

LOSS COSTS – INFORMATION

DECEMBER 24, 2018

COMMERCIAL PROPERTY

LI-CF-2018-132

FLORIDA COMMERCIAL FIRE AND ALLIED LINES LOSS COST LEVEL ANALYSIS FURNISHED FOR INFORMATION

KEY MESSAGE

This analysis is provided for your information. We are NOT revising the current loss costs based on this analysis.

BACKGROUND

In circular [LI-CF-2018-105](#), we provided you with information about the Commercial Fire and Allied Lines loss cost level experience review.

ISO ACTION

We are not implementing any changes, at this time, to the current Commercial Fire and Allied Lines advisory prospective loss costs for this jurisdiction.

SUPPLEMENTARY INFORMATION

We are including the following supplementary information:

- An Actuarial Analysis Supplement which provides discussion and analysis of changes in the experience and adjustments used to derive the loss cost level analysis.
- The loss cost exhibits contained in the loss cost level analysis in a Microsoft® Excel workbook.

NOTE: This supplementary information is not part of the loss cost level analysis.

COMPANY ACTION

You may wish to evaluate your rate level needs.

Some calculations included in the attached analysis involve areas of ISO staff judgment. You should carefully review and evaluate your own experience in order to determine whether the indications are appropriate for your use.

If you decide to independently file a rate or loss cost revision based on this analysis, you must:

- Comply with the applicable regulatory filing requirements; and
- Advise your production forces about implementation of your revised rates or loss cost adjustments.

REFERENCE(S)

[LI-CF-2018-105](#) (09/12/2018) Commercial Fire And Allied Lines Experience Level Indications Reviewed By ISO Staff

ATTACHMENT(S)

- Loss Cost Level Analysis
- Actuarial Analysis Supplement
- Excel Workbook

FILES AVAILABLE FOR DOWNLOAD

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

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

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ACKNOWLEDGMENT OF ACTUARIAL QUALIFICATIONS

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

I, Rimma Maasbach, am an Actuarial Consultant in Actuarial Operations for ISO and I, Bei Zhou, am an Actuarial Product Director for Commercial Property for ISO. We are jointly responsible for the content of this Statement of Actuarial Opinion. We are both members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

AIR WORLDWIDE CORPORATION

This analysis incorporates the use of AIR Worldwide Corporation's (AIR) tropical cyclone model to produce hurricane modeled loss costs as part of the Basic Group II ratemaking procedure. AIR is the world's premier risk modeling and technology firm specializing in risks associated with natural and man-made catastrophes, weather and climate. AIR has developed models covering all major natural hazards, including hurricanes and earthquakes, and man-made perils (terrorist events) for more than 40 countries throughout North America, the Caribbean, South America, Europe, and the Asia-Pacific region. AIR provides a full suite of integrated products for underwriting, pricing, portfolio management, risk transfer and financing.

For more information concerning AIR Worldwide Corporation, please see the Contact Information block.

XACTWARE SOLUTIONS, INC.

This filing incorporates the use of pricing data from Xactware Solutions, Inc., to estimate trends in building costs for commercial properties. Xactware provides computer software solutions for professionals involved in estimating all phases of building construction and repair. The company has been providing building cost data, estimate tracking and data trending to the insurance repair market since 1986. Insurance carriers using Xactware data are responsible for settlement of the majority of property claims in the USA and Canada.

For more information concerning Xactware Solutions, Inc., please see the Contact Information block.

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FLORIDA

COMMERCIAL FIRE AND ALLIED LINES INSURANCE PROSPECTIVE LOSS COST LEVEL INFORMATION EXECUTIVE SUMMARY

PURPOSE

This document:

- provides advisory prospective loss cost information. The indicated loss cost level represents a +5.6% statewide change from the current ISO level.
 - provides the analyses used to derive the prospective loss costs based on experience through calendar/accident year ending 09/30/2017, evaluated as of 12/31/2017.
 - incorporates hurricane modeled loss costs based on Touchstone Version 5.0 of AIR Worldwide Corporation's (AIR) tropical cyclone model. Changes from the previous version of the model are explained in Section C.
-

DEFINITION OF THE ISO PROSPECTIVE LOSS COST

Advisory prospective loss costs in this document are the expected value of 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 and projected through trending to a future point in time. The hurricane portion of the prospective Basic Group II loss costs are expected hurricane loss costs based on AIR Worldwide Corporation's tropical cyclone model and include a provision for loss adjustment expense.

LOSS COST LEVEL CHANGES

The statewide monoline prospective loss cost level changes are:

Coverage	Indicated
Basic Group I	-9.0%
Basic Group II	+11.2%
Special Causes of Loss	+8.8%
Total	+5.6%

Indicated loss cost level changes are changes from the current loss cost level.

PRIOR ISO REVISIONS

The latest revisions in this state are:

<u>Reference Document or Filing</u>	CF-2014-RLA1	CF-2004-RLA1
<u>Rates/ Loss Costs</u>	Loss Costs	Loss Costs
<u>Dates Implemented</u>	09/01/2015	08/01/2005
<u>Changes</u>		
Basic Group I	-16.4%	-12.6%
Basic Group II	+30.0%	+4.5%
Special Causes of Loss	+13.5%	-8.2%
Total	+10.6%	-3.6%

HISTORICAL SOURCE DATA

The data used in this review is:

- Voluntary experience for ISO reporting companies.
 - Five calendar/accident years ending 09/30/2017 for Basic Group I and Special Causes of Loss.
 - Ten calendar/accident years ending 09/30/2017 for Basic Group II.
-

DISTRIBUTION OF STATEWIDE MONOLINE LOSS COST CHANGES

ISO has distributed the statewide monoline prospective loss cost changes as follows:

- by rating group and territory (where applicable) for Basic Group I.
- by territory, coverage and symbol (where applicable) for Basic Group II.
- by category (building coverage and occupancy type) for Special Causes of Loss.

This has been done based on the experience of each rating group and territory (where applicable), or category for Basic Group I and Special Causes of Loss, and based on the hurricane model for Basic Group II. Therefore, the resulting changes will vary by rating group and territory (where applicable) for Basic Group I; by territory, coverage, and symbol (where applicable) for Basic Group II; and by category for Special Causes of Loss.

TREND AND
OTHER
ADJUSTMENTS

Loss Trend

For trend purposes, the period of use for this revision is assumed to begin on 04/01/2019. To adjust the loss experience to the levels expected to prevail while the revised loss costs are in effect, trend factors have been applied to the historical incurred losses. These trend factors are based on:

- external cost indices published by the U.S. Government and information provided by Xactware Solutions, Inc.
- changes in multistate average claim costs through fourth quarter 2016.

The "historic" trend factors based on the external indices, i.e. the factors based on historic changes in the indices, vary by year. The latest annual rates of change based on these indices are:

<u>Coverage</u>	<u>Annual Rate of Change</u>
Buildings	2.7%
Contents	1.4%
Time Element	0.5%

Incurred losses are also multiplied by loss trend adjustment factors (LTA's) to reflect trends in claim frequency and claim costs that are different from those exhibited by the external indices. The annual loss trend adjustments are:

<u>Line of Business</u>	<u>Buildings</u>	<u>Contents</u>	<u>Time Element</u>
Basic Group I	-0.4%	0.5%	2.5%
Basic Group II	0.5%	0.8%	2.2%
Special Causes of Loss	0.3%	0.5%	2.5%

This produces a total annual loss trend of:

<u>Line of Business</u>	<u>Buildings</u>	<u>Contents</u>	<u>Time Element</u>
Basic Group I	2.3%	1.9%	3.0%
Basic Group II	3.2%	2.2%	2.7%
Special Causes of Loss	3.0%	1.9%	3.0%

Premium Trend

Over time, insureds tend to purchase increased amounts of insurance in order to compensate for inflation, which results in increased premium revenue.

TREND AND
OTHER
ADJUSTMENTS
(cont'd)

In order to reflect this increase in revenue, ISO uses a premium trend procedure. The premium trend factors are based on observed changes in the annual amount of insurance written for BG I renewal policies for a group of selected companies. The selected annual trends in the amount of insurance are:

Buildings	2.0%
Contents	1.7%
Time Element	1.0%

Other Adjustments

Standard actuarial procedures have been used in calculating the loss costs including loss development and the reflection of all loss adjustment expense. In addition, smoothing procedures have been applied to stabilize the effects of large or excess losses.

TEN LARGEST
COMPANY
GROUPS IN
ISO DATA BASE

COMMERCIAL MULTIPERIL - NON-LIABILITY (ASLOB 51)

1. Zurich American Insurance Company
2. Hartford Accident & Indemnity Company
3. Travelers Indemnity Company
4. Tower Hill Preferred Insurance Company
5. Liberty Mutual Insurance Company
6. AMCO (Allied Group)
7. Tokio Marine Companies
8. Westfield Insurance Company
9. Great American Insurance Company
10. Nationwide Mutual Insurance Company

premium
Statement

Insurers are listed in descending order based on the percent of statewide written volume from Annual Statement Page 15 for year ending 12/31/2017 for Annual Line of Business (ASLOB) 51, Commercial Multiperil - Non-liability.

Although ASLOB 51 includes coverages in addition to commercial fire and allied lines, e.g., crime, inland marine, fidelity, the largest percentage of premium volume is due to fire and allied lines (Basic Group I, Basic Group II, and Special Causes of Loss coverages). ASLOB 51 does not include data reported under monoline fire and allied lines (ASLOBs 10 and 21), which includes both commercial and personal property experience.

SIZE OF ISO
DATA BASE

The market share of all insurers reporting to ISO in this state and included in the ratemaking experience underlying this review as measured by Annual Statement Page 15 written premium for year ending 12/31/2017 is:

Commercial Multi-peril - Non-liability (ASLOB 51) - 19.5%

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 enable companies 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 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.

This material has been developed by ISO staff. ISO staff has relied on information, and unique knowledge and expertise, provided by AIR Worldwide Corporation (a wholly-owned subsidiary of Insurance Services Office, Inc.) for the derivation of the modeled hurricane loss costs used in this document.

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FLORIDA COMMERCIAL PROPERTY INSURANCE

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FLORIDA
COMMERCIAL PROPERTY INSURANCE

SECTION A - SCOPE OF REVISION

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FLORIDA

TABLE 1 - SUMMARY OF MONOLINE PROSPECTIVE LOSS COST CHANGES (A)

COVERAGE	INDICATIONS	AGGREGATE LOSS COSTS AT CURRENT LEVEL
BASIC GROUP I	-9.0%	20,503,891
TERRITORY 01	-13.1%	
TERRITORY 02	-0.9%	
TERRITORY 03	-10.7%	
TERRITORY 04	-5.3%	
TERRITORY 05	-10.8%	
TERRITORY 06	-5.4%	
TERRITORY 07	-6.6%	
TERRITORY 08	-8.7%	
TERRITORY 09	-5.9%	
BASIC GROUP II	+11.2%	46,457,319
Seacoast-Zone 1	-7.6%	
Seacoast-Zone 2	+34.5%	
Seacoast-Zone 3	+43.4%	
Inland	+23.8%	
Seacoast-Key West, Monroe Cty.	+99.0%	
Seacoast-Bal. of Monroe	+57.7%	
SPECIAL CAUSES OF LOSS	+8.8%	11,611,626
ALL COVERAGES COMBINED	+5.6%	78,572,836

TERRITORY DEFINITIONS

- 01 Jacksonville
- 02 Miami
- 03 Tampa
- 04 Miami Beach
- 05 Miami-Dade Excluding Hialeah, Miami Beach and Miami
- 06 Hillsborough County excluding Hialeah
- 07 Hialeah
- 08 Balance of State
- 09 St Petersburg

(A) FOR TREND PURPOSES, THE PERIOD OF USE FOR THIS REVISION IS ASSUMED TO BEGIN ON 04/01/2019.

FLORIDA

TABLE 2 - BASIC GROUP I PROSPECTIVE LOSS COST CHANGES
BY RATING GROUP AND TERRITORY (A)

RATING GROUP DESCRIPTION	Jacksonville	Miami
	INDICATED	INDICATED
01 APARTMENTS	-2.7%	+9.6%
02 OTHER HABITATIONAL	-10.5%	+0.8%
03 RESTAURANTS & BARS	-14.6%	-3.8%
04 OTHER MERCANTILE RISKS	-9.2%	+2.3%
05 PUBLIC BUILDINGS	-12.5%	-1.4%
06 CHURCHES	-14.1%	-3.2%
07 SCHOOLS	-13.2%	-2.2%
08 OFFICES AND BANKS	-17.5%	-7.0%
09 RECREATIONAL FACILITIES	-14.0%	-3.1%
10 HOTELS & MOTELS	-13.0%	-2.0%
11 HOSPITALS & NURSING HOMES	-12.8%	-1.7%
12 BLDGS UNDER CONSTRUCTION	-13.6%	-2.6%
13 MOTOR VEHICLE RISKS	-15.0%	-4.2%
14 OTHER NON-MANUFACTURING	-13.6%	-2.6%
15 STORAGE	-11.9%	-0.7%
17 FOOD MANUFACTURING	-12.6%	-1.5%
18 WOOD MANUFACTURING	-12.9%	-1.8%
19 WEARING APPAREL	-12.9%	-1.8%
20 CHEMICAL MANUFACTURING	-14.0%	-3.1%
21 METAL MANUFACTURING	-14.2%	-3.3%
22 OTHER MANUFACTURING	-14.0%	-3.1%
TOTAL	-13.1%	-0.9%

(A) FOR EACH RATING GROUP, THE LOSS COST CHANGE FOR EACH CSP CLASS IN THE RATING GROUP, BY COVERAGE AND CONSTRUCTION, IS IDENTICAL TO THE OVERALL CHANGE SHOWN FOR THE RATING GROUP.

FLORIDA

TABLE 2 - BASIC GROUP I PROSPECTIVE LOSS COST CHANGES
BY RATING GROUP AND TERRITORY (A)

RATING GROUP DESCRIPTION	Tampa	Miami Beach
	INDICATED	INDICATED
01 APARTMENTS	+0.6%	+4.1%
02 OTHER HABITATIONAL	-7.4%	-4.2%
03 RESTAURANTS & BARS	-11.7%	-8.6%
04 OTHER MERCANTILE RISKS	-6.1%	-2.8%
05 PUBLIC BUILDINGS	-9.5%	-6.4%
06 CHURCHES	-11.1%	-8.1%
07 SCHOOLS	-10.2%	-7.1%
08 OFFICES AND BANKS	-14.6%	-11.7%
09 RECREATIONAL FACILITIES	-11.0%	-8.0%
10 HOTELS & MOTELS	-10.0%	-6.9%
11 HOSPITALS & NURSING HOMES	-9.8%	-6.7%
12 BLDGS UNDER CONSTRUCTION	-10.6%	-7.5%
13 MOTOR VEHICLE RISKS	-12.0%	-9.0%
14 OTHER NON-MANUFACTURING	-10.6%	-7.5%
15 STORAGE	-8.9%	-5.7%
17 FOOD MANUFACTURING	-9.6%	-6.5%
18 WOOD MANUFACTURING	-9.9%	-6.8%
19 WEARING APPAREL	-9.9%	-6.8%
20 CHEMICAL MANUFACTURING	-11.0%	-8.0%
21 METAL MANUFACTURING	-11.2%	-8.1%
22 OTHER MANUFACTURING	-11.0%	-8.0%
TOTAL	-10.7%	-5.3%

(A) FOR EACH RATING GROUP, THE LOSS COST CHANGE FOR EACH CSP CLASS IN THE RATING GROUP, BY COVERAGE AND CONSTRUCTION, IS IDENTICAL TO THE OVERALL CHANGE SHOWN FOR THE RATING GROUP.

FLORIDA

TABLE 2 - BASIC GROUP I PROSPECTIVE LOSS COST CHANGES
BY RATING GROUP AND TERRITORY (A)

RATING GROUP DESCRIPTION	Miami-Dade Ex Hialeah, Miami Beach, Miami	Hillsborough County Ex Tampa
	INDICATED	INDICATED
01 APARTMENTS	-1.6%	+6.0%
02 OTHER HABITATIONAL	-9.5%	-2.6%
03 RESTAURANTS & BARS	-13.6%	-7.0%
04 OTHER MERCANTILE RISKS	-8.2%	-1.1%
05 PUBLIC BUILDINGS	-11.5%	-4.7%
06 CHURCHES	-13.1%	-6.4%
07 SCHOOLS	-12.2%	-5.5%
08 OFFICES AND BANKS	-16.5%	-10.1%
09 RECREATIONAL FACILITIES	-13.0%	-6.3%
10 HOTELS & MOTELS	-12.0%	-5.3%
11 HOSPITALS & NURSING HOMES	-11.8%	-5.0%
12 BLDGS UNDER CONSTRUCTION	-12.6%	-5.9%
13 MOTOR VEHICLE RISKS	-14.0%	-7.4%
14 OTHER NON-MANUFACTURING	-12.6%	-5.9%
15 STORAGE	-10.9%	-4.1%
17 FOOD MANUFACTURING	-11.6%	-4.8%
18 WOOD MANUFACTURING	-11.9%	-5.1%
19 WEARING APPAREL	-11.9%	-5.1%
20 CHEMICAL MANUFACTURING	-13.0%	-6.3%
21 METAL MANUFACTURING	-13.2%	-6.5%
22 OTHER MANUFACTURING	-13.0%	-6.3%
TOTAL	-10.8%	-5.4%

(A) FOR EACH RATING GROUP, THE LOSS COST CHANGE FOR EACH CSP CLASS IN THE RATING GROUP, BY COVERAGE AND CONSTRUCTION, IS IDENTICAL TO THE OVERALL CHANGE SHOWN FOR THE RATING GROUP.

FLORIDA

TABLE 2 - BASIC GROUP I PROSPECTIVE LOSS COST CHANGES
BY RATING GROUP AND TERRITORY (A)

RATING GROUP DESCRIPTION	Hialeah	Balance of State (Florida)
	INDICATED	INDICATED
01 APARTMENTS	+3.9%	+2.5%
02 OTHER HABITATIONAL	-4.4%	-5.7%
03 RESTAURANTS & BARS	-8.8%	-10.0%
04 OTHER MERCANTILE RISKS	-3.0%	-4.4%
05 PUBLIC BUILDINGS	-6.6%	-7.8%
06 CHURCHES	-8.2%	-9.5%
07 SCHOOLS	-7.3%	-8.6%
08 OFFICES AND BANKS	-11.8%	-13.1%
09 RECREATIONAL FACILITIES	-8.1%	-9.4%
10 HOTELS & MOTELS	-7.1%	-8.4%
11 HOSPITALS & NURSING HOMES	-6.8%	-8.1%
12 BLDGS UNDER CONSTRUCTION	-7.7%	-8.9%
13 MOTOR VEHICLE RISKS	-9.2%	-10.4%
14 OTHER NON-MANUFACTURING	-7.7%	-8.9%
15 STORAGE	-5.9%	-7.2%
17 FOOD MANUFACTURING	-6.7%	-7.9%
18 WOOD MANUFACTURING	-6.9%	-8.2%
19 WEARING APPAREL	-6.9%	-8.2%
20 CHEMICAL MANUFACTURING	-8.1%	-9.4%
21 METAL MANUFACTURING	-8.3%	-9.6%
22 OTHER MANUFACTURING	-8.1%	-9.4%
TOTAL	-6.6%	-8.7%

(A) FOR EACH RATING GROUP, THE LOSS COST CHANGE FOR EACH CSP CLASS IN THE RATING GROUP, BY COVERAGE AND CONSTRUCTION, IS IDENTICAL TO THE OVERALL CHANGE SHOWN FOR THE RATING GROUP.

FLORIDA

TABLE 2 - BASIC GROUP I PROSPECTIVE LOSS COST CHANGES
BY RATING GROUP AND TERRITORY (A)

RATING GROUP DESCRIPTION	St Petersburg

	INDICATED
01 APARTMENTS	+5.3%
02 OTHER HABITATIONAL	-3.1%
03 RESTAURANTS & BARS	-7.5%
04 OTHER MERCANTILE RISKS	-1.7%
05 PUBLIC BUILDINGS	-5.3%
06 CHURCHES	-7.0%
07 SCHOOLS	-6.0%
08 OFFICES AND BANKS	-10.6%
09 RECREATIONAL FACILITIES	-6.9%
10 HOTELS & MOTELS	-5.8%
11 HOSPITALS & NURSING HOMES	-5.6%
12 BLDGS UNDER CONSTRUCTION	-6.4%
13 MOTOR VEHICLE RISKS	-7.9%
14 OTHER NON-MANUFACTURING	-6.4%
15 STORAGE	-4.6%
17 FOOD MANUFACTURING	-5.4%
18 WOOD MANUFACTURING	-5.7%
19 WEARING APPAREL	-5.7%
20 CHEMICAL MANUFACTURING	-6.9%
21 METAL MANUFACTURING	-7.1%
22 OTHER MANUFACTURING	-6.9%
TOTAL	-5.9%

(A) FOR EACH RATING GROUP, THE LOSS COST CHANGE FOR EACH CSP CLASS IN THE RATING GROUP, BY COVERAGE AND CONSTRUCTION, IS IDENTICAL TO THE OVERALL CHANGE SHOWN FOR THE RATING GROUP.

FLORIDA
TABLE 2B
BASIC GROUP II PROSPECTIVE LOSS COST CHANGES
BY TERRITORY, COVERAGE, AND SYMBOL

TERRITORY

COVERAGE	SYMBOL	Seacoast-Zone 1	Seacoast-Zone 2	Seacoast-Zone 3

BUILDINGS	AA	-4.4%	+47.3%	+25.0%
	A	-4.5%	+47.4%	+26.7%
	AB	-20.8%	+11.7%	+19.4%
	B	-13.9%	+12.5%	+28.6%
CONTENTS	AA	+92.5%	+204.0%	+195.1%
	A	+92.6%	+204.8%	+200.0%
	AB	+54.0%	+147.2%	+134.4%
	B	+74.8%	+156.3%	+187.4%
	TOTAL	-7.6%	+34.5%	+43.4%

TERRITORY

COVERAGE	SYMBOL	Inland	Seacoast-Monroe County-Key West	Seacoast-Monroe County-Remainder

BUILDINGS	AA	-6.9%	+350.9%	+144.5%
	A	-7.5%	+351.7%	+144.4%
	AB	-4.5%	+193.7%	+74.5%
	B	+27.1%	+77.8%	+37.6%
CONTENTS	AA	+20.0%	+695.0%	+321.8%
	A	+19.4%	+697.4%	+322.8%
	AB	+19.7%	+383.3%	+174.3%
	B	+85.9%	+230.1%	+150.5%
	TOTAL	+23.8%	+99.0%	+57.7%

FLORIDA

TABLE 3 - SPECIAL CAUSES OF LOSS PROSPECTIVE LOSS COST CHANGES BY CATEGORY

CATEGORY DESCRIPTION	ENTIRE STATE
-----	-----
01 BUILDINGS	+12.3%
02 RES. APTS. AND CONDOS	+7.2%
03 OFFICES	-6.1%
04 MERCANTILE - HIGH	+0.0%
05 MERCANTILE - MEDIUM	+10.5%
06 MERCANTILE - LOW	+0.5%
07 MOTELS AND HOTELS	+6.5%
08 INSTITUTIONAL - HIGH	+7.6%
09 INSTITUTIONAL - LOW	-4.9%
10 INDUST-PROC - HIGH	+7.5%
11 INDUST-PROC - LOW	+1.1%
12 SERVICE - HIGH	+10.4%
13 SERVICE - LOW	+2.9%
14 CONTRACTORS	+11.0%
STATEWIDE TOTAL	+8.8%

FLORIDA
TABLE 4

POTENTIAL IMPACT OF BG I, BG II, AND SCL MONOLINE REVISIONS
ON COMMERCIAL PACKAGE POLICY

(1)		(2)	(3)	(4)
TYPE OF POLICY		BASIC GROUP I	BASIC GROUP II	SPECIAL CAUSES OF LOSS

31	MOTEL/HOTEL	-8.7%	+13.6%	+11.0%
32	APARTMENT	-3.6%	+24.5%	+10.7%
33	OFFICE	-13.2%	+30.4%	+6.1%
34	MERCANTILE	-7.3%	+24.0%	+9.2%
35	INSTITUTIONAL	-10.0%	+24.8%	+8.2%
36	SERVICES	-9.9%	+30.7%	+9.7%
37	INDUST/PROCESSING	-9.4%	+31.1%	+7.9%
38	CONTRACTORS	-7.9%	+32.9%	+9.3%

BASIC GROUP I, BASIC GROUP II, AND SPECIAL CAUSES OF LOSS MONOLINE CHANGES BY TYPE OF POLICY (TOP) ARE DISPLAYED. THEY ARE CALCULATED BY TAKING A WEIGHTED AVERAGE OF THE LOSS COST CHANGES BY TERRITORY AND RATING GROUP (FOR BG I); TERRITORY, COVERAGE AND SYMBOL (FOR BG II); AND CATEGORY (FOR SCL), USING THE LATEST YEAR MULTILINE TOP AGGREGATE LOSS COSTS AS WEIGHTS.

FLORIDA
COMMERCIAL PROPERTY INSURANCE

SECTION B - CALCULATION OF PROPOSED CHANGES

Overview of Actuarial Procedures - Commercial Property	B2
Calculation of Statewide Prospective Loss Cost	
Level Changes (Tables 5 - 7)	B3-12
Distribution of Prospective Loss Cost	
Level Changes (Tables 8 - 12)	B13-63

OVERVIEW OF ISO ACTUARIAL PROCEDURES - COMMERCIAL PROPERTY

INTRODUCTION

Commercial Property 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 for Basic Group I, Basic Group II, and Special Causes of Loss.

STEP 1: DETERMINATION OF INDICATED STATEWIDE LOSS COST LEVEL CHANGE

The first step in this process is the determination of the indicated statewide loss cost level change. This indicated statewide loss cost level change is the average percentage change which 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 "Statewide Coverage Loss Cost Level Evaluation".

STEP 2: DISTRIBUTION OF CHANGES

Based on the experience, ISO then distributes the indicated statewide loss cost level change by territory (where applicable), type of policy and rating group for Basic Group I; by type of policy for Basic Group II; and by type of policy and category for Special Causes of Loss.

STEP 3: CALCULATION OF REVISED LOSS COSTS

The last step is the calculation of the prospective ISO loss costs. This is achieved by applying the indicated monoline changes to the current ISO loss costs. For Basic Group I, for those states without BG I rating territories, the statewide loss cost changes by rating group are applied to the current manual loss costs. For those states with rating territories, the Balance of State loss cost changes by rating group are applied to the current manual loss costs. The revised territory multipliers are calculated by multiplying the current territory multipliers by the indicated territory changes. For specifically-rated properties, the appropriate changes are applied to the current experience level adjustment factors and territory multipliers. For Basic Group II, revised loss costs are calculated by applying the indicated statewide monoline change to the current ISO loss costs, and where applicable, adding the hurricane modeled loss costs. For Special Causes of Loss, revised loss costs are calculated by applying the indicated monoline changes by category to the current ISO loss costs.

COMMERCIAL PROPERTY INSURANCE
CALCULATION OF STATEWIDE ADVISORY LOSS COST LEVEL CHANGES IN TABLES 5, 6 AND 7

OBJECTIVE	<p>The objective of this procedure is to determine the indicated statewide advisory loss cost level change. This procedure answers the question: What average percentage change must be made 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 trended and developed incurred losses and loss adjustment expenses with the trended aggregate loss costs at current ISO level. The aggregate loss costs at current level are the amounts that would have been collected for losses and all loss adjustment expenses if the current ISO loss costs had been in effect during the experience period.</p> <p>Experience ratios (losses and all loss adjustment expenses divided by aggregate loss costs, both trended to the prospective experience period) are calculated by year, and a weighted average of the yearly experience ratios is calculated. For Basic Group I (BG I) and Special Causes of Loss (SCL), the five year weights vary by year, giving greater weight to the more recent experience. For Basic Group II (BG II), because of the more volatile nature of the data, the ten individual years are given equal weight.</p> <p>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. The resulting 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 data reported under the ISO Commercial Statistical Plan for BG I, BG II and SCL. The data are aggregated on an accident year basis.</p>

FLORIDA
TABLE 5

STATEWIDE BASIC GROUP I
COVERAGE LOSS COST LEVEL EVALUATION

(1)	(2)	(3)	(4)	(5)
YEAR	AGGREGATE* LOSS COSTS	ADJUSTED** INCURRED LOSSES	EXPERIENCE RATIO (3) / (2)	WEIGHTS
2013	20,957,613	18,787,969	0.896	0.10
2014	20,501,076	11,524,276	0.562	0.15
2015	19,411,833	6,808,248	0.351	0.20
2016	19,800,373	11,500,748	0.581	0.25
2017	20,503,891	18,321,580	0.894	0.30

(6) WEIGHTED EXPERIENCE RATIO	= 0.657
(7) CREDIBILITY	= 0.306
(8) EXPECTED EXPERIENCE RATIO	= 1.004
(9) CREDIBILITY WEIGHTED EXPERIENCE RATIO (0.306 X 0.657) + (0.694 X 1.004)	= 0.898
(10) INDICATED COVERAGE LOSS COST CHANGE	= 0.898
	OR -10.2%

* AGGREGATE LOSS COSTS ARE ADJUSTED TO CURRENT ISO LOSS COST LEVEL
AND 10/01/2019 AMOUNT OF INSURANCE LEVELS.

** INCURRED LOSSES ARE ADJUSTED TO 04/01/2020 COST LEVELS INCLUDING LOSS
DEVELOPMENT AND ALL LOSS ADJUSTMENT EXPENSES.

FLORIDA
TABLE 6

STATEWIDE BASIC GROUP II
COVERAGE LOSS COST LEVEL EVALUATION

(1)	(2)	(3)	(4)	(5)
		NON HURRICANE	ADJUSTED**	NON HURRICANE
YEAR	AGGREGATE*	AGGREGATE	NON-HURRICANE	EXPERIENCE
	LOSS COSTS	LOSS COSTS	INCURRED LOSSES	RATIO
				(4) / (3)
2008	50,394,001	4,523,464	9,738,276	2.153
2009	45,337,687	4,541,889	7,743,425	1.705
2010	42,657,154	4,077,055	2,767,859	0.679
2011	38,945,754	3,470,909	8,007,299	2.307
2012	37,536,565	3,162,136	5,597,120	1.770
2013	32,634,902	2,858,015	7,927,884	2.774
2014	31,049,133	2,786,399	2,500,632	0.897
2015	32,713,667	2,703,724	2,281,793	0.844
2016	37,374,097	2,625,952	3,067,842	1.168
2017	46,457,319	2,914,666	5,341,294	1.833

(6) WEIGHTED EXPERIENCE RATIO (EQUAL WEIGHTS) = 1.613

(7) CREDIBILITY = 0.487

(8) EXPECTED EXPERIENCE RATIO = 1.011

(9) CREDIBILITY WEIGHTED EXPERIENCE RATIO = 1.304
(0.487 x 1.613) + (0.513 x 1.011)

(10) INDICATED COVERAGE LOSS COST CHANGE = 1.304

OR +30.4%

* AGGREGATE LOSS COSTS ARE ADJUSTED TO CURRENT ISO LOSS COST LEVEL
AND 10/01/2019 AMOUNT OF INSURANCE LEVELS.

** INCURRED LOSSES ARE ADJUSTED TO 04/01/2020 COST LEVELS INCLUDING LOSS
DEVELOPMENT AND ALL LOSS ADJUSTMENT EXPENSES.

FLORIDA
TABLE 7

STATEWIDE SPECIAL CAUSES OF LOSS
COVERAGE LOSS COST LEVEL EVALUATION

(1)	(2)	(3)	(4)	(5)
YEAR	AGGREGATE* LOSS COSTS	ADJUSTED** INCURRED LOSSES	EXPERIENCE RATIO (3) / (2)	WEIGHTS
2013	13,074,917	9,270,934	0.709	0.10
2014	12,545,427	9,036,407	0.720	0.15
2015	12,283,223	10,088,374	0.821	0.20
2016	11,744,705	10,413,470	0.887	0.25
2017	11,611,626	12,206,865	1.051	0.30

(6) WEIGHTED EXPERIENCE RATIO = 0.880

(7) CREDIBILITY = 0.318

(8) EXPECTED EXPERIENCE RATIO = 1.007

(9) CREDIBILITY WEIGHTED EXPERIENCE RATIO = 0.967
(0.318 X 0.880) + (0.682 X 1.007)

(10) INDICATED COVERAGE LOSS COST CHANGE = 0.967

OR -3.3%

* AGGREGATE LOSS COSTS ARE ADJUSTED TO CURRENT ISO LOSS COST LEVEL
AND 10/01/2019 AMOUNT OF INSURANCE LEVELS.

** INCURRED LOSSES ARE ADJUSTED TO 04/01/2020 COST LEVELS INCLUDING LOSS
DEVELOPMENT AND ALL LOSS ADJUSTMENT EXPENSES.

EXPLANATORY NOTES TO TABLES 5, 6 AND 7

STATEWIDE BASIC GROUP I, BASIC GROUP II AND
SPECIAL CAUSES OF LOSS COVERAGE LOSS COST LEVEL EVALUATION

COLUMN (1)

EXPERIENCE PERIOD

Experience for the five most recent accident years is used for BG I and SCL.
Experience for the ten most recent accident years is used for BG II.

COLUMN (2)

AGGREGATE LOSS COSTS

Since the objective of the ratemaking procedure is to test the adequacy of the current ISO loss costs, premium data for each year in the experience period are adjusted to the loss cost level which would have been earned had the current loss costs been in effect. This is accomplished by using either an extension-of-exposures (PPR or premium at present rates/loss costs) approach or an on-level approach. Where appropriate, certain reported data elements have been adjusted prior to being used in the calculations.

Extension of Exposures Approach

Where feasible, aggregate loss costs at current level (ALCCL) are developed using an extension-of-exposures approach. That is, the exposure (amount of insurance per \$100) for each policy is multiplied by the current manual loss cost for that state, territory, subline, coverage, construction, occupancy and by any other applicable rating factors, such as limit of insurance factors and deductible relativities.

On-level Approach

The on-level approach is applied on an individual policy basis. The first step in the process is to multiply the reported premiums by the product of all loss cost level changes that have become effective subsequent to the inception date of the policy. The premiums are divided by the reported Rating Modification Factors and Loss Cost Multipliers to bring them to current ISO monoline manual loss cost level.

For premium records with inception dates prior to the effective date of the implementation of Limit of Insurance (LOI) curves, premiums are multiplied by off-balance factors and limit of insurance factors to bring them to a post-LOI loss cost level.

The on-level approach is used to adjust those premium records which cannot be adjusted using the extension-of-exposures techniques, for example, premium records for Basic Group I specifically-rated properties, for which manual loss costs do not exist. In addition, records failing an exposure edit which checks for a reasonable relationship between reported premium and exposure amount have also been on-leveled.

STATEWIDE BASIC GROUP I, BASIC GROUP II AND
SPECIAL CAUSES OF LOSS COVERAGE LOSS COST LEVEL EVALUATION (cont'd)

COLUMN (2)
(cont'd)

Current IPMF and Prospective Amount of Insurance Levels

Premiums are also adjusted to prospective amount of insurance levels by exposure trend factors to reflect the impact of inflation on the average amount of insurance written (Table 24). After multiline premiums are brought to current ISO monoline manual level, they are further adjusted to implicit package modification factor (IPMF) level by the application of Commercial Package Policy (CPP) IPMF's which vary by the eight CPP types of policy. (Both the adjustments to prospective amount of insurance level and to current IPMF level are done on an aggregate basis.) For a more complete description of the IPMF's and the other premium adjustments, refer to Tables 18 through 20 in the supporting material.

COLUMN (3) - BG II

NON-HURRICANE AGGREGATE LOSS COSTS - BASIC GROUP II ONLY

The non-hurricane aggregate loss costs reflect that portion of the BG II loss cost volume due to perils other than hurricane. These loss costs are calculated by multiplying the total aggregate loss costs for each rating territory, coverage, and symbol by the ratio of the current non-hurricane to current total loss costs found on Table 35.

COLUMN (3) -
BG I, SCL
COLUMN (4) - BG II

ADJUSTED INCURRED LOSSES

In order to assure the adequacy of the proposed loss cost level, incurred losses are adjusted to reflect the effect of inflation and other trends on loss costs. The adjustment of past losses to prospective levels is accomplished on an individual loss basis by application of current cost factors, loss projection factors and loss trend adjustments (Tables 21 through 23). In addition to adjusting losses to prospective cost level, the effect of inflation on the deductible portion of the loss incurred is reflected. For Basic Group II, losses due to hurricanes reflected in the modeled hurricane loss costs have been removed from the experience and replaced with average non-hurricane losses for each rating territory and loss month.

For each subline, incurred losses are further adjusted by an excess loss procedure which smoothes fluctuations due to large loss occurrences. The procedure removes any losses determined to be excess from the total incurred losses, resulting in normal incurred losses. These normal incurred losses (total - excess) are then multiplied by excess loss factors to calculate adjusted incurred losses (Tables 29 through 32). The resulting adjusted incurred losses are then developed to their ultimate settlement value and loaded by a factor to include all loss adjustment expenses. Loss development factors can be found on Table 28, and loss adjustment expense factors on Table 41. Where appropriate, certain reported data elements have been adjusted prior to being used in the calculations.

STATEWIDE BASIC GROUP I, BASIC GROUP II AND
SPECIAL CAUSES OF LOSS COVERAGE LOSS COST LEVEL EVALUATION (cont'd)

COLUMN (4) - BG I, SCL EXPERIENCE RATIO
COLUMN (5) - BG II

The experience ratio is the ratio of adjusted incurred losses to aggregate loss costs for each year. For BG II, the experience ratio is a measure of non-hurricane experience only. It is the ratio of the adjusted non-hurricane incurred losses to the non-hurricane aggregate loss costs.

COLUMN (5) - BG I, SCL WEIGHTS

For Basic Group I and Special Causes of Loss, the yearly experience ratios are weighted using weights of 10%, 15%, 20%, 25%, and 30% with the greatest weight assigned to the most recent year. These weights recognize the need to balance stability and responsiveness. The ten Basic Group II experience ratios are equally weighted, each given 10% weight.

LINE (6) WEIGHTED EXPERIENCE RATIO

For Basic Group I and Special Causes of Loss, the weights are applied to the experience ratios to yield the weighted experience ratio. For Basic Group II, the experience ratios are equally weighted. These weighted experience ratios represent a projection of the experience which would result if future policies were written without a loss cost level revision.

LINE (7) CREDIBILITY

The standards for 100% credibility are discussed in detail in Tables 33, 33A, and 34 for Basic Group I, Basic Group II, and Special Causes of Loss, respectively.

LINE (8) EXPECTED EXPERIENCE RATIO

The expected experience ratio is ISO's best prediction of the experience ratio if the actual incurred experience were 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 only to the extent of the net trend. The expected experience ratio is represented by the net (loss / amount of insurance) trend factor.

STATEWIDE BASIC GROUP I, BASIC GROUP II AND
SPECIAL CAUSES OF LOSS COVERAGE LOSS COST LEVEL EVALUATION (cont'd)

LINE (9) CREDIBILITY WEIGHTED EXPERIENCE RATIO

The credibility weighted experience ratio is a weighted average of the weighted experience ratio (line (6)) and the expected experience ratio (line (8)) using the credibility factor and its complement as respective weights. For more detailed information regarding the development of the credibility factors, refer to Tables 33, 33A, and 34.

LINE (10) INDICATED COVERAGE LOSS COST CHANGE

The credibility weighted experience ratio yields the overall coverage loss cost level change for Basic Group I (see Table 5), Basic Group II (see Table 6), and Special Causes of Loss (see Table 7).

COMPOSITION OF THE RATEMAKING DATA BASE

DATA INCLUDED

BASIC GROUP I

- . CSP Subline 010 (Commercial Fire)
- . CSP Subline 015 (Basic Group I, i.e., Fire, Lightning, Explosion, Vandalism, Sprinkler Leakage)
- . CSP Subline 016 (BG I excluding Vandalism)
- . CSP Subline 017 (BG I excluding Sprinkler Leakage)
- . CSP Subline 018 (BG I excluding Vandalism and Sprinkler Leakage)

BASIC GROUP II

- . CSP Subline 020 (Extended Coverage)
- . CSP Subline 025 (Basic Group II, i.e., Windstorm or Hail, Smoke, Aircraft or Vehicles, Riot or Civil Commotion, Sinkhole Collapse and Volcanic Action)
- . CSP Subline 027 (Basic Group II Causes of Loss, i.e., Windstorm or Hail, Smoke, Aircraft or Vehicles, Riot or Civil Commotion, Sinkhole Collapse and Volcanic Action)
- . CSP Subline 029 (Basic Group II Causes of Loss excluding Windstorm or Hail)

SPECIAL CAUSES OF LOSS

- . CSP Subline 028 (All Other Perils Special Coverage Forms & Endorsements)
- . CSP Subline 035 (Causes of Loss Special Form Including Theft)
- . CSP Subline 045 (Causes of Loss Special Form Excluding Theft)

NOTES ON DATA INCLUDED

All CSP data are reviewed for CSP Types of Policy 10 (monoline), 3X, 70, and 7X (multiline).

For BG I, BG II and SCL, the reviewed experience is for property damage and time element coverages (coverage codes 1-7, as well as coverage code 9 reported under pre-simplification sublines 010, 020, and 028).

COMPOSITION OF THE RATEMAKING DATA BASE (cont'd)

<u>DATA EXCLUDED</u>	<u>TYPE OF DATA</u>	<u>BG I</u>	<u>BG II</u>	<u>SCL</u>
	• Non-voluntary experience (e.g. FAIR Plans)	X	X	NA
	• Dwelling experience	X	X	X
	• Farm experience	X	X	NA
	• Countrywide rated risks	X	X	X
	• Highly protected risks	X	X	X
	• Experience for policies with large deductibles	X	X	X

X indicates that experience is excluded.

For BG II, losses due to hurricanes with wind speeds of 40 miles per hour or greater have been excluded and replaced with average non-hurricane losses for each BG II rating territory and loss month.

Separately identifiable terrorism premium and loss records have been excluded from the ratemaking experience.

OVERVIEW OF ISO ACTUARIAL PROCEDURES - COMMERCIAL PROPERTY

STEP 2 - DISTRIBUTION OF LOSS COST LEVEL CHANGES

OBJECTIVE	<p>The objective of this procedure is to distribute the indicated statewide loss cost level change for Basic Group I, Basic Group II, and Special Causes of Loss among the various rating variables used in each subline. These procedures are used to answer the question: What percentage change for each rating variable must be made to the current ISO loss costs in order to achieve adequacy for the prospective conditions?</p> <hr/>
BASIC GROUP I	<p>For Basic Group I, a consolidated simultaneous iterative procedure is used to calculate the type of policy, territory and rating group relativities. More detail on this procedure is given in Table 8. The type of policy relativities serve to price Commercial Package policies relative to monoline policies, via the Package Modification Factors (PMF), while the rating group and territory relativities serve to price the various rating groups and territories relative to one another.</p> <p>The indicated monoline loss cost level changes shown on Table 2 are calculated for each rating group/territory combination by taking the product of the monoline type of policy relativity, the rating group relativity, the territory relativity and the statewide loss cost level change.</p> <p>The overall monoline loss cost level change is a weighted average of the rating group/territory combination changes. In calculating this weighted average, the latest year aggregate monoline and multiline combined loss costs at current level are used as weights.</p> <hr/>
BASIC GROUP II	<p>The purpose of the Basic Group II relativity analysis is to determine monoline loss cost level needs, to obtain marginal relativities displayed on Table 12 and to price CPP policies relative to monoline policies via the PMFs. Unlike the BG I and SCL relativity analyses, the BG II relativity analysis does not employ a simultaneous review procedure because the overall loss cost change is distributed across type of policy only.</p> <p>The statewide monoline non-hurricane loss cost change is the product of the monoline normalized formula relativity, shown on Table 12, and the indicated statewide loss cost level change. This change is applied to the non-hurricane portion of the BG II loss costs to produce indicated non-hurricane loss costs. The indicated loss costs by territory, coverage, and symbol are equal to the sum of the indicated non-hurricane loss costs plus the hurricane modeled loss costs.</p>

OVERVIEW OF ISO ACTUARIAL PROCEDURES - COMMERCIAL PROPERTY

STEP 2 - DISTRIBUTION OF LOSS COST LEVEL CHANGES (cont'd)

BASIC GROUP II (cont'd)

The overall monoline loss cost level change is the weighted average of the loss cost changes by territory, coverage and symbol. In calculating this weighted average, the latest year aggregate monoline and multiline combined loss costs at current level are used as weights.

SPECIAL CAUSES OF LOSS

For Special Causes of Loss, a simultaneous iterative procedure is used as for BG I to arrive at a set of type of policy and category relativities (as displayed on Table 9) that best represent the experience within each state. The type of policy relativities serve to price CPP policies relative to monoline policies via the PMFs, while the category relativities serve to price the various categories relative to one another.

The indicated monoline loss cost level changes are calculated for each category by taking the product of the monoline type of policy relativity, the category relativity and the statewide coverage loss cost change. See Table 9 for the monoline loss cost indications.

The overall monoline loss cost level change is a weighted average of the 14 monoline category changes. In calculating this weighted average, the latest year monoline and multiline combined loss costs at current level are used as weights.

FLORIDA

TABLE 8 - BASIC GROUP I RELATIVITY ANALYSIS

	(1)	(2)	(3)	(4)	STATEWIDE COVERAGE LOSS COST CHANGE OF 0.898 OR -10.2%
TOP	\$ LST SQ FORMULA RELATIVITY	CREDIBILITY Z	Z-WTD. RELATIVITY	BALANCED RELATIVITY	

10	1.092	0.215	1.019	1.013
31	1.652	0.007	1.004	0.997
32	0.304	0.032	0.963	0.956
33	0.861	0.061	0.991	0.985
34	1.103	0.167	1.017	1.010
35	1.038	0.181	1.007	1.000
36	0.982	0.091	0.998	0.992
37	0.718	0.069	0.977	0.971
38	0.541	0.036	0.978	0.972

RATING GROUP					(5) INDICATED MONOLINE LOSS COST LEVEL CHANGE
01	5.234	0.064	1.112	1.121	+3.0
02	1.640	0.045	1.023	1.031	-5.8
03	0.818	0.120	0.976	0.984	-10.5
04	1.103	0.378	1.038	1.046	-5.0
05	0.950	0.008	1.000	1.008	-8.0
06	0.946	0.332	0.982	0.990	-10.0
07	0.825	0.041	0.992	1.000	-8.8
08	0.817	0.289	0.943	0.951	-13.3
09	0.836	0.094	0.983	0.991	-9.4
10	0.832	0.034	0.994	1.002	-8.6
11	0.933	0.039	0.997	1.005	-8.4
13	0.775	0.110	0.972	0.980	-10.9
14	0.873	0.092	0.988	0.996	-9.3
15	1.120	0.062	1.007	1.015	-7.7
17	0.957	0.016	0.999	1.007	-8.5
18	0.907	0.040	0.996	1.004	-8.9
19	0.574	0.007	0.996	1.004	-8.9
21	0.812	0.092	0.981	0.989	-10.2
22	0.784	0.072	0.983	0.991	-10.1

STATEWIDE MONOLINE LOSS COST LEVEL CHANGE	-9.0%
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FLORIDA

TABLE 8 - BASIC GROUP I RELATIVITY ANALYSIS

	(1)	(2)	(3)	(4)
TERRITORY	\$ LST SQ FORMULA RELATIVITY	CREDIBILITY Z	Z-WTD. RELATIVITY	BALANCED RELATIVITY
Jacksonville	0.650	0.180	0.925	0.954
Miami	7.952	0.020	1.042	1.075
Tampa	0.393	0.047	0.957	0.987
Miami Beach	0.148	0.005	0.990	1.021
Miami-Dade	0.265	0.050	0.936	0.965
Hillsborough	1.157	0.052	1.008	1.039
Hialeah	0.141	0.006	0.988	1.019
Balance of State	0.957	0.588	0.974	1.005
St Petersburg	1.347	0.008	1.002	1.033

	(5) INDICATED MONOLINE LOSS COST LEVEL CHANGE
TERRITORY	
Jacksonville	-13.1
Miami	-0.9
Tampa	-10.7
Miami Beach	-5.3
Miami-Dade	-10.8
Hillsborough	-5.4
Hialeah	-6.6
Balance of State	-8.7
St Petersburg	-5.9

LOSS COST CHANGES BY INDIVIDUAL TERRITORY AND RATING GROUP
ARE SHOWN ON TABLE 2.

FLORIDA

TABLE 8 - BASIC GROUP I RELATIVITY ANALYSIS

EXAMPLE OF AN INDIVIDUAL LOSS COST CHANGE CALCULATION
FOR Jacksonville

STATEWIDE COVERAGE LOSS COST LEVEL CHANGE	=	-10.2%
TERRITORIAL RELATIVITY	=	0.954
MONOLINE (TOP 10) RELATIVITY	=	1.013
RATING GROUP 01 RELATIVITY	=	1.121

INDICATED MONOLINE LOSS COST LEVEL CHANGE FOR RATING GROUP 01

$$\begin{aligned} &= 0.898 \quad \times \quad 0.954 \quad \times \quad 1.013 \quad \times \quad 1.121 \quad = 0.973 \\ &\text{OR} \quad -2.7\% \end{aligned}$$

FLORIDA

TABLE 8 - CALCULATION OF INDICATED TERRITORIAL MULTIPLIERS

(1)	(2)	(3)	(4)
TERRITORY	TERRITORY RELATIVITY	OFF- BALANCE FACTOR	CURRENT TERRITORIAL MULTIPLIER
Jacksonville	0.954	1.000	1.768
Miami	1.075	1.000	1.691
Tampa	0.987	1.000	1.104
Miami Beach	1.021	1.000	1.742
Miami-Dade	0.965	1.000	1.208
Hillsborough	1.039	1.000	1.016
Hialeah	1.019	1.000	1.123
Balance of State	1.005	1.000	1.000
St Petersburg	1.033	1.000	0.898

(5)
INDICATED TERRITORIAL MULTIPLIER
((2)X(3)X(4) / (1.005 X 1.000))

TERRITORY	
Jacksonville	1.678
Miami	1.809
Tampa	1.084
Miami Beach	1.770
Miami-Dade	1.160
Hillsborough	1.050
Hialeah	1.139
Balance of State	1.000
St Petersburg	0.923

FLORIDA

TABLE 9 - SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS

	(1)	(2)	(3)	(4)	STATEWIDE COVERAGE LOSS COST CHANGE OF 0.967 OR -3.3%
TOP	\$ LST SQ FORMULA RELATIVITY	CREDIBILITY Z	Z-WTD. RELATIVITY	BALANCED RELATIVITY	
10	1.461	0.292	1.117	1.125	
31	0.545	0.011	0.993	1.001	
32	1.236	0.031	1.007	1.014	
33	1.042	0.104	1.004	1.012	
34	0.515	0.275	0.833	0.839	
35	1.160	0.206	1.031	1.039	
36	1.169	0.113	1.018	1.025	
37	0.558	0.086	0.951	0.958	
38	0.482	0.090	0.936	0.943	
					(5) INDICATED MONOLINE LOSS COST LEVEL CHANGE
CATEGORY					
01	1.077	0.722	1.055	1.032	+12.3
02	1.236	0.031	1.007	0.985	+7.2
03	0.471	0.166	0.883	0.863	-6.1
04	0.756	0.225	0.939	0.919	+0.0
05	1.308	0.141	1.039	1.016	+10.5
06	0.552	0.097	0.944	0.924	+0.5
07	1.087	0.009	1.001	0.979	+6.5
08	1.150	0.075	1.011	0.989	+7.6
09	0.463	0.146	0.894	0.874	-4.9
10	1.355	0.031	1.009	0.988	+7.5
11	0.577	0.095	0.949	0.929	+1.1
12	1.564	0.082	1.037	1.015	+10.4
13	0.586	0.063	0.967	0.946	+2.9
14	1.410	0.121	1.042	1.020	+11.0
OVERALL MONOLINE LOSS COST LEVEL CHANGE					+8.8%

FLORIDA

TABLE 9 - SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS

EXAMPLE OF A LOSS COST CHANGE CALCULATION

STATEWIDE COVERAGE LOSS COST LEVEL CHANGE = -3.3%

MONOLINE (TOP 10) RELATIVITY = 1.125

CATEGORY 01 RELATIVITY = 1.032

INDICATED MONOLINE LOSS COST LEVEL CHANGE FOR CATEGORY 01

= 0.967 X 1.125 X 1.032 = 1.123
OR +12.3%

EXPLANATORY NOTES TO TABLES 8 AND 9

BASIC GROUP I AND SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS

INTRODUCTION

The explanations which follow clarify Tables 8 and 9, the Basic Group I relativity analysis and the Special Causes of Loss relativity analysis, respectively. The purpose of these analyses is to:

- (1) determine monoline classification and territorial loss cost level needs for Basic Group I;
- (2) determine monoline category loss cost level needs for Special Causes of Loss;
- (3) determine indicated changes to the eight CPP package modification factors (PMFs) based on Basic Group I/Special Causes of Loss experience.

COLUMN (1)

LEAST SQUARES FORMULA RELATIVITIES

The least squares formula relativities are the marginal relativities which result from the application of the simultaneous review procedure to the raw experience (where marginal refers to the relativities for a given rating variable, e.g. type of policy, across all subsets of any other rating variables, i.e. rating group and territory for Basic Group I, and category for Special Causes of Loss).

The purpose of such a simultaneous review procedure is to arrive at a set of type of policy relativities (which will serve to price CPP policies relative to monoline policies via the PMFs); a set of rating group/territory relativities for Basic Group I; and a set of category relativities for Special Causes of Loss that best represent the experience. This procedure is in contrast to a review of each rating variable's experience separately. Such one-way types of review do not take into account differing percentages of monoline and multiline experience in each rating variable, nor differing percentages of a particular rating variable's experience in the monoline and multiline types of policy. The simultaneous relativity procedure accounts for these different distributions in generating relativities for the various rating variables.

EXPLANATORY NOTES TO TABLES 8 AND 9 (cont'd)

COLUMN (1)
(Cont'd)

The procedure follows an iterative technique to determine a set of marginal relativities by rating variable that is a best fit to the individual cell relativities, with each cell being defined as the cross-section of specific values of each rating variable. The process uses the relativity of the five year experience ratios by rating cell to the overall statewide experience ratio and the latest year aggregate loss costs for each rating cell. (This experience is shown in Table 10 for Basic Group I and Table 11 for Special Causes of Loss.) Specifically, the iteration procedure uses the following formulas:

BASIC GROUP I:

$$TOP_i = \frac{\sum_{j=1}^n \sum_{k=1}^t W_{ijk}^2 R_{ijk} RG_j TER_k}{\sum_{j=1}^n \sum_{k=1}^t W_{ijk}^2 RG_j^2 TER_k^2}, \quad \text{where } 1 \leq i \leq m;$$

$$RG_j = \frac{\sum_{i=1}^m \sum_{k=1}^t W_{ijk}^2 R_{ijk} TOP_i TER_k}{\sum_{i=1}^m \sum_{k=1}^t W_{ijk}^2 TOP_i^2 TER_k^2}, \quad \text{where } 1 \leq j \leq n;$$

$$TER_k = \frac{\sum_{i=1}^m \sum_{j=1}^n W_{ijk}^2 R_{ijk} TOP_i RG_j}{\sum_{i=1}^m \sum_{j=1}^n W_{ijk}^2 TOP_i^2 RG_j^2}, \quad \text{where } 1 \leq k \leq t;$$

SPECIAL CAUSES OF LOSS:

$$TOP_i = \frac{\sum_{j=1}^n w_{ij}^2 R_{ij} CAT_j}{\sum_{j=1}^n w_{ij}^2 CAT_j^2}, \quad \text{where } 1 \leq i \leq m;$$

$$CAT_j = \frac{\sum_{i=1}^m w_{ij}^2 R_{ij} TOP_i}{\sum_{i=1}^m w_{ij}^2 TOP_i^2}, \quad \text{where } 1 \leq j \leq n;$$

EXPLANATORY NOTES TO TABLES 8 AND 9 (cont'd)

COLUMN (1)
(cont'd)

- TOP_i is the relativity for the i th type of policy;
- RG_j is the relativity for the j th rating group;
- CAT_j is the relativity for the j th category;
- TER_k is the relativity for the k th territory;
- W_{ijk} is the loss cost volume at current level for the i th type of policy, j th rating group and k th territory;
- R_{ijk} is the experience ratio relativity for the i th type of policy, j th rating group and k th territory;
- R_{ij} is the experience ratio relativity for the i th type of policy, and j th category;
- m is the number of types of policy in the analysis;
- n is the number of rating groups or categories in the analysis;
- t is the number of territories in the analysis.

The procedure determines m type of policy relativities using the above formulas. Then, using those results, a set of n rating group and t territory relativities are determined. These steps form an iterative process which continues until there is no appreciable difference in results from one iteration to the next.

COLUMN (2)

CREDIBILITY

The credibility of the experience for each rating variable is determined from the formula:

$$Z = \frac{P}{P + K},$$

where P represents the five-year aggregate adjusted loss costs for a given rating variable, and K is a constant value. For Basic Group I, K equals an aggregate loss cost volume of \$55,000,000 for territory, \$40,000,000 for rating group, and \$100,000,000 for type of policy. For Special Causes of Loss, K equals an aggregate loss cost volume of \$15,000,000.

EXPLANATORY NOTES TO TABLES 8 AND 9 (cont'd)

COLUMN (3)

CREDIBILITY-WEIGHTED RELATIVITIES

Credibility-weighted relativities are calculated based on the formula

$$W = R^Z,$$

where Z is the credibility, R is the least squares formula relativity and W is the credibility weighted relativity for a given rating variable.

This formula implicitly assigns the complement of credibility to a relativity of unity.

COLUMN (4)

BALANCED RELATIVITIES

The credibility-weighted relativities are balanced to assure that the average relativity across all rating variables remains at unity.

COLUMN (5)

INDICATED MONOLINE LOSS COST LEVEL CHANGE

For Basic Group I, the indicated monoline loss cost changes are calculated for each rating group and territory by taking the product of the monoline type of policy (TOP 10) relativity, the territory relativity, the rating group relativity and the statewide loss cost level change. (An example of such a calculation appears on Table 8.)

The indicated monoline loss cost changes by rating group shown in Table 8 of this analysis are the aggregate loss cost weighted averages of the monoline loss cost changes for the rating group across all territories.

EXPLANATORY NOTES TO TABLES 8 AND 9 (cont'd)

COLUMN (5) (cont'd)

Similarly, the indicated monoline loss cost changes by territory shown on the second page are aggregate loss cost-weighted averages of the monoline loss cost changes for the territory across all rating groups. The indicated overall statewide monoline loss cost level change shown at the bottom of the first page of Table 8 is the aggregate loss cost-weighted average of the individual rating group changes across all territories.

For Special Causes of Loss, the indicated monoline loss cost changes are calculated for each category by taking the product of the monoline type of policy (TOP 10) relativity, the category relativity, and the statewide loss cost level change. (An example of such a calculation is included in Table 9.) The indicated overall statewide loss cost level change shown at the bottom of Table 9 is the aggregate loss cost-weighted average of the individual category changes.

In all cases, the loss costs used in these calculations are the latest year's monoline and multiline combined adjusted loss costs.

MULTILINE CONSIDERATIONS

The type of policy (TOP) relativities are used to generate multiline indications which apply to the current implicit package modification factors (IPMF's). The indicated IPMF's are calculated as follows:

$$\frac{\text{TOP y indicated IPMF}}{\text{IPMF}} = \frac{(\text{TOP y current IPMF})(\text{TOP y relativity})}{\text{monoline relativity}}$$

For each CPP type of policy, the indicated IPMF is subject to a minimum value of 0.50 and a maximum value of 1.50. If an indicated IPMF falls outside one of those limits, it is capped at that amount, the loss costs for that type of policy are adjusted to the capped IPMF level, and the entire relativity review as described above is re-performed to take this into account. If an IPMF has been capped, it is so noted at the bottom of Table 8 and Table 9.

It should be noted that although this procedure generates multiline indications, this filing only addresses monoline loss cost levels. That is, upon implementation of this filing only the monoline loss costs will be revised. The multiline indications developed here will be combined with those of the other component coverages, e.g. GL Premises and Operations in the CPP review for the purpose of revising the package modification factors.

Jacksonville

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
10 MONOLINE	01 APARTMENTS	14,506	17,338	0.000	0.116	0.158
	02 OTHER HABITATIONAL	1,352	3,095	0.000	0.121	0.165
	03 RESTAURANTS & BARS	15,891	108,219	0.197	0.167	0.228
	04 OTHER MERCANTILE RS	137,066	746,525	0.012	0.043	0.059
	05 PUBLIC BUILDINGS	0	6,093	0.000	0.120	0.163
	06 CHURCHES	40,008	219,622	0.000	0.069	0.094
	07 SCHOOLS	7,964	24,873	0.077	0.131	0.178
	08 OFFICES AND BANKS	104,060	453,825	0.377	0.303	0.413
	09 REC. FACILITIES	19,003	83,989	0.029	0.105	0.143
	10 HOTELS AND MOTELS	11,937	35,535	0.000	0.109	0.149
	11 HOSPITALS/NURS HOME	478	747	0.000	0.122	0.166
	13 MOTOR VEHICLE RISKS	10,632	61,549	0.229	0.173	0.236
	14 OTHER NON-MANUF.	26,626	131,574	0.199	0.169	0.230
	15 STORAGE	9,757	62,542	0.101	0.133	0.181
	17 FOOD MANUFACTURING	403	7,659	0.000	0.119	0.162
	18 WOOD MANUFACTURING	2,407	21,507	0.000	0.114	0.155
	21 METAL MANUFACTURING	46,080	235,413	0.037	0.087	0.119
	22 OTHER MANUFACTURING	23,766	99,194	0.804	0.398	0.542
	TOTAL*	471,936	2,319,299	0.158	0.150	0.204
31 MULTILINE MOTEL/HOTEL	10 HOTELS AND MOTELS	8,669	54,569	0.000	0.515	0.702
	TOTAL*	8,669	54,569	0.000	0.515	0.702
32 MULTILINE APARTMENT	01 APARTMENTS	114	556,051	0.043	0.521	0.710
	02 OTHER HABITATIONAL	8,929	61,233	23.816	4.492	6.120
	TOTAL*	9,043	617,284	23.519	4.442	6.052
33 MULTILINE OFFICE	08 OFFICES AND BANKS	64,466	512,554	0.719	0.636	0.866
	TOTAL*	64,466	512,554	0.719	0.636	0.866
34 MULTILINE MERCANTILE	03 RESTAURANTS & BARS	85,503	330,021	3.594	1.120	1.526
	04 OTHER MERCANTILE RS	325,010	1,800,287	0.174	0.540	0.736
	08 OFFICES AND BANKS	13,399	61,274	0.000	0.515	0.702
	13 MOTOR VEHICLE RISKS	18,350	158,162	0.013	0.517	0.704
	14 OTHER NON-MANUF.	13,979	74,317	0.129	0.537	0.732
	15 STORAGE	32,945	129,008	0.000	0.515	0.702
	TOTAL*	489,186	2,553,069	0.748	0.638	0.869

Jacksonville

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
35 MULTILINE INSTITUTIONAL	05 PUBLIC BUILDINGS	922	3,919	0.000	0.516	0.703
	06 CHURCHES	439,771	2,466,637	0.335	0.568	0.774
	07 SCHOOLS	26,457	120,362	0.076	0.528	0.719
	08 OFFICES AND BANKS	33,738	145,992	0.166	0.543	0.740
	09 REC. FACILITIES	5,083	13,615	0.000	0.516	0.703
	11 HOSPITALS/NURS HOME	7,132	351,424	0.051	0.523	0.713
	13 MOTOR VEHICLE RISKS	0	7,765	0.000	0.516	0.703
	14 OTHER NON-MANUF.	8,672	32,528	0.492	0.598	0.815
	TOTAL*	521,775	3,142,242	0.306	0.563	0.768
36 MULTILINE SERVICES	03 RESTAURANTS & BARS	8,008	29,173	0.000	0.031	0.042
	04 OTHER MERCANTILE RS	14,783	80,590	0.253	0.215	0.293
	08 OFFICES AND BANKS	16,142	100,996	0.000	0.014	0.019
	09 REC. FACILITIES	10,285	71,410	0.008	0.024	0.033
	13 MOTOR VEHICLE RISKS	145,108	613,746	0.211	0.206	0.281
	14 OTHER NON-MANUF.	34,973	176,010	0.024	0.030	0.041
	15 STORAGE	18,758	81,240	0.000	0.016	0.022
	21 METAL MANUFACTURING	970	9,940	0.000	0.048	0.065
	22 OTHER MANUFACTURING	16,697	84,629	0.137	0.124	0.169
	TOTAL*	265,724	1,247,734	0.141	0.140	0.191
37 MULTILINE INDUST/PROCESS	04 OTHER MERCANTILE RS	15,683	82,481	0.000	0.016	0.022
	08 OFFICES AND BANKS	3,233	10,757	0.000	0.047	0.064
	13 MOTOR VEHICLE RISKS	4,457	4,457	0.000	0.056	0.076
	14 OTHER NON-MANUF.	1,916	16,397	0.000	0.041	0.056
	17 FOOD MANUFACTURING	7,089	54,989	0.000	0.022	0.030
	18 WOOD MANUFACTURING	50,043	267,842	0.000	0.006	0.008
	19 WEARING APPAREL	6,475	34,626	0.000	0.029	0.040
	21 METAL MANUFACTURING	68,752	385,057	0.066	0.067	0.091
	22 OTHER MANUFACTURING	30,690	321,177	0.000	0.005	0.007
	TOTAL*	188,338	1,177,783	0.024	0.032	0.044
38 MULTILINE CONTRACTORS	04 OTHER MERCANTILE RS	62,063	301,456	0.099	0.097	0.132
	08 OFFICES AND BANKS	39,512	184,903	0.000	0.008	0.011
	14 OTHER NON-MANUF.	609	2,342	0.000	0.060	0.082
	TOTAL*	102,184	488,701	0.060	0.063	0.085

Jacksonville

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
TOTAL ALL TOPS*	01 APARTMENTS	14,620	573,389	0.000	0.119	0.162
	02 OTHER HABITATIONAL	10,281	64,328	20.686	3.918	5.337
	03 RESTAURANTS & BARS	109,402	467,413	2.838	0.902	1.229
	04 OTHER MERCANTILE RS	554,605	3,011,339	0.123	0.344	0.469
	05 PUBLIC BUILDINGS	922	10,012	0.000	0.516	0.703
	06 CHURCHES	479,779	2,686,259	0.307	0.526	0.717
	07 SCHOOLS	34,421	145,235	0.076	0.436	0.594
	08 OFFICES AND BANKS	274,550	1,470,301	0.332	0.359	0.489
	09 REC. FACILITIES	34,371	169,014	0.018	0.142	0.193
	10 HOTELS AND MOTELS	20,606	90,104	0.000	0.280	0.381
	11 HOSPITALS/NURS HOME	7,610	352,171	0.048	0.498	0.678
	13 MOTOR VEHICLE RISKS	178,547	845,679	0.186	0.232	0.316
	14 OTHER NON-MANUF.	86,775	433,168	0.141	0.212	0.288
	15 STORAGE	61,460	272,790	0.016	0.302	0.412
	17 FOOD MANUFACTURING	7,492	62,648	0.000	0.027	0.037
	18 WOOD MANUFACTURING	52,450	289,349	0.000	0.011	0.015
	19 WEARING APPAREL	6,475	34,626	0.000	0.029	0.040
	21 METAL MANUFACTURING	115,802	630,410	0.054	0.075	0.102
	22 OTHER MANUFACTURING	71,153	505,000	0.301	0.164	0.224
	TOTAL*	2,121,321	12,113,235	0.428	0.383	0.522

* TOTALS IN COLUMNS (3), (4) & (5) ARE AVERAGES USING COLUMN (1) AS WEIGHTS.

Miami

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
10 MONOLINE	01 APARTMENTS	57,575	81,199	43.874	33.979	46.293
	02 OTHER HABITATIONAL	73	507	0.000	8.169	11.129
	03 RESTAURANTS & BARS	0	1,126	0.000	8.061	10.982
	04 OTHER MERCANTILE RS	14,295	85,070	0.000	2.896	3.946
	06 CHURCHES	0	4,327	0.000	7.548	10.283
	07 SCHOOLS	794	4,509	0.000	7.521	10.247
	08 OFFICES AND BANKS	45,345	122,975	0.000	2.246	3.060
	09 REC. FACILITIES	3,011	8,402	0.000	6.982	9.512
	10 HOTELS AND MOTELS	996	3,184	0.000	7.723	10.522
	11 HOSPITALS/NURS HOME	0	17	0.000	8.256	11.248
	13 MOTOR VEHICLE RISKS	4,929	17,517	16.631	12.828	17.477
	14 OTHER NON-MANUF.	2,797	14,543	0.305	6.389	8.704
	15 STORAGE	1,242	12,959	0.000	6.441	8.775
	18 WOOD MANUFACTURING	5,257	8,691	0.000	6.945	9.462
	21 METAL MANUFACTURING	2,967	12,291	0.000	6.515	8.876
	22 OTHER MANUFACTURING	334	2,255	0.000	7.872	10.725
	TOTAL*	139,615	379,572	18.686	16.348	22.273
31 MULTILINE MOTEL/HOTEL	10 HOTELS AND MOTELS	92	2,716	0.000	0.799	1.089
	TOTAL*	92	2,716	0.000	0.799	1.089
32 MULTILINE APARTMENT	01 APARTMENTS	92	2,515	0.000	0.799	1.089
	02 OTHER HABITATIONAL	7,953	60,836	0.000	0.797	1.086
	TOTAL*	8,045	63,351	0.000	0.797	1.086
33 MULTILINE OFFICE	08 OFFICES AND BANKS	40,566	118,484	0.101	0.812	1.106
	TOTAL*	40,566	118,484	0.101	0.812	1.106
34 MULTILINE MERCANTILE	03 RESTAURANTS & BARS	7,405	16,378	0.000	0.798	1.087
	04 OTHER MERCANTILE RS	38,762	150,291	0.038	0.800	1.090
	08 OFFICES AND BANKS	1,308	6,285	0.000	0.799	1.089
	13 MOTOR VEHICLE RISKS	25,443	79,154	3.181	1.335	1.819
	14 OTHER NON-MANUF.	189	2,861	0.000	0.799	1.089
	15 STORAGE	3,094	11,350	24.871	4.954	6.749
	TOTAL*	76,201	266,319	2.091	1.147	1.563

Miami

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
35 MULTILINE INSTITUTIONAL	05 PUBLIC BUILDINGS	18	648	0.000	0.799	1.089
	06 CHURCHES	5,349	48,046	0.000	0.797	1.086
	07 SCHOOLS	2,401	16,149	0.000	0.798	1.087
	08 OFFICES AND BANKS	9,469	32,503	0.000	0.798	1.087
	09 REC. FACILITIES	12,202	34,275	0.000	0.798	1.087
	11 HOSPITALS/NURS HOME	548	548	0.000	0.799	1.089
	13 MOTOR VEHICLE RISKS	0	47	0.000	0.799	1.089
	14 OTHER NON-MANUF.	1,074	2,705	3.620	1.402	1.910
	TOTAL*	31,061	134,921	0.125	0.819	1.115
36 MULTILINE SERVICES	04 OTHER MERCANTILE RS	1,539	5,264	0.000	0.072	0.098
	08 OFFICES AND BANKS	3,241	12,945	0.000	0.056	0.076
	09 REC. FACILITIES	5,262	32,494	0.128	0.123	0.168
	13 MOTOR VEHICLE RISKS	2,425	5,090	0.000	0.073	0.099
	14 OTHER NON-MANUF.	4,788	17,522	0.651	0.413	0.563
	15 STORAGE	15	6,159	0.000	0.070	0.095
	22 OTHER MANUFACTURING	41	843	0.000	0.087	0.119
	TOTAL*	17,311	80,317	0.219	0.179	0.244
37 MULTILINE INDUST/PROCESS	04 OTHER MERCANTILE RS	174	1,859	0.000	0.083	0.113
	08 OFFICES AND BANKS	0	2,302	0.000	0.082	0.112
	17 FOOD MANUFACTURING	252	1,004	0.000	0.087	0.119
	18 WOOD MANUFACTURING	252	1,365	0.000	0.085	0.116
	19 WEARING APPAREL	2,595	2,922	0.000	0.080	0.109
	21 METAL MANUFACTURING	576	2,123	0.000	0.082	0.112
	TOTAL*	3,849	11,575	0.000	0.081	0.111
38 MULTILINE CONTRACTORS	04 OTHER MERCANTILE RS	11,488	43,730	0.000	0.029	0.040
	08 OFFICES AND BANKS	1,325	3,394	0.000	0.078	0.106
	14 OTHER NON-MANUF.	42	276	0.000	0.089	0.121
	TOTAL*	12,855	47,400	0.000	0.035	0.047

Miami

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
TOTAL ALL TOPS*	01 APARTMENTS	57,667	83,714	43.805	33.926	46.221
	02 OTHER HABITATIONAL	8,026	61,343	0.000	0.864	1.177
	03 RESTAURANTS & BARS	7,405	17,504	0.000	0.798	1.087
	04 OTHER MERCANTILE RS	66,258	286,214	0.022	1.100	1.498
	05 PUBLIC BUILDINGS	18	648	0.000	0.799	1.089
	06 CHURCHES	5,349	52,373	0.000	0.797	1.086
	07 SCHOOLS	3,195	20,658	0.000	2.469	3.363
	08 OFFICES AND BANKS	101,254	298,888	0.040	1.419	1.933
	09 REC. FACILITIES	20,475	75,171	0.033	1.534	2.090
	10 HOTELS AND MOTELS	1,088	5,900	0.000	7.138	9.724
	11 HOSPITALS/NURS HOME	548	565	0.000	0.799	1.089
	13 MOTOR VEHICLE RISKS	32,797	101,808	4.967	2.969	4.045
	14 OTHER NON-MANUF.	8,890	37,907	0.884	2.419	3.296
	15 STORAGE	4,351	30,468	17.690	5.362	7.305
	17 FOOD MANUFACTURING	252	1,004	0.000	0.087	0.119
	18 WOOD MANUFACTURING	5,509	10,056	0.000	6.631	9.034
	19 WEARING APPAREL	2,595	2,922	0.000	0.080	0.109
	21 METAL MANUFACTURING	3,543	14,414	0.000	5.469	7.451
	22 OTHER MANUFACTURING	375	3,098	0.000	7.021	9.565
	TOTAL*	329,595	1,104,655	8.435	7.399	10.080

* TOTALS IN COLUMNS (3), (4) & (5) ARE AVERAGES USING COLUMN (1) AS WEIGHTS.

Tampa

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY

10 MONOLINE	01 APARTMENTS	1,391	4,580	0.000	0.075	0.102
	02 OTHER HABITATIONAL	230	2,224	0.000	0.075	0.102
	03 RESTAURANTS & BARS	7,477	22,934	0.000	0.074	0.101
	04 OTHER MERCANTILE RS	44,926	225,960	0.117	0.096	0.131
	05 PUBLIC BUILDINGS	2,778	11,771	0.000	0.074	0.101
	06 CHURCHES	34,108	109,939	0.000	0.070	0.095
	07 SCHOOLS	1,291	5,300	0.206	0.108	0.147
	08 OFFICES AND BANKS	53,176	296,004	0.000	0.063	0.086
	09 REC. FACILITIES	4,069	21,287	0.000	0.074	0.101
	10 HOTELS AND MOTELS	5,094	12,538	0.000	0.074	0.101
	11 HOSPITALS/NURS HOME	1,828	8,986	0.000	0.075	0.102
	13 MOTOR VEHICLE RISKS	6,033	23,294	0.000	0.074	0.101
	14 OTHER NON-MANUF.	9,275	33,855	0.000	0.073	0.099
	15 STORAGE	3,969	19,365	0.000	0.074	0.101
	17 FOOD MANUFACTURING	0	3,047	0.000	0.075	0.102
	18 WOOD MANUFACTURING	5,590	11,486	4.236	0.769	1.048
	19 WEARING APPAREL	21	5,005	0.000	0.075	0.102
	21 METAL MANUFACTURING	7,745	29,892	0.000	0.074	0.101
	22 OTHER MANUFACTURING	2,715	8,059	0.000	0.075	0.102
	TOTAL*	191,716	855,526	0.152	0.096	0.131
31 MULTILINE	10 HOTELS AND MOTELS	0	199	0.000	0.309	0.421
MOTEL/HOTEL	TOTAL*	0	199	0.000	1.000	1.000
32 MULTILINE	01 APARTMENTS	116	626	0.000	0.308	0.420
APARTMENT	02 OTHER HABITATIONAL	836	4,403	0.000	0.307	0.418
	TOTAL*	952	5,029	0.000	0.307	0.418
33 MULTILINE	08 OFFICES AND BANKS	36,572	249,706	0.000	0.223	0.304
OFFICE	TOTAL*	36,572	249,706	0.000	0.223	0.304
34 MULTILINE	03 RESTAURANTS & BARS	33,705	116,390	0.276	0.343	0.467
MERCANTILE	04 OTHER MERCANTILE RS	57,036	313,887	0.781	0.551	0.751
	08 OFFICES AND BANKS	4,758	18,296	0.000	0.300	0.409
	13 MOTOR VEHICLE RISKS	29,804	67,595	0.000	0.279	0.380
	14 OTHER NON-MANUF.	2,088	8,399	0.000	0.305	0.416
	15 STORAGE	1,409	5,208	0.000	0.306	0.417
	TOTAL*	128,800	529,775	0.418	0.418	0.569

Tampa

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
35 MULTILINE INSTITUTIONAL	05 PUBLIC BUILDINGS	0	4	0.000	0.309	0.421
	06 CHURCHES	19,808	113,665	0.122	0.298	0.406
	07 SCHOOLS	9,430	29,023	2.282	0.758	1.033
	08 OFFICES AND BANKS	996	10,561	0.000	0.304	0.414
	09 REC. FACILITIES	5,870	15,016	0.000	0.302	0.411
	11 HOSPITALS/NURS HOME	118	1,281	0.000	0.308	0.420
	13 MOTOR VEHICLE RISKS	203	1,005	0.000	0.308	0.420
	14 OTHER NON-MANUF.	1,660	9,505	0.000	0.304	0.414
	TOTAL*	38,085	180,060	0.629	0.413	0.563
36 MULTILINE SERVICES	03 RESTAURANTS & BARS	871	10,201	0.000	0.283	0.386
	04 OTHER MERCANTILE RS	1,696	10,761	0.000	0.283	0.386
	08 OFFICES AND BANKS	11,461	45,603	0.000	0.278	0.379
	09 REC. FACILITIES	7,584	59,513	0.000	0.277	0.377
	13 MOTOR VEHICLE RISKS	21,221	38,889	4.263	1.011	1.377
	14 OTHER NON-MANUF.	4,696	27,093	0.000	0.281	0.383
	15 STORAGE	1,132	4,144	0.000	0.283	0.386
	22 OTHER MANUFACTURING	820	2,676	0.000	0.284	0.387
	TOTAL*	49,481	198,880	1.828	0.593	0.808
37 MULTILINE INDUST/PROCESS	04 OTHER MERCANTILE RS	2,697	8,181	0.000	0.283	0.386
	08 OFFICES AND BANKS	2,515	9,204	0.000	0.283	0.386
	14 OTHER NON-MANUF.	1,413	7,056	0.000	0.283	0.386
	17 FOOD MANUFACTURING	4,257	26,406	0.000	0.281	0.383
	18 WOOD MANUFACTURING	6,513	30,424	1.617	0.553	0.753
	19 WEARING APPAREL	0	6,488	0.000	0.283	0.386
	21 METAL MANUFACTURING	29,979	420,791	0.000	0.240	0.327
	22 OTHER MANUFACTURING	2,231	6,499	0.000	0.283	0.386
	TOTAL*	49,605	515,049	0.212	0.293	0.398
38 MULTILINE CONTRACTORS	04 OTHER MERCANTILE RS	19,390	84,888	0.225	0.316	0.431
	08 OFFICES AND BANKS	9,912	61,654	0.920	0.442	0.602
	14 OTHER NON-MANUF.	427	1,984	0.000	0.284	0.387
	TOTAL*	29,729	148,526	0.454	0.358	0.487

Tampa

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
TOTAL ALL TOPS*	01 APARTMENTS	1,507	5,206	0.000	0.093	0.127
	02 OTHER HABITATIONAL	1,066	6,627	0.000	0.257	0.350
	03 RESTAURANTS & BARS	42,053	149,525	0.221	0.294	0.400
	04 OTHER MERCANTILE RS	125,745	643,677	0.431	0.343	0.467
	05 PUBLIC BUILDINGS	2,778	11,775	0.000	0.074	0.101
	06 CHURCHES	53,916	223,604	0.045	0.154	0.209
	07 SCHOOLS	10,721	34,323	2.032	0.679	0.926
	08 OFFICES AND BANKS	119,390	691,028	0.076	0.180	0.246
	09 REC. FACILITIES	17,523	95,816	0.000	0.238	0.325
	10 HOTELS AND MOTELS	5,094	12,737	0.000	0.074	0.101
	11 HOSPITALS/NURS HOME	1,946	10,267	0.000	0.089	0.121
	13 MOTOR VEHICLE RISKS	57,261	130,783	1.580	0.529	0.720
	14 OTHER NON-MANUF.	19,559	87,892	0.000	0.187	0.255
	15 STORAGE	6,510	28,717	0.000	0.161	0.219
	17 FOOD MANUFACTURING	4,257	29,453	0.000	0.281	0.383
	18 WOOD MANUFACTURING	12,103	41,910	2.827	0.653	0.889
	19 WEARING APPAREL	21	11,493	0.000	0.075	0.102
	21 METAL MANUFACTURING	37,724	450,683	0.000	0.206	0.281
	22 OTHER MANUFACTURING	5,766	17,234	0.000	0.185	0.252
	TOTAL*	524,940	2,682,750	0.422	0.287	0.391

* TOTALS IN COLUMNS (3), (4) & (5) ARE AVERAGES USING COLUMN (1) AS WEIGHTS.

Miami Beach

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
10 MONOLINE	01 APARTMENTS	20,340	34,879	0.234	0.226	0.308
	02 OTHER HABITATIONAL	71	261	0.000	0.123	0.168
	03 RESTAURANTS & BARS	1,712	6,969	0.000	0.069	0.094
	04 OTHER MERCANTILE RS	1,174	12,057	0.000	0.052	0.071
	05 PUBLIC BUILDINGS	1,100	5,495	0.000	0.076	0.104
	06 CHURCHES	227	553	0.000	0.119	0.162
	08 OFFICES AND BANKS	976	10,105	0.000	0.057	0.078
	09 REC. FACILITIES	16,366	36,170	0.000	0.024	0.033
	13 MOTOR VEHICLE RISKS	53	5,438	0.000	0.077	0.105
	14 OTHER NON-MANUF.	1,146	3,438	3.476	1.774	2.417
	15 STORAGE	0	164	0.000	0.124	0.169
	TOTAL*	43,165	115,529	0.203	0.171	0.233
31 MULTILINE MOTEL/HOTEL	10 HOTELS AND MOTELS	6,203	8,062	19.402	18.446	25.131
	TOTAL*	6,203	8,062	19.405	18.446	25.131
32 MULTILINE APARTMENT	01 APARTMENTS	33	196	0.000	0.731	0.996
	02 OTHER HABITATIONAL	0	9,299	0.000	0.058	0.079
	TOTAL*	33	9,495	0.000	0.731	0.996
33 MULTILINE OFFICE	08 OFFICES AND BANKS	1,305	4,195	0.000	0.121	0.165
	TOTAL*	1,305	4,195	0.000	0.121	0.165
34 MULTILINE MERCANTILE	03 RESTAURANTS & BARS	28,535	59,686	0.000	0.010	0.014
	04 OTHER MERCANTILE RS	34	20,759	0.000	0.027	0.037
	15 STORAGE	16	2,518	0.000	0.185	0.252
	TOTAL*	28,585	82,963	0.000	0.010	0.014
35 MULTILINE INSTITUTIONAL	05 PUBLIC BUILDINGS	127	148	0.000	0.779	1.061
	06 CHURCHES	2,591	4,402	0.000	0.116	0.158
	07 SCHOOLS	417	493	0.000	0.531	0.723
	08 OFFICES AND BANKS	205	8,394	0.000	0.064	0.087
	09 REC. FACILITIES	0	3,557	0.000	0.139	0.189
	14 OTHER NON-MANUF.	219	1,933	0.000	0.228	0.311
	TOTAL*	3,559	18,927	0.000	0.192	0.262

Miami Beach

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
36 MULTILINE SERVICES	04 OTHER MERCANTILE RS	546	966	0.000	0.000	1.000
	08 OFFICES AND BANKS	203	668	0.000	0.000	1.000
	09 REC. FACILITIES	3,610	11,757	0.000	0.000	1.000
	13 MOTOR VEHICLE RISKS	179	313	0.000	0.000	1.000
	14 OTHER NON-MANUF.	1,998	8,773	0.000	0.000	1.000
	15 STORAGE	4	5	0.000	0.000	1.000
	TOTAL*	6,540	22,482	0.000	1.000	1.000
38 MULTILINE CONTRACTORS	04 OTHER MERCANTILE RS	17	393	0.000	0.000	1.000
	TOTAL*	17	393	0.000	1.000	1.000
TOTAL ALL TOPS*	01 APARTMENTS	20,373	35,075	0.234	0.226	0.309
	02 OTHER HABITATIONAL	71	9,560	0.000	0.123	0.168
	03 RESTAURANTS & BARS	30,247	66,655	0.000	0.013	0.018
	04 OTHER MERCANTILE RS	1,771	34,175	0.000	0.035	0.366
	05 PUBLIC BUILDINGS	1,227	5,643	0.000	0.149	0.203
	06 CHURCHES	2,818	4,955	0.000	0.116	0.158
	07 SCHOOLS	417	493	0.000	0.531	0.723
	08 OFFICES AND BANKS	2,689	23,362	0.000	0.084	0.190
	09 REC. FACILITIES	19,976	51,484	0.000	0.019	0.208
	10 HOTELS AND MOTELS	6,203	8,062	19.405	18.446	25.131
	13 MOTOR VEHICLE RISKS	232	5,751	0.000	0.018	0.796
	14 OTHER NON-MANUF.	3,363	14,144	1.185	0.619	1.438
	15 STORAGE	20	2,687	0.000	0.148	0.402
	TOTAL*	89,407	262,046	1.444	1.375	1.947

* TOTALS IN COLUMNS (3), (4) & (5) ARE AVERAGES USING COLUMN (1) AS WEIGHTS.

Miami-Dade Ex Hialeah, Miami Beach, and Miami

FLORIDA
 BASIC GROUP I RELATIVITY ANALYSIS
 TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
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10 MONOLINE	01 APARTMENTS	46,091	85,730	2.691	1.692	2.305
	03 RESTAURANTS & BARS	17,573	65,245	0.709	0.539	0.734
	04 OTHER MERCANTILE RS	81,359	404,932	0.094	0.134	0.183
	05 PUBLIC BUILDINGS	1,333	5,262	0.000	0.283	0.386
	06 CHURCHES	5,199	17,736	0.000	0.250	0.341
	07 SCHOOLS	9,238	34,541	0.000	0.217	0.296
	08 OFFICES AND BANKS	41,410	180,224	0.113	0.182	0.248
	09 REC. FACILITIES	2,961	37,750	0.000	0.211	0.287
	10 HOTELS AND MOTELS	0	4,313	0.000	0.286	0.390
	11 HOSPITALS/NURS HOME	26	184	0.000	0.299	0.407
	13 MOTOR VEHICLE RISKS	4,904	32,734	2.664	1.252	1.706
	14 OTHER NON-MANUF.	15,289	57,783	0.000	0.183	0.249
	15 STORAGE	23,165	87,328	0.000	0.153	0.208
	17 FOOD MANUFACTURING	4,231	10,189	0.000	0.269	0.366
	18 WOOD MANUFACTURING	7,775	26,050	0.000	0.233	0.317
	19 WEARING APPAREL	794	3,704	0.000	0.288	0.392
	21 METAL MANUFACTURING	1,828	40,569	0.000	0.207	0.282
	22 OTHER MANUFACTURING	8,275	82,111	0.000	0.157	0.214
	TOTAL*	271,451	1,176,385	0.596	0.470	0.640
31 MULTILINE	10 HOTELS AND MOTELS	16	533	0.000	0.057	0.078
MOTEL/HOTEL	TOTAL*	16	533	0.000	0.057	0.078
32 MULTILINE	01 APARTMENTS	1,183	5,960	0.000	0.056	0.076
APARTMENT	02 OTHER HABITATIONAL	5,860	26,892	0.000	0.056	0.076
	TOTAL*	7,043	32,852	0.000	0.056	0.076
33 MULTILINE	08 OFFICES AND BANKS	59,992	190,689	0.000	0.055	0.075
OFFICE	TOTAL*	59,992	190,689	0.000	0.055	0.075
34 MULTILINE	03 RESTAURANTS & BARS	21,185	83,301	0.000	0.056	0.076
MERCANTILE	04 OTHER MERCANTILE RS	175,252	746,840	0.012	0.054	0.074
	08 OFFICES AND BANKS	1,371	5,363	0.000	0.056	0.076
	13 MOTOR VEHICLE RISKS	15,055	35,721	0.000	0.056	0.076
	14 OTHER NON-MANUF.	2,724	8,487	0.000	0.056	0.076
	15 STORAGE	9,941	32,488	0.000	0.056	0.076
	TOTAL*	225,528	912,200	0.009	0.054	0.074

Miami-Dade Ex Hialeah, Miami Beach, and Miami

FLORIDA
 BASIC GROUP I RELATIVITY ANALYSIS
 TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
35 MULTILINE INSTITUTIONAL	05 PUBLIC BUILDINGS	391	1,357	34.116	6.459	8.800
	06 CHURCHES	11,260	81,086	0.418	0.138	0.188
	07 SCHOOLS	6,439	26,039	0.000	0.056	0.076
	08 OFFICES AND BANKS	3,991	25,940	0.000	0.056	0.076
	09 REC. FACILITIES	1,897	4,377	0.000	0.056	0.076
	14 OTHER NON-MANUF.	1,457	4,356	0.000	0.056	0.076
	TOTAL*	25,435	143,155	0.710	0.191	0.260
36 MULTILINE SERVICES	03 RESTAURANTS & BARS	1,194	4,164	0.000	0.345	0.470
	04 OTHER MERCANTILE RS	2,197	7,143	0.000	0.345	0.470
	08 OFFICES AND BANKS	2,810	9,639	0.000	0.344	0.469
	09 REC. FACILITIES	13,235	46,179	0.880	0.489	0.666
	13 MOTOR VEHICLE RISKS	15,643	34,845	0.153	0.365	0.497
	14 OTHER NON-MANUF.	14,740	49,219	2.557	0.780	1.063
	15 STORAGE	2,689	15,503	0.000	0.343	0.467
	21 METAL MANUFACTURING	0	204	0.000	0.346	0.471
	22 OTHER MANUFACTURING	4,905	18,013	0.000	0.343	0.467
	TOTAL*	57,413	184,909	0.901	0.495	0.674
37 MULTILINE INDUST/PROCESS	04 OTHER MERCANTILE RS	3,471	9,710	0.000	0.344	0.469
	08 OFFICES AND BANKS	2,193	4,288	0.000	0.345	0.470
	14 OTHER NON-MANUF.	691	1,119	0.000	0.346	0.471
	17 FOOD MANUFACTURING	16,928	29,888	0.000	0.340	0.463
	18 WOOD MANUFACTURING	271	10,498	0.000	0.344	0.469
	19 WEARING APPAREL	7,329	18,801	0.000	0.343	0.467
	21 METAL MANUFACTURING	12,869	50,231	0.000	0.337	0.459
	22 OTHER MANUFACTURING	13,977	45,118	0.000	0.337	0.459
	TOTAL*	57,729	169,653	0.000	0.340	0.463
38 MULTILINE CONTRACTORS	04 OTHER MERCANTILE RS	10,358	39,904	0.000	0.338	0.460
	08 OFFICES AND BANKS	3,278	23,062	0.000	0.342	0.466
	14 OTHER NON-MANUF.	1,257	4,242	0.000	0.345	0.470
	TOTAL*	14,893	67,208	0.000	0.340	0.462

Miami-Dade Ex Hialeah, Miami Beach, and Miami

FLORIDA
 BASIC GROUP I RELATIVITY ANALYSIS
 TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
TOTAL ALL TOPS*	01 APARTMENTS	47,274	91,690	2.624	1.651	2.249
	02 OTHER HABITATIONAL	5,860	26,892	0.000	0.056	0.076
	03 RESTAURANTS & BARS	39,952	152,710	0.312	0.277	0.378
	04 OTHER MERCANTILE RS	272,637	1,208,529	0.036	0.095	0.129
	05 PUBLIC BUILDINGS	1,724	6,619	7.742	1.684	2.294
	06 CHURCHES	16,459	98,822	0.286	0.174	0.236
	07 SCHOOLS	15,677	60,580	0.000	0.151	0.206
	08 OFFICES AND BANKS	115,045	439,205	0.041	0.121	0.166
	09 REC. FACILITIES	18,093	88,306	0.644	0.398	0.542
	10 HOTELS AND MOTELS	16	4,846	0.000	0.057	0.078
	11 HOSPITALS/NURS HOME	26	184	0.000	0.299	0.407
	13 MOTOR VEHICLE RISKS	35,602	103,300	0.434	0.357	0.486
	14 OTHER NON-MANUF.	36,158	125,206	1.042	0.420	0.573
	15 STORAGE	35,795	135,319	0.000	0.140	0.191
	17 FOOD MANUFACTURING	21,159	40,077	0.000	0.326	0.444
	18 WOOD MANUFACTURING	8,046	36,548	0.000	0.236	0.323
	19 WEARING APPAREL	8,123	22,505	0.000	0.337	0.460
	21 METAL MANUFACTURING	14,697	91,004	0.000	0.320	0.437
	22 OTHER MANUFACTURING	27,157	145,242	0.000	0.283	0.386
	TOTAL*	719,500	2,877,584	0.325	0.280	0.381

* TOTALS IN COLUMNS (3), (4) & (5) ARE AVERAGES USING COLUMN (1) AS WEIGHTS.

Hillsborough County Ex Tampa

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
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10 MONOLINE	01 APARTMENTS	1,222	28,010	0.000	1.790	2.439
	02 OTHER HABITATIONAL	609	7,898	0.000	1.791	2.440
	03 RESTAURANTS & BARS	3,631	20,490	0.000	1.790	2.439
	04 OTHER MERCANTILE RS	42,381	205,052	7.740	3.104	4.229
	05 PUBLIC BUILDINGS	1,013	3,210	0.000	1.791	2.440
	06 CHURCHES	47,181	216,791	1.165	1.981	2.699
	07 SCHOOLS	2,659	6,409	0.000	1.791	2.440
	08 OFFICES AND BANKS	28,025	199,187	0.043	1.790	2.439
	09 REC. FACILITIES	6,859	17,633	3.221	2.329	3.173
	10 HOTELS AND MOTELS	7,855	32,066	1.743	2.082	2.837
	11 HOSPITALS/NURS HOME	0	3,182	0.000	1.791	2.440
	13 MOTOR VEHICLE RISKS	4,907	34,099	0.020	1.793	2.443
	14 OTHER NON-MANUF.	10,651	54,371	0.044	1.796	2.447
	15 STORAGE	13,653	49,663	0.000	1.789	2.437
	17 FOOD MANUFACTURING	471	17,780	0.000	1.791	2.440
	19 WEARING APPAREL	66	423	0.000	1.791	2.440
	21 METAL MANUFACTURING	2,976	15,305	0.000	1.791	2.440
	22 OTHER MANUFACTURING	427	2,049	0.000	1.791	2.440
	TOTAL*	174,586	913,618	2.409	2.196	2.991
31 MULTILINE	10 HOTELS AND MOTELS	465	5,024	0.000	0.714	0.973
MOTEL/HOTEL	TOTAL*	465	5,024	0.000	0.714	0.973
32 MULTILINE	01 APARTMENTS	166	3,423	122.521	23.422	31.910
APARTMENT	02 OTHER HABITATIONAL	3,699	14,482	0.000	0.694	0.946
	TOTAL*	3,865	17,905	5.264	1.670	2.275
33 MULTILINE	08 OFFICES AND BANKS	44,840	234,875	0.042	0.438	0.597
OFFICE	TOTAL*	44,840	234,875	0.042	0.438	0.597
34 MULTILINE	03 RESTAURANTS & BARS	18,730	135,329	0.000	0.508	0.692
MERCANTILE	04 OTHER MERCANTILE RS	83,349	400,883	0.013	0.328	0.447
	08 OFFICES AND BANKS	2,813	26,732	0.000	0.669	0.911
	13 MOTOR VEHICLE RISKS	9,865	45,581	0.000	0.634	0.864
	14 OTHER NON-MANUF.	1,032	7,180	0.000	0.710	0.967
	15 STORAGE	6,955	46,957	0.000	0.632	0.861
	TOTAL*	122,744	662,662	0.009	0.408	0.556

Hillsborough County Ex Tampa

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
35 MULTILINE INSTITUTIONAL	05 PUBLIC BUILDINGS	180	1,441	0.000	0.722	0.984
	06 CHURCHES	68,414	365,338	0.282	0.511	0.696
	07 SCHOOLS	29,598	103,945	0.187	0.617	0.841
	08 OFFICES AND BANKS	1,338	3,750	0.000	0.717	0.977
	09 REC. FACILITIES	3,465	15,464	0.000	0.692	0.943
	11 HOSPITALS/NURS HOME	332	713	987.799	76.874	240.973
	14 OTHER NON-MANUF.	6,730	19,857	0.000	0.683	0.931
	TOTAL*	110,057	510,508	3.205	1.090	1.486
36 MULTILINE SERVICES	03 RESTAURANTS & BARS	404	2,435	0.000	0.101	0.138
	04 OTHER MERCANTILE RS	3,178	16,942	0.000	0.083	0.113
	08 OFFICES AND BANKS	4,843	24,606	0.000	0.075	0.102
	09 REC. FACILITIES	5,526	28,562	0.111	0.119	0.162
	13 MOTOR VEHICLE RISKS	20,285	100,326	0.548	0.411	0.560
	14 OTHER NON-MANUF.	11,289	62,969	0.145	0.136	0.185
	15 STORAGE	13,892	61,317	0.000	0.053	0.072
	22 OTHER MANUFACTURING	519	2,807	0.000	0.100	0.136
	TOTAL*	59,936	299,964	0.223	0.200	0.272
37 MULTILINE INDUST/PROCESS	04 OTHER MERCANTILE RS	4,513	15,949	0.443	0.229	0.312
	08 OFFICES AND BANKS	2,047	11,303	0.000	0.089	0.121
	14 OTHER NON-MANUF.	485	3,371	1.096	0.319	0.435
	17 FOOD MANUFACTURING	8,238	26,516	0.000	0.074	0.101
	18 WOOD MANUFACTURING	645	12,412	0.000	0.088	0.120
	19 WEARING APPAREL	286	778	0.000	0.104	0.142
	21 METAL MANUFACTURING	33,287	172,017	0.000	0.028	0.038
	22 OTHER MANUFACTURING	10,028	39,261	0.000	0.065	0.089
	TOTAL*	59,529	281,607	0.043	0.061	0.084
38 MULTILINE CONTRACTORS	04 OTHER MERCANTILE RS	13,626	67,715	0.003	0.052	0.071
	08 OFFICES AND BANKS	5,446	20,361	0.235	0.165	0.225
	14 OTHER NON-MANUF.	4,417	8,437	0.172	0.137	0.187
	TOTAL*	23,489	96,513	0.089	0.094	0.128

Hillsborough County Ex Tampa

FLORIDA
 BASIC GROUP I RELATIVITY ANALYSIS
 TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
TOTAL ALL TOPS*	01 APARTMENTS	1,388	31,433	14.664	4.377	5.963
	02 OTHER HABITATIONAL	4,308	22,380	0.000	0.849	1.157
	03 RESTAURANTS & BARS	22,765	158,254	0.000	0.705	0.961
	04 OTHER MERCANTILE RS	147,047	706,541	2.252	1.094	1.491
	05 PUBLIC BUILDINGS	1,193	4,651	0.000	1.630	2.220
	06 CHURCHES	115,595	582,129	0.642	1.111	1.514
	07 SCHOOLS	32,257	110,354	0.172	0.714	0.972
	08 OFFICES AND BANKS	89,352	520,814	0.049	0.829	1.130
	09 REC. FACILITIES	15,850	61,659	1.433	1.200	1.636
	10 HOTELS AND MOTELS	8,320	37,090	1.646	2.005	2.732
	11 HOSPITALS/NURS HOME	332	3,895	990.774	76.874	240.973
	13 MOTOR VEHICLE RISKS	35,057	180,006	0.320	0.667	0.909
	14 OTHER NON-MANUF.	34,604	156,185	0.098	0.773	1.053
	15 STORAGE	34,500	157,937	0.000	0.857	1.167
	17 FOOD MANUFACTURING	8,709	44,296	0.000	0.167	0.227
	18 WOOD MANUFACTURING	645	12,412	0.000	0.088	0.120
	19 WEARING APPAREL	352	1,201	0.000	0.420	0.573
	21 METAL MANUFACTURING	36,263	187,322	0.000	0.173	0.235
	22 OTHER MANUFACTURING	10,974	44,117	0.000	0.133	0.182
	TOTAL*	599,511	3,022,676	1.359	0.997	1.358

* TOTALS IN COLUMNS (3), (4) & (5) ARE AVERAGES USING COLUMN (1) AS WEIGHTS.

Hialeah

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
10 MONOLINE	01 APARTMENTS	0	2,423	0.000	0.031	0.042
	02 OTHER HABITATIONAL	0	70	0.000	0.047	0.064
	03 RESTAURANTS & BARS	431	2,128	0.000	0.033	0.045
	04 OTHER MERCANTILE RS	13,192	55,541	0.193	0.184	0.251
	05 PUBLIC BUILDINGS	16	559	0.000	0.042	0.057
	07 SCHOOLS	736	1,729	0.000	0.035	0.048
	08 OFFICES AND BANKS	5,085	20,991	0.000	0.009	0.012
	09 REC. FACILITIES	312	2,419	0.000	0.031	0.042
	11 HOSPITALS/NURS HOME	0	110	0.000	0.046	0.063
	13 MOTOR VEHICLE RISKS	1,607	5,939	0.000	0.021	0.029
	14 OTHER NON-MANUF.	7,288	11,427	0.000	0.014	0.019
	15 STORAGE	3,121	26,918	0.000	0.007	0.010
	17 FOOD MANUFACTURING	764	17,095	0.000	0.010	0.014
	18 WOOD MANUFACTURING	5,864	15,316	0.000	0.011	0.015
	19 WEARING APPAREL	3,522	15,213	0.000	0.011	0.015
	21 METAL MANUFACTURING	3,299	5,977	0.000	0.021	0.029
	22 OTHER MANUFACTURING	1,202	2,806	0.000	0.030	0.041
	TOTAL*	46,439	186,661	0.055	0.062	0.085
32 MULTILINE APARTMENT	02 OTHER HABITATIONAL	114	575	0.000	0.026	0.035
	TOTAL*	114	575	0.000	0.026	0.035
33 MULTILINE OFFICE	08 OFFICES AND BANKS	1,953	2,634	1.070	0.338	0.460
	TOTAL*	1,953	2,634	1.071	0.338	0.460
34 MULTILINE MERCANTILE	03 RESTAURANTS & BARS	154	359	0.000	0.026	0.035
	04 OTHER MERCANTILE RS	9,441	48,062	0.000	0.013	0.018
	08 OFFICES AND BANKS	12	354	0.000	0.026	0.035
	13 MOTOR VEHICLE RISKS	5,164	5,164	0.000	0.024	0.033
	14 OTHER NON-MANUF.	208	483	0.000	0.026	0.035
	15 STORAGE	682	4,232	0.000	0.024	0.033
	TOTAL*	15,661	58,654	0.000	0.017	0.024
35 MULTILINE INSTITUTIONAL	06 CHURCHES	2,184	14,363	0.000	0.020	0.027
	07 SCHOOLS	276	1,985	0.000	0.025	0.034
	08 OFFICES AND BANKS	22	75	0.000	0.026	0.035
	09 REC. FACILITIES	756	1,853	0.000	0.025	0.034
	TOTAL*	3,238	18,276	0.000	0.022	0.029

Hialeah

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
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36 MULTILINE	03 RESTAURANTS & BARS	0	2	0.000	0.946	1.289
SERVICES	04 OTHER MERCANTILE RS	545	3,624	0.000	0.944	1.286
	08 OFFICES AND BANKS	39	67	0.000	0.946	1.289
	09 REC. FACILITIES	143	586	0.000	0.946	1.289
	13 MOTOR VEHICLE RISKS	55	371	0.000	0.946	1.289
	14 OTHER NON-MANUF.	1,772	4,823	0.000	0.944	1.286
	15 STORAGE	0	61	0.000	0.946	1.289
	22 OTHER MANUFACTURING	1,190	6,130	10.371	2.799	3.813
	TOTAL*	3,744	15,664	3.297	1.534	2.090
37 MULTILINE	04 OTHER MERCANTILE RS	338	1,710	0.000	0.945	1.287
INDUST/PROCESS	14 OTHER NON-MANUF.	598	2,872	0.000	0.945	1.287
	17 FOOD MANUFACTURING	2,442	4,937	0.000	0.944	1.286
	18 WOOD MANUFACTURING	605	1,520	0.000	0.945	1.287
	19 WEARING APPAREL	373	1,191	0.000	0.945	1.287
	21 METAL MANUFACTURING	751	15,429	0.000	0.939	1.279
	22 OTHER MANUFACTURING	1,979	8,845	0.000	0.942	1.283
	TOTAL*	7,086	36,504	0.000	0.943	1.285
38 MULTILINE	04 OTHER MERCANTILE RS	502	2,303	0.000	0.945	1.287
CONTRACTORS	08 OFFICES AND BANKS	357	878	0.000	0.945	1.287
	TOTAL*	859	3,181	0.000	0.945	1.287

Hialeah

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
TOTAL ALL TOPS*	01 APARTMENTS	0	2,423	0.000	1.000	1.000
	02 OTHER HABITATIONAL	114	645	0.000	0.026	0.035
	03 RESTAURANTS & BARS	585	2,489	0.000	0.031	0.042
	04 OTHER MERCANTILE RS	24,018	111,240	0.106	0.161	0.219
	05 PUBLIC BUILDINGS	16	559	0.000	0.042	0.057
	06 CHURCHES	2,184	14,363	0.000	0.020	0.027
	07 SCHOOLS	1,012	3,714	0.000	0.032	0.044
	08 OFFICES AND BANKS	7,468	24,999	0.280	0.145	0.197
	09 REC. FACILITIES	1,211	4,858	0.000	0.136	0.184
	11 HOSPITALS/NURS HOME	0	110	0.000	1.000	1.000
	13 MOTOR VEHICLE RISKS	6,826	11,474	0.000	0.030	0.042
	14 OTHER NON-MANUF.	9,866	19,605	0.000	0.238	0.324
	15 STORAGE	3,803	31,211	0.000	0.010	0.014
	17 FOOD MANUFACTURING	3,206	22,032	0.000	0.721	0.983
	18 WOOD MANUFACTURING	6,469	16,836	0.000	0.099	0.134
	19 WEARING APPAREL	3,895	16,404	0.000	0.101	0.137
	21 METAL MANUFACTURING	4,050	21,406	0.000	0.191	0.261
	22 OTHER MANUFACTURING	4,371	17,781	2.824	1.197	1.630
	TOTAL*	79,094	322,149	0.215	0.217	0.295

* TOTALS IN COLUMNS (3) , (4) & (5) ARE AVERAGES USING COLUMN (1) AS WEIGHTS.

Balance of State (Florida)

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
10 MONOLINE	01 APARTMENTS	119,153	587,003	4.837	1.435	1.955
	02 OTHER HABITATIONAL	55,808	419,920	0.445	0.690	0.940
	03 RESTAURANTS & BARS	133,691	654,927	0.356	0.674	0.918
	04 OTHER MERCANTILE RS	1,290,689	6,309,897	1.093	0.835	1.138
	05 PUBLIC BUILDINGS	47,226	155,481	0.677	0.729	0.993
	06 CHURCHES	373,463	1,820,273	0.290	0.652	0.888
	07 SCHOOLS	61,185	226,955	0.310	0.669	0.911
	08 OFFICES AND BANKS	1,046,593	5,109,346	0.390	0.651	0.887
	09 REC. FACILITIES	265,769	1,101,683	0.420	0.682	0.929
	10 HOTELS AND MOTELS	129,723	573,387	0.037	0.620	0.845
	11 HOSPITALS/NURS HOME	28,471	194,057	0.575	0.713	0.971
	13 MOTOR VEHICLE RISKS	121,586	640,088	0.562	0.709	0.966
	14 OTHER NON-MANUF.	283,445	1,106,867	0.294	0.659	0.898
	15 STORAGE	122,959	616,809	2.224	0.992	1.351
	17 FOOD MANUFACTURING	13,926	80,697	0.000	0.621	0.846
	18 WOOD MANUFACTURING	52,244	313,032	0.014	0.620	0.845
	19 WEARING APPAREL	10,454	45,172	0.000	0.622	0.847
	21 METAL MANUFACTURING	182,283	896,405	0.250	0.653	0.890
	22 OTHER MANUFACTURING	109,104	551,513	0.158	0.641	0.873
	TOTAL*	4,447,772	21,403,512	0.730	0.740	1.008
31 MULTILINE MOTEL/HOTEL	10 HOTELS AND MOTELS	81,911	653,311	1.983	0.931	1.268
	TOTAL*	81,911	653,311	1.983	0.931	1.268
32 MULTILINE APARTMENT	01 APARTMENTS	65,052	1,298,907	0.430	0.645	0.879
	02 OTHER HABITATIONAL	161,268	1,255,276	0.252	0.609	0.830
	TOTAL*	226,320	2,554,183	0.303	0.620	0.844
33 MULTILINE OFFICE	08 OFFICES AND BANKS	1,142,749	5,131,850	0.111	0.518	0.706
	TOTAL*	1,142,749	5,131,850	0.111	0.518	0.706
34 MULTILINE MERCANTILE	03 RESTAURANTS & BARS	814,395	3,590,198	0.399	0.618	0.842
	04 OTHER MERCANTILE RS	1,645,964	8,863,929	1.146	0.872	1.188
	08 OFFICES AND BANKS	107,612	504,393	3.960	1.271	1.732
	13 MOTOR VEHICLE RISKS	222,736	740,363	0.402	0.645	0.879
	14 OTHER NON-MANUF.	61,499	302,944	0.126	0.602	0.820
	15 STORAGE	185,382	893,733	1.654	0.879	1.198
	TOTAL*	3,037,588	14,895,560	1.001	0.797	1.085

Balance of State (Florida)

FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY

35 MULTILINE INSTITUTIONAL	02 OTHER HABITATIONAL	946	11,222	0.000	0.588	0.801
	05 PUBLIC BUILDINGS	19,801	122,593	0.014	0.588	0.801
	06 CHURCHES	2,793,461	14,319,721	0.648	0.675	0.920
	07 SCHOOLS	280,677	1,094,432	0.140	0.590	0.804
	08 OFFICES AND BANKS	122,601	507,579	0.435	0.653	0.890
	09 REC. FACILITIES	98,572	403,633	0.098	0.596	0.812
	11 HOSPITALS/NURS HOME	83,071	1,064,947	0.514	0.663	0.903
	13 MOTOR VEHICLE RISKS	1,635	17,080	0.000	0.588	0.801
	14 OTHER NON-MANUF.	67,180	302,718	1.079	0.763	1.040
	TOTAL*	3,467,944	17,843,925	0.585	0.666	0.907
36 MULTILINE SERVICES	03 RESTAURANTS & BARS	47,550	189,792	0.655	0.523	0.713
	04 OTHER MERCANTILE RS	162,972	754,806	0.626	0.526	0.717
	08 OFFICES AND BANKS	109,068	490,479	0.663	0.530	0.722
	09 REC. FACILITIES	442,466	2,115,707	0.733	0.576	0.785
	13 MOTOR VEHICLE RISKS	659,907	2,152,871	0.687	0.561	0.764
	14 OTHER NON-MANUF.	267,763	1,278,333	0.873	0.597	0.813
	15 STORAGE	110,823	468,946	0.507	0.500	0.681
	21 METAL MANUFACTURING	31,731	180,446	0.000	0.420	0.572
	22 OTHER MANUFACTURING	51,114	273,507	0.207	0.450	0.613
	TOTAL*	1,883,394	7,904,887	0.682	0.555	0.756
37 MULTILINE INDUST/PROCESS	04 OTHER MERCANTILE RS	79,958	407,737	2.170	0.802	1.093
	08 OFFICES AND BANKS	27,585	123,822	0.703	0.529	0.721
	13 MOTOR VEHICLE RISKS	0	97	0.000	0.430	0.586
	14 OTHER NON-MANUF.	13,307	74,302	0.034	0.431	0.587
	15 STORAGE	1,612	3,816	0.000	0.430	0.586
	17 FOOD MANUFACTURING	90,399	374,753	0.402	0.481	0.655
	18 WOOD MANUFACTURING	201,909	934,645	0.316	0.456	0.621
	19 WEARING APPAREL	25,310	142,947	0.084	0.435	0.593
	21 METAL MANUFACTURING	337,161	1,555,651	0.155	0.400	0.545
	22 OTHER MANUFACTURING	290,409	1,539,520	0.095	0.383	0.522
	TOTAL*	1,067,650	5,157,290	0.352	0.448	0.610
38 MULTILINE CONTRACTORS	04 OTHER MERCANTILE RS	384,737	1,866,251	0.200	0.406	0.553
	08 OFFICES AND BANKS	197,183	855,472	0.423	0.481	0.655
	14 OTHER NON-MANUF.	21,219	96,626	0.000	0.425	0.579
	TOTAL*	603,139	2,818,349	0.266	0.431	0.587

Balance of State (Florida)

FLORIDA
 BASIC GROUP I RELATIVITY ANALYSIS
 TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY

TOTAL ALL TOPS*	01 APARTMENTS	184,205	1,885,910	3.281	1.156	1.575
	02 OTHER HABITATIONAL	218,022	1,686,418	0.300	0.630	0.858
	03 RESTAURANTS & BARS	995,636	4,434,917	0.405	0.621	0.846
	04 OTHER MERCANTILE RS	3,564,320	18,202,620	1.024	0.791	1.078
	05 PUBLIC BUILDINGS	67,027	278,074	0.481	0.687	0.936
	06 CHURCHES	3,166,924	16,139,994	0.606	0.672	0.916
	07 SCHOOLS	341,862	1,321,387	0.170	0.604	0.823
	08 OFFICES AND BANKS	2,753,391	12,722,941	0.432	0.602	0.820
	09 REC. FACILITIES	806,807	3,621,023	0.552	0.613	0.836
	10 HOTELS AND MOTELS	211,634	1,226,698	0.790	0.740	1.009
	11 HOSPITALS/NURS HOME	111,542	1,259,004	0.530	0.676	0.921
	13 MOTOR VEHICLE RISKS	1,005,864	3,550,499	0.608	0.597	0.814
	14 OTHER NON-MANUF.	714,413	3,161,790	0.557	0.630	0.858
	15 STORAGE	420,776	1,983,304	1.512	0.811	1.104
	17 FOOD MANUFACTURING	104,325	455,450	0.348	0.500	0.681
	18 WOOD MANUFACTURING	254,153	1,247,677	0.254	0.490	0.667
	19 WEARING APPAREL	35,764	188,119	0.059	0.490	0.667
	21 METAL MANUFACTURING	551,175	2,632,502	0.177	0.485	0.661
	22 OTHER MANUFACTURING	450,627	2,364,540	0.123	0.453	0.617
	TOTAL*	15,958,467	78,362,867	0.658	0.665	0.906

* TOTALS IN COLUMNS (3), (4) & (5) ARE AVERAGES USING COLUMN (1) AS WEIGHTS.

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FLORIDA

BASIC GROUP I RELATIVITY ANALYSIS

TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
10 MONOLINE	01 APARTMENTS	1,226	5,898	0.000	0.000	1.000
	02 OTHER HABITATIONAL	0	2,619	0.000	0.000	1.000
	03 RESTAURANTS & BARS	722	3,028	0.000	0.000	1.000
	04 OTHER MERCANTILE RS	2,871	15,607	0.000	0.000	1.000
	05 PUBLIC BUILDINGS	0	11	0.000	0.000	1.000
	06 CHURCHES	1,482	14,773	0.000	0.000	1.000
	07 SCHOOLS	0	153	0.000	0.000	1.000
	08 OFFICES AND BANKS	6,311	22,692	0.000	0.000	1.000
	09 REC. FACILITIES	56	108	0.000	0.000	1.000
	10 HOTELS AND MOTELS	409	1,964	0.000	0.000	1.000
	11 HOSPITALS/NURS HOME	0	274	0.000	0.000	1.000
	13 MOTOR VEHICLE RISKS	0	4	0.000	0.000	1.000
	14 OTHER NON-MANUF.	908	2,866	0.000	0.000	1.000
	15 STORAGE	3	999	0.000	0.000	1.000
	18 WOOD MANUFACTURING	40	40	0.000	0.000	1.000
	21 METAL MANUFACTURING	208	2,840	0.000	0.000	1.000
	TOTAL*	14,236	73,876	0.000	1.000	1.000
32 MULTILINE APARTMENT	01 APARTMENTS	0	201	0.000	0.357	0.486
	02 OTHER HABITATIONAL	286	4,352	0.000	0.353	0.481
	TOTAL*	286	4,553	0.000	0.353	0.481
33 MULTILINE OFFICE	08 OFFICES AND BANKS	5,384	42,535	0.000	0.320	0.436
	TOTAL*	5,384	42,535	0.000	0.320	0.436
34 MULTILINE MERCANTILE	03 RESTAURANTS & BARS	5,421	23,793	0.000	0.335	0.456
	04 OTHER MERCANTILE RS	18,685	92,104	1.153	0.691	0.941
	08 OFFICES AND BANKS	269	945	0.000	0.356	0.485
	13 MOTOR VEHICLE RISKS	32	330	0.000	0.357	0.486
	14 OTHER NON-MANUF.	385	1,591	0.000	0.356	0.485
	15 STORAGE	1,277	4,352	0.000	0.353	0.481
	TOTAL*	26,069	123,115	0.826	0.591	0.806
35 MULTILINE INSTITUTIONAL	05 PUBLIC BUILDINGS	11	357	0.000	0.357	0.486
	06 CHURCHES	10,252	74,348	0.078	0.322	0.439
	07 SCHOOLS	83	1,093	0.000	0.356	0.485
	08 OFFICES AND BANKS	637	4,532	0.000	0.353	0.481
	09 REC. FACILITIES	0	17	0.000	0.357	0.486
	11 HOSPITALS/NURS HOME	0	1,315	0.000	0.356	0.485
	14 OTHER NON-MANUF.	579	2,866	0.000	0.354	0.482
	TOTAL*	11,562	84,528	0.069	0.325	0.444

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FLORIDA

BASIC GROUP I RELATIVITY ANALYSIS

TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY

36 MULTILINE SERVICES	03 RESTAURANTS & BARS	0	402	0.000	0.960	1.308
	04 OTHER MERCANTILE RS	2,172	14,345	0.386	0.460	0.627
	08 OFFICES AND BANKS	1,706	6,078	0.000	0.210	0.286
	09 REC. FACILITIES	1,016	2,155	1.826	1.742	2.373
	13 MOTOR VEHICLE RISKS	7,996	16,187	8.591	8.190	11.158
	14 OTHER NON-MANUF.	3,933	20,967	0.000	0.069	0.094
	15 STORAGE	343	871	0.000	0.741	1.010
	22 OTHER MANUFACTURING	148	891	0.000	0.734	1.000
	TOTAL*	17,314	61,896	4.123	4.000	5.449
37 MULTILINE INDUST/PROCESS	04 OTHER MERCANTILE RS	59	330	0.000	1.006	1.371
	08 OFFICES AND BANKS	7	14	0.000	1.271	1.732
	17 FOOD MANUFACTURING	534	3,234	0.000	0.345	0.470
	18 WOOD MANUFACTURING	549	3,162	0.953	1.087	1.481
	19 WEARING APPAREL	0	1,214	0.000	0.635	0.865
	21 METAL MANUFACTURING	2,246	10,988	0.000	0.125	0.170
	22 OTHER MANUFACTURING	281	4,134	0.000	0.287	0.391
	TOTAL*	3,676	23,076	0.142	0.330	0.449
38 MULTILINE CONTRACTORS	04 OTHER MERCANTILE RS	1,717	6,381	0.000	0.202	0.275
	08 OFFICES AND BANKS	1,362	4,911	0.000	0.250	0.341
	14 OTHER NON-MANUF.	450	1,953	0.000	0.486	0.662
	TOTAL*	3,529	13,245	0.000	0.257	0.350

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FLORIDA
BASIC GROUP I RELATIVITY ANALYSIS
TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
TOTAL ALL TOPS*	01 APARTMENTS	1,226	6,099	0.000	1.000	1.000
	02 OTHER HABITATIONAL	286	6,971	0.000	0.353	0.481
	03 RESTAURANTS & BARS	6,143	27,223	0.000	0.296	0.520
	04 OTHER MERCANTILE RS	25,504	128,767	0.878	0.561	0.877
	05 PUBLIC BUILDINGS	11	368	0.000	0.357	0.486
	06 CHURCHES	11,734	89,121	0.068	0.281	0.510
	07 SCHOOLS	83	1,246	0.000	0.356	0.485
	08 OFFICES AND BANKS	15,676	81,707	0.000	0.175	0.642
	09 REC. FACILITIES	1,072	2,280	1.732	1.651	2.302
	10 HOTELS AND MOTELS	409	1,964	0.000	1.000	1.000
	11 HOSPITALS/NURS HOME	0	1,589	0.000	1.000	1.000
	13 MOTOR VEHICLE RISKS	8,028	16,521	8.558	8.159	11.116
	14 OTHER NON-MANUF.	6,255	30,243	0.000	0.133	0.326
	15 STORAGE	1,623	6,222	0.000	0.434	0.594
	17 FOOD MANUFACTURING	534	3,234	0.000	0.345	0.470
	18 WOOD MANUFACTURING	589	3,202	0.890	1.013	1.448
	19 WEARING APPAREL	0	1,214	0.000	1.000	1.000
	21 METAL MANUFACTURING	2,454	13,828	0.000	0.115	0.241
	22 OTHER MANUFACTURING	429	5,025	0.000	0.441	0.601
	TOTAL*	82,056	426,824	1.149	1.126	1.707

* TOTALS IN COLUMNS (3), (4) & (5) ARE AVERAGES USING COLUMN (1) AS WEIGHTS.

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BASIC GROUP I RELATIVITY ANALYSIS

TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY
10 MONOLINE	01 APARTMENTS	261,504	847,060	12.356	8.466	11.539
	02 OTHER HABITATIONAL	58,143	436,594	0.427	0.695	0.946
	03 RESTAURANTS & BARS	181,128	885,066	0.349	0.604	0.827
	04 OTHER MERCANTILE RS	1,627,953	8,060,641	1.079	0.783	1.068
	05 PUBLIC BUILDINGS	53,466	187,882	0.598	0.691	0.941
	06 CHURCHES	501,668	2,404,014	0.325	0.685	0.936
	07 SCHOOLS	83,867	304,469	0.237	0.655	0.892
	08 OFFICES AND BANKS	1,330,981	6,415,349	0.341	0.658	0.901
	09 REC. FACILITIES	318,406	1,309,441	0.422	0.696	0.948
	10 HOTELS AND MOTELS	156,014	662,987	0.119	0.681	0.930
	11 HOSPITALS/NURS HOME	30,803	207,557	0.531	0.665	0.907
	13 MOTOR VEHICLE RISKS	154,651	820,662	1.073	1.078	1.469
	14 OTHER NON-MANUF.	357,425	1,416,724	0.263	0.654	0.894
	15 STORAGE	177,869	876,747	1.543	0.897	1.222
	17 FOOD MANUFACTURING	19,795	136,467	0.000	0.540	0.735
	18 WOOD MANUFACTURING	79,177	396,122	0.308	0.952	1.297
	19 WEARING APPAREL	14,857	69,517	0.000	0.464	0.632
	21 METAL MANUFACTURING	247,386	1,238,692	0.191	0.601	0.820
	22 OTHER MANUFACTURING	145,823	747,987	0.249	0.578	0.788
	TOTAL*	5,800,916	27,423,978	1.130	1.066	1.455
31 MULTILINE MOTEL/HOTEL	10 HOTELS AND MOTELS	97,356	724,414	2.905	2.009	2.737
	TOTAL*	97,356	724,414	2.905	2.009	2.737
32 MULTILINE APARTMENT	01 APARTMENTS	66,756	1,867,879	0.724	0.690	0.941
	02 OTHER HABITATIONAL	188,945	1,437,348	1.341	0.783	1.067
	TOTAL*	255,701	3,305,227	1.180	0.759	1.034
33 MULTILINE OFFICE	08 OFFICES AND BANKS	1,397,827	6,487,522	0.130	0.500	0.682
	TOTAL*	1,397,827	6,487,522	0.130	0.500	0.682
34 MULTILINE MERCANTILE	03 RESTAURANTS & BARS	1,015,033	4,355,455	0.632	0.620	0.845
	04 OTHER MERCANTILE RS	2,353,533	12,437,042	0.856	0.732	0.997
	08 OFFICES AND BANKS	131,542	623,642	3.240	1.127	1.535
	13 MOTOR VEHICLE RISKS	326,449	1,132,070	0.523	0.621	0.846
	14 OTHER NON-MANUF.	82,104	406,262	0.116	0.565	0.769
	15 STORAGE	241,701	1,129,846	1.587	0.832	1.134
	TOTAL*	4,150,362	20,084,317	0.878	0.711	0.969

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BASIC GROUP I RELATIVITY ANALYSIS

TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY

35 MULTILINE INSTITUTIONAL	02 OTHER HABITATIONAL	946	11,222	0.000	0.588	0.801
	05 PUBLIC BUILDINGS	21,450	130,467	0.635	0.694	0.946
	06 CHURCHES	3,353,090	17,487,606	0.592	0.652	0.888
	07 SCHOOLS	355,778	1,393,521	0.192	0.583	0.795
	08 OFFICES AND BANKS	172,997	739,326	0.341	0.622	0.848
	09 REC. FACILITIES	127,845	491,807	0.076	0.589	0.804
	11 HOSPITALS/NURS HOME	91,201	1,420,228	4.068	1.294	1.763
	13 MOTOR VEHICLE RISKS	1,838	25,897	0.000	0.557	0.759
	14 OTHER NON-MANUF.	87,571	376,468	0.921	0.724	0.986
	TOTAL*	4,212,716	22,076,542	0.614	0.658	0.897
36 MULTILINE SERVICES	03 RESTAURANTS & BARS	58,027	236,169	0.537	0.445	0.606
	04 OTHER MERCANTILE RS	189,628	894,441	0.562	0.485	0.664
	08 OFFICES AND BANKS	149,513	691,081	0.484	0.422	0.577
	09 REC. FACILITIES	489,127	2,368,363	0.693	0.545	0.751
	13 MOTOR VEHICLE RISKS	872,819	2,962,638	0.752	0.574	0.783
	14 OTHER NON-MANUF.	345,952	1,645,709	0.801	0.518	0.711
	15 STORAGE	147,656	638,246	0.381	0.393	0.535
	21 METAL MANUFACTURING	32,701	190,590	0.000	0.409	0.557
	22 OTHER MANUFACTURING	75,434	389,496	0.334	0.404	0.551
	TOTAL*	2,360,857	10,016,733	0.663	0.521	0.713
37 MULTILINE INDUST/PROCESS	04 OTHER MERCANTILE RS	106,893	527,957	1.642	0.634	0.864
	08 OFFICES AND BANKS	37,580	161,690	0.516	0.437	0.595
	13 MOTOR VEHICLE RISKS	4,457	4,554	0.000	0.056	0.076
	14 OTHER NON-MANUF.	18,410	105,117	0.053	0.390	0.531
	15 STORAGE	1,612	3,816	0.000	0.430	0.586
	17 FOOD MANUFACTURING	130,139	521,727	0.279	0.413	0.562
	18 WOOD MANUFACTURING	260,787	1,261,868	0.287	0.373	0.508
	19 WEARING APPAREL	42,368	208,967	0.050	0.337	0.460
	21 METAL MANUFACTURING	485,621	2,612,287	0.117	0.315	0.429
	22 OTHER MANUFACTURING	349,595	1,964,554	0.079	0.342	0.465
	TOTAL*	1,437,462	7,372,537	0.274	0.369	0.502
38 MULTILINE CONTRACTORS	04 OTHER MERCANTILE RS	503,898	2,413,021	0.174	0.345	0.470
	08 OFFICES AND BANKS	258,375	1,154,635	0.363	0.396	0.540
	14 OTHER NON-MANUF.	28,421	115,860	0.027	0.367	0.500
	TOTAL*	790,694	3,683,516	0.230	0.362	0.494

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FLORIDA

BASIC GROUP I RELATIVITY ANALYSIS

TABLE 10 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) Z-WEIGHTED EXPERIENCE RATIO	(5) Z-WEIGHTED RELATIVITY

TOTAL ALL TOPS*	01 APARTMENTS	328,260	2,714,939	9.991	6.885	9.384
	02 OTHER HABITATIONAL	248,034	1,885,164	1.121	0.762	1.037
	03 RESTAURANTS & BARS	1,254,188	5,476,690	0.587	0.610	0.831
	04 OTHER MERCANTILE RS	4,781,905	24,333,102	0.866	0.697	0.950
	05 PUBLIC BUILDINGS	74,916	318,349	0.609	0.692	0.942
	06 CHURCHES	3,854,758	19,891,620	0.557	0.656	0.894
	07 SCHOOLS	439,645	1,697,990	0.201	0.597	0.813
	08 OFFICES AND BANKS	3,478,815	16,273,245	0.375	0.579	0.790
	09 REC. FACILITIES	935,378	4,169,611	0.517	0.602	0.825
	10 HOTELS AND MOTELS	253,370	1,387,401	1.189	1.191	1.624
	11 HOSPITALS/NURS HOME	122,004	1,627,785	3.175	1.135	1.547
	13 MOTOR VEHICLE RISKS	1,360,214	4,945,821	0.730	0.641	0.873
	14 OTHER NON-MANUF.	919,883	4,066,140	0.503	0.588	0.804
	15 STORAGE	568,838	2,648,655	1.256	0.737	1.004
	17 FOOD MANUFACTURING	149,934	658,194	0.242	0.430	0.585
	18 WOOD MANUFACTURING	339,964	1,657,990	0.292	0.508	0.692
	19 WEARING APPAREL	57,225	278,484	0.037	0.370	0.505
	21 METAL MANUFACTURING	765,708	4,041,569	0.136	0.411	0.561
	22 OTHER MANUFACTURING	570,852	3,102,037	0.156	0.410	0.559
	TOTAL*	20,503,891	101,174,786	0.765	0.734	1.000

* TOTALS IN COLUMNS (3), (4) & (5) ARE AVERAGES USING COLUMN (1) AS WEIGHTS.

FLORIDA

SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS
TABLE 11 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) RELATIVITY
<hr/>					
10 MONOLINE	01 BUILDINGS	2,417,177	11,486,244	1.346	1.595
	02 RES. APTS. AND COND	21,091	87,801	2.099	2.487
	03 OFFICES	222,092	1,173,368	0.515	0.610
	04 MERCANTILE - HIGH	241,023	1,324,416	0.563	0.667
	05 MERCANTILE - MEDIUM	56,743	304,503	2.101	2.489
	06 MERCANTILE - LOW	64,737	375,982	0.486	0.576
	07 MOTELS AND HOTELS	8,569	40,371	0.472	0.559
	08 INSTITUTIONAL - HIG	40,481	194,946	0.807	0.956
	09 INSTITUTIONAL - LOW	63,968	234,865	0.557	0.660
	10 INDUST-PROC - HIGH	21,615	113,749	0.543	0.643
	11 INDUST-PROC - LOW	63,824	339,093	0.080	0.095
	12 SERVICE - HIGH	51,620	240,308	0.897	1.063
	13 SERVICE - LOW	54,019	328,451	0.383	0.454
	14 CONTRACTORS	24,231	291,079	0.080	0.095
	TOTAL*	3,351,190	16,535,176	1.151	1.364
31 MULTILINE MOTEL/HOTEL	01 BUILDINGS	48,340	351,977	0.425	0.504
	07 MOTELS AND HOTELS	13,793	103,443	1.418	1.680
	TOTAL*	62,133	455,420	0.645	0.764
32 MULTILINE APARTMENT	01 BUILDINGS	124,638	876,916	1.157	1.371
	02 RES. APTS. AND COND	56,105	397,929	1.209	1.432
	TOTAL*	180,743	1,274,845	1.173	1.390
33 MULTILINE OFFICE	01 BUILDINGS	531,300	3,016,515	0.950	1.126
	03 OFFICES	268,417	1,595,064	0.482	0.571
	04 MERCANTILE - HIGH	19	19	0.000	0.000
	08 INSTITUTIONAL - HIG	1,987	9,453	0.000	0.000
	12 SERVICE - HIGH	2,833	4,056	0.000	0.000
	14 CONTRACTORS	73	73	0.000	0.000
	TOTAL*	804,629	4,625,180	0.788	0.934

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SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS
TABLE 11 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) RELATIVITY
34 MULTILINE MERCANTILE	01 BUILDINGS	1,835,443	9,350,810	0.461	0.546
	03 OFFICES	9,771	40,808	2.251	2.667
	04 MERCANTILE - HIGH	452,093	2,432,572	0.631	0.748
	05 MERCANTILE - MEDIUM	347,701	2,123,763	0.538	0.637
	06 MERCANTILE - LOW	205,202	1,104,169	0.296	0.351
	08 INSTITUTIONAL - HIG	376	1,476	0.000	0.000
	11 INDUST-PROC - LOW	1,776	3,377	13.862	16.424
	12 SERVICE - HIGH	6,030	20,980	0.000	0.000
	13 SERVICE - LOW	5,940	44,111	1.048	1.242
	14 CONTRACTORS	4,823	30,504	0.000	0.000
	TOTAL*	2,869,155	15,152,570	0.499	0.591
35 MULTILINE INSTITUTIONAL	01 BUILDINGS	1,346,688	7,220,959	1.064	1.261
	03 OFFICES	215	1,089	0.000	0.000
	04 MERCANTILE - HIGH	0	52	0.000	0.000
	08 INSTITUTIONAL - HIG	187,240	972,347	1.178	1.396
	09 INSTITUTIONAL - LOW	409,865	2,177,434	0.465	0.551
	12 SERVICE - HIGH	417	6,631	0.000	0.000
	13 SERVICE - LOW	96	3,431	0.000	0.000
	14 CONTRACTORS	106	145	0.000	0.000
	TOTAL*	1,944,627	10,382,088	0.948	1.123
36 MULTILINE SERVICES	01 BUILDINGS	599,814	3,074,733	1.059	1.255
	03 OFFICES	5,148	22,811	0.296	0.351
	04 MERCANTILE - HIGH	13,552	76,310	0.355	0.421
	05 MERCANTILE - MEDIUM	1,218	10,476	0.512	0.607
	06 MERCANTILE - LOW	681	6,065	4.548	5.389
	08 INSTITUTIONAL - HIG	10,540	35,687	0.000	0.000
	09 INSTITUTIONAL - LOW	48,008	159,681	0.000	0.000
	11 INDUST-PROC - LOW	2,420	15,503	10.619	12.582
	12 SERVICE - HIGH	184,474	1,068,894	1.662	1.969
	13 SERVICE - LOW	109,979	612,268	0.687	0.814
	14 CONTRACTORS	6,966	29,518	0.000	0.000
	TOTAL*	982,800	5,111,946	1.072	1.270

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SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS
TABLE 11 - SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 09/30/17 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) RELATIVITY
37 MULTILINE INDUST/PROC	01 BUILDINGS	387,429	2,069,437	0.477	0.565
	03 OFFICES	4,298	16,625	0.000	0.000
	04 MERCANTILE - HIGH	10,431	60,042	0.568	0.673
	05 MERCANTILE - MEDIUM	722	4,109	0.000	0.000
	06 MERCANTILE - LOW	158	215	0.000	0.000
	10 INDUST-PROC - HIGH	76,888	373,499	0.882	1.045
	11 INDUST-PROC - LOW	222,550	1,214,430	0.409	0.485
	12 SERVICE - HIGH	0	41	0.000	0.000
	13 SERVICE - LOW	580	5,003	0.000	0.000
	14 CONTRACTORS	766	891	0.000	0.000
	TOTAL*	703,822	3,744,292	0.497	0.589
38 MULTILINE CONTRACTORS	01 BUILDINGS	277,624	1,506,567	0.369	0.437
	03 OFFICES	26,795	146,093	1.121	1.328
	04 MERCANTILE - HIGH	78,240	465,958	0.586	0.694
	05 MERCANTILE - MEDIUM	1,143	9,152	0.000	0.000
	06 MERCANTILE - LOW	17,358	131,157	0.726	0.860
	08 INSTITUTIONAL - HIG	1,095	5,143	0.000	0.000
	11 INDUST-PROC - LOW	661	961	0.000	0.000
	12 SERVICE - HIGH	201	233	0.000	0.000
	13 SERVICE - LOW	1,316	9,271	1.546	1.832
	14 CONTRACTORS	308,094	1,703,846	0.613	0.726
	TOTAL*	712,527	3,978,381	0.536	0.635
TOTAL ALL TOPS*	01 BUILDINGS	7,568,453	38,954,158	0.941	1.115
	02 RES. APTS. AND COND	77,196	485,730	1.452	1.720
	03 OFFICES	536,736	2,995,858	0.554	0.656
	04 MERCANTILE - HIGH	795,358	4,359,369	0.600	0.711
	05 MERCANTILE - MEDIUM	407,527	2,452,003	0.753	0.892
	06 MERCANTILE - LOW	288,136	1,617,588	0.374	0.443
	07 MOTELS AND HOTELS	22,362	143,814	1.056	1.251
	08 INSTITUTIONAL - HIG	241,719	1,219,052	1.048	1.242
	09 INSTITUTIONAL - LOW	521,841	2,571,980	0.433	0.513
	10 INDUST-PROC - HIGH	98,503	487,248	0.808	0.957
	11 INDUST-PROC - LOW	291,231	1,573,364	0.503	0.596
	12 SERVICE - HIGH	245,575	1,341,143	1.437	1.703
	13 SERVICE - LOW	171,930	1,002,535	0.608	0.720
	14 CONTRACTORS	345,059	2,056,056	0.553	0.655
	TOTAL*	11,611,626	61,259,898	0.844	1.000

EXPLANATORY NOTES TO TABLES 10 AND 11

BASIC GROUP I/SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

INTRODUCTION	<p>The experience used in the relativity analysis and displayed on Tables 10 and 11 is the latest five accident years of data reported under the Commercial Statistical Plan. As in the overall review, loss costs have been adjusted to current ISO loss cost and prospective amount of insurance levels (with multiline aggregate loss costs adjusted additionally by the current implicit package modification factors). Incurred losses are adjusted to prospective cost levels, and are further adjusted by the Basic Group I large loss procedure and the Special Causes of Loss excess procedure. Losses have also been developed to their ultimate settlement value by application of loss development factors.</p>
COLUMN (1)	<p><u>2017 AGGREGATE LOSS COSTS</u></p> <p>The latest accident year aggregate loss costs (adjusted as described above) are used as weights both in the calculation of any totals shown in this table and in the iterative formulas used in the simultaneous review procedure.</p>
COLUMN (2)	<p><u>2013-2017 AGGREGATE LOSS COSTS</u></p> <p>The combined five-year adjusted aggregate loss costs (adjusted as described above) are used to calculate the experience ratios in column (3).</p>
COLUMN (3)	<p><u>FIVE-YEAR EXPERIENCE RATIOS</u></p> <p>These are the ratios of the combined five-year adjusted incurred losses (adjusted as described above) to the combined five-year adjusted aggregate loss costs as shown in column (2). Any totals which are shown are weighted averages using the adjusted aggregate loss costs in column (1).</p>
COLUMN (4)	<p><u>CREDIBILITY (Z) WEIGHTED EXPERIENCE RATIO</u></p> <p>A credibility procedure is applied to the initial experience ratios in column (3) on a cell-by-cell basis prior to the simultaneous review procedure. The credibility values are calculated using an empirical Bayesian credibility procedure. In the following discussion, cell refers to an individual combination of TOP, rating group or category, and territory (where applicable).</p>

EXPLANATORY NOTES TO TABLES 10 AND 11 (cont'd)

COLUMN (4)
(cont'd)

The important concept underlying empirical Bayesian credibility is that credibility should depend both on the overall variation of the group of which the cell is a member and the variation of the yearly experience ratios for the cell. Therefore, if a cell's data is very stable then a relatively high credibility value is assigned, and vice versa.

The empirical Bayesian credibility formula for individual cell credibility is $Z = ((C-3)/C) (P/(P+K)) + (3/C)$. P equals the cell's five-year adjusted aggregate loss costs and C equals the number of unique combinations of rating variables (Territory, TOP and Rating Group/Category) within a class group. The K value is estimated from the underlying data using the empirical Bayes method and varies by TOP group and by territory where applicable. The three TOP groups used in this analysis are: Monoline (TOP 10), Premises (TOP's 31-35), and Operations (TOP's 36-38). The 3/C term corrects for the statistical bias associated with the credibility process. The minimum credibility that is possible is 3/C.

COLUMN (5)

WEIGHTED RELATIVITIES

The relativities are the ratios of the five-year credibility-weighted experience ratios shown in column (4) to the average five-year credibility-weighted experience ratio for all TOP's, rating groups and territories (where applicable) combined. These relativities represent how much better or worse than average the experience for a given cell is. They are used along with the aggregate loss costs in column (1) as input for the simultaneous review procedure.

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TABLE 12 - BASIC GROUP II RELATIVITY ANALYSIS

INDICATED TOTAL LOSS COST ADJUSTMENT: +17.5%

	(1) ACCIDENT YR ENDING 09/30/17	(2) ACCIDENT YRS 2008-2017 NON-HURR.	(3) FORMULA RELATIVITY (2) / 0.136	(4) CREDI- BILITY Z C	(5) Z WEIGHTED RELA- TIVITY D	(6) BALANCED FORMULA RELA- TIVITY E	(7) NORMALIZED FORMULA RELA- TIVITY F	(8) CURRENT IMPLICIT PMF	(9) INDICATED IMPLICIT PMF G	(10) INDIC. TOTAL LOSS COST ADJUST
MONOLINE	29,009,956	0.127	0.934	0.773	0.949	0.949	0.9461			+11.2%
MULTILINE	17,447,363	0.151	1.110	0.843	1.093	1.093	1.0893			+28.0%
-----	-----	-----	-----	-----	-----	-----	-----			-----
COVERAGE	46,457,319	0.136	0.999			1.0031	B 0.9999			+17.5%
MULTILINE TOP										
31 MOTEL/HOTEL	215,439	*****	*****	*****	*****	1.045	1.0418	1.362	1.500	+22.4%
32 APARTMENT	256,743	0.071	0.522	0.146	0.929	0.957	0.9540	0.613	0.618	+12.1%
33 OFFICE	1,025,050	0.075	0.551	0.270	0.878	0.904	0.9012	0.671	0.639	+5.9%
34 MERCANTILE	5,086,277	0.109	0.801	0.624	0.875	0.901	0.8982	1.027	0.975	+5.6%
35 INSTITUTIONAL	4,824,469	0.230	1.691	0.560	1.387	1.429	1.4246	0.865	1.302	+67.4%
36 SERVICES	3,444,711	0.119	0.875	0.527	0.934	0.962	0.9590	1.191	1.207	+12.7%
37 INDUST/PROCESS	1,289,200	0.221	1.625	0.317	1.197	1.233	1.2292	1.012	1.315	+44.5%
38 CONTRACTORS	1,305,474	0.113	0.831	0.248	0.957	0.986	0.9830	0.971	1.009	+15.5%
-----	-----	-----	-----	-----	-----	-----	-----			-----
	17,447,363	0.151 B	1.110		1.061 B	1.093 B	1.0893 B			+28.0%

A - TOP 31 IMPLICIT PMF CAPPED AT 1.500.

FOR COLUMNS (2) THROUGH (5), MONOLINE INCLUDES TOPS 31

AT THESE CAPPED LEVELS AND MULTILINE EXCLUDES TOPS 31

B - AVERAGE WEIGHTED BY COLUMN (1)

C - CREDIBILITY = $P / (P + K)$ WHERE P REPRESENTS THE TOTAL 10 YEAR ADJUSTED LOSS COSTS AND K = 45,000,000

D - (5) = (3) * (4) + 0.999 * [1 - (4)]

E - FOR UNCAPPED MULTILINE TOPS: (6) = (5) * (1.093/1.061)

FOR CAPPED MULTILINE TOPS: (6) = (0.949) * (9) / (8)

F - (7) = (6) / 1.0031

G - (9) = (7) * (8) / (0.9461)

EXPLANATORY NOTES TO TABLE 12

BASIC GROUP II RELATIVITY ANALYSIS

INTRODUCTION

The explanations which follow clarify Table 12, the Basic Group II (BG II) relativity analysis. The purpose of this analysis is to:

- (1) determine the monoline loss cost level need;
- (2) determine indicated changes to the eight CPP package modification factors (PMFs) based on Basic Group II experience.

The BG II relativity analysis is based on non-hurricane loss experience only, as it is assumed that type of policy relativities are the same for both non-hurricane and hurricane perils. The resulting relativities apply to the total (hurricane plus non-hurricane) BG II loss costs.

COLUMN (1)

2017 AGGREGATE LOSS COSTS

The latest accident year adjusted aggregate loss costs (adjusted in the same manner as in the overall review, i.e. to current manual loss cost and prospective amount of insurance levels, with multiline aggregate loss costs further adjusted to current IPMF level) are used as weights in the calculation of any totals shown in this table.

COLUMN (2)

2008 - 2017 NON-HURRICANE EXPERIENCE RATIO

These experience ratios are the ratios of the combined ten-year CSP adjusted incurred non-hurricane losses (adjusted to current deductible and prospective cost levels including loss development, and smoothed by the BG II excess loss procedure) to the combined ten year CSP adjusted aggregate loss costs. Any totals which are shown are weighted averages using the aggregate loss costs in column (1). When a dash is displayed in the column, it indicates that the indicated IPMF which resulted from this procedure was capped. The procedure which follows when capping occurs is described below.

COLUMN (3)

FORMULA RELATIVITY

The formula relativities are the ratios of the ten year non-hurricane experience ratios for the type of policy (either monoline vs. multiline or individual multiline programs) to the average ten year experience ratio for monoline and multiline combined. These relativities represent how much better or worse than average the experience for a given type of policy is. Again, any totals which are shown are weighted averages and the display of a dash indicates that the resulting IPMF was capped. Unlike the BG I and SCL relativity analyses, the BG II analysis does not employ a simultaneous review procedure since a one way review is involved. That is, the overall loss cost change is only distributed across type of policy; no other rating variables are considered.

EXPLANATORY NOTES TO TABLE 12 (cont'd)

COLUMN (4)

CREDIBILITY

The credibility of the experience for each type of policy is determined from the formula:

$$Z = \frac{P}{P + K}$$

where P is the ten year aggregate adjusted loss costs for a given type of policy, and K is a constant loss cost volume of \$45,000,000.

COLUMN (5)

Z - WEIGHTED RELATIVITY

The weighted relativity is a weighted average of the individual TOP formula relativity and the overall (coverage) formula relativity using credibility and its complement as the respective weights. Therefore, to the extent that the indication for a type of policy is not fully credible, the complement of credibility is assigned to the statewide coverage level change.

COLUMN (6)

BALANCED FORMULA RELATIVITY

The individual multiline weighted relativities are balanced to the multiline weighted relativity level by applying a factor equal to the overall multiline relativity (i.e. the weighted relativity for all multiline combined which is shown on the top of the exhibit directly under the corresponding monoline relativity) divided by the average multiline relativity (i.e. the weighted average of the individual multiline weighted relativities which is shown on the bottom of the exhibit). When the indicated IPMF for a type of policy is capped, the balanced relativity is set equal to the product of the capped IPMF in column (9) and the monoline balanced formula relativity in column (6), divided by the current IPMF in column (8).

COLUMN (7)

NORMALIZED FORMULA RELATIVITY

The normalized relativity is equal to the balanced formula relativity divided by the average monoline/multiline combined relativity. This balances the average monoline/multiline relativity to unity.

COLUMN (8)

CURRENT IMPLICIT PMF

This is the current IPMF for each multiline type of policy.

EXPLANATORY NOTES TO TABLE 12 (cont'd)

COLUMN (9)

INDICATED IMPLICIT PMF

The indicated IPMF is calculated from the normalized relativities as follows:

$$\text{TOP y indicated IPMF} = \frac{(\text{TOP y current IPMF}) \times (\text{TOP y relativity})}{(\text{monoline relativity})}$$

For each CPP type of policy the indicated IPMF is subject to a minimum value of 0.50 and a maximum value of 1.50. If an indicated IPMF falls outside one of those limits, it is capped at that amount, the aggregate loss costs for that type of policy are adjusted to the capped IPMF level, and the entire relativity review as described above is redone to take this into account. If an IPMF has been capped it is so noted in footnote A.

COLUMN (10)

INDICATED LOSS COST CHANGES

The indicated monoline change is the statewide BG II total (hurricane and non-hurricane combined) monoline loss cost change found on Table 35. The multiline change for each TOP is the product of the statewide monoline loss cost change times the ratio of the TOP y relativity divided by the monoline relativity found in column (7).

The overall multiline loss cost level change is a weighted average of the individual multiline TOP changes based on the aggregate loss cost volume shown in column (1). The coverage change is a weighted average of the monoline and average multiline TOP changes based on the aggregate loss cost volume shown in column (1).

MULTILINE
CONSIDERATIONS

It should be noted that although this procedure generates multiline indications, this filing only addresses monoline loss cost levels. That is, upon implementation of this filing only the monoline loss costs will be revised. The multiline indications developed here will be combined with those of the other component coverages, e.g. GL Premises and Operations in the CPP review for the purpose of revising the package modification factors.

FLORIDA
COMMERCIAL PROPERTY INSURANCE

SECTION C - SUPPORTING MATERIAL

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Commercial Package Policy Implicit Package Modification Factors (IPMF's) and IPMF Caps (Tables 18 - 20)	C26-30
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OVERVIEW

AGGREGATE LOSS COSTS AT CURRENT LEVEL

Tables 13, 14 and 15 provide the overall loss cost/rate level histories for Basic Group I, Basic Group II, and Special Causes of Loss respectively. These tables, along with Tables 16, 16A and 17, provide information on the on-level factors needed to bring collected aggregate loss costs to current loss cost level.

Table 16 provides rate level/loss cost level histories by rating id (class vs. specific), rating group, and territory (where applicable) for Basic Group I, Table 16A provides rate level/loss cost level histories by territory, coverage, and symbol (where applicable) for Basic Group II, and Table 17 provides rate level/loss cost level histories by category for Special Causes of Loss. These tables can be used to develop on-level factors appropriate to bring collected aggregate loss costs up to current loss cost level. Factors based on these tables are more appropriate for company use than the overall factors shown on Tables 13, 14 and 15 if the company's mix of business differs substantially from the industrywide average. For example, if a company's business is very heavily concentrated in a single class or territory, it is more appropriate to use the rate level/loss cost history for that class rather than the overall average to develop on-level factors.

Tables 18, 19 and 20 provide the current implicit package modification factors (IPMFs) and IPMF caps for Basic Group I, Basic Group II and Special Causes of Loss.

ADJUSTMENTS TO LOSSES

The loss projection factors, current cost factors, and loss trend adjustments shown on Tables 21, 22 and 23 reflect the combined impact of all economic influences on Commercial Property underwriting results and are used to project past underwriting results to future loss levels. They are intended to reflect the impact of inflation on loss payments, the impact of higher costs due to repairs done on an "emergency" basis, the impact of coinsurance and relative insurance to value on loss payments, and any other economic influences which can affect underwriting losses but for which specific provisions are not made. Losses have also been developed to their ultimate settlement value using factors shown on Table 28.

CREDIBILITY

Credibility, Z , is a weight given to the most recent body of data. The complement of credibility, $1-Z$, is the weight assigned to net trend. The final estimate is a weighted average obtained by using the formula $C = Z \times R + (1-Z) \times N$, where

Z = credibility

C = final estimate

R = estimate based on the most recent data

N = net trend

OVERVIEW (cont'd)

CREDIBILITY (cont'd)

Credibility may range from 0 to 1, where $Z=1$ is full credibility and $Z=0$ is no credibility. The actual numerical value of Z is calculated by considering how the state's volume of experience compares with the full credibility standard. Credibility is capped at 25% if the credibility calculated is less than 25%. See Tables 33, 33A, and 34 for a complete explanation of the credibility standards for Basic Group I, Basic Group II, and Special Causes of Loss.

LOSS COST/RATE LEVEL HISTORY

Loss cost/rate level histories are provided for Basic Group I, Basic Group II and Special Causes of Loss. The loss cost/rate level changes are then further split out by rating territory, rating group or category since a company's business may be more heavily concentrated in a single class. These histories can be used to develop on-level factors appropriate to bring collected aggregate loss costs up to current loss cost levels.

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TABLE 13

BASIC GROUP I

HISTORY OF STATEWIDE LOSS COST/RATE LEVEL CHANGES

LOSS COST/RATE LEVEL HISTORY				
(1)	(2)	(3)	(4)	(5)
EFFECTIVE DATE	LOSS COST/ RATE LEVEL CHANGE (%)	LOSS COST/ RATE LEVEL INDEX	ADJUSTMENT FACTOR	WEIGHT*
2000-10-01	-7.2	0.928	0.603	0.252
2002-10-01	-4.2	0.889	0.630	0.252
2004-04-01	-4.5	0.849	0.660	0.751
2004-09-01	-9.8	0.766	0.731	0.333
2005-08-01	-12.6	0.669	0.837	0.419
2015-09-01	-16.4	0.560	1.000	0.334

* WEIGHT DENOTES THE PORTION OF THE EFFECTIVE YEAR FOR WHICH THE ADJUSTMENT FACTORS APPLY.

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TABLE 14

BASIC GROUP II

HISTORY OF STATEWIDE LOSS COST/RATE LEVEL CHANGES

LOSS COST/RATE LEVEL HISTORY				
(1)	(2)	(3)	(4)	(5)
EFFECTIVE DATE	LOSS COST/ RATE LEVEL CHANGE (%)	LOSS COST/ RATE LEVEL INDEX	ADJUSTMENT FACTOR	WEIGHT*
2000-10-01	2.9	1.029	0.830	0.252
2002-10-01	6.2	1.093	0.781	0.252
2004-04-01	-26.4	0.804	1.062	0.751
2004-09-01	-1.9	0.789	1.082	0.333
2005-08-01	4.5	0.825	1.035	0.419
2015-09-01	30.0	1.072	0.797	0.334
**2016-09-01	-20.3	0.854	1.000	0.333

* WEIGHT DENOTES THE PORTION OF THE EFFECTIVE YEAR FOR WHICH THE ADJUSTMENT FACTORS APPLY.

** THE FILING EFFECTIVE 09/01/2016 INTRODUCES THE FLORIDA SINKHOLE SPECIFIC LOSS COSTS AND REVISES THE BASIC GROUP II LOSS COSTS.

FLORIDA

TABLE 15

SPECIAL CAUSES OF LOSS

HISTORY OF STATEWIDE LOSS COST/RATE LEVEL CHANGES

LOSS COST/RATE LEVEL HISTORY				
(1)	(2)	(3)	(4)	(5)
EFFECTIVE DATE	LOSS COST/ RATE LEVEL CHANGE (%)	LOSS COST/ RATE LEVEL INDEX	ADJUSTMENT FACTOR	WEIGHT*
2000-10-01	-25.0	0.750	0.999	0.252
2002-10-01	8.8	0.816	0.918	0.252
2004-04-01	9.3	0.892	0.840	0.751
2004-09-01	-19.4	0.719	1.042	0.333
2005-08-01	-8.2	0.660	1.135	0.419
2015-09-01	13.5	0.749	1.000	0.334

* WEIGHT DENOTES THE PORTION OF THE EFFECTIVE YEAR FOR WHICH THE ADJUSTMENT FACTORS APPLY.

EXPLANATORY NOTES TO TABLES 13, 14 AND 15

LOSS COST/RATE LEVEL HISTORIES

COLUMN (1) EFFECTIVE DATE

The effective dates of the latest loss cost/rate level changes are shown.

COLUMN (2) LOSS COST/RATE LEVEL CHANGE

The overall loss cost/rate level change is shown in percent form.

COLUMN (3) LOSS COST/RATE LEVEL INDEX

The product of all loss cost/rate level changes up to and including the loss cost/rate change for that effective date is used to calculate on level factors.

COLUMN (4) WRITTEN ADJUSTMENT (ON LEVEL) FACTORS

These factors are used to bring individual policies with inception dates prior to the effective date up to current loss cost level. The actual loss cost/rate changes vary by rating id, rating group, and territory (where applicable) for Basic Group I, by territory, coverage, and symbol (where applicable) for Basic Group II, and by category for Special Causes of Loss. Consequently, these on-level factors represent average factors and are not the factors actually used to adjust the aggregate loss costs on an individual policy basis. For complete loss cost/rate level histories in detail, refer to Tables 16, 16A and 17.

COLUMN (5) WEIGHT

The weight indicates the portion of the effective year for which the on level factors apply. These can be used to calculate average yearly factors.

FLORIDA
TABLE 16

HISTORY OF BASIC GROUP I

LOSS COST CHANGES BY TERRITORY, RATING ID AND RATING GROUP

TERRITORY: Jacksonville

EFFECTIVE DATE	RATING ID	RATING GROUP																				
		01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	17	18	19	20	21	22
09-01-2015	SPEC.	30.7	31.9	-6.8	-3.6	-15.1	-19.8	-16.3	-23.5	-16.4	-14.7	-15.6	-17.9	-14.2	-17.9	-14.9	-15.4	-13.8	-14.8	-15.3	-15.7	-16.8
	CLASS	31.9	31.9	-10.1	-7.0	-18.1	-22.7	-19.2	-26.1	-19.3	-17.7	-18.5	-20.8	-17.2	-20.8	-18.0	-18.4	-13.8	-17.9	-15.3	-15.7	-19.7

FLORIDA
TABLE 16

HISTORY OF BASIC GROUP I

LOSS COST CHANGES BY TERRITORY, RATING ID AND RATING GROUP

TERRITORY: Miami

EFFECTIVE DATE	RATING ID	RATING GROUP																				
		01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	17	18	19	20	21	22
09-01-2015	SPEC.	28.2	29.4	-8.7	-5.5	-16.8	-21.4	-17.9	-25.0	-18.0	-16.4	-17.2	-19.5	-15.9	-19.5	-16.6	-17.0	-15.5	-16.5	-16.9	-17.3	-18.4
	CLASS	29.4	29.4	-11.8	-8.9	-19.7	-24.2	-20.8	-27.6	-20.9	-19.3	-20.1	-22.4	-18.8	-22.4	-19.6	-20.0	-15.5	-19.5	-16.9	-17.3	-21.3

FLORIDA
TABLE 16

HISTORY OF BASIC GROUP I

LOSS COST CHANGES BY TERRITORY, RATING ID AND RATING GROUP

TERRITORY: Tampa

EFFECTIVE DATE	RATING ID	RATING GROUP																				
		01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	17	18	19	20	21	22
09-01-2015	SPEC.	20.2	21.3	-14.3	-11.3	-22.0	-26.3	-23.0	-29.6	-23.1	-21.6	-22.4	-24.5	-21.1	-24.5	-21.8	-22.2	-20.8	-21.7	-22.1	-22.5	-23.5
	CLASS	21.3	21.3	-17.3	-14.5	-24.7	-28.9	-25.7	-32.1	-25.8	-24.3	-25.1	-27.2	-23.9	-27.2	-24.6	-25.0	-20.8	-24.5	-22.1	-22.5	-26.2

FLORIDA
TABLE 16

HISTORY OF BASIC GROUP I

LOSS COST CHANGES BY TERRITORY, RATING ID AND RATING GROUP

TERRITORY: Miami Beach

EFFECTIVE DATE	RATING ID	RATING GROUP																				
		01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	17	18	19	20	21	22
09-01-2015	SPEC.	26.4	27.5	-9.9	-6.8	-18.0	-22.5	-19.1	-26.0	-19.2	-17.6	-18.4	-20.6	-17.1	-20.6	-17.8	-18.2	-16.7	-17.7	-18.1	-18.5	-19.6
	CLASS	27.5	27.5	-13.1	-10.1	-20.8	-25.2	-21.9	-28.6	-22.0	-20.4	-21.2	-23.5	-19.9	-23.5	-20.7	-21.1	-16.7	-20.6	-18.1	-18.5	-22.4

FLORIDA
TABLE 16

HISTORY OF BASIC GROUP I

LOSS COST CHANGES BY TERRITORY, RATING ID AND RATING GROUP

TERRITORY: Miami-Dade Ex Hialeah, Miami Beach, and Miami

EFFECTIVE DATE	RATING ID	RATING GROUP																				
		01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	17	18	19	20	21	22
09-01-2015	SPEC.	28.8	30.0	-8.2	-5.0	-16.4	-21.0	-17.5	-24.6	-17.6	-16.0	-16.8	-19.1	-15.5	-19.1	-16.2	-16.6	-15.1	-16.1	-16.5	-16.9	-18.0
	CLASS	30.0	30.0	-11.4	-8.4	-19.3	-23.8	-20.4	-27.2	-20.5	-18.9	-19.7	-22.0	-18.4	-22.0	-19.2	-19.6	-15.1	-19.1	-16.5	-16.9	-20.9

FLORIDA
TABLE 16

HISTORY OF BASIC GROUP I

LOSS COST CHANGES BY TERRITORY, RATING ID AND RATING GROUP

TERRITORY: Hillsborough County Ex Tampa

EFFECTIVE DATE	RATING ID	RATING GROUP																				
		01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	17	18	19	20	21	22
09-01-2015	SPEC.	24.7	25.9	-11.1	-8.0	-19.1	-23.5	-20.1	-27.0	-20.2	-18.7	-19.5	-21.7	-18.2	-21.7	-18.9	-19.3	-17.8	-18.8	-19.2	-19.6	-20.6
	CLASS	25.9	25.9	-14.2	-11.3	-21.9	-26.2	-22.9	-29.5	-23.0	-21.5	-22.3	-24.5	-21.0	-24.5	-21.8	-22.2	-17.8	-21.7	-19.2	-19.6	-23.4

FLORIDA
TABLE 16

HISTORY OF BASIC GROUP I

LOSS COST CHANGES BY TERRITORY, RATING ID AND RATING GROUP

TERRITORY: Hialeah

EFFECTIVE DATE	RATING ID	RATING GROUP																				
		01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	17	18	19	20	21	22
09-01-2015	SPEC.	28.0	29.2	-8.7	-5.6	-16.9	-21.5	-18.0	-25.1	-18.1	-16.5	-17.3	-19.6	-16.0	-19.6	-16.7	-17.1	-15.6	-16.6	-17.0	-17.4	-18.5
	CLASS	29.2	29.2	-11.9	-8.9	-19.8	-24.3	-20.9	-27.6	-21.0	-19.4	-20.2	-22.5	-18.9	-22.5	-19.7	-20.1	-15.6	-19.6	-17.0	-17.4	-21.4

FLORIDA
TABLE 16

HISTORY OF BASIC GROUP I

LOSS COST CHANGES BY TERRITORY, RATING ID AND RATING GROUP

TERRITORY: Balance of State (Florida)

EFFECTIVE DATE	RATING ID	RATING GROUP																				
		01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	17	18	19	20	21	22
09-01-2015	SPEC.	28.8	30.0	-8.2	-5.0	-16.4	-21.0	-17.5	-24.6	-17.6	-16.0	-16.8	-19.1	-15.5	-19.1	-16.2	-16.6	-15.1	-16.1	-16.5	-16.9	-18.0
	CLASS	30.0	30.0	-11.4	-8.4	-19.3	-23.8	-20.4	-27.2	-20.5	-18.9	-19.7	-22.0	-18.4	-22.0	-19.2	-19.6	-15.1	-19.1	-16.5	-16.9	-20.9

FLORIDA
TABLE 16

HISTORY OF BASIC GROUP I

LOSS COST CHANGES BY TERRITORY, RATING ID AND RATING GROUP

TERRITORY: St Petersburg

EFFECTIVE DATE	RATING ID	RATING GROUP																				
		01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	17	18	19	20	21	22
09-01-2015	SPEC.	22.5	23.6	-12.7	-9.6	-20.5	-24.9	-21.5	-28.3	-21.6	-20.1	-20.9	-23.1	-19.6	-23.1	-20.3	-20.7	-19.2	-20.2	-20.6	-21.0	-22.0
	CLASS	23.6	23.6	-15.7	-12.9	-23.2	-27.5	-24.3	-30.8	-24.4	-22.9	-23.6	-25.8	-22.4	-25.8	-23.1	-23.5	-19.2	-23.1	-20.6	-21.0	-24.8

EXPLANATORY NOTES TO TABLE 16

HISTORY OF BASIC GROUP I LOSS COST/RATE CHANGES
BY TERRITORY, RATING ID AND RATING GROUP

TERRITORY

The loss cost/rate level changes shown apply to the rating territory shown here.

EFFECTIVE DATE

The effective dates of the latest loss cost/rate level changes are shown.

LOSS COST/RATE LEVEL CHANGES

Loss cost/rate level changes are shown in percent form for each rating group.

FLORIDA

TABLE 16A

BASIC GROUP II

HISTORY OF LOSS COST/RATE LEVEL CHANGES
BY TERRITORY, SYMBOL AND COVERAGE

(1) TERRITORY	(2) EFFECTIVE DATE	(3) SYMBOL	(4) BUILDING	(5) CONTENTS
Seacoast-Zone 1	10/01/2000	A	30.2%	30.1%
		AA	30.1%	30.7%
		AB	29.9%	30.2%
		B	17.8%	-15.0%
	10/01/2002	A	11.1%	5.6%
		AA	11.8%	5.1%
		AB	16.4%	2.7%
		B	0.0%	0.0%
	04/01/2004	A	-35.2%	-39.5%
		AA	-35.6%	-39.8%
		AB	-38.5%	-40.0%
		B	-25.2%	-39.9%
	09/01/2004	A	2.0%	-8.8%
		AA	2.3%	-8.2%
		AB	1.2%	-8.1%
		B	1.5%	-8.5%
	08/01/2005	A	30.0%	3.2%
		AA	30.4%	3.6%
		AB	-6.4%	-31.2%
		B	13.7%	15.6%
	09/01/2015	A	30.0%	30.0%
		AA	30.0%	30.0%
		AB	30.0%	30.0%
		B	30.0%	30.0%
	09/01/2016	A	-4.3%	-8.0%
		AA	-4.5%	-8.2%
		AB	-6.4%	-7.5%
		B	-5.2%	-4.5%
Seacoast-Zone 2	10/01/2000	A	-15.1%	-14.7%
		AA	-15.3%	-14.5%
		AB	-14.5%	-15.0%
		B	-15.0%	-15.0%
	10/01/2002	A	7.8%	12.5%
		AA	8.6%	11.9%
		AB	1.7%	7.4%
		B	-1.8%	-15.2%
	04/01/2004	A	-29.5%	-38.9%
		AA	-29.4%	-39.4%
		AB	-25.3%	-39.7%
		B	-17.1%	-39.8%
	09/01/2004	A	-1.0%	-9.3%
		AA	-1.1%	-7.7%
		AB	-1.1%	-8.0%
		B	-1.5%	-6.6%

	08/01/2005	A	35.4%	5.1%
		AA	34.5%	2.8%
		AB	-6.1%	-21.2%
		B	16.7%	17.5%
	09/01/2015	A	30.0%	30.0%
		AA	30.0%	30.0%
		AB	30.0%	30.0%
		B	30.0%	30.0%
	09/01/2016	A	-10.3%	-13.5%
		AA	-10.0%	-13.8%
		AB	-9.1%	-14.3%
		B	-7.9%	-10.4%
Seacoast-Zone 3	10/01/2000	A	-7.1%	2.3%
		AA	-7.8%	0.0%
		AB	-12.2%	-14.9%
		B	-15.2%	-15.1%
	10/01/2002	A	-3.8%	-8.9%
		AA	-2.8%	-7.3%
		AB	-3.6%	-5.4%
		B	0.5%	-0.8%
	04/01/2004	A	-30.3%	-39.0%
		AA	-30.4%	-39.5%
		AB	-25.0%	-40.0%
		B	-22.3%	-39.3%
	09/01/2004	A	0.0%	-8.0%
		AA	2.1%	-8.7%
		AB	0.0%	-7.3%
		B	0.0%	-8.6%
	08/01/2005	A	32.7%	-4.3%
		AA	31.3%	0.0%
		AB	-7.1%	-15.8%
		B	7.9%	0.0%
	09/01/2015	A	30.0%	30.0%
		AA	30.0%	30.0%
		AB	30.0%	30.0%
		B	30.0%	30.0%
	09/01/2016	A	-7.7%	-18.2%
		AA	-7.7%	-16.3%
		AB	-22.1%	-16.4%
		B	-20.1%	-11.2%
Inland	10/01/2000	A	-20.0%	-19.1%
		AA	-20.5%	-19.0%
		AB	-19.5%	-19.7%
		B	-20.3%	-20.0%
	10/01/2002	A	22.5%	21.1%
		AA	22.9%	20.6%
		AB	15.2%	18.9%
		B	18.2%	22.8%
	04/01/2004	A	-12.2%	-37.0%
		AA	-11.6%	-36.6%
		AB	14.5%	-1.6%
		B	3.8%	-16.8%
	09/01/2004	A	-9.5%	-10.3%
		AA	-10.5%	-11.5%
		AB	-10.5%	-14.8%
		B	-9.0%	-14.0%

	08/01/2005	A	5.3%	-11.5%
		AA	5.9%	-13.0%
		AB	-14.3%	-13.5%
		B	-7.4%	-11.2%
	09/01/2015	A	30.0%	30.0%
		AA	30.0%	30.0%
		AB	30.0%	30.0%
		B	30.0%	30.0%
	09/01/2016	A	-23.8%	-23.0%
		AA	-24.2%	-23.1%
		AB	-33.8%	-30.3%
		B	-31.0%	-29.2%
Seacoast-Monroe Coun	10/01/2000	A	-10.1%	-15.2%
		AA	-10.0%	-14.9%
		AB	-9.8%	-14.7%
		B	-15.0%	-15.0%
	10/01/2002	A	5.6%	0.5%
		AA	5.9%	0.6%
		AB	-23.3%	1.4%
		B	-3.7%	-3.0%
	04/01/2004	A	-27.1%	-39.6%
		AA	-27.2%	-39.9%
		AB	-11.4%	-40.0%
		B	3.6%	-31.0%
	09/01/2004	A	1.2%	-8.5%
		AA	1.3%	-8.5%
		AB	1.1%	-8.3%
		B	1.4%	0.2%
	08/01/2005	A	34.9%	10.3%
		AA	34.9%	10.3%
		AB	-0.6%	-22.7%
		B	-5.5%	10.3%
	09/01/2015	A	30.0%	30.0%
		AA	30.0%	30.0%
		AB	30.0%	30.0%
		B	30.0%	30.0%
	09/01/2016	A	-3.8%	-6.1%
		AA	-3.7%	-5.4%
		AB	-3.3%	-4.5%
		B	-2.9%	-2.0%
Seacoast-Monroe Coun	10/01/2000	A	30.0%	29.8%
		AA	30.2%	30.1%
		AB	30.1%	30.1%
		B	29.9%	17.6%
	10/01/2002	A	30.0%	30.0%
		AA	30.0%	30.0%
		AB	30.0%	30.0%
		B	30.0%	-0.6%
	04/01/2004	A	-40.0%	-39.7%
		AA	-39.9%	-39.7%
		AB	-40.0%	-39.9%
		B	-40.0%	-40.0%
	09/01/2004	A	-8.3%	-8.6%
		AA	-8.5%	-8.8%
		AB	-8.2%	-8.4%
		B	-4.7%	-8.3%

08/01/2005	A	5.8%	-39.9%
	AA	6.5%	-40.3%
	AB	-18.4%	-40.1%
	B	12.2%	-11.5%
09/01/2015	A	30.0%	30.0%
	AA	30.0%	30.0%
	AB	30.0%	30.0%
	B	30.0%	30.0%
09/01/2016	A	-3.8%	-4.9%
	AA	-3.7%	-4.4%
	AB	-3.4%	-3.4%
	B	0.0%	-1.1%

EXPLANATORY NOTES TO TABLE 16A

HISTORY OF BASIC GROUP II LOSS COST CHANGES BY TERRITORY

COLUMN (1)	<u>TERRITORY</u> The loss cost level changes shown apply to the rating territory shown here.
COLUMN (2)	<u>EFFECTIVE DATE</u> The effective dates of the latest loss cost level changes are shown.
COLUMN (3)	<u>SYMBOL</u> The construction group symbol is shown here. Refer to the explanatory notes to Table 35 for the symbol definitions.
COLUMN (4)	<u>BUILDING</u> Building loss cost changes are shown in percent form.
COLUMN (5)	<u>CONTENTS</u> Contents loss cost changes are shown in percent form.

FLORIDA
TABLE 17

SPECIAL CAUSES OF LOSS

HISTORY OF LOSS COST/RATE LEVEL CHANGES BY CATEGORY

(1) EFFECTIVE DATE	(2) CATEGORY													
	01	02	03	04	05	06	07	08	09	10	11	12	13	14
11-01-1998	-19.4	-29.3	-29.3	-18.7	-21.0									
11-01-1999	-10.2	-10.1	10.1	24.3	8.5									
10-01-2000	-25.0	-25.0	-25.0	-25.0	-25.0									
10-01-2002	11.5	-5.4	2.3	6.7	7.9									
04-01-2004	6.5	-9.9	3.8	12.4	23.9									
09-01-2004	-21.5	-32.0	-13.2	-16.9	-12.0									
08-01-2005	0.6	-9.4	-13.0	-20.8	-20.2									
09-01-2015	14.8	0.0	9.5	10.3	14.7	13.5	11.1	9.8	9.3	11.7	8.3	14.2	12.5	16.7

EXPLANATORY NOTES TO TABLE 17

HISTORY OF SPECIAL CAUSES OF LOSS
LOSS COST/RATE LEVEL CHANGES BY CATEGORY

COLUMN (1)

EFFECTIVE DATE

The effective dates of the latest loss cost/rate level changes are shown.

COLUMN (2)

LOSS COST/RATE LEVEL CHANGES BY CATEGORY

Loss cost/rate changes are shown in percent form for each category. Refer to Table 37 for definitions of the current 14 categories.

The prior category definitions (before implementation of the revised rating for Special Causes of Loss) are:

- 01 - Buildings
- 02 - Apartments Contents
- 03 - Office Contents
- 04 - Mercantile, Motel/Hotel and Institutional Contents
- 05 - Service, Industrial/Processing, and Contractors Contents

COMMERCIAL PACKAGE POLICY IMPLICIT PACKAGE MODIFICATION FACTORS (IPMF's)
AND IPMF CAPS

IMPLICIT PACKAGE
MODIFICATION
FACTORS

Since multiline experience is included in the loss cost level evaluations, an additional adjustment is made to multiline aggregate loss costs after they have been brought to current ISO loss cost level. This adjustment is the application of implicit CPP package modification factors which vary for each of the eight CPP types of policy.

The loss costs used to price a Commercial Package Policy (CPP) are the monoline loss costs multiplied by the PMF to reflect the package policy discount for the particular type of CPP policy relative to the individual monoline policies. However, these PMF's measure the amount of multiline discount for all property coverages combined. A more accurate measure of the amount of multiline discount for each subline (e.g., Basic Group I, Basic Group II, or Special Causes of Loss) is the implicit package modification factor that was used to calculate the overall PMF for all property coverages combined.

For example, the published PMF for Apartments (all property coverages combined) may be .85, but the implicit PMF for Apartments, Commercial Basic Group I coverage only, may be .80. The average of the implicit PMF's for the various coverages is equal to the published PMF for each type of policy.

The current IPMF's by coverage for each CPP type of policy are applied to multiline aggregate loss costs at current level for Basic Group I, Basic Group II and Special Causes of Loss.

IPMF CAPS

For Basic Group I, Basic Group II, and Special Causes of Loss, the IPMF's lower caps are set at 0.50 and the upper caps are set at 1.50 for all TOP's.

FLORIDA
TABLE 18
BASIC GROUP I IMPLICIT PACKAGE
MODIFICATION FACTORS (IPMFS) AND IPMF CAPS

CPP IMPLICIT PACKAGE MODIFICATION FACTORS (IPMFS) AND IPMF CAPS

TOP	DESCRIPTION	IPMF	LOW CAP	HIGH CAP

31	MOTEL/HOTEL	0.758	0.500	1.500
32	APARTMENT	1.500	0.500	1.500
33	OFFICE	1.018	0.500	1.500
34	MERCANTILE	0.900	0.500	1.500
35	INSTITUTIONAL	1.210	0.500	1.500
36	SERVICES	0.873	0.500	1.500
37	INDUST/PROCESSING	0.921	0.500	1.500
38	CONTRACTORS	0.992	0.500	1.500

FLORIDA
TABLE 19
BASIC GROUP II IMPLICIT PACKAGE
MODIFICATION FACTORS (IPMFS) AND IPMF CAPS

CPP IMPLICIT PACKAGE MODIFICATION FACTORS (IPMFS) AND IPMF CAPS

TOP	DESCRIPTION	IPMF	LOW CAP	HIGH CAP

31	MOTEL/HOTEL	1.362	0.500	1.500
32	APARTMENT	0.613	0.500	1.500
33	OFFICE	0.671	0.500	1.500
34	MERCANTILE	1.027	0.500	1.500
35	INSTITUTIONAL	0.865	0.500	1.500
36	SERVICES	1.191	0.500	1.500
37	INDUST/PROCESSING	1.012	0.500	1.500
38	CONTRACTORS	0.971	0.500	1.500

FLORIDA
TABLE 20
SPECIAL CAUSES OF LOSS IMPLICIT PACKAGE
MODIFICATION FACTORS (IPMFS) AND IPMF CAPS

CPP IMPLICIT PACKAGE MODIFICATION FACTORS (IPMFS) AND IPMF CAPS

TOP	DESCRIPTION	IPMF	LOW CAP	HIGH CAP

31	MOTEL/HOTEL	0.814	0.500	1.500
32	APARTMENT	1.354	0.500	1.500
33	OFFICE	1.380	0.500	1.500
34	MERCANTILE	1.271	0.500	1.500
35	INSTITUTIONAL	1.133	0.500	1.500
36	SERVICES	0.771	0.500	1.500
37	INDUST/PROCESSING	1.207	0.500	1.500
38	CONTRACTORS	1.186	0.500	1.500

EXPLANATORY NOTES TO TABLES 18, 19, AND 20

IMPLICIT PACKAGE MODIFICATION
FACTORS (IPMF's) AND IPMF CAPS

TABLES 18, 19,
AND 20

These tables provide the current IPMF's and IPMF caps for Basic Group I, Basic Group II, and Special Causes of Loss. The IPMF's shown here are those which resulted from the most recent CPP revision. The IPMF lower caps are set at .50 and the upper caps are set at 1.50 for all TOP's.

TREND PROCEDURE

INTRODUCTION

The prospective loss cost levels established in this document reflect the anticipated claim cost and claim frequency levels and changes in revenue due to increased amounts of insurance purchased for the period when the new loss costs are assumed to be in effect.

LOSS TREND

EXTERNAL LOSS DATA

For Commercial Property, the loss trend factors are referred to as current cost factors (CCF's) and loss projection factors (LPF's). These CCF's and LPF's are based on the following accepted economic indices:

1. Xactware Commercial Index (XCI) for buildings loss projection factors and current cost factors
2. Producer Price Index (PPI) published by the US Department of Labor (Finished Goods Less Energy, Not Seasonally Adjusted) for contents factors
3. Index for Manufacturers' Sales Exposure (IMSEP) developed by ISO using indices published by the Department of Commerce and Chain-Type Price Index for Retail Sales (RSALES) produced by the Bureau of the Census, Bureau of Economic Analysis for time element factors

The CCF's adjust losses for actual inflationary changes which have taken place between the accident date and the midpoint of the latest period of external trend information, i.e. May 15, 2018 for property damage and time element. The LPF's adjust losses for projected inflationary changes from the midpoint of the latest period of external trend information to the anticipated average date of accident for policies written under the proposed loss costs (assumed to be 12 months after the assumed revision date based on all one-year policies).

The CCF's and LPF's are calculated separately for buildings, contents, and time element coverages. For coverage 3 (buildings and contents on a combined basis), combined trend factors are calculated using the following weights for buildings and contents: 70%/30% for Basic Group I, 75%/25% for Basic Group II, and 50%/50% for Special Causes of Loss. For time element (coverages 4-9) the combined trend factors are calculated using 70%/30% weights for RSALES/IMSEP. The factors are applied by coverage to the losses reported under CSP and CMSP on an individual occurrence basis.

TREND PROCEDURE (cont'd)

LOSS TREND (cont'd)

LOSS TREND ADJUSTMENT - SEVERITY

An evaluation of the latest Commercial Property insurance data shows that the cost levels inherent in the property damage coverages are increasing at a different rate than those measured by the external indices. Therefore, to insure adequate prospective loss cost levels during the period for which loss costs are to be determined, loss trend adjustments (LTA's) have been applied. These factors were developed by comparing the annual rate of change in average claim costs to the annual rate of change in the external indices. (Refer to Table 23 for the calculations.)

LOSS TREND ADJUSTMENT - FREQUENCY

In order to reflect total trend more precisely, a frequency component is included in the loss trend adjustment factors (LTA's) separately for buildings and contents for Basic Group I and contents only for Special Causes of Loss. No frequency component is used for Basic Group II and Special Causes of Loss buildings due to the extremely volatile nature of the coverages.

AMOUNT-OF- INSURANCE TREND

Cost changes over time to both real and personal property result in insureds purchasing increased amounts of insurance. To reflect the impact of this phenomenon, amount of insurance trend factors are applied to collected loss costs to bring them to prospective amount of insurance levels. These factors are developed by measuring amount of insurance trends on a sample of renewal policies.

The application and development of these factors parallels loss trend factors in that separate factors are developed for buildings, contents, and time element, and the adjustment to prospective amount of insurance levels is done in two steps. The current written factors adjust loss costs to the amount of insurance level for the midpoint of the latest period of renewal information, i.e. July 1, 2017. Total amount of insurance trend factors are then calculated by projecting these current factors to the average date of writing (i.e. to the amount of insurance level six months beyond the assumed effective date).

TABLE 21

Development of Current Cost Factors and Loss Projection Factors
For Commercial Property Building and Contents Experience
 Period ending June 30, 2018

Part A: Quarterly Indices for Buildings, Contents and Time Element

Building Loss Projection Factors - Xactware Commercial Index (XCI) (Base: 2009 = 100.0)

Contents - Producer Price Index (PPI) - U.S. Dept. of Labor (Finished Goods Less Energy) (Base: 2009 = 100.0)

Time Element Combined Index - Weighted average of IMSEP and RSALES indices ^(a)

<u>Quarter</u>	<u>XCI</u>	<u>PPI</u>	<u>IMSEP</u>	<u>RSALES</u>	Time Element Combined <u>Index</u>
Q3-2015	109.5	114.0	1.032	0.972	0.990
Q4-2015	110.0	113.9	1.031	0.961	0.982
Q1-2016	110.5	114.4	1.026	0.950	0.973
Q2-2016	110.7	114.3	1.032	0.955	0.978
Q3-2016	111.3	114.3	1.029	0.953	0.976
Q4-2016	111.9	114.6	1.033	0.956	0.979
Q1-2017	112.7	115.5	1.038	0.963	0.986
Q2-2017	114.0	116.5	1.036	0.957	0.981
Q3-2017	115.0	116.3	1.042	0.959	0.984
Q4-2017	115.5	117.1	1.044	0.965	0.989
Q1-2018	116.6	117.6	1.048	0.971	0.994
Q2-2018	117.5	118.1	1.056	0.974	0.999

Part B: Computation of Loss Projection Factor (LPF) for Buildings based on 12 points

$$\text{Annual Rate of Change} = 0.0266 = 2.7\% \quad R^2 = 0.975$$

$$\text{Loss Projection Factor for Buildings} = 1.02566^{22.5/12 (b)} = 1.0505$$

Part C: Computation of Loss Projection Factor (LPF) for Contents based on 12 points

$$\text{Annual Rate of Change} = 0.0140 = 1.4\% \quad R^2 = 0.921$$

$$\text{Loss Projection Factor for Contents} = 1.0140^{22.5/12 (b)} = 1.0264$$

Part D: Computation of Loss Projection Factor (LPF) for Time Element Based on 12 points

$$\text{Annual Rate of Change} = 0.0053 = 0.53\% \quad R^2 = 0.371$$

$$\text{Loss Projection Factor for Time Element} = 1.0053^{22.5/12 (b)} = 1.0100$$

- (a) 30% weight for IMSEP and 70% weight for RSALES. IMSEP & RSALES indices were rescaled to a 2009 year base.
 (b) Assuming a rate or loss cost revision date of April 1 2019, and all one year policies, the time interval between the midpoint of the latest period (05/15/2018) and the average date of accident (04/01/2020) would be 22.5 months.

TABLE 21

Development of Current Cost Factors and Loss Projection Factors

Part E: Calculation of Current Cost Factors (CCF)

Calendar Year				Current Cost Factors Based on		
<u>Averages</u>				<u>Average Index Values for</u>		
				<u>Period ending June 30, 2018</u>		
<u>Year</u>	<u>XCI</u>	<u>PPI</u>	<u>Time Element</u> <u>Index</u>	<u>Buildings</u>	<u>Contents</u>	<u>Time Element</u>
2007	92.6	94.5	0.931	$117.5 / 92.6 = 1.269$	$118.1 / 94.5 = 1.250$	$0.999 / 0.931 = 1.073$
2008	97.0	98.5	0.948	$117.5 / 97.0 = 1.211$	$118.1 / 98.5 = 1.199$	$0.999 / 0.948 = 1.054$
2009	100.0	100.0	0.940	$117.5 / 100 = 1.175$	$118.1 / 100.0 = 1.181$	$0.999 / 0.940 = 1.063$
2010	99.3	101.8	0.953	$117.5 / 99.3 = 1.183$	$118.1 / 101.8 = 1.160$	$0.999 / 0.953 = 1.048$
2011	100.0	105.2	0.985	$117.5 / 100.0 = 1.175$	$118.1 / 105.2 = 1.123$	$0.999 / 0.985 = 1.014$
2012	101.0	108.0	1.000	$117.5 / 101.0 = 1.163$	$118.1 / 108.0 = 1.094$	$0.999 / 1.000 = 0.999$
2013	102.7	109.8	1.003	$117.5 / 102.7 = 1.144$	$118.1 / 109.8 = 1.076$	$0.999 / 1.003 = 0.996$
2014	104.7	112.5	1.006	$117.5 / 104.7 = 1.122$	$118.1 / 112.5 = 1.050$	$0.999 / 1.006 = 0.993$
2015	109.1	113.8	0.987	$117.5 / 109.1 = 1.077$	$118.1 / 113.8 = 1.038$	$0.999 / 0.987 = 1.012$
2016	111.1	114.4	0.977	$117.5 / 111.1 = 1.058$	$118.1 / 114.4 = 1.032$	$0.999 / 0.977 = 1.023$
2017	114.3	116.4	0.985	$117.5 / 114.3 = 1.028$	$118.1 / 116.4 = 1.015$	$0.999 / 0.985 = 1.014$

EXPLANATORY NOTES TO TABLE 21

PART A: XACTWARE, PRODUCER PRICE, IMSEP, RSALES INDICES AND COMBINED TIME ELEMENT

QUARTER	The quarter for which the indices shown apply.
XACTWARE COMMERCIAL INDEX (XCI)	The Xactware Commercial Index measures the costs of building material and repairs for commercial properties. The index, which is available since 1st Quarter 2005, is based on regular surveys of over 42,000 material and equipment suppliers and over 9,500 contractors, in addition to claims settlement data. The index values are created by estimating the cost to rebuild a sample set of different structures ranging in size, style, and quality in each economic market. The Xactware index is used in this filing to adjust for current cost from 1/1/05 to the midpoint of the latest index point and for determining the loss projection factor.
PRODUCER PRICE INDEX (PPI)	The Producer Price Index is a time series which measures the price level for a predetermined group of goods produced relative to the price level for an earlier point in time (2009). The PPI Finished Goods Less Energy is published by the U.S. Department of Labor.
PRICE DEFLATOR INDEX FOR MANUFACTURERS' SALES EXPOSURE (IMSEP)	<p>The price deflator index for manufacturers' sales exposure is a quarter's model of Manufacturers' Sales Exposure Proxy (MSEP) for the period in question relative to MSEP measured in chained 2009 dollars. The price deflator is defined as the GNP (Gross National Product) price deflator with government expenditures, investment in intellectual property products, inventory changes, and all services except food services removed.</p> $\text{MSEP} = (\text{CD} + \text{CN} + \text{FS}) + (\text{EXD\&N} - \text{IMD\&N}) + (\text{IFIX} - \text{IPP}), \text{ where}$ <p>CD and CN represent consumption of durables and nondurables, respectively; EXD&N and IMD&N represent exports and imports of merchandise, respectively; FS represents food services and IFIX represents gross private domestic fixed investment (including residential fixed investment as well as nonresidential fixed investment in structures, equipment, and intellectual property products); and IPP represents nonresidential fixed investment in intellectual property products.</p>
CHAIN-TYPE PRICE INDEX FOR RETAIL SALES (RSALES)	The Chain-Type Price Index for Retail Sales measures changes in losses due solely to inflation.

EXPLANATORY NOTES TO TABLE 21 (cont'd)

PARTS B, C and D: COMPUTATION OF THE LOSS PROJECTION FACTOR

LOSS PROJECTION
FACTOR

The loss projection factor is calculated by fitting a least squares exponential curve to the appropriate number of points (where the appropriate number of points is determined based on judgment and an examination of the goodness of fit as determined by the R-squared values subject to a maximum of 12 quarterly points for property damage and time element).

The table displays the indices for those points used in fitting the curve. The relevant equations are shown and the annual rate of change in the indices based on the exponential fit is developed. This annual rate of change is projected over the period which extends from the latest period of cost information to the average accident date of the projection period.

PART E: CALCULATION OF CURRENT COST FACTORS (CCF'S)

CALENDAR YEAR
AVERAGES

The calendar year averages are the averages of the Xactware, PPI and Time Element indices for the given year. These average indices measure the average cost level of each year relative to the base.

CURRENT COST
FACTORS

The current cost factors are the ratios of the indices for the latest period of cost information divided by the average indices for each calendar year. These factors measure the changes in cost levels which have occurred from the midpoint of the given year to the latest point of cost information. In this regard, they represent average factors which would result if each year's losses were distributed evenly throughout the year.

For buildings, the index for the latest point is based on the latest available Xactware point.

Since losses are trended on a record by record basis, these calendar year factors are not actually used in ISO's trend calculations. Instead, factors are calculated from the bi-monthly or quarterly indices and applied to the unit losses based on the date of occurrence.

TABLE 22

SUMMARY OF LOSS TREND ADJUSTMENTS (LTA'S)

<u>BUILDINGS</u>	<u>5 YEAR INCURRED LOSSES</u>	<u>LTA'S*</u>
BASIC GROUP I	2,963,900,922	-0.4
BASIC GROUP II	3,110,504,121	0.5
SPECIAL CAUSES OF LOSS	1,645,968,334	0.3
TOTAL	7,720,373,377	0.1
 <u>CONTENTS</u>		
BASIC GROUP I	930,719,601	0.5
BASIC GROUP II	303,611,682	0.8
SPECIAL CAUSES OF LOSS	677,516,051	0.5
TOTAL	1,911,847,334	0.5
 <u>TIME ELEMENT</u>		
BASIC GROUP I	335,351,732	2.5
BASIC GROUP II	80,288,943	2.2
SPECIAL CAUSES OF LOSS	112,591,087	2.5
TOTAL	528,231,762	2.5
 GRAND TOTAL	10,160,452,473	0.3

* The LTA's are based on internal severity and frequency data. They apply to both the historical period and projection period.

EXPLANATORY NOTES TO TABLE 22

SUMMARY OF LOSS TREND ADJUSTMENTS (LTA'S)

COLUMN (1)

COVERAGE

The LTA's vary by coverage (buildings, contents, and time element) and line of business (BG I, BG II, and SCL).

COLUMN (2)

FIVE-YEAR INCURRED LOSSES

The five-year multistate incurred losses are used as weights to determine the annual LTA for all lines of business and coverages combined.

COLUMN (3)

ANNUAL LTA's

The LTA's are the factors which are applied to losses to supplement the external indices in order to correctly reflect cost level and claim frequency changes. These are shown here as annual factors. However, they are applied over the entire length of the trend period, i.e. from the date of loss occurrence to the anticipated average accident date under the revised loss costs. The severity portion of the LTA is applied on an individual record basis in the same manner as the CCF's and LPF's. The frequency portion of the LTA is applied to the aggregate losses.

OVERVIEW

DEVELOPMENT OF LOSS TREND ADJUSTMENTS

INTRODUCTION

In order to supplement the external indices reflected in CCF's and LPF's, loss trend adjustments (LTA's) have been developed based on internal loss data. This is necessary because the external indices alone have been insufficient in reflecting cost level and claim frequency changes in Commercial Property Insurance. The following tables show the calculations used to develop these LTA's. Please note the development of the LTA's for the 2018 COMFAL reviews is based on internal commercial property experience through 12/31/2016 and external cost indices through 12/31/2016. Therefore, the CCF's and LPF's shown on Table 23 will not necessarily match those shown on Table 21. ISO has determined that the selected LTAs are appropriate to be used with the latest external indices shown on Table 21.

TABLE 23
DEVELOPMENT OF LTA'S

I. EXTERNAL RATE OF CHANGE^a

Calendar Year	(1) Buildings Current Cost Factor	(2) Contents Current Cost Factor	(3) Time Element Cost Factor	(4) Basic Group I (BGI)& Special Causes of Loss (SCL) Weights	(5) Basic Group II (BGII) Weights
2007	1.208	1.213	1.053		0.10
2008	1.154	1.163	1.033		0.10
2009	1.119	1.146	1.041		0.10
2010	1.127	1.126	1.026		0.10
2011	1.119	1.089	0.993		0.10
2012	1.108	1.062	0.978	0.10	0.10
2013	1.090	1.044	0.976	0.15	0.10
2014	1.069	1.018	0.974	0.20	0.10
2015	1.025	1.007	0.990	0.25	0.10
2016	1.007	1.001	1.002	0.30	0.10

(6) AVERAGE CURRENT COST FACTORS

	Buildings	Contents	Time Element
Basic Group I and Special Causes of Loss (Weighted on Column (4))	1.047	1.019	0.987
Basic Group II (Weighted on Column (5))	1.103	1.087	1.007

(7) LOSS PROJECTION FACTORS

	Buildings	Contents	Time Element
Annual Rate of Change	0.030	0.008	-0.013
Loss Projection Factor: ^b $(1.0 + \text{Annual Rate of Change})^{(X/12)}$	1.081	1.022	0.967

(8) TOTAL TREND FACTOR (Average Current Cost Factor \times Loss Projection Factor)

	Buildings	Contents	Time Element
Basic Group I and Special Causes of Loss	1.132	1.042	0.954
Basic Group II	1.193	1.111	0.974

(9) EXTERNAL ANNUAL RATE OF CHANGE^c

	Buildings	Contents	Time Element
Basic Group I and Special Causes of Loss: $(\text{Total Trend Factor})^{12/54}$	1.028	1.009	0.990
Basic Group II: $(\text{Total Trend Factor})^{12/90}$	1.024	1.014	0.996

- (a) The Current Cost Factors and Loss Projection Factors on this exhibit are based on external economic indices through December 31, 2016 for Buildings, Contents and Time Element.
- (b) Assuming a loss cost revision date of July 1, 2018, the time interval between the midpoint of the latest period of external trend information (November 15, 2016) and the prospective average date of loss (July 1, 2019) is 31.5 months for Buildings, Contents and Time Element.
- (c) The time interval from the weighted midpoint of the experience period to the prospective average date of loss (July 1, 2019) is 54 months for BG I and SCL, and 90 months for BG II. The weighted midpoint is January 1, 2015 for BG I and SCL, and January 1, 2012 for BG II.

TABLE 23
DEVELOPMENT OF LTA'S

II. INTERNAL ANNUAL RATES OF CHANGE:

(10) SELECTED COMFAL

	Buildings	Contents	Time Element
Basic Group I (BGI)	1.040	1.050	1.040
Basic Group II (BGII)	1.035	1.030	1.040
Special Causes of Loss	1.035	1.030	1.040

III. LTA CALCULATION:

CALCULATION OF LTAs - BUILDINGS

	(11) External Rate of Change ^d	(12) Internal Rate of Change	(13) Indicated Severity LTA [(12)/(11)-1.0]	(14) Formula Severity LTA ^e	(15) Frequency Effect	(16) Final LTA ^f
Basic Group I (BGI)	1.028	1.040	1.2	0.6	-1.0	-0.4
Basic Group II (BGII)	1.024	1.035	1.1	0.5	0.0	0.5
Special Causes of Loss	1.028	1.035	0.7	0.3	0.0	0.3

CALCULATION OF LTAs - CONTENTS

	(11) External Rate of Change ^d	(12) Internal Rate of Change	(13) Indicated Severity LTA [(12)/(11)-1.0]	(14) Formula Severity LTA ^e	(15) Frequency Effect	(16) Final LTA ^f
Basic Group I (BGI)	1.009	1.050	4.1	2.0	-1.5	0.5
Basic Group II (BGII)	1.014	1.030	1.6	0.8	0.0	0.8
Special Causes of Loss	1.009	1.030	2.1	1.0	-0.5	0.5

CALCULATION OF LTAs - TIME ELEMENT

	(11) External Rate of Change ^d	(12) Internal Rate of Change	(13) Indicated Severity LTA [(12)/(11)-1.0]	(14) Formula Severity LTA ^e	(15) Frequency Effect	(16) Final LTA ^f
Basic Group I (BGI)	0.990	1.040	5.1	2.5	0.0	2.5
Basic Group II (BGII)	0.996	1.040	4.4	2.2	0.0	2.2
Special Causes of Loss	0.990	1.040	5.1	2.5	0.0	2.5

(d) The external rates of change are based on external economic indices through December 31, 2016 for Buildings, Contents and Time Element.

(e) The formula severity LTA for Buildings, Contents and Time Element is calculated as one-half of the indicated severity LTA. This is equivalent to calculating the overall severity trend giving 50% weight to the external trend and 50% weight to the selected internal trend.

(f) The final LTA is calculated as the product (in factor form) of the formula severity LTA and frequency effect.

EXPLANATORY NOTES TO TABLE 23

DEVELOPMENT OF LOSS TREND ADJUSTMENTS (LTA'S)

I. EXTERNAL RATE OF CHANGE

COLUMN (1), (2)
AND (3)

CURRENT COST FACTORS

The CCF's underlying the LTA analysis are based on external cost indices through 12/31/2016 for buildings, contents and time element.

COLUMNS (4)
AND (5)

WEIGHTS

The standard review weights are shown for each line of business.

LINES (6)

AVERAGE CURRENT COST FACTORS

The average CCF's for the experience period are calculated based on the weights shown in columns (4) and (5).

LINE (7)

LOSS PROJECTION FACTORS

The LPF's underlying the LTA analysis are shown here.

LINE (8)

TOTAL TREND

The total trend is the product of the average CCF and the LPF.

LINE (9)

EXTERNAL ANNUAL RATE OF CHANGE

The total trend is converted to an annual basis by raising it to the reciprocal of the number of years between the weighted midpoint of the experience period and the anticipated average accident date. For BG I and SCL the weighted midpoint of the experience period is 1/1/2015, for BG II it is 1/1/2012. Accordingly, there are 54 and 90 months, respectively, to the anticipated average accident date of 7/1/2019.

II. INTERNAL ANNUAL RATES OF CHANGES

LINE (10)

SELECTED COMFAL

The displayed annual rates of change in the average claim costs for BG I, BG II, and SCL were selected based on several least squares exponential fits of the annual claim costs for each subline. This was done to the most recent ten years of Commercial Property data using all companies in the ratemaking data base.

EXPLANATORY NOTES TO TABLE 23 (cont'd)

III. LTA CALCULATION

COLUMN (11)

ANNUAL EXTERNAL

The annual external rates of change from column (9) are shown here.

COLUMN (12)

ANNUAL INTERNAL

The adjusted annual internal rates of change in average loss from line (10) are shown here.

COLUMN (13)

INDICATED SEVERITY LTA

The indicated severity LTA's are calculated by dividing the annual internal rates of change by the annual external rates of change.

COLUMN (14)

FORMULA SEVERITY LTA

The severity LTA's in column (13) are then selected to temper the full effect of internal trend data. Without such tempering, full weight would in effect be given to the internal data without any consideration of the external cost indices.

COLUMN (15)

FREQUENCY EFFECT

The displayed annual rates of change in claim frequency for BG I and SCL were selected based on several least squares exponential fits of the claim frequency by subline. No frequency trend was selected for BG II and SCL buildings due to the extremely volatile nature of the coverage.

COLUMN (16)

FINAL LTA

The final LTA is the combination of the severity and frequency trend adjustments, calculated as column (14) times column (15), in factor form.

TABLE 24A

EXPOSURE TREND
DEVELOPMENT OF CURRENT AND PROJECTED EARNED EXPOSURE FACTORS

	Buildings				Contents			
	(1) ^a Annual Written Increase	(2) ^a 07-01-2017 Written Factors	(3) ^b 10-01-2019 Projected Factors	(4) ^c 10-01-2019 Earned Factors	(5) ^a Annual Written Increase	(6) ^a 07-01-2017 Written Factors	(7) ^b 10-01-2019 Projected Factors	(8) ^c 10-01-2019 Earned Factors
Year								
2005	3.4%	1.393	1.456	1.493	2.1%	1.267	1.316	1.337
2006	3.8%	1.342	1.403	1.443	2.1%	1.241	1.289	1.309
2007	3.9%	1.292	1.351	1.390	2.4%	1.212	1.259	1.281
2008	3.5%	1.248	1.305	1.340	2.4%	1.184	1.230	1.252
2009	3.3%	1.208	1.263	1.295	2.2%	1.159	1.204	1.224
2010	2.5%	1.179	1.233	1.256	1.7%	1.140	1.184	1.199
2011	2.5%	1.150	1.202	1.225	1.8%	1.120	1.163	1.179
2012	2.7%	1.120	1.171	1.194	1.8%	1.100	1.143	1.158
2013	2.6%	1.092	1.142	1.164	2.1%	1.077	1.119	1.137
2014	2.5%	1.065	1.114	1.135	2.1%	1.055	1.096	1.113
2015	2.3%	1.041	1.088	1.108	1.9%	1.035	1.075	1.091
2016	2.1%	1.020	1.066	1.083	1.8%	1.017	1.056	1.070
2017	2.0%	1.000	1.046	1.061	1.7%	1.000	1.039	1.052

Notes

a The percentages in columns (1) and (5) represent the change in written exposures from 07/01/n-1 to 07/01/n. Columns (2) and (6) contain the cumulative changes in written exposures for each year relative to the latest year.

b The selected average annual changes in Amount of Insurance for projection purposes are 2.0% and 1.7% for Buildings and Contents, respectively. Consequently, the written factors at 07/01/2017 levels in column (2) and column (6) are brought to the level of the average date of writing in the effective period, 10/01/2019 (i.e., 6 months beyond an assumed revision date of 04/01/2019), by applying a factor of $(1.020)^{27/12}$ for Buildings and $(1.017)^{27/12}$ for Contents.

c Written factors are earned into each accident year ending 12/31 using the following factors which assume all one year policies:

Earning Factors	
Year	All Years
n-2	1/32
n-1	11/16
n	9/32

For example, the factors used to adjust earned exposures for the period from 10/01/2016 to 09/30/2017 to the projected level are 1.061 for Buildings and 1.052 for Contents.

TABLE 24A (cont'd)

EXPOSURE TREND
DEVELOPMENT OF CURRENT AND PROJECTED EARNED EXPOSURE FACTORS

<u>Time Element</u>				
	(1) ^a	(2) ^a	(3) ^b	(4) ^c
<u>Year</u>	<u>Annual</u> <u>Written</u> <u>Increase</u>	<u>07-01-2017</u> <u>Written</u> <u>Factors</u>	<u>10-01-2019</u> <u>Projected</u> <u>Factors</u>	<u>10-01-2019</u> <u>Earned</u> <u>Factors</u>
2005	1.3%	1.127	1.153	1.164
2006	1.4%	1.111	1.136	1.149
2007	1.3%	1.097	1.122	1.133
2008	1.3%	1.083	1.108	1.119
2009	0.8%	1.074	1.098	1.106
2010	0.7%	1.067	1.091	1.096
2011	0.8%	1.059	1.083	1.089
2012	0.8%	1.051	1.075	1.081
2013	0.9%	1.042	1.066	1.073
2014	1.0%	1.032	1.055	1.063
2015	1.1%	1.021	1.044	1.052
2016	1.1%	1.010	1.033	1.041
2017	1.0%	1.000	1.023	1.031

Notes

a The percentage in column (1) represents the change in written exposures from 07/01/n-1 to 07/01/n. Column (2) is the cumulative change in written exposures for each year relative to the latest year.

b The selected average annual change in Net Income (Time Element exposure) for projection purposes is 1.0%. Consequently, the written factors at 07/01/2017 levels in column (2) are brought to the level of the average date of writing in the effective period, 10/01/2019 (i.e., 6 months beyond an assumed revision date of 04/01/2019), by applying a factor of $(1.010)^{27/12}$ for Time Element.

c Written factors are earned into each accident year ending 12/31 using the following factors which assume all one year policies:

<u>Earning Factors</u>	
<u>Year</u>	<u>All Years</u>
n-2	1/32
n-1	11/16
n	9/32

For example, the factor used to adjust earned exposures for the period from 10/01/2016 to 09/30/2016 to the projected level is 1.031.

TABLE 24B

PREMIUM TREND - BASIC GROUP I
DEVELOPMENT OF CURRENT AND PROJECTED EARNED PREMIUM FACTORS

	<u>Buildings</u>				<u>Contents</u>			
	(1) ^a	(2) ^a	(3) ^b	(4) ^c	(5) ^a	(6) ^a	(7) ^b	(8) ^c
	Annual	07-01-2017	10-01-2019	10-01-2019	Annual	07-01-2017	10-01-2019	10-01-2019
	Written	Written	Projected	Earned	Written	Written	Projected	Earned
<u>Year</u>	<u>Increase</u>	<u>Factors</u>	<u>Factors</u>	<u>Factors</u>	<u>Increase</u>	<u>Factors</u>	<u>Factors</u>	<u>Factors</u>
2005	2.7%	1.308	1.356	1.383	1.8%	1.219	1.258	1.275
2006	3.1%	1.269	1.315	1.346	1.8%	1.197	1.235	1.252
2007	3.1%	1.231	1.276	1.305	2.0%	1.174	1.211	1.229
2008	2.8%	1.197	1.241	1.267	2.0%	1.151	1.188	1.205
2009	2.7%	1.166	1.208	1.233	1.8%	1.131	1.167	1.183
2010	2.0%	1.143	1.185	1.203	1.4%	1.115	1.150	1.163
2011	2.0%	1.121	1.162	1.179	1.5%	1.099	1.134	1.146
2012	2.2%	1.097	1.137	1.156	1.5%	1.083	1.117	1.130
2013	2.1%	1.074	1.113	1.131	1.8%	1.064	1.098	1.112
2014	2.0%	1.053	1.091	1.108	1.8%	1.045	1.078	1.093
2015	1.9%	1.033	1.071	1.086	1.6%	1.029	1.062	1.074
2016	1.7%	1.016	1.053	1.067	1.5%	1.014	1.046	1.058
2017	1.6%	1.000	1.036	1.049	1.4%	1.000	1.032	1.043

Notes

a The percentages in columns (1) and (5) represent the change in written premium (reflecting the combined effect of change in exposures and limit of insurance factors) from 07/01/n-1 to 07/01/n. Columns (2) and (6) contain the cumulative changes in written premiums for each year relative to the latest year.

b The average annual changes in Premium for projection purposes are 1.6% and 1.4% for Buildings and Contents, respectively. Consequently, the written factors at 07/01/2017 levels in column (2) and column (6) are brought to the level of the average date of writing in the effective period, 10/01/2019 (i.e., 6 months beyond an assumed revision date of 04/01/2019), by applying a factor of $(1.016)^{27/12}$ for Buildings and $(1.014)^{27/12}$ for Contents.

c Written factors are earned into each accident year ending 12/31 using the following factors which assume all one year policies:

	<u>Earning Factors</u>
<u>Year</u>	<u>All Years</u>
n-2	1/32
n-1	11/16
n	9/32

For example, the factors used to adjust earned premium for the period from 10/01/2016 to 09/30/2016 to the projected level are 1.049 for Buildings and 1.043 for Contents.

TABLE 24C

**PREMIUM TREND - BASIC GROUP II - OTHER THAN SOUTHEAST
DEVELOPMENT OF CURRENT AND PROJECTED EARNED PREMIUM FACTORS**

	Buildings				Contents			
	(1) ^a	(2) ^a	(3) ^b	(4) ^c	(5) ^a	(6) ^a	(7) ^b	(8) ^c
Year	Annual Written Increase	07-01-2017 Written Factors	07-01-2019 Projected Factors	07-01-2019 Earned Factors	Annual Written Increase	07-01-2017 Written Factors	07-01-2019 Projected Factors	07-01-2019 Earned Factors
2005	2.5%	1.283	1.327	1.352	1.6%	1.198	1.233	1.248
2006	2.8%	1.248	1.291	1.318	1.6%	1.179	1.214	1.228
2007	2.9%	1.213	1.254	1.282	1.8%	1.158	1.192	1.208
2008	2.6%	1.182	1.222	1.246	1.8%	1.138	1.172	1.187
2009	2.4%	1.154	1.193	1.215	1.7%	1.119	1.152	1.167
2010	1.9%	1.132	1.171	1.188	1.3%	1.105	1.138	1.149
2011	1.9%	1.111	1.149	1.166	1.4%	1.090	1.122	1.134
2012	2.0%	1.089	1.126	1.143	1.4%	1.075	1.107	1.118
2013	1.9%	1.069	1.105	1.121	1.6%	1.058	1.089	1.102
2014	1.9%	1.049	1.085	1.100	1.6%	1.041	1.072	1.085
2015	1.7%	1.031	1.066	1.080	1.4%	1.027	1.057	1.068
2016	1.6%	1.015	1.050	1.062	1.4%	1.013	1.043	1.054
2017	1.5%	1.000	1.034	1.046	1.3%	1.000	1.029	1.040

Notes

a The percentages in columns (1) and (5) represent the change in written premium (reflecting the combined effect of change in exposures and limit of insurance factors) from 07/01/n-1 to 07/01/n. Columns (2) and (6) contain the cumulative changes in written premiums for each year relative to the latest year.

b The average annual changes in Premium for projection purposes are 1.5% and 1.3% for Buildings and Contents, respectively. Consequently, the written factors at 07/01/2017 levels in column (2) and column (6) are brought to the level of the average date of writing in the effective period, 10/01/2019 (i.e., 6 months beyond an assumed revision date of 04/01/2019), by applying a factor of $(1.015)^{27/12}$ for Buildings and $(1.013)^{27/12}$ for Contents.

c Written factors are earned into each accident year ending 12/31 using the following factors which assume all one year policies:

	<u>Earning Factors</u>
<u>Year</u>	<u>All Years</u>
n-2	1/32
n-1	11/16
n	9/32

For example, the factors used to adjust earned premium for the period from 10/01/2016 to 09/30/2017 to the projected level are 1.046 for Buildings and 1.040 for Contents.

TABLE 24D

PREMIUM TREND - SPECIAL CAUSES OF LOSS
DEVELOPMENT OF CURRENT AND PROJECTED EARNED PREMIUM FACTORS

	<u>Buildings</u>				<u>Contents</u>			
	(1) ^a	(2) ^a	(3) ^b	(4) ^c	(5) ^a	(6) ^a	(7) ^b	(8) ^c
	Annual	07-01-2017	07-01-2019	07-01-2019	Annual	07-01-2017	07-01-2019	07-01-2019
	Written	Written	Projected	Earned	Written	Written	Projected	Earned
<u>Year</u>	<u>Increase</u>	<u>Factors</u>	<u>Factors</u>	<u>Factors</u>	<u>Increase</u>	<u>Factors</u>	<u>Factors</u>	<u>Factors</u>
2005	2.6%	1.291	1.335	1.361	1.4%	1.169	1.198	1.211
2006	2.9%	1.255	1.298	1.326	1.4%	1.153	1.182	1.194
2007	3.0%	1.218	1.259	1.288	1.6%	1.135	1.163	1.177
2008	2.7%	1.186	1.226	1.251	1.6%	1.117	1.145	1.159
2009	2.5%	1.157	1.196	1.219	1.4%	1.102	1.129	1.141
2010	1.9%	1.135	1.174	1.191	1.1%	1.090	1.117	1.126
2011	1.9%	1.114	1.152	1.169	1.2%	1.077	1.104	1.114
2012	2.1%	1.091	1.128	1.146	1.2%	1.064	1.091	1.101
2013	2.0%	1.070	1.106	1.123	1.4%	1.049	1.075	1.087
2014	1.9%	1.050	1.086	1.101	1.4%	1.035	1.061	1.072
2015	1.8%	1.031	1.066	1.081	1.2%	1.023	1.048	1.058
2016	1.6%	1.015	1.050	1.062	1.2%	1.011	1.036	1.045
2017	1.5%	1.000	1.034	1.046	1.1%	1.000	1.025	1.033

Notes

a The percentages in columns (1) and (5) represent the change in written premium (reflecting the combined effect of change in exposures and limit of insurance factors) from 07/01/n-1 to 07/01/n. Columns (2) and (6) contain the cumulative changes in written premiums for each year relative to the latest year.

b The average annual changes in Premium for projection purposes are 1.5% and 1.1% for Buildings and Contents, respectively. Consequently, the written factors at 07/01/2017 levels in column (2) and column (6) are brought to the level of the average date of writing in the effective period, 10/01/2019 (i.e., 6 months beyond an assumed revision date of 04/01/2019), by applying a factor of $(1.015)^{27/12}$ for Buildings and $(1.011)^{27/12}$ for Contents.

c Written factors are earned into each accident year ending 12/31 using the following factors which assume all one year policies:

	<u>Earning Factors</u>
<u>Year</u>	<u>All Years</u>
n-2	1/32
n-1	11/16
n	9/32

For example, the factors used to adjust earned premium for the period from 10/01/2016 to 09/30/2017 to the projected level are 1.046 for Buildings and 1.033 for Contents.

EXPLANATORY NOTES TO TABLES 24A - 24D
EXPOSURE AND PREMIUM TREND FACTORS

Table 24A contains Exposure trend factors.

Tables 24B, 24C and 24D contain Premium trend factors for Basic Group I, Basic Group II and Special Causes of Loss respectively, building and contents. As annual written exposures increase (decrease), the resulting limit of insurance factors used for rating decrease (increase) and the combined effect should be reflected when trending premiums to future level. There are separate premium trend factor tables for Basic Group I, Basic Group II and Special Causes of Loss since there are separate limit of insurance curves for BG I, BG II and SCL.

For Time Element, exposure trend factors are also used to trend premiums, i.e., there are not separate Time Element premium trend factors because Time Element does not use limit of insurance factors for rating.

COLUMNS (1) ANNUAL WRITTEN INCREASE

AND (5)

The annual written increases for buildings, contents, and time element are calculated from the actual changes in amount of insurance from one year to the next for a sample of renewal policies (based on BG I experience). The change in amount of insurance for each policy in the sample was weighted with its prior year's premiums to obtain a weighted average change for each year. The Annual Written Increase in Premiums (Tables 24B, 24C and 24D) are calculated as the Annual Written Increase in Exposure tempered by the change in Limit of Insurance factor.

COLUMNS (2) 07-01-2017 WRITTEN FACTORS

AND (6)

The written factors for a given year are the product of the written annual changes for all years subsequent to that year. Although the 2017 written changes are based on two quarters of data, the consistency of this experience allows for the assumption that written changes for the first half of 2017 are applicable for the entire year.

COLUMNS (3) 10-01-2019 PROJECTED FACTORS

AND (7)

The 10-01-2019 factors are calculated by applying a factor to adjust the 07-01-2017 written factors to the amount of insurance level at the average date of writing, 10-01-2019. This is done using the selected annual changes in exposure or premium.

COLUMNS (4) 10-01-2019 EARNED EXPOSURES/PREMIUM FACTORS

AND (8)

The projected earned factors at the 10-01-2019 level (where 10-01-2019 is the average date of writing in the effective period) are calculated by earning the written factors assuming all one-year policies. The earning factors are shown in footnote (c).

FLORIDA
TABLE 25

BASIC GROUP I

ADDITIONAL INFORMATION ON TREND ADJUSTMENTS

YEAR	(1)	(2)	(3)	(4)		
	UNADJUSTED INCURRED LOSSES	TRENDED INCURRED LOSSES	AVERAGE TOTAL LOSS TREND FACTOR (2) / (1)	----- BUILDINGS	SPLIT % CONTENTS	----- TIME ELEMENT
2013	11,547,296	14,629,203	1.267	79.1%	16.4%	4.5%
2014	7,871,345	9,842,592	1.250	70.4%	27.2%	2.4%
2015	5,115,764	6,056,392	1.184	71.2%	26.9%	1.9%
2016	9,364,968	10,809,740	1.154	77.5%	18.0%	4.5%
2017	11,958,801	13,245,633	1.108	68.0%	24.5%	7.5%

FLORIDA
TABLE 26

BASIC GROUP II

ADDITIONAL INFORMATION ON TREND ADJUSTMENTS

	(1)	(2)	(3)	(4)		
	UNADJUSTED**	TRENDED**	AVG.	SPLIT %		
	NON-HURRICANE	NON-HURRICANE	TOTAL	-----		
	INCURRED	INCURRED	LOSS			
	LOSSES	LOSSES	TREND	BUILDINGS	CONTENTS	TIME
YEAR			FACTOR			ELEMENT
			(2) / (1)			
2008	5,526,406	8,044,840	1.456	74.0%	9.9%	16.1%
2009	4,614,137	6,396,886	1.386	92.6%	6.3%	1.1%
2010	1,617,981	2,286,541	1.413	81.0%	17.8%	1.2%
2011	4,856,333	6,614,866	1.362	91.6%	7.4%	1.0%
2012	3,584,606	4,623,807	1.290	90.1%	5.8%	4.1%
2013	5,111,545	6,549,260	1.281	95.6%	3.9%	0.5%
2014	1,643,391	2,053,463	1.250	84.2%	11.3%	4.5%
2015	1,515,905	1,853,490	1.223	87.2%	12.6%	0.2%
2016	2,018,356	2,451,022	1.214	83.2%	9.6%	7.2%
2017	3,607,191	4,078,055	1.131	75.2%	20.2%	4.6%

** LOSSES INCURRED DURING THE MONTH OF A HURRICANE HAVE BEEN EXCLUDED AND REPLACED WITH AVERAGE NON-HURRICANE LOSSES.

FLORIDA
TABLE 27

SPECIAL CAUSES OF LOSS

ADDITIONAL INFORMATION ON TREND ADJUSTMENTS

YEAR	(1)	(2)	(3)	(4)		
	UNADJUSTED INCURRED LOSSES	TRENDED INCURRED LOSSES	AVERAGE TOTAL LOSS TREND FACTOR (2) / (1)	----- BUILDINGS	SPLIT % CONTENTS	----- TIME ELEMENT
2013	6,105,191	7,471,013	1.224	74.1%	25.3%	0.6%
2014	6,167,464	7,297,491	1.183	64.8%	33.3%	1.9%
2015	7,051,522	8,125,446	1.152	65.4%	30.4%	4.2%
2016	7,449,962	8,434,909	1.132	66.6%	30.7%	2.7%
2017	16,947,444	18,533,443	1.094	66.2%	17.4%	16.4%

EXPLANATORY NOTES TO TABLES 25, 26 AND 27

BG I, BG II, AND SCL ADDITIONAL INFORMATION ON TREND ADJUSTMENTS

COLUMN (1) UNADJUSTED INCURRED LOSSES

The unadjusted incurred losses are the reported losses prior to any adjustment.

COLUMN (2) TRENDED INCURRED LOSSES

The trended incurred losses are the aggregate of the individual losses trended on a unit record basis.

COLUMN (3) AVERAGE TREND FACTOR

The average trend factors are the trended incurred losses in column (2) divided by the unadjusted incurred losses in column (1). Although average factors could be calculated from the information contained in Tables 21 through 23, they would differ from the factors shown in this table for the following reasons:

- (1) In calculating such averages, the usual assumption is that the losses are spread evenly throughout the year, yielding the midpoint of each year as the average date of loss. A predominance of losses at a certain time of the year could shift the average accident date away from the midpoint.
- (2) The average trend factors will be slightly higher due to the impact of trend on the deductible.

COLUMN (4) PERCENTAGE SPLIT BETWEEN BUILDINGS, CONTENTS, AND TIME ELEMENT

The current cost factors and loss projection factors are different for buildings, contents, and time element. Therefore, in addition to the reasons cited above, the average trend factors will differ from state to state depending on the buildings/contents/time element split. Companies with splits substantially different from the industrywide averages shown here may find it appropriate to develop trend factors which reflect their own coverage mix.

LOSS DEVELOPMENT

INTRODUCTION

For Commercial Property, losses are evaluated as of December 31, 2017, three months after the end of the latest experience year used in the review. In order to account for development of losses beyond fifteen months and to reflect overall loss development patterns, loss development was incorporated into the adjustment process of incurred losses to their ultimate settlement value.

LOSS DEVELOPMENT PROCEDURES

The application of loss development factors recognizes the fact that not all of the Commercial Property losses for a particular accident year have been finally determined at the time the experience is compiled.

The incurred losses underlying the statewide loss cost level indications were evaluated as of December 31, 2017.

Accident year ended September 30, 2017 includes all losses paid on accidents from October 1, 2016 to September 30, 2017 and all losses outstanding on those accidents as of December 31, 2017, fifteen months after the inception of the accident year. Similarly, accident years ended September 30, 2016, 2015, 2014 and 2013 include all losses paid and outstanding as of 27, 39, 51 and 63 months, respectively, after the inception of the accident year.

Thus, the immature experience reported as of 15, 27, 39 or 51 months must be adjusted to an ultimate settlement basis. This adjustment is accomplished through the use of loss development factors based on the historic multistate Basic Group I, Basic Group II, and Special Causes of Loss incurred losses as shown in Table 28.

TABLE 28
BASIC GROUP I
INCURRED LOSSES
LOSS YEARS 2008-2017
EVALUATED AS OF 12/2017

LOSSES AS OF					
YEAR ENDING	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
9/30/2008	936,192,754	904,397,469	886,339,192	886,382,593	883,204,680
9/30/2009	986,660,702	973,566,273	967,107,017	959,667,510	958,095,353
9/30/2010	885,977,270	872,602,980	856,748,592	846,760,240	833,100,151
9/30/2011	923,115,836	911,332,751	892,019,295	883,814,035	883,210,304
9/30/2012	789,642,193	772,756,941	760,724,433	754,436,868	752,119,559
9/30/2013	903,455,107	886,902,045	883,373,919	873,693,457	862,155,324
9/30/2014	886,346,643	877,452,812	866,375,314	857,137,620	
9/30/2015	822,902,718	802,519,667	797,729,002		
9/30/2016	798,342,375	789,306,227			
9/30/2017	934,549,620				

RATIOS				
YEAR ENDING	27:15 MONTHS	39:27 MONTHS	51:39 MONTHS	63:51 MONTHS
9/30/2008	0.966	0.98	1	0.996
9/30/2009	0.987	0.993	0.992	0.998
9/30/2010	0.985	0.982	0.988	0.984
9/30/2011	0.987	0.979	0.991	0.999
9/30/2012	0.979	0.984	0.992	0.997
9/30/2013	0.982	0.996	0.989	0.987
9/30/2014	0.99	0.987	0.989	
9/30/2015	0.975	0.994		
9/30/2016	0.989			
5 POINT AVERAGE	0.983	0.988	0.990	0.993

DEVELOPMENT FACTORS TO ULTIMATE

15 MONTHS TO ULTIMATE = $0.983 \times 0.988 \times 0.990 \times 0.993 = 0.955$

27 MONTHS TO ULTIMATE = $0.988 \times 0.990 \times 0.993 = 0.971$

39 MONTHS TO ULTIMATE = $0.990 \times 0.993 = 0.983$

51 MONTHS TO ULTIMATE = $0.993 = 0.993$

TABLE 28
BASIC GROUP II
INCURRED LOSSES
LOSS YEARS 2008-2017
EVALUATED AS OF 12/2017

LOSSES AS OF					
YEAR ENDING	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
9/30/2008	803,777,068	803,998,685	806,479,380	809,564,889	810,043,871
9/30/2009	541,086,830	575,291,991	579,127,209	582,223,635	583,872,959
9/30/2010	566,663,364	576,988,368	577,881,115	578,972,755	580,213,587
9/30/2011	1,305,433,575	1,353,091,398	1,363,337,233	1,377,676,434	1,391,565,328
9/30/2012	792,617,225	838,423,470	859,935,590	868,153,219	874,835,475
9/30/2013	780,917,745	802,150,505	812,330,151	821,421,260	829,000,643
9/30/2014	593,275,931	612,923,170	626,382,859	639,106,198	
9/30/2015	428,011,830	456,064,840	462,523,057		
9/30/2016	689,210,918	721,590,846			
9/30/2017	763,647,044				

RATIOS				
YEAR ENDING	27:15 MONTHS	39:27 MONTHS	51:39 MONTHS	63:51 MONTHS
9/30/2008	1.000	1.003	1.004	1.001
9/30/2009	1.063	1.007	1.005	1.003
9/30/2010	1.018	1.002	1.002	1.002
9/30/2011	1.037	1.008	1.011	1.010
9/30/2012	1.058	1.026	1.010	1.008
9/30/2013	1.027	1.013	1.011	1.009
9/30/2014	1.033	1.022	1.020	
9/30/2015	1.066	1.014		
9/30/2016	1.047			
5 POINT AVERAGE	1.046	1.017	1.011	1.006

DEVELOPMENT FACTORS TO ULTIMATE

15 MONTHS TO ULTIMATE = $1.046 \times 1.017 \times 1.011 \times 1.006 = 1.082$

27 MONTHS TO ULTIMATE = $1.017 \times 1.011 \times 1.006 = 1.034$

39 MONTHS TO ULTIMATE = $1.011 \times 1.006 = 1.017$

51 MONTHS TO ULTIMATE = $1.006 = 1.006$

TABLE 28
SPECIAL CAUSES OF LOSS
INCURRED LOSSES
LOSS YEARS 2008-2017
EVALUATED AS OF 12/2017

LOSSES AS OF					
YEAR ENDING	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS
9/30/2008	579,738,759	573,732,839	577,689,991	575,799,549	573,522,314
9/30/2009	583,716,254	580,150,616	575,940,850	573,282,642	572,827,429
9/30/2010	696,839,202	692,290,721	684,939,416	685,600,781	684,085,979
9/30/2011	763,620,041	752,796,011	746,190,056	743,767,355	743,259,403
9/30/2012	400,009,681	391,667,791	390,173,633	391,476,002	390,993,485
9/30/2013	460,698,920	454,377,887	447,748,341	448,639,941	449,233,602
9/30/2014	678,657,845	675,971,286	674,828,353	674,170,676	
9/30/2015	635,317,599	630,047,605	628,174,319		
9/30/2016	384,720,247	395,443,065			
9/30/2017	581,397,526				

RATIOS				
YEAR ENDING	27:15 MONTHS	39:27 MONTHS	51:39 MONTHS	63:51 MONTHS
9/30/2008	0.990	1.007	0.997	0.996
9/30/2009	0.994	0.993	0.995	0.999
9/30/2010	0.993	0.989	1.001	0.998
9/30/2011	0.986	0.991	0.997	0.999
9/30/2012	0.979	0.996	1.003	0.999
9/30/2013	0.986	0.985	1.002	1.001
9/30/2014	0.996	0.998	0.999	
9/30/2015	0.992	0.997		
9/30/2016	1.028			
5 POINT AVERAGE	0.996	0.993	1.000	0.999

DEVELOPMENT FACTORS TO ULTIMATE

15 MONTHS TO ULTIMATE = $0.996 \times 0.993 \times 1.000 \times 0.999 = 0.988$

27 MONTHS TO ULTIMATE = $0.993 \times 1.000 \times 0.999 = 0.992$

39 MONTHS TO ULTIMATE = $1.000 \times 0.999 = 0.999$

51 MONTHS TO ULTIMATE = $0.999 = 0.999$

EXPLANATORY NOTES TO TABLE 28

LOSS DEVELOPMENT

INTRODUCTION

Table 28 shows multistate incurred loss development exhibits for Basic Group I, Basic Group II and Special Causes of Loss. The exhibits on Table 28 are arranged identically for each subline and can be summarized as listing the following information: incurred losses by accident year and age, age-to-age factors by accident year, and age-to-ultimate factors.

INCURRED LOSSES

The multistate incurred losses are shown by accident year and age at the top of Table 28. The multistate incurred losses are evaluated as of 15, 27, 39, 51 and 63 months. For Basic Group II, losses due to hurricanes reflected in the modeled hurricane loss costs have been removed from the experience for each rating territory and loss month.

AGE-TO-AGE DEVELOPMENT FACTORS

Age-to-age development factors or link ratios are calculated for each accident year. These age-to-age factors are calculated by dividing the incurred losses evaluated at each age by the incurred losses evaluated at the immediately preceding age. For example, 27:15 month age-to-age factors are calculated by taking the losses evaluated as of 27 months and dividing them by the losses evaluated as of 15 months, for each accident year. Age-to-age development factors are also calculated for 39:27 months, 51:39 months and 63:51 months. Latest five-year averages are then determined for each age-to-age interval.

AGE-TO-ULTIMATE DEVELOPMENT FACTORS

Age-to-ultimate factors are then calculated for the latest four years by multiplying the five-year average age-to-age development factors. These age-to-ultimate factors are then used in the adjustment of incurred losses to develop losses to their ultimate settlement value.

EXCESS LOSS PROCEDURES

INTRODUCTION

If not addressed, the presence or absence of large losses during the review period can produce significant fluctuations in loss cost levels. In order to develop a more stable body of experience, large losses have been smoothed. This procedure removes any excess losses from the experience and applies excess loss factors to the resultant state normal losses to generate the adjusted incurred losses. The adjusted losses developed in this manner replace the incurred losses in the loss cost level evaluation.

BASIC GROUP I

First, the excess portion of each large loss is removed from the trended loss experience.

Individual claim amounts that result from the same occurrence are grouped together, and if the total loss for one occurrence exceeds the normal loss cutoff (at 2005 cost levels), the total loss is identified as a large loss. Each large loss is then split into its normal and excess portions based on the normal loss cutoff.

The Basic Group I normal loss cutoff begins at \$250,000 and varies with the size of loss up to a maximum normal amount (approached asymptotically) of \$1,250,000. (The formula and a graph are shown on Table 29.) The portion of each large loss exceeding the cutoff is considered excess and the portion of any loss up to the cutoff is considered normal.

As noted above, the excess loss procedure is performed on trended loss experience (i.e. loss experience adjusted to prospective cost levels by the current cost factors, loss projection factors, and loss trend adjustment factors (for claim cost only) shown in Tables 21 through 22). The loss trend adjustment for frequency trend is not reflected at this step in the process. The normal breakpoint of \$250,000 for BG I and the parameters in the normal loss formula are at 2005 cost levels and therefore have been similarly adjusted to prospective cost levels.

Both the normal and total incurred losses are aggregated over all states and years in the experience period by construction, protection, and amount of insurance intervals. Excess loss factors by construction, protection and amount of insurance are then calculated as the ratios of the ten-year multistate incurred losses to the ten-year multistate normal losses.

These factors are then smoothed by fitting curves (by amount of insurance intervals) to the indicated factors. The resulting factors are then balanced so that the original ten-year multistate incurred loss level is maintained.

The excess factors are then applied to the state normal losses, which are maintained in the same detail (construction, protection and amount of insurance) as well as by year, territory, rating group and TOP. The state normal losses used in this calculation have also been trended for frequency.

The excess loss factors vary by construction, protection and the amount of insurance because these are the most significant severity-related rating variables.

EXCESS LOSS PROCEDURES (cont'd)

BASIC GROUP II

Since wind caused by non-hurricane events can cause large and unexpected losses, a long-term excess procedure is used for Basic Group II. The purpose of this procedure is to avoid the shifts in loss costs which would result from reflecting large, unexpected losses only in the year in which they occur.

The Basic Group II excess procedure identifies periods of overall adverse experience, rather than individual large losses, since catastrophic non-hurricane wind losses affect both the frequency and the severity of losses. Also, due to the extreme volatility of these losses, a long-term review period (1950 - present) is used. Losses reflected in the hurricane model are not included in this procedure. For those years reported under the Commercial Statistical Plan (CSP), 1982 and later, hurricane losses have been replaced with average non-hurricane losses. For years prior to CSP reporting, any year in which a hurricane occurred has been excluded.

A loss ratio cutoff is used to determine normal and excess losses in the excess procedure. The application of this cutoff is described in the explanatory notes to Table 31. The excess losses are used to determine the excess multiplier. The excess multiplier is derived in such a manner as to provide an estimate of the expected excess non-hurricane loss dollars per normal non-hurricane loss dollar.

The excess multiplier is applied to the normal non-hurricane losses for each accident year in the ten-year experience period used in the review. In this way, a review database is created reflecting both the current normal non-hurricane loss experience and the average excess non-hurricane loss experience based on the long-term review. This allows a concurrent evaluation of both the normal and the excess components of the BG II non-hurricane loss cost level.

SPECIAL CAUSES OF LOSS

Similar to Basic Group II, the Special Causes of Loss (SCL) smoothing procedure uses a loss ratio approach to reflect both the frequency and severity of unusual loss events which may produce significant fluctuations in loss cost levels. The excess procedure uses longer term statewide SCL experience (1985 - present) to account for the volatile nature of weather related losses (water damage from bursting pipes, or the weight of ice, sleet, or snow) which are the predominant cause of large SCL losses in a given experience period. A monthly normal loss ratio cutoff of 2.0 is used to define normal and excess losses. The resulting ratio of excess to normal losses over the long-term experience period is then applied to the normal losses used in the loss cost level review. The calculations underlying the smoothing procedure are described in the Explanatory Notes to Table 32.

**TABLE 29 - COUNTRYWIDE BASIC GROUP I EXCESS LOSS FACTORS
BY CONSTRUCTION, PROTECTION AND EXPOSURE**

		Amount of Insurance *										
		1	2	3	4	5	6	7	8	9	10	11
Const. 1-3	Prot. 1-4	1.000	1.045	1.092	1.141	1.192	1.246	1.302	1.360	1.421	1.485	2.002
	Prot. 5-7	1.000	1.057	1.118	1.182	1.250	1.322	1.397	1.478	1.562	1.652	2.414
	Prot. 8-10	1.000	1.059	1.121	1.187	1.256	1.330	1.408	1.490	1.578	1.670	2.461

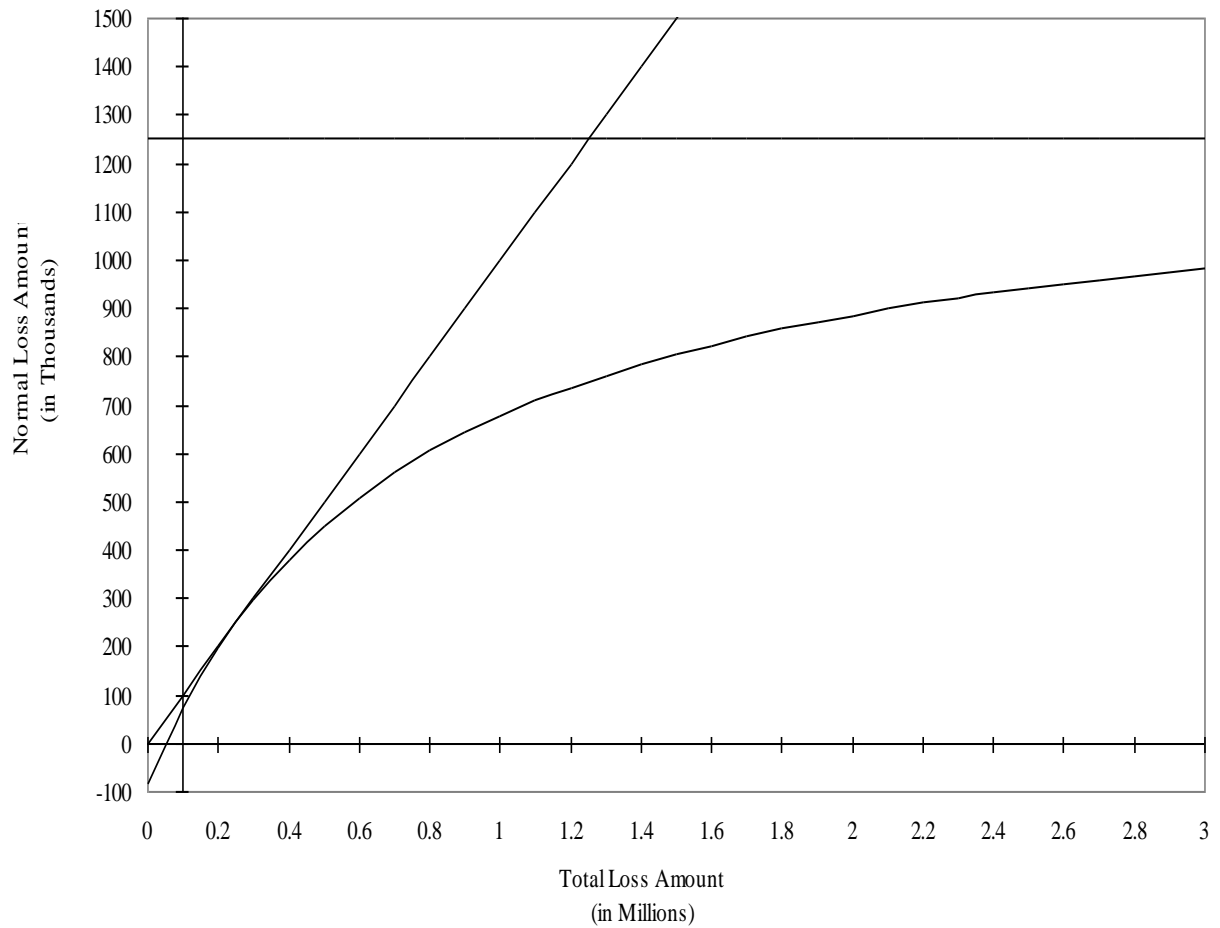
		Amount of Insurance *										
		1	2	3	4	5	6	7	8	9	10	11
Const. 4-6	Prot. 1-4	1.000	1.039	1.081	1.123	1.167	1.214	1.261	1.311	1.363	1.417	1.844
	Prot. 5-7	1.000	1.052	1.106	1.164	1.224	1.288	1.354	1.425	1.499	1.576	2.223
	Prot. 8-10	1.000	1.053	1.109	1.168	1.230	1.296	1.364	1.437	1.513	1.594	2.267

*	<u>Amount of Insurance</u>	<u>Intervals</u>
	1	0-403,000
	2	403,001-500,000
	3	500,001-700,000
	4	700,001-1,000,000
	5	1,000,001-1,500,000
	6	1,500,001-2,500,000
	7	2,500,001-3,500,000
	8	3,500,001-5,500,000
	9	5,500,001-7,500,000
	10	7,500,001-10,000,000
	11	10,000,001 and over

Table 29 (cont'd)

Countrywide Basic Group I
Normal vs. Total Loss Amount

$$\text{Normal Loss} = \$1,250,000 \times (1 - (\$800,000 \div (\text{Total Loss} + \$750,000)))$$



EXPLANATORY NOTES TO TABLES 29

COUNTRYWIDE BASIC GROUP I EXCESS LOSS FACTORS

EXCESS LOSS
FACTORS

The multistate excess loss factors are the ratios of the ten-year multistate adjusted incurred losses to the ten-year multistate adjusted normal losses (both adjusted for severity trend). They are determined separately by construction, protection and amount of insurance range. Due to credibility considerations, both constructions and protections have been consolidated as shown. The amount of insurance ranges are also shown.

FLORIDA
TABLE 30

BASIC GROUP I
ADDITIONAL EXCESS LOSS INFORMATION

	(1)	(2)	(3)	(4)	(5)	(6)
	TRENDED INCURRED LOSSES	TRENDED NORMAL LOSSES	STATE NORMAL % (2) / (1)	MULTI- STATE NORMAL %	ADJUSTED INCURRED LOSSES	STATE AVERAGE EXCESS FACTOR (5) / (2)
YEAR						
2013	14,629,203	12,661,467	86.5%	70.3%	18,363,649	1.450
2014	9,842,592	9,103,123	92.5%	73.4%	11,282,570	1.239
2015	6,056,392	5,973,012	98.6%	72.8%	6,645,213	1.113
2016	10,809,740	8,004,904	74.1%	72.4%	11,233,860	1.403
2017	13,245,633	12,639,686	95.4%	71.3%	17,964,635	1.421

EXPLANATORY NOTES TO TABLE 30

BASIC GROUP I ADDITIONAL EXCESS LOSS INFORMATION

COLUMN (1) TRENDED INCURRED LOSSES

The trended incurred losses are the aggregate of all individually-trended loss records prior to any adjustment for large losses. They are shown here fully trended for severity.

COLUMN (2) TRENDED NORMAL LOSSES

The normal losses are the aggregate of the normal portions of each loss occurrence. These are also fully trended.

COLUMN (3) STATE NORMAL PERCENTAGE

The state normal percentages are the statewide normal losses divided by the statewide trended incurred losses. These percentages can be used in conjunction with the multistate percentages and actual dollar amounts of normal losses to assess the state loss experience. For example, consistently lower state normal percentages relative to multistate normal percentages could indicate that the state has a greater propensity for large losses.

COLUMN (4) MULTISTATE NORMAL PERCENTAGES

The multistate normal percentages are the multistate normal losses divided by the multistate trended incurred losses. As noted above these can be used as a yardstick against which the statewide experience can be measured.

COLUMN (5) ADJUSTED INCURRED LOSSES

The adjusted incurred losses are the totals across all constructions, protections and exposures of the fully trended normal losses multiplied by the excess loss factors.

COLUMN (6) STATE AVERAGE EXCESS FACTOR

The state average excess factors are the adjusted incurred losses in column (5) divided by the normal losses in column (2). These factors represent the annual averages of the factors calculated separately by construction, protection and amount of insurance. The average excess factor reflects the normal loss mix by construction, protection and exposure. Heavy concentration in those subsets of the data with high excess factors will result in large average factors.

FLORIDA
TABLE 31

DEVELOPMENT OF BASIC GROUP II EXCESS MULTIPLIER*

(1)	(2)	(3)	(4)	(5)	(6)
YEAR	EARNED PREMIUMS	NON-HURRICANE INCURRED LOSSES	NORMAL INCURRED LOSSES	NORMAL LOSS RATIO	EXCESS LOSS RATIO
1952	4,098,762	323,351	323,351	0.079	
1953	4,317,062	401,267	401,267	0.093	
1954	4,767,516	125,901	125,901	0.026	
1955	4,957,645	302,074	302,074	0.061	
1956	5,040,216	278,459	278,459	0.055	
1957	5,440,055	350,049	350,049	0.064	
1958	5,888,557	468,926	468,926	0.080	
1959	6,375,429	543,303	543,303	0.085	
1961	6,424,437	837,517	837,517	0.130	
1962	6,393,388	1,444,640	1,444,640	0.226	
1963	6,084,456	756,547	756,547	0.124	
1967	6,171,950	641,209	641,209	0.104	
1969	7,826,834	926,038	926,038	0.118	
1970	13,973,616	1,311,203	1,311,203	0.094	
1971	15,044,835	2,808,332	2,808,332	0.187	
1972	18,948,428	2,115,978	2,115,978	0.112	
1973	21,117,953	2,933,827	2,933,827	0.139	
1974	23,818,033	3,960,179	3,960,179	0.166	
1976	32,626,266	2,333,738	2,333,738	0.072	
1977	32,436,349	2,672,947	2,672,947	0.082	
1978	33,851,160	6,661,656	6,661,656	0.197	
1980	32,579,570	13,499,347	13,499,347	0.414	
1981	28,222,184	5,458,793	5,458,793	0.193	
1982	27,426,024	10,424,971	10,424,971	0.380	
1983	26,426,388	9,582,860	9,582,860	0.363	
1984	26,348,436	6,367,289	6,367,289	0.242	
1985	36,119,760	7,903,825	7,903,825	0.219	
1986	48,000,432	5,629,001	5,629,001	0.117	
1987	54,561,870	5,715,165	5,715,165	0.105	
1988	60,162,711	7,315,879	7,315,879	0.122	
1989	46,502,094	8,098,033	8,098,033	0.174	
1990	37,698,852	5,032,024	5,032,024	0.133	
1991	34,442,514	8,989,942	8,989,942	0.261	
1992	32,951,853	26,777,977	16,475,927	0.500	0.313
1993	36,913,551	29,528,139	18,456,776	0.500	0.300
1994	47,302,227	6,480,780	6,480,780	0.137	

FLORIDA
TABLE 31

DEVELOPMENT OF BASIC GROUP II EXCESS MULTIPLIER*

(1)	(2)	(3)	(4)	(5)	(6)
YEAR	EARNED PREMIUMS	NON-HURRICANE INCURRED LOSSES	NORMAL INCURRED LOSSES	NORMAL LOSS RATIO	EXCESS LOSS RATIO
1995	51,891,267	5,031,005	5,031,005	0.097	
1996	59,612,769	5,057,967	5,057,967	0.085	
1997	57,944,109	5,361,987	5,361,987	0.093	
1998	56,436,723	12,385,977	12,385,977	0.219	
1999	51,468,738	6,939,363	6,939,363	0.135	
2000	45,446,379	4,711,106	4,711,106	0.104	
2001	38,279,250	6,483,366	6,483,366	0.169	
2002	46,056,459	3,199,290	3,199,290	0.069	
2003	59,560,989	4,017,112	4,017,112	0.067	
2004	62,079,195	4,383,144	4,383,144	0.071	
2005	67,746,510	4,831,930	4,831,930	0.071	
2007	121,485,858	6,849,968	6,849,968	0.056	
2008	62,386,018	5,526,406	5,526,406	0.089	
2009	56,292,639	4,614,137	4,614,137	0.082	
2010	51,959,531	1,617,981	1,617,981	0.031	
2011	47,150,751	4,856,333	4,856,333	0.103	
2012	46,124,140	3,584,606	3,584,606	0.078	
2013	43,586,089	5,111,545	5,111,545	0.117	
2014	45,345,120	1,653,253	1,653,253	0.036	
2015	48,822,510	1,541,676	1,541,676	0.032	
2016	55,589,764	2,086,978	2,086,978	0.038	
2017	65,952,244	3,902,993	3,902,993	0.059	
TOTALS				8.055	0.613

(7) STATE EXCESS COMPONENT = (EXLR / NLR) = 0.076

(8) STATE EXCESS MULTIPLIER = (1 + SEC) = 1.076

* HURRICANE YEARS BEFORE 1982 HAVE BEEN EXCLUDED. FOR THE YEARS 1982 THROUGH 2017, LOSSES INCURRED DURING THE MONTH OF A HURRICANE HAVE BEEN REPLACED WITH AVERAGE MONTHLY NON-HURRICANE LOSSES.

NOTE: FOR YEARS PRIOR TO 2006, THE DISPLAYED YEAR INCLUDES DATA FOR ACCIDENT YEAR ENDING 12/31. FOR YEARS 2008 TO 2017, THE DISPLAYED YEAR INCLUDES DATA FOR ACCIDENT YEAR ENDING 09/30. THE DISPLAYED YEAR 2007 INCLUDES DATA FOR FIRST QUARTER 2006 THROUGH THIRD QUARTER 2007.

EXPLANATORY NOTES TO TABLE 31

BASIC GROUP II EXCESS MULTIPLIER

COLUMN (2) EARNED PREMIUMS

The unadjusted earned premiums are shown for each year.

COLUMN (3) INCURRED NON-HURRICANE LOSSES

The unadjusted non-hurricane incurred losses are shown for each year. Note that any year prior to 1982 (pre-CSP) in which a hurricane occurred has been excluded from the excess review period. The incurred losses have been adjusted to reflect loss development.

COLUMN (4) NORMAL INCURRED NON-HURRICANE LOSSES

The normal incurred losses for each year are those non-hurricane losses which do not exceed 0.500 times the earned premium for that year.

COLUMN (5) NORMAL LOSS RATIO

For each year in the excess review period, the normal loss ratio is the ratio of the normal incurred losses to the earned premium for the same year.

COLUMN (6) STATE EXCESS LOSS RATIO

The state excess loss ratio for each year is the ratio of the excess losses to the earned premium for the year. The excess losses are calculated as the incurred losses minus the normal incurred losses for each year.

LINE (7) STATE EXCESS COMPONENT

The state excess component is determined by dividing the sum of the state excess loss ratios by the sum of all normal loss ratios (where each sum is taken across all non-hurricane accident years in the excess review period).

LINE (8) STATE EXCESS MULTIPLIER

The state excess multiplier is derived by adding unity to the state excess component.

FLORIDA

TABLE 32 - DEVELOPMENT OF SPECIAL CAUSES OF LOSS EXCESS MULTIPLIER

YEAR	(1) EARNED PREMIUMS	(2) INCURRED LOSSES	(3) NORMAL INCURRED LOSSES	(4) NORMAL LOSS RATIO	(5) STATE EXCESS LOSS RATIO
1986	15,474,522	8,241,722	8,241,722	0.533	
1987	18,529,206	8,156,479	8,156,479	0.440	
1988	19,807,791	13,907,236	13,907,236	0.702	
1989	19,490,319	21,857,646	21,812,552	1.119	0.002
1990	22,537,923	21,790,735	20,617,957	0.915	0.052
1991	24,792,180	26,232,550	22,321,467	0.900	0.158
1992	26,327,196	44,803,964	22,182,839	0.843	0.859
1993	29,261,652	23,582,582	23,582,582	0.806	
1994	32,473,185	17,794,731	17,794,731	0.548	
1995	32,043,642	16,935,991	16,935,991	0.529	
1996	34,071,771	19,520,545	19,520,545	0.573	
1997	36,900,684	14,703,596	14,703,596	0.398	
1998	34,737,666	16,694,412	16,694,412	0.481	
1999	29,518,326	20,854,738	20,854,738	0.707	
2000	27,551,439	15,618,585	15,618,585	0.567	
2001	23,298,720	14,352,697	14,352,697	0.616	
2002	26,036,634	12,753,443	12,753,443	0.490	
2003	25,404,966	8,729,351	8,729,351	0.344	
2004	25,596,426	29,263,808	15,281,940	0.597	0.546
2005	27,484,155	12,598,019	12,598,019	0.458	
2006	28,099,434	9,572,875	9,572,875	0.341	
2007	29,725,728	8,894,175	8,894,175	0.299	
2008	27,716,109	14,880,846	14,871,457	0.537	
2009	25,863,948	7,769,953	7,769,953	0.300	
2010	24,374,997	14,704,618	14,704,618	0.603	
2011	22,826,385	12,891,525	12,891,525	0.565	
2012	22,328,265	10,415,648	10,415,648	0.466	
2013	21,966,515	6,105,191	6,105,191	0.278	
2014	22,435,123	6,147,846	6,147,846	0.274	
2015	22,804,178	7,051,522	7,051,522	0.309	
2016	23,419,369	7,449,962	7,449,962	0.318	
2017	24,149,198	16,947,444	9,034,161	0.374	0.328
TOTALS		491,224,435	441,569,815	17.230	1.945

(6) STATE EXCESS COMPONENT = (SELR / NLR) = 0.113

(7) STATE EXCESS MULTIPLIER = (1 + SEC) = 1.113

EXPLANATORY NOTES TO TABLE 32

SPECIAL CAUSES OF LOSS ADDITIONAL EXCESS LOSS FACTOR

COLUMN (1) EARNED PREMIUMS

These are the unadjusted earned premiums for each year.

COLUMN (2) INCURRED LOSSES

These are the unadjusted incurred losses for each year.

COLUMN (3) NORMAL INCURRED LOSSES

The normal incurred losses are shown for each year. The normal incurred losses are defined to be that portion of each month's losses which does not exceed 2.0 times the monthly earned premiums.

COLUMN (4) NORMAL LOSS RATIO

The normal loss ratio for each year is the ratio of the normal incurred losses for each year divided by the earned premiums for the year.

Column (4) = Column (3) ÷ Column (1)

COLUMN (5) EXCESS LOSS RATIO

The excess loss ratio for each year is the ratio of the excess losses to the earned premium for the year. The excess losses are calculated as the incurred losses minus the normal incurred losses for each year.

LINE (6) EXCESS COMPONENT

The excess component is determined by dividing the sum of the excess loss ratios by the sum of the normal loss ratios, where the sums are taken across all years in the excess review period.

LINE (7) EXCESS MULTIPLIER

The excess multiplier is derived by adding unity to the excess component.

OVERVIEW

APPLICATION OF CREDIBILITY

INTRODUCTION

Credibility, Z , is a weight given to the most recent body of data. The complement of credibility, $1-Z$, is the weight assigned to net trend. The final estimate is a weighted average obtained by using the formula $C = Z \times R + (1-Z) \times N$, where:

Z = credibility

C = final estimate

R = estimate based on the most recent data

N = net trend

Credibility may range from 0 to 1, where $Z=1$ is full credibility and $Z=0$ is no credibility. The actual numerical value of Z is calculated by considering how the state's volume of experience compares with an established full credibility standard. Credibility is capped at 25% if the credibility calculated is below 25%. See Tables 33, 33A, and 34 for a complete explanation of the credibility standards for Basic Group I, Basic Group II, and Special Causes of Loss.

FLORIDA

TABLE 33 - BASIC GROUP I STATEWIDE CREDIBILITY CALCULATION

(1a) FULL CREDIBILITY CLAIMS STANDARD FOR FREQUENCY WITH (P,K) = (95.00% , 5.00%)	1,537
(1b) SEVERITY MODIFICATION FACTOR	8.767
(1c) FULL CREDIBILITY CLAIMS STANDARD ADJUSTED FOR SEVERITY ((1a) X (1b))	13,475
(2) MULTISTATE FIVE YEAR RATIO OF EARNED RISKS TO CLAIMS	339.119
(3) FULL CREDIBILITY EARNED RISKS STANDARD (1c)X(2)	4,569,629
(4) FIVE YEAR STATEWIDE EARNED RISKS	428,049
(5) FIVE YEAR AGGREGATE LOSS COSTS	101,174,786
(6) AGGREGATE LOSS COSTS PER EARNED RISK (5)/(4)	236.363
(7) AGGREGATE LOSS COSTS FOR 100% CREDIBILITY (3) X (6)	1,080,091,219
(8) STATEWIDE CREDIBILITY ((5)/(7))**(.5)	30.6%

FLORIDA

TABLE 33A - BASIC GROUP II STATEWIDE CREDIBILITY CALCULATION

(1) FULL CREDIBILITY CLAIMS STANDARD	30,000
(2) MULTISTATE TEN YEAR RATIO OF EARNED RISKS TO CLAIMS	137.074
(3) FULL CREDIBILITY EARNED RISKS STANDARD (1)X(2)	4,112,220
(4) TEN YEAR STATEWIDE EARNED RISKS	976,358
(5) TEN YEAR AGGREGATE LOSS COSTS	395,100,279
(6) AGGREGATE LOSS COSTS PER EARNED RISK (5)/(4)	404.667
(7) AGGREGATE LOSS COSTS FOR 100% CREDIBILITY (3) X (6)	1,664,079,731
(8) STATEWIDE CREDIBILITY ((5)/(7))**(.5)	48.7%

FLORIDA

TABLE 34 - SPECIAL CAUSES OF LOSS STATEWIDE CREDIBILITY CALCULATION

(1) FULL CREDIBILITY CLAIMS STANDARD	25,000
(2) MULTISTATE FIVE YEAR RATIO OF EARNED RISKS TO CLAIMS	171.493
(3) FULL CREDIBILITY EARNED RISKS STANDARD (1)X(2)	4,287,325
(4) FIVE YEAR STATEWIDE EARNED RISKS	433,808
(5) FIVE YEAR AGGREGATE LOSS COSTS	61,259,898
(6) AGGREGATE LOSS COSTS PER EARNED RISK (5)/(4)	141.214
(7) AGGREGATE LOSS COSTS FOR 100% CREDIBILITY (3) X (6)	605,430,313
(8) STATEWIDE CREDIBILITY ((5) / (7)) ** (.5)	31.8%

EXPLANATORY NOTES TO TABLES 33, 33A AND 34

BASIC GROUP I, BASIC GROUP II, AND SPECIAL CAUSES OF LOSS
STATEWIDE CREDIBILITY CALCULATION

LINE (1a)
(BGI only)

Full Credibility Claims Standard of Frequency

Based on a Poisson distribution, the minimum sample size of claims is determined such that the probability that the actual number of claims will be within 5% of the expected number of claims is greater than 95%.

LINE (1b)
(BGI only)

Severity Modification Factor

This factor, defined as $(1 + S^2 / M^2)$, is used to modify the claims standard to reflect variance due to severity, where S is the standard deviation and M is the mean of the loss severity distribution (on a normal loss basis).

LINE (1c) - BGI
LINE (1) - BGII, SCL

Full Credibility Claims Standard

For Basic Group I, this standard is the product of the frequency standard in line (1a) and the severity modification factor in line (1b). For Basic Group II and Special Causes of Loss, standards for full credibility of 30,000 claims for BGII and 25,000 claims for SCL were selected to balance stability and responsiveness.

LINE (2)

Multistate Experience Period Ratio of Earned Risks to Claims

This ratio was determined based on Commercial Statistical Plan data for the latest experience period (Five years for Basic Group I and Special Causes of Loss; Ten years for Basic Group II).

LINE (3)

Full Credibility Earned Risks Standard

To translate the claims standard to an equivalent standard based on earned risks, the claims standard (line (1c) for BGI, (1) for BGII and SCL) is multiplied by the multistate experience period ratio of earned risks to claims (line (2)).

LINE (4)

Experience Period Statewide Earned Risks

This is the number of earned risks in the state for the experience period.

EXPLANATORY NOTES TO TABLE 33, 33A, AND 34 (cont'd)

LINE (5) Experience Period Aggregate Loss Costs

These are the state's experience period adjusted aggregate loss costs.

LINE (6) Statewide Experience Period Ratio of Aggregate Loss Costs to Earned Risks

This ratio is determined by dividing the state's experience period adjusted aggregate loss costs by its experience period earned risks.

LINE (7) Full Credibility Aggregate Loss Costs Standard

To translate the risk standard into an aggregate loss cost standard on a state by state basis, the ratio (line (6)) is multiplied by the full credibility earned risks standard (line (3)).

LINE (8) Credibility

The state's credibility is calculated by using the square root credibility formula:

$$Z = \sqrt{\frac{P}{C}}$$

where Z = credibility,
P = statewide five-year adjusted aggregate loss costs (line (5)), and
C = full credibility aggregate loss costs standard (line (7)).

BASIC GROUP II

HURRICANE PROCEDURES

INTRODUCTION

The Basic Group II ratemaking procedures in hurricane-prone states incorporate the use of a computerized hurricane model which can estimate hurricane losses more accurately and with greater geographic specificity than traditional experience-based techniques. The model uses a meteorological database of both landfalling and nonlandfalling tropical cyclones since 1900, a sophisticated wind field model, and engineering and insurance-based damage relationships to develop reliable estimates of expected hurricane losses. The model evaluates the probability of a hurricane at a specific location, the duration of the wind speeds at that location and the relative damageability by type of structure for the current distribution of exposures.

REVISED HURRICANE MODEL

As noted in the Executive Summary, the hurricane loss costs contained in this filing are based on Touchstone Version 5.0 of AIR Worldwide Corporation's Atlantic Tropical Cyclone Model. This model version includes historical catalog updates based on the most recent release of the North Atlantic Hurricane Database (HURDAT2), stochastic updates to the Standard and the Warm Sea Surface Temperature (WSST) 10K, 50K, and 100K stochastic catalogs, and wind vulnerability and damage estimation updates due to updated building code adoption and enforcement at the local level.

OVERVIEW OF THE USE OF HURRICANE MODELS IN RATEMAKING

The model provides hurricane loss costs (expected hurricane losses per \$100 of replacement cost value) by ZIP code, construction class, and coverage (building vs. contents). These loss costs are weighted together using the latest year Basic Group II premium distribution to calculate expected hurricane loss costs by BG II rating territory, symbol (construction grouping) and coverage (building vs. contents). The hurricane loss costs are then adjusted to an 80% coinsurance, base deductible, and base limit of insurance level, and a factor is applied to reflect all loss adjustment expenses.

The non-hurricane portion of the prospective loss costs is calculated by applying the statewide non-hurricane monoline change, based on the latest ten years of non-hurricane experience, to the non-hurricane portion of the current BG II loss costs.

The revised BG II loss costs are then equal to the sum of the modeled hurricane loss costs and the non-hurricane portion of the prospective loss costs.

BASIC GROUP II

DESCRIPTION OF THE HURRICANE MODEL

HURRICANE DEFINED

A hurricane is a tropical cyclone technically defined as a non-frontal, low pressure synoptic-scale system in which the maximum sustained surface wind speed is at least 74 miles per hour.

HURRICANE MODEL

The model consists of several components or modules - an event generation module, local intensity module, and damage module.

The event generation module is used to create the stochastic storm catalog. Over 100 years of historical data on the frequency of hurricanes and their meteorological characteristics were used to fit statistical distributions for each parameter used. These parameters include storm track, landfall location and track angle at landfall, and the intensity variables of central pressure, radius of maximum winds, and forward speed. By stochastically drawing from these statistical distributions, the fundamental characteristics of each simulated storm are generated. The result is a large, representative catalog of potential events.

Once the model generates the characteristics of a simulated event, it propagates the event along its track. Peak gust wind speeds and wind duration are estimated for each geographical location affected by the storm, and the local intensity is estimated as a function of the magnitude of the event, distance from the source of the event, and a variety of local conditions.

Damageability functions are then used to determine the relationship between the local intensity and the resulting damage to buildings and contents. Expected hurricane losses are calculated by applying the appropriate damage functions to the replacement value of the insured properties.

Following is a discussion of those elements reflected in the AIR tropical cyclone model for the Gulf and Atlantic Coasts of the continental United States.

EVENT
GENERATION
MODULE

The following storm characteristics are modeled as part of the event generation module:

Frequency of Occurrence - The model estimates frequency of occurrence based on tropical cyclones occurring since 1900.

Landfall Location - The model estimates the probability of a hurricane occurring at points along the smoothed coastline from Texas to Maine.

Central Pressure - Central pressure is the primary determinant of hurricane wind speed and therefore of intensity. All else being equal, as central pressure decreases, wind speeds increase or, more precisely, wind speed is an increasing function of the difference between the central and peripheral pressure.

Radius of Maximum Winds (Rmax) - The radius of maximum winds is the distance from the storm's center, or eye, to where the strongest winds are found. On average, the radius of maximum winds tends to be larger at higher latitudes. Similarly, the radius will be smaller, on average, for more intense storms. These relationships are explicitly accounted for in the model. While a smaller radius of maximum winds corresponds to greater storm intensity, it does not necessarily follow that losses will be greater. This is because a smaller radius usually results in a smaller affected area.

Forward Speed - Forward, or translational, speed is the rate at which a hurricane moves from point to point along its track. In general, the higher the latitude, the faster the hurricane's translational speed. Faster moving storms result in higher losses further inland. On the other hand, the faster a storm travels, the shorter the duration that a building is subjected to high wind speeds. In some areas, particularly along the coast, this can lead to lower losses than would otherwise be the case.

Track Angle at Landfall - Separate distributions for track angle at landfall are estimated for segments of coastline that are variable in length, depending upon the coastal orientation of that segment.

Storm Track - Once landfall location and the track angle at landfall are identified, the simulated storm track is generated using conditional probability matrices which resemble the curving and recurving tracks actually observed from the stochastic storm database.

Multiple-Landfalling Storms - In order to model multiple landfalling events as single storms, simulated storm tracks are joined statistically based on consistency of certain storm parameters.

LOCAL INTENSITY MODULE

Once the model probabilistically generates the hurricane's meteorological characteristics, it simulates the storm's movement along its track. Calculations of local intensity begin with the maximum over-water windspeed, and then adjustments are made for the asymmetric nature of the hurricane windfield, storm filling over land, surface friction, and relative wind speed profiles.

Asymmetry Effect - In the Northern Hemisphere, hurricane winds rotate in a counter-clockwise direction. The combined effects of hurricane winds and forward motion produce higher wind speeds on the right side of the storm, as viewed facing the storm's forward direction. The model accounts for the dynamic interaction of the forward (translational) and rotational speeds, as well as the inflow angle.

Filling Effect - As the storm moves inland its intensity begins to dissipate. Central pressure rises and the eye of the hurricane begins to "fill" as it moves away from its energy source, i.e., warm ocean water. The model filling equations are a function of the geographic location (particularly distance from coastline) and the time elapsed since landfall. Rates of filling vary by region, consistent with historical observations.

Surface Friction Effect - Differences in surface terrain (or land use/land cover) also affect windspeeds. Wind velocity profiles typically show higher wind speeds at higher elevations. Winds travel more slowly at ground-level because of the horizontal drag force of the earth's surface, or surface friction. The addition of obstacles such as buildings will further degrade wind speed. In general, the rougher the terrain, due to both natural and man-made obstacles, the more quickly wind speeds dissipate.

Relative Wind Speeds - The wind speed at any particular location is dependent on the radial distance between the eye of the storm and the location of interest.

DAMAGE ESTIMATION MODULE

The tropical cyclone model develops a complete time profile of wind speeds for each location affected by the storm, thus capturing the effect of wind duration on structures as well as the effect of peak wind speed. Damage estimation for hurricanes begins at sustained wind speeds of 40 mph and is calculated cumulatively until sustained winds are once again below 40 mph.

Separate damageability estimates exist by construction type (e.g., frame, joisted masonry, masonry non-combustible) and coverage (buildings vs. contents). Estimated hurricane damage is measured as the ratio of repair cost (i.e., expected hurricane losses) to the replacement cost of the property, capped at 80% of the replacement cost. 80% replacement cost is the exposure base, or limit of insurance, used in ISO's commercial property program.

BASIC GROUP II

RATEMAKING PROCEDURES AND LOSS COST CALCULATIONS

The following is an overview of the Basic Group II ratemaking procedures incorporating computer modeled hurricane loss costs in the hurricane-prone states.

REMOVAL OF HURRICANE LOSSES

Losses due to hurricanes reflected in the modeled hurricane loss costs are excluded from the Basic Group II loss database. Storm track data from several meteorological sources are analyzed to determine the date, location, and wind speed of each hurricane during the BG II experience period, and those losses incurred during the month of a hurricane reflected in the model are replaced with the average monthly non-hurricane losses for each rating territory. The resulting non-hurricane losses are used in the calculation of the statewide non-hurricane coverage change, the excess procedure (for CSP years, 1982 and later), and the type of policy relativities.

EXCESS PROCEDURE

The excess procedure smoothes catastrophic BG II losses due to perils other than hurricane. The procedure is based on long-term (1950 to present) statewide BG II non-hurricane experience. For those years prior to 1982 (pre-CSP), any year in which a hurricane occurred has been excluded from the excess procedure. For 1982 and later, losses incurred during the month of a hurricane have been replaced by average non-hurricane losses as described above. The normal loss ratio cutoff for each year included in the excess procedure is 0.500. From this follows the following definitions:

The Normal incurred losses for each year are those losses which do not exceed 0.500 times the earned premium for the year. The Excess incurred losses for each year are equal to the Incurred losses minus the Normal losses for the year.

$$\text{Normal Loss Ratio (NLR)} = \frac{\text{Normal Losses}}{\text{Earned Premium}}, \text{ for each year}$$

$$\text{Excess Loss Ratio (ELR)} = \frac{\text{Excess Losses}}{\text{Earned Premium}}, \text{ for each year}$$

$$\text{Excess Component} = \frac{\text{Sum of ELR's}}{\text{Sum of NLR's}}, \text{ over the long-term non-hurricane experience period}$$

The Excess Multiplier is equal to the excess component plus 1.000, and is applied to the normal non-hurricane losses used in the statewide experience review.

STATEWIDE
EXPERIENCE
LEVEL REVIEW

The statewide experience review (Table 6) is based on the latest ten years of non-hurricane loss experience. The losses are normal non-hurricane losses (i.e., hurricane losses reflected by the model have been replaced by average non-hurricane losses and the resulting losses have been capped at 0.500 times the earned premium for each year), multiplied by the excess multiplier, loss adjustment expense factor, trend factors, and loss development factors. The non-hurricane aggregate loss costs are at current manual level and have been trended to the average date of writing in the assumed effective period.

NON-HURRICANE
LOSS COST
PROVISION

The non-hurricane portion of the revised BG II loss costs for each territory (where applicable), coverage, and symbol is calculated as:

$$\text{Current Non-Hurricane Loss Cost} \times \text{Statewide Monoline Non-Hurr. Change}$$

where the statewide monoline non-hurricane change is the product of the statewide non-hurricane coverage change (Table 6) and the indicated monoline relativity found on Table 12, Column (7).

MODELED
HURRICANE
LOSS COSTS

The model produces hurricane loss costs (expected hurricane losses per \$100 of replacement cost) including demand surge and truncated at 80% of value in ZIP code, coverage, and construction detail. These loss costs are weighted together to derive expected hurricane loss costs for each rating territory, coverage, and symbol, using the latest BG II premium distribution. The hurricane loss costs are then adjusted to an 80% coinsurance, base deductible, and base limit of insurance level, and a factor is applied to reflect all loss adjustment expenses.

REVISED
BASIC GROUP II
LOSS COSTS

The revised BG II loss costs are the sum of the non-hurricane portion of the revised loss costs plus the modeled hurricane loss costs.

The statewide BG II monoline change shown on Table 1 is calculated as a weighted average of the individual loss cost changes for each territory (where applicable), coverage, and symbol. This monoline change (based on hurricane plus non-hurricane experience combined) is then used to determine the indicated loss cost adjustments by type of policy as described on Table 12.

FLORIDA
TABLE 35
CALCULATION OF INDICATED BASIC GROUP II LOSS COSTS

TERRITORY	COVERAGE SYMBOL	ACCIDENT YEAR ENDING 09/30/17 BG II AGG. LOSS COSTS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			LOSS COSTS	CURRENT LOSS COST	CURRENT NON-HURR LOSS COST	STATEWIDE MONOLINE NON-HURR. CHANGE	INDICATED NON-HURR. LOSS COST (3) * (4)	HURRICANE MODELED LOSS COST	INDICATED TOTAL LOSS COST (5) + (6)	INDICATED PERCENT CHANGE (7)/(2) - 1
Seacoast-Zone	BUILDINGS	OA	129,030	0.348	0.005	1.234	0.006	0.327	0.333	-4.3%
		OAB	127,354	0.438	0.006	1.234	0.007	0.340	0.347	-20.8%
		OB	66,774	0.748	0.007	1.234	0.009	0.635	0.644	-13.9%
		AA	8,307,369	0.317	0.005	1.234	0.006	0.297	0.303	-4.4%
		A	674,815	0.352	0.005	1.234	0.006	0.330	0.336	-4.5%
		AB	1,234,636	0.442	0.006	1.234	0.007	0.343	0.350	-20.8%
	CONTENTS	B	10,857,855	0.755	0.007	1.234	0.009	0.641	0.650	-13.9%
		OA	14,535	0.160	0.015	1.234	0.019	0.290	0.309	+93.1%
		OAB	32,259	0.208	0.016	1.234	0.020	0.301	0.321	+54.3%
		OB	18,276	0.381	0.018	1.234	0.022	0.644	0.666	+74.8%
		AA	36,117	0.146	0.014	1.234	0.017	0.264	0.281	+92.5%
		A	57,697	0.162	0.015	1.234	0.019	0.293	0.312	+92.6%
		AB	146,418	0.211	0.017	1.234	0.021	0.304	0.325	+54.0%
		B	418,302	0.385	0.019	1.234	0.023	0.650	0.673	+74.8%
		SUB-TOTAL	22,121,437							-7.6%
Seacoast-Zone	BUILDINGS	OA	370,592	0.206	0.005	1.234	0.006	0.298	0.304	+47.6%
		OAB	23,790	0.287	0.007	1.234	0.009	0.312	0.321	+11.8%
		OB	73,276	0.507	0.008	1.234	0.010	0.561	0.571	+12.6%
		AA	476,359	0.188	0.005	1.234	0.006	0.271	0.277	+47.3%
		A	31,671	0.209	0.006	1.234	0.007	0.301	0.308	+47.4%
		AB	204,392	0.290	0.007	1.234	0.009	0.315	0.324	+11.7%
	CONTENTS	B	2,243,792	0.512	0.008	1.234	0.010	0.566	0.576	+12.5%
		OA	31,471	0.082	0.012	1.234	0.015	0.236	0.251	+206.1%
		OAB	3,097	0.107	0.015	1.234	0.019	0.246	0.265	+147.7%
		OB	11,861	0.204	0.016	1.234	0.020	0.503	0.523	+156.4%
		AA	1,093	0.075	0.011	1.234	0.014	0.214	0.228	+204.0%
		A	3,577	0.083	0.012	1.234	0.015	0.238	0.253	+204.8%
		AB	36,168	0.108	0.015	1.234	0.019	0.248	0.267	+147.2%
		B	267,981	0.206	0.016	1.234	0.020	0.508	0.528	+156.3%
		SUB-TOTAL	3,779,120							+34.5%

FLORIDA
TABLE 35
CALCULATION OF INDICATED BASIC GROUP II LOSS COSTS

			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			ACCIDENT YEAR ENDING 09/30/17 BG II AGG.		CURRENT NON-HURR	STATEWIDE MONOLINE NON-HURR.	INDICATED NON-HURR. LOSS COST	HURRICANE MODELED LOSS COST	INDICATED TOTAL LOSS COST	INDICATED PERCENT CHANGE
TERRITORY	COVERAGE	SYMBOL	LOSS COSTS	LOSS COST	LOSS COST	CHANGE	(3) * (4)	LOSS COST	(5) + (6)	(7) / (2) - 1
<hr/>										
Seacoast-Zone	BUILDINGS	OA	696,270	0.119	0.003	1.234	0.004	0.147	0.151	+26.9%
		OAB	62,421	0.132	0.003	1.234	0.004	0.155	0.159	+20.5%
		OB	46,533	0.232	0.003	1.234	0.004	0.294	0.298	+28.4%
		AA	39,879	0.108	0.002	1.234	0.002	0.133	0.135	+25.0%
		A	43,243	0.120	0.003	1.234	0.004	0.148	0.152	+26.7%
		AB	398,994	0.134	0.003	1.234	0.004	0.156	0.160	+19.4%
		B	4,567,759	0.234	0.003	1.234	0.004	0.297	0.301	+28.6%
	CONTENTS	OA	26,559	0.045	0.006	1.234	0.007	0.127	0.134	+197.8%
		OAB	16,212	0.061	0.007	1.234	0.009	0.133	0.142	+132.8%
		OB	10,409	0.101	0.007	1.234	0.009	0.284	0.293	+190.1%
		AA	1,280	0.041	0.005	1.234	0.006	0.115	0.121	+195.1%
		A	14,534	0.045	0.006	1.234	0.007	0.128	0.135	+200.0%
		AB	57,633	0.061	0.007	1.234	0.009	0.134	0.143	+134.4%
		B	537,896	0.103	0.007	1.234	0.009	0.287	0.296	+187.4%
	SUB-TOTAL		6,519,622							+43.4%
Inland	BUILDINGS	OA	1,450,865	0.079	0.009	1.234	0.011	0.062	0.073	-7.6%
		OAB	31,281	0.087	0.011	1.234	0.014	0.068	0.082	-5.7%
		OB	65,091	0.128	0.014	1.234	0.017	0.146	0.163	+27.3%
		AA	13,464	0.072	0.008	1.234	0.010	0.057	0.067	-6.9%
		A	74,854	0.080	0.009	1.234	0.011	0.063	0.074	-7.5%
		AB	705,074	0.088	0.012	1.234	0.015	0.069	0.084	-4.5%
		B	5,857,835	0.129	0.014	1.234	0.017	0.147	0.164	+27.1%
	CONTENTS	OA	30,726	0.066	0.024	1.234	0.030	0.050	0.080	+21.2%
		OAB	7,559	0.075	0.029	1.234	0.036	0.055	0.091	+21.3%
		OB	15,063	0.091	0.032	1.234	0.039	0.131	0.170	+86.8%
		AA	2,031	0.060	0.022	1.234	0.027	0.045	0.072	+20.0%
		A	16,253	0.067	0.024	1.234	0.030	0.050	0.080	+19.4%
		AB	113,822	0.076	0.029	1.234	0.036	0.055	0.091	+19.7%
		B	787,942	0.092	0.032	1.234	0.039	0.132	0.171	+85.9%
	SUB-TOTAL		9,171,860							+23.8%

FLORIDA
TABLE 35
CALCULATION OF INDICATED BASIC GROUP II LOSS COSTS

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		ACCIDENT YEAR ENDING 09/30/17 BG II AGG.		CURRENT	STATEWIDE MONOLINE NON-HURR.	INDICATED NON-HURR. LOSS COST	HURRICANE MODELED LOSS COST	INDICATED TOTAL LOSS COST	INDICATED PERCENT CHANGE
TERRITORY	COVERAGE SYMBOL	LOSS COSTS		LOSS COST	CHANGE	(3) * (4)	LOSS COST	(5) + (6)	(7)/(2) - 1
<hr/>									
Seacoast-Monro	BUILDINGS	OA	0	0.371	0.006	1.234	0.007	1.672	+352.6%
		OAB	3	0.617	0.007	1.234	0.009	1.805	+194.0%
		OB	0	1.469	0.008	1.234	0.010	2.602	+77.8%
		AA	23	0.338	0.005	1.234	0.006	1.518	+350.9%
		A	0	0.375	0.006	1.234	0.007	1.687	+351.7%
		AB	37	0.623	0.007	1.234	0.009	1.821	+193.7%
		B	5,413	1.482	0.008	1.234	0.010	2.625	+77.8%
	CONTENTS	OA	0	0.153	0.011	1.234	0.014	1.203	+695.4%
		OAB	8	0.273	0.013	1.234	0.016	1.306	+384.2%
		OB	0	0.684	0.013	1.234	0.016	2.244	+230.4%
		AA	0	0.139	0.010	1.234	0.012	1.093	+695.0%
		A	0	0.154	0.011	1.234	0.014	1.214	+697.4%
		AB	0	0.276	0.013	1.234	0.016	1.318	+383.3%
		B	785	0.691	0.014	1.234	0.017	2.264	+230.1%
	SUB-TOTAL		6,269					2.281	+99.0%
<hr/>									
Seacoast-Monro	BUILDINGS	OA	7	0.483	0.010	1.234	0.012	1.167	+144.1%
		OAB	0	0.703	0.013	1.234	0.016	1.212	+74.7%
		OB	0	1.386	0.015	1.234	0.019	1.889	+37.7%
		AA	0	0.438	0.009	1.234	0.011	1.060	+144.5%
		A	272	0.487	0.010	1.234	0.012	1.178	+144.4%
		AB	478	0.710	0.013	1.234	0.016	1.223	+74.5%
		B	9,569	1.399	0.015	1.234	0.019	1.906	+37.6%
	CONTENTS	OA	28	0.192	0.021	1.234	0.026	0.783	+321.4%
		OAB	2	0.309	0.025	1.234	0.031	0.815	+173.8%
		OB	6	0.614	0.028	1.234	0.035	1.504	+150.7%
		AA	0	0.174	0.019	1.234	0.023	0.711	+321.8%
		A	52	0.193	0.021	1.234	0.026	0.790	+322.8%
		AB	95	0.311	0.025	1.234	0.031	0.822	+174.3%
		B	1,369	0.620	0.028	1.234	0.035	1.518	+150.5%
	SUB-TOTAL		11,878					1.553	+57.7%
<hr/>									
STATE TOTAL			41,610,186						+11.2%

EXPLANATORY NOTES TO TABLE 35

CALCULATION OF REVISED BASIC GROUP II LOSS COSTS

SYMBOL DEFINITIONS

The Basic Group II (BG II) symbol definitions are:

<u>Symbol</u>	<u>Definition</u>
AA	Superior Wind Resistive
A	Wind Resistive
AB	Semi-Wind Resistive
B	Ordinary

The OA, OAB, and OB construction symbols are based on the old construction definitions and are included for weighting purposes since not all of the experience has been reported under the revised construction definitions.

COLUMN (1) 2017 Aggregate Loss Costs

The latest accident year statewide aggregate loss costs for each symbol.

COLUMN (2) Current Loss Costs

The current manual loss costs are shown here.

COLUMN (3) Current Non-Hurricane Loss Costs

These are the current manual loss costs minus their hurricane component.

COLUMN (4) Statewide Monoline Non-Hurricane Loss Cost Change

The statewide monoline non-hurricane loss cost change is the product of the indicated statewide coverage change shown on Table 6, line (10), times the monoline normalized formula relativity shown on Table 12, column (7).

COLUMN (5) Indicated Non-Hurricane Loss Costs

The indicated non-hurricane loss costs are calculated as the current non-hurricane loss costs times the statewide non-hurricane monoline change, and reflect that portion of the indicated BG II loss costs due to non-hurricane perils.

EXPLANATORY NOTES TO TABLE 35

CALCULATION OF REVISED BASIC GROUP II LOSS COSTS (Cont'd)

COLUMN (6) Hurricane Modeled Loss Costs

These are the expected hurricane loss costs based on the computer simulation model. The model produces hurricane loss costs (expected hurricane loss per \$100 of replacement cost) by ZIP code, coverage (building vs. contents) and construction. These loss costs are weighted together using the latest year written premium to calculate expected hurricane loss costs by territory, coverage and symbol. The loss costs are then adjusted to reflect the 80% coinsurance clause, \$500 base deductible level, base limit of insurance (\$250,000 for buildings and \$50,000 for contents), and all loss adjustment expenses.

COLUMN (7) Indicated Total Loss Costs

The indicated total loss costs are equal to the sum of the revised non-hurricane loss costs plus the hurricane modeled loss costs.

COLUMN (8) Percent Change

The percentage change is the ratio of the indicated loss cost to current loss cost, minus one. The overall statewide change is a weighted average of the percent changes for each symbol based on the aggregate loss costs shown in column (1).

FLORIDA
COMMERCIAL PROPERTY INSURANCE

SECTION D - ADDITIONAL SUPPORTING MATERIAL

Basic Group I Rating Group Definitions (Table 36)	D2-6
Special Causes of Loss Category Definitions (Table 37)	D7-9
Unadjusted Loss Costs, Incurred Losses, Experience Ratios (Tables 38 - 40)	D10-12
Loss Adjustment Expense Factors (Table 41)	D13-14

TABLE 36

BASIC GROUP I RATING GROUP DEFINITIONS

THE FOLLOWING CSP CLASSES COMPRISE THE BASIC GROUP I RATING GROUPS

01 APARTMENTS

- 0311 Apartments without Mercantile Occupancies - Up to 10 Units
- 0312 Apartments without Mercantile Occupancies - 11 to 30 Units
- 0313 Apartments without Mercantile Occupancies - Over 30 Units
- 0321 Apartments with Mercantile Occupancies - Up to 10 Units
- 0322 Apartments with Mercantile Occupancies - 11 to 30 Units
- 0323 Apartments with Mercantile Occupancies - Over 30 Units
- 0331 Residential Condominiums without Mercantile Occupancies - Up to 10 Units
- 0332 Residential Condominiums without Mercantile Occupancies - 11 to 30 Units
- 0333 Residential Condominiums without Mercantile Occupancies - Over 30 Units
- 0341 Residential Condominiums with Mercantile Occupancies - Up to 10 Units
- 0342 Residential Condominiums with Mercantile Occupancies - 11 to 30 Units
- 0343 Residential Condominiums with Mercantile Occupancies - Over 30 Units

02 OTHER HABITATIONAL

- 0074 Boarding and Lodging Houses, Rooming Houses, Fraternities and Sororities, Dormitories - Up to 10 Units
- 0075 Boarding and Lodging Houses, Rooming Houses, Fraternities and Sororities, Dormitories - 11 to 30 Units
- 0076 Boarding and Lodging Houses, Rooming Houses, Fraternities and Sororities, Dormitories - Over 30 Units
- 0077 Convents, Monasteries and Rectories, Orphan Homes, Nurses' Homes, Sisters' Homes - Up to 10 Units
- 0078 Convents, Monasteries and Rectories, Orphan Homes, Nurses' Homes, Sisters' Homes - 11 to 30 Units
- 0079 Convents, Monasteries and Rectories, Orphan Homes, Nurses' Homes, Sisters' Homes - Over 30 Units
- 0196 Dwellings Written in Conjunction with Commercial Risks from the Commercial Lines Manual - 1 Family
- 0197 Dwellings Written in Conjunction with Commercial Risks from the Commercial Lines Manual - 2 Family
- 0198 Dwellings Written in Conjunction with Commercial Risks from the Commercial Lines Manual - 3 and 4 Family
- 0300 Large Area Housing Developments (Special Rating Treatment)

03 RESTAURANTS & BARS

- 0541 Bars and Taverns
- 0542 Restaurants with Commercial Cooking
- 0545 Restaurants with Limited Cooking

04 OTHER MERCANTILES

- 0431 Sole Occupancy Mercantile, Over 15,000 Square Feet, Building Coverage, Other than Food Risks
- 0432 Sole Occupancy Mercantile, Over 15,000 Square Feet, Food Risks, Buildings and Personal Property
- 0433 Multiple Occupancy Mercantile, Over 15,000 Square Feet, Building Coverage Only, Not Fire Class Rated
- 0434 Multiple Occupancy Mercantile, Less than 15,000 Square Feet, Building Coverage Only, Not Fire Class Rated
- 0511 Risks Having Low Susceptibility Personal Property, NOC
- 0512 Tire, Battery and Accessory Dealers Without Tire Recapping and Vulcanizing
- 0520 Wearing Apparel, Textiles, Shoes
- 0531 Alcoholic Beverages other than Bars
- 0532 Food Products including Retail Bakeries (no baking and no cooking on premises; sales only); Beverages other than Alcoholic
- 0533 Retail Bakeries - Baking on Premises (No delivery to other outlets)
- 0534 Food Products with Limited Cooking, Excluding Bakeries
- 0550 Motor Vehicle (Auto, Aircraft, Marine) Sales, No Repair
- 0561 Boat and Marine Supply Dealers
- 0562 Drugs
- 0563 Electrical Goods, Hardware and Machinery
- 0564 Furniture and Home Furnishings other than Appliances
- 0565 Jewelry
- 0566 Sporting Goods
- 0567 Risks Having Moderate Susceptibility Personal Property, NOC
- 0570 Risks Having High Susceptibility Personal Property, NOC
- 0580 Greenhouses
- 0581 Multiple Occupancy Mercantile, Fire Class Rated, without furniture Occupant
- 0582 Multiple Occupancy Mercantile, Fire Class Rated, with furniture Occupant

05 PUBLIC BUILDINGS

- 0701 Governmental Offices
- 1000 Penal Institutions
- 1051 Museums, Libraries, Art Galleries (non-profit)
- 1070 Other Public Buildings, Fire Dept., Police, Water/Sewer

06 CHURCHES

- 0900 Churches and Synagogues

07 SCHOOLS

- 1052 Schools, Academic

08 OFFICE AND BANKS

- 0702 Non-Governmental Offices and Banks

09 RECREATIONAL FACILITIES

- 0755 Golf Clubs, Tennis Clubs and Similar Sports Facilities with Cooking
- 0756 Golf Clubs, Tennis Clubs and Similar Sports Facilities without Cooking
- 0757 Clubs, NOC, Including Fraternal and Union Halls
- 0831 Motion Picture Studios
- 0832 Theaters
- 0833 Drive-in Theaters
- 0834 Skating Rinks--Roller Rinks
- 0841 Bowling Alleys
- 0843 Halls and Auditoriums
- 0844 Recreational Facilities, NOC
- 0845 Boys' and Girls' Camps
- 0846 Dance Halls, Ballrooms & Discotheques
- 0951 Gambling Casinos with Restaurants
- 0952 Gambling Casinos without Restaurants

10 HOTELS & MOTELS

- 0742 Motels and Hotels with Restaurant - Up to 10 Units
- 0743 Motels and Hotels with Restaurant - 11 to 30 Units
- 0744 Motels and Hotels with Restaurant - Over 30 Units
- 0745 Motels and Hotels without Restaurant - Up to 10 Units
- 0746 Motels and Hotels without Restaurant - 11 to 30 Units
- 0747 Motels and Hotels without Restaurant - Over 30 Units

11 HOSPITALS & NURSING HOMES

- 0851 Hospitals
- 0852 Nursing and Convalescent Homes

12 BUILDINGS UNDER CONSTRUCTION

- 1150 Buildings Under Construction

13 MOTOR VEHICLE RISKS

- 0931 Auto Parking Garages, Car Washes
- 0932 Gasoline Service Stations
- 0933 Aircraft Hangars with Repairing, Motor Vehicle Repairing Including Auto Body Shops, with or without Sales
- 0934 Tire Recapping and Vulcanizing with or without Sales
- 0940 Aircraft Hangars without Repairing

14 OTHER NON-MANUFACTURING

- 0911 Dry Cleaner and Dyeing Plants, other than Self-Service
- 0912 Laundries, other than Self-Service
- 0913 Self-Service Laundries and Dry Cleaners
- 0921 Light Hazard Service Occupancies
- 0922 Services Occupancies, Other than Light Hazard, NOC
- 0923 Funeral Homes
- 1180 Vacant Buildings
- 1185 Billboards and Signs
- 1190 Yard Property, NOC, Including Property in the Open

15 STORAGE

- 1200 Piers, Wharves, Bridges
- 1211 Freight Terminals
- 1212 General Storage Warehouses - Bailee
- 1213 Miscellaneous Products Storage - (other than Retail or Wholesale or Cold Storage)
- 1220 Household Goods Storage
- 1230 Cold Storage Warehouses
- 1251 Farm Products (other than Grain, Cotton, Tobacco)
- 1252 Grain, Seed, Bean Warehouses
- 1300 Cotton Compresses and Storage
- 1400 Waste and Reclaimed Material, including Yards
- 1450 Whiskey and Liquor Warehouses in Connection with Distilleries
- 1501 Tobacco Warehouses, Storage
- 1502 Tobacco Sales Warehouses
- 1550 Grain Elevators - Terminal
- 1610 Grain Elevators - Country
- 1650 Building Supply Yards, including Retail Lumberyards, Coal and Coke Yards
- 1700 Mill Yards
- 1751 Oil Distributing, Oil Terminals and LPG Tank Farms, Including Stock
- 1752 Oil Distributing, Oil Terminals and LPG Tank Farms, Excluding Stock

17 FOOD MANUFACTURING

- 2000 Dairy Products
- 2059 Meat, Poultry and Fish Products
- 2150 Grain Milling, Including Feed, Stock, Flour Mills
- 2200 Bakeries and Bakery Products
- 2250 Fruit, Nut and Vegetable Products
- 2300 Sugar, Molasses and Syrup Refining
- 2350 Beverages excluding Alcoholic Beverages
- 2400 Breweries
- 2459 Distilleries and Wineries
- 2550 Tobacco and Tobacco Products
- 2600 Food Products, NOC

18 WOOD MANUFACTURING

- 3809 Basic Wood Production including Veneer and Plywood Plants
- 3959 Furniture and Other Wood Products, NOC

19 WEARING APPAREL

- 2800 Textile Mill Products - Natural and Synthetic
- 3009 Clothing and Apparel including Furs and Finished Products

20 CHEMICAL MANUFACTURING

- 5000 Chemicals and Pharmaceuticals - Low Hazard
- 5050 Chemicals and Pharmaceuticals - Moderate Hazard
- 5100 Chemicals and Pharmaceuticals - High Hazard

21 METAL MANUFACTURING

- 6810 Heavy Metalworking including Basic Metalwork
- 6850 Metalworking, NOC

22 OTHER MANUFACTURING

- 2750 Cotton Gins
- 3409 Leather and Leather Products
- 4400 Paper Manufacturing
- 4450 Paper and Paper Products Processing
- 4809 Printing
- 5500 Plastic Products
- 5759 Rubber Products
- 6009 Stone, Glass, Concrete, Gypsum, Brick, Tile and Clay Products, Abrasives, Plaster and Other Mineral, NOC
- 6210 Mining Other than Coal
- 6250 Coal Mining
- 6900 Precision Products, Electronic, Radio and Television Manufacturing

TABLE 37

SPECIAL CAUSES OF LOSS CATEGORY DEFINITIONS

CATEGORY 01 - BUILDING AND TIME ELEMENT COVERAGE

CATEGORY 02 - APARTMENT AND CONDOMINIUM CONTENTS COVERAGE

CATEGORY 03 - OFFICE CONTENTS COVERAGE

CATEGORIES 04, 05, & 06 - MERCANTILE CONTENTS COVERAGE

An establishment in which the principal business is the retail or wholesale buying or selling of goods, wares and merchandise. Included are bars, grills and restaurants.

CATEGORY 04 - MERCANTILE CONTENTS COVERAGE (HIGH)

Occupancy classes 0511, 0520, 0550, 0562, 0566, 0567, 0581, 0702, 1180, 1185, 1190, 1200, 1211, 1212, 1213, 1251, 1300, 1400, 1751, or 1752

CATEGORY 05 - MERCANTILE CONTENTS COVERAGE (MEDIUM)

Occupancy classes not listed in Category 04 or Category 06

CATEGORY 06 - MERCANTILE CONTENTS COVERAGE (LOW)

Occupancy classes 0512, 0541, 0563, 0921, 0922, 0933, 0940, or 1230

CATEGORY 07 - MOTEL & HOTEL CONTENTS COVERAGE

Hotels, motels, motor inns, motor lodges, tourist courts and similar risks whose business is principally the providing of lodging accommodations for transients, including premises and operations necessary or incidental to such lodging accommodations.

TABLE 37

SPECIAL CAUSES OF LOSS CATEGORY DEFINITIONS

CATEGORIES 08 & 09 - INSTITUTIONAL CONTENTS COVERAGE

An establishment principally occupied by an educational, religious, sanitary, charitable or governmental organization. It does not include buildings containing manufacturing of any kind, or sale, storage, processing, or repair of clothing or furniture, or paper or rag storage, or sorting or supplying of food or lodging to itinerants.

CATEGORY 08 - INSTITUTIONAL CONTENTS COVERAGE (HIGH)

Occupancy classes 0701, 0702, 0851, 0921, 1051, or 1052

CATEGORY 09 - INSTITUTIONAL CONTENTS COVERAGE (LOW)

Occupancy classes not listed in Category 08

CATEGORIES 10 & 11 - INDUSTRIAL & PROCESSING CONTENTS COVERAGE

An establishment in which the principal activity is the manufacturing of goods and wares or processing of raw materials or finished goods.

CATEGORY 10 - INDUSTRIAL & PROCESSING CONTENTS COVERAGE (HIGH)

Occupancy classes 1252, 1300, 1400, 1700, 2000, 2059, 2150, 2200, 2250, 2300, 2350, 2400, 2459, 2550, 2600, 2750, 2800, 2805, 3009, 3409, 3809, 3959, or 4400

CATEGORY 11 - INDUSTRIAL & PROCESSING CONTENTS COVERAGE (LOW)

Occupancy classes not listed in Category 10

TABLE 37

SPECIAL CAUSES OF LOSS CATEGORY DEFINITIONS

CATEGORIES 12 & 13 - SERVICE CONTENTS COVERAGE

An establishment in which the principal operation is the providing of a personal or commercial service. Included are establishments providing entertainment or recreation; warehousing of property of others; and automobile risks, such as service, repair or garaging of automobiles and parking lots.

CATEGORY 12 - SERVICE CONTENTS COVERAGE (HIGH)

Occupancy classes 0520, 0542, 0545, 0550, 0567, 0702, 0755, 0831, 0832, 0911, 0912, 0913, 0921, 0931, 0932, 0934, 1213, or 4809

CATEGORY 13 - SERVICE CONTENTS COVERAGE (LOW)

Occupancy classes not listed in Category 12

CATEGORY 14 - CONTRACTOR CONTENTS COVERAGE

An establishment in which the principal operation is that of installation, construction, demolition or maintenance. This includes any owner/contractor, general contractor or sub-contractor whether or not he or she actually performs any part of such work or has employees on the site.

FLORIDA
TABLE 38

BASIC GROUP I

UNADJUSTED AGGREGATE LOSS COSTS, LOSSES, AND EXPERIENCE RATIOS

YEAR	TOTAL UNADJUSTED LOSS COSTS	TOTAL UNADJUSTED INCURRED LOSSES	EXPERIENCE RATIO
2013	24,043,466	11,547,296	0.480
2014	24,502,252	7,871,345	0.321
2015	24,270,749	5,115,764	0.211
2016	24,059,563	9,364,968	0.389
2017	23,718,408	11,958,801	0.504

FLORIDA
TABLE 39

BASIC GROUP II

UNADJUSTED AGGREGATE LOSS COSTS, LOSSES, AND EXPERIENCE RATIOS

YEAR	TOTAL	TOTAL **	EXPERIENCE RATIO
	UNADJUSTED	UNADJUSTED	
	LOSS COSTS	NON-HURRICANE INCURRED LOSSES	
2008	35,415,898	5,526,406	0.156
2009	31,958,545	4,614,137	0.144
2010	29,448,471	1,617,981	0.055
2011	26,758,028	4,856,333	0.181
2012	26,179,543	3,584,606	0.137
2013	24,739,177	5,111,545	0.207
2014	25,748,560	1,643,391	0.064
2015	27,757,515	1,515,905	0.055
2016	31,565,610	2,018,356	0.064
2017	37,445,054	3,607,191	0.096

** LOSSES INCURRED DURING THE MONTH OF A HURRICANE HAVE BEEN
EXCLUDED AND REPLACED WITH AVERAGE NON-HURRICANE LOSSES.

FLORIDA
TABLE 40

SPECIAL CAUSES OF LOSS

UNADJUSTED AGGREGATE LOSS COSTS, LOSSES, AND EXPERIENCE RATIOS

YEAR	TOTAL UNADJUSTED LOSS COSTS	TOTAL UNADJUSTED INCURRED LOSSES	EXPERIENCE RATIO
<hr/>	<hr/>	<hr/>	<hr/>
2013	12,568,800	6,105,191	0.486
2014	12,839,660	6,167,464	0.480
2015	13,050,648	7,051,522	0.540
2016	13,403,357	7,449,962	0.556
2017	13,820,990	16,947,444	1.226

OVERVIEW

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.
PROPERTY COVERAGES	For the property coverages, only the incurred indemnity losses are reported to ISO under the Commercial Statistical Plan. All loss adjustment expenses must be loaded in. A factor representing the ratio of incurred losses plus all LAE to incurred losses was selected based on multistate financial data (see Table 41 for the underlying data).
EXPERIENCE INCLUDED	Fire and Allied Lines incurred loss and loss adjustment expense experience for 2012-2016 is displayed on Table 41. The experience is based on Insurance Expense Exhibit information compiled by A.M. Best. For Allied Lines, the loss adjustment expense ratios [Table 41, line (3)(b)] for several years are distorted by unusual catastrophe-related losses and loss adjustment expenses. The selected Allied Lines loss adjustment expense factor used for this review was selected after consideration of this distortion and based on a review of average loss adjustment expense ratios over a longer time period.
SELECTED FACTORS	The following factors have been used in this review to load incurred losses for all loss adjustment expenses:

Basic Group I	1.100
Basic Group II	1.125
Special Causes of Loss	1.125

TABLE 41
FIRE AND ALLIED LINES INSURANCE
COUNTRYWIDE LOSS ADJUSTMENT EXPENSE EXPERIENCE (A)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Selected</u>
(1) Fire						
(a) Direct Losses Incurred	5,023,106	4,688,160	5,453,055	5,307,898	5,625,399	
(b) Direct Loss Adjustment Expense Incurred	483,790	467,349	541,303	522,374	538,861	
(2) Allied Lines						
(a) Direct Losses Incurred	8,611,569	4,802,876	4,490,338	4,730,020	6,303,537	
(b) Direct Loss Adjustment Expense Incurred	807,626	702,307	617,997	650,322	701,782	
(3) Loss Adjustment Expense as a Ratio to Losses						
(a) Fire (1b) / (1a)	9.6%	10.0%	9.9%	9.8%	9.6%	10.0%
(b) Allied Lines (2b) / (2a)	9.4%	14.6%	13.8%	13.7%	11.1%	12.5%

NOTE: All dollar amounts are displayed in thousands.

(A) Items (1) and (2) are based on Insurance Expense Exhibit information compiled by A. M. Best.

FLORIDA
COMMERCIAL PROPERTY
LOSS COST LEVEL REVIEW
ACTUARIAL ANALYSIS SUPPLEMENT

PURPOSE

This document provides discussion and analysis of changes in the experience and adjustments used to derive the advisory prospective loss cost level indications.

MONOLINE
INDICATIONS

The indicated statewide monoline changes are:

<u>Subline</u>	<u>Current Review</u>	<u>Prior Review</u>
Basic Group I	-9.0%	-12.1%
Basic Group II	11.2%	22.4%
Special Causes of Loss	8.8%	0.3%
All Coverages Combined	5.6%	8.6%

The prior review indications were not filed. There has been no change in the Implicit Package Modification Factors since the prior review.

Special Causes of Loss (SCL) Indications on an Old Category Basis

Given below are the current SCL review indications on an old category basis for those companies that have not yet adopted the current SCL rating that was introduced in conjunction with the limit of insurance curves.

<u>Category</u>	<u>Loss Cost Change</u>
01 Buildings	12.3%
02 Apartment and Condominium Contents	7.2%
03 Office Contents	-2.0%
04 Mercantile, Motel-Hotel, and Institutional Contents	3.3%
05 Service, Industrial-Processing and Contractors Contents	3.6%
Personal Property (Contents) Excluding Theft	2.4%

Given below is a brief discussion and comparison of the multistate factors (premium and loss trend, loss adjustment expense, and loss development) used in this year's and last year's reviews. The discussion is followed by a state specific analysis by subline and a list of events occurring during the experience period in this state that have been identified as catastrophes by ISO's Property Claims Services.

DATA QUALITY

Statistical plan data reported to ISO is first processed through a system of rigorous automated data verification processes so that only valid data is used for ratemaking. Subsequent to this initial data submission review, additional analyses involving an even more customized data review for this line were performed by staff. During these processes, various data records were excluded from the review, corrected or adjusted. Specifically, an on-leveling approach was used to determine aggregate loss costs at current level rather than the extension-of-exposures method for some reported exposures, and various loss cost multipliers 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.

LOSS ADJUSTMENT EXPENSE/LOSS DEVELOPMENT FACTORS

Loss adjustment expense factors have remained the same at 1.100 for BG I and 1.125 for BG II and SCL. Loss development factors changed slightly but are still relatively close to unity for all sublines and years.

LOSS TREND FACTORS

Given below is a comparison of the external trend factors, loss trend adjustments (LTAs) and total loss trend factors for the current and prior reviews.

External Trend

The prospective annual rates of change based on the external indices (Xactware for Buildings, PPI for Contents, and IMSEP/RSALLES for Time Element) for the current and prior year reviews are:

<u>Coverage</u>	<u>Current Review</u>	<u>Prior Review</u>	<u>Change</u>
Buildings	+2.7%	+2.5%	+0.2
Contents	+1.4%	+0.8%	+0.6
Time Element	+0.5%	-0.9%	+1.4

Loss Trend Adjustments (LTAs)

The loss trend adjustment factors underlying the current and prior reviews are:

<u>Subline</u>	<u>Current Review</u>			<u>Prior Review</u>		
	<u>Bldg.</u>	<u>Cnts.</u>	<u>TE</u>	<u>Bldg.</u>	<u>Cnts.</u>	<u>TE</u>
Basic Group I	-0.4%	+0.5%	+2.5%	-0.7%	+0.4%	+1.9%
Basic Group II	+0.5%	+0.8%	+2.2%	+0.5%	+0.5%	+1.5%
Special Causes of Loss	+0.3%	+0.5%	+2.5%	+0.3%	+0.9%	+1.9%

Total Annual Loss Trend

The prospective total annual loss trend factors are given below and are calculated as the product of the external trend factors and loss trend adjustment factors.

<u>Subline</u>	<u>Current Review</u>			<u>Prior Review</u>		
	<u>Bldg.</u>	<u>Cnts.</u>	<u>TE</u>	<u>Bldg.</u>	<u>Cnts.</u>	<u>TE</u>
Basic Group I	+2.3%	+1.9%	+3.0%	+1.8%	+1.2%	+1.0%
Basic Group II	+3.2%	+2.2%	+2.7%	+3.0%	+1.3%	+0.6%
Special Causes of Loss	+3.0%	+1.9%	+3.0%	+2.8%	+1.7%	+1.0%

CHANGE IN
AVERAGE LOSS
TREND

The changes in average loss trend from current year to prior year are:

<u>Subline</u>	<u>Change in Average Trend</u>
Basic Group I	+2.5%
Basic Group II	+2.3%
Special Causes of Loss	+0.8%

Average loss trend is calculated as a weighted average of the total loss trend from the midpoint of the experience year to one year past the assumed effective date for each year in the experience period based on the statewide loss cost level review year weights (.10, .15, .20, .25, .30 for BG I and SCL, and 0.10 for all years for BG II). Total loss trend includes the effect of Current Cost Factors to bring losses to the latest level of external cost information, Loss Projection Factors to project from the external cost level to one year past the assumed effective date, and Loss Trend Adjustment factors over the entire trend period.

PREMIUM TREND
FACTORS

The prospective annual premium trend factors, based on annual changes in amounts of insurance written, for the current and prior reviews are:

<u>Coverage</u>	<u>Current Review</u>	<u>Prior Review</u>	<u>Change</u>
Buildings	+2.0%	+2.2%	-0.20%
Contents	+1.7%	+1.9%	-0.20%
Time Element	+1.0%	+1.2%	-0.20%

NET TREND

The prospective annual net (loss ÷ premium) trend factors for the current and prior year reviews are:

<u>Subline</u>	<u>Current Review</u>	<u>Prior Review</u>	<u>Change</u>
Basic Group I	+0.4%	-0.5%	0.90%
Basic Group II	+1.1%	+0.3%	0.80%
Special Causes of Loss	+0.7%	+0.2%	0.50%

BASIC GROUP I

The statewide five-year weighted average experience ratio, before credibility weighting, increased by 16.7%, from 0.563 in the prior review to 0.657 in the current review. The increase was due to a higher-than-average adjusted experience ratio of 0.894 for 2017 entering the experience period and a lower-than-average ratio of 0.569 for 2012 exiting the experience period. The monoline relativity decreased by 0.9%.

Statewide Loss Cost Level Review

	<u>Current Review</u>	<u>Prior Review</u>	<u>Ratio</u>
Weighted Experience Ratio	0.657	0.563	1.167
Credibility	0.306	0.312	0.981
Expected Experience Ratio	1.004	0.995	1.009
Coverage Change	0.898	0.860	1.044
Monoline Relativity	1.013	1.022	0.991
Monoline Change	0.910	0.879	1.035

BASIC GROUP II

The statewide ten-year weighted average experience ratio, before credibility weighting, increased by 3.9%, from 1.552 in the prior review to 1.613 in the current review. The increase was due to a higher-than-average experience ratio of 1.833 for 2017 entering the experience period and a lower-than-average experience ratio of 1.357 for 2007 exiting the experience period. The monoline relativity decreased by 4.5%, due to a higher-than-overall monoline experience ratio of 0.165 for 2007 leaving the experience period and a lower than average monoline ratio of 0.086 for 2017 entering the experience period.

Statewide Loss Cost Level Review

	<u>Current Review</u>	<u>Prior Review</u>	<u>Ratio</u>
Weighted Experience Ratio	1.613	1.552	1.039
Credibility	0.487	0.482	1.010
Expected Experience Ratio	1.011	1.003	1.008
Coverage Change	1.304	1.268	1.028
Monoline Relativity	0.9461	0.9911	0.955
Monoline Change	1.234	1.257	0.982
Monoline Change incl. Hurricane	1.112	1.224	0.908

**SPECIAL CAUSES
OF LOSS**

The statewide five-year weighted average experience ratio, before credibility weighting, increased by 13.3%, from 0.777 in the prior review to 0.880 in the current review. The increase was due to a higher-than-average experience ratio of 1.051 for 2017 entering the experience period. The monoline relativity increased by 4.2%, due to a higher-than-overall monoline experience ratio of 1.781 for 2017 entering the experience period.

Statewide Loss Cost Level Review

	<u>Current Review</u>	<u>Prior Review</u>	<u>Ratio</u>
Weighted Experience Ratio	0.880	0.777	1.133
Credibility	0.318	0.331	0.961
Expected Experience Ratio	1.007	1.002	1.005
Coverage Change	0.967	0.928	1.042
Monoline Relativity	1.125	1.080	1.042
Monoline Change	1.088	1.003	1.085

PROPERTY
CLAIMS SERVICES
INFORMATION

The following events have been identified by Property Claims Services as catastrophes occurring in this state from 1/1/1990 through 12/31/2017.

<u>Date From</u>	<u>Date To</u>	<u>Perils</u>
2/9/90	2/10/90	Wind, Hail, Tornadoes, Flooding
10/11/90	10/13/90	Tropical Storm Marco- Wind, Tornadoes, Flooding
1/18/91	1/20/91	Wind, Hail, Tornadoes, Flooding
2/15/91	2/15/91	Wind
3/1/91	3/4/91	Wind, Hail, Tornadoes, Flooding, Ice, Freezing
4/18/91	4/20/91	Wind, Hail, Tornadoes, Flooding
4/24/91	4/25/91	Wind, Hail, Tornadoes, Flooding
3/3/92	3/7/92	Wind, Hail, Tornadoes, Flooding
3/24/92	3/25/92	Wind, Hail, Tornadoes, Flooding
3/28/92	3/30/92	Wind, Hail, Tornadoes
6/25/92	6/29/92	Wind, Flooding
8/24/92	8/26/92	Hurricane Andrew - Wind, Tornadoes, Flooding
10/3/92	10/4/92	Wind, Hail, Tornadoes, Flooding
3/11/93	3/14/93	Wind, Hail, Tornadoes, Freezing, Ice, Snow
4/5/93	4/5/93	Wind, Hail, Tornadoes
3/1/94	3/3/94	Wind, Snow, Ice, Freezing, Flooding
5/3/94	5/3/94	Wind, Hail, Tornadoes, Flooding
7/3/94	7/8/94	Tropical Storm Alberto - Wind, Flooding
8/15/94	8/17/94	Tropical Storm Beryl - Wind, Hail, Tornadoes, Flooding
10/10/94	10/14/94	Wind, Flooding
11/14/94	11/16/94	Tropical Storm Gordon - Wind, Tornadoes, Flooding
12/21/94	12/24/94	Wind, Flooding
1/6/95	1/7/95	Hail, Tornadoes
8/1/95	8/4/95	Hurricane Erin - Wind, Tornadoes
10/4/95	10/5/95	Hurricane Opal - Wind, Tornadoes, Flooding
10/16/95	10/18/95	Wind, Flooding
1/31/96	2/6/96	Wind, Snow, Ice, Tornadoes, Flooding
3/16/96	3/21/96	Wind, Hail, Tornadoes, Flooding
3/30/96	3/31/96	Wind, Hail, Tornadoes, Flooding
10/7/96	10/8/96	Tropical Storm Josephine - Wind, Tornadoes, Flooding
4/21/97	4/23/97	Wind, Hail, Tornadoes, Flooding
5/2/97	5/3/97	Wind, Hail, Tornadoes, Flooding
5/27/97	5/27/97	Wind, Hail, Tornadoes, Flooding
10/25/97	10/28/97	Wind, Hail, Tornadoes, Snow, Flooding
11/1/97	11/2/97	Wind, Hail, Tornadoes, Flooding
2/2/98	2/5/98	Hail, Snow, Wind, Flooding, Tornadoes
2/22/98	2/23/98	Hail, Wind, Flooding, Tornadoes
3/5/98	3/9/98	Hail, Wind, Flooding, Tornadoes
9/21/98	9/28/98	Hurricane Georges - Wind, Flooding, Tornadoes
1/1/99	1/4/99	Hail, Snow, Wind, Flooding, Freezing
5/3/99	5/7/99	Hail, Wind, Flooding, Tornadoes
6/10/99	6/14/99	Hail, Wind, Flooding, Tornadoes
9/14/99	9/17/99	Hurricane Floyd - Wind, Flooding, Tornadoes
10/15/99	10/16/99	Hurricane Irene - Wind, Flooding, Tornadoes
10/2/00	10/4/00	Wind, Flooding, Tornadoes
12/16/00	12/17/00	Hail, Wind, Flooding, Tornadoes
6/11/01	6/17/01	Tropical Storm Allison - Wind, Flooding
9/13/01	9/15/01	Tropical Storm Gabrielle - Wind, Flooding, Tornadoes

PROPERTY	9/25/02	9/27/02	Tropical Storm Isidore - Flooding, Hail, Wind
CLAIMS SERVICES	12/23/02	12/25/02	Flooding, Hail, Tornadoes, Wind
INFORMATION	1/13/03	1/25/03	Freezing, Ice, Snow, Wind
(cont'd)	2/21/03	2/23/03	Flooding, Hail, Tornadoes, Wind
	4/24/03	4/27/03	Flooding, Hail, Tornadoes, Wind
	7/21/03	7/23/03	Flooding, Hail, Tornadoes, Wind
	11/16/03	11/19/03	Flooding, Hail, Tornadoes, Wind
	8/13/04	8/14/04	Hurricane Charley - Flooding, Tornadoes, Wind
	9/3/04	9/9/04	Hurricane Frances - Flooding, Tornadoes, Wind
	9/15/04	9/21/04	Hurricane Ivan - Flooding, Tornadoes, Wind
	9/15/04	9/29/04	Hurricane Jeanne - Flooding, Tornadoes, Wind
	3/25/05	3/28/05	Flooding, Hail, Tornadoes, Wind
	7/9/05	7/11/05	Hurricane Dennis - Flooding, Tornadoes, Wind
	8/25/05	8/30/05	Hurricane Katrina - Flooding, Tornadoes, Wind
	9/20/05	9/26/05	Hurricane Rita - Flooding, Tornadoes, Wind
	10/24/05	10/24/05	Hurricane Wilma - Flooding, Tornadoes, Wind
	8/29/06	9/3/06	Tropical Storm Ernesto - Flooding, Tornadoes, Wind
	2/2/07	2/2/07	Hail, Tornadoes, Wind
	8/18/08	8/25/08	Tropical Storm Fay - Flooding, Tornadoes, Wind
	4/12/09	4/14/09	Flooding, Hail, Tornadoes, Wind
	6/2/09	6/6/09	Flooding, Hail, Wind
	1/7/10	1/12/10	Freezing, Wind
	3/29/11	3/31/11	Flooding, Hail, Tornadoes, Wind
	6/23/12	6/27/12	Tropical Storm Debby - Flooding, Tornadoes, Wind
	8/26/12	8/31/12	Hurricane Isaac - Flooding, Tornadoes, Wind
	4/27/14	5/1/14	Flooding, Hail, Tornadoes, Wind
	4/18/15	4/21/15	Flooding, Hail, Tornadoes, Wind
	4/24/15	4/28/15	Flooding, Hail, Tornadoes, Wind
	2/22/16	2/25/16	Flooding, Hail, Tornadoes, Wind
	3/17/16	3/18/16	Flooding, Hail, Wind
	4/10/16	4/15/16	Flooding, Hail, Wind
	8/31/16	9/4/16	Flooding, Hurricane, Tornadoes, Tropical Storm, Wind
	10/6/16	10/9/16	Flooding, Hurricane, Tornadoes, Tropical Storm, Wind
	11/28/16	12/1/16	Flooding, Hail, Tornadoes, Wind
	1/18/17	1/23/17	Flooding, Hail, Tornadoes, Wind
	2/7/17	2/7/17	Flooding, Hail, Tornadoes, Wind
	4/2/17	4/3/17	Flooding, Hail, Tornadoes, Wind
	4/4/17	4/6/17	Flooding, Hail, Tornadoes, Wind
	9/6/17	9/12/17	Flooding, Hurricane, Tornadoes, Tropical Storm, Wind
	10/7/17	10/9/17	Flooding, Hurricane, Tornadoes, Tropical Storm, Wind

ISO's Property Claims Services defines a catastrophe as an event that:

- reaches a threshold dollar amount of total insured property losses, and
- affects a significant number of property and casualty insurance policyholders and property and casualty insurers.

From 1949 to 1981, the threshold was \$1 million. From 1982 to 1996, it was \$5 million, and since January 1, 1997, the threshold has been \$25 million.

All of the events listed above may not have resulted in unexpected loss experience for commercial property coverage in this state since catastrophes are defined based on total insured property losses spreading across state lines and lines of business.

For more information concerning Catastrophe Claims Services, please see "Persons to Contact" in the circular cover letter.
