

RULES – IMPLEMENTATION

JANUARY 30, 2024

COMMERCIAL MULTIPLE LINE

LI-ML-2024-002

ALABAMA COMMERCIAL PACKAGE POLICY REVISED PACKAGE MODIFICATION FACTOR REVISION TO BE IMPLEMENTED

KEY MESSAGE

Revised Commercial Package Policy package modification factors for an overall statewide change of **-0.8%** to be implemented.

BACKGROUND

In circular [LI-ML-2023-002](#), 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-2023-RLA1](#), which presents a review of Commercial Package Policy modification factors experience.

Refer to the attachment(s) for complete details.

For more information on the status of filings in a particular state, including filed and approved documents, associated circulars and links to Print Ready Manuals and Commercial Lines Manual, please feel free to access our [Filings](#) feature within the ISOnet Circulars product.

EFFECTIVE DATE

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

These changes are applicable to all policies written on or after July 1, 2024.

COMPANY ACTION

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are not required to file anything with the Insurance Department.
- To use our revision with a different effective date, to use our revision with modification, or to not use our revision, you must make an appropriate submission with the Insurance Department.

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

WE WILL SUBMIT THIS REVISION TO THE INSURANCE DEPARTMENT ON JUNE 6, 2024. IF STATE FILING REQUIREMENTS DICTATE THAT YOU MAKE A SUBMISSION WITH THE INSURANCE DEPARTMENT, DO NOT SUBMIT IT PRIOR TO THIS DATE.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Number ML-2023-RLA1 and SERFF Tracking Number ISOF-133962653, 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-2023-005](#) 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 7-24 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

REFERENCE(S)

- [LI-ML-2023-002](#) (07/26/2023) Commercial Package Policy Experience Reviewed By Staff
- [LI-CL-2023-005](#) (02/21/2023) Commercial Lines Revised Lead Time Requirements Listing

ATTACHMENT(S)

Filing ML-2023-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.

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.

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Now, as in the past, all of our products and services are advisory, and are made available for optional use by participating insurers as a matter of individual choice. Your company must decide for itself which, if any, ISO products or services are needed or useful to its operation and how those selected for use should be applied. We urge that you be guided by the advice of your attorneys on the legal requirements.

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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.

ALABAMA
ADVISORY PACKAGE MODIFICATION FACTOR REVIEW
COMMERCIAL PACKAGE POLICY
ML-2023-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%	2.2%	0.8%
Apartment	0.0%	-1.0%	-0.2%
Office	1.1%	-2.4%	-0.5%
Mercantile	-4.0%	-6.0%	-4.9%
Institutional	0.0%	7.5%	1.2%
Services	0.0%	-3.4%	-1.3%
Indust./Proc.	-5.4%	1.1%	-2.4%
Contractors	<u>0.0%</u>	<u>4.5%</u>	<u>4.0%</u>
Statewide	-1.4%	0.0%	-0.8%

ALABAMA

ADVISORY PACKAGE MODIFICATION FACTOR REVIEW

COMMERCIAL PACKAGE POLICY

ML-2023-RLA1

EXECUTIVE SUMMARY

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 03/31/22.
 - Basic Group II: ten fiscal accident years ending 03/31/22.
 - Special Causes of Loss: five fiscal accident years ending 03/31/22.
 - Crime: calendar year ending 06/30/22.
 - Inland Marine: five calendar accident years ending 12/31/16.
 - Fidelity: policy year ending 12/31/21.
 - Owners, Landlords, and Tenants: five fiscal accident years ending 03/31/22.
 - Manufacturers and Contractors: five fiscal accident years ending 03/31/22.
 - Products: three calendar accident years ending 12/31/21.
 - Local Products and Completed Operations: three calendar accident years ending 12/31/21.
-

PRIOR ISO
REVISIONS

The latest revisions in this state are:

<u>Filing</u>	ML-19-RLA1	ML-18-RLA1	ML-17-RLA1
<u>Dates</u>			
Implemented	12/1/2019	12/1/2018	12/1/2017
<u>Changes</u>			
Indicated	-1.6%	-2.4%	-0.9%
Filed	-1.6%	-2.4%	-0.9%
Implemented	-1.6%	-2.4%	-0.9%

ALABAMA

ADVISORY PACKAGE MODIFICATION FACTOR REVIEW

COMMERCIAL PACKAGE POLICY

ML-2023-RLA1

EXECUTIVE SUMMARY

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 12/31/21 for the Annual Statement Line of Business (ASLOB) indicated.

COMMERCIAL MULTI PERIL (ASLOB 51 & 52)

1. Travelers Indemnity Company
 2. Cincinnati Insurance Company
 3. Nationwide Mutual Insurance Company
 4. Tokio Marine Companies
 5. Liberty Mutual Insurance Company
 6. Frankenmuth Mutual Insurance Company
 7. Insurance Company Of North America
 8. Continental Casualty Company
 9. American International Group
 10. Admiral 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 12/31/2021 is:

Commercial Multi Peril (ASLOB 51 & 52). 40.8%.

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.

ALABAMA
ADVISORY PACKAGE MODIFICATION FACTOR REVIEW
COMMERCIAL PACKAGE POLICY
ML-2023-RLA1
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

SECTION A: SCOPE OF REVISION 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.

COMMERCIAL PACKAGE POLICY

SECTION A: SCOPE OF REVISION

CALCULATION OF REVISED PACKAGE MODIFICATION FACTORS (EXHIBIT A2)

OBJECTIVE 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.

The types of insured which can be written under a CPP are generally categorized into the following Types of Policy:

- . 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 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.

CPP PMF REVIEW PROCEDURE 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).

A detailed explanation of the calculation of the revised PMFs follows.

COMMERCIAL PACKAGE POLICY

SECTION A: SCOPE OF REVISION

CALCULATION OF REVISED PACKAGE MODIFICATION FACTORS (EXHIBIT A2)

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.

COMMERCIAL PACKAGE POLICY

SECTION A: SCOPE OF REVISION

CALCULATION OF REVISED PACKAGE MODIFICATION FACTORS (EXHIBIT A2)

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) 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).

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES PROPERTY COVERAGES: COMMERCIAL FIRE AND ALLIED LINES

DISTRIBUTION OF ADVISORY LOSS COST LEVEL CHANGE BASIC GROUP I AND SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS (EXHIBIT B1-B2)

OBJECTIVE	<p>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:</p> <ol style="list-style-type: none">(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.
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COLUMN (1)	<u>LEAST SQUARES FORMULA RELATIVITIES</u>
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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.

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES PROPERTY COVERAGES: COMMERCIAL FIRE AND ALLIED LINES

DISTRIBUTION OF ADVISORY LOSS COST LEVEL CHANGE BASIC GROUP I AND SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS (EXHIBIT B1-B2)

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;

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES PROPERTY COVERAGES: COMMERCIAL FIRE AND ALLIED LINES

DISTRIBUTION OF ADVISORY LOSS COST LEVEL CHANGE BASIC GROUP I AND SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS (EXHIBIT B1-B2)

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.

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES PROPERTY COVERAGES: COMMERCIAL FIRE AND ALLIED LINES

DISTRIBUTION OF ADVISORY LOSS COST LEVEL CHANGE BASIC GROUP I AND SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS (EXHIBIT B1-B2)

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-B2.

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES PROPERTY COVERAGES: COMMERCIAL FIRE AND ALLIED LINES

DISTRIBUTION OF ADVISORY LOSS COST LEVEL CHANGE BASIC GROUP I RELATIVITY ANALYSIS SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW (EXHIBIT B3)

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>

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES PROPERTY COVERAGES: COMMERCIAL FIRE AND ALLIED LINES

DISTRIBUTION OF ADVISORY LOSS COST LEVEL CHANGE SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW (EXHIBIT B4)

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>

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES PROPERTY COVERAGES: COMMERCIAL FIRE AND ALLIED LINES

DISTRIBUTION OF ADVISORY LOSS COST LEVEL CHANGE SPECIAL CAUSES OF LOSS RELATIVITY ANALYSIS SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW (EXHIBIT B4)

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.

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES PROPERTY COVERAGES: COMMERCIAL FIRE AND ALLIED LINES

DISTRIBUTION OF ADVISORY LOSS COST LEVEL CHANGE BASIC GROUP II RELATIVITY ANALYSIS (EXHIBIT B5)

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.

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

COLUMN (1)

AGGREGATE LOSS COSTS

The latest fiscal 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 NON-HURRICANE EXPERIENCE RATIO

These experience ratios are the ratio of the combined ten year CSP adjusted incurred non-hurricane losses (adjusted to current deductible and prospective cost levels 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.

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES PROPERTY COVERAGES: COMMERCIAL FIRE AND ALLIED LINES

DISTRIBUTION OF ADVISORY LOSS COST LEVEL CHANGE BASIC GROUP II RELATIVITY ANALYSIS (EXHIBIT B5)

COLUMN (3)

FORMULA RELATIVITY

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

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES PROPERTY COVERAGES: COMMERCIAL FIRE AND ALLIED LINES

DISTRIBUTION OF ADVISORY LOSS COST LEVEL CHANGE BASIC GROUP II RELATIVITY ANALYSIS (EXHIBIT B5)

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.

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.

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES PROPERTY COVERAGES: CRIME, FIDELITY, AND INLAND MARINE

Crime and Fidelity

The reviews for Crime (Burglary and Theft) and for Fidelity are performed on a multistate basis, combining both multiline and monoline experience. 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.

Inland Marine

A simultaneous review procedure had been performed in the past to calculate indicated IPMFs for Inland Marine. Beginning with this review, the IPMFs for Inland Marine are being frozen at 0.910 since the results of the simultaneous review procedure were not used to calculate monoline loss cost level changes and the IPMFs have little impact, or weight, in the calculation of the overall Property PMFs. Indications for Inland Marine are to bring the current IPMFs to the 0.910 level.

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES LIABILITY COVERAGES: GENERAL LIABILITY

DISTRIBUTION OF ADVISORY LOSS COST LEVEL CHANGE (EXHIBIT B8-B17)

OBJECTIVES	<p>The objectives of this procedure are to:</p> <ol style="list-style-type: none">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	<p>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.</p>
SIMULTANEOUS DETERMINATION OF RATING VARIABLE RELATIVITIES	<p>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.</p> <p>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.</p> <p>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.</p>
RATING VARIABLES USED	<p>For Premises/Operations and Products/Completed Operations, the rating variables used in the relativity analysis are as follows:</p>

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

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES
LIABILITY COVERAGES: GENERAL LIABILITY

DISTRIBUTION OF ADVISORY LOSS COST LEVEL CHANGE (EXHIBIT B8-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;

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES
LIABILITY COVERAGES: GENERAL LIABILITY

DISTRIBUTION OF ADVISORY LOSS COST LEVEL CHANGE (EXHIBIT B8-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;

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES
LIABILITY COVERAGES: GENERAL LIABILITY

DISTRIBUTION OF ADVISORY LOSS COST LEVEL CHANGE (EXHIBIT B8-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;

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES
LIABILITY COVERAGES: GENERAL LIABILITY

DISTRIBUTION OF ADVISORY LOSS COST LEVEL CHANGE (EXHIBIT B8-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

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

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

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:

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

COMMERCIAL PACKAGE POLICY

SECTION B: CALCULATION OF PROPOSED CHANGES
LIABILITY COVERAGES: GENERAL LIABILITY

DISTRIBUTION OF ADVISORY LOSS COST LEVEL CHANGE (EXHIBIT B8-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.

CLM Divisions

- 2 - Equipment Breakdown
- 3 - Crime and Fidelity
- 4 - Commercial Farm
- 5 - Commercial Fire and Allied Lines
- 6 - General Liability
- 8 - Commercial Inland Marine

INSURANCE SERVICES OFFICE, INC.

ALABAMA

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%	0.93	0.95	2.2%	0.8%
APARTMENT (32)	1.00	1.00	0.0%	1.00	0.99	-1.0%	-0.2%
OFFICE (33)	0.92	0.93	1.1%	0.83	0.81	-2.4%	-0.5%
MERCANTILE (34)	1.00	0.96	-4.0%	1.00	0.94	-6.0%	-4.9%
INSTITUTION(35)	1.00	1.00	0.0%	0.80	0.86	7.5%	1.2%
SERVICES (36)	1.00	1.00	0.0%	0.88	0.85	-3.4%	-1.3%
IND/PROC (37)	0.92	0.87	-5.4%	0.94	0.95	1.1%	-2.4%
CONTRACTORS(38)	1.00	1.00	0.0%	0.88	0.92	4.5%	4.0%
STATEWIDE			-1.4%			0.0%	-0.8%

INSURANCE SERVICES OFFICE, INC.

ALABAMA
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	511,384	0.675	3.4%	0.698	0.665
BASIC GRP II	1,174,824	1.484	1.1%	1.500	1.429
SP CAUSE/LOSS	386,293	0.795	9.0%	0.867	0.826
* CRIME	983	0.910	0.0%	0.910	0.910
* INL. MAR.	6,289	0.910	0.0%	0.910	0.910
* FIDELITY	4,210	1.000	0.0%	1.000	1.000
TOTAL	2,083,983	1.000	5.0%	1.050	1.000
LIABILITY-					
OL&T	1,313,984	0.925	-5.4%	0.875	0.947
TOTAL	1,313,984	0.930	-5.9%	0.875	0.950

PROP. & LIAB. TOTAL	3,397,967		0.8%		0.8%

APARTMENT (32) *****	(1) AGGREGATE LOSS COSTS	(2) CURRENT IMPLICIT PMF	(3) NET INDICATION	(4) INDIC. PMF	(5) CAPPED PMF
COVERAGE					
PROPERTY-					
BASIC GRP I	2,795,141	0.758	0.5%	0.762	0.754
BASIC GRP II	3,808,603	1.364	-10.0%	1.228	1.215
SP CAUSE/LOSS	1,447,617	1.128	11.2%	1.254	1.241
* CRIME	110	0.910	0.0%	0.910	0.910
* INL. MAR.	620	0.910	0.0%	0.910	0.910
* FIDELITY	1,261	1.000	0.0%	1.000	1.000
TOTAL	8,053,352	1.000	1.1%	1.011	1.000
LIABILITY-					
OL&T	1,728,655	1.000	-6.3%	0.937	0.985
TOTAL	1,728,655	1.000	-6.3%	0.937	0.990

PROP. & LIAB. TOTAL	9,782,007		-0.2%		-0.2%

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

INSURANCE SERVICES OFFICE, INC.

ALABAMA
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	1,296,466	0.751	3.0%	0.774	0.774
BASIC GRP II	2,419,205	1.102	-4.1%	1.057	1.057
SP CAUSE/LOSS	744,350	0.849	9.1%	0.926	0.926
* CRIME	3,798	0.910	0.0%	0.910	0.910
* INL. MAR.	33,172	0.910	0.0%	0.910	0.910
* FIDELITY	4,255	1.000	0.0%	1.000	1.000
TOTAL	4,501,246	0.920	1.2%	0.931	0.930
LIABILITY-					
OL&T	3,511,886	0.834	-3.2%	0.807	0.807
M&C	404,967	0.831	0.2%	0.833	0.833
TOTAL	3,916,853	0.830	-2.4%	0.810	0.810

PROP. & LIAB. TOTAL	8,418,099		-0.5%		-0.5%

MERCANTILE (34) *****	(1) AGGREGATE LOSS COSTS	(2) CURRENT IMPLICIT PMF	(3) NET INDICATION	(4) INDIC. PMF	(5) CAPPED PMF
COVERAGE					
PROPERTY-					
BASIC GRP I	4,294,773	0.624	3.0%	0.643	0.643
BASIC GRP II	9,244,289	1.409	-11.9%	1.241	1.241
SP CAUSE/LOSS	2,919,653	0.971	9.4%	1.062	1.062
* CRIME	56,492	0.910	0.0%	0.910	0.910
* INL. MAR.	252,260	0.910	0.0%	0.910	0.910
* FIDELITY	158,977	1.000	0.0%	1.000	1.000
TOTAL	16,926,444	1.000	-4.2%	0.958	0.960
LIABILITY-					
OL&T	9,192,906	0.976	-8.5%	0.893	0.892
M&C	2,549,629	1.115	-4.5%	1.065	1.065
LOCAL PRODUCT	710,139	1.500	0.0%	1.500	1.500
* MULTI PRODUCT	951,598	0.853	5.8%	0.902	0.902
TOTAL	13,404,272	1.000	-5.5%	0.945	0.940

PROP. & LIAB. TOTAL	30,330,716		-4.8%		-4.9%

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

INSURANCE SERVICES OFFICE, INC.

ALABAMA
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	4,247,189	0.760	4.3%	0.793	0.791
BASIC GRP II	9,686,861	1.285	-7.2%	1.192	1.189
SP CAUSE/LOSS	2,760,659	0.832	11.4%	0.927	0.924
* CRIME	21,813	0.910	0.0%	0.910	0.910
* INL. MAR.	50,247	0.910	0.0%	0.910	0.910
* FIDELITY	112,053	1.000	0.0%	1.000	1.000
TOTAL	16,878,822	1.000	0.3%	1.003	1.000
LIABILITY-					
OL&T	2,614,564	0.790	7.3%	0.848	0.859
M&C	571,444	0.858	0.5%	0.862	0.873
TOTAL	3,186,008	0.800	6.3%	0.850	0.860

PROP. & LIAB. TOTAL	20,064,830		1.2%		1.2%

SERVICES (36) *****	(1) AGGREGATE LOSS COSTS	(2) CURRENT IMPLICIT PMF	(3) NET INDICATION	(4) INDIC. PMF	(5) CAPPED PMF
COVERAGE					
PROPERTY-					
BASIC GRP I	2,889,580	0.863	5.0%	0.906	0.906
BASIC GRP II	4,241,352	1.354	-8.3%	1.242	1.241
SP CAUSE/LOSS	949,805	0.644	9.2%	0.703	0.703
* CRIME	9,126	0.910	0.0%	0.910	0.910
* INL. MAR.	29,216	0.910	0.0%	0.910	0.910
* FIDELITY	45,992	1.000	0.0%	1.000	1.000
TOTAL	8,165,071	1.000	0.0%	1.000	1.000
LIABILITY-					
OL&T	2,298,817	0.794	-3.5%	0.766	0.766
M&C	2,087,038	0.863	-4.5%	0.824	0.824
LOCAL PRODUCT	685,597	1.500	-1.2%	1.482	1.482
* MULTI PRODUCT	45,753	0.916	6.3%	0.974	0.974
TOTAL	5,117,205	0.880	-3.6%	0.848	0.850

PROP. & LIAB. TOTAL	13,282,276		-1.4%		-1.3%

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

INSURANCE SERVICES OFFICE, INC.

ALABAMA
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	2,495,010	0.887	-1.2%	0.876	0.876
BASIC GRP II	2,267,699	0.944	-14.7%	0.805	0.805
SP CAUSE/LOSS	1,119,697	0.947	5.7%	1.001	1.001
* CRIME	1,946	0.910	0.0%	0.910	0.910
* INL. MAR.	2,219	0.910	0.0%	0.910	0.910
* FIDELITY	23,816	1.000	0.0%	1.000	1.000
TOTAL	5,910,387	0.920	-5.1%	0.873	0.870
LIABILITY-					
M&C	3,730,989	0.980	-2.7%	0.954	0.954
LOCAL PRODUCT	135,644	1.276	-2.2%	1.248	1.248
* MULTI PRODUCT	1,192,792	0.863	6.6%	0.920	0.920
TOTAL	5,059,425	0.940	1.1%	0.951	0.950

PROP. & LIAB.	10,969,812		-2.2%		-2.4%
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	559,719	0.645	0.8%	0.650	0.650
BASIC GRP II	866,828	1.190	-6.5%	1.113	1.113
SP CAUSE/LOSS	650,648	1.353	7.8%	1.459	1.459
* CRIME	1,933	0.910	0.0%	0.910	0.910
* INL. MAR.	1,173	0.910	0.0%	0.910	0.910
* FIDELITY	43,404	1.000	0.0%	1.000	1.000
TOTAL	2,123,705	1.000	-0.1%	0.999	1.000
LIABILITY-					
M&C	9,090,554	0.774	2.6%	0.794	0.794
LOCAL PRODUCT	8,147,989	1.127	-0.4%	1.122	1.122
TOTAL	17,238,543	0.880	4.5%	0.919	0.920

PROP. & LIAB.	19,362,248		4.0%		4.0%
TOTAL					

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

INSURANCE SERVICES OFFICE, INC.

ALABAMA
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	19,089,262	0.744	2.6%	0.763	0.761
BASIC GRP II	33,709,661	1.283	-8.9%	1.169	1.170
SP CAUSE/LOSS	10,978,722	0.907	9.6%	0.994	0.990
* CRIME	96,201	0.910	0.0%	0.910	0.910
* INL. MAR.	375,196	0.910	0.0%	0.910	0.910
* FIDELITY	393,968	1.000	0.0%	1.000	1.000
TOTAL	64,643,010	0.985	-1.0%	0.975	0.971
LIABILITY-					
OL&T	20,660,812	0.899	-4.7%	0.857	0.862
M&C	18,434,621	0.861	-0.4%	0.858	0.858
LOCAL PRODUCT	9,679,369	1.171	-0.5%	1.165	1.166
* MULTI PRODUCT	2,190,143	0.860	6.2%	0.913	0.913
TOTAL	50,964,945	0.910	-0.4%	0.906	0.910

PROP. & LIAB.	115,607,955		-0.8%		-0.8%
TOTAL					

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

INSURANCE SERVICES OFFICE, INC.

ALABAMA

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)	0.960	0.978	0.980
APARTMENT (32)	1.000	0.997	1.000
OFFICE (33)	0.880	0.871	0.870
MERCANTILE (34)	1.000	0.952	0.950
INSTITUTION(35)	0.960	0.973	0.970
SERVICES (36)	0.950	0.936	0.940
IND/PROC (37)	0.930	0.908	0.910
CONTRACTORS(38)	0.890	0.927	0.930

NOTE: Combined PMFs are provided for informational purposes only.

INSURANCE SERVICES OFFICE, INC.

ALABAMA

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	0.879	0.169	0.978	0.979	
31	1.643	0.022	1.011	1.012	3.4%
32	0.869	0.121	0.983	0.984	0.5%
33	1.105	0.065	1.007	1.008	3.0%
34	1.041	0.169	1.007	1.008	3.0%
35	1.114	0.186	1.020	1.021	4.3%
36	1.247	0.121	1.027	1.028	5.0%
37	0.720	0.104	0.966	0.967	-1.2%
38	0.582	0.026	0.986	0.987	0.8%
TERRITORY					
Birmingham	1.583	0.171	1.082	1.106	
City Of Mobile	0.165	0.053	0.909	0.929	
Bal. of State (Alab	0.951	0.646	0.968	0.989	

INSURANCE SERVICES OFFICE, INC.

ALABAMA
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	0.686	0.210	0.924	0.926	
31	1.171	0.039	1.006	1.009	9.0%
32	1.205	0.143	1.027	1.030	11.2%
33	1.083	0.082	1.007	1.010	9.1%
34	1.039	0.255	1.010	1.013	9.4%
35	1.119	0.257	1.029	1.032	11.4%
36	1.086	0.100	1.008	1.011	9.2%
37	0.813	0.117	0.976	0.979	5.7%
38	0.933	0.072	0.995	0.998	7.8%
CATEGORY					
1	1.006	0.760	1.005	1.002	
2	0.829	0.064	0.988	0.985	
3	0.985	0.088	0.999	0.996	
4	1.114	0.095	1.010	1.007	
5	1.019	0.076	1.001	0.998	
6	1.021	0.055	1.001	0.998	
7	0.965	0.020	0.999	0.996	
8	0.967	0.052	0.998	0.995	
9	0.912	0.150	0.986	0.983	
10	1.078	0.020	1.002	0.999	
11	1.101	0.108	1.010	1.007	
12	0.856	0.069	0.989	0.986	
13	0.851	0.040	0.994	0.991	
14	1.034	0.096	1.003	1.000	

INSURANCE SERVICES OFFICE, INC.

ALABAMA

BASIC GROUP I RELATIVITY ANALYSIS

SUMMARY OF EXPERIENCE USED IN SIMULTANEOUS REVIEW

TYPE OF POLICY	(1)	(2)	(3)	(4)
	ACCIDENT YEAR			
	ENDING 3/31/22	5 - YEAR	5 - YEAR	RELATIVITY
	AGGREGATE LOSS COSTS	AGGREGATE LOSS COSTS	EXPERIENCE RATIO	

ENTIRE STATE				
10 MONOLINE	4,438,696	20,293,524	0.967	0.862
31 MULTILINE MOTEL/HOTEL	511,384	2,279,825	1.757	1.566
32 MULTILINE APARTMENT	2,795,141	13,815,972	0.902	0.804
33 MULTILINE OFFICE	1,296,466	7,003,366	1.157	1.031
34 MULTILINE MERCANTILE	4,294,773	20,359,989	1.117	0.996
35 MULTILINE INSTITUTIONAL	4,247,189	22,919,586	1.137	1.014
36 MULTILINE SERVICES	2,889,580	13,796,845	1.647	1.467
37 MULTILINE INDUST/PROCESS	2,495,010	11,573,993	0.991	0.883
38 MULTILINE CONTRACTORS	<u>559,719</u>	<u>2,719,766</u>	<u>0.584</u>	<u>0.521</u>
TOTAL ALL TOPS*	23,527,958	114,762,866	1.122	1.000

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

INSURANCE SERVICES OFFICE, INC.

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

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 3/31/22 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	1,679,955	8,017,036	0.774	0.760	0.695
	02 RES. APTS. AND COND	21,211	106,295	0.576	0.661	0.604
	03 OFFICES	95,910	482,349	0.353	0.570	0.521
	04 MERCANTILE - HIGH	65,623	349,451	0.541	0.641	0.586
	05 MERCANTILE - MEDIUM	28,044	141,494	0.008	0.511	0.467
	06 MERCANTILE - LOW	21,940	107,107	0.162	0.557	0.509
	07 MOTELS AND HOTELS	4,739	53,602	1.916	0.975	0.891
	08 INSTITUTIONAL - HIGH	32,019	136,937	0.087	0.532	0.486
	09 INSTITUTIONAL - LOW	73,897	367,737	0.287	0.558	0.510
	10 INDUST-PROC - HIGH	10,340	49,198	0.000	0.529	0.484
	11 INDUST-PROC - LOW	62,143	260,214	0.495	0.631	0.577
	12 SERVICE - HIGH	51,611	175,158	0.499	0.637	0.582
	13 SERVICE - LOW	45,106	263,239	0.333	0.583	0.533
	14 CONTRACTORS	21,055	97,490	1.412	0.868	0.793
	TOTAL*	2,213,593	10,607,307	0.687	0.722	0.661
31 MULTILINE MOTEL/HOTEL	01 BUILDINGS	329,220	1,392,207	1.887	1.295	1.184
	07 MOTELS AND HOTELS	57,073	247,913	1.487	1.242	1.135
	TOTAL*	386,293	1,640,120	1.828	1.287	1.177
32 MULTILINE APARTMENT	01 BUILDINGS	1,260,161	5,743,153	1.904	1.333	1.218
	02 RES. APTS. AND COND	187,456	920,756	0.211	1.098	1.004
	TOTAL*	1,447,617	6,663,909	1.685	1.303	1.190
33 MULTILINE OFFICE	01 BUILDINGS	586,558	2,832,203	1.089	1.196	1.093
	03 OFFICES	156,731	754,009	1.184	1.210	1.106
	04 MERCANTILE - HIGH	346	1,578	38.735	5.096	4.658
	08 INSTITUTIONAL - HIGH	314	1,855	0.000	1.088	0.995
	12 SERVICE - HIGH	248	1,152	7.467	1.860	1.700
	14 CONTRACTORS	153	373	0.000	1.088	0.995
	TOTAL*	744,350	3,591,170	1.128	1.201	1.098

INSURANCE SERVICES OFFICE, INC.

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

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 3/31/22 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	2,283,737	10,550,691	0.924	1.149	1.050
	03 OFFICES	4,916	34,431	1.281	1.220	1.115
	04 MERCANTILE - HIGH	227,528	1,161,708	1.800	1.283	1.173
	05 MERCANTILE - MEDIUM	236,631	1,069,780	0.808	1.166	1.066
	06 MERCANTILE - LOW	135,149	737,889	0.830	1.170	1.069
	08 INSTITUTIONAL - HIG	-	187	0.000	1.088	0.995
	10 INDUST-PROC - HIGH	88	246	0.000	1.088	0.995
	11 INDUST-PROC - LOW	1,962	4,855	0.000	1.088	0.995
	12 SERVICE - HIGH	11,944	40,735	0.000	1.087	0.994
	13 SERVICE - LOW	3,671	11,452	0.000	1.088	0.995
	14 CONTRACTORS	14,027	51,456	0.000	1.087	0.994
	TOTAL*	2,919,653	13,663,430	0.969	1.161	1.061
35 MULTILINE INSTITUTIONAL	01 BUILDINGS	2,084,684	10,933,515	1.317	1.237	1.131
	03 OFFICES	4,083	10,933	0.000	1.088	0.995
	04 MERCANTILE - HIGH	51	129	0.000	1.088	0.995
	08 INSTITUTIONAL - HIG	133,338	658,939	1.069	1.197	1.094
	09 INSTITUTIONAL - LOW	526,952	2,228,534	0.540	1.124	1.027
	12 SERVICE - HIGH	1,578	5,563	0.000	1.088	0.995
	13 SERVICE - LOW	9,860	33,846	0.000	1.087	0.994
	14 CONTRACTORS	113	424	0.000	1.088	0.995
	TOTAL*	2,760,659	13,871,883	1.149	1.213	1.109
36 MULTILINE SERVICES	01 BUILDINGS					
	03 OFFICES	634,853	3,062,773	1.681	1.201	1.098
	04 MERCANTILE - HIGH	16,503	39,635	0.383	0.974	0.890
	05 MERCANTILE - MEDIUM	4,612	17,770	0.000	0.936	0.856
	06 MERCANTILE - LOW	2,901	17,620	1.458	1.083	0.990
	08 INSTITUTIONAL - HIG	2,931	11,648	6.647	1.606	1.468
	09 INSTITUTIONAL - LOW	5,683	29,084	0.000	0.935	0.855
	10 INDUST-PROC - HIGH	9,079	41,869	0.000	0.934	0.854
	11 INDUST-PROC - LOW	547	1,529	0.000	0.937	0.856
	12 SERVICE - HIGH	201,784	878,846	0.910	1.022	0.934
	13 SERVICE - LOW	63,023	310,219	0.985	1.034	0.945
	14 CONTRACTORS	7,889	23,495	0.000	0.936	0.856
	TOTAL*	949,805	4,434,488	1.414	1.141	1.043

INSURANCE SERVICES OFFICE, INC.

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

TYPE OF POLICY	CATEGORY	(1) ACCIDENT YEAR ENDING 3/31/22 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	741,039	3,461,602	0.502	0.898	0.821
	03 OFFICES	1,873	10,217	8.760	1.818	1.662
	04 MERCANTILE - HIGH	3,254	12,034	0.000	0.936	0.856
	05 MERCANTILE - MEDIUM	258	1,032	0.000	0.937	0.856
	10 INDUST-PROC - HIGH	57,943	255,243	0.436	0.972	0.888
	11 INDUST-PROC - LOW	311,953	1,551,071	0.768	0.991	0.906
	12 SERVICE - HIGH	379	418	0.000	0.937	0.856
	13 SERVICE - LOW	609	1,151	12.506	2.188	2.000
	14 CONTRACTORS	2,389	20,014	1.262	1.063	0.972
	TOTAL*	1,119,697	5,312,782	0.593	0.930	0.851
38 MULTILINE CONTRACTORS	01 BUILDINGS	319,877	1,524,927	0.981	1.030	0.941
	03 OFFICES	20,916	109,633	4.926	1.454	1.329
	04 MERCANTILE - HIGH	7,938	24,739	3.251	1.265	1.156
	05 MERCANTILE - MEDIUM	-	620	0.000	0.937	0.856
	06 MERCANTILE - LOW	2,796	10,691	0.000	0.936	0.856
	08 INSTITUTIONAL - HIG	268	2,132	0.000	0.937	0.856
	11 INDUST-PROC - LOW	629	2,335	0.000	0.937	0.856
	12 SERVICE - HIGH	1,721	5,708	17.956	2.738	2.503
	13 SERVICE - LOW	2,269	9,930	0.000	0.936	0.856
	14 CONTRACTORS	294,234	1,393,538	1.147	1.060	0.969
	TOTAL*	650,648	3,084,253	1.246	1.064	0.972
TOTAL ALL TOPS*	01 BUILDINGS	9,920,084	47,518,107	1.166	1.113	1.018
	02 RES. APTS. AND COND	208,667	1,027,051	0.248	1.054	0.963
	03 OFFICES	300,932	1,441,207	1.168	1.012	0.925
	04 MERCANTILE - HIGH	309,352	1,567,409	1.565	1.142	1.044
	05 MERCANTILE - MEDIUM	267,834	1,230,546	0.730	1.096	1.002
	06 MERCANTILE - LOW	162,816	867,335	0.830	1.091	0.997
	07 MOTELS AND HOTELS	61,812	301,515	1.520	1.222	1.116
	08 INSTITUTIONAL - HIG	171,622	829,134	0.847	1.064	0.972
	09 INSTITUTIONAL - LOW	609,928	2,638,140	0.501	1.053	0.962
	10 INDUST-PROC - HIGH	68,371	304,687	0.370	0.905	0.827
	11 INDUST-PROC - LOW	377,234	1,820,004	0.717	0.932	0.852
	12 SERVICE - HIGH	269,265	1,107,580	0.899	0.963	0.880
	13 SERVICE - LOW	124,538	629,837	0.680	0.880	0.805
	14 CONTRACTORS	339,860	1,586,790	1.089	1.046	0.957
	TOTAL*	13,192,315	62,869,342	1.086	1.094	1.000

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

ALABAMA

BASIC GROUP II RELATIVITY ANALYSIS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	ACCIDENT YEAR ENDING 03/31/22 AGGR. LOSS COSTS AT CURRENT IMPLICIT PMF	ACCIDENT YEARS 2013 - 2022 EXPER. RATIO AT CURRENT PMF	FORMULA RELATIVITY (2)/ 0.721	CREDIBILITY C	CREDIBILITY WEIGHTED RELATIVITY D	BALANCED FORMULA RELATIVITY E	NORMALIZED FORMULA RELATIVITY F	INDICATED CHANGE
	-----	-----	-----	-----	-----	-----	-----	-----
MONOLINE	7,065,408	0.815	1.130	0.582	1.075	1.075	1.083	
MULTILINE	32,534,837	0.700	0.971	0.867	0.975	0.979	0.986	
	-----	-----	-----	-----	-----	-----	-----	
COVERAGE	39,600,245	0.721	0.999			0.993	1.003	
MULTILINE TOP								
31 MOTEL/HOTEL	1,174,824	0.000	0.000	0.000	0.000	1.087	1.095	1.1%
32 APARTMENT	3,808,603	0.680	0.943	0.400	0.977	0.968	0.975	-10.0%
33 OFFICE	2,419,205	0.818	1.135	0.307	1.041	1.031	1.038	-4.1%
34 MERCANTILE	9,244,289	0.671	0.931	0.635	0.956	0.947	0.954	-11.9%
35 INSTITUTIONAL	9,686,861	0.728	1.010	0.693	1.007	0.998	1.005	-7.2%
36 SERVICES	4,241,352	0.713	0.989	0.446	0.995	0.986	0.993	-8.3%
37 INDUST/PROCESS	2,267,699	0.549	0.761	0.311	0.925	0.917	0.924	-14.7%
38 CONTRACTORS	866,828	0.793	1.100	0.152	1.014	1.005	1.012	-6.5%
	-----	-----	-----	-----	-----	-----	-----	
	33,709,661	0.700	0.971		0.984	0.979	0.986	

A - TOP 31 Implicit PMF capped at 1.5.

For columns (1) through (5), monoline includes the above TOP at the capped level and multiline excludes this TOP.

B - For Columns (2) - (5), the Multiline total is the average weighted by the capped ALCCL in Column (1).

The Multiline total in Columns (6) - (10) is the average weighted by the uncapped ALCCL.

The Experience Ratios reflect the smoothing of the April 2011 tornado losses to be a 1-in-250 year event.

C - Credibility = $P/(P+K)$ where P represents the total 10-year adjusted loss costs and $K = 45,000,000$

D - $(5) = ((3) * (4)) + ((1.000 - (4)) * 0.000)$

E - For uncapped multiline TOPs: $(6) = (5) * (0.975/0.984)$

For capped multiline TOPs: $(6) = 1.075 * \text{Capped IPMF} / \text{Current IPMF}$

F - $(7) = (6) / 0.993$

INSURANCE SERVICES OFFICE, INC.

ALABAMA
OWNERS, LANDLORDS AND TENANTS
BASIC LIMIT RELATIVE CHANGE ANALYSIS

TYPE OF POLICY	(1) BAILEY FORMULA	(2) CREDIBILITY	(3) WEIGHTED RELATIVITY	(4) BALANCED RELATIVITY	(5) INDICATED CHANGE
	RELATIVITY	CREDIBILITY	RELATIVITY	RELATIVITY	CHANGE
10	1.171	0.227	1.036	1.035	
31	0.829	0.108	0.980	0.979	-5.4%
32	0.679	0.077	0.971	0.970	-6.3%
33	1.033	0.115	1.004	1.002	-3.2%
34	0.742	0.179	0.948	0.947	-8.5%
35	2.606	0.112	1.113	1.111	7.3%
36	1.007	0.095	1.001	0.999	-3.5%
CLASS GROUP					
1	0.889	0.129	0.985	0.985	
2	1.010	0.140	1.001	1.002	
3	1.002	0.096	1.000	1.001	
4	0.115	0.018	0.962	0.962	
5	0.199	0.034	0.947	0.947	
6	0.637	0.042	0.981	0.981	
7	0.869	0.096	0.987	0.987	
8	0.370	0.029	0.972	0.972	
9	1.193	0.137	1.024	1.025	
10	0.330	0.111	0.884	0.884	
11	1.840	0.103	1.065	1.065	
12	1.176	0.180	1.030	1.030	
13	0.798	0.042	0.991	0.991	
16	0.111	0.027	0.942	0.943	
TERRITORY					
501	0.995	0.146	0.999	0.999	
503	1.001	0.338	1.000	1.000	

INSURANCE SERVICES OFFICE, INC.

ALABAMA

MANUFACTURERS AND CONTRACTORS

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	1.037	0.214	1.008	1.002	
33	1.339	0.033	1.010	1.004	0.2%
34	0.645	0.088	0.962	0.957	-4.5%
35	1.366	0.041	1.013	1.007	0.5%
36	0.706	0.110	0.962	0.957	-4.5%
37	0.739	0.064	0.981	0.975	-2.7%
38	1.194	0.188	1.034	1.028	2.6%
CLASS GROUP					
30	0.889	0.091	0.989	0.988	
31	1.075	0.169	1.012	1.011	
32	1.010	0.186	1.002	1.001	
33	0.713	0.089	0.970	0.969	
34	1.091	0.115	1.010	1.009	
35	0.715	0.018	0.994	0.993	
36	0.874	0.048	0.994	0.992	
37	0.880	0.048	0.994	0.993	
38	1.488	0.100	1.041	1.039	

INSURANCE SERVICES OFFICE, INC.

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

TERRITORY ALL		(1) CALENDAR A.Y.E. 03/31/22 AGGREGATE LOSS COSTS AT CURRENT LEVEL	(2) CALENDAR A.Y.E. 2018-2022 AGG LOSS COST CURRENT LEVEL	(3) FIVE YEAR EXPERIENCE RATIO	(4) RELATIVITY	(5) NUMBER OF OCCURRENCES	(6) BAL CELL RELATIVITY
TYPE OF POLICY	CLASS GROUP						
10 MONOLINE	01 FOOD&BEV.(RETAIL)	\$428,528	\$3,616,421	1.059		179	
	02 RESTAURANTS	\$550,705	\$3,529,188	0.961		119	
	03 STORES	\$366,510	\$1,655,225	0.799		71	
	04 VENDING & RENTAL	\$11,938	\$67,425	0.159		2	
	05 FOOD & BEV. DIST.	\$78,611	\$661,452	0.058		5	
	06 NON-FOOD&BEV.DIST	\$150,659	\$632,521	1.258		11	
	07 CLUBS,AMSMT&SPRTS	\$350,762	\$1,853,129	1.457		76	
	08 HEALTH CARE FACIL	\$30,194	\$156,245	0.777		2	
	09 HOTELS AND MOTELS	\$500,464	\$2,375,540	1.389		126	
	10 SCHLS & CHURCHES	\$448,467	\$2,490,350	0.512		37	
	11 APARTMENTS	\$702,600	\$3,773,173	2.417		101	
	12 BUILDINGS&OFFICES	\$1,294,384	\$7,307,632	1.158		179	
	13 MISC. PREMISES	\$105,767	\$515,414	0.888		17	
	16 GOVT SUBDIVISIONS	\$82,550	\$312,568	0.008		0	
	TOTAL *	\$5,102,139	\$28,946,283	1.22		925	
31 MULT MOTEL/HOTEL	09 HOTELS AND MOTELS	\$744,889	\$5,823,918	0.976		209	
	TOTAL *	\$744,889	\$5,823,918	0.976		209	
32 MULT APARTMENT	11 APARTMENTS	\$874,362	\$4,665,121	0.997		91	
	12 BUILDINGS&OFFICES	\$105,600	\$499,149	2.735		15	
	TOTAL *	\$979,963	\$5,164,271	1.184		106	
33 MULT OFFICE	12 BUILDINGS&OFFICES	\$1,976,843	\$9,748,362	1.203		236	
	13 MISC. PREMISES	\$14,022	\$58,079	0.000		0	
	TOTAL *	\$1,990,865	\$9,806,441	1.194		236	
34 MULT MERCANTILE	01 FOOD&BEV.(RETAIL)	\$820,758	\$4,972,030	0.635		119	
	02 RESTAURANTS	\$1,727,775	\$8,362,598	0.805		234	
	03 STORES	\$1,159,333	\$5,480,181	0.702		83	
	04 VENDING & RENTAL	\$3,368	\$15,538	0.176		1	
	05 FOOD & BEV. DIST.	\$135,396	\$867,502	0.246		16	
	06 NON-FOOD&BEV.DIST	\$558,586	\$3,229,590	0.324		21	
	12 BUILDINGS&OFFICES	\$806,182	\$4,123,566	0.860		105	
	TOTAL *	\$5,211,398	\$27,051,005	0.697		579	
35 MULT INSTITUT.	07 CLUBS,AMSMT&SPRTS	\$31,160	\$278,696	3.950		7	
	08 HEALTH CARE FACIL	\$154,877	\$781,488	0.902		13	
	10 SCHLS & CHURCHES	\$1,243,200	\$7,018,764	0.804		186	
	12 BUILDINGS&OFFICES	\$4,243	\$30,385	2.539		5	
	13 MISC. PREMISES	\$0	\$1,277	0.000		0	
	16 GOVT SUBDIVISIONS	\$48,698	\$301,699	0.492		13	
	TOTAL *	\$1,482,179	\$8,412,308	0.875		224	

INSURANCE SERVICES OFFICE, INC.

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

TERRITORY ALL		(1) CALENDAR A.Y.E. 03/31/22 AGGREGATE LOSS COSTS AT CURRENT LEVEL	(2) CALENDAR A.Y.E. 2018-2022 AGG LOSS COST CURRENT LEVEL	(3) FIVE YEAR EXPERIENCE RATIO	(4) RELATIVITY	(5) NUMBER OF OCCURRENCES	(6) BAL CELL RELATIVITY
TYPE OF POLICY	CLASS GROUP						
36 MULT SERVICES	03 STORES	\$75,557	\$304,579	3.213		12	
	04 VENDING & RENTAL	\$48,114	\$198,635	0.102		3	
	07 CLUBS,AMSMT&SPRTS	\$832,890	\$4,433,120	0.608		83	
	08 HEALTH CARE FACIL	\$8,372	\$10,885	0.000		0	
	09 HOTELS AND MOTELS	\$24,029	\$159,489	0.964		3	
	10 SCHLS & CHURCHES	\$15,414	\$61,419	0.000		0	
	12 BUILDINGS&OFFICES	\$241,276	\$1,287,336	1.348		46	
	13 MISC. PREMISES	\$57,531	\$385,796	1.046		15	
	TOTAL *	\$1,303,184	\$6,841,259	0.892		162	
TOTAL ALL TOP	01 FOOD&BEV.(RETAIL)	\$1,249,286	\$8,588,451	0.780		298	
	02 RESTAURANTS	\$2,278,480	\$11,891,786	0.843		353	
	03 STORES	\$1,601,401	\$7,439,986	0.843		166	
	04 VENDING & RENTAL	\$63,420	\$281,598	0.116		6	
	05 FOOD & BEV. DIST.	\$214,007	\$1,528,953	0.177		21	
	06 NON-FOOD&BEV.DIST	\$709,245	\$3,862,111	0.522		32	
	07 CLUBS,AMSMT&SPRTS	\$1,214,813	\$6,564,945	0.938		166	
	08 HEALTH CARE FACIL	\$193,444	\$948,617	0.844		15	
	09 HOTELS AND MOTELS	\$1,269,382	\$8,358,947	1.138		338	
	10 SCHLS & CHURCHES	\$1,707,081	\$9,570,532	0.720		223	
	11 APARTMENTS	\$1,576,962	\$8,438,294	1.630		192	
	12 BUILDINGS&OFFICES	\$4,428,527	\$22,996,431	1.173		586	
	13 MISC. PREMISES	\$177,320	\$960,565	0.869		32	
	16 GOVT SUBDIVISIONS	\$131,249	\$614,268	0.187		13	
	TOTAL *	\$16,814,616	\$92,045,485	0.986		2,441	

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

INSURANCE SERVICES OFFICE, INC.

ALABAMA
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. 03/31/22 AGGREGATE LOSS COSTS AT CURRENT LEVEL	CALENDAR A.Y.E. 2018-2022 AGG LOSS COST CURRENT LEVEL	FIVE YEAR EXPERIENCE RATIO	RELATIVITY	NUMBER OF OCCURRENCES	BAL CELL RELATIVITY
10 MONOLINE	30 SERVICE	\$360,101	\$1,864,962	0.957	1.216	36	0.990
	31 LIGHT CONTRACTING	\$590,305	\$2,986,368	1.177	1.496	263	1.013
	32 MEDIUM CONTRCTING	\$3,657,350	\$18,741,170	0.712	0.905	348	1.003
	33 HEAVY CONTRACTING	\$913,903	\$4,308,537	0.696	0.884	62	0.971
	34 DEALER OR DISTRIB	\$381,109	\$1,929,031	0.879	1.117	49	1.011
	35 LGT. MANUFACTURER	\$93,017	\$392,484	0.001	0.001	1	0.995
	36 MED. MANUFACTURER	\$584,231	\$2,583,824	0.798	1.014	13	0.994
	37 HVY. MANUFACTURER	\$350,502	\$1,698,420	0.63	0.801	11	0.995
	38 MISC. OPERATION	\$962,312	\$4,171,865	1.3	1.652	43	1.041
	TOTAL *	\$7,892,831	\$38,676,661	0.83		826	
33 MULT OFFICE	31 LIGHT CONTRACTING	\$4,658	\$35,722	0.353	0.449	3	1.015
	32 MEDIUM CONTRCTING	\$3,217	\$23,236	3.645	4.632	4	1.005
	33 HEAVY CONTRACTING	\$91,105	\$471,746	0.155	0.197	3	0.973
	38 MISC. OPERATION	\$130,593	\$617,473	1.947	2.474	10	1.043
	TOTAL *	\$229,573	\$1,148,177	1.227		20	
34 MULT MERCANTILE	30 SERVICE	\$107,484	\$472,524	0.154	0.196	1	0.946
	32 MEDIUM CONTRCTING	\$92,484	\$514,865	0.211	0.268	5	0.958
	34 DEALER OR DISTRIB	\$1,117,761	\$4,943,013	0.566	0.719	109	0.966
	36 MED. MANUFACTURER	\$479	\$2,679	0	0	0	0.949
	38 MISC. OPERATION	\$127,161	\$770,543	1.115	1.417	23	0.994
	TOTAL *	\$1,445,368	\$6,703,624	0.561		138	
35 MULT INSTITUT.	31 LIGHT CONTRACTING	\$18,160	\$81,530	3.814	4.846	6	1.018
	32 MEDIUM CONTRCTING	\$305,788	\$1,627,473	0.927	1.178	25	1.008
	TOTAL *	\$323,948	\$1,709,003	1.089		31	
36 MULT SERVICES	30 SERVICE	\$30,462	\$204,610	4.058	5.156	10	0.946
	31 LIGHT CONTRACTING	\$129,538	\$746,638	0.549	0.698	14	0.968
	32 MEDIUM CONTRCTING	\$197,505	\$1,003,142	0.581	0.738	11	0.958
	33 HEAVY CONTRACTING	\$28,624	\$152,313	0.245	0.311	2	0.927
	34 DEALER OR DISTRIB	\$381,512	\$2,301,130	0.591	0.751	80	0.966
	36 MED. MANUFACTURER	\$1,608	\$12,548	0	0	0	0.949
	38 MISC. OPERATION	\$413,879	\$2,464,457	0.595	0.756	99	0.994
	TOTAL *	\$1,183,128	\$6,884,838	0.666		216	

INSURANCE SERVICES OFFICE, INC.

ALABAMA
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. 03/31/22 AGGREGATE LOSS COSTS AT CURRENT LEVEL	CALENDAR A.Y.E. 2018-2022 AGG LOSS COST CURRENT LEVEL	FIVE YEAR EXPERIENCE RATIO	RELATIVITY	NUMBER OF OCCURRENCES	BAL CELL RELATIVITY
37 MULT INDUST/PROC	31 LIGHT CONTRACTING	\$915	\$4,273	0	0	0	0.986
	32 MEDIUM CONTRCTING	\$106,452	\$535,203	0.205	0.26	3	0.976
	33 HEAVY CONTRACTING	\$66,650	\$372,082	0.944	1.199	4	0.945
	34 DEALER OR DISTRIB	\$6,438	\$16,267	0	0	0	0.984
	35 LGT. MANUFACTURER	\$104,686	\$611,888	0.934	1.187	5	0.968
	36 MED. MANUFACTURER	\$879,715	\$3,926,698	0.453	0.576	29	0.967
	37 HVY. MANUFACTURER	\$919,715	\$4,653,054	0.545	0.693	31	0.968
	38 MISC. OPERATION	\$30,503	\$124,585	0	0	1	1.013
	TOTAL *	\$2,115,073	\$10,244,051	0.512		73	
38 MULT CONTRACTORS	30 SERVICE	\$819,766	\$4,309,437	0.64	0.813	102	1.016
	31 LIGHT CONTRACTING	\$941,918	\$4,769,044	0.781	0.992	226	1.039
	32 MEDIUM CONTRCTING	\$2,163,111	\$11,225,022	1.185	1.506	229	1.029
	33 HEAVY CONTRACTING	\$1,156,180	\$5,912,879	0.6	0.762	73	0.996
	38 MISC. OPERATION	\$72,400	\$375,766	0.625	0.794	4	1.068
	TOTAL *	\$5,153,375	\$26,592,148	0.885		634	
TOTAL ALL TOP	30 SERVICE	\$1,317,812	\$6,851,533	0.766		149	
	31 LIGHT CONTRACTING	\$1,685,495	\$8,623,575	0.933		512	
	32 MEDIUM CONTRCTING	\$6,525,906	\$33,670,111	0.861		625	
	33 HEAVY CONTRACTING	\$2,256,462	\$11,217,556	0.627		144	
	34 DEALER OR DISTRIB	\$1,886,821	\$9,189,441	0.632		238	
	35 LGT. MANUFACTURER	\$197,703	\$1,004,372	0.495		6	
	36 MED. MANUFACTURER	\$1,466,032	\$6,525,750	0.59		42	
	37 HVY. MANUFACTURER	\$1,270,217	\$6,351,475	0.568		42	
	38 MISC. OPERATION	\$1,736,848	\$8,524,689	1.116		180	
	TOTAL *	\$18,343,296	\$91,958,501	0.787		1,938	

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

INSURANCE SERVICES OFFICE, INC.

ALABAMA
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	0.322	0.976	0.976	
34	1.049	0.356	1.017	1.016	4.2%
36	1.049	0.178	1.008	1.008	3.3%
37	1.011	0.431	1.005	1.004	2.9%
CLASS GROUP					
3	0.930	0.423	0.970	0.970	
4	1.069	0.394	1.027	1.027	
5	1.116	0.105	1.012	1.012	
6	0.992	0.299	0.998	0.998	
7	0.865	0.118	0.983	0.983	

NOTE: THE INDICATED CHANGES BY TOP WERE FURTHER ADJUSTED BY THE FOLLOWING
 DIFFERENTIALS: TOP 34: 1.015
 TOP 36: 1.029
 TOP 37: 1.036

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. 12/31/2021 AGGREGATE LOSS COSTS AT CURRENT LEVEL	CALENDAR A.Y.E. 2017 - 2021 AGG LOSS COST CURRENT LEVEL	FIVE YEAR EXPERIENCE RATIO	RELATIVITY	NUMBER OF OCCURRENCES	BAL CELL RELATIVITY
10 MONOLINE	03 MAN,DLR,DSTFD/DRG	\$11,819,097	\$63,658,617	0.783	0.870	1,091	0.946
	04 DLR,DST-NOTFD/DRG	\$7,190,323	\$36,653,516	0.937	1.042	432	1.002
	05 MAN.NTFD/DRG(LOW)	\$1,226,514	\$7,102,146	0.788	0.876	56	0.987
	06 MAN.NTFD/DRG(MED)	\$8,466,486	\$42,680,135	0.814	0.905	423	0.973
	07 MAN.NTFD/DRG(HGH)	\$2,036,214	\$10,951,431	0.681	0.757	70	0.959
	TOTAL *	\$30,738,634	\$161,045,845	0.821		2,072	
34 MULT MERCANTILE	03 MAN,DLR,DSTFD/DRG	\$5,085,663	\$25,340,297	0.947	1.053	506	0.986
	04 DLR,DST-NOTFD/DRG	\$27,891,818	\$137,888,579	0.997	1.108	2,035	1.044
	06 MAN.NTFD/DRG(MED)	\$2,648	\$13,111	0.000	0.000	-	1.014
	TOTAL *	\$32,980,129	\$163,241,987	0.989		2,541	
36 MULT SERVICES	04 DLR,DST-NOTFD/DRG	\$3,130,195	\$15,943,473	1.018	1.131	631	1.035
	06 MAN.NTFD/DRG(MED)	\$30,963	\$176,926	0.028	0.031	1	1.005
	TOTAL *	\$3,161,158	\$16,120,400	1.008		632	
37 MULT INDUST/PROC.	03 MAN,DLR,DSTFD/DRG	\$11,666,754	\$62,347,318	0.810	0.901	1,979	0.974
	05 MAN.NTFD/DRG(LOW)	\$3,213,073	\$18,166,949	1.070	1.190	163	1.015
	06 MAN.NTFD/DRG(MED)	\$26,040,916	\$133,610,898	0.908	1.010	1,362	1.001
	07 MAN.NTFD/DRG(HGH)	\$6,218,877	\$29,699,655	0.800	0.890	210	0.987
	TOTAL *	\$47,139,619	\$243,824,820	0.881		3,714	
TOTAL ALL TOP	03 MAN,DLR,DSTFD/DRG	\$28,571,513	\$151,346,232	0.823		3,576	
	04 DLR,DST-NOTFD/DRG	\$38,212,336	\$190,485,568	0.987		3,098	
	05 MAN.NTFD/DRG(LOW)	\$4,439,588	\$25,269,095	0.992		219	
	06 MAN.NTFD/DRG(MED)	\$34,541,014	\$176,481,070	0.884		1,786	
	07 MAN.NTFD/DRG(HGH)	\$8,255,091	\$40,651,087	0.771		280	
	TOTAL *	\$114,019,542	\$584,233,052	0.899		8,959	

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

INSURANCE SERVICES OFFICE, INC.

ALABAMA

LOCAL PRODUCTS/COMPLETED OPERATIONS
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	1.006	0.779	1.005	1.006	
34	1.009	0.487	1.004	1.005	0.0%
36	0.988	0.571	0.993	0.994	-1.2%
37	0.887	0.148	0.982	0.983	-2.2%
38	1.001	0.975	1.001	1.002	-0.4%
CLASS GROUP					
1	1.380	0.484	1.169	1.175	
2	1.005	0.553	1.003	1.008	
11	1.100	0.365	1.036	1.041	
12	0.983	1.000	0.983	0.988	
13	0.961	0.263	0.990	0.995	

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

	(1)	(2)	(3)	(4)
	BAILEY		CREDIBILITY	
	FORMULA		WEIGHTED	BALANCED
STATE	RELATIVITY	CREDIBILITY	RELATIVITY	RELATIVITY
Alabama	1.268	0.358	1.089	1.092
	1.365	0.259	1.084	1.087
	1.833	0.110	1.069	1.073
	1.342	0.222	1.068	1.071
	1.300	0.230	1.062	1.066
	1.301	0.218	1.059	1.063
	1.251	0.252	1.058	1.062
	1.289	0.180	1.047	1.050
	1.156	0.306	1.045	1.049
	1.080	0.562	1.044	1.048
	1.169	0.254	1.040	1.044
	1.081	0.487	1.039	1.042
	1.077	0.410	1.031	1.034
	1.114	0.269	1.030	1.033
	1.085	0.323	1.027	1.030
	1.260	0.111	1.026	1.029
	1.080	0.333	1.026	1.029
	1.033	0.489	1.016	1.019
	1.027	0.466	1.013	1.016
	1.047	0.211	1.010	1.013
	1.037	0.226	1.008	1.012
	1.015	0.243	1.004	1.007
	1.010	0.354	1.004	1.007
	1.111	0.030	1.003	1.007
	0.995	0.171	0.999	1.003
	0.996	0.436	0.998	1.002
	0.995	0.688	0.997	1.000
	0.984	0.327	0.995	0.998
	0.965	0.163	0.994	0.998
	0.960	0.162	0.993	0.997
	0.984	0.436	0.993	0.996
	0.966	0.208	0.993	0.996
	0.968	0.232	0.992	0.996
	0.936	0.133	0.991	0.995
	0.960	0.249	0.990	0.993
	0.977	0.493	0.988	0.992
	0.973	0.635	0.982	0.986
	0.873	0.137	0.982	0.985
	0.947	0.374	0.980	0.983
	0.924	0.314	0.975	0.979
	0.930	0.371	0.973	0.977
	0.835	0.157	0.972	0.975
	0.913	0.357	0.968	0.971
	0.899	0.376	0.961	0.964
	0.340	0.043	0.955	0.958
	0.898	0.432	0.955	0.958
	0.896	0.507	0.946	0.949
	0.690	0.163	0.941	0.944
	0.825	0.328	0.939	0.942
	0.827	0.390	0.928	0.932
	0.811	0.363	0.927	0.930
	0.683	0.237	0.914	0.917

* Sorted by balanced relative change

** The indicated monoline change is based on the selected multistate monoline change.

INSURANCE SERVICES OFFICE, INC.

ALABAMA
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. 12/31/21 AGGREGATE LOSS COSTS AT CURRENT LEVEL	CALENDAR A.Y.E. 2017-2021 AGG LOSS COST CURRENT LEVEL	FIVE YEAR EXPERIENCE RATIO	RELATIV.	NUMBER OF OCCURRENCES	BAL CELL RELATIV.
10 MONOLINE	01 RET.STRS-FOOD/DRG	\$30,389	\$192,605	1.190	1.235	16	1.218
	02 RET.STRS-NTFD/DRG	\$32,622	\$164,640	0.474	0.492	7	1.045
	11 COMP. OPS. (LOW)	\$114,093	\$585,053	0.554	0.575	13	1.079
	12 COMP. OPS. (MED)	\$2,436,971	\$11,211,799	0.989	1.026	140	1.024
	13 COMP. OPS. (HGH)	\$147,348	\$734,894	2.591	2.689	9	1.031
	TOTAL *	\$2,761,423	\$12,888,990	1.052		185	
34 MULT MERCANTILE	01 RET.STRS-FOOD/DRG	\$142,503	\$747,541	2.055	2.133	40	1.217
	02 RET.STRS-NTFD/DRG	\$206,569	\$834,417	1.126	1.169	13	1.044
	12 COMP. OPS. (MED)	\$99,815	\$449,692	0	0	0	1.023
	TOTAL *	\$448,887	\$2,031,650	1.170		53	
36 MULT SERVICES	01 RET.STRS-FOOD/DRG	\$4,883	\$39,044	0.160	0.166	2	1.203
	02 RET.STRS-NTFD/DRG	\$288,998	\$1,406,354	1.325	1.375	57	1.032
	11 COMP. OPS. (LOW)	\$18,911	\$83,467	1.657	1.720	3	1.066
	12 COMP. OPS. (MED)	\$96,732	\$470,723	2.516	2.612	16	1.012
	13 COMP. OPS. (HGH)	\$23,850	\$105,187	2.885	2.995	0	1.019
	TOTAL *	\$433,374	\$2,104,775	1.678		78	
37 MULT INDUST/PROC.	01 RET.STRS-FOOD/DRG	\$5	\$23	0	0	0	1.191
	11 COMP. OPS. (LOW)	\$1,286	\$6,408	0	0	0	1.055
	12 COMP. OPS. (MED)	\$84,451	\$408,162	1.402	1.455	2	1.001
	TOTAL *	\$85,742	\$414,593	1.381		2	
38 MULT CONTRACTORS	11 COMP. OPS. (LOW)	\$207,637	\$940,949	1.014	1.053	8	1.075
	12 COMP. OPS. (MED)	\$4,565,192	\$21,200,433	0.953	0.989	230	1.020
	13 COMP. OPS. (HGH)	\$377,606	\$1,752,817	1.095	1.137	19	1.027
	TOTAL *	\$5,150,435	\$23,894,199	0.966		257	
TOTAL ALL TOP	01 RET.STRS-FOOD/DRG	\$177,780	\$979,213	1.855		58	
	02 RET.STRS-NTFD/DRG	\$528,189	\$2,405,410	1.194		77	
	11 COMP. OPS. (LOW)	\$341,927	\$1,615,877	0.892		24	
	12 COMP. OPS. (MED)	\$7,283,160	\$33,740,810	0.978		388	
	13 COMP. OPS. (HGH)	\$548,804	\$2,592,898	1.574		28	
	TOTAL *	\$8,879,860	\$41,334,208	1.042		575	

* 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. 12/31/2021 AGGREGATE LOSS COSTS AT CURRENT LEVEL	CALENDAR A.Y.E. 2017 - 2021 AGG LOSS COST CURRENT LEVEL	FIVE YEAR EXPERIENCE RATIO	RELATIV.	NUMBER OF OCCURRENCES	BAL CELL RELATIV.
10 MONOLINE	01 RET.STRS-FOOD/DRG	\$1,748,833	\$13,294,303	1.231		621	
	02 RET.STRS-NTFD/DRG	\$3,644,206	\$17,449,172	1.109		492	
	11 COMP. OPS. (LOW)	\$5,499,261	\$29,100,438	1.217		689	
	12 COMP. OPS. (MED)	\$120,011,947	\$572,386,816	0.962		7,034	
	13 COMP. OPS. (HGH)	\$7,536,492	\$38,042,850	0.672		262	
	TOTAL *	\$138,440,739	\$670,273,579	0.964		9,098	
34 MULT MERCANTILE	01 RET.STRS-FOOD/DRG	\$8,156,117	\$43,997,404	1.362		2,733	
	02 RET.STRS-NTFD/DRG	\$7,639,610	\$36,671,723	0.951		693	
	12 COMP. OPS. (MED)	\$3,008,570	\$14,169,615	0.939		125	
	TOTAL *	\$18,804,297	\$94,838,741	1.127		3,551	
36 MULT SERVICES	01 RET.STRS-FOOD/DRG	\$643,620	\$4,295,009	1.241		162	
	02 RET.STRS-NTFD/DRG	\$15,583,411	\$76,045,252	0.943		3,398	
	11 COMP. OPS. (LOW)	\$3,267,900	\$16,818,142	1.161		488	
	12 COMP. OPS. (MED)	\$5,157,211	\$26,533,736	0.988		778	
	13 COMP. OPS. (HGH)	\$1,204,826	\$5,882,500	0.609		61	
	TOTAL *	\$25,856,969	\$129,574,639	0.971		4,887	
37 MULT INDUST/PROC.	01 RET.STRS-FOOD/DRG	\$22,984	\$127,871	0.000		0	
	11 COMP. OPS. (LOW)	\$118,128	\$638,240	0.539		14	
	12 COMP. OPS. (MED)	\$5,046,084	\$25,673,289	0.857		313	
	13 COMP. OPS. (HGH)	\$2,262	\$21,501	0.000		0	
	TOTAL *	\$5,189,458	\$26,460,901	0.846		327	
38 MULT CONTRACTORS	11 COMP. OPS. (LOW)	\$11,708,508	\$61,005,531	0.958		812	
	12 COMP. OPS. (MED)	\$192,727,882	\$985,553,302	0.941		12,745	
	13 COMP. OPS. (HGH)	\$15,769,275	\$78,710,767	1.070		712	
	TOTAL *	\$220,205,665	\$1,125,269,600	0.951		14,269	
TOTAL ALL TOP	01 RET.STRS-FOOD/DRG	\$10,571,554	\$61,714,586	1.330		3,516	
	02 RET.STRS-NTFD/DRG	\$26,867,226	\$130,166,147	0.968		4,583	
	11 COMP. OPS. (LOW)	\$20,593,798	\$107,562,352	1.057		2,003	
	12 COMP. OPS. (MED)	\$325,951,694	\$1,624,316,756	0.948		20,995	
	13 COMP. OPS. (HGH)	\$24,512,856	\$122,657,618	0.925		1,035	
	TOTAL *	\$408,497,128	\$2,046,417,459	0.963		32,132	

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

ALABAMA (01)

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	1.00	0.99	1.00
Contractors	.90	1.00	0.92	1.00
Industrial & Processing	.90	0.87	0.95	1.00
Institutional	.90	1.00	0.86	1.00
Mercantile	.90	0.96	0.94	1.00
Motel/Hotel	.90	1.00	0.95	1.00
Office	.90	0.93	0.81	1.00
Service	.90	1.00	0.85	1.00

Table 1. Package Modification Factors