

LOSS COSTS – IMPLEMENTATION

MAY 24, 2019

COMMERCIAL AUTOMOBILE

LI-CA-2019-097

NEVADA REVISED COMMERCIAL AUTO ADVISORY PROSPECTIVE LOSS COSTS, INCLUDING REVISED MEDICAL PAYMENTS, NON-OWNERSHIP LIABILITY AND UNINSURED AND UNDERINSURED MOTORISTS LOSS COSTS, TO BE IMPLEMENTED; NEW FILING FORMAT

KEY MESSAGE

Loss costs representing a **+11.2%** statewide change to be implemented.

BACKGROUND

In circular [LI-CA-2019-055](#), we provided you with information about the Commercial Auto loss cost level experience review.

ISO ACTION

We filed CA-2019-BRLA1, which presents a review of Commercial Auto loss cost experience.

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

IMPORTANT NOTE

Change in Format

The filing has been restructured. All explanatory text, for all sections of the filing, appears first; all exhibits are grouped together and appear thereafter; followed by the manual pages. We invite customers to share feedback on this revised format and suggestions for further enhancements by contacting the individuals listed in the Contact Information block.

SUPPLEMENTARY INFORMATION

We are including supplementary information for Nevada, which provides additional information on the attached loss cost level experience review.

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

EFFECTIVE DATE

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

IMPACT ON THE STATISTICAL REPORTING OF LOSS COST MULTIPLIER

For the purpose of reporting your company Loss Cost Multiplier under the CSP, as of October 1, 2019, the multiplier must be based on the relationship between your gross rates and the ISO advisory prospective loss costs contained in this circular.

COMPANY ACTION

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

You must document your files in case the Insurance Department wishes to review the information at a later date. In all internal correspondence on this revision, you should refer to ISO Revision Designation Number CA-2019-BRLA1, NOT this circular number.

RATING SOFTWARE IMPACT

No new attributes are being introduced with this revision.

POLICYHOLDER NOTIFICATION

If you decide to implement this revision, you should check all applicable laws for the state(s) to which this revision applies, to determine whether or not a specific policyholder notice requirement may apply. Please note that circular [LI-CL-2018-044](#) contains the ISO Guide To Renewals With Changed Conditions For Commercial Lines, which is available only as a guide to assist participating companies in complying with various conditional renewal statutes or regulations, for the major commercial lines of insurance serviced by ISO. The information in the Guide does not necessarily reflect all requirements or exceptions that may apply, and it is not intended as a substitute for your review of all applicable statutes and regulations concerning policyholder notification.

FUTURE ISO ACTION

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

REVISION DISTRIBUTION

We will issue a Notice to Manualholders with an edition date of 10-19 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

REFERENCE(S)

- [LI-CA-2019-055](#) (03/06/2019) Commercial Auto Experience Level Indications Reviewed By Staff
- [LI-CL-2018-044](#) (11/27/2018) Revised Lead Time Requirements Listing

ATTACHMENT(S)

- Filing CA-2019-BRLA1
- Supplementary Information

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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DATA QUALITY

Statistical plan data reported to ISO is first processed through a system of rigorous automated data verification procedures so that only valid data would be used for ratemaking. Subsequent to this initial data submission review, additional analyses on the statistical plan data involving an even more customized data review for this line was performed by staff. During these processes, various data records were excluded from the review. The ISO staff responsible for this circular also reviewed the data for reasonableness.

ACKNOWLEDGEMENT OF ACTUARIAL QUALIFICATIONS

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

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

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Callers outside the United States, Canada, and the Caribbean may contact us using our global toll-free number (International Access Code + 800 48977489). For information on all ISO products, visit us at www.verisk.com/iso. To keep abreast of the latest Insurance Lines Services updates, view www.verisk.com/ils.

NEVADA

BASIC LIMITS PROSPECTIVE LOSS COST LEVEL – COMMERCIAL AUTOMOBILE

FILING CA-2019-BRLA1

EXECUTIVE SUMMARY

PURPOSE

This document:

- revises the advisory prospective loss costs for the major Commercial Automobile classes. These loss costs represent a 11.2% statewide change from the loss costs currently in effect.
 - provides the analyses used to derive these advisory loss costs.
-

DEFINITION OF
THE ISO ADVISORY
PROSPECTIVE
LOSS COSTS

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 through development to their ultimate value and projected through trending to a future point in time. Throughout this document the words “loss cost” are synonymous with the words “prospective loss cost.”

OPTIONAL CLASS
PLAN LOSS COSTS

The loss costs contained in this filing CA-2019-BRLA1 are intended for use with the class plan in our standard manual. The prospective loss costs in this filing have also been used as the basis to develop the loss costs for the Optional Class Plan, which are located in companion filing CA-2019-BRLB1.

CHANGE IN
FORMAT

In this document, all explanatory material appears first, followed by all exhibits, and then the revised prospective loss costs. Explanatory pages are numbered B-1 through F-24, the exhibits are labeled EXHIBIT A1 through EXHIBIT C17, and the revised prospective loss cost pages are numbered G-1 through G-16.

AUTO DEALERS
LIABILITY
COVERAGE

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

MEDICAL
PAYMENTS
COVERAGE

A revision of the Medical Payments loss costs is included in this document. The overall change for the Trucks, Tractors and Trailers, Private Passenger Types and Public Automobiles medical payments revision is reflected in the overall change quoted in this filing. The documentation for this revision can be found in Section D.

NON-OWNERSHIP
LIABILITY
COVERAGE

A revision of the Non-ownership Liability loss costs contained in Rule 89.C.1.a.(1) is included in this document. The overall change for this coverage is reflected in the overall change quoted in this filing. The documentation for this revision can be found in Section E.

UNINSURED/
UNDERINSURED
MOTORISTS
COVERAGE

A revision of the Uninsured and Underinsured Motorists loss costs contained in Rule 97 is included in this document. The overall change for the Private Passenger Types and Other than Private Passenger Types UM and UIM revision is reflected in the overall change quoted in this filing. The documentation for this revision can be found in Section F.

REVISED LOSS
COST CHANGES

The statewide advisory loss cost level changes are:

| <u>Trucks, Tractors & Trailers</u> | <u>Indicated</u> | <u>Filed</u> |
|--|------------------|--------------|
| Liability | | |
| Single Limit Liability | 12.9% | 12.9% |
| Medical Payments | -89.3% | -89.3% |
| Uninsured/Underinsured Motorists | 82.0% | 75.9% |
| Physical Damage | | |
| Other than Collision | 8.7% | 8.7% |
| Collision | 4.5% | 4.5% |
| Total Trucks, Tractors & Trailers | 11.2% | 10.9% |
| <u>Private Passenger Types</u> | | |
| Liability | | |
| Single Limit Liability | 7.5% | 7.5% |
| Medical Payments | -45.7% | -45.7% |
| Uninsured/Underinsured Motorists | 104.4% | 76.9% |
| Physical Damage | | |
| Other than Collision | 3.6% | N.C. |
| Collision | 0.0% | N.C. |
| Total Private Passenger Types | 10.8% | 10.7% |
| <u>Public Automobile Classes</u> | | |
| Medical Payments | -61.6% | -61.6% |
| <u>Non-Ownership Liability</u> | 162.3% | 162.3% |
| <u>Grand Total</u> | 11.8% | 11.2% |

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

INDICATED VS.
FILED

Indicated changes are based on standard ISO methodology, utilizing a 10/1/2019 trend effective date. The filed loss cost level changes are the same as the indicated with the following exceptions: No Change (N.C.) was selected for Private Passenger Types Other Than Collision to better reflect the good experience in the latest year and for Private Passenger Types Collision due to the modest indication. The Trucks, Tractors & Trailers and Private Passenger Types UM indications were capped for stability.

PRIOR ISO
REVISIONS

The latest selected revisions in this state are:

| <u>Filing</u> | CA-2018-BRLA1 | CA-2017-BRLA1 | CA-2016-BRLA1 |
|---------------------------|---------------|---------------|---------------|
| Rate Level/ Loss Costs | Loss Costs | Loss Costs | Loss Costs |
| Effective Date | 10/1/2018 | 10/1/2017 | 10/1/2016 |
| <u>Changes</u> | | | |
| Indicated | 9.2% | 13.7% | 3.9% |
| Filed | 9.2% | 13.6% | 3.7% |
| Approved | 9.2% | 13.6% | 3.7% |

HISTORICAL
SOURCE DATA

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

- ISO companies reporting voluntary automobile experience under the Commercial Automobile modules of ISO's statistical plans.
- Accident year data through year ended 03/31/2018 for all coverages.

ADJUSTMENTS TO
REPORTED
EXPERIENCE

Loss Trend

To adjust the loss data to levels expected to prevail during the period when the revised loss costs will be in effect, historical losses have been multiplied by trend factors. These trend factors are based on the changes in claim cost and claim frequency that are expected to arise between the historical experience period and the prospective period during which the revised loss costs are anticipated to be in effect. Historically, frequency trends for Commercial Auto liability have been quite variable, have differed between Trucks, Tractors, and Trailers (TTT) and Private Passenger Types (PPT) liability classes, and have often displayed cyclical patterns. As a result, an exponential curve of the form $Y=A(B^X)$ does not fit the data well over the long term. To reflect these characteristics and the difficulty in predicting turning points and rates of change, frequency trend is being selected to be 0% for TTT and PPT for both the Bodily Injury and Property Damage coverages.

Claim cost trend data through fourth quarter 2017 and claim frequency trend data through third quarter 2017 were used in selecting the following annual liability trend factors:

ADJUSTMENTS TO
REPORTED
EXPERIENCE
(CONT'D)

| <u>Coverage</u> | <u>Annual Trend Factor</u> |
|---|--------------------------------|
| Trucks, Tractors, and Trailers Liability: | |
| Bodily Injury | +3.8% |
| Property Damage | +5.0% |
| Private Passenger Types Liability: | |
| Bodily Injury | +3.8% |
| Property Damage | +5.0% |
| Trucks, Tractors & Trailers OTC | +7.0% |
| Trucks, Tractors & Trailers Collision | +5.0% |
| Private Passenger Types OTC | +6.5% |
| Private Passenger Types Collision | +4.5% |

OCN Trend

To recognize the trend in the Original Cost New (OCN) relativities for Trucks, Tractors & Trailers and Private Passenger Type's physical damage, aggregate loss costs at current level have been multiplied by trend factors. The selected annual OCN trend factors for Trucks, Tractors & Trailers are +1.0% and +1.6% for OTC and Collision respectively. For Private Passenger Types, the OCN Trend factors are +1.1% and +0.6% for OTC and Collision respectively.

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

TEN LARGEST
COMPANIES/
GROUPS
IN THIS REVIEW

LIABILITY (ASLOB 19.3 & 19.4)

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

PHYSICAL DAMAGE (ASLOB 21.2)

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

Insurers are listed in descending order based on the percent of statewide written premium volume from Annual Statement Page 15 for the year ending 12/31/2017 for the Annual Statement Line of Business (ASLOB) indicated.

MARKET SHARE

The market share of ISO participating insurers used in this review as measured by Annual Statement Page 15 written premium for the year ending 12/31/2017 is:

Liability (ASLOB 19.3 & 19.4)
39.7%

Physical Damage (ASLOB 21.2)
36.6%

COMPANY
DECISION

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

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

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

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NEVADA
COMMERCIAL AUTOMOBILE
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OVERVIEW OF ISO ACTUARIAL PROCEDURES – COMMERCIAL AUTOMOBILE

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

OVERVIEW OF ISO ACTUARIAL PROCEDURES – COMMERCIAL AUTOMOBILE

STEP 1 – DETERMINATION OF STATEWIDE ADVISORY LOSS COST LEVEL CHANGE

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

INCURRED
LOSSES & LAE
(Item 2)

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

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

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

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

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

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

EXPERIENCE
RATIO
(Item 3)

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

YEAR WEIGHTS
(Item 4)

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

EXPECTED
EXPERIENCE
RATIO
(Item 7)

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

CREDIBILITY

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

CREDIBILITY
WEIGHTED
EXPERIENCE
RATIO

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

OVERVIEW OF ISO ACTUARIAL PROCEDURES – COMMERCIAL AUTOMOBILE

STEP 2 – DETERMINATION OF TERRITORY RELATIVITIES

| | |
|-----------|--|
| OBJECTIVE | The objective of this procedure is to distribute the statewide loss cost indication by territory. In other words, what percentage changes by territory should be made in order to equitably achieve an adequate statewide prospective loss cost level? |
|-----------|--|

| | |
|---|---|
| TRUCKS, TRACTORS & TRAILERS AND PRIVATE PASSENGER TYPES LIABILITY AND PHYSICAL DAMAGE | For Trucks, Tractors & Trailers and Private Passenger Types, this procedure compares the individual territory experience ratios to the statewide average experience ratio. The territory experience ratio is calculated for the latest 5 years and a statewide weighted-average experience ratio for the same period is calculated using the aggregate loss costs (product of earned car years (col 1) and underlying loss cost (col 2)) as weights. The territory experience ratio is then credibility weighted with the statewide average experience ratio to produce a formula experience ratio. The territory formula experience ratio is then compared to the statewide weighted average formula experience ratio to determine the territory index to state. The territory index is then multiplied by the filed loss cost level change in order to produce the indicated change to the individual territories. This change is then applied to the current territory base loss cost. |
|---|---|

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

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

COLUMN (7)
INDEX TO
STATE

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

[Terr. Col (6) / SW Total Col. (6)]

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

COLUMN (8)
BASE CLASS
LOSS COST

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

COLUMN (9)
INDICATED BASE
LOSS COST

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

COLUMN (10)
REVISED BASE
LOSS COST

Revised \$100,000 base loss cost.

COLUMN (11)
ADVISORY
LOSS COST
CHANGE

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

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

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

COLUMN (7)
INDEX TO
STATE

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

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

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

COLUMN (8)
BASE CLASS
LOSS COST

Present ISO base class loss cost.

COLUMN (9)
INDICATED BASE
LOSS COST

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

COLUMN (10)
REVISED BASE
LOSS COST

Revised base loss cost.

COLUMN (11)
ADVISORY
LOSS COST
CHANGE

Percentage change:
[Col. (10) / Col. (8)]

LOSS ADJUSTMENT EXPENSE FACTORS

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

AVERAGE ANNUAL CHANGE IN LOSSES (LOSS TREND)

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

LIABILITY:
FREQUENCY
TREND

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

Historically, frequency trends for Commercial Auto liability have been quite variable, have differed between Trucks, Tractors, and Trailers (TTT) and Private Passenger Types (PPT) liability classes, and have often displayed cyclical patterns. As a result, an exponential curve of the form $Y=A(B^X)$ does not fit the data well over the long term. To reflect these characteristics and the difficulty in predicting turning points and rates of change, frequency trend is being selected to be 0% for TTT and PPT for both the Bodily Injury and Property Damage coverages.

PHYSICAL
DAMAGE:
LOSS TREND

Data Selections

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

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

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

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

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

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

Data Adjustments

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

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

PHYSICAL
DAMAGE:
LOSS TREND
(CONT'D)

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

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

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

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

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

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

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

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

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

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

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

PHYSICAL
DAMAGE:
LOSS TREND
(CONT'D)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PHYSICAL
DAMAGE:
LOSS TREND
(CONT'D)

For the OTC coverages, there is a change to how glass losses are handled when shifting from one deductible to another. ISO collects a coverage code indicating if the deductible is waived for glass losses or not ("full glass" and "non-full glass", respectively). However some insurers waive deductibles on glass losses even when the policy isn't a "full glass" coverage policy. Recently we began to also collect a Type of Loss code indicating if a deductible has been waived for the particular claim. In situations where a claim is reported with a coverage code and Type of Loss code that aren't consistent on how a glass loss was handled, we previously used the coverage code to determine how we interpreted the loss amount. Now this scenario is handled based on the information in the new Type of Loss code.

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

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

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

| | Trucks, Tractors & Trailers <u>Pure Premium</u> | Private Passenger Types <u>Pure Premium</u> |
|-------|--|--|
| OTC: | +7.0% | +6.5% |
| COLL: | +5.0% | +4.5% |

COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE
SUPPLEMENTARY EXHIBIT

| Quarterly Values <u>Ending</u> | Consumer Price Index for Bodywork | |
|--------------------------------------|-----------------------------------|------------------------|
| | <u>Actual</u> | <u>Exponential Fit</u> |
| 12/31/2014 | 2.785 | 2.769 |
| 03/31/2015 | 2.792 | 2.786 |
| 06/30/2015 | 2.804 | 2.803 |
| 09/30/2015 | 2.805 | 2.819 |
| 12/31/2015 | 2.831 | 2.836 |
| 03/31/2016 | 2.847 | 2.853 |
| 06/30/2016 | 2.866 | 2.870 |
| 09/30/2016 | 2.877 | 2.887 |
| 12/31/2016 | 2.913 | 2.904 |
| 03/31/2017 | 2.925 | 2.922 |
| 06/30/2017 | 2.942 | 2.939 |
| 09/30/2017 | 2.945 | 2.956 |
| 12/31/2017 | 2.966 | 2.974 |
| 03/31/2018 | 2.999 | 2.992 |
| 06/30/2018 | 3.016 | 3.010 |
| 09/30/2018 | 3.033 | 3.028 |
| | | Average |
| | | Annual |
| | | <u>Change</u> |
| 16 Point Fit | <u>R-Squared</u> | |
| 12 Point Fit | | |
| | 0.9891 | 2.4% |
| | 0.9901 | 2.5% |

PHYSICAL DAMAGE OCN TREND

OBJECTIVE

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

DESCRIPTION OF ORIGINAL COST NEW DATA

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

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

is fitted to the average OCN relativities. Based on the results of these curves, ISO has selected annual OCN trends of 1.0% and 1.6% for Trucks, Tractors & Trailers OTC and Collision coverages respectively. This trend is necessary to reflect the additional revenue generated by the shift in the OCN distribution as new, higher-priced automobiles are introduced.

For Private Passenger Types, OCN trends of 1.1% and 0.6% were selected for the OTC and Collision coverages respectively.

LOSS DEVELOPMENT FOR LIABILITY

| | |
|-----------|--|
| OBJECTIVE | The application of loss development recognizes the important concept that some of the losses for a particular accident year have not been finally determined at the time the experience is compiled. |
|-----------|--|

| | |
|---------------------------------------|--|
| DESCRIPTION OF EXPERIENCE PERIOD DATA | For Trucks, Tractors & Trailers and Private Passenger Types Liability, the incurred losses and allocated loss adjustment expenses underlying the statewide loss cost level indications are on an accident year basis and were evaluated as of June 30, 2018. In other words, accident year ended March 31, 2018 includes all losses and allocated loss adjustment expenses paid through June 30, 2018 on accidents occurring from April 1, 2017 to March 31, 2018 and all losses and allocated loss adjustment expenses outstanding on these accidents as of June 30, 2018, 15 months after the inception of the accident year. Similarly, the incurred losses and allocated loss adjustment expenses for accident year ended March 31, 2017 include all loss and loss adjustment expenses paid through June 30, 2018 on accidents occurring from April 1, 2016 to March 31, 2017 and all losses and allocated loss adjustment expenses outstanding on these accidents as of June 30, 2018, 27 months after the inception of the accident year. The immature experience reported as of 15 or as of 27 months must be adjusted to a mature or ultimate settlement basis through the use of a loss development factor. |
|---------------------------------------|--|

| | |
|---|---|
| DESCRIPTION OF LOSS DEVELOPMENT METHODOLOGY | For Bodily Injury Coverage, states are divided into two multistate groups. One group (No-Fault) consists of states with a no-fault law that has a tort threshold. The other group (Tort) contains the remaining states. The applicable multistate group for this state is used in this document. Losses are developed up to 123 months and are based on \$100,000 CSL data. Three-year averages for Trucks, Tractors & Trailers and Private Passenger Types are calculated for each link ratio based on a "best three of five" approach. Specifically, for the latest five years, the highest and lowest ratios were removed from the calculation and the three year average was calculated using the three remaining factors. Beyond 123 months the loss development is assumed to be unity. |
|---|---|

For Property Damage Coverage, one multistate group is used. Losses are developed up to 111 months and \$100,000 CSL data is used. Three-year averages for Trucks, Tractors & Trailers and Private Passenger Types are calculated for each link ratio based on a "best three of five" years approach. Specifically, for the latest five years, the highest and lowest ratios were removed from the calculation and the three year average was calculated using the three remaining factors. Development beyond 111 months is assumed to be unity.

STATE
CREDIBILITY
WEIGHTED
FACTORS

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

Trucks, Tractors & Trailers

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

Private Passenger Types

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

TRUCKS,
TRACTORS &
TRAILERS AND
PRIVATE
PASSENGER
TYPES

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

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

LOSS DEVELOPMENT FOR PHYSICAL DAMAGE

| | |
|---|--|
| OBJECTIVE | The application of loss development recognizes the important concept that some of the losses for a particular accident year have not been finally determined at the time the experience is compiled. |
| DESCRIPTION OF EXPERIENCE PERIOD DATA | For Physical Damage, paid losses underlying the statewide loss cost level indications are on an accident year basis and were evaluated as of June 30, 2018. In other words, accident year ended March 31, 2018 includes all losses paid through June 30, 2018 on accidents occurring from April 1, 2017 to March 31, 2018. Similarly, the paid losses for accident year ended March 31, 2017 include all losses paid through June 30, 2018 on accidents occurring from April 1, 2016 to March 31, 2017. The immature paid loss experience reported as of 15 or as of 27 months must be adjusted to a mature or ultimate settlement basis through the use of a loss development factor. |
| DESCRIPTION OF LOSS DEVELOPMENT METHODOLOGY | For Collision and Other Than Collision coverages, one multistate group is used. Losses are developed to an ultimate settlement basis. Three-year averages are calculated for each age-to-age link ratio. These link ratios are accumulated to develop losses to 123 months. Development beyond 123 months is assumed to be 1.000. |

CREDIBILITY PROCEDURE FOR EXPERIENCE LOSS RATIO

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

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

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

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

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

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

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

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

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

Step
2: Determine the Experience Period Credibility

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

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

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

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

Step 2: Determine the Experience Period Credibility

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

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

Tables For Use With Trend Data

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

K = 25,000

K = 10,000

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

ALL LIABILITY COVERAGES
CREDIBILITY TABLE
NUMBER OF CLAIMS

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

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

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

PHYSICAL DAMAGE
CREDIBILITY TABLES
NUMBER OF CLAIMS

OTHER THAN COLLISION

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

COLLISION

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

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

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

NEVADA
CLAIMS PER TERRITORY
LIABILITY

| Territory | Trucks, Tractors & Trailers | Private Passenger Types |
|-----------|--|--|
| | Incurred Claims 5 Years Ending 03/31/2018 Combined BI and PD | Incurred Claims 5 Years Ending 03/31/2018 Combined BI and PD |
| 105 | 122 | 14 |
| 106 | 648 | 102 |
| 108 | 79 | 2 |
| 109 | 4,449 | 632 |
| 110 | 49 | 10 |
| 111 | 944 | 204 |
| SW Total | 6,291 | 964 |

Claims for Trend

BI

PD

557

843

NEVADA
CLAIMS PER TERRITORY
PHYSICAL DAMAGE

| Territory | Trucks, Tractors & Trailers Paid Claims 5 Years Ending 03/31/2018 | | Private Passenger Types Paid Claims 5 Years Ending 03/31/2018 | |
|-----------|--|-------|--|------|
| | OTC | Coll | OTC | Coll |
| 105 | 29 | 63 | 12 | 24 |
| 106 | 276 | 353 | 72 | 90 |
| 108 | 17 | 18 | 3 | 3 |
| 109 | 447 | 1,293 | 226 | 440 |
| 110 | 9 | 18 | 3 | 15 |
| 111 | 158 | 447 | 73 | 178 |
| SW Total | 936 | 2,192 | 389 | 750 |

WIND AND WATER PROCEDURE
OTHER THAN COLLISION

OBJECTIVE

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

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

DESCRIPTION OF
WIND AND WATER
ADJUSTMENT
PROCEDURE

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

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

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

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

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

INSURANCE SERVICES OFFICE, INC.

WIND AND WATER PROCEDURE
OTHER THAN COLLISION
NEVADA

TRUCKS, TRACTORS, AND TRAILERS

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|----------------|-------------------------------|---------------------|---------------------------------|-----------------------------------|--------------------------------------|-------------------------------|----------------------------|
| | | | (2) - (1) | (1) / (3) | AVG (4) - (4) | (3) x (5) | (2) + (6) |
| YEAR ENDING | OTC WIND & WATER LOSSES | OTC TOTAL LOSSES | TOTAL - WIND&WATER LOSSES | WIND & WATER / NON (W&W) | VARIATION FROM AVG. WIND RATIO | WIND & WATER ADJUSTMENT | ADJ OTC TOTAL LOSSES |
| 1987 | 3,837 | 426,657 | 422,820 | 0.009 | 0.068 | 28,752 | 455,409 |
| 1988 | 10,577 | 377,752 | 367,175 | 0.029 | 0.048 | 17,624 | 395,376 |
| 1989 | 68,684 | 578,764 | 510,080 | 0.135 | -0.058 | -29,585 | 549,179 |
| 1990 | 7,925 | 537,469 | 529,544 | 0.015 | 0.062 | 32,832 | 570,301 |
| 1991 | 7,948 | 629,469 | 621,521 | 0.013 | 0.064 | 39,777 | 669,246 |
| 1992 | 37,993 | 607,292 | 569,299 | 0.067 | 0.010 | 5,693 | 612,985 |
| 1993 | 53,226 | 534,877 | 481,651 | 0.111 | -0.034 | -16,376 | 518,501 |
| 1994 | 15,788 | 563,812 | 548,024 | 0.029 | 0.048 | 26,305 | 590,117 |
| 1995 | 30,388 | 737,059 | 706,671 | 0.043 | 0.034 | 24,027 | 761,086 |
| 1996 | 11,593 | 704,809 | 693,216 | 0.017 | 0.060 | 41,593 | 746,402 |
| 1997 | 356,297 | 1,273,188 | 916,891 | 0.389 | -0.312 | -286,070 | 987,118 |
| 1998 | 32,982 | 1,023,879 | 990,897 | 0.033 | 0.044 | 43,599 | 1,067,478 |
| 1999 | 92,222 | 969,665 | 877,443 | 0.105 | -0.028 | -24,568 | 945,097 |
| 2000 | 89,095 | 1,138,851 | 1,049,756 | 0.085 | -0.008 | -8,398 | 1,130,453 |
| 2001 | 29,266 | 913,641 | 884,375 | 0.033 | 0.044 | 38,913 | 952,554 |
| 2002 | 35,453 | 936,558 | 901,105 | 0.039 | 0.038 | 34,242 | 970,800 |
| 2003 | 84,307 | 957,132 | 872,825 | 0.097 | -0.020 | -17,457 | 939,675 |
| 2004 | 22,520 | 484,918 | 462,398 | 0.049 | 0.028 | 12,947 | 497,865 |
| 2005 | 9,560 | 701,705 | 692,145 | 0.014 | 0.063 | 43,605 | 745,310 |
| 2006 | 217,243 | 904,506 | 687,263 | 0.316 | -0.239 | -164,256 | 740,250 |
| 2007 | 23,011 | 1,060,316 | 1,037,305 | 0.022 | 0.055 | 57,052 | 1,117,368 |
| 2008 | 28,891 | 410,969 | 382,078 | 0.076 | 0.001 | 382 | 411,351 |
| 2009 | 30,874 | 438,374 | 407,500 | 0.076 | 0.001 | 408 | 438,782 |
| 2010 | 54,060 | 499,450 | 445,390 | 0.121 | -0.044 | -19,597 | 479,853 |
| 2011 | 16,535 | 447,158 | 430,623 | 0.038 | 0.039 | 16,794 | 463,952 |
| 2012 | 50,946 | 612,828 | 561,882 | 0.091 | -0.014 | -7,866 | 604,962 |
| 2013 | 47,058 | 563,636 | 516,578 | 0.091 | -0.014 | -7,232 | 556,404 |
| 2014 | 25,582 | 662,916 | 637,334 | 0.04 | 0.037 | 23,581 | 686,497 |
| 2015 | 60,802 | 807,250 | 746,448 | 0.081 | -0.004 | -2,986 | 804,264 |
| 2016 | 31,568 | 868,270 | 836,702 | 0.038 | 0.039 | 32,631 | 900,901 |
| 2017 | 72,515 | 682,773 | 610,258 | 0.119 | -0.042 | -25,631 | 657,142 |
| 2018 | 30,490 | 642,171 | 611,681 | 0.05 | 0.027 | 16,515 | 658,686 |

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

INSURANCE SERVICES OFFICE, INC.

WIND AND WATER PROCEDURE
OTHER THAN COLLISION
NEVADA

PRIVATE PASSENGER TYPES

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|----------------|-------------------------------|---------------------|---------------------------------|-----------------------------------|--------------------------------------|-------------------------------|----------------------------|
| | | | (2) - (1) | (1) / (3) | AVG (4) - (4) | (3) x (5) | (2) + (6) |
| YEAR ENDING | OTC WIND & WATER LOSSES | OTC TOTAL LOSSES | TOTAL - WIND&WATER LOSSES | WIND & WATER / NON (W&W) | VARIATION FROM AVG. WIND RATIO | WIND & WATER ADJUSTMENT | ADJ OTC TOTAL LOSSES |
| 1987 | 6,248 | 192,255 | 186,007 | 0.034 | 0.100 | 18,601 | 210,856 |
| 1988 | 11,427 | 151,564 | 140,137 | 0.082 | 0.052 | 7,287 | 158,851 |
| 1989 | 819 | 268,110 | 267,291 | 0.003 | 0.131 | 35,015 | 303,125 |
| 1990 | 11,817 | 292,680 | 280,863 | 0.042 | 0.092 | 25,839 | 318,519 |
| 1991 | 15,598 | 244,521 | 228,923 | 0.068 | 0.066 | 15,109 | 259,630 |
| 1992 | 8,086 | 386,358 | 378,272 | 0.021 | 0.113 | 42,745 | 429,103 |
| 1993 | 6,376 | 292,412 | 286,036 | 0.022 | 0.112 | 32,036 | 324,448 |
| 1994 | 3,287 | 177,230 | 173,943 | 0.019 | 0.115 | 20,003 | 197,233 |
| 1995 | 31,098 | 267,665 | 236,567 | 0.131 | 0.003 | 710 | 268,375 |
| 1996 | 3,837 | 174,313 | 170,476 | 0.023 | 0.111 | 18,923 | 193,236 |
| 1997 | 107,786 | 243,170 | 135,384 | 0.796 | -0.662 | -89,624 | 153,546 |
| 1998 | 41,820 | 271,575 | 229,755 | 0.182 | -0.048 | -11,028 | 260,547 |
| 1999 | 91,157 | 307,877 | 216,720 | 0.421 | -0.287 | -62,199 | 245,678 |
| 2000 | 56,310 | 627,248 | 570,938 | 0.099 | 0.035 | 19,983 | 647,231 |
| 2001 | 5,200 | 164,780 | 159,580 | 0.033 | 0.101 | 16,118 | 180,898 |
| 2002 | 2,475 | 276,402 | 273,927 | 0.009 | 0.125 | 34,241 | 310,643 |
| 2003 | 35,885 | 262,038 | 226,153 | 0.159 | -0.025 | -5,654 | 256,384 |
| 2004 | 17,033 | 174,712 | 157,679 | 0.108 | 0.026 | 4,100 | 178,812 |
| 2005 | 10,516 | 146,927 | 136,411 | 0.077 | 0.057 | 7,775 | 154,702 |
| 2006 | 16,851 | 242,074 | 225,223 | 0.075 | 0.059 | 13,288 | 255,362 |
| 2007 | 1,200 | 213,497 | 212,297 | 0.006 | 0.128 | 27,174 | 240,671 |
| 2008 | 18,205 | 147,387 | 129,182 | 0.141 | -0.007 | -904 | 146,483 |
| 2009 | 13,312 | 187,952 | 174,640 | 0.076 | 0.058 | 10,129 | 198,081 |
| 2010 | 11,026 | 134,587 | 123,561 | 0.089 | 0.045 | 5,560 | 140,147 |
| 2011 | 7,955 | 67,978 | 60,023 | 0.133 | 0.001 | 60 | 68,038 |
| 2012 | 8,593 | 109,565 | 100,972 | 0.085 | 0.049 | 4,948 | 114,513 |
| 2013 | 56,494 | 197,720 | 141,226 | 0.400 | -0.266 | -37,566 | 160,154 |
| 2014 | 4,096 | 93,215 | 89,119 | 0.046 | 0.088 | 7,842 | 101,057 |
| 2015 | 36,406 | 208,488 | 172,082 | 0.212 | -0.078 | -13,422 | 195,066 |
| 2016 | 45,203 | 178,946 | 133,743 | 0.338 | -0.204 | -27,284 | 151,662 |
| 2017 | 38,641 | 182,877 | 144,236 | 0.268 | -0.134 | -19,328 | 163,549 |
| 2018 | 8,117 | 105,326 | 97,209 | 0.084 | 0.05 | 4,860 | 110,186 |

(8) NORMAL WIND TO NON W&W RATIO= AVG. (4) 0.134

EXPLANATORY MEMORANDUM FOR WIND AND WATER PROCEDURE

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

TERRITORIAL WIND AND WATER PROCEDURE OTHER THAN COLLISION

OBJECTIVE

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

DESCRIPTION OF TERRITORIAL WIND AND WATER PROCEDURE

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

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

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

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

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

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

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

METHODOLOGY FOR CALCULATING 'WIND & WATER PROVISIONS' BY TERRITORY

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

| Territory | (1) Long-Term Capped* Ratio of Wind & Water to Non-Wind & Water Losses | (2) Non-Wind & Water Losses for Latest Five Years | (3) 'Expected' Wind & Water Losses for Latest Five Years (1) x (2) | (4) 'Expected' Wind & Water Distribution (3) / Total (3) |
|-----------|---|--|---|--|
| A | .250 | 500,000 | 125,000 | .500 |
| B | .750 | 100,000 | 75,000 | .300 |
| C | .200 | 250,000 | 50,000 | .200 |

| Territory | (5) Statewide Wind Provision for Year 20XX ** | (6) Territory Wind Provision for Year 20XX (4) x (5) | (7) Non-Wind & Water Losses for Year 20XX | (8) Adjusted Total Losses for Year 20XX (6) + (7) |
|-----------|--|--|--|---|
| A | | 50,000 | 150,000 | 200,000 |
| B | | 30,000 | 50,000 | 80,000 |
| C | | 20,000 | 80,000 | 100,000 |
| | 100,000 | | | |

| Territory | (9) Non-Wind & Water Claims for Year 20XX | (10) Five-Year Average Wind & Water Claim Cost | (11) Adjusted Wind & Water Claims for Year 20XX (6) / (10) | (12) Total Adjusted Claims for Year 20XX (9) + (11) |
|-----------|--|--|--|---|
| A | 200 | 500 | 100 | 300 |
| B | 100 | 400 | 75 | 175 |
| C | 150 | 400 | 50 | 200 |

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

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

Medical Payments Loss Cost Revision: Methodology and Support

ISO's Advisory Prospective Loss Costs for the Medical Payments Coverage are calculated by multiplying the CSL Liability Loss Costs by a relativity. The revision methodology consists of the following general steps, which are discussed in more detail in the text of this document:

- Conduct experience review to determine the overall change.
- Develop predictive model to determine differentiation by territory for some vehicle classes.
- Derive new Loss costs from the new relativities and make selections where necessary.

Experience Period: We performed the review using six Accident Years ending 12/31/2016 of exposures, incurred losses, and incurred ALAE.

Jurisdictions Included: ISO collects Commercial Auto Statistical Data from 51 jurisdictions: 49 states, Puerto Rico, and the District of Columbia. Most jurisdictions were combined for this experience review. Exposures and Losses from jurisdictions with mandatory No-Fault Legislation were excluded: Delaware, District of Columbia, Florida, Kansas, Kentucky, Maryland, Michigan, Minnesota, New York, North Dakota, Pennsylvania, Texas, Utah, and Hawaii were excluded. Private Passenger Types data from New Jersey and Oregon was also excluded.

Extension of Exposures: To review the medical payments relativities we compared the loss experience to the aggregate ISO Advisory Prospective Loss Costs, using the most recently approved loss costs in each jurisdiction, rating each reported exposure according to the instructions in the Commercial Lines Manual.

Limit Shifts: The most common limit in our dataset for Medical Payments Coverage (representing 86% of vehicles) is the \$5000 Limit. This is fortunate because we can restate any given exposure or loss as if it were written at a lower limit, reducing the loss amounts where necessary, in order to use as much data as possible in the experience review for each limit. After replicating all the available data at each lower limit, there is sufficient data to review the \$500, \$1000, \$2000, and \$5000 limits. When shifting the data to a lower limit, the exposures and ALAE are replicated as-is, while the incurred losses are reduced if necessary to the amount of the new, lower limit.

Table 1: Credibility Weighted Yearly Loss Trend

| Jurisdiction | Indicated State Trend | Credibility | Credibility Weighted Trend | Average Prospective Loss Date |
|----------------|--------------------------|-------------|----------------------------------|-------------------------------------|
| Alabama | 1.1% | 0.05 | 2.7% | 2/1/2019 |
| Alaska | 3.1% | 0.00 | 2.8% | 7/1/2018 |
| Arizona | 4.0% | 0.05 | 2.9% | 10/1/2018 |
| Arkansas | 2.9% | 0.00 | 2.8% | 7/1/2018 |
| California | 0.5% | 0.20 | 2.3% | 6/1/2018 |
| Colorado | 2.1% | 0.05 | 2.8% | 1/1/2019 |
| Connecticut | -1.6% | 0.05 | 2.6% | 2/1/2019 |
| Georgia | 3.7% | 0.10 | 2.9% | 5/1/2019 |
| Idaho | 5.6% | 0.00 | 2.8% | 7/1/2018 |
| Illinois | 0.1% | 0.05 | 2.7% | 10/1/2018 |
| Indiana | 3.3% | 0.05 | 2.8% | 4/1/2019 |
| Iowa | -1.1% | 0.00 | 2.8% | 8/1/2018 |
| Louisiana | 1.4% | 0.05 | 2.7% | 11/1/2018 |
| Maine | 2.8% | 0.00 | 2.8% | 2/1/2019 |
| Mississippi | -1.2% | 0.00 | 2.8% | 8/1/2018 |
| Missouri | 4.4% | 0.05 | 2.9% | 10/1/2018 |
| Montana | 5.5% | 0.00 | 2.8% | 7/1/2018 |
| Nebraska | 4.1% | 0.00 | 2.8% | 3/1/2019 |
| Nevada | -0.3% | 0.05 | 2.6% | 10/1/2018 |
| New Hampshire | 4.3% | 0.00 | 2.8% | 10/1/2018 |
| New Jersey | 1.1% | 0.10 | 2.6% | 1/1/2019 |
| New Mexico | 2.6% | 0.00 | 2.8% | 10/1/2018 |
| North Carolina | 3.9% | 0.10 | 2.9% | 12/1/2018 |
| Ohio | 3.3% | 0.05 | 2.8% | 3/1/2019 |
| Oklahoma | 4.6% | 0.00 | 2.8% | 8/1/2018 |
| Oregon | 5.5% | 0.05 | 2.9% | 1/1/2019 |
| Puerto Rico | 7.7% | 0.00 | 2.8% | 1/1/2019 |
| Rhode Island | 6.8% | 0.00 | 2.8% | 3/1/2019 |
| South Carolina | 4.0% | 0.05 | 2.9% | 7/1/2019 |
| South Dakota | 6.8% | 0.00 | 2.8% | 7/1/2018 |
| Tennessee | 4.0% | 0.05 | 2.9% | 2/1/2019 |
| Vermont | -0.9% | 0.00 | 2.8% | 1/1/2019 |
| Virginia | 4.6% | 0.05 | 2.9% | 10/1/2018 |
| Washington | 3.3% | 0.05 | 2.8% | 10/1/2018 |
| West Virginia | 2.5% | 0.00 | 2.8% | 1/1/2019 |
| Wisconsin | 0.3% | 0.00 | 2.8% | 10/1/2018 |
| Wyoming | 2.6% | 0.00 | 2.8% | 7/1/2016 |

Trend: The claim severity trend for Medical Payments Coverage before the application of any limit is unmeasurable since insurance losses are subject to the limit, by definition. As a stand-in, we trended claim severities using a \$100k Limit Bodily Injury Average Claim Cost trend indication from six years ending 3/31/2017. The multistate average trend was 2.8% and the state indications were credibility-weighted using the multistate average as the complement to credibility. The trend selections are summarized in Table 1.

Trend is applied by multiplying a loss amount by $(1 + \text{trend selection})^{\text{trend period}}$.

The trend period is the number of years from the date of accident to the average prospective loss date. Since the loss costs we are reviewing are filed independently in each jurisdiction, the average prospective loss date varies by jurisdiction. This date is also displayed in table 1. The average prospective loss date is assumed to be one year beyond the effective date of the loss costs we are reviewing.

After trending, the Medical Payments Limit was re-applied, which significantly reduces the impact of severity trends. After application of the limit, the annualized average impact of the loss trending procedure ranged from 0.2% at the \$500 Limit to 1.0% for the \$5000 limit.

Loss Development: Incurred Losses and ALAE were developed to ultimate using the loss triangle approach and a best 3 out of 5 link ratio selection. Development after 135 months is assumed to be immaterial. Separate development triangles were created for each limit and for the following 3 class groups:

- Trucks, Tractors, and Trailers
- Private Passenger Types
- All Public Autos and Buses Combined

Public Autos were combined with buses due to the low volume of data for the Public Autos alone. The loss development procedure was applied after the limit shifting and loss trending procedures described above.

\$500 Limit Loss Development
Trucks, Tractors, and Trailers
Medical Payments
Multistate
Incurred Losses and ALAE

Incurred Losses

Accident

| Year Ending | 15 Months | 27 Months | 39 Months | 51 Months | 63 Months | 75 Months | 87 Months | 99 Months | 111 Months | 123 Months | 135 Months |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| 12/31/2006 | 1,016,598 | 1,025,156 | 1,043,727 | 1,087,133 | 1,095,205 | 1,063,055 | 1,061,920 | 1,059,106 | 1,062,283 | 1,062,283 | 1,072,490 |
| 12/31/2007 | 1,088,897 | 1,332,850 | 1,462,442 | 1,491,841 | 1,503,002 | 1,501,208 | 1,499,328 | 1,500,709 | 1,500,709 | 1,500,755 | |
| 12/31/2008 | 1,056,469 | 1,077,296 | 1,090,329 | 1,121,796 | 1,167,302 | 1,216,159 | 1,214,482 | 1,216,920 | 1,216,770 | | |
| 12/31/2009 | 1,057,945 | 1,095,704 | 1,169,646 | 1,169,418 | 1,182,235 | 1,187,385 | 1,187,049 | 1,196,924 | | | |
| 12/31/2010 | 1,210,970 | 1,199,389 | 1,231,722 | 1,265,609 | 1,279,144 | 1,291,211 | 1,292,133 | | | | |
| 12/31/2011 | 1,232,179 | 1,247,659 | 1,283,485 | 1,363,099 | 1,399,037 | 1,417,000 | | | | | |
| 12/31/2012 | 1,215,176 | 1,249,968 | 1,352,076 | 1,423,634 | 1,491,889 | | | | | | |
| 12/31/2013 | 1,321,690 | 1,465,818 | 1,591,591 | 1,740,972 | | | | | | | |
| 12/31/2014 | 1,432,345 | 1,556,798 | 1,577,762 | | | | | | | | |
| 12/31/2015 | 1,503,405 | 1,772,276 | | | | | | | | | |
| 12/31/2016 | 1,522,614 | | | | | | | | | | |

Link Ratios

Accident

| Year Ending | 27:15 | 39:27 | 51:39 | 63:51 | 75:63 | 87:75 | 99:87 | 111:99 | 123:111 | 135:123 |
|-------------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|
| 12/31/2006 | 1.008 | 1.018 | 1.042 | 1.007 | 0.971 | 0.999 | 0.997 | 1.003 | 1.000 | 1.010 |
| 12/31/2007 | 1.224 | 1.097 | 1.020 | 1.007 | 0.999 | 0.999 | 1.001 | 1.000 | 1.000 | |
| 12/31/2008 | 1.020 | 1.012 | 1.029 | 1.041 | 1.042 | 0.999 | 1.002 | 1.000 | | |
| 12/31/2009 | 1.036 | 1.067 | 1.000 | 1.011 | 1.004 | 1.000 | 1.008 | | | |
| 12/31/2010 | 0.990 | 1.027 | 1.028 | 1.011 | 1.009 | 1.001 | | | | |
| 12/31/2011 | 1.013 | 1.029 | 1.062 | 1.026 | 1.013 | | | | | |
| 12/31/2012 | 1.029 | 1.082 | 1.053 | 1.048 | | | | | | |
| 12/31/2013 | 1.109 | 1.086 | 1.094 | | | | | | | |
| 12/31/2014 | 1.087 | 1.013 | | | | | | | | |
| 12/31/2015 | 1.179 | | | | | | | | | |
| Best 3 of 5 | 1.075 | 1.046 | 1.047 | 1.026 | 1.009 | 0.999 | 1.002 | 1.001 | 1.000 | 1.010 |
| To Ultimate | 1.233 | 1.147 | 1.097 | 1.048 | 1.021 | 1.012 | 1.013 | 1.011 | 1.010 | 1.010 |

\$1000 Limit Loss Development
Trucks, Tractors, and Trailers
Medical Payments
Multistate
Incurred Losses and ALAE

Incurred Losses

| Accident | | | | | | | | | | | |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| Year Ending | 15 Months | 27 Months | 39 Months | 51 Months | 63 Months | 75 Months | 87 Months | 99 Months | 111 Months | 123 Months | 135 Months |
| 12/31/2006 | 1,831,051 | 1,809,420 | 1,818,590 | 1,855,376 | 1,862,171 | 1,829,086 | 1,827,335 | 1,824,021 | 1,826,698 | 1,826,698 | 1,837,405 |
| 12/31/2007 | 1,938,053 | 2,179,704 | 2,291,098 | 2,312,512 | 2,317,658 | 2,317,688 | 2,313,856 | 2,316,073 | 2,316,073 | 2,316,119 | |
| 12/31/2008 | 1,902,677 | 1,918,289 | 1,927,332 | 1,956,420 | 2,000,919 | 2,049,956 | 2,048,779 | 2,051,217 | 2,051,067 | | |
| 12/31/2009 | 1,872,787 | 1,933,386 | 1,967,987 | 1,965,813 | 1,977,367 | 1,982,517 | 1,982,681 | 1,992,556 | | | |
| 12/31/2010 | 2,168,921 | 2,147,423 | 2,193,605 | 2,222,302 | 2,234,484 | 2,247,483 | 2,249,384 | | | | |
| 12/31/2011 | 2,260,646 | 2,250,792 | 2,278,272 | 2,357,457 | 2,389,515 | 2,408,941 | | | | | |
| 12/31/2012 | 2,190,399 | 2,214,244 | 2,309,943 | 2,342,380 | 2,385,273 | | | | | | |
| 12/31/2013 | 2,302,701 | 2,371,046 | 2,517,606 | 2,665,140 | | | | | | | |
| 12/31/2014 | 2,406,841 | 2,495,473 | 2,518,643 | | | | | | | | |
| 12/31/2015 | 2,563,355 | 2,881,948 | | | | | | | | | |
| 12/31/2016 | 2,601,193 | | | | | | | | | | |

Link Ratios

| Accident | | | | | | | | | | |
|-------------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|
| Year Ending | 27:15 | 39:27 | 51:39 | 63:51 | 75:63 | 87:75 | 99:87 | 111:99 | 123:111 | 135:123 |
| 12/31/2006 | 0.988 | 1.005 | 1.020 | 1.004 | 0.982 | 0.999 | 0.998 | 1.001 | 1.000 | 1.006 |
| 12/31/2007 | 1.125 | 1.051 | 1.009 | 1.002 | 1.000 | 0.998 | 1.001 | 1.000 | 1.000 | |
| 12/31/2008 | 1.008 | 1.005 | 1.015 | 1.023 | 1.025 | 0.999 | 1.001 | 1.000 | | |
| 12/31/2009 | 1.032 | 1.018 | 0.999 | 1.006 | 1.003 | 1.000 | 1.005 | | | |
| 12/31/2010 | 0.990 | 1.022 | 1.013 | 1.005 | 1.006 | 1.001 | | | | |
| 12/31/2011 | 0.996 | 1.012 | 1.035 | 1.014 | 1.008 | | | | | |
| 12/31/2012 | 1.011 | 1.043 | 1.014 | 1.018 | | | | | | |
| 12/31/2013 | 1.030 | 1.062 | 1.059 | | | | | | | |
| 12/31/2014 | 1.037 | 1.009 | | | | | | | | |
| 12/31/2015 | 1.124 | | | | | | | | | |
| Best 3 of 5 | 1.026 | 1.026 | 1.021 | 1.013 | 1.006 | 1.000 | 1.001 | 1.000 | 1.000 | 1.006 |
| To Ultimate | 1.103 | 1.075 | 1.048 | 1.026 | 1.013 | 1.007 | 1.007 | 1.006 | 1.006 | 1.006 |

\$2000 Limit Loss Development
Trucks, Tractors, and Trailers
Medical Payments
Multistate
Incurred Losses and ALAE

Incurred Losses

| Accident | | | | | | | | | | | | |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|--|
| Year Ending | 15 Months | 27 Months | 39 Months | 51 Months | 63 Months | 75 Months | 87 Months | 99 Months | 111 Months | 123 Months | 135 Months | |
| 12/31/2006 | 2,804,858 | 2,714,876 | 2,719,487 | 2,755,121 | 2,761,898 | 2,727,404 | 2,725,079 | 2,722,765 | 2,725,218 | 2,724,677 | 2,736,384 | |
| 12/31/2007 | 3,029,458 | 3,273,075 | 3,361,892 | 3,361,860 | 3,360,659 | 3,363,689 | 3,360,857 | 3,364,123 | 3,364,123 | 3,364,169 | | |
| 12/31/2008 | 3,048,244 | 3,046,962 | 3,043,958 | 3,073,328 | 3,118,218 | 3,168,247 | 3,168,070 | 3,170,508 | 3,170,358 | | | |
| 12/31/2009 | 2,993,635 | 3,093,135 | 3,095,572 | 3,078,161 | 3,087,961 | 3,090,898 | 3,092,062 | 3,092,265 | | | | |
| 12/31/2010 | 3,567,918 | 3,523,809 | 3,601,305 | 3,611,935 | 3,622,504 | 3,638,357 | 3,641,691 | | | | | |
| 12/31/2011 | 3,832,908 | 3,763,008 | 3,782,394 | 3,861,280 | 3,893,647 | 3,915,694 | | | | | | |
| 12/31/2012 | 3,582,300 | 3,582,194 | 3,658,958 | 3,673,196 | 3,692,095 | | | | | | | |
| 12/31/2013 | 3,764,624 | 3,813,836 | 3,943,591 | 4,085,252 | | | | | | | | |
| 12/31/2014 | 3,912,680 | 3,928,975 | 3,959,186 | | | | | | | | | |
| 12/31/2015 | 4,114,753 | 4,475,103 | | | | | | | | | | |
| 12/31/2016 | 4,190,510 | | | | | | | | | | | |

Link Ratios

| Accident | | | | | | | | | | | | |
|-------------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|--|--|
| Year Ending | 27:15 | 39:27 | 51:39 | 63:51 | 75:63 | 87:75 | 99:87 | 111:99 | 123:111 | 135:123 | | |
| 12/31/2006 | 0.968 | 1.002 | 1.013 | 1.002 | 0.988 | 0.999 | 0.999 | 1.001 | 1.000 | 1.004 | | |
| 12/31/2007 | 1.080 | 1.027 | 1.000 | 1.000 | 1.001 | 0.999 | 1.001 | 1.000 | 1.000 | | | |
| 12/31/2008 | 1.000 | 0.999 | 1.010 | 1.015 | 1.016 | 1.000 | 1.001 | 1.000 | | | | |
| 12/31/2009 | 1.033 | 1.001 | 0.994 | 1.003 | 1.001 | 1.000 | 1.000 | | | | | |
| 12/31/2010 | 0.988 | 1.022 | 1.003 | 1.003 | 1.004 | 1.001 | | | | | | |
| 12/31/2011 | 0.982 | 1.005 | 1.021 | 1.008 | 1.006 | | | | | | | |
| 12/31/2012 | 1.000 | 1.021 | 1.004 | 1.005 | | | | | | | | |
| 12/31/2013 | 1.013 | 1.034 | 1.036 | | | | | | | | | |
| 12/31/2014 | 1.004 | 1.008 | | | | | | | | | | |
| 12/31/2015 | 1.088 | | | | | | | | | | | |
| Best 3 of 5 | 1.006 | 1.017 | 1.009 | 1.006 | 1.004 | 1.000 | 1.000 | 1.000 | 1.000 | 1.004 | | |
| To Ultimate | 1.047 | 1.041 | 1.023 | 1.014 | 1.008 | 1.004 | 1.004 | 1.004 | 1.004 | 1.004 | | |

\$5000 Limit Loss Development
Trucks, Tractors, and Trailers
Medical Payments
Multistate
Incurred Losses and ALAE

Incurred Losses

| Accident | | | | | | | | | | | | |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|--|
| Year Ending | 15 Months | 27 Months | 39 Months | 51 Months | 63 Months | 75 Months | 87 Months | 99 Months | 111 Months | 123 Months | 135 Months | |
| 12/31/2006 | 4,710,960 | 4,539,456 | 4,479,942 | 4,508,763 | 4,505,275 | 4,468,964 | 4,461,710 | 4,459,396 | 4,461,849 | 4,460,205 | 4,474,912 | |
| 12/31/2007 | 5,107,555 | 5,110,979 | 5,193,230 | 5,149,755 | 5,159,403 | 5,172,513 | 5,165,844 | 5,170,520 | 5,170,273 | 5,170,323 | | |
| 12/31/2008 | 5,362,092 | 5,257,885 | 5,159,748 | 5,179,114 | 5,188,219 | 5,233,294 | 5,236,584 | 5,236,063 | 5,235,913 | | | |
| 12/31/2009 | 5,307,743 | 5,416,310 | 5,385,690 | 5,337,341 | 5,340,341 | 5,339,512 | 5,340,124 | 5,339,702 | | | | |
| 12/31/2010 | 6,387,662 | 6,318,408 | 6,393,163 | 6,315,482 | 6,348,918 | 6,366,768 | 6,371,957 | | | | | |
| 12/31/2011 | 6,973,046 | 6,804,811 | 6,759,850 | 6,818,604 | 6,829,183 | 6,854,863 | | | | | | |
| 12/31/2012 | 6,528,456 | 6,386,281 | 6,416,629 | 6,428,069 | 6,399,175 | | | | | | | |
| 12/31/2013 | 6,821,163 | 6,737,071 | 6,772,763 | 6,894,338 | | | | | | | | |
| 12/31/2014 | 7,056,965 | 6,929,837 | 6,912,069 | | | | | | | | | |
| 12/31/2015 | 7,428,295 | 7,821,620 | | | | | | | | | | |
| 12/31/2016 | 7,547,745 | | | | | | | | | | | |

Link Ratios

| Accident | | | | | | | | | | | | |
|-------------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|--|--|
| Year Ending | 27:15 | 39:27 | 51:39 | 63:51 | 75:63 | 87:75 | 99:87 | 111:99 | 123:111 | 135:123 | | |
| 12/31/2006 | 0.964 | 0.987 | 1.006 | 0.999 | 0.992 | 0.998 | 0.999 | 1.001 | 1.000 | 1.003 | | |
| 12/31/2007 | 1.001 | 1.016 | 0.992 | 1.002 | 1.003 | 0.999 | 1.001 | 1.000 | 1.000 | | | |
| 12/31/2008 | 0.981 | 0.981 | 1.004 | 1.002 | 1.009 | 1.001 | 1.000 | 1.000 | | | | |
| 12/31/2009 | 1.020 | 0.994 | 0.991 | 1.001 | 1.000 | 1.000 | 1.000 | | | | | |
| 12/31/2010 | 0.989 | 1.012 | 0.988 | 1.005 | 1.003 | 1.001 | | | | | | |
| 12/31/2011 | 0.976 | 0.993 | 1.009 | 1.002 | 1.004 | | | | | | | |
| 12/31/2012 | 0.978 | 1.005 | 1.002 | 0.996 | | | | | | | | |
| 12/31/2013 | 0.988 | 1.005 | 1.018 | | | | | | | | | |
| 12/31/2014 | 0.982 | 0.997 | | | | | | | | | | |
| 12/31/2015 | 1.053 | | | | | | | | | | | |
| Best 3 of 5 | 0.983 | 1.002 | 1.000 | 1.001 | 1.003 | 1.000 | 1.000 | 1.000 | 1.000 | 1.003 | | |
| To Ultimate | 0.992 | 1.009 | 1.007 | 1.007 | 1.006 | 1.003 | 1.003 | 1.003 | 1.003 | 1.003 | | |

\$500 Limit Loss Development
Private Passenger Types
Medical Payments
Multistate
Incurred Losses and ALAE

Incurred Losses

| Accident | | | | | | | | | | | |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| Year Ending | 15 Months | 27 Months | 39 Months | 51 Months | 63 Months | 75 Months | 87 Months | 99 Months | 111 Months | 123 Months | 135 Months |
| 12/31/2006 | 769,652 | 719,082 | 719,857 | 733,825 | 728,712 | 727,212 | 727,212 | 727,212 | 726,828 | 726,730 | 726,567 |
| 12/31/2007 | 705,667 | 736,212 | 749,694 | 790,864 | 789,844 | 772,861 | 774,306 | 770,806 | 770,806 | 770,806 | |
| 12/31/2008 | 706,600 | 680,360 | 693,502 | 716,828 | 752,973 | 787,557 | 750,841 | 750,907 | 750,486 | | |
| 12/31/2009 | 737,177 | 752,941 | 759,381 | 778,353 | 788,284 | 795,291 | 795,107 | 794,936 | | | |
| 12/31/2010 | 801,748 | 787,604 | 809,527 | 865,024 | 889,702 | 890,697 | 891,913 | | | | |
| 12/31/2011 | 789,888 | 785,481 | 790,657 | 795,698 | 797,950 | 796,589 | | | | | |
| 12/31/2012 | 818,114 | 813,788 | 808,780 | 827,805 | 826,138 | | | | | | |
| 12/31/2013 | 844,383 | 1,074,054 | 1,124,652 | 1,156,142 | | | | | | | |
| 12/31/2014 | 812,884 | 777,075 | 774,074 | | | | | | | | |
| 12/31/2015 | 883,695 | 874,375 | | | | | | | | | |
| 12/31/2016 | 859,868 | | | | | | | | | | |

Link Ratios

| Accident | | | | | | | | | | |
|-------------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|
| Year Ending | 27:15 | 39:27 | 51:39 | 63:51 | 75:63 | 87:75 | 99:87 | 111:99 | 123:111 | 135:123 |
| 12/31/2006 | 0.934 | 1.001 | 1.019 | 0.993 | 0.998 | 1.000 | 1.000 | 0.999 | 1.000 | 1.000 |
| 12/31/2007 | 1.043 | 1.018 | 1.055 | 0.999 | 0.978 | 1.002 | 0.995 | 1.000 | 1.000 | |
| 12/31/2008 | 0.963 | 1.019 | 1.034 | 1.050 | 1.046 | 0.953 | 1.000 | 0.999 | | |
| 12/31/2009 | 1.021 | 1.009 | 1.025 | 1.013 | 1.009 | 1.000 | 1.000 | | | |
| 12/31/2010 | 0.982 | 1.028 | 1.069 | 1.029 | 1.001 | 1.001 | | | | |
| 12/31/2011 | 0.994 | 1.007 | 1.006 | 1.003 | 0.998 | | | | | |
| 12/31/2012 | 0.995 | 0.994 | 1.024 | 0.998 | | | | | | |
| 12/31/2013 | 1.272 | 1.047 | 1.028 | | | | | | | |
| 12/31/2014 | 0.956 | 0.996 | | | | | | | | |
| 12/31/2015 | 0.989 | | | | | | | | | |
| Best 3 of 5 | 0.993 | 1.010 | 1.026 | 1.015 | 1.003 | 1.000 | 0.999 | 1.000 | 1.000 | 1.000 |
| To Ultimate | 1.047 | 1.054 | 1.043 | 1.017 | 1.002 | 0.999 | 0.999 | 1.000 | 1.000 | 1.000 |

\$1000 Limit Loss Development
Private Passenger Types
Medical Payments
Multistate
Incurred Losses and ALAE

Incurred Losses

| Accident | | | | | | | | | | | |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| Year Ending | 15 Months | 27 Months | 39 Months | 51 Months | 63 Months | 75 Months | 87 Months | 99 Months | 111 Months | 123 Months | 135 Months |
| 12/31/2006 | 1,347,363 | 1,255,881 | 1,258,735 | 1,268,440 | 1,264,827 | 1,262,065 | 1,262,042 | 1,261,847 | 1,260,767 | 1,260,603 | 1,260,440 |
| 12/31/2007 | 1,266,918 | 1,314,921 | 1,320,418 | 1,359,988 | 1,358,422 | 1,340,485 | 1,342,901 | 1,335,901 | 1,335,901 | 1,335,901 | |
| 12/31/2008 | 1,265,653 | 1,210,434 | 1,222,050 | 1,243,331 | 1,277,948 | 1,310,193 | 1,273,452 | 1,273,173 | 1,272,117 | | |
| 12/31/2009 | 1,267,632 | 1,281,738 | 1,280,192 | 1,294,287 | 1,304,764 | 1,314,350 | 1,314,499 | 1,314,144 | | | |
| 12/31/2010 | 1,390,311 | 1,357,920 | 1,378,717 | 1,430,663 | 1,452,674 | 1,454,169 | 1,455,885 | | | | |
| 12/31/2011 | 1,417,733 | 1,403,186 | 1,400,407 | 1,408,688 | 1,409,661 | 1,408,800 | | | | | |
| 12/31/2012 | 1,462,239 | 1,442,122 | 1,425,918 | 1,442,380 | 1,438,259 | | | | | | |
| 12/31/2013 | 1,479,743 | 1,693,588 | 1,743,825 | 1,775,629 | | | | | | | |
| 12/31/2014 | 1,429,496 | 1,371,734 | 1,357,362 | | | | | | | | |
| 12/31/2015 | 1,580,699 | 1,542,905 | | | | | | | | | |
| 12/31/2016 | 1,530,205 | | | | | | | | | | |

Link Ratios

| Accident | | | | | | | | | | |
|-------------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|
| Year Ending | 27:15 | 39:27 | 51:39 | 63:51 | 75:63 | 87:75 | 99:87 | 111:99 | 123:111 | 135:123 |
| 12/31/2006 | 0.932 | 1.002 | 1.008 | 0.997 | 0.998 | 1.000 | 1.000 | 0.999 | 1.000 | 1.000 |
| 12/31/2007 | 1.038 | 1.004 | 1.030 | 0.999 | 0.987 | 1.002 | 0.995 | 1.000 | 1.000 | |
| 12/31/2008 | 0.956 | 1.010 | 1.017 | 1.028 | 1.025 | 0.972 | 1.000 | 0.999 | | |
| 12/31/2009 | 1.011 | 0.999 | 1.011 | 1.008 | 1.007 | 1.000 | 1.000 | | | |
| 12/31/2010 | 0.977 | 1.015 | 1.038 | 1.015 | 1.001 | 1.001 | | | | |
| 12/31/2011 | 0.990 | 0.998 | 1.006 | 1.001 | 0.999 | | | | | |
| 12/31/2012 | 0.986 | 0.989 | 1.012 | 0.997 | | | | | | |
| 12/31/2013 | 1.145 | 1.030 | 1.018 | | | | | | | |
| 12/31/2014 | 0.960 | 0.990 | | | | | | | | |
| 12/31/2015 | 0.976 | | | | | | | | | |
| Best 3 of 5 | 0.984 | 1.001 | 1.014 | 1.008 | 1.003 | 1.000 | 0.999 | 0.999 | 1.000 | 1.000 |
| To Ultimate | 1.008 | 1.024 | 1.023 | 1.009 | 1.001 | 0.998 | 0.998 | 0.999 | 1.000 | 1.000 |

\$2000 Limit Loss Development
Private Passenger Types
Medical Payments
Multistate
Incurred Losses and ALAE

Incurred Losses

| Accident | | | | | | | | | | | | |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|--|
| Year Ending | 15 Months | 27 Months | 39 Months | 51 Months | 63 Months | 75 Months | 87 Months | 99 Months | 111 Months | 123 Months | 135 Months | |
| 12/31/2006 | 2,157,525 | 1,979,741 | 1,978,029 | 1,980,966 | 1,979,659 | 1,972,532 | 1,972,409 | 1,972,214 | 1,970,134 | 1,969,970 | 1,969,807 | |
| 12/31/2007 | 2,040,975 | 2,097,105 | 2,092,927 | 2,124,372 | 2,122,847 | 2,103,177 | 2,104,649 | 2,094,649 | 2,094,649 | 2,094,649 | | |
| 12/31/2008 | 2,083,829 | 1,985,427 | 1,990,533 | 2,013,675 | 2,046,832 | 2,075,581 | 2,037,840 | 2,036,440 | 2,035,285 | | | |
| 12/31/2009 | 2,145,937 | 2,164,395 | 2,146,295 | 2,150,103 | 2,160,588 | 2,162,174 | 2,162,323 | 2,161,968 | | | | |
| 12/31/2010 | 2,317,599 | 2,235,580 | 2,253,368 | 2,297,454 | 2,317,440 | 2,319,936 | 2,323,197 | | | | | |
| 12/31/2011 | 2,382,965 | 2,343,402 | 2,329,488 | 2,337,867 | 2,339,440 | 2,339,474 | | | | | | |
| 12/31/2012 | 2,472,804 | 2,407,485 | 2,365,708 | 2,378,965 | 2,372,693 | | | | | | | |
| 12/31/2013 | 2,450,463 | 2,625,221 | 2,663,030 | 2,688,262 | | | | | | | | |
| 12/31/2014 | 2,341,153 | 2,238,435 | 2,216,219 | | | | | | | | | |
| 12/31/2015 | 2,663,961 | 2,561,977 | | | | | | | | | | |
| 12/31/2016 | 2,538,379 | | | | | | | | | | | |

Link Ratios

| Accident | | | | | | | | | | | | |
|-------------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|--|--|
| Year Ending | 27:15 | 39:27 | 51:39 | 63:51 | 75:63 | 87:75 | 99:87 | 111:99 | 123:111 | 135:123 | | |
| 12/31/2006 | 0.918 | 0.999 | 1.001 | 0.999 | 0.996 | 1.000 | 1.000 | 0.999 | 1.000 | 1.000 | | |
| 12/31/2007 | 1.028 | 0.998 | 1.015 | 0.999 | 0.991 | 1.001 | 0.995 | 1.000 | 1.000 | | | |
| 12/31/2008 | 0.953 | 1.003 | 1.012 | 1.016 | 1.014 | 0.982 | 0.999 | 0.999 | | | | |
| 12/31/2009 | 1.009 | 0.992 | 1.002 | 1.005 | 1.001 | 1.000 | 1.000 | | | | | |
| 12/31/2010 | 0.965 | 1.008 | 1.020 | 1.009 | 1.001 | 1.001 | | | | | | |
| 12/31/2011 | 0.983 | 0.994 | 1.004 | 1.001 | 1.000 | | | | | | | |
| 12/31/2012 | 0.974 | 0.983 | 1.006 | 0.997 | | | | | | | | |
| 12/31/2013 | 1.071 | 1.014 | 1.009 | | | | | | | | | |
| 12/31/2014 | 0.956 | 0.990 | | | | | | | | | | |
| 12/31/2015 | 0.962 | | | | | | | | | | | |
| Best 3 of 5 | 0.973 | 0.997 | 1.006 | 1.005 | 1.001 | 1.000 | 0.999 | 0.999 | 1.000 | 1.000 | | |
| To Ultimate | 0.980 | 1.007 | 1.010 | 1.004 | 0.999 | 0.998 | 0.998 | 0.999 | 1.000 | 1.000 | | |

\$5000 Limit Loss Development
Private Passenger Types
Medical Payments
Multistate
Incurred Losses and ALAE

Incurred Losses

| Accident | | | | | | | | | | | |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| Year Ending | 15 Months | 27 Months | 39 Months | 51 Months | 63 Months | 75 Months | 87 Months | 99 Months | 111 Months | 123 Months | 135 Months |
| 12/31/2006 | 3,721,166 | 3,375,926 | 3,394,135 | 3,388,529 | 3,395,097 | 3,374,418 | 3,370,248 | 3,370,052 | 3,369,972 | 3,369,808 | 3,369,645 |
| 12/31/2007 | 3,636,112 | 3,717,435 | 3,662,174 | 3,685,332 | 3,680,793 | 3,657,896 | 3,662,368 | 3,650,735 | 3,650,735 | 3,650,735 | |
| 12/31/2008 | 3,700,493 | 3,492,444 | 3,479,857 | 3,492,203 | 3,510,023 | 3,543,447 | 3,502,705 | 3,498,317 | 3,497,162 | | |
| 12/31/2009 | 3,958,284 | 3,862,780 | 3,828,809 | 3,789,358 | 3,794,068 | 3,792,824 | 3,792,973 | 3,792,618 | | | |
| 12/31/2010 | 4,175,556 | 3,933,910 | 3,934,369 | 3,948,894 | 3,953,659 | 3,951,274 | 3,960,535 | | | | |
| 12/31/2011 | 4,393,703 | 4,260,677 | 4,203,534 | 4,179,424 | 4,177,454 | 4,162,835 | | | | | |
| 12/31/2012 | 4,508,620 | 4,346,937 | 4,204,011 | 4,195,411 | 4,180,248 | | | | | | |
| 12/31/2013 | 4,399,489 | 4,476,301 | 4,476,301 | 4,484,506 | 4,493,511 | | | | | | |
| 12/31/2014 | 4,188,317 | 3,878,024 | 3,826,847 | | | | | | | | |
| 12/31/2015 | 4,954,531 | 4,609,444 | | | | | | | | | |
| 12/31/2016 | 4,697,573 | | | | | | | | | | |

Link Ratios

| Accident | | | | | | | | | | |
|-------------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|
| Year Ending | 27:15 | 39:27 | 51:39 | 63:51 | 75:63 | 87:75 | 99:87 | 111:99 | 123:111 | 135:123 |
| 12/31/2006 | 0.907 | 1.005 | 0.998 | 1.002 | 0.994 | 0.999 | 1.000 | 1.000 | 1.000 | 1.000 |
| 12/31/2007 | 1.022 | 0.985 | 1.006 | 0.999 | 0.994 | 1.001 | 0.997 | 1.000 | 1.000 | |
| 12/31/2008 | 0.944 | 0.996 | 1.004 | 1.005 | 1.010 | 0.989 | 0.999 | 1.000 | | |
| 12/31/2009 | 0.976 | 0.991 | 0.990 | 1.001 | 1.000 | 1.000 | 1.000 | | | |
| 12/31/2010 | 0.942 | 1.000 | 1.004 | 1.001 | 0.999 | 1.002 | | | | |
| 12/31/2011 | 0.970 | 0.987 | 0.994 | 1.000 | 0.997 | | | | | |
| 12/31/2012 | 0.964 | 0.967 | 0.998 | 0.996 | | | | | | |
| 12/31/2013 | 1.017 | 1.002 | 1.002 | | | | | | | |
| 12/31/2014 | 0.926 | 0.987 | | | | | | | | |
| 12/31/2015 | 0.930 | | | | | | | | | |
| Best 3 of 5 | 0.955 | 0.991 | 0.998 | 1.001 | 0.999 | 1.000 | 0.999 | 1.000 | 1.000 | 1.000 |
| To Ultimate | 0.944 | 0.988 | 0.997 | 0.999 | 0.998 | 0.999 | 0.999 | 1.000 | 1.000 | 1.000 |

\$500 Limit Loss Development
Public Autos and Buses
Medical Payments
Multistate
Incurred Losses and ALAE

Incurred Losses

Accident

| Year Ending | 15 Months | 27 Months | 39 Months | 51 Months | 63 Months | 75 Months | 87 Months | 99 Months | 111 Months | 123 Months | 135 Months |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| 12/31/2006 | 699,838 | 668,937 | 664,930 | 695,651 | 698,527 | 698,507 | 700,007 | 700,007 | 699,507 | 699,507 | 699,507 |
| 12/31/2007 | 572,496 | 515,666 | 523,785 | 517,895 | 518,773 | 519,556 | 519,056 | 519,556 | 519,056 | 519,056 | |
| 12/31/2008 | 536,740 | 485,156 | 481,422 | 473,506 | 472,996 | 475,801 | 458,116 | 462,214 | 462,303 | | |
| 12/31/2009 | 519,687 | 467,064 | 448,821 | 449,034 | 470,971 | 449,491 | 449,491 | 449,491 | | | |
| 12/31/2010 | 668,853 | 596,371 | 590,777 | 581,000 | 583,598 | 583,844 | 586,114 | | | | |
| 12/31/2011 | 644,297 | 612,965 | 602,997 | 601,592 | 595,492 | 594,772 | | | | | |
| 12/31/2012 | 624,746 | 574,302 | 574,157 | 588,169 | 623,459 | | | | | | |
| 12/31/2013 | 612,231 | 608,098 | 626,153 | 656,860 | | | | | | | |
| 12/31/2014 | 554,552 | 451,218 | 497,852 | | | | | | | | |
| 12/31/2015 | 561,474 | 548,285 | | | | | | | | | |
| 12/31/2016 | 591,243 | | | | | | | | | | |

Link Ratios

Accident

| Year Ending | 27:15 | 39:27 | 51:39 | 63:51 | 75:63 | 87:75 | 99:87 | 111:99 | 123:111 | 135:123 |
|-------------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|
| 12/31/2006 | 0.956 | 0.994 | 1.046 | 1.004 | 1.000 | 1.002 | 1.000 | 0.999 | 1.000 | 1.000 |
| 12/31/2007 | 0.901 | 1.016 | 0.989 | 1.002 | 1.002 | 0.999 | 1.001 | 0.999 | 1.000 | |
| 12/31/2008 | 0.904 | 0.992 | 0.984 | 0.999 | 1.006 | 0.963 | 1.009 | 1.000 | | |
| 12/31/2009 | 0.899 | 0.961 | 1.000 | 1.049 | 0.954 | 1.000 | 1.000 | | | |
| 12/31/2010 | 0.892 | 0.991 | 0.983 | 1.004 | 1.000 | 1.004 | | | | |
| 12/31/2011 | 0.951 | 0.984 | 0.998 | 0.990 | 0.999 | | | | | |
| 12/31/2012 | 0.919 | 1.000 | 1.024 | 1.060 | | | | | | |
| 12/31/2013 | 0.993 | 1.030 | 1.049 | | | | | | | |
| 12/31/2014 | 0.814 | 1.103 | | | | | | | | |
| 12/31/2015 | 0.977 | | | | | | | | | |
| Best 3 of 5 | 0.949 | 1.007 | 1.008 | 1.017 | 1.000 | 1.000 | 1.002 | 1.000 | 1.000 | 1.000 |
| To Ultimate | 0.982 | 1.034 | 1.027 | 1.019 | 1.002 | 1.002 | 1.002 | 1.000 | 1.000 | 1.000 |

\$1000 Limit Loss Development
Public Autos and Buses
Medical Payments
Multistate
Incurred Losses and ALAE

Incurred Losses

| Accident | | | | | | | | | | | | |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|--|
| Year Ending | 15 Months | 27 Months | 39 Months | 51 Months | 63 Months | 75 Months | 87 Months | 99 Months | 111 Months | 123 Months | 135 Months | |
| 12/31/2006 | 1,226,424 | 1,087,936 | 1,064,542 | 1,093,211 | 1,096,087 | 1,096,067 | 1,099,067 | 1,099,067 | 1,098,229 | 1,098,229 | 1,098,229 | |
| 12/31/2007 | 993,408 | 876,610 | 870,240 | 859,846 | 861,402 | 862,684 | 861,684 | 862,684 | 861,684 | 861,684 | | |
| 12/31/2008 | 916,589 | 805,433 | 785,504 | 774,182 | 771,672 | 773,571 | 755,886 | 759,984 | 760,073 | | | |
| 12/31/2009 | 926,685 | 804,270 | 764,162 | 757,057 | 778,073 | 757,277 | 757,277 | 757,277 | | | | |
| 12/31/2010 | 1,187,978 | 1,011,154 | 982,665 | 957,465 | 961,164 | 961,410 | 964,180 | | | | | |
| 12/31/2011 | 1,105,152 | 1,022,436 | 996,105 | 993,664 | 983,368 | 983,649 | | | | | | |
| 12/31/2012 | 1,077,404 | 951,458 | 943,756 | 955,044 | 990,612 | | | | | | | |
| 12/31/2013 | 1,061,489 | 1,024,632 | 1,048,498 | 1,077,292 | | | | | | | | |
| 12/31/2014 | 984,233 | 828,636 | 868,446 | | | | | | | | | |
| 12/31/2015 | 992,025 | 927,666 | | | | | | | | | | |
| 12/31/2016 | 1,027,641 | | | | | | | | | | | |

Link Ratios

| Accident | | | | | | | | | | | | |
|-------------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|--|--|
| Year Ending | 27:15 | 39:27 | 51:39 | 63:51 | 75:63 | 87:75 | 99:87 | 111:99 | 123:111 | 135:123 | | |
| 12/31/2006 | 0.887 | 0.978 | 1.027 | 1.003 | 1.000 | 1.003 | 1.000 | 0.999 | 1.000 | 1.000 | | |
| 12/31/2007 | 0.882 | 0.993 | 0.988 | 1.002 | 1.001 | 0.999 | 1.001 | 0.999 | 1.000 | | | |
| 12/31/2008 | 0.879 | 0.975 | 0.986 | 0.997 | 1.002 | 0.977 | 1.005 | 1.000 | | | | |
| 12/31/2009 | 0.868 | 0.950 | 0.991 | 1.028 | 0.973 | 1.000 | 1.000 | | | | | |
| 12/31/2010 | 0.851 | 0.972 | 0.974 | 1.004 | 1.000 | 1.003 | | | | | | |
| 12/31/2011 | 0.925 | 0.974 | 0.998 | 0.990 | 1.000 | | | | | | | |
| 12/31/2012 | 0.883 | 0.992 | 1.012 | 1.037 | | | | | | | | |
| 12/31/2013 | 0.965 | 1.023 | 1.027 | | | | | | | | | |
| 12/31/2014 | 0.842 | 1.048 | | | | | | | | | | |
| 12/31/2015 | 0.935 | | | | | | | | | | | |
| Best 3 of 5 | 0.914 | 0.996 | 1.000 | 1.009 | 1.001 | 1.001 | 1.002 | 0.999 | 1.000 | 1.000 | | |
| To Ultimate | 0.921 | 1.008 | 1.012 | 1.012 | 1.003 | 1.002 | 1.001 | 0.999 | 1.000 | 1.000 | | |

\$2000 Limit Loss Development
Public Autos and Buses
Medical Payments
Multistate
Incurred Losses and ALAE

Incurred Losses

| Accident | | | | | | | | | | | | |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|--|
| Year Ending | 15 Months | 27 Months | 39 Months | 51 Months | 63 Months | 75 Months | 87 Months | 99 Months | 111 Months | 123 Months | 135 Months | |
| 12/31/2006 | 1,766,101 | 1,496,719 | 1,443,939 | 1,465,849 | 1,468,725 | 1,468,705 | 1,474,553 | 1,474,553 | 1,473,715 | 1,473,715 | 1,473,715 | |
| 12/31/2007 | 1,352,831 | 1,178,315 | 1,161,059 | 1,145,761 | 1,148,317 | 1,150,599 | 1,148,599 | 1,150,599 | 1,148,599 | 1,148,599 | | |
| 12/31/2008 | 1,426,563 | 1,221,126 | 1,169,938 | 1,152,443 | 1,149,100 | 1,150,034 | 1,131,780 | 1,135,878 | 1,135,967 | | | |
| 12/31/2009 | 1,511,823 | 1,269,959 | 1,187,429 | 1,164,800 | 1,183,766 | 1,163,970 | 1,163,970 | 1,163,970 | | | | |
| 12/31/2010 | 1,865,320 | 1,526,788 | 1,452,402 | 1,406,695 | 1,410,116 | 1,410,362 | 1,414,045 | | | | | |
| 12/31/2011 | 1,727,393 | 1,541,915 | 1,473,573 | 1,468,710 | 1,454,390 | 1,454,745 | | | | | | |
| 12/31/2012 | 1,682,538 | 1,414,161 | 1,400,092 | 1,402,732 | 1,438,995 | | | | | | | |
| 12/31/2013 | 1,714,533 | 1,603,327 | 1,634,025 | 1,646,046 | | | | | | | | |
| 12/31/2014 | 1,632,293 | 1,351,536 | 1,376,239 | | | | | | | | | |
| 12/31/2015 | 1,650,250 | 1,504,938 | | | | | | | | | | |
| 12/31/2016 | 1,687,298 | | | | | | | | | | | |

Link Ratios

| Accident | | | | | | | | | | | | |
|-------------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|--|--|
| Year Ending | 27:15 | 39:27 | 51:39 | 63:51 | 75:63 | 87:75 | 99:87 | 111:99 | 123:111 | 135:123 | | |
| 12/31/2006 | 0.847 | 0.965 | 1.015 | 1.002 | 1.000 | 1.004 | 1.000 | 0.999 | 1.000 | 1.000 | | |
| 12/31/2007 | 0.871 | 0.985 | 0.987 | 1.002 | 1.002 | 0.998 | 1.002 | 0.998 | 1.000 | | | |
| 12/31/2008 | 0.856 | 0.958 | 0.985 | 0.997 | 1.001 | 0.984 | 1.004 | 1.000 | | | | |
| 12/31/2009 | 0.840 | 0.935 | 0.981 | 1.016 | 0.983 | 1.000 | 1.000 | | | | | |
| 12/31/2010 | 0.819 | 0.951 | 0.969 | 1.002 | 1.000 | 1.003 | | | | | | |
| 12/31/2011 | 0.893 | 0.956 | 0.997 | 0.990 | 1.000 | | | | | | | |
| 12/31/2012 | 0.840 | 0.990 | 1.002 | 1.026 | | | | | | | | |
| 12/31/2013 | 0.935 | 1.019 | 1.007 | | | | | | | | | |
| 12/31/2014 | 0.828 | 1.018 | | | | | | | | | | |
| 12/31/2015 | 0.912 | | | | | | | | | | | |
| Best 3 of 5 | 0.882 | 0.988 | 0.993 | 1.005 | 1.000 | 1.000 | 1.001 | 0.999 | 1.000 | 1.000 | | |
| To Ultimate | 0.870 | 0.986 | 0.998 | 1.005 | 1.000 | 1.000 | 1.000 | 0.999 | 1.000 | 1.000 | | |

\$5000 Limit Loss Development
Public Autos and Buses
Medical Payments
Multistate
Incurred Losses and ALAE

Incurred Losses

| Accident | | | | | | | | | | | |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| Year Ending | 15 Months | 27 Months | 39 Months | 51 Months | 63 Months | 75 Months | 87 Months | 99 Months | 111 Months | 123 Months | 135 Months |
| 12/31/2006 | 2,785,068 | 2,243,083 | 2,126,078 | 2,143,552 | 2,145,672 | 2,145,606 | 2,152,382 | 2,152,382 | 2,151,544 | 2,151,544 | 2,151,544 |
| 12/31/2007 | 2,106,170 | 1,816,163 | 1,738,619 | 1,702,803 | 1,704,270 | 1,709,487 | 1,706,105 | 1,711,105 | 1,706,105 | 1,706,105 | |
| 12/31/2008 | 2,153,119 | 1,851,226 | 1,703,050 | 1,661,275 | 1,648,797 | 1,648,857 | 1,630,351 | 1,634,148 | 1,634,086 | | |
| 12/31/2009 | 2,491,683 | 1,977,321 | 1,839,088 | 1,794,139 | 1,812,769 | 1,790,289 | 1,790,289 | 1,790,289 | | | |
| 12/31/2010 | 3,076,739 | 2,390,679 | 2,208,987 | 2,133,295 | 2,133,485 | 2,133,731 | 2,139,985 | | | | |
| 12/31/2011 | 2,869,407 | 2,481,648 | 2,315,738 | 2,305,442 | 2,268,052 | 2,268,406 | | | | | |
| 12/31/2012 | 2,734,074 | 2,159,460 | 2,096,756 | 2,073,968 | 2,108,169 | | | | | | |
| 12/31/2013 | 2,866,127 | 2,515,960 | 2,571,384 | 2,549,996 | | | | | | | |
| 12/31/2014 | 2,793,041 | 2,212,994 | 2,219,749 | | | | | | | | |
| 12/31/2015 | 2,851,665 | 2,530,774 | | | | | | | | | |
| 12/31/2016 | 2,985,496 | | | | | | | | | | |

Link Ratios

| Accident | | | | | | | | | | |
|-------------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|
| Year Ending | 27:15 | 39:27 | 51:39 | 63:51 | 75:63 | 87:75 | 99:87 | 111:99 | 123:111 | 135:123 |
| 12/31/2006 | 0.805 | 0.948 | 1.008 | 1.001 | 1.000 | 1.003 | 1.000 | 1.000 | 1.000 | 1.000 |
| 12/31/2007 | 0.862 | 0.957 | 0.979 | 1.001 | 1.003 | 0.998 | 1.003 | 0.997 | 1.000 | |
| 12/31/2008 | 0.860 | 0.920 | 0.975 | 0.992 | 1.000 | 0.989 | 1.002 | 1.000 | | |
| 12/31/2009 | 0.794 | 0.930 | 0.976 | 1.010 | 0.988 | 1.000 | 1.000 | | | |
| 12/31/2010 | 0.777 | 0.924 | 0.966 | 1.000 | 1.000 | 1.003 | | | | |
| 12/31/2011 | 0.865 | 0.933 | 0.996 | 0.984 | 1.000 | | | | | |
| 12/31/2012 | 0.790 | 0.971 | 0.989 | 1.016 | | | | | | |
| 12/31/2013 | 0.878 | 1.022 | 0.992 | | | | | | | |
| 12/31/2014 | 0.792 | 1.003 | | | | | | | | |
| 12/31/2015 | 0.887 | | | | | | | | | |
| Best 3 of 5 | 0.845 | 0.969 | 0.985 | 1.001 | 1.000 | 1.000 | 1.001 | 0.999 | 1.000 | 1.000 |
| To Ultimate | 0.807 | 0.955 | 0.986 | 1.001 | 1.000 | 1.000 | 1.000 | 0.999 | 1.000 | 1.000 |

| Table 2: Summary of Loss Experience Review | | Earned Car | Aggregate Loss | Trended and | Calculated | Indicated |
|---|------|------------|-----------------------|------------------|-------------|-----------|
| | year | Years | Cost at Current Level | Developed Losses | Claim Count | Change |
| Trucks, Tractors and Trailers \$500 Limit | 2011 | 2,388,171 | 22,902,771 | 1,500,065 | 2,611 | -93% |
| | 2012 | 2,470,768 | 23,626,377 | 1,590,164 | 2,556 | -93% |
| | 2013 | 2,630,429 | 25,140,572 | 1,799,420 | 2,615 | -93% |
| | 2014 | 2,690,849 | 25,571,828 | 1,680,960 | 2,757 | -93% |
| | 2015 | 2,788,305 | 26,544,825 | 1,940,491 | 2,980 | -93% |
| | 2016 | 2,888,156 | 27,518,393 | 1,789,927 | 2,611 | -93% |
| Trucks, Tractors and Trailers \$1000 Limit | 2011 | 2,347,050 | 35,518,830 | 2,497,650 | 2,556 | -93% |
| | 2012 | 2,432,845 | 36,706,367 | 2,468,552 | 2,494 | -93% |
| | 2013 | 2,592,296 | 39,098,849 | 2,643,041 | 2,508 | -93% |
| | 2014 | 2,634,474 | 39,530,199 | 2,491,749 | 2,529 | -94% |
| | 2015 | 2,713,388 | 40,772,283 | 2,887,357 | 2,857 | -93% |
| | 2016 | 2,808,286 | 42,274,276 | 2,697,388 | 2,564 | -94% |
| Trucks, Tractors and Trailers \$2000 Limit | 2011 | 2,180,463 | 44,990,947 | 4,044,554 | 2,420 | -91% |
| | 2012 | 2,274,936 | 46,797,212 | 3,777,620 | 2,290 | -92% |
| | 2013 | 2,434,748 | 50,089,460 | 3,993,456 | 2,352 | -92% |
| | 2014 | 2,478,993 | 50,719,920 | 3,814,726 | 2,329 | -92% |
| | 2015 | 2,556,137 | 52,351,467 | 4,319,600 | 2,612 | -92% |
| | 2016 | 2,650,603 | 54,425,330 | 4,113,023 | 2,379 | -92% |
| Trucks, Tractors and Trailers \$5000 Limit | 2011 | 2,010,211 | 60,798,695 | 7,209,991 | 2,248 | -88% |
| | 2012 | 2,114,211 | 63,637,316 | 6,625,246 | 2,127 | -90% |
| | 2013 | 2,271,861 | 68,378,861 | 6,792,089 | 2,185 | -90% |
| | 2014 | 2,318,461 | 69,443,412 | 6,631,986 | 2,182 | -90% |
| | 2015 | 2,399,188 | 71,953,804 | 7,448,372 | 2,454 | -90% |
| | 2016 | 2,493,969 | 74,976,803 | 7,076,839 | 2,193 | -91% |

| Table 2: Summary of Loss Experience Review (Continued) | | Earned Car | Aggregate Loss | Trended and | Calculated | |
|---|------|------------|--------------------------|---------------------|----------------|---------------------|
| | year | Years | Cost at Current Level | Developed Losses | Claim Count | Indicated Change |
| Private Passenger Types \$500 Limit | 2011 | 530,157 | 3,285,602 | 776,668 | 1,598 | -76% |
| | 2012 | 524,797 | 3,259,218 | 804,246 | 1,600 | -75% |
| | 2013 | 547,386 | 3,397,560 | 1,111,370 | 1,587 | -67% |
| | 2014 | 543,223 | 3,376,771 | 723,544 | 1,492 | -79% |
| | 2015 | 558,260 | 3,480,649 | 847,875 | 1,687 | -76% |
| | 2016 | 564,653 | 3,529,774 | 829,759 | 1,588 | -76% |
| Private Passenger Types \$1000 Limit | 2011 | 519,120 | 5,520,584 | 1,374,539 | 1,567 | -75% |
| | 2012 | 513,476 | 5,474,906 | 1,405,544 | 1,557 | -74% |
| | 2013 | 535,723 | 5,709,545 | 1,688,111 | 1,542 | -70% |
| | 2014 | 527,865 | 5,638,204 | 1,237,654 | 1,442 | -78% |
| | 2015 | 538,381 | 5,767,166 | 1,450,223 | 1,625 | -75% |
| | 2016 | 540,899 | 5,808,590 | 1,418,566 | 1,538 | -76% |
| Private Passenger Types \$2000 Limit | 2011 | 490,075 | 7,252,605 | 2,296,993 | 1,481 | -68% |
| | 2012 | 486,190 | 7,213,119 | 2,326,952 | 1,485 | -68% |
| | 2013 | 509,275 | 7,552,434 | 2,556,844 | 1,463 | -66% |
| | 2014 | 502,962 | 7,476,126 | 2,032,803 | 1,364 | -73% |
| | 2015 | 513,885 | 7,655,554 | 2,376,037 | 1,547 | -69% |
| | 2016 | 517,442 | 7,727,932 | 2,299,206 | 1,435 | -70% |
| Private Passenger Types \$5000 Limit | 2011 | 460,556 | 8,758,837 | 4,124,864 | 1,415 | -53% |
| | 2012 | 458,234 | 8,731,230 | 4,125,409 | 1,387 | -53% |
| | 2013 | 481,428 | 9,170,476 | 4,263,407 | 1,383 | -54% |
| | 2014 | 476,585 | 9,099,584 | 3,507,439 | 1,263 | -61% |
| | 2015 | 488,907 | 9,352,818 | 4,225,614 | 1,476 | -55% |
| | 2016 | 493,964 | 9,471,869 | 4,119,651 | 1,358 | -57% |

| Table 2: Summary of Loss Experience Review (Continued) | | Earned Car | Aggregate Loss | Trended and | Calculated | Indicated |
|---|------|------------|--------------------------|---------------------|----------------|-----------|
| | year | Years | Cost at Current Level | Developed Losses | Claim Count | Change |
| Other Buses \$500 Limit | 2011 | 73,775 | 1,171,460 | 242,891 | 510 | -79% |
| | 2012 | 73,752 | 1,163,821 | 312,581 | 544 | -73% |
| | 2013 | 77,248 | 1,221,995 | 320,225 | 558 | -74% |
| | 2014 | 79,840 | 1,276,390 | 266,649 | 538 | -79% |
| | 2015 | 81,298 | 1,325,206 | 309,062 | 603 | -77% |
| | 2016 | 88,707 | 1,437,134 | 330,336 | 616 | -77% |
| Other Buses \$1000 Limit | 2011 | 69,311 | 1,342,097 | 401,700 | 501 | -70% |
| | 2012 | 69,000 | 1,328,802 | 484,070 | 531 | -64% |
| | 2013 | 74,116 | 1,428,945 | 517,916 | 549 | -64% |
| | 2014 | 78,522 | 1,528,615 | 454,567 | 527 | -70% |
| | 2015 | 80,050 | 1,584,731 | 507,170 | 580 | -68% |
| | 2016 | 80,033 | 1,588,094 | 565,125 | 607 | -64% |
| Other Buses \$2000 Limit | 2011 | 64,738 | 1,614,667 | 587,940 | 473 | -64% |
| | 2012 | 64,550 | 1,594,829 | 689,326 | 502 | -57% |
| | 2013 | 69,513 | 1,716,514 | 733,844 | 518 | -57% |
| | 2014 | 73,914 | 1,843,061 | 707,342 | 506 | -62% |
| | 2015 | 75,603 | 1,918,276 | 810,278 | 563 | -58% |
| | 2016 | 75,222 | 1,918,461 | 914,013 | 586 | -52% |
| Other Buses \$5000 Limit | 2011 | 61,235 | 2,080,588 | 953,664 | 452 | -54% |
| | 2012 | 61,066 | 2,051,247 | 1,008,396 | 450 | -51% |
| | 2013 | 65,907 | 2,212,614 | 1,184,106 | 484 | -46% |
| | 2014 | 70,142 | 2,372,398 | 1,132,085 | 465 | -52% |
| | 2015 | 71,695 | 2,472,855 | 1,436,886 | 546 | -42% |
| | 2016 | 71,841 | 2,501,396 | 1,650,502 | 560 | -34% |

| Table 2: Summary of Loss Experience Review (Continued) | | Earned Car | Aggregate Loss | Trended and | Calculated | |
|---|------|------------|-----------------|-------------|------------|-----------|
| | year | Years | Cost at Current | Developed | Claim | Indicated |
| | | | Level | Losses | Count | Change |
| School and Church Buses \$500 Limit | 2011 | 117,811 | 1,222,648 | 356,118 | 747 | -71% |
| | 2012 | 112,537 | 1,184,790 | 302,150 | 661 | -74% |
| | 2013 | 111,271 | 1,186,941 | 346,737 | 740 | -71% |
| | 2014 | 108,227 | 1,162,852 | 270,531 | 586 | -77% |
| | 2015 | 104,528 | 1,142,794 | 321,264 | 608 | -72% |
| | 2016 | 104,100 | 1,154,564 | 306,911 | 625 | -73% |
| School and Church Buses \$1000 Limit | 2011 | 117,347 | 1,811,665 | 591,981 | 744 | -67% |
| | 2012 | 112,145 | 1,755,892 | 505,778 | 661 | -71% |
| | 2013 | 110,923 | 1,759,555 | 576,800 | 707 | -67% |
| | 2014 | 107,860 | 1,722,206 | 470,680 | 585 | -73% |
| | 2015 | 102,799 | 1,651,537 | 514,527 | 594 | -69% |
| | 2016 | 99,844 | 1,617,738 | 518,769 | 611 | -68% |
| School and Church Buses \$2000 Limit | 2011 | 112,158 | 2,103,625 | 888,267 | 711 | -58% |
| | 2012 | 107,670 | 2,045,777 | 754,925 | 630 | -63% |
| | 2013 | 106,706 | 2,055,111 | 932,621 | 677 | -55% |
| | 2014 | 103,932 | 2,013,796 | 736,313 | 532 | -63% |
| | 2015 | 99,102 | 1,932,324 | 803,807 | 581 | -58% |
| | 2016 | 96,337 | 1,895,262 | 839,258 | 590 | -56% |
| School and Church Buses \$5000 Limit | 2011 | 105,510 | 2,554,979 | 1,347,943 | 657 | -47% |
| | 2012 | 101,477 | 2,488,842 | 1,143,923 | 612 | -54% |
| | 2013 | 100,878 | 2,506,433 | 1,442,075 | 642 | -42% |
| | 2014 | 98,798 | 2,472,682 | 1,161,344 | 519 | -53% |
| | 2015 | 94,422 | 2,378,493 | 1,237,990 | 554 | -48% |
| | 2016 | 91,743 | 2,329,857 | 1,393,893 | 571 | -40% |

| Table 2: Summary of Loss Experience Review (Continued) | | Earned Car | Aggregate Loss | Trended and | Calculated | Indicated |
|---|------|------------|--------------------------|---------------------|----------------|-----------|
| | year | Years | Cost at Current Level | Developed Losses | Claim Count | Change |
| Taxis and Limousines \$500 Limit | 2011 | 1,349 | 63,749 | 12,827 | 22 | -80% |
| | 2012 | 1,852 | 86,864 | 20,309 | 25 | -77% |
| | 2013 | 2,060 | 108,227 | 19,841 | 42 | -82% |
| | 2014 | 2,239 | 115,269 | 19,541 | 40 | -83% |
| | 2015 | 2,409 | 124,134 | 16,354 | 33 | -87% |
| | 2016 | 2,456 | 115,754 | 12,628 | 25 | -89% |
| Taxis and Limousines \$1000 Limit | 2011 | 1,168 | 78,299 | 21,823 | 21 | -72% |
| | 2012 | 1,702 | 114,795 | 29,501 | 25 | -74% |
| | 2013 | 1,907 | 142,429 | 37,076 | 42 | -74% |
| | 2014 | 2,004 | 146,936 | 36,252 | 40 | -75% |
| | 2015 | 2,154 | 152,236 | 28,674 | 31 | -81% |
| | 2016 | 2,224 | 141,535 | 21,582 | 24 | -85% |
| Taxis and Limousines \$2000 Limit | 2011 | 1,040 | 101,697 | 33,119 | 18 | -67% |
| | 2012 | 1,512 | 147,033 | 43,283 | 24 | -71% |
| | 2013 | 1,771 | 191,286 | 57,392 | 38 | -70% |
| | 2014 | 1,881 | 199,331 | 64,304 | 40 | -68% |
| | 2015 | 2,018 | 207,854 | 53,352 | 31 | -74% |
| | 2016 | 2,116 | 194,465 | 30,817 | 21 | -84% |
| Taxis and Limousines \$5000 Limit | 2011 | 883 | 127,944 | 63,556 | 17 | -50% |
| | 2012 | 1,330 | 190,838 | 58,036 | 21 | -70% |
| | 2013 | 1,572 | 253,751 | 85,636 | 26 | -66% |
| | 2014 | 1,697 | 269,066 | 128,798 | 37 | -52% |
| | 2015 | 1,801 | 280,111 | 90,549 | 26 | -68% |
| | 2016 | 1,858 | 253,317 | 39,727 | 13 | -84% |

| Table 2: Summary of Loss Experience Review (Continued) | | Earned Car | Aggregate Loss | Trended and | Calculated | Indicated |
|--|------|------------|-----------------------|------------------|-------------|-----------|
| | year | Years | Cost at Current Level | Developed Losses | Claim Count | Change |
| Van Pools \$500 Limit | 2011 | 2,484 | 92,038 | 4,046 | 9 | -96% |
| | 2012 | 2,352 | 89,463 | 6,604 | 8 | -93% |
| | 2013 | 2,536 | 97,716 | 5,309 | 11 | -95% |
| | 2014 | 2,586 | 101,732 | 9,430 | 22 | -91% |
| | 2015 | 3,178 | 127,675 | 8,793 | 16 | -93% |
| | 2016 | 3,484 | 137,222 | 4,797 | 8 | -97% |
| Van Pools \$1000 Limit | 2011 | 2,437 | 126,657 | 7,266 | 9 | -94% |
| | 2012 | 2,306 | 122,977 | 8,608 | 8 | -93% |
| | 2013 | 2,491 | 134,431 | 8,528 | 11 | -94% |
| | 2014 | 2,463 | 135,438 | 18,107 | 22 | -87% |
| | 2015 | 3,097 | 174,973 | 13,148 | 15 | -92% |
| | 2016 | 3,449 | 191,304 | 6,776 | 8 | -96% |
| Van Pools \$2000 Limit | 2011 | 2,166 | 138,872 | 12,487 | 9 | -91% |
| | 2012 | 2,103 | 138,866 | 12,591 | 8 | -91% |
| | 2013 | 2,318 | 154,057 | 13,799 | 10 | -91% |
| | 2014 | 2,347 | 157,462 | 35,067 | 22 | -78% |
| | 2015 | 3,038 | 207,995 | 20,548 | 15 | -90% |
| | 2016 | 3,394 | 227,952 | 10,572 | 8 | -95% |
| Van Pools \$5000 Limit | 2011 | 1,943 | 160,989 | 27,487 | 9 | -83% |
| | 2012 | 1,861 | 159,068 | 14,809 | 7 | -91% |
| | 2013 | 2,135 | 184,533 | 21,799 | 8 | -88% |
| | 2014 | 2,194 | 191,311 | 78,608 | 20 | -59% |
| | 2015 | 2,837 | 251,894 | 25,667 | 12 | -90% |
| | 2016 | 3,167 | 275,757 | 20,297 | 8 | -93% |

Current Relativities, Indicated Changes, and Selections

Loss experience is compared to Aggregate Loss Cost at Current Level in Tables 2 and 3. Sizable decreases are indicated for all vehicles and limits. Due to the size of the indicated decreases, we selected changes that were 5% above each indication, in order to slightly temper the indications. Volume was smallest for Van Pools, but we noted that the existing Van Pools relativities were significantly higher than the other vehicle types, which makes the indicated decreases more credible. The new Van Pools relativities are more in line with the relativities for the other vehicle types. For this reason we didn't deem it necessary to temper the indication beyond the 5% margin we used for the other classes.

| Table 3: Medical Payments Relativity Selections | | | | Trended and | | | | | |
|--|-------|---------------------|----------------------------------|---------------------|---------------------------|---------------------|--------------------|-----------------------|------------------------|
| | Limit | Earned Car Years | Aggregate LC at Current Level | Developed Losses | Calculated Claim Count | Indicated Change | Selected Change | Current Relativity | Selected Relativity |
| Trucks, Tractors and Trailers | 500 | 190,280,126 | 151,304,766 | 10,301,026 | 16,130 | -93.2% | -88.2% | 0.0360 | 0.0043 |
| | 1000 | 186,340,059 | 233,900,804 | 15,685,736 | 15,508 | -93.3% | -88.3% | 0.0570 | 0.0067 |
| | 2000 | 174,910,553 | 299,374,336 | 24,062,978 | 14,382 | -92.0% | -87.0% | 0.0780 | 0.0102 |
| | 5000 | 163,294,810 | 409,188,891 | 41,784,523 | 13,389 | -89.8% | -84.8% | 0.1140 | 0.0173 |
| Private Passenger Types | 500 | 39,221,709 | 20,329,574 | 5,093,462 | 9,552 | -74.9% | -69.9% | 0.0210 | 0.0063 |
| | 1000 | 38,105,559 | 33,918,995 | 8,574,636 | 9,271 | -74.7% | -69.7% | 0.0360 | 0.0109 |
| | 2000 | 36,237,947 | 44,877,770 | 13,888,837 | 8,775 | -69.1% | -64.1% | 0.0500 | 0.0180 |
| | 5000 | 34,316,083 | 54,584,814 | 24,366,383 | 8,282 | -55.4% | -50.4% | 0.0640 | 0.0318 |
| Other Buses | 500 | 5,695,447 | 7,596,006 | 1,781,744 | 3,369 | -76.5% | -71.5% | 0.0320 | 0.0091 |
| | 1000 | 5,412,369 | 8,801,284 | 2,930,548 | 3,295 | -66.7% | -61.7% | 0.0390 | 0.0149 |
| | 2000 | 5,082,487 | 10,605,808 | 4,442,743 | 3,148 | -58.1% | -53.1% | 0.0500 | 0.0234 |
| | 5000 | 4,822,631 | 13,691,097 | 7,365,638 | 2,957 | -46.2% | -41.2% | 0.0680 | 0.0400 |
| School and Church Buses | 500 | 7,901,694 | 7,054,590 | 1,903,711 | 3,967 | -73.0% | -68.0% | 0.0430 | 0.0138 |
| | 1000 | 7,811,016 | 10,318,593 | 3,178,536 | 3,902 | -69.2% | -64.2% | 0.0640 | 0.0229 |
| | 2000 | 7,510,857 | 12,045,896 | 4,955,190 | 3,721 | -58.9% | -53.9% | 0.0780 | 0.0360 |
| | 5000 | 7,113,937 | 14,731,286 | 7,727,169 | 3,555 | -47.5% | -42.5% | 0.1000 | 0.0575 |
| Taxis and Limousines | 500 | 148,391 | 613,996 | 101,500 | 187 | -83.5% | -78.5% | 0.0360 | 0.0078 |
| | 1000 | 133,917 | 776,230 | 174,907 | 183 | -77.5% | -72.5% | 0.0500 | 0.0138 |
| | 2000 | 124,056 | 1,041,666 | 282,268 | 172 | -72.9% | -67.9% | 0.0710 | 0.0228 |
| | 5000 | 109,692 | 1,375,027 | 466,302 | 140 | -66.1% | -61.1% | 0.1070 | 0.0416 |
| Van Pools | 500 | 199,437 | 645,845 | 38,979 | 74 | -94.0% | -89.0% | 0.0710 | 0.0078 |
| | 1000 | 194,896 | 885,780 | 62,432 | 73 | -93.0% | -88.0% | 0.1000 | 0.0120 |
| | 2000 | 184,400 | 1,025,204 | 105,063 | 72 | -89.8% | -84.8% | 0.1210 | 0.0185 |
| | 5000 | 169,635 | 1,223,553 | 188,667 | 64 | -84.6% | -79.6% | 0.1570 | 0.0321 |

Predictive Modeling

We performed a predictive modeling exercise in concert with the traditional loss experience review. Relativities will vary by territory for Trucks, Tractors and Trailers, and for Buses. Attempts to make similar improvements for Private Passenger Types and Public Autos failed to significantly improve loss prediction, so those classes are unaffected and only receive a change due to the loss experience review.

We first modeled losses per exposure. Then we converted the modeling results into an adjustment to the territorial Medical Payments Loss Costs rather than implementing a more complicated rating formula with new factors reflecting vehicle classes. The primary reason for this was the information technology implementation cost savings.

Table 4:

Model

| Characteristics | <u>Trucks, Tractors, and Trailers</u> | <u>Buses</u> |
|-------------------|---------------------------------------|---------------------------------|
| Loss Distribution | Tweedie | Tweedie |
| Link Function | Log | Log |
| Offset | Base Loss Cost and Trailer Factor | Base Loss Cost and Class Factor |
| Weight | Count of Car-Years | Count of Car-Years |
| Target Variable | Loss and Expense per Car-Year | Loss and Expense per Car-Year |
| Control Variables | Year | Year, Major Class |
| Training Dataset | Accident Years 2011-2013 | Accident Years 2011-2013 |
| Holdout Dataset | Accident Years 2014-2016 | Accident Years 2014-2016 |

We found that certain segmentations based on vehicle class were predictive. Three class-based segmentations improved loss predictions for Trucks, Tractors, and Trailers:

- The Truckers and Contractors Secondary Classes were separated from the rest of the secondary classes.
- Fleet vehicles were separated from Non-Fleet vehicles.
- Vehicles were categorized by class as Light, Medium, Heavy and Extra Heavy, or Trailers.

One class-based difference was detected for Buses: Medium Radius Buses versus all other Buses.

We also found that the Liability base loss costs have more variation than medical payments losses: Medical Payment losses are higher in higher-rated liability territories, but not as much higher as we see in Bodily Injury and Property Damage. Thus, in comparison to the current rating structure, the best possible prediction was lower in high-rated territories and higher in low-rated territories.

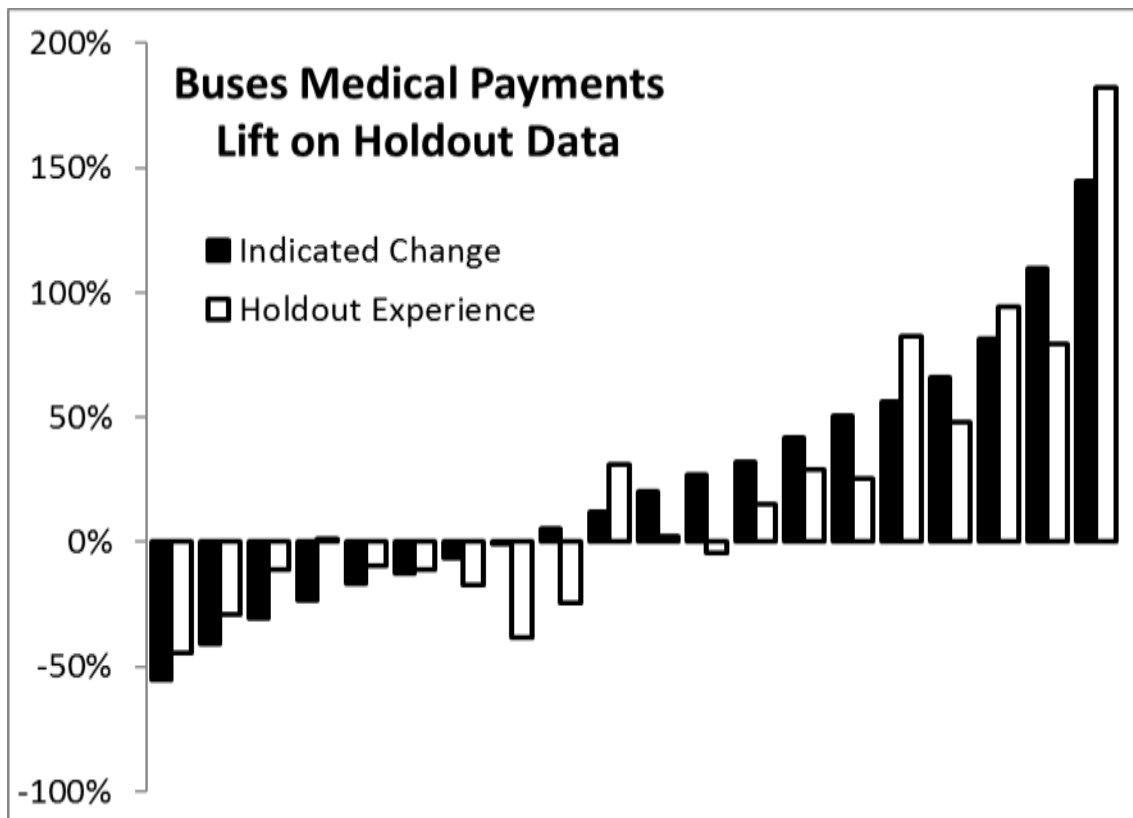
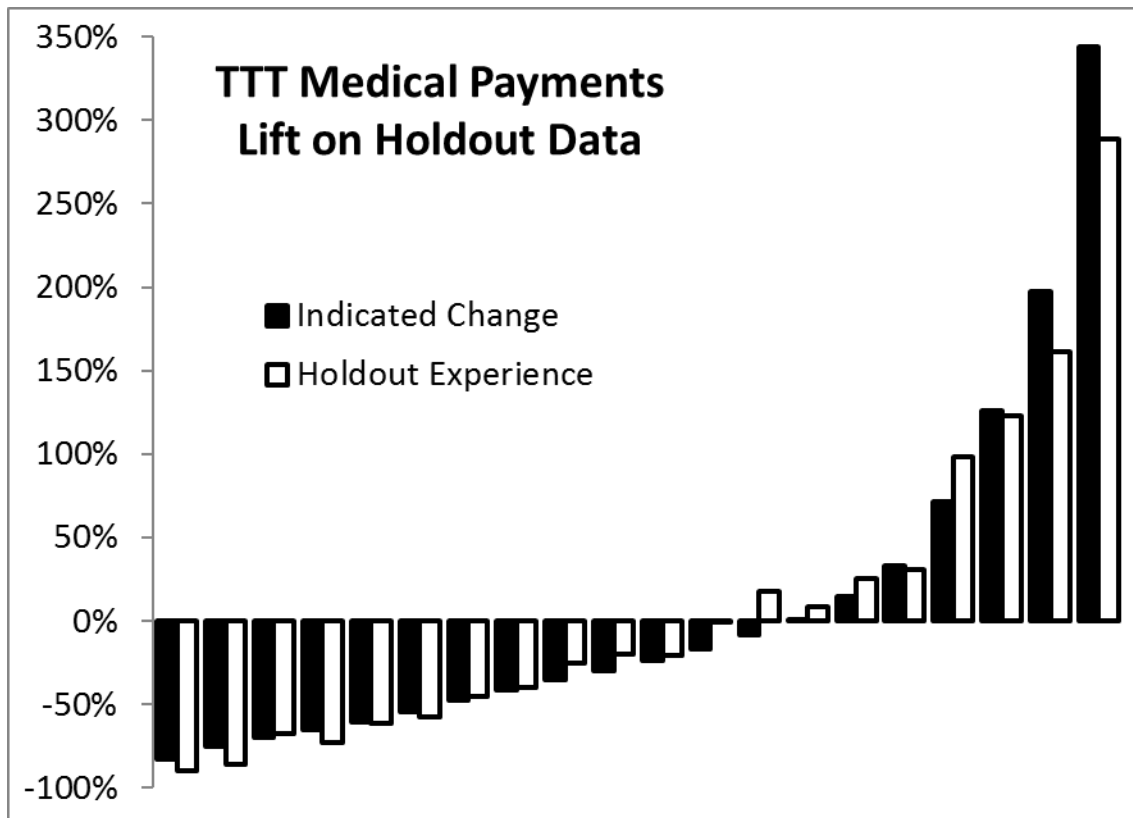
A summary of predictive model indications can be found in Table 5. With the exception of the base loss cost exponent, these results are expressed as if they were to be used in a multiplicative

class plan, although we choose not to implement the results via rating factors, as is discussed below.

We used the log of the base loss cost as a continuous variable in the model. The result of this approach is that the model estimates an exponent—the number to which the Liability Base Loss Cost would be raised, *before* applying the medical payments relativity. A positive exponent between zero and one means that the differences between territories is being compressed towards the middle.

| Table 5: Predictive Modeling Indications | | Training | All Data |
|--|-----------------------------|----------|----------|
| Trucks, Tractors, and Trailers | <u>Fleet Size</u> | | |
| | Fleet | 0.27 | 0.29 |
| | Non-Fleet | 1.00 | 1.00 |
| | <u>Weight</u> | | |
| | Light | 1.00 | 1.00 |
| | Medium | 0.51 | 0.50 |
| | Heavy and Extra Heavy | 0.31 | 0.30 |
| | Trailers | 0.50 | 0.45 |
| | <u>Secondary Class</u> | | |
| | Truckers | 4.50 | 6.64 |
| | Contractors | 1.24 | 1.25 |
| | All Other Secondary Classes | 1.00 | 1.00 |
| | <u>Territory</u> | | |
| | Base Loss Cost (exponent) | 0.35 | 0.40 |
| Buses | <u>Radius</u> | | |
| | Intermediate | 0.55 | 0.50 |
| | All other Radii | 1.00 | 1.00 |
| | <u>Territory</u> | | |
| | Base Loss Cost (exponent) | 0.19 | 0.32 |

Two lift charts follow, visually displaying the modeling results in 20 deciles. The indicated change, based on the model developed on the training dataset, is compared with the actual loss experience on the holdout dataset. The large percentage changes on the vertical access show that the model is separating risks well by loss propensity. The close correspondence between the black and white bars shows that the loss predictions from the model are quite accurate even on holdout data. (Both new and old loss costs have been rescaled to match the aggregate losses, in totoal, in order to measure lift. This allows us to zero in on the differentiation between risks, rather than the overall adequacy.)



Implementing a Medical Payment Classification Plan based on our results would be too expensive relative to the volume of premium and losses involved, yet in light of the sizable improvements the model was able to generate, we are reluctant to leave the rating totally unchanged. We decided to adjust the Medical Payments Relativities in each territory to reflect the average impact of the modeled differences. This preserves much of the loss prediction improvement without requiring any technology changes for participating insurers that use our loss costs.

Two necessary adjustments were made to the average modeled class factor in each territory. First, territories with relatively few exposures were assigned a statewide average instead of a territory average. (The cutoffs were 2500 car-years for Trucks, Tractors, and Trailers, and 167 car-years for Buses.) Next, the new set of averaged class factors for each territory were rebalanced so that their implementation would be revenue neutral on a country-wide basis. This allows us to combine the average class factors directly with the selected medical payments relativities from our experience level review, and still achieve the desired overall change.

Once the new Medical Payments Loss Costs were calculated and rounded to the nearest dollar, in some territories we selected higher values in order to ensure

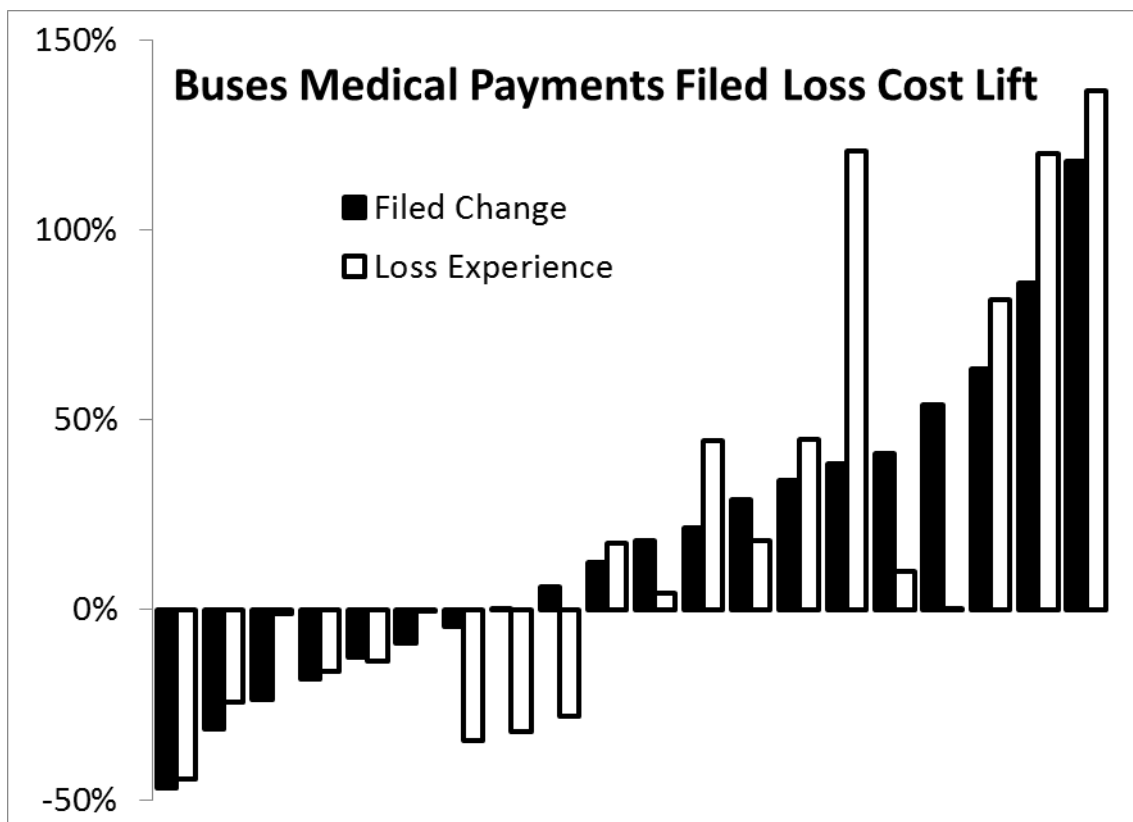
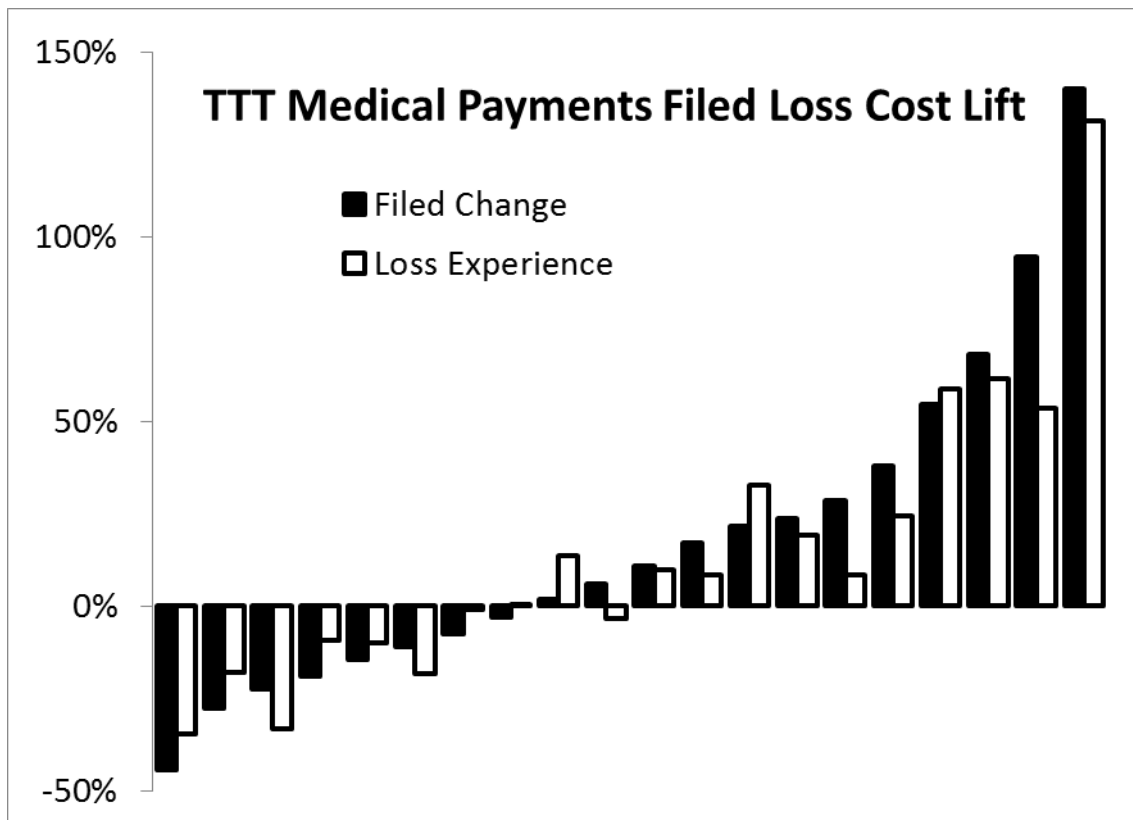
- that all the loss costs were greater than zero after rounding, and that
- each increase in the medical payments coverage resulted in an increase in premium.

The impact of these two adjustments was minimal.

It is worth inquiring, after

- averaging the model results within each territory, and
- rounding the new loss costs to the nearest whole dollar, and
- inflating a few of the loss costs to avoid zeroes and matching values for different limits,

whether there was still a significant improvement in loss prediction, or whether it was obscured by these various necessary adjustments. Lift charts comparing the actual filed rates to the current rates are on the following page. We're happy to report that the improvement in loss prediction is still quite good. The vertical axis of the lift chart shows less scale, but the changes are still quite significant. And the correspondence between the filed changes and the loss experience is still readily evident.



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

Nevada Medical Payments Relativities

| Territory | Trucks, Tractors and Trailers | | | | Private Passenger Types | | | | Other Buses | | | |
|-----------|-------------------------------|-------------|-------------|-------------|-------------------------|-------------|-------------|-------------|------------------------|-------------|-------------|-------------|
| | Medical Payments Limit | | | | Medical Payments Limit | | | | Medical Payments Limit | | | |
| | <u>500</u> | <u>1000</u> | <u>2000</u> | <u>5000</u> | <u>500</u> | <u>1000</u> | <u>2000</u> | <u>5000</u> | <u>500</u> | <u>1000</u> | <u>2000</u> | <u>5000</u> |
| 105 | 0.0046 | 0.0071 | 0.0108 | 0.0184 | 0.0063 | 0.0109 | 0.0180 | 0.0318 | 0.0053 | 0.0087 | 0.0136 | 0.0233 |
| 106 | 0.0047 | 0.0073 | 0.0111 | 0.0189 | 0.0063 | 0.0109 | 0.0180 | 0.0318 | 0.0120 | 0.0197 | 0.0309 | 0.0528 |
| 108 | 0.0025 | 0.0039 | 0.0059 | 0.0100 | 0.0063 | 0.0109 | 0.0180 | 0.0318 | 0.0060 | 0.0099 | 0.0155 | 0.0265 |
| 109 | 0.0021 | 0.0033 | 0.0051 | 0.0086 | 0.0063 | 0.0109 | 0.0180 | 0.0318 | 0.0047 | 0.0077 | 0.0120 | 0.0206 |
| 110 | 0.0042 | 0.0065 | 0.0100 | 0.0169 | 0.0063 | 0.0109 | 0.0180 | 0.0318 | 0.0053 | 0.0087 | 0.0136 | 0.0233 |
| 111 | 0.0045 | 0.0070 | 0.0107 | 0.0181 | 0.0063 | 0.0109 | 0.0180 | 0.0318 | 0.0094 | 0.0154 | 0.0242 | 0.0414 |

| Territory | School and Church Buses | | | | Taxis and Limos | | | | Van Pools | | | |
|-----------|-------------------------|-------------|-------------|-------------|------------------------|-------------|-------------|-------------|------------------------|-------------|-------------|-------------|
| | Medical Payments Limit | | | | Medical Payments Limit | | | | Medical Payments Limit | | | |
| | <u>500</u> | <u>1000</u> | <u>2000</u> | <u>5000</u> | <u>500</u> | <u>1000</u> | <u>2000</u> | <u>5000</u> | <u>500</u> | <u>1000</u> | <u>2000</u> | <u>5000</u> |
| 105 | 0.0083 | 0.0137 | 0.0216 | 0.0344 | 0.0078 | 0.0138 | 0.0228 | 0.0416 | 0.0078 | 0.0120 | 0.0185 | 0.0321 |
| 106 | 0.0173 | 0.0286 | 0.0450 | 0.0719 | 0.0078 | 0.0138 | 0.0228 | 0.0416 | 0.0078 | 0.0120 | 0.0185 | 0.0321 |
| 108 | 0.0083 | 0.0137 | 0.0216 | 0.0344 | 0.0078 | 0.0138 | 0.0228 | 0.0416 | 0.0078 | 0.0120 | 0.0185 | 0.0321 |
| 109 | 0.0067 | 0.0111 | 0.0175 | 0.0280 | 0.0078 | 0.0138 | 0.0228 | 0.0416 | 0.0078 | 0.0120 | 0.0185 | 0.0321 |
| 110 | 0.0083 | 0.0137 | 0.0216 | 0.0344 | 0.0078 | 0.0138 | 0.0228 | 0.0416 | 0.0078 | 0.0120 | 0.0185 | 0.0321 |
| 111 | 0.0139 | 0.0231 | 0.0363 | 0.0580 | 0.0078 | 0.0138 | 0.0228 | 0.0416 | 0.0078 | 0.0120 | 0.0185 | 0.0321 |

NON-OWNERSHIP LIABILITY LOSS COST REVIEW

A review of the Rule 89 Non-Ownership Liability loss costs was performed. Non-ownership liability insurance covers an employer from liability stemming from an employee using his or her car for employer business.

This review involved the following steps:

- 1) Class 6601 (0-25 employees) was segmented into smaller employee count ranges of 0-9, 10-19 and 20-25 employees. Classes 6602 (26-100), 6603 (101-500), 6604 (501-1000) and 6605 (over 1000) employee count ranges remain unchanged.
- 2) Predictive modeling was used to determine new class relativities for these employee count ranges and to reflect differences by state. These results were combined to produce an intermediate set of loss costs that maintain revenue neutrality on a multistate basis while better matching the relative experience differences between classes and states.
- 3) A multistate experience review was performed to calculate an overall indicated percentage change to these intermediate revenue neutral modeled loss costs based upon historical loss experience.
- 4) The overall percentage change was then applied to the intermediate loss costs to produce the final indicated prospective loss costs.

Details on the predictive modeling and the experience review follow.

Predictive Modeling

State and Class differences for Non-Ownership Liability were developed using predictive models. Loss occurrence frequency and loss occurrence severity were modeled separately. In both cases we used a Generalized Linear Model.

Our dataset contained country-wide exposures and loss experience reported to ISO for five accident years through 12/31/2016. Losses were capped at the \$100,000 Basic Limit. Losses were not trended, developed, or adjusted for any expense loading.

Models were trained on Accident Years 2012-2014 and the fit was evaluated on 2015-2016. Once the final form of each model was established, a model with the same specification was rerun using all five years of data to yield the best possible prediction in the final result. The models are summarized in the table below, followed by discussion of particular aspects.

| | <u>Frequency Model</u> | <u>Severity Model</u> |
|-----------------------|-----------------------------|---------------------------------------|
| Loss Distribution | Negative Binomial | Gamma |
| Link Function | Log | Log |
| Offset | None | None |
| Weight | Count of Policy-Years | Count of Loss Occurrences |
| Target Variable | Occurrences per Policy-Year | Losses per Occurrence |
| Control Variables | Accident Year | Accident Year |
| Explanatory Variables | Employee Count | State Average PPT Liability Loss Cost |

Modeling Discussion

For frequency, the a priori distribution for random occurrences is the Poisson Distribution. However, insurance frequency data often exhibits over-dispersion, meaning the variance is higher than the mean, in contrast to the Poisson distribution's characteristic that the variance is equal to the mean. We verified that this was the case here and selected a negative binomial distribution. The negative binomial distribution results when the mean of the Poisson distribution is itself drawn from an unobservable gamma distribution.

For severity, we selected a gamma distribution to represent the dollars of Basic Limits Bodily Injury and Property Damage losses on a per-occurrence basis.

We used a log link function in both models to ensure that the results would take the form of a multiplicative expression.

The frequency model weight was a policy-year count. Note here that we are not using employee-months as the exposure basis. Instead, the number of employees will be used as a predictive variable in the model.

In lieu of loss trend and loss development, we included Accident Year as a variable in both models.

Both employee count and State Average PPT Liability Loss Cost were tested as variables for both Frequency and Severity. We found that employee count was predictive for frequency and the Average Loss Cost was predictive for severity. Discussion of both variables follows.

Employee Count

The count of employees is the primary explanatory variable for Non-Ownership Liability and has an intuitive connection to accident frequency: Each employee of the insured company could potentially be using his or her personal vehicle for business purposes. Because the model uses a log link function, we actually used the log of employee count as our rating variable. When converting model indications to a calculation of predicted losses, this yields a multiplicative term of the form

$$(\text{Employee Count})^K$$

where K is estimated by the model. K was estimated to be 0.69. This result means that a 10% increase in the number of employees results in a prediction of about 6.8% more accidents.

We also included two binary flags as predictors, (discrete variables equal to either zero or one) which allow the model to apply a multiplicative factor to specific sets of records, if the loss experience supports that. The flags identified records with employee counts of 0 and 1, whose frequency experience did not match the general pattern. Policies with either 0 or 1 employee exhibited frequencies higher than the general pattern would otherwise indicate. Specifically, the prediction for frequencies on policies with one employee receives a factor of 1.87 and policies with zero employees received a factor of 4.04. Relatively speaking, the lowest frequency prediction was for a policy with two employees. Relative frequency predictions for select employee counts are summarized below to give an idea of the model's results.

| <u>Employees</u> | <u>Relative Predicted Frequency</u> |
|------------------|-------------------------------------|
| 0 | 2.51 |
| 1 | 1.16 |
| 2 | 1.00 |
| 3 | 1.32 |
| 4 | 1.61 |
| 5 | 1.88 |
| 10 | 3.03 |
| 50 | 9.18 |
| 100 | 14.79 |
| 500 | 44.79 |
| 1000 | 72.20 |

State Average Private Passenger Types (PPT) Loss Cost

Our experience dataset does not contain location information for the non-owned vehicles, (for the obvious reason that this information is not readily obtainable,) but we do know the state the policy was written in. Cognizant that some states present more or less auto risk than others, we used the state average ISO Private Passenger Types (PPT) Liability Loss Cost as a proxy for general risk on the road, and treated this number as a continuous variable. Because the model uses a log link function, we used the log of the average loss cost as our rating variable. When converting model indications to a calculation of predicted losses, this yields a multiplicative term of the form

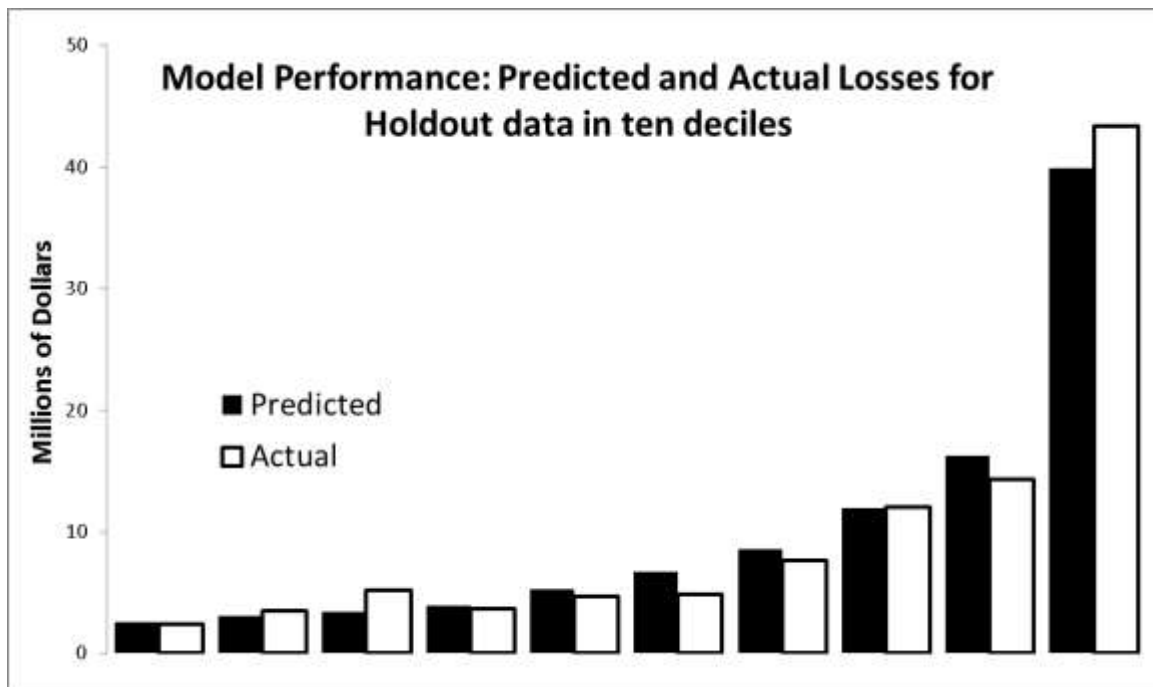
$$(\text{State Average Loss Cost})^K$$

where K is estimated by the model. K was estimated to be 0.39. This means that if one state has a 10% higher PPT Liability loss cost than a second state, the model predicts that the first state would have an average accident severity about 3.8% higher.

The somewhat low estimate of K for this variable shows that Non-Ownership Liability Losses do not vary as widely as Private Passenger Type Liability losses by state. The most expensive state is 5.80 times higher than the least expensive state when looking at the PPT Liability Average Loss Cost. In contrast, the Non-Ownership Liability loss prediction for the most expensive state is only 2.00 times the least expensive state. Nevertheless this is a significant difference in loss severity.

Performance of the Predictive Models:

The two models predicted occurrence per policy-year and loss per occurrence. We can multiply the predictions to yield loss per policy-year. The following chart shows the performance of this prediction after rebalancing, on ten equally sized deciles of hold-out data. The data has been sorted by the predicted loss per policy-year and then separated into deciles.



Calculation of Indicated Loss Costs

Additional work, described here, was necessary to calculate the loss costs for filing.

We first selected new employee count ranges as follows:

| <u>Old Range</u> | <u>New Range</u> | <u>Policy Distribution</u> |
|------------------|------------------|----------------------------|
| | 0 – 9 | 68% |
| 0 – 25 | 10 – 19 | 9% |
| | 20 – 25 | 15% |
| 26 – 100 | 26 – 100 | 6% |
| 101 – 500 | 101 – 500 | 2% |
| 501 – 1000 | 501 – 1000 | <1% |
| 1001 + | 1001 + | <1% |

Next we computed the average predicted loss per policy-year within each range on a country-wide basis to yield a set of class relativities representing the modeled relationship between the ranges or classes (“New Relationship”). Similar relationships can be calculated from the current ISO loss costs (“Current Relationship”).

| <u>Range</u> | <u>Current Relationship</u> | <u>New Relationship</u> |
|--------------|-----------------------------|-------------------------|
| 0 – 9 | 1.00 | 1.00 |
| 10 – 19 | 1.00 | 2.13 |

| | | |
|------------|-------|-------|
| 20 – 25 | 1.00 | 3.43 |
| 26 – 100 | 2.33 | 5.79 |
| 101 – 500 | 5.10 | 15.14 |
| 501 – 1000 | 8.04 | 34.81 |
| 1001 + | 18.02 | 73.37 |

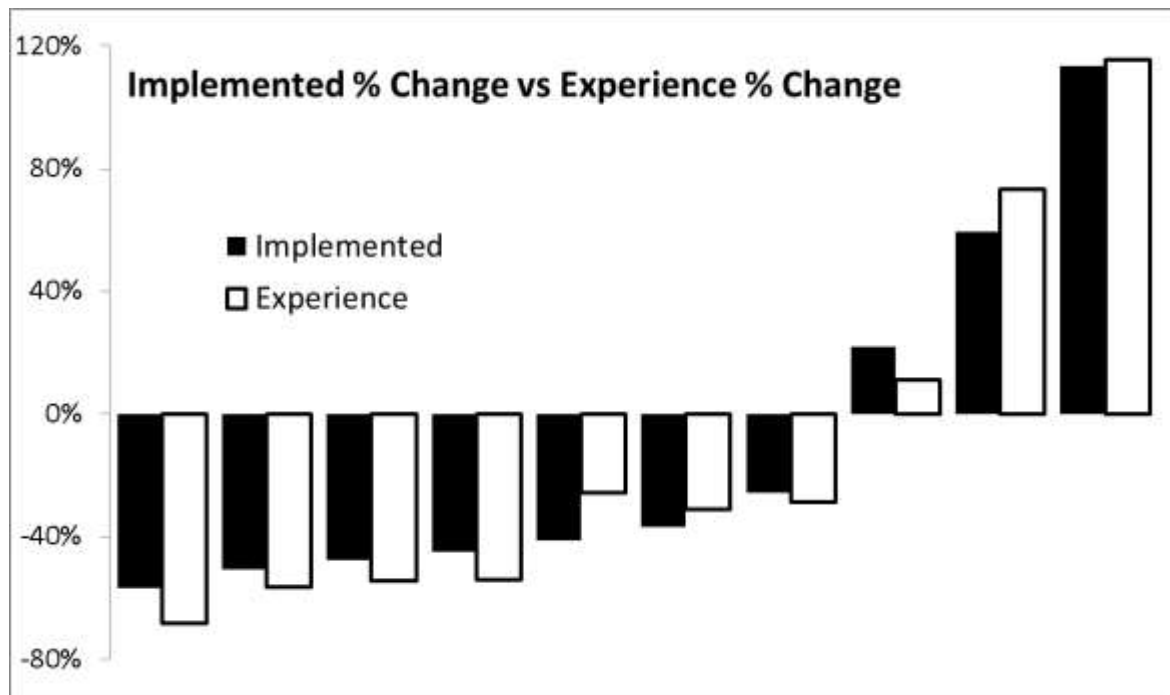
These new class relativities must be combined with a representation of the difference by state, which comes from our severity model. We returned to our predicted loss amounts and removed the effect of the employee count from that prediction, leaving a single per-policy prediction for each state. This was then multiplied by the new class relativities as developed above, and the result was off-balanced to revenue neutrality on a country-wide basis, so that the new loss costs developed from our model meet the following three constraints (before rounding):

- Relative differences from one class to another are the same in every state.
- The difference from one state and another for the same class is the same for all classes.
- The Aggregate Loss Cost for all policies in all states comes to the same grand total.

The reason for the last constraint is that we performed a separate country-wide experience review using standard actuarial methods to determine what percentage change we wanted to implement overall. The output from the calculation just described was used as an intermediate set of rates, subject to that experience review.

| <u>Employee Range</u> | <u>Current Loss Costs</u> | <u>Nevada Intermediate Loss Costs</u> | <u>Intermediate Percentage Change</u> | <u>Final Indicated Loss Costs</u> | <u>Overall Percentage Change</u> |
|-----------------------|---------------------------|---------------------------------------|---------------------------------------|-----------------------------------|----------------------------------|
| 0 – 9 | 48 | 32.98 | -31.3% | 66 | 37.5% |
| 10 – 19 | 48 | 70.31 | 46.5% | 141 | 193.8% |
| 20 – 25 | 48 | 113.03 | 135.5% | 226 | 370.8% |
| 26 – 100 | 112 | 191.02 | 70.6% | 383 | 242.0% |
| 101 – 500 | 245 | 499.27 | 103.8% | 1000 | 308.2% |
| 501 – 1000 | 386 | 1148.31 | 197.5% | 2300 | 495.9% |
| 1001 + | 865 | 2420.05 | 179.8% | 4847 | 460.3% |

The methodology just described removes some resolution from the predicted losses as modeled. We can compare the Intermediate Loss Costs developed in this section to the Current Loss Costs and the experience losses to measure the predictive power of the final result, rather than the predictive power of the model (which is necessarily higher). We will compare the results for our Intermediate Loss Costs to the predictive power of the ISO Loss Costs currently in effect. Since we are comparing two different predictions to the loss experience, we will divide the Intermediate Loss Costs and the actual losses by the current ISO manual rates and express each of those as a percentage change. We sort by the percentage change of the Intermediate Loss Costs, and then summing the data in ten equal deciles.



The wide range on the vertical axis shows that we are making large changes, and there is a close general correspondence between the changes we are implementing and the experience loss data.

RULE 89- NON-OWNERSHIP LIABILITY EXPERIENCE REVIEW

DETERMINATION OF ADVISORY LOSS COST LEVEL CHANGE

| | |
|----------------------------------|--|
| OBJECTIVE | The objective of this procedure is to determine the indicated overall advisory loss cost level change. This procedure answers the question: what percentage changes must be made on average to the Non-Ownership Liability 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? |
| DESCRIPTION | This procedure compares the developed and trended incurred losses and loss adjustment expenses with the aggregate loss costs at intermediate loss cost level, which is the aggregate amount that would have been collected if the revenue neutral intermediate modeled loss costs were used during the experience period. This experience ratio (losses and all loss adjustment expenses divided by aggregate loss costs) is calculated for several years and a weighted average is calculated. This weighted experience ratio is the indicated overall advisory loss cost level change in decimal form. |
| EXPERIENCE BASE | The experience used in this review are 5 calendar/accident years of data ending December 31, 2016, evaluated as of March 31, 2017. Data for classes 6601, 6602, 6603, 6604 and 6605 is included. The review is being conducted on a \$100,000 Combined Single Limits basis - indemnity losses are limited to \$100,000 per occurrence. Allocated Loss Adjustment Expenses are not limited. |
| AGGREGATE LOSS COSTS (Item 1) | The aggregate loss costs are the loss-related revenue that would have been collected if the revenue neutral intermediate modeled loss costs were used during the experience period. It is calculated by multiplying the number of policy years by the intermediate modeled loss costs. |

INCURRED
LOSSES & LAE
(Item 2)

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

The reported incurred losses and allocated loss adjustment expenses are subject to the following adjustments:

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

Support for these loss related adjustments follows.

EXPERIENCE
RATIO
(Item 3)

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

YEAR WEIGHTS
(Item 4)

Year weights give more weight to recent years and were assigned as follows: accident year ending 12/31/2016: 30%; accident year ending 12/31/2015: 25%, accident year ending 12/31/2014: 20%, accident year ending 12/31/2013: 15%, and accident year ending 12/31/2012: 10%.

AVERAGE
EXPERIENCE
RATIO
(Item 6)

The average experience ratio, is the sum of the products of each year's experience ratio and assigned weight. This average experience ratio, converted to a percentage, is the indicated change to the revenue neutral intermediate modeled loss costs.

MULTISTATE
 AUTOMOBILE LIABILITY INSURANCE
 DETERMINATION OF ADVISORY LOSS COST LEVEL CHANGES
 NON-OWNERSHIP LIABILITY

| | (1) | (2) | (3) | (4) | (5) |
|----------------------------|--|-------------------------------------|----------------------------------|-----------------------------|------------------------------------|
| ACCIDENT YEAR ENDING | AGGREGATE LOSS COST (B) | \$100,000 INCURRED LOSSES (C) | EXPERIENCE RATIO (2) / (1) | ACCIDENT YEAR WEIGHTS | NUMBER OF INCURRED CLAIMS |
| 12/31/12 | \$40,075,132 | \$87,923,302 | 2.194 | 10% | 6,092 |
| 12/31/13 | \$40,559,893 | \$86,943,677 | 2.144 | 15% | 6,003 |
| 12/31/14 | \$41,120,603 | \$92,744,249 | 2.255 | 20% | 6,816 |
| 12/31/15 | \$42,293,302 | \$76,318,488 | 1.805 | 25% | 5,316 |
| 12/31/16 | \$42,734,785 | \$79,828,810 | 1.868 | 30% | 4,730 |
| (6) | AVERAGE EXPERIENCE RATIO (SUM OF (3) * (4)). | | | | 2.003 |
| (7) | INDICATED PERCENTAGE CHANGE IN ADVISORY LOSS COST LEVEL ((6) - 1.000). | | | | 100.3% |
| (8) | FILED CHANGE. | | | | 100.3% |
| (A) | NONOWNED LIABILITY EXPERIENCE INCLUDES CLASSES 6601, 6602, 6603, 6604 AND 6605. | | | | |
| (B) | THE AGGREGATE LOSS COST IS CALCULATED BY MULTIPLYING THE NUMBER OF POLICY YEARS BY THE INTERMEDIATE MODELED LOSS COSTS. | | | | |
| (C) | LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSES FOR BODILY INJURY AND PROPERTY DAMAGE LIABILITY. SEE FOLLOWING PAGE. | | | | |

INSURANCE SERVICES OFFICE, INC.

MULTISTATE
AUTOMOBILE LIABILITY INSURANCE
DETERMINATION OF SINGLE LIMIT LOSSES

| | ACC. YEAR ENDING | BODILY INJURY | PROPERTY DAMAGE | COMBINED |
|-----------------------------------|---------------------|------------------|--------------------|--------------|
| (1) INCURRED LOSSES AND | 12/31/12 | \$45,854,511 | \$15,572,022 | |
| ALLOCATED LOSS | 12/31/13 | \$46,692,601 | \$15,347,718 | |
| ADJUSTMENT EXPENSES | 12/31/14 | \$45,074,613 | \$18,929,596 | |
| | 12/31/15 | \$32,308,374 | \$14,885,703 | |
| | 12/31/16 | \$25,268,516 | \$13,472,207 | |
| (2) DEVELOPED LOSSES AND | 12/31/12 | \$50,548,179 | \$17,284,944 | |
| ALL LOSS ADJUSTMENT | 12/31/13 | \$52,535,947 | \$17,070,039 | |
| EXPENSES (A) | 12/31/14 | \$55,214,823 | \$21,242,982 | |
| | 12/31/15 | \$48,550,601 | \$16,837,070 | |
| | 12/31/16 | \$55,243,925 | \$15,791,582 | |
| (3) SELECTED ANNUAL LOSS TREND | | 2.7% | 5.7% | 3.4% |
| (4) TRENDED LOSSES AND | 12/31/12 | \$61,719,327 | \$26,203,975 | \$87,923,302 |
| ALL LOSS ADJUSTMENT | 12/31/13 | \$62,465,241 | \$24,478,436 | \$86,943,677 |
| EXPENSES (B) | 12/31/14 | \$63,938,765 | \$28,805,484 | \$92,744,249 |
| | 12/31/15 | \$54,716,527 | \$21,601,961 | \$76,318,488 |
| | 12/31/16 | \$60,657,830 | \$19,170,981 | \$79,828,810 |

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

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

| YEAR ENDING | B.I. | P.D. |
|-------------|-------|-------|
| 12/31/12 | 1.016 | 1.000 |
| 12/31/13 | 1.037 | 1.002 |
| 12/31/14 | 1.129 | 1.011 |
| 12/31/15 | 1.385 | 1.019 |
| 12/31/16 | 2.015 | 1.056 |

(B) TRENDED LOSSES ARE EQUAL TO (2) * ((1.0 + (3)) ** N), WHERE N IS EQUAL TO
THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF ACCIDENT TO ONE
YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 1/1/2019
WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING.

| YEAR ENDING | AVERAGE DATE OF ACCIDENT | PROJECTION PERIOD |
|-------------|--------------------------------|----------------------|
| 12/31/12 | 7/1/12 | 7.500 |
| 12/31/13 | 7/1/13 | 6.500 |
| 12/31/14 | 7/1/14 | 5.500 |
| 12/31/15 | 7/1/15 | 4.500 |
| 12/31/16 | 7/1/16 | 3.500 |

COMMERCIAL AUTOMOBILE LIABILITY INSURANCE
MULTISTATE LOSS ADJUSTMENT EXPENSE EXPERIENCE

Calendar Year

Development of Unallocated Loss Adjustment Expense Factor

Bodily Injury
(000's)

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

Property Damage
(000's)

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

All items are from Special Call Submission for available writers.

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

AVERAGE PAID CLAIM COST DATA

| MULTISTATE* | | | | | |
|-------------------|----------|----------|-------------------|----------|--|
| BODILY INJURY | | | PROPERTY DAMAGE | | |
| (\$100000 LIMITS) | | | (\$100000 LIMITS) | | |
| | (1) | (2) | (3) | (4) | |
| YEAR | EXPONEN- | | EXPONEN- | | |
| ENDED | ACTUAL | TIAL FIT | ACTUAL | TIAL FIT | |
| 3/31/2014 | 20088.87 | 20321.23 | 3676.14 | 3655.72 | |
| 6/30/2014 | 20380.29 | 20456.67 | 3712.11 | 3707.17 | |
| 9/30/2014 | 20732.93 | 20593.01 | 3752.08 | 3759.33 | |
| 12/31/2014 | 20933.35 | 20730.27 | 3799.50 | 3812.23 | |
| 3/31/2015 | 21106.46 | 20868.43 | 3860.83 | 3865.87 | |
| 6/30/2015 | 21156.78 | 21007.52 | 3905.50 | 3920.27 | |
| 9/30/2015 | 21179.18 | 21147.53 | 3962.46 | 3975.44 | |
| 12/31/2015 | 21029.30 | 21288.48 | 4020.15 | 4031.38 | |
| 3/31/2016 | 21143.66 | 21430.37 | 4106.33 | 4088.10 | |
| 6/30/2016 | 21391.10 | 21573.20 | 4177.05 | 4145.63 | |
| 9/30/2016 | 21760.24 | 21716.98 | 4205.66 | 4203.97 | |
| 12/31/2016 | 22103.74 | 21861.73 | 4250.83 | 4263.12 | |

| | <u>BODILY INJURY</u> | <u>PROPERTY DAMAGE</u> |
|---|----------------------|------------------------|
| (5) AVERAGE ANNUAL PERCENT CHANGE IN PAID CLAIM COST (12TH POINT / 8TH POINT) | 2.7% | 5.7% |
| (6) AVERAGE ANNUAL PERCENT CHANGE IN CLAIM FREQUENCY | 0.0% | 0.0% |
| (7) AVERAGE ANNUAL PERCENT CHANGE IN LIABILITY LOSS RATIO {1.0 + (5)} * {1.0 + (6)} | 2.7% | 5.7% |

* EXCLUDES MASSACHUSETTS

Insurance Services Office

Basic Limits Loss Development
 Non-Ownership Liability - Bodily Injury
 Multistate#
 Incurred Losses and Expenses

| Accident Year <u>Ending</u> | \$100,000 Basic Limit | | | | |
|-----------------------------------|-----------------------|------------------|------------------|------------------|------------------|
| | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
| 12/31/2005 | 13,061,559 | 16,771,374 | 19,293,772 | 20,540,602 | 21,289,481 |
| 12/31/2006 | 11,632,975 | 15,042,589 | 17,418,810 | 18,669,149 | 19,454,171 |
| 12/31/2007 | 12,541,246 | 17,730,759 | 21,211,025 | 21,984,928 | 22,760,782 |
| 12/31/2008 | 13,949,225 | 19,629,717 | 23,573,736 | 25,073,532 | 25,340,297 |
| 12/31/2009 | 16,372,385 | 22,525,858 | 27,723,558 | 30,251,911 | 31,419,348 |
| 12/31/2010 | 17,708,864 | 24,527,385 | 30,713,069 | 33,988,107 | 34,923,951 |
| 12/31/2011 | 19,381,982 | 26,712,735 | 32,690,838 | 34,706,063 | 34,758,343 |
| 12/31/2012 | 25,407,377 | 35,584,544 | 43,413,230 | 46,774,764 | 47,900,415 |
| 12/31/2013 | 22,859,557 | 36,024,239 | 44,390,935 | 48,655,404 | |
| 12/31/2014 | 27,018,254 | 37,925,429 | 46,402,473 | | |
| 12/31/2015 | 21,333,387 | 33,266,631 | | | |
| 12/31/2016 | 27,109,749 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
|------------------------------------|--------------|--------------|--------------|--------------|
| 12/31/2005 | 1.284 | 1.150 | 1.065 | 1.036 |
| 12/31/2006 | 1.293 | 1.158 | 1.072 | 1.042 |
| 12/31/2007 | 1.414 | 1.196 | 1.036 | 1.035 |
| 12/31/2008 | 1.407 | 1.201 | 1.064 | 1.011 |
| 12/31/2009 | 1.376 | 1.231 | 1.091 | 1.039 |
| 12/31/2010 | 1.385 | 1.252 | 1.107 | 1.028 |
| 12/31/2011 | 1.378 | 1.224 | 1.062 | 1.002 |
| 12/31/2012 | 1.401 | 1.220 | 1.077 | 1.024 |
| 12/31/2013 | 1.576 | 1.232 | 1.096 | |
| 12/31/2014 | 1.404 | 1.224 | | |
| 12/31/2015 | 1.559 | | | |
| Average Factor: (Best 3 of 5) | 1.455 | 1.227 | 1.088 | 1.021 |

Summary of Factors

| | | |
|------------|--|-------|
| 63 to Ult: | (75:63) (75:Ult) = | 1.016 |
| 51 to Ult: | (63:51) (75:63) (75:Ult) = | 1.037 |
| 39 to Ult: | (51:39) (63:51) (75:63) (75:Ult) = | 1.129 |
| 27 to Ult: | (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 1.385 |
| 15 to Ult: | (27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 2.015 |

Excludes Massachusetts

Insurance Services Office

Basic Limits Loss Development
 Non-Ownership Liability - Bodily Injury
 Multistate#
 Incurred Losses and Expenses

| Accident Year <u>Ending</u> | \$100,000 Basic Limit | | | | |
|-----------------------------------|-----------------------|------------------|------------------|-------------------|-------------------|
| | <u>75 Months</u> | <u>87 Months</u> | <u>99 Months</u> | <u>111 Months</u> | <u>123 Months</u> |
| 12/31/2005 | 22,114,181 | 22,284,973 | 22,257,134 | 22,218,802 | 22,242,952 |
| 12/31/2006 | 19,680,252 | 19,644,591 | 19,677,589 | 19,569,159 | 19,571,955 |
| 12/31/2007 | 22,743,887 | 22,955,753 | 22,948,788 | 22,880,069 | 22,939,254 |
| 12/31/2008 | 26,048,487 | 26,113,744 | 25,994,674 | 26,257,950 | |
| 12/31/2009 | 31,633,170 | 32,022,297 | 32,099,114 | | |
| 12/31/2010 | 34,934,140 | 35,372,233 | | | |
| 12/31/2011 | 35,273,238 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>75:63</u> | <u>87:75</u> | <u>99:87</u> | <u>111:99</u> | <u>123:111</u> |
|------------------------------------|--------------|--------------|--------------|---------------|----------------|
| 12/31/2005 | 1.039 | 1.008 | 0.999 | 0.998 | 1.001 |
| 12/31/2006 | 1.012 | 0.998 | 1.002 | 0.994 | 1.000 |
| 12/31/2007 | 0.999 | 1.009 | 1.000 | 0.997 | 1.003 |
| 12/31/2008 | 1.028 | 1.003 | 0.995 | 1.010 | |
| 12/31/2009 | 1.007 | 1.012 | 1.002 | | |
| 12/31/2010 | 1.000 | 1.013 | | | |
| 12/31/2011 | 1.015 | | | | |
| Average Factor: (Best 3 of 5) | 1.007 | 1.008 | 1.000 | 1.000 | 1.001 |

Summary of Factors

| | | | |
|-------------|--|---|-------|
| 123 to Ult: | (1.000) | = | 1.000 |
| 111 to Ult: | (123:111) (123:Ult) | = | 1.001 |
| 99 to Ult: | (111:99) (123:111) (123:Ult) | = | 1.001 |
| 87 to Ult: | (99:87) (111:99) (123:111) (123:Ult) | = | 1.001 |
| 75 to Ult: | (87:75) (99:87) (111:99) (123:111) (123:Ult) | = | 1.009 |

Excludes Massachusetts

Insurance Services Office

Basic Limits Loss Development
Non-Ownership Liability - Property Damage
Multistate#
Incurred Losses and Expenses

| Accident Year <u>Ending</u> | \$100,000 Basic Limit | | | | |
|-----------------------------------|-----------------------|------------------|------------------|------------------|------------------|
| | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
| 12/31/2005 | 7,580,188 | 7,706,856 | 8,123,141 | 8,136,510 | 8,105,876 |
| 12/31/2006 | 8,752,260 | 8,994,768 | 9,073,616 | 9,205,953 | 9,199,007 |
| 12/31/2007 | 9,160,631 | 9,179,682 | 9,343,945 | 9,404,828 | 9,427,085 |
| 12/31/2008 | 11,590,724 | 11,982,414 | 12,072,273 | 11,859,140 | 11,929,264 |
| 12/31/2009 | 13,524,488 | 13,692,176 | 13,566,398 | 13,592,318 | 13,595,982 |
| 12/31/2010 | 12,876,315 | 13,421,073 | 13,546,664 | 13,742,695 | 13,811,326 |
| 12/31/2011 | 15,010,705 | 15,389,065 | 15,339,625 | 15,517,737 | 15,501,161 |
| 12/31/2012 | 14,967,525 | 15,606,103 | 15,767,314 | 15,969,855 | 15,978,896 |
| 12/31/2013 | 15,248,746 | 15,575,235 | 15,660,042 | 15,604,260 | |
| 12/31/2014 | 17,884,629 | 18,942,530 | 19,356,686 | | |
| 12/31/2015 | 14,582,613 | 15,181,001 | | | |
| 12/31/2016 | 13,676,167 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
|------------------------------------|--------------|--------------|--------------|--------------|
| 12/31/2005 | 1.017 | 1.054 | 1.002 | 0.996 |
| 12/31/2006 | 1.028 | 1.009 | 1.015 | 0.999 |
| 12/31/2007 | 1.002 | 1.018 | 1.007 | 1.002 |
| 12/31/2008 | 1.034 | 1.007 | 0.982 | 1.006 |
| 12/31/2009 | 1.012 | 0.991 | 1.002 | 1.000 |
| 12/31/2010 | 1.042 | 1.009 | 1.014 | 1.005 |
| 12/31/2011 | 1.025 | 0.997 | 1.012 | 0.999 |
| 12/31/2012 | 1.043 | 1.010 | 1.013 | 1.001 |
| 12/31/2013 | 1.021 | 1.005 | 0.996 | |
| 12/31/2014 | 1.059 | 1.022 | | |
| 12/31/2015 | 1.041 | | | |
| Average Factor: (Best 3 of 5) | 1.036 | 1.008 | 1.009 | 1.002 |

Summary of Factors

| | | |
|------------|--|-------|
| 63 to Ult: | (75:63) (75:Ult) = | 1.000 |
| 51 to Ult: | (63:51) (75:63) (75:Ult) = | 1.002 |
| 39 to Ult: | (51:39) (63:51) (75:63) (75:Ult) = | 1.011 |
| 27 to Ult: | (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 1.019 |
| 15 to Ult: | (27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 1.056 |

Excludes Massachusetts

Insurance Services Office

Basic Limits Loss Development
Non-Ownership Liability - Property Damage
Multistate#
Incurred Losses and Expenses

| Accident Year <u>Ending</u> | <u>75 Months</u> | <u>87 Months</u> | <u>99 Months</u> | <u>111 Months</u> | <u>123 Months</u> |
|-----------------------------------|------------------|------------------|------------------|-------------------|-------------------|
| 12/31/2005 | 8,110,269 | 8,119,387 | 8,150,477 | 8,150,670 | 8,150,670 |
| 12/31/2006 | 9,218,124 | 9,227,870 | 9,226,319 | 9,225,969 | 9,225,722 |
| 12/31/2007 | 9,407,717 | 9,411,181 | 9,424,461 | 9,410,060 | 9,410,144 |
| 12/31/2008 | 11,958,779 | 11,974,390 | 11,974,390 | 11,974,390 | |
| 12/31/2009 | 13,557,184 | 13,557,184 | 13,557,214 | | |
| 12/31/2010 | 13,717,952 | 13,728,308 | | | |
| 12/31/2011 | 15,518,299 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>75:63</u> | <u>87:75</u> | <u>99:87</u> | <u>111:99</u> | <u>123:111</u> |
|------------------------------------|--------------|--------------|--------------|---------------|----------------|
| 12/31/2005 | 1.001 | 1.001 | 1.004 | 1.000 | 1.000 |
| 12/31/2006 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 |
| 12/31/2007 | 0.998 | 1.000 | 1.001 | 0.998 | 1.000 |
| 12/31/2008 | 1.002 | 1.001 | 1.000 | 1.000 | |
| 12/31/2009 | 0.997 | 1.000 | 1.000 | | |
| 12/31/2010 | 0.993 | 1.001 | | | |
| 12/31/2011 | 1.001 | | | | |
| Average Factor: (Best 3 of 5) | 0.999 | 1.001 | 1.000 | 1.000 | 1.000 |

Summary of Factors

| | | | |
|-------------|--|---|-------|
| 123 to Ult: | (1.000) | = | 1.000 |
| 111 to Ult: | (123:111) (123:Ult) | = | 1.000 |
| 99 to Ult: | (111:99) (123:111) (123:Ult) | = | 1.000 |
| 87 to Ult: | (99:87) (111:99) (123:111) (123:Ult) | = | 1.000 |
| 75 to Ult: | (87:75) (99:87) (111:99) (123:111) (123:Ult) | = | 1.001 |

Excludes Massachusetts

UNINSURED AND UNDERINSURED MOTORISTS
EXPLANATORY MEMORANDUM

INTRODUCTION

In the prior review, Uninsured Motorists(UM) loss costs were determined based on statewide experience data as well as a model that considered the relationship between UM and BI experience, the distribution of vehicles, liability loss costs, and increased limits factors. To date, loss costs for Underinsured Motorists (UIM) coverage (or the component of Uninsured Motorists loss costs attributable to UIM coverage) have been determined using a model that accounts for the expected distribution of vehicles, policy limits, and loss potential for accidents that will involve an insured.

This section uses UM and UIM experience data to evaluate the adequacy of current ISO loss costs and makes adjustments to reflect the results. The revised UM and UIM loss costs are included in rule 97 in Section G of this filing.

OBJECTIVE

The objective of this procedure is to determine the indicated statewide advisory loss cost level change for UM and UIM. This procedure answers the question: what percentage changes must be made on average to the current ISO loss costs in order for them to be adequate to cover indemnity losses and all loss adjustment expenses incurred in the prospective period in which the revised loss costs are assumed to be in effect?

DESCRIPTION

This procedure compares the developed and trended incurred losses and loss adjustment expenses with the aggregate loss costs at current ISO loss cost level, which is the aggregate amount that would have been collected if the current ISO loss costs were used during the experience period. This experience ratio (losses and all loss adjustment expenses divided by aggregate loss costs) is calculated for five combined years of experience. This experience ratio is the indicated statewide advisory loss cost level change in decimal form.

For robustness, a single UIM loss cost level change is calculated for Private Passenger Types and Other Than Private Passenger Types. To reflect that UIM property damage (if applicable at all) comprises a small portion of UIM losses, the loss cost level change is applied only to UIM bodily injury loss costs.

EXPERIENCE
BASE

The experience used in this review is the latest available UM and UIM data as reported under the ISO Commercial Statistical Plan. Five fiscal accident years are used with the most recent spanning January 1, 2017 through December 31, 2017 and reported losses evaluated as of March 31, 2018 for UM. The most recent accident year for UIM spans October 1, 2016 through September 30, 2017 and reported losses are evaluated as of December 31, 2017.

The UM analysis is on a basic limits basis, capping the losses at the basic split limit for the state.

**EXPERIENCE
BASE (CONT'D)**

The UIM analysis is on a total limits basis, combining all valid combined single limit and split-limit-bodily injury UIM experience. Other analyses in this filing use capped losses to determine a loss cost for a basic limit. Such a procedure is less appropriate for UIM experience data. The UIM experience is qualitatively different than standard liability coverage, in that each incurred loss exists in an excess layer above the tortfeasor's liability limit. That lower limit is unreported on the loss record and varies for each incurred loss. Considering these limitations, it is impossible to ascertain the portion of losses within some ground up layer of liability. Considering this limitation, this review aims to ensure prospective adequacy of UIM loss costs for all limits combined, while maintaining the current UIM limit relationships.

The indications for Other Than Private Passenger Types are based on experience for Trucks and Truck-Tractors. Items corresponding to Trucks and Truck-Tractors experience are labeled as Trucks, Tractors, and Trailers for familiarity's sake, though do not include Trailers experience, for which UM and UIM are not always applicable.

**AGGREGATE LOSS
COSTS AT CURRENT
LEVEL**

The aggregate loss costs at current ISO loss cost level are the loss-related revenue that would have been collected if the current ISO basic split limit loss cost was used during the experience period. It is calculated by extending the exposures by the current ISO loss cost. For states where a combined loss cost is used for Uninsured and Underinsured Motorists coverages, the ALCCCL reflects only the appropriate UM or UIM component that was determined when current loss costs were implemented.

**LOSSES AND LOSS
ADJUSTMENT
EXPENSES**

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

The reported incurred losses and allocated loss adjustment expenses are subject to the following adjustments:

- Placed on the prospective cost levels by the application of severity trend factors;
- Developed to an ultimate settlement basis by the application of the chain ladder method of loss development for UM and by the application of the Stanard-Buhlmann method of loss development (also known as the Cape Cod method) for UIM;
- Loaded for unallocated loss adjustment expenses.

These adjustments are discussed in further depth in this section.

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

| | |
|---|---|
| AVERAGE ANNUAL CHANGE IN LOSSES (TREND) | The application of the average annual change in losses to historical data recognizes that advisory loss costs are being made for use in a future period based on historical experience. Due to economic and social factors, claim cost levels continue to change from those underlying the historical data. |
|---|---|

To determine the historical average claim cost trend, ISO makes use of the Least Squares Method fitted to the reported time series data; specifically, an exponential curve represented by the equation $Y=A(B^X)$ is fitted to the paid claim cost data. The parameters A and B are calculated by regressing Y, which is the applicable claim cost on X, which is the unit of time. The resulting fitted curve allows the determination of a historical average trend for the data under review.

Due to the lack of UM and UIM volume and the nature of the coverages, it is unlikely that UM and UIM data would yield any useful trend information. Instead, this review uses standard Bodily Injury claim cost trend information as a proxy for changes in UM and UIM claim costs over time.

Prospective average annual changes for claim cost have been selected based on the historical multistate Bodily Injury Liability data. These changes are used to adjust the losses to a prospective level. The trend factors are shown in Exhibit 3 of this section.

| |
|-----------------------------|
| UM LOSS DEVELOPMENT FACTORS |
|-----------------------------|

| |
|---|
| The UM loss development factors are based on multistate data capped at this state's basic split limit, separately for Private Passenger Types and Trucks, Tractors & Trailers. Three-year averages are calculated for each link ratio based on a "best three of five" approach. Specifically, for the latest five years, the highest and lowest ratios were removed from the calculation and the three year average was calculated using the three remaining factors. Losses are developed up to 75 months and beyond 75 months the loss development is assumed to be unity. The loss development factors are shown in Exhibit 2 of this section. |
|---|

OVERVIEW OF
STANARD-
BUHLMANN
LOSS
DEVELOPMENT
METHODOLOGY
FOR UIM

The application of loss development recognizes the important concept that some of the losses for a particular accident year have not been finally determined at the time the experience is compiled.

For standard Commercial Auto liability coverages, ISO typically uses a chain ladder approach to loss development. The UIM experience is qualitatively different than standard liability coverage:

- each incurred loss exists in an excess layer above the tortfeasor's liability limit;
- the lower limit is unreported on the loss record and varies for each incurred loss;
- losses occur less frequently but tend to be more severe (as they must eclipse the tortfeasor's limit), which can result in highly leveraged losses at immature evaluations.

In light of these characteristics, this analysis uses the Stanard-Buhlmann method (also known as the Cape Cod method) to determine the ultimate level of losses in the experience period. The Stanard-Buhlmann method was conceived with an eye toward reinsurance data, which shares the described traits. The procedure is as follows:

1. First, the method uses the losses reported to date to determine a common, ultimate expected level of losses relative to ALCCL.
2. In order to do this, typical loss development factors are determined. Using these factors, an implied portion of ultimate losses that are reported to date is determined. For instance, a loss development factor of 3.000 implies that 1/3 of ultimate losses are expected to be reported to date.
3. Using this calculation, the ALCCL for each year is apportioned into two pieces: the portion corresponding to losses that have been incurred and reported (the apportioned ALCCL), and the portion corresponding to losses that have been incurred but not reported.
4. The sum of the reported losses to date from each year is compared to the sum of the apportioned ALCCL, and this ratio is the ultimate expected level of losses relative to ALCCL for the historic period.
5. This expected experience ratio is applied to the ALCCL that has yet to be apportioned. The result is the expected unreported loss that is added to the loss reported to date to determine the total (developed) incurred loss and allocated loss adjustment expense.

The benefit of using this method is that for each accident year, the unreported loss reflects a common, overall expected level of adequacy (or inadequacy) rather than leveraging a single immature accident year's results; but each year's results to date still play a role in the computation of the historical expected experience ratio for the ALCCL not yet apportioned.

To calculate this ratio in this filing, ALCCL is apportioned separately for Trucks, Tractors and Trailers and Private Passenger Types, but then combined to determine the overall level.

**DETERMINATION
OF UIM LOSS
DEVELOPMENT
FACTORS TO
APPORTION THE
ALCCL**

To calculate the ALCCL apportioned to losses reported to date, a typical chain ladder approach is taken to determine loss development factors to ultimate (LDFs). In turn, the LDFs are used to determine the portion of ultimate losses expected to be reported to date.

Separately for Trucks, Tractors, and Trailers and Private Passenger Types, UIM LDFs are calculated by accumulating the statewide credibility-weighted 15-to-27-month factor and 27-to-39-month factor, and the multistate average to-ultimate factors at subsequent maturities. Losses are developed up to 123 months and are on an all limits combined basis. Three-year averages are calculated for each link ratio based on a "best three of five" approach. Specifically, for the latest five years, the highest and lowest ratios were removed from the calculation and the three-year average was calculated using the three remaining factors. Beyond 123 months the loss development is assumed to be unity.

In light of countrywide variations in financial responsibility limits and UIM coverage triggers, the 15-to-27-month and 27-to-39-month link ratios are based on a credibility weighting of state specific data with multistate data. For these link ratios, statewide credibility is determined by the formula $Z = L / (L + K)$, where Z is the credibility, and L is the 3-year total losses for the particular state (at the earliest of the two evaluations). The complement of credibility is assigned to multistate link ratio. K is a constant, for which 20,000,000 is selected for all UIM calculations. A state must have losses in all three years at the earlier evaluation to receive credibility for a given link ratio.

**UNALLOCATED
LOSS ADJUSTMENT
EXPENSES**

Reported losses include loss adjustment expenses that can be allocated to individual claims (ALAE), but do not include unallocated loss adjustment expenses (ULAE). To account for the expected ULAE costs, a load of 8% is selected, consistent with the selection for bodily injury loss costs throughout this filing.

NEVADA
UNINSURED MOTORISTS

Trucks, Tractors & Trailers

| Accident Year Ending | (1) Aggregate Loss Cost at Current Level (A) | (2) 25/50 Incurred Losses (B) | (3) Experience Ratio (2) / (1) | (4) Number of Incurred Claims |
|----------------------------|---|--|---|--|
| 3/31/2014 | 277,777 | 327,490 | 1.179 | 13 |
| 3/31/2015 | 256,110 | 250,196 | 0.977 | 14 |
| 3/31/2016 | 235,515 | 474,271 | 2.014 | 14 |
| 3/31/2017 | 220,693 | 640,112 | 2.900 | 19 |
| 3/31/2018 | 221,964 | 289,404 | 1.304 | 10 |
| Total | 1,212,059 | 1,981,473 | 1.635 | |

| | |
|--|-------|
| (5) Indicated change based on experience data [Column (3) Total] | 63.5% |
| (6) Selected change | 35.0% |

(A) The Aggregate Loss Cost at Current Level (ALCCL) is calculated by extending earned exposures by the current ISO loss costs.

(B) Losses reflect trend and development and include all Loss Adjustment Expenses (LAE) for Uninsured Motorists. See following exhibits.

NEVADA
UNINSURED MOTORISTS
Derivation of Experience Ratio

Trucks, Tractors & Trailers

| Accident Year Ending | (1a) Reported Incurred Loss And ALAE* | (2a) Loss Development Factor | (3a) Developed Losses And All LAE |
|----------------------------|--|---------------------------------------|--|
| 3/31/2014 | 299,549 | 1.017 | 327,490 |
| 3/31/2015 | 219,359 | 1.061 | 250,196 |
| 3/31/2016 | 380,987 | 1.158 | 474,271 |
| 3/31/2017 | 435,273 | 1.368 | 640,112 |
| 3/31/2018 | 139,344 | 1.932 | 289,404 |
| Total | 1,474,513 | | 1,981,473 |

| | |
|---|-------|
| (4a) Unallocated loss adjustment factor | 1.075 |
|---|-------|

| Accident Year Ending | (5a) Average Accident Date | (6a) Trend Period (A) | (7a) Trended Loss And ALAE (B) |
|----------------------------|----------------------------------|-----------------------------|--------------------------------------|
| 3/31/2014 | 10/01/13 | 7.000 | 327,490 |
| 3/31/2015 | 10/01/14 | 6.000 | 250,196 |
| 3/31/2016 | 10/01/15 | 5.000 | 474,271 |
| 3/31/2017 | 10/01/16 | 4.000 | 640,112 |
| 3/31/2018 | 10/01/17 | 3.000 | 289,404 |
| Total | | | 1,981,473 |

| | |
|---------------------------------|---------|
| (8a) Selected annual loss trend | +0.0%** |
|---------------------------------|---------|

(A) Trend period is equal to the number of years from the average accident date to one year beyond the anticipated implementation date of 10/01/19.

(B) Trended losses are equal to the developed loss in column (3a) multiplied by a trend factor of $[1.0 + (8a)]^{(6a)}$.

* To arrive at the incurred losses presented in (1a), ISO applied a +3.6% claim cost trend factor and then capped the trended losses on a per claim/per occurrence basis at NEVADA's minimum split limit of 25/50.

** The loss trend shown in (8a) represents only the frequency trend component and has been applied after the losses were trended and capped at 25/50.

NEVADA
UNINSURED MOTORISTS

Private Passenger Types

| Accident Year Ending | (1) Aggregate Loss Cost at Current Level (A) | (2) 25/50 Incurred Losses (B) | (3) Experience Ratio (2) / (1) | (4) Number of Incurred Claims |
|----------------------------|---|--|---|--|
| 3/31/2014 | 60,766 | 254,596 | 4.190 | 10 |
| 3/31/2015 | 55,536 | 245,975 | 4.429 | 12 |
| 3/31/2016 | 51,056 | 134,321 | 2.631 | 6 |
| 3/31/2017 | 49,064 | 84,621 | 1.725 | 3 |
| 3/31/2018 | 48,079 | 9,194 | 0.191 | 1 |
| Total | 264,501 | 728,707 | 2.755 | |

| | |
|--|--------|
| (5) Indicated change based on experience data [Column (3) Total] | 175.5% |
| (6) Selected change | 35.0% |

(A) The Aggregate Loss Cost at Current Level (ALCCL) is calculated by extending earned exposures by the current ISO loss costs.

(B) Losses reflect trend and development and include all Loss Adjustment Expenses (LAE) for Uninsured Motorists. See following exhibits.

NEVADA
UNINSURED MOTORISTS
Derivation of Experience Ratio

Private Passenger Types

| Accident Year Ending | (1a) Reported Incurred Loss And ALAE* | (2a) Loss Development Factor | (3a) Developed Losses And All LAE |
|----------------------------|--|---------------------------------------|--|
| 3/31/2014 | 235,421 | 1.006 | 254,596 |
| 3/31/2015 | 217,504 | 1.052 | 245,975 |
| 3/31/2016 | 110,771 | 1.128 | 134,321 |
| 3/31/2017 | 58,701 | 1.341 | 84,621 |
| 3/31/2018 | 4,448 | 1.923 | 9,194 |
| Total | 626,844 | | 728,707 |

| | |
|---|-------|
| (4a) Unallocated loss adjustment factor | 1.075 |
|---|-------|

| Accident Year Ending | (5a) Average Accident Date | (6a) Trend Period (A) | (7a) Trended Loss And ALAE (B) |
|----------------------------|----------------------------------|-----------------------------|--------------------------------------|
| 3/31/2014 | 10/01/13 | 7.000 | 254,596 |
| 3/31/2015 | 10/01/14 | 6.000 | 245,975 |
| 3/31/2016 | 10/01/15 | 5.000 | 134,321 |
| 3/31/2017 | 10/01/16 | 4.000 | 84,621 |
| 3/31/2018 | 10/01/17 | 3.000 | 9,194 |
| Total | | | 728,707 |

| | |
|---------------------------------|---------|
| (8a) Selected annual loss trend | +0.0%** |
|---------------------------------|---------|

(A) Trend period is equal to the number of years from the average accident date to one year beyond the anticipated implementation date of 10/01/19.

(B) Trended losses are equal to the developed loss in column (3a) multiplied by a trend factor of $[1.0 + (8a)]^{(6a)}$.

* To arrive at the incurred losses presented in (1a), ISO applied a +3.6% claim cost trend factor and then capped the trended losses on a per claim/per occurrence basis at NEVADA's minimum split limit of 25/50.

** The loss trend shown in (8a) represents only the frequency trend component and has been applied after the losses were trended and capped at 25/50.

NEVADA
UNDERINSURED MOTORISTS
Summary

Trucks, Tractors, and Trailers and Private Passenger Types Combined

| Accident Year Ending | (1) Aggregate Loss Cost at Current Level (A) | (2) Total Limits Incurred Losses (B) | (3) Experience Ratio (2) / (1) | (4) Number of Incurred Claims |
|----------------------------|---|---|---|--|
| 12/31/2013 | 2,710,662 | 7,434,236 | 2.743 | 24 |
| 12/31/2014 | 2,623,500 | 4,444,426 | 1.694 | 26 |
| 12/31/2015 | 2,594,220 | 4,871,166 | 1.878 | 16 |
| 12/31/2016 | 2,498,969 | 3,911,768 | 1.565 | 16 |
| 12/31/2017 | 2,416,671 | 3,372,648 | 1.396 | 9 |
| Total | 12,844,023 | 24,034,246 | 1.871 | |

| | |
|--|---------|
| (5) Indicated change based on experience data [Column (3) Total] | + 87.1% |
| (6) Selected change | + 87.1% |

(A) The Aggregate Loss Cost at Current Level (ALCCL) is calculated by extending earned exposures by the current ISO loss costs.

(B) Losses reflect trend and development and include all Loss Adjustment Expenses (LAE) for Underinsured Motorists. See following exhibits.

NEVADA
UNDERINSURED MOTORISTS
Derivation of Experience Ratio

Trucks, Tractors, and Trailers

| Accident Year Ending | (1a) Aggregate Loss Cost at Current Level | (2a) Reported Incurred Loss And ALAE | (3a) Number of Incurred Claims |
|----------------------------|--|---|---|
| 12/31/2013 | 2,217,722 | 4,531,410 | 22 |
| 12/31/2014 | 2,132,228 | 1,828,966 | 21 |
| 12/31/2015 | 2,095,000 | 1,823,651 | 12 |
| 12/31/2016 | 2,021,275 | 1,160,261 | 9 |
| 12/31/2017 | 1,936,903 | 181,030 | 9 |
| Total | 10,403,128 | 9,525,318 | |

| | |
|---|--------|
| (4a) Selected annual loss trend (see Exhibit 3) | + 4.0% |
|---|--------|

| Accident Year Ending | (5a) Average Accident Date | (6a) Trend Period (A) | (7a) Trended Loss And ALAE (B) |
|----------------------------|----------------------------------|-----------------------------|--------------------------------------|
| 12/31/2013 | 6/30/2013 | 7.25 | 6,021,783 |
| 12/31/2014 | 6/30/2014 | 6.25 | 2,337,028 |
| 12/31/2015 | 6/30/2015 | 5.25 | 2,240,613 |
| 12/31/2016 | 6/30/2016 | 4.25 | 1,370,716 |
| 12/31/2017 | 6/30/2017 | 3.25 | 205,641 |
| Total | | | 12,175,780 |

(A) Trend period is equal to the number of years from the average accident date to one year beyond the anticipated implementation date of 10/01/2019.

(B) Trended losses are equal to the reported loss in column (2a) multiplied by a trend factor of $[1.0 + (4a)]^{(6a)}$.

NEVADA
UNDERINSURED MOTORISTS
Derivation of Experience Ratio

Private Passenger Types

| Accident Year Ending | (1b) Aggregate Loss Cost at Current Level | (2b) Reported Incurred Loss And ALAE | (3b) Number of Incurred Claims |
|----------------------------|--|---|---|
| 12/31/2013 | 492,940 | 475,130 | 2 |
| 12/31/2014 | 491,272 | 985,795 | 5 |
| 12/31/2015 | 499,220 | 926,029 | 4 |
| 12/31/2016 | 477,695 | 266,146 | 7 |
| 12/31/2017 | 479,768 | 0 | 0 |
| Total | 2,440,895 | 2,653,100 | |

| | |
|---|--------|
| (4b) Selected annual loss trend (see Exhibit 3) | + 4.0% |
|---|--------|

| Accident Year Ending | (5b) Average Accident Date | (6b) Trend Period (C) | (7b) Trended Loss And ALAE (D) |
|----------------------------|----------------------------------|-----------------------------|--------------------------------------|
| 12/31/2013 | 6/30/2013 | 7.25 | 631,399 |
| 12/31/2014 | 6/30/2014 | 6.25 | 1,259,636 |
| 12/31/2015 | 6/30/2015 | 5.25 | 1,137,757 |
| 12/31/2016 | 6/30/2016 | 4.25 | 314,421 |
| 12/31/2017 | 6/30/2017 | 3.25 | 0 |
| Total | | | 3,343,213 |

(C) Trend period is equal to the number of years from the average accident date to one year beyond the anticipated implementation date of 10/01/2019.

(D) Trended losses are equal to the reported loss in column (2b) multiplied by a trend factor of $[1.0 + (4b)]^{(6b)}$.

NEVADA
UNDERINSURED MOTORISTS
Derivation of Experience Ratio

Trucks, Tractors, and Trailers

| Accident Year Ending | (8a) Loss Development Factor (E) | (9a) Implied Portion of Loss Reported 1.0 / (8a) | (10a) Apportioned ALCCL (1a) * (9a) |
|----------------------------|---|--|--|
| 12/31/2013 | 1.052 | 0.951 | 2,108,101 |
| 12/31/2014 | 1.122 | 0.891 | 1,900,381 |
| 12/31/2015 | 1.328 | 0.753 | 1,577,560 |
| 12/31/2016 | 1.785 | 0.560 | 1,132,367 |
| 12/31/2017 | 3.235 | 0.309 | 598,734 |
| Total | | | 7,317,143 |

Private Passenger Types

| Accident Year Ending | (8b) Loss Development Factor (E) | (9b) Implied Portion of Loss Reported 1.0 / (8b) | (10b) Apportioned ALCCL (1b) * (9b) |
|----------------------------|---|--|--|
| 12/31/2013 | 1.091 | 0.917 | 451,824 |
| 12/31/2014 | 1.186 | 0.843 | 414,226 |
| 12/31/2015 | 1.409 | 0.710 | 354,308 |
| 12/31/2016 | 1.956 | 0.511 | 244,220 |
| 12/31/2017 | 3.588 | 0.279 | 133,715 |
| Total | | | 1,598,293 |

(E) See Exhibit 2 for Loss Development.

NEVADA
UNDERINSURED MOTORISTS
Derivation of Experience Ratio

Trucks, Tractors, and Trails and Private Passenger Types Combined

| | |
|---|-------|
| (11) Historical expected experience ratio, equal to the trended reported losses divided by the apportioned ALCCL [Total (7a) + (7b)] / [Total (10a) + (10b)] | 1.741 |
| (12) Unallocated Loss Adjustment Expense (ULAE) Factor | 1.075 |

| Accident Year Ending | (13) Ultimate Loss And ALAE (F) | (14) Ultimate Loss And All LAE (13) * (12) |
|----------------------------|---|---|
| 12/31/2013 | 6,915,568 | 7,434,236 |
| 12/31/2014 | 4,134,350 | 4,444,426 |
| 12/31/2015 | 4,531,318 | 4,871,166 |
| 12/31/2016 | 3,638,854 | 3,911,768 |
| 12/31/2017 | 3,137,347 | 3,372,648 |
| Total | 22,357,438 | 24,034,246 |

(F) Ultimate Loss and ALAE equals the reported incurred loss and ALAE plus the historical expected losses on ALCCL not yet apportioned, which is defined as the total ALCCL less the apportioned ALCCL.

$$(2a) + (2b) + [(1a) + (1b) - (10a) - (10b)] * (11)$$

**UNINSURED MOTORISTS
Loss Development**

Trucks, Tractors & Trailers

Multistate 25/50 Incurred Losses and ALAE

(includes District of Columbia and excludes Massachusetts and Puerto Rico)

| Year Ending | 15 months | 27 months | 39 months | 51 months | 63 months | 75 months |
|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 2009Q1 | 9,025,547 | 12,369,189 | 15,102,598 | 16,536,806 | 17,826,264 | 17,856,308 |
| 2010Q1 | 9,308,047 | 12,638,094 | 14,802,135 | 15,559,151 | 16,353,350 | 16,713,969 |
| 2011Q1 | 8,574,856 | 11,741,874 | 14,541,144 | 15,707,864 | 16,616,607 | 16,886,898 |
| 2012Q1 | 9,122,142 | 14,304,657 | 16,534,754 | 18,183,506 | 18,336,199 | 18,542,512 |
| 2013Q1 | 10,005,821 | 12,952,413 | 15,749,955 | 17,015,075 | 17,991,357 | 18,416,963 |
| 2014Q1 | 8,867,105 | 12,142,548 | 13,801,692 | 15,103,201 | 15,400,089 | |
| 2015Q1 | 8,829,703 | 12,261,788 | 15,014,176 | 16,714,455 | | |
| 2016Q1 | 8,207,351 | 13,511,797 | 15,827,683 | | | |
| 2017Q1 | 9,663,544 | 14,276,968 | | | | |
| 2018Q1 | 9,885,240 | | | | | |

Multistate 25/50 Link Ratios

| Year Ending | | 27:15 | 39:27 | 51:39 | 63:51 | 75:63 |
|--------------------|---------------|--------------|--------------|--------------|--------------|--------------|
| 2009Q1 | | 1.370 | 1.221 | 1.095 | 1.078 | 1.002 |
| 2010Q1 | | 1.358 | 1.171 | 1.051 | 1.051 | 1.022 |
| 2011Q1 | | 1.369 | 1.238 | 1.080 | 1.058 | 1.016 |
| 2012Q1 | | 1.568 | 1.156 | 1.100 | 1.008 | 1.011 |
| 2013Q1 | | 1.294 | 1.216 | 1.080 | 1.057 | 1.024 |
| 2014Q1 | | 1.369 | 1.137 | 1.094 | 1.020 | |
| 2015Q1 | | 1.389 | 1.224 | 1.113 | | |
| 2016Q1 | | 1.646 | 1.171 | | | |
| 2017Q1 | | 1.477 | | | | |
| | | | | | | |
| Average Factor | (Best 3 of 5) | 1.412 | 1.181 | 1.091 | 1.043 | 1.017 |
| Average Factor | (Latest 3) | 1.504 | 1.178 | 1.096 | 1.028 | 1.017 |
| Average Factor | (Latest 5) | 1.435 | 1.181 | 1.094 | 1.039 | 1.015 |
| | | | | | | |
| | | | | | | |
| Selected Factor | | 1.412 | 1.181 | 1.091 | 1.043 | 1.017 |

*Losses are assumed to reach their ultimate settlement level at 75 months.

Multistate Loss Development Factors to Ultimate

| Age | 15 months | 27 months | 39 months | 51 months | 63 months |
|-----------------|------------------|------------------|------------------|------------------|------------------|
| LDF to Ultimate | 1.932 | 1.368 | 1.158 | 1.061 | 1.017 |

**UNINSURED MOTORISTS
Loss Development**

Private Passenger Types

Multistate 25/50 Incurred Losses and ALAE

(includes District of Columbia and excludes Massachusetts and Puerto Rico)

| Year Ending | 15 months | 27 months | 39 months | 51 months | 63 months | 75 months |
|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 2009Q1 | 3,505,176 | 5,352,975 | 6,258,067 | 6,594,743 | 7,339,680 | 7,551,920 |
| 2010Q1 | 4,036,424 | 5,827,877 | 6,451,759 | 7,169,153 | 7,588,956 | 7,542,780 |
| 2011Q1 | 3,292,424 | 5,489,957 | 6,394,166 | 6,714,951 | 7,024,637 | 7,026,043 |
| 2012Q1 | 4,186,679 | 5,744,494 | 6,684,975 | 7,399,815 | 7,111,606 | 7,122,183 |
| 2013Q1 | 4,076,499 | 5,751,087 | 7,406,171 | 8,091,911 | 8,372,492 | 8,497,898 |
| 2014Q1 | 4,520,784 | 5,984,903 | 7,316,342 | 7,850,103 | 8,391,288 | |
| 2015Q1 | 3,798,515 | 6,368,818 | 7,248,523 | 7,401,059 | | |
| 2016Q1 | 3,794,258 | 5,776,948 | 6,823,046 | | | |
| 2017Q1 | 4,309,194 | 5,904,068 | | | | |
| 2018Q1 | 3,715,668 | | | | | |

Multistate 25/50 Link Ratios

| Year Ending | | 27:15 | 39:27 | 51:39 | 63:51 | 75:63 |
|--------------------|---------------|--------------|--------------|--------------|--------------|--------------|
| 2009Q1 | | 1.527 | 1.169 | 1.054 | 1.113 | 1.029 |
| 2010Q1 | | 1.444 | 1.107 | 1.111 | 1.059 | 0.994 |
| 2011Q1 | | 1.667 | 1.165 | 1.050 | 1.046 | 1.000 |
| 2012Q1 | | 1.372 | 1.164 | 1.107 | 0.961 | 1.001 |
| 2013Q1 | | 1.411 | 1.288 | 1.093 | 1.035 | 1.015 |
| 2014Q1 | | 1.324 | 1.222 | 1.073 | 1.069 | |
| 2015Q1 | | 1.677 | 1.138 | 1.021 | | |
| 2016Q1 | | 1.523 | 1.181 | | | |
| 2017Q1 | | 1.370 | | | | |
| | | | | | | |
| Average Factor | (Best 3 of 5) | 1.434 | 1.189 | 1.072 | 1.046 | 1.006 |
| Average Factor | (Latest 3) | 1.523 | 1.181 | 1.062 | 1.022 | 1.006 |
| Average Factor | (Latest 5) | 1.461 | 1.199 | 1.069 | 1.034 | 1.008 |
| | | | | | | |
| Selected Factor | | 1.434 | 1.189 | 1.072 | 1.046 | 1.006 |

*Losses are assumed to reach their ultimate settlement level at 75 months.

Multistate Loss Development Factors to Ultimate

| Age | 15 months | 27 months | 39 months | 51 months | 63 months |
|-----------------|------------------|------------------|------------------|------------------|------------------|
| LDF to Ultimate | 1.923 | 1.341 | 1.128 | 1.052 | 1.006 |

NEVADA
UNDERINSURED MOTORISTS
Loss Development

Trucks, Tractors, and Trailers

Multistate Total Limits Incurred Losses and ALAE
(includes District of Columbia and all states except Massachusetts)

| Year Ending | 15 months | 27 months | 39 months | 51 months | 63 months | 75 months | 87 months | 99 months | 111 months | 123 months |
|-------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 2004Q4 | 22,530,422 | 36,845,163 | 51,331,955 | 63,901,556 | 69,862,877 | 72,987,705 | 73,378,533 | 74,613,140 | 74,390,857 | 74,400,459 |
| 2005Q4 | 18,392,464 | 38,016,265 | 54,404,477 | 65,918,944 | 70,554,385 | 74,515,698 | 75,392,784 | 76,468,105 | 76,811,085 | 75,786,169 |
| 2006Q4 | 31,575,992 | 51,426,470 | 62,255,134 | 74,142,843 | 80,492,340 | 84,941,203 | 85,153,205 | 86,264,799 | 85,219,739 | 84,960,433 |
| 2007Q4 | 27,961,501 | 44,738,402 | 65,103,523 | 81,178,272 | 85,582,687 | 88,571,709 | 89,729,861 | 91,121,250 | 90,400,099 | 90,282,533 |
| 2008Q4 | 37,061,338 | 61,124,059 | 79,106,093 | 91,571,102 | 99,034,064 | 102,066,482 | 103,712,289 | 104,697,829 | 105,018,374 | 105,560,742 |
| 2009Q4 | 36,299,276 | 64,443,015 | 84,147,098 | 94,902,202 | 100,872,729 | 102,314,373 | 102,821,451 | 104,102,566 | 103,950,572 | |
| 2010Q4 | 32,625,217 | 66,090,096 | 83,440,880 | 98,653,306 | 104,753,382 | 111,636,156 | 111,428,680 | 112,436,729 | | |
| 2011Q4 | 34,437,921 | 55,833,889 | 74,553,318 | 88,350,227 | 94,597,239 | 98,924,755 | 101,294,368 | | | |
| 2012Q4 | 41,722,554 | 65,598,209 | 84,128,510 | 99,599,399 | 106,217,478 | 108,128,454 | | | | |
| 2013Q4 | 29,417,448 | 54,265,070 | 76,575,561 | 88,122,930 | 99,140,766 | | | | | |
| 2014Q4 | 37,798,661 | 68,988,239 | 100,260,719 | 118,715,537 | | | | | | |
| 2015Q4 | 34,913,745 | 67,715,405 | 91,520,273 | | | | | | | |
| 2016Q4 | 48,669,389 | 81,928,155 | | | | | | | | |
| 2017Q4 | 51,022,086 | | | | | | | | | |

NEVADA
UNDERINSURED MOTORISTS
Loss Development

Trucks, Tractors, and Trailers

Multistate Link Ratios

| Year Ending | 27:15 | 39:27 | 51:39 | 63:51 | 75:63 | 87:75 | 99:87 | 111:99 | 123*:111 |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|--------|----------|
| 2004Q4 | 1.635 | 1.393 | 1.245 | 1.093 | 1.045 | 1.005 | 1.017 | 0.997 | 1.000 |
| 2005Q4 | 2.067 | 1.431 | 1.212 | 1.070 | 1.056 | 1.012 | 1.014 | 1.004 | 0.987 |
| 2006Q4 | 1.629 | 1.211 | 1.191 | 1.086 | 1.055 | 1.002 | 1.013 | 0.988 | 0.997 |
| 2007Q4 | 1.600 | 1.455 | 1.247 | 1.054 | 1.035 | 1.013 | 1.016 | 0.992 | 0.999 |
| 2008Q4 | 1.649 | 1.294 | 1.158 | 1.081 | 1.031 | 1.016 | 1.010 | 1.003 | 1.005 |
| 2009Q4 | 1.775 | 1.306 | 1.128 | 1.063 | 1.014 | 1.005 | 1.012 | 0.999 | |
| 2010Q4 | 2.026 | 1.263 | 1.182 | 1.062 | 1.066 | 0.998 | 1.009 | | |
| 2011Q4 | 1.621 | 1.335 | 1.185 | 1.071 | 1.046 | 1.024 | | | |
| 2012Q4 | 1.572 | 1.282 | 1.184 | 1.066 | 1.018 | | | | |
| 2013Q4 | 1.845 | 1.411 | 1.151 | 1.125 | | | | | |
| 2014Q4 | 1.825 | 1.453 | 1.184 | | | | | | |
| 2015Q4 | 1.940 | 1.352 | | | | | | | |
| 2016Q4 | 1.683 | | | | | | | | |
| Average Factor (Best 3 of 5) | 1.784 | 1.366 | 1.183 | 1.067 | 1.031 | 1.011 | 1.012 | 0.998 | 0.999 |
| | | | | | | | | | |

*Losses are assumed to reach their ultimate settlement level at 123 months.

Multistate Loss Development Factors to Ultimate

| Age | 15 months | 27 months | 39 months | 51 months | 63 months | 75 months | 87 months | 99 months | 111 months |
|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| LDF to Ultimate | 3.236 | 1.813 | 1.328 | 1.122 | 1.052 | 1.020 | 1.008 | 0.996 | 0.999 |

NEVADA
UNDERINSURED MOTORISTS
Loss Development

Trucks, Tractors, and Trailers

NEVADA Loss Development

| Total Limits Incurred Losses and ALAE | | | | Link Ratios | | |
|---------------------------------------|-----------|-----------|-----------|-----------------|-------|-------|
| Year Ending | 15 months | 27 months | 39 months | Year Ending | 27:15 | 39:27 |
| 2011Q4 | 1,100,002 | 2,341,797 | 3,486,254 | 2011Q4 | 2.129 | 1.489 |
| 2012Q4 | 1,149,530 | 1,211,030 | 1,218,901 | 2012Q4 | 1.054 | 1.006 |
| 2013Q4 | 462,718 | 1,897,876 | 2,784,495 | 2013Q4 | 4.102 | 1.467 |
| 2014Q4 | 1,465,376 | 1,711,027 | 1,648,870 | 2014Q4 | 1.168 | 0.964 |
| 2015Q4 | 342,631 | 1,448,879 | 1,842,151 | 2015Q4 | 4.229 | 1.271 |
| 2016Q4 | 918,395 | 1,201,586 | | 2016Q4 | 1.308 | |
| 2017Q4 | 191,030 | | | 2017Q4 | | |
| 3-Yr Volume (A) | 1,452,056 | 4,361,492 | | Average Factor: | 2.193 | 1.248 |
| State Credibility (B) | 0.068 | 0.179 | | (Best 3 of 5) | | |

Credibility Weighted Loss Development Factors to Ultimate

| Age | 15 months | 27 months | 39 months | 51 months | 63 months |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|
| Credibility Weighted Link (C) | 1.812 | 1.345 | | | |
| Multistate LDF to Ultimate | | | 1.328 | 1.122 | 1.052 |
| Credibility Wtd. LDF to Ult. | 3.235 | 1.785 | 1.328 | 1.122 | 1.052 |

(B) Credibility is calculated as $(A) / [(A) + 20,000,000]$ where the credibility constant of 20,000,000 was selected judgmentally. State must have losses in all years at the earlier evaluation to receive credibility for a given link ratio.

(C) Credibility weighted link ratio is calculated as (B) times the state link ratio + $[1 - (B)]$ times the multistate link ratio for that evaluation month.

NEVADA
UNDERINSURED MOTORISTS
Loss Development

Private Passenger Types

Multistate Total Limits Incurred Losses and ALAE
(includes District of Columbia and all states except Massachusetts)

| Year Ending | 15 months | 27 months | 39 months | 51 months | 63 months | 75 months | 87 months | 99 months | 111 months | 123 months |
|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 2004Q4 | 6,300,905 | 12,925,560 | 15,977,199 | 18,946,522 | 20,078,631 | 19,338,812 | 20,057,181 | 20,020,213 | 20,129,499 | 21,129,973 |
| 2005Q4 | 5,474,241 | 10,012,046 | 14,871,677 | 17,697,510 | 19,364,571 | 20,040,019 | 19,969,643 | 21,382,211 | 21,371,122 | 21,314,199 |
| 2006Q4 | 6,994,468 | 13,963,329 | 15,882,288 | 18,930,215 | 19,539,103 | 20,306,960 | 20,930,711 | 21,555,723 | 20,419,273 | 20,508,588 |
| 2007Q4 | 10,722,380 | 16,513,849 | 19,198,870 | 25,639,815 | 26,147,648 | 26,601,682 | 27,717,959 | 28,432,823 | 28,588,166 | 28,801,689 |
| 2008Q4 | 13,865,094 | 21,109,243 | 29,106,626 | 32,391,347 | 34,520,288 | 35,434,776 | 35,404,725 | 35,120,123 | 35,366,863 | 35,391,282 |
| 2009Q4 | 11,179,688 | 23,495,203 | 30,267,935 | 33,813,800 | 35,111,646 | 37,139,969 | 37,716,498 | 38,501,790 | 38,467,033 | |
| 2010Q4 | 8,467,272 | 15,948,569 | 20,471,881 | 26,598,632 | 28,460,555 | 28,863,695 | 29,993,414 | 30,709,918 | | |
| 2011Q4 | 12,188,852 | 19,529,785 | 25,569,555 | 30,023,469 | 32,649,876 | 35,013,858 | 35,912,848 | | | |
| 2012Q4 | 11,128,118 | 19,466,122 | 28,406,593 | 31,482,205 | 35,857,330 | 36,173,972 | | | | |
| 2013Q4 | 12,623,739 | 20,828,361 | 28,156,040 | 33,955,969 | 37,429,197 | | | | | |
| 2014Q4 | 10,544,502 | 20,111,450 | 26,853,668 | 31,796,672 | | | | | | |
| 2015Q4 | 14,340,780 | 27,418,840 | 38,762,386 | | | | | | | |
| 2016Q4 | 15,340,507 | 27,064,601 | | | | | | | | |
| 2017Q4 | 15,027,822 | | | | | | | | | |

NEVADA
UNDERINSURED MOTORISTS
Loss Development

Private Passenger Types

Multistate Link Ratios

| Year Ending | 27:15 | 39:27 | 51:39 | 63:51 | 75:63 | 87:75 | 99:87 | 111:99 | 123*:111 |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|--------|----------|
| 2004Q4 | 2.051 | 1.236 | 1.186 | 1.060 | 0.963 | 1.037 | 0.998 | 1.005 | 1.050 |
| 2005Q4 | 1.829 | 1.485 | 1.190 | 1.094 | 1.035 | 0.996 | 1.071 | 0.999 | 0.997 |
| 2006Q4 | 1.996 | 1.137 | 1.192 | 1.032 | 1.039 | 1.031 | 1.030 | 0.947 | 1.004 |
| 2007Q4 | 1.540 | 1.163 | 1.335 | 1.020 | 1.017 | 1.042 | 1.026 | 1.005 | 1.007 |
| 2008Q4 | 1.522 | 1.379 | 1.113 | 1.066 | 1.026 | 0.999 | 0.992 | 1.007 | 1.001 |
| 2009Q4 | 2.102 | 1.288 | 1.117 | 1.038 | 1.058 | 1.016 | 1.021 | 0.999 | |
| 2010Q4 | 1.884 | 1.284 | 1.299 | 1.070 | 1.014 | 1.039 | 1.024 | | |
| 2011Q4 | 1.602 | 1.309 | 1.174 | 1.087 | 1.072 | 1.026 | | | |
| 2012Q4 | 1.749 | 1.459 | 1.108 | 1.139 | 1.009 | | | | |
| 2013Q4 | 1.650 | 1.352 | 1.206 | 1.102 | | | | | |
| 2014Q4 | 1.907 | 1.335 | 1.184 | | | | | | |
| 2015Q4 | 1.912 | 1.414 | | | | | | | |
| 2016Q4 | 1.764 | | | | | | | | |
| Average Factor (Best 3 of 5) | 1.807 | 1.367 | 1.188 | 1.087 | 1.033 | 1.027 | 1.024 | 1.001 | 1.004 |
| | | | | | | | | | |

*Losses are assumed to reach their ultimate settlement level at 123 months.

Multistate Loss Development Factors to Ultimate

| Age | 15 months | 27 months | 39 months | 51 months | 63 months | 75 months | 87 months | 99 months | 111 months |
|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| LDF to Ultimate | 3.480 | 1.926 | 1.409 | 1.186 | 1.091 | 1.057 | 1.029 | 1.006 | 1.004 |

NEVADA
UNDERINSURED MOTORISTS
Loss Development

Private Passenger Types

NEVADA Loss Development

| Total Limits Incurred Losses and ALAE | | | | Link Ratios | | |
|---------------------------------------|-----------|-----------|-----------|-----------------|--------|-------|
| Year Ending | 15 months | 27 months | 39 months | Year Ending | 27:15 | 39:27 |
| 2011Q4 | 15,000 | 80,000 | 220,000 | 2011Q4 | 5.333 | 2.750 |
| 2012Q4 | 40,002 | 171,377 | 268,873 | 2012Q4 | 4.284 | 1.569 |
| 2013Q4 | 300,000 | 420,000 | 467,240 | 2013Q4 | 1.400 | 1.112 |
| 2014Q4 | 60,000 | 1,173,936 | 975,795 | 2014Q4 | 19.566 | 0.831 |
| 2015Q4 | 231,500 | 507,872 | 1,081,587 | 2015Q4 | 2.194 | 2.130 |
| 2016Q4 | 59,510 | 266,146 | | 2016Q4 | 4.472 | |
| 2017Q4 | 15,000 | | | 2017Q4 | | |
| 3-Yr Volume (A) | 306,010 | 1,947,954 | | Average Factor: | 3.650 | 1.604 |
| State Credibility (B) | 0.015 | 0.089 | | (Best 3 of 5) | | |

Credibility Weighted Loss Development Factors to Ultimate

| Age | 15 months | 27 months | 39 months | 51 months | 63 months |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|
| Credibility Weighted Link (C) | 1.835 | 1.388 | | | |
| Multistate LDF to Ultimate | | | 1.409 | 1.186 | 1.091 |
| Credibility Wtd. LDF to Ult. | 3.588 | 1.956 | 1.409 | 1.186 | 1.091 |

(B) Credibility is calculated as $(A) / [(A) + 20,000,000]$ where the credibility constant of 20,000,000 was selected judgmentally. State must have losses in all years at the earlier evaluation to receive credibility for a given link ratio.

(C) Credibility weighted link ratio is calculated as (B) times the state link ratio + $[1.0 - (B)]$ times the multistate link ratio for that evaluation month.

UNINSURED MOTORISTS
Trend Selection

Multistate Average Claim Cost*

Calendar Year Paid

| Year Ended | | \$50,000 Bodily Injury |
|------------------------------|--------|---------------------------|
| 3/31/2012 | | 14,266.49 |
| 6/30/2012 | | 14,379.37 |
| 9/30/2012 | | 14,329.95 |
| 12/31/2012 | | 14,367.18 |
| 3/31/2013 | | 14,480.14 |
| 6/30/2013 | | 14,539.23 |
| 9/30/2013 | | 14,607.25 |
| 12/31/2013 | | 14,914.28 |
| 3/31/2014 | | 15,087.30 |
| 6/30/2014 | | 15,206.72 |
| 9/30/2014 | | 15,401.84 |
| 12/31/2014 | | 15,365.95 |
| 3/31/2015 | | 15,426.99 |
| 6/30/2015 | | 15,454.26 |
| 9/30/2015 | | 15,526.28 |
| 12/31/2015 | | 15,590.49 |
| 3/31/2016 | | 15,630.14 |
| 6/30/2016 | | 15,881.85 |
| 9/30/2016 | | 16,108.47 |
| 12/31/2016 | | 16,331.73 |
| 3/31/2017 | | 16,496.08 |
| 6/30/2017 | | 16,563.59 |
| 9/30/2017 | | 16,580.02 |
| 12/31/2017 | | 16,891.81 |
| Average Annual | 24 PT: | 3.0% |
| Change | 12 PT: | 3.6% |
| Coefficient of | 24 PT: | 0.9761 |
| Determination R ² | 12 PT: | 0.9614 |

Trend Selection: + 3.6%

*Data excludes Massachusetts and is based on standard bodily injury coverage (and not UM/UIM) for Commercial Auto Trucks, Tractors, and Trailers; Private Passenger Types; Buses; Publics; and Zone-Rated.

UNDERINSURED MOTORISTS
Trend Selection

Multistate Average Claim Cost*

| Year Ended | | \$1,000,000 Bodily Injury | Total Limits Bodily Injury |
|------------------------------|--------|--------------------------------------|---------------------------------------|
| 3/31/2012 | | 35,403.51 | 35,519.54 |
| 6/30/2012 | | 36,259.99 | 36,355.94 |
| 9/30/2012 | | 36,209.01 | 36,322.54 |
| 12/31/2012 | | 36,315.43 | 36,352.31 |
| 3/31/2013 | | 36,575.76 | 36,635.95 |
| 6/30/2013 | | 36,080.17 | 36,181.88 |
| 9/30/2013 | | 36,622.76 | 36,707.62 |
| 12/31/2013 | | 37,771.04 | 37,887.46 |
| 3/31/2014 | | 38,701.25 | 38,793.45 |
| 6/30/2014 | | 40,037.28 | 40,217.06 |
| 9/30/2014 | | 40,628.65 | 40,800.80 |
| 12/31/2014 | | 41,116.94 | 41,274.51 |
| 3/31/2015 | | 41,688.10 | 41,862.16 |
| 6/30/2015 | | 41,862.26 | 42,035.65 |
| 9/30/2015 | | 41,992.90 | 42,233.00 |
| 12/31/2015 | | 42,006.96 | 42,287.48 |
| 3/31/2016 | | 42,067.14 | 42,337.78 |
| 6/30/2016 | | 42,904.13 | 43,080.62 |
| 9/30/2016 | | 44,040.49 | 44,169.77 |
| 12/31/2016 | | 44,463.57 | 44,536.68 |
| 3/31/2017 | | 44,820.41 | 44,925.63 |
| 6/30/2017 | | 44,615.83 | 44,699.92 |
| 9/30/2017 | | 44,801.04 | 44,952.67 |
| 12/31/2017 | | 45,674.80 | 45,874.49 |
| Average Annual | 24 PT: | 4.8% | 4.8% |
| Change | 12 PT: | 3.6% | 3.5% |
| Coefficient of | 24 PT: | 0.9593 | 0.9579 |
| Determination R ² | 12 PT: | 0.9213 | 0.9330 |

Trend Selection: + 4.0%

*Data excludes Massachusetts and is based on standard bodily injury coverage (and not UM/UIM) for Commercial Auto Trucks, Tractors, and Trailers; Private Passenger Types; Buses; Publics; and Zone-Rated.

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

SUMMARY OF PROSPECTIVE LOSS COST LEVEL CHANGES
STATEWIDE LOSS COST LEVEL CHANGES (A)

| Coverages | Aggregate Loss Cost at Current Level (B) | Loss Cost Changes (C) |
|---|---|--------------------------|
| TRUCKS, TRACTORS & TRAILERS (D) | | |
| Liability | | |
| Single Limit Liability | \$ 40,644,995 | 12.9% |
| Medical Payments | 2,181,836 | -89.3% |
| Uninsured (Includes Underinsured) Motorists | 2,467,397 | 75.9% |
| Combined | 45,294,228 | 11.4% |
| Physical Damage | | |
| Other Than Collision | 859,248 | 8.7% |
| Collision | 3,075,994 | 4.5% |
| Combined | 3,935,242 | 5.4% |
| Total Trucks, Tractors & Trailers | 49,229,470 | 10.9% |
| PRIVATE PASSENGER TYPES | | |
| Liability | | |
| Single Limit Liability | 5,261,699 | 7.5% |
| Medical Payments | 185,124 | -45.7% |
| Uninsured (Includes Underinsured) Motorists | 596,601 | 76.9% |
| Combined | 6,043,424 | 12.7% |
| Physical Damage | | |
| Other Than Collision | 209,236 | N.C. |
| Collision | 952,119 | N.C. |
| Combined | 1,161,355 | N.C. |
| Total Private Passenger Types | 7,204,779 | 10.7% |
| PUBLIC AUTOMOBILE CLASSES | | |
| Medical Payments | 148,428 | -61.6% |
| NON-OWNERSHIP LIABILITY | 192,538 | 162.3% |
| GRAND TOTAL ALL COVERAGES | 56,775,216 | 11.2% |
| TOTAL LIABILITY | 51,678,619 | 11.9% |
| TOTAL PHYSICAL DAMAGE | 5,096,597 | 4.2% |

(A) An implementation date of 10/01/2019 is assumed for purposes of trending.

(B) Accident Year ending 03/31/2018 Aggregate Loss Cost at Current Level for Liability, Uninsured, and Physical Damage coverages. Accident Year ending 12/31/2017 Aggregate Loss Cost at Current Level for Underinsured Motorists. Accident Year ending 12/31/2016 Aggregate Loss Cost at Current Level for Medical Payments and Non-ownership Liability coverages. The Liability loss costs are on a Total Limits basis.

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

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

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR TRUCKS, TRACTORS, AND TRAILERS POLICY COVERAGES

| Territory Code | \$100,000 CSL Liability | \$500 Med Pay |
|-------------------|----------------------------|------------------|
| 105 | 5.8% | -84.6% |
| 106 | 7.5% | -88.9% |
| 108 | 11.8% | -91.7% |
| 109 | 13.7% | -94.6% |
| 110 | 11.2% | -85.7% |
| 111 | 13.3% | -83.3% |

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR TRUCKS, TRACTORS, AND TRAILERS POLICY COVERAGES

| Territory Code | Physical Damage | | Specified Causes of Loss |
|-------------------|-----------------|-----------|-----------------------------|
| | Comprehensive | Collision | |
| 105 | 10.8% | 3.3% | 10.9% |
| 106 | 12.2% | 3.3% | 11.3% |
| 108 | 9.3% | 6.5% | 9.2% |
| 109 | 6.8% | 4.9% | 6.3% |
| 110 | 10.0% | 3.6% | 11.7% |
| 111 | 9.8% | 5.0% | 9.4% |

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
REVISED BASE LOSS COSTS BY TERRITORY

FOR TRUCKS, TRACTORS, AND TRAILERS POLICY COVERAGES

| Territory | Liability | \$500 | Physical Damage | | Specified Causes |
|-----------|---------------|-------------|-------------------|---------------|------------------|
| Code | \$100,000 CSL | Med Pay (a) | Comprehensive (b) | Collision (c) | of Loss (d) |
| 105 | 383 | 2 | 82 | 221 | 71 |
| 106 | 257 | 1 | 92 | 218 | 79 |
| 108 | 759 | 2 | 82 | 180 | 71 |
| 109 | 1157 | 2 | 79 | 215 | 68 |
| 110 | 437 | 2 | 77 | 199 | 67 |
| 111 | 375 | 2 | 67 | 189 | 58 |

(a) The loss costs for medical payments have been calculated by multiplying a relativity by the Trucks, Tractors, and Trailers CSL Liability loss costs. The relativities differ by territory and are listed in [EXHIBIT C17](#).

(b) Comprehensive base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost.

(c) Collision base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost.

(d) The loss costs for Specified Causes of Loss have been calculated by a relativity of 0.864 to the Trucks, Tractors, and Trailers Comprehensive base loss costs.

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR PRIVATE PASSENGER TYPES POLICY COVERAGES

| Territory Code | \$100,000 CSL Liability | \$500 Med Pay |
|-------------------|----------------------------|------------------|
| 105 | 7.4% | -75.0% |
| 106 | 6.6% | -62.5% |
| 108 | 7.3% | -64.7% |
| 109 | 7.2% | -68.7% |
| 110 | 7.4% | -75.0% |
| 111 | 10.5% | -71.4% |

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR PRIVATE PASSENGER TYPES POLICY COVERAGES

| Territory Code | Physical Damage | |
|-------------------|-------------------|---------------|
| | Comprehensive (a) | Collision (b) |
| 105 | | |
| 106 | | |
| 108 | | |
| 109 | | |
| 110 | | |
| 111 | | |

(a) For Private Passenger Types Comprehensive, No Change (N.C.) was selected to better reflect the favorable experience in the latest year.

(b) For Private Passenger Types Collision, No Change (N.C.) was selected due to the modest indication.

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
REVISED BASE LOSS COSTS BY TERRITORY

FOR PRIVATE PASSENGER TYPES POLICY COVERAGES

| Territory Code | Liability | \$500 | Physical Damage | |
|-------------------|---------------|-------------|-------------------|---------------|
| | \$100,000 CSL | Med Pay (a) | Comprehensive (b) | Collision (c) |
| 105 | 390 | 2 | 54 | 371 |
| 106 | 403 | 3 | 69 | 303 |
| 108 | 891 | 6 | 50 | 296 |
| 109 | 838 | 5 | 49 | 373 |
| 110 | 393 | 2 | 47 | 285 |
| 111 | 368 | 2 | 43 | 298 |

(a) The loss costs for medical payments have been calculated by multiplying a relativity by the Private Passenger Types CSL Liability loss costs. The relativities differ by territory and are listed in [EXHIBIT C17](#).

(b) Comprehensive base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost.

(c) Collision base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost.

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR VAN POOLS POLICY COVERAGES

| Territory Code | \$100,000 CSL Liability | \$500 Med Pay |
|-------------------|----------------------------|------------------|
| 105 | 5.9% | -89.7% |
| 106 | 7.5% | -88.0% |
| 108 | 11.8% | -87.5% |
| 109 | 13.7% | -87.0% |
| 110 | 11.2% | -88.1% |
| 111 | 13.3% | -88.6% |

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR VAN POOLS POLICY COVERAGES

| Territory Code | Physical Damage | | Specified Causes of Loss |
|-------------------|-----------------|-----------|-----------------------------|
| | Comprehensive | Collision | |
| 105 | 12.0% | 3.3% | 10.8% |
| 106 | 11.9% | 3.4% | 12.5% |
| 108 | 9.1% | 6.5% | 9.1% |
| 109 | 8.0% | 5.0% | 6.2% |
| 110 | 11.3% | 3.7% | 11.5% |
| 111 | 9.7% | 4.8% | 9.3% |

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
REVISED BASE LOSS COSTS BY TERRITORY

FOR VAN POOLS POLICY COVERAGES

| Territory | Liability | \$500 | Physical Damage | | Specified Causes |
|-----------|-------------------|-------------|-------------------|---------------|------------------|
| Code | \$100,000 CSL (a) | Med Pay (b) | Comprehensive (c) | Collision (d) | of Loss (e) |
| 105 | 575 | 4 | 84 | 281 | 72 |
| 106 | 386 | 3 | 94 | 277 | 81 |
| 108 | 1139 | 9 | 84 | 229 | 72 |
| 109 | 1736 | 14 | 81 | 273 | 69 |
| 110 | 656 | 5 | 79 | 253 | 68 |
| 111 | 563 | 4 | 68 | 240 | 59 |

- (a) The loss costs for Van Pools have been calculated by a relativity of 1.50 to the Trucks, Tractors, and Trailers CSL Liability loss costs.
- (b) The loss costs for medical payments have been calculated by multiplying a relativity by the Van Pools CSL liability loss costs. The relativities differ by territory and are listed in [EXHIBIT C17](#).
- (c) Comprehensive base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost and has been calculated by a relativity of 1.02 to the Trucks, Tractors, and Trailers loss cost.
- (d) Collision base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost, and has been calculated by a relativity of 1.27 to the Trucks, Tractors, and Trailers loss cost.
- (e) The loss costs for Specified Causes of Loss have been calculated by a relativity of 1.02 to the Trucks, Tractors, and Trailers Comprehensive base loss costs.

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR TAXIS AND LIMOUSINES POLICY COVERAGES

| Territory Code | \$100,000 CSL Liability | \$500 Med Pay |
|-------------------|----------------------------|------------------|
| 105 | 5.8% | -76.5% |
| 106 | 7.5% | -77.4% |
| 108 | 11.8% | -75.7% |
| 109 | 13.6% | -75.3% |
| 110 | 11.2% | -76.1% |
| 111 | 13.3% | -75.7% |

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR TAXIS AND LIMOUSINES POLICY COVERAGES

| Territory Code | Physical Damage | | Specified Causes of Loss |
|-------------------|-----------------|-----------|-----------------------------|
| | Comprehensive | Collision | |
| 105 | 12.0% | 3.3% | 10.8% |
| 106 | 11.9% | 3.4% | 12.5% |
| 108 | 9.1% | 6.5% | 9.1% |
| 109 | 8.0% | 5.0% | 6.2% |
| 110 | 11.3% | 3.7% | 11.5% |
| 111 | 9.7% | 4.8% | 9.3% |

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
REVISED BASE LOSS COSTS BY TERRITORY

FOR TAXIS AND LIMOUSINES POLICY COVERAGES

| Territory | Liability | \$500 | Physical Damage | | Specified Causes |
|-----------|-------------------|-------------|-------------------|---------------|------------------|
| Code | \$100,000 CSL (a) | Med Pay (b) | Comprehensive (c) | Collision (d) | of Loss (e) |
| 105 | 2375 | 19 | 84 | 281 | 72 |
| 106 | 1593 | 12 | 94 | 277 | 81 |
| 108 | 4706 | 37 | 84 | 229 | 72 |
| 109 | 7173 | 56 | 81 | 273 | 69 |
| 110 | 2709 | 21 | 79 | 253 | 68 |
| 111 | 2325 | 18 | 68 | 240 | 59 |

- (a) The loss costs for Taxis and Limousines have been calculated by a relativity of 6.20 to the Trucks, Tractors, and Trailers CSL Liability loss costs.
- (b) The loss costs for medical payments have been calculated by multiplying a relativity by the Taxis and Limousines CSL liability loss costs. The relativities differ by territory and are listed in [EXHIBIT C17](#).
- (c) Comprehensive base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost and has been calculated by a relativity of 1.02 to the Trucks, Tractors, and Trailers loss cost.
- (d) Collision base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost, and has been calculated by a relativity of 1.27 to the Trucks, Tractors, and Trailers loss cost.
- (e) The loss costs for Specified Causes of Loss have been calculated by a relativity of 1.02 to the Trucks, Tractors, and Trailers Comprehensive base loss costs.

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR SCHOOL AND CHURCH BUSES POLICY COVERAGES

| Territory | \$100,000 CSL | \$500 |
|-----------|---------------|---------|
| Code | Liability | Med Pay |
| 105 | 6.0% | -77.8% |
| 106 | 7.6% | -66.7% |
| 108 | 11.8% | -81.2% |
| 109 | 13.6% | -83.3% |
| 110 | 11.1% | -77.8% |
| 111 | 13.2% | -62.5% |

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR SCHOOL AND CHURCH BUSES POLICY COVERAGES

| Territory Code | Physical Damage | | Specified Causes of Loss |
|-------------------|-----------------|-----------|-----------------------------|
| | Comprehensive | Collision | |
| 105 | 9.6% | 3.6% | 11.1% |
| 106 | 12.3% | 3.6% | 10.0% |
| 108 | 7.5% | 6.4% | 8.7% |
| 109 | 5.8% | 5.3% | 6.7% |
| 110 | 10.2% | 3.2% | 11.9% |
| 111 | 9.3% | 5.1% | 10.8% |

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
REVISED BASE LOSS COSTS BY TERRITORY

FOR SCHOOL AND CHURCH BUSES POLICY COVERAGES

| Territory | Liability | \$500 | Physical Damage | | Specified Causes |
|-----------|-------------------|-------------|-------------------|---------------|------------------|
| Code | \$100,000 CSL (a) | Med Pay (b) | Comprehensive (c) | Collision (d) | of Loss (e) |
| 105 | 211 | 2 | 57 | 144 | 50 |
| 106 | 141 | 2 | 64 | 142 | 55 |
| 108 | 417 | 3 | 57 | 117 | 50 |
| 109 | 636 | 4 | 55 | 140 | 48 |
| 110 | 240 | 2 | 54 | 129 | 47 |
| 111 | 206 | 3 | 47 | 123 | 41 |

- (a) The loss costs for School and Church Buses have been calculated by a relativity of 0.55 to the Trucks, Tractors, and Trailers CSL Liability loss costs.
- (b) The loss costs for medical payments have been calculated by multiplying a relativity by the School and Church Buses CSL liability loss costs. The relativities differ by territory and are listed in [EXHIBIT C17](#).
- (c) Comprehensive base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost and has been calculated by a relativity of 0.70 to the Trucks, Tractors, and Trailers loss cost.
- (d) Collision base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost, and has been calculated by a relativity of 0.65 to the Trucks, Tractors, and Trailers loss cost.
- (e) The loss costs for Specified Causes of Loss have been calculated by a relativity of 0.70 to the Trucks, Tractors, and Trailers Comprehensive base loss costs.

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR ALL OTHER BUSES POLICY COVERAGES

| Territory Code | \$100,000 CSL Liability | \$500 Med Pay |
|-------------------|----------------------------|------------------|
| 105 | 5.7% | -81.8% |
| 106 | 7.6% | -58.6% |
| 108 | 11.8% | -79.5% |
| 109 | 13.7% | -83.1% |
| 110 | 11.3% | -81.2% |
| 111 | 13.3% | -67.5% |

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
TERRITORY LOSS COST LEVEL CHANGES

FOR ALL OTHER BUSES POLICY COVERAGES

| Territory Code | Physical Damage | | Specified Causes of Loss |
|-------------------|-----------------|-----------|-----------------------------|
| | Comprehensive | Collision | |
| 105 | 9.6% | 3.6% | 11.1% |
| 106 | 12.3% | 3.6% | 10.0% |
| 108 | 7.5% | 6.4% | 8.7% |
| 109 | 5.8% | 5.3% | 6.7% |
| 110 | 10.2% | 3.2% | 11.9% |
| 111 | 9.3% | 5.1% | 10.8% |

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE

REVISED PROSPECTIVE LOSS COSTS AND PERCENTAGE CHANGES
REVISED BASE LOSS COSTS BY TERRITORY

FOR ALL OTHER BUSES POLICY COVERAGES

| Territory | Liability | \$500 | Physical Damage | | Specified Causes |
|-----------|-------------------|-------------|-------------------|---------------|------------------|
| Code | \$100,000 CSL (a) | Med Pay (b) | Comprehensive (c) | Collision (d) | of Loss (e) |
| 105 | 1455 | 8 | 57 | 144 | 50 |
| 106 | 977 | 12 | 64 | 142 | 55 |
| 108 | 2884 | 17 | 57 | 117 | 50 |
| 109 | 4397 | 21 | 55 | 140 | 48 |
| 110 | 1661 | 9 | 54 | 129 | 47 |
| 111 | 1425 | 13 | 47 | 123 | 41 |

- (a) The loss costs for All Other Buses have been calculated by a relativity of 3.80 to the Trucks, Tractors, and Trailers CSL Liability loss costs.
- (b) The loss costs for medical payments have been calculated by multiplying a relativity by the All Other Buses CSL liability loss costs. The relativities differ by territory and are listed in [EXHIBIT C17](#).
- (c) Comprehensive base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost and has been calculated by a relativity of 0.70 to the Trucks, Tractors, and Trailers loss cost.
- (d) Collision base loss cost is the \$15,001-20,000 OCN, age 1, \$500 deductible loss cost, and has been calculated by a relativity of 0.65 to the Trucks, Tractors, and Trailers loss cost.
- (e) The loss costs for Specified Causes of Loss have been calculated by a relativity of 0.70 to the Trucks, Tractors, and Trailers Comprehensive base loss costs.

INSURANCE SERVICES OFFICE, INC.

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

| | (1) | (2) | (3) | (4) | (5) |
|-------------------------|--|-------------------------------------|----------------------------------|--------------------------|---------------------------------|
| ACCIDENT YEAR ENDING | AGGREGATE LOSS COST AT CURRENT LEVEL (B) | \$100,000 INCURRED LOSSES (C) | EXPERIENCE RATIO (2) / (1) | ACCIDENT YEAR WEIGHTS | NUMBER OF INCURRED CLAIMS |
| 03/31/14 | \$23,389,424 | \$23,976,155 | 1.025 | 10% | 1,392 |
| 03/31/15 | \$21,347,170 | \$21,155,672 | 0.991 | 15% | 1,190 |
| 03/31/16 | \$19,475,528 | \$23,171,611 | 1.190 | 20% | 1,238 |
| 03/31/17 | \$17,993,376 | \$21,651,167 | 1.203 | 25% | 1,238 |
| 03/31/18 | \$17,748,906 | \$22,259,953 | 1.254 | 30% | 1,233 |
| (6) | AVERAGE EXPERIENCE RATIO (SUM OF (3)*(4)). | | | | 1.167 |
| (7) | EXPECTED EXPERIENCE RATIO (D). | | | | 1.041 |
| (8) | CREDIBILITY (E). | | | | 0.70 |
| (9) | CREDIBILITY WEIGHTED EXPERIENCE RATIO: ((6) * (8)) + ((7) * (1.000- (8))). | | | | 1.129 |
| (10) | INDICATED PERCENTAGE CHANGE IN ADVISORY LOSS COST LEVEL ((9) - 1.000). | | | | 12.9% |
| (11) | FILED CHANGE. | | | | 12.9% |
| (A) | TRUCK, TRACTOR, AND TRAILER EXPERIENCE IS FOR VEHICLES WRITTEN IN ACCORDANCE WITH RULE 23 OF THE COMMERCIAL LINES MANUAL, DIVISION 1, AUTOMOBILE. | | | | |
| (B) | THE AGGREGATE LOSS COST AT CURRENT LEVEL IS CALCULATED BY EXTENDING EXPOSURES BY THE CURRENT LOSS COSTS FROM THE LAST REVISION. | | | | |
| (C) | LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSES FOR BODILY INJURY AND PROPERTY DAMAGE LIABILITY. SEE FOLLOWING PAGE. | | | | |
| (D) | EXPECTED EXPERIENCE RATIO IS EQUAL TO THE COMBINED TREND FACTOR SHOWN ON THE FOLLOWING PAGE, PROJECTED FOR M YEARS. THE PERIOD M IS EQUAL TO THE NUMBER OF YEARS FROM ONE YEAR BEYOND THE IMPLEMENTATION DATE OF THE LAST REVISION TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 10/01/19 WHICH IS ASSUMED FOR THE PURPOSES OF TRENDING, SUBJECT TO A MAXIMUM OF THE N-VALUE CORRESPONDING TO THE LATEST YEAR SHOWN ON THE FOLLOWING PAGE, FOOTNOTE B. IN THIS REVISION, THE PERIOD M IS 1.00 YEAR(S). | | | | |
| (E) | CREDIBILITY IS BASED ON A 5 YEAR TOTAL OF CLAIMS FOR B.I. AND P.D. SHOWN IN COLUMN (5). THE STANDARD FOR FULL CREDIBILITY IS 11,500 CLAIMS (SEE CREDIBILITY TABLES IN SECTION C). | | | | |

INSURANCE SERVICES OFFICE, INC.

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

| | ACC. YEAR ENDING | BODILY INJURY | PROPERTY DAMAGE | COMBINED |
|---|---------------------|---------------|--------------------|--------------|
| (1) INCURRED LOSSES AND | 03/31/14 | \$13,213,689 | \$3,507,015 | |
| ALLOCATED LOSS | 03/31/15 | \$12,013,263 | \$3,136,859 | |
| ADJUSTMENT EXPENSES | 03/31/16 | \$12,678,664 | \$3,859,962 | |
| | 03/31/17 | \$10,725,299 | \$3,617,447 | |
| | 03/31/18 | \$8,431,585 | \$3,656,526 | |
| (2) DEVELOPED LOSSES AND | 03/31/14 | \$14,289,944 | \$3,857,717 | |
| ALL LOSS ADJUSTMENT | 03/31/15 | \$13,211,286 | \$3,453,995 | |
| EXPENSES (A) | 03/31/16 | \$14,719,929 | \$4,258,696 | |
| | 03/31/17 | \$14,435,180 | \$4,022,963 | |
| | 03/31/18 | \$15,490,297 | \$4,267,531 | |
| (3) SELECTED ANNUAL LOSS TREND (SEE TREND EXHIBIT IN SECTION C) | | 3.8% | 5.0% | 4.1% |
| (4) TRENDED LOSSES AND | 03/31/14 | \$18,548,347 | \$5,427,808 | \$23,976,155 |
| ALL LOSS ADJUSTMENT | 03/31/15 | \$16,527,319 | \$4,628,353 | \$21,155,672 |
| EXPENSES (B) | 03/31/16 | \$17,737,514 | \$5,434,096 | \$23,171,611 |
| | 03/31/17 | \$16,759,244 | \$4,891,923 | \$21,651,167 |
| | 03/31/18 | \$17,318,152 | \$4,941,801 | \$22,259,953 |
| (A) INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSES ARE ADJUSTED BY THE FOLLOWING FACTORS: | | | | |
| 1 - UNALLOCATED LOSS ADJUSTMENT FACTORS: | | B.I. 1.075 | P.D. 1.100 | |
| 2 - LOSS DEVELOPMENT FACTORS: | | | | |
| | YEAR ENDING | B.I. | P.D. | |
| | 03/31/14 | 1.006 | 1.000 | |
| | 03/31/15 | 1.023 | 1.001 | |
| | 03/31/16 | 1.080 | 1.003 | |
| | 03/31/17 | 1.252 | 1.011 | |
| | 03/31/18 | 1.709 | 1.061 | |
| (B) TRENDED LOSSES ARE EQUAL TO (2) * ((1.0 + (3)) ** N), WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF ACCIDENT TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 10/01/19 WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING. | | | | |

| YEAR ENDING | AVERAGE DATE OF ACCIDENT | PROJECTION PERIOD |
|-------------|-----------------------------|----------------------|
| 03/31/14 | 10/1/13 | 7.000 |
| 03/31/15 | 10/1/14 | 6.000 |
| 03/31/16 | 10/1/15 | 5.000 |
| 03/31/17 | 10/1/16 | 4.000 |
| 03/31/18 | 10/1/17 | 3.000 |

INSURANCE SERVICES OFFICE, INC.

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

| | (1) | (2) | (3) | (4) | (5) |
|-----------|--|------------------------|----------------------------------|--------------------------|-----------------------------|
| COVERAGES | AGGREGATE LOSS COST AT CURRENT LEVEL (B) | INCURRED LOSSES (C) | EXPERIENCE RATIO (2) / (1) | ACCIDENT YEAR WEIGHTS | NUMBER OF PAID CLAIMS |
| O.T.C. | | | | | |
| | 03/31/14 | \$1,154,459 | 1.079 | 10% | 214 |
| | 03/31/15 | \$1,073,374 | 1.271 | 15% | 201 |
| | 03/31/16 | \$1,026,145 | 1.392 | 20% | 209 |
| | 03/31/17 | \$905,321 | 1.076 | 25% | 161 |
| | 03/31/18 | \$859,248 | 1.088 | 30% | 151 |
| COLL. | | | | | |
| | 03/31/14 | \$4,256,731 | 1.004 | 10% | 650 |
| | 03/31/15 | \$3,883,304 | 0.941 | 15% | 651 |
| | 03/31/16 | \$3,720,531 | 0.908 | 20% | 652 |
| | 03/31/17 | \$3,079,789 | 1.179 | 25% | 767 |
| | 03/31/18 | \$3,075,994 | 1.109 | 30% | 725 |
| | | | | O.T.C. | COLLISION |
| (6) | AVERAGE EXPERIENCE RATIO (SUM OF (3)*(4)). | | | 1.172 | 1.051 |
| (7) | EXPECTED EXPERIENCE RATIO (D). | | | 1.059 | 1.033 |
| (8) | CREDIBILITY (E). | | | 0.25 | 0.65 |
| (9) | CREDIBILITY WEIGHTED EXPERIENCE RATIO: ((6) * (8)) + ((7) * (1.000 - (8))). | | | 1.087 | 1.045 |
| (10) | INDICATED PERCENTAGE CHANGE IN ADVISORY LOSS COST LEVEL ((9) - 1.000). | | | 8.7% | 4.5% |
| (11) | FILED CHANGE. | | | 8.7% | 4.5% |
| (A) | TRUCK, TRACTOR AND TRAILER EXPERIENCE IS FOR VEHICLES WRITTEN IN ACCORDANCE WITH RULE 23 OF THE COMMERCIAL LINES MANUAL, DIVISION 1, AUTOMOBILE. | | | | |
| (B) | THE AGGREGATE LOSS COST AT CURRENT LEVEL IS CALCULATED BY EXTENDING EXPOSURES BY THE CURRENT LOSS COSTS AND ADJUSTING TO A PROSPECTIVE OCN LEVEL BY THE APPLICATION OF OCN TREND FACTORS. (SEE SUBSEQUENT PAGE). | | | | |
| (C) | LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSES FOR O.T.C. AND COLL. SEE FOLLOWING PAGE. | | | | |
| (D) | EXPECTED EXPERIENCE RATIO IS EQUAL TO THE LOSS TREND FACTOR DIVIDED BY THE OCN TREND FACTOR, PROJECTED FOR M YEARS. THE PERIOD M IS EQUAL TO THE NUMBER OF YEARS FROM ONE YEAR BEYOND THE IMPLEMENTATION DATE OF THE LAST REVISION TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 10/01/19 WHICH IS ASSUMED FOR THE PURPOSES OF TRENDING, SUBJECT TO A MAXIMUM OF THE N-VALUE CORRESPONDING TO THE LATEST YEAR SHOWN ON THE FOLLOWING PAGE, FOOTNOTE B. IN THIS REVISION, THE PERIOD M IS 1.00 YEAR(S). | | | | |
| (E) | CREDIBILITY IS BASED ON A 5 YEAR TOTAL OF CLAIMS FOR O.T.C. AND A 5 YEAR TOTAL OF CLAIMS FOR COLLISION SHOWN IN COLUMN (5). THE STANDARDS FOR FULL CREDIBILITY ARE 11,000 CLAIMS FOR O.T.C. AND 4,500 CLAIMS FOR COLLISION (SEE CREDIBILITY TABLES IN SECTION C). | | | | |

INSURANCE SERVICES OFFICE, INC.

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

| | ACC. YEAR ENDING | O.T.C | COLLISION |
|---|---------------------|-------------|-------------|
| (1) PAID LOSSES | 03/31/14 | \$686,497 | \$2,687,595 |
| | 03/31/15 | \$804,263 | \$2,413,224 |
| | 03/31/16 | \$900,901 | \$2,346,036 |
| | 03/31/17 | \$657,143 | \$2,660,107 |
| | 03/31/18 | \$658,686 | \$2,683,207 |
| (2) DEVELOPED LOSSES AND | 03/31/14 | \$775,742 | \$3,036,982 |
| ALL LOSS ADJUSTMENT | 03/31/15 | \$908,817 | \$2,726,943 |
| EXPENSES (A) | 03/31/16 | \$1,018,018 | \$2,648,370 |
| | 03/31/17 | \$743,314 | \$2,984,879 |
| | 03/31/18 | \$762,923 | \$2,947,127 |
| (3) SELECTED ANNUAL LOSS TREND (SEE TREND EXHIBIT IN SECTION C) | | 7.0% | 5.0% |
| (4) TRENDED LOSSES AND | 03/31/14 | \$1,245,842 | \$4,273,034 |
| ALL LOSS ADJUSTMENT | 03/31/15 | \$1,364,134 | \$3,654,104 |
| EXPENSES (B) | 03/31/16 | \$1,428,279 | \$3,379,320 |
| | 03/31/17 | \$974,485 | \$3,629,613 |
| | 03/31/18 | \$934,581 | \$3,412,773 |

(A) PAID LOSSES ARE ADJUSTED BY THE FOLLOWING:

1 - LOSS ADJUSTMENT EXPENSE FACTORS:

| | O.T.C | COLL. |
|--|-------|-------|
| | 1.130 | 1.130 |

2 - LOSS DEVELOPMENT FACTORS:

| YEAR ENDING | O.T.C. | COLL. |
|-------------|--------|-------|
| 03/31/14 | 1.000 | 1.000 |
| 03/31/15 | 1.000 | 1.000 |
| 03/31/16 | 1.000 | 0.999 |
| 03/31/17 | 1.001 | 0.993 |
| 03/31/18 | 1.025 | 0.972 |

(B) TRENDED LOSSES ARE EQUAL TO (2) * ((1.0 + (3)) ** N), WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF ACCIDENT TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 10/01/19 WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING BOTH OTC AND COLLISION.

| YEAR ENDING | AVERAGE DATE OF ACCIDENT | PROJECTION PERIOD OTC | PROJECTION PERIOD COLL |
|-------------|-----------------------------|--------------------------|---------------------------|
| 03/31/14 | 10/1/13 | 7.000 | 7.000 |
| 03/31/15 | 10/1/14 | 6.000 | 6.000 |
| 03/31/16 | 10/1/15 | 5.000 | 5.000 |
| 03/31/17 | 10/1/16 | 4.000 | 4.000 |
| 03/31/18 | 10/1/17 | 3.000 | 3.000 |

INSURANCE SERVICES OFFICE, INC.

NEVADA
TRUCKS, TRACTORS AND TRAILERS
AUTOMOBILE PHYSICAL DAMAGE INSURANCE
DETERMINATION OF PHYSICAL DAMAGE TRENDED
AGGREGATE LOSS COSTS

| | ACC. YEAR ENDING | O.T.C | COLLISION |
|---|---------------------|-------------|-------------|
| (1) AGGREGATE LOSS COSTS | 03/31/14 | \$1,076,921 | \$3,807,452 |
| AT CURRENT LEVEL | 03/31/15 | \$1,010,710 | \$3,530,276 |
| | 03/31/16 | \$976,351 | \$3,435,393 |
| | 03/31/17 | \$869,665 | \$2,889,108 |
| | 03/31/18 | \$834,221 | \$2,932,311 |
| (2) SELECTED ANNUAL OCN | | | |
| TREND (SEE TREND | | 1.0% | 1.6% |
| EXHIBIT IN SECTION C) | | | |
| (3) TRENDED AGGREGATE | 03/31/14 | \$1,154,459 | \$4,256,731 |
| LOSS COSTS AT | 03/31/15 | \$1,073,374 | \$3,883,304 |
| CURRENT LEVEL (A) | 03/31/16 | \$1,026,145 | \$3,720,531 |
| | 03/31/17 | \$905,321 | \$3,079,789 |
| | 03/31/18 | \$859,248 | \$3,075,994 |
| (A) TRENDED AGGREGATE LOSS COSTS ARE EQUAL TO (1) * ((1.0 + (2)) ** N), | | | |
| WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF | | | |
| WRITING TO SIX MONTHS BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF | | | |
| 10/01/19 WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING BOTH OTC | | | |
| AND COLLISION. | | | |

| YEAR ENDING | AVERAGE DATE OF WRITING | PROJECTION PERIOD OTC | PROJECTION PERIOD COLL |
|-------------|----------------------------|--------------------------|---------------------------|
| 03/31/14 | 4/1/13 | 7.000 | 7.000 |
| 03/31/15 | 4/1/14 | 6.000 | 6.000 |
| 03/31/16 | 4/1/15 | 5.000 | 5.000 |
| 03/31/17 | 4/1/16 | 4.000 | 4.000 |
| 03/31/18 | 4/1/17 | 3.000 | 3.000 |

INSURANCE SERVICES OFFICE, INC.

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

| | (1) | (2) | (3) | (4) | (5) |
|----------------------|--|-------------------------------|----------------------------|-----------------------|---------------------------|
| ACCIDENT YEAR ENDING | AGGREGATE LOSS COST AT CURRENT LEVEL (B) | \$100,000 INCURRED LOSSES (C) | EXPERIENCE RATIO (2) / (1) | ACCIDENT YEAR WEIGHTS | NUMBER OF INCURRED CLAIMS |
| 03/31/14 | \$3,033,096 | \$3,196,232 | 1.054 | 10% | 227 |
| 03/31/15 | \$2,739,968 | \$3,663,911 | 1.337 | 15% | 225 |
| 03/31/16 | \$2,541,513 | \$2,590,377 | 1.019 | 20% | 181 |
| 03/31/17 | \$2,412,438 | \$2,807,440 | 1.164 | 25% | 171 |
| 03/31/18 | \$2,389,509 | \$2,974,323 | 1.245 | 30% | 160 |
| (6) | AVERAGE EXPERIENCE RATIO (SUM OF (3) * (4)). | | | | 1.175 |
| (7) | EXPECTED EXPERIENCE RATIO (D). | | | | 1.041 |
| (8) | CREDIBILITY (E). | | | | 0.25 |
| (9) | CREDIBILITY WEIGHTED EXPERIENCE RATIO: ((6) * (8)) + ((7) * (1.000 - (8))). | | | | 1.075 |
| (10) | INDICATED PERCENTAGE CHANGE IN ADVISORY LOSS COST LEVEL ((9) - 1.000). | | | | 7.5% |
| (11) | FILED CHANGE. | | | | 7.5% |
| (A) | PRIVATE PASSENGER TYPE EXPERIENCE IS FOR VEHICLES WRITTEN IN ACCORDANCE WITH RULE 31 OF THE COMMERCIAL LINES MANUAL, DIVISION 1, AUTOMOBILE. | | | | |
| (B) | THE AGGREGATE LOSS COST AT CURRENT LEVEL IS CALCULATED BY EXTENDING EXPOSURES BY THE CURRENT LOSS COSTS FROM THE LAST REVISION. | | | | |
| (C) | LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSES FOR BODILY INJURY AND PROPERTY DAMAGE LIABILITY. SEE FOLLOWING PAGE. | | | | |
| (D) | EXPECTED EXPERIENCE RATIO IS EQUAL TO THE COMBINED TREND FACTOR SHOWN ON THE FOLLOWING PAGE, PROJECTED FOR M YEARS. THE PERIOD M IS EQUAL TO THE NUMBER OF YEARS FROM ONE YEAR BEYOND THE IMPLEMENTATION DATE OF THE LAST REVISION TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 10/01/19 WHICH IS ASSUMED FOR THE PURPOSES OF TRENDING, SUBJECT TO A MAXIMUM OF THE N-VALUE CORRESPONDING TO THE LATEST YEAR SHOWN ON THE FOLLOWING PAGE, FOOTNOTE B. IN THIS REVISION, THE PERIOD M IS 1.00 YEAR(S). | | | | |
| (E) | CREDIBILITY IS BASED ON A 5 YEAR TOTAL OF CLAIMS FOR B.I. AND P.D. SHOWN IN COLUMN (5). THE STANDARD FOR FULL CREDIBILITY IS 11,500 CLAIMS (SEE CREDIBILITY TABLES IN SECTION C). | | | | |

INSURANCE SERVICES OFFICE, INC.

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

| | ACC. YEAR ENDING | BODILY INJURY | PROPERTY DAMAGE | COMBINED |
|---|---------------------|------------------|--------------------|-------------|
| (1) INCURRED LOSSES AND | 03/31/14 | \$1,800,287 | \$438,392 | |
| ALLOCATED LOSS | 03/31/15 | \$2,147,063 | \$485,167 | |
| ADJUSTMENT EXPENSES | 03/31/16 | \$1,405,012 | \$457,544 | |
| | 03/31/17 | \$1,478,441 | \$359,156 | |
| | 03/31/18 | \$1,041,693 | \$487,907 | |
| (2) DEVELOPED LOSSES AND | 03/31/14 | \$1,939,179 | \$482,713 | |
| ALL LOSS ADJUSTMENT | 03/31/15 | \$2,356,563 | \$534,217 | |
| EXPENSES (A) | 03/31/16 | \$1,614,605 | \$505,312 | |
| | 03/31/17 | \$1,999,370 | \$399,812 | |
| | 03/31/18 | \$2,076,146 | \$564,069 | |
| (3) SELECTED ANNUAL LOSS | | | | |
| TREND (SEE TREND | | 3.8% | 5.0% | 4.1% |
| EXHIBIT IN SECTION C) | | | | |
| (4) TRENDING LOSSES AND | 03/31/14 | \$2,517,054 | \$679,177 | \$3,196,232 |
| ALL LOSS ADJUSTMENT | 03/31/15 | \$2,948,060 | \$715,851 | \$3,663,911 |
| EXPENSES (B) | 03/31/16 | \$1,945,599 | \$644,778 | \$2,590,377 |
| | 03/31/17 | \$2,321,269 | \$486,171 | \$2,807,440 |
| | 03/31/18 | \$2,321,131 | \$653,192 | \$2,974,323 |
| (A) INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSES ARE ADJUSTED | | | | |
| BY THE FOLLOWING FACTORS: | | | | |
| 1 - UNALLOCATED LOSS ADJUSTMENT FACTORS: | | B.I. 1.075 | P.D. 1.100 | |
| 2 - LOSS DEVELOPMENT FACTORS: | | | | |
| | YEAR ENDING | B.I. | P.D. | |
| | 03/31/14 | 1.002 | 1.001 | |
| | 03/31/15 | 1.021 | 1.001 | |
| | 03/31/16 | 1.069 | 1.004 | |
| | 03/31/17 | 1.258 | 1.012 | |
| | 03/31/18 | 1.854 | 1.051 | |

(B) TRENDING LOSSES ARE EQUAL TO (2) * ((1.0 + (3)) ** N), WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF ACCIDENT TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 10/01/19 WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING.

| YEAR ENDING | AVERAGE DATE OF ACCIDENT | PROJECTION PERIOD |
|-------------|-----------------------------|----------------------|
| 03/31/14 | 10/1/13 | 7.000 |
| 03/31/15 | 10/1/14 | 6.000 |
| 03/31/16 | 10/1/15 | 5.000 |
| 03/31/17 | 10/1/16 | 4.000 |
| 03/31/18 | 10/1/17 | 3.000 |

INSURANCE SERVICES OFFICE, INC.

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

| | | (1) | (2) | (3) | (4) | (5) |
|-----------|--|--------------|-------------|-------------|--------------|-----------|
| COVERAGES | ACCIDENT YEAR | AGGREGATE | | | | |
| O.T.C | ENDING | LOSS COST AT | | EXPERIENCE | ACCIDENT | NUMBER OF |
| | | CURRENT | INCURRED | RATIO (2) / | YEAR WEIGHTS | PAID |
| | | LEVEL (B) | LOSSES (C) | (1) | | CLAIMS |
| | 03/31/14 | \$232,973 | \$177,461 | 0.762 | 10% | 64 |
| | 03/31/15 | \$237,070 | \$321,559 | 1.356 | 15% | 74 |
| | 03/31/16 | \$234,021 | \$234,789 | 1.003 | 20% | 98 |
| | 03/31/17 | \$218,501 | \$237,664 | 1.088 | 25% | 91 |
| | 03/31/18 | \$209,236 | \$151,912 | 0.726 | 30% | 62 |
| COLL. | 03/31/14 | \$1,088,717 | \$1,089,667 | 1.001 | 10% | 143 |
| | 03/31/15 | \$1,060,455 | \$1,208,720 | 1.140 | 15% | 162 |
| | 03/31/16 | \$1,044,593 | \$1,180,539 | 1.130 | 20% | 168 |
| | 03/31/17 | \$988,931 | \$633,298 | 0.640 | 25% | 132 |
| | 03/31/18 | \$952,119 | \$940,697 | 0.988 | 30% | 145 |
| | | | | | O.T.C. | COLLISION |
| (6) | AVERAGE EXPERIENCE RATIO (SUM OF (3)*(4)). | | | | 0.970 | 0.953 |
| (7) | EXPECTED EXPERIENCE RATIO (D). | | | | 1.053 | 1.039 |
| (8) | CREDIBILITY (E). | | | | 0.20 | 0.45 |
| (9) | CREDIBILITY WEIGHTED EXPERIENCE RATIO: ((6) * (8)) + ((7) * (1.000- (8))). | | | | 1.036 | 1.000 |
| (10) | INDICATED PERCENTAGE CHANGE IN ADVISORY LOSS COST LEVEL ((9) - 1.000). | | | | 3.6% | 0.0% |
| (11) | FILED CHANGE. | | | | N.C. | N.C. |
| (A) | PRIVATE PASSENGER TYPE EXPERIENCE IS FOR VEHICLES WRITTEN IN ACCORDANCE WITH RULE 31 OF THE COMMERCIAL LINES MANUAL, DIVISION 1, AUTOMOBILE. | | | | | |
| (B) | THE AGGREGATE LOSS COST AT CURRENT LEVEL IS CALCULATED BY EXTENDING EXPOSURES BY THE CURRENT LOSS COSTS AND ADJUSTING TO A PROSPECTIVE OCN LEVEL BY THE APPLICATION OF OCN TREND FACTORS. (SEE SUBSEQUENT PAGE). | | | | | |
| (C) | LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSES FOR O.T.C. AND COLL. SEE FOLLOWING PAGE. | | | | | |
| (D) | EXPECTED EXPERIENCE RATIO IS EQUAL TO THE LOSS TREND FACTOR DIVIDED BY THE OCN TREND FACTOR, PROJECTED FOR M YEARS. THE PERIOD M IS EQUAL TO THE NUMBER OF YEARS FROM ONE YEAR BEYOND THE IMPLEMENTATION DATE OF THE LAST REVISION TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 10/01/19 WHICH IS ASSUMED FOR THE PURPOSES OF TRENDING, SUBJECT TO A MAXIMUM OF THE N-VALUE CORRESPONDING TO THE LATEST YEAR SHOWN ON THE FOLLOWING PAGE, FOOTNOTE B. IN THIS REVISION, THE PERIOD M IS 1.00 YEAR(S). | | | | | |
| (E) | CREDIBILITY IS BASED ON A 5 YEAR TOTAL OF CLAIMS FOR O.T.C. AND A 5 YEAR TOTAL OF CLAIMS FOR COLLISION SHOWN IN COLUMN (5). THE STANDARDS FOR FULL CREDIBILITY ARE 8,500 CLAIMS FOR O.T.C. AND 3,500 CLAIMS FOR COLLISION (SEE CREDIBILITY TABLES IN SECTION C). | | | | | |

INSURANCE SERVICES OFFICE, INC.

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

| | ACC. YEAR ENDING | O.T.C | COLLISION |
|---|---------------------|-----------|-------------|
| (1) PAID LOSSES | 03/31/14 | \$101,058 | \$708,528 |
| | 03/31/15 | \$195,042 | \$821,554 |
| | 03/31/16 | \$151,663 | \$839,302 |
| | 03/31/17 | \$163,548 | \$472,610 |
| | 03/31/18 | \$110,186 | \$768,002 |
| (2) DEVELOPED LOSSES AND | 03/31/14 | \$114,196 | \$800,637 |
| ALL LOSS ADJUSTMENT | 03/31/15 | \$220,397 | \$928,356 |
| EXPENSES (A) | 03/31/16 | \$171,379 | \$947,463 |
| | 03/31/17 | \$184,809 | \$530,845 |
| | 03/31/18 | \$125,755 | \$824,450 |
| (3) SELECTED ANNUAL LOSS TREND (SEE TREND EXHIBIT IN SECTION C) | | 6.5% | 4.5% |
| (4) TRENDED LOSSES AND | 03/31/14 | \$177,461 | \$1,089,667 |
| ALL LOSS ADJUSTMENT | 03/31/15 | \$321,559 | \$1,208,720 |
| EXPENSES (B) | 03/31/16 | \$234,789 | \$1,180,539 |
| | 03/31/17 | \$237,664 | \$633,298 |
| | 03/31/18 | \$151,912 | \$940,697 |
| (A) PAID LOSSES ARE ADJUSTED BY THE FOLLOWING: | | | |
| 1 - LOSS ADJUSTMENT EXPENSE FACTORS: | | | |
| | | O.T.C | COLL. |
| | | 1.130 | 1.130 |
| 2 - LOSS DEVELOPMENT FACTORS: | | | |
| | YEAR ENDING | O.T.C. | COLL. |
| | 03/31/14 | 1.000 | 1.000 |
| | 03/31/15 | 1.000 | 1.000 |
| | 03/31/16 | 1.000 | 0.999 |
| | 03/31/17 | 1.000 | 0.994 |
| | 03/31/18 | 1.010 | 0.950 |
| (B) TRENDED LOSSES ARE EQUAL TO (2) * ((1.0 + (3)) ** N), WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF ACCIDENT TO ONE YEAR BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF 10/01/19 WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING BOTH OTC AND COLLISION. | | | |

| YEAR ENDING | AVERAGE DATE OF ACCIDENT | PROJECTION PERIOD OTC | PROJECTION PERIOD COLL |
|-------------|-----------------------------|--------------------------|---------------------------|
| 03/31/14 | 10/1/13 | 7.000 | 7.000 |
| 03/31/15 | 10/1/14 | 6.000 | 6.000 |
| 03/31/16 | 10/1/15 | 5.000 | 5.000 |
| 03/31/17 | 10/1/16 | 4.000 | 4.000 |
| 03/31/18 | 10/1/17 | 3.000 | 3.000 |

INSURANCE SERVICES OFFICE, INC.

NEVADA
PRIVATE PASSENGER TYPES
AUTOMOBILE PHYSICAL DAMAGE INSURANCE
DETERMINATION OF PHYSICAL DAMAGE TRENDED
AGGREGATE LOSS COSTS

| | ACC. YEAR ENDING | O.T.C | COLLISION |
|---|---------------------|-----------|-------------|
| (1) AGGREGATE LOSS COSTS | 03/31/14 | \$215,716 | \$1,043,832 |
| AT CURRENT LEVEL | 03/31/15 | \$221,976 | \$1,022,618 |
| | 03/31/16 | \$221,611 | \$1,014,168 |
| | 03/31/17 | \$209,092 | \$965,753 |
| | 03/31/18 | \$202,552 | \$935,284 |
| (2) SELECTED ANNUAL OCN | | | |
| TREND (SEE TREND | | 1.1% | 0.6% |
| EXHIBIT IN SECTION C) | | | |
| (3) TRENDED AGGREGATE | 03/31/14 | \$232,973 | \$1,088,717 |
| LOSS COSTS AT | 03/31/15 | \$237,070 | \$1,060,455 |
| CURRENT LEVEL (A) | 03/31/16 | \$234,021 | \$1,044,593 |
| | 03/31/17 | \$218,501 | \$988,931 |
| | 03/31/18 | \$209,236 | \$952,119 |
| (A) TRENDED AGGREGATE LOSS COSTS ARE EQUAL TO (1) * ((1.0 + (2)) ** N), | | | |
| WHERE N IS EQUAL TO THE NUMBER OF YEARS PROJECTION FROM THE AVERAGE DATE OF | | | |
| WRITING TO SIX MONTHS BEYOND THE ANTICIPATED IMPLEMENTATION DATE OF | | | |
| 10/01/19 WHICH IS ASSUMED FOR THE PURPOSE OF TRENDING BOTH OTC | | | |
| AND COLLISION. | | | |

| YEAR ENDING | AVERAGE DATE OF WRITING | PROJECTION PERIOD OTC | PROJECTION PERIOD COLL |
|-------------|----------------------------|--------------------------|---------------------------|
| 03/31/14 | 4/1/13 | 7.000 | 7.000 |
| 03/31/15 | 4/1/14 | 6.000 | 6.000 |
| 03/31/16 | 4/1/15 | 5.000 | 5.000 |
| 03/31/17 | 4/1/16 | 4.000 | 4.000 |
| 03/31/18 | 4/1/17 | 3.000 | 3.000 |

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE
SINGLE LIMIT LIABILITY

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

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
|-----|------------|----------|------------|-------|------|-------|--------|-------|-------|-------|-------|
| T | EARNED CAR | \$100000 | EXPER LOSS | | | | | BASE | BASE | BASE | |
| E | YRS YR | UND | COST 5 YRS | | | | INDEX | CLASS | CLASS | CLASS | ADV |
| R | ENDED | LOSS | END | EXPER | | FORM | (6) TO | LOSS | LOSS | LOSS | LOSS |
| R | 03/31/2018 | COST | 03/31/2018 | RATIO | CRED | RATIO | STATE | COST | COST | COST | COST |
| | | | | | | | | PRES | IND* | REV | CHG** |
| 105 | 1025 | 374.12 | 201.12 | 0.538 | 0.10 | 1.061 | 0.938 | 362 | 383 | 383 | 5.8% |
| 106 | 8310 | 209.57 | 192.59 | 0.919 | 0.20 | 1.079 | 0.954 | 239 | 257 | 257 | 7.5% |
| 108 | 312 | 727.72 | 827.94 | 1.138 | 0.05 | 1.120 | 0.990 | 679 | 759 | 759 | 11.8% |
| 109 | 11953 | 1119.52 | 1290.61 | 1.153 | 0.60 | 1.139 | 1.007 | 1,018 | 1,157 | 1,157 | 13.7% |
| 110 | 324 | 385.42 | 392.16 | 1.017 | 0.05 | 1.114 | 0.985 | 393 | 437 | 437 | 11.2% |
| 111 | 5367 | 352.22 | 416.27 | 1.182 | 0.25 | 1.135 | 1.004 | 331 | 375 | 375 | 13.3% |
| SW | 27291 | 650.36 | 727.45 | 1.119 | | 1.131 | | | | | |

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 12.9 PERCENT.

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

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE
SINGLE LIMIT LIABILITY

DETERMINATION OF LOSS COST LEVEL CHANGES BY TERRITORY
PRIVATE PASSENGER TYPES (PPT)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
|-----|------------|----------|------------|-------|------|-------|--------|-------|-------|-------|-------|
| T | EARNED CAR | \$100000 | EXPER LOSS | | | | | BASE | BASE | BASE | |
| E | YRS YR | UND | COST 5 YRS | | | | INDEX | CLASS | CLASS | CLASS | ADV |
| R | ENDED | LOSS | END | EXPER | | FORM | (6) TO | LOSS | LOSS | LOSS | LOSS |
| R | 03/31/2018 | COST | 03/31/2018 | RATIO | CRED | RATIO | STATE | COST | COST | COST | COST |
| | | | | | | | | PRES | IND* | REV | CHG** |
| 105 | 137 | 377.79 | 343.97 | 0.910 | 0.00 | 1.168 | 0.999 | 363 | 390 | 390 | 7.4% |
| 106 | 711 | 382.35 | 390.30 | 1.021 | 0.05 | 1.161 | 0.993 | 378 | 403 | 403 | 6.6% |
| 108 | 38 | 819.74 | 217.56 | 0.265 | 0.00 | 1.168 | 0.999 | 830 | 891 | 891 | 7.3% |
| 109 | 2184 | 785.57 | 906.59 | 1.154 | 0.20 | 1.165 | 0.997 | 782 | 838 | 838 | 7.2% |
| 110 | 72 | 379.56 | 531.48 | 1.400 | 0.00 | 1.168 | 0.999 | 366 | 393 | 393 | 7.4% |
| 111 | 857 | 340.41 | 513.87 | 1.510 | 0.10 | 1.202 | 1.028 | 333 | 368 | 368 | 10.5% |
| SW | 3999 | 597.53 | 698.06 | 1.168 | | 1.169 | | | | | |

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 7.5 PERCENT.

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

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE
PHYSICAL DAMAGE - COMPREHENSIVE

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

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
|-----|------------|-------|------------|-------|------|-------|--------|-------|-------|-------|-------|
| T | EARNED CAR | | EXPER LOSS | | | | | BASE | BASE | BASE | ADV |
| E | YRS YR | UND | COST 5 YRS | | | | INDEX | CLASS | CLASS | CLASS | LOSS |
| R | ENDED | LOSS | END | EXPER | | FORM | (6) TO | LOSS | LOSS | LOSS | LOSS |
| R | 03/31/2018 | COST | 03/31/2018 | RATIO | CRED | RATIO | STATE | COST | COST | COST | COST |
| | | | | | | | | PRES | IND* | REV | CHG** |
| 105 | 711 | 45.62 | 67.36 | 1.477 | 0.05 | 1.206 | 1.021 | 74 | 82 | 82 | 10.8% |
| 106 | 4373 | 49.58 | 69.66 | 1.405 | 0.15 | 1.224 | 1.036 | 82 | 92 | 92 | 12.2% |
| 108 | 228 | 47.63 | 180.96 | 3.799 | 0.00 | 1.192 | 1.009 | 75 | 82 | 82 | 9.3% |
| 109 | 8304 | 49.25 | 49.22 | 0.999 | 0.20 | 1.153 | 0.976 | 74 | 79 | 79 | 6.8% |
| 110 | 160 | 43.67 | 89.94 | 2.060 | 0.00 | 1.192 | 1.009 | 70 | 77 | 77 | 10.0% |
| 111 | 4393 | 41.71 | 47.13 | 1.130 | 0.10 | 1.186 | 1.004 | 61 | 67 | 67 | 9.8% |
| SW | 18169 | 47.29 | 56.36 | 1.192 | | 1.181 | | | | | |

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 8.7 PERCENT.

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

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE
PHYSICAL DAMAGE - COLLISION

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

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
|-----|------------|--------|------------|-------|------|-------|--------|-------|-------|-------|-------|
| T | EARNED CAR | | EXPER LOSS | | | | | BASE | BASE | BASE | ADV |
| E | YRS YR | UND | COST 5 YRS | | | | INDEX | CLASS | CLASS | CLASS | LOSS |
| R | ENDED | LOSS | END | EXPER | | FORM | (6) TO | LOSS | LOSS | LOSS | LOSS |
| R | 03/31/2018 | COST | 03/31/2018 | RATIO | CRED | RATIO | STATE | COST | COST | COST | COST |
| | | | | | | | | PRES | IND* | REV | CHG** |
| 105 | 668 | 167.47 | 153.01 | 0.914 | 0.10 | 0.992 | 0.990 | 214 | 221 | 221 | 3.3% |
| 106 | 4308 | 171.48 | 163.22 | 0.952 | 0.25 | 0.989 | 0.987 | 211 | 218 | 218 | 3.3% |
| 108 | 233 | 147.77 | 214.02 | 1.448 | 0.05 | 1.023 | 1.021 | 169 | 180 | 180 | 6.5% |
| 109 | 8381 | 173.22 | 175.76 | 1.015 | 0.50 | 1.008 | 1.006 | 205 | 215 | 215 | 4.9% |
| 110 | 163 | 133.71 | 116.64 | 0.872 | 0.05 | 0.995 | 0.993 | 192 | 199 | 199 | 3.6% |
| 111 | 4361 | 164.50 | 167.60 | 1.019 | 0.30 | 1.006 | 1.004 | 180 | 189 | 189 | 5.0% |
| SW | 18114 | 169.81 | 169.93 | 1.001 | | 1.002 | | | | | |

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 4.5 PERCENT.

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

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE
PHYSICAL DAMAGE - COMPREHENSIVE

DETERMINATION OF LOSS COST LEVEL CHANGES BY TERRITORY
PRIVATE PASSENGER TYPES (PPT)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|-----|------------|-------|------------|-------|------|-------|--------|-------|-------|
| T | EARNED CAR | | EXPER LOSS | | | | | BASE | BASE |
| E | YRS YR | UND | COST 5 YRS | | | | INDEX | CLASS | CLASS |
| R | ENDED | LOSS | END | EXPER | | FORM | (6) TO | LOSS | LOSS |
| R | 03/31/2018 | COST | 03/31/2018 | RATIO | CRED | RATIO | STATE | COST | COST |
| | | | | | | | | PRES | IND* |
| 105 | 143 | 62.76 | 172.24 | 2.744 | 0.00 | 1.006 | 1.016 | 54 | 57 |
| 106 | 473 | 78.22 | 117.07 | 1.497 | 0.05 | 1.031 | 1.041 | 69 | 74 |
| 108 | 33 | 51.99 | 20.63 | 0.397 | 0.00 | 1.006 | 1.016 | 50 | 53 |
| 109 | 2131 | 56.24 | 43.48 | 0.773 | 0.15 | 0.971 | 0.981 | 49 | 50 |
| 110 | 66 | 57.35 | 5.01 | 0.087 | 0.00 | 1.006 | 1.016 | 47 | 49 |
| 111 | 803 | 47.22 | 45.94 | 0.973 | 0.05 | 1.004 | 1.014 | 43 | 45 |
| SW | 3649 | 57.34 | 57.70 | 1.006 | | 0.990 | | | |

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 3.6 PERCENT.

TO BETTER REFLECT THE FAVORABLE EXPERIENCE IN THE LATEST YEAR, WE WILL NOT BE FILING THESE INDICATED LOSS COSTS. THE LOSS COSTS IN COLUMN (8) REMAIN IN EFFECT.

INSURANCE SERVICES OFFICE, INC.

NEVADA
COMMERCIAL AUTOMOBILE INSURANCE
PHYSICAL DAMAGE - COLLISION

DETERMINATION OF LOSS COST LEVEL CHANGES BY TERRITORY
PRIVATE PASSENGER TYPES (PPT)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|-----|------------|--------|------------|-------|------|-------|--------|-------|-------|
| T | EARNED CAR | | EXPER LOSS | | | | | BASE | BASE |
| E | YRS YR | UND | COST 5 YRS | | | | INDEX | CLASS | CLASS |
| R | ENDED | LOSS | END | EXPER | | FORM | (6) TO | LOSS | LOSS |
| R | 03/31/2018 | COST | 03/31/2018 | RATIO | CRED | RATIO | STATE | COST | COST |
| | | | | | | | | PRES | IND* |
| 105 | 134 | 307.25 | 222.05 | 0.723 | 0.05 | 0.974 | 0.989 | 371 | 367 |
| 106 | 456 | 255.19 | 269.40 | 1.056 | 0.15 | 0.997 | 1.012 | 303 | 307 |
| 108 | 33 | 208.13 | 76.24 | 0.366 | 0.00 | 0.987 | 1.002 | 296 | 297 |
| 109 | 1864 | 319.12 | 304.08 | 0.953 | 0.35 | 0.975 | 0.990 | 373 | 369 |
| 110 | 59 | 253.33 | 357.10 | 1.410 | 0.05 | 1.008 | 1.023 | 285 | 292 |
| 111 | 738 | 241.09 | 266.14 | 1.104 | 0.20 | 1.010 | 1.025 | 298 | 305 |
| SW | 3284 | 289.93 | 286.05 | 0.987 | | 0.985 | | | |

* KEYED TO A STATEWIDE LOSS COST CHANGE OF 0.0 PERCENT.

DUE TO THE MODEST INDICATION, WE WILL NOT BE FILING THESE
INDICATED LOSS COSTS. THE LOSS COSTS IN COLUMN (8) REMAIN IN EFFECT.

INSURANCE SERVICES OFFICE, INC.

COMMERCIAL AUTOMOBILE LIABILITY INSURANCE
MULTISTATE LOSS ADJUSTMENT EXPENSE EXPERIENCE

Calendar Year

Development of Unallocated Loss Adjustment Expense Factor

| | | <u>Bodily Injury</u> (000's) | | | | | 3 YR. | 5 YR. |
|-----|--|---------------------------------|-------------|-------------|-------------|-------------|------------|------------|
| | | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>AVG</u> | <u>AVG</u> |
| (1) | ITEM Direct Losses Incurred | 4,201,981 | 4,808,966 | 5,392,813 | 5,762,768 | 6,343,079 | | |
| (2) | Allocated Loss Adjustment Expenses Incurred | 480,882 | 516,366 | 609,253 | 669,634 | 692,813 | | |
| (3) | Unallocated Loss Adjustment Expense Incurred | 431,513 | 471,206 | 478,672 | 478,481 | 509,596 | | |
| (4) | Unallocated LAE as a Ratio to Losses + Allocated LAE (3)/[(1)+(2)] | 9.2% | 8.8% | 8.0% | 7.4% | 7.2% | 7.6% | 8.1% |
| (5) | Selected Factor | | | | | | | 7.5% |

| | | <u>Property Damage</u> (000's) | | | | | 3 YR. | 5 YR. |
|-----|--|-----------------------------------|-------------|-------------|-------------|-------------|------------|------------|
| | | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>AVG</u> | <u>AVG</u> |
| (1) | ITEM Direct Losses Incurred | 965,963 | 1,036,103 | 1,144,361 | 1,240,811 | 1,278,538 | | |
| (2) | Allocated Loss Adjustment Expenses Incurred | 70,743 | 69,240 | 85,269 | 72,162 | 83,354 | | |
| (3) | Unallocated Loss Adjustment Expense Incurred | 113,312 | 129,347 | 129,840 | 127,728 | 134,901 | | |
| (4) | Unallocated LAE as a Ratio to Losses + Allocated LAE (3)/[(1)+(2)] | 10.9% | 11.7% | 10.6% | 9.7% | 9.9% | 10.1% | 10.6% |
| (5) | Selected Factor | | | | | | | 10.0% |

All items are from Special Call Submission for available writers.

INSURANCE SERVICES OFFICE, INC.

COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE INSURANCE
MULTISTATE LOSS ADJUSTMENT EXPENSE EXPERIENCE

Calendar Year

Development of Factor to Include all Loss Adjustment Expenses

| | | (000's) | | | | | 3 YR. | 5 YR. |
|-----|---|-------------|-------------|-------------|-------------|-------------|------------|------------|
| | | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>AVG</u> | <u>AVG</u> |
| (1) | ITEM Direct Losses Incurred | 3,615,666 | 4,009,807 | 4,293,030 | 4,806,080 | 5,434,351 | | |
| (2) | Loss Adjustment Expenses Incurred | 581,191 | 657,537 | 578,445 | 622,951 | 702,920 | | |
| (3) | Losses + LAE Incurred as Ratio to Losses Incurred [(1)+(2)]/(1) | 1.161 | 1.164 | 1.135 | 1.130 | 1.129 | 1.131 | 1.144 |
| (4) | Selected | | | | | | | 1.130 |

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

INSURANCE SERVICES OFFICE, INC.

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

AVERAGE PAID CLAIM COST DATA

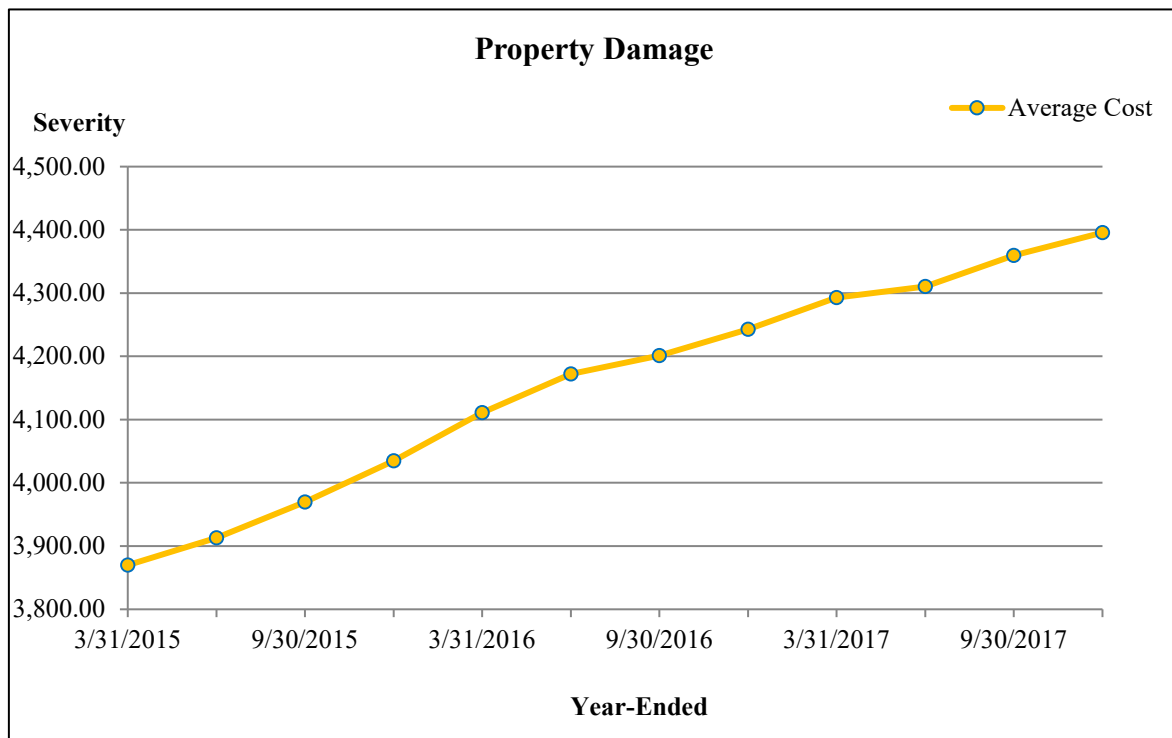
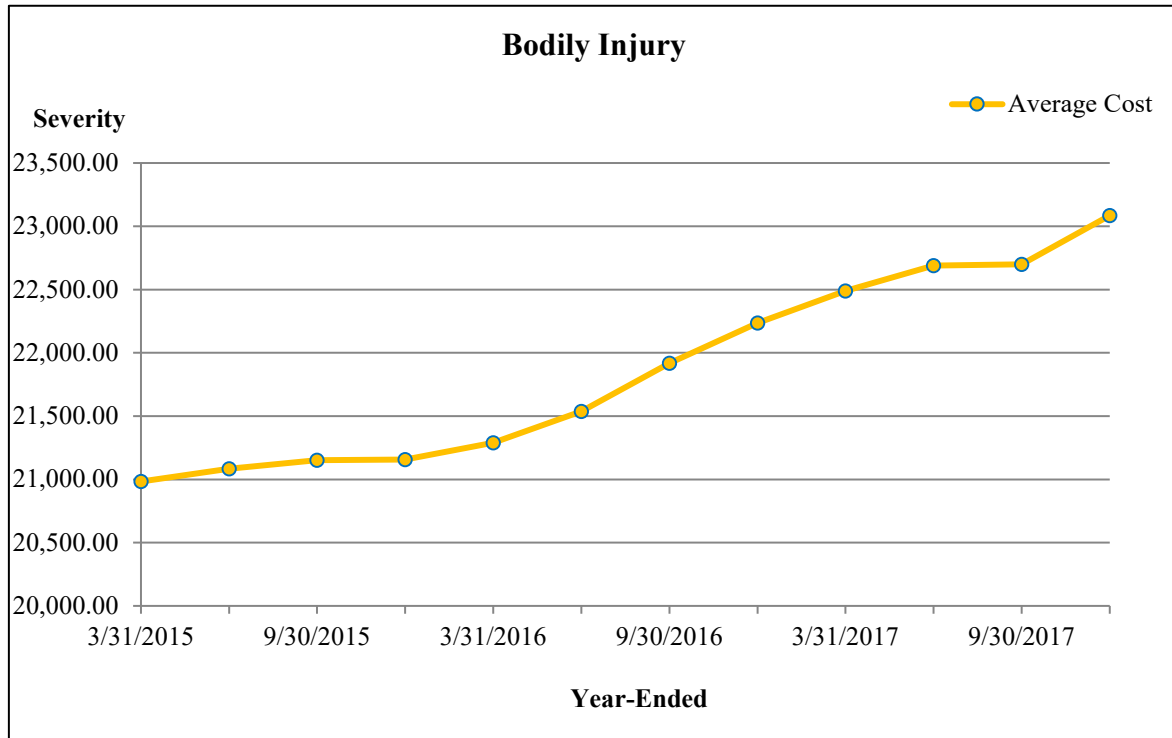
| YEAR ENDED | NEVADA | | | | MULTISTATE* | | | |
|---------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|
| | BODILY INJURY | | PROPERTY DAMAGE | | BODILY INJURY | | PROPERTY DAMAGE | |
| | (\$100000 LIMITS) | | (\$100000 LIMITS) | | (\$100000 LIMITS) | | (\$100000 LIMITS) | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| | ACTUAL | EXPONENTIAL FIT | ACTUAL | EXPONENTIAL FIT | ACTUAL | EXPONENTIAL FIT | ACTUAL | EXPONENTIAL FIT |
| 3/31/2015 | 26406.44 | 26713.74 | 3601.96 | 3857.43 | 20982.98 | 20758.42 | 3869.85 | 3892.57 |
| 6/30/2015 | 26744.69 | 27228.32 | 3695.07 | 3925.07 | 21083.55 | 20952.41 | 3913.02 | 3938.60 |
| 9/30/2015 | 27796.99 | 27752.82 | 3923.12 | 3993.88 | 21151.16 | 21148.21 | 3969.44 | 3985.17 |
| 12/31/2015 | 28771.73 | 28287.41 | 4077.86 | 4063.91 | 21157.58 | 21345.84 | 4034.82 | 4032.29 |
| 3/31/2016 | 28672.34 | 28832.31 | 4384.57 | 4135.16 | 21288.08 | 21545.32 | 4110.84 | 4079.97 |
| 6/30/2016 | 29999.42 | 29387.70 | 4644.62 | 4207.66 | 21536.65 | 21746.66 | 4172.07 | 4128.22 |
| 9/30/2016 | 30340.81 | 29953.79 | 4645.45 | 4281.44 | 21916.91 | 21949.88 | 4201.21 | 4177.03 |
| 12/31/2016 | 30343.39 | 30530.79 | 4612.86 | 4356.50 | 22237.05 | 22155.00 | 4242.98 | 4226.43 |
| 3/31/2017 | 31194.19 | 31118.90 | 4477.08 | 4432.89 | 22488.61 | 22362.04 | 4292.85 | 4276.40 |
| 6/30/2017 | 32197.67 | 31718.34 | 4276.71 | 4510.61 | 22690.73 | 22571.02 | 4310.18 | 4326.97 |
| 9/30/2017 | 32164.53 | 32329.32 | 4272.27 | 4589.69 | 22699.79 | 22781.94 | 4359.46 | 4378.14 |
| 12/31/2017 | 32199.63 | 32952.08 | 4496.97 | 4670.17 | 23085.19 | 22994.84 | 4395.65 | 4429.91 |

| | | BODILY INJURY | PROPERTY DAMAGE |
|------|--|---------------|-----------------|
| (9) | AVERAGE ANNUAL PERCENT CHANGE IN PAID CLAIM COST (12TH POINT / 8TH POINT) | | |
| | (A) NEVADA | 7.9% | 7.2% |
| | (B) MULTISTATE | 3.8% | 4.8% |
| (10) | CREDIBILITY | 0.00 | 0.10 |
| (11) | WEIGHTED AVERAGE ANNUAL PERCENT CHANGE IN PAID CLAIM COSTS { (10) * (9A) } + { (1.0 - (10)) * (9B) } | 3.8% | 5.0% |
| (12) | AVERAGE ANNUAL PERCENT CHANGE IN CLAIM FREQUENCY | 0.0% | 0.0% |
| (13) | AVERAGE ANNUAL PERCENT CHANGE IN LIABILITY LOSS RATIO (11) * (12) | 3.8% | 5.0% |

* EXCLUDES MASSACHUSETTS

INSURANCE SERVICES OFFICE, INC.

Commercial Automobile Liability
Average Paid Claim Cost Experience
Multistate*



*Excludes Massachusetts

INSURANCE SERVICES OFFICE, INC.

COMMERCIAL AUTO LIABILITY
INCURRED CLAIM FREQUENCY

MULTISTATE*

TRUCKS, TRACTORS, AND TRAILERS

| <u>YEAR</u> <u>ENDING</u> | <u>BODILY INJURY</u> <u>ACTUAL</u> | <u>BODILY INJURY</u> <u>ACTUAL CHANGE@</u> | <u>PROPERTY DAMAGE</u> <u>ACTUAL</u> | <u>PROPERTY DAMAGE</u> <u>ACTUAL CHANGE@</u> |
|------------------------------|---------------------------------------|---|---|---|
| 12/31/2011 | 0.7566 | | 2.8239 | |
| 3/31/2012 | 0.7569 | | 2.7273 | |
| 6/30/2012 | 0.7581 | | 2.7208 | |
| 9/30/2012 | 0.7489 | | 2.6835 | |
| 12/31/2012 | 0.7522 | -0.6% & | 2.6652 | -5.6% & |
| 3/31/2013 | 0.7498 | | 2.7000 | |
| 6/30/2013 | 0.7617 | | 2.7359 | |
| 9/30/2013 | 0.7732 | 3.2% | 2.7756 | 3.4% |
| 12/31/2013 | 0.7743 | | 2.7955 | |
| 3/31/2014 | 0.7883 | | 2.8776 | |
| 6/30/2014 | 0.7791 | | 2.8728 | |
| 9/30/2014 | 0.7733 | 0.0% | 2.8730 | 3.5% |
| 12/31/2014 | 0.7760 | | 2.8711 | |
| 3/31/2015 | 0.7647 | | 2.8347 | |
| 6/30/2015 | 0.7663 | | 2.8327 | |
| 9/30/2015 | 0.7727 | -0.1% | 2.8460 | -0.9% |
| 12/31/2015 | 0.7838 | | 2.8531 | |
| 3/31/2016 | 0.7926 | | 2.8185 | |
| 6/30/2016 | 0.7979 | | 2.8157 | |
| 9/30/2016 | 0.8019 | 3.8% | 2.8134 | -1.1% |
| 12/31/2016 | 0.7964 | | 2.8001 | |
| 3/31/2017 | 0.7959 | | 2.7872 | |
| 6/30/2017 | 0.7980 | | 2.7762 | |
| 9/30/2017 | 0.7936 | -1.0% | 2.7202 | -3.3% |

* EXCLUDES MASSACHUSETTS

@ CHANGE BASED ON YEARS ENDING 9/30/XXXX

& CHANGE BASED ON YEAR ENDING 12/31/2012 divided by 12/31/2011

INSURANCE SERVICES OFFICE, INC.

COMMERCIAL AUTO LIABILITY
INCURRED CLAIM FREQUENCY

MULTISTATE*

PRIVATE PASSENGER TYPES

| <u>YEAR</u> <u>ENDING</u> | <u>BODILY INJURY</u> <u>ACTUAL</u> | <u>BODILY INJURY</u> <u>ACTUAL CHANGE@</u> | <u>PROPERTY DAMAGE</u> <u>ACTUAL</u> | <u>PROPERTY DAMAGE</u> <u>ACTUAL CHANGE@</u> |
|------------------------------|---------------------------------------|---|---|---|
| 12/31/2011 | 0.9093 | | 3.2801 | |
| 3/31/2012 | 0.9276 | | 3.2644 | |
| 6/30/2012 | 0.9200 | | 3.2804 | |
| 9/30/2012 | 0.9015 | | 3.2598 | |
| 12/31/2012 | 0.8771 | -3.5% & | 3.2192 | -1.9% & |
| 3/31/2013 | 0.8634 | | 3.1904 | |
| 6/30/2013 | 0.8584 | | 3.1458 | |
| 9/30/2013 | 0.8722 | -3.3% | 3.1541 | -3.2% |
| 12/31/2013 | 0.8779 | | 3.1812 | |
| 3/31/2014 | 0.8798 | | 3.2183 | |
| 6/30/2014 | 0.8797 | | 3.2164 | |
| 9/30/2014 | 0.8738 | 0.2% | 3.1875 | 1.1% |
| 12/31/2014 | 0.8689 | | 3.1599 | |
| 3/31/2015 | 0.8457 | | 3.1288 | |
| 6/30/2015 | 0.8300 | | 3.0990 | |
| 9/30/2015 | 0.8162 | -6.6% | 3.1118 | -2.4% |
| 12/31/2015 | 0.8141 | | 3.1202 | |
| 3/31/2016 | 0.8290 | | 3.1054 | |
| 6/30/2016 | 0.8320 | | 3.1162 | |
| 9/30/2016 | 0.8529 | 4.5% | 3.1150 | 0.1% |
| 12/31/2016 | 0.8396 | | 3.0864 | |
| 3/31/2017 | 0.8328 | | 3.0297 | |
| 6/30/2017 | 0.8287 | | 2.9899 | |
| 9/30/2017 | 0.8031 | -5.8% | 2.8859 | -7.4% |

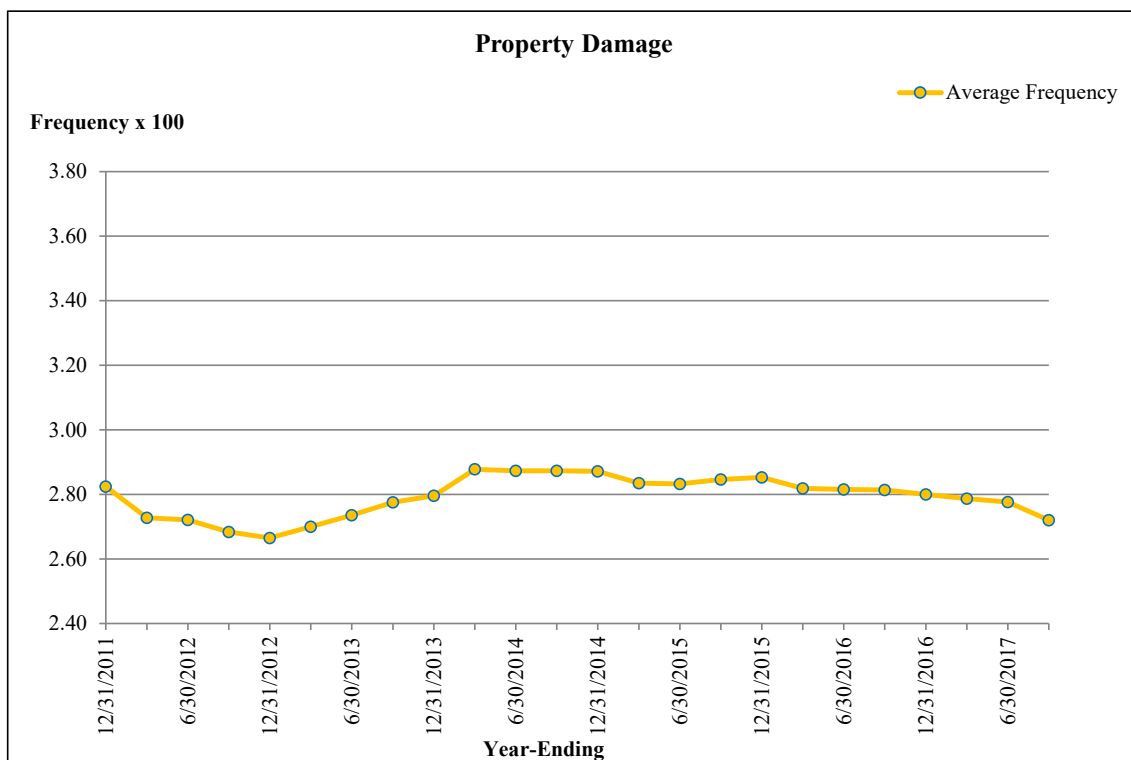
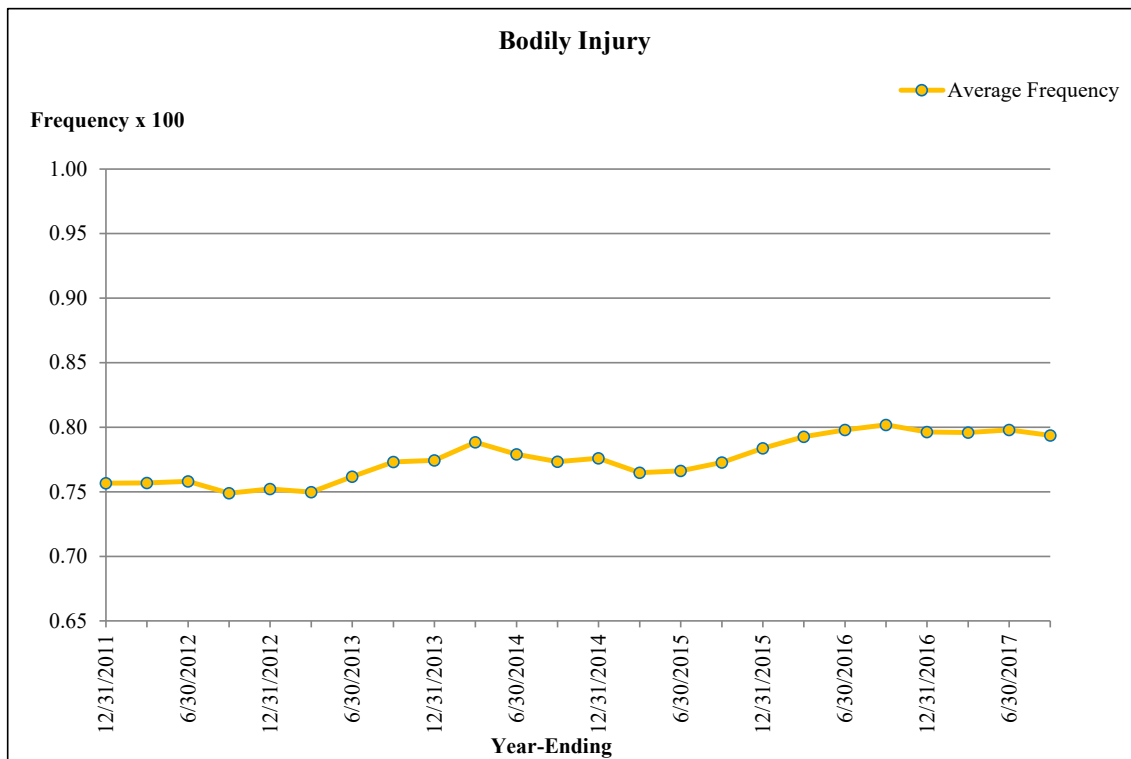
* EXCLUDES MASSACHUSETTS

@ CHANGE BASED ON YEARS ENDING 9/30/XXXX

& CHANGE BASED ON YEAR ENDING 12/31/2012 divided by 12/31/2011

INSURANCE SERVICES OFFICE, INC.

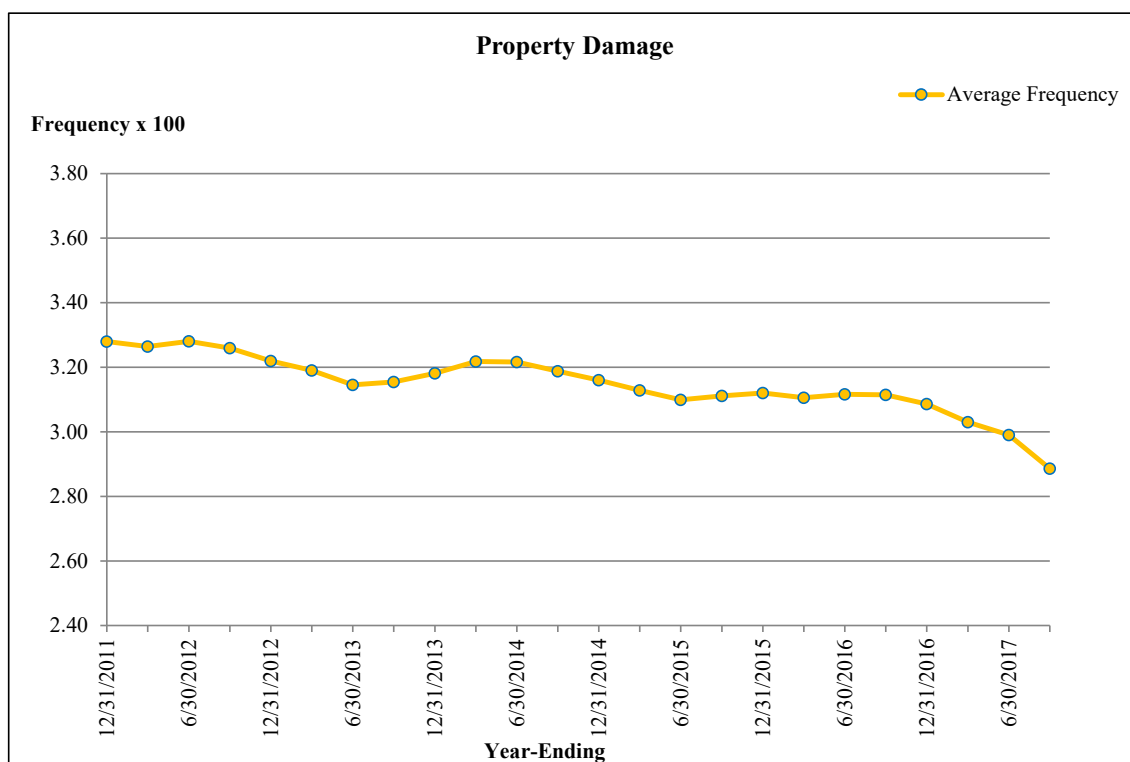
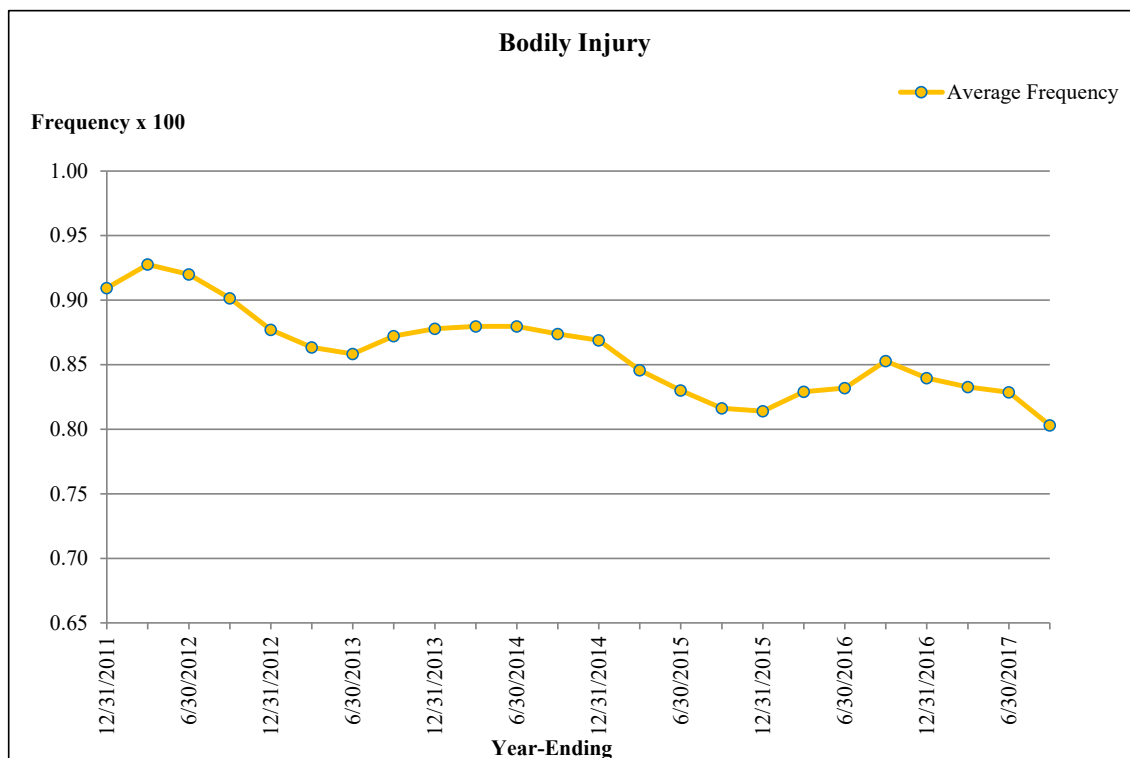
Commercial Automobile Liability
Incurred Claim Frequency Experience
Trucks, Tractors, and Trailers
Multistate*



*Excludes Massachusetts

INSURANCE SERVICES OFFICE, INC.

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



*Excludes Massachusetts

INSURANCE SERVICES OFFICE, INC.

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

Frequency (expressed as claims per 100 exposures)

| | \$250 Deductible | | \$500 Deductible | | \$1,000 Deductible | |
|--------------|------------------|----------|------------------|----------|--------------------|----------|
| Year Ending: | Actual | Change** | Actual | Change** | Actual | Change** |
| 6/30/2013 | 2.44 | | 1.44 | | 0.95 | |
| 12/31/2013 | 2.37 | | 1.42 | | 0.93 | |
| 6/30/2014 | 2.44 | | 1.41 | | 0.92 | |
| 12/31/2014 | 2.39 | 0.8% | 1.37 | -3.5% | 0.90 | -3.2% |
| 6/30/2015 | 2.28 | | 1.35 | | 0.89 | |
| 12/31/2015 | 2.19 | -8.4% | 1.35 | -1.5% | 0.91 | 1.1% |
| 6/30/2016 | 2.13 | | 1.35 | | 0.92 | |
| 12/31/2016 | 2.15 | -1.8% | 1.35 | 0.0% | 0.91 | 0.0% |
| 6/30/2017 | 2.15 | | 1.35 | | 0.89 | |
| 12/31/2017 | 2.13 | -0.9% | 1.38 | 2.2% | 0.90 | -1.1% |

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

| Deductible: | Percent of Losses |
|-------------|-------------------|
| Full | 0.2% |
| \$50 | 0.8% |
| \$100 | 2.3% |
| \$200 | 0.2% |
| \$250 | 10.0% |
| \$500 | 37.0% |
| \$1,000 | 43.0% |
| \$2,000 | 3.4% |
| \$3,000 | 0.5% |
| \$5,000 | 2.4% |

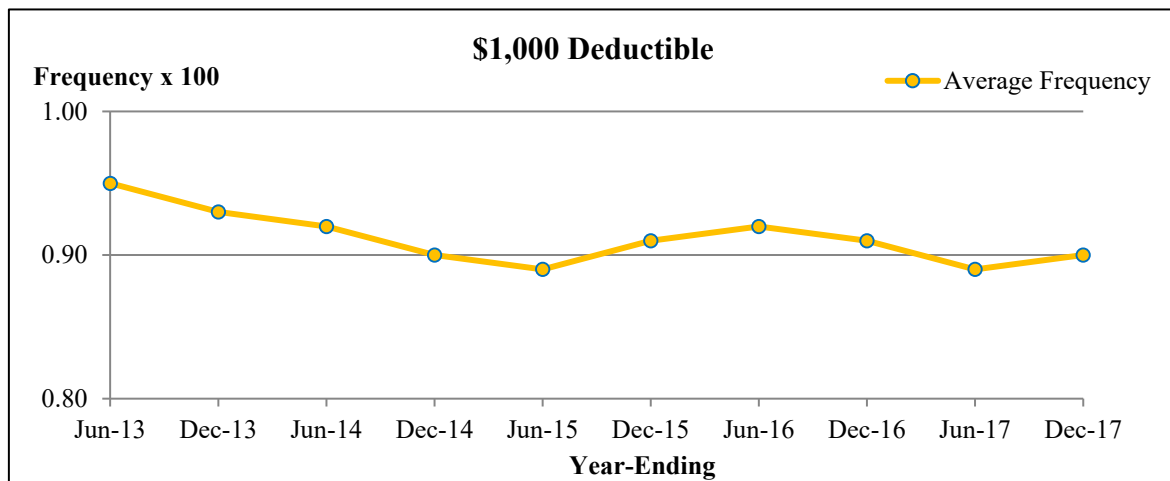
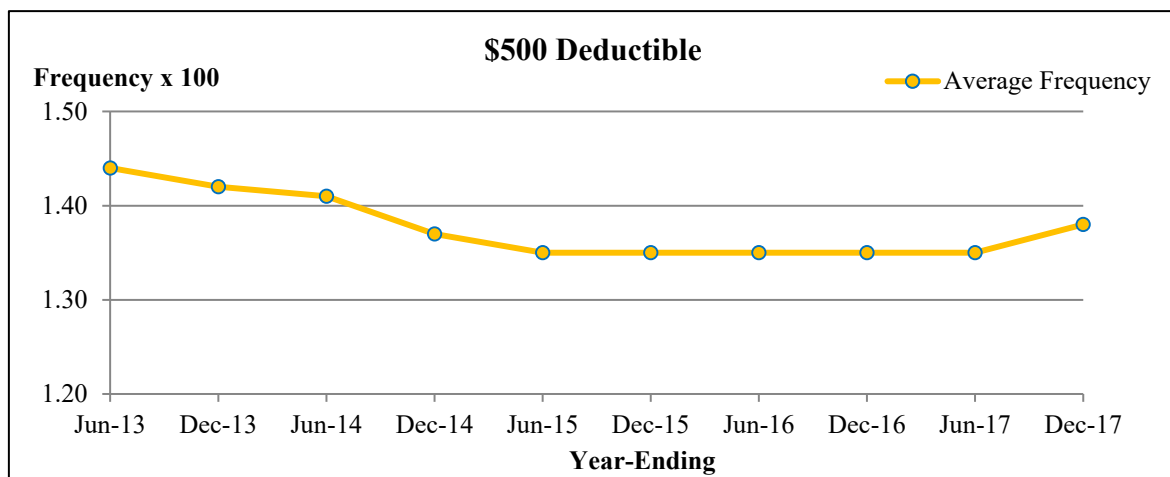
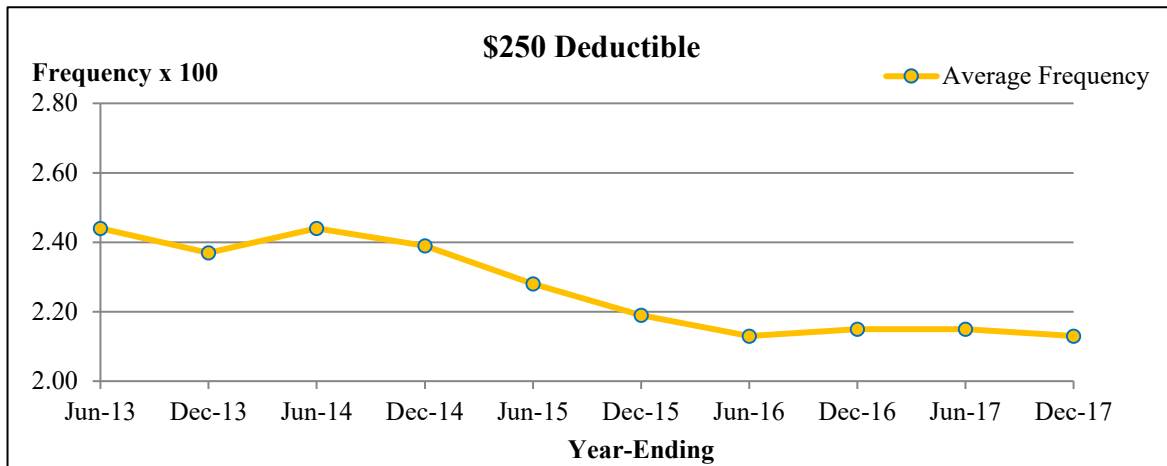
* Multistate data excludes Massachusetts

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

*** Deductibles above \$1,000, totaling 6.3% of losses, are excluded from the trend calculations.

INSURANCE SERVICES OFFICE, INC.

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



*Excludes Massachusetts

Selected Other Than Collision Frequency Trend Factor: 0.0%

INSURANCE SERVICES OFFICE, INC.

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

Severity Trend

| Year Ending: | \$250 Deductible | \$500 Deductible | \$1,000 Deductible |
|--------------|------------------|------------------|--------------------|
| 6/30/2013 | 2,844.12 | 4,851.33 | 7,115.38 |
| 12/31/2013 | 2,905.68 | 4,839.25 | 7,148.95 |
| 6/30/2014 | 2,979.30 | 5,034.75 | 7,440.11 |
| 12/31/2014 | 3,109.20 | 5,247.75 | 7,623.44 |
| 6/30/2015 | 3,226.45 | 5,392.36 | 7,698.60 |
| 12/31/2015 | 3,352.74 | 5,666.25 | 7,975.68 |
| 6/30/2016 | 3,601.45 | 5,807.85 | 8,258.97 |
| 12/31/2016 | 3,688.31 | 5,852.68 | 8,647.65 |
| 6/30/2017 | 3,819.42 | 6,214.98 | 9,103.87 |
| 12/31/2017 | 4,096.01 | 6,551.62 | 9,551.12 |

Average Annual Change Using Exponential Fits:

| | | | |
|---------------|------|------|------|
| 10 point fit: | 8.5% | 7.0% | 6.7% |
| 8 point fit: | 9.3% | 7.3% | 7.5% |
| 6 point fit: | 9.6% | 7.5% | 9.1% |

| | |
|------------------------------|------|
| Selected severity trend: | 7.0% |
| Selected frequency trend: | 0.0% |
| Selected pure premium trend: | 7.0% |

* Multistate data excludes Massachusetts

INSURANCE SERVICES OFFICE, INC.

Multistate*
Trucks, Tractors, & Trailers Physical Damage
Collision

Frequency (expressed as claims per 100 exposures)

| | \$500 Deductible | | \$1,000 Deductible | | \$2,000 Deductible | |
|--------------|------------------|----------|--------------------|----------|--------------------|----------|
| Year Ending: | Actual | Change** | Actual | Change** | Actual | Change** |
| 6/30/2013 | 2.24 | | 1.90 | | 1.50 | |
| 12/31/2013 | 2.24 | | 1.91 | | 1.52 | |
| 6/30/2014 | 2.30 | | 1.96 | | 1.56 | |
| 12/31/2014 | 2.28 | 1.8% | 1.96 | 2.6% | 1.57 | 3.3% |
| 6/30/2015 | 2.25 | | 1.94 | | 1.57 | |
| 12/31/2015 | 2.27 | -0.4% | 1.97 | 0.5% | 1.60 | 1.9% |
| 6/30/2016 | 2.26 | | 1.97 | | 1.61 | |
| 12/31/2016 | 2.35 | 3.5% | 2.05 | 4.1% | 1.67 | 4.4% |
| 6/30/2017 | 2.37 | | 2.04 | | 1.67 | |
| 12/31/2017 | 2.30 | -2.1% | 1.98 | -3.4% | 1.65 | -1.2% |

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

| Deductible: | Percent of Losses |
|-------------|-------------------|
| \$100 | 0.1% |
| \$200 | 0.0% |
| \$250 | 1.9% |
| \$500 | 35.8% |
| \$1,000 | 51.6% |
| \$2,000 | 5.7% |
| \$3,000 | 1.6% |
| \$5,000 | 3.2% |

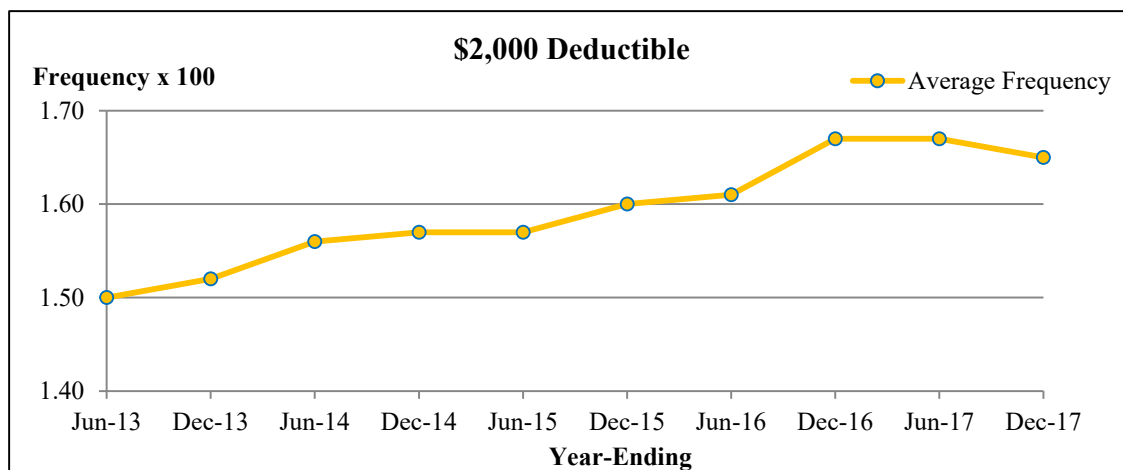
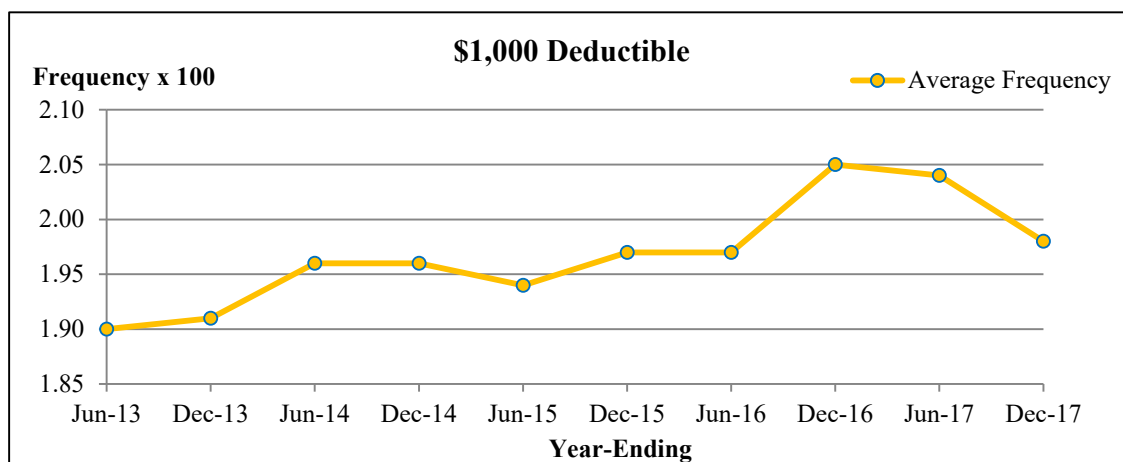
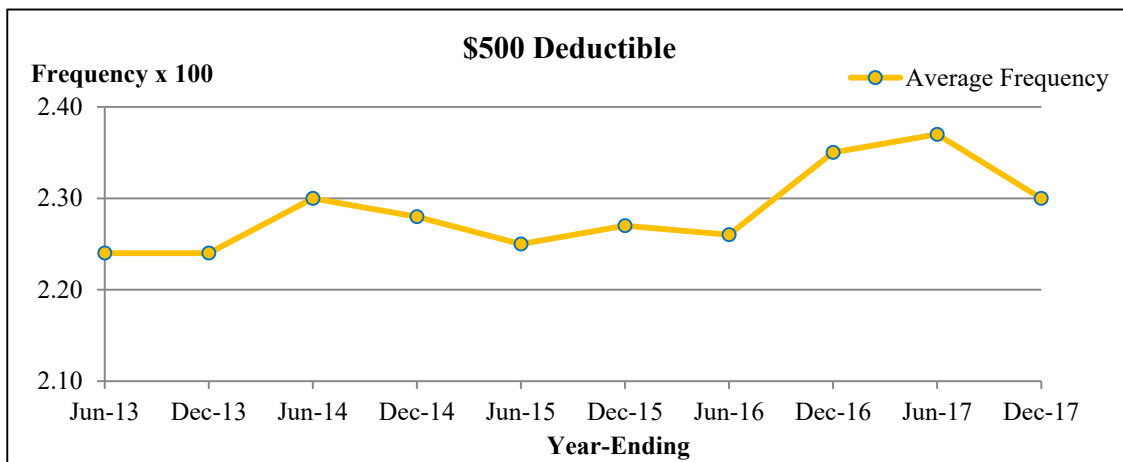
* Multistate data excludes Massachusetts

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

*** Deductibles above \$2,000, totaling 4.8% of losses, are excluded from trend calculations.

INSURANCE SERVICES OFFICE, INC.

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



*Excludes Massachusetts

Selected Collision Frequency Trend Factor: 0.0%

INSURANCE SERVICES OFFICE, INC.

Multistate*
Trucks, Tractors & Trailers Physical Damage
Collision

Severity Trend

| Year Ending: | \$500 Deductible | \$1,000 Deductible | \$2,000 Deductible |
|--------------|------------------|--------------------|--------------------|
| 6/30/2013 | 7,665.05 | 9,351.17 | 10,145.59 |
| 12/31/2013 | 7,856.13 | 9,502.58 | 10,293.38 |
| 6/30/2014 | 8,039.53 | 9,820.66 | 10,730.61 |
| 12/31/2014 | 8,346.04 | 10,180.04 | 11,160.55 |
| 6/30/2015 | 8,627.97 | 10,370.96 | 11,274.52 |
| 12/31/2015 | 8,756.51 | 10,524.74 | 11,426.52 |
| 6/30/2016 | 9,123.83 | 10,833.89 | 11,764.37 |
| 12/31/2016 | 9,325.85 | 11,094.48 | 12,039.59 |
| 6/30/2017 | 9,380.35 | 11,186.20 | 12,090.00 |
| 12/31/2017 | 9,888.11 | 11,621.24 | 12,501.51 |

Average Annual Change Using Exponential Fits:

| | | | |
|---------------|------|------|------|
| 10 point fit: | 5.7% | 4.9% | 4.7% |
| 8 point fit: | 5.6% | 4.6% | 4.1% |
| 6 point fit: | 5.3% | 4.5% | 4.1% |

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

* Multistate data excludes Massachusetts

INSURANCE SERVICES OFFICE, INC.

Multistate*
Private Passenger Types Physical Damage
Other Than Collision

Frequency (expressed as claims per 100 exposures)

| | \$250 Deductible | | \$500 Deductible | | \$1,000 Deductible | |
|--------------|------------------|----------|------------------|----------|--------------------|----------|
| Year Ending: | Actual | Change** | Actual | Change** | Actual | Change** |
| 6/30/2013 | 5.05 | | 3.10 | | 1.89 | |
| 12/31/2013 | 5.10 | | 3.10 | | 1.87 | |
| 6/30/2014 | 5.39 | | 3.23 | | 1.92 | |
| 12/31/2014 | 5.26 | 3.1% | 3.20 | 3.2% | 1.92 | 2.7% |
| 6/30/2015 | 4.90 | | 3.08 | | 1.90 | |
| 12/31/2015 | 4.95 | -5.9% | 3.15 | -1.6% | 1.95 | 1.6% |
| 6/30/2016 | 4.97 | | 3.20 | | 1.98 | |
| 12/31/2016 | 4.96 | 0.2% | 3.10 | -1.6% | 1.92 | -1.5% |
| 6/30/2017 | 4.81 | | 3.01 | | 1.88 | |
| 12/31/2017 | 4.69 | -5.4% | 2.99 | -3.5% | 1.90 | -1.0% |

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

| Deductible: | Percent of Losses |
|-------------|-------------------|
| Full | 0.5% |
| \$50 | 0.4% |
| \$100 | 3.3% |
| \$200 | 0.4% |
| \$250 | 12.3% |
| \$500 | 43.3% |
| \$1,000 | 37.3% |
| \$2,000 | 2.0% |
| \$3,000 | 0.2% |
| \$5,000 | 0.3% |

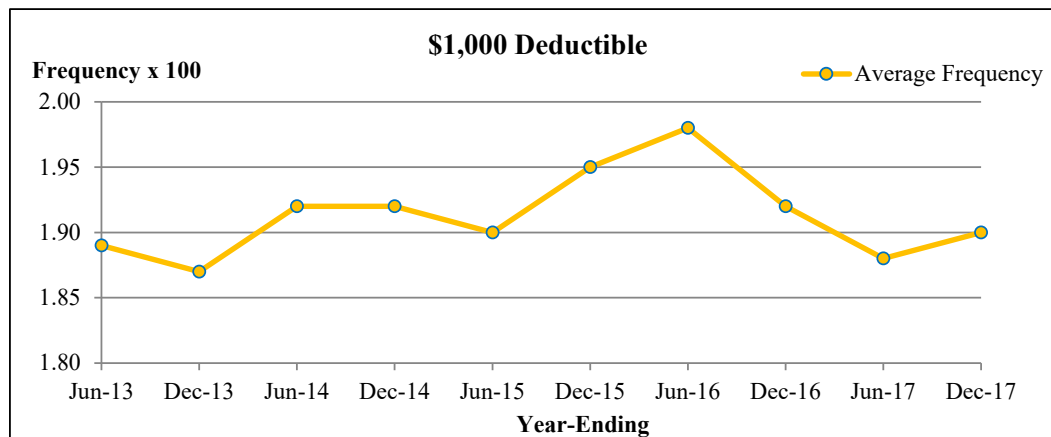
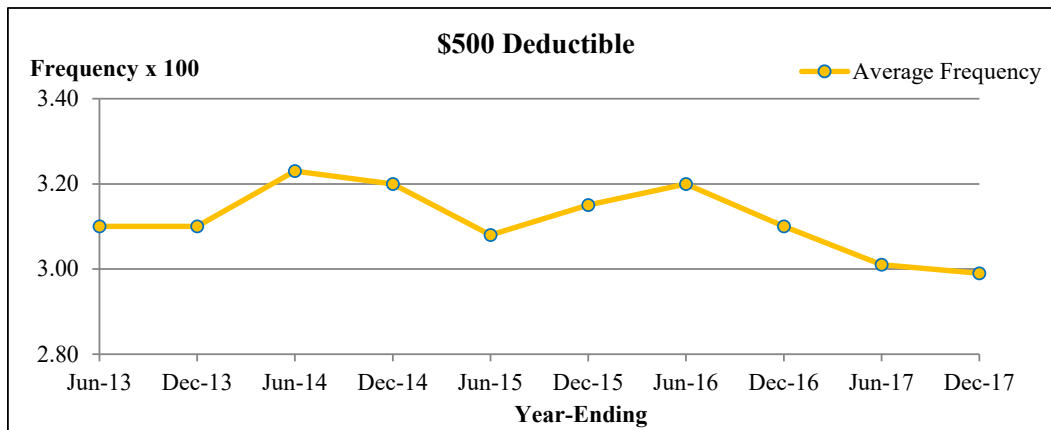
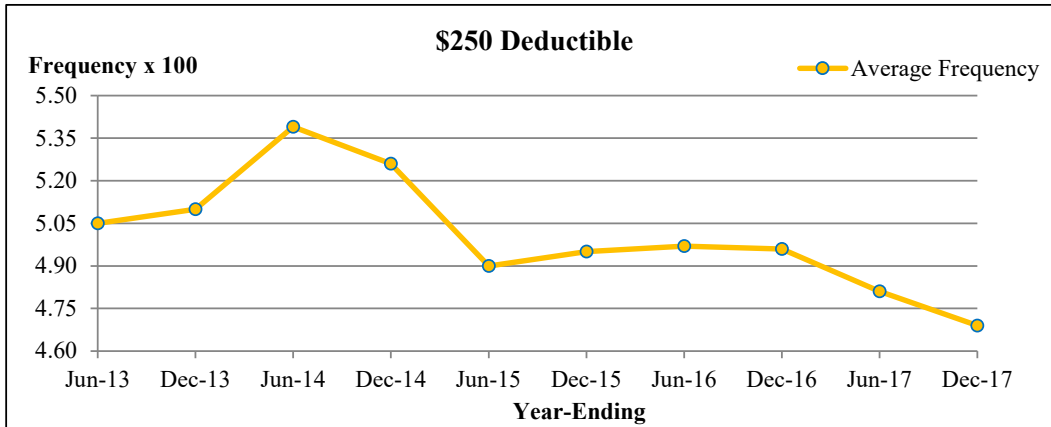
* Multistate data excludes Massachusetts

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

*** Deductibles above \$1,000, totaling 2.5% of losses, are excluded from trend calculations.

INSURANCE SERVICES OFFICE, INC.

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



*Excludes Massachusetts

Selected Other Than Collision Frequency Trend Factor: 0.0%

INSURANCE SERVICES OFFICE, INC.

Multistate*
Private Passenger Types Physical Damage
Other Than Collision

Severity Trend

| Year Ending: | \$250 Deductible | \$500 Deductible | \$1,000 Deductible |
|--------------|------------------|------------------|--------------------|
| 6/30/2013 | 1,407.86 | 1,902.22 | 2,552.17 |
| 12/31/2013 | 1,390.80 | 1,914.04 | 2,592.50 |
| 6/30/2014 | 1,365.35 | 1,965.25 | 2,676.48 |
| 12/31/2014 | 1,474.68 | 2,056.42 | 2,807.17 |
| 6/30/2015 | 1,596.66 | 2,123.44 | 2,847.42 |
| 12/31/2015 | 1,694.77 | 2,244.03 | 2,934.74 |
| 6/30/2016 | 1,773.75 | 2,347.14 | 3,048.42 |
| 12/31/2016 | 1,784.50 | 2,354.08 | 3,060.45 |
| 6/30/2017 | 1,830.08 | 2,399.63 | 3,111.16 |
| 12/31/2017 | 1,936.01 | 2,575.17 | 3,401.89 |

Average Annual Change Using Exponential Fits:

| | | | |
|---------------|------|------|------|
| 10 point fit: | 8.5% | 7.1% | 6.0% |
| 8 point fit: | 9.7% | 7.5% | 6.0% |
| 6 point fit: | 7.1% | 6.9% | 6.3% |

| | |
|------------------------------|------|
| Selected severity trend: | 6.5% |
| Selected frequency trend: | 0.0% |
| Selected pure premium trend: | 6.5% |

* Multistate data excludes Massachusetts

INSURANCE SERVICES OFFICE, INC.

Multistate*
Private Passenger Types Physical Damage
Collision

Frequency (expressed as claims per 100 exposures)

| | \$500 Deductible | | \$1,000 Deductible | | \$2,000 Deductible | |
|--------------|------------------|----------|--------------------|----------|--------------------|----------|
| Year Ending: | Actual | Change** | Actual | Change** | Actual | Change** |
| 6/30/2013 | 5.09 | | 4.16 | | 2.98 | |
| 12/31/2013 | 5.09 | | 4.18 | | 2.99 | |
| 6/30/2014 | 5.25 | | 4.34 | | 3.13 | |
| 12/31/2014 | 5.28 | 3.7% | 4.41 | 5.5% | 3.21 | 7.4% |
| 6/30/2015 | 5.25 | | 4.36 | | 3.20 | |
| 12/31/2015 | 5.26 | -0.4% | 4.41 | 0.0% | 3.25 | 1.2% |
| 6/30/2016 | 5.15 | | 4.36 | | 3.23 | |
| 12/31/2016 | 5.21 | -1.0% | 4.42 | 0.2% | 3.30 | 1.5% |
| 6/30/2017 | 5.21 | | 4.41 | | 3.32 | |
| 12/31/2017 | 5.16 | -1.0% | 4.35 | -1.6% | 3.33 | 0.9% |

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

| Deductible: | Percent of Losses |
|-------------|-------------------|
| \$100 | 0.4% |
| \$200 | 0.2% |
| \$250 | 2.4% |
| \$500 | 46.1% |
| \$1,000 | 48.7% |
| \$2,000 | 1.4% |
| \$3,000 | 0.3% |
| \$5,000 | 0.4% |

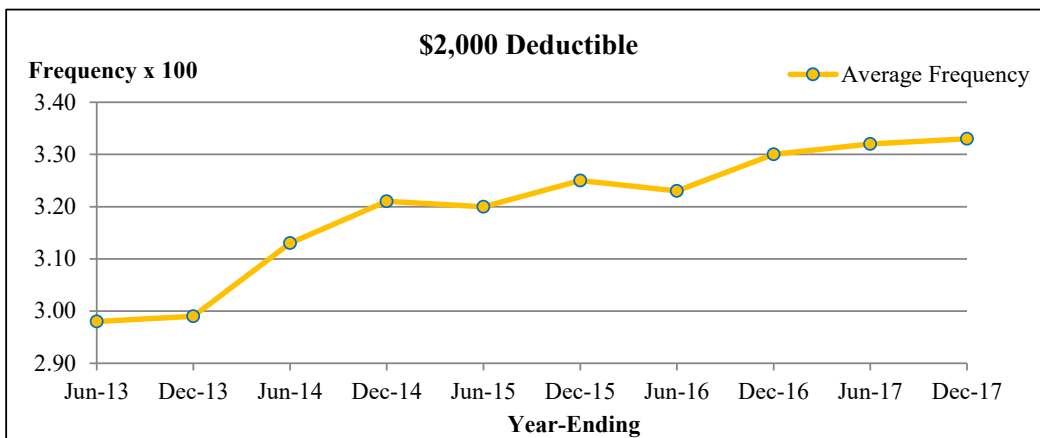
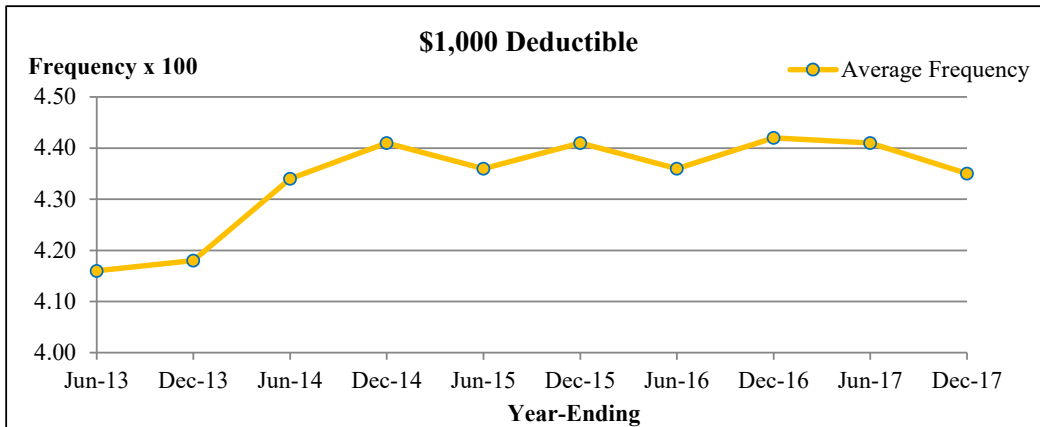
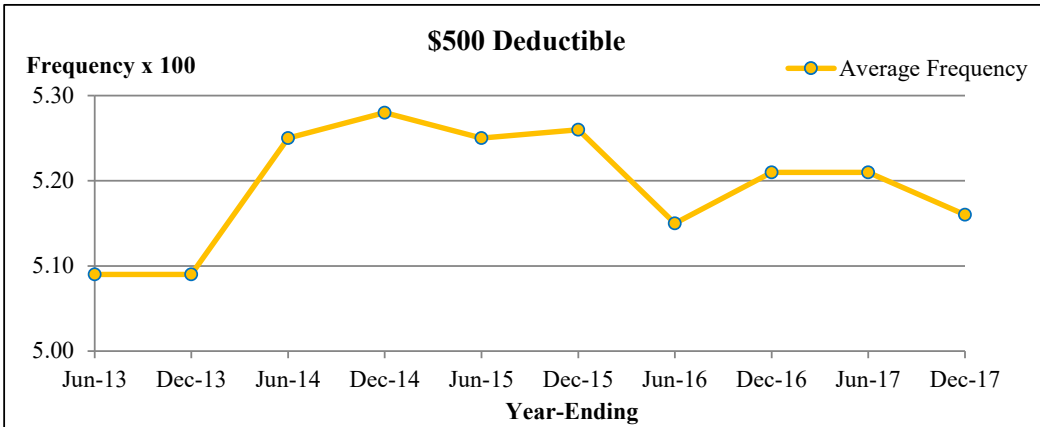
* Multistate data excludes Massachusetts

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

*** Deductibles above \$2,000, totaling 0.7% of losses, are excluded from trend calculations.

INSURANCE SERVICES OFFICE, INC.

Commercial Automobile
Private Passenger Types Physical Damage
Collision Frequency Trend
Multistate*



*Excludes Massachusetts

Selected Collision Frequency Trend Factor: 0.0%

INSURANCE SERVICES OFFICE, INC.

Multistate*
Private Passenger Types Physical Damage
Collision

Severity Trend

| Year Ending: | \$500 Deductible | \$1,000 Deductible | \$2,000 Deductible |
|--------------|------------------|--------------------|--------------------|
| 6/30/2013 | 4,986.00 | 5,440.45 | 6,008.58 |
| 12/31/2013 | 5,038.04 | 5,483.74 | 6,065.42 |
| 6/30/2014 | 5,157.20 | 5,584.49 | 6,149.04 |
| 12/31/2014 | 5,375.95 | 5,738.26 | 6,322.13 |
| 6/30/2015 | 5,510.30 | 5,898.47 | 6,467.83 |
| 12/31/2015 | 5,619.47 | 6,052.85 | 6,600.82 |
| 6/30/2016 | 5,767.11 | 6,169.07 | 6,740.12 |
| 12/31/2016 | 5,949.38 | 6,247.28 | 6,818.68 |
| 6/30/2017 | 5,978.49 | 6,290.73 | 6,810.32 |
| 12/31/2017 | 6,229.69 | 6,606.29 | 7,072.99 |

Average Annual Change Using Exponential Fits:

| | | | |
|---------------|------|------|------|
| 10 point fit: | 5.2% | 4.3% | 3.7% |
| 8 point fit: | 5.2% | 4.4% | 3.7% |
| 6 point fit: | 4.9% | 4.1% | 3.2% |

| | |
|------------------------------|------|
| Selected severity trend: | 4.5% |
| Selected frequency trend: | 0.0% |
| Selected pure premium trend: | 4.5% |

* Multistate data excludes Massachusetts

INSURANCE SERVICES OFFICE, INC.

MULTISTATE
TRUCKS, TRACTORS & TRAILERS
PHYSICAL DAMAGE
OCN TREND CALCULATION

AVERAGE OCN RELATIVITIES

| YEAR ENDING | OTHER THAN COLLISION | COLLISION |
|----------------|----------------------|-----------|
| 6/30/2013 | 1.224 | 1.359 |
| 12/31/2013 | 1.230 | 1.368 |
| 6/30/2014 | 1.237 | 1.377 |
| 12/31/2014 | 1.242 | 1.385 |
| 6/30/2015 | 1.248 | 1.394 |
| 12/31/2015 | 1.254 | 1.402 |
| 6/30/2016 | 1.260 | 1.413 |
| 12/31/2016 | 1.266 | 1.424 |
| 6/30/2017 | 1.272 | 1.435 |
| 12/31/2017 | 1.278 | 1.447 |

EXPONENTIAL TREND (AVERAGE ANNUAL CHANGE)

| | | |
|---|------|------|
| 9 POINTS | 0.9% | 1.4% |
| 7 POINTS | 1.0% | 1.5% |
| 5 POINTS | 1.0% | 1.6% |
| Selected Other Than Collision Physical Damage Annual OCN Trend: | | 1.0% |
| Selected Collision Physical Damage Annual OCN Trend: | | 1.6% |

Data excludes the following state: Massachusetts

INSURANCE SERVICES OFFICE, INC.

MULTISTATE
PRIVATE PASSENGER TYPES
PHYSICAL DAMAGE
OCN TREND CALCULATION

AVERAGE OCN RELATIVITIES

| YEAR ENDING | OTHER THAN COLLISION | COLLISION |
|----------------|----------------------|-----------|
| 6/30/2013 | 1.304 | 1.150 |
| 12/31/2013 | 1.309 | 1.153 |
| 6/30/2014 | 1.314 | 1.155 |
| 12/31/2014 | 1.320 | 1.158 |
| 6/30/2015 | 1.325 | 1.161 |
| 12/31/2015 | 1.332 | 1.165 |
| 6/30/2016 | 1.340 | 1.170 |
| 12/31/2016 | 1.347 | 1.173 |
| 6/30/2017 | 1.355 | 1.177 |
| 12/31/2017 | 1.361 | 1.180 |

EXPONENTIAL TREND (AVERAGE ANNUAL CHANGE)

| | | |
|---|------|------|
| 9 POINTS | 1.0% | 0.6% |
| 7 POINTS | 1.1% | 0.7% |
| 5 POINTS | 1.1% | 0.6% |
| Selected Other Than Collision Physical Damage Annual OCN Trend: | | 1.1% |
| Selected Collision Physical Damage Annual OCN Trend: | | 0.6% |

Data excludes the following state: Massachusetts

INSURANCE SERVICES OFFICE, INC.

NEVADA

Automobile Liability Insurance - Trucks, Tractors and Trailers
Loss Development
Incurred Losses and Expenses
Bodily Injury

| Accident Year Ending | \$100,000 Basic Limit | | | Loss Development Factors | |
|------------------------------------|-----------------------|------------|------------|--------------------------|--------------------|
| | 15 Months | 27 Months | 39 Months | 15 to 27 Months | 27 to 39 Months |
| 12/31/2006 | 6,609,603 | 9,541,022 | 11,759,368 | 1.444 | 1.233 |
| 12/31/2007 | 6,318,347 | 9,437,846 | 11,162,015 | 1.494 | 1.183 |
| 12/31/2008 | 5,692,679 | 7,507,228 | 8,249,980 | 1.319 | 1.099 |
| 12/31/2009 | 4,659,244 | 7,123,304 | 8,036,373 | 1.529 | 1.128 |
| 12/31/2010 | 5,108,486 | 6,894,702 | 8,206,192 | 1.350 | 1.190 |
| 12/31/2011 | 6,674,253 | 8,778,486 | 10,909,430 | 1.315 | 1.243 |
| 12/31/2012 | 7,936,006 | 11,154,916 | 12,939,904 | 1.406 | 1.160 |
| 12/31/2013 | 7,337,293 | 10,076,798 | 11,730,145 | 1.373 | 1.164 |
| 12/31/2014 | 6,918,133 | 9,306,287 | 11,159,472 | 1.345 | 1.199 |
| 12/31/2015 | 6,385,294 | 9,796,602 | 11,030,295 | 1.534 | 1.126 |
| 12/31/2016 | 6,966,867 | 9,457,554 | | 1.358 | |
| 12/31/2017 | 7,588,867 | | | | |
| (1) Average Factor (Best 3 of 5) : | | | | (A) State | 1.379 |
| | | | | (B) Multistate | 1.174 |
| (2) Credibility | | | | | 1.251 |
| (3) Credibility Weighted Factors | | | | | 0.890 |
| | | | | | 0.730 |
| | | | | | 1.365 |
| | | | | | 1.159 |

Property Damage

| Accident Year Ending | \$100,000 Basic Limit | | | Loss Development Factors | |
|------------------------------------|-----------------------|-----------|-----------|--------------------------|--------------------|
| | 15 Months | 27 Months | 39 Months | 15 to 27 Months | 27 to 39 Months |
| 12/31/2006 | 4,058,864 | 4,097,263 | 4,137,569 | 1.009 | 1.010 |
| 12/31/2007 | 4,143,629 | 4,215,414 | 4,294,885 | 1.017 | 1.019 |
| 12/31/2008 | 3,037,994 | 3,074,255 | 3,081,633 | 1.012 | 1.002 |
| 12/31/2009 | 2,367,464 | 2,443,875 | 2,431,084 | 1.032 | 0.995 |
| 12/31/2010 | 2,527,704 | 2,603,771 | 2,602,475 | 1.030 | 1.000 |
| 12/31/2011 | 2,926,892 | 2,969,140 | 2,976,523 | 1.014 | 1.002 |
| 12/31/2012 | 2,943,241 | 3,044,617 | 3,053,817 | 1.034 | 1.003 |
| 12/31/2013 | 3,118,738 | 3,345,820 | 3,390,695 | 1.073 | 1.013 |
| 12/31/2014 | 3,032,123 | 3,175,130 | 3,149,636 | 1.047 | 0.992 |
| 12/31/2015 | 3,357,737 | 3,482,645 | 3,516,894 | 1.037 | 1.010 |
| 12/31/2016 | 2,899,893 | 3,091,407 | | 1.066 | |
| 12/31/2017 | 3,476,589 | | | | |
| (1) Average Factor (Best 3 of 5) : | | | | (A) State | 1.050 |
| | | | | (B) Multistate | 1.005 |
| (2) Credibility | | | | | 1.043 |
| (3) Credibility Weighted Factors | | | | | 0.860 |
| | | | | | 0.000 |
| | | | | | 1.049 |
| | | | | | 1.008 |

Summary of Factors

| | Bodily Injury | Property Damage |
|-------------------|------------------|--------------------|
| 39 to Ultimate ** | 1.080 | 1.003 |
| 27 to Ultimate | 1.252 | 1.011 |
| 15 to Ultimate | 1.709 | 1.061 |

** Multistate factors

INSURANCE SERVICES OFFICE, INC.

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

| Accident Year <u>Ending</u> | \$100,000 Basic Limit <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
|-----------------------------------|---|------------------|------------------|------------------|------------------|
| 12/31/2006 | 338,716,185 | 415,360,126 | 460,071,909 | 483,338,710 | 487,290,412 |
| 12/31/2007 | 338,900,551 | 415,544,173 | 463,077,637 | 481,498,373 | 489,585,922 |
| 12/31/2008 | 309,918,313 | 383,086,664 | 423,424,630 | 440,199,809 | 445,824,070 |
| 12/31/2009 | 275,729,529 | 343,149,891 | 380,288,849 | 399,761,446 | 404,042,869 |
| 12/31/2010 | 294,947,505 | 355,946,897 | 391,281,845 | 412,775,887 | 420,382,271 |
| 12/31/2011 | 309,048,767 | 374,457,890 | 418,476,708 | 433,714,920 | 441,257,262 |
| 12/31/2012 | 313,582,906 | 383,616,162 | 423,722,686 | 445,981,671 | 454,852,278 |
| 12/31/2013 | 325,021,431 | 403,589,478 | 448,404,834 | 476,353,019 | 484,276,814 |
| 12/31/2014 | 353,346,657 | 436,752,997 | 499,806,461 | 530,383,221 | |
| 12/31/2015 | 374,877,496 | 485,844,115 | 546,600,741 | | |
| 12/31/2016 | 428,504,966 | 546,853,511 | | | |
| 12/31/2017 | 448,737,245 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
|------------------------------------|--------------|--------------|--------------|--------------|
| 12/31/2006 | 1.226 | 1.108 | 1.051 | 1.008 |
| 12/31/2007 | 1.226 | 1.114 | 1.040 | 1.017 |
| 12/31/2008 | 1.236 | 1.105 | 1.040 | 1.013 |
| 12/31/2009 | 1.245 | 1.108 | 1.051 | 1.011 |
| 12/31/2010 | 1.207 | 1.099 | 1.055 | 1.018 |
| 12/31/2011 | 1.212 | 1.118 | 1.036 | 1.017 |
| 12/31/2012 | 1.223 | 1.105 | 1.053 | 1.020 |
| 12/31/2013 | 1.242 | 1.111 | 1.062 | 1.017 |
| 12/31/2014 | 1.236 | 1.144 | 1.061 | |
| 12/31/2015 | 1.296 | 1.125 | | |
| 12/31/2016 | 1.276 | | | |
| Average Factor: (Best 3 of 5) | 1.251 | 1.118 | 1.056 | 1.017 |

Summary of Factors

| | | |
|------------|--|-------|
| 63 to Ult: | (75:63) (75:Ult) = | 1.006 |
| 51 to Ult: | (63:51) (75:63) (75:Ult) = | 1.023 |
| 39 to Ult: | (51:39) (63:51) (75:63) (75:Ult) = | 1.080 |
| 27 to Ult: | (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 1.208 |
| 15 to Ult: | (27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 1.511 |

INSURANCE SERVICES OFFICE, INC.

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

| Accident Year <u>Ending</u> | \$100,000 Basic Limit <u>75 Months</u> | <u>87 Months</u> | <u>99 Months</u> | <u>111 Months</u> | <u>123 Months</u> |
|-----------------------------------|---|------------------|------------------|-------------------|-------------------|
| 12/31/2006 | 490,058,694 | 489,802,533 | 490,384,766 | 490,757,057 | 490,632,728 |
| 12/31/2007 | 490,685,281 | 491,658,068 | 490,994,241 | 491,185,361 | 491,192,689 |
| 12/31/2008 | 448,240,650 | 448,379,946 | 448,990,006 | 448,980,507 | 449,101,876 |
| 12/31/2009 | 406,009,326 | 406,103,011 | 405,941,503 | 406,009,455 | |
| 12/31/2010 | 422,145,349 | 422,185,643 | 422,592,478 | | |
| 12/31/2011 | 444,818,996 | 445,473,929 | | | |
| 12/31/2012 | 455,825,805 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>75:63</u> | <u>87:75</u> | <u>99:87</u> | <u>111:99</u> | <u>123:111</u> |
|------------------------------------|--------------|--------------|--------------|---------------|----------------|
| 12/31/2006 | 1.006 | 0.999 | 1.001 | 1.001 | 1.000 |
| 12/31/2007 | 1.002 | 1.002 | 0.999 | 1.000 | 1.000 |
| 12/31/2008 | 1.005 | 1.000 | 1.001 | 1.000 | 1.000 |
| 12/31/2009 | 1.005 | 1.000 | 1.000 | 1.000 | |
| 12/31/2010 | 1.004 | 1.000 | 1.001 | | |
| 12/31/2011 | 1.008 | 1.001 | | | |
| 12/31/2012 | 1.002 | | | | |
| Average Factor: (Best 3 of 5) | 1.005 | 1.000 | 1.001 | 1.000 | 1.000 |

Summary of Factors

| | | | |
|-------------|--|---|-------|
| 123 to Ult: | (1.000) | = | 1.000 |
| 111 to Ult: | (123:111) (123:Ult) | = | 1.000 |
| 99 to Ult: | (111:99) (123:111) (123:Ult) | = | 1.000 |
| 87 to Ult: | (99:87) (111:99) (123:111) (123:Ult) | = | 1.001 |
| 75 to Ult: | (87:75) (99:87) (111:99) (123:111) (123:Ult) | = | 1.001 |

INSURANCE SERVICES OFFICE, INC.

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

| Accident Year <u>Ending</u> | \$100,000 Basic Limit <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
|-----------------------------------|---|------------------|------------------|------------------|------------------|
| 12/31/2006 | 426,685,903 | 442,508,886 | 446,352,170 | 446,901,301 | 446,946,208 |
| 12/31/2007 | 445,289,641 | 463,368,134 | 467,006,304 | 467,142,586 | 467,577,558 |
| 12/31/2008 | 408,253,583 | 420,588,294 | 423,441,605 | 423,974,144 | 424,615,591 |
| 12/31/2009 | 350,188,776 | 360,034,935 | 362,397,748 | 362,951,296 | 362,659,837 |
| 12/31/2010 | 365,494,039 | 378,293,032 | 380,657,119 | 381,717,371 | 381,696,803 |
| 12/31/2011 | 401,475,726 | 414,910,343 | 417,945,898 | 418,894,494 | 419,566,297 |
| 12/31/2012 | 398,788,654 | 413,387,116 | 416,702,156 | 417,648,901 | 418,351,369 |
| 12/31/2013 | 421,156,332 | 437,289,076 | 441,783,902 | 442,212,153 | 442,101,148 |
| 12/31/2014 | 447,664,663 | 467,955,962 | 470,969,784 | 472,182,557 | |
| 12/31/2015 | 481,815,312 | 504,031,511 | 508,743,785 | | |
| 12/31/2016 | 508,219,343 | 531,003,018 | | | |
| 12/31/2017 | 516,293,566 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
|-----------------------------------|--------------|--------------|--------------|--------------|
| 12/31/2006 | 1.037 | 1.009 | 1.001 | 1.000 |
| 12/31/2007 | 1.041 | 1.008 | 1.000 | 1.001 |
| 12/31/2008 | 1.030 | 1.007 | 1.001 | 1.002 |
| 12/31/2009 | 1.028 | 1.007 | 1.002 | 0.999 |
| 12/31/2010 | 1.035 | 1.006 | 1.003 | 1.000 |
| 12/31/2011 | 1.033 | 1.007 | 1.002 | 1.002 |
| 12/31/2012 | 1.037 | 1.008 | 1.002 | 1.002 |
| 12/31/2013 | 1.038 | 1.010 | 1.001 | 1.000 |
| 12/31/2014 | 1.045 | 1.006 | 1.003 | |
| 12/31/2015 | 1.046 | 1.009 | | |
| 12/31/2016 | 1.045 | | | |
| Average Factor: | 1.043 | 1.008 | 1.002 | 1.001 |
| (Best 3 of 5) | | | | |

Summary of Factors

| | | |
|------------|--|-------|
| 63 to Ult: | (75:63) (75:Ult) = | 1.000 |
| 51 to Ult: | (63:51) (75:63) (75:Ult) = | 1.001 |
| 39 to Ult: | (51:39) (63:51) (75:63) (75:Ult) = | 1.003 |
| 27 to Ult: | (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 1.011 |
| 15 to Ult: | (27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 1.055 |

INSURANCE SERVICES OFFICE, INC.

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

| Accident Year <u>Ending</u> | \$100,000 Basic Limit <u>75 Months</u> | <u>87 Months</u> | <u>99 Months</u> | <u>111 Months</u> |
|-----------------------------------|---|------------------|------------------|-------------------|
| 12/31/2006 | 447,036,334 | 446,902,077 | 446,872,092 | 446,880,176 |
| 12/31/2007 | 468,131,651 | 467,920,604 | 467,934,653 | 467,945,287 |
| 12/31/2008 | 424,525,358 | 424,530,085 | 424,480,801 | 424,439,981 |
| 12/31/2009 | 362,717,859 | 362,756,062 | 362,876,892 | 362,967,835 |
| 12/31/2010 | 382,004,219 | 382,140,727 | 382,104,416 | |
| 12/31/2011 | 419,760,436 | 419,750,841 | | |
| 12/31/2012 | 418,629,721 | | | |

Ratios

| Accident Year <u>Ending</u> | <u>75:63</u> | <u>87:75</u> | <u>99:87</u> | <u>111:99</u> |
|------------------------------------|--------------|--------------|--------------|---------------|
| 12/31/2006 | 1.000 | 1.000 | 1.000 | 1.000 |
| 12/31/2007 | 1.001 | 1.000 | 1.000 | 1.000 |
| 12/31/2008 | 1.000 | 1.000 | 1.000 | 1.000 |
| 12/31/2009 | 1.000 | 1.000 | 1.000 | 1.000 |
| 12/31/2010 | 1.001 | 1.000 | 1.000 | |
| 12/31/2011 | 1.000 | 1.000 | | |
| 12/31/2012 | 1.001 | | | |
| Average Factor: (Best 3 of 5) | 1.000 | 1.000 | 1.000 | 1.000 |

Summary of Factors

| | | | |
|-------------|------------------------------------|---|-------|
| 111 to Ult: | (1.000) | = | 1.000 |
| 99 to Ult: | (111:99) (111:Ult) | = | 1.000 |
| 87 to Ult: | (99:87) (111:99) (111:Ult) | = | 1.000 |
| 75 to Ult: | (87:75) (99:87) (111:99) (111:Ult) | = | 1.000 |

INSURANCE SERVICES OFFICE, INC.

NEVADA

Automobile Liability Insurance - Private Passenger Types

Loss Development

Incurred Losses and Expenses

Bodily Injury

| Accident Year Ending | \$100,000 Basic Limit | | | Loss Development Factors | |
|------------------------------------|-----------------------|-----------|-----------|--------------------------|--------------------|
| | 15 Months | 27 Months | 39 Months | 15 to 27 Months | 27 to 39 Months |
| 12/31/2006 | 563,765 | 1,119,158 | 1,299,034 | 1.985 | 1.161 |
| 12/31/2007 | 830,950 | 1,077,952 | 1,323,159 | 1.297 | 1.227 |
| 12/31/2008 | 891,675 | 947,082 | 989,183 | 1.062 | 1.044 |
| 12/31/2009 | 847,244 | 833,539 | 904,052 | 0.984 | 1.085 |
| 12/31/2010 | 1,475,174 | 2,162,838 | 2,353,132 | 1.466 | 1.088 |
| 12/31/2011 | 1,357,213 | 2,201,459 | 2,471,537 | 1.622 | 1.123 |
| 12/31/2012 | 1,374,302 | 2,312,598 | 3,050,003 | 1.683 | 1.319 |
| 12/31/2013 | 1,730,458 | 2,757,653 | 3,018,813 | 1.594 | 1.095 |
| 12/31/2014 | 992,440 | 1,653,044 | 2,314,892 | 1.666 | 1.400 |
| 12/31/2015 | 902,092 | 1,400,095 | 1,744,453 | 1.552 | 1.246 |
| 12/31/2016 | 888,405 | 998,350 | | 1.124 | |
| 12/31/2017 | 1,216,419 | | | | |
| (1) Average Factor (Best 3 of 5) : | | | | (A) State | 1.604 |
| | | | | (B) Multistate | 1.233 |
| (2) Credibility | | | | | 0.650 |
| (3) Credibility Weighted Factors | | | | | 1.474 |

Property Damage

| Accident Year Ending | \$100,000 Basic Limit | | | Loss Development Factors | |
|------------------------------------|-----------------------|-----------|-----------|--------------------------|--------------------|
| | 15 Months | 27 Months | 39 Months | 15 to 27 Months | 27 to 39 Months |
| 12/31/2006 | 403,414 | 452,557 | 440,164 | 1.122 | 0.973 |
| 12/31/2007 | 425,490 | 407,188 | 407,788 | 0.957 | 1.001 |
| 12/31/2008 | 467,388 | 461,846 | 466,218 | 0.988 | 1.009 |
| 12/31/2009 | 332,876 | 347,776 | 347,776 | 1.045 | 1.000 |
| 12/31/2010 | 475,799 | 487,424 | 544,785 | 1.024 | 1.118 |
| 12/31/2011 | 416,990 | 473,650 | 529,650 | 1.136 | 1.118 |
| 12/31/2012 | 488,236 | 508,994 | 503,547 | 1.043 | 0.989 |
| 12/31/2013 | 507,342 | 500,581 | 560,599 | 0.987 | 1.120 |
| 12/31/2014 | 558,438 | 582,358 | 582,153 | 1.043 | 1.000 |
| 12/31/2015 | 384,061 | 393,488 | 396,513 | 1.025 | 1.008 |
| 12/31/2016 | 333,113 | 345,158 | | 1.036 | |
| 12/31/2017 | 516,051 | | | | |
| (1) Average Factor (Best 3 of 5) : | | | | (A) State | 1.035 |
| | | | | (B) Multistate | 1.047 |
| (2) Credibility | | | | | 0.680 |
| (3) Credibility Weighted Factors | | | | | 1.039 |

Summary of Factors

| | Bodily Injury | Property Damage |
|-------------------|------------------|--------------------|
| 39 to Ultimate ** | 1.069 | 1.004 |
| 27 to Ultimate | 1.258 | 1.012 |
| 15 to Ultimate | 1.854 | 1.051 |

** Multistate factors

INSURANCE SERVICES OFFICE, INC.

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

| Accident Year <u>Ending</u> | \$100,000 Basic Limit <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
|-----------------------------------|---|------------------|------------------|------------------|------------------|
| 12/31/2006 | 62,348,916 | 77,528,774 | 86,296,736 | 89,761,791 | 90,597,846 |
| 12/31/2007 | 62,831,794 | 76,145,431 | 85,197,857 | 88,552,118 | 89,804,512 |
| 12/31/2008 | 62,622,188 | 76,936,381 | 83,677,835 | 85,820,333 | 86,555,922 |
| 12/31/2009 | 60,764,108 | 74,535,824 | 81,624,150 | 82,853,553 | 84,865,458 |
| 12/31/2010 | 67,134,095 | 79,104,595 | 86,511,423 | 90,492,555 | 92,192,908 |
| 12/31/2011 | 71,611,280 | 87,562,114 | 96,014,323 | 99,764,985 | 100,798,334 |
| 12/31/2012 | 70,751,423 | 87,121,407 | 94,007,867 | 97,799,397 | 99,642,973 |
| 12/31/2013 | 73,376,677 | 87,416,471 | 96,586,013 | 101,912,999 | 103,767,711 |
| 12/31/2014 | 68,483,916 | 83,527,139 | 94,484,364 | 99,886,007 | |
| 12/31/2015 | 70,125,727 | 87,537,705 | 97,026,597 | | |
| 12/31/2016 | 72,138,230 | 90,115,122 | | | |
| 12/31/2017 | 72,004,477 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
|------------------------------------|--------------|--------------|--------------|--------------|
| 12/31/2006 | 1.243 | 1.113 | 1.040 | 1.009 |
| 12/31/2007 | 1.212 | 1.119 | 1.039 | 1.014 |
| 12/31/2008 | 1.229 | 1.088 | 1.026 | 1.009 |
| 12/31/2009 | 1.227 | 1.095 | 1.015 | 1.024 |
| 12/31/2010 | 1.178 | 1.094 | 1.046 | 1.019 |
| 12/31/2011 | 1.223 | 1.097 | 1.039 | 1.010 |
| 12/31/2012 | 1.231 | 1.079 | 1.040 | 1.019 |
| 12/31/2013 | 1.191 | 1.105 | 1.055 | 1.018 |
| 12/31/2014 | 1.220 | 1.131 | 1.057 | |
| 12/31/2015 | 1.248 | 1.108 | | |
| 12/31/2016 | 1.249 | | | |
| Average Factor: (Best 3 of 5) | 1.233 | 1.103 | 1.047 | 1.019 |

Summary of Factors

| | | |
|------------|--|-------|
| 63 to Ult: | (75:63) (75:Ult) = | 1.002 |
| 51 to Ult: | (63:51) (75:63) (75:Ult) = | 1.021 |
| 39 to Ult: | (51:39) (63:51) (75:63) (75:Ult) = | 1.069 |
| 27 to Ult: | (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 1.179 |
| 15 to Ult: | (27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 1.454 |

INSURANCE SERVICES OFFICE, INC.

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

| Accident Year <u>Ending</u> | \$100,000 Basic Limit <u>75 Months</u> | <u>87 Months</u> | <u>99 Months</u> | <u>111 Months</u> | <u>123 Months</u> |
|-----------------------------------|---|------------------|------------------|-------------------|-------------------|
| 12/31/2006 | 91,334,336 | 91,445,973 | 91,625,757 | 91,511,899 | 91,462,973 |
| 12/31/2007 | 90,142,684 | 90,221,494 | 90,418,909 | 90,358,834 | 90,392,437 |
| 12/31/2008 | 86,301,725 | 86,377,242 | 86,464,084 | 86,658,424 | 86,715,095 |
| 12/31/2009 | 84,760,040 | 84,595,276 | 84,714,192 | 84,723,981 | |
| 12/31/2010 | 92,074,135 | 91,807,439 | 91,818,848 | | |
| 12/31/2011 | 101,399,034 | 101,663,602 | | | |
| 12/31/2012 | 100,028,389 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>75:63</u> | <u>87:75</u> | <u>99:87</u> | <u>111:99</u> | <u>123:111</u> |
|------------------------------------|--------------|--------------|--------------|---------------|----------------|
| 12/31/2006 | 1.008 | 1.001 | 1.002 | 0.999 | 0.999 |
| 12/31/2007 | 1.004 | 1.001 | 1.002 | 0.999 | 1.000 |
| 12/31/2008 | 0.997 | 1.001 | 1.001 | 1.002 | 1.001 |
| 12/31/2009 | 0.999 | 0.998 | 1.001 | 1.000 | |
| 12/31/2010 | 0.999 | 0.997 | 1.000 | | |
| 12/31/2011 | 1.006 | 1.003 | | | |
| 12/31/2012 | 1.004 | | | | |
| Average Factor: (Best 3 of 5) | 1.001 | 1.000 | 1.001 | 1.000 | 1.000 |

Summary of Factors

| | | | |
|-------------|--|---|-------|
| 123 to Ult: | (1.000) | = | 1.000 |
| 111 to Ult: | (123:111) (123:Ult) | = | 1.000 |
| 99 to Ult: | (111:99) (123:111) (123:Ult) | = | 1.000 |
| 87 to Ult: | (99:87) (111:99) (123:111) (123:Ult) | = | 1.001 |
| 75 to Ult: | (87:75) (99:87) (111:99) (123:111) (123:Ult) | = | 1.001 |

INSURANCE SERVICES OFFICE, INC.

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

| Accident Year <u>Ending</u> | \$100,000 Basic Limit <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
|-----------------------------------|---|------------------|------------------|------------------|------------------|
| 12/31/2006 | 83,098,790 | 85,907,146 | 86,598,960 | 86,547,522 | 86,576,693 |
| 12/31/2007 | 89,099,727 | 91,221,074 | 91,698,455 | 92,014,965 | 92,058,892 |
| 12/31/2008 | 84,278,908 | 87,080,906 | 87,473,802 | 87,660,113 | 87,752,268 |
| 12/31/2009 | 79,051,900 | 81,631,511 | 82,050,225 | 82,310,601 | 82,362,550 |
| 12/31/2010 | 80,406,512 | 83,289,682 | 83,783,075 | 83,992,012 | 84,033,169 |
| 12/31/2011 | 85,300,807 | 87,910,015 | 88,722,316 | 89,128,522 | 89,633,747 |
| 12/31/2012 | 87,837,873 | 91,484,939 | 92,117,338 | 92,413,659 | 92,377,080 |
| 12/31/2013 | 88,910,315 | 92,951,898 | 93,707,131 | 93,998,146 | 94,030,889 |
| 12/31/2014 | 88,647,590 | 93,300,822 | 94,021,732 | 94,246,537 | |
| 12/31/2015 | 92,584,198 | 97,159,581 | 98,129,539 | | |
| 12/31/2016 | 96,111,659 | 100,515,211 | | | |
| 12/31/2017 | 90,654,520 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
|------------------------------------|--------------|--------------|--------------|--------------|
| 12/31/2006 | 1.034 | 1.008 | 0.999 | 1.000 |
| 12/31/2007 | 1.024 | 1.005 | 1.003 | 1.000 |
| 12/31/2008 | 1.033 | 1.005 | 1.002 | 1.001 |
| 12/31/2009 | 1.033 | 1.005 | 1.003 | 1.001 |
| 12/31/2010 | 1.036 | 1.006 | 1.002 | 1.000 |
| 12/31/2011 | 1.031 | 1.009 | 1.005 | 1.006 |
| 12/31/2012 | 1.042 | 1.007 | 1.003 | 1.000 |
| 12/31/2013 | 1.045 | 1.008 | 1.003 | 1.000 |
| 12/31/2014 | 1.052 | 1.008 | 1.002 | |
| 12/31/2015 | 1.049 | 1.010 | | |
| 12/31/2016 | 1.046 | | | |
| Average Factor: (Best 3 of 5) | 1.047 | 1.008 | 1.003 | 1.000 |

Summary of Factors

| | | |
|------------|--|-------|
| 63 to Ult: | (75:63) (75:Ult) = | 1.001 |
| 51 to Ult: | (63:51) (75:63) (75:Ult) = | 1.001 |
| 39 to Ult: | (51:39) (63:51) (75:63) (75:Ult) = | 1.004 |
| 27 to Ult: | (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 1.012 |
| 15 to Ult: | (27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 1.060 |

INSURANCE SERVICES OFFICE, INC.

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

| Accident Year <u>Ending</u> | \$100,000 Basic Limit <u>75 Months</u> | <u>87 Months</u> | <u>99 Months</u> | <u>111 Months</u> |
|-----------------------------------|---|------------------|------------------|-------------------|
| 12/31/2006 | 86,516,087 | 86,628,897 | 86,642,601 | 86,645,287 |
| 12/31/2007 | 92,150,595 | 92,043,515 | 92,044,457 | 92,045,346 |
| 12/31/2008 | 87,716,947 | 87,688,303 | 87,691,521 | 87,704,468 |
| 12/31/2009 | 82,400,605 | 82,442,958 | 82,435,669 | 82,426,862 |
| 12/31/2010 | 84,404,563 | 84,315,784 | 84,446,019 | |
| 12/31/2011 | 89,772,919 | 89,895,004 | | |
| 12/31/2012 | 92,497,494 | | | |

Ratios

| Accident Year <u>Ending</u> | <u>75:63</u> | <u>87:75</u> | <u>99:87</u> | <u>111:99</u> |
|------------------------------------|--------------|--------------|--------------|---------------|
| 12/31/2006 | 0.999 | 1.001 | 1.000 | 1.000 |
| 12/31/2007 | 1.001 | 0.999 | 1.000 | 1.000 |
| 12/31/2008 | 1.000 | 1.000 | 1.000 | 1.000 |
| 12/31/2009 | 1.000 | 1.001 | 1.000 | 1.000 |
| 12/31/2010 | 1.004 | 0.999 | 1.002 | |
| 12/31/2011 | 1.002 | 1.001 | | |
| 12/31/2012 | 1.001 | | | |
| Average Factor: (Best 3 of 5) | 1.001 | 1.000 | 1.000 | 1.000 |

Summary of Factors

| | | | |
|-------------|------------------------------------|---|-------|
| 111 to Ult: | (1.000) | = | 1.000 |
| 99 to Ult: | (111:99) (111:Ult) | = | 1.000 |
| 87 to Ult: | (99:87) (111:99) (111:Ult) | = | 1.000 |
| 75 to Ult: | (87:75) (99:87) (111:99) (111:Ult) | = | 1.000 |

INSURANCE SERVICES OFFICE, INC.

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

| Accident Year <u>Ending</u> | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| 12/31/2006 | 98,082,141 | 99,570,826 | 99,675,876 | 99,664,223 | 99,583,503 |
| 12/31/2007 | 107,638,162 | 110,454,261 | 110,361,829 | 110,260,923 | 110,208,181 |
| 12/31/2008 | 137,122,373 | 139,908,087 | 139,866,459 | 139,813,877 | 139,779,849 |
| 12/31/2009 | 114,660,398 | 116,504,959 | 116,757,149 | 116,756,042 | 116,776,150 |
| 12/31/2010 | 135,128,533 | 137,634,833 | 137,794,964 | 137,585,300 | 137,721,236 |
| 12/31/2011 | 155,314,049 | 157,824,117 | 157,904,335 | 158,001,294 | 157,953,547 |
| 12/31/2012 | 180,363,644 | 184,498,422 | 184,490,013 | 184,589,660 | 184,837,405 |
| 12/31/2013 | 143,423,767 | 146,941,713 | 147,170,848 | 147,524,413 | 147,490,867 |
| 12/31/2014 | 152,832,576 | 156,631,466 | 156,718,406 | 156,584,392 | |
| 12/31/2015 | 151,825,756 | 155,301,171 | 155,401,626 | | |
| 12/31/2016 | 197,225,418 | 201,436,790 | | | |
| 12/31/2017 | 210,656,303 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
|------------------------------------|--------------|--------------|--------------|--------------|
| 12/31/2006 | 1.015 | 1.001 | 1.000 | 0.999 |
| 12/31/2007 | 1.026 | 0.999 | 0.999 | 1.000 |
| 12/31/2008 | 1.020 | 1.000 | 1.000 | 1.000 |
| 12/31/2009 | 1.016 | 1.002 | 1.000 | 1.000 |
| 12/31/2010 | 1.019 | 1.001 | 0.998 | 1.001 |
| 12/31/2011 | 1.016 | 1.001 | 1.001 | 1.000 |
| 12/31/2012 | 1.023 | 1.000 | 1.001 | 1.001 |
| 12/31/2013 | 1.025 | 1.002 | 1.002 | 1.000 |
| 12/31/2014 | 1.025 | 1.001 | 0.999 | |
| 12/31/2015 | 1.023 | 1.001 | | |
| 12/31/2016 | 1.021 | | | |
| Average Factor: (Best 3 of 5) | 1.024 | 1.001 | 1.000 | 1.000 |

Summary of Factors

| | | |
|------------|--|-------|
| 63 to Ult: | (75:63) (75:Ult) = | 1.000 |
| 51 to Ult: | (63:51) (75:63) (75:Ult) = | 1.000 |
| 39 to Ult: | (51:39) (63:51) (75:63) (75:Ult) = | 1.000 |
| 27 to Ult: | (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 1.001 |
| 15 to Ult: | (27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 1.025 |

INSURANCE SERVICES OFFICE, INC.

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

| Accident Year Ending | <u>75 Months</u> | <u>87 Months</u> | <u>99 Months</u> | <u>111 Months</u> | <u>123 Months</u> |
|----------------------------|------------------|------------------|------------------|-------------------|-------------------|
| 12/31/2006 | 99,531,436 | 99,491,076 | 99,645,606 | 99,637,532 | 99,634,047 |
| 12/31/2007 | 110,295,675 | 110,239,335 | 110,231,195 | 110,143,735 | 110,146,525 |
| 12/31/2008 | 139,750,075 | 139,719,763 | 139,726,923 | 139,782,088 | 139,783,800 |
| 12/31/2009 | 116,622,376 | 116,624,245 | 116,628,016 | 116,705,263 | |
| 12/31/2010 | 137,813,090 | 137,861,438 | 137,853,760 | | |
| 12/31/2011 | 157,928,691 | 157,925,614 | | | |
| 12/31/2012 | 184,812,760 | | | | |

Ratios

| Accident Year Ending | <u>75:63</u> | <u>87:75</u> | <u>99:87</u> | <u>111:99</u> | <u>123:111</u> |
|------------------------------------|--------------|--------------|--------------|---------------|----------------|
| 12/31/2006 | 0.999 | 1.000 | 1.002 | 1.000 | 1.000 |
| 12/31/2007 | 1.001 | 0.999 | 1.000 | 0.999 | 1.000 |
| 12/31/2008 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 12/31/2009 | 0.999 | 1.000 | 1.000 | 1.001 | |
| 12/31/2010 | 1.001 | 1.000 | 1.000 | | |
| 12/31/2011 | 1.000 | 1.000 | | | |
| 12/31/2012 | 1.000 | | | | |
| Average Factor: (Best 3 of 5) | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

Summary of Factors

| | | | |
|-------------|--|---|-------|
| 123 to Ult: | (1.000) | = | 1.000 |
| 111 to Ult: | (123:111) (123:Ult) | = | 1.000 |
| 99 to Ult: | (111:99) (123:111) (123:Ult) | = | 1.000 |
| 87 to Ult: | (99:87) (111:99) (123:111) (123:Ult) | = | 1.000 |
| 75 to Ult: | (87:75) (99:87) (111:99) (123:111) (123:Ult) | = | 1.000 |

INSURANCE SERVICES OFFICE, INC.

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

| Accident Year <u>Ending</u> | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| 12/31/2006 | 302,645,818 | 296,798,485 | 295,222,795 | 294,284,201 | 294,561,691 |
| 12/31/2007 | 340,453,072 | 333,909,574 | 332,185,435 | 331,893,438 | 331,664,028 |
| 12/31/2008 | 347,435,033 | 342,000,636 | 341,250,356 | 340,642,037 | 339,756,369 |
| 12/31/2009 | 294,402,025 | 289,371,339 | 288,570,906 | 288,200,387 | 288,337,661 |
| 12/31/2010 | 319,957,837 | 313,620,107 | 312,517,083 | 312,435,470 | 312,441,599 |
| 12/31/2011 | 347,553,934 | 340,912,188 | 339,125,243 | 338,785,261 | 338,872,521 |
| 12/31/2012 | 347,097,111 | 341,903,217 | 339,841,871 | 339,248,848 | 339,276,761 |
| 12/31/2013 | 367,238,812 | 360,936,623 | 359,658,365 | 360,407,015 | 359,176,393 |
| 12/31/2014 | 406,032,389 | 398,705,367 | 396,317,742 | 395,942,108 | |
| 12/31/2015 | 439,518,764 | 426,758,300 | 424,285,439 | | |
| 12/31/2016 | 473,249,101 | 460,379,561 | | | |
| 12/31/2017 | 504,898,279 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
|------------------------------------|--------------|--------------|--------------|--------------|
| 12/31/2006 | 0.981 | 0.995 | 0.997 | 1.001 |
| 12/31/2007 | 0.981 | 0.995 | 0.999 | 0.999 |
| 12/31/2008 | 0.984 | 0.998 | 0.998 | 0.997 |
| 12/31/2009 | 0.983 | 0.997 | 0.999 | 1.000 |
| 12/31/2010 | 0.980 | 0.996 | 1.000 | 1.000 |
| 12/31/2011 | 0.981 | 0.995 | 0.999 | 1.000 |
| 12/31/2012 | 0.985 | 0.994 | 0.998 | 1.000 |
| 12/31/2013 | 0.983 | 0.996 | 1.002 | 0.997 |
| 12/31/2014 | 0.982 | 0.994 | 0.999 | |
| 12/31/2015 | 0.971 | 0.994 | | |
| 12/31/2016 | 0.973 | | | |
| Average Factor: (Best 3 of 5) | 0.979 | 0.994 | 0.999 | 1.000 |

Summary of Factors

| | | |
|------------|--|-------|
| 63 to Ult: | (75:63) (75:Ult) = | 1.000 |
| 51 to Ult: | (63:51) (75:63) (75:Ult) = | 1.000 |
| 39 to Ult: | (51:39) (63:51) (75:63) (75:Ult) = | 0.999 |
| 27 to Ult: | (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 0.993 |
| 15 to Ult: | (27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 0.972 |

INSURANCE SERVICES OFFICE, INC.

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

| Accident Year <u>Ending</u> | <u>75 Months</u> | <u>87 Months</u> | <u>99 Months</u> | <u>111 Months</u> | <u>123 Months</u> |
|-----------------------------------|------------------|------------------|------------------|-------------------|-------------------|
| 12/31/2006 | 294,561,462 | 294,537,764 | 294,504,170 | 294,498,489 | 294,480,227 |
| 12/31/2007 | 331,596,380 | 331,555,640 | 331,509,158 | 331,504,619 | 331,484,786 |
| 12/31/2008 | 339,801,367 | 339,689,840 | 339,665,150 | 339,637,143 | 339,620,971 |
| 12/31/2009 | 288,167,973 | 288,094,406 | 288,058,541 | 288,077,603 | |
| 12/31/2010 | 312,344,533 | 312,243,031 | 312,203,804 | | |
| 12/31/2011 | 338,814,535 | 338,808,804 | | | |
| 12/31/2012 | 339,198,595 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>75:63</u> | <u>87:75</u> | <u>99:87</u> | <u>111:99</u> | <u>123:111</u> |
|------------------------------------|--------------|--------------|--------------|---------------|----------------|
| 12/31/2006 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 12/31/2007 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 12/31/2008 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 12/31/2009 | 0.999 | 1.000 | 1.000 | 1.000 | |
| 12/31/2010 | 1.000 | 1.000 | 1.000 | | |
| 12/31/2011 | 1.000 | 1.000 | | | |
| 12/31/2012 | 1.000 | | | | |
| Average Factor: (Best 3 of 5) | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

Summary of Factors

| | | | |
|-------------|--|---|-------|
| 123 to Ult: | (1.000) | = | 1.000 |
| 111 to Ult: | (123:111) (123:Ult) | = | 1.000 |
| 99 to Ult: | (111:99) (123:111) (123:Ult) | = | 1.000 |
| 87 to Ult: | (99:87) (111:99) (123:111) (123:Ult) | = | 1.000 |
| 75 to Ult: | (87:75) (99:87) (111:99) (123:111) (123:Ult) | = | 1.000 |

INSURANCE SERVICES OFFICE, INC.

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

| Accident Year <u>Ending</u> | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| 12/31/2006 | 45,114,278 | 45,385,500 | 45,319,535 | 45,227,602 | 45,212,891 |
| 12/31/2007 | 42,128,856 | 42,864,766 | 42,700,321 | 42,732,392 | 42,854,370 |
| 12/31/2008 | 49,404,261 | 49,930,543 | 49,773,473 | 49,756,906 | 49,747,595 |
| 12/31/2009 | 45,494,807 | 45,557,731 | 45,554,037 | 45,481,046 | 45,471,729 |
| 12/31/2010 | 49,970,542 | 50,065,679 | 50,048,669 | 50,044,521 | 50,042,803 |
| 12/31/2011 | 65,579,947 | 65,685,728 | 65,561,570 | 65,609,177 | 65,605,889 |
| 12/31/2012 | 76,646,808 | 75,604,294 | 75,655,840 | 75,689,175 | 75,699,041 |
| 12/31/2013 | 52,392,978 | 52,776,253 | 52,990,791 | 52,995,210 | 52,987,388 |
| 12/31/2014 | 55,417,509 | 56,112,419 | 56,190,048 | 56,141,485 | |
| 12/31/2015 | 48,449,166 | 48,998,670 | 48,885,069 | | |
| 12/31/2016 | 60,490,144 | 61,135,257 | | | |
| 12/31/2017 | 69,620,635 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
|------------------------------------|--------------|--------------|--------------|--------------|
| 12/31/2006 | 1.006 | 0.999 | 0.998 | 1.000 |
| 12/31/2007 | 1.017 | 0.996 | 1.001 | 1.003 |
| 12/31/2008 | 1.011 | 0.997 | 1.000 | 1.000 |
| 12/31/2009 | 1.001 | 1.000 | 0.998 | 1.000 |
| 12/31/2010 | 1.002 | 1.000 | 1.000 | 1.000 |
| 12/31/2011 | 1.002 | 0.998 | 1.001 | 1.000 |
| 12/31/2012 | 0.986 | 1.001 | 1.000 | 1.000 |
| 12/31/2013 | 1.007 | 1.004 | 1.000 | 1.000 |
| 12/31/2014 | 1.013 | 1.001 | 0.999 | |
| 12/31/2015 | 1.011 | 0.998 | | |
| 12/31/2016 | 1.011 | | | |
| Average Factor: (Best 3 of 5) | 1.010 | 1.000 | 1.000 | 1.000 |

Summary of Factors

| | | |
|------------|--|-------|
| 63 to Ult: | (75:63) (75:Ult) = | 1.000 |
| 51 to Ult: | (63:51) (75:63) (75:Ult) = | 1.000 |
| 39 to Ult: | (51:39) (63:51) (75:63) (75:Ult) = | 1.000 |
| 27 to Ult: | (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 1.000 |
| 15 to Ult: | (27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 1.010 |

INSURANCE SERVICES OFFICE, INC.

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

| Accident Year <u>Ending</u> | <u>75 Months</u> | <u>87 Months</u> | <u>99 Months</u> | <u>111 Months</u> | <u>123 Months</u> |
|-----------------------------------|------------------|------------------|------------------|-------------------|-------------------|
| 12/31/2006 | 45,258,837 | 45,257,926 | 45,251,978 | 45,251,164 | 45,250,006 |
| 12/31/2007 | 42,786,448 | 42,784,413 | 42,783,337 | 42,781,970 | 42,789,006 |
| 12/31/2008 | 49,744,909 | 49,746,319 | 49,744,650 | 49,743,452 | 49,752,496 |
| 12/31/2009 | 45,472,774 | 45,472,791 | 45,474,947 | 45,480,910 | |
| 12/31/2010 | 50,022,081 | 50,021,144 | 50,049,267 | | |
| 12/31/2011 | 65,614,001 | 65,620,616 | | | |
| 12/31/2012 | 75,705,383 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>75:63</u> | <u>87:75</u> | <u>99:87</u> | <u>111:99</u> | <u>123:111</u> |
|------------------------------------|--------------|--------------|--------------|---------------|----------------|
| 12/31/2006 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 |
| 12/31/2007 | 0.998 | 1.000 | 1.000 | 1.000 | 1.000 |
| 12/31/2008 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 12/31/2009 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 12/31/2010 | 1.000 | 1.000 | 1.001 | | |
| 12/31/2011 | 1.000 | 1.000 | | | |
| 12/31/2012 | 1.000 | | | | |
| Average Factor: (Best 3 of 5) | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

Summary of Factors

| | | | |
|-------------|--|---|-------|
| 123 to Ult: | (1.000) | = | 1.000 |
| 111 to Ult: | (123:111) (123:Ult) | = | 1.000 |
| 99 to Ult: | (111:99) (123:111) (123:Ult) | = | 1.000 |
| 87 to Ult: | (99:87) (111:99) (123:111) (123:Ult) | = | 1.000 |
| 75 to Ult: | (87:75) (99:87) (111:99) (123:111) (123:Ult) | = | 1.000 |

INSURANCE SERVICES OFFICE, INC.

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

| Accident Year <u>Ending</u> | <u>15 Months</u> | <u>27 Months</u> | <u>39 Months</u> | <u>51 Months</u> | <u>63 Months</u> |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| 12/31/2006 | 133,446,222 | 128,067,207 | 127,361,727 | 127,104,840 | 127,095,289 |
| 12/31/2007 | 140,082,730 | 135,466,447 | 134,924,052 | 134,629,930 | 134,625,922 |
| 12/31/2008 | 142,390,051 | 137,275,953 | 136,576,145 | 136,443,074 | 136,401,498 |
| 12/31/2009 | 134,239,533 | 129,513,409 | 128,927,299 | 128,851,382 | 128,796,720 |
| 12/31/2010 | 137,897,068 | 131,091,100 | 130,458,613 | 130,280,329 | 130,263,603 |
| 12/31/2011 | 147,518,654 | 141,059,573 | 140,588,934 | 140,371,170 | 140,330,647 |
| 12/31/2012 | 147,900,685 | 142,042,690 | 141,481,656 | 141,339,034 | 141,326,463 |
| 12/31/2013 | 149,039,642 | 142,479,239 | 141,538,708 | 141,540,704 | 141,483,316 |
| 12/31/2014 | 157,105,568 | 150,508,434 | 150,322,658 | 150,123,029 | |
| 12/31/2015 | 167,933,099 | 159,428,483 | 158,168,605 | | |
| 12/31/2016 | 167,271,024 | 159,580,288 | | | |
| 12/31/2017 | 163,651,912 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>27:15</u> | <u>39:27</u> | <u>51:39</u> | <u>63:51</u> |
|------------------------------------|--------------|--------------|--------------|--------------|
| 12/31/2006 | 0.960 | 0.994 | 0.998 | 1.000 |
| 12/31/2007 | 0.967 | 0.996 | 0.998 | 1.000 |
| 12/31/2008 | 0.964 | 0.995 | 0.999 | 1.000 |
| 12/31/2009 | 0.965 | 0.995 | 0.999 | 1.000 |
| 12/31/2010 | 0.951 | 0.995 | 0.999 | 1.000 |
| 12/31/2011 | 0.956 | 0.997 | 0.998 | 1.000 |
| 12/31/2012 | 0.960 | 0.996 | 0.999 | 1.000 |
| 12/31/2013 | 0.956 | 0.993 | 1.000 | 1.000 |
| 12/31/2014 | 0.958 | 0.999 | 0.999 | |
| 12/31/2015 | 0.949 | 0.992 | | |
| 12/31/2016 | 0.954 | | | |
| Average Factor: (Best 3 of 5) | 0.956 | 0.995 | 0.999 | 1.000 |

Summary of Factors

| | | |
|------------|--|-------|
| 63 to Ult: | (75:63) (75:Ult) = | 1.000 |
| 51 to Ult: | (63:51) (75:63) (75:Ult) = | 1.000 |
| 39 to Ult: | (51:39) (63:51) (75:63) (75:Ult) = | 0.999 |
| 27 to Ult: | (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 0.994 |
| 15 to Ult: | (27:15) (39:27) (51:39) (63:51) (75:63) (75:Ult) = | 0.950 |

INSURANCE SERVICES OFFICE, INC.

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

| Accident Year <u>Ending</u> | <u>75 Months</u> | <u>87 Months</u> | <u>99 Months</u> | <u>111 Months</u> | <u>123 Months</u> |
|-----------------------------------|------------------|------------------|------------------|-------------------|-------------------|
| 12/31/2006 | 127,163,010 | 127,128,284 | 127,110,487 | 127,094,829 | 127,071,833 |
| 12/31/2007 | 134,578,142 | 134,562,396 | 134,550,501 | 134,546,377 | 134,543,564 |
| 12/31/2008 | 136,368,351 | 136,328,521 | 136,319,717 | 136,314,095 | 136,306,539 |
| 12/31/2009 | 128,735,197 | 128,710,652 | 128,693,873 | 128,684,410 | |
| 12/31/2010 | 130,211,565 | 130,179,285 | 130,179,687 | | |
| 12/31/2011 | 140,249,870 | 140,244,299 | | | |
| 12/31/2012 | 141,279,608 | | | | |

Ratios

| Accident Year <u>Ending</u> | <u>75:63</u> | <u>87:75</u> | <u>99:87</u> | <u>111:99</u> | <u>123:111</u> |
|------------------------------------|--------------|--------------|--------------|---------------|----------------|
| 12/31/2006 | 1.001 | 1.000 | 1.000 | 1.000 | 1.000 |
| 12/31/2007 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 12/31/2008 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 12/31/2009 | 1.000 | 1.000 | 1.000 | 1.000 | |
| 12/31/2010 | 1.000 | 1.000 | 1.000 | | |
| 12/31/2011 | 0.999 | 1.000 | | | |
| 12/31/2012 | 1.000 | | | | |
| Average Factor: (Best 3 of 5) | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

Summary of Factors

| | | | |
|-------------|--|---|-------|
| 123 to Ult: | (1.000) | = | 1.000 |
| 111 to Ult: | (123:111) (123:Ult) | = | 1.000 |
| 99 to Ult: | (111:99) (123:111) (123:Ult) | = | 1.000 |
| 87 to Ult: | (99:87) (111:99) (123:111) (123:Ult) | = | 1.000 |
| 75 to Ult: | (87:75) (99:87) (111:99) (123:111) (123:Ult) | = | 1.000 |

INSURANCE SERVICES OFFICE, INC.

| | | | |
|------------|--|--|-------|
| (1) | Public Automobiles Liability | Differentials to Base Loss Cost CSL Liab | |
| | Taxis & Limos | | 6.20 |
| | School and Church Buses | | 0.55 |
| | Other Buses | | 3.80 |
| | Van Pools | | 1.50 |
| (2) | Public Automobiles Physical Damage | | |
| | Taxis, Limos and Van Pools | | |
| | Other Than Collision: | | 1.02 |
| | Collision | | 1.27 |
| | School, Church, and Other Buses | | |
| | Other Than Collision: | | 0.70 |
| | Collision | | 0.65 |
| (3) | Medical Payments Relativities | <u>EXHIBIT C17</u> | |
| (4) | Specified Cause of Loss Relativity | | 0.864 |
| (5) | The loss cost for hired autos is set forth in Section G. It applies in all territories and is calculated as 0.15% of the statewide \$100,000 Combined Single Limit average loss cost for all Trucks, Tractors, & Trailers. | | |

INSURANCE SERVICES OFFICE, INC.

(3) Medical Payments Relativities

| Territory | Class of Business | | | | | | | | | | | |
|-----------|-------------------------------|-------------|-------------|-------------|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Trucks, Tractors and Trailers | | | | Private Passenger Types | | | | Other Buses | | | |
| | <u>500</u> | <u>1000</u> | <u>2000</u> | <u>5000</u> | <u>500</u> | <u>1000</u> | <u>2000</u> | <u>5000</u> | <u>500</u> | <u>1000</u> | <u>2000</u> | <u>5000</u> |
| 105 | 0.0046 | 0.0071 | 0.0108 | 0.0184 | 0.0063 | 0.0109 | 0.0180 | 0.0318 | 0.0053 | 0.0087 | 0.0136 | 0.0233 |
| 106 | 0.0047 | 0.0073 | 0.0111 | 0.0189 | 0.0063 | 0.0109 | 0.0180 | 0.0318 | 0.0120 | 0.0197 | 0.0309 | 0.0528 |
| 108 | 0.0025 | 0.0039 | 0.0059 | 0.0100 | 0.0063 | 0.0109 | 0.0180 | 0.0318 | 0.0060 | 0.0099 | 0.0155 | 0.0265 |
| 109 | 0.0021 | 0.0033 | 0.0051 | 0.0086 | 0.0063 | 0.0109 | 0.0180 | 0.0318 | 0.0047 | 0.0077 | 0.0120 | 0.0206 |
| 110 | 0.0042 | 0.0065 | 0.0100 | 0.0169 | 0.0063 | 0.0109 | 0.0180 | 0.0318 | 0.0053 | 0.0087 | 0.0136 | 0.0233 |
| 111 | 0.0045 | 0.0070 | 0.0107 | 0.0181 | 0.0063 | 0.0109 | 0.0180 | 0.0318 | 0.0094 | 0.0154 | 0.0242 | 0.0414 |

INSURANCE SERVICES OFFICE, INC.

(3) Medical Payments Relativities

| Territory | Class of Business | | | | | | | | | | | |
|-----------|-------------------------|-------------|-------------|-------------|-----------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|
| | School and Church Buses | | | | Taxis and Limos | | | | Van Pools | | | |
| | <u>500</u> | <u>1000</u> | <u>2000</u> | <u>5000</u> | <u>500</u> | <u>1000</u> | <u>2000</u> | <u>5000</u> | <u>500</u> | <u>1000</u> | <u>2000</u> | <u>5000</u> |
| 105 | 0.0083 | 0.0137 | 0.0216 | 0.0344 | 0.0078 | 0.0138 | 0.0228 | 0.0416 | 0.0078 | 0.0120 | 0.0185 | 0.0321 |
| 106 | 0.0173 | 0.0286 | 0.0450 | 0.0719 | 0.0078 | 0.0138 | 0.0228 | 0.0416 | 0.0078 | 0.0120 | 0.0185 | 0.0321 |
| 108 | 0.0083 | 0.0137 | 0.0216 | 0.0344 | 0.0078 | 0.0138 | 0.0228 | 0.0416 | 0.0078 | 0.0120 | 0.0185 | 0.0321 |
| 109 | 0.0067 | 0.0111 | 0.0175 | 0.0280 | 0.0078 | 0.0138 | 0.0228 | 0.0416 | 0.0078 | 0.0120 | 0.0185 | 0.0321 |
| 110 | 0.0083 | 0.0137 | 0.0216 | 0.0344 | 0.0078 | 0.0138 | 0.0228 | 0.0416 | 0.0078 | 0.0120 | 0.0185 | 0.0321 |
| 111 | 0.0139 | 0.0231 | 0.0363 | 0.0580 | 0.0078 | 0.0138 | 0.0228 | 0.0416 | 0.0078 | 0.0120 | 0.0185 | 0.0321 |

**COMMERCIAL LINES MANUAL
DIVISION ONE
AUTOMOBILE
LOSS COST PAGES**

**NEVADA (27)
TERRITORY 105**

| LIABILITY | MEDICAL PAYMENTS | | | | PERSONAL INJURY PROTECTION |
|---|-------------------|------|------|------|----------------------------|
| | Limit Per Person | | | | |
| Limit Of Liab. \$100,000 | 500 | 1000 | 2000 | 5000 | Basic Limits |
| RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS | | | | | |
| \$ 383 | \$2 | \$3 | \$4 | \$7 | N/A |
| RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS | | | | | |
| \$ 390 | \$2 | \$4 | \$7 | \$12 | N/A |
| RULE 40. PUBLIC AUTO CLASSIFICATIONS – | | | | | |
| – TAXICABS AND LIMOUSINES | | | | | |
| \$ 2375 | \$19 | \$33 | \$54 | \$99 | N/A |
| – SCHOOL AND CHURCH BUSES | | | | | |
| \$ 211 | \$2 | \$3 | \$5 | \$7 | N/A |
| – OTHER BUSES | | | | | |
| \$ 1455 | \$8 | \$13 | \$20 | \$34 | N/A |
| – VAN POOLS | | | | | |
| \$ 575 | \$4 | \$7 | \$11 | \$18 | N/A |
| RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT | | | | | |
| \$ 341 | Refer to Rule 49. | | | | N/A |
| <ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49. | | | | | |

COMMERCIAL LINES MANUAL
DIVISION ONE
AUTOMOBILE
LOSS COST PAGES

| LIABILITY | MEDICAL PAYMENTS | | | | PERSONAL INJURY PROTECTION |
|---|-------------------|------|------|------|----------------------------|
| | Limit Per Person | | | | |
| Limit Of Liab. \$100,000 | 500 | 1000 | 2000 | 5000 | Basic Limits |
| RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS | | | | | |
| \$ 257 | \$1 | \$2 | \$3 | \$5 | N/A |
| RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS | | | | | |
| \$ 403 | \$3 | \$4 | \$7 | \$13 | N/A |
| RULE 40. PUBLIC AUTO CLASSIFICATIONS – | | | | | |
| – TAXICABS AND LIMOUSINES | | | | | |
| \$ 1593 | \$12 | \$22 | \$36 | \$66 | N/A |
| – SCHOOL AND CHURCH BUSES | | | | | |
| \$ 141 | \$2 | \$4 | \$6 | \$10 | N/A |
| – OTHER BUSES | | | | | |
| \$ 977 | \$12 | \$19 | \$30 | \$52 | N/A |
| – VAN POOLS | | | | | |
| \$ 386 | \$3 | \$5 | \$7 | \$12 | N/A |
| RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT | | | | | |
| \$ 222 | Refer to Rule 49. | | | | N/A |
| <ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49. | | | | | |

**COMMERCIAL LINES MANUAL
DIVISION ONE
AUTOMOBILE
LOSS COST PAGES**

**NEVADA (27)
TERRITORY 108**

| LIABILITY | MEDICAL PAYMENTS | | | | PERSONAL INJURY PROTECTION |
|---|-------------------|------|-------|-------|----------------------------|
| | Limit Per Person | | | | |
| Limit Of Liab. \$100,000 | 500 | 1000 | 2000 | 5000 | Basic Limits |
| RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS | | | | | |
| \$ 759 | \$2 | \$3 | \$4 | \$8 | N/A |
| RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS | | | | | |
| \$ 891 | \$6 | \$10 | \$16 | \$28 | N/A |
| RULE 40. PUBLIC AUTO CLASSIFICATIONS – | | | | | |
| – TAXICABS AND LIMOUSINES | | | | | |
| \$ 4706 | \$37 | \$65 | \$107 | \$196 | N/A |
| – SCHOOL AND CHURCH BUSES | | | | | |
| \$ 417 | \$3 | \$6 | \$9 | \$14 | N/A |
| – OTHER BUSES | | | | | |
| \$ 2884 | \$17 | \$29 | \$45 | \$76 | N/A |
| – VAN POOLS | | | | | |
| \$ 1139 | \$9 | \$14 | \$21 | \$37 | N/A |
| RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT | | | | | |
| \$ 630 | Refer to Rule 49. | | | | N/A |
| <ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49. | | | | | |

COMMERCIAL LINES MANUAL
DIVISION ONE
AUTOMOBILE
LOSS COST PAGES

| LIABILITY | MEDICAL PAYMENTS | | | | PERSONAL INJURY PROTECTION |
|---|-------------------|------|-------|-------|----------------------------|
| | Limit Per Person | | | | |
| Limit Of Liab. \$100,000 | 500 | 1000 | 2000 | 5000 | Basic Limits |
| RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS | | | | | |
| \$ 1157 | \$2 | \$4 | \$6 | \$10 | N/A |
| RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS | | | | | |
| \$ 838 | \$5 | \$9 | \$15 | \$27 | N/A |
| RULE 40. PUBLIC AUTO CLASSIFICATIONS – | | | | | |
| – TAXICABS AND LIMOUSINES | | | | | |
| \$ 7173 | \$56 | \$99 | \$164 | \$298 | N/A |
| – SCHOOL AND CHURCH BUSES | | | | | |
| \$ 636 | \$4 | \$7 | \$11 | \$18 | N/A |
| – OTHER BUSES | | | | | |
| \$ 4397 | \$21 | \$34 | \$53 | \$91 | N/A |
| – VAN POOLS | | | | | |
| \$ 1736 | \$14 | \$21 | \$32 | \$56 | N/A |
| RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT | | | | | |
| \$ 902 | Refer to Rule 49. | | | | N/A |
| <ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49. | | | | | |

**COMMERCIAL LINES MANUAL
DIVISION ONE
AUTOMOBILE
LOSS COST PAGES**

**NEVADA (27)
TERRITORY 110**

| LIABILITY | MEDICAL PAYMENTS | | | | PERSONAL INJURY PROTECTION |
|---|-------------------|------|------|-------|----------------------------|
| | Limit Per Person | | | | |
| Limit Of Liab. \$100,000 | 500 | 1000 | 2000 | 5000 | Basic Limits |
| RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS | | | | | |
| \$ 437 | \$2 | \$3 | \$4 | \$7 | N/A |
| RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS | | | | | |
| \$ 393 | \$2 | \$4 | \$7 | \$12 | N/A |
| RULE 40. PUBLIC AUTO CLASSIFICATIONS – | | | | | |
| – TAXICABS AND LIMOUSINES | | | | | |
| \$ 2709 | \$21 | \$37 | \$62 | \$113 | N/A |
| – SCHOOL AND CHURCH BUSES | | | | | |
| \$ 240 | \$2 | \$3 | \$5 | \$8 | N/A |
| – OTHER BUSES | | | | | |
| \$ 1661 | \$9 | \$14 | \$23 | \$39 | N/A |
| – VAN POOLS | | | | | |
| \$ 656 | \$5 | \$8 | \$12 | \$21 | N/A |
| RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT | | | | | |
| \$ 359 | Refer to Rule 49. | | | | N/A |
| <ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49. | | | | | |

COMMERCIAL LINES MANUAL
DIVISION ONE
AUTOMOBILE
LOSS COST PAGES

| LIABILITY | MEDICAL PAYMENTS | | | | PERSONAL INJURY PROTECTION |
|---|-------------------|------|------|------|----------------------------|
| | Limit Per Person | | | | |
| Limit Of Liab. \$100,000 | 500 | 1000 | 2000 | 5000 | Basic Limits |
| RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS | | | | | |
| \$ 375 | \$2 | \$3 | \$4 | \$7 | N/A |
| RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS | | | | | |
| \$ 368 | \$2 | \$4 | \$7 | \$12 | N/A |
| RULE 40. PUBLIC AUTO CLASSIFICATIONS – | | | | | |
| – TAXICABS AND LIMOUSINES | | | | | |
| \$ 2325 | \$18 | \$32 | \$53 | \$97 | N/A |
| – SCHOOL AND CHURCH BUSES | | | | | |
| \$ 206 | \$3 | \$5 | \$7 | \$12 | N/A |
| – OTHER BUSES | | | | | |
| \$ 1425 | \$13 | \$22 | \$34 | \$59 | N/A |
| – VAN POOLS | | | | | |
| \$ 563 | \$4 | \$7 | \$10 | \$18 | N/A |
| RULE 49. AUTO DEALERS – PREMIUM DEVELOPMENT | | | | | |
| \$ 302 | Refer to Rule 49. | | | | N/A |
| <ul style="list-style-type: none">• For liability increased limits factors, refer to Rule 100.• For liability fleet factors, refer to Rules 22. and 39.• Other Than Auto losses for Auto Dealers risks are subject to an aggregate limit equal to three times the liability limit. For additional limits, refer to Rule 49. | | | | | |

**COMMERCIAL LINES MANUAL
DIVISION ONE
AUTOMOBILE
LOSS COST PAGES**

**NEVADA (27)
TERRITORY 105**

| PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000 | | | |
|---|---|---------------------------------|---------------------------------|
| | Specified Causes Of Loss | \$500 Ded. Comp. | \$500 Ded. Coll. |
| RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS | | | |
| – Local And Intermediate – All Vehicles | | | |
| – Long Distance – Light Trucks And Trailers Used With Light Trucks | | | |
| | \$ 71 | \$ 82 | \$ 221 |
| RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS | | | |
| | N/A | \$ 54 | \$ 371 |
| RULE 40. PUBLIC AUTO CLASSIFICATIONS | | | |
| – TAXICABS AND LIMOUSINES | | | |
| | \$ 72 | \$ 84 | \$ 281 |
| – SCHOOL AND CHURCH BUSES | | | |
| | \$ 50 | \$ 57 | \$ 144 |
| – OTHER BUSES | | | |
| | \$ 50 | \$ 57 | \$ 144 |
| – VAN POOLS | | | |
| | \$ 72 | \$ 84 | \$ 281 |
| <ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. | | | |

COMMERCIAL LINES MANUAL
DIVISION ONE
AUTOMOBILE
LOSS COST PAGES

| PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000 | | | |
|---|--------------------------------|------------------------|------------------------|
| | Specified Causes Of Loss | \$500 Ded. Comp. | \$500 Ded. Coll. |
| RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS | | | |
| – Local And Intermediate – All Vehicles | | | |
| – Long Distance – Light Trucks And Trailers Used With Light Trucks | | | |
| | \$ 79 | \$ 92 | \$ 218 |
| RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS | | | |
| | N/A | \$ 69 | \$ 303 |
| RULE 40. PUBLIC AUTO CLASSIFICATIONS | | | |
| – TAXICABS AND LIMOUSINES | | | |
| | \$ 81 | \$ 94 | \$ 277 |
| – SCHOOL AND CHURCH BUSES | | | |
| | \$ 55 | \$ 64 | \$ 142 |
| – OTHER BUSES | | | |
| | \$ 55 | \$ 64 | \$ 142 |
| – VAN POOLS | | | |
| | \$ 81 | \$ 94 | \$ 277 |
| <ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. | | | |

**COMMERCIAL LINES MANUAL
DIVISION ONE
AUTOMOBILE
LOSS COST PAGES**

**NEVADA (27)
TERRITORY 108**

| PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000 | | | |
|---|---|---------------------------------|---------------------------------|
| | Specified Causes Of Loss | \$500 Ded. Comp. | \$500 Ded. Coll. |
| RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS | | | |
| – Local And Intermediate – All Vehicles | | | |
| – Long Distance – Light Trucks And Trailers Used With Light Trucks | | | |
| | \$ 71 | \$ 82 | \$ 180 |
| RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS | | | |
| | N/A | \$ 50 | \$ 296 |
| RULE 40. PUBLIC AUTO CLASSIFICATIONS | | | |
| – TAXICABS AND LIMOUSINES | | | |
| | \$ 72 | \$ 84 | \$ 229 |
| – SCHOOL AND CHURCH BUSES | | | |
| | \$ 50 | \$ 57 | \$ 117 |
| – OTHER BUSES | | | |
| | \$ 50 | \$ 57 | \$ 117 |
| – VAN POOLS | | | |
| | \$ 72 | \$ 84 | \$ 229 |
| <ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. | | | |

COMMERCIAL LINES MANUAL
DIVISION ONE
AUTOMOBILE
LOSS COST PAGES

| PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000 | | | |
|---|--------------------------------|------------------------|------------------------|
| | Specified Causes Of Loss | \$500 Ded. Comp. | \$500 Ded. Coll. |
| RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS | | | |
| – Local And Intermediate – All Vehicles | | | |
| – Long Distance – Light Trucks And Trailers Used With Light Trucks | | | |
| | \$ 68 | \$ 79 | \$ 215 |
| RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS | | | |
| | N/A | \$ 49 | \$ 373 |
| RULE 40. PUBLIC AUTO CLASSIFICATIONS | | | |
| – TAXICABS AND LIMOUSINES | | | |
| | \$ 69 | \$ 81 | \$ 273 |
| – SCHOOL AND CHURCH BUSES | | | |
| | \$ 48 | \$ 55 | \$ 140 |
| – OTHER BUSES | | | |
| | \$ 48 | \$ 55 | \$ 140 |
| – VAN POOLS | | | |
| | \$ 69 | \$ 81 | \$ 273 |
| <ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. | | | |

**COMMERCIAL LINES MANUAL
DIVISION ONE
AUTOMOBILE
LOSS COST PAGES**

**NEVADA (27)
TERRITORY 110**

| PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000 | | | |
|---|---|---------------------------------|---------------------------------|
| | Specified Causes Of Loss | \$500 Ded. Comp. | \$500 Ded. Coll. |
| RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS | | | |
| – Local And Intermediate – All Vehicles | | | |
| – Long Distance – Light Trucks And Trailers Used With Light Trucks | | | |
| | \$ 67 | \$ 77 | \$ 199 |
| RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS | | | |
| | N/A | \$ 47 | \$ 285 |
| RULE 40. PUBLIC AUTO CLASSIFICATIONS | | | |
| – TAXICABS AND LIMOUSINES | | | |
| | \$ 68 | \$ 79 | \$ 253 |
| – SCHOOL AND CHURCH BUSES | | | |
| | \$ 47 | \$ 54 | \$ 129 |
| – OTHER BUSES | | | |
| | \$ 47 | \$ 54 | \$ 129 |
| – VAN POOLS | | | |
| | \$ 68 | \$ 79 | \$ 253 |
| <ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. | | | |

COMMERCIAL LINES MANUAL
DIVISION ONE
AUTOMOBILE
LOSS COST PAGES

| PHYSICAL DAMAGE Original Cost New Range \$15,001 – 20,000 | | | |
|---|--------------------------------|------------------------|------------------------|
| | Specified Causes Of Loss | \$500 Ded. Comp. | \$500 Ded. Coll. |
| RULE 23. TRUCKS, TRACTORS AND TRAILERS CLASSIFICATIONS | | | |
| – Local And Intermediate – All Vehicles | | | |
| – Long Distance – Light Trucks And Trailers Used With Light Trucks | | | |
| | \$ 58 | \$ 67 | \$ 189 |
| RULE 32. PRIVATE PASSENGER TYPES CLASSIFICATIONS | | | |
| | N/A | \$ 43 | \$ 298 |
| RULE 40. PUBLIC AUTO CLASSIFICATIONS | | | |
| – TAXICABS AND LIMOUSINES | | | |
| | \$ 59 | \$ 68 | \$ 240 |
| – SCHOOL AND CHURCH BUSES | | | |
| | \$ 41 | \$ 47 | \$ 123 |
| – OTHER BUSES | | | |
| | \$ 41 | \$ 47 | \$ 123 |
| – VAN POOLS | | | |
| | \$ 59 | \$ 68 | \$ 240 |
| <ul style="list-style-type: none"> • For physical damage fleet factors, refer to Rules 22. and 39. • For additional coverages, refer to the Additional Coverages Table in Rules 23. and 40. • For Deductible factors, refer to Rule 98. • For Original Cost New and Age Group factors, refer to Rule 101. • For Stated Amount factors, refer to Rule 101. • For Towing and Labor Costs Coverage rating, refer to Rule 34. | | | |

89. NON-OWNERSHIP LIABILITY

Table **89.C.1.a.(1)(LC)** is replaced by the following:

| <u>Class Code</u> | <u>Total Number Of Employees</u> | <u>Liability Base Loss Cost</u> |
|-------------------|----------------------------------|---------------------------------|
| <u>6638</u> | <u>0 = 9</u> | <u>\$ 66</u> |
| <u>6639</u> | <u>10 = 19</u> | <u>141</u> |
| <u>6640</u> | <u>20 = 25</u> | <u>226</u> |
| <u>6602</u> | <u>26 = 100</u> | <u>383</u> |
| <u>6603</u> | <u>101 = 500</u> | <u>1,000</u> |
| <u>6604</u> | <u>501 = 1,000</u> | <u>2,300</u> |
| <u>6605</u> | <u>Over 1,000</u> | <u>4,847</u> |

Table 89.C.1.a.(1)(LC) Other Than Garage Service Operations Loss Costs

90. HIRED AUTOS

| |
|--|
| Cost Of Hire Basis – All Territories Liability Base Loss Cost |
|--|

| |
|-----------|
| \$ 1.1002 |
|-----------|

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

97. UNINSURED MOTORISTS INSURANCE

| Uninsured Motorists Bodily Injury | | |
|-----------------------------------|--------------------------------------|---|
| Bodily Injury Limits | Private Passenger Types Per Exposure | Other Than Private Passenger Types Per Exposure |
| \$ 50,000 | \$ 75.5044.84 | \$ 51.1930.69 |
| 100,000 | 117.4768.39 | 79.0146.42 |
| 125,000 | 134.9478.10 | 90.5652.87 |
| 150,000 | 147.9486.34 | 99.1457.68 |
| 200,000 | 172.3498.90 | 115.2566.68 |
| 250,000 | 190.35408.94 | 127.1473.34 |
| 300,000 | 205.03417.08 | 136.8378.74 |
| 350,000 | 218.89424.75 | 145.9783.82 |
| 400,000 | 229.49430.64 | 152.9787.73 |
| 500,000 | 248.83441.31 | 165.6994.77 |
| 600,000 | 262.48448.86 | 174.6999.78 |
| 750,000 | 281.80459.52 | 187.40406.82 |
| 1,000,000 | 305.72472.68 | 203.12415.50 |
| 1,500,000 | 336.10489.36 | 223.09426.54 |
| 2,000,000 | 357.16200.94 | 236.91434.12 |
| 2,500,000 | 373.05209.63 | 247.36439.87 |
| 3,000,000 | 385.20216.27 | 255.32444.24 |
| 5,000,000 | 417.27233.82 | 276.35455.78 |
| 7,500,000 | 440.26246.37 | 291.42464.03 |
| 10,000,000 | 453.22253.48 | 299.93468.72 |

Table 97.B.1.a.(LC) Single Limits Uninsured (Includes Underinsured) Motorists Bodily Injury Coverage Loss Costs

| Uninsured Motorists Bodily Injury | | |
|-----------------------------------|--------------------------------------|---|
| Bodily Injury Limits | Private Passenger Types Per Exposure | Other Than Private Passenger Types Per Exposure |
| \$ 25,000/50,000 | \$ 53.4432.27 | \$ 36.4922.28 |
| 50,000/100,000 | 86.0850.72 | 58.1834.62 |
| 100,000/300,000 | 129.6175.47 | 87.0550.94 |
| 250,000/500,000 | 197.64412.98 | 131.9576.02 |
| 500,000/1,000,000 | 253.54443.90 | 168.7896.48 |
| 1,000,000/2,000,000 | 309.65474.82 | 205.69446.90 |
| 2,500,000/5,000,000 | 377.21241.89 | 250.08441.35 |
| 5,000,000/10,000,000 | 420.49235.58 | 278.47456.94 |

Table 97.B.1.b.(LC) Split Limits Uninsured (Includes Underinsured) Motorists Bodily Injury Coverage Loss Costs

| Loss Cost |
|-----------|
| \$ 1.25 |

Table 97.B.2.a.(4)(LC) Individual Named Insured Loss Cost

Supplementary Information – Nevada

Introduction

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

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

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

Trends in Liability Claim Costs

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

Multistate Paid Claim Cost Trends

| <u>Data Through</u> | <u>\$100,000 Bodily Injury</u> | <u>\$100,000 Property Damage</u> |
|---------------------|--------------------------------|----------------------------------|
| 03/31/2014 | +1.4% | +4.8% |
| 06/30/2014 | +1.5% | +4.2% |
| 09/30/2014 | +1.8% | +3.7% |
| 12/31/2014 | +1.8% | +3.3% |
| 03/31/2015 | +1.5% | +3.3% |
| 06/30/2015 | +2.2% | +3.5% |
| 09/30/2015 | +1.9% | +3.7% |
| 12/31/2015 | +2.3% | +4.6% |
| 03/31/2016 | +2.9% | +4.8% |
| 06/30/2016 | +2.9% | +5.2% |
| 09/30/2016 | +2.6% | +5.5% |
| 12/31/2016 | +2.7% | +5.7% |
| 03/31/2017 | +2.7% | +5.7% |
| 06/30/2017 | +2.8% | +5.6% |
| 09/30/2017 | +3.0% | +5.4% |
| 12/31/2017 | +3.8% | +4.8% |

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

Supplementary Information – Nevada

Trends in Medical Care Costs

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

| <u>Period</u> | <u>CPI – Medical Care Annual Rate of Change¹</u> | <u>CPI – Hospital & Other Related Services Annual Rate of Change</u> |
|-------------------------------|---|--|
| October 2006 - September 2007 | 4.6% | 6.8% |
| October 2007 - September 2008 | 3.2% | 6.6% |
| October 2008 - September 2009 | 3.5% | 6.6% |
| October 2009 - September 2010 | 3.4% | 7.3% |
| October 2010 - September 2011 | 2.8% | 4.9% |
| October 2011 - September 2012 | 4.1% | 4.7% |
| October 2012 - September 2013 | 2.4% | 5.4% |
| October 2013 - September 2014 | 2.0% | 3.5% |
| October 2014 - September 2015 | 2.5% | 3.3% |
| October 2015 - September 2016 | 4.9% | 5.6% |
| October 2016 - September 2017 | 1.6% | 4.3% |
| October 2017 - September 2018 | 1.7% | 3.7% |

Claim Frequencies

Historically, frequency trends for Commercial Auto liability have been quite variable, have differed between Trucks, Tractors, and Trailers (TTT) and Private Passenger Types (PPT) liability classes, and have often displayed cyclical patterns. As a result, an exponential curve of the form $Y=A(B^X)$ does not fit the data well over the long term. To reflect these characteristics and the difficulty in predicting turning points and rates of change, frequency trend is being selected to be 0% for TTT and PPT for both the Bodily Injury and Property Damage coverages.

Claim Counts

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

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

Supplementary Information – Nevada

Nevada Trends

Trucks, Tractors & Trailers and Private Passenger Types Liability

| | Current Trends <u>Data through 12/31/2017</u> | Previous Trends <u>Data through 12/31/2016</u> |
|--|--|---|
| Nevada Claim Cost Trends | | |
| Bodily Injury (\$100,000 Limit) | 7.9% | 13.4% |
| Property Damage (\$100,000 Limit) | 7.2% | 11.6% |
| Credibility-Weighted Claim Cost Trends | | |
| Bodily Injury (\$100,000 Limit) | 3.8% | 3.2% |
| Property Damage (\$100,000 Limit) | 5.0% | 6.3% |
| Selected Claim Frequency Trends | | |
| Trucks, Tractors & Trailers | | |
| Bodily Injury | 0.0% | 0.0% |
| Property Damage | 0.0% | 0.0% |
| Private Passenger Types | | |
| Bodily Injury | 0.0% | 0.0% |
| Property Damage | 0.0% | 0.0% |
| Selected Pure Premium Trends | | |
| Trucks, Tractors & Trailers | | |
| Bodily Injury (\$100,000 Limit) | 3.8% | 3.2% |
| Property Damage (\$100,000 Limit) | 5.0% | 6.3% |
| Private Passenger Types | | |
| Bodily Injury (\$100,000 Limit) | 3.8% | 3.2% |
| Property Damage (\$100,000 Limit) | 5.0% | 6.3% |

Nevada bodily injury severity trend receives 0% weight when combined with multistate trend in the filing, property damage trend receives 10% weight.

If the prior trends were used to calculate the indicated changes in this document, the Truck, Tractors & Trailers Liability indication would have been 12.2% rather than 12.9%. For the Private Passenger Types coverage, the indication would have been 7.0% instead of 7.5%.

Supplementary Information – Nevada

Physical Damage Loss Trend

| | | Current Trends <u>Data through 12/31/2017</u> | Previous Trends <u>Data through 12/31/2016</u> |
|-----------------------------|-----------------|--|---|
| Trucks, Tractors & Trailers | <u>Coverage</u> | | |
| | OTC | +7.0% | +6.5% |
| | Collision | +5.0% | +5.5% |
| Private Passenger Types | OTC | +6.5% | +5.0% |
| | Collision | +4.5% | +5.0% |

Physical Damage OCN Trend

| | | Current Trends <u>Data through 12/31/2017</u> | Previous Trends <u>Data through 12/31/2016</u> |
|-----------------------------|-----------------|--|---|
| Trucks, Tractors & Trailers | <u>Coverage</u> | | |
| | OTC | +1.0% | +0.9% |
| | Collision | +1.6% | +1.3% |
| Private Passenger Types | OTC | +1.1% | +1.0% |
| | Collision | +0.6% | +0.6% |

The loss trend has increased by 0.5 points for Trucks, Tractors & Trailers OTC and has increased by 1.5 points for Private Passenger Types OTC. The OCN trend has increased by 0.1 points for Trucks, Tractors and Trailers OTC and for Private Passenger Types OTC. If the prior loss and OCN trends were used, the Trucks, Tractors and Trailers and Private Passenger Types OTC indications in this document would have 8.0%, instead of 8.7%, and 1.5%, instead of 3.6%, respectively.

The loss trend has decreased by 0.5 points for Trucks, Tractors & Trailers collision and for Private Passenger Types collision. The OCN trend has increased by 0.3 points for Trucks, Tractors, & Trailers collision and has remained the same for Private Passenger Types collision. If the prior loss and OCN trends were used, the Trucks, Tractors and Trailers and Private Passenger Types collision indications in this document would have been 7.2%, instead of 4.5%, and 1.3%, instead of 0%, respectively.

Supplementary Information – Nevada

Loss Development

Methodology

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

Factors

| | <u>Current (100K)</u> | <u>Previous (100K)</u> |
|----------------------------------|-----------------------|------------------------|
| Trucks, Tractors and Trailers BI | | |
| 39 to Ultimate | 1.080 | 1.078 |
| 27 to Ultimate | 1.252 | 1.269 |
| 15 to Ultimate | 1.709 | 1.708 |
| Trucks, Tractors and Trailers PD | | |
| 39 to Ultimate | 1.003 | 1.004 |
| 27 to Ultimate | 1.011 | 1.012 |
| 15 to Ultimate | 1.061 | 1.059 |
| Private Passenger Types BI | | |
| 39 to Ultimate | 1.069 | 1.064 |
| 27 to Ultimate | 1.258 | 1.250 |
| 15 to Ultimate | 1.854 | 1.866 |
| Private Passenger Types PD | | |
| 39 to Ultimate | 1.004 | 1.005 |
| 27 to Ultimate | 1.012 | 1.012 |
| 15 to Ultimate | 1.051 | 1.051 |

Supplementary Information – Nevada

Other Factors

Unallocated Loss Adjustment Expense factors:

| | <u>Data through 12/31/2016</u> | <u>Data through 12/31/2015</u> |
|-----------------|--------------------------------|--------------------------------|
| Bodily Injury | 1.075 | 1.080 |
| Property Damage | 1.100 | 1.105 |
| Physical Damage | 1.130 | 1.140 |

Indicated vs. Filed Changes

An overall change of 11.8% is indicated when each of the coverage indications is weighted by its respective loss cost volume. Staff will file the indications, which reflect a 10/01/2019 proposed effective date, with the following exceptions:

| <u>Coverage</u> | <u>Indicated Change</u> | <u>Filed Change</u> |
|------------------------------------|-------------------------|---------------------|
| Private Passenger Types OTC | 3.6% | No Change (N.C.) |
| Trucks, Tractors & Trailers UM/UIM | 82.0% | 75.9% |
| Private Passenger Types UM/UIM | 104.4% | 76.9% |

The overall filed change is 11.2%.

Notes

- The Auto Dealers Liability coverage is not being reviewed this year.
- The Auto Dealers and Garagekeepers physical damage coverages are not being reviewed this year.
- A revision of the Medical Payments loss costs is included in this document. The overall change for the Trucks, Tractors and Trailers, Private Passenger Types and Public Automobiles medical payments revision is reflected in the overall change quoted in this filing. The documentation for this revision can be found in Section D.
- A revision of the Non-ownership Liability loss costs contained in Rule 89.C.1.a.(1) is included in this document. The overall change for this coverage is reflected in the overall change quoted in this filing. The documentation for this revision can be found in Section E.
- A revision of the Uninsured and Underinsured Motorists loss costs contained in Rule 97 is included in this document. The overall change for the Private Passenger Types and Other than Private Passenger Types UM and UIM revision is reflected in the overall change quoted in this filing. The documentation for this revision can be found in Section F.