

RULES – IMPLEMENTATION

DECEMBER 7, 2021

COMMERCIAL MULTIPLE LINE

LI-ML-2021-042

NEW MEXICO COMMERCIAL PACKAGE POLICY REVISED PACKAGE MODIFICATION FACTOR REVISION TO BE IMPLEMENTED; EXHIBITS NEWLY PRESENTED IN EXCEL

KEY MESSAGE

Revised Commercial Package Policy package modification factors for an overall statewide change of -0.1% to be implemented.

UPGRADE TO WORD AND EXCEL DOCUMENTS

As previously noted, ISO is implementing changes to our authoring and delivery systems so that **newly created** documents will be delivered in Office 365 .docx/.xlsx format to be phased in by product/service. In addition to **form** documents, we are pleased to announce that during the third quarter 2021, you will be receiving **circular cover letter** and **Notice To Manualholders (NTM)** documents in .docx format delivered/accessed via Circulars, CLM, EFD, ERC, Filings, FIRST, Forms Library, PRM and Suite +. Changes continue for other document types to be phased in by product/service. Products impacted include, but are not limited to, documents delivered/accessed via Circulars, CLM, EFD, ERC, Filings, FIRST, Forms Library (including PolicyWriting Support Forms Instructional Supplement), PRM, Statistical Plans and Suite +.

BACKGROUND

In circular [LI-ML-2021-026](#), we provided you with information about the Commercial Package Policy modification factor experience review.

CONSIDERATION OF COVID-19

ISO has considered whether any adjustments need to be made to prospective loss costs or rating factors, which are based on historical experience (pre-COVID-19), to reflect the conditions in which these loss costs or rating factors will be effective (post-COVID-19). Commercial Package Policy Modification Factors are applied to separate underlying coverages that are then combined to create a package policy. Any adjustment that is made to the underlying coverage loss costs to reflect the potential impact of COVID-19 will, therefore, also be reflected in commercial package policy rating. While there will almost certainly be long-term behavioral, social and economic changes as a result of COVID-19, we expect, based on the information currently available, that those changes will have negligible effects on Commercial Package Policy Modification Factors. Therefore, ISO is not making any explicit adjustment to those factors due to COVID-19.

ISO ACTION

We are implementing ML-2021-RLA1, which presents a review of Commercial Package Policy modification factors experience. Refer to the attachment(s) for complete details.

IMPORTANT NOTE

Change in Format

This circular offers several enhancements for customers. In addition to the PDF version, exhibits and loss cost tables are now available in user-friendly Excel format rather than Word. Where possible, exhibits are linked together formulaically to clarify how calculations flow through the entire ratemaking process and to enable customers to test the effects of different assumptions on the results.

To facilitate this change, the filing has been restructured. All explanatory text, for all sections of the filing, appears first; all exhibits and tables are grouped together and appear thereafter. Exhibits have been relabeled (Exhibit A1, Exhibit A2, etc.).

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.

EFFECTIVE DATE

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

COMPANY ACTION

ISO has not filed this revision on behalf of insurers.

You must independently determine what revision to make and when to make any revision effective. If you decide to use all or any part of our revision, 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 Filing Number [ML-2021-RLA1](#), NOT this circular number. Communications with the regulator concerning a filing affecting multiple lines of business (i.e., CL, PL, AL filing designation) should specify the line(s) of business that you are addressing.

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-2021-004](#) 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.

REVISION DISTRIBUTION

We will issue a Notice to Manualholders with an edition date of 6-22 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

REFERENCE(S)

- [LI-ML-2021-026](#) (09/10/2021) Commercial Package Policy Experience Reviewed By Staff
- [LI-CL-2021-004](#) (02/17/2021) Revised Lead Time Requirements Listing

ATTACHMENT(S)

Filing [ML-2021-RLA1](#)

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 were 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.

ACKNOWLEDGMENT OF ACTUARIAL QUALIFICATIONS

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

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

CONTACT INFORMATION

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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.

NEW MEXICO
ADVISORY PACKAGE MODIFICATION FACTOR REVIEW
COMMERCIAL PACKAGE POLICY
ML-2021-RLA1
EXECUTIVE SUMMARY

PURPOSE

This document:

- presents a review of advisory Package Modification Factors (PMFs). PMFs are relativity factors used to adjust monoline loss costs as appropriate for multiline risks.
 - provides the analyses used to derive these advisory PMFs.
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CONSIDERATION
OF COVID-19

ISO has considered whether any adjustments need to be made to prospective loss costs or rating factors, which are based on historical experience (pre-COVID-19), to reflect the conditions in which these loss costs or rating factors will be effective (post-COVID-19). Commercial Package Policy Modification Factors are applied to separate underlying coverages that are then combined to create a package policy. Any adjustment that is made to the underlying coverage loss costs to reflect the potential impact of COVID-19 will therefore also be reflected in commercial package policy rating. While there will almost certainly be long-term behavioral, social and economic changes as a result of COVID-19, we expect, based on the information currently available, that those changes will have negligible effects on Commercial Package Policy Modification Factors. Therefore, ISO is not making any explicit adjustment to those factors due to COVID-19.

PMF CHANGES

The proposed Commercial Package Policy (CPP) Package Modification Factor changes are:

<u>Type of Policy</u>	<u>Property</u>	<u>Liability</u>	<u>Prop. & Liab. Total</u>
Motel/Hotel	0.0%	0.0%	0.0%
Apartment	6.9%	0.0%	4.4%
Office	0.0%	1.0%	0.7%
Mercantile	0.0%	0.0%	0.0%
Institutional	5.4%	-1.3%	3.3%
Services	4.3%	-4.0%	0.3%
Indust./Proc.	-1.0%	0.0%	-0.4%
Contractors	<u>0.0%</u>	<u>-3.2%</u>	<u>-2.9%</u>
Statewide	2.6%	-1.7%	-0.1%

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INDICATED
VS. CAPPED

Indicated PMF changes are based on standard ISO methodology. Differences between indicated and capped PMF changes are caused by rounding each indicated PMF to the nearest one percent and applying an upper cap of 1.00, where necessary.

HISTORICAL
SOURCE DATA

The data used in this review is from ISO reporting companies for:

- Basic Group I: five fiscal accident years ending 03/31/20.
 - Basic Group II: ten fiscal accident years ending 03/31/20.
 - Special Causes of Loss: five fiscal accident years ending 03/31/20.
 - Crime: calendar year ending 06/30/16.
 - Inland Marine: five calendar accident years ending 12/31/16.
 - Fidelity: policy year ending 12/31/15.
 - Owners, Landlords, and Tenants: five fiscal accident years ending 12/31/20.
 - Manufacturers and Contractors: five fiscal accident years ending 12/31/20.
 - Products: three calendar accident years ending 12/31/20.
 - Local Products and Completed Operations: three calendar accident years ending 12/31/20.
-

PRIOR ISO
REVISIONS

The latest revisions in this state are:

<u>Filing</u>	ML-18-RLA1	ML-17-RLA1	ML-10-RLA1
<u>Dates</u>			
Implemented	12/1/2018	12/1/2017	10/1/2010
<u>Changes</u>			
Indicated	1.4%	0.6%	1.9%
Filed	1.4%	0.6%	2.0%
Implemented	1.4%	0.6%	2.0%

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ADJUSTMENTS
TO REPORTED
EXPERIENCE

Standard actuarial procedures have been used in the reviews underlying the calculation of the PMFs, including adjusting the fire and liability losses to ultimate settlement level and, for all coverages, reflecting all loss adjustment expenses and trend. Specific procedures vary by subline.

TEN LARGEST
GROUPS IN
ISO DATA BASE

Insurers are listed in descending order based on the percent of statewide written premium volume from Annual Statement Page 15 for the year ending 12/31/18 for the Annual Statement Line of Business (ASLOB) indicated.

COMMERCIAL MULTI PERIL (ASLOB 51 & 52)

1. Travelers Indemnity Company
 2. Liberty Mutual Insurance Company
 3. Mountain State Insurance Group
 4. Tokio Marine Companies
 5. Cincinnati Insurance Company
 6. Continental Casualty Company
 7. Westfield Insurance Company
 8. American Hallmark Insurance Company Of Texas
 9. Insurance Company Of North America
 10. Acuity A Mutual Insurance Company
-

SIZE OF ISO
DATA BASE

The market share of ISO participating insurers as measured by Annual Statement Page 15 written premium for the year ending 12/31/18 is:

Commercial Multi Peril (ASLOB 51 & 52). 55.7%.

ADDITIONAL
SUPPORTING
MATERIAL

Additional supporting material underlying the calculation of the experience review indications used in this PMF analysis may be found in the respective monoline experience review documents for each line.

NEW MEXICO
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COMMERCIAL PACKAGE POLICY
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EXECUTIVE SUMMARY

COMPANY DECISION

We encourage each insurer to decide independently whether the judgments made and the procedures or data used by ISO in developing the PMFs contained herein are appropriate for your use. We have included within this document the information upon which ISO relied in order to enable companies to make such independent judgments. The data underlying the enclosed material comes from companies reporting to Insurance Services Office, Inc. Therefore, the ISO experience permits the establishment of a much broader statistical ratemaking base than could be employed by using any individual company's data. A broader data base enhances the validity of ratemaking analysis derived therefrom.

At the same time, however, an individual company may benefit from 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 projection based on the aggregate data.

Some calculations included in this document involve areas of ISO staff judgment. Each company should carefully review and evaluate whether the ISO selected PMFs are appropriate for its use.

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

COMMERCIAL PACKAGE POLICY

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COMMERCIAL PACKAGE POLICY METHODOLOGY OVERVIEW

OBJECTIVE

A Commercial Package Policy (CPP) is essentially a combination of monoline coverages. CPP pricing employs monoline loss costs modified by Package Modification Factors (PMFs). These factors vary by the eight CPP types of policy and are reviewed annually. Monoline and multiline experience are combined and reviewed via a monoline/multiline relativity analysis. The resulting indicated PMFs represent the loss cost for a CPP relative to that for monoline policies providing the same coverages.

STEP 1: THE RELATIVITY ANALYSES

Each line of insurance develops indicated changes to monoline and multiline aggregate loss costs based on an experience ratio relativity analysis for that coverage. The monoline indication represents the needed change to monoline loss costs. The multiline indication represents the needed change to multiline aggregate loss costs, which is implemented through changes to the PMFs. For this PMF analysis, multiline indications are developed for each line of insurance and Type of Policy. Relativity analyses are explained in Section B.

STEP 2: CALCULATION OF THE PMFs

The procedure described above generates indicated Implicit PMFs (IPMFs) which vary by the various lines of insurance and by type of policy. IPMFs represent what the PMF would be for the CPP risk if only a single coverage were written. For each Type of Policy, IPMFs are weighted by CPP aggregate loss costs to determine the indicated property and liability PMFs. These PMFs may be capped, or rounded to the nearest one percent, and certain component IPMFs appropriately adjusted for this change. These calculations are explained in the remainder of Section A.

EXPLANATORY NOTES TO EXHIBIT A2

CALCULATION OF REVISED PACKAGE MODIFICATION FACTORS

OBJECTIVE	<p>Commercial package policies were introduced in the 1960's as a convenient tool for both insurer and insured to have the many types of insurance needed by commercial risks packaged under one cover. Thus fire, extended coverage, crime, liability insurance, etc. could be written using a single policy instead of several. Today, virtually any type of monoline coverage can also be purchased as part of a package policy such as the CPP.</p> <p>The types of insured which can be written under a CPP are generally categorized into the following Types of Policy:</p> <ul style="list-style-type: none">. Motels and Hotels (TOP 31). Apartments (TOP 32). Offices (TOP 33). Mercantile Operations (TOP 34). Institutions (TOP 35). Service Operations (TOP 36). Industrial and Processing Operations (TOP 37). Contractors (TOP 38)
PRICING OF POLICIES	<p>Since a CPP is essentially a combination of monoline coverages, CPP pricing employs monoline loss costs modified by PMFs (Package Modification Factors). These factors vary by the categories shown above and are reviewed annually.</p>
CPP PMF REVIEW PROCEDURE	<p>The CPP review of Package Modification Factors, which appears in Table 2 of this document, determines the appropriate PMF loss cost level for each of the eight CPP categories. This is done by combining the indications of the simultaneous reviews of monoline and multiline experience for the various lines (or coverages).</p> <p>A detailed explanation of the calculation of the revised PMFs follows.</p>

EXPLANATORY NOTES TO EXHIBIT A2 (Cont'd)

LINES OF INSURANCE (COVERAGES) INCLUDED

The CPP review reflects the contribution from each significant coverage which can be written on a CPP. Included are:

Property Coverages

- . Basic Group I (BGI) - the predominant property coverage included.
- . Basic Group II (BGII) - both Basic Group I and Basic Group II must be purchased under a CPP contract.
- . Special Causes of Loss (SCL) - typically a type of insurance which is purchased in addition to Basic Group I and Basic Group II in order to provide "all risk" property coverage for the insured.
- . Crime (CRIME) - Crime insurance is a commonly purchased CPP coverage.
- . Inland Marine (INL. MAR.) - A highly specialized line of property insurance, Inland Marine coverages can be purchased as part of a package policy.
- . Fidelity (FIDELITY) - Certain forms of fidelity insurance can be part of the CPP package. Various forms of employee dishonesty coverage are available.

Liability Coverages

- . Owners, Landlords and Tenants (OL&T) Liability - this is the prevalent type of Premises/Operations liability for CPP insureds.
- . Manufacturers and Contractors Liability (M&C) - this is the type of Premises/Operations liability insurance for risks whose liability exposure is more heavily off-premises than on.
- . Products/Completed Operations Liability (PROD) - this type of insurance protects against claims for damages arising from products/completed operations in conjunction with an insured's business. For review purposes, this line of insurance is split into the following two categories:
 - Products: experience for this category is reviewed on a multistate basis.
 - Local Products/ Completed Operations: experience for this category reflects an exposure to loss which is local in nature; therefore, individual state experience is used.

EXPLANATORY NOTES TO EXHIBIT A2 (Cont'd)

THE IMPLICIT PACKAGE MODIFICATION FACTOR

For each applicable coverage listed under each of the eight (8) CPP categories, a "current implicit PMF" is shown in column (2). The definition of this factor follows:

For a given CPP category (e.g., apartments) the published Package Modification Factor (PMF) represents the loss cost for a CPP relative to that for monoline policies providing the same coverages. Thus a property (liability) PMF of .80 represents a 20% lower aggregate loss cost for a CPP than for the comparable monoline policies. This PMF, however, represents the CPP "loss cost" for all property (liability) coverages combined. Based on CPP experience, it has been determined that this CPP "loss cost" can differ significantly if it is determined for each property (liability) coverage individually. The IPMF represents what the PMF would be for that CPP risk if only a single coverage were written. The use of the IPMF in monoline/multiline ratemaking and in the determination of revised CPP Package Modification Factors is significant in that it appropriately identifies how different the component parts of the multiline "loss cost" are.

THE MULTILINE INDICATION

Under the CPP ratemaking procedures, monoline and multiline experience are combined for each coverage. The results of these coverage analyses are indicated changes to monoline loss costs and also indicated CPP aggregate loss cost level changes. The CPP indications by coverage are then incorporated in the CPP PMF review. These indications (shown in column (3)) represent the needed adjustments to the IPMFs (shown in column (2)) described above.

The development of these indications is detailed in Section B.

THE INDICATED PMF

For each CPP category (and for property vs. liability), the indicated PMF is calculated as follows:

Each of the current IPMFs in column (2) is multiplied by the indicated percent change shown in column (3). A weighted average of the indicated IPMFs, using weights based on latest year aggregate loss costs at current ISO loss cost level (column (1) divided by column (2)), yields the indicated PMF at the bottom of column (4).

THE CAPPED PMF

The indicated PMF for each category (and for property vs. liability) shown at the bottom of column (4) is limited to a maximum of 1.00 in arriving at the proposed PMF (bottom of column (5)). All indicated PMFs which are below 1.00 are rounded to the nearest .01 in determining the proposed PMF. To the extent that any indicated PMFs are capped at 1.00, indicated PMFs below this value are adjusted in order to minimize any revenue changes which would result from capping.

In addition to the adjustments just described, the IPMFs (for property and liability) shown in column (4) are subject to minimum and maximum values and adjusted in column (5) so that they average to the proposed PMF shown at the bottom of column (5).

EXPLANATORY NOTES TO EXHIBITS B1 AND B2

BASIC GROUP I AND SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS

OBJECTIVE

The explanations which follow clarify Exhibits B1 and B2, the Basic Group I Relativity Analysis and the Special Causes of Loss Relativity Analysis, respectively. The purpose of these analyses is to:

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

COLUMN (1)

LEAST SQUARES FORMULA RELATIVITIES

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

The purpose of such a simultaneous review procedure is to arrive at a set of type of policy relativities (which will serve to price CPP policies relative to monoline policies via the PMF); a set of territory relativities for Basic Group I; and a set of category relativities for Special Causes of Loss that best represent the experience. This procedure is in contrast to a review of each rating variable's experience separately. Such one-way types of review do not take into account differing percentages of monoline and multiline experience in each rating variable, or differing percentages of a particular rating variable's experience in the monoline and multiline types of policy. The simultaneous relativity procedure accounts for these different distributions in generating relativities for the various rating variables.

EXPLANATORY NOTES TO EXHIBITS B1 AND B2 (Cont'd)

COLUMN (1)
(Cont'd)

The procedure uses an iterative technique to determine a set of marginal relativities by rating variable that is a best fit to the individual cell relativities, with each cell being defined as the cross-section of specific values of each rating variable. The process uses the relativity of the five year experience ratios by rating cell to the overall statewide experience ratio and the latest year aggregate loss costs for each rating cell. (This experience is shown in Exhibit B3 for Basic Group I and Exhibit B4 for Special Causes of Loss). Specifically, the iteration procedure uses the following formulas:

BASIC GROUP I:

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

$$TER_i = \frac{\sum_{k=1}^m W_{ik}^2 R_{ik} TOP_k}{\sum_{k=1}^m W_{ik}^2 TOP_k^2}, \quad \text{where } 1 \leq k \leq t;$$

SPECIAL CAUSES OF LOSS:

$$TER_i = \frac{\sum_{k=1}^m W_{ik}^2 R_{ik} TOP_k}{\sum_{k=1}^m W_{ik}^2 TOP_k^2}, \quad \text{where } 1 \leq k \leq t;$$

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

- TOP_i is the relativity for the i th Type of Policy;
- CAT_j is the relativity for the j th Category;
- TER_k is the relativity for the k th Territory;

EXPLANATORY NOTES TO EXHIBITS B1 AND B2 (Cont'd)

COLUMN (1)
(Cont'd)

- W_{ik} is the loss cost volume at current level for the i th Type of Policy and k th Territory;
- R_{ik} is the experience ratio relativity for the i th Type of Policy, k th Territory (Basic Group I);
- R_{ij} is the experience ratio relativity for the i th Type of Policy, j th Category (Special Causes of Loss);
- m is the number of Types of Policy in the analysis;
- n is the number of Rating Groups or Categories in the analysis;
- t is the number of Territories in the analysis.

The procedure determines m Type of Policy relativities using the above formulas. Then, using those results, a set of t Territory relativities (BG1) or a set of n category relativities (SCL) are determined. These steps form an iterative process which continues until there is no appreciable difference in results from one iteration to the next.

COLUMN (2)

CREDIBILITY

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

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

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

EXPLANATORY NOTES TO EXHIBITS B1 AND B2 (Cont'd)

COLUMN (3)

CREDIBILITY-WEIGHTED RELATIVITIES

Credibility-weighted relativities are calculated based on the formula

$$W = R^Z$$

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

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

COLUMN (4)

BALANCED RELATIVITIES

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

COLUMN (5)

INDICATED CHANGES

The indicated changes by Type of Policy is calculated as follows:

$$\text{Indicated Change} = \frac{\text{Balanced Relativity for TOP}}{\text{Monoline Relativity}} - 1$$

MULTILINE
CONSIDERATIONS

The type of policy (TOP) relativities are used to generate multiline indications which apply to the current Implicit Package Modification Factors (IPMFs). The indicated IPMFs are calculated as follows:

$$\text{TOP y Indicated IPMF} = \frac{(\text{TOP y Current IPMF}) \times (\text{TOP y Relativity})}{\text{Monoline Relativity}}$$

For each CPP Type of Policy the indicated IPMF is subject to a minimum value of 0.50 and a maximum value of 1.50. If an indicated IPMF falls outside one of those limits, it is capped at that amount, the aggregate loss costs for that Type of Policy are adjusted to the capped IPMF level, and the entire relativity review as described above is re-performed to take this into account. If an IPMF has been capped it is so noted at the bottom of Exhibits B1 and B2.

Loss cost changes for each TOP are calculated as described on Exhibits B1 and B2.

EXPLANATORY NOTES TO EXHIBITS B3

BASIC GROUP I RELATIVITY ANALYSIS SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

INTRODUCTION	<p>The experience used in the relativity analysis and displayed in Exhibits B3 is the latest five years of accident year data as reported under the Commercial Statistical Plan. As in the overall review, loss costs have been adjusted to current ISO loss cost and prospective amount of insurance levels (with multiline aggregate loss costs adjusted additionally by the current implicit package modification factors). Incurred losses are adjusted to prospective cost levels, and are further adjusted by the Basic Group I large loss procedure. Losses have also been developed to their ultimate settlement value by application of loss development factors.</p>
COLUMN (1)	<p><u>AGGREGATE LOSS COSTS</u></p> <p>The latest year adjusted aggregate loss costs (adjusted as described above) are used as weights both in the calculation of any totals shown in this table and in the iterative formulae used in the simultaneous review procedure.</p>
COLUMN (2)	<p><u>5 - YEAR AGGREGATE LOSS COSTS</u></p> <p>The combined five-year adjusted aggregate loss costs (adjusted as described above) are used to calculate the experience ratios in column (3).</p>
COLUMN (3)	<p><u>FIVE-YEAR EXPERIENCE RATIOS</u></p> <p>These are the ratio of the combined five-year adjusted incurred losses (adjusted as described above) to the combined five-year adjusted aggregate loss costs as shown in Column (2). Any totals which are shown are weighted averages using the adjusted aggregate loss costs in Column (1).</p>
COLUMN (4)	<p><u>RELATIVITIES</u></p> <p>The relativities are the ratios of the five-year experience ratios shown in column (3) to the average five-year experience ratio for all TOP's and territories (where applicable) combined. These relativities represent how much better or worse than average the experience for a given cell is. They are used along with the aggregate loss costs in column (1) as input for the simultaneous review procedure.</p>

EXPLANATORY NOTES TO EXHIBITS B4

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

INTRODUCTION	<p>The experience used in the relativity analysis and displayed on Exhibit B4 is the latest five accident years of data reported under the Commercial Statistical Plan. As in the overall review, loss costs have been adjusted to current ISO loss cost and prospective amount of insurance levels (with multiline aggregate loss costs adjusted additionally by the current implicit package modification factors). Incurred losses are adjusted to prospective cost levels, and are further adjusted by the Special Causes of Loss excess procedure. Losses have also been developed to their ultimate settlement value by application of loss development factors.</p>
COLUMN (1)	<p><u>AGGREGATE LOSS COSTS</u></p> <p>The latest accident year aggregate loss costs (adjusted as described above) are used as weights both in the calculation of any totals shown in this table and in the iterative formulas used in the simultaneous review procedure.</p>
COLUMN (2)	<p><u>5 - YEAR AGGREGATE LOSS COSTS</u></p> <p>The combined five-year adjusted aggregate loss costs (adjusted as described above) are used to calculate the experience ratios in column (3).</p>
COLUMN (3)	<p><u>FIVE-YEAR EXPERIENCE RATIOS</u></p> <p>These are the ratios of the combined five-year adjusted incurred losses (adjusted as described above) to the combined five-year adjusted aggregate loss costs as shown in column (2). Any totals which are shown are weighted averages using the adjusted aggregate loss costs in column (1).</p>
COLUMN (4)	<p><u>CREDIBILITY (Z) WEIGHTED EXPERIENCE RATIO</u></p> <p>A credibility procedure is applied to the initial experience ratios in column (3) on a cell-by-cell basis prior to the simultaneous review procedure. The credibility values are calculated using an empirical Bayesian credibility procedure. In the following discussion, cell refers to an individual combination of TOP and category.</p>

EXPLANATORY NOTES TO EXHIBITS B4 (cont'd)

COLUMN (4)
(cont'd)

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

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

COLUMN (5)

Z-WEIGHTED RELATIVITIES

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

EXPLANATORY NOTES TO EXHIBIT B5

BASIC GROUP II RELATIVITY ANALYSIS

OBJECTIVE

The explanations which follow clarify Exhibit B5, the Basic Group II (BG II) relativity analysis. The purpose of this analysis is to:

- (1) determine the monoline loss cost level need;
- (2) determine indicated changes to the eight property Commercial Package Policy (CPP) Package Modification Factors (PMFs) based on Basic Group II experience.

COLUMN (1)

AGGREGATE LOSS COSTS

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

COLUMN (2)

10 - YEAR EXPERIENCE RATIO

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

COLUMN (3)

FORMULA RELATIVITY

The formula relativities are the ratios of the ten year experience ratios for the type of policy (either monoline vs. multiline or individual multiline programs) to the average ten year experience ratio for monoline and multiline combined. These relativities represent how much better or worse than average the experience for a given type of policy is. Again, any totals which are shown are weighted averages and the display of a dash indicates that the resulting IPMF was capped.

EXPLANATORY NOTES TO EXHIBIT B5 (Cont'd)

COLUMN (3)
(Cont'd)

Unlike the BGI and SCL relativity analyses, the BGII analysis does not employ a simultaneous review procedure since a one way review is involved. That is, the overall loss cost change is only distributed across type of policy; no other rating variables are considered.

COLUMN (4)

CREDIBILITY

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

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

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

COLUMN (5)

Z - WEIGHTED RELATIVITY

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

COLUMN (6)

BALANCED FORMULA RELATIVITY

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

EXPLANATORY NOTES TO EXHIBIT B5 (Cont'd)

COLUMN (7)

NORMALIZED FORMULA RELATIVITY

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

COLUMN (8)

INDICATED LOSS COST CHANGES

The indicated multiline (by TOP) changes are calculated by taking the ratio of the TOP relativity (Column 7) to the monoline relativity.

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

CRIME AND FIDELITY

The reviews for Burglary and Theft and for Fidelity are done on a multistate basis, combining both multiline and monoline experience. However, unlike other coverages included in a Commercial Package Policy, there is no simultaneous review procedure for either Burglary and Theft or for Fidelity in which separate loss cost level changes can be determined for multiline and monoline experience. In the absence of a simultaneous review procedure, we are unable to determine Type of Policy relativities with which to price CPP policies relative to monoline policies and therefore have assumed a multiline change of 0.0% and thus no change to the historic Crime or Fidelity IPMFs.

EXHIBITS B6 AND B7

Exhibits B6 and B7 are not applicable this year. Commercial Inland Marine relativities are not being reviewed in 2021.

EXPLANATORY NOTES TO GENERAL LIABILITY
RELATIVITY ANALYSIS - EXHIBITS B8 THROUGH B17.

OBJECTIVES

The objectives of this procedure are to:

- 1) determine monoline loss cost level needs for the appropriate rating variables;
- 2) determine indicated changes to the eight liability Commercial Package Policy (CPP) Package Modification Factors (PMFs) based on Premises/Operations and Products/Completed Operations data.

EXPERIENCE
BASE

The experience used in this relativity analysis is the latest five (5) years of accident year data, as reported under the Commercial Statistical Plan with aggregate loss costs adjusted to current loss cost level (multiline aggregate loss costs adjusted additionally by the current Implicit Package Modification Factors). Losses have been trended and developed in the Relativity Analysis. ALCCL have been trended.

SIMULTANEOUS
DETERMINATION
OF RATING
VARIABLE
RELATIVITIES

Once the aggregate loss costs at current level and incurred losses used in the analysis have been appropriately adjusted, the 5-year experience ratios are calculated for each combination of the appropriate rating variables. From these ratios, relativities to the statewide 5-year experience ratio are calculated. These relativities are then used in a minimum bias iterative review procedure, which simultaneously determines the relativities for each rating variable.

The purpose of a simultaneous review procedure is to arrive at a set of relativities for each rating variable that best represent the experience. For example, the type of policy relativities will serve to derive the relationship of CPP policies relative to monoline policies, via the PMF, while the class group and territory (if applicable) relativities will serve to derive the relationship of the various classification and territories relative to one another. An iterative technique is used to derive relativities for each rating variable. This procedure is in contrast to a one-way type of review, wherein relativities for each rating variable would each be reviewed separately.

Such one-way types of review do not take into account differing percentages of experience of each rating variable within the other rating variables. The simultaneous review procedure accounts for these different distributions in generating relativities for each rating variable.

RATING
VARIABLES
USED

For Premises/Operations and Products/Completed Operations, the rating variables used in the relativity analysis are as follows:

Manufacturers and Contractors -	type of policy and class group
Owners, Landlords and Tenants -	type of policy, territory and class group
Products -	type of policy and class group
Local Products/Completed Operations-	type of policy, state and class group

EXPLANATORY NOTES TO GENERAL LIABILITY
RELATIVITY ANALYSIS - EXHIBITS B8 THROUGH B17.

ITERATIVE
PROCEDURE

The iterative technique referred to in the previous paragraph solves for a set of relativities for each rating variable based on the experience for the cells; that is, based on the experience ratio and latest year adjusted aggregate loss cost volume for each combination of rating variables relative to the experience ratio and adjusted aggregate loss cost volume for all combinations of rating variables combined. Specifically, the iterative procedure uses the following formulas:

For Owners, Landlords and Tenants:

$$TOP_i = \frac{\sum_j \sum_k W_{ijk} r_{ijk}}{\sum_j \sum_k W_{ijk} CG_j TER_k} \quad \text{where } 1 \leq i \leq m$$
$$CG_j = \frac{\sum_i \sum_k W_{ijk} r_{ijk}}{\sum_i \sum_k W_{ijk} TOP_i TER_k} \quad \text{where } 1 \leq j \leq n$$
$$TER_k = \frac{\sum_i \sum_j W_{ijk} r_{ijk}}{\sum_i \sum_j W_{ijk} TOP_i CG_j} \quad \text{where } 1 \leq k \leq p$$

TOP_i is the relative change for the i^{th} type of policy;

CG_j is the relative change for the j^{th} class group;

TER_k is the relative change for the k^{th} territory;

W_{ijk} is the aggregate loss costs at current level for the i^{th}

type of policy, j^{th} class group and k^{th} territory;

r_{ijk} is the relative change for the i^{th} type of policy,

j^{th} class group and k^{th} territory;

m is the number of types of policy in the analysis;

n is the number of class groups in the analysis;

p is the number of territories in the analysis;

EXPLANATORY NOTES TO GENERAL LIABILITY
RELATIVITY ANALYSIS - EXHIBITS B8 THROUGH B17.

For Manufacturers and Contractors, and Products:

$$TOP_i = \frac{\sum_j W_{ij} r_{ij}}{\sum_j W_{ij} CG_j} \quad \text{where } 1 \leq i \leq m$$

$$CG_j = \frac{\sum_i W_{ij} r_{ij}}{\sum_i W_{ij} TOP_i} \quad \text{where } 1 \leq j \leq n$$

TOP_i is the relative change for the i^{th} type of policy;

CG_j is the relative change for the j^{th} class group;

W_{ij} is the aggregate loss costs at current level for the i^{th}

type of policy and j^{th} class group;

r_{ij} is the relative change for the i^{th} type of policy

and j^{th} class group;

m is the number of types of policy in the analysis;

n is the number of class groups in the analysis;

EXPLANATORY NOTES TO GENERAL LIABILITY
RELATIVITY ANALYSIS - EXHIBITS B8 THROUGH B17.

For Local Products/Completed Operations:

$$TOP_i = \frac{\sum_j \sum_k W_{ijk} r_{ijk}}{\sum_j \sum_k W_{ijk} CG_j ST_k} \quad \text{where } 1 \leq i \leq m$$

$$CG_j = \frac{\sum_i \sum_k W_{ijk} r_{ijk}}{\sum_i \sum_k W_{ijk} TOP_i ST_k} \quad \text{where } 1 \leq j \leq n$$

$$ST_k = \frac{\sum_i \sum_j W_{ijk} r_{ijk}}{\sum_i \sum_j W_{ijk} TOP_i CG_j} \quad \text{where } 1 \leq k \leq p$$

TOP_i is the relative change for the i^{th} type of policy;

CG_j is the relative change for the j^{th} class group;

ST_k is the relative change for the k^{th} state;

W_{ijk} is the aggregate loss costs at current level for the i^{th}

type of policy, j^{th} class group and k^{th} state;

r_{ijk} is the relative change for the i^{th} type of policy,

j^{th} class group and k^{th} state;

m is the number of types of policy in the analysis;

n is the number of class groups in the analysis;

p is the number of states in the analysis;

EXPLANATORY NOTES TO GENERAL LIABILITY
RELATIVITY ANALYSIS - EXHIBITS B8 THROUGH B17.

ITERATIVE
PROCEDURE
(Cont'd)

For example, for Owners, Landlords and Tenants, the procedure starts by inserting the actual relativities for type of policy and class group into the third formula to get a territory relativity. This result is then used with the class group relativity in the first formula to get a new type of policy relativity, which in turn is substituted along with the territory relativity into the second formula to get a new class group relativity. The process continues on in that fashion until there is no appreciable difference from one iteration to the next.

APPLICATION OF
CREDIBILITY

Consideration is then given to the credibility of the experience for each rating variable. The credibility of each of these categories is based on the formula

$$Z = \sqrt{P/18,000} \text{ for Owners, Landlords and Tenants, } Z = \sqrt{P/18,000} \text{ for}$$

$$\text{Manufacturers and Contractors and } Z = \sqrt{P/20,000} \text{ for Products, where P is the 5}$$

year occurrence total for a given class group, territory or type of policy. For Local Products/Completed Operations, separate formulas are used to calculate the credibility of the experience for each type of policy and class group versus the

credibility of the experience for each state, namely $Z = \sqrt{P/15,000}$ for type of

policy and class group, and $Z = \sqrt{P/5,500}$ for state (in this case, P is the 5 year

occurrence total for a given state). Credibility-weighted relativities are then calculated as follows:

$$W = RZ \quad \text{where:}$$

Z is the class group, territory, state or type of policy credibility;

R is the class group, territory, state or type of policy relativity;

W is the credibility-weighted relativity.

The resulting credibility-weighted relativities are then balanced to assure that the average relativity remains at unity.

INDICATED
CHANGES

The indicated changes by Type of Policy is calculated as follows:

$$\text{Indicated Change} = \frac{\text{Balanced Relativity for TOP}}{\text{Monoline Relativity}} - 1$$

EXPLANATORY NOTES TO GENERAL LIABILITY
RELATIVITY ANALYSIS - EXHIBITS B8 THROUGH B17.

MULTILINE
CONSIDERATIONS

The monoline relativities and the class group, territory (if applicable) and state relativities which result from the aforementioned procedures are then used to generate indicated monoline classification loss cost changes. The multiline relativities are used to generate multiline indications that apply to the current Implicit Package Modification Factors. The indicated IPMFs are calculated as follows:

$$\text{TOP y Indicated IPMF} = \frac{(\text{TOP y Current IPMF}) \times (\text{TOP y Relativity})}{\text{Monoline relativity}}$$

For each CPP Type of Policy the indicated IPMF is subject to a minimum value of 0.50 and a maximum value of 1.50. If an indicated IPMF falls outside one of those limits, it is capped at that amount, the aggregate loss costs for that Type of Policy are adjusted to the capped IPMF level, and the entire relativity review as described above is re-performed to take this into account.

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO

COMMERCIAL PACKAGE POLICY
SUMMARY OF THIS REVIEW

TYPE OF POLICY	PROPERTY PMFS			LIABILITY PMFS			PROP. & LIAB. TOTAL
	CURRENT	CAPPED	% CHANGE	CURRENT	CAPPED	% CHANGE	% CHANGE
MOTEL/HOTEL(31)	1.00	1.00	0.0%	1.00	1.00	0.0%	0.0%
APARTMENT (32)	0.87	0.93	6.9%	1.00	1.00	0.0%	4.4%
OFFICE (33)	1.00	1.00	0.0%	0.97	0.98	1.0%	0.7%
MERCANTILE (34)	1.00	1.00	0.0%	1.00	1.00	0.0%	0.0%
INSTITUTION(35)	0.92	0.97	5.4%	0.80	0.79	-1.3%	3.3%
SERVICES (36)	0.93	0.97	4.3%	1.00	0.96	-4.0%	0.3%
IND/PROC (37)	1.00	0.99	-1.0%	1.00	1.00	0.0%	-0.4%
CONTRACTORS(38)	1.00	1.00	0.0%	0.94	0.91	-3.2%	-2.9%
STATEWIDE			2.6%			-1.7%	-0.1%

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
COMMERCIAL PACKAGE POLICY
CALCULATION OF REVISED CPP PACKAGE MODIFICATION FACTORS(PMF)

MOTEL/HOTEL(31) *****	(1) AGGREGATE LOSS COSTS	(2) CURRENT IMPLICIT PMF	(3) NET INDICATION	(4) INDIC. PMF	(5) CAPPED PMF
COVERAGE					
PROPERTY-					
BASIC GRP I	324,713	0.859	-4.7%	0.819	0.815
BASIC GRP II	262,544	1.302	7.0%	1.393	1.386
SP CAUSE/LOSS	122,154	0.970	-1.4%	0.956	0.952
* CRIME	3,087	0.669	0.0%	0.669	0.669
* INL. MAR.	2,878	0.910	0.0%	0.910	0.910
* FIDELITY	16,568	1.000	0.0%	1.000	1.000
TOTAL	731,944	1.000	0.5%	1.005	1.000
LIABILITY-					
OL&T	855,500	1.000	1.5%	1.015	1.000
TOTAL	855,500	1.000	1.5%	1.015	1.000

PROP. & LIAB. TOTAL	1,587,444		1.0%		0.0%

APARTMENT (32) *****	(1) AGGREGATE LOSS COSTS	(2) CURRENT IMPLICIT PMF	(3) NET INDICATION	(4) INDIC. PMF	(5) CAPPED PMF
COVERAGE					
PROPERTY-					
BASIC GRP I	331,329	0.734	1.5%	0.745	0.761
BASIC GRP II	460,688	0.956	9.9%	1.051	1.073
SP CAUSE/LOSS	351,303	0.945	-1.6%	0.930	0.949
* CRIME	732	0.669	0.0%	0.669	0.669
* INL. MAR.	1,092	0.910	0.0%	0.910	0.910
* FIDELITY	7,991	1.000	0.0%	1.000	1.000
TOTAL	1,153,135	0.870	4.7%	0.911	0.930
LIABILITY-					
OL&T	663,760	1.000	2.1%	1.021	1.000
TOTAL	663,760	1.000	2.1%	1.021	1.000

PROP. & LIAB. TOTAL	1,816,895		3.7%		4.4%

* indicates coverage for which reviews are on a MULTISTATE basis.

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
COMMERCIAL PACKAGE POLICY
CALCULATION OF REVISED CPP PACKAGE MODIFICATION FACTORS(PMF)

OFFICE (33) *****	(1) AGGREGATE LOSS COSTS	(2) CURRENT IMPLICIT PMF	(3) NET INDICATION	(4) INDIC. PMF	(5) CAPPED PMF
COVERAGE					
PROPERTY-					
BASIC GRP I	319,269	0.982	-4.5%	0.938	0.934
BASIC GRP II	300,534	1.083	6.0%	1.148	1.143
SP CAUSE/LOSS	195,020	0.945	-2.0%	0.926	0.922
* CRIME	3,853	0.669	0.0%	0.669	0.669
* INL. MAR.	3,027	0.910	0.0%	0.910	0.910
* FIDELITY	14,363	1.000	0.0%	1.000	1.000
TOTAL	836,066	1.000	0.4%	1.004	1.000
LIABILITY-					
OL&T	1,921,291	0.978	0.6%	0.984	0.987
M&C	113,752	0.924	-2.9%	0.897	0.900
TOTAL	2,035,043	0.970	0.9%	0.979	0.980

PROP. & LIAB. TOTAL	2,871,109		0.8%		0.7%

MERCANTILE (34) *****	(1) AGGREGATE LOSS COSTS	(2) CURRENT IMPLICIT PMF	(3) NET INDICATION	(4) INDIC. PMF	(5) CAPPED PMF
COVERAGE					
PROPERTY-					
BASIC GRP I	1,450,916	0.879	1.4%	0.891	0.877
BASIC GRP II	1,308,140	1.189	3.2%	1.227	1.207
SP CAUSE/LOSS	942,842	1.036	-2.9%	1.006	0.990
* CRIME	19,062	0.669	0.0%	0.669	0.669
* INL. MAR.	54,221	0.910	0.0%	0.910	0.910
* FIDELITY	109,706	1.000	0.0%	1.000	1.000
TOTAL	3,884,887	1.000	1.6%	1.016	1.000
LIABILITY-					
OL&T	3,417,413	0.980	-0.4%	0.976	0.972
M&C	394,727	1.293	-1.0%	1.280	1.275
LOCAL PRODUCT	221,371	1.231	1.9%	1.254	1.249
* MULTI PRODUCT	244,631	0.862	3.1%	0.889	0.889
TOTAL	4,278,142	1.000	0.4%	1.004	1.000

PROP. & LIAB. TOTAL	8,163,029		1.0%		0.0%

* indicates coverage for which reviews are on a MULTISTATE basis.

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
COMMERCIAL PACKAGE POLICY
CALCULATION OF REVISED CPP PACKAGE MODIFICATION FACTORS(PMF)

INSTITUTION(35) *****	(1) AGGREGATE LOSS COSTS	(2) CURRENT IMPLICIT PMF	(3) NET INDICATION	(4) INDIC. PMF	(5) CAPPED PMF
COVERAGE					
PROPERTY-					
BASIC GRP I	942,411	0.784	-1.4%	0.773	0.780
BASIC GRP II	1,066,625	1.138	8.3%	1.232	1.244
SP CAUSE/LOSS	485,955	0.911	0.9%	0.919	0.928
* CRIME	12,509	0.669	0.0%	0.669	0.669
* INL. MAR.	1,519	0.910	0.0%	0.910	0.910
* FIDELITY	52,944	1.000	0.0%	1.000	1.000
TOTAL	2,561,963	0.920	4.6%	0.962	0.970
LIABILITY-					
OL&T	1,165,820	0.808	-1.4%	0.797	0.798
M&C	49,874	0.598	-1.9%	0.587	0.588
TOTAL	1,215,694	0.800	-1.8%	0.785	0.790

PROP. & LIAB.	3,777,657		2.5%		3.3%
TOTAL					

SERVICES (36) *****	(1) AGGREGATE LOSS COSTS	(2) CURRENT IMPLICIT PMF	(3) NET INDICATION	(4) INDIC. PMF	(5) CAPPED PMF
COVERAGE					
PROPERTY-					
BASIC GRP I	687,247	0.671	-2.4%	0.655	0.661
BASIC GRP II	928,105	1.166	4.3%	1.216	1.227
SP CAUSE/LOSS	677,638	1.136	0.2%	1.138	1.149
* CRIME	7,205	0.669	0.0%	0.669	0.669
* INL. MAR.	11,846	0.910	0.0%	0.910	0.910
* FIDELITY	39,651	1.000	0.0%	1.000	1.000
TOTAL	2,351,692	0.930	3.0%	0.958	0.970
LIABILITY-					
OL&T	868,482	0.856	-8.8%	0.781	0.782
M&C	865,003	1.160	0.6%	1.167	1.169
LOCAL PRODUCT	403,746	1.090	-5.3%	1.032	1.034
* MULTI PRODUCT	34,893	0.914	5.4%	0.963	0.963
TOTAL	2,172,124	1.000	-4.0%	0.960	0.960

PROP. & LIAB.	4,523,816		-0.4%		0.3%
TOTAL					

* indicates coverage for which reviews are on a MULTISTATE basis.

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
COMMERCIAL PACKAGE POLICY
CALCULATION OF REVISED CPP PACKAGE MODIFICATION FACTORS(PMF)

IND/PROC (37) *****	(1) AGGREGATE LOSS COSTS	(2) CURRENT IMPLICIT PMF	(3) NET INDICATION	(4) INDIC. PMF	(5) CAPPED PMF
COVERAGE					
PROPERTY-					
BASIC GRP I	572,789	1.076	-3.3%	1.040	1.050
BASIC GRP II	220,712	0.904	3.9%	0.939	0.948
SP CAUSE/LOSS	230,696	0.923	-3.3%	0.893	0.901
* CRIME	309	0.669	0.0%	0.669	0.669
* INL. MAR.	729	0.910	0.0%	0.910	0.910
* FIDELITY	18,692	1.000	0.0%	1.000	1.000
TOTAL	1,043,927	1.000	-1.9%	0.981	0.990
LIABILITY-					
M&C	1,607,781	1.086	-4.2%	1.040	1.042
LOCAL PRODUCT	101,572	0.737	-0.1%	0.736	0.737
* MULTI PRODUCT	212,035	0.860	4.3%	0.897	0.897
TOTAL	1,921,388	1.000	-0.1%	0.999	1.000

PROP. & LIAB.	2,965,315		-0.7%		-0.4%
TOTAL					

CONTRACTORS(38) *****	(1) AGGREGATE LOSS COSTS	(2) CURRENT IMPLICIT PMF	(3) NET INDICATION	(4) INDIC. PMF	(5) CAPPED PMF
COVERAGE					
PROPERTY-					
BASIC GRP I	199,318	0.738	-2.2%	0.722	0.720
BASIC GRP II	282,419	1.343	1.1%	1.358	1.355
SP CAUSE/LOSS	293,131	1.028	-2.1%	1.006	1.005
* CRIME	725	0.669	0.0%	0.669	0.669
* INL. MAR.	1,944	0.910	0.0%	0.910	0.910
* FIDELITY	31,762	1.000	0.0%	1.000	1.000
TOTAL	809,299	1.000	0.2%	1.002	1.000
LIABILITY-					
M&C	4,723,598	0.957	-5.0%	0.909	0.911
LOCAL PRODUCT	4,107,015	0.911	-1.4%	0.898	0.900
TOTAL	8,830,613	0.940	-3.8%	0.904	0.910

PROP. & LIAB.	9,639,912		-3.5%		-2.9%
TOTAL					

* indicates coverage for which reviews are on a MULTISTATE basis.

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO

COMMERCIAL PACKAGE POLICY

CALCULATION OF REVISED CPP PACKAGE MODIFICATION FACTORS(PMF)

STATEWIDE *****	(1) AGGREGATE LOSS COSTS	(2) CURRENT IMPLICIT PMF	(3) NET INDICATION	(4) INDIC. PMF	(5) CAPPED PMF
COVERAGE					
PROPERTY-					
BASIC GRP I	4,827,992	0.828	-1.2%	0.818	0.818
BASIC GRP II	4,829,767	1.137	5.5%	1.200	1.200
SP CAUSE/LOSS	3,298,739	1.006	-1.4%	0.992	0.993
* CRIME	47,482	0.669	0.0%	0.669	0.669
* INL. MAR.	77,256	0.910	0.0%	0.910	0.910
* FIDELITY	291,677	1.000	0.0%	1.000	1.000
TOTAL	13,372,913	0.956	2.5%	0.980	0.981
LIABILITY-					
OL&T	8,892,266	0.943	-0.8%	0.935	0.933
M&C	7,754,735	1.011	-4.0%	0.971	0.972
LOCAL PRODUCT	4,833,704	0.930	-1.5%	0.916	0.917
* MULTI PRODUCT	491,559	0.865	3.8%	0.898	0.898
TOTAL	21,972,264	0.958	-1.7%	0.942	0.942

PROP. & LIAB.	35,345,177		-0.1%		-0.1%
TOTAL					

* indicates coverage for which reviews are on a MULTISTATE basis.

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO

COMMERCIAL PACKAGE POLICY

CALCULATION OF REVISED CPP PACKAGE MODIFICATION FACTORS(PMF)

COMBINED PMFs

TYPE OF POLICY	CURRENT COMBINED	INDICATED COMBINED	CAPPED COMBINED
MOTEL/HOTEL(31)	1.000	1.010	1.000
APARTMENT (32)	0.910	0.948	0.950
OFFICE (33)	0.980	0.986	0.990
MERCANTILE (34)	1.000	1.010	1.000
INSTITUTION(35)	0.880	0.899	0.900
SERVICES (36)	0.960	0.959	0.960
IND/PROC (37)	1.000	0.992	1.000
CONTRACTORS(38)	0.940	0.912	0.910

NOTE: Combined PMFs are provided for informational purposes only.

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
BASIC GROUP I RELATIVITY ANALYSIS

	(1)	(2)	(3)	(4)	(5)
	LEAST SQUARES		CREDIBILITY		
TYPE OF	FORMULA		WEIGHTED	BALANCED	INDICATED
POLICY	RELATIVITY	CREDIBILITY	RELATIVITY	RELATIVITY	CHANGE
10	1.247	0.026	1.006	1.011	
31	0.056	0.015	0.958	0.963	-4.7%
32	3.830	0.015	1.020	1.026	1.5%
33	0.078	0.016	0.960	0.965	-4.5%
34	1.363	0.062	1.019	1.025	1.4%
35	0.816	0.041	0.992	0.997	-1.4%
36	0.582	0.034	0.982	0.987	-2.4%
37	0.329	0.025	0.973	0.978	-3.3%
38	0.205	0.010	0.984	0.989	-2.2%
TERRITORY					
Albuquerque	1.375	0.114	1.037	1.056	
Balance of State	0.845	0.251	0.959	0.977	

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS

	(1)	(2)	(3)	(4)	(5)
	LEAST SQUARES		CREDIBILITY		
TYPE OF	FORMULA		WEIGHTED	BALANCED	INDICATED
POLICY	RELATIVITY	CREDIBILITY	RELATIVITY	RELATIVITY	CHANGE
10	1.336	0.040	1.012	1.013	
31	0.823	0.014	0.997	0.999	-1.4%
32	0.900	0.040	0.996	0.997	-1.6%
33	0.696	0.024	0.991	0.993	-2.0%
34	0.837	0.100	0.982	0.984	-2.9%
35	1.458	0.054	1.021	1.022	0.9%
36	1.178	0.080	1.013	1.015	0.2%
37	0.495	0.031	0.978	0.980	-3.3%
38	0.760	0.036	0.990	0.992	-2.1%
CATEGORY					
1	1.144	0.411	1.057	1.028	
2	0.701	0.042	0.985	0.958	
3	0.737	0.038	0.988	0.961	
4	0.819	0.063	0.987	0.960	
5	1.057	0.034	1.002	0.974	
6	0.868	0.019	0.997	0.970	
7	0.758	0.013	0.996	0.969	
8	0.564	0.030	0.983	0.956	
9	0.598	0.033	0.983	0.956	
10	1.690	0.012	1.006	0.979	
11	1.240	0.031	1.007	0.979	
12	0.383	0.060	0.944	0.918	
13	0.698	0.029	0.990	0.963	
14	0.972	0.067	0.998	0.971	

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
BASIC GROUP I RELATIVITY ANALYSIS
SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	(1)	(2)	(3)	(4)
	ACCIDENT YEAR			
	ENDING 12/31/19	5 - YEAR	5 - YEAR	RELATIVITY
	AGGREGATE LOSS COSTS	AGGREGATE LOSS COSTS	EXPERIENCE RATIO	

ENTIRE STATE				
10 MONOLINE	567,383	2,641,574	1.127	1.265
31 MULTILINE MOTEL/HOTEL	324,713	1,524,081	0.046	0.052
32 MULTILINE APARTMENT	331,329	1,551,304	3.494	3.921
33 MULTILINE OFFICE	319,269	1,654,952	0.071	0.080
34 MULTILINE MERCANTILE	1,450,916	6,623,334	1.264	1.419
35 MULTILINE INSTITUTIONAL	942,411	4,288,543	0.610	0.685
36 MULTILINE SERVICES	687,247	3,564,171	0.512	0.575
37 MULTILINE INDUST/PROCESS	572,789	2,612,266	0.304	0.341
38 MULTILINE CONTRACTORS	<u>199,318</u>	<u>985,206</u>	<u>0.181</u>	<u>0.203</u>
TOTAL ALL TOPS*	5,395,375	25,445,431	0.891	1.000

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

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS
SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 03/31/20 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) CREDIBILITY WEIGHTED EXPERIENCE RATIO	(5) CREDIBILITY WEIGHTED RELATIVITY
-----	-----	-----	-----	-----	-----	-----
10 MONOLINE	01 BUILDINGS	174,191	847,920	1.850	1.758	1.597
	02 RES. APTS. AND COND	4,674	26,021	0.510	0.973	0.884
	03 OFFICES	33,075	165,754	0.696	0.896	0.814
	04 MERCANTILE - HIGH	47,534	206,910	0.345	0.653	0.593
	05 MERCANTILE - MEDIUM	10,484	45,699	0.614	0.971	0.882
	06 MERCANTILE - LOW	3,775	15,709	0.000	0.856	0.777
	07 MOTELS AND HOTELS	5,417	26,480	0.441	0.950	0.863
	08 INSTITUTIONAL - HIGH	6,177	27,985	0.000	0.806	0.732
	09 INSTITUTIONAL - LOW	5,563	34,597	0.000	0.781	0.709
	10 INDUST-PROC - HIGH	955	4,166	0.000	0.909	0.826
	11 INDUST-PROC - LOW	8,757	40,076	0.078	0.790	0.718
	12 SERVICE - HIGH	15,283	86,440	0.185	0.716	0.650
	13 SERVICE - LOW	17,327	88,910	1.348	1.261	1.145
	14 CONTRACTORS	5,027	48,018	0.485	0.919	0.835
	TOTAL*	338,239	1,664,685	1.189	1.314	1.194
31 MULTILINE MOTEL/HOTEL	01 BUILDINGS	84,516	413,727	1.053	1.058	0.961
	07 MOTELS AND HOTELS	37,638	171,023	0.040	0.708	0.643
	TOTAL*	122,154	584,750	0.741	0.950	0.863
32 MULTILINE APARTMENT	01 BUILDINGS	217,108	1,024,443	1.193	1.157	1.051
	02 RES. APTS. AND COND	134,195	627,640	0.492	0.709	0.644
	TOTAL*	351,303	1,652,083	0.925	0.986	0.895
33 MULTILINE OFFICE	01 BUILDINGS	133,428	647,056	0.773	0.882	0.801
	03 OFFICES	60,120	316,479	0.242	0.679	0.617
	04 MERCANTILE - HIGH	640	3,428	2.191	1.191	1.082
	08 INSTITUTIONAL - HIGH	140	1,489	0.000	0.947	0.860
	12 SERVICE - HIGH	481	4,607	0.000	0.940	0.854
	14 CONTRACTORS	211	5,508	0.000	0.938	0.852
	TOTAL*	195,020	978,567	0.611	0.820	0.745

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS
SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 03/31/20 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) CREDIBILITY WEIGHTED EXPERIENCE RATIO	(5) CREDIBILITY WEIGHTED RELATIVITY
-----	-----	-----	-----	-----	-----	-----
34 MULTILINE MERCANTILE	01 BUILDINGS	630,213	2,919,114	1.073	1.072	0.974
	03 OFFICES	5,581	20,738	0.841	1.031	0.936
	04 MERCANTILE - HIGH	129,104	696,554	0.795	0.891	0.809
	05 MERCANTILE - MEDIUM	100,723	470,105	0.956	1.004	0.912
	06 MERCANTILE - LOW	54,060	262,394	0.493	0.819	0.744
	08 INSTITUTIONAL - HIG	699	1,923	0.000	0.946	0.859
	11 INDUST-PROC - LOW	408	2,482	0.000	0.945	0.858
	12 SERVICE - HIGH	10,044	28,785	0.117	0.913	0.829
	13 SERVICE - LOW	3,431	13,515	0.000	0.923	0.838
	14 CONTRACTORS	8,579	41,947	0.000	0.871	0.791
	TOTAL*	942,842	4,457,557	0.963	1.021	0.927
35 MULTILINE INSTITUTIONAL	01 BUILDINGS	292,574	1,439,592	2.102	1.875	1.703
	03 OFFICES	3,641	4,962	2.983	1.287	1.169
	06 MERCANTILE - LOW	60	170	0.000	0.949	0.862
	08 INSTITUTIONAL - HIG	79,785	372,527	0.787	0.924	0.839
	09 INSTITUTIONAL - LOW	101,808	433,089	0.910	0.981	0.891
	12 SERVICE - HIGH	949	2,013	0.000	0.945	0.858
	13 SERVICE - LOW	7,009	13,050	0.000	0.924	0.839
	14 CONTRACTORS	129	404	0.000	0.949	0.862
	TOTAL*	485,955	2,265,807	1.608	1.511	1.373
36 MULTILINE SERVICES	01 BUILDINGS	429,450	2,151,849	1.564	1.516	1.377
	03 OFFICES	2,222	10,461	0.000	0.851	0.773
	04 MERCANTILE - HIGH	3,380	17,290	0.000	0.827	0.751
	05 MERCANTILE - MEDIUM	473	1,674	59.945	7.081	6.431
	06 MERCANTILE - LOW	1,649	3,054	0.000	0.879	0.798
	08 INSTITUTIONAL - HIG	8,617	56,849	0.000	0.709	0.644
	09 INSTITUTIONAL - LOW	6,838	47,745	0.000	0.733	0.666
	10 INDUST-PROC - HIGH	-	11	0.000	1.000	1.000
	11 INDUST-PROC - LOW	266	1,299	0.000	0.886	0.805
	12 SERVICE - HIGH	158,509	824,753	0.390	0.504	0.458
	13 SERVICE - LOW	61,483	335,240	0.866	0.909	0.826
	14 CONTRACTORS	4,751	47,035	0.000	0.735	0.668
	TOTAL*	677,638	3,497,260	1.203	1.197	1.087

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS
SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 03/31/20 AGGREGATE LOSS COSTS	(2) 5 - YEAR AGGREGATE LOSS COSTS	(3) 5 - YEAR EXPERIENCE RATIO	(4) CREDIBILITY WEIGHTED EXPERIENCE RATIO	(5) CREDIBILITY WEIGHTED RELATIVITY
37 MULTILINE INDUST/PROC	01 BUILDINGS	113,564	570,952	0.492	0.617	0.560
	03 OFFICES	1,444	19,017	0.000	0.821	0.746
	04 MERCANTILE - HIGH	6,818	37,816	0.377	0.847	0.769
	05 MERCANTILE - MEDIUM	1,738	12,465	0.000	0.844	0.767
	10 INDUST-PROC - HIGH	32,829	185,379	0.904	0.945	0.858
	11 INDUST-PROC - LOW	73,216	437,688	0.621	0.732	0.665
	12 SERVICE - HIGH	8	512	0.000	0.890	0.808
	13 SERVICE - LOW	-	279	0.000	1.000	1.000
	14 CONTRACTORS	1,079	9,105	0.000	0.856	0.777
	TOTAL*	230,696	1,273,213	0.579	0.711	0.646
38 MULTILINE CONTRACTORS	01 BUILDINGS	90,001	451,129	0.950	0.961	0.873
	03 OFFICES	10,532	51,595	1.480	1.119	1.016
	04 MERCANTILE - HIGH	11,103	48,970	2.126	1.284	1.166
	05 MERCANTILE - MEDIUM	267	663	0.000	0.889	0.807
	06 MERCANTILE - LOW	2,863	12,854	2.373	1.190	1.081
	08 INSTITUTIONAL - HIG	395	1,376	0.000	0.886	0.805
	11 INDUST-PROC - LOW	133	317	0.000	0.890	0.808
	12 SERVICE - HIGH	666	5,174	0.000	0.871	0.791
	13 SERVICE - LOW	908	4,162	0.000	0.875	0.795
	14 CONTRACTORS	176,263	923,172	0.799	0.832	0.756
	TOTAL*	293,131	1,499,412	0.929	0.903	0.820
TOTAL ALL TOPS*	01 BUILDINGS	2,165,045	10,465,782	1.329	1.291	1.173
	02 RES. APTS. AND COND	138,869	653,661	0.493	0.718	0.652
	03 OFFICES	116,615	589,006	0.589	0.821	0.746
	04 MERCANTILE - HIGH	198,579	1,010,968	0.738	0.854	0.776
	05 MERCANTILE - MEDIUM	113,685	530,606	1.153	1.023	0.930
	06 MERCANTILE - LOW	62,407	294,181	0.536	0.840	0.763
	07 MOTELS AND HOTELS	43,055	197,503	0.090	0.739	0.671
	08 INSTITUTIONAL - HIG	95,813	462,149	0.655	0.897	0.815
	09 INSTITUTIONAL - LOW	114,209	515,431	0.811	0.956	0.869
	10 INDUST-PROC - HIGH	33,784	189,556	0.878	0.944	0.857
	11 INDUST-PROC - LOW	82,780	481,862	0.558	0.740	0.672
	12 SERVICE - HIGH	185,940	952,284	0.354	0.548	0.498
	13 SERVICE - LOW	90,158	455,156	0.850	0.978	0.888
	14 CONTRACTORS	196,039	1,075,189	0.731	0.834	0.757
	TOTAL*	3,636,978	17,873,334	1.058	1.101	1.000

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

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO							
BASIC GROUP II RELATIVITY ANALYSIS							

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
ACCIDENT YEAR ENDING 03/31/20 AGGR. LOSS COSTS AT CURRENT IMPLICIT PMF	ACCIDENT YEARS 2011 - 2020 EXPER. RATIO AT CURRENT PMF	FORMULA RELATIVITY (2)/ 1.268	CREDIBILITY C	CREDIBILITY WEIGHTED RELATIVITY D	BALANCED FORMULA RELATIVITY E	NORMALIZED FORMULA RELATIVITY F	INDICATED CHANGE
-----	-----	-----	-----	-----	-----	-----	-----
MONOLINE	440,935	0.7880	0.6210	0.966	0.9660	0.9521	
MULTILINE	4,829,767	1.3120	1.0350	1.019	1.0190	1.0043	
-----	-----	-----	-----	-----	-----	-----	
COVERAGE	5,270,702	1.2680	1.0000		1.0146	0.9999	
MULTILINE TOP							
31 MOTEL/HOTEL	262,544	1.6580	1.3080	1.019	1.0340	1.0191	7.0%
32 APARTMENT	460,688	1.9260	1.5190	1.046	1.0620	1.0467	9.9%
33 OFFICE	300,534	1.4370	1.1330	1.009	1.0240	1.0093	6.0%
34 MERCANTILE	1,308,140	1.1670	0.9200	0.982	0.9970	0.9827	3.2%
35 INSTITUTIONAL	1,066,625	1.4640	1.1550	1.031	1.0460	1.0309	8.3%
36 SERVICES	928,105	1.2220	0.9640	0.993	1.0080	0.9935	4.3%
37 INDUST/PROCESS	220,712	0.9840	0.7760	0.989	1.0040	0.9896	3.9%
38 CONTRACTORS	282,419	0.5020	0.3960	0.963	0.9770	0.9629	1.1%
-----	-----	-----	-----	-----	-----	-----	
	4,829,767	1.3120	1.0350	1.0040	1.0190	1.0043	

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

D - (5) = (3) * (4) + (1.000 - (4))

E - FOR UNCAPPED MULTILINE TOPS: (6) = (5) * (1.019/1.004)

FOR CAPPED MULTILINE TOPS: (6) = (0.966) * (7) / (0.9521)

F - (7) = (6) / 1.0146

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
OWNERS, LANDLORDS AND TENANTS
BASIC LIMIT RELATIVE CHANGE ANALYSIS

TYPE OF POLICY	(1) BAILEY FORMULA RELATIVITY	(2) CREDIBILITY	(3) CREDIBILITY WEIGHTED RELATIVITY	(4) BALANCED RELATIVITY	(5) INDICATED CHANGE
10	1.051	0.130	1.006	1.006	
31	1.267	0.091	1.022	1.021	1.5%
32	1.505	0.067	1.028	1.027	2.1%
33	1.131	0.099	1.012	1.012	0.6%
34	1.018	0.129	1.002	1.002	-0.4%
35	0.875	0.060	0.992	0.992	-1.4%
36	0.242	0.062	0.916	0.917	-8.8%
CLASS GROUP					
1	0.670	0.058	0.977	0.981	
2	0.847	0.112	0.982	0.986	
3	0.623	0.049	0.977	0.981	
4	4.836	0.013	1.021	1.023	
5	0.280	0.022	0.972	0.976	
6	0.114	0.024	0.949	0.955	
7	1.973	0.065	1.045	1.049	
8	0.368	0.020	0.980	0.985	
9	1.006	0.107	1.001	1.005	
10	1.215	0.061	1.012	1.016	
11	1.218	0.074	1.015	1.019	
12	0.912	0.133	0.988	0.992	
13	1.361	0.032	1.010	1.014	
16	0.202	0.007	0.989	0.993	

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO

MANUFACTURERS AND CONTRACTORS

BASIC LIMIT RELATIVE CHANGE ANALYSIS

TYPE OF POLICY	(1) BAILEY FORMULA	(2) CREDIBILITY	(3) CREDIBILITY WEIGHTED RELATIVITY	(4) BALANCED RELATIVITY	(5) INDICATED CHANGE
	RELATIVITY	CREDIBILITY	RELATIVITY	RELATIVITY	CHANGE
10	1.192	0.134	1.024	1.025	
33	0.746	0.022	0.994	0.995	-2.9%
34	1.323	0.051	1.014	1.015	-1.0%
35	1.367	0.017	1.005	1.006	-1.9%
36	1.420	0.083	1.030	1.031	0.6%
37	0.674	0.051	0.980	0.982	-4.2%
38	0.820	0.142	0.972	0.974	-5.0%
CLASS GROUP					
30	0.961	0.058	0.998	1.003	
31	1.314	0.084	1.023	1.028	
32	0.901	0.142	0.985	0.990	
33	0.958	0.091	0.996	1.001	
34	1.355	0.074	1.023	1.028	
35	1.233	0.021	1.004	1.010	
36	0.840	0.033	0.994	0.999	
37	2.745	0.020	1.020	1.025	
38	0.682	0.068	0.974	0.979	

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
OWNERS, LANDLORDS, AND TENANTS
SUMMARY OF EXPERIENCE USED IN BASIC LIMIT RELATIVE CHANGE ANALYSIS

TERRITORY ALL		(1)	(2)	(3)	(4)	(5)	(6)
TYPE OF POLICY	CLASS GROUP	CALENDAR A.Y.E. 12/31/20 AGGREGATE LOSS COSTS AT CURRENT LEVEL	CALENDAR A.Y.E. 2016-2020 AGG LOSS COST CURRENT LEVEL	FIVE YEAR EXPERIENCE RATIO	RELATIVITY	NUMBER OF OCCURRENCES	BAL CELL RELATIVITY
10 MONOLINE	01 FOOD&BEV.(RETAIL)	\$94,547	\$360,276	0.762	0.572	11	0.987
	02 RESTAURANTS	\$180,463	\$934,476	1.057	0.793	44	0.992
	03 STORES	\$72,688	\$379,446	0.727	0.546	19	0.987
	04 VENDING & RENTAL	\$6,490	\$30,386	9.368	7.034	1	1.029
	05 FOOD & BEV. DIST.	\$23,026	\$221,520	0.054	0.041	2	0.982
	06 NON-FOOD&BEV.DIST	\$16,948	\$130,861	0.183	0.138	5	0.961
	07 CLUBS,AMSMT&SPRTS	\$285,673	\$1,153,303	3.116	2.340	48	1.056
	08 HEALTH CARE FACIL	\$46,269	\$226,369	1.112	0.835	3	0.991
	09 HOTELS AND MOTELS	\$232,386	\$967,972	1.358	1.020	54	1.011
	10 SCHLS & CHURCHES	\$116,049	\$586,473	0.906	0.681	12	1.022
	11 APARTMENTS	\$336,782	\$1,954,558	1.646	1.236	41	1.025
	12 BUILDINGS&OFFICES	\$288,981	\$1,823,209	1.524	1.144	60	0.998
	13 MISC. PREMISES	\$20,349	\$184,014	0.129	0.097	4	1.020
	TOTAL *	\$1,720,651	\$8,952,863	1.593		304	
31 MULT MOTEL/HOTEL	09 HOTELS AND MOTELS	\$499,416	\$2,306,426	1.698	1.275	149	1.026
	TOTAL *	\$499,416	\$2,306,426	1.698		149	
32 MULT APARTMENT	11 APARTMENTS	\$291,384	\$1,235,316	2.509	1.883	58	1.046
	12 BUILDINGS&OFFICES	\$96,100	\$427,017	1.623	1.219	22	1.019
	TOTAL *	\$387,484	\$1,662,333	2.289		80	
33 MULT OFFICE	12 BUILDINGS&OFFICES	\$1,118,884	\$5,421,424	1.378	1.034	175	1.004
	13 MISC. PREMISES	\$2,710	\$13,957	0.343	0.258	3	1.026
	TOTAL *	\$1,121,594	\$5,435,381	1.375		178	
34 MULT MERCANTILE	01 FOOD&BEV.(RETAIL)	\$271,690	\$1,486,563	0.968	0.727	50	0.983
	02 RESTAURANTS	\$1,122,108	\$4,651,350	1.168	0.877	180	0.988
	03 STORES	\$236,721	\$1,171,181	0.904	0.678	22	0.983
	04 VENDING & RENTAL	\$3,264	\$15,044	0.000	0.000	0	1.025
	05 FOOD & BEV. DIST.	\$18,905	\$199,266	0.790	0.593	7	0.978
	06 NON-FOOD&BEV.DIST	\$53,601	\$287,565	0.147	0.111	5	0.957
	12 BUILDINGS&OFFICES	\$288,698	\$1,493,899	1.099	0.825	36	0.994
	TOTAL *	\$1,994,987	\$9,304,868	1.067		300	

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
OWNERS, LANDLORDS, AND TENANTS
SUMMARY OF EXPERIENCE USED IN BASIC LIMIT RELATIVE CHANGE ANALYSIS

TERRITORY ALL		(1)	(2)	(3)	(4)	(5)	(6)
TYPE OF POLICY	CLASS GROUP	CALENDAR A.Y.E. 12/31/20 AGGREGATE LOSS COSTS AT CURRENT LEVEL	CALENDAR A.Y.E. 2016-2020 AGG LOSS COST CURRENT LEVEL	FIVE YEAR EXPERIENCE RATIO	RELATIVITY	NUMBER OF OCCURRENCES	BAL CELL RELATIVITY
35 MULT INSTITUT.	07 CLUBS,AMSMT&SPRTS	\$103,592	\$252,361	1.708	1.282	7	1.041
	08 HEALTH CARE FACIL	\$78,330	\$361,026	0.067	0.050	3	0.977
	10 SCHLS & CHURCHES	\$346,807	\$1,671,259	1.683	1.264	54	1.007
	12 BUILDINGS&OFFICES	\$2,821	\$16,044	0.000	0.000	0	0.983
	16 GOVT SUBDIVISIONS	\$149,022	\$923,899	0.235	0.176	1	0.985
	TOTAL *	\$680,572	\$3,224,589	1.177		65	
36 MULT SERVICES	03 STORES	\$32,112	\$116,065	0.095	0.071	3	0.899
	04 VENDING & RENTAL	\$19,705	\$90,992	1.792	1.345	2	0.938
	07 CLUBS,AMSMT&SPRTS	\$237,011	\$1,137,565	0.467	0.351	22	0.962
	08 HEALTH CARE FACIL	\$5,418	\$27,460	0.258	0.193	1	0.903
	09 HOTELS AND MOTELS	\$35,072	\$178,983	0.660	0.496	2	0.921
	10 SCHLS & CHURCHES	\$1,299	\$3,628	0.155	0.117	0	0.931
	12 BUILDINGS&OFFICES	\$132,002	\$593,662	0.189	0.142	27	0.909
	13 MISC. PREMISES	\$44,376	\$244,333	1.359	1.020	12	0.93
	TOTAL *	\$506,995	\$2,392,688	0.511		69	
TOTAL ALL TOP	01 FOOD&BEV.(RETAIL)	\$366,237	\$1,846,839	0.915		61	
	02 RESTAURANTS	\$1,302,571	\$5,585,826	1.153		224	
	03 STORES	\$341,521	\$1,666,692	0.790		44	
	04 VENDING & RENTAL	\$29,459	\$136,422	3.263		3	
	05 FOOD & BEV. DIST.	\$41,931	\$420,786	0.386		9	
	06 NON-FOOD&BEV.DIST	\$70,549	\$418,426	0.156		10	
	07 CLUBS,AMSMT&SPRTS	\$626,276	\$2,543,229	1.881		77	
	08 HEALTH CARE FACIL	\$130,017	\$614,855	0.447		7	
	09 HOTELS AND MOTELS	\$766,874	\$3,453,381	1.548		205	
	10 SCHLS & CHURCHES	\$464,155	\$2,261,360	1.485		66	
	11 APARTMENTS	\$628,166	\$3,189,874	2.046		99	
	12 BUILDINGS&OFFICES	\$1,927,486	\$9,775,255	1.287		320	
	13 MISC. PREMISES	\$67,435	\$442,304	0.947		19	
	16 GOVT SUBDIVISIONS	\$149,022	\$923,899	0.235		1	
	TOTAL *	\$6,911,699	\$33,279,148	1.332		1,145	

* TOTALS IN COLUMNS (3) ARE AVERAGES USING COLUMN (1) AS WEIGHTS.

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
MANUFACTURERS AND CONTRACTORS
SUMMARY OF EXPERIENCE USED IN BASIC LIMIT RELATIVE CHANGE ANALYSIS

TYPE OF POLICY	CLASS GROUP	(1)	(2)	(3)	(4)	(5)	(6)
		CALENDAR A.Y.E. 12/31/20 AGGREGATE LOSS COSTS AT CURRENT LEVEL	CALENDAR A.Y.E. 2016-2020 AGG LOSS COST CURRENT LEVEL	FIVE YEAR EXPERIENCE RATIO	RELATIVITY	NUMBER OF OCCURRENCES	BAL CELL RELATIVITY
10 MONOLINE	30 SERVICE	\$134,229	\$543,324	0.965	0.823	13	1.028
	31 LIGHT CONTRACTING	\$166,590	\$735,997	1.173	1.001	35	1.054
	32 MEDIUM CONTRCTING	\$1,229,564	\$5,160,708	1.360	1.161	150	1.015
	33 HEAVY CONTRACTING	\$1,046,577	\$4,728,824	1.466	1.251	95	1.027
	34 DEALER OR DISTRIB	\$59,003	\$231,563	0.602	0.514	11	1.054
	35 LGT. MANUFACTURER	\$5,391	\$34,046	0.000	0.000	0	1.035
	36 MED. MANUFACTURER	\$35,011	\$173,461	0.729	0.622	6	1.025
	37 HVY. MANUFACTURER	\$36,622	\$132,139	3.823	3.262	2	1.050
	38 MISC. OPERATION	\$106,646	\$440,725	0.999	0.852	12	1.004
	TOTAL *	\$2,819,633	\$12,180,787	1.362		324	
33 MULT OFFICE	31 LIGHT CONTRACTING	\$16,946	\$79,526	0.026	0.023	1	1.023
	32 MEDIUM CONTRCTING	\$990	\$5,792	0.000	0.000	0	0.985
	33 HEAVY CONTRACTING	\$28,052	\$169,957	0.034	0.029	1	0.996
	38 MISC. OPERATION	\$20,417	\$107,281	2.670	2.279	7	0.974
	TOTAL *	\$66,405	\$362,556	0.842		9	
34 MULT MERCANTILE	30 SERVICE	\$32,998	\$135,752	3.491	2.979	5	1.018
	32 MEDIUM CONTRCTING	\$11,686	\$48,005	0.057	0.048	1	1.006
	34 DEALER OR DISTRIB	\$167,389	\$724,084	1.550	1.323	30	1.044
	38 MISC. OPERATION	\$18,357	\$72,036	3.338	2.848	10	0.994
	TOTAL *	\$230,430	\$979,877	1.895		46	
35 MULT INSTITUT.	31 LIGHT CONTRACTING	\$1,270	\$7,151	0.000	0.000	0	1.035
	32 MEDIUM CONTRCTING	\$27,845	\$113,146	1.539	1.313	5	0.997
	TOTAL *	\$29,115	\$120,297	1.472		5	
36 MULT SERVICES	30 SERVICE	\$13,574	\$79,297	5.176	4.417	11	1.034
	31 LIGHT CONTRACTING	\$24,498	\$171,805	1.450	1.237	9	1.060
	32 MEDIUM CONTRCTING	\$34,609	\$142,054	0.041	0.035	1	1.021
	33 HEAVY CONTRACTING	\$44,826	\$128,412	0.184	0.157	1	1.032
	34 DEALER OR DISTRIB	\$168,304	\$768,325	3.304	2.819	57	1.059
	36 MED. MANUFACTURER	\$1,852	\$13,816	0.016	0.014	0	1.030
	38 MISC. OPERATION	\$217,301	\$1,289,797	0.716	0.611	46	1.010
	TOTAL *	\$504,964	\$2,593,506	1.638		125	

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
MANUFACTURERS AND CONTRACTORS
SUMMARY OF EXPERIENCE USED IN BASIC LIMIT RELATIVE CHANGE ANALYSIS

TYPE OF POLICY	CLASS GROUP	(1)	(2)	(3)	(4)	(5)	(6)
		CALENDAR A.Y.E. 12/31/20 AGGREGATE LOSS COSTS AT CURRENT LEVEL	CALENDAR A.Y.E. 2016-2020 AGG LOSS COST CURRENT LEVEL	FIVE YEAR EXPERIENCE RATIO	RELATIVITY	NUMBER OF OCCURRENCES	BAL CELL RELATIVITY
37 MULT INDUST/PROC	31 LIGHT CONTRACTING	\$58	\$378	0.000	0.000	0	1.010
	32 MEDIUM CONTRCTING	\$79,114	\$338,677	0.571	0.487	7	0.972
	33 HEAVY CONTRACTING	\$550,397	\$1,806,444	0.707	0.604	4	0.983
	34 DEALER OR DISTRIB	\$7,565	\$37,646	0.000	0.000	0	1.009
	35 LGT. MANUFACTURER	\$57,441	\$262,325	1.136	0.969	8	0.991
	36 MED. MANUFACTURER	\$155,984	\$698,318	0.780	0.666	14	0.981
	37 HVY. MANUFACTURER	\$82,515	\$395,585	2.174	1.855	5	1.006
	38 MISC. OPERATION	\$5,502	\$22,904	3.894	3.323	8	0.961
	TOTAL *	\$938,576	\$3,562,277	0.876		46	
38 MULT CONTRACTORS	30 SERVICE	\$285,479	\$1,466,780	0.700	0.597	32	0.976
	31 LIGHT CONTRACTING	\$390,582	\$1,974,986	1.648	1.406	83	1.001
	32 MEDIUM CONTRCTING	\$1,469,992	\$6,936,677	0.832	0.710	200	0.964
	33 HEAVY CONTRACTING	\$582,484	\$2,991,415	0.887	0.757	48	0.975
	38 MISC. OPERATION	\$28,963	\$153,419	0.077	0.066	1	0.953
	TOTAL *	\$2,757,500	\$13,523,277	0.937		364	
TOTAL ALL TOP	30 SERVICE	\$466,280	\$2,225,153	1.104		61	
	31 LIGHT CONTRACTING	\$599,944	\$2,969,843	1.459		128	
	32 MEDIUM CONTRCTING	\$2,853,800	\$12,745,059	1.046		364	
	33 HEAVY CONTRACTING	\$2,252,336	\$9,825,052	1.088		149	
	34 DEALER OR DISTRIB	\$402,261	\$1,761,618	2.116		98	
	35 LGT. MANUFACTURER	\$62,832	\$296,371	1.038		8	
	36 MED. MANUFACTURER	\$192,847	\$885,595	0.763		20	
	37 HVY. MANUFACTURER	\$119,137	\$527,724	2.681		7	
	38 MISC. OPERATION	\$397,186	\$2,086,162	1.011		84	
	TOTAL *	\$7,346,623	\$33,322,577	1.172		919	

* TOTALS IN COLUMNS (3) ARE AVERAGES USING COLUMN (1) AS WEIGHTS.

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
PRODUCTS
BASIC LIMIT RELATIVE CHANGE ANALYSIS

TYPE OF POLICY	(1) BAILEY FORMULA RELATIVITY	(2) CREDIBILITY	(3) CREDIBILITY WEIGHTED RELATIVITY	(4) BALANCED RELATIVITY	(5) INDICATED CHANGE
10	0.928	0.343	0.975	0.975	
34	1.065	0.358	1.023	1.023	4.9%
36	1.147	0.179	1.025	1.025	5.1%
37	1.002	0.474	1.001	1.001	2.7%
CLASS GROUP					
3	1.020	0.457	1.009	1.013	
4	0.934	0.390	0.974	0.977	
5	1.299	0.127	1.034	1.037	
6	1.020	0.312	1.006	1.010	
7	0.986	0.168	0.998	1.001	

NOTE: THE INDICATED CHANGES BY TOP WERE FURTHER ADJUSTED BY THE FOLLOWING
DIFFERENTIALS: TOP 34: 0.983

TOP 36: 1.003

TOP 37: 1.016

INSURANCE SERVICES OFFICE, INC.

MULTISTATE
PRODUCTS
SUMMARY OF EXPERIENCE USED IN BASIC LIMIT RELATIVE CHANGE ANALYSIS

TYPE OF POLICY	CLASS GROUP	(1)	(2)	(3)	(4)	(5)	(6)
		CALENDAR A.Y.E. 12/31/2019 AGGREGATE LOSS COSTS AT CURRENT LEVEL	CALENDAR A.Y.E. 2015 - 2019 AGG LOSS COST CURRENT LEVEL	FIVE YEAR EXPERIENCE RATIO	RELATIVITY	NUMBER OF OCCURRENCES	BAL CELL RELATIVITY
10 MONOLINE	03 MAN,DLR,DSTFD/DRG	13,750,935	66,100,554	0.988	0.977	1,263	0.987
	04 DLR,DST-NOTFD/DRG	8,477,615	41,310,448	0.911	0.900	460	0.952
	05 MAN.NTFD/DRG(LOW)	1,472,878	6,420,923	1.025	1.013	73	1.011
	06 MAN.NTFD/DRG(MED)	9,010,398	41,539,850	0.977	0.966	500	0.984
	07 MAN.NTFD/DRG(HGH)	2,241,335	11,290,085	0.650	0.643	59	0.976
	TOTAL *	34,953,161	166,661,860	0.947		2,355	
34 MULT MERCANTILE	03 MAN,DLR,DSTFD/DRG	4,329,151	22,382,753	1.183	1.169	619	1.036
	04 DLR,DST-NOTFD/DRG	27,418,064	130,792,947	0.993	0.982	1,940	1.000
	06 MAN.NTFD/DRG(MED)	8,530	45,329	0.000	0.000	-	1.033
	TOTAL *	31,755,745	153,221,029	1.019		2,559	
36 MULT SERVICES	04 DLR,DST-NOTFD/DRG	3,121,637	14,216,143	1.102	1.090	644	1.002
	06 MAN.NTFD/DRG(MED)	48,702	226,631	0.000	0.000	-	1.035
	TOTAL *	3,170,339	14,442,774	1.085		644	
37 MULT INDUST/PROC.	03 MAN,DLR,DSTFD/DRG	12,807,039	61,610,215	0.973	0.962	2,291	1.014
	05 MAN.NTFD/DRG(LOW)	3,340,860	17,802,968	1.402	1.386	250	1.039
	06 MAN.NTFD/DRG(MED)	26,492,844	125,759,189	1.030	1.018	1,448	1.011
	07 MAN.NTFD/DRG(HGH)	6,306,324	31,298,086	1.098	1.085	508	1.002
	TOTAL *	48,947,067	236,470,458	1.049		4,497	
TOTAL ALL TOP	03 MAN,DLR,DSTFD/DRG	30,887,125	150,093,522	1.009		4,173	
	04 DLR,DST-NOTFD/DRG	39,017,316	186,319,538	0.984		3,044	
	05 MAN.NTFD/DRG(LOW)	4,813,738	24,223,891	1.287		323	
	06 MAN.NTFD/DRG(MED)	35,560,474	167,570,999	1.015		1,948	
	07 MAN.NTFD/DRG(HGH)	8,547,659	42,588,171	0.980		567	
	TOTAL *	118,826,312	570,796,121	1.012		10,055	

* TOTALS IN COLUMN (3) ARE AVERAGES USING COLUMN (1) AS WEIGHTS.

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO

LOCAL PRODUCTS/COMPLETED OPERATIONS

BASIC LIMIT RELATIVE CHANGE ANALYSIS

TYPE OF POLICY	(1)	(2)	(3)	(4)	(5)
	BAILEY FORMULA RELATIVITY	CREDIBILITY	CREDIBILITY WEIGHTED RELATIVITY	BALANCED RELATIVITY	INDICATED CHANGE
10	1.013	0.781	1.010	1.009	
34	1.059	0.502	1.029	1.028	1.9%
36	0.921	0.535	0.957	0.956	-5.3%
37	1.062	0.143	1.009	1.008	-0.1%
38	0.996	0.991	0.996	0.995	-1.4%
CLASS GROUP					
1	0.808	0.501	0.899	0.894	
2	0.989	0.512	0.994	0.989	
11	1.091	0.353	1.031	1.026	
12	1.018	1.000	1.018	1.012	
13	0.823	0.264	0.950	0.945	

MULTISTATE
LOCAL PRODUCTS/COMPLETED OPERATIONS
BASIC LIMIT RELATIVE CHANGE ANALYSIS *

STATE	(1)	(2)	(3)	(4)
	BAILEY FORMULA RELATIVITY	CREDIBILITY	CREDIBILITY WEIGHTED RELATIVITY	BALANCED RELATIVITY
New Mexico	1.280	0.407	1.106	1.105
	1.226	0.480	1.103	1.103
	1.218	0.458	1.094	1.094
	1.437	0.240	1.091	1.091
	1.303	0.278	1.076	1.076
	1.118	0.581	1.067	1.067
	1.360	0.161	1.051	1.050
	1.190	0.265	1.047	1.047
	1.208	0.202	1.039	1.039
	1.362	0.116	1.036	1.036
	1.077	0.482	1.036	1.036
	1.171	0.145	1.023	1.023
	1.102	0.196	1.019	1.019
	1.048	0.380	1.018	1.018
	1.050	0.362	1.018	1.017
	1.051	0.299	1.015	1.015
	1.047	0.330	1.015	1.015
	1.077	0.174	1.013	1.013
	1.048	0.250	1.012	1.011
	1.031	0.324	1.010	1.009
	1.049	0.135	1.006	1.006
	1.010	0.415	1.004	1.004
	1.020	0.177	1.003	1.003
	1.007	0.567	1.004	1.003
	1.020	0.155	1.003	1.003
	1.025	0.098	1.002	1.002
	0.992	0.454	0.996	0.996
	0.989	0.469	0.995	0.995
	0.975	0.380	0.990	0.990
	0.935	0.230	0.985	0.984
	0.888	0.133	0.984	0.984
	0.926	0.238	0.982	0.982
	0.971	0.595	0.983	0.982
	0.684	0.055	0.979	0.979
	0.895	0.190	0.979	0.979
	0.930	0.383	0.973	0.972
	0.812	0.165	0.966	0.966
	0.866	0.237	0.967	0.966
	0.734	0.160	0.952	0.951
	0.859	0.336	0.950	0.950
	0.896	0.470	0.950	0.949
	0.876	0.406	0.948	0.947
	0.918	0.645	0.946	0.946
	0.887	0.489	0.943	0.943
	0.776	0.230	0.943	0.943
	0.822	0.300	0.943	0.943
	0.796	0.267	0.941	0.941
	0.088	0.035	0.919	0.918
	0.644	0.196	0.917	0.917
	0.757	0.314	0.916	0.916
	0.796	0.387	0.916	0.915
	0.619	0.293	0.869	0.869

* Sorted by balanced relative change

INSURANCE SERVICES OFFICE, INC.

NEW MEXICO
LOCAL PRODUCTS/COMPLETED OPERATIONS
SUMMARY OF EXPERIENCE USED IN BASIC LIMIT RELATIVE CHANGE ANALYSIS

TYPE OF POLICY	CLASS GROUP	(1)	(2)	(3)	(4)	(5)	(6)
		CALENDAR A.Y.E. 12/31/20 AGGREGATE LOSS COSTS AT CURRENT LEVEL	CALENDAR A.Y.E. 2016-2020 AGG LOSS COST CURRENT LEVEL	FIVE YEAR EXPERIENCE RATIO	RELATIV.	NUMBER OF OCCURRENCES	BAL CELL RELATIV.
10 MONOLINE	01 RET.STRS-FOOD/DRG	\$7,113	\$37,450	0.042	0.039	1	0.984
	02 RET.STRS-NTFD/DRG	\$11,493	\$39,660	0.579	0.533	2	1.088
	11 COMP. OPS. (LOW)	\$36,223	\$227,112	0.088	0.081	1	1.129
	12 COMP. OPS. (MED)	\$718,143	\$3,326,949	2.265	2.084	51	1.114
	13 COMP. OPS. (HGH)	\$115,614	\$490,665	0.185	0.171	2	1.040
	TOTAL *	\$888,586	\$4,121,836	1.866		57	
34 MULT MERCANTILE	01 RET.STRS-FOOD/DRG	\$61,605	\$297,386	0.834	0.768	24	1.003
	02 RET.STRS-NTFD/DRG	\$30,318	\$140,185	2.457	2.261	9	1.109
	12 COMP. OPS. (MED)	\$34,792	\$139,945	0.584	0.538	5	1.135
	TOTAL *	\$126,715	\$577,516	1.154		38	
36 MULT SERVICES	01 RET.STRS-FOOD/DRG	\$2,040	\$10,674	1.277	1.176	2	0.932
	02 RET.STRS-NTFD/DRG	\$110,808	\$487,210	1.316	1.211	31	1.031
	11 COMP. OPS. (LOW)	\$22,933	\$130,201	1.374	1.264	4	1.070
	12 COMP. OPS. (MED)	\$51,366	\$162,655	2.187	2.013	7	1.056
	13 COMP. OPS. (HGH)	\$43,961	\$123,108	0.070	0.064	0	0.985
	TOTAL *	\$231,108	\$913,848	1.278		44	
37 MULT INDUST/PROC.	11 COMP. OPS. (LOW)	\$141	\$865	0.000	0.000	0	1.127
	12 COMP. OPS. (MED)	\$53,522	\$223,389	1.807	1.663	5	1.112
	13 COMP. OPS. (HGH)	\$4,478	\$16,625	0.000	0.000	0	1.038
	TOTAL *	\$58,141	\$240,879	1.663		5	
38 MULT CONTRACTORS	11 COMP. OPS. (LOW)	\$344,383	\$1,603,318	0.859	0.790	8	1.113
	12 COMP. OPS. (MED)	\$1,878,663	\$9,571,080	1.711	1.574	163	1.099
	13 COMP. OPS. (HGH)	\$127,850	\$697,668	0.176	0.162	4	1.025
	TOTAL *	\$2,350,896	\$11,872,066	1.502		175	
TOTAL ALL TOP	01 RET.STRS-FOOD/DRG	\$70,758	\$345,510	0.767		27	
	02 RET.STRS-NTFD/DRG	\$152,619	\$667,055	1.487		42	
	11 COMP. OPS. (LOW)	\$403,680	\$1,961,496	0.818		13	
	12 COMP. OPS. (MED)	\$2,736,486	\$13,424,018	1.853		231	
	13 COMP. OPS. (HGH)	\$291,903	\$1,328,066	0.161		6	
	TOTAL *	\$3,655,446	\$17,726,145	1.567		319	

* TOTALS IN COLUMNS (3) ARE AVERAGES USING COLUMN (1) AS WEIGHTS.

INSURANCE SERVICES OFFICE, INC.

MULTISTATE
LOCAL PRODUCTS/COMPLETED OPERATIONS
SUMMARY OF EXPERIENCE USED IN BASIC LIMIT RELATIVE CHANGE ANALYSIS

TYPE OF POLICY	CLASS GROUP	(1)	(2)	(3)	(4)	(5)	(6)
		CALENDAR A.Y.E. 12/31/2019 AGGREGATE LOSS COSTS AT CURRENT LEVEL	CALENDAR A.Y.E. 2015 - 2019 AGG LOSS COST CURRENT LEVEL	FIVE YEAR EXPERIENCE RATIO	RELATIV.	NUMBER OF OCCURRENCES	BAL CELL RELATIV.
10 MONOLINE	01 RET.STRS-FOOD/DRG	2,438,315	11,481,124	0.912		601	
	02 RET.STRS-NTFD/DRG	2,987,973	14,421,548	1.083		495	
	11 COMP. OPS. (LOW)	5,121,852	24,832,256	1.466		645	
	12 COMP. OPS. (MED)	99,545,324	453,611,463	1.119		7,145	
	13 COMP. OPS. (HGH)	7,985,186	36,362,548	0.800		270	
	TOTAL *	118,078,650	540,708,939	1.107		9,156	
34 MULT MERCANTILE	01 RET.STRS-FOOD/DRG	8,416,670	39,973,133	0.852		2,982	
	02 RET.STRS-NTFD/DRG	5,558,740	26,332,002	1.248		672	
	12 COMP. OPS. (MED)	2,448,906	11,647,654	1.126		132	
	TOTAL *	16,424,316	77,952,789	1.027		3,786	
36 MULT SERVICES	01 RET.STRS-FOOD/DRG	848,644	4,334,228	1.308		191	
	02 RET.STRS-NTFD/DRG	14,186,650	58,805,129	0.951		2,767	
	11 COMP. OPS. (LOW)	3,222,726	15,414,850	1.074		482	
	12 COMP. OPS. (MED)	4,896,101	24,401,807	1.098		800	
	13 COMP. OPS. (HGH)	1,067,475	5,473,142	0.781		63	
	TOTAL *	24,221,596	108,429,156	1.002		4,303	
37 MULT INDUST/PROC.	01 RET.STRS-FOOD/DRG	18,708	99,531	0.356		1	
	11 COMP. OPS. (LOW)	112,068	571,925	1.066		19	
	12 COMP. OPS. (MED)	3,758,700	19,361,968	1.170		289	
	13 COMP. OPS. (HGH)	42,554	250,368	0.000		0	
	TOTAL *	3,932,030	20,283,792	1.150		309	
38 MULT CONTRACTORS	11 COMP. OPS. (LOW)	10,091,456	49,007,588	1.071		731	
	12 COMP. OPS. (MED)	164,631,197	819,983,232	1.102		13,301	
	13 COMP. OPS. (HGH)	14,387,699	69,460,015	0.947		720	
	TOTAL *	189,110,352	938,450,835	1.089		14,752	
TOTAL ALL TOP	01 RET.STRS-FOOD/DRG	11722337	55888016	0.896		3,775	
	02 RET.STRS-NTFD/DRG	22,733,363	99,558,679	1.041		3,934	
	11 COMP. OPS. (LOW)	18,548,102	89,826,619	1.180		1,877	
	12 COMP. OPS. (MED)	275,280,228	1,329,006,124	1.109		21,667	
	13 COMP. OPS. (HGH)	23,482,914	111,546,073	0.888		1,053	
	TOTAL *	351,766,944	1,685,825,511	1.087		32,306	

* TOTALS IN COLUMN (3) ARE AVERAGES USING COLUMN (1) AS WEIGHTS.

COMMERCIAL PACKAGE POLICY

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SECTION C - REVISED CLM DIVISION NINE

Commercial Package Policy Package Modification Factors (Revised MLCP-PMF-1) C-2

**COMMERCIAL LINES MANUAL
DIVISION NINE – MULTIPLE LINE
COMMERCIAL PACKAGE POLICY
PACKAGE MODIFICATION FACTORS**

NEW MEXICO (30)

PACKAGE MODIFICATION FACTORS

Package Modification Assignment (PMA)	Premium From CLM Division			
	Two	Three, Four, Five, Eight Property	Four, Six Liability	All Other Divisions
Apartment House	.90	.93	1.00	1.00
Contractors	.90	1.00	.91	1.00
Industrial & Processing	.90	.99	1.00	1.00
Institutional	.90	.97	.79	1.00
Mercantile	.90	1.00	1.00	1.00
Motel/Hotel	.90	1.00	1.00	1.00
Office	.90	1.00	.98	1.00
Service	.90	.97	.96	1.00

Table 1. Package Modification Factors