

# Memorandum

From: Div 66 Actuarial  
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Michael Liston

To: E. Allen, S. Leeret, B. Harris, R. D'Alfonso, J. Parker, G. Grube

CC: J. Johnson, K. Hanna, J. Heaney, C. Steinbach, B. McCoy, I. Robbin, A. Markham, J. Stracher

Date: 5/4/2015

Re: Division 66 - BPL Alarm US Profitability Study

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## I. Executive Summary

- A. **Introduction** - The Alarm program offers general liability/professional liability to communication contractors. In 2000, the program expanded from burglar and fire alarm installation and monitoring to include other types of contractors. E.g. cable, satellite and closed circuit TV contractors. In 2002, fire/sprinkler contractors were removed from the program, which is identified as a contributing factor in the improved results, which start in that year.

Last year's analysis resulted in an overall PY 2015 Ultimate Loss Ratio indication of 50.1% which yielded a RAP neutral rate need of -25.4% based on 2014 RAP values.

The year to date rate change for 2015 is 0.7% in total, varying by LOB.

The targeted rate change for 2015 is 10.4% in total, varying by LOB.

For purposes of this analysis we have used a 2015 forecasted rate change of 0.7% in total, varying by LOB.

## B. Summary of Results

IL and LAE evaluated as of: 4<sup>th</sup> Quarter 2014  
Currency Employed: USD

### Exhibit 1:

Line of Business	Sub-Segment	Policy Year	2015		Projected Ultimate IL and LAE Ratio*	RAP Breakeven		Projected RAP \$ **
			GWP (000)	Forecasted		Target Combined Ratio	RAP Rate Need	
GL	N/A	2015	647	41.8%	74.4%	98.9%	-35.3%	104
Property	N/A	2015	26	34.9%	67.4%	96.4%	-43.5%	5
Excess Liability	N/A	2015	364	62.3%	94.7%	98.7%	-5.9%	10
TOTAL			1,037	48.8%	81.4%	98.8%	-25.1%	119

\* Includes PY 2015 rate change achieved

\*\* Assumes a tax rate of 35%

- I. **Discussion of Material Findings-** The ultimate loss ratio change on an all LOB combined basis was 0.1% for PY's 04-14. Policy Year 2015 indications remain in line with the expectations for GL. The AAL decreased by 0.7% and the charge for losses above \$5M decreased by 1.4%. This caused a slight improvement in the Property Ultimate Loss Ratio. The Excess line of business continues to have minimal activity (only one small claim since 2004); this has resulted in improvement in the Ultimate Loss Ratio for 2015.

## II. Assumptions/Limitations/Data Quality/Other

- A. Assumptions - For purposes of this analysis, the loss ratio indications are based on a 3.5% trend assumption for GL, 4% for AL, 5% for XS and 0.0% for Property and APD. Division 66 factors in addition to program experience were the basis for the selected development patterns.
- B. Limitations/Weakness - The projected PY 2015 loss ratio shown in Exhibit 1 of this report assumes that the YTD rate change achieved in 2015 will be consistent throughout the remainder of the year. To the extent that the annual rate change does not equal the YTD rate change, then the results of this report will vary. Besides that, there are no significant limitations/weaknesses with regards to this study outside of standard actuarial caveats that normally apply to projecting future losses. These include, but are not limited to, actual emerged actuarial parameters (LDF's, ILFs, ELR's, trend, etc.) not being in line with selected parameters; miss-coding/inaccurate representation of the data relied upon in this analysis; and future regulatory/judicial changes affecting the frequency/severity of the results.

Data Quality - The data for all lines of business in this analysis is pulled from Sandbox which aggregates the data from CRS.

- C. Other -NA

## III. Methodology

A review of several claim diagnostics shows no clear evidence of case reserve strengthening for this book of business (no consistent increase in average outstanding or decrease in paid to incurred ratios). In addition, a review of implied claim disposal rate does not show any clear evidence of claims closure rate changes.

Several methodologies have been used to project loss & legal expenses to ultimate. This includes the following: paid and incurred loss development and Bornhuetter-Ferguson methods (on a paid and incurred basis) all for losses uncapped and at varying capped levels. Frequency and severity is employed along with ultimate ILAE ratio selections to select a final PY 2015 ultimate loss ratio. The selected frequency and severities are somewhat consistent in comparison to the prior profit study.

The commissions and underwriting expenses are program specific. The RAP neutral ratio is calculated based program specific RAP profit loads. Rate need is based on a ratio of the ultimate ILAE ratio and the target ILAE ratio.

- IV. **Actuarial Next Steps** - We will continue to monitor these results through quarterly actual versus expected analyses.

- V. **Underwriting Action Plans** - Below is the response provided by Gretchen Grube from an email dated 06/04/2015.

There have been no significant updates on this program. We are continuing to work with Brownyard on growth strategies and system efficiencies.

## Appendix - Methodology:

Please note that the analysis has three sections:

- Section I - General Liability
- Section III - Property
- Section V - Excess

Exhibit 1 - Summarizes PY 2015 ultimate ILAE ratios and PY 2015 rate need.

Exhibit 2 - PY reported incurred and paid loss and LAE ratios in triangle format.

Exhibit 3 - Indexing PY 2004 - 2014 ultimate ILAE (incurred + LAE) ratios to PY 2015 and selection of PY 2015 ultimate ILAE ratios.

Exhibit 4 - Frequency/Severity method used to calculate an indicated PY 2015 ultimate ILAE ratio

Exhibit 5 - Summarizes various methods (Exhibit 6a - Exhibit 8f) used to calculate ultimate + LAE & ratios for PY's 2004 - 2014.

- a) Policy Limits
- b) Capped at \$250,000
- c) Capped at \$100,000

Exhibit 6 - Bornhuetter-Ferguson methods

- a) Methodology
- b) A Priori Loss Ratios

Exhibit 7 - ILF selections

Exhibit 8 - Loss development methods. In general, the selected age to age loss development factors are determined by giving weight to the overall Division 66 loss development factors as well as historical results of the program.

- a) Uncapped Incurred
- b) Incurred Capped at \$250,000
- c) Incurred Capped at \$100,000
- d) Uncapped Paid
- e) Paid Capped at \$250,000
- f) Paid Capped at \$100,000

Exhibit 9 - Gross Written Premium developed to an ultimate PY basis. In general, the selected age to age premium development factors are determined by giving weight to the overall Division 66 premium development factors as well as the historical results of the program.

Exhibit 10 - Total claim counts (excluding closed w/no-pay) developed to ultimate. In general, the selected age to age loss development factors are determined by giving weight to the overall Division 66 claim development factors as well as the historical results of the program.

Exhibit 11 - Open claim count, closed with payment claim count, closed without payment claim count and total claim count development.

Exhibits 12 - Key diagnostic triangles.

- a) Case Reserves per Open Claim  
Paid & Legal per Closed With Payment  
Paid per Closed With Payment
- b) Paid & Legal to Incurred & Legal  
Paid to Incurred  
Closed W/Pay to Total Claim Count (Ex CWNP)
- c) Legal to Indemnity
- d) Total Claim Count to Total Policy Count  
Average Account Size - Total - GWP to Total Policy Count  
Average Account Size - New- GWP to New Policy Count  
Average Account Size - Renewal - GWP to Renewal Policy Count

Exhibit 13 - Large loss listing (Incurred + LAE > \$100,000 and >\$250,000 for Excess).

Please let me know if you have any questions or comments regarding this study.

Program Summary by LOB - PY 2015

(1) LOB	(2) PY 2015 Forecasted GWP	Direct	(3) Before 2015 Rate Change PY 2015 Ultimate ILAE Ratio
GL	647	3.2%	42.3%
Property	26	2.9%	34.9%
Excess Liability	364	2.9%	62.3%
Total Casualty	1,011	3.1%	49.5%
Total Property	26	2.9%	34.9%
All Lines Combined	1,037	3.1%	49.1%

RAP Neutral	
(4) Target Ratio	(5) Before 2015 Rate Change PY 2015 Rate Need
66.3%	-34.5%
63.9%	-43.5%
66.4%	-5.9%
66.3%	-24.2%
63.9%	-43.5%
66.3%	-24.7%

(6) PY 2015 Rate Achieved	(7) After 2015 Rate Change PY 2015 Ultimate ILAE Ratio
1.2%	41.8%
0.0%	34.9%
0.0%	62.3%
0.8%	49.2%
0.0%	34.9%
0.7%	48.8%

- (1) = Input
- (2) = Exhibit 2
- (3) = (7) \* [1 + (6)]
- (4) = Exhibit 1
- (5) = [(3) + (Direct Expense)] / [(4) + (Direct Expense)] - 1
- (6) = Exhibit 1
- (7) = Exhibit 1

Program Summary by LOB - PY 2016

(1)	(2)	Direct	(3) After 2015 Rate Change PY 2016 Ultimate ILAE Ratio	RAP Neutral	
				(4) Target Ratio	(5) After 2015 Rate Change PY 2016 Rate Need
LOB	PY 2015 Forecasted GWP				
GL	647	3.2%	43.3%	66.3%	-33.2%
Property	26	2.9%	34.9%	63.9%	-43.5%
Excess Liability	364	2.9%	65.4%	66.4%	-1.4%
Total Casualty	1,011	3.1%	51.2%	66.3%	-21.7%
Total Property	26	2.9%	34.9%	63.9%	-43.5%
All Lines Combined	1,037	3.1%	50.8%	66.3%	-22.3%

- (1) = Input
- (2) = Exhibit 2
- (3) = Exhibit 1
- (4) = Exhibit 1
- (5) = [(3) + (Direct Expense)] / [(4) + (Direct Expense)] - 1

Program Summary by LOB

GL

Property - ex Cat Load & Reinsurance Charges

Excess Liability

PY	GWP	Reported	Reported	Selected	
		ILAE	ILAE Ratio	Ultimate ILAE	Ultimate ILAE Ratio
2004	1,646	581	35.3%	597	36.3%
2005	1,876	553	29.5%	573	30.6%
2006	2,335	2,711	116.1%	2,878	123.2%
2007	2,490	415	16.7%	456	18.3%
2008	2,337	341	14.6%	394	16.9%
2009	1,551	345	22.3%	360	23.2%
2010	1,176	165	14.1%	270	23.0%
2011	1,190	75	6.3%	330	27.7%
2012	1,092	83	7.6%	380	34.8%
2013	975	44	4.5%	370	37.9%
2014	765	3	0.3%	290	37.9%

GWP	Reported	Reported	Selected	
	ILAE	ILAE Ratio	Ultimate ILAE	Ultimate ILAE Ratio
100	2	2.2%	2	2.0%
38	8	20.9%	8	21.1%
47	0	0.0%	0	0.0%
49	11	22.9%	11	22.5%
41	0	0.0%	0	0.0%
41	0	0.0%	0	0.0%
34	0	0.0%	0	0.0%
25	0	1.8%	0	0.0%
27	19	70.9%	19	70.7%
22	1	3.3%	0	0.0%
21	0	0.0%	0	0.0%

GWP	Reported	Reported	Selected	
	ILAE	ILAE Ratio	Ultimate ILAE	Ultimate ILAE Ratio
414	0	0.0%	20	4.8%
418	0	0.0%	20	4.8%
462	0	0.0%	30	6.5%
447	0	0.0%	40	9.0%
442	0	0.0%	60	13.6%
372	0	0.0%	70	18.8%
274	0	0.0%	70	25.5%
344	0	0.0%	120	34.9%
316	0	0.0%	140	44.3%
283	0	0.0%	150	53.1%
312	0	0.0%	180	57.7%

Total Casualty

Total Property - ex Cat Load & Reinsurance

All Lines Combined

PY	GWP	Reported	Reported	Selected	
		ILAE	ILAE Ratio	Ultimate ILAE	Ultimate ILAE Ratio
2004	2,061	581	28.2%	617	29.9%
2005	2,293	553	24.1%	593	25.9%
2006	2,797	2,711	96.9%	2,908	104.0%
2007	2,937	415	14.1%	496	16.9%
2008	2,780	341	12.3%	454	16.3%
2009	1,923	345	18.0%	430	22.4%
2010	1,450	165	11.4%	340	23.4%
2011	1,534	75	4.9%	450	29.3%
2012	1,408	83	5.9%	520	36.9%
2013	1,258	44	3.5%	520	41.3%
2014	1,077	3	0.2%	470	43.6%
2015					

GWP	Reported	Reported	Selected	
	ILAE	ILAE Ratio	Ultimate ILAE	Ultimate ILAE Ratio
100	2	2.2%	2	2.0%
38	8	20.9%	8	21.1%
47	0	0.0%	0	0.0%
49	11	22.9%	11	22.5%
41	0	0.0%	0	0.0%
41	0	0.0%	0	0.0%
34	0	0.0%	0	0.0%
25	0	1.8%	0	0.0%
27	19	70.9%	19	70.7%
22	1	3.3%	0	0.0%
21	0	0.0%	0	0.0%

GWP	Reported	Reported	Selected	
	ILAE	ILAE Ratio	Ultimate ILAE	Ultimate ILAE Ratio
2,161	583	27.0%	619	28.6%
2,331	561	24.1%	601	25.8%
2,844	2,711	95.3%	2,908	102.2%
2,986	426	14.3%	507	17.0%
2,820	341	12.1%	454	16.1%
1,964	345	17.6%	430	21.9%
1,484	165	11.2%	340	22.9%
1,560	76	4.9%	450	28.9%
1,435	102	7.1%	539	37.6%
1,280	45	3.5%	520	40.6%
1,098	3	0.2%	470	42.8%

Program Summary by LOB - Prior Profitability Study Indications

GL

PY	GWP	2013	2014	2015
		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio
2004	1,646	37.7%	36.4%	36.3%
2005	1,876	31.4%	30.6%	30.6%
2006	2,335	141.3%	125.0%	123.2%
2007	2,490	22.1%	18.5%	18.3%
2008	2,337	15.4%	17.1%	16.9%
2009	1,551	23.9%	20.6%	23.2%
2010	1,176	36.6%	26.4%	23.0%
2011	1,190	41.9%	27.7%	27.7%
2012	1,092	33.3%	27.6%	34.8%
2013	975	42.0%	30.8%	37.9%
2014	765		38.0%	37.9%

Property - ex Cat Load & Reinsurance Charges

PY	GWP	2013	2014	2015
		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio
2004	100	2.0%	2.0%	2.0%
2005	38	21.1%	21.1%	21.1%
2006	47	0.0%	0.0%	0.0%
2007	49	22.4%	22.5%	22.5%
2008	41	0.0%	0.0%	0.0%
2009	41	0.0%	0.0%	0.0%
2010	34	0.0%	0.0%	0.0%
2011	25	0.0%	0.0%	0.0%
2012	27	77.8%	74.4%	70.7%
2013	22	20.0%	0.0%	0.0%
2014	21		18.0%	0.0%

Excess Liability

PY	GWP	2013	2014	2015
		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio
2004	414	0.0%	0.0%	4.8%
2005	418	0.0%	0.0%	4.8%
2006	462	0.0%	0.0%	6.5%
2007	447	0.0%	0.0%	9.0%
2008	442	20.4%	0.0%	13.6%
2009	372	26.9%	26.9%	18.8%
2010	274	36.5%	36.5%	25.5%
2011	344	49.4%	58.1%	34.9%
2012	316	57.4%	63.3%	44.3%
2013	283	40.0%	70.9%	53.1%
2014	312		55.0%	57.7%

Total  
Casualty

PY	GWP	2013	2014	2015
		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio
2004	2,061	30.1%	29.1%	29.9%
2005	2,293	25.7%	25.0%	25.9%
2006	2,797	118.0%	104.4%	104.0%
2007	2,937	18.7%	15.7%	16.9%
2008	2,780	16.2%	14.4%	16.3%
2009	1,923	24.4%	21.8%	22.4%
2010	1,450	36.6%	28.3%	23.4%
2011	1,534	43.6%	34.5%	29.3%
2012	1,408	38.7%	35.6%	36.9%
2013	1,258	41.6%	39.8%	41.3%
2014	1,077		42.9%	43.6%

Total  
Property - ex Cat Load & Reinsurance

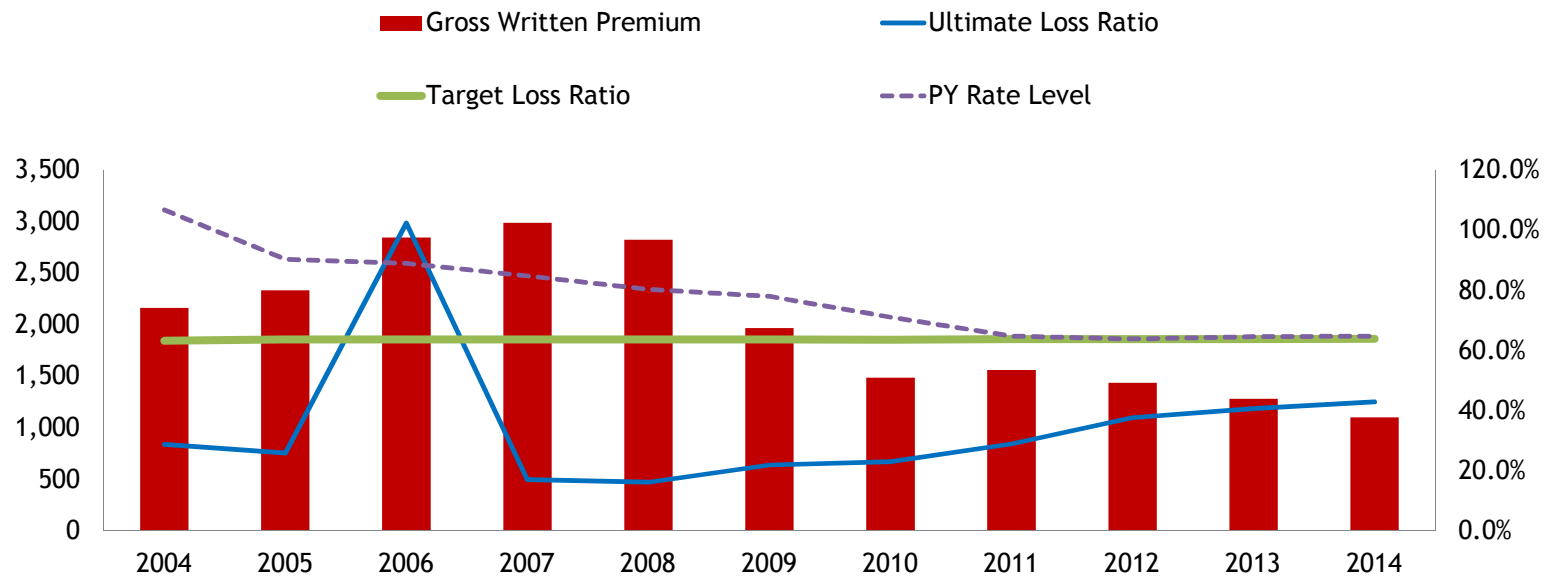
PY	GWP	2013	2014	2015
		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio
2004	100	2.0%	2.0%	2.0%
2005	38	21.1%	21.1%	21.1%
2006	47	0.0%	0.0%	0.0%
2007	49	22.4%	22.5%	22.5%
2008	41	0.0%	0.0%	0.0%
2009	41	0.0%	0.0%	0.0%
2010	34	0.0%	0.0%	0.0%
2011	25	0.0%	0.0%	0.0%
2012	27	77.8%	74.4%	70.7%
2013	22	20.0%	0.0%	0.0%
2014	21		18.0%	0.0%

All Lines  
Combined

PY	GWP	2013	2014	2015
		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio
2004	2,161	28.8%	27.9%	28.6%
2005	2,331	25.6%	25.0%	25.8%
2006	2,844	116.0%	102.7%	102.2%
2007	2,986	18.8%	15.8%	17.0%
2008	2,820	16.0%	14.2%	16.1%
2009	1,964	23.9%	21.4%	21.9%
2010	1,484	35.7%	27.6%	22.9%
2011	1,560	42.9%	34.0%	28.9%
2012	1,435	39.4%	36.3%	37.6%
2013	1,280	41.2%	39.1%	40.6%
2014	1,098		42.4%	42.8%

Total Program Summary

PY	GWP	-----Loss Ratio-----			-----Combined Ratio-----		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2004	2,161	27.0%	28.6%	63.1%	64.3%	98.8%	490	6.6%	1.07	25.8%
2005	2,331	24.1%	25.8%	63.6%	61.1%	98.8%	579	-15.4%	0.90	25.8%
2006	2,844	95.3%	102.2%	63.5%	137.5%	98.8%	-724	-1.6%	0.89	25.8%
2007	2,986	14.3%	17.0%	63.5%	52.3%	98.8%	914	-4.6%	0.85	25.8%
2008	2,820	12.1%	16.1%	63.6%	51.4%	98.8%	880	-5.3%	0.80	25.8%
2009	1,964	17.6%	21.9%	63.5%	57.2%	98.8%	538	-2.9%	0.78	25.8%
2010	1,484	11.2%	22.9%	63.5%	58.3%	98.8%	396	-8.8%	0.71	25.8%
2011	1,560	4.9%	28.9%	63.6%	64.0%	98.8%	357	-8.8%	0.65	25.8%
2012	1,435	7.1%	37.6%	63.6%	72.8%	98.8%	246	-1.6%	0.64	25.8%
2013	1,280	3.5%	40.6%	63.6%	75.8%	98.8%	194	1.2%	0.65	25.8%
2014	1,098	0.2%	42.8%	63.7%	77.9%	98.8%	151	0.2%	0.65	25.8%
Total	21,963	24.4%	35.7%				4,020			



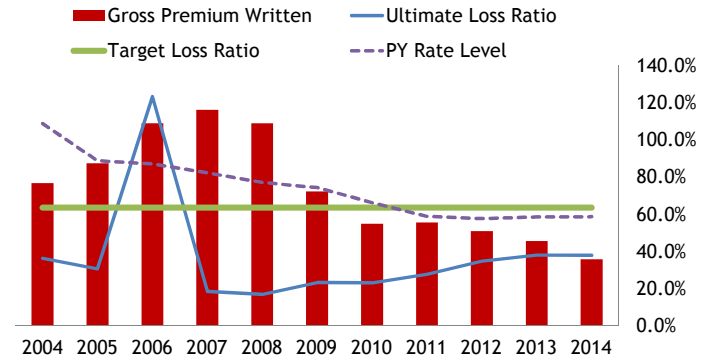
\* Target Ratio = 1 - (Expense Ratio) - (AAL) - (XOL) - (Corporate Cat Reinsurance) - (ULE) - (Claim Fees) - (Risk Load)

\* Ultimate Loss Ratios exclude modeled cats, ULE, non-machine claims fees and the impact of XOL/corporate cat reinsurance

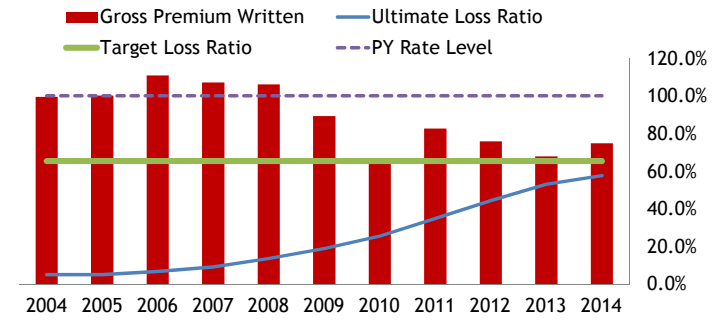


Program Summary by LOB - Casualty Lines

PY	GWP	Loss Ratio			Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2004	1,646	35.3%	36.3%	63.5%	71.7%	98.9%	295	8.9%	1.09	25.8%
2005	1,876	29.5%	30.6%	63.5%	66.0%	98.9%	406	-18.4%	0.89	25.8%
2006	2,335	116.1%	123.2%	63.5%	158.7%	98.9%	-917	-1.9%	0.87	25.8%
2007	2,490	16.7%	18.3%	63.5%	53.7%	98.9%	740	-5.5%	0.82	25.8%
2008	2,337	14.6%	16.9%	63.5%	52.3%	98.9%	716	-6.3%	0.77	25.8%
2009	1,551	22.3%	23.2%	63.5%	58.6%	98.9%	411	-3.7%	0.74	25.8%
2010	1,176	14.1%	23.0%	63.5%	58.4%	98.9%	313	-10.9%	0.66	25.8%
2011	1,190	6.3%	27.7%	63.5%	63.1%	98.9%	280	-11.2%	0.59	25.8%
2012	1,092	7.6%	34.8%	63.5%	70.2%	98.9%	206	-2.1%	0.58	25.8%
2013	975	4.5%	37.9%	63.5%	73.3%	98.9%	164	1.6%	0.59	25.8%
2014	765	0.3%	37.9%	63.5%	73.3%	98.9%	129	0.3%	0.59	25.8%
Total	17,434	30.5%	39.6%				2,742			



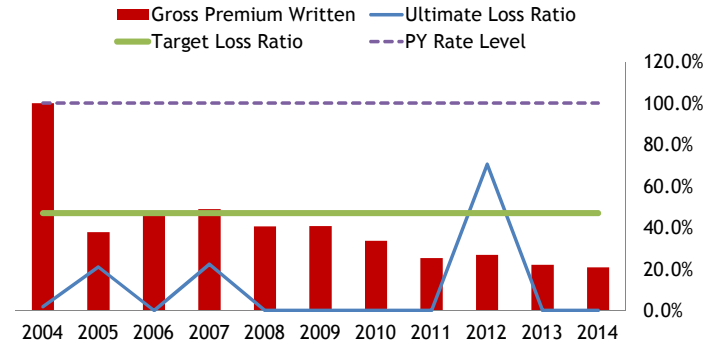
PY	GWP	Loss Ratio			Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2004	414	0.0%	4.8%	65.4%	38.2%	98.7%	165	0.0%	1.00	25.8%
2005	418	0.0%	4.8%	65.4%	38.2%	98.7%	167	0.0%	1.00	25.8%
2006	462	0.0%	6.5%	65.4%	39.9%	98.7%	179	0.0%	1.00	25.8%
2007	447	0.0%	9.0%	65.4%	42.3%	98.7%	166	0.0%	1.00	25.8%
2008	442	0.0%	13.6%	65.4%	46.9%	98.7%	151	0.0%	1.00	25.8%
2009	372	0.0%	18.8%	65.4%	52.2%	98.7%	114	0.0%	1.00	25.8%
2010	274	0.0%	25.5%	65.4%	58.9%	98.7%	72	0.0%	1.00	25.8%
2011	344	0.0%	34.9%	65.4%	68.2%	98.7%	69	0.0%	1.00	25.8%
2012	316	0.0%	44.3%	65.4%	77.7%	98.7%	44	0.0%	1.00	25.8%
2013	283	0.0%	53.1%	65.4%	86.4%	98.7%	23	0.0%	1.00	25.8%
2014	312	0.0%	57.7%	65.4%	91.0%	98.7%	16	0.0%	1.00	25.8%
Total	4,085	0.0%	22.0%				1,166			



\* Target Ratio = 1 - (Expense Ratio) - (AAL) - (XOL) - (Corporate Cat Reinsurance) - (ULE) - (Claim Fees) - (Risk Load)  
 \* Ultimate Loss Ratios exclude modeled cats, ULE, non-machine claims fees and the impact of XOL/corporate cat reinsurance

Program Summary by LOB - Property Lines

Property PY	GWP	-----Loss Ratio-----			-----Combined Ratio-----		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2004	100	2.2%	2.0%	47.0%	51.4%	96.4%	30	0.0%	1.00	26.0%
2005	38	20.9%	21.1%	47.0%	70.5%	96.4%	7	0.0%	1.00	26.0%
2006	47	0.0%	0.0%	47.0%	49.4%	96.4%	15	0.0%	1.00	26.0%
2007	49	22.9%	22.5%	47.0%	71.9%	96.4%	8	0.0%	1.00	26.0%
2008	41	0.0%	0.0%	47.0%	49.4%	96.4%	13	0.0%	1.00	26.0%
2009	41	0.0%	0.0%	47.0%	49.4%	96.4%	13	0.0%	1.00	26.0%
2010	34	0.0%	0.0%	47.0%	49.4%	96.4%	11	0.0%	1.00	26.0%
2011	25	1.8%	0.0%	47.0%	49.4%	96.4%	8	0.0%	1.00	26.0%
2012	27	70.9%	70.7%	47.0%	120.1%	96.4%	-4	0.0%	1.00	26.0%
2013	22	3.3%	0.0%	47.0%	49.4%	96.4%	7	0.0%	1.00	26.0%
2014	21	0.0%	0.0%	47.0%	49.4%	96.4%	7	0.0%	1.00	26.0%
Total	444	9.4%	9.0%				114			



\* Target Ratio = 1 - (Expense Ratio) - (AAL) - (XOL) - (Corporate Cat Reinsurance) - (ULE) - (Claim Fees) - (Risk Load)

\* Ultimate Loss Ratios exclude modeled cats, ULE, non-machine claims fees and the impact of XOL/corporate cat reinsurance

GL

Rate Need Indications

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Target	Target	Before 2015 Rate Change PY 2015 Ultimate ILAE Ratio	Before 2015 Rate Change PY 2015 Rate Need	PY 2015 Rate Achieved	After 2015 Rate Change PY 2015 Ultimate ILAE Ratio	PY 2016 Ultimate ILAE Ratio	PY 2016 Rate Need
RAP Neutral:	98.9%	66.3%	42.3%	-34.5%	1.2%	41.8%	43.3%	-33.2%

Expense Ratio calculated as follows:

Commission:	25.8%
Prem Tax:	0.0%
Other Acquisition Fees:	0.3%
Direct Expense:	3.2%
Indirect Expense:	3.4%
	<u>32.6%</u>

(1) = [1 - (Calculated RAP)]

(2) = [(1) - (Total Expense)]

(3) = (6) x [1 + (5)]

(4) = [(3) + (Direct Expense)] / [(2) + (Direct Expense)] - 1

(5) = Input

(6) = (Exhibit 3) / [1 + (5)]

(7) = (6) x [1 + (Trend)]

(8) = [(7) + (Direct Expense)] / [(2) + (Direct Expense)] - 1



GL

Indexing - PY 2015 Ultimate Loss & LAE Selection

PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP	Policy Limits			Capped @ 250k			Capped @ 100k		
					Ultimate ILAE Ratio	3.5% Trend to PY 2015	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	3.3% Trend to PY 2015	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	3.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio
2004	1,646	8.9%	1.089	898	36.3%	1.460	97.0%	26.7%	1.422	69.6%	17.4%	1.384	44.1%
2005	1,876	-18.4%	0.889	1,254	30.6%	1.411	64.4%	24.4%	1.377	50.3%	16.0%	1.344	32.2%
2006	2,335	-1.9%	0.872	1,592	123.2%	1.363	246.4%	39.7%	1.334	77.6%	25.8%	1.305	49.4%
2007	2,490	-5.5%	0.824	1,797	18.3%	1.317	33.4%	17.9%	1.292	32.1%	15.4%	1.267	27.0%
2008	2,337	-6.3%	0.772	1,799	16.9%	1.272	27.9%	16.4%	1.251	26.6%	14.5%	1.230	23.1%
2009	1,551	-3.7%	0.743	1,240	23.2%	1.229	35.7%	21.7%	1.212	32.9%	15.7%	1.194	23.5%
2010	1,176	-10.9%	0.662	1,055	23.0%	1.188	30.4%	20.4%	1.173	26.7%	19.6%	1.159	25.3%
2011	1,190	-11.2%	0.588	1,203	27.7%	1.148	31.5%	20.2%	1.136	22.7%	16.0%	1.126	17.8%
2012	1,092	-2.1%	0.576	1,127	34.8%	1.109	37.4%	26.6%	1.101	28.3%	22.0%	1.093	23.3%
2013	975	1.6%	0.585	991	37.9%	1.071	40.0%	28.7%	1.066	30.1%	22.6%	1.061	23.6%
2014	765	0.3%	0.587	774	37.9%	1.035	38.8%	28.7%	1.033	29.3%	22.2%	1.030	22.6%
		1.2%	0.594										
			All Yr Wtd incl 2014:				65.3%			39.0%			28.6%
			Last 7 Wtd incl 2014:				33.7%			27.9%			22.7%
			Last 5 Wtd incl 2014:				35.3%			27.2%			22.4%
			Last 3 Wtd incl 2014:				38.7%			29.2%			23.2%
			Selected Ultimate:				36.0%			28.0%			23.0%
			ILF:				1.00			1.31			1.63
			Policy Limits Ultimate:				36.0%			36.6%			37.5%
			Weight:				7%			46%			46%
											Frequency/Severity Indication:		41.3%
											Weighted Average:		37.0%
											PY 2015 Selected:		39.0%
											Adjustment:		0.0%
											PY 2015:		39.0%
											ULE:		2.8%
											Claims Fees:		0.0%
											PY 2015 Ultimate ILAE Ratio:		41.8%

GL

Frequency/Severity Method

PY	Frequency				Severity				
	On-Level GWP	Reported excl CWNP Claim Ct.	Ultimate excl CWNP Claim Ct.	On-Level Frequency	Reported ILAE @ 2014/4	Selected Ultimate ILAE	Average Severity	3.5% Trend to PY 2015	Average Severity @ PY 2015
2004	898	12	12	0.013	581	597	50	1.460	72.27
2005	1,254	19	19	0.015	553	573	30	1.411	42.08
2006	1,592	14	14	0.009	2,711	2,878	202	1.363	275.46
2007	1,797	15	15	0.009	415	456	30	1.317	39.08
2008	1,799	13	13	0.007	341	394	29	1.272	37.39
2009	1,240	6	6	0.005	345	360	58	1.229	70.94
2010	1,055	5	5	0.005	165	270	51	1.188	61.08
2011	1,203	6	6	0.005	75	330	52	1.148	59.22
2012	1,127	2	2	0.002	83	380	172	1.109	190.97
2013	991	6	7	0.007	44	370	51	1.071	54.50
2014	774	1	5	0.006	3	290	58	1.035	60.24
All Yr Wtd:				0.008					89.8
Last 7 Wtd:				0.006					74.1
Last 5 Wtd:				0.005					87.7
Last 3 Wtd:				0.005					109.2
				PY 2015 Selected Frequency:					0.006
								PY 2015 Selected Severity:	75.00

\* Averages include PY 2014

Indicated PY 2015 Ult ILAE Ratio: 41.3%

GL

Selection of Ultimate Loss & LAE - Capped @ Policy Limits

PY	GWP	Reported ILAE @ 2014/4	Inc. Dev. Method	Paid Dev. Method	Inc. BF Method	Paid BF Method	Case Reserve Development Method	Selected Ultimate ILAE	Ultimate ILAE Ratio
2004	1,646	581	595	600	595	599	581	597	36.3%
2005	1,876	553	574	572	574	572	579	573	30.6%
2006	2,335	2,711	2,852	2,904	2,854	2,902	2,711	2,878	123.2%
2007	2,490	415	449	462	450	461	415	456	18.3%
2008	2,337	341	385	403	386	401	341	394	16.9%
2009	1,551	345	420	299	450	376	607	360	23.2%
2010	1,176	165	252	282	319	353	188	270	23.0%
2011	1,190	75	155	184	307	344	82	330	27.7%
2012	1,092	83	243	358	356	402	110	380	34.8%
2013	975	44	245	562	348	385	60	370	37.9%
2014	765	3	87	210	285	290	47	290	37.9%
Total	17,434	5,318	6,257	6,835	6,923	7,086	5,720	6,898	39.6%

GL

Selection of Ultimate Loss & LAE - Capped @ 250k

PY	GWP	Reported ILAE @ 2014/4	Inc. Dev. Method	Paid Dev. Method	Inc. BF Method	Paid BF Method	Case Reserve Development Method	Selected Ultimate ILAE	Ultimate ILAE Ratio
2004	1,646	431	439	441	439	441	431	440	26.7%
2005	1,876	447	460	456	460	456	474	458	24.4%
2006	2,335	884	920	934	920	934	884	927	39.7%
2007	2,490	415	440	454	441	453	415	447	17.9%
2008	2,337	341	373	392	374	391	341	383	16.4%
2009	1,551	345	396	278	403	314	547	337	21.7%
2010	1,176	165	228	252	259	285	183	240	20.4%
2011	1,190	75	132	159	224	258	80	240	20.2%
2012	1,092	83	201	296	269	311	103	290	26.6%
2013	975	44	184	435	259	298	55	280	28.7%
2014	765	3	61	148	215	221	33	220	28.7%
Total	17,434	3,234	3,835	4,245	4,263	4,361	3,546	4,262	24.4%



GL

Selection of Ultimate Loss & LAE - Capped @ 100k

PY	GWP	Reported ILAE @ 2014/4	Inc. Dev. Method	Paid Dev. Method	Inc. BF Method	Paid BF Method	Case Reserve Development Method	Selected Ultimate ILAE	Ultimate ILAE Ratio
2004	1,646	281	285	287	285	287	281	286	17.4%
2005	1,876	297	304	299	304	299	314	301	16.0%
2006	2,335	579	598	608	598	608	579	603	25.8%
2007	2,490	360	378	388	379	387	360	383	15.4%
2008	2,337	307	331	345	331	344	307	338	14.5%
2009	1,551	249	279	209	287	236	359	244	15.7%
2010	1,176	165	219	238	231	249	182	230	19.6%
2011	1,190	75	124	144	182	207	80	190	16.0%
2012	1,092	83	178	261	217	254	99	240	22.0%
2013	975	44	151	346	203	239	52	220	22.6%
2014	765	3	48	107	169	175	27	170	22.2%
Total	17,434	2,444	2,894	3,233	3,186	3,286	2,640	3,205	18.4%

GL

Bornhuetter-Ferguson Method

PY	Capped @ Policy Limits						Incurred			Paid		
	GWP	Reported ILAE Ratio	Reported PLAE Ratio	Incurred Developed ILAE Ratio	Paid Developed ILAE Ratio	Apriori ILAE Ratio	% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE	% Expected Unpaid	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE
2004	1,646	35.3%	35.3%	36.1%	36.4%	36.3%	2.4%	36.1%	595	3.1%	36.4%	599
2005	1,876	29.5%	29.1%	30.6%	30.5%	30.5%	3.5%	30.6%	574	4.6%	30.5%	572
2006	2,335	116.1%	116.1%	122.2%	124.3%	123.2%	4.9%	122.2%	2,854	6.6%	124.3%	2,902
2007	2,490	16.7%	16.7%	18.0%	18.5%	18.3%	7.7%	18.1%	450	10.2%	18.5%	461
2008	2,337	14.6%	14.6%	16.5%	17.2%	16.8%	11.3%	16.5%	386	15.3%	17.2%	401
2009	1,551	22.3%	14.2%	27.1%	19.3%	38.0%	17.8%	29.0%	450	26.3%	24.2%	376
2010	1,176	14.1%	13.6%	21.4%	23.9%	38.0%	34.3%	27.1%	319	43.3%	30.0%	353
2011	1,190	6.3%	6.3%	13.0%	15.4%	38.0%	51.3%	25.8%	307	59.5%	28.9%	344
2012	1,092	7.6%	7.2%	22.3%	32.8%	38.0%	65.8%	32.6%	356	78.1%	36.9%	402
2013	975	4.5%	4.3%	25.1%	57.7%	38.0%	82.0%	35.7%	348	92.5%	39.5%	385
2014	765	0.3%	0.2%	11.4%	27.5%	38.0%	97.1%	37.2%	285	99.3%	37.9%	290

PY	Capped @ 250k						Incurred			Paid		
	GWP	Reported ILAE Ratio	Reported PLAE Ratio	Incurred Developed ILAE Ratio	Paid Developed ILAE Ratio	Apriori ILAE Ratio	% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE	% Expected Unpaid	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE
2004	1,646	26.2%	26.2%	26.7%	26.8%	26.7%	1.8%	26.7%	439	2.2%	26.8%	441
2005	1,876	23.8%	23.4%	24.5%	24.3%	24.4%	2.8%	24.5%	460	3.5%	24.3%	456
2006	2,335	37.8%	37.8%	39.4%	40.0%	39.7%	3.9%	39.4%	920	5.4%	40.0%	934
2007	2,490	16.7%	16.7%	17.7%	18.2%	18.0%	5.8%	17.7%	441	8.6%	18.2%	453
2008	2,337	14.6%	14.6%	16.0%	16.8%	16.4%	8.5%	16.0%	374	13.0%	16.7%	391
2009	1,551	22.3%	14.2%	25.6%	18.0%	29.0%	12.9%	26.0%	403	20.9%	20.3%	314
2010	1,176	14.1%	13.6%	19.4%	21.4%	29.0%	27.4%	22.0%	259	36.7%	24.2%	285
2011	1,190	6.3%	6.3%	11.1%	13.3%	29.0%	43.1%	18.8%	224	53.1%	21.7%	258
2012	1,092	7.6%	7.2%	18.4%	27.1%	29.0%	58.6%	24.6%	269	73.6%	28.5%	311
2013	975	4.5%	4.3%	18.9%	44.6%	29.0%	76.1%	26.6%	259	90.3%	30.5%	298
2014	765	0.3%	0.2%	8.0%	19.3%	29.0%	95.8%	28.1%	215	99.0%	28.9%	221

PY	Capped @ 100k						Incurred			Paid		
	GWP	Reported ILAE Ratio	Reported PLAE Ratio	Incurred Developed ILAE Ratio	Paid Developed ILAE Ratio	Apriori ILAE Ratio	% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE	% Expected Unpaid	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE
2004	1,646	17.1%	17.1%	17.3%	17.4%	17.4%	1.3%	17.3%	285	2.0%	17.4%	287
2005	1,876	15.8%	15.4%	16.2%	15.9%	16.1%	2.2%	16.2%	304	3.1%	15.9%	299
2006	2,335	24.8%	24.8%	25.6%	26.1%	25.8%	3.2%	25.6%	598	4.8%	26.0%	608
2007	2,490	14.5%	14.5%	15.2%	15.6%	15.4%	4.9%	15.2%	379	7.2%	15.6%	387
2008	2,337	13.1%	13.1%	14.2%	14.8%	14.5%	7.1%	14.2%	331	10.9%	14.7%	344
2009	1,551	16.1%	11.0%	18.0%	13.5%	23.0%	10.7%	18.5%	287	18.3%	15.2%	236
2010	1,176	14.1%	13.6%	18.6%	20.2%	23.0%	24.3%	19.7%	231	33.0%	21.2%	249
2011	1,190	6.3%	6.3%	10.4%	12.1%	23.0%	39.0%	15.3%	182	48.5%	17.4%	207
2012	1,092	7.6%	7.2%	16.3%	23.9%	23.0%	53.2%	19.9%	217	70.1%	23.3%	254
2013	975	4.5%	4.3%	15.5%	35.5%	23.0%	70.9%	20.8%	203	87.9%	24.5%	239
2014	765	0.3%	0.2%	6.3%	14.0%	23.0%	94.7%	22.1%	169	98.6%	22.9%	175

GL

Bornhuetter-Ferguson Method - Apriori Selection

Capped @ Policy Limits

PY	GWP	Annual PY Rate Chg	Selected Ult ILAE	Ultimate ILAE Ratio	-----Ultimate ILAE Ratio Indexed to Policy Year-----					
					2009	2010	2011	2012	2013	2014
2004	1,646	8.9%	597	36.3%	63.1%	73.3%	85.5%	90.3%	92.0%	94.9%
2005	1,876	-18.4%	573	30.6%	41.9%	48.7%	56.8%	60.0%	61.1%	63.0%
2006	2,335	-1.9%	2,878	123.2%	160.3%	186.1%	217.0%	229.3%	233.5%	240.9%
2007	2,490	-5.5%	456	18.3%	21.7%	25.3%	29.4%	31.1%	31.7%	32.7%
2008	2,337	-6.3%	394	16.9%	18.1%	21.0%	24.5%	25.9%	26.4%	27.2%
2009	1,551	-3.7%	360	23.2%	-	27.0%	31.4%	33.2%	33.8%	34.9%
2010	1,176	-10.9%	270	23.0%	-	-	26.8%	28.3%	28.8%	29.7%
2011	1,190	-11.2%	330	27.7%	-	-	-	29.3%	29.8%	30.8%
2012	1,092	-2.1%	380	34.8%	-	-	-	-	35.4%	36.6%
2013	975	1.6%	370	37.9%	-	-	-	-	-	39.1%
2014	765	0.3%	290	37.9%	-	-	-	-	-	-
All Yr Wtd :					59.4%	62.9%	68.3%	67.4%	65.5%	65.4%
Last 7 Wtd :					-	-	68.3%	65.3%	63.6%	32.5%
Last 5 Wtd :					59.4%	61.7%	68.1%	29.4%	30.5%	34.1%
Last 3 Wtd :					63.0%	24.1%	27.2%	30.4%	31.4%	35.2%
ILF Implied :					37.9%	37.9%	37.9%	37.9%	37.9%	37.9%
Credibility - Weighted:					75.7%	76.2%	71.5%	62.4%	58.0%	61.7%
Selected BF Apriori:					38.0%	38.0%	38.0%	38.0%	38.0%	38.0%

Capped @ 250k

PY	GWP	Annual PY Rate Chg	Selected Ult ILAE	Ultimate ILAE Ratio	-----Ultimate ILAE Ratio Indexed to Policy Year-----					
					2009	2010	2011	2012	2013	2014
2004	1,646	8.9%	440	26.7%	45.9%	53.2%	61.9%	65.3%	66.3%	68.2%
2005	1,876	-18.4%	458	24.4%	33.2%	38.4%	44.7%	47.1%	47.9%	49.3%
2006	2,335	-1.9%	927	39.7%	51.2%	59.4%	69.1%	72.8%	74.0%	76.1%
2007	2,490	-5.5%	447	17.9%	21.2%	24.6%	28.6%	30.1%	30.6%	31.5%
2008	2,337	-6.3%	383	16.4%	17.6%	20.4%	23.7%	25.0%	25.4%	26.1%
2009	1,551	-3.7%	337	21.7%	-	25.2%	29.3%	30.9%	31.4%	32.3%
2010	1,176	-10.9%	240	20.4%	-	-	23.7%	25.0%	25.4%	26.2%
2011	1,190	-11.2%	240	20.2%	-	-	-	21.3%	21.6%	22.2%
2012	1,092	-2.1%	290	26.6%	-	-	-	-	27.0%	27.8%
2013	975	1.6%	280	28.7%	-	-	-	-	-	29.5%
2014	765	0.3%	220	28.7%	-	-	-	-	-	-
All Yr Wtd :					31.9%	35.3%	39.1%	39.0%	38.5%	38.8%
Last 7 Wtd :					-	-	39.1%	36.7%	34.7%	28.1%
Last 5 Wtd :					31.9%	33.2%	35.4%	26.7%	26.1%	27.6%
Last 3 Wtd :					29.2%	23.2%	25.4%	25.8%	24.6%	26.3%
ILF Implied :					28.7%	28.7%	28.7%	28.7%	28.7%	28.7%
Credibility - Weighted:					56.2%	56.9%	52.8%	48.0%	44.3%	46.9%
Selected BF Apriori:					29.0%	29.0%	29.0%	29.0%	29.0%	29.0%

Capped @ 100k

PY	GWP	Annual PY Rate Chg	Selected Ult ILAE	Ultimate ILAE Ratio	-----Ultimate ILAE Ratio Indexed to Policy Year-----					
					2009	2010	2011	2012	2013	2014
2004	1,646	8.9%	286	17.4%	29.5%	34.1%	39.6%	41.6%	42.2%	43.3%
2005	1,876	-18.4%	301	16.0%	21.6%	25.0%	29.0%	30.5%	30.9%	31.7%
2006	2,335	-1.9%	603	25.8%	33.1%	38.3%	44.4%	46.7%	47.3%	48.6%
2007	2,490	-5.5%	383	15.4%	18.1%	20.9%	24.2%	25.5%	25.8%	26.5%
2008	2,337	-6.3%	338	14.5%	15.5%	17.9%	20.7%	21.8%	22.1%	22.7%
2009	1,551	-3.7%	244	15.7%	-	18.2%	21.1%	22.2%	22.5%	23.1%
2010	1,176	-10.9%	230	19.6%	-	-	22.7%	23.9%	24.2%	24.8%
2011	1,190	-11.2%	190	16.0%	-	-	-	16.8%	17.0%	17.5%
2012	1,092	-2.1%	240	22.0%	-	-	-	-	22.3%	22.9%
2013	975	1.6%	220	22.6%	-	-	-	-	-	23.2%
2014	765	0.3%	170	22.2%	-	-	-	-	-	-
All Yr Wtd :					22.7%	25.1%	28.4%	28.4%	28.2%	28.5%
Last 7 Wtd :					-	-	28.4%	27.2%	26.5%	23.1%
Last 5 Wtd :					22.7%	24.0%	26.9%	22.3%	21.6%	22.2%
Last 3 Wtd :					21.8%	19.1%	21.4%	20.8%	21.0%	21.0%
Credibility - Weighted:					45.5%	46.1%	42.8%	39.0%	36.0%	37.9%
Selected BF Apriori:					23.0%	23.0%	23.0%	23.0%	23.0%	23.0%

GL

ILF Selection

PY	Capped at 250k						Capped at 100k					
	Pol Limits Inc Ult	Capped Inc Ult	Implied ILF	Pol Limits Paid Ult	Capped Paid Ult	Implied ILF	Pol Limits Inc Ult	Capped Inc Ult	Implied ILF	Pol Limits Paid Ult	Capped Paid Ult	Implied ILF
2004	595	439	1.35	600	441	1.36	595	285	2.09	600	287	2.09
2005	574	460	1.25	572	456	1.26	574	304	1.89	572	299	1.91
2006	2,852	920	3.10	2,904	934	3.11	2,852	598	4.77	2,904	608	4.77
2007	449	440	1.02	462	454	1.02	449	378	1.19	462	388	1.19
2008	385	373	1.03	403	392	1.03	385	331	1.16	403	345	1.17
2009	420	396	1.06	299	278	1.07	420	279	1.51	299	209	1.43
2010	252	228	1.10	282	252	1.12	252	219	1.15	282	238	1.18
2011	155	132	1.17	184	159	1.16	155	124	1.25	184	144	1.27
2012	243	201	1.21	358	296	1.21	243	178	1.37	358	261	1.37
2013	245	184	1.33	562	435	1.29	245	151	1.62	562	346	1.63
2014	87	61	1.42	210	148	1.42	87	48	1.82	210	107	1.96
All Yr Wtd:			1.63			1.61			2.16			2.11
Last 7 Wtd:			1.13			1.17			1.34			1.39
Last 5 Wtd:			1.22			1.24			1.36			1.45
Last 3 Wtd:			1.29			1.29			1.53			1.58
				Selected Empirical ILF:		1.25			Selected Empirical ILF:			1.60
				Credibility:		23%			Credibility:			23%
				Complement of Credibility - ISO Prem/Op Table 2 ILF:		1.32			Complement of Credibility - ISO Prem/Op Table 2 ILF:			1.64
				Credibility Weighted ILF Indication:		1.31			Credibility Weighted ILF Indication:			1.63
				Selected:		1.31			Selected:			1.63

\* Averages include PY 2014

GL

Incurred & LAE - Policy Limits

PY	GWP	12	24	36	48	60	72	84	96	108	120	132	ILAE @ 2014/4	LDF	Ultimate ILAE
2004	1,646	5	43	320	485	500	548	552	565	566	580	581	581	1.024	595
2005	1,876	20	137	185	242	303	421	440	505	538	553		553	1.036	574
2006	2,335	86	150	253	452	747	1,177	2,698	2,713	2,711			2,711	1.052	2,852
2007	2,490	49	79	90	288	331	392	399	415				415	1.084	449
2008	2,337	3	101	195	223	215	448	341					341	1.127	385
2009	1,551	1	106	155	157	222	345						345	1.217	420
2010	1,176	4	22	99	107	165							165	1.521	252
2011	1,190	3	32	56	75								75	2.051	155
2012	1,092	0	8	83									83	2.920	243
2013	975	6	44										44	5.571	245
2014	765	3											3	34.211	87

PY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144
2004	8.840	7.366	1.513	1.032	1.096	1.007	1.023	1.002	1.024	1.002	
2005	6.708	1.345	1.311	1.249	1.393	1.043	1.148	1.065	1.029		
2006	1.746	1.685	1.784	1.653	1.575	2.293	1.006	0.999			
2007	1.606	1.147	3.197	1.147	1.186	1.018	1.039				
2008	33.821	1.926	1.143	0.964	2.085	0.762					
2009	96.085	1.464	1.012	1.413	1.555						
2010	5.497	4.573	1.081	1.544							
2011	11.138	1.761	1.348								
2012	34.093	9.844									
2013	7.910										
2014											
All Yr Wtd:	4.081	2.117	1.499	1.270	1.437	1.483	1.027	1.009	1.026	1.002	
Last 7 Wtd:	5.967	1.871	1.495	1.270							
Last 5 Wtd:	15.460	2.186	1.429	1.369	1.532	1.483					
Last 3 Wtd:	9.722	3.850	1.095	1.236	1.544	1.705	1.027	1.009			
Div 66 Age to Age:	4.800	1.850	1.420	1.245	1.100	1.065	1.040	1.030	1.015	1.012	
Div 66 Age to Ult:	20.726	4.318	2.334	1.644	1.320	1.200	1.127	1.084	1.052	1.036	1.024
Selected Age to Age:	6.141	1.908	1.423	1.348	1.250	1.080	1.040	1.030	1.015	1.012	
Age to Ult:	34.211	5.571	2.920	2.051	1.521	1.217	1.127	1.084	1.052	1.036	1.024

GL

Incurred & LAE - Capped @ \$250k

PY	GWP	12	24	36	48	60	72	84	96	108	120	132	250k Cap ILAE @ 2014/4	LDF	250k Cap Ultimate ILAE
2004	1,646	5	43	320	335	351	399	403	415	417	430	431	431	1.018	439
2005	1,876	20	137	185	242	303	315	333	398	431	447		447	1.028	460
2006	2,335	86	150	253	413	520	829	882	885	884			884	1.041	920
2007	2,490	49	79	90	288	331	392	399	415				415	1.061	440
2008	2,337	3	101	195	223	215	448	341					341	1.093	373
2009	1,551	1	106	155	157	222	345						345	1.148	396
2010	1,176	4	22	99	107	165							165	1.378	228
2011	1,190	3	32	56	75								75	1.756	132
2012	1,092	0	8	83									83	2.415	201
2013	975	6	44										44	4.187	184
2014	765	3											3	24.038	61

PY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132
2004	8.840	7.366	1.046	1.046	1.137	1.010	1.032	1.003	1.032	1.003
2005	6.708	1.345	1.311	1.249	1.042	1.058	1.195	1.083	1.036	
2006	1.746	1.685	1.630	1.257	1.596	1.064	1.003	0.998		
2007	1.605	1.147	3.197	1.147	1.186	1.018	1.038			
2008	33.821	1.926	1.143	0.964	2.085	0.762				
2009	96.085	1.464	1.012	1.413	1.555					
2010	5.497	4.573	1.081	1.544						
2011	11.138	1.761	1.348							
2012	34.093	9.844								
2013	7.910									
2014										

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144
All Yr Wtd:	4.081	2.117	1.360	1.192	1.406	0.990	1.048	1.019	1.034	1.003	
Last 7 Wtd:	5.967	1.871	1.457	1.192							
Last 5 Wtd:	15.460	2.186	1.429	1.222	1.465	0.990					
Last 3 Wtd:	9.722	3.850	1.095	1.236	1.544	0.972	1.052	1.019			
Div 66 Age to Age:	4.250	1.640	1.340	1.160	1.060	1.045	1.030	1.020	1.012	1.010	
Div 66 Age to Ult:	13.121	3.087	1.882	1.405	1.211	1.142	1.093	1.061	1.041	1.028	1.018
Selected Age to Age:	5.741	1.734	1.375	1.275	1.200	1.050	1.030	1.020	1.012	1.010	
Age to Ult:	24.038	4.187	2.415	1.756	1.378	1.148	1.093	1.061	1.041	1.028	1.018

GL

Incurred & LAE - Capped @ \$100k

PY	GWP	12	24	36	48	60	72	84	96	108	120	132	100k Cap ILAE @ 2014/4	LDf	100k Cap Ultimate ILAE
2004	1,646	5	43	188	185	201	249	253	265	267	280	281	281	1.013	285
2005	1,876	20	137	147	149	153	165	183	248	281	297		297	1.022	304
2006	2,335	86	150	242	263	353	524	578	581	579			579	1.033	598
2007	2,490	49	79	90	232	276	338	345	360				360	1.051	378
2008	2,337	3	101	194	222	215	346	307					307	1.076	331
2009	1,551	1	105	104	108	173	249						249	1.119	279
2010	1,176	4	22	99	107	165							165	1.321	219
2011	1,190	3	32	56	75								75	1.641	124
2012	1,092	0	8	83									83	2.137	178
2013	975	6	44										44	3.433	151
2014	765	3											3	18.837	48

PY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132
2004	8.840	4.315	0.987	1.084	1.239	1.016	1.050	1.005	1.050	1.004
2005	6.708	1.071	1.015	1.022	1.082	1.111	1.355	1.133	1.056	
2006	1.746	1.607	1.089	1.341	1.486	1.102	1.005	0.997		
2007	1.605	1.147	2.573	1.189	1.223	1.021	1.045			
2008	33.821	1.915	1.144	0.969	1.613	0.887				
2009	95.355	0.991	1.031	1.603	1.443					
2010	5.497	4.573	1.081	1.544						
2011	11.138	1.761	1.348							
2012	34.093	9.844								
2013	7.910									
2014										

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144
All Yr Wtd:	4.077	1.774	1.198	1.212	1.366	1.027	1.071	1.030	1.053	1.004	
Last 7 Wtd:	5.954	1.746	1.241	1.212							
Last 5 Wtd:	15.401	1.999	1.369	1.268	1.388	1.027					
Last 3 Wtd:	9.722	3.850	1.119	1.266	1.406	1.017	1.075	1.030			
Div 66 Age to Age:	3.900	1.525	1.260	1.110	1.045	1.033	1.024	1.017	1.011	1.009	
Div 66 Age to Ult:	9.664	2.478	1.625	1.290	1.162	1.112	1.076	1.051	1.033	1.022	1.013
Selected Age to Age:	5.486	1.606	1.303	1.242	1.180	1.040	1.024	1.017	1.011	1.009	
Age to Ult:	18.837	3.433	2.137	1.641	1.321	1.119	1.076	1.051	1.033	1.022	1.013

GL

Paid & LAE - Policy Limits

PY	GWP	12	24	36	48	60	72	84	96	108	120	132	P+LAE @ 2014/4	LDF	Ultimate ILAE
2004	1,646	3	17	179	454	499	548	550	565	566	580	581	581	1.032	600
2005	1,876	2	30	82	142	302	416	440	485	526	546		546	1.048	572
2006	2,335	5	52	251	367	578	1,098	2,698	2,713	2,711			2,711	1.071	2,904
2007	2,490	26	32	87	288	329	392	399	415				415	1.114	462
2008	2,337	1	90	94	97	130	223	341					341	1.181	403
2009	1,551	0	5	155	156	171	220						220	1.358	299
2010	1,176	1	8	23	100	159							159	1.765	282
2011	1,190	1	21	26	74								74	2.471	184
2012	1,092	0	2	78									78	4.571	358
2013	975	4	42										42	13.385	562
2014	765	2											2	136.415	210

PY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132
2004	5.991	10.254	2.529	1.101	1.098	1.003	1.028	1.002	1.024	1.002
2005	12.240	2.707	1.730	2.119	1.381	1.056	1.102	1.086	1.037	
2006	10.252	4.801	1.460	1.574	1.901	2.457	1.006	0.999		
2007	1.218	2.758	3.307	1.142	1.191	1.018	1.039			
2008	90.804	1.042	1.030	1.340	1.717	1.531				
2009	48.827	30.592	1.005	1.095	1.288					
2010	8.665	2.829	4.330	1.592						
2011	24.373	1.273	2.815							
2012	9.899	31.868								
2013	11.924									
2014										

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144
All Yr Wtd:	6.968	3.779	1.867	1.351	1.443	1.653	1.022	1.011	1.030	1.002	
Last 7 Wtd:	6.140	3.397	1.702	1.351							
Last 5 Wtd:	13.840	2.976	1.855	1.356	1.557	1.653					
Last 3 Wtd:	14.109	4.070	1.614	1.303	1.326	2.007	1.021	1.011			
Div 66 Age to Age:	9.400	2.900	1.720	1.380	1.220	1.120	1.060	1.040	1.022	1.015	
Div 66 Age to Ult:	104.376	11.104	3.829	2.226	1.613	1.322	1.181	1.114	1.071	1.048	1.032
Selected Age to Age:	10.192	2.928	1.850	1.400	1.300	1.150	1.060	1.040	1.022	1.015	
Age to Ult:	136.415	13.385	4.571	2.471	1.765	1.358	1.181	1.114	1.071	1.048	1.032



GL

Paid & LAE - Capped @ \$250k

PY	GWP	12	24	36	48	60	72	84	96	108	120	132	250k Cap P+LAE @ 2014/4	LDF	250k Cap Ultimate ILAE
2004	1,646	3	17	179	304	350	399	400	415	417	430	431	431	1.022	441
2005	1,876	2	30	82	142	302	310	333	378	420	440		440	1.036	456
2006	2,335	5	52	251	367	425	827	882	885	884			884	1.057	934
2007	2,490	26	32	87	288	329	392	399	415				415	1.094	454
2008	2,337	1	90	94	97	130	223	341					341	1.149	392
2009	1,551	0	5	155	156	171	220						220	1.264	278
2010	1,176	1	8	23	100	159							159	1.580	252
2011	1,190	1	21	26	74								74	2.133	159
2012	1,092	0	2	78									78	3.783	296
2013	975	4	42										42	10.361	435
2014	765	2											2	95.811	148

PY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132
2004	5.991	10.254	1.696	1.150	1.140	1.004	1.038	1.003	1.032	1.003
2005	12.240	2.707	1.730	2.119	1.028	1.075	1.135	1.110	1.047	
2006	10.252	4.801	1.460	1.158	1.945	1.067	1.003	0.998		
2007	1.218	2.758	3.307	1.142	1.191	1.018	1.038			
2008	90.804	1.042	1.030	1.340	1.717	1.531				
2009	48.827	30.592	1.005	1.095	1.288					
2010	8.665	2.829	4.330	1.592						
2011	24.373	1.273	2.815							
2012	9.899	31.868								
2013	11.924									
2014										

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144
All Yr Wtd:	6.968	3.779	1.701	1.282	1.389	1.096	1.039	1.024	1.040	1.003	
Last 7 Wtd:	6.140	3.397	1.703	1.282							
Last 5 Wtd:	13.840	2.976	1.855	1.204	1.454	1.096					
Last 3 Wtd:	14.109	4.070	1.614	1.303	1.326	1.126	1.039	1.024			
Div 66 Age to Age:	8.250	2.600	1.650	1.325	1.170	1.080	1.050	1.035	1.020	1.014	
Div 66 Age to Ult:	68.081	8.252	3.174	1.924	1.452	1.241	1.149	1.094	1.057	1.036	1.022
Selected Age to Age:	9.247	2.739	1.774	1.350	1.250	1.100	1.050	1.035	1.020	1.014	
Age to Ult:	95.811	10.361	3.783	2.133	1.580	1.264	1.149	1.094	1.057	1.036	1.022

GL

Paid & LAE - Capped @ \$100k

PY	GWP	12	24	36	48	60	72	84	96	108	120	132	100k Cap P+LAE @ 2014/4	LDF	100k Cap Ultimate ILAE
2004	1,646	3	17	122	154	200	249	250	265	267	280	281	281	1.020	287
2005	1,876	2	30	82	142	152	160	183	228	270	290		290	1.032	299
2006	2,335	5	52	241	253	275	522	578	581	579			579	1.051	608
2007	2,490	26	32	87	232	275	338	345	360				360	1.077	388
2008	2,337	1	90	94	97	130	221	307					307	1.122	345
2009	1,551	0	5	104	107	122	171						171	1.224	209
2010	1,176	1	8	23	100	159							159	1.493	238
2011	1,190	1	21	26	74								74	1.940	144
2012	1,092	0	2	78									78	3.341	261
2013	975	4	42										42	8.233	346
2014	765	2											2	69.703	107

PY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132
2004	5.991	6.954	1.268	1.295	1.245	1.006	1.061	1.005	1.050	1.004
2005	12.240	2.707	1.730	1.066	1.056	1.145	1.246	1.182	1.073	
2006	10.252	4.595	1.052	1.086	1.897	1.107	1.005	0.997		
2007	1.218	2.758	2.661	1.183	1.230	1.021	1.045			
2008	90.804	1.042	1.030	1.340	1.706	1.388				
2009	48.827	20.554	1.022	1.139	1.405					
2010	8.665	2.829	4.330	1.592						
2011	24.373	1.273	2.815							
2012	9.899	31.868								
2013	11.924									
2014										

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144
All Yr Wtd:	6.968	3.317	1.488	1.209	1.441	1.116	1.058	1.038	1.062	1.004	
Last 7 Wtd:	6.140	3.104	1.528	1.209							
Last 5 Wtd:	13.840	2.574	1.821	1.217	1.482	1.116					
Last 3 Wtd:	14.109	4.070	1.827	1.353	1.388	1.137	1.057	1.038			
Div 66 Age to Age:	7.300	2.400	1.570	1.265	1.130	1.063	1.042	1.025	1.018	1.012	
Div 66 Age to Ult:	46.915	6.427	2.678	1.706	1.348	1.193	1.122	1.077	1.051	1.032	1.020
Selected Age to Age:	8.467	2.464	1.722	1.300	1.220	1.090	1.042	1.025	1.018	1.012	
Age to Ult:	69.703	8.233	3.341	1.940	1.493	1.224	1.122	1.077	1.051	1.032	1.020



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Total Claim Count excluding CWNP

PY	GWP	12	24	36	48	60	72	84	96	108	120	132	Total ex-CWNP @ 2014/4	Developed Ultimate LDF ex-CWNP	Ultimate Average ex-CWNP	Born-Ferg Ultimate Apriori ex-CWNP	Selected Ultimate ex-CWNP	
2004	1,646	4	8	10	9	9	9	11	10	11	11	12	12	1.005	0.013	0.013	12	12
2005	1,876	4	14	9	10	11	11	11	17	18	19		19	1.011	0.015	0.015	19	19
2006	2,335	6	14	10	10	11	11	14	14	14	14		14	1.017	0.009	0.009	14	14
2007	2,490	6	8	10	11	12	12	14	15				15	1.024	0.009	0.009	15	15
2008	2,337	3	12	12	13	13	14	13					13	1.031	0.007	0.007	13	13
2009	1,551	1	3	3	4	5	6						6	1.040	0.005	0.005	6	6
2010	1,176	3	3	4	5	5							5	1.050	0.005	0.005	5	5
2011	1,190	2	4	6	6								6	1.066	0.005	0.005	6	6
2012	1,092	0	2	2									2	1.103	0.002	0.002	2	2
2013	975	4	6										6	1.191		0.008	7	7
2014	765	1											1	2.800		0.008	5	5

Selected:  
 2004 thru 2012: 0.008  
 2004 thru 2008: 0.011  
 2009 thru 2012: 0.004

PY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144
2004	2.000	1.250	0.900	1.000	1.000	1.222	0.909	1.100	1.000	1.091	
2005	3.500	0.643	1.111	1.100	1.000	1.000	1.545	1.059	1.056		
2006	2.333	0.714	1.000	1.100	1.273	1.000	1.000	1.000			
2007	1.333	1.250	1.100	1.091	1.000	1.167	1.071				
2008	4.000	1.000	1.083	1.000	1.077	0.929					
2009	3.000	1.000	1.333	1.250	1.200						
2010	1.000	1.333	1.250	1.000							
2011	2.000	1.500	1.000								
2012	-	1.000									
2013	1.500										
2014											
All Yr Wtd:	2.242	0.971	1.063	1.065	1.082	1.050	1.120	1.049	1.034	1.091	
Last 7 Wtd:	2.000	1.022	1.093	1.065							
Last 5 Wtd:	1.800	1.125	1.114	1.070	1.096	1.050					
Last 3 Wtd:	2.000	1.333	1.154	1.045	1.067	1.025	1.179	1.049			
Div 66 Age to Age:	2.350	1.080	1.035	1.015	1.010	1.008	1.007	1.007	1.006	1.006	
Div 66 Age to Ult:	2.800	1.191	1.103	1.066	1.050	1.040	1.031	1.024	1.017	1.011	1.005
Selected Age to Age:	2.350	1.080	1.035	1.015	1.010	1.008	1.007	1.007	1.006	1.006	
Age to Ult:	2.800	1.191	1.103	1.066	1.050	1.040	1.031	1.024	1.017	1.011	1.005













GL

Large Losses - Incurred + LAE > 100k

PY	DSP	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	LAE	ILAE	Acc State	Description
2004	1-2-593	9277212	5848	1/23/2005	Vivitar Security S	124	-	276	400	California	Fatality From A Fire AT A Property WHE
2005	1-2-593	3773451	2837	1/15/2006	Mitec Controls, IN	64	-	292	356	Georgia	Fire Which Killed ONE And Injured Twen
2006	1-2-593	3773667	6300	1/29/2007	Pacific Signaling	(0)	-	1,550	1,550	California	Insd Alleges BAD Faith In Defending CL
2006	1-2-593	3773667	4086	1/29/2007	Pacific Signaling	350	-	428	778	California	Claims Arising OUT Of Failed Business
2006	1-2-593	7502641	545	2/7/2006	Industrial Electro	69	-	35	105	California	Claimant Alleges Construction Defects
2007	1-2-593	4968848	9655	1/14/2008	AC Square, Inc.	93	-	62	155	California	Clmt WAS Walking Down Inadequatley LIG
2008	1-2-593	3773294	513	6/21/2008	Partee Insurance A	20	-	114	134	California	Alleged Property Damages In Excess Of
2009	1-2-593	2347326	5178	1/7/2010	Honsacker Security	148	-	2	150	Connecticut	Clmt In The Building Fell In The Parki
2009	1-2-593	2344782	8594	3/28/2010	Coastal Burglar AL	-	100	47	147	South Carolina	Thiefts Broke Into Business Fast Money

Property

Rate Need Indications

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Target	Target	Before 2015 Rate Change PY 2015 Ultimate ILAE Ratio	Before 2015 Rate Change PY 2015 Rate Need	PY 2015 Rate Achieved	After 2015 Rate Change PY 2015 Ultimate ILAE Ratio	PY 2016 Ultimate ILAE Ratio	PY 2016 Rate Need
RAP Neutral:	96.4%	63.9%	34.9%	-43.5%	0.0%	34.9%	34.9%	-43.5%

Expense Ratio calculated as follows:

Commission:	26.0%
Prem Tax:	0.0%
Other Acquisition Fees:	0.3%
Reinsurance:	0.0%
Direct Expense:	2.9%
Indirect Expense:	3.4%
	<u>32.6%</u>

(1) = [1 - (Calculated RAP)]

(2) = [(1) - (Total Expense)]

(3) = (6) x [1 + (5)]

(4) = [(3) + (Direct Expense)] / [(2) + (Direct Expense)] - 1

(5) = Input

(6) = (Exhibit 3) / [1 + (5)]

(7) = (6) x [1 + (Trend)]

(8) = [(7) + (Direct Expense)] / [(2) + (Direct Expense)] - 1



**Property**

Indexing - PY 2015 Ultimate Loss & LAE Selection

PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP	Policy Limits			Capped @ 1M			Capped @ 250k			Capped @ 100k		
					Ultimate ILAE Ratio	0.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	0.0% Trend to PY Rate Chg	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	0.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	0.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio
2004	100	0.0%	1.000	100	2.0%	1.000	2.0%	2.0%	1.000	2.0%	2.0%	1.000	2.0%	1.000	2.0%	
2005	38	0.0%	1.000	38	21.1%	1.000	21.1%	21.1%	1.000	21.1%	21.1%	1.000	21.1%	1.000	21.1%	
2006	47	0.0%	1.000	47	0.0%	1.000	0.0%	0.0%	1.000	0.0%	0.0%	1.000	-	1.000	-	
2007	49	0.0%	1.000	49	22.5%	1.000	22.5%	22.5%	1.000	22.5%	22.5%	1.000	22.5%	1.000	22.5%	
2008	41	0.0%	1.000	41	0.0%	1.000	0.0%	0.0%	1.000	0.0%	0.0%	1.000	-	1.000	-	
2009	41	0.0%	1.000	41	0.0%	1.000	0.0%	0.0%	1.000	0.0%	0.0%	1.000	-	1.000	-	
2010	34	0.0%	1.000	34	0.0%	1.000	0.0%	0.0%	1.000	0.0%	0.0%	1.000	-	1.000	-	
2011	25	0.0%	1.000	25	0.0%	1.000	0.0%	0.0%	1.000	0.0%	0.0%	1.000	-	1.000	-	
2012	27	0.0%	1.000	27	70.7%	1.000	70.7%	70.7%	1.000	70.7%	70.7%	1.000	70.7%	1.000	70.7%	
2013	22	0.0%	1.000	22	0.0%	1.000	0.0%	0.0%	1.000	0.0%	0.0%	1.000	-	1.000	-	
2014	21	0.0%	1.000	21	0.0%	1.000	0.0%	0.0%	1.000	0.0%	0.0%	1.000	-	1.000	-	
		0.0%	1.000													
		All Yr Wtd incl 2014:					9.0%				9.0%				9.0%	
		Last 7 Wtd incl 2014:					9.0%				9.0%				9.0%	
		Last 5 Wtd incl 2014:					14.7%				14.7%				14.7%	
		Last 3 Wtd incl 2014:					27.1%				27.1%				27.1%	
		Selected Ultimate:					20.0%				19.0%				17.0%	
		ILF:					1.00				1.05				1.15	
		Policy Limits Ultimate:					20.0%				19.8%				19.6%	
		Weight:					0%				33%				33%	

Frequency/Severity Indication:	10.5%
Weighted Average:	19.8%
PY 2015 Selected:	18.0%
Adjustment:	0.0%
PY 2015:	18.0%

All Year Avg Empirical Cat Load:	30.2%
Program Specific AAL Cat Load:	14.0%
Selected Cat Load:	14.0%
Corporate Cat Charge:	0.0%
XOL Loss Cost:	0.9%
Indicated XOL Cost:	0.0%
ULE:	1.9%
Claims Fees:	0.0%

PY 2015 Ultimate ILAE Ratio Including AAL Cat Load and Cost of Reinsurance: 34.9%

Property

Frequency/Severity Method

PY	Frequency				Severity					
	On-Level GWP	Reported excl CWNP Claim Ct.	Ultimate excl CWNP Claim Ct.	On-Level Frequency	Reported ILAE @ 2014/4	Selected Ultimate ILAE	Average Severity	0.0% Trend to PY 2015	Average Severity @ PY 2015	
2004	100	1	1	0.010	2	2	2	1.000	2.00	
2005	38	1	1	0.026	8	8	8	1.000	8.00	
2006	47	0	0	0.000	0	0	-	1.000	-	
2007	49	2	2	0.041	11	11	6	1.000	5.50	
2008	41	0	0	0.000	0	0	-	1.000	-	
2009	41	0	0	0.000	0	0	-	1.000	-	
2010	34	0	0	0.000	0	0	-	1.000	-	
2011	25	0	0	0.000	0	0	-	1.000	-	
2012	27	1	1	0.037	19	19	19	1.000	18.92	
2013	22	0	0	0.000	1	0	0	1.000	0.00	
2014	21	0	0	0.005	0	0	0	1.000	0.00	
All Yr Wtd:				0.011					2.88	
Last 7 Wtd:				0.005					2.42	
Last 5 Wtd:				0.009					3.94	
Last 3 Wtd:				0.016					7.27	
				PY 2015 Selected Frequency:					PY 2015 Selected Severity:	7.00
				0.015						

\* Averages include PY 2014

Indicated PY 2015 Ult ILAE Ratio: 10.5%

**Property**

Selection of Ultimate Loss & LAE - Capped @ Policy Limits

PY	GWP	Reported ILAE @ 2014/4	Inc. Dev. Method	Inc. BF Method	Selected Ultimate ILAE	Ultimate ILAE Ratio
2004	100	2	2	2	2	2.0%
2005	38	8	8	8	8	21.1%
2006	47	0	0	0	0	0.0%
2007	49	11	11	11	11	22.5%
2008	41	0	0	0	0	0.0%
2009	41	0	0	0	0	0.0%
2010	34	0	0	0	0	0.0%
2011	25	0	0	0	0	0.0%
2012	27	19	19	19	19	70.7%
2013	22	1	1	1	0	0.0%
2014	21	0	0	2	0	0.0%
Total	444	42	42	43	40	9.0%

**Property**

Selection of Ultimate Loss & LAE - Capped @ 1M

PY	GWP	Reported ILAE @ 2014/4	Inc. Dev. Method	Inc. BF Method	Selected Ultimate ILAE	Ultimate ILAE Ratio
2004	100	2	2	2	2	2.0%
2005	38	8	8	8	8	21.1%
2006	47	0	0	0	0	0.0%
2007	49	11	11	11	11	22.5%
2008	41	0	0	0	0	0.0%
2009	41	0	0	0	0	0.0%
2010	34	0	0	0	0	0.0%
2011	25	0	0	0	0	0.0%
2012	27	19	19	19	19	70.7%
2013	22	1	1	1	0	0.0%
2014	21	0	0	2	0	0.0%
Total	444	42	42	43	40	9.0%



**Property**

Selection of Ultimate Loss & LAE - Capped @ 250k

PY	GWP	Reported ILAE @ 2014/4	Inc. Dev. Method	Inc. BF Method	Selected Ultimate ILAE	Ultimate ILAE Ratio
2004	100	2	2	2	2	2.0%
2005	38	8	8	8	8	21.1%
2006	47	0	0	0	0	0.0%
2007	49	11	11	11	11	22.5%
2008	41	0	0	0	0	0.0%
2009	41	0	0	0	0	0.0%
2010	34	0	0	0	0	0.0%
2011	25	0	0	0	0	0.0%
2012	27	19	19	19	19	70.7%
2013	22	1	1	1	0	0.0%
2014	21	0	0	1	0	0.0%
Total	444	42	42	43	40	9.0%

**Property**

Selection of Ultimate Loss & LAE - Capped @ 100k

PY	GWP	Reported ILAE @ 2014/4	Inc. Dev. Method	Inc. BF Method	Selected Ultimate ILAE	Ultimate ILAE Ratio
2004	100	2	2	2	2	2.0%
2005	38	8	8	8	8	21.1%
2006	47	0	0	0	0	0.0%
2007	49	11	11	11	11	22.5%
2008	41	0	0	0	0	0.0%
2009	41	0	0	0	0	0.0%
2010	34	0	0	0	0	0.0%
2011	25	0	0	0	0	0.0%
2012	27	19	19	19	19	70.7%
2013	22	1	1	1	0	0.0%
2014	21	0	0	1	0	0.0%
Total	444	42	42	43	40	9.0%

Property

Bornhuetter-Ferguson Method

PY	Capped @ Policy Limits				Incurred		
	GWP	Reported ILAE Ratio	Developed ILAE Ratio	Apriori ILAE Ratio	% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE
2004	100	2.2%	2.2%	2.2%	0.0%	2.2%	2
2005	38	20.9%	20.9%	20.9%	0.0%	20.9%	8
2006	47	0.0%	0.0%	0.0%	0.0%	0.0%	0
2007	49	22.9%	22.9%	22.9%	0.0%	22.9%	11
2008	41	0.0%	0.0%	0.0%	0.0%	0.0%	0
2009	41	0.0%	0.0%	0.0%	0.0%	0.0%	0
2010	34	0.0%	0.0%	0.0%	0.0%	0.0%	0
2011	25	1.8%	1.8%	1.8%	0.0%	1.8%	0
2012	27	70.9%	71.0%	71.0%	0.1%	71.0%	19
2013	22	3.3%	3.4%	12.1%	3.3%	3.7%	1
2014	21	0.0%	0.0%	12.1%	67.3%	8.1%	2

PY	Capped @ 1M				Incurred		
	GWP	Reported ILAE Ratio	Developed ILAE Ratio	Apriori ILAE Ratio	% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE
2004	100	2.2%	2.2%	2.2%	0.0%	2.2%	2
2005	38	20.9%	20.9%	20.9%	0.0%	20.9%	8
2006	47	0.0%	0.0%	0.0%	0.0%	0.0%	0
2007	49	22.9%	22.9%	22.9%	0.0%	22.9%	11
2008	41	0.0%	0.0%	0.0%	0.0%	0.0%	0
2009	41	0.0%	0.0%	0.0%	0.0%	0.0%	0
2010	34	0.0%	0.0%	0.0%	0.0%	0.0%	0
2011	25	1.8%	1.8%	1.8%	0.0%	1.8%	0
2012	27	70.9%	71.0%	71.0%	0.1%	71.0%	19
2013	22	3.3%	3.4%	11.5%	3.0%	3.7%	1
2014	21	0.0%	0.0%	11.5%	66.4%	7.6%	2

PY	Capped @ 250k				Incurred		
	GWP	Reported ILAE Ratio	Developed ILAE Ratio	Apriori ILAE Ratio	% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE
2004	100	2.2%	2.2%	2.2%	0.0%	2.2%	2
2005	38	20.9%	20.9%	20.9%	0.0%	20.9%	8
2006	47	0.0%	0.0%	0.0%	0.0%	0.0%	0
2007	49	22.9%	22.9%	22.9%	0.0%	22.9%	11
2008	41	0.0%	0.0%	0.0%	0.0%	0.0%	0
2009	41	0.0%	0.0%	0.0%	0.0%	0.0%	0
2010	34	0.0%	0.0%	0.0%	0.0%	0.0%	0
2011	25	1.8%	1.8%	1.8%	0.0%	1.8%	0
2012	27	70.9%	71.0%	71.0%	0.1%	71.0%	19
2013	22	3.3%	3.4%	11.0%	2.8%	3.6%	1
2014	21	0.0%	0.0%	11.0%	64.9%	7.1%	1

PY	Capped @ 100k				Incurred		
	GWP	Reported ILAE Ratio	Developed ILAE Ratio	Apriori ILAE Ratio	% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE
2004	100	2.2%	2.2%	2.2%	0.0%	2.2%	2
2005	38	20.9%	20.9%	20.9%	0.0%	20.9%	8
2006	47	0.0%	0.0%	0.0%	0.0%	0.0%	0
2007	49	22.9%	22.9%	22.9%	0.0%	22.9%	11
2008	41	0.0%	0.0%	0.0%	0.0%	0.0%	0
2009	41	0.0%	0.0%	0.0%	0.0%	0.0%	0
2010	34	0.0%	0.0%	0.0%	0.0%	0.0%	0
2011	25	1.8%	1.8%	1.8%	0.0%	1.8%	0
2012	27	70.9%	71.0%	71.0%	0.1%	71.0%	19
2013	22	3.3%	3.4%	10.5%	2.6%	3.6%	1
2014	21	0.0%	0.0%	10.5%	63.4%	6.7%	1

Property

ILF Selection

PY	Capped at 1M			Capped at 250k			Capped at 100k		
	Pol Limits Inc Ult	Capped Inc Ult	Implied ILF	Pol Limits Inc Ult	Capped Inc Ult	Implied ILF	Pol Limits Inc Ult	Capped Inc Ult	Implied ILF
2004	2	2	1.00	2	2	1.00	2	2	1.00
2005	8	8	1.00	8	8	1.00	8	8	1.00
2006	0	0	-	0	0	-	0	0	-
2007	11	11	1.00	11	11	1.00	11	11	1.00
2008	0	0	-	0	0	-	0	0	-
2009	0	0	-	0	0	-	0	0	-
2010	0	0	-	0	0	-	0	0	-
2011	0	0	1.00	0	0	1.00	0	0	1.00
2012	19	19	1.00	19	19	1.00	19	19	1.00
2013	1	1	1.00	1	1	1.00	1	1	1.01
2014	0	0	-	0	0	-	0	0	-
All Yr Wtd:			1.00			1.00			1.00
Last 7 Wtd:			1.00			1.00			1.00
Last 5 Wtd:			1.00			1.00			1.00
Last 3 Wtd:			1.00			1.00			1.00
Selected Empirical Large Loss Load:			1.00	Selected Empirical Large Loss Load:		1.00	Selected Empirical Large Loss Load:		1.00
Credibility:			9%	Credibility:		9%	Credibility:		9%
Standard Large Loss Load:			1.18	Standard Large Loss Load:		1.45	Standard Large Loss Load:		1.90
Credibility Weighted ILF Indication:			1.16	Credibility Weighted ILF Indication:		1.41	Credibility Weighted ILF Indication:		1.82
Selected:			1.05	Selected:		1.10	Selected:		1.15

\* Averages include PY 2014

























**Excess Liability**

Rate Need Indications

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Target	Target	Before 2015 Rate Change PY 2015 Ultimate ILAE Ratio	Before 2015 Rate Change PY 2015 Rate Need	PY 2015 Rate Achieved	After 2015 Rate Change PY 2015 Ultimate ILAE Ratio	PY 2016 Ultimate ILAE Ratio	PY 2016 Rate Need
RAP Neutral:	98.7%	66.4%	62.3%	-5.9%	0.0%	62.3%	65.4%	-1.4%

Expense Ratio calculated as follows:

Commission:	25.8%
Prem Tax:	0.0%
Other Acquisition Fees:	0.3%
Direct Expense:	2.9%
Indirect Expense:	3.4%
	<u>32.4%</u>

(1) = [1 - (Calculated RAP)]

(2) = [(1) - (Total Expense)]

(3) = (6) x [1 + (5)]

(4) = [(3) + (Direct Expense)] / [(2) + (Direct Expense)] - 1

(5) = Input

(6) = (Exhibit 3) / [1 + (5)]

(7) = (6) x [1 + (Trend)]

(8) = [(7) + (Direct Expense)] / [(2) + (Direct Expense)] - 1





Excess Liability

Indexing - PY 2015 Ultimate Loss & LAE Selection

PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP	Capped @ \$10M			Capped @ 2M			Capped @ 1M		
					Ultimate ILAE Ratio	5.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	4.5% Trend to PY 2015	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	4.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio
2004	414	0.0%	1.000	414	4.8%	1.710	8.3%	2.4%	1.623	3.9%	2.4%	1.539	3.7%
2005	418	0.0%	1.000	418	4.8%	1.629	7.8%	2.4%	1.553	3.7%	2.4%	1.480	3.5%
2006	462	0.0%	1.000	462	6.5%	1.551	10.1%	4.3%	1.486	6.4%	2.2%	1.423	3.1%
2007	447	0.0%	1.000	447	9.0%	1.477	13.2%	6.7%	1.422	9.5%	4.5%	1.369	6.1%
2008	442	0.0%	1.000	442	13.6%	1.407	19.1%	6.8%	1.361	9.2%	4.5%	1.316	5.9%
2009	372	0.0%	1.000	372	18.8%	1.340	25.2%	10.7%	1.302	14.0%	5.4%	1.265	6.8%
2010	274	0.0%	1.000	274	25.5%	1.276	32.6%	14.6%	1.246	18.2%	10.9%	1.217	13.3%
2011	344	0.0%	1.000	344	34.9%	1.216	42.4%	20.3%	1.193	24.3%	11.6%	1.170	13.6%
2012	316	0.0%	1.000	316	44.3%	1.158	51.3%	28.5%	1.141	32.5%	19.0%	1.125	21.4%
2013	283	0.0%	1.000	283	53.1%	1.103	58.5%	35.4%	1.092	38.6%	21.2%	1.082	23.0%
2014	312	0.0%	1.000	312	57.7%	1.050	60.6%	38.5%	1.045	40.2%	25.6%	1.040	26.7%
All Yr Wtd incl 2014:							27.0%			16.3%			10.3%
Last 7 Wtd incl 2014:							39.7%			24.0%			15.0%
Last 5 Wtd incl 2014:							49.2%			30.8%			19.5%
Last 3 Wtd incl 2014:							56.7%			37.0%			23.7%
Selected Ultimate:							55.0%			35.0%			23.0%
ILF:							1.00			1.69			2.58
Capped @ \$10M Ultimate:							55.0%			59.2%			59.3%

Weight: 3% 48% 48%

Frequency/Severity Indication: 0.0%  
 Weighted Average: 59.1%  
 PY 2015 Selected - Capped @ \$10M: 55.0%

Adjustment: 0.0%

PY 2015 - Capped @ \$10M: 55.0%

ILF: 1.000  
 Catastrophe/Latency Load: 5.0%  
 ULE: 1.0%  
 PY 2015 Ultimate ILAE Ratio: 61.0%

Credibility: 3%  
 Complement of Credibility: 62.3%  
 Credibility Weighted PY 2015 Ultimate ILAE Ratio: 62.3%

Compliment of Credibility

Loss Ratio for total excess book relative to breakeven for total excess book

**Excess Liability**

Frequency/Severity Method

PY	Frequency				Severity						
	On-Level GWP	Reported excl CWNP Claim Ct.	Ultimate excl CWNP Claim Ct.	On-Level Frequency	Reported ILAE @ 2014/4	10M Cap Ultimate ILAE	Average Severity	5.0% Trend to PY 2015	Average Severity @ PY 2015		
2004	414	0	0	0.0000	0	20	-	1.710	-		
2005	418	0	0	0.0000	0	20	-	1.629	-		
2006	462	0	0	0.0000	0	30	-	1.551	-		
2007	447	0	0	0.0000	0	40	-	1.477	-		
2008	442	0	0	0.0000	0	60	-	1.407	-		
2009	372	0	0	0.0000	0	70	-	1.340	-		
2010	274	0	0	0.0000	0	70	-	1.276	-		
2011	344	0	0	0.0000	0	120	-	1.216	-		
2012	316	0	0	0.0000	0	140	-	1.158	-		
2013	283	0	0	0.0000	0	150	-	1.103	-		
2014	312	0	0	0.0000	0	180	-	1.050	-		
All Yr Wtd:				0.0000					0.0		
Last 7 Wtd:				0.0000					0.0		
Last 5 Wtd:				0.0000					0.0		
Last 3 Wtd:				0.0000					0.0		
	PY 2015 Selected Frequency:				0.0000	PY 2015 Selected Severity:					0.0

\* Averages include PY 2014

Indicated PY 2015 Ult ILAE Ratio - Capped @ 10M: 0.0%

**Excess Liability**

Selection of Ultimate Loss & LAE - Capped @ 10M

PY	GWP	Reported ILAE @ 2014/4	Inc. Dev. Method	Paid Dev. Method	Inc. BF Method	Paid BF Method	Case Reserve Development Method	Selected Ultimate ILAE	Ultimate ILAE Ratio
2004	414	0	0	0	9	23	0	20	4.8%
2005	418	0	0	0	13	29	0	20	4.8%
2006	462	0	0	0	22	44	0	30	6.5%
2007	447	0	0	0	33	58	0	40	9.0%
2008	442	0	0	0	48	80	0	60	13.6%
2009	372	0	0	0	58	91	0	70	18.8%
2010	274	0	0	0	63	84	0	70	25.5%
2011	344	0	0	0	106	131	0	120	34.9%
2012	316	0	0	0	135	149	0	140	44.3%
2013	283	0	0	0	145	154	0	150	53.1%
2014	312	0	0	0	174	175	0	180	57.7%
Total	4,085	0	0	0	807	1,018	0	900	22.0%

**Excess Liability**

Selection of Ultimate Loss & LAE - Capped @ 2M

PY	GWP	Reported ILAE @ 2014/4	Inc. Dev. Method	Paid Dev. Method	Inc. BF Method	Paid BF Method	Case Reserve Development Method	Selected Ultimate ILAE	Ultimate ILAE Ratio
2004	414	0	0	0	4	10	0	10	2.4%
2005	418	0	0	0	6	14	0	10	2.4%
2006	462	0	0	0	11	22	0	20	4.3%
2007	447	0	0	0	17	29	0	30	6.7%
2008	442	0	0	0	25	40	0	30	6.8%
2009	372	0	0	0	31	48	0	40	10.7%
2010	274	0	0	0	34	47	0	40	14.6%
2011	344	0	0	0	57	74	0	70	20.3%
2012	316	0	0	0	79	89	0	90	28.5%
2013	283	0	0	0	89	97	0	100	35.4%
2014	312	0	0	0	112	112	0	120	38.5%
Total	4,085	0	0	0	466	584	0	560	13.7%

**Excess Liability**

Selection of Ultimate Loss & LAE - Capped @ 1M

PY	GWP	Reported ILAE @ 2014/4	Inc. Dev. Method	Paid Dev. Method	Inc. BF Method	Paid BF Method	Case Reserve Development Method	Selected Ultimate ILAE	Ultimate ILAE Ratio
2004	414	0	0	0	3	5	0	10	2.4%
2005	418	0	0	0	4	7	0	10	2.4%
2006	462	0	0	0	6	12	0	10	2.2%
2007	447	0	0	0	9	16	0	20	4.5%
2008	442	0	0	0	13	21	0	20	4.5%
2009	372	0	0	0	16	26	0	20	5.4%
2010	274	0	0	0	18	26	0	30	10.9%
2011	344	0	0	0	31	44	0	40	11.6%
2012	316	0	0	0	48	57	0	60	19.0%
2013	283	0	0	0	57	64	0	60	21.2%
2014	312	0	0	0	71	72	0	80	25.6%
Total	4,085	0	0	0	277	351	0	360	8.8%

Excess Liability

Bornhuetter-Ferguson Method

PY	Capped @ \$10M					
	GWP	Reported	Reported	Incurred	Paid	Apriori
		ILAE Ratio	PLAE Ratio	Developed ILAE Ratio	Developed ILAE Ratio	
2004	414	0.0%	0.0%	0.0%	0.0%	53.0%
2005	418	0.0%	0.0%	0.0%	0.0%	53.0%
2006	462	0.0%	0.0%	0.0%	0.0%	53.0%
2007	447	0.0%	0.0%	0.0%	0.0%	53.0%
2008	442	0.0%	0.0%	0.0%	0.0%	53.0%
2009	372	0.0%	0.0%	0.0%	0.0%	53.0%
2010	274	0.0%	0.0%	0.0%	0.0%	53.0%
2011	344	0.0%	0.0%	0.0%	0.0%	53.0%
2012	316	0.0%	0.0%	0.0%	0.0%	54.0%
2013	283	0.0%	0.0%	0.0%	0.0%	55.0%
2014	312	0.0%	0.0%	0.0%	0.0%	56.0%

Incurred		Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE
% Expected Unreported	Born-Ferg Ultimate ILAE Ratio		
4.1%	2.2%	9	
5.7%	3.0%	13	
9.0%	4.7%	22	
13.9%	7.4%	33	
20.7%	10.9%	48	
29.5%	15.6%	58	
43.6%	23.1%	63	
58.2%	30.9%	106	
79.1%	42.7%	135	
93.0%	51.2%	145	
99.8%	55.9%	174	

Paid		Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE
% Expected Unpaid	Born-Ferg Ultimate ILAE Ratio		
10.2%	5.4%	23	
13.1%	6.9%	29	
17.9%	9.5%	44	
24.4%	13.0%	58	
34.3%	18.2%	80	
46.4%	24.6%	91	
57.9%	30.7%	84	
72.0%	38.1%	131	
87.3%	47.1%	149	
99.0%	54.4%	154	
100.0%	56.0%	175	

PY	Capped @ 2M					
	GWP	Reported	Reported	Incurred	Paid	Apriori
		ILAE Ratio	PLAE Ratio	Developed ILAE Ratio	Developed ILAE Ratio	
2004	414	0.0%	0.0%	0.0%	0.0%	33.0%
2005	418	0.0%	0.0%	0.0%	0.0%	33.0%
2006	462	0.0%	0.0%	0.0%	0.0%	33.0%
2007	447	0.0%	0.0%	0.0%	0.0%	33.0%
2008	442	0.0%	0.0%	0.0%	0.0%	33.0%
2009	372	0.0%	0.0%	0.0%	0.0%	33.0%
2010	274	0.0%	0.0%	0.0%	0.0%	33.0%
2011	344	0.0%	0.0%	0.0%	0.0%	33.0%
2012	316	0.0%	0.0%	0.0%	0.0%	34.0%
2013	283	0.0%	0.0%	0.0%	0.0%	35.0%
2014	312	0.0%	0.0%	0.0%	0.0%	36.0%

Incurred		Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE
% Expected Unreported	Born-Ferg Ultimate ILAE Ratio		
3.1%	1.0%	4	
4.4%	1.5%	6	
7.4%	2.4%	11	
11.6%	3.8%	17	
17.2%	5.7%	25	
25.4%	8.4%	31	
37.8%	12.5%	34	
50.3%	16.6%	57	
73.1%	24.9%	79	
90.2%	31.6%	89	
99.6%	35.9%	112	

Paid		Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE
% Expected Unpaid	Born-Ferg Ultimate ILAE Ratio		
7.6%	2.5%	10	
10.2%	3.4%	14	
14.6%	4.8%	22	
20.0%	6.6%	29	
27.3%	9.0%	40	
39.4%	13.0%	48	
51.5%	17.0%	47	
65.4%	21.6%	74	
82.7%	28.1%	89	
98.4%	34.4%	97	
100.0%	36.0%	112	

PY	Capped @ 1M					
	GWP	Reported	Reported	Incurred	Paid	Apriori
		ILAE Ratio	PLAE Ratio	Developed ILAE Ratio	Developed ILAE Ratio	
2004	414	0.0%	0.0%	0.0%	0.0%	22.0%
2005	418	0.0%	0.0%	0.0%	0.0%	22.0%
2006	462	0.0%	0.0%	0.0%	0.0%	22.0%
2007	447	0.0%	0.0%	0.0%	0.0%	22.0%
2008	442	0.0%	0.0%	0.0%	0.0%	22.0%
2009	372	0.0%	0.0%	0.0%	0.0%	22.0%
2010	274	0.0%	0.0%	0.0%	0.0%	22.0%
2011	344	0.0%	0.0%	0.0%	0.0%	22.0%
2012	316	0.0%	0.0%	0.0%	0.0%	23.0%
2013	283	0.0%	0.0%	0.0%	0.0%	23.0%
2014	312	0.0%	0.0%	0.0%	0.0%	23.0%

Incurred		Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE
% Expected Unreported	Born-Ferg Ultimate ILAE Ratio		
2.8%	0.6%	3	
3.9%	0.9%	4	
6.2%	1.4%	6	
9.6%	2.1%	9	
13.5%	3.0%	13	
19.9%	4.4%	16	
30.3%	6.7%	18	
41.5%	9.1%	31	
66.6%	15.3%	48	
87.1%	20.0%	57	
99.4%	22.9%	71	

Paid		Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE
% Expected Unpaid	Born-Ferg Ultimate ILAE Ratio		
5.8%	1.3%	5	
8.0%	1.8%	7	
11.7%	2.6%	12	
16.5%	3.6%	16	
22.0%	4.8%	21	
32.2%	7.1%	26	
43.5%	9.6%	26	
58.1%	12.8%	44	
78.0%	17.9%	57	
97.8%	22.5%	64	
100.0%	23.0%	72	

**Excess Liability**  
 Bornhuetter-Ferguson Method - Apriori Selection

Capped @ \$10M											
PY	GWP	Annual PY Rate Chg	Selected Ult ILAE	Ultimate ILAE Ratio	-----Ultimate ILAE Ratio Indexed to Policy Year-----						
					2009	2010	2011	2012	2013	2014	
2004	414	0.0%	20	4.8%	6.2%	6.5%	6.8%	7.1%	7.5%	7.9%	
2005	418	0.0%	20	4.8%	5.8%	6.1%	6.4%	6.7%	7.1%	7.4%	
2006	462	0.0%	30	6.5%	7.5%	7.9%	8.3%	8.7%	9.1%	9.6%	
2007	447	0.0%	40	9.0%	9.9%	10.4%	10.9%	11.4%	12.0%	12.6%	
2008	442	0.0%	60	13.6%	14.2%	14.9%	15.7%	16.5%	17.3%	18.2%	
2009	372	0.0%	70	18.8%	19.7%	19.7%	20.7%	21.8%	22.9%	24.0%	
2010	274	0.0%	70	25.5%			26.8%	28.2%	29.6%	31.0%	
2011	344	0.0%	120	34.9%				36.6%	38.4%	40.4%	
2012	316	0.0%	140	44.3%					46.5%	48.8%	
2013	283	0.0%	150	53.1%						55.7%	
2014	312	0.0%	180	57.7%							
All Yr Wtd :					8.8%	10.7%	12.8%	15.9%	19.4%	23.1%	
Last 7 Wtd :					-	-	12.8%	17.3%	23.2%	30.7%	
Last 5 Wtd :					8.8%	11.6%	15.4%	21.7%	29.8%	39.3%	
Last 3 Wtd :					10.5%	14.7%	20.2%	28.7%	38.6%	47.8%	
ILF Implied :					55.8%	55.8%	55.8%	57.5%	59.2%	60.9%	
Div 66:					53.0%	53.0%	53.0%	54.0%	55.0%	56.0%	
Selected BF Apriori:					53.0%	53.0%	53.0%	54.0%	55.0%	56.0%	

Capped @ 2M											
PY	GWP	Annual PY Rate Chg	Selected Ult ILAE	Ultimate ILAE Ratio	-----Ultimate ILAE Ratio Indexed to Policy Year-----						
					2009	2010	2011	2012	2013	2014	
2004	414	0.0%	10	2.4%	3.0%	3.1%	3.3%	3.4%	3.6%	3.7%	
2005	418	0.0%	10	2.4%	2.9%	3.0%	3.1%	3.3%	3.4%	3.6%	
2006	462	0.0%	20	4.3%	4.9%	5.2%	5.4%	5.6%	5.9%	6.2%	
2007	447	0.0%	30	6.7%	7.3%	7.7%	8.0%	8.4%	8.7%	9.1%	
2008	442	0.0%	30	6.8%	7.1%	7.4%	7.7%	8.1%	8.4%	8.8%	
2009	372	0.0%	40	10.7%		11.2%	11.7%	12.3%	12.8%	13.4%	
2010	274	0.0%	40	14.6%			15.2%	15.9%	16.7%	17.4%	
2011	344	0.0%	70	20.3%				21.3%	22.2%	23.2%	
2012	316	0.0%	90	28.5%					29.8%	31.1%	
2013	283	0.0%	100	35.4%						37.0%	
2014	312	0.0%	120	38.5%							
All Yr Wtd :					5.1%	6.2%	7.3%	9.1%	11.4%	13.8%	
Last 7 Wtd :					-	-	7.3%	10.0%	13.8%	18.6%	
Last 5 Wtd :					5.1%	6.8%	9.0%	12.5%	17.2%	23.9%	
Last 3 Wtd :					6.4%	8.6%	11.0%	16.4%	23.1%	30.0%	
ILF Implied :					33.5%	33.5%	33.5%	35.0%	35.0%	35.0%	
Div 66:					33.0%	33.0%	33.0%	34.0%	35.0%	36.0%	
Selected BF Apriori:					33.0%	33.0%	33.0%	34.0%	35.0%	36.0%	

Capped @ 1M											
PY	GWP	Annual PY Rate Chg	Selected Ult ILAE	Ultimate ILAE Ratio	-----Ultimate ILAE Ratio Indexed to Policy Year-----						
					2009	2010	2011	2012	2013	2014	
2004	414	0.0%	10	2.4%	2.9%	3.1%	3.2%	3.3%	3.4%	3.6%	
2005	418	0.0%	10	2.4%	2.8%	2.9%	3.0%	3.2%	3.3%	3.4%	
2006	462	0.0%	10	2.2%	2.4%	2.5%	2.6%	2.7%	2.8%	3.0%	
2007	447	0.0%	20	4.5%	4.8%	5.0%	5.2%	5.4%	5.7%	5.9%	
2008	442	0.0%	20	4.5%	4.7%	4.9%	5.1%	5.3%	5.5%	5.7%	
2009	372	0.0%	20	5.4%		5.6%	5.8%	6.0%	6.3%	6.5%	
2010	274	0.0%	30	10.9%			11.4%	11.8%	12.3%	12.8%	
2011	344	0.0%	40	11.6%				12.1%	12.6%	13.1%	
2012	316	0.0%	60	19.0%					19.7%	20.5%	
2013	283	0.0%	60	21.2%						22.1%	
2014	312	0.0%	80	25.6%							
All Yr Wtd :					3.6%	4.0%	4.8%	5.8%	7.3%	8.6%	
Last 7 Wtd :					-	-	4.8%	6.2%	8.5%	11.4%	
Last 5 Wtd :					3.6%	4.1%	5.5%	7.7%	10.7%	14.6%	
Last 3 Wtd :					4.0%	5.1%	6.9%	9.7%	14.9%	18.3%	
Div 66:					22.0%	22.0%	22.0%	23.0%	23.0%	23.0%	
Selected BF Apriori:					22.0%	22.0%	22.0%	23.0%	23.0%	23.0%	



Excess Liability

ILF Selection

PY	Capped at 2M						Capped at 1M					
	10M Cap Inc Ult	2M Cap Inc Ult	Implied ILF	10M Cap Paid Ult	2M Cap Paid Ult	Implied ILF	10M Cap Inc Ult	1M Cap Inc Ult	Implied ILF	10M Cap Paid Ult	1M Cap Paid Ult	Implied ILF
2004	0	0	-	0	0	-	0	0	-	0	0	-
2005	0	0	-	0	0	-	0	0	-	0	0	-
2006	0	0	-	0	0	-	0	0	-	0	0	-
2007	0	0	-	0	0	-	0	0	-	0	0	-
2008	0	0	-	0	0	-	0	0	-	0	0	-
2009	0	0	-	0	0	-	0	0	-	0	0	-
2010	0	0	-	0	0	-	0	0	-	0	0	-
2011	0	0	-	0	0	-	0	0	-	0	0	-
2012	0	0	-	0	0	-	0	0	-	0	0	-
2013	0	0	-	0	0	-	0	0	-	0	0	-
2014	0	0	-	0	0	-	0	0	-	0	0	-
All Yr Wtd:			#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!
Last 7 Wtd:			#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!
Last 5 Wtd:			#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!
Last 3 Wtd:			#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!
				Selected Empirical ILF:		1.69			Selected Empirical ILF:			2.58
				Credibility:		3%			Credibility:			3%
				Complement of Credibility - Div 66 ILF:		1.69			Complement of Credibility - Div 66 ILF:			2.58
				Credibility Weighted ILF Indication:		1.69			Credibility Weighted ILF Indication:			2.58
				Selected:		1.69			Selected:			2.58

\* Averages include PY 2014

Excess Liability

Incurred & LAE - Capped @ \$10M

PY	GWP	12	24	36	48	60	72	84	96	108	120	132	ILAE	Ultimate	
													@ 2014/4	LDF	ILAE
2004	414	0	0	0	0	0	0	0	0	0	0	0	0	1.042	0
2005	418	0	0	0	0	0	0	0	0	0	0	0	0	1.060	0
2006	462	0	0	0	0	0	0	0	0	0	0	0	0	1.098	0
2007	447	0	0	0	0	0	1	0	0	0	0	0	0	1.162	0
2008	442	0	0	0	0	0	0	0	0	0	0	0	0	1.260	0
2009	372	0	0	0	0	0	0	0	0	0	0	0	0	1.418	0
2010	274	0	0	0	0	0	0	0	0	0	0	0	0	1.772	0
2011	344	0	0	0	0	0	0	0	0	0	0	0	0	2.393	0
2012	316	0	0	0	0	0	0	0	0	0	0	0	0	4.786	0
2013	283	0	0	0	0	0	0	0	0	0	0	0	0	14.357	0
2014	312	0	0	0	0	0	0	0	0	0	0	0	0	430.701	0

PY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132
2004	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	0.000	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144
All Yr Wtd:	-	-	-	-	-	0.000	-	-	-	-	-
Last 7 Wtd:	-	-	-	-	-	-	-	-	-	-	-
Last 5 Wtd:	-	-	-	-	-	0.000	-	-	-	-	-
Last 3 Wtd:	-	-	-	-	-	0.000	-	-	-	-	-
Selected Age to Age:	30.000	3.000	2.000	1.350	1.250	1.125	1.085	1.058	1.036	1.017	
Age to Ult:	430.701	14.357	4.786	2.393	1.772	1.418	1.260	1.162	1.098	1.060	1.042

Excess Liability

Incurred & LAE - Capped @ \$2M

PY	GWP	12	24	36	48	60	72	84	96	108	120	132	2M Cap	2M Cap	
													ILAE	Ultimate	
													@ 2014/4	LDF	ILAE
2004	414	0	0	0	0	0	0	0	0	0	0	0	0	1.032	0
2005	418	0	0	0	0	0	0	0	0	0	0	0	0	1.046	0
2006	462	0	0	0	0	0	0	0	0	0	0	0	0	1.080	0
2007	447	0	0	0	0	0	1	0	0	0	0	0	0	1.131	0
2008	442	0	0	0	0	0	0	0	0	0	0	0	0	1.208	0
2009	372	0	0	0	0	0	0	0	0	0	0	0	0	1.341	0
2010	274	0	0	0	0	0	0	0	0	0	0	0	0	1.609	0
2011	344	0	0	0	0	0	0	0	0	0	0	0	0	2.011	0
2012	316	0	0	0	0	0	0	0	0	0	0	0	0	3.720	0
2013	283	0	0	0	0	0	0	0	0	0	0	0	0	10.231	0
2014	312	0	0	0	0	0	0	0	0	0	0	0	0	255.766	0

PY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132
2004	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	0.000	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144
All Yr Wtd:	-	-	-	-	-	0.000	-	-	-	-	-
Last 7 Wtd:	-	-	-	-	-	-	-	-	-	-	-
Last 5 Wtd:	-	-	-	-	-	0.000	-	-	-	-	-
Last 3 Wtd:	-	-	-	-	-	0.000	-	-	-	-	-
Selected Age to Age:	25.000	2.750	1.850	1.250	1.200	1.110	1.068	1.048	1.032	1.014	
Age to Ult:	255.766	10.231	3.720	2.011	1.609	1.341	1.208	1.131	1.080	1.046	1.032

Excess Liability

Incurred & LAE - Capped @ \$1M

PY	GWP	12	24	36	48	60	72	84	96	108	120	132	1M Cap	1M Cap	
													ILAE	Ultimate	
													@ 2014/4	LDF	ILAE
2004	414	0	0	0	0	0	0	0	0	0	0	0	0	1.029	0
2005	418	0	0	0	0	0	0	0	0	0	0	0	0	1.041	0
2006	462	0	0	0	0	0	0	0	0	0	0	0	0	1.066	0
2007	447	0	0	0	0	0	1	0	0	0	0	0	0	1.106	0
2008	442	0	0	0	0	0	0	0	0	0	0	0	0	1.156	0
2009	372	0	0	0	0	0	0	0	0	0	0	0	0	1.248	0
2010	274	0	0	0	0	0	0	0	0	0	0	0	0	1.436	0
2011	344	0	0	0	0	0	0	0	0	0	0	0	0	1.708	0
2012	316	0	0	0	0	0	0	0	0	0	0	0	0	2.990	0
2013	283	0	0	0	0	0	0	0	0	0	0	0	0	7.773	0
2014	312	0	0	0	0	0	0	0	0	0	0	0	0	155.469	0

PY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132
2004	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	0.000	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144
All Yr Wtd:	-	-	-	-	-	0.000	-	-	-	-	-
Last 7 Wtd:	-	-	-	-	-	-	-	-	-	-	-
Last 5 Wtd:	-	-	-	-	-	0.000	-	-	-	-	-
Last 3 Wtd:	-	-	-	-	-	0.000	-	-	-	-	-
Selected Age to Age:	20.000	2.600	1.750	1.190	1.150	1.080	1.045	1.037	1.024	1.011	
Age to Ult:	155.469	7.773	2.990	1.708	1.436	1.248	1.156	1.106	1.066	1.041	1.029

**Excess Liability**

Paid & LAE - Capped @ \$10M

PY	GWP	12	24	36	48	60	72	84	96	108	120	132	P+LAE	Ultimate	
													@ 2014/4	LDF	ILAE
2004	414	0	0	0	0	0	0	0	0	0	0	0	0	1.114	0
2005	418	0	0	0	0	0	0	0	0	0	0	0	0	1.151	0
2006	462	0	0	0	0	0	0	0	0	0	0	0	0	1.219	0
2007	447	0	0	0	0	0	0	0	0	0	0	0	0	1.324	0
2008	442	0	0	0	0	0	0	0	0	0	0	0	0	1.522	0
2009	372	0	0	0	0	0	0	0	0	0	0	0	0	1.865	0
2010	274	0	0	0	0	0	0	0	0	0	0	0	0	2.377	0
2011	344	0	0	0	0	0	0	0	0	0	0	0	0	3.566	0
2012	316	0	0	0	0	0	0	0	0	0	0	0	0	7.845	0
2013	283	0	0	0	0	0	0	0	0	0	0	0	0	98.063	0
2014	312	0	0	0	0	0	0	0	0	0	0	0	0	6,864.389	0

PY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132
2004	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144
All Yr Wtd:	-	-	-	-	-	-	-	-	-	-	-
Last 7 Wtd:	-	-	-	-	-	-	-	-	-	-	-
Last 5 Wtd:	-	-	-	-	-	-	-	-	-	-	-
Last 3 Wtd:	-	-	-	-	-	-	-	-	-	-	-
Selected Age to Age:	70.000	12.500	2.200	1.500	1.275	1.225	1.150	1.086	1.059	1.033	
Age to Ult:	6,864.389	98.063	7.845	3.566	2.377	1.865	1.522	1.324	1.219	1.151	1.114

**Excess Liability**

Paid & LAE - Capped @ \$2M

PY	GWP	12	24	36	48	60	72	84	96	108	120	132	2M Cap	2M Cap	
													P+LAE	Ultimate	
													@ 2014/4	LDF	ILAE
2004	414	0	0	0	0	0	0	0	0	0	0	0	0	1.083	0
2005	418	0	0	0	0	0	0	0	0	0	0	0	0	1.114	0
2006	462	0	0	0	0	0	0	0	0	0	0	0	0	1.170	0
2007	447	0	0	0	0	0	0	0	0	0	0	0	0	1.250	0
2008	442	0	0	0	0	0	0	0	0	0	0	0	0	1.375	0
2009	372	0	0	0	0	0	0	0	0	0	0	0	0	1.650	0
2010	274	0	0	0	0	0	0	0	0	0	0	0	0	2.062	0
2011	344	0	0	0	0	0	0	0	0	0	0	0	0	2.887	0
2012	316	0	0	0	0	0	0	0	0	0	0	0	0	5.774	0
2013	283	0	0	0	0	0	0	0	0	0	0	0	0	63.510	0
2014	312	0	0	0	0	0	0	0	0	0	0	0	0	3,810.574	0

PY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132
2004	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144
All Yr Wtd:	-	-	-	-	-	-	-	-	-	-	-
Last 7 Wtd:	-	-	-	-	-	-	-	-	-	-	-
Last 5 Wtd:	-	-	-	-	-	-	-	-	-	-	-
Last 3 Wtd:	-	-	-	-	-	-	-	-	-	-	-
Selected Age to Age:	60.000	11.000	2.000	1.400	1.250	1.200	1.100	1.068	1.051	1.029	
Age to Ult:	3,810.574	63.510	5.774	2.887	2.062	1.650	1.375	1.250	1.170	1.114	1.083

Excess Liability

Paid & LAE - Capped @ \$1M

PY	GWP	12	24	36	48	60	72	84	96	108	120	132	1M Cap	1M Cap	
													P+LAE @ 2014/4	LDF	Ultimate ILAE
2004	414	0	0	0	0	0	0	0	0	0	0	0	0	1.062	0
2005	418	0	0	0	0	0	0	0	0	0	0	0	0	1.087	0
2006	462	0	0	0	0	0	0	0	0	0	0	0	0	1.133	0
2007	447	0	0	0	0	0	0	0	0	0	0	0	0	1.198	0
2008	442	0	0	0	0	0	0	0	0	0	0	0	0	1.282	0
2009	372	0	0	0	0	0	0	0	0	0	0	0	0	1.474	0
2010	274	0	0	0	0	0	0	0	0	0	0	0	0	1.769	0
2011	344	0	0	0	0	0	0	0	0	0	0	0	0	2.388	0
2012	316	0	0	0	0	0	0	0	0	0	0	0	0	4.537	0
2013	283	0	0	0	0	0	0	0	0	0	0	0	0	45.375	0
2014	312	0	0	0	0	0	0	0	0	0	0	0	0	2,495.617	0

PY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132
2004	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144
All Yr Wtd:	-	-	-	-	-	-	-	-	-	-	-
Last 7 Wtd:	-	-	-	-	-	-	-	-	-	-	-
Last 5 Wtd:	-	-	-	-	-	-	-	-	-	-	-
Last 3 Wtd:	-	-	-	-	-	-	-	-	-	-	-
Selected Age to Age:	55.000	10.000	1.900	1.350	1.200	1.150	1.070	1.058	1.042	1.024	
Age to Ult:	2,495.617	45.375	4.537	2.388	1.769	1.474	1.282	1.198	1.133	1.087	1.062





Excess Liability

Total Claim Count excluding CWNP

PY	GWP	12	24	36	48	60	72	84	96	108	120	132	Total ex-CWNP @ 2014/4	Developed Ultimate LDF ex-CWNP	Ultimate Average ex-CWNP	Born-Ferg Ultimate Apriori ex-CWNP	Selected Ultimate ex-CWNP	
2004	414	0	0	0	0	0	0	0	0	0	0	0	0	1.022	0	0.000	-	-
2005	418	0	0	0	0	0	0	0	0	0	0	0	0	1.035	0	0.000	-	-
2006	462	0	0	0	0	0	0	0	0	0	0	0	0	1.055	0	0.000	-	-
2007	447	0	0	0	0	0	1	0	0	0	0	0	0	1.081	0	0.000	-	-
2008	442	0	0	0	0	0	0	0	0	0	0	0	0	1.124	0	0.000	-	-
2009	372	0	0	0	0	0	0	0	0	0	0	0	0	1.181	0	0.000	-	-
2010	274	0	0	0	0	0	0	0	0	0	0	0	0	1.299	0	0.000	-	-
2011	344	0	0	0	0	0	0	0	0	0	0	0	0	1.558	0	0.000	-	-
2012	316	0	0	0	0	0	0	0	0	0	0	0	0	2.073	0	0.000	-	-
2013	283	0	0	0	0	0	0	0	0	0	0	0	0	3.420	0	0.000	-	-
2014	312	0	0	0	0	0	0	0	0	0	0	0	0	15.732	0	0.000	-	-

PY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144
2004	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	0.000	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144
All Yr Wtd:	-	-	-	-	-	0.000	-	-	-	-	-
Last 7 Wtd:	-	-	-	-	-	-	-	-	-	-	-
Last 5 Wtd:	-	-	-	-	-	0.000	-	-	-	-	-
Last 3 Wtd:	-	-	-	-	-	0.000	-	-	-	-	-
Selected Age to Age:	4.600	1.650	1.330	1.200	1.100	1.050	1.040	1.025	1.019	1.014	-
Age to Ult:	15.732	3.420	2.073	1.558	1.299	1.181	1.124	1.081	1.055	1.035	1.022











Program: Alarm

**Limit Profile - Based on PY Written Premium**

Occ Limit	PY -->	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
900,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,000,000	-	-	-	29,765	60,874	63,840	58,161	42,923	26,610	20,567	20,244	14,326	20,584	357,894
1,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2,000,000	-	20,968	100,630	112,159	98,504	73,612	20,955	18,376	27,557	36,991	48,027	6,422	6,422	564,201
2,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3,000,000	-	11,585	68,717	55,284	29,673	42,757	46,828	13,809	6,990	11,243	14,662	15,418	15,418	316,966
3,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4,000,000	-	-	82,291	72,115	83,957	92,122	66,181	68,385	64,802	60,623	65,904	73,395	73,395	729,775
4,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5,000,000	-	-	135,211	159,285	147,384	181,085	194,570	139,888	185,826	186,918	139,763	85,934	85,934	1,555,864
5,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	32,553	416,614	416,614	459,717	423,358	447,737	371,457	267,068	305,742	316,019	282,682	201,753	3,524,700

xs 10M Selected	Am Home ILF
100.0%	1.000
0.0%	1.029
0.0%	1.058
0.0%	1.116
0.0%	1.145
0.0%	1.217
0.0%	1.235
0.0%	1.280
0.0%	1.235
100.0%	1.000

Average XS Limit                    -            2,355,881    3,462,186    3,341,032    3,360,312    3,590,431    3,938,251    4,035,560    4,202,854    4,129,616                                    3,726,732