
INTEROFFICE MEMO

DATE: 2/14/2014

TO: VALOREE CELONA

CC: ETHAN ALLEN, ROBERT COLE, TINA COSTANTINO, RICHARD D'ALFONSO, WILLIAM HARRIS, STEVEN LEERET, DANA OBRENTZ, MICHAEL TRANFAGLIA, EMILY TUREK

FROM: OLIVERIO HERNANDEZ

RE: CERTIFIED NURSE MIDWIVES PROFESSIONAL LIABILITY-2013 PROFITABILITY STUDY

Attached please find the profitability analysis of the Certified Nurse Midwives (CNM) Professional Liability book of business, using gross machine data evaluated as of 9/30/13. The results are shown below and on the summary exhibits attached. The professional liability business is priced on a non-admitted basis, using independent rates and rating factors that are unique in each state.

The premium and loss experience used to project the ultimate loss and lae ratios is on a policy year (PY) basis. The PY 2014 Ultimate Loss & LAE reflects a 3.5% underlying trend assumption, along with the PY 2014 rate level needed to achieve either a credibility weighted underwriting breakeven (0% risk load) or RAP Neutral (2.5% risk load) ILAE ratio.

Summary of Profitability Results:

LOB	PY 2013 GWP	After 2013 Rate Change PY 2014 Ultimate ILAE Ratio	RAP Neutral		UW Breakeven	
			Target Ratio	After 2013 Rate Change PY 2014 Rate Need	Target Ratio	After 2013 Rate Change PY 2014 Rate Need
Certified Nurse Midwives	4,793	76.3%	70.7%	7.5%	73.2%	4.0%

Headlines:

- PY 2014 Ultimate Loss & LAE ratios above indicate that the overall rate levels of this book are somewhat deficient, with the indicated rate need ranging from 4% - 7.5%.
- The overall results of this analysis are more favorable than those indicated in the previous profitability study for the same book of business, which was based on data as of 12/31/11 (updated as of 3/31/12). This is driven by the better than expected loss emergence and additional premium achieved through rate change, resulting in an indicated rate need of 4% - 7.5% (the previous study indicated a rate need of 5% - 31%).

Methodology:

The ultimate loss & LAE ratios for PY 2013 are selected based on the weighted averages of the indexed loss ratios for the preceding years, then credibility weighting the loss ratio, applying the complement of credibility to the overall Healthcare book of business loss ratio (72.3%). An amount for ULE expenses is added to the PY 2013 loss & LAE ratio, to arrive at the loss & lae ratios selected. An additional year of trend and rate change is applied to the PY 2013 selected loss & lae ratios, in order to estimate the PY 2014 loss & lae ratios. The rate need is calculated by comparing the selected ultimate loss & lae ratio to the target loss & lae ratio.

Historical rate change information for CNM is the same as that included in the previous profitability study and incorporates the most recent comparison of renewal to expiring premium information (calculated via the established rate monitoring process).

Several methodologies have been used to project reported loss & LAE to ultimate. This includes the following: paid and incurred loss development, paid and incurred Bornhuetter-Ferguson (B-F) method, and a frequency/severity method.

The target loss & lae ratios are calculated as the complement of the program's underwriting expenses and two different risk (profit) assumptions. The commission amount is specific to each program, while the average underwriting expenses of Division 66 are used for the remaining amounts. Since this business is written on non-admitted company paper, the premium taxes have been assumed to be 0%. The underwriting breakeven ratio is calculated based on a 0% risk load, while the RAP neutral ratio contemplates a risk load of 2.5%.

Table of Contents:

- 1. Exhibit 1: Summary of Indicated Rate Needs**-PY 2013 and 2014 Ultimate loss & lae ratios are shown using varying underlying trend assumptions by line. Also shown are the underwriting expense ratio, target loss & LAE ratio and rate needs for underwriting breakeven and RAP neutral results. The rate need is calculated by comparing the PY loss & LAE ratio to the target loss & LAE ratio.
- 2. Exhibit 2: Reported Paid and Incurred Loss & LAE Ratios**-policy year reported paid loss & LAE and incurred loss & LAE ratios to written premium are shown as of 9/30/13 for each line of business. There does not appear to be any consistent increase or decrease in the reported loss & LAE ratios by accident year or development point.
- 3. Exhibit 3: Indexing-PY 2013 Ultimate Loss and LAE Ratio**-policy year ultimate loss & LAE ratios (from exhibit 5) at various capping levels are shown indexed to the 2013 trend and rate level. The PY loss & LAE is projected at total limits, as well as claims capped at different loss levels and brought to ultimate using the implied Increased Limit Factor (calculated in exhibit 7). The selected ultimate loss & LAE ratio is based on the weighted average of the previous years' loss & LAE ratios and the Frequency/Severity loss ratio indication (calculated in exhibit 4). This selected ultimate loss & LAE ratio is then credibility weighted, applying the program credibility to the selected ultimate and the complement to the Healthcare book of business loss ratio. An amount for ULE expenses is added to reflect all LAE.
- 4. Exhibit 4: Frequency/Severity Method**-this exhibit summarizes the indicated on-level Frequency (calculated as number of claims/on-level WP), and the average severity

brought to the 2013 trend level (calculated as selected ultimate ILAE/ultimate CWP claims). A selection is made for both, based on the indicated weighted averages and multiplied together to arrive at an indicated loss & LAE ratio for PY 2013.

5. **Exhibit 5: Selection of Ultimate Loss & LAE Ratios**-policy year ultimate loss & LAE ratios are selected based upon indicated ultimates derived from the incurred development (exhibits 8a-8c), paid development (exhibits 8d-8f), paid and incurred B-F (exhibit 6) methods. The selected ultimates are generally based on an average of the indications from the paid methods (the more recent accident year averages only give weight to the B-F methods).
6. **Exhibit 6: Bornhuetter-Ferguson (B-F) Method**-policy year ultimate loss & LAE has been projected by estimating the expected IBNR for each year, relying on expected loss and LAE ratios (apriori ILAE ratio) and the reporting pattern implied by the selected loss development factors (exhibit 8). The apriori ILAE ratios are selected based on the average of the paid and incurred developed ultimates for the older policy years, and a selected ILAE ratios based on the weighted averages of the trended, on-level ILAE ratios for the more recent policy years (exhibit 6b).
7. **Exhibit 7: Increased Limit Factor Selection**-a comparison of the ultimate loss & LAE, at different capping levels, to the uncapped ultimate loss & LAE is used to develop an implied increased limit factor for each capping limit. The implied ILF is credibility weighted against the program's filed ILFs. The credibility weighted ILF is used to bring the capped ultimates to total limits for each method.
8. **Exhibit 8: Incurred and Paid Loss Development**-policy year loss & LAE, at various capping levels, has been projected to ultimate by applying the selected age to ultimate loss development factors for the actual loss & LAE for each year. While the volume of losses is somewhat low, the program specific indicated age to age factors, along with those based on Healthcare Professional Liability Claims Made programs combined, have been used to select indicated age to age factors to develop the experience to ultimate.
9. **Exhibit 9: Written Premium Development**-policy year written premium has been projected to ultimate based on the indicated age to ultimate factors applied to the actual written premium. This is done to estimate any additional development on the PY written premium that may occur. The projected written premium for the most recent PY has been selected as the budgeted written premium amount for the program.
10. **Exhibits 10-12: Claim Diagnostic Exhibit**-reported paid severity, average outstanding, paid to incurred ratios and claim disposal rates are shown to assist in supporting some of the underlying loss development assumptions. As previously noted there is no clear indication of changes in case reserve adequacy based on the indications of the average outstanding loss and paid to incurred ratios. There is also no clear indication of an increase in claim disposal rates or claims handling practices. It should be noted that these diagnostics are not fully credible due to the low volume and volatility of the indicated losses and ratios.
11. **Exhibit 13: Large Loss Exhibit**: incurred loss & LAE for claims with reported losses (paid plus outstanding) greater than \$100,000 are shown on this exhibit, provided for informational purposes.

Program Summary by LOB - PY 2013

LOB	PY 2013 GWP	RAP Neutral		UW Breakeven		After 2013 Rate Change PY 2013 Ultimate ILAE Ratio
		Target Ratio	Before 2013 Rate Change PY 2013 Rate Need	Target Ratio	Before 2013 Rate Change PY 2013 Rate Need	
Certified Nurse Midwives	4,793	75.6%	70.7%	73.2%	3.1%	2.6%
						73.7%

Program Summary by LOB - PY 2014

	PY 2013 GWP	After 2013 Rate Change PY 2014 Ultimate ILAE Ratio
Certified Nurse Midwives	4,793	76.3%

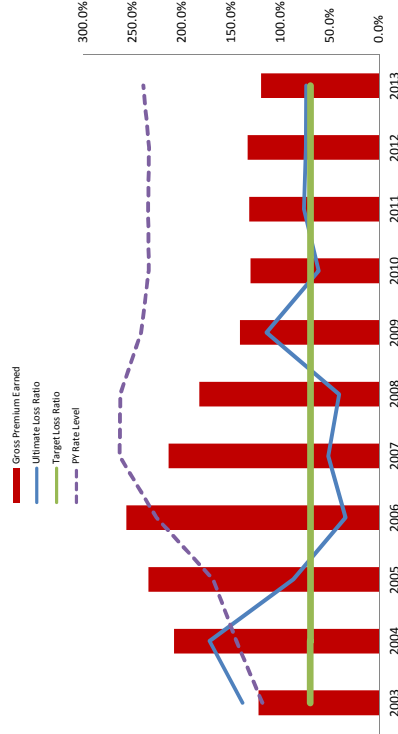
RAP Neutral		After 2013 Rate Change PY 2014 Rate Need
Target Ratio	70.7%	7.5%

UW Breakeven		After 2013 Rate Change PY 2014 Rate Need
Target Ratio	73.2%	4.0%

Division 66 - Programs
 Certified Nurse Midwives Professional Liability - Profitability Study
 PYG @ 2013/3 (000's omitted)

Program Summary by LOB - Casualty Lines

PY	Loss Ratio		Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl
	Reported	Ultimate	Ultimate	BECR			
2003	4,902	136.4%	69.9%	168.9%	-2,334	18.5%	1.19
2004	8,332	169.0%	69.9%	202.3%	-5,823	22.3%	1.45
2005	9,366	86.5%	69.9%	117.1%	-1,222	16.3%	1.69
2006	10,258	32.3%	69.9%	64.4%	2,262	34.1%	2.26
2007	8,549	45.9%	69.9%	81.7%	899	16.5%	2.63
2008	7,303	31.3%	69.9%	70.9%	1,295	-0.3%	2.63
2009	5,650	89.8%	69.9%	144.3%	-1,764	-8.0%	2.42
2010	5,222	42.1%	69.9%	91.6%	205	-3.2%	2.34
2011	5,280	35.0%	69.9%	106.6%	-319	0.3%	2.34
2012	5,342	17.4%	69.9%	104.7%	-256	-0.5%	2.33
2013	4,793	0.3%	69.9%	104.4%	-219	2.6%	2.39
Total	74,997	64.6%	82.0%	104.4%	-7,278		



Midwives

Rate Need Indications

	Before 2013			After 2013		
	Target ILAE Ratio	Rate Change PY 2013 Ultimate ILAE Ratio	Rate Need PY 2013 Rate Achieved	Rate Change PY 2013 Ultimate ILAE Ratio	PY 2014 Ultimate ILAE Ratio	PY 2014 Rate Need
RAP Neutral:	70.7%	75.6%	2.6%	73.7%	76.3%	7.5%
UW Breakeven:	73.2%	75.6%	2.6%	73.7%	76.3%	4.0%
Combined Ratio	97.5%					
	100.0%					

Expense Ratio calculated as follows:

Commission:	20.0%
Prem Tax:	0.0%
Other Acquisition Fees:	0.8%
Direct Expense:	3.1%
Indirect Expense:	2.9%
	<u>26.8%</u>

Midwives

Indexing - PY 2013 Ultimate Loss & LAE Selection

PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP
2003	4,902	18.5%	1.185	9,901
2004	8,332	22.3%	1.449	13,760
2005	9,366	16.3%	1.685	13,300
2006	10,258	34.1%	2.260	10,863
2007	8,549	16.5%	2.633	7,771
2008	7,303	-0.3%	2.625	6,658
2009	5,650	-8.0%	2.415	5,599
2010	5,222	-3.2%	2.338	5,346
2011	5,280	0.3%	2.345	5,389
2012	5,342	-0.5%	2.333	5,479
2013	4,793	2.6%	2.393	4,793
All Yr Wtd ex 2013:				
Last 7 Wtd ex 2013:				
Last 5 Wtd ex 2013:				
Last 3 Wtd ex 2013:				
Selected Ultimate:				
ILF:				
Policy Limits Ultimate:				

Policy Limits			3.5%	
Ultimate ILAE Ratio	Trend to PY 2013	On-Level Ultimate ILAE Ratio		
138.9%	1.411	97.0%		
172.3%	1.363	142.2%		
87.0%	1.317	80.7%		
34.4%	1.272	41.3%		
51.7%	1.229	69.9%		
40.9%	1.188	53.2%		
114.3%	1.148	132.3%		
61.6%	1.109	66.7%		
76.5%	1.071	80.3%		
74.6%	1.035	75.3%		
76.8%	1.000	76.8%		
86.6%		86.6%		
69.8%		69.8%		
80.7%		80.7%		
74.1%		74.1%		
80.0%		80.0%		
1.00		1.00		
80.0%		80.0%		
Weight:			32%	

Capped @ 250k			3.3%	
Ultimate ILAE Ratio	Trend to PY 2013	On-Level Ultimate ILAE Ratio		
105.3%	1.377	71.8%		
98.0%	1.334	79.2%		
57.9%	1.292	52.6%		
23.2%	1.251	27.4%		
26.4%	1.212	35.2%		
27.1%	1.173	34.9%		
52.0%	1.136	59.6%		
45.8%	1.101	49.3%		
55.2%	1.066	57.6%		
48.9%	1.033	49.2%		
47.9%	1.000	47.9%		
53.3%		53.3%		
42.0%		42.0%		
49.5%		49.5%		
52.0%		52.0%		
52.0%		52.0%		
1.42		1.42		
73.9%		73.9%		
Weight:			34%	

Capped @ 100k			3.0%	
Ultimate ILAE Ratio	Trend to PY 2013	On-Level Ultimate ILAE Ratio		
74.0%	1.344	49.2%		
69.0%	1.305	54.5%		
44.4%	1.267	39.6%		
18.5%	1.230	21.4%		
19.3%	1.194	25.3%		
17.7%	1.159	22.5%		
34.4%	1.126	39.1%		
33.4%	1.093	35.7%		
39.6%	1.061	41.1%		
33.9%	1.030	34.0%		
32.8%	1.000	32.8%		
37.6%		37.6%		
29.7%		29.7%		
34.0%		34.0%		
36.9%		36.9%		
36.9%		36.9%		
1.86		1.86		
68.8%		68.8%		
Weight:			34%	

Frequency/Severity Indication: 74.5%
 Weighted Average: 74.1%
 PY 2013 Program Selected: 74.3%
 Program Credibility: 29.2%
 PY 2013 Credibility Weighted: 72.9%
 ULE: 0.8%
 Claims Fees: 0.0%
 PY 2013 Ultimate ILAE Ratio: 73.7%

Midwives

Frequency/Severity Method

		Frequency				Severity				
PY	On-Level GWP	Reported excl CWNP Claim Ct.	Ultimate excl CWNP Claim Ct.	On-Level Frequency	Reported ILAE @ 2013/3	Selected Ultimate ILAE	Average Severity	3.5% Trend to PY 2013	Average Severity @ PY 2013	
2003	9,901	18	18	0.002	6,686	6,808	372	1.411	524.78	
2004	13,760	22	23	0.002	14,082	14,354	638	1.363	869.06	
2005	13,300	19	20	0.001	8,102	8,150	416	1.317	547.36	
2006	10,863	10	10	0.001	3,312	3,526	337	1.272	428.66	
2007	7,771	9	10	0.001	3,925	4,417	461	1.229	566.90	
2008	6,658	8	9	0.001	2,287	2,984	334	1.188	397.26	
2009	5,599	10	11	0.002	5,072	6,457	571	1.148	655.24	
2010	5,346	12	14	0.003	2,200	3,215	236	1.109	261.97	
2011	5,389	14	18	0.003	1,850	4,040	222	1.071	237.55	
2012	5,479	10	17	0.003	928	3,987	241	1.035	249.51	
2013	4,793	1			15					
All Yr Wtd:				0.002					521.70	
Last 7 Wtd:				0.002					412.34	
Last 5 Wtd:				0.002					363.93	
Last 3 Wtd:				0.003					249.64	
				PY 2013 Selected Frequency:					PY 2013 Selected Severity:	249.64

Indicated PY 2013 Ult ILAE Ratio: 74.5%

Midwives

Selection of Ultimate Loss & LAE - Capped @ Policy Limits

PY	GWP	Reported ILAE @ 2013/3	Inc. Dev.		Paid Dev.		Inc. BF Method	Paid BF Method	Selected Ultimate ILAE	Expected		Actual		Selected Ultimate ILAE	Ultimate ILAE Ratio
			Method	Value	Method	Value				Adjuster Load	Value	Adjuster Load	Value		
2003	4,902	6,686	6,685	6,931	6,685	6,926	6,808	1.000	1.024	6,808	138.9%				
2004	8,332	14,082	14,096	14,612	14,096	14,599	14,354	1.000	1.014	14,354	172.3%				
2005	9,366	8,102	8,151	7,836	8,150	7,848	8,150	1.000	1.022	8,150	87.0%				
2006	10,258	3,312	3,365	3,686	3,368	3,667	3,526	1.000	1.028	3,526	34.4%				
2007	8,549	3,925	4,068	4,766	4,080	4,700	4,417	1.000	1.019	4,417	51.7%				
2008	7,303	2,287	2,465	3,153	2,650	3,667	2,984	1.000	1.021	2,984	40.9%				
2009	5,650	5,072	5,931	7,832	5,663	6,401	6,457	1.000	1.018	6,457	114.3%				
2010	5,222	2,200	2,912	2,580	3,157	3,273	3,215	1.000	1.026	3,215	61.6%				
2011	5,280	1,850	3,501	4,595	3,806	4,273	4,040	1.000	1.020	4,040	76.5%				
2012	5,342	928	3,106	1,432	3,925	4,049	3,987	1.000	1.005	3,987	74.6%				
2013	4,793	15	464	0	3,633	3,730	3,682	1.000	1.000	3,682	76.8%				

Midwives

Selection of Ultimate Loss & LAE - Capped @ 250k

PY	GWP	Reported ILAE @ 2013/3	Inc. Dev.		Paid Dev.		Inc. BF Method	Paid BF Method	Selected Ultimate ILAE	Expected		Actual		Selected Ultimate ILAE	Ultimate ILAE Ratio
			Method	313	Method	0				Adjuster Load	Adjuster Load	Adjuster Load	Adjuster Load		
2003	4,902	5,069	5,068	5,259	5,068	5,256	5,164	1,000	1,031	5,164	105.3%				
2004	8,332	8,045	8,053	8,285	8,053	8,279	8,169	1,000	1,024	8,169	98.0%				
2005	9,366	5,387	5,419	5,184	5,419	5,193	5,419	1,000	1,033	5,419	57.9%				
2006	10,258	2,260	2,296	2,455	2,298	2,447	2,376	1,000	1,042	2,376	23.2%				
2007	8,549	2,073	2,148	2,372	2,152	2,355	2,260	1,000	1,038	2,260	26.4%				
2008	7,303	1,614	1,739	2,052	1,840	2,283	1,978	1,000	1,032	1,978	27.1%				
2009	5,650	2,473	2,807	3,205	2,763	2,976	2,938	1,000	1,040	2,938	52.0%				
2010	5,222	2,100	2,630	2,105	2,574	2,211	2,393	1,000	1,036	2,393	45.8%				
2011	5,280	1,851	3,160	3,910	2,879	2,948	2,913	1,000	1,027	2,913	55.2%				
2012	5,342	928	2,766	1,145	2,703	2,520	2,612	1,000	1,007	2,612	48.9%				
2013	4,793	15	313	0	2,251	2,338	2,294	1,000	1,000	2,294	47.9%				

Midwives

Selection of Ultimate Loss & LAE - Capped @ 100k

PY	GWP	Reported ILAE @ 2013/3	Inc. Dev.		Paid Dev.		Inc. BF		Paid BF		Selected Ultimate ILAE		Expected Adjuster Load		Actual Adjuster Load		Selected Ultimate ILAE		Ultimate ILAE Ratio
			Method	Method	Method	Method	Method	Method	Method	Method	Method	Method	Method	Method	Method	Method	Method	Method	
2003	4,902	3,560	3,559	3,696	3,559	3,693	3,559	3,693	3,627	1,000	1,044	3,627	1,000	1,044	3,627	74.0%			
2004	8,332	5,645	5,651	5,847	5,651	5,842	5,651	5,842	5,749	1,000	1,034	5,749	1,000	1,034	5,749	69.0%			
2005	9,366	4,137	4,162	4,149	4,162	4,149	4,162	4,162	4,162	1,000	1,043	4,162	1,000	1,043	4,162	44.4%			
2006	10,258	1,810	1,839	1,949	1,840	1,943	1,840	1,943	1,894	1,000	1,052	1,894	1,000	1,052	1,894	18.5%			
2007	8,549	1,518	1,573	1,722	1,576	1,710	1,576	1,710	1,647	1,000	1,052	1,647	1,000	1,052	1,647	19.3%			
2008	7,303	1,027	1,106	1,299	1,208	1,557	1,208	1,557	1,292	1,000	1,050	1,292	1,000	1,050	1,292	17.7%			
2009	5,650	1,623	1,835	2,050	1,857	2,043	1,857	2,043	1,946	1,000	1,061	1,946	1,000	1,061	1,946	34.4%			
2010	5,222	1,450	1,805	1,653	1,795	1,696	1,795	1,696	1,745	1,000	1,049	1,745	1,000	1,049	1,745	33.4%			
2011	5,280	1,367	2,250	2,896	2,047	2,132	2,047	2,132	2,090	1,000	1,038	2,090	1,000	1,038	2,090	39.6%			
2012	5,342	618	1,780	1,050	1,839	1,781	1,839	1,781	1,810	1,000	1,010	1,810	1,000	1,010	1,810	33.9%			
2013	4,793	15	199	0	1,522	1,619	1,522	1,619	1,570	1,000	1,000	1,570	1,000	1,000	1,570	32.8%			

Midwives

Bornhuetter-Ferguson Method

PY	Capped @ Policy Limits				Incurred		Paid	
	GWP	Reported ILAE Ratio	Reported PLAE Ratio	Developed ILAE Ratio	Developed ILAE Ratio	Developed ILAE Ratio	Apriori ILAE Ratio	
2003	4,902	136.4%	136.4%	136.4%	141.4%	141.4%	138.9%	
2004	8,332	169.0%	166.4%	169.2%	175.4%	175.4%	172.3%	
2005	9,366	86.5%	77.2%	87.0%	83.7%	83.7%	85.3%	
2006	10,258	32.3%	31.6%	32.8%	35.9%	35.9%	34.4%	
2007	8,549	45.9%	45.2%	47.6%	55.8%	55.8%	51.7%	
2008	7,303	31.3%	31.3%	33.8%	43.2%	43.2%	68.8%	
2009	5,650	89.8%	85.8%	105.0%	138.6%	138.6%	72.2%	
2010	5,222	42.1%	23.8%	55.8%	49.4%	49.4%	75.0%	
2011	5,280	35.0%	24.2%	66.3%	87.0%	87.0%	78.6%	
2012	5,342	17.4%	2.1%	58.2%	26.8%	26.8%	80.0%	
2013	4,793	0.3%	0.0%	9.7%	0.0%	0.0%	78.0%	

PY	Incurred		Born-Ferg Ultimate ILAE Ratio	
	% Expected Unreported	Born-Ferg Ultimate ILAE	% Expected Unreported	Born-Ferg Ultimate ILAE
2003	0.0%	136.4%	3.5%	141.3%
2004	0.1%	169.2%	5.1%	175.2%
2005	0.6%	87.0%	7.8%	83.8%
2006	1.6%	32.8%	12.2%	35.7%
2007	3.5%	47.6%	19.0%	55.0%
2008	7.2%	36.3%	27.5%	50.2%
2009	14.5%	100.2%	38.1%	113.3%
2010	24.4%	60.5%	51.9%	62.7%
2011	47.2%	72.1%	72.2%	80.9%
2012	70.1%	73.5%	92.1%	75.8%
2013	96.8%	75.8%	99.8%	77.8%

PY	Capped @ 250k				Incurred		Paid	
	GWP	Reported ILAE Ratio	Reported PLAE Ratio	Developed ILAE Ratio	Developed ILAE Ratio	Developed ILAE Ratio	Apriori ILAE Ratio	
2003	4,902	103.4%	103.4%	103.4%	107.3%	107.3%	105.3%	
2004	8,332	96.6%	94.0%	96.7%	99.4%	99.4%	98.0%	
2005	9,366	57.5%	50.8%	57.9%	55.3%	55.3%	56.6%	
2006	10,258	22.0%	21.3%	22.4%	23.2%	23.2%	23.2%	
2007	8,549	24.2%	23.5%	25.1%	27.9%	27.9%	26.4%	
2008	7,303	22.1%	22.1%	23.8%	28.1%	28.1%	42.9%	
2009	5,650	43.8%	39.8%	49.7%	56.7%	56.7%	43.2%	
2010	5,222	40.2%	22.8%	50.4%	40.3%	40.3%	45.0%	
2011	5,280	35.1%	24.2%	59.8%	74.1%	74.1%	47.0%	
2012	5,342	17.4%	2.1%	51.8%	21.4%	21.4%	50.0%	
2013	4,793	0.3%	0.0%	6.5%	0.0%	0.0%	49.0%	

PY	Incurred		Born-Ferg Ultimate ILAE Ratio	
	% Expected Unreported	Born-Ferg Ultimate ILAE	% Expected Unreported	Born-Ferg Ultimate ILAE
2003	0.0%	103.4%	3.6%	107.2%
2004	0.1%	96.7%	5.5%	99.4%
2005	0.6%	57.9%	8.1%	55.4%
2006	1.6%	22.4%	11.0%	23.9%
2007	3.5%	25.2%	15.3%	27.5%
2008	7.2%	25.2%	21.3%	31.3%
2009	11.9%	48.9%	29.9%	52.7%
2010	20.2%	49.3%	43.4%	42.3%
2011	41.4%	54.5%	67.4%	55.8%
2012	66.5%	50.6%	90.1%	47.2%
2013	95.2%	47.0%	99.5%	48.8%

PY	Capped @ 100k				Incurred		Paid	
	GWP	Reported ILAE Ratio	Reported PLAE Ratio	Developed ILAE Ratio	Developed ILAE Ratio	Developed ILAE Ratio	Apriori ILAE Ratio	
2003	4,902	72.6%	72.6%	72.6%	75.4%	75.4%	74.0%	
2004	8,332	67.8%	66.4%	67.8%	70.2%	70.2%	69.0%	
2005	9,366	44.2%	40.7%	44.4%	44.3%	44.3%	44.4%	
2006	10,258	17.6%	16.9%	17.9%	19.0%	19.0%	18.5%	
2007	8,549	17.8%	17.0%	18.4%	20.1%	20.1%	19.3%	
2008	7,303	14.1%	14.1%	15.1%	17.8%	17.8%	34.7%	
2009	5,650	28.7%	25.6%	32.5%	36.3%	36.3%	35.8%	
2010	5,222	27.8%	18.0%	34.6%	31.6%	31.6%	33.6%	
2011	5,280	25.9%	18.8%	42.6%	54.9%	54.9%	32.8%	
2012	5,342	11.6%	2.1%	33.3%	19.7%	19.7%	35.0%	
2013	4,793	0.3%	0.0%	4.2%	0.0%	0.0%	34.0%	

PY	Incurred		Born-Ferg Ultimate ILAE Ratio	
	% Expected Unreported	Born-Ferg Ultimate ILAE	% Expected Unreported	Born-Ferg Ultimate ILAE
2003	0.0%	72.6%	3.7%	75.3%
2004	0.1%	67.8%	5.4%	70.1%
2005	0.6%	44.4%	8.1%	44.3%
2006	1.6%	17.9%	11.0%	18.9%
2007	3.5%	18.4%	15.6%	20.0%
2008	7.1%	16.5%	20.9%	21.3%
2009	11.6%	32.9%	29.4%	36.2%
2010	19.7%	34.4%	43.0%	32.5%
2011	39.2%	38.8%	65.7%	40.4%
2012	65.3%	34.4%	89.2%	33.3%
2013	92.5%	31.8%	99.3%	33.8%

Midwives
 Bornhuetter-Ferguson Method - Apriori Selection

Capped @ Policy Limits		Ultimate ILAE Ratio Indexed to Policy Year									
PY	GWP	Annual PY Rate Chg	Selected Ult. ILAE	Ultimate ILAE Ratio	2008	2009	2010	2011	2012	2013	
2003	4,902	18.5%	6,808	138.9%	74.5%	83.8%	89.6%	92.4%	96.1%	97.0%	
2004	8,332	22.3%	14,354	172.3%	109.1%	122.8%	131.3%	135.5%	140.9%	142.2%	
2005	9,366	16.3%	8,150	87.0%	61.9%	69.7%	74.5%	76.9%	80.0%	80.7%	
2006	10,258	34.1%	3,526	34.4%	31.7%	35.7%	38.1%	39.3%	40.9%	41.3%	
2007	8,549	16.5%	4,417	51.7%	53.6%	60.3%	64.5%	66.6%	69.2%	69.9%	
2008	7,303	-0.3%	2,984	40.9%	49.1%	46.0%	49.1%	50.7%	52.7%	53.2%	
2009	5,620	-8.0%	6,457	114.3%	114.3%	114.3%	126.1%	126.1%	131.1%	132.3%	
2010	5,222	-3.2%	3,215	61.6%	61.6%	61.6%	63.5%	63.5%	66.1%	66.7%	
2011	5,280	0.3%	4,040	76.5%	74.6%	74.6%	76.8%	76.8%	79.6%	80.3%	
2012	5,342	-0.5%	3,987	74.6%	74.6%	74.6%	76.8%	76.8%	79.6%	80.3%	
2013	4,793	2.6%	3,682	76.8%	76.8%	76.8%	78.8%	78.8%	81.3%	81.3%	
				All Yr Wtd :	68.8%	74.0%	82.7%	83.7%	86.6%	86.6%	86.6%
				Last 7 Wtd :	-	-	82.7%	82.4%	71.3%	69.8%	69.8%
				Last 5 Wtd :	68.8%	72.2%	66.0%	64.2%	78.2%	80.7%	80.7%
				Last 3 Wtd :	49.6%	46.0%	75.5%	78.6%	92.8%	74.1%	74.1%
				ILF Implied :	60.9%	61.3%	63.9%	66.7%	71.0%	69.6%	69.6%
				Credibility - Weighted:	66.9%	69.3%	65.0%	64.5%	69.4%	71.2%	71.2%
				Selected BF Apriori:	68.8%	72.2%	75.0%	78.6%	80.0%	78.0%	78.0%

Capped @ 250k		Ultimate ILAE Ratio Indexed to Policy Year									
PY	GWP	Annual PY Rate Chg	Selected Ult. ILAE	Ultimate ILAE Ratio	2008	2009	2010	2011	2012	2013	
2003	4,902	18.5%	5,164	105.3%	55.8%	62.6%	66.8%	68.8%	71.3%	71.8%	
2004	8,332	22.3%	8,169	98.0%	61.5%	69.0%	73.6%	75.8%	78.6%	79.2%	
2005	9,366	16.3%	5,419	57.9%	40.9%	45.9%	48.9%	50.4%	52.3%	52.6%	
2006	10,258	34.1%	2,376	23.2%	21.3%	23.9%	25.4%	26.2%	27.2%	27.4%	
2007	8,549	16.5%	2,260	26.4%	27.4%	30.7%	33.7%	35.0%	35.2%	35.2%	
2008	7,303	-0.3%	1,978	27.1%	30.4%	32.4%	33.4%	34.6%	34.9%	34.9%	
2009	5,650	-8.0%	2,938	52.0%	52.0%	55.5%	57.1%	59.2%	59.6%	59.6%	
2010	5,222	-3.2%	2,393	45.8%	45.8%	45.8%	47.2%	47.2%	48.9%	49.3%	
2011	5,280	0.3%	2,913	55.2%	55.2%	55.2%	57.2%	57.2%	57.2%	57.2%	
2012	5,342	-0.5%	2,612	48.9%	48.9%	48.9%	49.2%	49.2%	49.2%	49.2%	
2013	4,793	2.6%	2,294	47.9%	47.9%	47.9%	49.2%	49.2%	51.0%	53.3%	
				All Yr Wtd :	42.9%	46.3%	49.9%	51.0%	53.2%	53.3%	53.3%
				Last 7 Wtd :	-	-	49.9%	48.2%	43.6%	42.0%	42.0%
				Last 5 Wtd :	42.9%	43.2%	38.7%	37.0%	45.7%	49.5%	49.5%
				Last 3 Wtd :	30.9%	27.7%	39.0%	45.1%	55.2%	52.0%	52.0%
				ILF Implied :	45.5%	47.0%	44.0%	43.1%	45.9%	44.6%	44.6%
				Credibility - Weighted:	45.4%	46.7%	43.6%	43.0%	46.0%	48.1%	48.1%
				Selected BF Apriori:	42.9%	43.2%	45.0%	47.0%	50.0%	49.0%	49.0%

Capped @ 100k		Ultimate ILAE Ratio Indexed to Policy Year									
PY	GWP	Annual PY Rate Chg	Selected Ult. ILAE	Ultimate ILAE Ratio	2008	2009	2010	2011	2012	2013	
2003	4,902	18.5%	3,627	74.0%	38.7%	43.4%	46.1%	47.4%	49.0%	49.2%	
2004	8,332	22.3%	5,749	69.0%	42.9%	48.0%	51.1%	52.4%	54.3%	54.5%	
2005	9,366	16.3%	4,162	44.4%	31.2%	34.9%	37.1%	38.1%	39.5%	39.6%	
2006	10,258	34.1%	1,894	18.5%	16.9%	18.9%	20.6%	20.6%	21.4%	21.4%	
2007	8,549	16.5%	1,647	19.3%	19.9%	22.3%	24.4%	24.4%	25.2%	25.3%	
2008	7,303	-0.3%	1,292	17.7%	19.8%	19.8%	21.1%	21.7%	22.4%	22.5%	
2009	5,650	-8.0%	1,946	34.4%	34.4%	36.7%	37.6%	39.0%	39.0%	39.1%	
2010	5,222	-3.2%	1,745	33.4%	33.4%	34.3%	34.3%	35.5%	35.5%	35.7%	
2011	5,280	0.3%	2,090	39.6%	39.6%	39.6%	41.0%	41.0%	41.0%	41.1%	
2012	5,342	-0.5%	1,810	33.9%	33.9%	33.9%	34.3%	34.3%	35.5%	35.7%	
2013	4,793	2.6%	1,570	32.8%	32.8%	32.8%	34.3%	34.3%	35.5%	35.7%	
				All Yr Wtd :	31.0%	33.2%	35.4%	36.2%	37.7%	37.6%	37.6%
				Last 7 Wtd :	-	-	35.4%	34.5%	31.5%	29.7%	29.7%
				Last 5 Wtd :	31.0%	31.2%	28.1%	26.3%	31.7%	34.0%	34.0%
				Last 3 Wtd :	23.6%	20.2%	26.5%	30.6%	38.5%	36.9%	36.9%
				Credibility - Weighted:	34.7%	35.8%	33.6%	32.8%	34.6%	36.1%	36.1%
				Selected BF Apriori:	34.7%	35.8%	33.6%	32.8%	35.0%	34.0%	34.0%

Midwives

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
2003	6,685	5,068	1.32	6,931	5,259	1.32	6,685	3,559	1.88	6,931	3,696	1.88
2004	14,096	8,053	1.75	14,612	8,285	1.76	14,096	5,651	2.49	14,612	5,847	2.50
2005	8,151	5,419	1.50	7,836	5,184	1.51	8,151	4,162	1.96	7,836	4,149	1.89
2006	3,365	2,296	1.47	3,686	2,455	1.50	3,365	1,839	1.83	3,686	1,949	1.89
2007	4,068	2,148	1.89	4,766	2,372	2.01	4,068	1,573	2.59	4,766	1,722	2.77
2008	2,465	1,739	1.42	3,153	2,052	1.54	2,465	1,106	2.23	3,153	1,299	2.43
2009	5,931	2,807	2.11	7,832	3,205	2.44	5,931	1,835	3.23	7,832	2,050	3.82
2010	2,912	2,630	1.11	2,580	2,105	1.23	2,912	1,805	1.61	2,580	1,653	1.56
2011	3,501	3,160	1.11	4,595	3,910	1.18	3,501	2,250	1.56	4,595	2,896	1.59
2012	3,106	2,766	1.12	1,432	1,145	1.25	3,106	1,780	1.75	1,432	1,050	1.36
All Yr Wtd:			1.50			1.60			2.12			2.18
Last 7 Wtd:			1.44			1.63			2.08			2.22
Last 5 Wtd:			1.37			1.58			2.04			2.19
Last 3 Wtd:			1.11			1.20			1.63			1.54
Selected Empirical ILF: 1.44						Selected Empirical ILF: 2.00						
Credibility: 29%						Credibility: 29%						
Complement of Credibility - Midwives ILF: 1.41						Complement of Credibility - Midwives ILF: 1.80						
Credibility Weighted ILF: 1.42						Credibility Weighted ILF: 1.86						

Division 66 - Programs
 Certified Nurse Midwives Professional Liability - Profitability Study
 PYG @ 2013/3 (000's omitted)

Section I
 Exhibit 8a

Midwives

Incurred & LAE - Policy Limits

PY	GWP	9	21	33	45	57	69	81	93	105	117	129	ILAE @ 2013/3	LDF	Ultimate ILAE
2003	4,902	15	1,326	2,573	8,026	8,010	7,146	6,936	6,708	6,742	6,776	6,686	6,686	1.000	6,685
2004	8,332	257	3,870	11,601	11,281	13,066	13,506	13,980	13,705	13,999	14,082	14,082	14,082	1.001	14,096
2005	9,366	154	1,752	1,942	5,621	5,956	6,434	7,010	8,542	8,102	8,102	8,102	8,102	1.006	8,151
2006	10,258	122	886	2,346	3,472	3,471	3,486	3,309	3,312	3,312	3,312	3,312	3,312	1.016	3,365
2007	8,549	0	422	1,654	2,029	2,880	2,884	3,925	3,312	3,312	3,312	3,312	3,925	1.036	4,068
2008	7,303	156	968	1,122	2,349	2,285	2,287	2,287	2,287	2,287	2,287	2,287	2,287	1.078	2,465
2009	5,650	181	2,390	3,901	4,952	5,072	5,072	5,072	5,072	5,072	5,072	5,072	5,072	1.169	5,931
2010	5,222	177	573	1,469	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	1.323	2,912
2011	5,280	75	1,298	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1.892	3,501
2012	5,342	77	928	928	928	928	928	928	928	928	928	928	928	3.347	3,106
2013	4,793	15											15	30.946	464

PY	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129
2003	88.400	1.940	3.119	0.998	0.892	0.971	0.967	1.005	1.005	0.987
2004	15.058	2.998	0.972	1.158	1.034	1.035	0.980	1.021	1.006	
2005	11.377	1.108	2.894	1.060	1.080	1.090	1.219	0.948		
2006	7.262	2.648	1.480	1.000	1.004	0.949	1.001			
2007	-	3.919	1.227	1.419	1.001	1.361				
2008	6.205	1.159	2.094	0.973	1.001					
2009	13.204	1.632	1.269	1.024						
2010	3.237	2.564	1.498							
2011	17.307	1.425								
2012	12.052									
2013										

	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129	129-141
All Yr Wtd:	11.872	2.110	1.501	1.080	1.002	1.051	1.033	0.996	1.006	0.987	
Last 7 Wtd:	9.473	1.723	1.327	1.080							
Last 5 Wtd:	9.245	1.769	1.430	1.067	1.034	1.051					
Last 3 Wtd:	8.508	1.694	1.463	1.097	1.002	1.112	1.052	0.996			
HC CM Age to Age:	7.781	1.765	1.343	1.132	1.085	1.040	1.020	1.010	1.005	1.001	1.000
HC CM Age to Ult:	24.401	3.136	1.777	1.323	1.169	1.078	1.036	1.016	1.006	1.001	1.000

Selected Age to Age:	9.245	1.769	1.430	1.132	1.085	1.040	1.020	1.010	1.005	1.001	
Age to Ult:	30.946	3.347	1.892	1.323	1.169	1.078	1.036	1.016	1.006	1.001	1.000

Division 66 - Programs
 Certified Nurse Midwives Professional Liability - Profitability Study
 PYG @ 2013/3 (000's omitted)

Section I
 Exhibit 8b

Midwives

Incurring @ LAE - Capped @ \$250k

PY	GWP	9	21	33	45	57	69	81	93	105	117	129	250k Cap @ 2013/3 ILAE	LDF	250k Cap Ultimate ILAE
2003	4,902	15	1,326	2,473	4,864	5,349	5,530	5,319	5,091	5,125	5,159	5,069	5,069	1.000	5,068
2004	8,332	257	2,920	5,601	6,466	7,251	7,691	7,818	7,643	7,987	8,045	8,045	8,045	1.001	8,053
2005	9,366	154	1,652	1,942	3,356	3,691	4,169	4,645	5,177	5,387			5,387	1.006	5,419
2006	10,258	122	887	1,596	2,072	2,238	2,253	2,257	2,260				2,260	1.016	2,296
2007	8,549	0	422	954	1,329	1,697	1,732	2,073					2,073	1.036	2,148
2008	7,303	156	967	1,122	1,676	1,612	1,614						1,614	1.078	1,739
2009	5,650	181	890	1,901	2,352	2,473							2,473	1.135	2,807
2010	5,222	177	573	1,419	2,100								2,100	1.252	2,630
2011	5,280	75	1,298	1,851									1,851	1.707	3,160
2012	5,342	77	928										928	2.981	2,766
2013	4,793	15											15	20.839	313

PY	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129	129-141
2003	88,400	1,865	1,967	1,100	1,034	0,962	0,957	1,007	1,007	0,983	
2004	11,362	1,918	1,154	1,121	1,061	1,017	0,978	1,045	1,007		
2005	10,727	1,176	1,728	1,100	1,130	1,114	1,115	1,041			
2006	7,270	1,799	1,298	1,080	1,007	1,002	1,001				
2007	-	2,261	1,393	1,277	1,021	1,197					
2008	6,199	1,160	1,494	0,962	1,001						
2009	4,917	2,136	1,237	1,051							
2010	3,237	2,476	1,480								
2011	17,307	1,426									
2012	12,052										
2013											

All Yr Wtd:	9,772	1,725	1,424	1,099	1,053	1,034	1,007	1,033	1,007	0,983	
Last 7 Wtd:	7,570	1,612	1,331	1,099	1,059	1,034					
Last 5 Wtd:	6,991	1,746	1,363	1,086	1,059	1,034					
Last 3 Wtd:	8,508	1,873	1,380	1,079	1,009	1,101	1,024	1,033			
HC CM Age to Age:	7,388	1,662	1,298	1,104	1,053	1,040	1,020	1,010	1,005	1,001	
HC CM Age to Ult:	19,948	2,700	1,625	1,252	1,135	1,077	1,036	1,016	1,006	1,001	1,000
Selected Age to Age:	6,991	1,746	1,363	1,104	1,053	1,040	1,020	1,010	1,005	1,001	
Age to Ult:	20,839	2,981	1,707	1,252	1,135	1,078	1,036	1,016	1,006	1,001	1,000

Division 66 - Programs
 Certified Nurse Midwives Professional Liability - Profitability Study
 PYG @ 2013/3 (000's omitted)

Section I
 Exhibit 8c

Midwives

Incurred & LAE - Capped @ \$100k

PY	GWP	9	21	33	45	57	69	81	93	105	117	129	100k Cap ILAE @ 2013/3	LDF	100k Cap Ultimate ILAE
2003	4,902	15	1,126	1,723	3,064	3,384	3,590	3,530	3,452	3,486	3,520	3,560	3,560	1.000	3,559
2004	8,332	207	2,170	3,551	4,516	5,001	5,266	5,368	5,343	5,587	5,645	5,645	5,645	1.001	5,651
2005	9,366	154	1,202	1,592	2,306	2,741	3,194	3,545	3,927	4,137	4,137	4,137	4,137	1.006	4,162
2006	10,258	122	887	1,246	1,597	1,788	1,803	1,807	1,810				1,810	1.016	1,839
2007	8,549	0	422	764	1,074	1,292	1,327	1,518					1,518	1.036	1,573
2008	7,303	156	602	834	1,089	1,025	1,027						1,027	1.077	1,106
2009	5,650	181	590	1,251	1,552	1,623							1,623	1.131	1,835
2010	5,222	177	373	1,019	1,450								1,450	1.245	1,805
2011	5,280	75	885	1,367									1,367	1.646	2,250
2012	5,342	77	618										618	2.880	1,780
2013	4,793	15											15	13.269	199

PY	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129	129-141
2003	75.067	1.530	1.778	1.104	1.061	0.983	0.978	1.010	1.010	1.011	
2004	10.483	1.636	1.272	1.107	1.053	1.019	0.995	1.046	1.010		
2005	7.805	1.324	1.448	1.189	1.165	1.110	1.108	1.053			
2006	7.270	1.405	1.282	1.120	1.008	1.002	1.002				
2007	-	1.810	1.406	1.203	1.027	1.144					
2008	3.859	1.385	1.306	0.941	1.002						
2009	3.260	2.120	1.241	1.046							
2010	2.107	2.732	1.423								
2011	11.800	1.545									
2012	8.026										
2013											

All Yr Wtd:	7.625	1.616	1.390	1.109	1.064	1.039	1.020	1.038	1.010	1.011	
Last 7 Wtd:	5.555	1.627	1.324	1.109							
Last 5 Wtd:	4.607	1.823	1.322	1.112	1.065	1.039					
Last 3 Wtd:	5.702	1.968	1.318	1.061	1.013	1.086	1.034	1.038			
HC CM Age to Age:	7.101	1.632	1.280	1.101	1.059	1.039	1.020	1.010	1.005	1.001	
HC CM Age to Ult:	18.628	2.623	1.607	1.255	1.140	1.077	1.036	1.016	1.006	1.001	1.000

Selected Age to Age:	4.607	1.750	1.322	1.101	1.050	1.039	1.020	1.010	1.005	1.001	
Age to Ult:	13.269	2.880	1.646	1.245	1.131	1.077	1.036	1.016	1.006	1.001	1.000

Division 66 - Programs
 Certified Nurse Midwives Professional Liability - Profitability Study
 PYG @ 2013/3 (000's omitted)

Section I
 Exhibit 8d

Midwives

Paid & LAE - Policy Limits

PY	GWP	9	21	33	45	57	69	81	93	105	117	129	P+LAE @ 2013/3	LDF	Ultimate ILAE
2003	4,902	0	104	987	4,440	5,485	6,396	6,436	6,458	6,492	6,526	6,686	6,686	1.037	6,931
2004	8,332	7	370	6,291	9,556	10,275	11,481	11,905	11,980	12,824	13,867	6,686	13,867	1.054	14,612
2005	9,366	4	121	642	3,441	4,456	4,659	5,660	7,017	7,227			7,227	1.084	7,836
2006	10,258	2	141	770	1,397	2,346	2,411	3,234	3,237				3,237	1.139	3,686
2007	8,549	0	37	443	869	2,540	2,819	3,860					3,860	1.235	4,766
2008	7,303	6	322	812	2,244	2,285	2,287						2,287	1.379	3,153
2009	5,650	1	1,204	3,556	4,607	4,846							4,846	1.616	7,832
2010	5,222	2	63	394	1,242								1,242	2.077	2,580
2011	5,280	0	215	1,276									1,276	3.601	4,595
2012	5,342	47	113										113	12.676	1,432
2013	4,793	0											0	433.940	0

PY	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129	129-141
2003	-	9,490	4,498	1,235	1,166	1,006	1,003	1,005	1,005	1,005	1,025
2004	52,857	17,003	1,519	1,075	1,117	1,037	1,006	1,070	1,081		
2005	30,250	5,306	5,360	1,295	1,046	1,215	1,240	1,030			
2006	70,500	5,461	1,814	1,679	1,028	1,341	1,001				
2007	-	11,973	1,962	2,923	1,110	1,369					
2008	53,667	2,522	2,764	1,018	1,001						
2009	1,204,000	2,953	1,296	1,052							
2010	31,500	6,254	3,152								
2011	-	5,935									
2012	2,404										
2013											
<hr/>											
All Yr Wtd:	38,986	5,887	2,000	1,214	1,097	1,120	1,053	1,043	1,056	1,025	
Last 7 Wtd:	36,121	3,753	1,809	1,214							
Last 5 Wtd:	34,232	3,520	1,734	1,312	1,080	1,120					
Last 3 Wtd:	7,980	3,526	1,699	1,253	1,048	1,290	1,069	1,043			
<hr/>											
HC CM Age to Age:	24.523	3.493	1.745	1.285	1.172	1.117	1.084	1.050	1.040	1.017	1.037
HC CM Age to Ult:	313.712	12.793	3.662	2.099	1.633	1.393	1.248	1.151	1.096	1.054	
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Selected Age to Age:	34.232	3.520	1.734	1.285	1.172	1.117	1.084	1.050	1.029	1.017	
Age to Ult:	433.940	12.676	3.601	2.077	1.616	1.379	1.235	1.139	1.084	1.054	1.037

Division 66 - Programs
 Certified Nurse Midwives Professional Liability - Profitability Study
 PYG @ 2013/3 (000's omitted)

Section I
 Exhibit 8e

Midwives

Paid & LAE - Capped @ \$250k

PY	GWP	9	21	33	45	57	69	81	93	105	117	129	250k Cap P+LAE @ 2013/3	LDF	250k Cap Ultimate ILAE
2003	4,902	0	104	887	3,003	4,049	4,780	4,819	4,841	4,875	4,909	5,069	5,069	1.038	5,259
2004	8,332	7	370	3,146	5,241	5,960	6,966	7,068	7,143	7,537	7,830	8,285	7,830	1.058	8,285
2005	9,366	4	121	642	2,326	3,091	3,294	3,945	4,552	4,762		5,184	4,762	1.089	5,184
2006	10,258	2	141	770	1,397	1,863	1,928	2,182	2,185			2,455	2,185	1.124	2,455
2007	8,549	0	37	443	869	1,647	1,667	2,008				2,372	2,008	1.181	2,372
2008	7,303	6	322	812	1,571	1,612	1,614					2,052	1,614	1.271	2,052
2009	5,650	1	454	1,556	2,007	2,247						3,205	2,247	1.427	3,205
2010	5,222	2	63	394	1,192							2,105	1,192	1.766	2,105
2011	5,280	0	215	1,276								3,910	1,276	3.064	3,910
2012	5,342	47	113									1,145	113	10.135	1,145
2013	4,793	0										0	0	211.203	0

PY	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129
2003	-	8,529	3,386	1,348	1,181	1,008	1,005	1,007	1,007	1,033
2004	52,857	8,503	1,666	1,137	1,169	1,015	1,011	1,055	1,039	
2005	30,250	5,306	3,623	1,329	1,066	1,198	1,154	1,046		
2006	70,500	5,461	1,814	1,334	1,035	1,132	1,001			
2007	-	11,973	1,962	1,895	1,012	1,205				
2008	53,667	2,522	1,935	1,026	1,001					
2009	454,000	3,427	1,290	1,120						
2010	31,500	6,254	3,025							
2011	-	5,935								
2012	2,404									
2013										

All Yr Wtd:	28,116	5,433	2,035	1,247	1,111	1,074	1,039	1,039	1,026	1,033
Last 7 Wtd:	23,190	4,356	1,881	1,247						
Last 5 Wtd:	20,839	4,107	1,770	1,280	1,091	1,074				
Last 3 Wtd:	7,980	4,407	1,727	1,238	1,017	1,181	1,052	1,039		
HC CM Age to Age:	23,061	3,307	1,735	1,238	1,122	1,076	1,051	1,032	1,029	1,021
HC CM Age to Ult:	233,926	10,144	3,067	1,768	1,428	1,272	1,182	1,125	1,089	1,059

Selected Age to Age:	20,839	3,307	1,735	1,238	1,122	1,076	1,051	1,032	1,029	1,021
Age to Ult:	211,203	10,135	3,064	1,766	1,427	1,271	1,181	1,124	1,089	1,058

1.037

Division 66 - Programs
 Certified Nurse Midwives Professional Liability - Profitability Study
 PYG @ 2013/3 (000's omitted)

Section I
 Exhibit 8f

Midwives

Paid & LAE - Capped @ \$100k

PY	GWP	9	21	33	45	57	69	81	93	105	117	129	100k Cap P+LAE @ 2013/3	100k Cap Ultimate ILAE
2003	4,902	0	104	587	1,953	2,834	3,290	3,330	3,352	3,386	3,420	3,560	3,560	3,696
2004	8,332	7	370	2,246	3,741	4,350	4,966	5,068	5,143	5,387	5,530	3,560	5,530	5,847
2005	9,366	4	121	492	1,826	2,441	2,644	3,145	3,602	3,812	3,812	3,812	3,812	4,149
2006	10,258	2	141	670	1,247	1,563	1,628	1,732	1,735	1,735	1,735	1,735	1,735	1,949
2007	8,549	0	37	403	764	1,242	1,262	1,453	1,453	1,453	1,453	1,453	1,453	1,722
2008	7,303	6	207	524	984	1,025	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,299
2009	5,650	1	304	956	1,257	1,447	1,447	1,447	1,447	1,447	1,447	1,447	1,447	2,050
2010	5,222	2	63	394	942	942	942	942	942	942	942	942	942	1,653
2011	5,280	0	215	993	993	993	993	993	993	993	993	993	993	2,896
2012	5,342	47	113	113	113	113	113	113	113	113	113	113	113	1,050
2013	4,793	0											0	149,713

PY	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129
2003	-	5,644	3,327	1,451	1,161	1,012	1,007	1,010	1,010	1,041
2004	52,857	6,070	1,666	1,163	1,142	1,021	1,015	1,047	1,027	
2005	30,250	4,066	3,711	1,337	1,083	1,189	1,145	1,058		
2006	70,500	4,752	1,861	1,253	1,042	1,064	1,002			
2007	-	10,892	1,896	1,626	1,016	1,151				
2008	34,500	2,531	1,878	1,042	1,002					
2009	304,000	3,145	1,315	1,151						
2010	31,500	6,254	2,391							
2011	-	4,619								
2012	2,404									
2013										

	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129	129-141
All Yr Wtd:	24,275	4,651	2,027	1,266	1,101	1,068	1,042	1,040	1,020	1,041	
Last 7 Wtd:	18,621	4,074	1,893	1,266							
Last 5 Wtd:	16,107	3,959	1,762	1,270	1,085	1,068					
Last 3 Wtd:	7,980	4,026	1,699	1,236	1,023	1,144	1,054	1,040			
HC CM Age to Age:	21,679	3,187	1,662	1,241	1,121	1,067	1,055	1,032	1,029	1,020	
HC CM Age to Ult:	202,306	9,332	2,928	1,761	1,419	1,266	1,187	1,125	1,090	1,059	1,038
Selected Age to Age:	16,107	3,187	1,662	1,238	1,121	1,067	1,055	1,032	1,029	1,020	
Age to Ult:	149,713	9,295	2,917	1,754	1,417	1,264	1,185	1,123	1,088	1,057	1,037

Division 66 - Programs
Certified Nurse Midwives Professional Liability - Profitability Study
PYG @ 2013/3 (000's omitted)

Midwives

GWP Development

PY	9	21	33	45	57	69	81	93	105	117	129	GWP @ 2013/3	LDF	Ultimate GWP
2003	2,164	4,816	4,638	4,867	4,867	4,909	4,909	4,902	4,902	4,902	4,902	4,902	1.000	4,902
2004	5,387	7,912	8,381	8,381	8,332	8,332	8,332	8,332	8,332	8,332	8,332	8,332	1.000	8,332
2005	6,107	9,070	9,399	9,366	9,366	9,366	9,366	9,366	9,366	9,366	9,366	9,366	1.000	9,366
2006	7,088	10,216	10,268	10,268	10,268	10,268	10,268	10,258	10,268	10,268	10,258	10,258	1.000	10,258
2007	6,453	8,485	8,549	8,549	8,549	8,549	8,549	8,549	8,549	8,549	8,549	8,549	1.000	8,549
2008	5,834	7,206	7,305	7,303	7,303	7,303	7,303	7,303	7,303	7,303	7,303	7,303	1.000	7,303
2009	4,309	5,602	5,650	5,650	5,650	5,650	5,650	5,650	5,650	5,650	5,650	5,650	1.000	5,650
2010	3,972	5,186	5,252	5,222	5,222	5,222	5,222	5,222	5,222	5,222	5,222	5,222	1.000	5,222
2011	4,039	5,235	5,280									5,280	1.000	5,280
2012	3,611	5,288										5,288	1.010	5,342
2013	3,790											3,790	1.265	4,793

PY	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129	129-141
2003	2.226	0.963	1.049	1.000	1.009	1.000	0.999	1.000	1.000	1.000	
2004	1.469	1.059	1.000	0.994	1.000	1.000	1.000	1.000	1.000		
2005	1.485	1.036	0.996	1.000	1.000	1.000	1.000	1.000			
2006	1.441	1.005	1.000	1.000	1.000	1.000	0.999				
2007	1.315	1.008	1.000	1.000	1.000	1.000					
2008	1.235	1.014	1.000	1.000	1.000						
2009	1.300	1.009	1.000	1.000							
2010	1.306	1.013	0.994								
2011	1.296	1.009									
2012	1.464										
2013											

	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129	129-141
All Yr Wtd:	1.410	1.016	1.003	0.999	1.001	1.000	0.999	1.000	1.000	1.000	
Last 7 Wtd:	1.337	1.014	0.999	0.999							
Last 5 Wtd:	1.310	1.010	0.999	1.000	1.000	1.000					
Last 3 Wtd:	1.352	1.010	0.998	1.000	1.000	1.000	1.000	1.000			

Selected Age to Age: 1.252 1.010 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000
 Age to Ult: 1.265 1.010 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000

Midwives

Total Claim Count excluding CWNP

PY	GWP	9	21	33	45	57	69	81	93	105	117	129	Total ex-CWNP @ 2013/3	LDF	Ultimate ex-CWNP
2003	4,902	2	23	24	26	21	20	19	18	18	18	18	18	1.017	18
2004	8,332	3	28	24	26	24	21	21	20	21	22	22	22	1.023	23
2005	9,366	8	22	20	16	15	18	18	18	19	19	19	19	1.032	20
2006	10,258	3	18	13	11	11	10	10	10	10	10	10	10	1.046	10
2007	8,549	0	10	10	10	7	8	9	10	10	9	9	9	1.064	10
2008	7,303	3	10	10	8	7	8	9	8	8	7	8	8	1.115	9
2009	5,650	7	13	10	12	10	10	10	10	10	10	10	10	1.131	11
2010	5,222	4	8	12	12	10	10	10	10	10	10	10	12	1.134	14
2011	5,280	6	16	14	14	14	14	14	14	14	14	14	14	1.301	18
2012	5,342	3	10	10	10	10	10	10	10	10	10	10	10	1.654	17
2013	4,793	1	10	10	10	10	10	10	10	10	10	10	1	11.117	11

PY	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129
2003	11,500	1,043	1,083	0,808	0,952	0,950	0,947	1,000	1,000	1,000
2004	9,333	0,857	1,083	0,923	0,875	1,000	0,952	1,050	1,048	
2005	2,750	0,909	0,800	0,938	1,200	1,000	1,000	1,056		
2006	6,000	0,722	0,846	1,000	0,909	1,000	1,000			
2007	-	1,000	1,000	0,700	1,143	1,125				
2008	3,333	1,000	0,800	0,875	1,143					
2009	1,857	0,769	1,200	0,833						
2010	2,000	1,500	1,000							
2011	2,667	0,875								
2012	3,333									
2013										

	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-129	129-141
All Yr Wtd:	4,051	0,926	0,984	0,872	1,000	1,000	0,971	1,036	1,026	1,000	
Last 7 Wtd:	3,269	0,918	0,960	0,872							
Last 5 Wtd:	2,478	0,982	0,964	0,877	1,016	1,000					
Last 3 Wtd:	2,615	0,973	1,000	0,800	1,040	1,028	0,980	1,036			

HC CM Age to Age:	6.722	1.271	1.148	1.003	1.014	1.048	1.017	1.014	1.009	1.006	
HC CM Age to Ult:	11.117	1.654	1.301	1.134	1.131	1.115	1.064	1.046	1.032	1.023	1.017

Selected Age to Age:	6.722	1.271	1.148	1.003	1.014	1.048	1.017	1.014	1.009	1.006	
Age to Ult:	11.117	1.654	1.301	1.134	1.131	1.115	1.064	1.046	1.032	1.023	1.017

