

# Memorandum

From: Div 66 Actuarial  
Michael Tranfaglia  
Emily Turek

To: E. Allen, S. Leeret, B. Harris, J. Parker, S. Cook, J. Fellrath, A. Pharo

CC: J. Johnson, K. Hanna, J. Heaney, C. Steinbach, B. McCoy, T. Peterson, J. Baier, J. Stracher

Date: 9/9/2015

Re: Division 66 - 2015 KKI Entertainment Profitability Study

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## I. Executive Summary

**Introduction** - K&K is a multiline program providing all coverage including package (Property, GL and Crime), Inland Marine, Auto and Excess for Sports, Leisure and Entertainment Risks.

The year to date rate change for 2015 is 4.3% in total, varying by LOB.

For purposes of this analysis we have used a 2015 forecasted rate change of 4.0% in total, varying by LOB.

### A. Summary of Results

IL and LAE evaluated as of: 2<sup>nd</sup> Quarter 2015  
Currency Employed: USD

#### Exhibit 1:

Line of Business	Sub-Segment	Policy Year	2015	Projected	RAP			
			Forecasted	Ultimate	Target	RAP Rate	Projected	
			GWP (000)	IL and LAE Ratio*	Combined Ratio*	Combined Ratio	Need	RAP \$ **
GL	N/A	2015	6,460	63.0%	96.2%	98.7%	-3.7%	107
AL	N/A	2015	719	42.0%	75.4%	98.0%	-33.6%	108
Property	N/A	2015	4,038	53.9%	86.3%	95.9%	-14.5%	263
APD	N/A	2015	99	66.0%	98.0%	97.9%	0.1%	(0)
Excess Liability	N/A	2015	816	62.7%	95.6%	98.7%	-4.5%	17
TOTAL			12,131	58.7%	91.7%	97.8%	-9.0%	494

\* Includes PY 2015 rate change achieved

\*\* Assumes a tax rate of 35%

- II. **Discussion of Material Findings-** Two large portions of the book have been removed from the program; Bowling Centers and Arenas & Facilities. The above numbers include only the ongoing book of business. While still profitable, the Casualty portion of the book had PYD of 5.6%, largely related to large loss development related to PY's 2012 and 2013. There was no systematic adverse development of the prior years observed. The PY15 property loss ratio deteriorated by about 3% from our prior valuation, due largely from a 35% PYD driven by two newly reported large claims in PY's 2010 & 2012. The PY 2012 reported loss was a hail related event of nearly \$5M (Fairmount - Policy # 7712663 / Case # 2999). All other lines of business remained in line with our prior expectation. Summary 7 provides an estimate of the ultimate loss ratios by segment.

### III. 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. XS selected development factors were based on overall Division 66 factors. For the rate changes used in this analysis, we calculate a forecasted rate change by LOB using YTD rate changes for 2014 and 2015 and the original targeted rate changes. These three rate change estimates are weighted together to arrive at a forecasted annual rate change.
- B. Limitations/Weakness - The projected PY 2015 loss ratio shown in Exhibit 1 of this report assumes that the forecasted annual rate change is accurate. To the extent that the annual rate change does not equal the forecasted annual 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.
- C. Data Quality - The data for all lines of business in this analysis is pulled from Sandbox which aggregates the data from CRS.
- D. Other - None

### IV. 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 on program specific RAP profit loads. Rate need is based on a ratio of the ultimate ILAE ratio and the target ILAE ratio.

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

VI. **Underwriting Action Plans** - Below is the response provided by the Program Manager.

We agree with the profitability study as indicated on this program. We will continue to monitor the claims development and make rate adjustments where we can.

## Appendix - Methodology:

Please note that the analysis has three sections:

- Section I - General Liability
- Section II - Auto Liability
- Section III - Property
- Section IV - APD
- 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 2005 - 2015 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 2005 - 2015.

- 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	RAP Neutral		(6) PY 2015 Rate Achieved	(7) After 2015 Rate Change PY 2015 Ultimate ILAE Ratio
				(4) Target Ratio	(5) Before 2015 Rate Change PY 2015 Rate Need		
GL	6,460	2.9%	66.1%	65.5%	0.9%	5.0%	63.0%
AL	719	2.8%	42.3%	64.7%	-33.1%	0.7%	42.0%
Property	4,038	2.8%	56.0%	63.5%	-11.3%	3.9%	53.9%
APD	99	2.9%	66.5%	65.9%	0.8%	0.7%	66.0%
Excess Liability	816	2.9%	62.5%	65.9%	-4.9%	-0.4%	62.7%
Total Casualty	7,994	2.9%	63.6%	65.5%	-2.7%	4.1%	61.1%
Total Property	4,137	2.8%	56.3%	63.6%	-11.0%	3.8%	54.2%
All Lines Combined	12,131	2.9%	61.1%	64.8%	-5.5%	4.0%	58.7%

(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	6,460	2.9%	65.2%	65.5%	-0.4%
AL	719	2.8%	43.7%	64.7%	-31.1%
Property	4,038	2.8%	53.9%	63.5%	-14.5%
APD	99	2.9%	66.0%	65.9%	0.1%
Excess Liability	816	2.9%	65.9%	65.9%	0.0%
Total Casualty	7,994	2.9%	63.3%	65.5%	-3.1%
Total Property	4,137	2.8%	54.2%	63.6%	-14.1%
All Lines Combined	12,131	2.9%	60.2%	64.8%	-6.8%

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

Program Summary by LOB

PY	GL					AL					Property - ex Cat Load & Reinsurance Charges					APD				
	GWP	Reported	Reported	Selected	Ultimate	GWP	Reported	Reported	Selected	Ultimate	GWP	Reported	Reported	Selected	Ultimate	GWP	Reported	Reported	Selected	Ultimate
		ILAE	ILAE Ratio	ILAE	ILAE Ratio		ILAE	ILAE Ratio	ILAE	ILAE Ratio		ILAE	ILAE Ratio	ILAE	ILAE Ratio		ILAE	ILAE Ratio	ILAE	ILAE Ratio
2005	6,833	1,050	15.4%	1,068	15.6%	610	51	8.3%	51	8.4%	190	121	63.5%	121	63.5%	52	33	62.9%	33	63.4%
2006	7,021	1,137	16.2%	1,157	16.5%	511	107	20.9%	107	20.9%	196	1	0.3%	1	0.5%	43	22	50.8%	22	50.9%
2007	6,602	5,174	78.4%	5,377	81.4%	404	9	2.1%	9	2.2%	681	24	3.5%	24	3.5%	53	28	53.0%	28	53.2%
2008	6,824	5,856	85.8%	6,025	88.3%	445	68	15.2%	69	15.5%	590	377	64.0%	377	63.9%	63	16	24.9%	16	25.3%
2009	5,011	2,660	53.1%	2,779	55.5%	320	1,104	344.9%	1,146	358.2%	348	71	20.4%	71	20.4%	54	22	39.7%	22	40.4%
2010	4,126	2,514	60.9%	3,022	73.2%	329	27	8.4%	30	9.1%	348	474	136.1%	474	136.0%	59	69	117.8%	69	117.3%
2011	4,003	1,264	31.6%	1,654	41.3%	444	61	13.8%	73	16.4%	1,217	681	55.9%	687	56.4%	62	54	86.5%	54	86.8%
2012	4,691	1,936	41.3%	3,210	68.4%	463	181	39.1%	208	44.9%	3,122	5,946	190.5%	6,186	198.1%	78	83	107.0%	84	108.0%
2013	5,148	2,523	49.0%	4,650	90.3%	494	47	9.5%	131	26.5%	3,485	627	18.0%	685	19.7%	78	45	56.9%	45	57.5%
2014	5,159	79	1.5%	3,020	58.5%	544	50	9.1%	197	36.2%	3,621	832	23.0%	1,360	37.6%	87	24	27.3%	40	46.1%
2015	6,460	12	0.2%	3,682	57.0%	719	7	1.0%	259	36.0%	4,038	19	0.5%	1,656	41.0%	99	0	0.0%	59	60.0%

PY	Excess Liability					Total Casualty					Total Property - ex Cat Load & Reinsurance					All Lines Combined				
	GWP	Reported	Reported	Selected	Ultimate	GWP	Reported	Reported	Selected	Ultimate	GWP	Reported	Reported	Selected	Ultimate	GWP	Reported	Reported	Selected	Ultimate
		ILAE	ILAE Ratio	ILAE	ILAE Ratio		ILAE	ILAE Ratio	ILAE	ILAE Ratio		ILAE	ILAE Ratio	ILAE	ILAE Ratio		ILAE	ILAE Ratio	ILAE	ILAE Ratio
2005	308	0	0.0%	20	6.5%	7,751	1,101	14.2%	1,139	14.7%	243	154	63.3%	154	63.5%	7,994	1,255	15.7%	1,293	16.2%
2006	453	0	0.0%	40	8.8%	7,985	1,244	15.6%	1,304	16.3%	239	23	9.5%	23	9.6%	8,224	1,267	15.4%	1,327	16.1%
2007	692	7	1.0%	80	11.6%	7,699	5,189	67.4%	5,466	71.0%	733	52	7.1%	52	7.1%	8,432	5,241	62.2%	5,518	65.4%
2008	908	7,610	838.4%	7,750	853.8%	8,177	13,533	165.5%	13,844	169.3%	653	393	60.2%	393	60.2%	8,830	13,926	157.7%	14,237	161.2%
2009	726	0	0.1%	160	22.0%	6,057	3,764	62.1%	4,085	67.4%	403	93	23.0%	93	23.1%	6,460	3,857	59.7%	4,178	64.7%
2010	580	0	0.0%	180	31.0%	5,035	2,542	50.5%	3,232	64.2%	407	543	133.4%	543	133.3%	5,442	3,085	56.7%	3,775	69.4%
2011	598	0	0.0%	250	41.8%	5,044	1,326	26.3%	1,977	39.2%	1,279	734	57.4%	741	57.9%	6,324	2,060	32.6%	2,718	43.0%
2012	689	0	0.0%	380	55.1%	5,843	2,117	36.2%	3,798	65.0%	3,200	6,030	188.4%	6,270	195.9%	9,043	8,146	90.1%	10,068	111.3%
2013	722	0	0.0%	490	67.9%	6,364	2,570	40.4%	5,271	82.8%	3,564	672	18.8%	730	20.5%	9,928	3,241	32.7%	6,001	60.4%
2014	736	0	0.0%	550	74.8%	6,439	128	2.0%	3,767	58.5%	3,708	856	23.1%	1,400	37.8%	10,147	984	9.7%	5,167	50.9%
2015	816	0	0.0%	530	65.0%	7,994	19	0.2%	4,471	55.9%	4,137	19	0.5%	1,715	41.5%	12,131	38	0.3%	6,186	51.0%

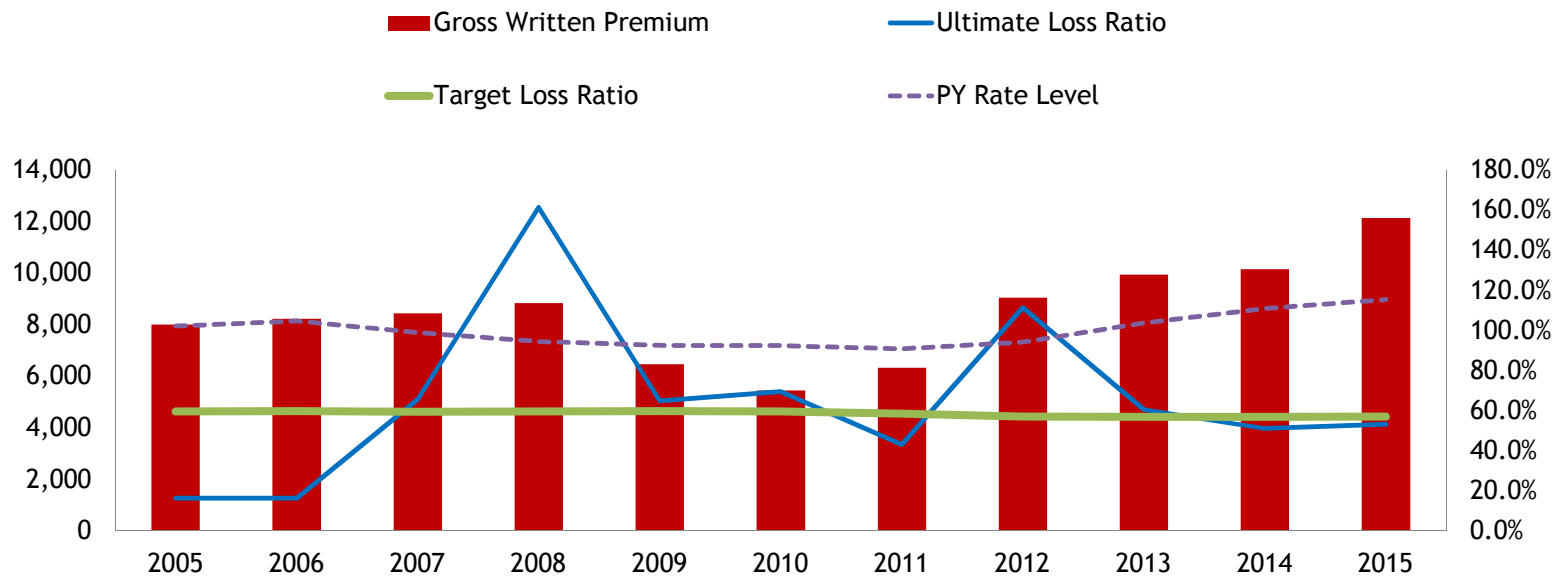
Program Summary by LOB - Prior Profitability Study Indications

PY	GL				AL				Property - ex Cat Load & Reinsurance Charges				APD			
	GWP	2013	2014	2015	GWP	2013	2014	2015	GWP	2013	2014	2015	GWP	2013	2014	2015
		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio	
2005	6,833	35.8%	15.5%	15.6%	610	8.2%	8.1%	8.4%	190	58.4%	58.0%	63.5%	52	43.9%	41.3%	63.4%
2006	7,021	34.7%	16.0%	16.5%	511	23.3%	23.3%	20.9%	196	13.9%	14.3%	0.5%	43	81.1%	82.0%	50.9%
2007	6,602	76.9%	81.5%	81.4%	404	4.8%	4.8%	2.2%	681	5.9%	5.5%	3.5%	53	25.5%	28.0%	53.2%
2008	6,824	69.8%	89.4%	88.3%	445	21.2%	19.5%	15.5%	590	51.4%	51.5%	63.9%	63	29.9%	27.9%	25.3%
2009	5,011	57.0%	56.5%	55.5%	320	259.0%	237.4%	358.2%	348	31.0%	31.5%	20.4%	54	55.1%	58.8%	40.4%
2010	4,126	57.4%	72.9%	73.2%	329	22.7%	15.1%	9.1%	348	19.8%	20.0%	136.0%	59	85.0%	84.0%	117.3%
2011	4,003	54.9%	42.9%	41.3%	444	28.4%	19.0%	16.4%	1,217	52.3%	52.4%	56.4%	62	56.6%	59.5%	86.8%
2012	4,691	63.8%	54.3%	68.4%	463	36.6%	35.2%	44.9%	3,122	41.8%	47.1%	198.1%	78	77.7%	77.8%	108.0%
2013	5,148	62.0%	49.6%	90.3%	494	40.0%	28.0%	26.5%	3,485	40.0%	28.2%	19.7%	78	65.0%	63.1%	57.5%
2014	5,159		44.0%	58.5%	544		36.0%	36.2%	3,621		40.0%	37.6%	87		58.0%	46.1%
2015	6,460			57.0%	719			36.0%	4,038			41.0%	99			60.0%

PY	Excess Liability				Total Casualty				Total Property - ex Cat Load & Reinsurance				All Lines Combined			
	GWP	2013	2014	2015	GWP	2013	2014	2015	GWP	2013	2014	2015	GWP	2013	2014	2015
		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio	
2005	308	0.0%	8.1%	6.5%	7,751	32.2%	14.6%	14.7%	243	55.3%	54.4%	63.5%	7,994	32.9%	15.8%	16.2%
2006	453	0.0%	11.4%	8.8%	7,985	32.0%	16.2%	16.3%	239	26.0%	26.5%	9.6%	8,224	31.8%	16.5%	16.1%
2007	692	0.8%	16.7%	11.6%	7,699	66.3%	71.6%	71.0%	733	7.3%	7.1%	7.1%	8,432	61.1%	66.0%	65.4%
2008	908	527.5%	683.7%	853.8%	8,177	118.0%	151.6%	169.3%	653	49.4%	49.2%	60.2%	8,830	112.9%	144.0%	161.2%
2009	726	24.7%	32.4%	22.0%	6,057	63.8%	63.1%	67.4%	403	34.2%	35.2%	23.1%	6,460	61.9%	61.4%	64.7%
2010	580	32.9%	44.8%	31.0%	5,035	52.3%	65.9%	64.2%	407	29.2%	29.2%	133.3%	5,442	50.6%	63.2%	69.4%
2011	598	44.5%	58.5%	41.8%	5,044	51.3%	42.7%	39.2%	1,279	52.5%	52.7%	57.9%	6,324	51.6%	44.7%	43.0%
2012	689	53.7%	193.1%	55.1%	5,843	60.4%	69.2%	65.0%	3,200	42.7%	47.9%	195.9%	9,043	54.2%	61.6%	111.3%
2013	722	75.0%	111.0%	67.9%	6,364	61.8%	54.9%	82.8%	3,564	40.5%	28.9%	20.5%	9,928	54.2%	45.6%	60.4%
2014	736		69.6%	74.8%	6,439		46.3%	58.5%	3,708		40.4%	37.8%	10,147		44.1%	50.9%
2015	816			65.0%	7,994			55.9%	4,137			41.5%	12,131			51.0%

Total Program Summary

PY	GWP	-----Loss Ratio-----			-----Combined Ratio-----		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2005	7,994	15.7%	16.2%	59.4%	55.3%	98.6%	2,280	2.0%	1.02	22.4%
2006	8,224	15.4%	16.1%	59.5%	55.2%	98.6%	2,352	2.5%	1.05	22.4%
2007	8,432	62.2%	65.4%	59.2%	104.7%	98.5%	-348	-5.4%	0.99	22.3%
2008	8,830	157.7%	161.2%	59.4%	200.3%	98.5%	-5,932	-4.6%	0.94	22.3%
2009	6,460	59.7%	64.7%	59.6%	103.6%	98.5%	-217	-2.0%	0.92	22.3%
2010	5,442	56.7%	69.4%	59.5%	108.4%	98.5%	-355	-0.2%	0.92	22.3%
2011	6,324	32.6%	43.0%	58.2%	82.9%	98.1%	639	-1.6%	0.91	22.2%
2012	9,043	90.1%	111.3%	56.8%	152.2%	97.7%	-3,280	3.7%	0.94	22.1%
2013	9,928	32.7%	60.4%	56.7%	101.4%	97.7%	-245	10.1%	1.04	22.1%
2014	10,147	9.7%	50.9%	56.7%	91.9%	97.7%	389	6.9%	1.11	22.1%
2015	12,131	0.3%	53.0%	56.9%	93.9%	97.8%	311	4.0%	1.15	22.1%
Total	92,955	46.4%	65.3%				-4,406			



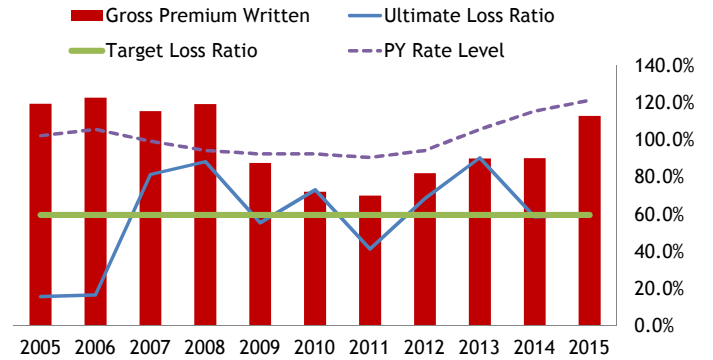
\* Target Ratio = 1 - (Expense Ratio) - (AAL) - (XOL) - (Corporate Cat Reinsurance) - (ULE) - (Claim Fees) - (Risk Load)

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

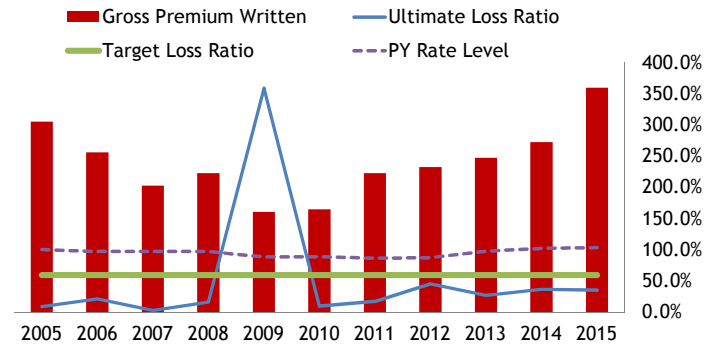


Program Summary by LOB - Casualty Lines

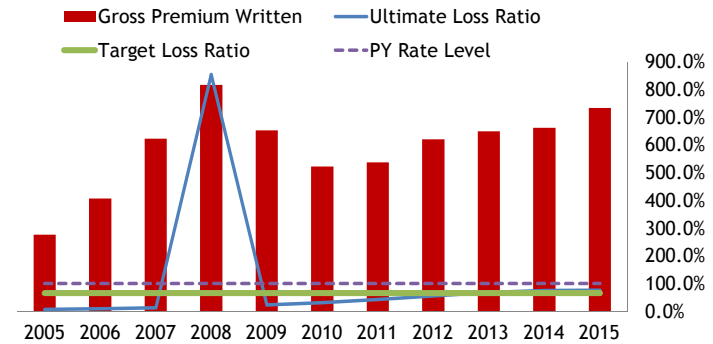
PY	GWP	Loss Ratio			Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2005	6,833	15.4%	15.6%	59.5%	54.9%	98.7%	1,974	2.3%	1.02	22.4%
2006	7,021	16.2%	16.5%	59.5%	55.7%	98.7%	1,989	3.3%	1.06	22.4%
2007	6,602	78.4%	81.4%	59.5%	120.7%	98.7%	-953	-6.0%	0.99	22.4%
2008	6,824	85.8%	88.3%	59.5%	127.5%	98.7%	-1,293	-5.1%	0.94	22.4%
2009	5,011	53.1%	55.5%	59.5%	94.7%	98.7%	134	-1.9%	0.93	22.4%
2010	4,126	60.9%	73.2%	59.5%	112.5%	98.7%	-373	-0.1%	0.92	22.4%
2011	4,003	31.6%	41.3%	59.5%	80.5%	98.7%	479	-2.0%	0.91	22.4%
2012	4,691	41.3%	68.4%	59.5%	107.7%	98.7%	-276	4.2%	0.94	22.4%
2013	5,148	49.0%	90.3%	59.5%	129.6%	98.7%	-1,044	12.0%	1.06	22.4%
2014	5,159	1.5%	58.5%	59.5%	97.8%	98.7%	33	9.4%	1.16	22.4%
2015	6,460	0.2%	59.8%	59.5%	99.0%	98.7%	-10	5.0%	1.21	22.4%
Total	61,879	39.1%	57.9%				659			



PY	GWP	Loss Ratio			Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2005	610	8.3%	8.4%	58.7%	47.7%	98.0%	203	-0.3%	1.00	22.6%
2006	511	20.9%	20.9%	58.7%	60.3%	98.0%	128	-3.3%	0.96	22.6%
2007	404	2.1%	2.2%	58.7%	41.6%	98.0%	151	0.0%	0.96	22.6%
2008	445	15.2%	15.5%	58.7%	54.9%	98.0%	127	0.4%	0.97	22.6%
2009	320	344.9%	358.2%	58.7%	397.5%	98.0%	-635	-9.0%	0.88	22.6%
2010	329	8.4%	9.1%	58.7%	48.5%	98.0%	108	0.4%	0.88	22.6%
2011	444	13.8%	16.4%	58.7%	55.8%	98.0%	124	-2.7%	0.86	22.6%
2012	463	39.1%	44.9%	58.7%	84.2%	98.0%	42	1.2%	0.87	22.6%
2013	494	9.5%	26.5%	58.7%	65.9%	98.0%	105	11.6%	0.97	22.6%
2014	544	9.1%	36.2%	58.7%	75.6%	98.0%	81	4.7%	1.02	22.6%
2015	719	1.0%	34.8%	58.7%	74.2%	98.0%	114	0.7%	1.03	22.6%
Total	5,283	32.4%	43.0%				549			



PY	GWP	Loss Ratio			Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2005	308	0.0%	6.5%	64.9%	40.4%	98.7%	118	0.0%	1.00	22.1%
2006	453	0.0%	8.8%	64.9%	42.7%	98.7%	167	0.0%	1.00	22.1%
2007	692	1.0%	11.6%	64.9%	45.4%	98.7%	243	0.0%	1.00	22.1%
2008	908	838.4%	853.8%	64.9%	887.7%	98.7%	-4,714	0.0%	1.00	22.1%
2009	726	0.1%	22.0%	64.9%	55.9%	98.7%	205	0.0%	1.00	22.1%
2010	580	0.0%	31.0%	64.9%	64.9%	98.7%	129	0.0%	1.00	22.1%
2011	598	0.0%	41.8%	64.9%	75.7%	98.7%	91	0.0%	1.00	22.1%
2012	689	0.0%	55.1%	64.9%	89.0%	98.7%	44	0.0%	1.00	22.1%
2013	722	0.0%	67.9%	64.9%	101.7%	98.7%	-14	0.0%	1.00	22.1%
2014	736	0.0%	74.8%	64.9%	108.6%	98.7%	-48	0.0%	1.00	22.1%
2015	816	0.0%	76.0%	64.9%	109.9%	98.7%	-60	-0.4%	1.00	22.1%
Total	7,226	105.4%	145.6%				-3,840			

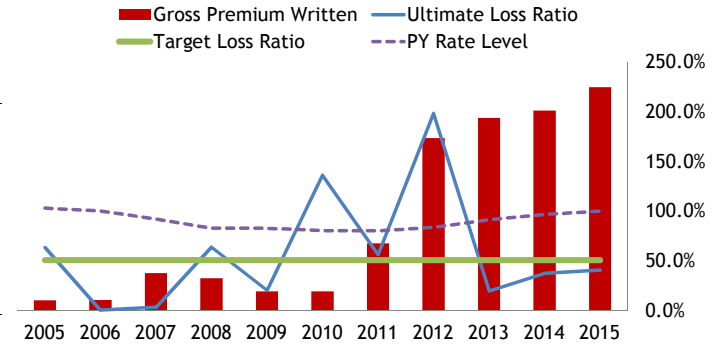


\* Target Ratio = 1 - (Expense Ratio) - (AAL) - (XOL) - (Corporate Cat Reinsurance) - (ULE) - (Claim Fees) - (Risk Load)

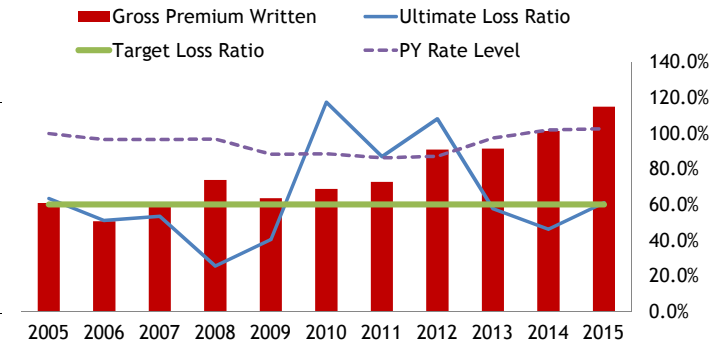
\* Ultimate Loss Ratios exclude modeled cats, ULE, non-machine claims fees and the impact of XOL/corporate cat reinsurance

Program Summary by LOB - Property Lines

PY	GWP	Loss Ratio			Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2005	190	63.5%	63.5%	50.6%	108.8%	95.9%	-17	2.9%	1.03	21.7%
2006	196	0.3%	0.5%	50.6%	45.8%	95.9%	67	-2.8%	1.00	21.7%
2007	681	3.5%	3.5%	50.6%	48.8%	95.9%	217	-8.0%	0.92	21.7%
2008	590	64.0%	63.9%	50.6%	109.2%	95.9%	-53	-10.1%	0.83	21.7%
2009	348	20.4%	20.4%	50.6%	65.7%	95.9%	71	0.0%	0.83	21.7%
2010	348	136.1%	136.0%	50.6%	181.4%	95.9%	-202	-2.7%	0.81	21.7%
2011	1,217	55.9%	56.4%	50.6%	101.8%	95.9%	-48	-0.4%	0.80	21.7%
2012	3,122	190.5%	198.1%	50.6%	243.5%	95.9%	-3,121	4.2%	0.84	21.7%
2013	3,485	18.0%	19.7%	50.6%	65.0%	95.9%	731	9.5%	0.92	21.7%
2014	3,621	23.0%	37.6%	50.6%	82.9%	95.9%	320	5.4%	0.96	21.7%
2015	4,038	0.5%	40.6%	50.6%	85.9%	95.9%	274	3.9%	1.00	21.7%
Total	17,839	51.4%	65.2%				-1,761			



PY	GWP	Loss Ratio			Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2005	52	62.9%	63.4%	59.9%	101.3%	97.9%	-1	-0.3%	1.00	22.6%
2006	43	50.8%	50.9%	59.9%	88.8%	97.9%	3	-3.3%	0.96	22.6%
2007	53	53.0%	53.2%	59.9%	91.2%	97.9%	2	0.0%	0.96	22.6%
2008	63	24.9%	25.3%	59.9%	63.3%	97.9%	15	0.4%	0.97	22.6%
2009	54	39.7%	40.4%	59.9%	78.4%	97.9%	7	-9.0%	0.88	22.6%
2010	59	117.8%	117.3%	59.9%	155.3%	97.9%	-22	0.4%	0.88	22.6%
2011	62	86.5%	86.8%	59.9%	124.7%	97.9%	-11	-2.7%	0.86	22.6%
2012	78	107.0%	108.0%	59.9%	146.0%	97.9%	-25	1.2%	0.87	22.6%
2013	78	56.9%	57.5%	59.9%	95.5%	97.9%	1	11.6%	0.97	22.6%
2014	87	27.3%	46.1%	59.9%	84.0%	97.9%	8	4.7%	1.02	22.6%
2015	99	0.0%	60.9%	59.9%	98.9%	97.9%	-1	0.7%	1.03	22.6%
Total	728	54.2%	65.0%				-24			



\* 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

By State Indication  
 Premium, Claim Count and ILAE information use the prior 5 Years of data

State	General Liability												Auto Liability																				
	Distribution	Premium	Claim Count	ILAE	Reported ILAE Ratio	Indicated Relativity	# Claims Used:		Calculated Before 2015 Rate Change		Off-Balance Factor	Ultimate ILAE Ratio	Cred Wtd Relativity	Cred Wtd Relativity	Ultimate ILAE Ratio	Off-Balance Factor	Ultimate ILAE Ratio	Cred Wtd Relativity	Cred Wtd Relativity	Ultimate ILAE Ratio	Off-Balance Factor	Ultimate ILAE Ratio											
							250	PY 2015	Before 2015 Rate Change	Before 2015 Rate Change													250	PY 2015									
AK	2.35%	649	5	266	40.9%	1.033						14.14%	1.005	66.5%	0.949	63.1%							0.29%	7	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
AL	0.82%	227	10	125	55.4%	1.397						20.00%	1.079	71.4%	0.949	67.8%							0.00%	0	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
AR	0.04%	10	-	-	0.0%	-						0.00%	1.000	66.1%	0.949	62.8%							0.00%	-	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
AZ	4.18%	1,155	20	103	8.9%	0.226						28.28%	0.781	51.7%	0.949	49.0%							4.99%	119	1	25	21.4%	0.348	6.32%	0.959	40.6%	1.015	41.2%
CA	7.82%	2,159	34	514	23.8%	0.601						36.88%	0.853	56.4%	0.949	53.5%							2.28%	54	4	169	311.7%	5.073	12.65%	1.515	64.1%	1.015	65.1%
CO	6.06%	1,673	17	258	15.4%	0.389						26.08%	0.841	55.6%	0.949	52.8%							1.13%	27	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
CT	0.94%	259	3	158	60.9%	1.538						10.95%	1.059	70.0%	0.949	66.5%							0.18%	4	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
DE	0.21%	58	1	8	13.7%	0.346						6.32%	0.959	63.4%	0.949	60.2%							0.00%	-	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
FL	8.10%	2,237	120	1,728	77.2%	1.949						69.28%	1.657	109.6%	0.949	104.0%							1.17%	28	1	1	3.8%	0.062	6.32%	0.941	39.8%	1.015	40.4%
GA	0.65%	178	4	249	139.3%	3.516						12.65%	1.318	87.2%	0.949	82.8%							0.45%	11	2	5	49.3%	0.802	8.94%	0.982	41.6%	1.015	42.2%
HI	1.46%	404	2	242	59.8%	1.509						8.94%	1.045	69.2%	0.949	65.6%							0.00%	-	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
IA	0.05%	13	-	-	0.0%	-						0.00%	1.000	66.1%	0.949	62.8%							0.00%	-	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
ID	1.86%	513	5	22	4.4%	0.110						14.14%	0.874	57.8%	0.949	54.9%							0.55%	13	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
IL	1.60%	441	12	45	10.3%	0.260						21.91%	0.838	55.4%	0.949	52.6%							1.63%	39	1	20	51.8%	0.843	6.32%	0.990	41.9%	1.015	42.5%
IN	0.33%	90	-	-	0.0%	-						0.00%	1.000	66.1%	0.949	62.8%							0.00%	-	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
KS	0.10%	27	-	-	0.0%	-						0.00%	1.000	66.1%	0.949	62.8%							0.01%	0	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
KY	0.93%	258	1	1	0.2%	0.006						6.32%	0.937	62.0%	0.949	58.8%							3.03%	72	1	1	1.6%	0.026	6.32%	0.938	39.7%	1.015	40.3%
LA	2.54%	703	6	9	1.3%	0.033						15.49%	0.850	56.2%	0.949	53.4%							0.00%	-	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
MA	3.69%	1,019	28	645	63.3%	1.598						33.47%	1.200	79.4%	0.949	75.3%							12.84%	306	2	36	11.7%	0.190	8.94%	0.928	39.2%	1.015	39.8%
MD	1.63%	449	5	10	2.3%	0.059						14.14%	0.867	57.3%	0.949	54.4%							0.17%	4	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
ME	1.48%	410	2	210	51.3%	1.294						8.94%	1.026	67.9%	0.949	64.4%							0.22%	5	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
MI	2.07%	571	11	80	14.0%	0.352						20.98%	0.864	57.2%	0.949	54.2%							1.55%	37	1	1	3.9%	0.063	6.32%	0.941	39.8%	1.015	40.4%
MN	1.11%	306	6	45	14.6%	0.369						15.49%	0.902	59.7%	0.949	56.6%							0.00%	-	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
MO	0.08%	21	-	-	0.0%	-						0.00%	1.000	66.1%	0.949	62.8%							0.00%	-	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
MS	0.42%	116	-	-	0.0%	-						0.00%	1.000	66.1%	0.949	62.8%							0.00%	-	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
MT	0.74%	204	1	1	0.3%	0.007						6.32%	0.937	62.0%	0.949	58.8%							0.18%	4	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
NC	5.53%	1,529	10	1,095	71.6%	1.807						20.00%	1.161	76.8%	0.949	72.9%							2.10%	50	3	13	26.3%	0.428	10.95%	0.937	39.7%	1.015	40.2%
ND	0.14%	39	1	1	2.0%	0.050						6.32%	0.940	62.2%	0.949	59.0%							0.00%	-	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
NE	1.32%	364	16	59	16.1%	0.406						25.30%	0.850	56.2%	0.949	53.3%							0.00%	-	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
NH	0.81%	223	2	305	136.6%	3.446						8.94%	1.219	80.6%	0.949	76.5%							0.06%	1	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
NJ	0.99%	273	3	31	11.3%	0.286						10.95%	0.922	61.0%	0.949	57.9%							22.69%	540	7	71	13.1%	0.213	16.73%	0.868	36.7%	1.015	37.3%
NM	3.43%	948	38	301	31.7%	0.801						38.99%	0.922	61.0%	0.949	57.9%							1.78%	42	1	22	52.0%	0.847	6.32%	0.990	41.9%	1.015	42.5%
NV	0.84%	233	6	15	6.4%	0.162						15.49%	0.870	57.6%	0.949	54.6%							2.30%	55	2	1,046	1913.1%	31.134	8.94%	3.695	156.3%	1.015	158.7%
NY	3.49%	963	13	866	89.9%	2.269						22.80%	1.289	85.3%	0.949	80.9%							5.13%	122	1	2	1.3%	0.022	6.32%	0.938	39.7%	1.015	40.3%
OH	2.56%	707	22	1,501	212.4%	5.361						29.66%	2.294	151.7%	0.949	144.0%							1.38%	33	6	19	56.5%	0.919	15.49%	0.988	41.8%	1.015	42.4%
OK	0.02%	7	-	-	0.0%	-						0.00%	1.000	66.1%	0.949	62.8%							0.00%	-	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
OR	2.92%	806	2	1	0.2%	0.004						8.94%	0.911	60.3%	0.949	57.2%							0.17%	4	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
PA	5.00%	1,381	20	841	60.9%	1.537						28.28%	1.152	76.2%	0.949	72.3%							15.28%	364	10	17	4.8%	0.077	20.00%	0.815	34.5%	1.015	35.0%
RI	0.07%	20	-	-	0.0%	-						0.00%	1.000	66.1%	0.949	62.8%							0.00%	-	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
SC	1.32%	365	1	2	0.4%	0.011						6.32%	0.937	62.0%	0.949	58.8%							0.65%	15	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
SD	0.14%	37	-	-	0.0%	-						0.00%	1.000	66.1%	0.949	62.8%							0.00%	-	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
TN	2.59%	717	7	333	46.5%	1.173						16.73%	1.029	68.1%	0.949	64.6%							2.79%	66	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
TX	4.06%	1,122	13	310	27.6%	0.697						22.80%	0.931	61.6%	0.949	58.4%							2.81%	67	2	6	8.4%	0.137	8.94%	0.923	39.0%	1.015	39.6%
UT	1.55%	428	3	25	5.8%	0.147						10.95%	0.907	60.0%	0.949	56.9%							0.23%	6	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
VA	2.68%	739	17	133	18.0%	0.455						26.08%	0.858	56.7%	0.949	53.9%							5.00%	119	1	1	0.6%	0.010	6.32%	0.937	39.7%	1.015	40.3%
VT	0.33%	92	-	-	0.0%	-						0.00%	1.000	66.1%	0.949	62.8%							0.11%	3	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
WA	4.50%	1,244	11	137	11.0%	0.277						20.98%	0.848	56.1%	0.949	53.3%							1.01%	24	1	5	18.8%	0.307	6.32%	0.956	40.5%	1.015	41.1%
WI	0.69%	191	4	86	45.0%	1.135						12.65%	1.017	67.3%	0.949	63.8%							0.35%	8	-	-	0.0%	-	0.0%	1.000	42.3%	1.015	42.9%
WV	2.66%	735	9	186	25.3%	0.637						18.97%	0.931	61.6%	0.949	58.5%							5.42%	129	2	2	1.7%	0.027	8.94%	0.913	38.6%	1.015	39.2%
WY	1.13%	313	1	2	0.6%	0.016			</																								

By State Indication  
 Premium, Claim Count and ILAE information use the prior 5 Years of data

Property												Auto Phys Dam									
				Calculated Before 2015 Rate Change PY 2015						Before 2015 Rate Change PY 2015						Calculated Before 2015 Rate Change PY 2015					
				# Claims Used: 250												# Claims Used: 250					
Distribution	Premium	Claim Count	ILAE	Reported ILAE Ratio	Indicated Relativity	Cred Wtd Credibility	Ultimate Relativity	Ultimate ILAE Ratio	Off-Balance Factor	Ultimate ILAE Ratio	Distribution	Premium	Claim Count	ILAE	Reported ILAE Ratio	Indicated Relativity	Cred Wtd Credibility	Ultimate ILAE Ratio	Off-Balance Factor	Ultimate ILAE Ratio	
0.05%	6	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.36%	1	1	2	152.0%	2.076	6.32%	1.068	71.0%	0.966	68.6%
0.51%	62	1	18	29.8%	0.414	6.32%	0.963	54.0%	0.982	53.0%	0.33%	1	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
0.33%	40	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
1.01%	123	3	5	4.3%	0.059	10.95%	0.897	50.3%	0.982	49.4%	4.02%	16	1	5	32.2%	0.440	6.32%	0.965	64.1%	0.966	62.0%
13.88%	1,682	19	516	30.7%	0.426	27.57%	0.842	47.2%	0.982	46.3%	3.44%	13	6	37	279.2%	3.814	15.49%	1.436	95.5%	0.966	92.2%
0.69%	83	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	2.24%	9	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
0.38%	47	1	1	2.8%	0.039	6.32%	0.939	52.6%	0.982	51.7%	0.09%	0	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
0.09%	11	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
9.94%	1,204	9	299	24.8%	0.345	18.97%	0.876	49.1%	0.982	48.2%	3.71%	14	-	2	13.1%	0.178	0.00%	1.000	66.5%	0.966	64.2%
2.68%	325	3	64	19.8%	0.275	10.95%	0.921	51.6%	0.982	50.7%	0.38%	1	1	5	321.4%	4.390	6.32%	1.214	80.7%	0.966	78.0%
0.41%	50	1	2	3.4%	0.047	6.32%	0.940	52.7%	0.982	51.7%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
0.66%	80	3	97	120.9%	1.680	10.95%	1.075	60.2%	0.982	59.1%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
0.58%	70	3	101	143.4%	1.992	10.95%	1.109	62.1%	0.982	61.0%	1.17%	5	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
5.02%	608	6	4,967	816.9%	11.348	15.49%	2.603	145.8%	0.982	143.2%	2.20%	9	1	11	124.8%	1.705	6.32%	1.045	69.4%	0.966	67.1%
5.92%	717	4	163	22.7%	0.316	12.65%	0.913	51.2%	0.982	50.3%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
0.40%	49	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
1.21%	147	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.05%	0	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
3.35%	406	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
1.94%	235	1	2	0.9%	0.012	6.32%	0.938	52.5%	0.982	51.6%	14.16%	55	5	50	90.6%	1.238	14.14%	1.034	68.7%	0.966	66.4%
1.05%	127	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.11%	0	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
0.31%	38	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.11%	0	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
2.11%	255	6	363	142.1%	1.975	15.49%	1.151	64.5%	0.982	63.3%	3.82%	15	1	4	26.5%	0.363	6.32%	0.960	63.8%	0.966	61.7%
1.21%	147	1	3	2.1%	0.030	6.32%	0.939	52.6%	0.982	51.6%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
1.53%	185	2	9	5.0%	0.069	8.94%	0.917	51.4%	0.982	50.4%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
0.21%	26	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
0.29%	35	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.35%	1	2	1	48.7%	0.665	8.94%	0.970	64.5%	0.966	62.3%
9.95%	1,206	13	382	31.6%	0.440	22.80%	0.872	48.9%	0.982	48.0%	0.66%	3	2	19	752.0%	10.272	8.94%	1.829	121.6%	0.966	117.5%
0.27%	32	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
0.56%	67	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
0.31%	37	1	1	2.7%	0.037	6.32%	0.939	52.6%	0.982	51.7%	0.04%	0	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
0.71%	86	3	27	31.9%	0.443	10.95%	0.939	52.6%	0.982	51.7%	21.80%	85	9	77	91.2%	1.245	18.97%	1.047	69.6%	0.966	67.2%
0.26%	32	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	2.50%	10	1	2	20.9%	0.285	6.32%	0.955	63.5%	0.966	61.3%
4.90%	594	1	2	0.3%	0.005	6.32%	0.937	52.5%	0.982	51.6%	3.65%	14	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
2.77%	335	7	104	31.2%	0.433	16.73%	0.905	50.7%	0.982	49.8%	0.97%	4	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
4.02%	487	8	493	101.1%	1.405	17.89%	1.072	60.1%	0.982	59.0%	3.99%	16	6	36	230.8%	3.152	15.49%	1.333	88.6%	0.966	85.7%
0.32%	38	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
0.95%	116	2	9	7.5%	0.104	8.94%	0.920	51.5%	0.982	50.6%	0.18%	1	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
2.14%	260	4	51	19.6%	0.272	12.65%	0.908	50.9%	0.982	50.0%	7.40%	29	2	5	18.3%	0.250	8.94%	0.933	62.0%	0.966	59.9%
0.23%	28	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
1.18%	142	2	179	125.9%	1.749	8.94%	1.067	59.8%	0.982	58.7%	0.14%	1	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
0.07%	8	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
1.13%	137	2	6	4.6%	0.064	8.94%	0.916	51.3%	0.982	50.4%	0.00%	3	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
7.23%	877	14	624	71.2%	0.989	23.66%	0.997	55.9%	0.982	54.9%	3.58%	14	4	6	43.0%	0.588	12.65%	0.948	63.0%	0.966	60.9%
1.58%	192	1	193	100.4%	1.395	6.32%	1.025	57.4%	0.982	56.4%	0.26%	1	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
0.96%	117	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	7.42%	29	-	7	23.3%	0.319	0.00%	1.000	66.5%	0.966	64.2%
0.06%	7	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
1.57%	190	3	40	21.1%	0.294	10.95%	0.923	51.7%	0.982	50.8%	1.11%	4	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
2.83%	343	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.02%	0	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
0.19%	23	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	8.99%	35	5	16	45.5%	0.621	14.14%	0.946	62.9%	0.966	60.8%
0.02%	3	-	-	0.0%	-	0.00%	1.000	56.0%	0.982	55.0%	0.10%	0	-	-	0.0%	-	0.00%	1.000	66.5%	0.966	64.2%
<b>43.86%</b>	<b>12,116</b>	<b>124</b>	<b>8,722</b>	<b>72.0%</b>	<b>1.000</b>	<b>33.16%</b>	<b>1.000</b>	<b>57.0%</b>	<b>0.982</b>	<b>56.0%</b>	<b>1.41%</b>	<b>389</b>	<b>47</b>	<b>285</b>	<b>73.2%</b>	<b>1.000</b>	<b>15.82%</b>	<b>1.000</b>	<b>68.8%</b>	<b>0.966</b>	<b>66.5%</b>

By State Indication  
 Premium, Claim Count and ILAE information use the prior 5 Years of data

Excess											
Distribution	Premium	Claim Count	ILAE	Reported ILAE Ratio	# Claims Used: 250			Calculated Before 2015 Rate Change PY 2015		Before 2015 Rate Change PY 2015	
					Indicated Relativity	Credibility	Cred Wtd Relativity	Ultimate ILAE Ratio	Off-Balance Factor	Ultimate ILAE Ratio	
0.18%	13	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.81%	61	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.17%	13	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
2.59%	193	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
6.24%	465	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
1.77%	132	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
1.16%	86	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
1.54%	114	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
8.45%	629	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
1.30%	97	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
1.00%	74	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.35%	26	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.83%	62	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
2.91%	217	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
1.13%	84	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.22%	16	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
1.60%	119	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
2.02%	151	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
1.99%	148	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
2.79%	208	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.07%	5	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.93%	69	2	0	0.5%	30.372	8.94%	3.627	226.7%	0.943	213.8%	
1.85%	138	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
4.02%	299	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.14%	11	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.11%	8	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
1.85%	138	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
1.62%	120	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
1.12%	83	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.33%	24	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
3.96%	295	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
2.08%	155	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
2.59%	193	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
14.94%	1,112	1	1	0.1%	4.800	6.32%	1.240	77.5%	0.943	73.1%	
6.63%	494	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.69%	52	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.39%	29	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
2.11%	157	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.15%	11	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
1.85%	138	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.00%	-	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
1.13%	84	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
5.53%	412	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
1.24%	93	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
2.99%	223	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.00%	-	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
1.95%	145	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.43%	32	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.15%	11	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
0.11%	8	-	-	0.0%	-	0.00%	1.000	62.5%	0.943	58.9%	
26.95%	7,445	3	1	0.0%	1.000	1.19%	1.000	66.3%	0.943	62.5%	

By Segment Indication

Premium, Claim Count and ILAE information use the prior full 5 Years of data

DSP	XS DSP	DSP Name	General Liability									Auto Liability												
						# Claims Used: 500			Calculated Before 2015 Rate Change PY 2015						# Claims Used: 500			Calculated Before 2015 Rate Change PY 2015						
			Distribution	Premium	Claim Count	ILAE	Reported ILAE Ratio	Indicated Relativity	Cred Wtd Credibility	Ultimate Relativity	Off-Balance Factor	Ultimate ILAE Ratio	Distribution	Premium	Claim Count	ILAE	Reported ILAE Ratio	Indicated Relativity	Cred Wtd Credibility	Ultimate Relativity	Off-Balance Factor	Ultimate ILAE Ratio		
1-0-085		K&K Prop Program	0.06%	16	-	-	0.0%	-	0.00%	1.000	66.1%	0.961	63.5%	-0.07%	(2)	2	-	0.0%	-	0.40%	0.996	42.1%	1.004	42.3%
1-0-170	1-0-171	Outfitters & Guides	64.05%	17,886	170	5,630	31.5%	0.801	58.31%	0.884	58.5%	0.961	56.2%	40.94%	1,062	23	96	9.0%	0.160	4.40%	0.963	40.7%	1.004	40.9%
1-0-204		Billiards	0.82%	229	4	325	141.8%	3.608	8.94%	1.233	81.6%	0.961	78.4%	0.20%	5	-	-	0.0%	-	0.00%	1.000	42.3%	1.004	42.5%
1-0-212	1-0-213	Gaming	4.07%	1,138	31	273	24.0%	0.611	24.90%	0.903	59.7%	0.961	57.4%	3.37%	87	6	168	192.9%	3.404	1.19%	1.029	43.5%	1.004	43.7%
1-0-214	1-0-215	Horse Tracks	26.68%	7,451	274	4,735	63.5%	1.617	74.03%	1.457	96.3%	0.961	92.5%	15.59%	404	15	1,091	269.8%	4.763	2.91%	1.110	46.9%	1.004	47.1%
1-0-218		Misc Entertainment	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.1%	0.961	63.5%	0.01%	0	-	-	0.0%	-	0.00%	1.000	42.3%	1.004	42.5%
1-0-230		K&K OFF Track Motor	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.1%	0.961	63.5%	10.47%	272	3	36	13.1%	0.232	0.60%	0.995	42.1%	1.004	42.3%
1-0-231		K&K Automobile Spec	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.1%	0.961	63.5%	29.49%	765	14	78	10.3%	0.181	2.72%	0.978	41.4%	1.004	41.5%
1-0-222	1-0-223	Parades	3.56%	993	8	13	1.3%	0.033	12.65%	0.878	58.1%	0.961	55.8%	0.00%	-	-	-	0.0%	-	0.00%	1.000	42.3%	1.004	42.5%
1-0-154		Ropes Course	0.49%	137	-	-	0.0%	-	0.00%	1.000	66.1%	0.961	63.5%	0.00%	-	-	-	0.0%	-	0.00%	1.000	42.3%	1.004	42.5%
1-0-228		Concert Promoters	0.27%	76	-	-	0.0%	-	0.00%	1.000	66.1%	0.961	63.5%	0.00%	-	-	-	0.0%	-	0.00%	1.000	42.3%	1.004	42.5%
1-0-137		Venues	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.1%	0.961	63.5%	0.00%	-	-	-	0.0%	-	0.00%	1.000	42.3%	1.004	42.5%
1-0-137	1-0-086	K&K Follow Form	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.1%	0.961	63.5%	0.00%	-	-	-	0.0%	-	0.00%	1.000	42.3%	1.004	42.5%
Total			100.00%	27,927	487	10,976	39.3%	1.000	49.34%	1.000	68.9%	0.961	66.1%	100.00%	2,595	63	1,470	56.6%	1.000	11.19%	1.000	42.1%	1.004	42.3%

DSP	XS DSP	DSP Name	Property									Auto Phys Dam												
						# Claims Used: 500			Calculated Before 2015 Rate Change PY 2015						# Claims Used: 100			Calculated Before 2015 Rate Change PY 2015						
			Distribution	Premium	Claim Count	ILAE	Reported ILAE Ratio	Indicated Relativity	Cred Wtd Credibility	Ultimate Relativity	Off-Balance Factor	Ultimate ILAE Ratio	Distribution	Premium	Claim Count	ILAE	Reported ILAE Ratio	Indicated Relativity	Cred Wtd Credibility	Ultimate Relativity	Off-Balance Factor	Ultimate ILAE Ratio		
1-0-085		K&K Prop Program	7.75%	941	19	655	69.6%	0.969	3.66%	0.999	56.0%	1.050	58.7%	0.00%	-	1	-	0.0%	-	0.99%	0.990	65.8%	1.011	66.5%
1-0-170	1-0-171	Outfitters & Guides	2.69%	327	11	46	14.2%	0.198	2.15%	0.983	55.1%	1.050	57.8%	18.12%	76	16	50	65.6%	0.928	13.79%	0.990	65.8%	1.011	66.5%
1-0-204		Billiards	0.78%	95	8	207	218.3%	3.040	1.57%	1.032	57.8%	1.050	60.7%	0.03%	0	-	-	0.0%	-	0.00%	1.000	66.5%	1.011	67.2%
1-0-212	1-0-213	Gaming	5.53%	671	7	81	12.0%	0.167	1.38%	0.989	55.4%	1.050	58.1%	6.20%	26	6	37	140.8%	1.992	5.66%	1.056	70.2%	1.011	71.0%
1-0-214	1-0-215	Horse Tracks	4.18%	508	9	5,148	1013.7%	14.114	1.77%	1.232	69.0%	1.050	72.5%	35.05%	147	19	71	48.4%	0.685	15.97%	0.950	63.1%	1.011	63.8%
1-0-218		Misc Entertainment	0.19%	24	3	89	375.4%	5.227	0.60%	1.025	57.4%	1.050	60.3%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	1.011	67.2%
1-0-230		K&K OFF Track Motor	78.33%	9,512	53	1,716	18.0%	0.251	9.58%	0.928	52.0%	1.050	54.6%	12.76%	53	6	50	93.3%	1.319	5.66%	1.018	67.7%	1.011	68.4%
1-0-231		K&K Automobile Spec	0.00%	-	14	780	0.0%	-	2.72%	0.973	54.5%	1.050	57.2%	27.53%	115	14	89	77.0%	1.089	12.28%	1.011	67.2%	1.011	67.9%
1-0-222	1-0-223	Parades	0.48%	59	-	-	0.0%	-	0.00%	1.000	56.0%	1.050	58.8%	0.31%	1	-	-	0.0%	-	0.00%	1.000	66.5%	1.011	67.2%
1-0-154		Ropes Course	0.00%	-	-	-	0.0%	-	0.00%	1.000	56.0%	1.050	58.8%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	1.011	67.2%
1-0-228		Concert Promoters	0.00%	-	-	-	0.0%	-	0.00%	1.000	56.0%	1.050	58.8%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	1.011	67.2%
1-0-137		Venues	0.06%	8	-	-	0.0%	-	0.00%	1.000	56.0%	1.050	58.8%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	1.011	67.2%
1-0-137	1-0-086	K&K Follow Form	0.00%	-	-	-	0.0%	-	0.00%	1.000	56.0%	1.050	58.8%	0.00%	-	-	-	0.0%	-	0.00%	1.000	66.5%	1.011	67.2%
Total			100.00%	12,144	124	8,722	71.8%	1.000	19.87%	1.000	53.4%	1.050	56.0%	100.00%	419	62	296	70.7%	1.000	38.27%	1.000	65.8%	1.011	66.5%

DSP	XS DSP	DSP Name	Excess										
						# Claims Used: 50			Calculated Before 2015 Rate Change PY 2015				
			Distribution	Premium	Claim Count	ILAE	Reported ILAE Ratio	Indicated Relativity	Cred Wtd Credibility	Ultimate Relativity	Off-Balance Factor	Ultimate ILAE Ratio	
1-0-085		K&K Prop Program	0.00%	-	-	-	0.0%	-	0.00%	1.000	62.5%	0.981	61.3%
1-0-170	1-0-171	Outfitters & Guides	19.69%	792	-	-	0.0%	-	0.00%	1.000	62.5%	0.981	61.3%
1-0-204		Billiards	0.00%	-	-	-	0.0%	-	0.00%	1.000	62.5%	0.981	61.3%
1-0-212	1-0-213	Gaming	7.43%	299	-	-	0.0%	-	0.00%	1.000	62.5%	0.981	61.3%
1-0-214	1-0-215	Horse Tracks	24.13%	971	-	-	0.0%	-	0.00%	1.000	62.5%	0.981	61.3%
1-0-218		Misc Entertainment	0.00%	-	-	-	0.0%	-	0.00%	1.000	62.5%	0.981	61.3%
1-0-230		K&K OFF Track Motor	0.00%	-	-	-	0.0%	-	0.00%	1.000	62.5%	0.981	61.3%
1-0-231		K&K Automobile Spec	0.00%	-	-	-	0.0%	-	0.00%	1.000	62.5%	0.981	61.3%
1-0-222	1-0-223	Parades	0.42%	17	-	-	0.0%	-	0.00%	1.000	62.5%	0.981	61.3%
1-0-154		Ropes Course	0.00%	-	-	-	0.0%	-	0.00%	1.000	62.5%	0.981	61.3%
1-0-228		Concert Promoters	0.00%	-	-	-	0.0%	-	0.00%	1.000	62.5%	0.981	61.3%
1-0-137		Venues	0.00%	-	-	-	0.0%	-	0.00%	1.000	62.5%	0.981	61.3%
1-0-137	1-0-086	K&K Follow Form	48.33%	1,944	2	0	0.0%	2.069	3.85%	1.041	65.1%	0.981	63.8%
Total			100.00%	4,023	2	0	0.0%	1.000	3.85%	1.000	63.8%	0.981	62.5%

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Rate Need Indications

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			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%	65.5%	66.1%	0.9%	5.0%	63.0%	65.2%	-0.4%

Expense Ratio calculated as follows:

Commission:	22.4%
Prem Tax:	2.8%
Other Acquisition Fees:	0.6%
Direct Expense:	2.9%
Indirect Expense:	4.6%
	<u>33.2%</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
- (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
2005	6,833	2.3%	1.023	8,107	15.6%	1.411	18.6%	15.6%	1.377	18.1%	14.5%	1.344	16.4%
2006	7,021	3.3%	1.057	8,064	16.5%	1.363	19.6%	16.4%	1.334	19.1%	13.5%	1.305	15.4%
2007	6,602	-6.0%	0.993	8,067	81.4%	1.317	87.8%	50.7%	1.292	53.5%	37.0%	1.267	38.4%
2008	6,824	-5.1%	0.943	8,782	88.3%	1.272	87.3%	78.6%	1.251	76.4%	55.6%	1.230	53.1%
2009	5,011	-1.9%	0.925	6,573	55.5%	1.229	52.0%	50.3%	1.212	46.5%	38.7%	1.194	35.2%
2010	4,126	-0.1%	0.924	5,418	73.2%	1.188	66.2%	48.1%	1.173	42.9%	34.1%	1.159	30.1%
2011	4,003	-2.0%	0.906	5,365	41.3%	1.148	35.4%	37.4%	1.136	31.7%	22.1%	1.126	18.6%
2012	4,691	4.2%	0.943	6,036	68.4%	1.109	59.0%	45.8%	1.101	39.2%	32.2%	1.093	27.3%
2013	5,148	12.0%	1.057	5,912	90.3%	1.071	84.3%	49.7%	1.066	46.2%	31.3%	1.061	28.9%
2014	5,159	9.4%	1.156	5,416	58.5%	1.035	57.7%	38.4%	1.033	37.7%	24.8%	1.030	24.3%
2015	6,460	5.0%	1.214	6,460	59.8%	1.000	59.8%	38.9%	1.000	38.9%	25.9%	1.000	25.9%
		0.0%	1.214										
				All Yr Wtd:			57.0%			41.5%			29.1%
				Last 7 Wtd:			59.3%			40.6%			27.4%
				Last 5 Wtd:			59.7%			38.9%			25.2%
				Last 3 Wtd:			67.3%			40.9%			26.4%
				Selected Ultimate:			57.0%			39.0%			26.0%
				ILF:			1.00			1.50			2.09
				Policy Limits Ultimate:			57.0%			58.7%			54.3%
							39%			30%			30%

\* Averages include PY 2015

Frequency/Severity Indication:	56.7%
Weighted Average:	56.7%
PY 2015 Selected:	57.0%
Adjustment:	0.0%
PY 2015:	57.0%
ULE:	1.0%
Claims Fees:	5.0%
PY 2015 Ultimate ILAE Ratio:	63.0%

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Large Losses - Incurred + LAE > 100k

PY	DSP	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	LAE	ILAE	Acc State	Description
2005	1-0-222	2235012	173	1/22/2005	Krewe Of EVE, Inc.	149	-	17	165	Louisiana	Trip And Fall Over Tape That W
2006	1-0-170	2234766	1490	7/21/2006	Whitewater Informa	188	-	58	246	West Virginia	AS PLT SAT Down ON A Bench, TH
2006	1-0-170	2234470	1684	5/19/2006	Whitewater Challen	-	63	66	129	Pennsylvania	PLT WAS In A Raft That HIT A R
2006	1-0-222	2235051	592	2/28/2006	Elks Krewe Of Orle	50	-	69	119	Louisiana	PLF Alleges HE WAS Forced To T
2007	1-0-170	2235087	5920	10/4/2008	Nantahala Outdoor	1,000	-	97	1,097	Tennessee	Clmt WAS Sent Down A ZIP Line Before
2007	1-0-170	2235378	1634	8/10/2007	Capitol Peak Outfi	634	-	257	890	Colorado	Pltf Fell While Horseback Ridi
2007	1-0-170	2234730	1356	6/16/2007	Arkansas Valley AD	399	-	102	501	Colorado	Fatal Drowning ON Raft Trip
2007	1-0-222	2234051	1834	2/2/2008	Gentilly Carnival	200	-	242	442	Louisiana	Plntf Exited The Float Prematu
2007	1-0-214	2235608	1246	5/1/2007	Hartman & Tyner (R	92	-	80	171	Michigan	Chair PLT WAS Sitting In Colla
2007	1-0-214	2235608	1683	7/22/2007	Hartman & Tyner (R	165	-	5	170	Florida	Slip And Fall
2007	1-0-214	2235608	2227	4/1/2007	Hartman & Tyner (R	71	-	58	128	West Virginia	Allegations That Employee/Indp
2007	1-0-214	2235368	1590	8/17/2007	DEL MAR Thoroughbr	115	-	7	122	California	Slipped ON Cheese Sauce That W
2007	1-0-214	2235417	1862	2/6/2008	Worldwide Wagering	113	-	6	119	Illinois	Slipped And Fell
2007	1-0-214	2235368	2026	7/17/2007	DEL MAR Thoroughbr	85	-	30	115	California	PLT, AN Exercise Rider, WAS TH
2007	1-0-170	2235283	2030	3/29/2008	H & S Development	82	-	31	113	New Jersey	Pltf WAS Climbing In A Competi
2008	1-0-170	2234638	188	5/17/2008	Cheat River Outfit	629	-	91	720	West Virginia	Fatal Drowning When Raft Overt
2008	1-0-170	2235169	569	7/25/2008	Alaska Rainforest	-	200	104	304	Alaska	Using A ZIP Line When SHE Coll
2008	1-0-214	2235843	136	4/20/2008	Suburban Downs, IN	175	-	107	282	Illinois	PLT Slipped & Fell ON Some WAT
2008	1-0-214	2235608	1649	2/14/2009	Hartman & Tyner,	159	-	110	269	Florida	A Male Patron WAS Dragging HIS
2008	1-0-214	2235840	607	6/6/2008	P.P.I., Inc.	125	-	142	267	Florida	Pltf Slipped & Fell; Trauma To
2008	1-0-214	5447026	1601	1/22/2009	Yonkers Racing Cor	185	-	49	234	New York	Slip And Fall
2008	1-0-214	2235583	1571	1/22/2009	Hoosier Park LTD.	128	-	93	221	Indiana	Door Closed ON Pltf Causing HE
2008	1-0-214	5447026	1771	2/22/2009	Yonkers Racing Cor	150	-	54	204	New York	Pltf Alleges HE Sustained AN I
2008	1-0-214	2235608	1388	10/13/2008	Hartman & Tyner,	100	-	93	193	Florida	Pltf Collapsed & Fell Hitting
2008	1-0-214	5447026	718	7/5/2008	Yonkers Racing Cor	-	75	118	193	New York	Pltf Tripped ON Bottom Stair
2008	1-0-214	2235417	2876	2/7/2009	Worldwide Wagering	175	-	15	190	Illinois	Fell ON ICE
2008	1-0-222	2235560	2426	2/2/2008	Jugs Social Club	29	-	114	142	Louisiana	Clmt WAS ON A Float During PAR
2008	1-0-214	2235608	1762	12/1/2008	Hartman & Tyner,	(1)	-	138	137	Michigan	Trip And Fall
2008	1-0-214	5447026	932	8/17/2008	Yonkers Racing Cor	100	-	33	133	New York	Pltf Slipped And Fell In Women
2008	1-0-214	2235608	9594	7/1/2008	Hartman & Tyner,	20	-	111	131	Ohio	Clmt Alleges HE DidnT Know HIS Image
2008	1-0-214	2234097	898	7/26/2008	The Downs AT Albuquerque	69	-	36	105	New Mexico	Stumbled Fell After Getting UP
2009	1-0-214	7711837	2089	10/7/2009	Hartman & Tyner, I	176	-	208	384	Florida	Pltf WAS Thought To Have Redee
2009	1-0-170	5447481	392	6/3/2009	Kroka Expeditions,	299	-	5	304	New Hampshire	Clmt WAS ON The 6FT. Scaffoldi
2009	1-0-170	5447158	3301	6/9/2010	Wwgaf, Inc.	-	150	100	250	Texas	Pltf, HIS Wife, HER Brother& H
2009	1-0-214	5447387	2893	6/23/2010	Sterling Suffolk R	10	-	137	147	Massachusetts	Pltf WAS UP In 40' High Camera
2009	1-0-214	7711837	98	5/25/2009	Hartman & Tyner, I	70	-	64	134	Florida	Pltf Tripped ON MAT And Fell
2009	1-0-214	7712012	193	7/3/2009	P.P.I., Inc.	75	-	51	126	Florida	Pltf Slipped ON WET/Slippery S
2009	1-0-214	5447519	2822	7/29/2009	The Downs AT Albuquerque	35	-	76	111	New Mexico	Pltf Alleges SHE Twisted HER A
2010	1-0-214	7712088	3130	3/31/2011	MTR Gaming, Inc.	900	-	155	1,055	West Virginia	Clmnt Grabbed Door Handle ON I
2010	1-0-170	5447168	2697	6/19/2011	Ocoee Adventure Co	290	-	32	322	Tennessee	Child Fell From Raft & GOT CAU
2010	1-0-170	5447402	2734	9/5/2011	California Alpine	(1)	110	94	203	California	Clmt Alleges SHE WAS Injured D
2010	1-0-214	5447387	3296	8/6/2011	Sterling Suffolk R	(0)	50	84	134	Massachusetts	Slip And Fall
2010	1-0-214	7712012	3794	8/5/2010	P.P.I., Inc.	112	-	-	112	Florida	Clmt Stepped In POT Hole In PA
2011	1-0-170	9769354	3330	2/28/2012	Stone Summit Climb	120	-	123	243	Georgia	Clmt's LEG Went Between Foam B
2011	1-0-214	7712012	2840	6/21/2011	P.P.I., Inc.	-	225	4	229	Florida	Slip And Fall
2011	1-0-170	5447494	2768	9/4/2011	Exit Glacier Guide	149	-	79	228	Alaska	Clmt Fell Outside Of Insdns OFF
2011	1-0-170	7712044	2511	6/8/2011	Arkansas Valley AD	-	50	93	143	Colorado	Clmnt Drowned After HER Raft O
2011	1-0-170	7711974	3621	9/9/2011	New River Adventur	115	-	22	137	West Virginia	Struck By Guide's OAR Across T
2012	1-0-170	5447690	3203	9/27/2012	Hudson River Rafti	750	-	18	768	New York	Clmt Drowned While ON A Small
2012	1-0-204	5447118	3771	10/7/2012	Gara Inc.; Fine SN	-	150	90	240	Hawaii	Injured During Event AT Insure
2012	1-0-170	9768983	3583	10/11/2012	Carabiners Fairfie	-	100	41	141	Connecticut	AS Pltf Climbed, AN Attachment
2012	1-0-214	5447387	3775	11/4/2013	Sterling Suffolk D	-	100	27	127	Massachusetts	Barn Worker WAS Tying HIS Shoe
2013	1-0-170	5447609	3537	5/20/2013	Rolling Thunder RI	1,000	-	10	1,010	Georgia	10 Year OLD Child Died 2 Days
2013	1-0-170	5447633	3692	7/20/2013	Whitewater Challen	645	-	108	753	Pennsylvania	Fell While Climbing In The DAR
2013	1-0-170	5447045	3604	6/16/2013	Acadia Mountain GU	-	200	5	205	Maine	Clmnt And Guide Fell 25 Feet A

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Rate Need Indications

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			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:	98.0%	64.7%	42.3%	-33.1%	0.7%	42.0%	43.7%	-31.1%

Expense Ratio calculated as follows:

Commission:	22.6%
Prem Tax:	2.8%
Other Acquisition Fees:	0.6%
Direct Expense:	2.8%
Indirect Expense:	4.6%
	<u>33.4%</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
- (7) = (6) x [1 + (Trend)]
- (8) = [(7) + (Direct Expense)] / [(2) + (Direct Expense)] - 1



AL

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	4.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	3.5% Trend to PY 2015	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	3.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio
2005	610	-0.3%	0.997	627	8.4%	1.480	12.0%	8.4%	1.411	11.5%	8.4%	1.344	10.9%
2006	511	-3.3%	0.964	543	20.9%	1.423	28.0%	20.9%	1.363	26.8%	20.9%	1.305	25.7%
2007	404	0.0%	0.964	430	2.2%	1.369	2.9%	2.2%	1.317	2.8%	2.2%	1.267	2.7%
2008	445	0.4%	0.968	471	15.5%	1.316	19.3%	15.5%	1.272	18.6%	15.3%	1.230	17.7%
2009	320	-9.0%	0.881	373	358.2%	1.265	389.3%	100.0%	1.229	105.6%	51.3%	1.194	52.6%
2010	329	0.4%	0.884	381	9.1%	1.217	9.6%	8.8%	1.188	9.0%	8.8%	1.159	8.8%
2011	444	-2.7%	0.861	529	16.4%	1.170	16.1%	15.8%	1.148	15.2%	15.1%	1.126	14.3%
2012	463	1.2%	0.871	546	44.9%	1.125	42.9%	41.6%	1.109	39.2%	39.9%	1.093	37.0%
2013	494	11.6%	0.973	521	26.5%	1.082	27.2%	21.0%	1.071	21.4%	17.8%	1.061	17.9%
2014	544	4.7%	1.018	548	36.2%	1.040	37.4%	28.3%	1.035	29.1%	23.9%	1.030	24.4%
2015	719	0.7%	1.025	719	34.8%	1.000	34.8%	26.4%	1.000	26.4%	20.9%	1.000	20.9%
		0.0%	1.025										
				All Yr Wtd:			48.1%			26.4%			20.9%
				Last 7 Wtd:			66.4%			32.7%			24.5%
				Last 5 Wtd:			32.0%			26.4%			22.9%
				Last 3 Wtd:			33.4%			25.8%			21.1%
				Selected Ultimate:			35.0%			26.0%			22.0%
				ILF:			1.00			1.33			1.64
				Policy Limits Ultimate:			35.0%			34.7%			36.0%
				Weight:			7%			47%			47%

\* Averages Include PY 2015

Frequency/Severity Indication:	37.0%
Weighted Average:	35.3%
PY 2015 Selected:	36.0%
Adjustment:	0.0%
PY 2015:	36.0%
ULE:	1.0%
Claims Fees:	5.0%
PY 2015 Ultimate ILAE Ratio:	42.0%

AL

Large Losses - Incurred + LAE > 100k

PY	DSP	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	LAE	ILAE	Acc State	Description
2009	1-0-214	7712092	2076	3/25/2010	MTR Gaming Group,	1,000	-	42	1,042	West Virginia	Clmt WAS HIT By Valet Driver

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:	95.9%	63.5%	56.0%	-11.3%	3.9%	53.9%	53.9%	-14.5%

Expense Ratio calculated as follows:

Commission:	21.7%
Prem Tax:	2.8%
Other Acquisition Fees:	0.6%
Reinsurance:	0.0%
Direct Expense:	2.8%
Indirect Expense:	4.6%
	<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

(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
2005	190	2.9%	1.029	186	63.5%	1.000	65.2%	63.5%	1.000	65.2%	63.5%	1.000	65.2%	63.5%	1.000	65.2%
2006	196	-2.8%	1.000	197	0.5%	1.000	0.5%	0.5%	1.000	0.5%	0.5%	1.000	0.5%	1.000	0.5%	
2007	681	-8.0%	0.920	742	3.5%	1.000	3.2%	3.5%	1.000	3.2%	3.5%	1.000	3.2%	1.000	3.2%	
2008	590	-10.1%	0.827	715	63.9%	1.000	52.7%	63.9%	1.000	52.7%	48.8%	1.000	40.3%	23.4%	1.000	19.3%
2009	348	0.0%	0.827	422	20.4%	1.000	16.8%	20.4%	1.000	16.8%	20.4%	1.000	16.8%	20.4%	1.000	16.8%
2010	348	-2.7%	0.805	434	136.0%	1.000	109.3%	136.0%	1.000	109.3%	97.9%	1.000	78.6%	54.8%	1.000	44.0%
2011	1,217	-0.4%	0.802	1,521	56.4%	1.000	45.2%	56.4%	1.000	45.2%	56.4%	1.000	45.1%	45.1%	1.000	36.1%
2012	3,122	4.2%	0.836	3,744	198.1%	1.000	165.2%	67.2%	1.000	56.1%	41.7%	1.000	34.7%	29.5%	1.000	24.6%
2013	3,485	9.5%	0.915	3,818	19.7%	1.000	17.9%	19.3%	1.000	17.6%	19.1%	1.000	17.4%	16.4%	1.000	14.9%
2014	3,621	5.4%	0.965	3,762	37.6%	1.000	36.1%	34.5%	1.000	33.2%	25.7%	1.000	24.7%	18.8%	1.000	18.1%
2015	4,038	3.9%	1.002	4,038	40.6%	1.000	40.6%	34.7%	1.000	34.7%	27.5%	1.000	27.5%	20.1%	1.000	20.1%
All Yr Wtd:							59.4%			36.7%			28.3%			20.8%
Last 7 Wtd:							62.6%			37.5%			28.8%			21.4%
Last 5 Wtd:							62.5%			36.2%			27.8%			20.9%
Last 3 Wtd:							31.7%			28.6%			23.3%			17.7%
Selected Ultimate:							40.0%			35.0%			27.0%			21.0%
ILF:							1.00			1.16			1.45			1.96
Policy Limits Ultimate:							40.0%			40.6%			39.2%			41.2%
					Weight:		29%			24%			24%			24%

\* Averages include PY 2015

Frequency/Severity Indication:	42.8%
Weighted Average:	40.2%
PY 2015 Selected:	41.0%
Adjustment:	0.0%
PY 2015:	41.0%

All Year Avg Empirical Cat Load:	0.5%
Program Specific AAL Cat Load:	5.6%
Selected Cat Load:	5.6%
Corporate Cat Charge:	0.0%
XOL Loss Cost:	1.4%
Indicated XOL Cost:	0.0%
ULE:	1.0%
Claims Fees:	5.0%

PY 2015 Ultimate ILAE Ratio Including AAL Cat Load and Cost of Reinsurance: 53.9%

Property

Large Losses - Incurred + LAE > 100k

PY	DSP	Cat #	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	LAE	ILAE	Acc State	Description
2008	1-0-85	60 0	5447003	829	9/13/2008	Texas Racquet & SP	322	-	18	340	Texas	Hurricane IKE Damage
2010	1-0-85		5447409	4043	5/1/2011	Newfit, LTD.	-	375	8	383	Texas	Roof Damage DUE To AN Earlier
2011	1-0-230		9769657	2816	10/13/201	43 Racing, LLC	188	-	5	193	Nevada	Insd's Storage Trailer WAS BUR
2011	1-0-230		8313782	3030	4/29/2012	JD Motorsports, IN	136	-	1	137	South Carolina	Race CAR Hauler & Racing Equip
2011	1-0-204		5447602	2779	9/30/2011	Bakersfield Billia	83	16	6	105	California	Break-In Damage To Interior, C
2012	1-0-214	1207	7712663	2999	4/28/2012	Fairmount Park Inc	4,238	512	169	4,919	Illinois	Hail Damage To Bldgs, Roof, SH
2012	1-0-230		8313889	3187	7/29/2012	Edward Joseph Bagg	250	-	12	262	North Carolina	Theft Of Enclosed Trailer With
2012	1-0-214		9769397	3000	5/3/2012	Sports Creek Acqui	130	-	4	135	Michigan	Wind Storm Resulted In Power O
2012	1-0-230		8313840	3769	8/6/2013	Toundas Marketing	128	-	1	129	New Hampshire	Hail Damage To Trailer.
2013	1-0-230		2580155	3897	3/28/2014	Michael Hammi	170	-	3	173	California	Parked Truck/Trailer W/Race CA
2013	1-0-230		2579911	3602	6/13/2013	DON Schumacher Rac	110	-	-	110	Indiana	Collapse Of Several Portable S
2014	1-0-231		8314130	3866	3/24/2014	Team Rahal, Inc.,	458	-	3	461	Kentucky	IV Trailer Rolled, Caught Fire

APD

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:	97.9%	65.9%	66.5%	0.8%	0.7%	66.0%	66.0%	0.1%

Expense Ratio calculated as follows:

Commission:	22.6%
Prem Tax:	2.8%
Other Acquisition Fees:	0.6%
Direct Expense:	2.9%
Indirect Expense:	3.2%
	<u>32.0%</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

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

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



APD

Indexing - PY 2015 Ultimate Loss & LAE Selection

					Policy Limits		
PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP	Ultimate ILAE Ratio	0.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio
2005	52	-0.3%	0.997	54	63.4%	1.000	61.6%
2006	43	-3.3%	0.964	46	50.9%	1.000	47.8%
2007	53	0.0%	0.964	56	53.2%	1.000	50.0%
2008	63	0.4%	0.968	67	25.3%	1.000	23.9%
2009	54	-9.0%	0.881	63	40.4%	1.000	34.7%
2010	59	0.4%	0.884	68	117.3%	1.000	101.2%
2011	62	-2.7%	0.861	74	86.8%	1.000	72.8%
2012	78	1.2%	0.871	92	108.0%	1.000	91.7%
2013	78	11.6%	0.973	83	57.5%	1.000	54.5%
2014	87	4.7%	1.018	87	46.1%	1.000	45.7%
2015	99	0.7%	1.025	99	60.9%	1.000	60.9%
				All Yr Wtd:			60.0%
				Last 7 Wtd:			66.1%
				Last 5 Wtd:			65.2%
				Last 3 Wtd:			54.0%
				Frequency/Severity Indication:			61.8%

\* Averages include PY 2015

PY 2015 Selected:

Adjustment:

PY 2015:

ULE: 1.0%

Claims Fees: 5.0%

PY 2015 Ultimate ILAE Ratio: 66.0%

**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%	65.9%	62.5%	-4.9%	-0.4%	62.7%	65.9%	0.0%

Expense Ratio calculated as follows:

Commission:	22.1%
Prem Tax:	2.8%
Other Acquisition Fees:	0.6%
Direct Expense:	2.9%
Indirect Expense:	4.6%
	<u>32.9%</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

(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
2005	308	0.0%	1.000	307	6.5%	1.629	10.6%	3.2%	1.553	5.1%	3.2%	1.480	4.8%
2006	453	0.0%	1.000	451	8.8%	1.551	13.8%	4.4%	1.486	6.6%	2.2%	1.423	3.2%
2007	692	0.0%	1.000	690	11.6%	1.477	17.1%	5.8%	1.422	8.2%	4.3%	1.369	6.0%
2008	908	0.0%	1.000	904	853.8%	1.407	1206.1%	228.1%	1.361	311.5%	114.6%	1.316	151.4%
2009	726	0.0%	1.000	723	22.0%	1.340	29.7%	9.6%	1.302	12.6%	5.5%	1.265	7.0%
2010	580	0.0%	1.000	578	31.0%	1.276	39.8%	15.5%	1.246	19.4%	8.6%	1.217	10.5%
2011	598	0.0%	1.000	595	41.8%	1.216	51.0%	20.1%	1.193	24.0%	10.0%	1.170	11.8%
2012	689	0.0%	1.000	687	55.1%	1.158	64.1%	26.1%	1.141	29.9%	14.5%	1.125	16.4%
2013	722	0.0%	1.000	719	67.9%	1.103	75.1%	34.6%	1.092	38.0%	20.8%	1.082	22.6%
2014	736	0.0%	1.000	733	74.8%	1.050	78.8%	39.4%	1.045	41.4%	24.5%	1.040	25.5%
2015	816	-0.4%	0.996	816	76.0%	1.000	76.0%	40.5%	1.000	40.5%	25.7%	1.000	25.7%
All Yr Wtd:					195.0%			60.8%			31.8%		
Last 7 Wtd:					60.3%			30.1%			17.6%		
Last 5 Wtd:					69.9%			35.3%			20.9%		
Last 3 Wtd:					76.6%			40.0%			24.7%		
Selected Ultimate:					70.0%			35.0%			21.0%		
ILF:					1.00			1.86			3.01		
Capped @ \$10M Ultimate:					70.0%			65.1%			63.1%		
					Weight: 8%			46%			46%		

\* Averages include PY 2015

Frequency/Severity Indication:	60.0%
Weighted Average:	64.6%
PY 2015 Selected - Capped @ \$10M:	65.0%
Adjustment:	0.0%
PY 2015 - Capped @ \$10M:	65.0%
ILF:	1.000
Catastrophe/Latency Load:	5.0%
ULE:	1.0%
PY 2015 Ultimate ILAE Ratio:	71.0%
Credibility:	7%
Complement of Credibility:	62.1%
Credibility Weighted PY 2015 Ultimate ILAE Ratio:	62.7%

Compliment of Credibility

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



**Excess Liability**

Large Losses - Incurred + LAE

<u>PY</u>	<u>DSP</u>	<u>Policy #</u>	<u>Case #</u>	<u>DOL</u>	<u>Insured</u>	<u>Ind Paid</u>	<u>Ind OS</u>	<u>LAE</u>	<u>ILAE</u>	<u>Acc State</u>	<u>Description</u>
2008	1-0-86	2235952	5433	5/25/2009	Moroso Investment	7,500	0	109	7,609	Florida	Child ON GO-Kart That Overturned And B