/A
– OTHER BUSES					
\$ 1626	\$52	\$63	\$81	\$111	N/A
– VAN POOLS					
\$ 642	\$46	\$64	\$78	\$101	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 308	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• 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.					

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LIABILITY	MEDICAL EXPENSE BENEFITS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 289	\$10	\$16	\$23	\$33	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 289	\$6	\$10	\$14	\$18	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 1792	\$65	\$90	\$127	\$192	N/A
– SCHOOL AND CHURCH BUSES					
\$ 159	\$7	\$10	\$12	\$16	N/A
– OTHER BUSES					
\$ 1098	\$35	\$43	\$55	\$75	N/A
– VAN POOLS					
\$ 434	\$31	\$43	\$53	\$68	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 255	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• 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.					

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VIRGINIA (45)
TERRITORY 109

LIABILITY	MEDICAL EXPENSE BENEFITS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 281	\$10	\$16	\$22	\$32	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 243	\$5	\$9	\$12	\$16	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 1742	\$63	\$87	\$124	\$186	N/A
– SCHOOL AND CHURCH BUSES					
\$ 155	\$7	\$10	\$12	\$16	N/A
– OTHER BUSES					
\$ 1068	\$34	\$42	\$53	\$73	N/A
– VAN POOLS					
\$ 422	\$30	\$42	\$51	\$66	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 194	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• 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.					

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LIABILITY	MEDICAL EXPENSE BENEFITS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 356	\$13	\$20	\$28	\$41	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 332	\$7	\$12	\$17	\$21	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 2207	\$79	\$110	\$157	\$236	N/A
– SCHOOL AND CHURCH BUSES					
\$ 196	\$8	\$13	\$15	\$20	N/A
– OTHER BUSES					
\$ 1353	\$43	\$53	\$68	\$92	N/A
– VAN POOLS					
\$ 534	\$38	\$53	\$65	\$84	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 253	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• 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.					

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VIRGINIA (45)
TERRITORY 111

LIABILITY	MEDICAL EXPENSE BENEFITS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 259	\$9	\$15	\$20	\$30	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 202	\$4	\$7	\$10	\$13	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 1606	\$58	\$80	\$114	\$172	N/A
– SCHOOL AND CHURCH BUSES					
\$ 142	\$6	\$9	\$11	\$14	N/A
– OTHER BUSES					
\$ 984	\$31	\$38	\$49	\$67	N/A
– VAN POOLS					
\$ 389	\$28	\$39	\$47	\$61	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 199	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• 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.					

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LIABILITY	MEDICAL EXPENSE BENEFITS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 199	\$7	\$11	\$16	\$23	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 191	\$4	\$7	\$10	\$12	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 1234	\$44	\$62	\$88	\$132	N/A
– SCHOOL AND CHURCH BUSES					
\$ 109	\$5	\$7	\$9	\$11	N/A
– OTHER BUSES					
\$ 756	\$24	\$29	\$38	\$51	N/A
– VAN POOLS					
\$ 299	\$21	\$30	\$36	\$47	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 148	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• 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.					

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TERRITORY 115

LIABILITY	MEDICAL EXPENSE BENEFITS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 217	\$8	\$12	\$17	\$25	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 166	\$3	\$6	\$8	\$11	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 1345	\$48	\$67	\$95	\$144	N/A
– SCHOOL AND CHURCH BUSES					
\$ 119	\$5	\$8	\$9	\$12	N/A
– OTHER BUSES					
\$ 825	\$26	\$32	\$41	\$56	N/A
– VAN POOLS					
\$ 326	\$23	\$33	\$39	\$51	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 161	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• 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.					

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LIABILITY	MEDICAL EXPENSE BENEFITS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 245	\$9	\$14	\$19	\$28	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 165	\$3	\$6	\$8	\$11	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 1519	\$55	\$76	\$108	\$163	N/A
– SCHOOL AND CHURCH BUSES					
\$ 135	\$6	\$9	\$11	\$14	N/A
– OTHER BUSES					
\$ 931	\$30	\$36	\$47	\$63	N/A
– VAN POOLS					
\$ 368	\$26	\$37	\$45	\$58	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 154	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• 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.					

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LIABILITY	MEDICAL EXPENSE BENEFITS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 190	\$7	\$11	\$15	\$22	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 208	\$4	\$7	\$10	\$13	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 1178	\$42	\$59	\$84	\$126	N/A
– SCHOOL AND CHURCH BUSES					
\$ 105	\$5	\$7	\$8	\$11	N/A
– OTHER BUSES					
\$ 722	\$23	\$28	\$36	\$49	N/A
– VAN POOLS					
\$ 285	\$20	\$29	\$34	\$45	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 139	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• 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.					

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LIABILITY	MEDICAL EXPENSE BENEFITS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 273	\$10	\$16	\$21	\$31	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 210	\$4	\$8	\$11	\$13	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 1693	\$61	\$85	\$120	\$181	N/A
– SCHOOL AND CHURCH BUSES					
\$ 150	\$6	\$10	\$12	\$15	N/A
– OTHER BUSES					
\$ 1037	\$33	\$40	\$52	\$71	N/A
– VAN POOLS					
\$ 410	\$29	\$41	\$50	\$64	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 187	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• 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.					

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TERRITORY 121

LIABILITY	MEDICAL EXPENSE BENEFITS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 531	\$19	\$30	\$41	\$61	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 317	\$7	\$11	\$16	\$20	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 3292	\$119	\$165	\$234	\$352	N/A
– SCHOOL AND CHURCH BUSES					
\$ 292	\$13	\$19	\$23	\$29	N/A
– OTHER BUSES					
\$ 2018	\$65	\$79	\$101	\$137	N/A
– VAN POOLS					
\$ 797	\$57	\$80	\$96	\$125	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 369	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• 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.					

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LIABILITY	MEDICAL EXPENSE BENEFITS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 457	\$16	\$26	\$36	\$52	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 290	\$6	\$10	\$15	\$19	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 2833	\$102	\$142	\$201	\$303	N/A
– SCHOOL AND CHURCH BUSES					
\$ 251	\$11	\$16	\$20	\$25	N/A
– OTHER BUSES					
\$ 1737	\$56	\$68	\$87	\$118	N/A
– VAN POOLS					
\$ 686	\$49	\$69	\$83	\$108	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 321	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• 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.					

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TERRITORY 123

LIABILITY	MEDICAL EXPENSE BENEFITS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 342	\$12	\$19	\$27	\$39	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 227	\$5	\$8	\$11	\$15	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 2120	\$76	\$106	\$151	\$227	N/A
– SCHOOL AND CHURCH BUSES					
\$ 188	\$8	\$12	\$15	\$19	N/A
– OTHER BUSES					
\$ 1300	\$42	\$51	\$65	\$88	N/A
– VAN POOLS					
\$ 513	\$36	\$51	\$62	\$81	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 266	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• 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.					

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LIABILITY	MEDICAL EXPENSE BENEFITS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 301	\$11	\$17	\$23	\$34	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 207	\$4	\$7	\$10	\$13	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 1866	\$67	\$93	\$132	\$200	N/A
– SCHOOL AND CHURCH BUSES					
\$ 166	\$7	\$11	\$13	\$17	N/A
– OTHER BUSES					
\$ 1144	\$37	\$45	\$57	\$78	N/A
– VAN POOLS					
\$ 452	\$32	\$45	\$55	\$71	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 219	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• 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.					

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TERRITORY 125

LIABILITY	MEDICAL EXPENSE BENEFITS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 516	\$19	\$29	\$40	\$59	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 354	\$7	\$13	\$18	\$23	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 3199	\$115	\$160	\$227	\$342	N/A
– SCHOOL AND CHURCH BUSES					
\$ 284	\$12	\$18	\$22	\$28	N/A
– OTHER BUSES					
\$ 1961	\$63	\$76	\$98	\$133	N/A
– VAN POOLS					
\$ 774	\$55	\$77	\$94	\$122	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 367	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• 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.					

LIABILITY	MEDICAL EXPENSE BENEFITS				PERSONAL INJURY PROTECTION
	Limit Per Person				
Limit Of Liab. \$100,000	500	1000	2000	5000	Basic Limits
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS					
\$ 339	\$12	\$19	\$26	\$39	N/A
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS					
\$ 230	\$5	\$8	\$12	\$15	N/A
RULE 40. PUBLIC AUTO CLASSIFICATIONS –					
– TAXICABS AND LIMOUSINES					
\$ 2102	\$76	\$105	\$149	\$225	N/A
– SCHOOL AND CHURCH BUSES					
\$ 186	\$8	\$12	\$15	\$19	N/A
– OTHER BUSES					
\$ 1288	\$41	\$50	\$64	\$88	N/A
– VAN POOLS					
\$ 509	\$36	\$51	\$62	\$80	N/A
RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT					
\$ 243	Refer to Rule 49.				N/A
<ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• 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.					

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TERRITORY 102

PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 40	\$ 56	\$ 219
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 55	\$ 282
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 41	\$ 57	\$ 278
– SCHOOL AND CHURCH BUSES			
	\$ 28	\$ 39	\$ 142
– OTHER BUSES			
	\$ 28	\$ 39	\$ 142
– VAN POOLS			
	\$ 41	\$ 57	\$ 278
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 56	\$ 78	\$ 215
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 67	\$ 347
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 57	\$ 80	\$ 273
– SCHOOL AND CHURCH BUSES			
	\$ 39	\$ 55	\$ 140
– OTHER BUSES			
	\$ 39	\$ 55	\$ 140
– VAN POOLS			
	\$ 57	\$ 80	\$ 273
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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VIRGINIA (45)
TERRITORY 109

PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 54	\$ 75	\$ 179
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 69	\$ 263
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 55	\$ 77	\$ 227
– SCHOOL AND CHURCH BUSES			
	\$ 38	\$ 53	\$ 116
– OTHER BUSES			
	\$ 38	\$ 53	\$ 116
– VAN POOLS			
	\$ 55	\$ 77	\$ 227
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 40	\$ 56	\$ 223
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 65	\$ 307
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 41	\$ 57	\$ 283
– SCHOOL AND CHURCH BUSES			
	\$ 28	\$ 39	\$ 145
– OTHER BUSES			
	\$ 28	\$ 39	\$ 145
– VAN POOLS			
	\$ 41	\$ 57	\$ 283
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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VIRGINIA (45)
TERRITORY 111

PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 52	\$ 72	\$ 221
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 62	\$ 219
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 53	\$ 73	\$ 281
– SCHOOL AND CHURCH BUSES			
	\$ 36	\$ 50	\$ 144
– OTHER BUSES			
	\$ 36	\$ 50	\$ 144
– VAN POOLS			
	\$ 53	\$ 73	\$ 281
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 59	\$ 82	\$ 252
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 59	\$ 219
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 60	\$ 84	\$ 320
– SCHOOL AND CHURCH BUSES			
	\$ 41	\$ 57	\$ 164
– OTHER BUSES			
	\$ 41	\$ 57	\$ 164
– VAN POOLS			
	\$ 60	\$ 84	\$ 320
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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VIRGINIA (45)
TERRITORY 115

PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 61	\$ 85	\$ 184
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 77	\$ 219
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 62	\$ 87	\$ 234
– SCHOOL AND CHURCH BUSES			
	\$ 43	\$ 60	\$ 120
– OTHER BUSES			
	\$ 43	\$ 60	\$ 120
– VAN POOLS			
	\$ 62	\$ 87	\$ 234
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 51	\$ 71	\$ 196
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 64	\$ 254
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 52	\$ 72	\$ 249
– SCHOOL AND CHURCH BUSES			
	\$ 36	\$ 50	\$ 127
– OTHER BUSES			
	\$ 36	\$ 50	\$ 127
– VAN POOLS			
	\$ 52	\$ 72	\$ 249
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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VIRGINIA (45)
TERRITORY 117

PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 56	\$ 78	\$ 214
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 80	\$ 216
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 57	\$ 80	\$ 272
– SCHOOL AND CHURCH BUSES			
	\$ 39	\$ 55	\$ 139
– OTHER BUSES			
	\$ 39	\$ 55	\$ 139
– VAN POOLS			
	\$ 57	\$ 80	\$ 272
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 63	\$ 88	\$ 222
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 93	\$ 254
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 64	\$ 90	\$ 282
– SCHOOL AND CHURCH BUSES			
	\$ 44	\$ 62	\$ 144
– OTHER BUSES			
	\$ 44	\$ 62	\$ 144
– VAN POOLS			
	\$ 64	\$ 90	\$ 282
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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VIRGINIA (45)
TERRITORY 121

PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 58	\$ 80	\$ 240
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 63	\$ 309
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 59	\$ 82	\$ 305
– SCHOOL AND CHURCH BUSES			
	\$ 41	\$ 56	\$ 156
– OTHER BUSES			
	\$ 41	\$ 56	\$ 156
– VAN POOLS			
	\$ 59	\$ 82	\$ 305
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 53	\$ 73	\$ 233
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 78	\$ 329
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 54	\$ 74	\$ 296
– SCHOOL AND CHURCH BUSES			
	\$ 37	\$ 51	\$ 151
– OTHER BUSES			
	\$ 37	\$ 51	\$ 151
– VAN POOLS			
	\$ 54	\$ 74	\$ 296
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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VIRGINIA (45)
TERRITORY 123

PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 63	\$ 87	\$ 219
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 73	\$ 224
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 64	\$ 89	\$ 278
– SCHOOL AND CHURCH BUSES			
	\$ 44	\$ 61	\$ 142
– OTHER BUSES			
	\$ 44	\$ 61	\$ 142
– VAN POOLS			
	\$ 64	\$ 89	\$ 278
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 54	\$ 75	\$ 261
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 87	\$ 253
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 55	\$ 77	\$ 331
– SCHOOL AND CHURCH BUSES			
	\$ 38	\$ 53	\$ 170
– OTHER BUSES			
	\$ 38	\$ 53	\$ 170
– VAN POOLS			
	\$ 55	\$ 77	\$ 331
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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VIRGINIA (45)
TERRITORY 125

PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 54	\$ 75	\$ 233
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 62	\$ 387
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 55	\$ 77	\$ 296
– SCHOOL AND CHURCH BUSES			
	\$ 38	\$ 53	\$ 151
– OTHER BUSES			
	\$ 38	\$ 53	\$ 151
– VAN POOLS			
	\$ 55	\$ 77	\$ 296
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

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PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000			
	Specified Causes Of Loss	\$500 Ded. Comp.	\$500 Ded. Coll.
RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS			
– Local And Intermediate – All Vehicles			
– Long Distance – Light Trucks And Trailers Used With Light Trucks			
	\$ 66	\$ 91	\$ 250
RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS			
	N/A	\$ 82	\$ 272
RULE 40. PUBLIC AUTO CLASSIFICATIONS			
– TAXICABS AND LIMOUSINES			
	\$ 67	\$ 93	\$ 318
– SCHOOL AND CHURCH BUSES			
	\$ 46	\$ 64	\$ 163
– OTHER BUSES			
	\$ 46	\$ 64	\$ 163
– VAN POOLS			
	\$ 67	\$ 93	\$ 318
<ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. 			

90. HIRED AUTOS

Cost Of Hire Basis – All Territories Liability Base Loss Cost
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\$ 0.47 <u>54</u>

Table 90.B.3.b.(LC) Cost Of Hire Basis Liability Loss Cost

Supplementary Information – Virginia

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 Virginia

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>
09/30/2012	+0.5%	+4.0%
12/31/2012	+0.2%	+4.7%
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%

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 – Virginia

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 Change¹</u>	<u>CPI – Hospital & Other Related Services Annual Rate of Change</u>
October 2004 - September 2005	3.9%	4.6%
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%

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.

¹ 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 – Virginia

Virginia Trends

Trucks, Tractors & Trailers and Private Passenger Types

	Current Trends <u>Data through 06/30/2016</u>	Previous Trends <u>Data through 06/30/2015</u>
Virginia Claim Cost Trends		
Bodily Injury (\$100,000 Limit)	3.5%	-0.8%
Property Damage (\$100,000 Limit)	4.9%	2.6%
Credibility-Weighted Claim Cost Trends		
Bodily Injury (\$100,000 Limit)	2.9%	2.1%
Property Damage (\$100,000 Limit)	5.1%	3.1%
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)	2.9%	2.1%
Property Damage (\$100,000 Limit)	5.1%	3.1%
Private Passenger Types		
Bodily Injury (\$100,000 Limit)	2.9%	2.1%
Property Damage (\$100,000 Limit)	5.1%	3.1%

Virginia bodily injury severity trend receives 5% weight when combined with multistate trend in the filing, property damage trend receives 40% weight.

If the prior trends were used to calculate the indicated changes in this document, the Truck, Tractors & Trailers Liability indication would have been 10.3% rather than 16.4%. For the Private Passenger Types coverage, the indication would have been -1.3% instead of 3.7%.

Supplementary Information – Virginia

Physical Damage Loss Trend

		Current Trends <u>Data through 06/30/2016</u>	Previous Trends <u>Data through 06/30/2015</u>
Trucks, Tractors & Trailers	<u>Coverage</u>		
	OTC	+6.0%	+5.0%
	Collision	+6.0%	+5.5%
Private Passenger Types	OTC	+5.0%	+4.5%
	Collision	+5.5%	+4.0%

Physical Damage OCN Trend

		Current Trends <u>Data through 06/30/2016</u>	Previous Trends <u>Data through 06/30/2015</u>
Trucks, Tractors & Trailers	<u>Coverage</u>		
	OTC	+0.9%	+0.9%
	Collision	+1.1%	+1.1%
Private Passenger Types	OTC	+0.9%	+0.8%
	Collision	+0.5%	+0.5%

The loss trend has increased by 1.0 point 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 0.1 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 4.7%, instead of 8.7%, and 4.0%, instead of 5.4%, respectively.

The loss trend has increased by 0.5 points for Trucks, Tractors & Trailers collision and has increased by 1.5 points for Private Passenger Types collision. The collision OCN trend has remained the same for Trucks, Tractors, & Trailers collision and 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 14.3%, instead of 16.6%, and 13.4%, instead of 19.6%, respectively.

Supplementary Information – Virginia

Loss Development

Methodology

For the Trucks, Tractors & Trailers and Private Passenger Types Liability coverages, we continue to employ a credibility-weighted combination of State 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	1.069	1.063
27 to Ultimate	1.174	1.165
15 to Ultimate	1.381	1.384
Trucks, Tractors and Trailers PD		
39 to Ultimate	1.004	1.003
27 to Ultimate	1.011	1.010
15 to Ultimate	1.041	1.038
Private Passenger Types BI		
39 to Ultimate	1.050	1.049
27 to Ultimate	1.131	1.112
15 to Ultimate	1.335	1.313
Private Passenger Types PD		
39 to Ultimate	1.004	1.001
27 to Ultimate	1.011	1.007
15 to Ultimate	1.032	1.029

Supplementary Information – Virginia

Other Factors

Unallocated Loss Adjustment Expense factors:

	<u>Data through 12/31/2015</u>	<u>Data through 12/31/2014</u>
Bodily Injury	1.085	1.085
Property Damage	1.110	1.115
Physical Damage	1.150	1.150

Indicated vs. Filed Changes

An overall change of 14.7% is indicated when each of the coverage indications is weighted by its respective loss cost volume. Staff will file the indications, which reflect a 10/01/2018 proposed effective date. The filed loss cost level changes are the same as the indicated.

Notes

- Due to the filing of a new Auto Dealers Coverage Form, the Garage coverages are not being reviewed this year.
- The Trucks, Tractors, and Trailers Liability indication of 16.4% is due to the poor experience in the last three years.
- The Trucks, Tractors, and Trailers OTC indication of 8.7% is due to the poor experience in three of the last five years.
- The Trucks, Tractors, and Trailers Collision indication of 16.6% is due to the poor experience in the last three years.
- The Private Passenger Types Collision indication of 19.6% is due to the poor experience in the last three years.