6. RATING EXAMPLE

A. Introduction

This example shows how to apply the procedure of Rule 5.B. The policy being rated is to be in effect from 12/1/23 to 11/30/24. For this example, we will assume a company expected loss ratio of 0.650.

B. Using The Example

**1.** According to Rule 5.B.1., we determine the annual basic limits company premium for Premises/Operations and for Products/Completed Operations for the policy being rated as $75,000 and $25,000, respectively. Annual basic limits company loss costs (basic limits expected losses) are determined by multiplying these values by the company expected loss ratio of 0.650. Thus, for Premises/Operations, the basic limits company loss cost is $48,750 ($75,000 \* 0.650) and for Products/Completed Operations it is $16,250 ($25,000 \* 0.650).

**2.** The loss information from the policies of the experience period is as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Policy Year | Policies Of The Experience Period | Type Of Policy | | | | | | Basic Limits Indemnity | | | | Allocated Loss Adjustment Expense | | | | Includable Losses Limited By MSL | | | |
|  | 12/1/21 – 11/30/22: | Latest |  | OCC | X | CM | 1 | YIP |  | $ | 1,000 |  |  | $ | 0 |  |  | $ | 1,000 |  |
|  |  | Year |  |  |  |  |  |  |  |  | 2,200 |  |  |  | 0 |  |  |  | 2,200 |  |
|  |  |  |  |  |  |  |  |  |  |  | 4,000 |  |  |  | 2,000 |  |  |  | 6,000 |  |
|  |  |  |  |  |  |  |  |  |  | $ | 7,200 |  |  | $ | 2,000 |  |  | $ | 9,200 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 12/1/20 – 11/30/21: | 2nd Latest | X | OCC |  | CM |  | YIP |  | $ | 0 |  |  | $ | 3,000 |  |  | $ | 3,000 |  |
|  |  | Year |  |  |  |  |  |  |  |  | 100,000 |  |  |  | 125,700 |  |  |  | 164,600 |  |
|  |  |  |  |  |  |  |  |  |  |  | 5,000 |  |  |  | 2,000 |  |  |  | 7,000 |  |
|  |  |  |  |  |  |  |  |  |  | $ | 105,000 |  |  | $ | 130,700 |  |  | $ | 174,600 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 12/1/19 – 11/30/20: | 3rd Latest | X | OCC |  | CM |  | YIP |  | $ | 9,500 |  |  | $ | 3,500 |  |  | $ | 13,000 |  |
|  |  | Year |  |  |  |  |  |  |  |  | 5,500 |  |  |  | 0 |  |  |  | 5,500 |  |
|  |  |  |  |  |  |  |  |  |  |  | 3,900 |  |  |  | 1,300 |  |  |  | 5,200 |  |
|  |  |  |  |  |  |  |  |  |  |  | 2,800 |  |  |  | 0 |  |  |  | 2,800 |  |
|  |  |  |  |  |  |  |  |  |  | $ | 21,700 |  |  | $ | 4,800 |  |  | $ | 26,500 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | $ | 210,300 |  |

Table 6.B.2. Example Of Includable Losses

**3.** The final column shows the basic limits incurred losses (including allocated claim expense) from Rule 5.D.1. valued as of 8/31/23 and limited by the Maximum Single Loss (MSL) value of $164,600 calculated later in this example. These losses plus any applicable adjustment to reflect the ultimate level of losses yields total includable losses, or the basic limits losses subject to experience rating. A later part of the example shows how to calculate the adjustment to reflect the ultimate level of losses.

**4.** The final column can be filled in once the MSL value is known. In this example, an MSL value of $164,600 was assigned from the tables contained in Rule 16. based on the company subject loss cost of $174,746 for the risk. (See later in this example for more information on how these values were obtained.)

**5.** Next, the company subject loss cost (basic limits expected losses) is calculated using the annual company loss cost for the policy being rated. The adjustment to reflect the ultimate level of losses is also calculated. Both calculations are as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Annual Basic Limit Company Loss Costs For The Policy Being Rated | | | Policy Adjustment Factors | | | | | | Detrend Factors | | | Annual Basic Company Loss Costs Subject To Experience Rating | | | | | EER | | LDF | | | Adjustment To Reflect The Ultimate Level Of Loss | | |
| Table 13.B. | | | Table 13.C. | | |
|  | Latest | Prem/Ops | $48,750 | \* | | 1.20 | \* | | 0.47 | \* | | 0.907 | = | | $ | | 24,938 | \* | 0.941 | \* | | 0 | = | $ | | 0 |
|  | Year | Products | $16,250 | \* | | 1.59 | \* | | 0.22 | \* | | 0.934 | = | | $ | | 5,309 | \* | 0.941 | \* | | 0 | = | $ | | 0 |
|  | 2nd |  |  |  | |  |  | |  |  | |  |  | |  | |  |  |  |  | |  |  |  | |  |
|  | Latest | Prem/Ops | $48,750 | \* | | 1.20 | \* | | 1.00 | \* | | 0.864 | = | | $ | | 50,544 | \* | 0.941 | \* | | 0.303 | = | $ | | 14,411 |
|  | Year | Products | $16,250 | \* | | 1.59 | \* | | 1.00 | \* | | 0.902 | = | | $ | | 23,305 | \* | 0.941 | \* | | 0.533 | = | $ | | 11,689 |
|  | 3rd |  |  |  | |  |  | |  |  | |  |  | |  | |  |  |  |  | |  |  |  | |  |
|  | Latest | Prem/Ops | $48,750 | \* | | 1.20 | \* | | 1.00 | \* | | 0.823 | = | | $ | | 48,146 | \* | 0.941 | \* | | 0.155 | = | $ | | 7,022 |
|  | Year | Products | $16,250 | \* | | 1.59 | \* | | 1.00 | \* | | 0.871 | = | | $ | | 22,504 | \* | 0.941 | \* | | 0.390 | = | $ | | 8,259 |
|  |  |  |  |  | |  |  | |  |  | |  |  | |  | $ | 174,746 |  |  |  | |  | = |  | $ | 41,381 |

Table 6.B.5. Example Of Company Subject Loss Costs

**6.** Policy Adjustment Factors (PAFs) from Table 13.B. apply when the policy being rated is a claims-made policy; otherwise, use 1.00 in this column. Here, the policy being rated is a 3rd Year In Policy (YIP) claims-made policy, so PAFs are needed to take premium up to an occurrence level. PAFs from Table 13.C. apply only when a particular policy of the experience period is a claims-made policy, and take the occurrence premium back down to the appropriate claims-made level. Since the latest year of the experience period is a 1st YIP claims-made policy, we use PAFs for that year; the other policies of the experience period are occurrence policies, so PAFs are not needed.

**7.** The company subject loss cost, being the sum of the annual basic limits company loss cost subject to experience rating, is $174,746. This subject loss cost value is then used to obtain the other applicable rating values from the tables contained in Rule 16.

**8.** The company subject loss cost $174,746 falls into the $169,112 – $177,528 subject loss cost range, corresponding to a 0.29 credibility level and a $164,600 maximum single loss value. The expected experience ratio for this risk is then 0.941. To summarize, the experience rating values are as follows:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Credibility Factor | | | | EER | | MSL Value | | |
|  | 0.29 | | | | 0.941 | | $164,600 | | |
|  | Total Includable Losses | | | | | AER | | | |
|  | $210,300 | + | | $41,381 | | $251,681 | | = | 1.440 |
|  | = | | $251,681 | | | $174,746 | |  | |

Table 6.B.8. Experience Rating Values For The Example

**9.** Since the actual experience ratio is greater than the EER, an experience debit is indicated, as calculated in the following:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Experience | = | 1.440 | | – | 0.941 | \* | 0.29 | |  |
|  |  | Modification | | | 0.941 | | | | |  | | |
|  |  | = 0.154 or a 15.4% debit | | | | | | | | | | |

7. EXAMPLE OF HOW TO APPLY THE PRESENT AVERAGE COMPANY RATE METHOD OF RULE **5.C.**

A. Introduction

**1.** This example shows how to apply the present average company rate method of Rule **5.C.** This method is quite similar to the simplified Premium at Present Rate (PPR) procedure of Rule 5.B.**,** except here we calculate a present average company rate for each subline for the policy being rated and then extend these company rates by the appropriate past exposure units and the company ELR for the risk to obtain company loss costs (basic limits expected losses) by subline for each policy of the experience period.

**2.** The policy being rated is the policy to which the experience modification of Rule **5.G.** shall apply. In order to use the present average company rate method, we need to select a "special underwriting (U/W) basis", which we choose to be "gross sales". Given gross sales of $64,000,000 for the policy being rated, the number of exposure units is 64,000. For the purposes of the example, the policy year is 12/1/23 to 11/30/24 and the policy being rated is a claims-made, 3rd YIP.

B. Using The Example

**1.** According to the present average company rate method, we first determine the annual basic limits company premium by subline for the policy being rated and then calculate a present average company rate for each subline by dividing each subline's company premium by the exposures on the special underwriting basis:

In the example, the Premises/Operations average rate is 1.172 ($75,000/64,000). For Products/Completed Operations, the average rate is 0.391 ($25,000/64,000).

**2.** Next, we need to get exposures on the special U/W basis (gross sales) for each policy of the experience period. Then, by extending these past exposures by the company ELR for the risk and the present average company rates given in Paragraph **B.1.,** we can calculate the annual basic limits company loss cost (basic limits expected losses) by subline for each year in the experience period. The calculation is shown in the following table:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Policy Year | Subline | Exposures  On The  Special  U/W Basis | | Subline Present Average Rate | | Company  ELR  For The  Risk | | Annual Basic Limits Company Loss Cost By Subline In The Experience  Period |
|  | Latest Year | Prem/Ops | 40,000 | \* | 1.172 | \* | 0.650 | = | 30,472 |
|  |  | Products | 40,000 | \* | 0.391 | \* | 0.650 | = | 10,166 |
|  | 2nd Latest Year | Prem/Ops | 59,430 | \* | 1.172 | \* | 0.650 | = | 45,274 |
|  |  | Products | 59,430 | \* | 0.391 | \* | 0.650 | = | 15,104 |
|  | 3rd Latest Year | Prem/Ops | 57,980 | \* | 1.172 | \* | 0.650 | = | 44,169 |
|  |  | Products | 57,980 | \* | 0.391 | \* | 0.650 | = | 14,736 |

Table 7.B.2. Example Of Application Of The Present Average Rate

**3.** The loss information from the policies of the experience period is as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Policy Year | Policies Of  The Experience Period | Type Of Policy | | | | | | Basic  Limit  Losses | Limited  By MSL | | | |
|  | 12/1/21 – 11/30/22: | Latest Year |  | OCC | X | CM | 1 | YIP | 10,000 |  |  | 10,000 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 12/1/20 – 11/30/21: | 2nd Latest Year | X | OCC |  | CM |  | YIP | 2,500 |  |  | 2,500 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 12/1/19 – 11/30/20: | 3rd Latest Year | X | OCC |  | CM |  | YIP | 175,000 |  |  | 161,800 |  |
|  |  |  |  |  |  |  |  |  |  |  | $ | 174,300 |  |

Table 7.B.3. Example Of Includable Losses (Present Average Rate Method)

**4.** The final column shows the basic limits incurred losses (including allocated claim expense) from Rule **5.D.1.** valued as of 8/31/23 and limited by the MSL. These losses plus any applicable adjustment to reflect the ultimate level of losses yields total includable losses, or the basic limits losses subject to experience rating.

**5.** This final column can be filled in once the MSL value is known. In this example, an MSL value of $161,800 was assigned from Table **16.** Credibility And Maximum Single Loss based on the company subject loss cost of $161,223.

**6.** Next, the company subject loss cost is calculated using the annual basic limits company loss cost (basic limits expected losses) calculated in Paragraph **B.2.** The adjustment to reflect the ultimate level of losses is also calculated:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Annual Basic Limit Company Lost Costs By Subline In The Experience Period | | | Policy Adjustment Factors | | | | | | Detrend Factors | | | Annual Basic Company Loss Costs Subject To Experience Rating | | | | | EER | | LDF | | | Adjustment To Reflect The Ultimate Level Of Loss | | |
| Table 13.B. | | | Table 13.C. | | |
|  | Latest | Prem/Ops | $30,472 | \* | | 1.20 | \* | | 0.47 | \* | | 0.948 | = | | $ | | 16,293 | \* | 0.938 | \* | | 0 | = | $ | | 0 |
|  | Year | Products | $10,166 | \* | | 1.59 | \* | | 0.22 | \* | | 0.976 | = | | $ | | 3,471 | \* | 0.938 | \* | | 0 | = | $ | | 0 |
|  | 2nd |  |  |  | |  |  | |  |  | |  |  | |  | |  |  |  |  | |  |  |  | |  |
|  | Latest | Prem/Ops | $45,274 | \* | | 1.20 | \* | | 1.00 | \* | | 0.918 | = | | $ | | 49,874 | \* | 0.938 | \* | | 0.303 | = | $ | | 14,175 |
|  | Year | Products | $15,104 | \* | | 1.59 | \* | | 1.00 | \* | | 0.959 | = | | $ | | 23,031 | \* | 0.938 | \* | | 0.533 | = | $ | | 11,514 |
|  | 3rd |  |  |  | |  |  | |  |  | |  |  | |  | |  |  |  |  | |  |  |  | |  |
|  | Latest | Prem/Ops | $44,169 | \* | | 1.20 | \* | | 1.00 | \* | | 0.881 | = | | $ | | 46,696 | \* | 0.938 | \* | | 0.155 | = | $ | | 6,789 |
|  | Year | Products | $14,736 | \* | | 1.59 | \* | | 1.00 | \* | | 0.933 | = | | $ | | 21,860 | \* | 0.938 | \* | | 0.390 | = | $ | | 7,997 |
|  |  |  |  |  | |  |  | |  |  | |  |  | |  | $ | 161,223 |  |  |  | |  | = |  | $ | 40,475 |

Table 7.B.6. Example Of Company Subject Loss Costs (Present Average Rate Method)

**7.** The company subject loss cost, being the sum of the annual basic limits company loss cost subject to experience rating, is $161,223. Using the tables contained in Rule **16.,** we can assign the rating values based on this amount. To summarize, the experience rating values are shown in the following table:

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Credibility Factor | | | | EER | | | | | MSL Value | | |
|  | 0.28 | | | | 0.938 | | | | | $161,800 | | |
|  | Total Includable Losses | | | | | | | AER | | | | |
|  | $174,300 | | + | $40,475 | | |  |  | $214,775 | | = | 1.330 |
|  | = | $214,775 | | | |  | |  | $161,223 | |  | |

Table 7.B.7. Experience Rating Values For The Example

**8.** Since the actual experience ratio is greater than the EER, an experience debit is indicated, as calculated in the following example:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Experience | = | 1.330 | | – | 0.938 | \* | 0.28 | |  |
|  |  | Modification | | | 0.938 | | | | |  | | |
|  |  | = 0.117 or an 11.7% debit | | | | | | | | | | |

11. SUPPLEMENT RELATING TO TREATMENT OF IMMATURE LOSSES DUE TO CHANGE OF CARRIER

A. Introduction

In cases where an insured changes or has changed carriers, the company establishing the rating may be unable to obtain current valuations of past losses from previous carriers. If this happens, the maturity of the experience obtained from previous carriers must be carefully examined and the appropriate loss development factors selected.

B. Maturity Of Losses

The maturity of the losses for any year in the experience period is defined as the number of months between the date of the latest loss valuation and the effective date of the policy to which these losses are assignable. A given year's losses cannot mature unless the losses are revalued. The loss development factors applicable at the time of the most recent loss valuation must be used in subsequent ratings as long as updated valuations are not available. A specific instance of this can be seen when the experience provided by previous carriers contains fragmented periods, such as nine (or six) months of losses which were segments of policy years valued as of nine (or six) months after the policy effective date and for which subsequent valuations could not be obtained. If it is necessary to include this experience in subsequent ratings, factors which project nine (or six) months of losses to a complete policy year ultimate paid basis must be applied. ISO advisory 6-, 9-, 12- and 15-month basic limit loss development factors are included in the following table. The existence of these supplementary loss development factors does not alter the requirements set forth in Rule 4.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Subline | 6-month Maturity | 9-month Maturity | 12-month Maturity | 15-month Maturity |
|  | Premises/Operations | 0.901 | 0.815 | 0.711 | 0.639 |
|  | Products | 0.945 | 0.892 | 0.827 | 0.774 |

Table 11.B. ISO Advisory General Liability Basic Limits Supplementary Loss Development Factors

C. Application Of The ISO Advisory General Liability Basic Limits Supplementary Loss Development Factors

These factors are applied to the product of the EER and the company subject loss cost, separately by subline and year of the experience period, in order to determine the adjustment to reflect the ultimate level of losses. These factors apply only to occurrence policies, not to claims-made policies of the experience period.

14. ISO ADVISORY DETREND FACTORS

Detrend factors are applied to the basic limits company loss cost for each of the years in the experience period as part of the adjustment to reflect the ultimate level of losses. The ISO Advisory Detrend Factors are contained in the following table:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Year Of The Experience Period | Subline | ISO Advisory Detrend Factors | |
| Rule 5.B. | Rule 5.C. |
|  | Latest Year | Premises/Operations | 0.907 | 0.948 |
|  |  | Products | 0.934 | 0.976 |
|  | 2nd Latest Year | Premises/Operations | 0.864 | 0.918 |
|  |  | Products | 0.902 | 0.959 |
|  | 3rd Latest Year | Premises/Operations | 0.823 | 0.881 |
|  |  | Products | 0.871 | 0.933 |

Table 14. ISO Advisory Detrend Factors

15. ISO ADVISORY BASIC LIMITS LOSS DEVELOPMENT FACTORS

Loss Development Factors are used in determining the experience modification under Rule **5.**

These factors are applied to the product of the EER and the company subject loss cost, separately by subline and year of the experience period, in order to determine the adjustment to reflect the ultimate level of losses. These factors apply only to occurrence policies, not to claims-made policies of the experience period.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Subline | Latest Policy Year (18 Months) | Prior Policy Year (30 Months) | Next Prior Policy Year (42 Months) |
|  | Premises/Operations | 0.577 | 0.354 | 0.186 |
|  | Products | 0.727 | 0.579 | 0.425 |
|  |  | (21 Months) | (33 Months) | (45 Months) |
|  | Premises/Operations | 0.523 | 0.303 | 0.155 |
|  | Products | 0.684 | 0.533 | 0.390 |
|  |  | (24 Months) | (36 Months) | (48 Months) |
|  | Premises/Operations | 0.463 | 0.262 | 0.134 |
|  | Products | 0.647 | 0.496 | 0.366 |
|  |  | (27 Months) | (39 Months) | (51 Months) |
|  | Premises/Operations | 0.407 | 0.223 | 0.115 |
|  | Products | 0.612 | 0.460 | 0.343 |

Table 15. ISO Advisory Basic Limits Loss Development Factors

16. CREDIBILITY AND MAXIMUM SINGLE LOSS TABLES

The tables of Credibility And Maximum Single Loss are used in determining the experience modification under Rule **5.**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Company Subject Loss Cost (Expected Losses) | | | Credibility | Expected Experience Ratio | Maximum Single Loss |
|  | 10,879 | – | 15,387 | 0.03 | 0.800 | 87,000 |
|  | 15,388 | – | 19,991 | 0.04 | 0.827 | 95,400 |
|  | 19,992 | – | 24,692 | 0.05 | 0.842 | 101,050 |
|  | 24,693 | – | 29,494 | 0.06 | 0.853 | 105,350 |
|  | 29,495 | – | 34,399 | 0.07 | 0.862 | 108,950 |
|  |  |  |  |  |  |  |
|  | 34,400 | – | 39,412 | 0.08 | 0.869 | 112,050 |
|  | 39,413 | – | 44,535 | 0.09 | 0.875 | 114,900 |
|  | 44,536 | – | 49,773 | 0.10 | 0.880 | 117,550 |
|  | 49,774 | – | 55,130 | 0.11 | 0.885 | 120,100 |
|  | 55,131 | – | 60,608 | 0.12 | 0.889 | 122,550 |
|  |  |  |  |  |  |  |
|  | 60,609 | – | 66,214 | 0.13 | 0.893 | 124,950 |
|  | 66,215 | – | 71,950 | 0.14 | 0.897 | 127,300 |
|  | 71,951 | – | 77,823 | 0.15 | 0.901 | 129,650 |
|  | 77,824 | – | 83,836 | 0.16 | 0.904 | 132,000 |
|  | 83,837 | – | 89,994 | 0.17 | 0.908 | 134,300 |
|  |  |  |  |  |  |  |
|  | 89,995 | – | 96,304 | 0.18 | 0.911 | 136,650 |
|  | 96,305 | – | 102,771 | 0.19 | 0.914 | 139,000 |
|  | 102,772 | – | 109,400 | 0.20 | 0.917 | 141,400 |
|  | 109,401 | – | 116,199 | 0.21 | 0.920 | 143,800 |
|  | 116,200 | – | 123,172 | 0.22 | 0.923 | 146,250 |
|  |  |  |  |  |  |  |
|  | 123,173 | – | 130,328 | 0.23 | 0.926 | 148,750 |
|  | 130,329 | – | 137,674 | 0.24 | 0.928 | 151,250 |
|  | 137,675 | – | 145,217 | 0.25 | 0.931 | 153,800 |
|  | 145,218 | – | 152,965 | 0.26 | 0.934 | 156,450 |
|  | 152,966 | – | 160,926 | 0.27 | 0.936 | 159,100 |
|  |  |  |  |  |  |  |
|  | 160,927 | – | 169,111 | 0.28 | 0.938 | 161,800 |
|  | 169,112 | – | 177,528 | 0.29 | 0.941 | 164,600 |
|  | 177,529 | – | 186,186 | 0.30 | 0.943 | 167,400 |
|  | 186,187 | – | 195,098 | 0.31 | 0.945 | 170,300 |
|  | 195,099 | – | 204,274 | 0.32 | 0.947 | 173,300 |
|  |  |  |  |  |  |  |
|  | 204,275 | – | 213,725 | 0.33 | 0.949 | 176,300 |
|  | 213,726 | – | 223,466 | 0.34 | 0.951 | 179,450 |
|  | 223,467 | – | 233,508 | 0.35 | 0.953 | 182,650 |
|  | 233,509 | – | 243,867 | 0.36 | 0.955 | 185,900 |
|  | 243,868 | – | 254,557 | 0.37 | 0.957 | 189,300 |

Table 16.#1 Credibility And Maximum Single Loss

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Company Subject Loss Cost (Expected Losses) | | | Credibility | Expected Experience Ratio | Maximum Single Loss |
|  | 254,558 | – | 265,594 | 0.38 | 0.959 | 192,750 |
|  | 265,595 | – | 276,997 | 0.39 | 0.961 | 196,300 |
|  | 276,998 | – | 288,783 | 0.40 | 0.963 | 199,950 |
|  | 288,784 | – | 300,972 | 0.41 | 0.964 | 203,750 |
|  | 300,973 | – | 313,584 | 0.42 | 0.966 | 207,650 |
|  |  |  |  |  |  |  |
|  | 313,585 | – | 326,644 | 0.43 | 0.967 | 211,650 |
|  | 326,645 | – | 340,174 | 0.44 | 0.969 | 215,800 |
|  | 340,175 | – | 354,200 | 0.45 | 0.970 | 220,050 |
|  | 354,201 | – | 368,751 | 0.46 | 0.972 | 224,500 |
|  | 368,752 | – | 383,856 | 0.47 | 0.973 | 229,050 |
|  |  |  |  |  |  |  |
|  | 383,857 | – | 399,547 | 0.48 | 0.975 | 233,800 |
|  | 399,548 | – | 415,860 | 0.49 | 0.976 | 238,700 |
|  | 415,861 | – | 432,832 | 0.50 | 0.977 | 243,800 |
|  | 432,833 | – | 450,505 | 0.51 | 0.978 | 249,100 |
|  | 450,506 | – | 468,921 | 0.52 | 0.979 | 254,550 |
|  |  |  |  |  |  |  |
|  | 468,922 | – | 488,129 | 0.53 | 0.981 | 260,250 |
|  | 488,130 | – | 508,181 | 0.54 | 0.982 | 266,200 |
|  | 508,182 | – | 529,135 | 0.55 | 0.983 | 272,400 |
|  | 529,136 | – | 551,052 | 0.56 | 0.984 | 278,850 |
|  | 551,053 | – | 574,001 | 0.57 | 0.985 | 285,600 |
|  |  |  |  |  |  |  |
|  | 574,002 | – | 598,056 | 0.58 | 0.986 | 292,650 |
|  | 598,057 | – | 623,298 | 0.59 | 0.987 | 300,000 |
|  | 623,299 | – | 649,819 | 0.60 | 0.987 | 307,700 |
|  | 649,820 | – | 677,717 | 0.61 | 0.988 | 315,800 |
|  | 677,718 | – | 707,103 | 0.62 | 0.989 | 324,300 |
|  |  |  |  |  |  |  |
|  | 707,104 | – | 738,099 | 0.63 | 0.990 | 333,250 |
|  | 738,100 | – | 770,842 | 0.64 | 0.990 | 342,700 |
|  | 770,843 | – | 805,482 | 0.65 | 0.991 | 352,650 |
|  | 805,483 | – | 842,191 | 0.66 | 0.992 | 363,150 |
|  | 842,192 | – | 881,159 | 0.67 | 0.992 | 374,250 |
|  |  |  |  |  |  |  |
|  | 881,160 | – | 922,601 | 0.68 | 0.993 | 386,050 |
|  | 922,602 | – | 966,760 | 0.69 | 0.994 | 398,550 |
|  | 966,761 | – | 1,013,914 | 0.70 | 0.994 | 411,900 |
|  | 1,013,915 | – | 1,064,376 | 0.71 | 0.995 | 426,100 |
|  | 1,064,377 | – | 1,118,508 | 0.72 | 0.995 | 441,350 |

Table 16.#2 Credibility And Maximum Single Loss

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Company Subject Loss Cost (Expected Losses) | | | Credibility | Expected Experience Ratio | Maximum Single Loss |
|  | 1,118,509 | – | 1,176,726 | 0.73 | 0.996 | 457,650 |
|  | 1,176,727 | – | 1,239,510 | 0.74 | 0.996 | 475,150 |
|  | 1,239,511 | – | 1,307,419 | 0.75 | 0.996 | 494,000 |
|  | 1,307,420 | – | 1,381,108 | 0.76 | 0.997 | 514,400 |
|  | 1,381,109 | – | 1,461,346 | 0.77 | 0.997 | 536,550 |
|  |  |  |  |  |  |  |
|  | 1,461,347 | – | 1,549,049 | 0.78 | 0.997 | 560,600 |
|  | 1,549,050 | – | 1,645,308 | 0.79 | 0.998 | 586,900 |
|  | 1,645,309 | – | 1,751,440 | 0.80 | 0.998 | 615,750 |
|  | 1,751,441 | – | 1,869,046 | 0.81 | 0.998 | 647,550 |
|  | 1,869,047 | – | 2,000,092 | 0.82 | 0.998 | 682,750 |
|  |  |  |  |  |  |  |
|  | 2,000,093 | – | 2,147,022 | 0.83 | 0.999 | 722,000 |
|  | 2,147,023 | – | 2,312,912 | 0.84 | 0.999 | 765,950 |
|  | 2,312,913 | – | 2,501,682 | 0.85 | 0.999 | 815,550 |
|  | 2,501,683 | – | 2,718,419 | 0.86 | 0.999 | 872,000 |
|  | 2,718,420 | – | 2,969,834 | 0.87 | 0.999 | 936,800 |
|  |  |  |  |  |  |  |
|  | 2,969,835 | – | 3,264,972 | 0.88 | 0.999 | 1,011,900 |
|  | 3,264,973 | – | 3,616,328 | 0.89 | 1.000 | 1,100,100 |
|  | 3,616,329 | – | 4,041,653 | 0.90 | 1.000 | 1,205,050 |
|  | 4,041,654 | – | 4,567,055 | 0.91 | 1.000 | 1,332,100 |
|  | 4,567,056 | – | 5,232,564 | 0.92 | 1.000 | 1,489,000 |
|  |  |  |  |  |  |  |
|  | 5,232,565 | – | 6,102,845 | 0.93 | 1.000 | 1,687,700 |
|  | 6,102,846 | – | 7,289,592 | 0.94 | 1.000 | 1,947,550 |
|  | 7,289,593 | – | 9,003,782 | 0.95 | 1.000 | 2,301,850 |
|  | 9,003,783 | – | 11,697,509 | 0.96 | 1.000 | 2,813,600 |
|  | 11,697,510 | – | 16,546,218 | 0.97 | 1.000 | 3,617,700 |
|  |  |  |  |  |  |  |
|  | 16,546,219 | – | 27,859,871 | 0.98 | 1.000 | 5,065,150 |
|  | 27,859,872 | – | 84,428,138 | 0.99 | 1.000 | 8,442,350 |
|  | 84,428,139 | – | And Over | 1.00 | 1.000 | 25,328,450 |

Table 16.#3 Credibility And Maximum Single Loss