

Memorandum

From: Div 66 Actuarial
Michael Tranfaglia
Emily Turek

To: E. Allen, S. Leeret, B. Harris, R. D'Alfonso, J. Parker, A. Yasan, R. Condell

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

Date: 9/12/2014

Re: Division 66 - 2014 SBT Social Services US Profitability Study

I. Executive Summary

A. Introduction -

The SBT Social Services program provides coverage for Non-Profit and For-Profit social service agencies. This includes accounts such as developmentally disabled, mental and behavioral health, adult day care, addiction treatment, and shelters.

Last year's analysis resulted in an overall PY 2014 Ultimate Loss Ratio indication of 55.1% which yielded a RAP neutral rate need of -11.7% based on 2013 RAP values.

The year to date rate change for 2014 is 0.6% for all lines of business.

B. Summary of Results

IL and LAE evaluated as of: 2nd Quarter 2014
Currency Employed: USD

Exhibit 1:

Line of Business	Sub-Segment	Policy Year	2014		Projected		RAP	
			Budgeted GWP (000)	Ultimate IL and LAE Ratio*	Ultimate IL and LAE Ratio*	Combined Ratio*	Target Combined Ratio	RAP Rate Need
GL	N/A	2014	796	58.8%	92.0%	98.0%	-8.8%	32
AL	N/A	2014	817	56.0%	89.2%	97.9%	-12.9%	47
Property	N/A	2014	303	39.0%	72.2%	92.7%	-32.9%	44
APD	N/A	2014	82	76.0%	109.8%	97.1%	18.6%	(7)
Excess Liability	N/A	2014	217	59.9%	93.1%	98.0%	-7.2%	7
TOTAL			2,215	55.8%	89.0%	97.2%	-12.2%	123

* Includes PY 2014 rate change achieved

** Assumes a tax rate of 35%

- I. Discussion of Material Findings- The program experienced significant relative growth in 2014 across all lines, up over \$500K from PY 2013. Prior year loss ratio development remained relatively flat in total for PY's 04-13. For the last five (5) policy years, three (3) had favorable development, leading to a slight reduction in our PY14 selection(s). Lastly, PY13 will show an increase in this analysis by over 5% from our prior evaluation but this due to the Property line which had a large loss and higher than expected frequency for that year. We largely treated it as an anomaly on a go-forward basis.

II. Assumptions/Limitations/Data Quality/Other

- A. Assumptions - For purposes of this analysis, the loss ratio indications are based on a 3.5% trend assumption for GL, 4% for AL, 5% for XS and 0.0% for Property and APD. LDF and ILF selections were supplemented by the Division 66 and combined Social Services factors.
- B. Limitations/Weakness - The projected PY 2014 loss ratio shown in Exhibit 1 of this report assumes that the YTD rate change achieved in 2014 will be consistent throughout the remainder of the year. To the extent that the annual rate change does not equal the YTD rate change, then the results of this report will vary. Besides that, there are no significant limitations/weaknesses with regards to this study outside of standard actuarial caveats that normally apply to projecting future losses. These include, but are not limited to, actual emerged actuarial parameters (LDF's, ILFs, ELR's, trend, etc.) not being in line with selected parameters; miss-coding/inaccurate representation of the data relied upon in this analysis; and future regulatory/judicial changes affecting the frequency/severity of the results.

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

- C. Other - N/A.

III. Methodology

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

Several methodologies have been used to project loss & legal expenses to ultimate. This includes the following: paid and incurred loss development and Bornhuetter-Ferguson methods (on a paid and incurred basis) all for losses uncapped and at varying capped levels. Frequency and severity is employed along with ultimate ILAE ratio selections to select a final PY 2014 ultimate loss ratio. The selected frequency and severities are somewhat consistent in comparison to the prior profit study.

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

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

V. Underwriting Action Plans -N/A.

Appendix - Methodology:

Please note that the analysis has seven sections:

- Section I - General Liability
- Section II - Auto Liability
- Section III - Property
- Section IV - Auto Physical Damage
- Section V - Excess

Exhibit 1 - Summarizes PY 2014 ultimate ILAE ratios and PY 2014 rate need.

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

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

Exhibit 4 - Frequency/Severity method used to calculate an indicated PY 2014 ultimate ILAE ratio

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

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

Exhibit 6 - Bornhuetter-Ferguson methods

- a) Methodology
- b) A Priori Loss Ratios

Exhibit 7 - ILF selections

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

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

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

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

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

Exhibits 12 - Key diagnostic triangles.

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

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

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

Program Summary by LOB - PY 2014

LOB	PY 2014 GWP	Direct	Before 2014	RAP Neutral		After 2014
			Rate Change PY 2014 Ultimate ILAE Ratio	Target Ratio	Before 2014 Rate Change PY 2014 Rate Need	PY 2014 Rate Achieved
GL	796	2.9%	60.0%	64.8%	-7.0%	58.8%
AL	817	2.9%	55.8%	64.7%	-13.2%	56.0%
Property	303	2.9%	38.6%	59.5%	-33.5%	39.0%
APD	82	4.8%	76.0%	63.3%	18.7%	76.0%
Excess Liability	217	3.0%	60.8%	64.7%	-5.8%	59.9%
Total Casualty	1,830	2.9%	58.2%	64.7%	-9.6%	57.7%
Total Property	385	3.3%	46.5%	60.3%	-21.6%	46.9%
All Lines Combined	2,215	3.0%	56.2%	64.0%	-11.6%	55.8%

Program Summary by LOB - PY 2015

LOB	PY 2014 GWP	Direct	After 2014 Rate Change PY 2015 Ultimate ILAE Ratio
GL	796	2.9%	60.9%
AL	817	2.9%	58.2%
Property	303	2.9%	39.0%
APD	82	4.8%	76.0%
Excess Liability	217	3.0%	62.9%
Total Casualty	1,830	2.9%	59.9%
Total Property	385	3.3%	46.9%
All Lines Combined	2,215	3.0%	57.7%

RAP Neutral	
Target Ratio	After 2014 Rate Change PY 2015 Rate Need
64.8%	-5.8%
64.7%	-9.6%
59.5%	-32.9%
63.3%	18.6%
64.7%	-2.8%
64.7%	-7.1%
60.3%	-21.2%
64.0%	-9.4%

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
2004	4,403	998	22.7%	1,019	23.1%	1,085	1,361	125.3%	1,364	125.7%	974	143	14.7%	143	14.7%	197	99	50.4%	99	50.4%
2005	3,586	1,314	36.6%	1,350	37.6%	947	299	31.5%	301	31.8%	810	142	17.5%	142	17.5%	118	135	114.3%	135	114.7%
2006	3,130	420	13.4%	440	14.1%	529	223	42.3%	225	42.6%	658	76	11.6%	76	11.5%	88	28	31.9%	28	32.1%
2007	2,952	1,966	66.6%	2,110	71.5%	768	215	28.0%	221	28.8%	715	328	45.8%	328	45.9%	113	70	62.1%	70	61.7%
2008	2,017	551	27.3%	630	31.2%	517	147	28.4%	151	29.3%	590	208	35.3%	208	35.3%	85	27	31.7%	27	31.3%
2009	1,475	563	38.2%	690	46.8%	352	177	50.3%	194	55.2%	394	162	41.1%	162	41.1%	62	28	44.5%	28	45.3%
2010	1,403	688	49.0%	920	65.6%	354	171	48.3%	203	57.3%	379	149	39.3%	149	39.3%	53	43	80.6%	43	81.0%
2011	987	177	18.0%	420	42.5%	213	174	81.7%	194	91.3%	291	15	5.1%	15	5.1%	32	58	182.4%	58	183.4%
2012	809	22	2.8%	340	42.0%	139	16	11.4%	53	37.9%	249	23	9.3%	23	9.2%	24	8	31.2%	8	31.2%
2013	758	8	1.1%	400	52.8%	243	2	0.7%	102	41.9%	287	242	84.5%	260	90.7%	28	8	27.6%	10	35.2%
2014	796	0	0.0%	446	56.0%	817	0	0.0%	449	55.0%	303	0	0.0%	112	37.0%	82	6	7.3%	61	75.0%

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
2004	1,042	2	0.2%	10	1.0%	6,531	2,360	36.1%	2,393	36.6%	1,170	242	20.7%	242	20.7%	7,701	2,602	33.8%	2,635	34.2%
2005	888	0	0.0%	0	0.0%	5,421	1,612	29.7%	1,651	30.5%	927	277	29.8%	277	29.9%	6,348	1,889	29.8%	1,928	30.4%
2006	760	0	0.0%	10	1.3%	4,418	643	14.6%	675	15.3%	746	104	14.0%	104	14.0%	5,164	747	14.5%	780	15.1%
2007	690	0	0.0%	10	1.4%	4,410	2,182	49.5%	2,341	53.1%	828	398	48.0%	398	48.0%	5,238	2,580	49.3%	2,739	52.3%
2008	431	0	0.0%	0	0.0%	2,964	698	23.5%	781	26.4%	675	235	34.9%	235	34.8%	3,639	933	25.6%	1,016	27.9%
2009	287	0	0.0%	60	20.9%	2,113	740	35.0%	944	44.7%	456	189	41.5%	190	41.7%	2,569	929	36.2%	1,134	44.2%
2010	292	0	0.0%	90	30.8%	2,048	859	41.9%	1,213	59.2%	432	192	44.4%	192	44.5%	2,481	1,051	42.4%	1,405	56.6%
2011	184	0	0.0%	70	38.0%	1,384	351	25.4%	684	49.4%	323	73	22.5%	73	22.6%	1,708	424	24.8%	757	44.4%
2012	143	2	1.6%	70	49.0%	1,091	40	3.7%	463	42.4%	273	31	11.3%	31	11.2%	1,364	71	5.2%	493	36.2%
2013	141	0	0.0%	80	56.7%	1,142	10	0.9%	582	51.0%	314	250	79.5%	270	85.8%	1,457	260	17.8%	852	58.5%
2014	217	0	0.0%	87	40.0%	1,830	0	0.0%	982	53.7%	385	6	1.6%	174	45.1%	2,215	6	0.3%	1,155	52.2%

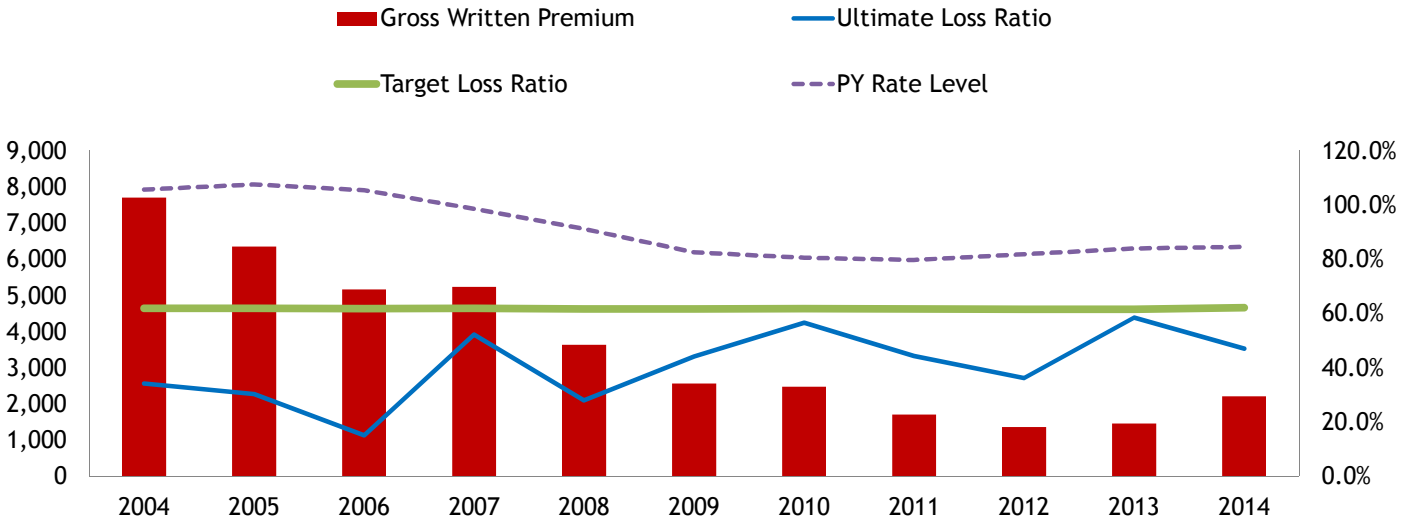
Program Summary by LOB - Prior Profitability Study Indications

PY	GL			AL			Property - ex Cat Load & Reinsurance Charges			APD		
	GWP	2013	2014	GWP	2013	2014	GWP	2013	2014	GWP	2013	2014
		Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio
2004	4,403	23.4%	23.1%	1,085	126.0%	125.7%	974	14.7%	14.7%	197	50.4%	50.4%
2005	3,586	37.4%	37.6%	947	31.9%	31.8%	810	17.5%	17.5%	118	114.7%	114.7%
2006	3,130	14.4%	14.1%	529	43.0%	42.6%	658	11.5%	11.5%	88	32.1%	32.1%
2007	2,952	68.8%	71.5%	768	28.9%	28.8%	715	70.9%	45.9%	113	61.7%	61.7%
2008	2,017	32.3%	31.2%	517	28.7%	29.3%	590	35.3%	35.3%	85	31.3%	31.3%
2009	1,475	51.1%	46.8%	352	58.3%	55.2%	394	41.1%	41.1%	62	45.3%	45.3%
2010	1,403	38.5%	65.6%	354	64.1%	57.3%	379	39.3%	39.3%	53	81.0%	81.0%
2011	987	39.5%	42.5%	213	109.2%	91.3%	291	5.1%	5.1%	32	183.4%	183.4%
2012	809	43.0%	42.0%	139	43.9%	37.9%	249	11.9%	9.2%	24	34.1%	31.2%
2013	758	57.0%	52.8%	243	51.0%	41.9%	287	36.0%	90.7%	28	77.5%	35.2%
2014	796		56.0%	817		55.0%	303		37.0%	82		75.0%

PY	Excess Liability			Total Casualty			Total Property - ex Cat Load & Reinsurance			All Lines Combined		
	GWP	2013	2014	GWP	2013	2014	GWP	2013	2014	GWP	2013	2014
		Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio
2004	1,042	1.0%	1.0%	6,531	36.9%	36.6%	1,170	20.7%	20.7%	7,701	34.4%	34.2%
2005	888	0.0%	0.0%	5,421	30.3%	30.5%	927	29.9%	29.9%	6,348	30.3%	30.4%
2006	760	1.3%	1.3%	4,418	15.6%	15.3%	746	14.0%	14.0%	5,164	15.4%	15.1%
2007	690	1.4%	1.4%	4,410	51.3%	53.1%	828	69.6%	48.0%	5,238	54.2%	52.3%
2008	431	18.6%	0.0%	2,964	29.7%	26.4%	675	34.8%	34.8%	3,639	30.6%	27.9%
2009	287	24.4%	20.9%	2,113	48.7%	44.7%	456	41.7%	41.7%	2,569	47.4%	44.2%
2010	292	34.2%	30.8%	2,048	42.3%	59.2%	432	44.5%	44.5%	2,481	42.7%	56.6%
2011	184	48.8%	38.0%	1,384	51.5%	49.4%	323	22.6%	22.6%	1,708	46.0%	44.4%
2012	143	55.5%	49.0%	1,091	44.8%	42.4%	273	13.8%	11.2%	1,364	38.6%	36.2%
2013	141	60.0%	56.7%	1,142	56.1%	51.0%	314	39.7%	85.8%	1,457	52.5%	58.5%
2014	217		40.0%	1,830		53.7%	385		45.1%	2,215		52.2%

Total Program Summary

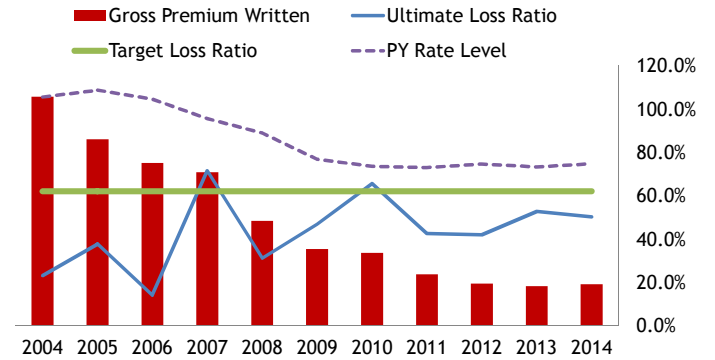
PY	GWP	-----Loss Ratio-----			-----Combined Ratio-----		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2004	7,701	33.8%	34.2%	61.9%	69.6%	97.3%	1,425	5.6%	1.06	0.22
2005	6,348	29.8%	30.4%	61.9%	65.7%	97.3%	1,338	1.8%	1.07	0.22
2006	5,164	14.5%	15.1%	61.9%	50.6%	97.3%	1,613	-2.0%	1.05	0.22
2007	5,238	49.3%	52.3%	61.9%	87.7%	97.3%	335	-6.5%	0.99	0.22
2008	3,639	25.6%	27.9%	61.7%	63.3%	97.1%	823	-7.5%	0.91	0.22
2009	2,569	36.2%	44.2%	61.7%	79.6%	97.2%	302	-9.4%	0.83	0.22
2010	2,481	42.4%	56.6%	61.8%	92.0%	97.2%	85	-2.5%	0.81	0.22
2011	1,708	24.8%	44.4%	61.6%	79.8%	97.1%	198	-1.0%	0.80	0.22
2012	1,364	5.2%	36.2%	61.5%	71.6%	97.0%	232	2.7%	0.82	0.22
2013	1,457	17.8%	58.5%	61.6%	93.8%	96.9%	30	2.6%	0.84	0.22
2014	2,215	0.3%	47.1%	62.2%	82.1%	97.2%	224	0.6%	0.85	0.22
Total	39,882	28.8%	37.1%				6,605			



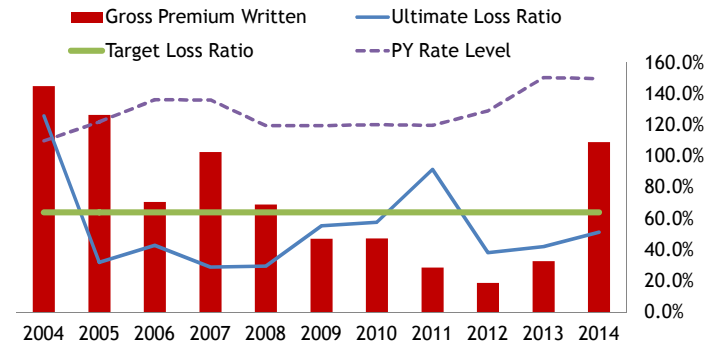
* Target Ratio = 1 - (Expense Ratio) - (AAL) - (XOL) - (Corporate Cat Reinsurance) - (ULE) - (Claim Fees) - (Risk Load)
 * Ultimate Loss Ratios exclude modeled cats, ULE, non-machine claims fees and the impact of XOL/corporate cat reinsurance

Program Summary by LOB - Casualty Lines

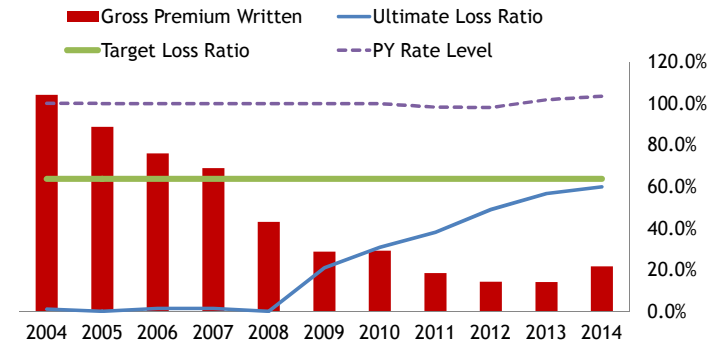
PY	GWP	Loss Ratio			Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2004	4,403	22.7%	23.1%	62.0%	59.2%	98.0%	1,134	5.5%	1.06	22.0%
2005	3,586	36.6%	37.6%	62.0%	73.7%	98.0%	579	3.0%	1.09	22.0%
2006	3,130	13.4%	14.1%	62.0%	50.1%	98.0%	995	-3.7%	1.05	22.0%
2007	2,952	66.6%	71.5%	62.0%	107.5%	98.0%	-186	-8.6%	0.96	22.0%
2008	2,017	27.3%	31.2%	62.0%	67.3%	98.0%	411	-7.0%	0.89	22.0%
2009	1,475	38.2%	46.8%	62.0%	82.8%	98.0%	149	-13.6%	0.77	22.0%
2010	1,403	49.0%	65.6%	62.0%	101.6%	98.0%	-33	-4.3%	0.74	22.0%
2011	987	18.0%	42.5%	62.0%	78.6%	98.0%	127	-0.8%	0.73	22.0%
2012	809	2.8%	42.0%	62.0%	78.1%	98.0%	107	2.2%	0.75	22.0%
2013	758	1.1%	52.8%	62.0%	88.8%	98.0%	46	-1.8%	0.73	22.0%
2014	796	0.0%	50.2%	62.0%	86.3%	98.0%	62	2.1%	0.75	22.0%
Total	22,315	30.1%	39.1%				3,391			



PY	GWP	Loss Ratio			Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2004	1,085	125.3%	125.7%	63.7%	159.8%	97.9%	-447	9.7%	1.10	22.0%
2005	947	31.5%	31.8%	63.7%	65.9%	97.9%	201	11.0%	1.22	22.0%
2006	529	42.3%	42.6%	63.7%	76.8%	97.9%	74	11.7%	1.36	22.0%
2007	768	28.0%	28.8%	63.7%	63.0%	97.9%	178	-0.2%	1.36	22.0%
2008	517	28.4%	29.3%	63.7%	63.4%	97.9%	118	-12.1%	1.19	22.0%
2009	352	50.3%	55.2%	63.7%	89.3%	97.9%	20	0.0%	1.19	22.0%
2010	354	48.3%	57.3%	63.7%	91.5%	97.9%	15	0.5%	1.20	22.0%
2011	213	81.7%	91.3%	63.7%	125.5%	97.9%	-39	-0.3%	1.20	22.0%
2012	139	11.4%	37.9%	63.7%	72.1%	97.9%	24	7.7%	1.29	22.0%
2013	243	0.7%	41.9%	63.7%	76.1%	97.9%	35	16.6%	1.50	22.0%
2014	817	0.0%	51.0%	63.7%	85.2%	97.9%	69	-0.4%	1.49	22.0%
Total	5,963	46.7%	57.4%				248			



PY	GWP	Loss Ratio			Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2004	1,042	0.2%	1.0%	63.7%	35.2%	98.0%	434	0.0%	1.00	22.0%
2005	888	0.0%	0.0%	63.7%	34.3%	98.0%	375	0.0%	1.00	22.0%
2006	760	0.0%	1.3%	63.7%	35.6%	98.0%	314	0.0%	1.00	22.0%
2007	690	0.0%	1.4%	63.7%	35.7%	98.0%	285	0.0%	1.00	22.0%
2008	431	0.0%	0.0%	63.7%	34.3%	98.0%	182	0.0%	1.00	22.0%
2009	287	0.0%	20.9%	63.7%	55.2%	98.0%	81	0.0%	1.00	22.0%
2010	292	0.0%	30.8%	63.7%	65.1%	98.0%	64	0.0%	1.00	22.0%
2011	184	0.0%	38.0%	63.7%	72.2%	98.0%	32	-1.7%	0.98	22.0%
2012	143	1.6%	49.0%	63.7%	83.3%	98.0%	14	-0.3%	0.98	22.0%
2013	141	0.0%	56.7%	63.7%	91.0%	98.0%	7	3.9%	1.02	22.0%
2014	217	0.0%	59.9%	63.7%	94.2%	98.0%	5	1.6%	1.03	22.0%
Total	5,074	0.1%	10.4%				1,793			

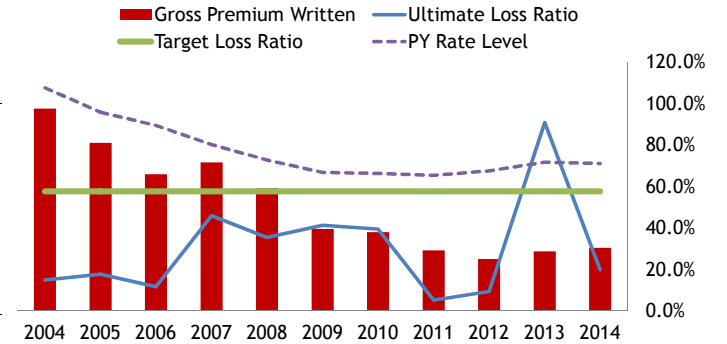


* Target Ratio = 1 - (Expense Ratio) - (AAL) - (XOL) - (Corporate Cat Reinsurance) - (ULE) - (Claim Fees) - (Risk Load)

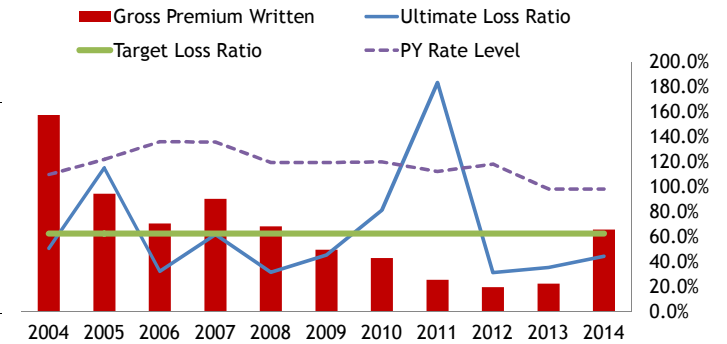
* Ultimate Loss Ratios exclude modeled cats, ULE, non-machine claims fees and the impact of XOL/corporate cat reinsurance

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				
2004	974	14.7%	14.7%	57.5%	49.9%	92.7%	292	7.5%	1.08	22.0%
2005	810	17.5%	17.5%	57.5%	52.7%	92.7%	227	-11.0%	0.96	22.0%
2006	658	11.6%	11.5%	57.5%	46.8%	92.7%	212	-6.7%	0.89	22.0%
2007	715	45.8%	45.9%	57.5%	81.1%	92.7%	58	-10.3%	0.80	22.0%
2008	590	35.3%	35.3%	57.5%	70.5%	92.7%	92	-9.3%	0.73	22.0%
2009	394	41.1%	41.1%	57.5%	76.3%	92.7%	45	-8.2%	0.67	22.0%
2010	379	39.3%	39.3%	57.5%	74.5%	92.7%	48	-0.7%	0.66	22.0%
2011	291	5.1%	5.1%	57.5%	40.4%	92.7%	107	-1.4%	0.65	22.0%
2012	249	9.3%	9.2%	57.5%	44.4%	92.7%	84	3.3%	0.67	22.0%
2013	287	84.5%	90.7%	57.5%	125.9%	92.7%	-67	6.2%	0.72	22.0%
2014	303	0.0%	19.8%	57.5%	55.0%	92.7%	80	-1.0%	0.71	22.0%
Total	5,649	26.3%	27.7%				1,180			



PY	GWP	Loss Ratio			Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2004	197	50.4%	50.4%	62.3%	85.2%	97.1%	16	9.7%	1.10	22.0%
2005	118	114.3%	114.7%	62.3%	149.5%	97.1%	-41	11.0%	1.22	22.0%
2006	88	31.9%	32.1%	62.3%	66.8%	97.1%	18	11.7%	1.36	22.0%
2007	113	62.1%	61.7%	62.3%	96.5%	97.1%	0	-0.2%	1.36	22.0%
2008	85	31.7%	31.3%	62.3%	66.0%	97.1%	18	-12.1%	1.19	22.0%
2009	62	44.5%	45.3%	62.3%	80.1%	97.1%	7	0.0%	1.19	22.0%
2010	53	80.6%	81.0%	62.3%	115.8%	97.1%	-7	0.5%	1.20	22.0%
2011	32	182.4%	183.4%	62.3%	218.1%	97.1%	-26	-6.5%	1.12	22.0%
2012	24	31.2%	31.2%	62.3%	66.0%	97.1%	5	5.4%	1.18	22.0%
2013	28	27.6%	35.2%	62.3%	70.0%	97.1%	5	-17.0%	0.98	22.0%
2014	82	7.3%	44.1%	62.3%	78.8%	97.1%	10	0.0%	0.98	22.0%
Total	881	57.7%	61.4%				5			



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

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

GL

Rate Need Indications

	Target Combined Ratio	Target ILAE Ratio	Before 2014 Rate Change PY 2014 Ultimate ILAE Ratio	Before 2014 Rate Change PY 2014 Rate Need	PY 2014 Rate Achieved	After 2014 Rate Change PY 2014 Ultimate ILAE Ratio	PY 2015 Ultimate ILAE Ratio	PY 2015 Rate Need
RAP Neutral:	98.0%	64.8%	60.0%	-7.0%	2.1%	58.8%	60.9%	-5.8%

Expense Ratio calculated as follows:

Commission:	22.0%
Prem Tax:	3.4%
Other Acquisition Fees:	0.3%
Direct Expense:	2.9%
Indirect Expense:	4.7%
	<u>33.2%</u>

GL

Indexing - PY 2014 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 2014	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	3.3% Trend to PY 2014	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	3.0% Trend to PY 2014	On-Level Ultimate ILAE Ratio
2004	4,403	5.5%	1.055	3,122	23.1%	1.411	46.0%	23.0%	1.377	44.7%	18.6%	1.344	35.3%
2005	3,586	3.0%	1.087	2,468	37.6%	1.363	74.5%	33.7%	1.334	65.4%	21.8%	1.305	41.2%
2006	3,130	-3.7%	1.046	2,237	14.1%	1.317	25.9%	14.1%	1.292	25.4%	9.9%	1.267	17.6%
2007	2,952	-8.6%	0.956	2,309	71.5%	1.272	116.3%	63.3%	1.251	101.3%	39.0%	1.230	61.3%
2008	2,017	-7.0%	0.889	1,696	31.2%	1.229	45.7%	30.2%	1.212	43.6%	28.3%	1.194	40.1%
2009	1,475	-13.6%	0.769	1,435	46.8%	1.188	57.1%	43.4%	1.173	52.3%	33.9%	1.159	40.4%
2010	1,403	-4.3%	0.735	1,427	65.6%	1.148	74.0%	42.8%	1.136	47.8%	25.7%	1.126	28.4%
2011	987	-0.8%	0.730	1,012	42.5%	1.109	46.0%	34.4%	1.101	37.0%	26.3%	1.093	28.1%
2012	809	2.2%	0.746	812	42.0%	1.071	44.9%	30.9%	1.066	32.8%	22.2%	1.061	23.5%
2013	758	-1.8%	0.732	774	52.8%	1.035	53.5%	39.6%	1.033	40.0%	26.4%	1.030	26.6%
2014	796	2.1%	0.748	796	50.2%	1.000	50.2%	37.7%	1.000	37.7%	25.1%	1.000	25.1%
All Yr Wtd ex 2014:							60.3%			52.3%			36.3%
Last 7 Wtd ex 2014:							69.5%			57.7%			39.7%
Last 5 Wtd ex 2014:							57.1%			43.7%			30.5%
Last 3 Wtd ex 2014:							47.9%			36.6%			26.2%
Selected Ultimate:							55.0%			42.0%			30.0%
ILF:							1.00			1.41			1.98
Policy Limits Ultimate:							55.0%			59.1%			59.3%
Weight:							7%			46%			46%
											Frequency/Severity Indication:		53.0%
											Weighted Average:		58.9%
											PY 2014 Selected:		56.0%
											Adjustment:		0.0%
											PY 2014:		56.0%
											ULE:		2.8%
											Claims Fees:		0.0%
											PY 2014 Ultimate ILAE Ratio:		58.8%

GL

Large Losses - Incurred + LAE > 100k

PY	DSP	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	LAE	ILAE	Acc State	Description
2004	2-6-210	7508791	7578	1/10/2005	Bert Nash Communit	70	-	183	253	Kansas	Clmt Committed Suicide
2004	2-6-210	6344592	3642	5/11/2005	Park County Mental	25	-	109	134	Wyoming	Violation Of Constitutional Rights F
2004	2-6-210	3296109	3865	3/8/2005	Family Connections	105	-	-	105	New Jersey	Claimant Fell ON ICE/Snow In Parki
2005	2-6-210	902935	6520	5/30/2006	Glenwood, Inc.	240	-	140	380	Alabama	Resident W/Respiratory Problems I
2005	2-6-210	4258161	3185	2/16/2006	Youth & Family Alt	-	100	137	237	Florida	Adoptive Parents Were Allegedly N
2005	2-6-210	7509335	4880	2/1/2006	Psch, Inc.	190	-	23	213	New York	Alleged Serious And Permanent Inju
2005	2-6-210	902945	6145	4/5/2006	Hillcrest Family S	43	-	96	139	Iowa	Suicide. D/L 4/1/04.
2006	2-6-210	9272900	2441	12/19/2006	Youth & Family Alt	95	-	87	182	Florida	Request For Defense & Indemnifica
2006	2-6-210	9270997	1497	3/11/2007	Clover House, Inc.	135	-	5	140	Texas	A Client Slipped And Fell To The Gr
2007	2-6-210	9272900	1276	12/20/2008	Youth & Family Alt	(0)	250	173	423	Florida	Alleged Abuse
2007	2-6-210	9272900	6242	12/16/2008	Youth & Family Alt	-	150	121	271	Florida	Alleged Wrongful Death
2007	2-6-210	6343210	5337	10/31/2007	Rehabilitation Ent	240	-	21	261	Wyoming	Insured Allegedly Administered Incr
2007	2-6-210	7508900	8800	7/1/2007	Gandara Mental Hea	-	25	179	204	Massachusetts	Alleged Sexual Assault
2007	2-6-210	4069358	5492	3/9/2008	AmericanWork, Inc.	175	-	13	188	Georgia	Alleged Sexual Assault Of Resident
2007	2-6-210	3294892	2917	2/13/2008	Valeo Behavioral H	125	-	16	141	Kansas	Claimant WAS Struck By A Truck
2008	2-6-210	9273082	3540	9/10/2008	Mary Lind Recovery	65	-	56	121	California	Alleged Breach Of Contract Implied
2009	2-6-210	7308378	2913	8/10/2009	Puerto Rican Actio	200	-	5	205	New Jersey	Clmt Fell ON Front Steps Of Insurec
2010	2-6-210	2850851	9916	12/2/2010	First House, LLC	380	0	34	414	California	Clmt WAS Bitten By PIT Bull DOG A
2010	2-6-210	3321302	7322	4/1/2010	Renaissance Behavi	-	75	45	120	Florida	Alleged Foster Home Abuse
2011	2-6-210	2850851	733	4/21/2011	First House, LLC;	-	30	85	115	California	Consumer Died Of A Heart Attack A

AL

Rate Need Indications

	Target Combined Ratio	Target ILAE Ratio	Before 2014 Rate Change PY 2014 Ultimate ILAE Ratio	Before 2014 Rate Change PY 2014 Rate Need	PY 2014 Rate Achieved	After 2014 Rate Change PY 2014 Ultimate ILAE Ratio	PY 2015 Ultimate ILAE Ratio	PY 2015 Rate Need
RAP Neutral:	97.9%	64.7%	55.8%	-13.2%	-0.4%	56.0%	58.2%	-9.6%

Expense Ratio calculated as follows:

Commission:	22.0%
Prem Tax:	3.4%
Other Acquisition Fees:	0.3%
Direct Expense:	2.9%
Indirect Expense:	4.7%
	<u>33.2%</u>

AL

Indexing - PY 2014 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 2014	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	3.5% Trend to PY 2014	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	3.0% Trend to PY 2014	On-Level Ultimate ILAE Ratio
2004	1,085	9.7%	1.097	1,479	125.7%	1.480	136.5%	56.4%	1.411	58.4%	38.9%	1.344	38.3%
2005	947	11.0%	1.218	1,163	31.8%	1.423	36.8%	31.6%	1.363	35.1%	27.6%	1.305	29.4%
2006	529	11.7%	1.360	581	42.6%	1.369	53.1%	42.6%	1.317	51.1%	40.7%	1.267	47.0%
2007	768	-0.2%	1.357	845	28.8%	1.316	34.4%	28.8%	1.272	33.3%	28.8%	1.230	32.2%
2008	517	-12.1%	1.193	647	29.3%	1.265	29.6%	29.3%	1.229	28.7%	29.3%	1.194	27.9%
2009	352	0.0%	1.193	441	55.2%	1.217	53.6%	52.3%	1.188	49.6%	38.1%	1.159	35.3%
2010	354	0.5%	1.199	441	57.3%	1.170	53.8%	54.5%	1.148	50.2%	51.7%	1.126	46.7%
2011	213	-0.3%	1.195	266	91.3%	1.125	82.2%	81.9%	1.109	72.7%	72.5%	1.093	63.4%
2012	139	7.7%	1.287	161	37.9%	1.082	35.3%	30.7%	1.071	28.3%	23.5%	1.061	21.5%
2013	243	16.6%	1.501	242	41.9%	1.040	43.8%	41.9%	1.035	43.6%	41.9%	1.030	43.4%
2014	817	-0.4%	1.495	817	51.0%	1.000	51.0%	38.2%	1.000	38.2%	38.2%	1.000	38.2%
All Yr Wtd ex 2014:							65.3%			45.0%			36.8%
Last 7 Wtd ex 2014:							44.0%			41.1%			36.9%
Last 5 Wtd ex 2014:							55.1%			50.6%			43.2%
Last 3 Wtd ex 2014:							57.0%			51.5%			46.1%
Selected Ultimate:							52.0%			44.0%			38.0%
ILF:							1.00			1.29			1.57
Policy Limits Ultimate:							52.0%			56.8%			59.8%
Weight:							8%			46%			46%
									Frequency/Severity Indication:			52.5%	
									Weighted Average:			57.8%	
									PY 2014 Selected:			55.0%	
									Adjustment:			0.0%	
									PY 2014:			55.0%	
									ULE:			1.0%	
									Claims Fees:			0.0%	
									PY 2014 Ultimate ILAE Ratio:			56.0%	

AL

Large Losses - Incurred + Legal > 100k

PY	DSP	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	Legal	I+Legal	Acc State	Description
2004	2-6-210	9382388	3805	2/22/2005	Broward House, Inc	1,000	-	14	1,014	Florida	IV HIT Claimant WHO WAS Riding A
2004	2-6-210	6267592	2842	6/13/2004	Circle Of Friends	120	-	9	129	California	Insured And OV Collided
2005	2-6-210	6268697	4405	11/11/2005	East Central Menta	133	-	1	134	Alabama	Insured HIT Clmt Vcehicle In The R
2006	2-6-210	4078293	3339	5/9/2006	Alternative Care,	93	-	16	109	New Jersey	Insured Stopped AT Stop Sign And S
2009	2-6-210	9655490	9176	6/16/2009	Community Aging &	135	-	16	151	Florida	Insd Employee Driving HER Persona
2011	2-6-207	6143527	5964	3/7/2012	Land Manor, Inc.	71	40	6	117	Texas	Insured Driver RAN Stop Sign And W

Property

Rate Need Indications

	Target Combined Ratio	Target ILAE Ratio	Before 2014 Rate Change PY 2014 Ultimate ILAE Ratio	Before 2014 Rate Change PY 2014 Rate Need	PY 2014 Rate Achieved	After 2014 Rate Change PY 2014 Ultimate ILAE Ratio	PY 2015 Ultimate ILAE Ratio	PY 2015 Rate Need
RAP Neutral:	92.7%	59.5%	38.6%	-33.5%	-1.0%	39.0%	39.0%	-32.9%

Expense Ratio calculated as follows:

Commission:	22.0%
Prem Tax:	3.4%
Other Acquisition Fees:	0.3%
Reinsurance:	0.0%
Direct Expense:	2.9%
Indirect Expense:	4.7%
	<u>33.2%</u>

Property

Indexing - PY 2014 Ultimate Loss & LAE Selection

PY	Annual PY GWP	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 2014	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 2014	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	0.0% Trend to PY 2014	On-Level Ultimate ILAE Ratio		
2004	974	7.5%	1.075	642	14.7%	1.000	22.3%	14.7%	1.000	22.3%	14.7%	1.000	22.3%	14.7%	1.000	22.3%		
2005	810	-11.0%	0.957	600	17.5%	1.000	23.7%	17.5%	1.000	23.7%	17.5%	1.000	23.7%	17.5%	1.000	23.7%		
2006	658	-6.7%	0.893	523	11.5%	1.000	14.5%	11.5%	1.000	14.5%	11.5%	1.000	14.5%	11.5%	1.000	14.5%		
2007	715	-10.3%	0.801	633	45.9%	1.000	51.8%	45.9%	1.000	51.8%	45.9%	1.000	51.8%	27.4%	1.000	31.0%		
2008	590	-9.3%	0.726	576	35.3%	1.000	36.1%	35.3%	1.000	36.1%	35.3%	1.000	36.1%	33.9%	1.000	34.7%		
2009	394	-8.2%	0.667	419	41.1%	1.000	38.7%	41.1%	1.000	38.7%	41.1%	1.000	38.7%	41.1%	1.000	38.7%		
2010	379	-0.7%	0.662	406	39.3%	1.000	36.7%	39.3%	1.000	36.7%	39.3%	1.000	36.7%	39.6%	1.000	37.0%		
2011	291	-1.4%	0.653	316	5.1%	1.000	4.7%	5.1%	1.000	4.7%	5.1%	1.000	4.7%	3.4%	1.000	3.2%		
2012	249	3.3%	0.675	262	9.2%	1.000	8.8%	9.2%	1.000	8.8%	9.2%	1.000	8.8%	8.0%	1.000	7.6%		
2013	287	6.2%	0.716	284	90.7%	1.000	91.6%	87.2%	1.000	88.1%	87.2%	1.000	88.1%	80.2%	1.000	81.1%		
2014	303	-1.0%	0.709	303	19.8%	1.000	19.8%	19.8%	1.000	19.8%	19.8%	1.000	19.8%	16.5%	1.000	16.5%		
All Yr Wtd ex 2014:							32.3%								32.1%	28.5%		
Last 7 Wtd ex 2014:							39.5%								39.2%	33.4%		
Last 5 Wtd ex 2014:							36.1%								35.5%	33.9%		
Last 3 Wtd ex 2014:							34.6%								33.4%	30.2%		
Selected Ultimate:							36.0%								32.0%	28.0%		
ILF:							1.00								1.10	1.20		
Policy Limits Ultimate:							36.0%								35.2%	33.6%		
Weight:					3%	Weight:					32%	Weight:					32%	

Frequency/Severity Indication:	38.0%
Weighted Average:	35.2%
PY 2014 Selected:	37.0%
Adjustment:	0.0%
PY 2014:	37.0%
All Year Avg Empirical Cat Load:	3.8%
Program Specific AAL Cat Load:	0.1%
Selected Cat Load:	0.1%
Corporate Cat Charge:	0.0%
XOL Loss Cost:	0.0%
Indicated XOL Cost:	0.0%
ULE:	1.9%
Claims Fees:	0.0%
PY 2014 Ultimate ILAE Ratio Including AAL Cat Load and Cost of Reinsurance:	39.0%

Property

Large Losses - Incurred + LAE > 100k

PY	DSP	Cat #	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	LAE	ILAE	Acc State	Description
2007	2-6-210		2826426	8629	1/2/2008	Lifeline Youth and	171	-	63	234	Indiana	Fire In The Attic Caused Damage To
2008	2-6-210		3296066	5412	5/3/2009	Alabama Sheriff's	109	-	-	109	Alabama	Heavy Storm Came Through The Arc
2012	2-6-207	9012	6478522	9115	10/29/2012	Lorain County Alco	165	-	3	167	Ohio	Heavy Winds Blew Roof OFF Of Buil
2013	2-6-207	1513	2850982	1575	5/28/2013	Alcoholic Recovery	127	-	5	132	Texas	Extensive Hail And Wind Damage To

APD

Rate Need Indications

	Target Combined Ratio	Target ILAE Ratio	Before 2014 Rate Change PY 2014 Ultimate ILAE Ratio	Before 2014 Rate Change PY 2014 Rate Need	PY 2014 Rate Achieved	After 2014 Rate Change PY 2014 Ultimate ILAE Ratio	PY 2015 Ultimate ILAE Ratio	PY 2015 Rate Need
RAP Neutral:	97.1%	63.3%	76.0%	18.7%	0.0%	76.0%	76.0%	18.6%

Expense Ratio calculated as follows:

Commission:	22.0%
Prem Tax:	3.4%
Other Acquisition Fees:	0.3%
Direct Expense:	4.8%
Indirect Expense:	3.4%
	<u>33.8%</u>

APD

Indexing - PY 2014 Ultimate Loss & LAE Selection

PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP
2004	197	9.7%	1.097	176
2005	118	11.0%	1.218	95
2006	88	11.7%	1.360	63
2007	113	-0.2%	1.357	81
2008	85	-12.1%	1.193	70
2009	62	0.0%	1.193	51
2010	53	0.5%	1.199	44
2011	32	-6.5%	1.121	28
2012	24	5.4%	1.182	20
2013	28	-17.0%	0.981	28
2014	82	0.0%	0.981	82
All Yr Wtd ex 2014:				77.1%
Last 7 Wtd ex 2014:				75.5%
Last 5 Wtd ex 2014:				86.2%
Last 3 Wtd ex 2014:				99.7%
Frequency/Severity Indication:				75.0%

Policy Limits		
Ultimate ILAE Ratio	0.0% Trend to PY 2014	On-Level Ultimate ILAE Ratio
50.4%	1.000	56.4%
114.7%	1.000	142.4%
32.1%	1.000	44.5%
61.7%	1.000	85.4%
31.3%	1.000	38.0%
45.3%	1.000	55.1%
81.0%	1.000	99.0%
183.4%	1.000	209.5%
31.2%	1.000	37.6%
35.2%	1.000	35.2%
44.1%	1.000	44.1%
		77.1%
		75.5%
		86.2%
		99.7%
		75.0%

PY 2014 Selected:

Adjustment:

PY 2014:

ULE: 1.0%

Claims Fees: 0.0%

PY 2014 Ultimate ILAE Ratio: 76.0%

Excess Liability

Rate Need Indications

	Target Combined Ratio	Target ILAE Ratio	Before 2014 Rate Change PY 2014 Ultimate ILAE Ratio	Before 2014 Rate Change PY 2014 Rate Need	PY 2014 Rate Achieved	After 2014 Rate Change PY 2014 Ultimate ILAE Ratio	PY 2015 Ultimate ILAE Ratio	PY 2015 Rate Need
RAP Neutral:	98.0%	64.7%	60.8%	-5.8%	1.6%	59.9%	62.9%	-2.8%

Expense Ratio calculated as follows:

Commission:	22.0%
Prem Tax:	3.4%
Other Acquisition Fees:	0.3%
Direct Expense:	3.0%
Indirect Expense:	4.7%
	<u>33.3%</u>

Excess Liability

Indexing - PY 2014 Ultimate Loss & LAE Selection

PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP
2004	1,042	0.0%	1.000	1,078
2005	888	0.0%	1.000	918
2006	760	0.0%	1.000	785
2007	690	0.0%	1.000	713
2008	431	0.0%	1.000	446
2009	287	0.0%	1.000	296
2010	292	0.0%	1.000	302
2011	184	-1.7%	0.983	194
2012	143	-0.3%	0.980	151
2013	141	3.9%	1.018	143
2014	217	1.6%	1.034	217
All Yr Wtd ex 2014:				9.4%
Last 7 Wtd ex 2014:				19.7%
Last 5 Wtd ex 2014:				39.4%
Last 3 Wtd ex 2014:				49.6%
Selected Ultimate:				40.0%
ILF:				1.00
Capped @ \$10M Ultimate:				40.0%

Capped @ \$10M		
Ultimate ILAE Ratio	5.0% Trend to PY 2014	On-Level Ultimate ILAE Ratio
1.0%	1.629	1.5%
0.0%	1.551	0.0%
1.3%	1.477	1.9%
1.4%	1.407	2.0%
0.0%	1.340	0.0%
20.9%	1.276	25.8%
30.8%	1.216	36.2%
38.0%	1.158	41.8%
49.0%	1.103	51.2%
56.7%	1.050	58.6%
59.9%	1.000	59.9%
Weight:		2%

Capped @ 2M		
Ultimate ILAE Ratio	4.5% Trend to PY 2014	On-Level Ultimate ILAE Ratio
1.0%	1.553	1.4%
0.0%	1.486	-
1.3%	1.422	1.8%
1.4%	1.361	1.9%
0.0%	1.302	-
10.5%	1.246	12.6%
17.1%	1.193	19.7%
21.7%	1.141	23.5%
35.0%	1.092	36.2%
35.4%	1.045	36.5%
36.9%	1.000	36.9%
Weight:		49%

Capped @ 1M		
Ultimate ILAE Ratio	4.0% Trend to PY 2014	On-Level Ultimate ILAE Ratio
1.0%	1.480	1.4%
0.0%	1.423	-
1.3%	1.369	1.7%
1.4%	1.316	1.8%
0.0%	1.265	-
7.0%	1.217	8.2%
10.3%	1.170	11.6%
16.3%	1.125	17.4%
21.0%	1.082	21.5%
28.4%	1.040	29.0%
23.1%	1.000	23.1%
Weight:		49%

Frequency/Severity Indication:	45.0%
Weighted Average:	37.4%
PY 2014 Selected - Capped @ \$10M:	40.0%
Adjustment:	0.0%
PY 2014 - Capped @ \$10M:	40.0%
ILF:	1.000
Catastrophe/Latency Load:	5.0%
ULE:	1.0%
PY 2014 Ultimate ILAE Ratio:	46.0%
Credibility:	5%
Complement of Credibility:	60.5%
Credibility Weighted PY 2014 Ultimate ILAE Ratio:	59.9%

Compliment of Credibility

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

Excess Liability

Large Losses - Incurred + LAE

PY	DSP	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	LAE	ILAE	Acc State	Description
2004	2-6-260	4657900	1104	11/23/2004	National Deaf Acad	-	-	2	2	Florida	Claimants Allege Breach Of Contract
2006	2-6-260	4069624	1348	7/1/2006	Gandara Mental Hea	-	-	0	0	Massachusetts	Clmt Alleges Sexual Assault By Insur
2007	2-6-260	4069624	1349	7/1/2007	Gandara Mental Hea	-	-	0	0	Massachusetts	Clmt Alleges Sexual Assault By Insur
2010	2-6-260	9657019	280	3/8/2010	Proctor Health Car	-	-	0	0	Illinois	Evacuation Required DUE To Smoke
2012	2-6-260	273555	4927	6/22/2012	Southern Seven Hea	-	1	1	2	Illinois	IVD Allegedly Struck The ATV Driver