

Memorandum

From: Div 66 Actuarial
Michael Tranfaglia
Emily Turek

To: E. Allen, S. Leeret, B. Harris, R. D'Alfonso, J. Parker, R. Simmons, M. Stembridge

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

Date: 5/1/2014

Re: Division 66 - 2014 Forest Products US Profitability Study

I. Executive Summary

A. Introduction -

This program provides Commercial Auto, General Liability, Umbrella and Property coverage for risks in the logging and lumbering industry. Coverage is ISO based and written on admitted paper via The New Hampshire Group (National Union for Umbrella). The program is written nationwide excluding New York State.

A profitability analysis using 10 years of data and various actuarial methods was completed in the 1st quarter of 2014 using data

Last year's analysis resulted in an overall post-rate change PY 2014 Ultimate Loss Ratio indication of 72.1% which yielded a RAP neutral rate need of 12.6% based on 2013 RAP values.

The year to date rate change for 2014 is 16.1% for all lines of business.

B. Summary of Results

ILAE evaluated as of: 1st 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	Combined Ratio	Target Combined Ratio	RAP Rate Need	Projected RAP \$ *
GL	N/A	2014	1,964	58.8%	92.8%	98.0%	-7.9%	68
AL	N/A	2014	4,598	62.0%	93.5%	97.7%	-6.3%	130
Property	N/A	2014	399	59.2%	92.7%	91.5%	2.0%	(3)
APD	N/A	2014	2,607	83.0%	114.5%	97.0%	26.3%	(307)
Excess Liability	N/A	2014	947	63.3%	96.5%	98.0%	-2.3%	9
TOTAL			10,515	66.6%	98.8%	97.4%	2.1%	(103)

* Includes PY 2014 rate change achieved

** Assumes a tax rate of 35%

- II. **Discussion of Material Findings** - On a pre-RC basis, the PY14 loss ratio deteriorated slightly excess of the loss trend going from 72.1% to 77.2%. This was driven largely by some deterioration in the historical APD results. On a post-RC basis, the program is nearly RAP BE. Per underwriting's request, we broke out the California business (~20% of the book) and estimated the CA PY14 pre-RC ULR to be around +8% higher than the non-CA business. Frequency/severity and loss development patterns remain in line with expectations.

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. LDF selections were based on the historical experience, to the extent credible, and on the overall Division 66 factors. Final selected ILF's are based on a credibility weighting of program experience and industry 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.
- C. Data Quality - The data for all lines of business in this analysis is pulled from Sandbox which aggregates the data from CRS. There was an adjustment made for one account, Joel Olson, because the insured had changed its exposure from local hauling to long hauling; when this was discovered the policy was non-renewed. There were no other material adjustments made to the data.
- D. Other - N/A

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 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.

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 MaryAlice Stembridge from an email dated July 8, 2014.

The 2014 profit study shows significant improvement with regard to the RAP neutral rate need from the 2013 profit study. On the 2013 study, two lines of business were driving the rate need, the General Liability and Auto Physical Damage. The General Liability was driven by 3 California fires one of which has since been determined to not be the insured's fault. It is also important to note that there has not been a forest fire claim on this book in the last 3+ years. The Auto Physical Damage is a line that is struggling among all programs that have a heavy auto exposure.

Overall, the improved results for Forest are attributed to a combination of efforts as follows:

- Positive rate impact - rate increase achieved in 2013 = 6.7% and May YTD in 2014 = 14.6%(GL: 11.6% and APD 14.1%)
- Diversification away from the fire prone state of California into the southeastern part of the United States
- Accounts that are written in the state of California are now better risks due to new fire watch laws now in place
- We keep our California writings to accounts that work in the northern (wetter) part of the state.
- For the most part the Auto lines are written in the standard or non-standard company and the physical damage is rated with maximum modifications applied.

The plan for the balance of 2014 is to continue with these efforts.

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 2003 - 2013 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 2003 - 2013.

- 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).

Exhibit 14 - Class breakdown of Multiple Claims Non-Renewal List.

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

Program Summary by LOB - PY 2014

LOB	PY 2014		Before 2014	
	GWP	Direct	Rate Change	ILAE Ratio
GL	1,964	1.9%	67.4%	
AL	4,598	1.4%	71.0%	
Property	399	1.4%	68.0%	
APD	2,607	1.4%	93.9%	
Excess Liability	947	1.3%	85.7%	
Total Casualty	7,510	1.5%	71.9%	
Total Property	3,006	1.4%	90.4%	
All Lines Combined	10,515	1.5%	77.2%	

RAP Neutral		Before 2014	
Target Ratio	Rate Change	PY 2014	Rate Need
64.0%	5.1%		
66.3%	7.0%		
58.0%	16.9%		
65.4%	42.5%		
64.9%	31.5%		
65.5%	9.6%		
64.4%	39.5%		
65.2%	18.0%		

PY 2014		After 2014	
Achieved	Rate	Rate Change	PY 2014 Ultimate ILAE Ratio
14.6%	58.8%		
14.5%	62.0%		
15.0%	59.2%		
13.1%	83.0%		
35.3%	63.3%		
17.1%	61.3%		
13.3%	79.8%		
16.1%	66.6%		

Program Summary by LOB - PY 2015

LOB	PY 2014 GWP	Direct	After 2014 Rate Change	
			PY 2015 Ultimate ILAE Ratio	PY 2015 Rate Change
GL	1,964	1.9%	60.9%	-4.8%
AL	4,598	1.4%	64.5%	-2.6%
Property	399	1.4%	59.2%	2.0%
APD	2,607	1.4%	83.0%	26.3%
Excess Liability	947	1.3%	66.5%	2.5%
Total Casualty	7,510	1.5%	63.8%	-2.5%
Total Property	3,006	1.4%	79.8%	23.4%
All Lines Combined	10,515	1.5%	68.4%	4.8%

RAP Neutral		Target Ratio	After 2014 Rate Change PY 2015 Rate Need
		64.0%	-4.8%
		66.3%	-2.6%
		58.0%	2.0%
		65.4%	26.3%
		64.9%	2.5%
		65.5%	-2.5%
		64.4%	23.4%
		65.2%	4.8%

Program Summary by LOB

GL

PY	Reported		Selected		Ultimate	
	GWP	ILAE	ILAE Ratio	Ultimate	ILAE	ILAE Ratio
2004	1,598	1,169	73.1%	1,213	75.9%	75.9%
2005	1,683	618	36.7%	653	38.8%	38.8%
2006	1,286	289	22.5%	310	24.1%	24.1%
2007	983	4,048	411.6%	4,600	467.7%	467.7%
2008	980	561	57.3%	670	68.4%	68.4%
2009	851	1,182	139.0%	1,570	184.6%	184.6%
2010	1,163	279	24.0%	560	48.1%	48.1%
2011	1,319	251	19.0%	780	59.1%	59.1%
2012	1,481	142	9.6%	930	62.8%	62.8%
2013	1,915	22	1.2%	1,160	60.6%	60.6%
2014	1,964	0	0.0%	1,100	56.0%	56.0%

AL

PY	Reported		Selected		Ultimate	
	GWP	ILAE	ILAE Ratio	Ultimate	ILAE	ILAE Ratio
2004	2,982	1,039	34.8%	1,043	35.0%	35.0%
2005	3,120	1,522	48.8%	1,534	49.2%	49.2%
2006	2,811	1,025	36.5%	1,034	36.8%	36.8%
2007	2,260	1,258	55.7%	1,290	57.1%	57.1%
2008	2,748	2,420	88.1%	2,465	89.7%	89.7%
2009	3,223	1,624	64.5%	1,818	72.2%	72.2%
2010	3,731	2,435	75.6%	2,594	80.5%	80.5%
2011	4,006	1,961	48.9%	3,141	78.4%	78.4%
2012	5,403	783	14.5%	3,794	70.2%	70.2%
2013	4,598	4	0.1%	2,805	61.0%	61.0%

Property - ex Cat Load & Reinsurance Charges

PY	Reported		Selected		Ultimate	
	GWP	ILAE	ILAE Ratio	Ultimate	ILAE	ILAE Ratio
2004	110	3	3.0%	3	2.7%	2.7%
2005	143	68	47.5%	68	47.5%	47.5%
2006	120	2	2.0%	2	1.7%	1.7%
2007	120	28	23.3%	28	23.4%	23.4%
2008	161	255	158.3%	255	158.1%	158.1%
2009	281	0	0.0%	0	0.0%	0.0%
2010	355	609	171.8%	610	172.0%	172.0%
2011	298	5	1.6%	0	0.0%	0.0%
2012	305	167	54.8%	170	55.7%	55.7%
2013	394	72	18.3%	170	43.1%	43.1%
2014	399	0	0.0%	215	54.0%	54.0%

APD

PY	Reported		Selected		Ultimate	
	GWP	ILAE	ILAE Ratio	Ultimate	ILAE	ILAE Ratio
2004	843	431	51.1%	431	51.1%	51.1%
2005	811	519	64.1%	519	64.1%	64.1%
2006	636	478	75.2%	478	75.2%	75.2%
2007	550	282	51.3%	282	51.3%	51.3%
2008	693	494	71.3%	494	71.3%	71.3%
2009	545	622	114.2%	623	114.3%	114.3%
2010	741	1,043	140.8%	1,043	140.8%	140.8%
2011	1,025	1,132	110.4%	1,136	110.9%	110.9%
2012	1,095	891	81.4%	870	79.5%	79.5%
2013	1,548	1,062	68.6%	1,484	95.9%	95.9%
2014	2,607	38	1.5%	2,138	82.0%	82.0%

Total Casualty

PY	Reported		Selected		Ultimate	
	GWP	ILAE	ILAE Ratio	Ultimate	ILAE	ILAE Ratio
2004	5,321	2,208	41.5%	2,256	42.4%	42.4%
2005	5,065	2,141	42.3%	2,187	43.2%	43.2%
2006	4,314	1,315	30.5%	1,344	31.2%	31.2%
2007	3,669	7,306	199.1%	7,890	215.1%	215.1%
2008	4,246	2,982	70.2%	3,135	73.8%	73.8%
2009	3,822	2,806	73.4%	3,488	91.3%	91.3%
2010	4,942	2,714	54.9%	3,354	67.9%	67.9%
2011	5,720	2,470	43.2%	4,219	73.7%	73.7%
2012	6,179	2,102	34.0%	4,471	72.4%	72.4%
2013	8,230	805	9.8%	5,454	66.3%	66.3%
2014	7,510	4	0.1%	4,426	58.9%	58.9%

Total Property - ex Cat Load & Reinsurance

PY	Reported		Selected		Ultimate	
	GWP	ILAE	ILAE Ratio	Ultimate	ILAE	ILAE Ratio
2004	953	434	45.5%	434	45.5%	45.5%
2005	954	587	61.6%	587	61.6%	61.6%
2006	756	481	63.6%	480	63.5%	63.5%
2007	670	310	46.3%	310	46.3%	46.3%
2008	854	749	87.7%	749	87.7%	87.7%
2009	826	622	75.3%	623	75.4%	75.4%
2010	1,096	1,653	150.8%	1,653	150.9%	150.9%
2011	1,323	1,137	85.9%	1,136	85.9%	85.9%
2012	1,400	1,059	75.6%	1,040	74.3%	74.3%
2013	1,942	1,134	58.4%	1,654	85.2%	85.2%
2014	3,006	38	1.3%	2,353	78.3%	78.3%

All Lines Combined

PY	Reported		Selected		Ultimate	
	GWP	ILAE	ILAE Ratio	Ultimate	ILAE	ILAE Ratio
2004	6,274	2,642	42.1%	2,689	42.9%	42.9%
2005	6,019	2,728	45.3%	2,774	46.1%	46.1%
2006	5,070	1,796	35.4%	1,824	36.0%	36.0%
2007	4,338	7,615	175.5%	8,201	189.0%	189.0%
2008	5,100	3,731	73.2%	3,884	76.2%	76.2%
2009	4,648	3,428	73.8%	4,110	88.4%	88.4%
2010	6,037	4,367	72.3%	5,008	82.9%	82.9%
2011	7,044	3,607	51.2%	5,351	76.0%	76.0%
2012	7,579	3,161	41.7%	5,511	72.7%	72.7%
2013	10,172	1,939	19.1%	7,108	69.9%	69.9%
2014	10,515	42	0.4%	6,779	64.5%	64.5%

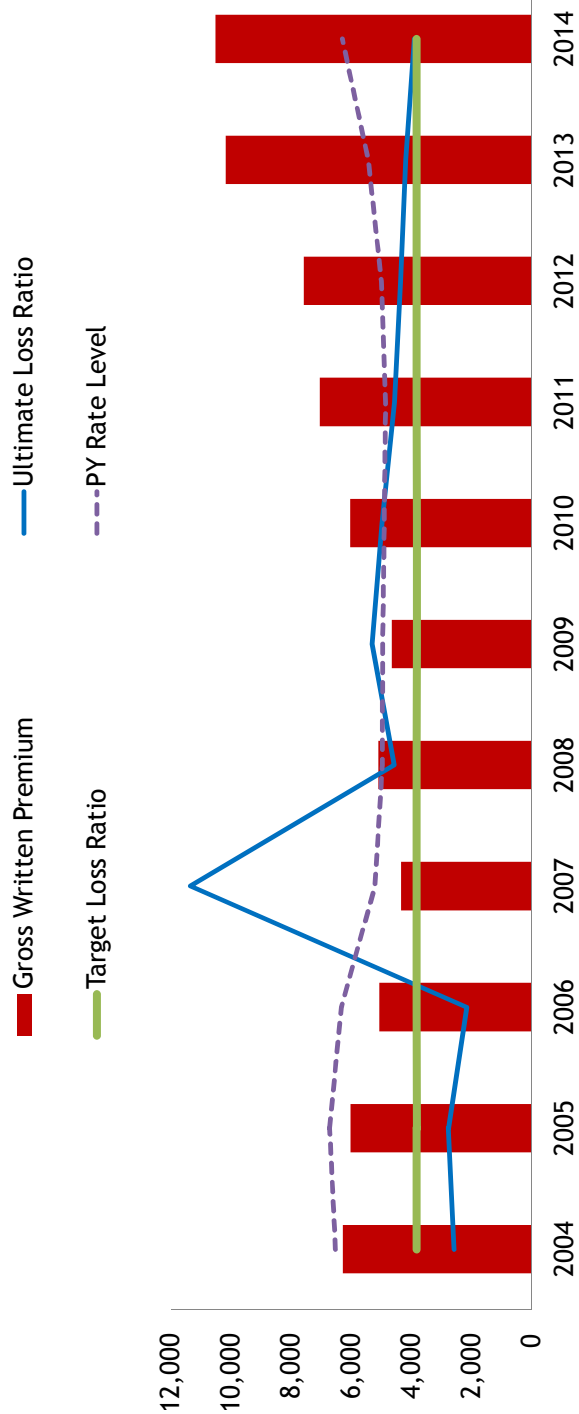
Program Summary by LOB - Prior Profitability Study Indications

PY	GL			AL			Property - ex Cat Load & Reinsurance Charges			APD		
	GWP	2013 Ultimate ILAE Ratio	2014 Ultimate ILAE Ratio	GWP	2013 Ultimate ILAE Ratio	2014 Ultimate ILAE Ratio	GWP	2013 Ultimate ILAE Ratio	2014 Ultimate ILAE Ratio	GWP	2013 Ultimate ILAE Ratio	2014 Ultimate ILAE Ratio
2004	1,598	79.7%	75.9%	2,982	35.1%	35.0%	110	2.7%	2.7%	843	51.0%	51.1%
2005	1,683	41.0%	38.8%	3,120	49.4%	49.2%	143	48.3%	47.5%	811	64.0%	64.1%
2006	1,286	26.7%	24.1%	2,811	37.4%	36.8%	120	1.7%	1.7%	636	75.2%	75.2%
2007	983	176.9%	467.7%	2,260	58.3%	57.1%	120	23.3%	23.4%	550	51.3%	51.3%
2008	980	90.6%	68.4%	2,748	92.7%	89.7%	161	116.7%	158.1%	693	72.8%	71.3%
2009	851	60.3%	184.6%	2,518	74.9%	72.2%	281	0.0%	0.0%	545	114.0%	114.3%
2010	1,163	61.7%	48.1%	3,223	59.2%	80.5%	355	175.3%	172.0%	741	130.9%	140.8%
2011	1,319	85.4%	59.1%	3,731	62.3%	84.1%	298	1.8%	0.0%	1,025	119.1%	110.9%
2012	1,481	84.1%	62.8%	4,006	71.6%	78.4%	305	77.7%	55.7%	1,095	78.3%	79.5%
2013	1,915	74.0%	60.6%	5,403	63.0%	70.2%	394	66.0%	43.1%	1,548	85.0%	95.9%
2014	1,964		56.0%	4,598		61.0%	399		54.0%	2,607		82.0%

PY	Excess Liability			Total Casualty			Total Property - ex Cat Load & Reinsurance			All Lines Combined		
	GWP	2013 Ultimate ILAE Ratio	2014 Ultimate ILAE Ratio	GWP	2013 Ultimate ILAE Ratio	2014 Ultimate ILAE Ratio	GWP	2013 Ultimate ILAE Ratio	2014 Ultimate ILAE Ratio	GWP	2013 Ultimate ILAE Ratio	2014 Ultimate ILAE Ratio
2004	741	0.0%	0.0%	5,321	43.6%	42.4%	953	45.4%	45.5%	5,533	49.8%	48.6%
2005	262	0.0%	0.0%	5,065	44.1%	43.2%	954	61.6%	61.6%	5,757	49.0%	48.2%
2006	217	0.0%	0.0%	4,314	32.3%	31.2%	756	63.5%	63.5%	4,853	38.6%	37.6%
2007	425	470.6%	470.7%	3,669	137.8%	215.1%	670	46.3%	46.3%	3,914	137.1%	209.5%
2008	517	20.6%	0.0%	4,246	83.5%	73.8%	854	81.1%	87.7%	4,582	92.4%	84.8%
2009	453	47.6%	22.1%	3,822	68.5%	91.3%	826	75.2%	75.4%	4,194	77.2%	98.0%
2010	556	38.3%	36.0%	4,942	57.4%	67.9%	1,096	145.3%	150.9%	5,482	80.8%	91.4%
2011	671	50.3%	44.7%	5,720	66.2%	73.7%	1,323	92.7%	85.9%	6,373	78.7%	84.0%
2012	692	57.7%	57.8%	6,179	73.0%	72.4%	1,400	78.2%	74.3%	6,887	81.4%	80.0%
2013	912	64.7%	54.8%	8,230	65.8%	66.3%	1,942	81.1%	85.2%	9,260	75.5%	76.8%
2014	947		55.0%	7,510		58.9%	3,006		78.3%	9,568		70.9%

Total Program Summary

PY	GWP	Loss Ratio		Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl
		Reported	Ultimate	Ultimate	BECR			
2004	6,274	42.1%	42.9%	76.8%	97.6%	871	8.7%	1.09
2005	6,019	45.3%	46.1%	80.0%	97.6%	704	2.9%	1.12
2006	5,070	35.4%	36.0%	69.8%	97.6%	938	-5.8%	1.05
2007	4,338	175.5%	189.0%	222.8%	97.6%	-3,621	-17.7%	0.87
2008	5,100	73.2%	76.2%	109.9%	97.5%	-419	-4.6%	0.83
2009	4,648	73.8%	88.4%	122.3%	97.4%	-773	-0.4%	0.82
2010	6,037	72.3%	82.9%	116.8%	97.4%	-783	-1.0%	0.82
2011	7,044	51.2%	76.0%	109.8%	97.4%	-578	-0.9%	0.81
2012	7,579	41.7%	72.7%	106.5%	97.5%	-455	2.9%	0.83
2013	10,172	19.1%	69.9%	103.6%	97.5%	-415	8.7%	0.91
2014	10,515	0.4%	65.1%	98.8%	97.4%	-96	15.8%	1.05
Total	72,796	48.2%	73.2%			-4,626		

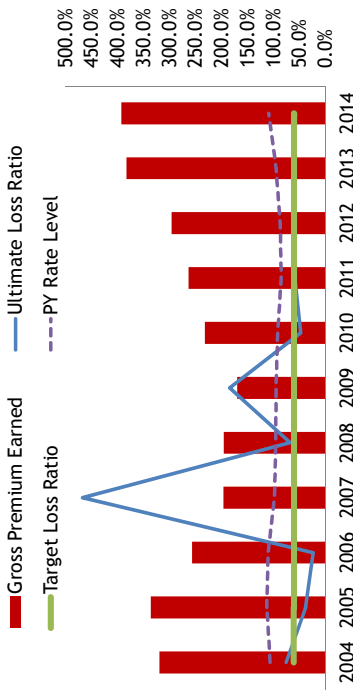


* Target Ratio = 1 - (Expense Ratio) - (AAL) - (XOL) - (Corporate Cat Reinsurance) - (ULE) - (Claim Fees) - (Risk Load)
 * Ultimate Loss Ratios exclude modeled cats, ULE, non-machine claims fees and the impact of XOL/corporate cat reinsurance

Program Summary by LOB - Casualty Lines

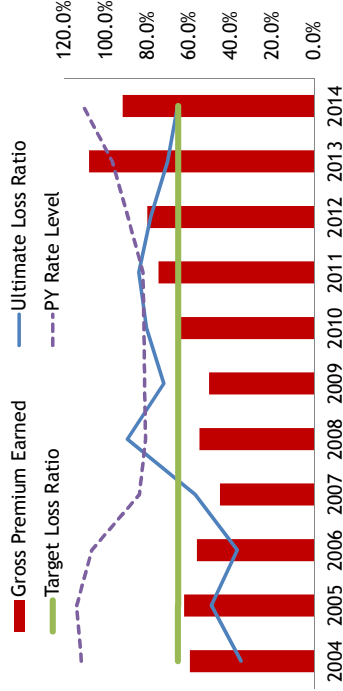
[GL]

PY	GWP	Loss Ratio		Combined Ratio		Normalized RAP Dollars	BECR	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Ultimate	Ultimate					
2004	1,598	73.1%	75.9%	61.2%	112.7%	-156	98.0%	6.8%	1.07	22.0%
2005	1,683	36.7%	38.8%	61.2%	75.6%	250	98.0%	6.0%	1.13	22.0%
2006	1,286	22.5%	24.1%	61.2%	60.9%	316	98.0%	-1.9%	1.11	22.0%
2007	983	411.6%	467.7%	61.2%	504.6%	-2,651	98.0%	-11.4%	0.98	22.0%
2008	980	57.3%	68.4%	61.2%	105.2%	-46	98.0%	-2.6%	0.96	22.0%
2009	851	139.0%	184.6%	61.2%	221.4%	-696	98.0%	-0.7%	0.95	22.0%
2010	1,163	24.0%	48.1%	61.2%	85.0%	101	98.0%	-3.1%	0.92	22.0%
2011	1,319	19.0%	59.1%	61.2%	96.0%	18	98.0%	-7.5%	0.85	22.0%
2012	1,481	9.6%	62.8%	61.2%	99.6%	-15	98.0%	2.3%	0.87	22.0%
2013	1,915	1.2%	60.6%	61.2%	97.4%	8	98.0%	9.6%	0.96	22.0%
2014	1,964	0.0%	58.0%	61.2%	94.9%	41	98.0%	14.6%	1.10	22.0%
Total	15,224	56.2%	89.2%			-2,829				



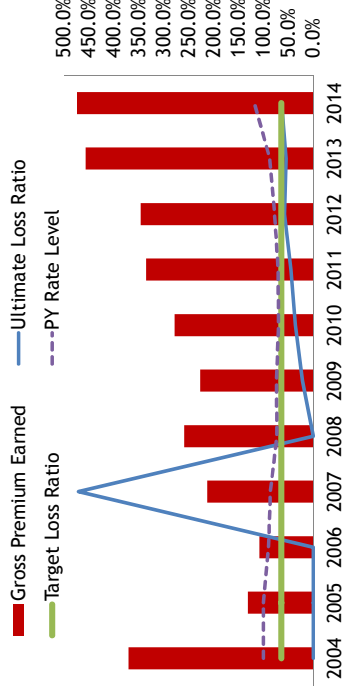
[AL]

PY	GWP	Loss Ratio		Combined Ratio		Normalized RAP Dollars	BECR	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Ultimate	Ultimate					
2004	2,982	34.8%	35.0%	65.3%	67.5%	601	97.7%	11.8%	1.12	20.0%
2005	3,120	48.8%	49.2%	65.3%	81.7%	334	97.7%	2.0%	1.14	20.0%
2006	2,811	36.5%	36.8%	65.3%	69.3%	532	97.7%	-6.5%	1.07	20.0%
2007	2,260	55.7%	57.1%	65.3%	89.6%	123	97.7%	-21.4%	0.84	20.0%
2008	2,748	88.1%	89.7%	65.3%	122.2%	-447	97.7%	-3.5%	0.81	20.0%
2009	2,518	64.5%	70.2%	65.3%	104.7%	-116	97.7%	0.5%	0.81	20.0%
2010	3,223	75.6%	80.5%	65.3%	113.0%	-327	97.7%	0.4%	0.82	20.0%
2011	3,731	59.5%	84.1%	65.3%	116.6%	-468	97.7%	0.7%	0.82	20.0%
2012	4,006	48.9%	78.4%	65.3%	110.9%	-351	97.7%	8.8%	0.89	20.0%
2013	5,403	14.5%	70.2%	65.3%	102.7%	-178	97.7%	8.4%	0.97	20.0%
2014	4,598	0.1%	65.6%	65.3%	98.1%	-10	97.7%	14.5%	1.11	20.0%
Total	37,399	43.6%	66.5%			-308				



[XS]

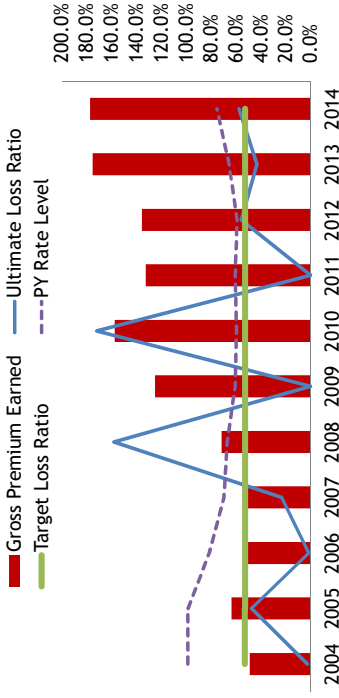
PY	GWP	Loss Ratio		Combined Ratio		Normalized RAP Dollars	BECR	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Ultimate	Ultimate					
2004	741	0.0%	0.0%	63.9%	34.1%	314	98.0%	0.0%	1.00	22.0%
2005	262	0.0%	0.0%	63.9%	34.1%	111	98.0%	0.0%	1.00	22.0%
2006	217	0.0%	0.0%	63.9%	34.1%	92	98.0%	-9.9%	0.90	22.0%
2007	425	470.7%	470.7%	63.9%	504.8%	-1,147	98.0%	-4.9%	0.86	22.0%
2008	517	0.0%	0.0%	63.9%	34.1%	219	98.0%	-14.6%	0.73	22.0%
2009	453	0.0%	22.1%	63.9%	56.2%	126	98.0%	0.8%	0.74	22.0%
2010	556	0.0%	36.0%	63.9%	70.1%	103	98.0%	-5.3%	0.70	22.0%
2011	671	0.0%	44.7%	63.9%	78.8%	85	98.0%	1.3%	0.71	22.0%
2012	692	0.0%	57.8%	63.9%	91.9%	28	98.0%	9.5%	0.78	22.0%
2013	912	0.0%	54.8%	63.9%	88.9%	55	98.0%	12.7%	0.87	22.0%
2014	947	0.0%	63.3%	63.9%	97.4%	3	98.0%	35.3%	1.18	22.0%
Total	6,393	31.3%	64.1%			-12				



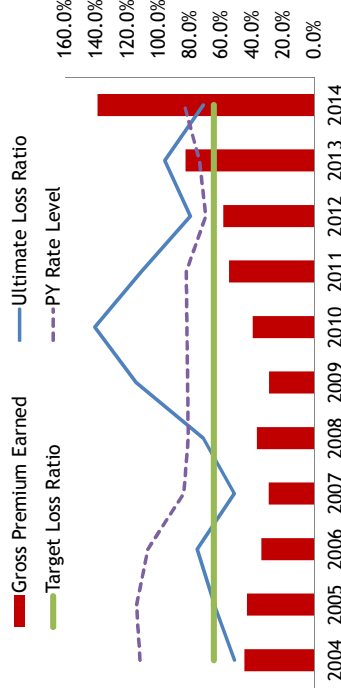
* Target Ratio = 1 - (Expense Ratio) - (AAL) - (XOL) - (Corporate Cat Reinsurance) - (ULE) - (Claim Fees) - (Risk Load)
* Ultimate Loss Ratios exclude modeled cats, ULE, non-machine claims fees and the impact of XOL/corporate cat reinsurance

Program Summary by LOB - Property Lines

Property	PY	GWP	Loss Ratio		Combined Ratio		Normalized RAP Dollars	BECR	Rt Chg	Rt Lvl	Commission
			Reported	Ultimate	Ultimate	Ultimate					
	2004	110	3.0%	2.7%	41.4%	91.5%	39	-1.4%	0.99	22.0%	
	2005	143	47.5%	47.5%	86.2%	91.5%	5	0.0%	0.99	22.0%	
	2006	120	2.0%	1.7%	40.4%	91.5%	44	-17.4%	0.81	22.0%	
	2007	120	23.3%	23.3%	62.1%	91.5%	25	-14.3%	0.70	22.0%	
	2008	161	158.3%	158.1%	196.9%	91.5%	-121	-3.9%	0.67	22.0%	
	2009	281	0.0%	0.0%	38.7%	91.5%	106	-9.5%	0.61	22.0%	
	2010	355	171.8%	172.0%	210.7%	91.5%	-300	-1.6%	0.60	22.0%	
	2011	298	1.6%	0.0%	38.7%	91.5%	112	1.8%	0.61	22.0%	
	2012	305	54.8%	55.7%	94.4%	91.5%	-6	-2.6%	0.59	22.0%	
	2013	394	18.3%	43.1%	81.8%	91.5%	27	10.7%	0.66	22.0%	
	2014	399	0.0%	57.7%	96.4%	91.5%	-14	15.0%	0.75	22.0%	
	Total	2,687	45.0%	57.2%			-83				



Property	PY	GWP	Loss Ratio		Combined Ratio		Normalized RAP Dollars	BECR	Rt Chg	Rt Lvl	Commission
			Reported	Ultimate	Ultimate	Ultimate					
	2004	843	51.1%	51.1%	83.7%	97.0%	75	11.8%	1.12	20.0%	
	2005	811	64.1%	64.1%	96.6%	97.0%	2	2.0%	1.14	20.0%	
	2006	636	75.2%	75.2%	107.8%	97.0%	-46	-6.5%	1.07	20.0%	
	2007	550	51.3%	51.3%	83.9%	97.0%	48	-21.4%	0.84	20.0%	
	2008	693	71.3%	71.3%	103.8%	97.0%	-32	-3.5%	0.81	20.0%	
	2009	545	114.2%	114.3%	146.8%	97.0%	-182	0.5%	0.81	20.0%	
	2010	741	140.8%	140.8%	173.3%	97.0%	-379	0.4%	0.82	20.0%	
	2011	1,025	110.4%	110.9%	143.4%	97.0%	-319	0.7%	0.82	20.0%	
	2012	1,095	81.4%	79.5%	112.0%	97.0%	-110	-15.3%	0.70	20.0%	
	2013	1,548	68.6%	95.9%	128.4%	97.0%	-326	5.8%	0.74	20.0%	
	2014	2,607	1.5%	71.2%	103.7%	97.0%	-118	13.1%	0.83	20.0%	
	Total	11,092	63.0%	83.1%			-1,388				



* Target Ratio = 1 - (Expense Ratio) - (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

Division 66 - Programs
 Forest Profitability Study
 PYG @ 2014/1 (000's omitted)

Summary 6

California Indication

LOB	YTD		Program		CA	
	PY 2014	GWP	PY 2014	ULR	PY 2014	ULR
GL		215		57.0%		68.4%
AL		194		62.0%		71.3%
Prop		20		55.0%		110.0%
APD		39		82.0%		77.9%
Excess		34		55.0%		55.0%
All Lines		503		60.7%		71.0%

GL

Rate Need Indications

	Before 2014			After 2014		
	Target	Rate Change	Rate Change	Rate Change	Rate Change	Rate Change
	Combined	PY 2014	PY 2014	PY 2014	PY 2014	PY 2014
	Ratio	ILAE Ratio	ILAE Ratio	ILAE Ratio	ILAE Ratio	ILAE Ratio
RAP Neutral:	98.0%	64.0%	67.4%	5.1%	14.6%	58.8%
				Rate Need	Achieved	Ultimate
				5.1%	14.6%	58.8%
						ILAE Ratio
						60.9%
						Rate Need
						-4.8%

Expense Ratio calculated as follows:

Commission:	22.0%
Prem Tax:	3.3%
Other Acquisition Fees:	2.6%
Direct Expense:	1.9%
Indirect Expense:	4.3%
	<u>34.0%</u>

GL

Indexing - PY 2014 Ultimate Loss & LAE Selection

PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP
2004	1,598	6.8%	1.068	1,640
2005	1,683	6.0%	1.132	1,629
2006	1,286	-1.9%	1.111	1,269
2007	983	-11.4%	0.984	1,095
2008	980	-2.6%	0.958	1,121
2009	851	-0.7%	0.952	979
2010	1,163	-3.1%	0.922	1,382
2011	1,319	-7.5%	0.853	1,694
2012	1,481	2.3%	0.873	1,860
2013	1,915	9.6%	0.956	2,194
2014	1,964	14.6%	1.096	1,964
All Yr Wtd ex 2014:				
Last 7 Wtd ex 2014:				
Last 5 Wtd ex 2014:				
Last 3 Wtd ex 2014:				
Selected Ultimate:				
ILF:				
Policy Limits Ultimate:				

Policy Limits				
Ultimate ILAE Ratio	Trend to PY 2014	3.5%	On-Level Ultimate ILAE Ratio	Weight:
75.9%	1.411		104.4%	16%
38.8%	1.363		54.6%	
24.1%	1.317		32.2%	
467.7%	1.272		534.4%	
68.4%	1.229		73.5%	
184.6%	1.188		190.5%	
48.1%	1.148		46.5%	
59.1%	1.109		51.0%	
62.8%	1.071		53.6%	
60.6%	1.035		54.7%	
58.0%	1.000		58.0%	
			102.6%	
			118.6%	
			68.7%	
			53.3%	
			64.0%	
			1.00	
			64.0%	

Capped @ 250k				
Ultimate ILAE Ratio	Trend to PY 2014	3.3%	On-Level Ultimate ILAE Ratio	Weight:
23.7%	1.377		31.7%	42%
26.4%	1.334		36.3%	
24.1%	1.292		31.6%	
88.5%	1.251		99.4%	
65.3%	1.212		69.2%	
52.9%	1.173		53.9%	
38.7%	1.136		37.0%	
41.7%	1.101		35.7%	
40.5%	1.066		34.4%	
38.1%	1.033		34.4%	
35.6%	1.000		35.6%	
			43.2%	
			47.5%	
			37.5%	
			34.8%	
			38.0%	
			1.36	
			51.8%	

Capped @ 100k				
Ultimate ILAE Ratio	Trend to PY 2014	3.0%	On-Level Ultimate ILAE Ratio	Weight:
13.3%	1.344		17.4%	42%
17.0%	1.305		22.9%	
22.6%	1.267		29.0%	
51.9%	1.230		57.3%	
35.7%	1.194		37.3%	
27.0%	1.159		27.2%	
29.2%	1.126		27.7%	
31.8%	1.093		27.1%	
29.7%	1.061		25.1%	
26.1%	1.030		23.5%	
26.0%	1.000		26.0%	
			28.0%	
			30.4%	
			25.8%	
			25.1%	
			28.0%	
			1.83	
			51.3%	

Frequency/Severity Indication: 62.9%

Weighted Average: 53.6%

PY 2014 Selected: 57.0%

Experience Adjustment: -1.0%

PY 2014: 56.0%

ULE: 2.8%

Claims Fees: 0.0%

PY 2014 Ultimate ILAE Ratio: 58.8%

GL

Frequency/Severity Method

PY	Frequency			Severity					
	On-Level GWP	Reported excl CWNP Claim Ct.	Ultimate excl CWNP Claim Ct.	On-Level Frequency	Reported ILAE @ 2014/1	Selected Ultimate ILAE	Average Severity	3.5% Trend to PY 2014	Average Severity @ PY 2014
2004	1,640	5	5	0.003	1,169	1,213	240	1,411	339.14
2005	1,629	10	10	0.006	618	653	64	1,363	87.65
2006	1,269	11	11	0.009	289	310	28	1,317	36.30
2007	1,095	11	11	0.010	4,048	4,600	406	1,272	516.84
2008	1,121	11	11	0.010	561	670	59	1,229	72.17
2009	979	8	8	0.009	1,182	1,570	187	1,188	222.58
2010	1,382	16	17	0.012	279	560	33	1,148	37.84
2011	1,694	21	23	0.014	251	780	34	1,109	37.71
2012	1,860	9	11	0.006	142	930	86	1,071	91.93
2013	2,194	7	16	0.007	22	1,160	71	1,035	73.46
2014	1,964	0	17	0.008	0	1,140	69	1,035	70.95
All Yr Wtd ex 2014:				0.008					138.47
Last 7 Wtd ex 2014:				0.010					127.18
Last 5 Wtd ex 2014:				0.009					82.16
Last 3 Wtd ex 2014:				0.009					68.90
PY 2014 Selected Frequency:									74.00
PY 2014 Selected Severity:									

Indicated PY 2014 Ult ILAE Ratio: 62.9%

GL

Selection of Ultimate Loss & LAE - Capped @ Policy Limits

PY	GWP	Reported		Inc. Dev. Method	Paid Dev. Method	Inc. BF Method	Paid BF Method	Case Reserve		Selected Ultimate ILAE	Ultimate ILAE Ratio
		ILAE @ 2014/1	ILAE					Development Method	ILAE		
2004	1,598	1,169	1,207	1,219	1,207	1,207	1,219	1,169	1,213	75.9%	
2005	1,683	618	648	658	648	648	658	618	653	38.8%	
2006	1,286	289	311	319	311	311	318	289	310	24.1%	
2007	983	4,048	4,510	4,698	4,520	4,520	4,685	4,048	4,600	467.7%	
2008	980	561	661	685	663	663	683	618	670	68.4%	
2009	851	1,182	1,518	1,628	1,304	1,304	1,261	1,384	1,570	184.6%	
2010	1,163	279	429	382	543	543	571	481	560	48.1%	
2011	1,319	251	579	656	751	751	818	489	780	59.1%	
2012	1,481	142	592	750	896	896	961	451	930	62.8%	
2013	1,915	22	273	623	1,131	1,131	1,191	122	1,160	60.6%	
2014	1,964	0	0	0	1,136	1,136	1,138	0	1,140	58.0%	
Total	15,224	8,561	10,727	11,618	13,111	13,111	13,503	9,670	13,586	89.2%	

GL

Selection of Ultimate Loss & LAE - Capped @ 250k

PY	GWP	Reported		Inc. Dev. Method	Paid Dev. Method	Inc. BF Method	Paid BF Method	Case Reserve		Selected Ultimate ILAE	Ultimate ILAE Ratio
		ILAE @ 2014/1	ILAE					Development Method	Method		
2004	1,598	367	377	379	379	377	379	367	378	23.7%	
2005	1,683	426	441	447	447	442	447	426	444	26.4%	
2006	1,286	289	306	314	313	306	313	289	310	24.1%	
2007	983	782	848	886	883	849	883	782	870	88.5%	
2008	980	561	633	650	649	634	649	607	640	65.3%	
2009	851	411	489	416	431	486	431	561	450	52.9%	
2010	1,163	279	375	334	466	442	466	408	450	38.7%	
2011	1,319	251	472	520	567	529	567	421	550	41.7%	
2012	1,481	142	455	557	623	580	623	367	600	40.5%	
2013	1,915	22	192	418	752	700	752	92	730	38.1%	
2014	1,964	0	0	0	706	703	706	0	700	35.6%	
Total	15,224	3,530	4,587	4,921	6,218	6,047	6,218	4,320	6,122	40.2%	

GL

Selection of Ultimate Loss & LAE - Capped @ 100k

PY	GWP	Reported		Inc. Dev. Method	Paid Dev. Method	Inc. BF Method	Paid BF Method	Case Reserve		Selected Ultimate ILAE	Ultimate ILAE Ratio
		ILAE @ 2014/1	ILAE					Development Method	ILAE		
2004	1,598	207	211	213	211	213	213	207	212	212	13.3%
2005	1,683	276	284	288	284	288	288	276	286	286	17.0%
2006	1,286	275	287	294	287	293	293	275	290	290	22.6%
2007	983	467	499	518	499	517	517	467	510	510	51.9%
2008	980	305	336	358	337	356	356	305	350	350	35.7%
2009	851	230	263	196	264	213	213	323	230	230	27.0%
2010	1,163	279	347	292	352	321	321	391	340	340	29.2%
2011	1,319	251	406	422	412	422	422	389	420	420	31.8%
2012	1,481	142	336	404	416	457	457	284	440	440	29.7%
2013	1,915	22	133	282	469	522	522	68	500	500	26.1%
2014	1,964	0	0	0	505	510	510	0	510	510	26.0%
Total	15,224	2,454	3,100	3,267	4,035	4,113	4,113	2,985	4,088	4,088	26.9%

GL

Bornhuetter-Ferguson Method

PY	Capped @ Policy Limits				Incurred		Paid		Born-Ferg Ultimate ILAE Ratio	
	GWP	Reported ILAE Ratio	Reported PLAE Ratio	Developed ILAE Ratio	Developed ILAE Ratio	Developed ILAE Ratio	Apriori ILAE Ratio	% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE
2004	1,598	73.1%	73.1%	75.5%	76.3%	75.9%	75.9%	3.2%	75.5%	1,207
2005	1,683	36.7%	36.7%	38.5%	39.1%	38.8%	38.8%	4.5%	38.5%	648
2006	1,286	22.5%	22.5%	24.2%	24.8%	24.5%	24.5%	6.9%	24.2%	311
2007	983	411.6%	411.6%	458.6%	477.7%	468.1%	468.1%	10.3%	459.6%	4,520
2008	980	57.3%	54.7%	67.5%	69.9%	68.7%	68.7%	15.1%	67.7%	663
2009	851	139.0%	126.0%	178.5%	191.5%	185.0%	185.0%	22.1%	153.4%	1,304
2010	1,163	24.0%	16.2%	36.9%	32.8%	35.0%	35.0%	34.9%	46.7%	543
2011	1,319	19.0%	14.5%	43.9%	49.7%	67.0%	67.0%	56.6%	57.0%	751
2012	1,481	9.6%	6.5%	39.9%	50.6%	67.0%	67.0%	76.1%	64.9%	896
2013	1,915	1.2%	0.8%	14.3%	32.5%	63.0%	63.0%	91.9%	59.1%	1,131
2014	1,964	0.0%	0.0%	0.0%	0.0%	58.0%	58.0%	99.7%	57.8%	1,136

Incurred		Born-Ferg Ultimate ILAE Ratio	
% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE	Born-Ferg Ultimate ILAE
3.2%	75.5%	1,207	1,207
4.5%	38.5%	648	648
6.9%	24.2%	311	311
10.3%	459.6%	4,520	4,520
15.1%	67.7%	663	663
22.1%	153.4%	1,304	1,304
34.9%	46.7%	543	543
56.6%	57.0%	751	751
76.1%	64.9%	896	896
91.9%	59.1%	1,131	1,131
99.7%	57.8%	1,136	1,136

Paid		Born-Ferg Ultimate ILAE Ratio	
% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE	Born-Ferg Ultimate ILAE
4.2%	76.3%	1,219	1,219
6.0%	39.1%	658	658
24.8%	24.8%	318	318
476.4%	476.4%	4,685	4,685
69.6%	69.6%	683	683
148.2%	148.2%	1,261	1,261
49.1%	49.1%	571	571
62.0%	62.0%	818	818
64.9%	64.9%	961	961
62.2%	62.2%	1,191	1,191
99.9%	58.0%	1,138	1,138

Capped @ 250k

PY	Capped @ 250k				Incurred		Paid		Born-Ferg Ultimate ILAE Ratio	
	GWP	Reported ILAE Ratio	Reported PLAE Ratio	Developed ILAE Ratio	Developed ILAE Ratio	Developed ILAE Ratio	Apriori ILAE Ratio	% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE
2004	1,598	23.0%	23.0%	23.6%	23.7%	23.7%	23.7%	2.5%	23.6%	377
2005	1,683	25.3%	25.3%	26.2%	26.6%	26.4%	26.4%	3.6%	26.2%	442
2006	1,286	22.5%	22.5%	23.8%	24.4%	24.1%	24.1%	5.2%	23.8%	306
2007	983	79.5%	79.5%	86.2%	90.1%	88.1%	88.1%	7.7%	86.3%	849
2008	980	57.3%	54.7%	64.6%	66.4%	65.5%	65.5%	11.4%	64.7%	634
2009	851	48.3%	35.4%	57.5%	48.9%	55.0%	55.0%	16.0%	57.1%	486
2010	1,163	24.0%	16.2%	32.2%	28.7%	32.0%	32.0%	25.5%	38.0%	442
2011	1,319	19.0%	14.5%	35.8%	39.4%	45.0%	45.0%	46.8%	40.1%	529
2012	1,481	9.6%	6.5%	30.7%	37.6%	43.0%	43.0%	68.9%	39.2%	580
2013	1,915	1.2%	0.8%	10.0%	21.8%	40.0%	40.0%	88.5%	36.6%	700
2014	1,964	0.0%	0.0%	0.0%	0.0%	36.0%	36.0%	99.4%	35.8%	703

Incurred		Born-Ferg Ultimate ILAE Ratio	
% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE	Born-Ferg Ultimate ILAE
2.5%	23.6%	377	377
3.6%	26.2%	442	442
5.2%	23.8%	306	306
7.7%	86.3%	849	849
11.4%	64.7%	634	634
16.0%	57.1%	486	486
25.5%	38.0%	442	442
46.8%	40.1%	529	529
68.9%	39.2%	580	580
88.5%	36.6%	700	700
99.4%	35.8%	703	703

Paid		Born-Ferg Ultimate ILAE Ratio	
% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE	Born-Ferg Ultimate ILAE
3.1%	23.7%	379	379
4.9%	26.6%	447	447
7.7%	24.4%	313	313
11.7%	89.8%	883	883
17.6%	66.2%	649	649
27.8%	50.6%	431	431
43.4%	40.1%	466	466
63.3%	43.0%	567	567
82.7%	42.1%	623	623
96.2%	39.3%	752	752
99.9%	36.0%	706	706

Capped @ 100k

PY	Capped @ 100k				Incurred		Paid		Born-Ferg Ultimate ILAE Ratio	
	GWP	Reported ILAE Ratio	Reported PLAE Ratio	Developed ILAE Ratio	Developed ILAE Ratio	Developed ILAE Ratio	Apriori ILAE Ratio	% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE
2004	1,598	13.0%	13.0%	13.2%	13.3%	13.3%	13.3%	1.8%	13.2%	211
2005	1,683	16.4%	16.4%	16.8%	17.1%	17.0%	17.0%	2.8%	16.9%	288
2006	1,286	21.4%	21.4%	22.3%	22.8%	22.6%	22.6%	4.3%	22.3%	287
2007	983	47.5%	47.5%	50.7%	52.7%	51.7%	51.7%	6.3%	50.8%	499
2008	980	31.2%	31.2%	34.3%	36.5%	35.4%	35.4%	9.1%	34.4%	337
2009	851	27.1%	17.7%	30.9%	23.0%	32.0%	32.0%	12.4%	31.0%	264
2010	1,163	24.0%	16.2%	29.8%	25.1%	32.0%	32.0%	19.6%	30.3%	352
2011	1,319	19.0%	14.5%	30.8%	32.0%	32.0%	32.0%	38.2%	31.2%	412
2012	1,481	9.6%	6.5%	22.7%	27.3%	32.0%	32.0%	57.8%	28.1%	416
2013	1,915	1.2%	0.8%	6.9%	14.8%	28.0%	28.0%	83.4%	24.5%	469
2014	1,964	0.0%	0.0%	0.0%	0.0%	26.0%	26.0%	99.8%	25.7%	505

Incurred		Born-Ferg Ultimate ILAE Ratio	
% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE	Born-Ferg Ultimate ILAE
1.8%	13.2%	211	211
2.8%	16.9%	288	288
4.3%	22.3%	287	287
6.3%	50.8%	499	499
9.1%	34.4%	337	337
12.4%	31.0%	264	264
19.6%	30.3%	352	352
38.2%	31.2%	412	412
57.8%	28.1%	416	416
83.4%	24.5%	469	469
99.8%	25.7%	505	505

Paid		Born-Ferg Ultimate ILAE Ratio	
% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE	Born-Ferg Ultimate ILAE
2.8%	13.3%	213	213
4.4%	17.1%	288	288
6.5%	22.8%	293	293
9.8%	52.6%	517	517
14.7%	36.4%	356	356
23.1%	25.1%	213	213
35.4%	27.6%	321	321
54.7%	32.0%	422	422
76.1%	30.9%	457	457
94.3%	27.2%	522	522
99.8%	26.0%	510	510

GL
 Bombhuetter-Ferguson Method - Apriori Selection

Capped @ Policy Limits

PY	GWP	Annual PY Rate Chg	Selected Ult ILAE	Ultimate ILAE Ratio	Ultimate ILAE Ratio Indexed to Policy Year										
					2009	2010	2011	2012	2013	2014					
2004	1,598	6.8%	1,213	75.9%	101.2%	108.0%	120.9%	122.3%	115.5%	104.4%					
2005	1,683	6.0%	653	38.8%	53.0%	56.6%	63.3%	64.0%	60.5%	54.6%					
2006	1,286	-1.9%	310	24.1%	31.2%	33.3%	37.7%	37.7%	35.6%	32.2%					
2007	983	-11.4%	4,600	467.7%	518.0%	619.1%	626.4%	591.6%	534.4%	534.4%					
2008	980	-2.6%	670	68.4%	76.1%	85.1%	86.1%	81.4%	73.5%	73.5%					
2009	851	-0.7%	1,570	184.6%	197.2%	220.6%	223.2%	210.8%	190.5%	190.5%					
2010	1,163	-3.1%	560	48.1%	54.5%	53.9%	54.5%	51.5%	46.5%	46.5%					
2011	1,319	-7.5%	780	59.1%	59.1%	59.1%	59.8%	56.5%	51.0%	51.0%					
2012	1,481	2.3%	930	62.8%	62.8%	62.8%	62.8%	59.8%	56.5%	56.5%					
2013	1,915	9.6%	1,160	60.6%	60.6%	60.6%	60.6%	59.3%	53.6%	53.6%					
2014	1,964	14.6%	1,140	58.0%	58.0%	58.0%	58.0%	59.3%	54.7%	54.7%					
All Yr Wtd :															
139.0%															
Last 7 Wtd :															
155.0%															
Last 5 Wtd :															
155.0%															
Last 3 Wtd :															
167.2%															
197.1%															
276.7%															
74.9%															
61.3%															
58.6%															
54.5%															
49.0%															
53.1%															
56.5%															
53.1%															
67.6%															
63.0%															
67.0%															
43.0%															
40.0%															
36.0%															
Credibility - Weighted:															
57.4%															
63.9%															
68.1%															
67.0%															
63.0%															
58.0%															
Selected BF Apriori:															
65.0%															
55.0%															
45.0%															
40.0%															

Capped @ 250k

PY	GWP	Annual PY Rate Chg	Selected Ult ILAE	Ultimate ILAE Ratio	Ultimate ILAE Ratio Indexed to Policy Year										
					2009	2010	2011	2012	2013	2014					
2004	1,598	6.8%	378	23.7%	31.1%	33.2%	37.0%	37.4%	35.2%	31.7%					
2005	1,683	6.0%	444	26.4%	35.7%	38.0%	42.4%	42.8%	40.3%	36.3%					
2006	1,286	-1.9%	310	24.1%	31.0%	33.0%	37.2%	37.2%	35.0%	31.6%					
2007	983	-11.4%	870	88.5%	97.5%	103.9%	116.0%	117.0%	110.3%	99.4%					
2008	980	-2.6%	640	65.3%	67.9%	72.3%	80.7%	81.5%	76.8%	69.2%					
2009	851	-0.7%	450	52.9%	52.9%	52.9%	52.9%	52.9%	52.9%	52.9%					
2010	1,163	-3.1%	450	38.7%	38.7%	38.7%	38.7%	38.7%	38.7%	38.7%					
2011	1,319	-7.5%	550	41.7%	41.7%	41.7%	41.7%	41.7%	41.7%	41.7%					
2012	1,481	2.3%	600	40.5%	40.5%	40.5%	40.5%	40.5%	40.5%	40.5%					
2013	1,915	9.6%	730	38.1%	38.1%	38.1%	38.1%	38.1%	38.1%	38.1%					
2014	1,964	14.6%	700	35.6%	35.6%	35.6%	35.6%	35.6%	35.6%	35.6%					
All Yr Wtd :															
49.1%															
52.8%															
56.5%															
54.7%															
49.6%															
53.7%															
57.8%															
57.8%															
65.9%															
48.3%															
37.5%															
34.8%															
39.5%															
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43.0%															
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37.6%															
35.0%															
40.4%															
42.8%															
41.5%															
38.2%															
40.0%															
40.0%															
36.0%															
Credibility - Weighted:															
49.1%															
52.8%															
56.5%															
54.7%															
49.6%															
53.7%															
57.8%															
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39.5%															
47.8%															
43.0%															
43.0%															
37.6%															
35.0%															
40.4%															
42.8%															
41.5%															
38.2%															
40.0%															
40.0%															
36.0%															

Capped @ 100k

PY	GWP	Annual PY Rate Chg	Selected Ult ILAE	Ultimate ILAE Ratio	Ultimate ILAE Ratio Indexed to Policy Year										
					2009	2010	2011	2012	2013	2014					
2004	1,598	6.8%	212	13.3%	17.3%	18.3%	20.4%	20.6%	19.3%	17.4%					
2005	1,683	6.0%	286	17.0%	22.7%	24.2%	26.9%	27.1%	25.5%	22.9%					
2006	1,286	-1.9%	290	22.6%	28.8%	30.6%	34.0%	34.3%	32.2%	29.0%					
2007	983	-11.4%	510	51.9%	56.9%	60.5%	67.3%	67.8%	63.7%	57.3%					
2008	980	-2.6%	350	39.4%	37.0%	39.4%	44.1%	44.1%	41.5%	37.3%					
2009	851	-0.7%	230	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%					
2010	1,163	-3.1%	340	29.2%	29.2%	29.2%	29.2%	29.2%	29.2%	29.2%					
2011	1,319	-7.5%	420	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%					
2012	1,481	2.3%	440	29.7%	29.7%	29.7%	29.7%	29.7%	29.7%	29.7%					
2013	1,915	9.6%	500	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%					
2014	1,964	14.6%	510	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%					
All Yr Wtd :															
30.4%															
31.9%															
35.1%															
34.8%															
32.0%															
35.1%															
37.4%															
35.4%															
30.4%															
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31.5%															
25.8%															
30.4%															
43.3%															
36.0%															
29.5%															
32.3%															
31.6%															
33.7%															
33.1%															
29.7%															
31.9%															
32.0%															
28.0%															
26.0%															
Credibility - Weighted:															
30.4%															
31.9%															
35.1%															
34.8%															
32.0%															
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37.4%															
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31.5%															
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36.0%															
29.5%															
32.3%															
31.6%															
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33.1%															
29.7%															
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32.0%															
28.0%															
26.0%															

GL

ILF_Selection

PY	Capped at 250k										Capped at 100k									
	Pol Limits Inc Ult	Capped Inc Ult	Implied ILF	Pol Limits Paid Ult	Capped Paid Ult	Implied ILF	Pol Limits Inc Ult	Capped Inc Ult	Implied ILF	Pol Limits Paid Ult	Capped Paid Ult	Implied ILF	Pol Limits Inc Ult	Capped Inc Ult	Implied ILF	Pol Limits Paid Ult	Capped Paid Ult	Implied ILF		
2004	1,207	377	3.20	1,219	379	3.21	1,207	211	5.73	1,219	213	5.72	1,207	211	5.73	1,219	213	5.72		
2005	648	441	1.47	658	447	1.47	648	284	2.28	658	288	2.28	648	284	2.28	658	288	2.28		
2006	311	306	1.02	319	314	1.02	311	287	1.08	319	294	1.09	311	287	1.08	319	294	1.09		
2007	4,510	848	5.32	4,698	886	5.30	4,510	499	9.04	4,698	518	9.07	4,510	499	9.04	4,698	518	9.07		
2008	661	633	1.04	685	650	1.05	661	336	1.97	685	358	1.91	661	336	1.97	685	358	1.91		
2009	1,518	489	3.10	1,628	416	3.91	1,518	263	5.77	1,628	196	8.31	1,518	263	5.77	1,628	196	8.31		
2010	429	375	1.14	382	334	1.14	429	347	1.24	382	292	1.31	429	347	1.24	382	292	1.31		
2011	579	472	1.23	656	520	1.26	579	406	1.43	656	422	1.56	579	406	1.43	656	422	1.56		
2012	592	455	1.30	750	557	1.35	592	336	1.76	750	404	1.86	592	336	1.76	750	404	1.86		
2013	273	192	1.42	623	418	1.49	273	133	2.06	623	282	2.21	273	133	2.06	623	282	2.21		
2014	0	0	-	0	0	-	0	0	-	0	0	-	0	0	-	0	0	-		
All Yr Wtd ex 2014:			2.34			2.36			3.46			3.56			3.46			3.56		
Last 7 Wtd ex 2014:			2.35			2.49			3.69			3.81			3.69			3.81		
Last 5 Wtd ex 2014:			1.55			1.80			2.28			2.53			2.28			2.53		
Last 3 Wtd ex 2014:			1.25			1.36			1.65			1.83			1.65			1.83		
						1.50						2.50						2.50		
						22%						22%						22%		
						1.32						1.64						1.64		
						Complement of Credibility - ISO Prem/Op Table 2 ILF:						Complement of Credibility - ISO Prem/Op Table 2 ILF:						Complement of Credibility - ISO Prem/Op Table 2 ILF:		
						Credibility Weighted ILF Indication:						Credibility Weighted ILF Indication:						Credibility Weighted ILF Indication:		
						Selected:						Selected:						Selected:		
						1.36						1.83						1.83		
						1.36						1.83						1.83		

* Averages exclude PY 2014

GL

Incurred & LAE - Policy Limits

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	ILAE @ 2014/1	LDF	Ultimate ILAE
2004	1,598	0	1,128	1,132	1,138	1,149	1,165	1,169	1,169	1,169	1,169	1,169	1,169	1.033	1,207
2005	1,683	0	58	104	182	385	607	616	618	618	618	618	618	1.048	648
2006	1,286	0	98	160	352	431	306	289	289	289			289	1.074	311
2007	983	0	12	19	189	2,574	4,044	4,046	4,048				4,048	1.114	4,510
2008	980	1	64	194	309	610	725	561					561	1.178	661
2009	851	0	17	22	159	405	1,182						1,182	1.284	1,518
2010	1,163	0	93	139	158	279							279	1.537	429
2011	1,319	0	134	227	251								251	2.305	579
2012	1,481	0	94	142									142	4.176	592
2013	1,915	0	22										22	12.365	273
2014	1,964	0											0	309.127	0

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	1.003	1.005	1.010	1.014	1.003	1.000	1.000	1.000	1.000	1.000
2005	-	1.792	1.746	2.110	1.579	1.014	1.004	1.000	1.000		
2006	-	1.630	2.194	1.225	0.709	0.947	1.000	1.000			
2007	-	1.583	9.983	13.654	1.571	1.001	1.000				
2008	57.550	3.053	1.588	1.976	1.188	0.774					
2009	-	1.232	7.387	2.544	2.918						
2010	-	1.484	1.143	1.761							
2011	-	1.695	1.106								
2012	-	1.502									
2013	-										
2014	-										
<hr/>											
	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
All Yr Wtd:	1,555.026	1,259	1,371	2,346	1,445	0,976	1,001	1,000	1,000	1,000	1,000
Last 7 Wtd:	394.567	1,759	1,849	2,346							
Last 5 Wtd:	-	1,796	1,775	3,684	1,558	0,976					
Last 3 Wtd:	-	1,577	1,469	2,066	1,658	0,965	1,001	1,000			
<hr/>											
Div 66 Age to Age:		3,491	1,707	1,366	1,197	1,090	1,058	1,037	1,025	1,014	
Div 66 Age to Ult:		12,510	3,583	2,099	1,537	1,284	1,178	1,114	1,074	1,048	1,033
<hr/>											
Selected Age to Age:	25,000	2,961	1,812	1,500	1,197	1,090	1,058	1,037	1,025	1,014	
Age to Ult:	309,127	12,365	4,176	2,305	1,537	1,284	1,178	1,114	1,074	1,048	1,033

GL

Incurred & LAE - Capped @ \$250k

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	250k Cap ILAE @ 2014/1	LDF	250k Cap Ultimate ILAE
2004	1,598	0	370	373	373	367	367	367	367	367	367	367	367	1.025	377
2005	1,683	0	58	104	182	385	425	426	426	426	426	426	426	1.037	441
2006	1,286	0	98	160	352	431	306	289	289	289	289	289	289	1.055	306
2007	983	0	12	19	189	736	780	781	782	782	782	782	782	1.084	848
2008	980	1	64	194	309	577	579	561					561	1.128	633
2009	851	0	17	22	159	397	411						411	1.191	489
2010	1,163	0	93	139	158	279							279	1.342	375
2011	1,319	0	134	227	251								251	1.879	472
2012	1,481	0	94	142									142	3.213	455
2013	1,915	0	22										22	8.710	192
2014	1,964	0											0	174.209	0

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	1.011	1.000	0.983	1.001	1.001	1.000	1.000	1.000	1.000	1.000
2005	-	1.792	1.746	2.110	1.104	1.002	1.000	1.000	1.000	1.000	
2006	-	1.630	2.194	1.225	0.709	0.947	1.000	1.000			
2007	-	1.583	9.983	3.902	1.060	1.001	1.002				
2008	57.551	3.052	1.588	1.869	1.003	0.969					
2009	-	1.232	7.387	2.493	1.035						
2010	-	1.484	1.143	1.761							
2011	-	1.695	1.106								
2012	-	1.502									
2013	-										
2014	-										

All Yr Wtd:	869,875	1,467	1,593	1,841	1,841	0.987	1,001	1,000	1,000	1,000	1,000
Last 7 Wtd:	394,567	1,759	1,849	1,841							
Last 5 Wtd:	-	1,796	1,775	2,074	0.990	0.987					
Last 3 Wtd:	-	1,577	1,469	2,001	1.035	0.980	1.001	1.000			
Div 66 Age to Age:		3.060	1.544	1.280	1.127	1.056	1.041	1.027	1.018	1.012	
Div 66 Age to Ult:		8.118	2.653	1.719	1.342	1.191	1.128	1.084	1.055	1.037	1.025
Selected Age to Age:	20,000	2,711	1,709	1,400	1,127	1,056	1,041	1,027	1,018	1,012	
Age to Ult:	174,209	8,710	3,213	1,879	1,342	1,191	1,128	1,084	1,055	1,037	1,025

GL

Incurred & LAE - Capped @ \$100k

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	100k Cap ILAE @ 2014/1	LDF	100k Cap Ultimate ILAE
2004	1,598	0	217	213	213	206	207	207	207	207	207	207	207	1.018	211
2005	1,683	0	58	104	182	272	275	276	276	276	276	207	276	1.029	284
2006	1,286	0	98	146	237	267	291	275	275	275	275	207	275	1.045	287
2007	983	0	12	19	189	436	466	467	467	467	467	207	467	1.068	499
2008	980	1	64	194	190	304	305	305	305	305	305	207	305	1.100	336
2009	851	0	17	22	126	228	230	230	230	230	230	207	230	1.142	263
2010	1,163	0	93	139	158	279	230	230	230	230	230	207	279	1.244	347
2011	1,319	0	134	227	251	279	230	230	230	230	230	207	251	1.617	406
2012	1,481	0	94	142	251	279	230	230	230	230	230	207	142	2.369	336
2013	1,915	0	22	142	251	279	230	230	230	230	230	207	22	6.010	133
2014	1,964	0	22	142	251	279	230	230	230	230	230	207	0	90.150	0

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	0.982	1.000	0.969	1.001	1.002	1.000	1.000	1.000	1.000	1.000
2005	-	1.792	1.746	1.492	1.010	1.004	1.000	1.000	1.000	1.000	1.000
2006	-	1.483	1.620	1.127	1.090	0.944	1.000	1.000	1.000	1.000	1.000
2007	-	1.583	9.983	2.310	1.071	1.002	1.000	1.000	1.000	1.000	1.000
2008	57.551	3.052	0.977	1.599	1.005	1.000	1.000	1.000	1.000	1.000	1.000
2009	-	1.232	5.832	1.815	1.009	1.000	1.000	1.000	1.000	1.000	1.000
2010	-	1.484	1.143	1.761	1.009	1.000	1.000	1.000	1.000	1.000	1.000
2011	-	1.695	1.106	1.761	1.009	1.000	1.000	1.000	1.000	1.000	1.000
2012	-	1.502	1.106	1.761	1.009	1.000	1.000	1.000	1.000	1.000	1.000
2013	-	1.502	1.106	1.761	1.009	1.000	1.000	1.000	1.000	1.000	1.000
2014	-	1.502	1.106	1.761	1.009	1.000	1.000	1.000	1.000	1.000	1.000
	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
	732.064	1.529	1.453	1.539	1.036	0.991	1.000	1.000	1.000	1.000	1.000
All Yr Wtd:	394.567	1.731	1.566	1.539	1.041	0.991	1.000	1.000	1.000	1.000	1.000
Last 7 Wtd:	-	1.796	1.522	1.683	1.041	0.991	1.000	1.000	1.000	1.000	1.000
Last 5 Wtd:	-	1.577	1.382	1.711	1.035	0.986	1.000	1.000	1.000	1.000	1.000
Last 3 Wtd:	-	2.795	1.438	1.209	1.089	1.042	1.030	1.022	1.015	1.011	1.019
Div 66 Age to Age:	6.074	2.173	1.511	1.250	1.147	1.147	1.101	1.069	1.046	1.030	1.019
Div 66 Age to Ult:	15.000	2.537	1.465	1.300	1.089	1.038	1.030	1.022	1.015	1.011	1.019
Selected Age to Age:	90.150	6.010	2.369	1.617	1.244	1.142	1.100	1.068	1.045	1.029	1.018
Age to Ult:	15.000	2.537	1.465	1.300	1.089	1.038	1.030	1.022	1.015	1.011	1.019
	90.150	6.010	2.369	1.617	1.244	1.142	1.100	1.068	1.045	1.029	1.018

GL

Paid & LAE - Policy Limits

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	P+LAE @ 2014/1	LDF	Ultimate ILAE
2004	1,598	0	17	125	131	149	165	1,169	1,169	1,169	1,169	1,169	1,169	1.043	1,219
2005	1,683	0	27	73	165	185	607	616	618	618	618	618	618	1.064	658
2006	1,286	0	13	123	152	206	251	289	289	289	289	289	289	1.101	319
2007	983	0	2	19	133	1,318	3,043	4,046	4,048	4,048	4,048	4,048	4,048	1.161	4,698
2008	980	1	24	84	309	410	525	536					536	1.278	685
2009	851	0	10	21	59	195	1,072						1,072	1.519	1,628
2010	1,163	0	16	138	153	189							189	2.021	382
2011	1,319	0	123	216	191								191	3.436	656
2012	1,481	0	81	97									97	7.760	750
2013	1,915	0	16										16	38.736	623
2014	1,964	0											0	#####	0

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	7.177	1.046	1.137	1.105	7.094	1.000	1.000	1.000	1.000	1.000
2005	-	2.684	2.252	1.117	3.291	1.014	1.004	1.000	1.000	1.000	
2006	-	9.263	1.231	1.356	1.217	1.155	1.000	1.000			
2007	-	7.720	7.117	9.882	2.308	1.330	1.000				
2008	21.416	3.551	3.668	1.329	1.280	1.022					
2009	-	2.054	2.761	3.293	5.494						
2010	-	8.746	1.107	1.236							
2011	-	1.754	0.883								
2012	-	1.189									
2013	-										
2014	-										
<hr/>											
	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
All Yr Wtd:	299.243	2.848	1.615	2.405	2.299	1.450	1.001	1.000	1.000	1.000	1.000
Last 7 Wtd:	246.733	2.585	1.720	2.405							
Last 5 Wtd:	-	2.187	1.765	2.876	2.376	1.450					
Last 3 Wtd:	-	2.046	1.072	1.525	2.412	1.276	1.001	1.000			
<hr/>											
Div 66 Age to Age:		6.441	2.461	1.610	1.330	1.189	1.101	1.054	1.035	1.020	
Div 66 Age to Ult:		51.575	8.007	3.253	2.021	1.519	1.278	1.161	1.101	1.064	1.043
<hr/>											
Selected Age to Age:	40.000	4.992	2.259	1.700	1.330	1.189	1.101	1.054	1.035	1.020	
Age to Ult:	1,549.439	38.736	7.760	3.436	2.021	1.519	1.278	1.161	1.101	1.064	1.043

GL

Paid & LAE - Capped @ \$250k

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	250k Cap P+LAE @ 2014/1	LDF	250k Cap Ultimate ILAE
2004	1,598	0	17	125	131	149	165	367	367	367	367	367	367	1.032	379
2005	1,683	0	27	73	165	185	425	426	426	426	426	426	426	1.051	447
2006	1,286	0	13	123	152	206	251	289	289	289	289	289	289	1.083	314
2007	983	0	2	19	133	521	779	781	782	782	782	782	782	1.133	886
2008	980	1	24	84	309	410	525	536					536	1.213	650
2009	851	0	10	21	59	195	301						301	1.384	416
2010	1,163	0	16	138	153	189							189	1.765	334
2011	1,319	0	123	216	191								191	2.724	520
2012	1,481	0	81	97									97	5.765	557
2013	1,915	0	16										16	25.977	418
2014	1,964	0											0	909.200	0

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	7.177	1.046	1.137	1.105	2.231	1.000	1.000	1.000	1.000	1.000
2005	-	2.684	2.252	1.117	2.301	1.002	1.000	1.000	1.000	1.000	
2006	-	9.263	1.231	1.356	1.217	1.155	1.000	1.000	1.000		
2007	-	7.720	7.117	3.905	1.495	1.002	1.002				
2008	21.417	3.550	3.668	1.329	1.280	1.022					
2009	-	2.054	2.761	3.293	1.541						
2010	-	8.746	1.107	1.236							
2011	-	1.754	0.883								
2012	-	1.189									
2013	-										
2014	-										

All Yr Wtd:	299.244	2.848	1.615	1.682	1.467	1.119	1.001	1.000	1.000	1.000	1.000
Last 7 Wtd:	246.734	2.585	1.720	1.682	1.503	1.119	1.001	1.000	1.000	1.000	
Last 5 Wtd:	-	2.187	1.765	1.887	1.503	1.119	1.001	1.000	1.000	1.000	
Last 3 Wtd:	-	2.046	1.072	1.525	1.425	1.033	1.001	1.000	1.000	1.000	

Div 66 Age to Age:	35.000	4.506	2.116	1.543	1.275	1.141	1.071	1.046	1.030	1.018	
Div 66 Age to Ult:	909.200	25.977	5.765	2.724	1.765	1.384	1.213	1.133	1.083	1.051	1.032

Prior Age to Age:	25.000	4.506	2.116	1.584	1.270	1.136	1.069	1.049	1.030	1.019	
Prior Age to Ult:	664.356	26.574	5.897	2.786	1.759	1.385	1.219	1.140	1.086	1.054	1.035

GL

Paid & LAE - Capped @ \$100k

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	100k Cap P+LAE @ 2014/1	LDF	100k Cap Ultimate ILAE
2004	1,598	0	17	115	121	139	154	207	207	207	207	207	207	1.029	213
2005	1,683	0	27	73	165	185	275	276	276	276	276	276	276	1.045	288
2006	1,286	0	13	109	137	191	236	275	275	275	275	275	275	1.070	294
2007	983	0	2	19	133	371	466	467	467	467	467	467	467	1.109	518
2008	980	1	24	84	190	287	305	305	305	305	305	305	305	1.172	358
2009	851	0	10	21	59	137	151						151	1.300	196
2010	1,163	0	16	138	153	189							189	1.547	292
2011	1,319	0	123	216	191								191	2.208	422
2012	1,481	0	81	97									97	4.177	404
2013	1,915	0	16										16	17.566	282
2014	1,964	0											0	526.992	0

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	6,579	1,050	1,149	1,113	1,342	1,000	1,000	1,000	1,000	1,000
2005	-	2,684	2,252	1,117	1,488	1,004	1,000	1,000	1,000	1,000	
2006	-	8,178	1,257	1,394	1,234	1,165	1,000	1,000	1,000		
2007	-	7,720	7,117	2,780	1,258	1,002	1,000				
2008	21,417	3,550	2,255	1,510	1,065	1,000					
2009	-	2,054	2,761	2,312	1,100						
2010	-	8,746	1,107	1,236							
2011	-	1,754	0.883								
2012	-	1,189									
2013	-										
2014	-										
	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
	299,244	2,769	1,481	1,563	1,213	1,065	1,000	1,000	1,000	1,000	1,000
All Yr Wtd:	246,734	2,532	1,556	1,563							
Last 7 Wtd:	-	2,187	1,517	1,747	1,225	1,065					
Last 5 Wtd:	-	2,046	1,072	1,524	1,161	1,039	1,000	1,000			
Last 3 Wtd:											
Div 66 Age to Age:		5,063	2,100	1,467	1,221	1,109	1,057	1,037	1,023	1,016	
Div 66 Age to Ult:		24,753	4,889	2,328	1,587	1,300	1,172	1,109	1,070	1,045	1,029
Selected Age to Age:	30,000	4,205	1,892	1,427	1,190	1,109	1,057	1,037	1,023	1,016	
Age to Ult:	526,992	17,566	4,177	2,208	1,547	1,300	1,172	1,109	1,070	1,045	1,029

GL

Total Claim Count excluding CWNP

PY	GWP	3	15	27	39	51	63	75	87	99	111	123
2004	1,598	0	9	9	9	6	5	5	5	5	5	5
2005	1,683	0	8	11	10	10	11	10	10	10	10	10
2006	1,286	0	7	8	9	12	11	11	11	11	11	11
2007	983	0	3	8	13	11	11	11	11	11	11	11
2008	980	1	4	11	11	11	11	11	11	11	11	11
2009	851	0	5	6	7	8	8	8	8	8	8	8
2010	1,163	0	8	13	15	16	16	16	16	16	16	16
2011	1,319	0	10	20	21							
2012	1,481	0	8	9								
2013	1,915	0	7									
2014	1,964	0										

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	1,000	1,000	0,667	0,833	1,000	1,000	1,000	1,000	1,000	1,000
2005	-	1,375	0,909	1,000	1,100	0,909	1,000	1,000	1,000	1,000	1,000
2006	-	1,143	1,125	1,333	0,917	1,000	1,000	1,000	1,000	1,000	1,000
2007	-	2,667	1,625	0,846	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2008	4,000	2,750	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2009	-	1,200	1,167	1,143	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2010	-	1,625	1,154	1,067	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2011	-	2,000	1,050								
2012	-	1,125									
2013	-										
2014	-										

Total ex-CWNP @ 2014/1	LDF	Developed Ultimate ex-CWNP		Ultimate Average ex-CWNP	Born-Ferg Ultimate ex-CWNP	Selected Ultimate ex-CWNP
		2004 thru 2012:	2009 thru 2012:			
5	1.009	5	1.009	0.003	0.003	5
10	1.015	10	1.015	0.006	0.006	10
11	1.022	11	1.022	0.009	0.009	11
11	1.029	11	1.029	0.010	0.010	11
11	1.037	11	1.037	0.010	0.010	11
8	1.047	8	1.047	0.009	0.009	8
16	1.061	16	1.061	0.012	0.012	16
21	1.092	21	1.092	0.014	0.014	21
9	1.204	9	1.204	0.006	0.006	9
7	1.945	7	1.945	0.009	0.009	7
0	29.176	0	29.176	0.009	0.009	0

All Yr Wtd:	69,000	1,532	1,105	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
Last 7 Wtd:	45,000	1,667	1,117	1,000	1,000	0,983	0,980	1,000	1,000	1,000	1,000	1,000
Last 5 Wtd:	-	1,686	1,155	1,055	1,055	1,000	0,980	1,000	1,000	1,000	1,000	1,000
Last 3 Wtd:	-	1,615	1,103	1,061	1,061	1,000	1,000	1,000	1,000	1,000	1,000	1,000

Div 66 Age to Age:	1,665	1,065	1,065	1,029	1,014	1,009	1,008	1,007	1,007	1,006	1,006	1,009
Div 66 Age to Ult:	1,937	1,164	1,164	1,092	1,061	1,047	1,037	1,029	1,022	1,015	1,015	1,009

Selected Age to Age:	15,000	1,615	1,103	1,029	1,014	1,009	1,008	1,007	1,007	1,006	1,006	1,009
Age to Ult:	29,176	1,945	1,204	1,092	1,061	1,047	1,037	1,029	1,022	1,015	1,015	1,009

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Large Losses - Incurred + LAE > 100k

PY	DSP	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	LAE	ILAE	Acc State	Description
2003	1-6-327	3786512	50330	7/24/2003	Joseph J. Lorang	120	0	49	169	California	Climt Alleges Unsafe Work Environment T
2004	1-6-327	487215	6380	7/23/2004	Norcal Forest Res	1,000	0	51	1,051	California	Insd SUB Allegedly Started Fire
2004	1-6-327	7309681	6511	6/21/2004	Robinson Enterpri	108	0	3	110	California	Claims Posting
2005	1-6-327	487181	70541	9/2/2006	Arens Mechanical	399	0	46	445	California	46 Acre Operations Fire
2006	1-6-327	7308576	67510	7/25/2006	Floyd J. Lundberg	86	0	32	117	Oregon	Fire Broke OUT ON Site
2007	1-6-327	9271382	129926	8/16/2007	J.M. Browning Log	1,000	0	178	1,178	Oregon	Lawsuti Copy Of Suit Given To Insd WHO
2007	1-6-327	9271382	131376	8/16/2007	J.M. Browning Log	0	0	115	115	Oregon	Lawsuit Copy Of Suit Given To Insd WHO
2008	1-6-327	15849245	154227	1/7/2009	DON Zepp Logging	0	25	211	236	Washington	Lawsuit Clmt Alleges That OUR Insd LOG
2008	1-6-327	964080	125076	9/30/2008	Osborn's Resource	150	0	77	227	California	Climt Alleges Property Damage By The In
2009	1-6-327	15848923	166461	3/16/2010	Associated Califo	671	0	353	1,025	California	Fatality Insured Driver WAS Driving PE
2009	1-6-327	7307651	140110	9/19/2009	Soper Company (Se	0	110	24	134	California	Small Fire ON Property

AL

Rate Need Indications

Target Combined Ratio	Before 2014 Rate Change			PY 2014 Rate Change			After 2014 Rate Change			
	Target ILAE Ratio	ILAE Ratio	66.3%	Rate Need	Rate Achieved	Rate Ultimate	Rate Need	Rate Achieved	Rate Ultimate	
	ILAE Ratio	ILAE Ratio	71.0%	Rate Need	Rate Achieved	Rate Ultimate	Rate Need	Rate Achieved	Rate Ultimate	
RAP Neutral:	97.7%			7.0%	14.5%	62.0%		64.5%		-2.6%

Expense Ratio calculated as follows:

Commission:	20.0%
Prem Tax:	3.3%
Other Acquisition Fees:	2.6%
Direct Expense:	1.4%
Indirect Expense:	4.3%
	<hr/>
	31.5%

AL

Indexing - PY 2014 Ultimate Loss & LAE Selection

PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP
2004	2,982	11.8%	1.118	2,959
2005	3,120	2.0%	1.140	3,035
2006	2,811	-6.5%	1.067	2,924
2007	2,260	-21.4%	0.838	2,992
2008	2,748	-3.5%	0.809	3,768
2009	2,518	0.5%	0.813	3,436
2010	3,223	0.4%	0.816	4,379
2011	3,731	0.7%	0.822	5,036
2012	4,006	8.8%	0.894	4,971
2013	5,403	8.4%	0.969	6,187
2014	4,598	14.5%	1.110	4,598

All Yr Wtd ex 2014:	
Last 7 Wtd ex 2014:	
Last 5 Wtd ex 2014:	
Last 3 Wtd ex 2014:	

Selected Ultimate:	
ILF:	
Policy Limits Ultimate:	

Policy Limits			4.0%	On-Level Ultimate ILAE Ratio
Ultimate ILAE Ratio	Trend to PY 2014			
35.0%	1.480		52.1%	
49.2%	1.423		71.9%	
36.8%	1.369		48.4%	
57.1%	1.316		56.8%	
89.7%	1.265		82.8%	
72.2%	1.217		64.4%	
80.5%	1.170		69.3%	
84.1%	1.125		70.1%	
78.4%	1.082		68.4%	
70.2%	1.040		63.8%	
65.6%	1.000		65.6%	

Weight:	
	65.0%
	1.00
	65.0%
	31%

Capped @ 250k			3.5%	On-Level Ultimate ILAE Ratio
Ultimate ILAE Ratio	Trend to PY 2014			
30.0%	1.411		42.7%	
25.2%	1.363		35.3%	
19.0%	1.317		24.0%	
52.2%	1.272		50.2%	
52.2%	1.229		46.8%	
46.4%	1.188		40.4%	
60.0%	1.148		50.7%	
54.1%	1.109		44.4%	
50.7%	1.071		43.8%	
45.9%	1.035		41.5%	
40.7%	1.000		40.7%	

	41.0%
	1.42
	58.3%
	34%

Capped @ 100k			3.0%	On-Level Ultimate ILAE Ratio
Ultimate ILAE Ratio	Trend to PY 2014			
24.9%	1.344		33.8%	
18.0%	1.305		24.2%	
13.7%	1.267		16.6%	
38.1%	1.230		35.4%	
33.7%	1.194		29.3%	
30.9%	1.159		26.2%	
42.7%	1.126		35.3%	
36.7%	1.093		29.7%	
36.7%	1.061		31.4%	
30.9%	1.030		27.8%	
27.1%	1.000		27.1%	

	28.0%
	1.99
	55.7%
	34%

Frequency/Severity Indication: 66.5%

Weighted Average: 59.5%

PY 2014 Selected: 62.0%

Experience Adjustment: -1.0%

PY 2014: 61.0%

ULE: 1.0%

Claims Fees: 0.0%

PY 2014 Ultimate ILAE Ratio: 62.0%

AL

Frequency/Severity Method

PY	Frequency		Severity						
	On-Level GWP	Reported excl CWNP Claim Ct.	Ultimate excl CWNP Claim Ct.	On-Level Frequency	Reported ILAE @ 2014/1	Selected Ultimate ILAE	Average Severity	4.0% Trend to PY 2014	Average Severity @ PY 2014
2004	2,959	67	67	0.023	1,039	1,043	16	1.480	23.03
2005	3,035	56	56	0.018	1,522	1,534	27	1.423	38.98
2006	2,924	49	49	0.017	1,025	1,034	21	1.369	28.88
2007	2,992	67	67	0.022	1,258	1,290	19	1.316	25.35
2008	3,768	77	77	0.020	2,420	2,465	32	1.265	40.49
2009	3,436	55	55	0.016	1,624	1,818	33	1.217	40.12
2010	4,379	84	84	0.019	2,435	2,594	31	1.170	35.97
2011	5,036	88	89	0.018	2,219	3,139	35	1.125	39.67
2012	4,971	97	100	0.020	1,961	3,141	31	1.082	33.86
2013	6,187	95	131	0.021	783	3,794	29	1.040	30.03
2014	4,598	3	88	0.019	4	3,015	34	1.040	35.49
All Yr Wtd ex 2014:				0.020					33.98
Last 7 Wtd ex 2014:				0.020					35.02
Last 5 Wtd ex 2014:				0.019					35.37
Last 3 Wtd ex 2014:				0.020					34.20
			PY 2014 Select	0.020				PY 2014 Selected Severity:	34.00

Indicated PY 2014 Ult ILAE Ratio: 66.5%

AL

Selection of Ultimate Loss & LAE - Capped @ Policy Limits

PY	GWP	Reported		Inc. Dev. Method	Paid Dev. Method	Inc. BF Method	Paid BF Method	Case Reserve Development Method	Selected Ultimate I+Legal	Expected Adjuster Load	Actual Adjuster Load	Selected Ultimate ILAE	Ultimate ILAE Ratio
		I+Legal @ 2014/1											
2004	2,982	1,006	1,008	1,011	1,008	1,011	1,006	1,006	1,009	1.041	1.033	1,043	35.0%
2005	3,120	1,441	1,449	1,455	1,449	1,455	1,441	1,441	1,452	1.041	1.056	1,534	49.2%
2006	2,811	961	972	978	972	978	961	961	970	1.041	1.066	1,034	36.8%
2007	2,260	1,178	1,201	1,217	1,202	1,216	1,178	1,178	1,210	1.041	1.067	1,290	57.1%
2008	2,748	2,315	2,394	2,325	2,392	2,328	2,451	2,451	2,360	1.041	1.045	2,465	89.7%
2009	2,518	1,537	1,644	1,809	1,648	1,794	1,537	1,537	1,730	1.041	1.051	1,818	72.2%
2010	3,223	2,300	2,639	2,287	2,590	2,278	2,839	2,839	2,460	1.041	1.055	2,594	80.5%
2011	3,731	2,061	3,030	3,269	2,944	3,010	2,833	2,833	2,980	1.041	1.053	3,139	84.1%
2012	4,006	1,821	3,654	2,343	3,268	2,732	4,515	4,515	3,000	1.041	1.047	3,141	78.4%
2013	5,403	723	3,285	3,923	3,673	3,795	2,920	2,920	3,700	1.041	1.025	3,794	70.2%
2014	4,598	4	364	0	2,914	2,934	505	505	2,900	1.041	1.040	3,015	65.6%
Total	37,399	15,345	21,640	20,617	24,060	23,530	22,184	22,184	23,771			24,867	66.5%

AL

Selection of Ultimate Loss & LAE - Capped @ 250k

PY	GWP	Reported I+Legal @ 2014/1	Inc. Dev. Method	Paid Dev. Method	Inc. BF Method	Paid BF Method	Case Reserve Development Method	Selected Ultimate I+Legal	Expected Adjuster Load	Actual Adjuster Load	Selected Ultimate I+Legal	Ultimate ILAE Ratio
2004	2,982	859	861	863	861	863	859	862	1.041	1.039	896	30.0%
2005	3,120	700	703	706	703	706	700	705	1.041	1.116	787	25.2%
2006	2,811	470	474	476	474	476	470	470	1.041	1.136	534	19.0%
2007	2,260	1,074	1,089	1,101	1,089	1,101	1,074	1,100	1.041	1.073	1,180	52.2%
2008	2,748	1,359	1,390	1,271	1,389	1,274	1,489	1,330	1.041	1.079	1,435	52.2%
2009	2,518	994	1,038	1,114	1,039	1,110	994	1,080	1.041	1.081	1,168	46.4%
2010	3,223	1,647	1,802	1,799	1,769	1,714	1,803	1,800	1.041	1.075	1,934	60.0%
2011	3,731	1,415	1,785	2,032	1,787	1,928	1,655	1,860	1.041	1.085	2,018	54.1%
2012	4,006	1,226	2,042	1,795	1,962	1,825	2,198	1,890	1.041	1.074	2,031	50.7%
2013	5,403	723	2,586	2,747	2,436	2,427	2,481	2,400	1.041	1.033	2,479	45.9%
2014	4,598	4	286	0	1,818	1,829	460	1,800	1.041	1.040	1,871	40.7%
Total	37,399	10,471	14,057	13,904	15,327	15,254	14,183	15,297		12	16,334	43.7%

AL

Selection of Ultimate Loss & LAE - Capped @ 100k

PY	GWP	Reported		Inc. Dev. Method	Paid Dev. Method	Inc. BF Method	Paid BF Method	Case Reserve Development Method	Selected Ultimate I+Legal	Expected Adjuster Load	Actual Adjuster Load	Selected Ultimate LAE	Ultimate ILAE Ratio
		I+Legal @ 2014/1	709										
2004	2,982	709	709	709	711	709	711	709	710	1,041	1,047	744	24.9%
2005	3,120	479	480	480	482	480	482	479	481	1,041	1,170	563	18.0%
2006	2,811	320	321	321	323	321	323	320	320	1,041	1,200	384	13.7%
2007	2,260	774	781	781	787	781	787	774	780	1,041	1,103	860	38.1%
2008	2,748	841	852	852	790	852	791	896	820	1,041	1,128	925	33.7%
2009	2,518	653	669	671	705	671	709	653	690	1,041	1,127	778	30.9%
2010	3,223	1,154	1,215	1,202	1,270	1,202	1,221	1,195	1,240	1,041	1,108	1,374	42.7%
2011	3,731	1,050	1,189	1,189	1,252	1,189	1,233	1,166	1,210	1,041	1,131	1,368	36.7%
2012	4,006	1,030	1,413	1,367	1,344	1,367	1,291	1,449	1,330	1,041	1,105	1,470	36.7%
2013	5,403	633	1,716	1,622	1,992	1,622	1,645	1,544	1,600	1,041	1,045	1,671	30.9%
2014	4,598	4	163	1,215	0	1,215	1,230	257	1,200	1,041	1,040	1,248	27.1%
Total	37,399	7,647	9,508	10,409	9,656	10,409	10,422	9,441	10,381		12	11,386	30.4%

AL

Bornhuetter-Ferguson Method

PY	Capped @ Policy Limits											
	GWP	Reported ILeg Ratio	Reported PLeg Ratio	Incurred Developed ILeg Ratio	Incurred Developed ILeg Ratio	Paid Developed ILeg Ratio	Apriori ILeg Ratio	Born-Ferg Ultimate ILeg Ratio	Born-Ferg Ultimate ILeg	% Expected Unreported	Born-Ferg Ultimate ILeg Ratio	Born-Ferg Ultimate ILeg
2004	2,982	33.7%	33.7%	33.8%	33.8%	33.9%	33.8%	33.8%	1,008	0.2%	33.8%	1,011
2005	3,120	46.2%	46.2%	46.4%	46.4%	46.6%	46.5%	46.4%	1,449	0.6%	46.4%	1,455
2006	2,811	34.2%	34.2%	34.6%	34.6%	34.8%	34.7%	34.6%	972	1.1%	34.6%	978
2007	2,260	52.1%	52.1%	53.2%	53.2%	53.8%	53.5%	53.2%	1,202	2.0%	53.2%	1,216
2008	2,748	84.2%	78.8%	87.1%	84.6%	84.6%	85.8%	87.1%	2,392	3.3%	84.7%	2,328
2009	2,518	61.0%	61.0%	65.3%	71.8%	71.8%	68.0%	65.5%	1,648	6.5%	71.3%	1,794
2010	3,223	71.4%	50.4%	81.9%	71.0%	71.0%	70.0%	80.4%	2,590	12.8%	70.7%	2,278
2011	3,731	55.2%	42.9%	81.2%	87.6%	87.6%	74.0%	78.9%	2,944	32.0%	80.7%	3,010
2012	4,006	45.5%	16.5%	91.2%	58.5%	58.5%	72.0%	81.6%	3,268	50.2%	68.2%	2,732
2013	5,403	13.4%	6.8%	60.8%	72.6%	72.6%	70.0%	68.0%	3,673	78.0%	70.2%	3,795
2014	4,598	0.1%	0.0%	7.9%	0.0%	0.0%	64.0%	63.4%	2,914	98.9%	63.8%	2,934

PY	Capped @ 250k											
	GWP	Reported ILeg Ratio	Reported PLeg Ratio	Incurred Developed ILeg Ratio	Incurred Developed ILeg Ratio	Paid Developed ILeg Ratio	Apriori ILeg Ratio	Born-Ferg Ultimate ILeg Ratio	Born-Ferg Ultimate ILeg	% Expected Unreported	Born-Ferg Ultimate ILeg Ratio	Born-Ferg Ultimate ILeg
2004	2,982	28.8%	28.8%	28.9%	28.9%	28.9%	28.9%	28.9%	861	0.2%	28.9%	863
2005	3,120	22.4%	22.4%	22.5%	22.6%	22.6%	22.6%	22.5%	703	0.5%	22.5%	706
2006	2,811	16.7%	16.7%	16.9%	16.9%	16.9%	16.9%	16.9%	474	0.9%	16.9%	476
2007	2,260	47.5%	47.5%	48.2%	48.7%	48.7%	48.5%	48.2%	1,089	1.4%	48.2%	1,101
2008	2,748	49.4%	44.0%	50.6%	46.2%	46.2%	48.4%	50.5%	1,389	2.3%	46.3%	1,274
2009	2,518	39.5%	39.5%	41.2%	44.2%	44.2%	43.0%	41.3%	1,039	4.2%	44.1%	1,110
2010	3,223	51.1%	43.4%	55.9%	55.8%	55.8%	44.0%	54.9%	1,769	8.6%	53.2%	1,714
2011	3,731	37.9%	31.0%	47.9%	54.5%	54.5%	48.0%	47.9%	1,787	20.7%	49.0%	1,928
2012	4,006	30.6%	16.5%	51.0%	44.8%	44.8%	46.0%	49.0%	1,962	39.9%	45.6%	1,825
2013	5,403	13.4%	6.8%	47.9%	50.8%	50.8%	44.0%	45.1%	2,436	72.1%	44.9%	2,427
2014	4,598	0.1%	0.0%	6.2%	0.0%	0.0%	40.0%	39.5%	1,818	98.6%	39.8%	1,829

PY	Capped @ 100k											
	GWP	Reported ILeg Ratio	Reported PLeg Ratio	Incurred Developed ILeg Ratio	Incurred Developed ILeg Ratio	Paid Developed ILeg Ratio	Apriori ILeg Ratio	Born-Ferg Ultimate ILeg Ratio	Born-Ferg Ultimate ILeg	% Expected Unreported	Born-Ferg Ultimate ILeg Ratio	Born-Ferg Ultimate ILeg
2004	2,982	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	709	0.1%	23.8%	711
2005	3,120	15.3%	15.3%	15.4%	15.4%	15.4%	15.4%	15.4%	480	0.2%	15.4%	482
2006	2,811	11.4%	11.4%	11.4%	11.5%	11.5%	11.5%	11.4%	321	0.5%	11.4%	323
2007	2,260	34.3%	34.3%	34.6%	34.8%	34.8%	34.7%	34.6%	781	0.9%	34.6%	787
2008	2,748	30.6%	27.8%	31.0%	28.8%	28.8%	29.9%	31.0%	852	1.3%	28.8%	791
2009	2,518	26.0%	26.0%	26.6%	28.0%	28.0%	30.0%	26.6%	671	2.3%	26.6%	709
2010	3,223	35.8%	32.9%	37.7%	39.4%	39.4%	30.0%	37.3%	1,202	5.0%	37.9%	1,221
2011	3,731	28.2%	22.5%	31.9%	33.6%	33.6%	32.0%	31.9%	1,189	11.6%	33.1%	1,233
2012	4,006	25.7%	16.0%	35.3%	33.5%	33.5%	31.0%	34.1%	1,367	27.1%	32.2%	1,291
2013	5,403	11.7%	6.8%	31.8%	36.9%	36.9%	29.0%	30.0%	1,622	63.1%	30.4%	1,645
2014	4,598	0.1%	0.0%	3.5%	0.0%	0.0%	27.0%	26.4%	1,215	97.5%	26.8%	1,230

AL

Bornhuetter-Ferguson Method - Apriori Selection

Capped @ Policy Limits

PY	GWP	Annual PY Rate Chg	Selected Ult ILAE	Ultimate ILAE Ratio	Ultimate ILAE Ratio Indexed to Policy Year							
					2009	2010	2011	2012	2013	2014		
2004	2,982	11.8%	1,009	33.8%	56.6%	58.6%	60.6%	57.9%	55.6%	50.5%		
2005	3,120	2.0%	1,452	46.5%	76.4%	79.1%	81.7%	78.1%	75.0%	68.1%		
2006	2,811	-6.5%	970	34.5%	50.9%	52.7%	54.5%	52.1%	50.0%	45.4%		
2007	2,260	-21.4%	1,210	53.5%	59.7%	61.8%	63.9%	61.1%	58.6%	53.2%		
2008	2,748	-3.5%	2,360	85.9%	88.9%	92.1%	95.1%	90.9%	87.2%	79.2%		
2009	2,518	0.5%	1,730	68.7%	71.2%	73.5%	70.3%	67.5%	61.3%	50.5%		
2010	3,223	0.4%	2,460	76.3%	76.3%	78.9%	75.4%	72.3%	65.7%	50.5%		
2011	3,731	0.7%	2,980	79.9%	79.9%	79.9%	76.4%	73.3%	66.6%	50.5%		
2012	4,006	8.8%	3,000	74.9%	74.9%	74.9%	74.9%	71.9%	65.3%	50.5%		
2013	5,403	8.4%	3,700	68.5%	68.5%	68.5%	68.5%	68.5%	62.2%	50.5%		
2014	4,598	14.5%	2,900	63.1%	63.1%	63.1%	63.1%	63.1%	62.7%	50.5%		
All Yr Wtd :					67.7%	70.3%	73.8%	71.6%	69.2%	62.7%	50.5%	
Last 7 Wtd :					-	-	73.8%	73.2%	70.0%	65.0%	50.5%	
Last 5 Wtd :					67.7%	72.5%	74.7%	75.5%	74.3%	64.3%	50.5%	
Last 3 Wtd :					68.4%	76.1%	82.6%	74.4%	72.5%	64.5%	50.5%	
ILF Implied :					61.1%	62.6%	68.3%	65.4%	62.6%	56.9%	50.5%	
Credibility - Weighted:					46.6%	50.3%	53.1%	55.3%	58.2%	58.4%	50.5%	
Selected BF Apriori:					68.0%	70.0%	74.0%	72.0%	70.0%	64.0%	50.5%	

Capped @ 250k

PY	GWP	Annual PY Rate Chg	Selected Ult ILAE	Ultimate ILAE Ratio	Ultimate ILAE Ratio Indexed to Policy Year							
					2009	2010	2011	2012	2013	2014		
2004	2,982	11.8%	862	28.9%	47.2%	48.7%	50.0%	47.6%	45.5%	41.1%		
2005	3,120	2.0%	705	22.6%	36.4%	37.5%	38.5%	36.7%	35.0%	31.7%		
2006	2,811	-6.5%	470	16.7%	24.3%	25.1%	25.8%	24.5%	23.4%	21.2%		
2007	2,260	-21.4%	1,100	48.7%	53.7%	55.4%	57.0%	54.2%	51.8%	46.8%		
2008	2,748	-3.5%	1,330	48.4%	49.8%	51.4%	48.0%	50.3%	48.0%	43.4%		
2009	2,518	0.5%	1,080	42.9%	44.2%	45.5%	43.2%	41.3%	37.3%	33.3%		
2010	3,223	0.4%	1,800	55.9%	55.9%	55.9%	54.6%	52.2%	47.2%	41.0%		
2011	3,731	0.7%	1,860	49.9%	49.9%	49.9%	47.4%	45.3%	41.0%	41.0%		
2012	4,006	8.8%	1,890	47.2%	47.2%	47.2%	47.2%	45.1%	40.7%	40.1%		
2013	5,403	8.4%	2,400	44.4%	44.4%	44.4%	44.4%	44.4%	44.4%	40.1%		
2014	4,598	14.5%	1,800	39.1%	39.1%	39.1%	39.1%	39.1%	39.1%	39.7%		
All Yr Wtd :					42.7%	44.1%	47.6%	45.6%	43.8%	39.7%	39.7%	
Last 7 Wtd :					-	-	47.6%	45.4%	44.6%	42.1%	39.7%	
Last 5 Wtd :					42.7%	43.2%	48.7%	49.9%	46.5%	41.3%	39.7%	
Last 3 Wtd :					43.3%	50.1%	52.4%	48.8%	47.3%	40.6%	39.7%	
ILF Implied :					42.0%	42.0%	44.8%	43.4%	40.6%	37.8%	39.7%	
Credibility - Weighted:					33.4%	34.9%	37.7%	39.2%	39.9%	41.0%	39.7%	
Selected BF Apriori:					43.0%	44.0%	48.0%	46.0%	44.0%	40.0%	39.7%	

Capped @ 100k

PY	GWP	Annual PY Rate Chg	Selected Ult ILAE	Ultimate ILAE Ratio	Ultimate ILAE Ratio Indexed to Policy Year							
					2009	2010	2011	2012	2013	2014		
2004	2,982	11.8%	710	23.8%	38.0%	38.9%	39.8%	37.7%	35.8%	32.2%		
2005	3,120	2.0%	481	15.4%	24.3%	25.0%	25.5%	24.2%	23.0%	20.7%		
2006	2,811	-6.5%	320	11.4%	16.3%	16.7%	17.1%	16.2%	15.4%	13.9%		
2007	2,260	-21.4%	780	34.5%	37.7%	38.7%	39.6%	37.5%	35.6%	32.1%		
2008	2,748	-3.5%	820	29.8%	30.6%	31.4%	30.4%	28.9%	26.0%	23.3%		
2009	2,518	0.5%	690	27.4%	28.1%	28.8%	27.2%	25.9%	23.3%	21.0%		
2010	3,223	0.4%	1,240	38.5%	38.5%	38.5%	37.3%	35.4%	31.9%	28.4%		
2011	3,731	0.7%	1,210	32.4%	32.4%	32.4%	30.7%	29.2%	26.3%	23.4%		
2012	4,006	8.8%	1,330	33.2%	33.2%	33.2%	31.6%	30.1%	27.4%	24.5%		
2013	5,403	8.4%	1,600	29.6%	29.6%	29.6%	28.8%	28.8%	26.6%	23.7%		
2014	4,598	14.5%	1,200	26.1%	26.1%	26.1%	26.1%	26.1%	26.6%	26.6%		
All Yr Wtd :					29.5%	29.9%	32.2%	30.5%	29.4%	26.5%	26.5%	
Last 7 Wtd :					-	-	32.2%	29.7%	29.4%	27.7%	26.5%	
Last 5 Wtd :					29.5%	28.2%	32.0%	32.5%	30.4%	27.4%	26.5%	
Last 3 Wtd :					28.5%	32.4%	33.9%	32.0%	31.9%	27.1%	26.5%	
Credibility - Weighted:					26.5%	27.0%	28.8%	29.7%	29.9%	31.3%	26.5%	
Selected BF Apriori:					30.0%	30.0%	32.0%	31.0%	29.0%	27.0%	26.5%	

AL

ILF_Selection

PY	Capped at 250k						Capped at 100k						
	Pol Limits Inc Ult	Capped Inc Ult	Implied ILF	Pol Limits Paid Ult	Capped Paid Ult	Implied ILF	Pol Limits Inc Ult	Capped Inc Ult	Implied ILF	Pol Limits Paid Ult	Capped Paid Ult	Implied ILF	
2004	1,008	861	1.17	1,011	863	1.17	1,008	709	1.42	1,011	711	1.42	
2005	1,449	703	2.06	1,455	706	2.06	1,449	480	3.02	1,455	482	3.02	
2006	972	474	2.05	978	476	2.05	972	321	3.03	978	323	3.03	
2007	1,201	1,089	1.10	1,217	1,101	1.10	1,201	781	1.54	1,217	787	1.55	
2008	2,394	1,390	1.72	2,325	1,271	1.83	2,394	852	2.81	2,325	790	2.94	
2009	1,644	1,038	1.58	1,809	1,114	1.62	1,644	669	2.46	1,809	705	2.57	
2010	2,639	1,802	1.46	2,287	1,799	1.27	2,639	1,215	2.17	2,287	1,270	1.80	
2011	3,030	1,785	1.70	3,269	2,032	1.61	3,030	1,189	2.55	3,269	1,252	2.61	
2012	3,654	2,042	1.79	2,343	1,795	1.31	3,654	1,413	2.59	2,343	1,344	1.74	
2013	3,285	2,586	1.27	3,923	2,747	1.43	3,285	1,716	1.91	3,923	1,992	1.97	
2014	364	286	1.27	0	0	-	364	163	2.24	0	0	-	
All Yr Wtd ex 2014:			1.55			1.48			2.28			2.14	
Last 7 Wtd ex 2014:			1.54			1.45			2.28			2.11	
Last 5 Wtd ex 2014:			1.56			1.44			2.30			2.08	
Last 3 Wtd ex 2014:			1.53			1.45			2.31			2.08	
Complement of Credibility - ISO Lt & Med Truck ILF:						1.37	Complement of Credibility - ISO Lt & Med Truck ILF:						1.70
Selected Empirical ILF:						1.45	Selected Empirical ILF:						2.15
Credibility:						65%	Credibility:						65%
Credibility Weighted ILF Indication:						1.42	Credibility Weighted ILF Indication:						1.99
Selected:						1.42	Selected:						1.99

* Averages exclude PY 2014

AL

Incurred & Legal - Policy Limits

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	I+Legal @ 2014/1	LDf	Ultimate I+Legal
2004	2,982	0	345	514	548	589	1,016	1,016	1,016	1,006	1,006	1,006	1,006	1.002	1,008
2005	3,120	5	166	1,120	1,091	1,323	1,450	1,441	1,441	1,441	1,441	1,006	1,441	1.006	1,449
2006	2,811	0	177	208	246	232	483	961	961	961			961	1.011	972
2007	2,260	0	399	714	929	1,134	1,178	1,178	1,178				1,178	1.020	1,201
2008	2,748	105	1,271	1,476	1,304	1,497	2,238	2,315					2,315	1.034	2,394
2009	2,518	0	286	870	987	1,582	1,537						1,537	1.070	1,644
2010	3,223	0	701	1,150	1,570	2,300							2,300	1.147	2,639
2011	3,731	10	473	832	2,061								2,061	1.470	3,030
2012	4,006	60	496	1,821									1,821	2.007	3,654
2013	5,403	45	723										723	4.546	3,285
2014	4,598	4											4	90.910	364

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123
2004	-	1,491	1,066	1,075	1,724	1,000	1,000	0,990	1,000	1,000
2005	35,574	6,765	0,974	1,213	1,096	0,994	1,000	1,000	1,000	
2006	-	1,173	1,186	0,943	2,079	1,991	1,000	1,000		
2007	835,732	1,791	1,301	1,221	1,039	1,000	1,000			
2008	12,089	1,161	0,884	1,147	1,496	1,034				
2009	-	3,046	1,135	1,603	0,971					
2010	-	1,640	1,365	1,465						
2011	45,935	1,760	2,475							
2012	8,266	3,671								
2013	16,201									
2014										

	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
All Yr Wtd:	22,364	2,019	1,269	1,297	1,243	1,086	1,000	0,997	1,000	1,000	
Last 7 Wtd:	19,719	1,860	1,285	1,297							
Last 5 Wtd:	23,311	1,906	1,359	1,339	1,194	1,086					
Last 3 Wtd:	14,723	2,277	1,619	1,393	1,176	1,142	1,000	0,997			

Div 66 Age to Age:	2,501	1,375	1,173	1,073	1,035	1,014	1,009	1,005	1,003		
Div 66 Age to Ult:	4,626	1,850	1,346	1,147	1,070	1,034	1,020	1,011	1,006	1,002	

Selected Age to Age:	20,000	2,265	1,365	1,282	1,073	1,035	1,014	1,009	1,005	1,003	
Age to Ult:	90,910	4,546	2,007	1,470	1,147	1,070	1,034	1,020	1,011	1,006	1,002

AL

Incurred & Legal - Capped @ \$250k

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	250k Cap I+Legal @ 2014/1	LDF	250k Cap Ultimate I+Legal
2004	2,982	0	345	514	548	589	870	869	869	859	859	859	859	1.002	861
2005	3,120	5	166	570	516	583	709	700	700	700	700	700	700	1.005	703
2006	2,811	0	177	208	246	232	470	470	470	470	470	470	470	1.009	474
2007	2,260	0	399	714	929	1,030	1,074	1,074	1,074				1,074	1.014	1,089
2008	2,748	105	492	662	805	986	1,350	1,359					1,359	1.023	1,390
2009	2,518	0	286	636	753	975	994						994	1.044	1,038
2010	3,223	0	701	1,144	1,443	1,647							1,647	1.094	1,802
2011	3,731	10	473	832	1,415								1,415	1.261	1,785
2012	4,006	60	496	1,226									1,226	1.665	2,042
2013	5,403	45	723										723	3.579	2,586
2014	4,598	4											4	71.579	286

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	1.491	1.066	1.075	1.476	0.999	1.000	0.988	1.000	1.000	1.000
2005	35.574	3.440	0.907	1.128	1.217	0.987	1.000	1.000	1.000		
2006	-	1.173	1.186	0.943	2.022	1.000	1.000	1.000			
2007	835.732	1.791	1.301	1.109	1.043	1.000	1.000				
2008	4.680	1.345	1.216	1.225	1.369	1.007					
2009	-	2.228	1.184	1.295	1.019						
2010	-	1.631	1.261	1.142							
2011	45.934	1.760	1.700								
2012	8.266	2.473									
2013	16.201										
2014											
<hr/>											
	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
All Yr Wtd:	18.905	1.841	1.261	1.153	1.244	1.000	1.000	0.995	1.000	1.000	1.000
Last 7 Wtd:	16.187	1.793	1.282	1.153							
Last 5 Wtd:	23.311	1.839	1.340	1.166	1.208	1.000					
Last 3 Wtd:	14.723	1.917	1.382	1.203	1.143	1.003	1.000	0.995			
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Div 66 Age to Age:	2.355	1.289	1.128	1.048	1.020	1.009	1.009	1.005	1.004	1.003	
Div 66 Age to Ult:	3.745	1.590	1.234	1.094	1.044	1.023	1.014	1.009	1.009	1.005	1.002
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Selected Age to Age:	20.000	2.150	1.320	1.153	1.048	1.020	1.009	1.005	1.004	1.003	
Age to Ult:	71.579	3.579	1.665	1.261	1.094	1.044	1.023	1.014	1.009	1.005	1.002

AL

Incurred & Legal - Capped @ \$100k

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	100k Cap I+Legal @ 2014/1	LDF	100k Cap Ultimate I+Legal
2004	2,982	0	345	514	548	589	720	719	719	709	709	709	709	1.001	709
2005	3,120	5	166	420	366	433	494	479	479	479	479	480	479	1.002	480
2006	2,811	0	177	208	246	232	320	320	320	320	320	321	320	1.005	321
2007	2,260	0	399	710	761	768	774	774	774			781	774	1.009	781
2008	2,748	105	343	513	657	747	841	841				852	841	1.014	852
2009	2,518	0	286	484	562	635	653					669	653	1.024	669
2010	3,223	0	625	930	1,072	1,154						1,215	1,154	1.053	1,215
2011	3,731	10	447	729	1,050							1,189	1,050	1.132	1,189
2012	4,006	60	476	1,030								1,413	1,030	1.372	1,413
2013	5,403	45	633									1,716	633	2.711	1,716
2014	4,598	4										163	4	40.660	163

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	1,491	1,066	1,075	1,222	0,998	1,000	0,986	1,000	1,111	1,000
2005	35,574	2,534	0,873	1,181	1,141	0,970	1,000	1,000	1,000	1,000	1,000
2006	-	1,173	1,186	0,943	1,376	1,000	1,000	1,000			
2007	835,732	1,782	1,071	1,010	1,008	1,000	1,000				
2008	3,265	1,494	1,280	1,138	1,125	1,000					
2009	-	1,695	1,161	1,130	1,030						
2010	-	1,489	1,152	1,077							
2011	43,401	1,631	1,441								
2012	7,934	2,164									
2013	14,193										
2014											
<hr/>											
	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
All Yr Wtd:	17,303	1,697	1,167	1,082	1,117	0,995	1,000	0,993	1,000	1,000	1,000
Last 7 Wtd:	14,552	1,673	1,180	1,082							
Last 5 Wtd:	21,467	1,694	1,218	1,073	1,095	0,995					
Last 3 Wtd:	13,543	1,737	1,252	1,107	1,055	1,000	1,000	0,993			
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Div 66 Age to Age:	2,162	1,203	1,078	1,078	1,029	1,010	1,005	1,004	1,003	1,002	1,001
Div 66 Age to Ult:	2,954	1,367	1,135	1,135	1,053	1,024	1,014	1,009	1,005	1,002	1,001
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Selected Age to Age:	15,000	1,976	1,212	1,075	1,029	1,010	1,005	1,004	1,003	1,002	1,001
Age to Ult:	40,660	2,711	1,372	1,132	1,053	1,024	1,014	1,009	1,005	1,002	1,001

AL

Paid & Legal - Policy Limits

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	P+Legal @ 2014/1	LDF	Ultimate I+Legal
2004	2,982	0	124	372	437	544	999	1,006	1,006	1,006	1,006	1,006	1,006	1.005	1,011
2005	3,120	2	77	196	256	1,273	1,435	1,441	1,441	1,441	1,441	1,441	1,441	1.010	1,455
2006	2,811	0	43	115	216	227	283	961	961	961	961	961	961	1.017	978
2007	2,260	0	291	503	569	916	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1.033	1,217
2008	2,748	15	229	405	1,125	1,224	2,010	2,165	2,165	2,165	2,165	2,165	2,165	1.074	2,325
2009	2,518	0	144	811	940	1,477	1,537						1,537	1.177	1,809
2010	3,223	0	297	599	787	1,625							1,625	1.407	2,287
2011	3,731	0	229	451	1,602								1,602	2.041	3,269
2012	4,006	0	303	662									662	3.542	2,343
2013	5,403	2	365										365	10.748	3,923
2014	4,598	0											0	322.440	0
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PY			3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123			
2004			-	3,011	1,175	1,245	1,834	1,007	1,000	1,000	1,000	1,000			
2005			35,953	2,531	1,309	4,965	1,127	1,004	1,000	1,000	1,000	1,000			
2006			-	2,659	1,882	1,051	1,245	3,399	1,000	1,000	1,000	1,000			
2007			609,964	1,730	1,130	1,611	1,286	1,000	1,000	1,000	1,000	1,000			
2008			15,002	1,770	2,776	1,088	1,642	1,077							
2009			-	5,646	1,160	1,571	1,040								
2010			-	2,020	1,313	2,064									
2011			-	1,971	3,549										
2012			-	2,182											
2013															
2014			149,178												
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			3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135		
All Yr Wtd:			103,350	2,369	1,718	1,683	1,314	1,143	1,000	1,000	1,000	1,000	1,000		
Last 7 Wtd:			102,158	2,310	1,784	1,683									
Last 5 Wtd:			546,555	2,437	1,813	1,504	1,259	1,143							
Last 3 Wtd:			366,662	2,066	1,789	1,517	1,306	1,240	1,000	1,000	1,000	1,000	1,000		
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Div 66 Age to Age:			3,446	1,691	1,379	1,195	1,096	1,096	1,040	1,016	1,007	1,005			
Div 66 Age to Ult:			11,305	3,281	1,940	1,407	1,177	1,177	1,074	1,033	1,017	1,010	1,005		
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Selected Age to Age:			30,000	3,034	1,735	1,450	1,195	1,096	1,040	1,016	1,007	1,005			
Age to Ult:			322,440	10,748	3,542	2,041	1,407	1,177	1,074	1,033	1,017	1,010	1,005		

AL

Paid & Legal - Capped @ \$250k

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	250k Cap P+Legal @ 2014/1	LDF	250k Cap Ultimate I+Legal
2004	2,982	0	124	372	437	544	852	859	859	859	859	859	859	1.005	863
2005	3,120	2	77	196	256	533	694	700	700	700	700	700	700	1.009	706
2006	2,811	0	43	115	216	227	283	470	470	470	470	470	470	1.014	476
2007	2,260	0	291	503	569	812	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1.025	1,101
2008	2,748	15	229	405	625	714	1,199	1,209	1,209	1,209	1,209	1,209	1,209	1.051	1,271
2009	2,518	0	144	577	707	965	994						994	1.120	1,114
2010	3,223	0	297	599	787	1,398							1,398	1.287	1,799
2011	3,731	0	229	451	1,156								1,156	1.757	2,032
2012	4,006	0	303	662									662	2.714	1,795
2013	5,403	2	365										365	7.524	2,747
2014	4,598	0											0	188.106	0
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PY			3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123			
2004			-	3,011	1,175	1,245	1,566	1,007	1,000	1,000	1,000	1,000			
2005			35,953	2,531	1,309	2,077	1,303	1,009	1,000	1,000	1,000	1,000			
2006			-	2,659	1,882	1,051	1,245	1,660	1,000	1,000					
2007			609,964	1,730	1,130	1,428	1,322	1,000	1,000						
2008			15,002	1,770	1,542	1,142	1,680	1,008							
2009			-	4,018	1,225	1,366	1,030								
2010			-	2,020	1,313	1,775									
2011			-	1,971	2,562										
2012			-	2,182											
2013			149,239												
2014															
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			3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135		
All Yr Wtd:			103,355	2,235	1,477	1,444	1,343	1,051	1,000	1,000	1,000	1,000	1,000		
Last 7 Wtd:			102,164	2,157	1,516	1,444									
Last 5 Wtd:			546,778	2,243	1,516	1,418	1,305	1,051							
Last 3 Wtd:			366,812	2,066	1,628	1,452	1,311	1,077	1,000	1,000					
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Div 66 Age to Age:				3,138	1,561	1,296	1,149	1,066	1,025	1,012	1,005	1,004			
Div 66 Age to Ult:				8,168	2,603	1,668	1,287	1,120	1,051	1,025	1,014	1,009	1,005		
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Selected Age to Age:			25,000	2,773	1,544	1,365	1,149	1,066	1,025	1,012	1,005	1,004			
Age to Ult:			188,106	7,524	2,714	1,757	1,287	1,120	1,051	1,025	1,014	1,009	1,005		

AL

Paid & Legal - Capped @ \$100k

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	100k Cap P+Legal @ 2014/1	100k Cap Ultimate I+Legal
2004	2,982	0	124	372	437	544	702	709	709	709	709	709	709	711
2005	3,120	2	77	196	256	383	479	479	479	479	479	479	479	482
2006	2,811	0	43	115	216	227	283	320	320	320	320	320	320	323
2007	2,260	0	291	500	565	659	774	774	774	774	774	774	774	787
2008	2,748	15	229	405	477	565	756	765	765	765	765	765	765	790
2009	2,518	0	144	425	515	625	653						653	705
2010	3,223	0	296	583	706	1,062							1,062	1,270
2011	3,731	0	229	451	839								839	1,252
2012	4,006	0	283	642									642	1,344
2013	5,403	2	365										365	1,992
2014	4,598	0											0	109,115

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	3,011	1,175	1,245	1,290	1,009	1,000	1,000	1,000	1,000	1,000
2005	35,953	2,531	1,309	1,492	1,252	1,000	1,000	1,000	1,000	1,000	
2006	-	2,659	1,882	1,051	1,245	1,130	1,000	1,000	1,000		
2007	609,964	1,718	1,130	1,166	1,176	1,000	1,000				
2008	15,002	1,770	1,177	1,186	1,336	1,013					
2009	-	2,959	1,212	1,213	1,046						
2010	-	1,966	1,211	1,504							
2011	-	1,971	1,859								
2012	-	2,265									
2013	149,239										
2014											
	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
All Yr Wtd:	102,364	2,149	1,317	1,281	1,215	1,018	1,000	1,000	1,000	1,000	
Last 7 Wtd:	101,056	2,059	1,336	1,281							
Last 5 Wtd:	538,545	2,122	1,312	1,266	1,198	1,018					
Last 3 Wtd:	358,655	2,072	1,412	1,326	1,181	1,026	1,000	1,000			
Div 66 Age to Age:		2,939	1,455	1,224	1,109	1,045	1,016	1,007	1,004	1,003	
Div 66 Age to Ult:		6,262	2,131	1,464	1,197	1,079	1,033	1,017	1,010	1,006	1,003
Selected Age to Age:	20,000	2,605	1,403	1,248	1,109	1,045	1,016	1,007	1,004	1,003	
Age to Ult:	109,115	5,456	2,094	1,493	1,197	1,079	1,033	1,017	1,010	1,006	1,003

AL

GWP Development

PY	3	15	27	39	51	63	75	87	99	111	123	GWP @ 2014/1	LDF	Ultimate GWP
2004	246	2,973	2,980	2,980	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	1.000	2,982
2005	291	3,101	3,117	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	1.000	3,120
2006	374	2,409	2,813	2,811	2,811	2,811	2,811	2,811	2,811	2,811	2,811	2,811	1.000	2,811
2007	390	2,269	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260	2,260	1.000	2,260
2008	530	2,786	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	1.000	2,748
2009	523	2,535	2,518	2,518	2,518	2,518	2,518	2,518	2,518	2,518	2,518	2,518	1.000	2,518
2010	671	3,201	3,223	3,223	3,223	3,223	3,223	3,223	3,223	3,223	3,223	3,223	1.000	3,223
2011	799	3,712	3,731	3,731	3,731	3,731	3,731	3,731	3,731	3,731	3,731	3,731	1.000	3,731
2012	708	3,976	4,006									4,006	1.000	4,006
2013	990	5,398										5,398	1.001	5,403
2014	1,328											1,328	3.463	4,598

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	12,099	1,002	1,000	1,001	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2005	10,666	1,005	1,001	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2006	6,445	1,168	0,999	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2007	5,824	0,996	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2008	5,259	0,987	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2009	4,849	0,993	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2010	4,767	1,007	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2011	4,647	1,005	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2012	5,618	1,008									
2013	5,452										
2014											

All Yr Wtd: 5.862
 Last 7 Wtd: 5.179
 Last 5 Wtd: 5.100
 Last 3 Wtd: 5.242

Selected Age to Age: 3.459
 Age to Ult: 3.463

AL

Total Claim Count excluding CWNP

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	Total ex-CWNP @ 2014/1	Developed Ultimate ex-CWNP	Ultimate Average ex-CWNP	Born-Ferg Ultimate ex-CWNP	Selected Ultimate ex-CWNP	
2004	2,982	0	49	70	72	65	67	67	67	67	67	67	67	1,000	0.023	0.023	67	67
2005	3,120	2	37	55	55	57	57	56	56	56	56	56	56	1,000	0.018	0.018	56	56
2006	2,811	0	33	49	49	49	49	49	49	49	49	49	49	1,000	0.017	0.017	49	49
2007	2,260	1	46	68	67	67	67	67	67	67	67	67	67	1,000	0.022	0.022	67	67
2008	2,748	2	53	75	76	77	78	77	67	77	77	77	77	1,001	0.020	0.020	77	77
2009	2,518	0	41	55	55	55	55	55	55	55	55	55	55	1,002	0.016	0.016	55	55
2010	3,223	0	66	81	84	84	84	84	84	84	84	84	84	1,004	0.019	0.019	84	84
2011	3,731	3	56	81	88	88	88	88	88	88	88	88	88	1,011	0.018	0.018	89	89
2012	4,006	1	75	97	97	97	97	97	97	97	97	97	97	1,034	0.020	0.020	100	100
2013	5,403	4	95	95	95	95	95	95	95	95	95	95	95	1,448	0.019	0.019	131	131
2014	4,598	3											3	43,447	0.019	0.019	88	88

Selected:
 2004 thru 2012: 0.019
 2004 thru 2008: 0.020
 2009 thru 2012: 0.018

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	1,429	1,029	0,903	1,031	1,000	1,000	1,000	1,000	1,000	1,000
2005	18,500	1,486	1,000	1,036	1,000	0,982	1,000	1,000	1,000	1,000	1,000
2006	-	1,485	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2007	46,000	1,478	0,985	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2008	26,500	1,415	1,013	1,013	1,013	0,987	1,000	1,000	1,000	1,000	1,000
2009	-	1,341	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2010	-	1,227	1,037	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2011	18,667	1,446	1,086	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2012	75,000	1,293	1,086	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2013	23,750										
2014											

All Yr Wtd:	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
All Yr Wtd:	42,385	1,384	1,022	0,991	1,008	0,994	1,000	1,000	1,000	1,000	1,000
Last 7 Wtd:	39,273	1,368	1,022	0,991	1,003	0,994	1,000	1,000	1,000	1,000	1,000
Last 5 Wtd:	41,625	1,337	1,028	1,003	1,003	0,994	1,000	1,000	1,000	1,000	1,000
Last 3 Wtd:	28,250	1,315	1,046	1,005	1,005	0,995	1,000	1,000	1,000	1,000	1,000

Div 66 Age to Age:	1-510	1-023	1-007	1-002	1-002	1-002	1-001	1-000	1-000	1-000	1-000
Div 66 Age to Age:	1,510	1,023	1,007	1,002	1,002	1,002	1,001	1,000	1,000	1,000	1,000
Div 66 Age to Ult:	1,562	1,034	1,011	1,004	1,004	1,002	1,001	1,000	1,000	1,000	1,000

Selected Age to Age:	30,000	1-400	1-023	1-007	1-002	1-002	1-001	1-000	1-000	1-000	1-000
Selected Age to Age:	30,000	1,400	1,023	1,007	1,002	1,002	1,001	1,000	1,000	1,000	1,000
Age to Ult:	43,447	1,448	1,034	1,011	1,004	1,002	1,001	1,000	1,000	1,000	1,000

AL

Large Losses - Incurred + Legal > 100k

PY	DSP	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	Legal	I+Legal	Acc State	Description
2003	1-6-327	6342251	5260	8/8/2003	Donald Gus Allen	1,000	0	20	1,020	California	Claims Posting
2003	1-6-327	7508797	5345	9/16/2003	Ricky J. Vance	134	0	52	186	California	Insd Vehicle And Clmt Vehicle Collided
2004	1-6-327	7508797	8878	12/21/2004	Ricky J. Vance &	320	0	78	398	California	Claims Posting
2005	1-6-327	3980491	66848	7/13/2006	Hayden Enterprise	942	0	50	992	California	IV Pulling OUT Of Driveway When CV COL
2005	1-6-327	7307795	66829	6/27/2006	Franklin Logging,	130	0	43	173	California	IV Rear Ended CV
2006	1-6-327	6341331	67696	7/28/2006	Holt Transportati	641	0	102	743	California	Head ON Collision OV Driving ON Wrong
2007	1-6-327	410460	88127	7/18/2007	Gary Fogito Truck	331	0	26	357	Oregon	IV Trailer HIT OV
2007	1-6-327	6263483	108568	5/30/2008	Gene Whitaker, In	200	0	49	249	Oregon	CV HIT IV
2008	1-6-327	8998847	111175	8/11/2008	Henarie Trucking,	649	0	113	762	Oregon	IV Trailer Spring HIT CV
2008	1-6-327	5847727	131630	9/1/2009	Gene Whitaker, In	483	0	44	527	Oregon	IV Rearended OV Causing Serious Injuri
2008	1-6-327	9655477	132859	7/21/2009	A L R T Corp (See	235	0	183	418	Washington	OV WAS Behind IV And Could NOT Stop In
2008	1-6-327	5849772	129405	7/20/2009	Janicki Logging &	0	150	28	178	Washington	Fatality IV WAS ON The Side Of The RD
2009	1-6-327	9656464	133762	10/19/2009	Greg Petersen Tru	509	0	55	564	Oregon	IV Rearended CV
2009	1-6-327	9655822	131063	8/12/2009	Laws Logging, Inc	478	0	9	487	South Carolina	IV WAS Changing Lanes And HIT CV
2010	1-6-327	9348663	148299	3/16/2010	Lewis Logging	237	0	242	479	California	A Passing ATV Turned Left Into The Ins
2010	1-6-327	9348663	142468	4/21/2010	Lewis Logging	165	0	53	218	California	IV WAS Pulling OUT Of Parking LOT And
2010	1-6-327	6145048	160893	4/12/2011	Krume Logging Co.	134	0	7	141	Washington	CV Stopped Suddenly And IV Struck CV F
2010	1-6-327	9655870	150492	9/6/2010	Wesson's Timber S	10	123	4	137	Washington	IV T Boned CV ON Left Side
2011	1-6-327	9655722	173560	1/3/2012	Tri-W Logging Com	600	200	78	878	Arkansas	IV Hauling A Skidder With A Wide Load
2011	1-6-327	6143699	165586	7/14/2011	Vinson Brothers C	177	0	66	243	Oregon	IV Crossed Center Line Causing OV To G
2011	1-6-327	6145027	172466	11/30/2011	Gill Logging, Inc	90	15	15	120	Arkansas	TWO VEH Accident IV IS Totaled And ID
2011	1-6-327	9046998	182587	8/21/2012	Freeman Contracti	-1	105	10	114	Oregon	Insured VEH Collided With Clmt VEH AT
2011	1-6-327	9045943	165290	7/8/2011	Jerry Debraie Log	100	0	11	112	Washington	IV HIT A Bridge Causing Metal From The
2012	1-6-327	9656313	183321	9/13/2012	Mcfarland Truckin	0	750	96	846	California	Insured VEH RAN Over Clmt
2012	1-6-327	9047121	173884	1/13/2012	TAR River Thinnin	120	0	2	122	North Carolina	IV RAN OFF Road And Overcorrected Caus
2013	1-6-327	9048998	569659	8/19/2013	Beeks Trucking	7	123	53	184	Washington	IV And TWO OVS Collided (Circumstances

Property

Rate Need Indications

Target Combined Ratio	Before 2014			After 2014		
	Target	Rate Change	Rate Change	Rate Change	Rate Change	Rate Change
	ILAE Ratio	PY 2014 Ultimate ILAE Ratio	PY 2014 Rate Need ILAE Ratio	PY 2014 Achieved ILAE Ratio	PY 2014 Ultimate ILAE Ratio	PY 2015 Ultimate ILAE Ratio
91.5%	58.0%	68.0%	16.9%	15.0%	59.2%	59.2%
RAP Neutral:						2.0%

Expense Ratio calculated as follows:

Commission:	22.0%
Prem Tax:	3.3%
Other Acquisition Fees:	2.6%
Reinsurance:	0.0%
Direct Expense:	1.4%
Indirect Expense:	4.3%
	<u>33.5%</u>

Property

Indexing - PY 2014 Ultimate Loss & LAE Selection

PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP	Ultimate ILAE Ratio	0.0% Trend to PY 2014	On-Level Ultimate ILAE Ratio	Weight
2004	110	-1.4%	0.986	84	2.7%	1.000	3.6%	
2005	143	0.0%	0.986	110	47.5%	1.000	62.1%	
2006	120	-17.4%	0.814	111	1.7%	1.000	1.8%	
2007	120	-14.3%	0.698	129	23.4%	1.000	21.6%	
2008	161	-3.9%	0.670	181	158.1%	1.000	140.6%	
2009	281	-9.5%	0.606	350	0.0%	1.000	0.0%	
2010	355	-1.6%	0.597	448	172.0%	1.000	136.1%	
2011	298	1.8%	0.608	370	0.0%	1.000	0.0%	
2012	305	-2.6%	0.592	389	55.7%	1.000	43.7%	
2013	394	10.7%	0.656	453	43.1%	1.000	37.5%	
2014	399	15.0%	0.754	399	57.7%	1.000	57.7%	
				All Yr Wtd ex 2014:			49.7%	
				Last 7 Wtd ex 2014:			53.1%	
				Last 5 Wtd ex 2014:			47.3%	
				Last 3 Wtd ex 2014:			28.1%	
				Selected Ultimate:			50.0%	
				ILF:			1.00	
				Policy Limits Ultimate:			50.0%	4%

Weight:

Policy Limits		Ultimate ILAE Ratio	0.0% Trend to PY 2014	On-Level Ultimate ILAE Ratio
2.7%	1.000	47.5%	1.000	62.1%
1.7%	1.000	1.7%	1.000	1.8%
23.4%	1.000	23.4%	1.000	21.6%
158.1%	1.000	158.1%	1.000	140.6%
0.0%	1.000	0.0%	1.000	0.0%
172.0%	1.000	172.0%	1.000	136.1%
0.0%	1.000	0.0%	1.000	0.0%
55.7%	1.000	55.7%	1.000	43.7%
43.1%	1.000	40.6%	1.000	35.3%
57.7%	1.000	50.2%	1.000	50.2%
				49.4%
				52.7%
				46.8%
				27.2%
				46.0%
				1.16
				53.2%
				32%

Capped @ 1M		Ultimate ILAE Ratio	0.0% Trend to PY 2014	On-Level Ultimate ILAE Ratio
2.7%	1.000	47.5%	1.000	62.1%
1.7%	1.000	1.7%	1.000	1.8%
23.4%	1.000	23.4%	1.000	21.6%
158.1%	1.000	158.1%	1.000	140.6%
0.0%	1.000	0.0%	1.000	0.0%
172.0%	1.000	172.0%	1.000	136.1%
0.0%	1.000	0.0%	1.000	0.0%
55.7%	1.000	55.7%	1.000	43.7%
35.3%	1.000	35.5%	1.000	30.9%
42.6%	1.000	42.6%	1.000	42.6%
				48.6%
				51.8%
				45.8%
				25.6%
				44.0%
				1.39
				61.2%
				32%

Capped @ 250k		Ultimate ILAE Ratio	0.0% Trend to PY 2014	On-Level Ultimate ILAE Ratio
2.7%	1.000	47.5%	1.000	62.1%
1.7%	1.000	1.7%	1.000	1.8%
23.4%	1.000	23.4%	1.000	21.6%
158.1%	1.000	158.1%	1.000	140.6%
0.0%	1.000	0.0%	1.000	0.0%
172.0%	1.000	172.0%	1.000	136.1%
0.0%	1.000	0.0%	1.000	0.0%
55.7%	1.000	55.7%	1.000	43.7%
35.5%	1.000	35.5%	1.000	30.9%
42.6%	1.000	42.6%	1.000	42.6%
				48.6%
				51.8%
				45.8%
				25.6%
				44.0%
				1.39
				61.2%
				32%

Capped @ 100k		Ultimate ILAE Ratio	0.0% Trend to PY 2014	On-Level Ultimate ILAE Ratio
2.7%	1.000	47.5%	1.000	62.1%
1.7%	1.000	1.7%	1.000	1.8%
23.4%	1.000	23.4%	1.000	21.6%
137.7%	1.000	137.7%	1.000	122.4%
0.0%	1.000	0.0%	1.000	0.0%
101.5%	1.000	101.5%	1.000	80.3%
0.0%	1.000	0.0%	1.000	0.0%
32.8%	1.000	32.8%	1.000	25.7%
30.4%	1.000	30.4%	1.000	26.5%
30.1%	1.000	30.1%	1.000	30.1%
				34.4%
				35.8%
				28.9%
				18.2%
				34.0%
				1.84
				62.5%
				32%

Frequency/Severity Indication: 38.0%
 Weighted Average: 58.6%
 PY 2014 Selected: 55.0%
 Experience Adjustment: -1.0%
 PY 2014: 54.0%
 All Year Avg Empirical Cat Load: 0.0%
 Program Specific AAL Cat Load: 0.3%
 Selected Cat Load: 0.3%
 XOL Reinsurance Charge: 4.5%
 Corporate Cat Charge: 0.0%
 XOL Loss Cost: 2.9%
 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: 59.2%

Property

Frequency/Severity Method

PY	Frequency			Severity				
	On-Level GWP	Reported excl CWNP Claim Ct.	Ultimate excl CWNP Claim Ct.	Reported ILAE @ 2014/1	Selected Ultimate ILAE	Average Severity	0.0% Trend to PY 2014	Average Severity @ PY 2014
2004	84	3	3	3	3	1	1.000	1.00
2005	110	2	2	68	68	34	1.000	34.00
2006	111	1	1	2	2	2	1.000	2.00
2007	129	2	2	28	28	14	1.000	14.00
2008	181	3	3	255	255	85	1.000	85.00
2009	350	0	0	0	0	-	1.000	-
2010	448	10	10	609	610	61	1.000	60.90
2011	370	1	1	5	0	0	1.000	0.00
2012	389	2	2	167	170	83	1.000	83.40
2013	453	3	5	72	170	32	1.000	32.49
2014	399	0	6	0	230	40	1.000	39.79
All Yr Wtd ex 2014:								36.44
Last 7 Wtd ex 2014:								39.50
Last 5 Wtd ex 2014:								37.03
Last 3 Wtd ex 2014:								38.89
				PY 2014 Selected Frequency:		PY 2014 Selected Severity:		38.00

Indicated PY 2014 Ult ILAE Ratio: 38.0%

Property

Selection of Ultimate Loss & LAE - Capped @ Policy Limits

PY	GWP	Reported		Inc. Dev.		Inc. BF		Selected		Ultimate ILAE Ratio
		ILAE @ 2014/1	Method	Method	Method	Ultimate ILAE	ILAE Ratio			
2004	110	3	3	3	3	3	3	3	2.7%	
2005	143	68	68	68	68	68	68	68	47.5%	
2006	120	2	2	2	2	2	2	2	1.7%	
2007	120	28	28	28	28	28	28	28	23.4%	
2008	161	255	255	255	255	255	255	255	158.1%	
2009	281	0	0	0	0	0	0	0	0.0%	
2010	355	609	609	609	609	609	610	610	172.0%	
2011	298	5	5	5	5	5	0	0	0.0%	
2012	305	167	170	170	170	170	170	170	55.7%	
2013	394	72	114	114	173	173	170	170	43.1%	
2014	399	0	0	0	235	235	230	230	57.7%	
Total	2,687	1,210	1,255	1,549	1,536	1,536	1,536	1,536	57.2%	

Property

Selection of Ultimate Loss & LAE - Capped @ 1M

PY	GWP	Reported		Inc. Dev.		Inc. BF		Selected		Ultimate ILAE Ratio
		ILAE @ 2014/1	Method	Method	Method	Ultimate ILAE	ILAE Ratio			
2004	110	3	3	3	3	3	3	3	2.7%	
2005	143	68	68	68	68	68	68	68	47.5%	
2006	120	2	2	2	2	2	2	2	1.7%	
2007	120	28	28	28	28	28	28	28	23.4%	
2008	161	255	255	255	255	255	255	255	158.1%	
2009	281	0	0	0	0	0	0	0	0.0%	
2010	355	609	609	609	609	609	610	610	172.0%	
2011	298	5	5	5	5	5	0	0	0.0%	
2012	305	167	170	170	170	170	170	170	55.7%	
2013	394	72	111	111	156	156	160	160	40.6%	
2014	399	0	0	0	202	202	200	200	50.2%	
Total	2,687	1,210	1,252	1,498	1,498	1,498	1,496	1,496	55.7%	

Property

Selection of Ultimate Loss & LAE - Capped @ 250k

PY	GWP	Reported		Inc. Dev.		Inc. BF		Selected		Ultimate ILAE Ratio
		ILAE @ 2014/1	Method	Method	Method	Ultimate ILAE	ILAE Ratio			
2004	110	3	3	3	3	3	3	3	2.7%	
2005	143	68	68	68	68	68	68	68	47.5%	
2006	120	2	2	2	2	2	2	2	1.7%	
2007	120	28	28	28	28	28	28	28	23.4%	
2008	161	255	255	255	255	255	255	255	158.1%	
2009	281	0	0	0	0	0	0	0	0.0%	
2010	355	609	609	609	609	609	610	610	172.0%	
2011	298	5	5	5	5	5	0	0	0.0%	
2012	305	167	170	170	170	170	170	170	55.7%	
2013	394	72	109	109	139	139	140	140	35.5%	
2014	399	0	0	0	166	166	170	170	42.6%	
Total	2,687	1,210	1,249	1,445	1,445	1,445	1,446	1,446	53.8%	

Property

Selection of Ultimate Loss & LAE - Capped @ 100k

PY	GWP	Reported		Inc. Dev.		Inc. BF		Selected		Ultimate ILAE Ratio
		ILAE @ 2014/1	Method	Method	Method	Method	Ultimate ILAE	ILAE Ratio		
2004	110	3	3	3	3	3	3	3	2.7%	
2005	143	68	68	68	68	68	68	68	47.5%	
2006	120	2	2	2	2	2	2	2	1.7%	
2007	120	28	28	28	28	28	28	28	23.4%	
2008	161	222	222	222	222	222	222	222	137.7%	
2009	281	0	0	0	0	0	0	0	0.0%	
2010	355	359	359	359	359	359	360	360	101.5%	
2011	298	5	5	5	5	5	0	0	0.0%	
2012	305	103	104	104	104	104	100	100	32.8%	
2013	394	72	106	106	120	120	120	120	30.4%	
2014	399	0	0	0	122	122	120	120	30.1%	
Total	2,687	863	898	1,034	1,023	1,023	1,023	1,023	38.1%	

Property

Bornhuetter-Ferguson Method

PY	Capped @ Policy Limits				Incurred	Born-Ferg Ultimate ILAE
	GWP	Reported ILAE Ratio	Developed ILAE Ratio	Aprion ILAE Ratio		
2004	110	3.0%	3.0%	3.0%	0.0%	3
2005	143	47.5%	47.5%	47.5%	0.0%	68
2006	120	2.0%	2.0%	2.0%	0.0%	2
2007	120	23.3%	23.3%	23.3%	0.0%	28
2008	161	158.3%	158.3%	158.3%	0.0%	255
2009	281	0.0%	0.0%	0.0%	0.0%	0
2010	355	171.8%	171.8%	171.8%	0.0%	609
2011	298	1.6%	1.6%	1.6%	0.1%	5
2012	305	54.8%	55.6%	55.6%	1.4%	170
2013	394	18.3%	28.9%	69.5%	36.8%	173
2014	399	0.0%	0.0%	60.5%	97.5%	235

PY	Capped @ 1M				Incurred	Born-Ferg Ultimate ILAE
	GWP	Reported ILAE Ratio	Developed ILAE Ratio	Aprion ILAE Ratio		
2004	110	3.0%	3.0%	3.0%	0.0%	3
2005	143	47.5%	47.5%	47.5%	0.0%	68
2006	120	2.0%	2.0%	2.0%	0.0%	2
2007	120	23.3%	23.3%	23.3%	0.0%	28
2008	161	158.3%	158.3%	158.3%	0.0%	255
2009	281	0.0%	0.0%	0.0%	0.0%	0
2010	355	171.8%	171.8%	171.8%	0.0%	609
2011	298	1.6%	1.6%	1.6%	0.1%	5
2012	305	54.8%	55.6%	55.6%	1.3%	170
2013	394	18.3%	28.3%	60.1%	35.4%	156
2014	399	0.0%	0.0%	52.3%	96.8%	202

PY	Capped @ 250k				Incurred	Born-Ferg Ultimate ILAE
	GWP	Reported ILAE Ratio	Developed ILAE Ratio	Aprion ILAE Ratio		
2004	110	3.0%	3.0%	3.0%	0.0%	3
2005	143	47.5%	47.5%	47.5%	0.0%	68
2006	120	2.0%	2.0%	2.0%	0.0%	2
2007	120	23.3%	23.3%	23.3%	0.0%	28
2008	161	158.3%	158.3%	158.3%	0.0%	255
2009	281	0.0%	0.0%	0.0%	0.0%	0
2010	355	171.8%	171.8%	171.8%	0.0%	609
2011	298	1.6%	1.6%	1.6%	0.1%	5
2012	305	54.8%	55.5%	55.5%	1.2%	170
2013	394	18.3%	27.6%	50.0%	33.8%	139
2014	399	0.0%	0.0%	43.5%	95.6%	166

PY	Capped @ 100k				Incurred	Born-Ferg Ultimate ILAE
	GWP	Reported ILAE Ratio	Developed ILAE Ratio	Aprion ILAE Ratio		
2004	110	3.0%	3.0%	3.0%	0.0%	3
2005	143	47.5%	47.5%	47.5%	0.0%	68
2006	120	2.0%	2.0%	2.0%	0.0%	2
2007	120	23.3%	23.3%	23.3%	0.0%	28
2008	161	137.9%	137.9%	137.9%	0.0%	222
2009	281	0.0%	0.0%	0.0%	0.0%	0
2010	355	101.3%	101.3%	101.3%	0.0%	359
2011	298	1.6%	1.6%	1.6%	0.1%	5
2012	305	33.7%	34.0%	34.0%	1.2%	104
2013	394	18.3%	26.9%	37.8%	32.1%	120
2014	399	0.0%	0.0%	32.9%	93.2%	122

Property

ILF_Selection

PY	Capped at 1M				Capped at 250k				Capped at 100k			
	Pol Limits Inc Ult	Capped Inc Ult	Implied ILF		Pol Limits Inc Ult	Capped Inc Ult	Implied ILF		Pol Limits Inc Ult	Capped Inc Ult	Implied ILF	
2004	3	3	1.00		3	3	1.00		3	3	1.00	
2005	68	68	1.00		68	68	1.00		68	68	1.00	
2006	2	2	1.00		2	2	1.00		2	2	1.00	
2007	28	28	1.00		28	28	1.00		28	28	1.00	
2008	255	255	1.00		255	255	1.00		255	222	1.15	
2009	0	0	-		0	0	-		0	0	-	
2010	609	609	1.00		609	609	1.00		609	359	1.70	
2011	5	5	1.00		5	5	1.00		5	5	1.00	
2012	170	170	1.00		170	170	1.00		170	104	1.63	
2013	114	111	1.02		114	109	1.05		114	106	1.07	
2014	0	0	-		0	0	-		0	0	-	
All Yr Wtd ex 2014:			1.00				1.00				1.40	
Last 7 Wtd ex 2014:			1.00				1.00				1.43	
Last 5 Wtd ex 2014:			1.00				1.00				1.45	
Last 3 Wtd ex 2014:			1.00				1.01				1.56	
Selected Empirical Large Loss Load: 1.00 Credibility: 14% Standard Large Loss Load: 1.18												
Credibility Weighted ILF Indication:											1.16	
Selected:											1.16	
Selected Empirical Large Loss Load: 1.01 Credibility: 14% Standard Large Loss Load: 1.45												
Credibility Weighted ILF Indication:											1.39	
Selected:											1.39	
Selected Empirical Large Loss Load: 1.45 Credibility: 14% Standard Large Loss Load: 1.90												
Credibility Weighted ILF Indication:											1.84	
Selected:											1.84	

Property

Total Claim Count excluding CWNP

PY	GWP	3	15	27	39	51	63	75	87	99	111	123
2004	110	0	2	3	3	3	3	3	3	3	3	3
2005	143	1	2	2	2	2	2	2	2	2	2	2
2006	120	0	1	1	1	1	1	1	1	1	1	1
2007	120	0	2	3	2	2	2	2	2	2	2	2
2008	161	1	4	4	4	3	3	3	3	3	3	3
2009	281	0	0	0	0	0	0	0	0	0	0	0
2010	355	0	6	10	10	10	10	10	10	10	10	10
2011	298	0	0	1	1	1	1	1	1	1	1	1
2012	305	0	1	2	2	2	2	2	2	2	2	2
2013	394	0	3	3	3	3	3	3	3	3	3	3
2014	399	0	0	0	0	0	0	0	0	0	0	0

Developed
 Ultimate
 ex-CWNP

LDF

0.036
0.018
0.009
0.015
0.017
0.000
0.022
0.003
0.005
0.015
0.015

Born-Ferg
 Ultimate
 ex-CWNP

0.036
0.018
0.009
0.015
0.017
0.000
0.022
0.003
0.005
0.015
0.015

Selected
 Ultimate
 ex-CWNP

3
2
1
2
3
-
10
1
2
3
0

Total
 ex-CWNP
 @ 2014/1

3
2
1
2
3
0
10
1
2
3
0

Selected:
 2004 thru 2012:
 2009 thru 2012:

0.015
0.014
0.019
0.008

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	1,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2005	2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2006	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2007	-	1,500	0,667	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2008	4,000	1,000	1,000	0,750	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2009	-	-	-	-	-	-	-	-	-	-	-
2010	-	1,667	1,000	1,000	-	-	-	-	-	-	-
2011	-	-	1,000	-	-	-	-	-	-	-	-
2012	-	2,000	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-

All Yr Wtd: 10,500
 Last 7 Wtd: 16,000
 Last 5 Wtd: 1,545
 Last 3 Wtd: 1,857

Div 66 Age to Age: 1,461
 Div 66 Age to Ult: 1,489

Selected Age to Age: 20,000
 Age to Ult: 29,782

Property

<u>Indemnity</u>		3	15	27	39	51	63	75	87	99	111	123	@ 2014/1
PY	GWP												
2004	110	0	1	1	1	1	1	1	1	1	1	1	1
2005	143	69	76	61	74	74	61	61	61	61	61	61	61
2006	120	0	2	2	2	2	2	2	2	2	2	2	2
2007	120	0	25	25	25	25	25	25	25	25	25	25	25
2008	161	85	141	238	238	233	233	233	25	25	233	233	233
2009	281	0	0	0	0	0	0	0	0	0	0	0	0
2010	355	0	94	635	565	565	565	565	565	565	565	565	565
2011	298	0	0	3	3	3	3	3	3	3	3	3	3
2012	305	0	160	161									161
2013	394	0	67										67
2014	399	0											0

LAE

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	@ 2014/1
2004	110	0	1	2	2	2	2	2	2	2	2	2	2
2005	143	1	1	6	8	8	8	8	8	8	8	8	8
2006	120	0	0	0	0	0	0	0	0	0	0	0	0
2007	120	0	2	2	3	3	3	3	3	0	0	0	3
2008	161	0	12	22	22	22	22	22	3	0	22	22	22
2009	281	0	0	0	0	0	0	0	0	0	0	0	0
2010	355	0	9	30	44	44	44	44	0	0	44	44	44
2011	298	0	0	2	2	2	2	2	2	2	2	2	2
2012	305	0	4	7									7
2013	394	0	5										5
2014	399	0											0

LAE / Indemnity

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	@ 2014/1
2004	110	-	44.8%	125.6%	125.6%	125.6%	125.6%	125.6%	125.6%	125.6%	125.6%	125.6%	125.6%
2005	143	1.4%	1.8%	10.2%	10.3%	10.3%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%
2006	120	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2007	120	-	8.7%	8.6%	13.8%	13.8%	13.8%	13.8%	13.8%	0.0%	12.6%	12.6%	13.8%
2008	161	0.0%	8.3%	9.2%	9.2%	9.4%	9.4%	9.4%	13.8%	0.0%	12.6%	12.6%	9.4%
2009	281	-	-	-	-	-	-	-	0.0%	0.0%	12.6%	12.6%	0.0%
2010	355	-	9.8%	4.7%	7.8%	7.8%	-	-	12.6%	12.6%	12.6%	12.6%	7.8%
2011	298	-	-	56.8%	56.8%	56.8%	-	-	12.6%	12.6%	12.6%	12.6%	56.8%
2012	305	-	2.2%	4.1%	4.1%	4.1%	-	-	0.0%	0.0%	12.6%	12.6%	4.1%
2013	394	-	8.2%	-	-	-	-	-	13.8%	0.0%	12.6%	12.6%	8.2%
2014	399	-	-	-	-	-	-	-	9.4%	0.0%	12.6%	12.6%	-

Property

Large Losses - Incurred + LAE > 100k

PY	DSP	Cat #	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	LAE	ILAE	Acc State	Description
2008	1-6-327		7321474	118986	12/29/2008	Curl Trucking, Inc	125	0	11	136	Oregon	Weight Of Snow Damaged Insured Buildin
2010	1-6-327		487176	160131	3/26/2011	Arens Brothers Ent	230	0	22	252	California	Roof Caved In From Weight Of Snow
2010	1-6-327		22849307	166462	7/30/2011	Richard Brown Logg	196	0	8	204	Florida	Fire To Equipment
2012	1-6-327		27560521	182603	8/18/2012	Shasta Forests Tim	143	17	10	170	California	TWO Buildings Destroyed In Fire

APD

Rate Need Indications

	Before 2014		Before 2014		Before 2014		After 2014	
	Rate Change		Rate Change		Rate Change		Rate Change	
Target	PY 2014		PY 2014		PY 2014		PY 2014	
Combined	Target	Ultimate	Rate Change	Rate Change	Rate Change	Rate Change	Rate Change	Rate Change
Ratio	ILAE Ratio	ILAE Ratio	Rate Need	Rate Need	Achieved	Ultimate	ILAE Ratio	Rate Need
	65.4%	93.9%	42.5%	42.5%	13.1%	83.0%	83.0%	26.3%
RAP Neutral:	97.0%							

Expense Ratio calculated as follows:

Commission:	20.0%
Prem Tax:	3.3%
Other Acquisition Fees:	2.6%
Direct Expense:	1.4%
Indirect Expense:	4.3%
	<u>31.5%</u>

APD

Indexing - PY 2014 Ultimate Loss & LAE Selection

PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP
2004	843	11.8%	1.118	628
2005	811	2.0%	1.140	592
2006	636	-6.5%	1.067	496
2007	550	-21.4%	0.838	546
2008	693	-3.5%	0.809	713
2009	545	0.5%	0.813	558
2010	741	0.4%	0.816	756
2011	1,025	0.7%	0.822	1,038
2012	1,095	-15.3%	0.696	1,310
2013	1,548	5.8%	0.736	1,750
2014	2,607	13.1%	0.832	2,607
All Yr Wtd ex 2014:				
Last 7 Wtd ex 2014:				
Last 5 Wtd ex 2014:				
Last 3 Wtd ex 2014:				
Frequency/Severity Indication:				

Policy Limits		
Ultimate ILAE Ratio	0.0% Trend to PY 2014	On-Level Ultimate ILAE Ratio
51.1%	1.000	68.7%
64.1%	1.000	87.8%
75.2%	1.000	96.4%
51.3%	1.000	51.7%
71.3%	1.000	69.3%
114.3%	1.000	111.6%
140.8%	1.000	138.1%
110.9%	1.000	109.5%
79.5%	1.000	66.4%
95.9%	1.000	84.8%
71.2%	1.000	71.2%
87.8%		
88.9%		
95.3%		
85.2%		
78.0%		

PY 2014 Selected: 82.0%

Experience Adjustment: 0.0%

PY 2014: 82.0%

ULE: 1.0%
 Claims Fees: 0.0%
 PY 2014 Ultimate ILAE Ratio: 83.0%

APD

Frequency/Severity Method

PY	Frequency			Severity				
	On-Level GWP	Reported excl CWNP Claim Ct.	Ultimate excl CWNP Claim Ct.	Reported ILAE @ 2014/1	Selected Ultimate ILAE	Average Severity	0.0% Trend to PY 2014	Average Severity @ PY 2014
2004	628	29	29	431	431	15	1.000	14.86
2005	592	44	44	519	519	12	1.000	11.81
2006	496	30	30	478	478	16	1.000	15.95
2007	546	24	24	282	282	12	1.000	11.76
2008	713	44	44	494	494	11	1.000	11.21
2009	558	41	41	622	623	15	1.000	15.16
2010	756	46	46	1,043	1,043	23	1.000	22.60
2011	1,038	64	65	1,132	1,136	18	1.000	17.61
2012	1,310	57	58	891	870	15	1.000	14.99
2013	1,750	60	89	1,062	1,484	17	1.000	16.60
2014	2,607	2	136	38	1,856	14	1.000	13.68
All Yr Wtd ex 2014:								15.64
Last 7 Wtd ex 2014:								16.03
Last 5 Wtd ex 2014:								17.09
Last 3 Wtd ex 2014:								16.34
PY 2014 Selected Frequency:						PY 2014 Selected Severity:		15.00

Indicated PY 2014 Ult ILAE Ratio: 78.0%

APD

Selection of Ultimate Loss & LAE - Capped @ Policy Limits

PY	GWP	Reported		Inc. Dev. Method	Inc. BF Method	Selected		Expected Adjuster Load	Actual Adjuster Load	Selected		Ultimate ILAE Ratio
		I+Legal @ 2014/1	I+Legal			Ultimate I+Legal	Ultimate ILAE					
2004	843	419	419	419	419	419	419	1.082	1.029	431	431	51.1%
2005	811	478	478	478	478	478	478	1.082	1.087	519	519	64.1%
2006	636	449	449	449	449	449	449	1.082	1.065	478	478	75.2%
2007	550	266	266	266	266	266	266	1.082	1.061	282	282	51.3%
2008	693	456	456	456	456	456	456	1.082	1.083	494	494	71.3%
2009	545	578	578	578	578	578	578	1.082	1.077	623	623	114.3%
2010	741	991	991	991	991	991	991	1.082	1.053	1,043	1,043	140.8%
2011	1,025	1,069	1,073	1,073	1,073	1,073	1,073	1.082	1.059	1,136	1,136	110.9%
2012	1,095	840	819	819	819	819	819	1.082	1.062	870	870	79.5%
2013	1,548	1,030	1,600	1,444	1,444	1,440	1,440	1.082	1.030	1,484	1,484	95.9%
2014	2,607	38	1,458	1,722	1,722	1,720	1,720	1.082	1.079	1,856	1,856	71.2%
Total	11,092	6,612	8,586	8,693	8,693	8,689	8,689			9,217	9,217	83.1%

APD

Bornhuetter-Ferguson Method

PY	Capped @ Policy Limits			Incurred			
	GWP	Reported ILeg Ratio	Developed ILeg Ratio	Apriori ILeg Ratio	% Expected Unreported	Born-Ferg Ultimate ILeg Ratio	Born-Ferg Ultimate ILeg
2004	843	49.7%	49.7%	49.7%	0.0%	49.7%	419
2005	811	58.9%	58.9%	58.9%	0.0%	58.9%	478
2006	636	70.6%	70.6%	70.6%	0.0%	70.6%	449
2007	550	48.3%	48.3%	48.3%	0.0%	48.3%	266
2008	693	65.9%	65.9%	65.9%	0.0%	65.9%	456
2009	545	106.0%	106.0%	106.0%	0.0%	106.0%	578
2010	741	133.7%	133.7%	133.7%	0.0%	133.7%	991
2011	1,025	104.3%	104.7%	104.7%	0.4%	104.7%	1,073
2012	1,095	76.8%	74.8%	74.8%	-2.6%	74.8%	819
2013	1,548	66.5%	103.4%	75.0%	35.7%	93.3%	1,444
2014	2,607	1.4%	55.9%	66.3%	97.4%	66.1%	1,722

APD

GWP Development

PY	3	15	27	39	51	63	75	87	99	111	123	GWP @ 2014/1	LDF	Ultimate GWP
2004	45	839	842	842	843	843	843	843	843	843	843	843	1.000	843
2005	54	802	809	811	811	811	811	811	811	811	811	811	1.000	811
2006	73	538	636	636	636	636	636	636	636	636	636	636	1.000	636
2007	60	550	550	550	550	550	550	550	550	550	550	550	1.000	550
2008	100	694	693	693	693	693	693	693	693	693	693	693	1.000	693
2009	87	536	545	545	545	545	545	545	545	545	545	545	1.000	545
2010	136	735	741	741	741	741	741	741	741	741	741	741	1.000	741
2011	216	1,008	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1.000	1,025
2012	189	1,080	1,095									1,095	1.000	1,095
2013	280	1,531										1,531	1.011	1,548
2014	342											342	7.623	2,607

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123
2004	18.635	1.003	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000
2005	14.914	1.009	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006	7.341	1.183	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007	9.086	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008	6.969	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2009	6.148	1.015	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2010	5.400	1.008	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2011	4.677	1.017	1.000							
2012	5.705	1.014								
2013	5.468									
2014										

All Yr Wtd:	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
Last 7 Wtd:	6.702	1.023	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 5 Wtd:	5.742	1.028	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Last 3 Wtd:	5.385	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	5.284	1.013	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Selected Age to Age: 7.539 1.011 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000
 Age to Ult: 7.623 1.011 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000

APD

Total Claim Count excluding CWNP

PY	GWP	3	15	27	39	51	63	75	87	99	111	123
2004	843	0	20	29	29	29	29	29	29	29	29	29
2005	811	0	34	44	44	44	44	44	44	44	44	44
2006	636	0	23	30	30	30	30	30	30	30	30	30
2007	550	1	15	25	24	24	24	24	24	24	24	24
2008	693	4	34	43	44	44	44	44	44	44	44	44
2009	545	1	28	41	41	41	41	41	41	41	41	41
2010	741	1	31	46	46	46	46	46	46	46	46	46
2011	1,025	2	35	63	64	64	64	64	64	64	64	64
2012	1,095	0	32	57								
2013	1,548	2	60									
2014	2,607	2										

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	1,450	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2005	-	1,294	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2006	-	1,304	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2007	15,000	1,667	0,960	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2008	8,500	1,265	1,023	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2009	28,000	1,464	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2010	31,000	1,484	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2011	17,500	1,800	1,016								
2012	-	1,781									
2013	30,000										
2014											

Total ex-CWNP @ 2014/1	DF	Developed Ultimate ex-CWNP	Ultimate Average ex-CWNP	Born-Ferg Ultimate ex-CWNP	Selected Ultimate ex-CWNP
29	1,000	29	0.046	29	29
44	1,000	44	0.074	44	44
30	1,000	30	0.060	30	30
24	1,000	24	0.044	24	24
44	1,001	44	0.062	44	44
41	1,002	41	0.074	41	41
46	1,003	46	0.061	46	46
64	1,008	64	0.062	64	64
57	1,018	57	0.044	57	57
60	1,418	60	0.057	60	89
2	10,000	2	0.057	2	136

Selected:
2004 thru 2012: 0.057
2009 thru 2012: 0.059
2004 thru 2008: 0.057
2009 thru 2012: 0.060

All Yr Wtd:	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
28,364	1,500	1,500	1,003	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
21,364	1,540	1,540	1,003	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
31,000	1,563	1,563	1,005	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
31,750	1,694	1,694	1,007	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

Div 66 Age to Age:	1,392	1,010	1,010	1,005	1,002	1,001	1,001	1,000	1,000	1,000	1,000
Div 66 Age to Ult:	1,418	1,018	1,018	1,008	1,003	1,002	1,001	1,000	1,000	1,000	1,000

Selected Age to Age:	20,000	1,392	1,010	1,005	1,002	1,001	1,001	1,000	1,000	1,000	1,000
Age to Ult:	10,000	1,418	1,018	1,008	1,003	1,002	1,001	1,000	1,000	1,000	1,000

APD

Large Losses - Incurred + Legal > 100k

PY	DSP	Cat #	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	Legal	I+Legal	Acc State	Description
2003	1-6-327		6344987	5324	12/3/2003	N. W. Transport, I	159	0	4	163	Idaho	Insd Vehicle HIT School Bus
2010	1-6-327		66145038	169239	9/18/2011	Barry Swanson Truc	167	0	5	172	Washington	IV Caught ON Fire And Burned
2013	1-6-327		19046632	598075	1/29/2014	Coleman Trucking I	124	0	1	125	Arkansas	IV Trlr Slide In Ditch ON Narrow Dirt

Excess Liability

Rate Need Indications

	Before 2014		Before 2014		Before 2014		After 2014	
	Rate Change		Rate Change		Rate Change		Rate Change	
Target	PY 2014		PY 2014		PY 2014		PY 2014	
Combined	Target	Ultimate	Rate	Rate	Rate	Rate	Ultimate	Ultimate
Ratio	ILAE Ratio	ILAE Ratio	Achieved	Achieved	ILAE Ratio	ILAE Ratio	ILAE Ratio	Rate Need
	98.0%	64.9%	85.7%	31.5%	35.3%	63.3%	66.5%	2.5%
RAP Neutral:								

Expense Ratio calculated as follows:

Commission:	22.0%
Prem Tax:	2.9%
Other Acquisition Fees:	2.6%
Direct Expense:	1.3%
Indirect Expense:	4.3%
	<u>33.1%</u>

Excess Liability

Indexing - PY 2014 Ultimate Loss & LAE Selection

PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP
2004	741	0.0%	1.000	876
2005	262	0.0%	1.000	310
2006	217	-9.9%	0.901	285
2007	425	-4.9%	0.857	587
2008	517	-14.6%	0.732	836
2009	453	0.8%	0.738	727
2010	556	-5.3%	0.699	940
2011	671	1.3%	0.708	1,120
2012	692	9.5%	0.776	1,054
2013	912	12.7%	0.874	1,234
2014	947	35.3%	1.183	947
All Yr Wtd ex 2014:				
Last 7 Wtd ex 2014:				
Last 5 Wtd ex 2014:				
Last 3 Wtd ex 2014:				
Selected Ultimate:				
ILF:				
Capped @ \$10M Ultimate:				

Capped @ \$10M				
Ultimate ILAE Ratio	Trend to PY 2014	5.0%	On-Level Ultimate ILAE Ratio	Weight:
0.0%	1.629		0.0%	9%
0.0%	1.551		0.0%	
0.0%	1.477		0.0%	
470.7%	1.407		662.3%	
0.0%	1.340		0.0%	
22.1%	1.276		28.1%	
36.0%	1.216		43.7%	
44.7%	1.158		51.8%	
57.8%	1.103		63.8%	
54.8%	1.050		57.5%	
63.3%	1.000		63.3%	
				58.0%
				1.00
				58.0%

Capped @ 2M				
Ultimate ILAE Ratio	Trend to PY 2014	4.5%	On-Level Ultimate ILAE Ratio	Weight:
0.0%	1.553		-	
0.0%	1.486		-	
0.0%	1.422		-	
470.7%	1.361		640.5%	
0.0%	1.302		-	
22.1%	1.246		27.5%	
18.0%	1.193		21.5%	
29.8%	1.141		34.0%	
28.9%	1.092		31.6%	
32.9%	1.045		34.4%	
42.2%	1.000		42.2%	
				34.0%
				1.60
				54.5%

Capped @ 1M				
Ultimate ILAE Ratio	Trend to PY 2014	4.0%	On-Level Ultimate ILAE Ratio	Weight:
0.0%	1.480		-	
0.0%	1.423		-	
0.0%	1.369		-	
235.3%	1.316		309.7%	
0.0%	1.265		-	
22.1%	1.217		26.8%	
18.0%	1.170		21.0%	
14.9%	1.125		16.8%	
28.9%	1.082		31.3%	
21.9%	1.040		22.8%	
31.7%	1.000		31.7%	
				24.0%
				2.43
				58.4%

Frequency/Severity Indication: 7.8%
 Weighted Average: 56.6%
 PY 2014 Selected - Capped @ \$10M: 55.0%

Experience Adjustment: 0.0%

PY 2014 - Capped @ \$10M: 55.0%

ILF: 1.000

Catastrophe/Latency Load: 5.0%

ULE: 1.0%

PY 2014 Ultimate ILAE Ratio: 61.0%

Credibility: 8%

Complement of Credibility: 63.5%

Credibility Weighted PY 2014 Ultimate ILAE Ratio: 63.3%

Excess Liability

Frequency/Severity Method

PY	Frequency		Severity						
	On-Level GWP	Reported excl CWNP Claim Ct.	Ultimate excl CWNP Claim Ct.	On-Level Frequency	Reported ILAE @ 2014/1	10M Cap Ultimate ILAE	Average Severity	5.0% Trend to PY 2014	Average Severity @ PY 2014
2004	876	0	0	0.0000	0	0	-	1.629	-
2005	310	0	0	0.0000	0	0	-	1.551	-
2006	285	0	0	0.0000	0	0	-	1.477	-
2007	587	1	1	0.0019	2,000	2,000	1,799	1.407	2,531.4
2008	836	0	0	0.0000	0	0	-	1.340	-
2009	727	0	0	0.0000	0	100	-	1.276	-
2010	940	0	0	0.0000	0	200	-	1.216	-
2011	1,120	0	0	0.0000	0	300	-	1.158	-
2012	1,054	0	0	0.0000	0	400	-	1.103	-
2013	1,234	0	1	0.0009	0	500	453	1.050	475.3
2014	947	0	0	0.0000	0	600	-	1.000	-
All Yr Wtd ex 2014:				0.0003					259.9
Last 7 Wtd ex 2014:				0.0003					318.8
Last 5 Wtd ex 2014:				0.0002					115.6
Last 3 Wtd ex 2014:				0.0003					172.1
					PY 2014 Selected Frequency:		PY 2014 Selected Severity:		260.0

Indicated PY 2014 Ult ILAE Ratio - Capped @ 10M: 7.8%

Excess Liability

Selection of Ultimate Loss & LAE - Capped @ 10M

PY	GWP	Reported		Inc. Dev. Method	Paid Dev. Method	Inc. BF Method	Paid BF Method	Case Reserve Development Method	Selected Ultimate ILAE	Ultimate ILAE Ratio
		ILAE @ 2014/1	ILAE							
2004	741	0	0	0	0	0	0	0	0	0.0%
2005	262	0	0	0	0	0	0	0	0	0.0%
2006	217	0	0	0	0	0	0	0	0	0.0%
2007	425	2,000	2,461	2,461	2,924	2,461	2,778	2,000	2,000	470.7%
2008	517	0	0	0	0	0	0	0	0	0.0%
2009	453	0	0	0	0	85	117	0	100	22.1%
2010	556	0	0	0	0	154	194	0	200	36.0%
2011	671	0	0	0	0	259	293	0	300	44.7%
2012	692	0	0	0	0	331	358	0	400	57.8%
2013	912	0	0	0	0	480	483	0	500	54.8%
2014	947	0	0	0	0	530	531	0	600	63.3%
Total	6,393	2,000	2,461	4,300	2,924	4,300	4,753	2,000	4,100	64.1%

Excess Liability

Selection of Ultimate Loss & LAE - Capped @ 2M

PY	GWP	Reported		Inc. Dev. Method	Paid Dev. Method	Inc. BF Method	Paid BF Method	Case Reserve		Selected Ultimate ILAE	Ultimate ILAE Ratio
		ILAE @ 2014/1	ILAE					Development Method	Method		
2004	741	0	0	0	0	0	0	0	0	0	0.0%
2005	262	0	0	0	0	0	0	0	0	0	0.0%
2006	217	0	0	0	0	0	0	0	0	0	0.0%
2007	425	2,000	2,370	2,370	2,676	2,370	2,599	2,000	2,000	2,000	470.7%
2008	517	0	0	0	0	0	0	0	0	0	0.0%
2009	453	0	0	0	0	44	61	0	0	100	22.1%
2010	556	0	0	0	0	81	107	0	0	100	18.0%
2011	671	0	0	0	0	140	164	0	0	200	29.8%
2012	692	0	0	0	0	192	214	0	0	200	28.9%
2013	912	0	0	0	0	298	301	0	0	300	32.9%
2014	947	0	0	0	0	322	322	0	0	400	42.2%
Total	6,393	2,000	2,370	3,446	2,676	3,446	3,767	2,000	2,000	3,300	51.6%

Excess Liability

Selection of Ultimate Loss & LAE - Capped @ 1M

PY	GWP	Reported		Inc. Dev. Method	Paid Dev. Method	Inc. BF Method	Paid BF Method	Case Reserve		Selected Ultimate ILAE	Ultimate ILAE Ratio
		ILAE @ 2014/1	ILAE					Development Method	ILAE		
2004	741	0	0	0	0	0	0	0	0	0	0.0%
2005	262	0	0	0	0	0	0	0	0	0	0.0%
2006	217	0	0	0	0	0	0	0	0	0	0.0%
2007	425	1,000	1,142	1,142	1,258	1,142	1,234	1,000	1,000	1,000	235.3%
2008	517	0	0	0	0	0	0	0	0	0	0.0%
2009	453	0	0	0	0	24	35	0	0	100	22.1%
2010	556	0	0	0	0	45	63	0	0	100	18.0%
2011	671	0	0	0	0	84	103	0	0	100	14.9%
2012	692	0	0	0	0	126	145	0	0	200	28.9%
2013	912	0	0	0	0	197	200	0	0	200	21.9%
2014	947	0	0	0	0	218	218	0	0	300	31.7%
Total	6,393	1,000	1,142	1,835	1,258	1,835	1,998	1,000	1,000	2,000	31.3%

Excess Liability

Bornhuetter-Ferguson Method

PY	Capped @ \$10M										Paid		Born-Ferg Ultimate ILAE	
	GWP	Reported ILAE Ratio	Reported PLAE Ratio	Incurred Developed ILAE Ratio	Developed ILAE Ratio	Paid Developed ILAE Ratio	Apriori ILAE Ratio	% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE	% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE	
2004	741	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.2%	0.0%	12.3%	0.0%	0		
2005	262	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	0.0%	16.6%	0.0%	0		
2006	217	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.5%	0.0%	22.7%	0.0%	0		
2007	425	470.7%	470.7%	579.2%	688.0%	688.0%	579.2%	18.7%	579.2%	31.6%	653.6%	2,778		
2008	517	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	27.0%	0.0%	43.1%	0.0%	0		
2009	453	0.0%	0.0%	0.0%	0.0%	0.0%	47.0%	39.7%	18.7%	55.0%	25.8%	117		
2010	556	0.0%	0.0%	0.0%	0.0%	0.0%	51.0%	54.4%	27.7%	68.5%	34.9%	194		
2011	671	0.0%	0.0%	0.0%	0.0%	0.0%	52.0%	74.1%	38.6%	83.9%	43.6%	293		
2012	692	0.0%	0.0%	0.0%	0.0%	0.0%	53.0%	90.3%	47.9%	97.7%	51.8%	358		
2013	912	0.0%	0.0%	0.0%	0.0%	0.0%	53.0%	99.3%	52.6%	99.9%	53.0%	483		
2014	947	0.0%	0.0%	0.0%	0.0%	0.0%	56.0%	100.0%	56.0%	100.0%	56.0%	531		

PY	Capped @ 2M										Paid		Born-Ferg Ultimate ILAE	
	GWP	Reported ILAE Ratio	Reported PLAE Ratio	Incurred Developed ILAE Ratio	Developed ILAE Ratio	Paid Developed ILAE Ratio	Apriori ILAE Ratio	% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE	% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE	
2004	741	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.0%	0.0%	9.5%	0.0%	0		
2005	262	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.5%	0.0%	13.3%	0.0%	0		
2006	217	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.4%	0.0%	18.5%	0.0%	0		
2007	425	470.7%	470.7%	557.7%	629.7%	629.7%	557.7%	15.6%	557.7%	25.3%	611.5%	2,599		
2008	517	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	23.1%	0.0%	36.0%	0.0%	0		
2009	453	0.0%	0.0%	0.0%	0.0%	0.0%	28.0%	34.4%	9.6%	48.3%	13.5%	61		
2010	556	0.0%	0.0%	0.0%	0.0%	0.0%	31.0%	47.0%	14.6%	61.8%	19.2%	107		
2011	671	0.0%	0.0%	0.0%	0.0%	0.0%	31.0%	67.4%	20.9%	78.7%	24.4%	164		
2012	692	0.0%	0.0%	0.0%	0.0%	0.0%	32.0%	86.7%	27.7%	96.5%	30.9%	214		
2013	912	0.0%	0.0%	0.0%	0.0%	0.0%	33.0%	98.8%	32.6%	99.9%	33.0%	301		
2014	947	0.0%	0.0%	0.0%	0.0%	0.0%	34.0%	99.9%	34.0%	100.0%	34.0%	322		

PY	Capped @ 1M										Paid		Born-Ferg Ultimate ILAE	
	GWP	Reported ILAE Ratio	Reported PLAE Ratio	Incurred Developed ILAE Ratio	Developed ILAE Ratio	Paid Developed ILAE Ratio	Apriori ILAE Ratio	% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE	% Expected Unreported	Born-Ferg Ultimate ILAE Ratio	Born-Ferg Ultimate ILAE	
2004	741	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.6%	0.0%	7.4%	0.0%	0		
2005	262	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.6%	0.0%	10.7%	0.0%	0		
2006	217	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.6%	0.0%	15.2%	0.0%	0		
2007	425	235.3%	235.3%	268.6%	296.0%	296.0%	268.6%	12.4%	268.6%	20.5%	290.4%	1,234		
2008	517	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	18.1%	0.0%	29.3%	0.0%	0		
2009	453	0.0%	0.0%	0.0%	0.0%	0.0%	19.0%	27.4%	5.2%	40.4%	7.7%	35		
2010	556	0.0%	0.0%	0.0%	0.0%	0.0%	21.0%	38.5%	8.1%	54.3%	11.4%	63		
2011	671	0.0%	0.0%	0.0%	0.0%	0.0%	21.0%	60.0%	12.6%	73.2%	15.4%	103		
2012	692	0.0%	0.0%	0.0%	0.0%	0.0%	22.0%	82.7%	18.2%	95.2%	20.9%	145		
2013	912	0.0%	0.0%	0.0%	0.0%	0.0%	22.0%	98.2%	21.6%	99.9%	22.0%	200		
2014	947	0.0%	0.0%	0.0%	0.0%	0.0%	23.0%	99.9%	23.0%	100.0%	23.0%	218		

Excess Liability
 Bornhuetter-Ferguson Method - Apriori Selection

Capped @ \$10M		Ultimate ILAE Ratio Indexed to Policy Year									
PY	GWP	Annual PY Rate Chg	Selected Ult ILAE	Ultimate ILAE Ratio	2009	2010	2011	2012	2013	2014	
2004	741	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
2005	262	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
2006	217	-9.9%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
2007	425	-4.9%	2,000	470.7%	602.6%	668.0%	692.1%	663.4%	618.1%	479.8%	
2008	517	-14.6%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
2009	453	0.8%	100	22.1%	0.0%	24.4%	25.3%	24.3%	22.6%	17.6%	
2010	556	-5.3%	200	36.0%	0.0%	37.3%	35.7%	33.3%	33.9%	25.8%	
2011	671	1.3%	300	44.7%	0.0%	42.9%	42.9%	39.9%	31.0%	31.0%	
2012	692	9.5%	400	57.8%	0.0%	0.0%	0.0%	42.9%	53.9%	41.8%	
2013	912	12.7%	500	54.8%	0.0%	0.0%	0.0%	0.0%	53.9%	41.8%	
2014	947	35.3%	600	63.3%	0.0%	0.0%	0.0%	0.0%	53.9%	42.5%	
All Yr Wtd :			600	63.3%	122.2%	113.1%	100.8%	86.0%	76.0%	56.4%	
Last 7 Wtd :					-	-	100.8%	101.7%	92.2%	69.2%	
Last 5 Wtd :					122.2%	149.3%	136.2%	116.0%	31.9%	33.2%	
Last 3 Wtd :					207.1%	190.6%	21.4%	35.6%	42.7%	38.5%	
ILF Implied :					44.9%	49.7%	49.7%	51.3%	52.9%	54.5%	
Div 66:					47.0%	51.0%	52.0%	53.0%	55.0%	56.0%	
Selected BF Apriori:					47.0%	51.0%	52.0%	53.0%	53.0%	56.0%	

Capped @ 2M		Ultimate ILAE Ratio Indexed to Policy Year									
PY	GWP	Annual PY Rate Chg	Selected Ult ILAE	Ultimate ILAE Ratio	2009	2010	2011	2012	2013	2014	
2004	741	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
2005	262	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
2006	217	-9.9%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
2007	425	-4.9%	2,000	470.7%	596.9%	658.5%	679.1%	647.8%	600.7%	464.0%	
2008	517	-14.6%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
2009	453	0.8%	100	22.1%	0.0%	24.3%	25.1%	23.9%	22.2%	17.1%	
2010	556	-5.3%	100	18.0%	0.0%	18.6%	18.6%	17.7%	16.4%	12.7%	
2011	671	1.3%	200	29.8%	0.0%	0.0%	0.0%	28.4%	26.4%	20.4%	
2012	692	9.5%	200	28.9%	0.0%	0.0%	0.0%	0.0%	26.8%	20.7%	
2013	912	12.7%	300	32.9%	0.0%	0.0%	0.0%	0.0%	26.8%	25.4%	
2014	947	35.3%	400	42.2%	0.0%	0.0%	0.0%	0.0%	26.8%	25.4%	
All Yr Wtd :			400	42.2%	121.0%	111.6%	95.2%	78.5%	65.6%	46.8%	
Last 7 Wtd :					-	-	95.2%	92.8%	79.6%	57.3%	
Last 5 Wtd :					121.0%	147.2%	128.6%	105.9%	19.1%	19.8%	
Last 3 Wtd :					205.1%	187.9%	14.3%	23.6%	23.5%	22.3%	
ILF Implied :					28.9%	31.9%	31.9%	33.4%	33.4%	34.9%	
Div 66:					28.0%	31.0%	31.0%	32.0%	33.0%	34.0%	
Selected BF Apriori:					28.0%	31.0%	31.0%	32.0%	33.0%	34.0%	

Capped @ 1M		Ultimate ILAE Ratio Indexed to Policy Year									
PY	GWP	Annual PY Rate Chg	Selected Ult ILAE	Ultimate ILAE Ratio	2009	2010	2011	2012	2013	2014	
2004	741	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
2005	262	0.0%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
2006	217	-9.9%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
2007	425	-4.9%	1,000	235.3%	295.6%	324.5%	333.1%	316.2%	291.8%	224.3%	
2008	517	-14.6%	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
2009	453	0.8%	100	22.1%	0.0%	24.2%	24.9%	23.6%	21.8%	16.7%	
2010	556	-5.3%	100	18.0%	0.0%	18.5%	18.5%	17.5%	16.2%	12.4%	
2011	671	1.3%	100	14.9%	0.0%	0.0%	0.0%	14.2%	13.1%	10.0%	
2012	692	9.5%	200	28.9%	0.0%	0.0%	0.0%	0.0%	26.7%	20.5%	
2013	912	12.7%	200	21.9%	0.0%	0.0%	0.0%	0.0%	26.7%	16.9%	
2014	947	35.3%	300	31.7%	0.0%	0.0%	0.0%	0.0%	26.7%	16.9%	
All Yr Wtd :			300	31.7%	59.9%	57.4%	50.6%	41.4%	36.4%	26.2%	
Last 7 Wtd :					-	-	50.6%	48.9%	44.1%	32.2%	
Last 5 Wtd :					59.9%	75.8%	68.4%	55.8%	15.8%	15.3%	
Last 3 Wtd :					101.6%	96.8%	14.2%	17.8%	18.6%	15.7%	
Div 66:					19.0%	21.0%	21.0%	22.0%	22.0%	23.0%	
Selected BF Apriori:					19.0%	21.0%	21.0%	22.0%	22.0%	23.0%	

Excess Liability

ILF_Selection

PY	Capped at 2M						Capped at 1M					
	10M Cap Inc Ult	2M Cap Inc Ult	Implied ILF	10M Cap Paid Ult	2M Cap Paid Ult	Implied ILF	10M Cap Inc Ult	1M Cap Inc Ult	Implied ILF	10M Cap Paid Ult	1M Cap Paid Ult	Implied ILF
2004	0	0	-	0	0	-	0	0	-	0	0	-
2005	0	0	-	0	0	-	0	0	-	0	0	-
2006	0	0	-	0	0	-	0	0	-	0	0	-
2007	2,461	2,370	1.04	2,924	2,676	1.09	2,461	1,142	2.16	2,924	1,258	2.32
2008	0	0	-	0	0	-	0	0	-	0	0	-
2009	0	0	-	0	0	-	0	0	-	0	0	-
2010	0	0	-	0	0	-	0	0	-	0	0	-
2011	0	0	-	0	0	-	0	0	-	0	0	-
2012	0	0	-	0	0	-	0	0	-	0	0	-
2013	0	0	-	0	0	-	0	0	-	0	0	-
2014	0	0	-	0	0	-	0	0	-	0	0	-
All Yr Wtd ex 2014:			1.04			1.09			2.16			2.32
Last 7 Wtd ex 2014:			1.04			1.09			2.16			2.32
Last 5 Wtd ex 2014:			#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!
Last 3 Wtd ex 2014:			#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!
			Complement of Credibility	Selected Empirical ILF:	Credibility:	Complement of Credibility	Selected Empirical ILF:	Credibility:	Complement of Credibility - Div 66 ILF:	Selected Empirical ILF:	Credibility:	Complement of Credibility - Div 66 ILF:
			1.65	1.05	8%	1.65	1.05	8%	2.45	2.25	8%	2.45
			Credibility Weighted ILF Indication:	Credibility Weighted ILF Indication:	Credibility Weighted ILF Indication:	Credibility Weighted ILF Indication:	Credibility Weighted ILF Indication:	Credibility Weighted ILF Indication:	Credibility Weighted ILF Indication:	Credibility Weighted ILF Indication:	Credibility Weighted ILF Indication:	Credibility Weighted ILF Indication:
			1.60	1.60	1.60	1.60	1.60	1.60	2.43	2.43	2.43	2.43
			Selected:	Selected:	Selected:	Selected:	Selected:	Selected:	Selected:	Selected:	Selected:	Selected:
			1.60	1.60	1.60	1.60	1.60	1.60	2.43	2.43	2.43	2.43

* Averages exclude PY 2014

Excess Liability

Incurred & LAE - Capped @ \$10M

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	ILAE @ 2014/1	LDF	Ultimate ILAE
2004	741	0	0	0	0	0	0	0	0	0	0	0	0	1.055	0
2005	262	0	0	0	0	0	0	0	0	0	0	0	0	1.087	0
2006	217	0	0	0	0	0	0	0	0	0	0	0	0	1.143	0
2007	425	0	0	0	0	1	2,000	2,000	2,000	0	0	0	2,000	1.231	2,461
2008	517	0	0	0	0	0	0	0	0	0	0	0	0	1.370	0
2009	453	0	0	0	0	0	0	0	0	0	0	0	0	1.658	0
2010	556	0	0	0	0	0	0	0	0	0	0	0	0	2.193	0
2011	671	0	0	0	0	0	0	0	0	0	0	0	0	3.868	0
2012	692	0	0	0	0	0	0	0	0	0	0	0	0	10.305	0
2013	912	0	0	0	0	0	0	0	0	0	0	0	0	139.470	0
2014	947	0	0	0	0	0	0	0	0	0	0	0	0	2,789.397	0

Incurred & LAE - Capped @ \$10M

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-2,000.000	1,000	1,000	1,000	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-
All Yr Wtd:	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
Last 7 Wtd:	-	-	-	-2,000.000	1,000	1,000	1,000	-	-	-	-
Last 5 Wtd:	-	-	-	-2,000.000	1,000	1,000	1,000	-	-	-	-
Last 3 Wtd:	-	-	-	-2,000.000	1,000	1,000	1,000	-	-	-	-

Selected Age to Age: 20,000 13,534 2,664 1,764 1,322 1,210 1,113 1,077 1,051 1,030
Age to Ult: 2,789,397 139,470 10,305 3,868 2,193 1,658 1,370 1,231 1,143 1,087 1,055

Excess Liability

Incurred & LAE - Capped @ \$2M

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	2M Cap ILAE @ 2014/1	LDF	2M Cap Ultimate ILAE
2004	741	0	0	0	0	0	0	0	0	0	0	0	0	1.042	0
2005	262	0	0	0	0	0	0	0	0	0	0	0	0	1.070	0
2006	217	0	0	0	0	0	0	0	0	0	0	0	0	1.116	0
2007	425	0	0	0	0	1	2,000	2,000	2,000	0	0	0	2,000	1.185	2,370
2008	517	0	0	0	0	0	0	0	0	0	0	0	0	1.300	0
2009	453	0	0	0	0	0	0	0	0	0	0	0	0	1.524	0
2010	556	0	0	0	0	0	0	0	0	0	0	0	0	1.886	0
2011	671	0	0	0	0	0	0	0	0	0	0	0	0	3.071	0
2012	692	0	0	0	0	0	0	0	0	0	0	0	0	7.509	0
2013	912	0	0	0	0	0	0	0	0	0	0	0	0	86.640	0
2014	947	0	0	0	0	0	0	0	0	0	0	0	0	1,299.606	0

Selected Age to Age:

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-2,000.000	1,000	1,000	1,000	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-
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All Yr Wtd:	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
Last 7 Wtd:	-	-	-	-2,000.000	1,000	1,000	1,000	-	-	-	-
Last 5 Wtd:	-	-	-	-2,000.000	1,000	1,000	1,000	-	-	-	-
Last 3 Wtd:	-	-	-	-2,000.000	1,000	1,000	1,000	-	-	-	-
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Selected Age to Age:	15,000	11,539	2,445	1,628	1,238	1,172	1,097	1,062	1,043	1,026	
Age to Ult:	1,299,606	86,640	7,509	3,071	1,886	1,524	1,300	1,185	1,116	1,070	1,042

Excess Liability

Incurred & LAE - Capped @ \$1M

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	1M Cap ILAE @ 2014/1	LDF	1M Cap Ultimate ILAE
2004	741	0	0	0	0	0	0	0	0	0	0	0	0	1.038	0
2005	262	0	0	0	0	0	0	0	0	0	0	0	0	1.059	0
2006	217	0	0	0	0	0	0	0	0	0	0	0	0	1.094	0
2007	425	0	0	0	0	1	1,000	1,000	1,000	0	0	0	1,000	1.142	1,142
2008	517	0	0	0	0	0	0	0	0	0	0	0	0	1.221	0
2009	453	0	0	0	0	0	0	0	0	0	0	0	0	1.377	0
2010	556	0	0	0	0	0	0	0	0	0	0	0	0	1.625	0
2011	671	0	0	0	0	0	0	0	0	0	0	0	0	2.499	0
2012	692	0	0	0	0	0	0	0	0	0	0	0	0	5.772	0
2013	912	0	0	0	0	0	0	0	0	0	0	0	0	56.214	0
2014	947	0	0	0	0	0	0	0	0	0	0	0	0	702.679	0

Selected Age to Age:

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-1,000.000	1,000	1,000	1,000	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-
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All Yr Wtd:	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
Last 7 Wtd:	-	-	-	-1,000.000	1,000	1,000	1,000	-	-	-	-
Last 5 Wtd:	-	-	-	-1,000.000	1,000	1,000	1,000	-	-	-	-
Last 3 Wtd:	-	-	-	-1,000.000	1,000	1,000	1,000	-	-	-	-
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Selected Age to Age:	12.500	9.738	2.310	1.538	1.180	1.128	1.069	1.043	1.034	1.020	
Age to Ult:	702.679	56.214	5.772	2.499	1.625	1.377	1.221	1.142	1.094	1.059	1.038

Excess Liability

Paid & LAE - Capped @ \$10M

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	P+LAE @ 2014/1	LDF	Ultimate ILAE
2004	741	0	0	0	0	0	0	0	0	0	0	0	0	1.141	0
2005	262	0	0	0	0	0	0	0	0	0	0	0	0	1.199	0
2006	217	0	0	0	0	0	0	0	0	0	0	0	0	1.293	0
2007	425	0	0	0	0	0	2,000	2,000	2,000	0	0	0	2,000	1.462	2,924
2008	517	0	0	0	0	0	0	0	0	0	0	0	0	1.759	0
2009	453	0	0	0	0	0	0	0	0	0	0	0	0	2.220	0
2010	556	0	0	0	0	0	0	0	0	0	0	0	0	3.174	0
2011	671	0	0	0	0	0	0	0	0	0	0	0	0	6.208	0
2012	692	0	0	0	0	0	0	0	0	0	0	0	0	42.697	0
2013	912	0	0	0	0	0	0	0	0	0	0	0	0	1,805.227	0
2014	947	0	0	0	0	0	0	0	0	0	0	0	0	81,235.230	0

Selected Age to Age:

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	1,000	1,000	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-
<hr/>											
All Yr Wtd:	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
Last 7 Wtd:	-	-	-	-	-	1,000	1,000	-	-	-	-
Last 5 Wtd:	-	-	-	-	-	1,000	1,000	-	-	-	-
Last 3 Wtd:	-	-	-	-	-	1,000	1,000	-	-	-	-
<hr/>											
Selected Age to Age:	45,000	42,280	6,878	1,956	1,430	1,262	1,203	1,131	1,078	1,051	
Age to Ult:	81,235.230	1,805.227	42,697	6,208	3,174	2,220	1,759	1,462	1,293	1,199	1,141

Excess Liability

Paid & LAE - Capped @ \$2M

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	2M Cap P+LAE @ 2014/1	LDF	2M Cap Ultimate ILAE
2004	741	0	0	0	0	0	0	0	0	0	0	0	0	1.105	0
2005	262	0	0	0	0	0	0	0	0	0	0	0	0	1.154	0
2006	217	0	0	0	0	0	0	0	0	0	0	0	0	1.227	0
2007	425	0	0	0	0	0	2,000	2,000	2,000	0	0	0	2,000	1.338	2,676
2008	517	0	0	0	0	0	0	0	0	0	0	0	0	1.564	0
2009	453	0	0	0	0	0	0	0	0	0	0	0	0	1.935	0
2010	556	0	0	0	0	0	0	0	0	0	0	0	0	2.621	0
2011	671	0	0	0	0	0	0	0	0	0	0	0	0	4.693	0
2012	692	0	0	0	0	0	0	0	0	0	0	0	0	28.404	0
2013	912	0	0	0	0	0	0	0	0	0	0	0	0	1,038.529	0
2014	947	0	0	0	0	0	0	0	0	0	0	0	0	41,541.161	0

Selected Age to Age:

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	1,000	1,000	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-
<hr/>											
All Yr Wtd:	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
Last 7 Wtd:	-	-	-	-	-	-	-	-	-	-	-
Last 5 Wtd:	-	-	-	-	-	1,000	1,000	-	-	-	-
Last 3 Wtd:	-	-	-	-	-	1,000	1,000	-	-	-	-
<hr/>											
Selected Age to Age:	40,000	36,563	6,052	1,790	1,355	1,237	1,169	1,091	1,063	1,044	
Age to Ult:	41,541.161	1,038.529	28,404	4,693	2,621	1,935	1,564	1,338	1,227	1,154	1,105

Excess Liability

Total Claim Count excluding CWNP

PY	GWP	3	15	27	39	51	63	75	87	99	111	123	Total ex-CWNP @ 2014/1	LDF	Developed Ultimate ex-CWNP
2004	741	0	0	0	0	0	0	0	0	0	0	0	0	1.031	0
2005	262	0	0	0	0	0	0	0	0	0	0	0	0	1.049	0
2006	217	0	0	0	0	0	0	0	0	0	0	0	0	1.074	0
2007	425	0	0	0	0	1	1	1	1	0	0	0	1	1.112	1.117024
2008	517	0	0	0	0	0	0	0	0	0	0	0	0	1.164	0
2009	453	0	0	0	0	0	0	0	0	0	0	0	0	1.263	0
2010	556	0	0	0	0	0	0	0	0	0	0	0	0	1.475	0
2011	671	0	0	0	0	0	0	0	0	0	0	0	0	1.904	0
2012	692	0	0	0	0	0	0	0	0	0	0	0	0	2.941	0
2013	912	0	0	0	0	0	0	0	0	0	0	0	0	9.509	0
2014	947	0	0	0	0	0	0	0	0	0	0	0	0	0.000	0

Selected:

2004 thru 2012:
 2004 thru 2008:
 2009 thru 2012:

PY	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
2004	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	1,000	1,000	1,000	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-
All Yr Wtd:	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123	123-135
Last 7 Wtd:	-	-	-	-	1,000	1,000	1,000	-	-	-	-
Last 5 Wtd:	-	-	-	-	1,000	1,000	-	-	-	-	-
Last 3 Wtd:	-	-	-	-	1,000	1,000	1,000	-	-	-	-

Selected Age to Age:

Age to Ult: 3.233 1.545 2.941 1.291 1.168 1.085 1.047 1.036 1.023 1.017
 9,509 2,941 1,904 1,904 1,475 1,263 1,164 1,112 1,074 1,049 1,031

Division 66 - Programs
Forest Profitability Study
PYG @ 2014/1 (000's omitted)

Excess Liability

Large Losses - Incurred + LAE > 250k

PY	DSP	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	LAE	ILAE	Acc State	Description
2007	1-6-923	274318	278514	8/16/2007	J.M. Browning Lo	2,000	0	0	2,000	Oregon	Claimant Injured In Logging Accident

Program: Forest Product

Limit Profile - Based on PY Written Premium

Occ Limit	PY -->	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
100,000	0	0	0	0	0	0	0	0	0	0	0	-
500,000	0	0	0	0	0	0	0	0	0	0	0	-
900,000	0	0	0	0	0	0	0	0	0	0	0	-
1,000,000	0	124	37	27	101	26	139	228	338	332	1,352	-
1,500,000	0	0	0	0	0	0	0	0	0	0	0	-
2,000,000	0	46	49	22	26	0	40	56	57	84	380	-
2,500,000	0	0	0	0	0	0	0	0	0	0	0	-
3,000,000	0	114	55	9	0	0	99	152	182	148	759	-
3,500,000	0	0	0	0	0	0	0	0	0	0	0	-
4,000,000	0	0	0	21	0	0	11	53	50	28	189	-
4,500,000	0	0	0	0	0	0	0	0	0	0	0	-
5,000,000	0	17	14	6	33	0	8	7	8	8	101	-
5,500,000	0	0	0	0	0	0	0	0	0	0	0	-
6,000,000	0	0	0	0	0	0	0	0	0	0	0	-
6,500,000	0	0	0	0	0	0	0	0	0	0	0	-
7,000,000	0	0	0	0	0	0	0	0	0	0	0	-
7,500,000	0	0	0	0	0	0	0	0	0	0	0	-
8,000,000	0	0	0	0	0	0	0	0	0	0	0	-
9,000,000	0	0	0	0	0	0	0	0	0	0	0	-
9,500,000	0	0	0	0	0	0	0	0	0	0	0	-
10,000,000	0	0	0	0	0	0	0	0	0	0	0	-
11,000,000	0	0	0	0	0	0	0	0	0	0	0	-
12,000,000	0	0	0	0	0	0	0	0	0	0	0	-
14,000,000	0	0	0	0	0	0	0	0	0	0	0	-
15,000,000	0	0	0	0	0	0	0	0	0	0	0	-
19,000,000	0	0	0	0	0	0	0	0	0	0	0	-
20,000,000	0	0	0	0	0	0	0	0	0	0	0	-
24,000,000	0	0	0	0	0	0	0	0	0	0	0	-
25,000,000	0	0	0	0	0	0	0	0	0	0	0	-
Total	-	301	155	85	160	52	297	496	635	600	2,781	-
verage XS Limit	-	2,136,213	2,387,097	2,494,118	1,987,500	2,500,000	2,020,202	2,102,823	1,949,606	1,826,667	2,031,643	-

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