

Memorandum

From: Div 66 Actuarial
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Conner Billings

To: E. Allen, S. Leeret, B. Harris, S. Cook, J. Parker, R. Simmons, M Curcio

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

Date: 11/24/2015

Re: Division 66 - 2015 WNH WasteHaulerGuard US Profitability Study

I. Executive Summary

A. Introduction -

The WNH WasteHaulerGuard program is an admitted program that provides multiline coverage for the waste and recycling industry. The analysis is segmented by line of business into General Liability, Auto Liability, Property, Auto Physical Damage and Excess.

Last year's analysis resulted in an overall PY 2015 Ultimate Loss Ratio indication of 79.1% which yielded a RAP neutral rate need of 32.3% based on 2014 RAP values.

The year to date rate change for 2015 is 6.4% in total, varying by LOB.

The year to date forecasted rate change for 2015 is 7.7% for all lines of business.

B. Summary of Results

IL and LAE evaluated as of: 3rd Quarter 2015
Currency Employed: USD

Exhibit 1:

Line of Business	Sub-Segment	Policy Year	2015		Projected		RAP		
			GWP (000)	IL and LAE Ratio*	Forecasted Ultimate	Combined Ratio*	Breakeven Target Combined Ratio	RAP Rate Need	Projected RAP \$ **
GL	N/A	2015	452	60.0%	60.0%	92.4%	98.7%	-9.0%	19
AL	N/A	2015	6,149	91.0%	91.0%	122.2%	97.4%	35.5%	(1,019)
Property	N/A	2015	287	25.8%	25.8%	59.1%	97.0%	-56.1%	73
APD	N/A	2015	913	94.0%	94.0%	123.9%	97.6%	37.1%	(160)
Excess Liability	N/A	2015	627	58.4%	58.4%	91.2%	98.8%	-10.9%	31
TOTAL			8,427	85.0%	85.0%	116.4%	97.6%	26.8%	(1,056)

* Includes PY 2015 rate change achieved

** Assumes a tax rate of 35%

- II. Discussion of Material Findings- The PYD for the AL was +23% for PY's 08-14 with the vast majority coming from PY's 12-14. One newly reported large loss was attributable to PY 2014 (T Farese & Sons) with incurred value of approximately \$1M primary and \$4M excess. Effective 2015, an initiative was undertaken to non-renew all New Jersey accounts. New Jersey historically had comprised a significant amount of the historical portfolio and a source of significant losses. Given the unique challenges of the NJ market, an adjustment for exiting the market was warranted and amounted to a -5.0% reduction in the projected PY 2015 ULR. In addition to the non-renewal of New Jersey business, the Jamaica Ash account was priced independently and sold at the actuarial indication. The results were incorporated into the analysis via splitting the book into two sections (Jamaica Ash and All Other) and then aggregating the results of the two analyses. This segmentation resulted in a loss ratio decrease of -3.0% for AL PY 2015 ULR. For the APD, an adjustment was also made for the exiting of New Jersey strategy, resulting in a drop in the loss ratio of -10%. It should be noted that the adjustments made to the auto lines were both lower than the actual indications. We will continue to monitor the results ex NJ and track whether further modifications are warranted.

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. For the auto lines we rely on a mix of Div 66 and the indicated WasteGuard development patterns. For the rate changes used in this analysis, we calculate a forecasted rate change using 2015 rate changes and the original targeted rate changes. These rate change estimates are weighted together to arrive at a forecasted annual rate change.
- B. Limitations/Weakness - The projected PY 2015 loss ratio shown in Exhibit 1 of this report assumes that the YTD rate change achieved in 2015 will be consistent throughout the remainder of the year. To the extent that the annual rate change does not equal the YTD rate change, then the results of this report will vary. Besides that, there are no significant limitations/weaknesses with regards to this study outside of standard actuarial caveats that normally apply to projecting future losses. These include, but are not limited to, actual emerged actuarial parameters (LDF's, ILFs, ELR's, trend, etc.) not being in line with selected parameters; miss-coding/inaccurate representation of the data relied upon in this analysis; and future regulatory/judicial changes affecting the frequency/severity of the results.
- C. Data Quality - The data for all lines of business in this analysis is pulled from Sandbox which aggregates the data from CRS. One claim erroneously coded to APD (claim # 7867) was reallocated to AL from APD.
- D. Other - NA

IV. Methodology

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

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

The commissions and underwriting expenses are program specific. The RAP neutral ratio is calculated based 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 R. Simmons.

The profit study accurately reflected the Waste program's rate need. The PA continues to work with us on the profit strategy which included shrinking the book (exiting NJ and non-renewal for poor accounts) and obtaining rate. However, the regional carriers and Waste management have made it impossible to diversify the book into Midwest and west coast markets. The strategy was to avoid writing new business in the densely populated east coast (NY/NJ/PA; etc.). A meeting will be scheduled in January with the PA to discuss the future of the program given the significant rate need and inability to diversify.

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 2015 ultimate ILAE ratios and PY 2015 rate need.

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

Exhibit 3 - Indexing PY 2005 - 2015 ultimate ILAE (incurred + LAE) ratios to PY 2015 and selection of PY 2015 ultimate ILAE ratios.

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

Exhibit 5 - Summarizes various methods (Exhibit 6a - Exhibit 8f) used to calculate ultimate + LAE & ratios for PY's 2005 - 2015.

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

Exhibit 6 - Bornhuetter-Ferguson methods

- a) Methodology
- b) A Priori Loss Ratios

Exhibit 7 - ILF selections

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

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

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

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

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

Exhibits 12 - Key diagnostic triangles.

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

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

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

Program Summary by LOB - PY 2015

(1) LOB	(2) PY 2015 Forecasted GWP	Direct	(3) Before 2015 Rate Change PY 2015 Ultimate ILAE Ratio	RAP Neutral		(6) PY 2015 Rate Achieved	(7) After 2015 Rate Change PY 2015 Ultimate ILAE Ratio
				(4) Target Ratio	(5) Before 2015 Rate Change PY 2015 Rate Need		
GL	452	3.8%	64.7%	66.3%	-2.3%	7.9%	60.0%
AL	6,149	3.8%	97.0%	66.2%	44.0%	6.5%	91.0%
Property	287	3.8%	27.2%	63.7%	-54.0%	5.4%	25.8%
APD	913	3.1%	105.8%	67.7%	53.7%	12.6%	94.0%
Excess Liability	627	3.9%	66.2%	66.0%	0.3%	13.3%	58.4%
Total Casualty	7,227	3.8%	92.3%	66.2%	37.3%	7.2%	86.2%
Total Property	1,200	3.3%	87.0%	66.8%	28.9%	10.8%	77.7%
All Lines Combined	8,427	3.7%	91.5%	66.2%	36.1%	7.7%	85.0%

(1) = Input

(2) = Exhibit 2

(3) = (7) * [1 + (6)]

(4) = Exhibit 1

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

(6) = Exhibit 1

(7) = Exhibit 1

Program Summary by LOB - PY 2016

(1) LOB	(2) PY 2015 Forecasted GWP	Direct	(3) After 2015 Rate Change PY 2016 Ultimate ILAE Ratio	RAP Neutral	
				(4) Target Ratio	(5) After 2015 Rate Change PY 2016 Rate Need
GL	452	3.8%	62.1%	66.3%	-6.0%
AL	6,149	3.8%	94.6%	66.2%	40.7%
Property	287	3.8%	25.8%	63.7%	-56.1%
APD	913	3.1%	94.0%	67.7%	37.1%
Excess Liability	627	3.9%	61.4%	66.0%	-6.7%
Total Casualty	7,227	3.8%	89.7%	66.2%	33.7%
Total Property	1,200	3.3%	77.7%	66.8%	15.6%
All Lines Combined	8,427	3.7%	88.0%	66.2%	31.1%

(1) = Input

(2) = Exhibit 2

(3) = Exhibit 1

(4) = Exhibit 1

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

Program Summary by LOB

PY	GL					AL					Property - ex Cat Load & Reinsurance Charges					APD				
	GWP	Reported ILAE	Reported ILAE Ratio	Selected Ultimate ILAE	Ultimate ILAE Ratio	GWP	Reported ILAE	Reported ILAE Ratio	Selected Ultimate ILAE	Ultimate ILAE Ratio	GWP	Reported ILAE	Reported ILAE Ratio	Selected Ultimate ILAE	Ultimate ILAE Ratio	GWP	Reported ILAE	Reported ILAE Ratio	Selected Ultimate ILAE	Ultimate ILAE Ratio
2005	0	0	-	0	-	0	0	-	0	-	0	0	-	0	-	0	0	-	0	-
2006	0	0	-	0	-	0	0	-	0	-	0	0	-	0	-	0	0	-	0	-
2007	0	0	-	0	-	0	0	-	0	-	0	0	-	0	-	0	0	-	0	-
2008	102	46	44.9%	49	48.3%	1,734	2,054	118.4%	2,089	120.5%	33	0	0.0%	0	0.0%	218	294	134.7%	294	134.5%
2009	104	65	62.8%	74	71.5%	1,634	345	21.1%	350	21.4%	77	0	0.0%	0	0.0%	230	397	172.3%	397	172.4%
2010	138	38	27.9%	49	35.4%	1,902	3,370	177.1%	3,500	184.0%	116	84	73.0%	84	72.9%	322	279	86.7%	279	86.6%
2011	155	92	59.4%	105	68.2%	2,656	2,258	85.0%	2,306	86.8%	117	16	13.3%	15	12.9%	401	541	134.8%	541	134.9%
2012	220	105	47.7%	160	72.8%	4,171	7,083	169.8%	7,759	186.0%	154	0	0.0%	0	0.0%	688	1,124	163.3%	1,129	164.1%
2013	504	242	48.0%	335	66.5%	9,456	5,062	53.5%	9,023	95.4%	299	186	62.2%	187	62.6%	1,435	1,755	122.3%	1,776	123.8%
2014	524	53	10.2%	275	52.6%	8,663	4,797	55.4%	9,275	107.1%	334	38	11.4%	48	14.3%	1,288	1,656	128.6%	1,839	142.8%
2015	452	0	0.0%	267	59.0%	6,149	394	6.4%	5,534	90.0%	287	0	0.0%	66	23.0%	913	122	13.4%	849	93.0%

PY	Excess Liability					Total Casualty					Total Property - ex Cat Load & Reinsurance					All Lines Combined				
	GWP	Reported ILAE	Reported ILAE Ratio	Selected Ultimate ILAE	Ultimate ILAE Ratio	GWP	Reported ILAE	Reported ILAE Ratio	Selected Ultimate ILAE	Ultimate ILAE Ratio	GWP	Reported ILAE	Reported ILAE Ratio	Selected Ultimate ILAE	Ultimate ILAE Ratio	GWP	Reported ILAE	Reported ILAE Ratio	Selected Ultimate ILAE	Ultimate ILAE Ratio
2005	0	0	-	0	-	0	0	-	0	-	0	0	-	0	-	0	0	-	0	-
2006	0	0	-	0	-	0	0	-	0	-	0	0	-	0	-	0	0	-	0	-
2007	0	0	-	0	-	0	0	-	0	-	0	0	-	0	-	0	0	-	0	-
2008	230	0	0.0%	30	13.0%	2,066	2,100	101.6%	2,168	105.0%	252	294	116.8%	294	116.7%	2,318	2,393	103.3%	2,462	106.2%
2009	216	0	0.0%	40	18.5%	1,954	410	21.0%	465	23.8%	308	397	129.0%	397	129.1%	2,262	807	35.7%	862	38.1%
2010	269	3	1.2%	60	22.3%	2,309	3,411	147.7%	3,609	156.3%	438	364	83.1%	363	82.9%	2,747	3,775	137.4%	3,972	144.6%
2011	390	0	0.0%	110	28.2%	3,200	2,349	73.4%	2,522	78.8%	519	557	107.3%	556	107.3%	3,719	2,906	78.1%	3,078	82.8%
2012	730	768	105.2%	1,030	141.0%	5,121	7,956	155.3%	8,949	174.7%	843	1,124	133.4%	1,129	134.0%	5,964	9,080	152.2%	10,078	169.0%
2013	1,124	1	0.1%	530	47.2%	11,084	5,306	47.9%	9,888	89.2%	1,734	1,941	112.0%	1,964	113.2%	12,818	7,247	56.5%	11,852	92.5%
2014	1,077	5,004	464.8%	5,580	518.3%	10,263	9,854	96.0%	15,130	147.4%	1,622	1,695	104.5%	1,887	116.3%	11,885	11,549	97.2%	17,017	143.2%
2015	627	0	0.0%	627	100.0%	7,227	394	5.5%	6,427	88.9%	1,200	122	10.2%	915	76.3%	8,427	517	6.1%	7,342	87.1%

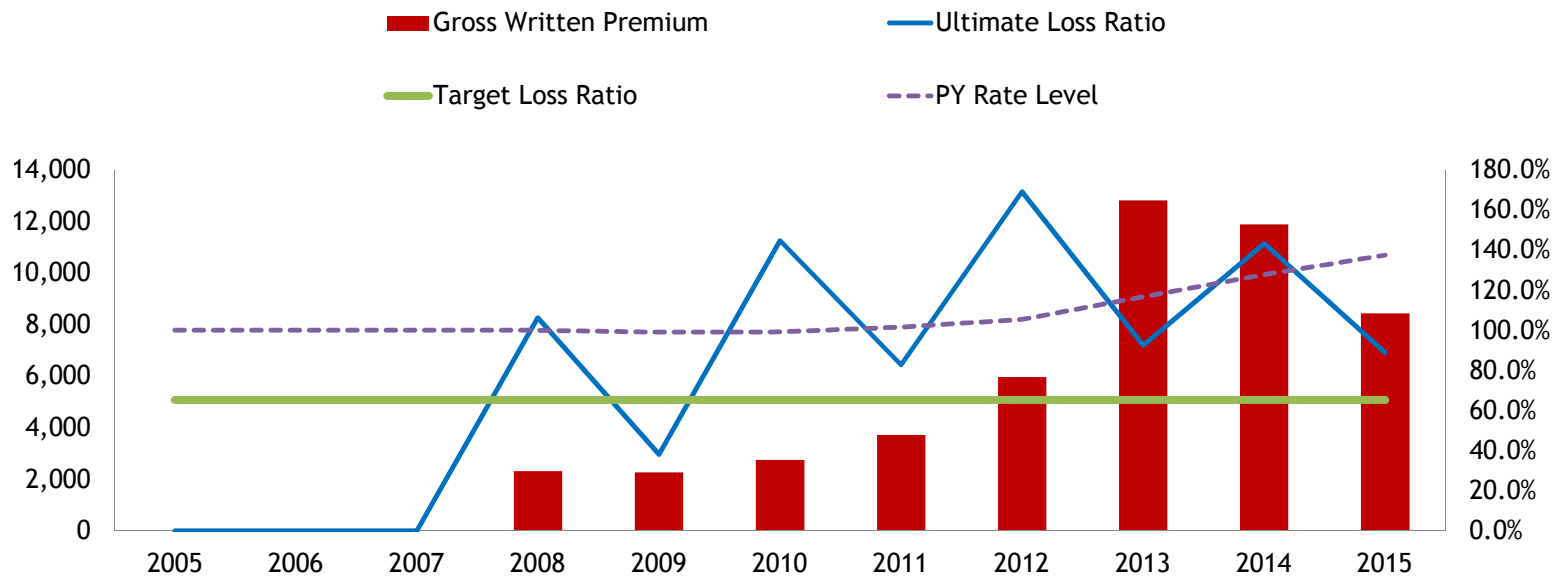
Program Summary by LOB - Prior Profitability Study Indications

PY	GL				AL				Property - ex Cat Load & Reinsurance Charges				APD			
	GWP	2013	2014	2015	GWP	2013	2014	2015	GWP	2013	2014	2015	GWP	2013	2014	2015
		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio	
2005	0	-	-	-	0	-	-	-	0	-	-	-	0	-	-	-
2006	0	-	-	-	0	-	-	-	0	-	-	-	0	-	-	-
2007	0	-	-	-	0	-	-	-	0	-	-	-	0	-	-	-
2008	102	56.2%	50.3%	48.3%	1,734	109.3%	124.5%	120.5%	33	0.0%	0.0%	0.0%	218	134.5%	134.5%	134.5%
2009	104	87.0%	79.2%	71.5%	1,634	25.1%	23.9%	21.4%	77	0.0%	0.0%	0.0%	230	172.4%	172.4%	172.4%
2010	138	51.5%	44.1%	35.4%	1,902	122.2%	186.6%	184.0%	116	72.9%	72.9%	72.9%	322	81.2%	81.5%	86.6%
2011	155	10.1%	37.8%	68.2%	2,656	80.5%	78.5%	86.8%	117	12.9%	12.9%	12.9%	401	138.0%	130.4%	134.9%
2012	220	63.4%	68.1%	72.8%	4,171	91.1%	95.1%	186.0%	154	0.0%	0.0%	0.0%	688	159.2%	174.5%	164.1%
2013	504	63.0%	52.1%	66.5%	9,456	78.0%	88.3%	95.4%	299	25.0%	12.5%	62.6%	1,435	128.0%	110.0%	123.8%
2014	524	-	60.5%	52.6%	8,663	-	77.9%	107.1%	334	-	20.0%	14.3%	1,288	-	95.3%	142.8%
2015	452	-	-	59.0%	6,149	-	-	90.0%	287	-	-	23.0%	913	-	-	93.0%

PY	Excess Liability				Total Casualty				Total Property - ex Cat Load & Reinsurance				All Lines Combined			
	GWP	2013	2014	2015	GWP	2013	2014	2015	GWP	2013	2014	2015	GWP	2013	2014	2015
		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio	Ultimate ILAE Ratio		Ultimate ILAE Ratio	Ultimate ILAE Ratio	
2005	0	-	-	-	0	-	-	-	0	-	-	-	0	-	-	-
2006	0	-	-	-	0	-	-	-	0	-	-	-	0	-	-	-
2007	0	-	-	-	0	-	-	-	0	-	-	-	0	-	-	-
2008	230	21.7%	13.0%	13.0%	2,066	96.9%	108.4%	105.0%	252	116.7%	116.7%	116.7%	2,318	99.1%	109.3%	106.2%
2009	216	27.7%	18.5%	18.5%	1,954	28.7%	26.2%	23.8%	308	129.1%	129.1%	129.1%	2,262	42.3%	40.2%	38.1%
2010	269	33.4%	26.0%	22.3%	2,309	107.6%	159.4%	156.3%	438	79.0%	79.2%	82.9%	2,747	103.1%	146.6%	144.6%
2011	390	45.1%	30.8%	28.2%	3,200	72.8%	70.8%	78.8%	519	109.7%	103.8%	107.3%	3,719	77.9%	75.4%	82.8%
2012	730	54.3%	40.5%	141.0%	5,121	84.6%	86.2%	174.7%	843	130.0%	142.6%	134.0%	5,964	91.0%	94.1%	169.0%
2013	1,124	60.9%	43.9%	47.2%	11,084	75.6%	82.2%	89.2%	1,734	110.2%	93.2%	113.2%	12,818	80.3%	83.6%	92.5%
2014	1,077	-	40.0%	518.3%	10,263	-	73.0%	147.4%	1,622	-	79.8%	116.3%	11,885	-	73.9%	143.2%
2015	627	-	-	100.0%	7,227	-	-	88.9%	1,200	-	-	76.3%	8,427	-	-	87.1%

Total Program Summary

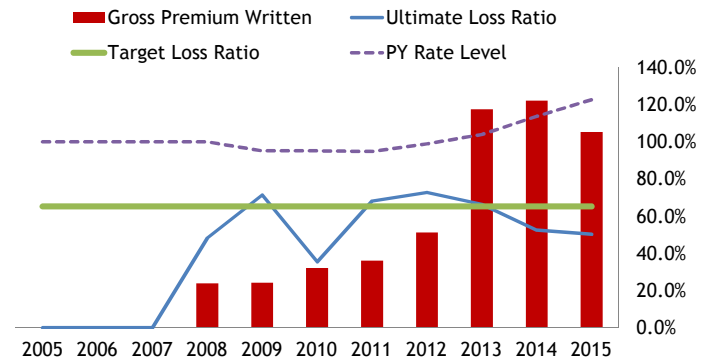
PY	GWP	-----Loss Ratio-----			-----Combined Ratio-----		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2005	0	0.0%	0.0%	65.2%	138.6%	97.6%	0	0.0%	1.00	-
2006	0	0.0%	0.0%	65.2%	138.6%	97.6%	0	0.0%	1.00	-
2007	0	0.0%	0.0%	65.2%	138.6%	97.6%	0	0.0%	1.00	-
2008	2,318	103.3%	106.2%	65.2%	138.6%	97.6%	-633	0.0%	1.00	20.3%
2009	2,262	35.7%	38.1%	65.2%	70.5%	97.6%	408	-1.0%	0.99	20.3%
2010	2,747	137.4%	144.6%	65.2%	177.0%	97.6%	-1,453	0.2%	0.99	20.4%
2011	3,719	78.1%	82.8%	65.2%	115.2%	97.6%	-435	2.4%	1.02	20.3%
2012	5,964	152.2%	169.0%	65.2%	201.4%	97.6%	-4,120	3.7%	1.05	20.4%
2013	12,818	56.5%	92.5%	65.2%	124.8%	97.6%	-2,325	10.8%	1.17	20.3%
2014	11,885	97.2%	143.2%	65.2%	175.6%	97.6%	-6,172	9.4%	1.28	20.3%
2015	8,427	6.1%	88.9%	65.2%	121.2%	97.6%	-1,329	7.7%	1.37	20.3%
Total	50,139	76.3%	113.3%				-16,059			



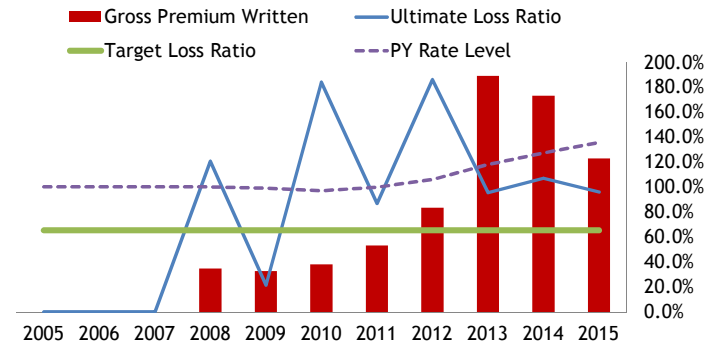
* Target Ratio = 1 - (Expense Ratio) - (AAL) - (XOL) - (Corporate Cat Reinsurance) - (ULE) - (Claim Fees) - (Risk Load)
 * Ultimate Loss Ratios exclude modeled cats, ULE, non-machine claims fees and the impact of XOL/corporate cat reinsurance

Program Summary by LOB - Casualty Lines

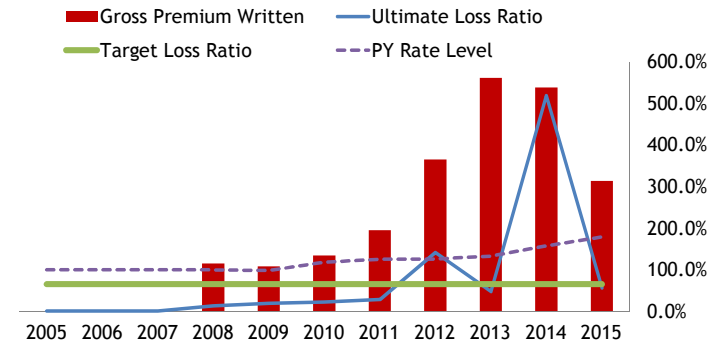
PY	GWP	Loss Ratio			Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2005	0	0.0%	0.0%	65.3%	33.4%	98.7%	0	0.0%	1.00	22.0%
2006	0	0.0%	0.0%	65.3%	33.4%	98.7%	0	0.0%	1.00	22.0%
2007	0	0.0%	0.0%	65.3%	33.4%	98.7%	0	0.0%	1.00	22.0%
2008	102	44.9%	48.3%	65.3%	81.8%	98.7%	11	0.0%	1.00	22.0%
2009	104	62.8%	71.5%	65.3%	104.9%	98.7%	-4	-4.9%	0.95	22.0%
2010	138	27.9%	35.4%	65.3%	68.8%	98.7%	27	0.0%	0.95	22.0%
2011	155	59.4%	68.2%	65.3%	101.7%	98.7%	-3	-0.3%	0.95	22.0%
2012	220	47.7%	72.8%	65.3%	106.3%	98.7%	-11	4.4%	0.99	22.0%
2013	504	48.0%	66.5%	65.3%	100.0%	98.7%	-4	5.0%	1.04	22.0%
2014	524	10.2%	52.6%	65.3%	86.0%	98.7%	44	9.5%	1.14	22.0%
2015	452	0.0%	50.3%	65.3%	83.7%	98.7%	45	7.9%	1.23	22.0%
Total	2,198	29.2%	58.0%				105			



PY	GWP	Loss Ratio			Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2005	0	0.0%	0.0%	65.2%	32.2%	97.4%	0	0.0%	1.00	20.0%
2006	0	0.0%	0.0%	65.2%	32.2%	97.4%	0	0.0%	1.00	20.0%
2007	0	0.0%	0.0%	65.2%	32.2%	97.4%	0	0.0%	1.00	20.0%
2008	1,734	118.4%	120.5%	65.2%	152.7%	97.4%	-640	0.0%	1.00	20.0%
2009	1,634	21.1%	21.4%	65.2%	53.7%	97.4%	477	-0.8%	0.99	20.0%
2010	1,902	177.1%	184.0%	65.2%	216.2%	97.4%	-1,509	-2.1%	0.97	20.0%
2011	2,656	85.0%	86.8%	65.2%	119.1%	97.4%	-384	2.8%	1.00	20.0%
2012	4,171	169.8%	186.0%	65.2%	218.2%	97.4%	-3,364	6.2%	1.06	20.0%
2013	9,456	53.5%	95.4%	65.2%	127.6%	97.4%	-1,910	11.4%	1.18	20.0%
2014	8,663	55.4%	107.1%	65.2%	139.3%	97.4%	-2,423	7.8%	1.27	20.0%
2015	6,149	6.4%	96.1%	65.2%	128.3%	97.4%	-1,270	6.5%	1.36	20.0%
Total	36,364	69.7%	110.6%				-11,023			



PY	GWP	Loss Ratio			Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
		Reported	Ultimate	Target *	Ultimate	BECR				
2005	0	0.0%	0.0%	65.0%	33.7%	98.8%	0	0.0%	1.00	21.8%
2006	0	0.0%	0.0%	65.0%	33.7%	98.8%	0	0.0%	1.00	21.8%
2007	0	0.0%	0.0%	65.0%	33.7%	98.8%	0	0.0%	1.00	21.8%
2008	230	0.0%	13.0%	65.0%	46.8%	98.8%	79	0.0%	1.00	21.8%
2009	216	0.0%	18.5%	65.0%	52.2%	98.8%	66	-1.7%	0.98	21.8%
2010	269	1.2%	22.3%	65.0%	56.0%	98.8%	76	20.1%	1.18	21.8%
2011	390	0.0%	28.2%	65.0%	61.9%	98.8%	94	5.8%	1.25	21.8%
2012	730	105.2%	141.0%	65.0%	174.8%	98.8%	-365	0.8%	1.26	21.8%
2013	1,124	0.1%	47.2%	65.0%	80.9%	98.8%	132	5.5%	1.33	21.8%
2014	1,077	464.8%	518.3%	65.0%	552.0%	98.8%	-3,212	18.7%	1.58	21.8%
2015	627	0.0%	55.9%	65.0%	89.6%	98.8%	38	13.3%	1.79	21.8%
Total	4,662	123.9%	165.8%				-3,092			

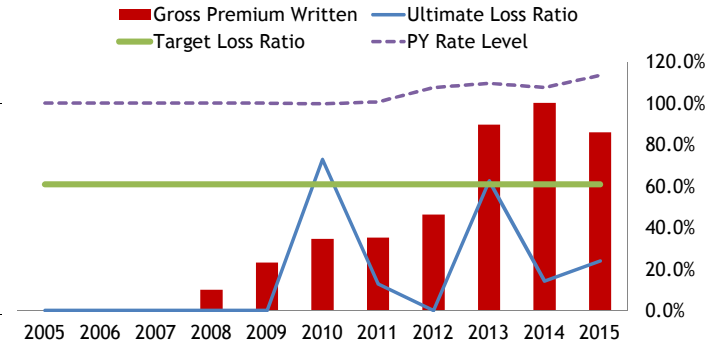


* Target Ratio = 1 - (Expense Ratio) - (AAL) - (XOL) - (Corporate Cat Reinsurance) - (ULE) - (Claim Fees) - (Risk Load)

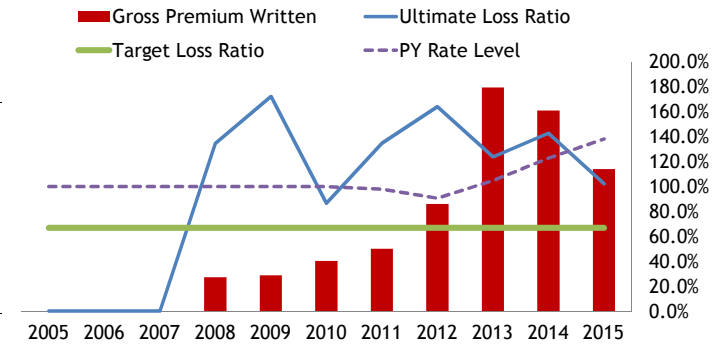
* Ultimate Loss Ratios exclude modeled cats, ULE, non-machine claims fees and the impact of XOL/corporate cat reinsurance

Program Summary by LOB - Property Lines

Property	PY	GWP	Loss Ratio			Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
			Reported	Ultimate	Target *	Ultimate	BECR				
2005	0	0	0.0%	0.0%	60.9%	36.1%	97.0%	0	0.0%	1.00	22.0%
2006	0	0	0.0%	0.0%	60.9%	36.1%	97.0%	0	0.0%	1.00	22.0%
2007	0	0	0.0%	0.0%	60.9%	36.1%	97.0%	0	0.0%	1.00	22.0%
2008	33	33	0.0%	0.0%	60.9%	36.1%	97.0%	14	0.0%	1.00	22.0%
2009	77	77	0.0%	0.0%	60.9%	36.1%	97.0%	31	0.0%	1.00	22.0%
2010	116	116	73.0%	72.9%	60.9%	109.0%	97.0%	-9	-0.3%	1.00	22.0%
2011	117	117	13.3%	12.9%	60.9%	49.1%	97.0%	38	1.0%	1.01	22.0%
2012	154	154	0.0%	0.0%	60.9%	36.1%	97.0%	63	6.8%	1.08	22.0%
2013	299	299	62.2%	62.6%	60.9%	98.7%	97.0%	-3	1.9%	1.10	22.0%
2014	334	334	11.4%	14.3%	60.9%	50.4%	97.0%	104	-1.7%	1.08	22.0%
2015	287	287	0.0%	23.9%	60.9%	60.1%	97.0%	71	5.4%	1.13	22.0%
Total	1,418	1,418	22.9%	28.4%				308			



APD	PY	GWP	Loss Ratio			Combined Ratio		Normalized RAP Dollars	Rt Chg	Rt Lvl	Commission
			Reported	Ultimate	Target *	Ultimate	BECR				
2005	0	0	0.0%	0.0%	66.7%	30.9%	97.6%	0	0.0%	1.00	20.0%
2006	0	0	0.0%	0.0%	66.7%	30.9%	97.6%	0	0.0%	1.00	20.0%
2007	0	0	0.0%	0.0%	66.7%	30.9%	97.6%	0	0.0%	1.00	20.0%
2008	218	218	134.7%	134.5%	66.7%	165.4%	97.6%	-98	0.0%	1.00	20.0%
2009	230	230	172.3%	172.4%	66.7%	203.3%	97.6%	-162	0.0%	1.00	20.0%
2010	322	322	86.7%	86.6%	66.7%	117.4%	97.6%	-42	0.0%	1.00	20.0%
2011	401	401	134.8%	134.9%	66.7%	165.8%	97.6%	-182	-2.0%	0.98	20.0%
2012	688	688	163.3%	164.1%	66.7%	194.9%	97.6%	-446	-7.4%	0.91	20.0%
2013	1,435	1,435	122.3%	123.8%	66.7%	154.7%	97.6%	-545	15.6%	1.05	20.0%
2014	1,288	1,288	128.6%	142.8%	66.7%	173.6%	97.6%	-652	17.1%	1.23	20.0%
2015	913	913	13.4%	102.2%	66.7%	133.0%	97.6%	-215	12.6%	1.38	20.0%
Total	5,496	5,496	112.2%	130.8%				-2,343			



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

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

GL

Rate Need Indications

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Target	Target	Before 2015 Rate Change PY 2015 Ultimate ILAE Ratio	Before 2015 Rate Change PY 2015 Rate Need	PY 2015 Rate Achieved	After 2015 Rate Change PY 2015 Ultimate ILAE Ratio	PY 2016 Ultimate ILAE Ratio	PY 2016 Rate Need
RAP Neutral:	98.7%	66.3%	64.7%	-2.3%	7.9%	60.0%	62.1%	-6.0%

Expense Ratio calculated as follows:

Commission:	22.0%
Prem Tax:	2.6%
Other Acquisition Fees:	1.6%
Direct Expense:	3.8%
Indirect Expense:	2.5%
	<u>32.4%</u>

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

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

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

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

(5) = Input

(6) = Exhibit 3

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

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

GL

Indexing - PY 2015 Ultimate Loss & LAE Selection

PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP	Policy Limits			Capped @ 250k			Capped @ 100k				
					Ultimate ILAE Ratio	3.5% Trend to PY 2015	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	3.3% Trend to PY 2015	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	3.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio		
2005	0	0.0%	1.000	-	-	1.411	-	-	1.377	-	-	1.344	-		
2006	0	0.0%	1.000	-	-	1.363	-	-	1.334	-	-	1.305	-		
2007	0	0.0%	1.000	-	-	1.317	-	-	1.292	-	-	1.267	-		
2008	102	0.0%	1.000	126	48.3%	1.272	50.0%	47.4%	1.251	48.2%	47.4%	1.230	47.4%		
2009	104	-4.9%	0.951	134	71.5%	1.229	68.0%	69.5%	1.212	65.2%	68.6%	1.194	63.4%		
2010	138	0.0%	0.951	178	35.4%	1.188	32.5%	33.2%	1.173	30.1%	31.7%	1.159	28.5%		
2011	155	-0.3%	0.949	200	68.2%	1.148	60.4%	63.0%	1.136	55.3%	60.4%	1.126	52.5%		
2012	220	4.4%	0.990	273	72.8%	1.109	65.1%	66.4%	1.101	58.9%	62.3%	1.093	54.9%		
2013	504	5.0%	1.040	596	66.5%	1.071	60.3%	59.7%	1.066	53.9%	55.1%	1.061	49.5%		
2014	524	9.5%	1.139	565	52.6%	1.035	50.4%	45.8%	1.033	43.8%	41.4%	1.030	39.6%		
2015	452	7.9%	1.229	452	50.3%	1.000	50.3%	46.3%	1.000	46.3%	37.4%	1.000	37.4%		
		0.0%	1.229												
							All Yr Wtd:						54.8%	49.6%	45.1%
							Last 7 Wtd:						55.0%	49.7%	44.9%
							Last 5 Wtd:						56.1%	50.3%	45.2%
							Last 3 Wtd:						54.0%	48.2%	42.6%
							Selected Ultimate:						54.0%	47.0%	40.0%
							ILF:						1.00	1.30	1.59
							Policy Limits Ultimate:						54.0%	61.1%	63.5%
							Weight:						4%	48%	48%

* Averages include PY 2015

Frequency/Severity Indication:	56.0%
Weighted Average:	62.0%
PY 2015 Selected:	59.0%
Adjustment:	0.0%
PY 2015:	59.0%
ULE:	1.0%
Claims Fees:	0.0%
PY 2015 Ultimate ILAE Ratio:	60.0%

AL

Rate Need Indications

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Target Combined Ratio	Target ILAE Ratio	Before 2015 Rate Change PY 2015 Ultimate ILAE Ratio	Before 2015 Rate Change PY 2015 Rate Need	PY 2015 Rate Achieved	After 2015 Rate Change PY 2015 Ultimate ILAE Ratio	PY 2016 Ultimate ILAE Ratio	PY 2016 Rate Need
RAP Neutral:	97.4%	66.2%	97.0%	44.0%	6.5%	91.0%	94.6%	40.7%

Expense Ratio calculated as follows:

Commission:	20.0%
Prem Tax:	3.4%
Other Acquisition Fees:	1.6%
Direct Expense:	3.8%
Indirect Expense:	2.5%
	<u>31.2%</u>

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

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

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

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

(5) = Input

(6) = Exhibit 3

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

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

AL

Indexing - PY 2015 Ultimate Loss & LAE Selection

PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP	Policy Limits			Capped @ 250k			Capped @ 100k		
					Ultimate ILAE Ratio	4.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	3.5% Trend to PY 2015	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	3.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio
2005	0	0.0%	1.000	-	-	1.480	-	-	1.411	-	-	1.344	-
2006	0	0.0%	1.000	-	-	1.423	-	-	1.363	-	-	1.305	-
2007	0	0.0%	1.000	-	-	1.369	-	-	1.317	-	-	1.267	-
2008	1,734	0.0%	1.000	2,352	120.5%	1.316	116.9%	77.2%	1.272	72.4%	58.8%	1.230	53.3%
2009	1,634	-0.8%	0.992	2,236	21.4%	1.265	19.8%	21.4%	1.229	19.3%	21.4%	1.194	18.7%
2010	1,902	-2.1%	0.971	2,658	184.0%	1.217	160.2%	141.9%	1.188	120.7%	93.6%	1.159	77.6%
2011	2,656	2.8%	0.999	3,608	86.8%	1.170	74.8%	77.4%	1.148	65.4%	67.6%	1.126	56.0%
2012	4,171	6.2%	1.061	5,334	186.0%	1.125	163.6%	105.7%	1.109	91.6%	74.8%	1.093	63.9%
2013	9,456	11.4%	1.182	10,855	95.4%	1.082	89.9%	72.0%	1.071	67.2%	54.1%	1.061	50.0%
2014	8,663	7.8%	1.273	9,229	107.1%	1.040	104.5%	80.4%	1.035	78.1%	60.6%	1.030	58.6%
2015	6,149	6.5%	1.357	6,149	96.1%	1.000	96.1%	71.8%	1.000	71.8%	51.8%	1.000	51.8%
		0.0%	1.357										
				All Yr Wtd:			104.2%			74.3%			54.7%
				Last 7 Wtd:			103.4%			74.4%			54.7%
				Last 5 Wtd:			104.4%			74.4%			55.3%
				Last 3 Wtd:			96.5%			72.1%			53.4%
				Selected Ultimate:			96.0%			72.0%			53.0%
				ILF:			1.00			1.40			1.85
				Policy Limits Ultimate:			96.0%			100.8%			98.1%
				Weight:			38%			31%			31%

* Averages Include PY 2015

Frequency/Severity Indication:	97.8%
Weighted Average:	98.1%
PY 2015 Selected:	98.0%
JA Adjustment:	-3.0%
NJ Adjustment:	-5.0%
PY 2015:	90.0%
ULE:	1.0%
Claims Fees:	0.0%
PY 2015 Ultimate ILAE Ratio:	91.0%

AL

Large Losses - Incurred + Legal > 100k

PY	DSP	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	Legal	I+Legal	Acc State	Description
2008	2-2-110	9348949	3571	3/26/2008	Wilkerson Transpor	815	-	113	928	Louisiana	Ins Driver Driving OFF Cameron Feri
2008	2-2-106	9348943	4735	4/17/2008	Delisa Demolition,	281	-	20	301	New Jersey	Ins VEH Struck Clmt VEH Stopped A
2008	2-2-112	5847573	8669	6/11/2009	JIM Bill Disposal,	117	-	0	117	Louisiana	IV Pulled OUT In Front Of OV
2008	2-2-106	9349085	4650	10/15/2008	Christian Disposal	100	-	0	100	Missouri	Ins VEH Rear Ended Clmts VEH
2010	2-2-110	6144169	5685	6/15/2010	Waste Resources IN	554	-	119	673	Connecticut	IV Backed Into Clmt VEH
2010	2-2-110	5847261	8905	2/21/2011	Tri State Carting	344	-	52	395	New Jersey	IV Rear Ended OV
2010	2-2-110	6144125	4544	11/22/2010	TED Carter Enterpr	304	-	53	357	Florida	IV WAS Traveling Through Intersect
2010	2-2-110	5847620	6271	7/25/2011	Circle Rubbish Rem	174	-	45	219	New Jersey	OV Sitting AT Traffic Light When IV
2010	2-2-110	5847261	7015	8/11/2011	Tri State Carting	(1)	0	217	216	New Jersey	OV RAN Thru Stop Sign And Collision
2010	2-2-110	5847855	6959	7/28/2011	DTS Trucking LLC D	42	161	8	211	New Jersey	Chain Reaction Accident Involving 4
2010	2-2-110	6144024	3294	5/7/2010	LA Mela Sanitation	145	-	20	165	New York	IV And OV Collided
2010	2-2-110	6143597	7937	9/16/2010	Perry Management C	74	-	61	135	Hawaii	Claimant HAS Filed A Complaint All
2011	2-2-110	5847090	3716	12/8/2011	Omni Waste Service	4	300	23	327	New Jersey	OV CUT Infront Of IV Causing IV To
2011	2-2-110	9046837	8950	5/18/2012	Todd Butler DBA BU	4	240	7	251	New York	Clmt Made A Stop And Insured Coult
2011	2-2-110	9045575	3334	12/22/2011	Olexion Rubbish HA	12	67	22	100	New Jersey	IV HIT A Light Post Causing The Ligt
2012	2-2-110	9048317	508	5/16/2013	Wilkie Trucking IN	1,000	-	45	1,045	Pennsylvania	Insured Vehicle HIT Pedestrian ON I
2012	2-2-110	9045666	7867	1/18/2013	Troiano Waste Serv	1,000	-	6	1,006	New Hampshire	Insured Vehicle Struck By Another \
2012	2-2-110	9047504	8142	1/25/2013	Ameriwaste Inc Ame	758	-	172	929	Texas	Recycle Bln Fell OFF Of Insured Tra
2012	2-2-110	5847658	7577	1/7/2013	Advanced Container	7	750	36	793	New Jersey	IV Struck OV In Rear When They Stc
2012	2-2-110	6144475	9871	4/12/2013	William Lindner &	413	-	5	418	Pennsylvania	The Other Vehicle WAS Driving ON T
2012	2-2-110	9047888	7719	2/11/2013	JK Carting LLC See	350	-	4	354	New Jersey	ID Completed HIS Right Turn When
2012	2-2-110	9046785	6121	8/30/2013	Rush Roll-OFF & Re	149	-	34	183	Florida	Claimant WAS Struck By A Dumpste
2012	2-2-110	9047888	8366	2/11/2013	JK Carting LLC See	-	95	34	129	New Jersey	Fatal Pedestrian/Vehicle Accident.
2012	2-2-110	9045575	9446	3/5/2013	Olexion Rubbish HA	4	100	10	114	New Jersey	Insured Vehicle Tapped Claimant V
2013	2-2-110	9046904	5844	1/8/2014	Superior Waste Ser	59	600	23	682	New York	Property Damage Auto
2013	2-2-110	9049175	6362	2/5/2014	Regional Industrie	85	155	25	265	New Jersey	Pedestrian Jumped OUT Of The WA
2013	2-2-110	9049063	9895	4/13/2013	Grand Sanitation S	188	50	16	254	New Jersey	Insured Vehicle Struck Claimant Vel
2013	2-2-110	9049135	2590	8/14/2013	Jamaica ASH & Rubb	205	-	5	210	New York	Insured Vehicle Pulled Down Power
2013	2-2-110	9049175	579	5/15/2013	Regional Industrie	1	100	18	120	New Jersey	Insured Vehicle Backed Into Claima
2013	2-2-110	9049079	2400	7/8/2013	T Farese & Sons IN	5	100	0	105	New Jersey	Insured Vehicle Made A Left Turn A
2013	2-2-110	9348949	9528	3/27/2013	Wilkerson Transpor	7	71	24	102	Louisiana	Insured Rear Ended The Claimant V
2014	2-2-110	9049079	1616	8/27/2014	T Farese & Sons IN	-	1,000	32	1,032	New Jersey	Auto - Other ; IV WAS Involved In A
2014	2-2-110	9049063	4268	11/12/2014	Grand Sanitation S	(4)	266	14	276	New Jersey	Insured River And Claimant Were In
2014	2-2-110	6143597	7285	2/27/2014	Perry Management C	171	-	1	172	Texas	TWO Tires Came OFF Of The Indure

Property

Rate Need Indications

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Target Combined Ratio	Target ILAE Ratio	Before 2015 Rate Change PY 2015 Ultimate ILAE Ratio	Before 2015 Rate Change PY 2015 Rate Need	PY 2015 Rate Achieved	After 2015 Rate Change PY 2015 Ultimate ILAE Ratio	PY 2016 Ultimate ILAE Ratio	PY 2016 Rate Need
RAP Neutral:	97.0%	63.7%	27.2%	-54.0%	5.4%	25.8%	25.8%	-56.1%

Expense Ratio calculated as follows:

Commission:	22.0%
Prem Tax:	3.4%
Other Acquisition Fees:	1.6%
Reinsurance:	0.0%
Direct Expense:	3.8%
Indirect Expense:	2.5%
	<hr/>
	33.3%

- (1) = [1 - (Calculated RAP)]
- (2) = [(1) - (Total Expense)]
- (3) = (6) x [1 + (5)]
- (4) = [(3) + (Direct Expense)] / [(2) + (Direct Expense)] - 1
- (5) = Input
- (6) = Exhibit 3
- (7) = (6) x [1 + (Trend)]
- (8) = [(7) + (Direct Expense)] / [(2) + (Direct Expense)] - 1

Property

Indexing - PY 2015 Ultimate Loss & LAE Selection

PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP	Policy Limits			Capped @ 1M			Capped @ 250k			Capped @ 100k		
					Ultimate ILAE Ratio	0.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	0.0% Trend to PY Rate Chg	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	0.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio	Ultimate ILAE Ratio	0.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio
2005	0	0.0%	1.000	-	-	1.000	-	-	1.000	-	-	1.000	-	-	1.000	-
2006	0	0.0%	1.000	-	-	1.000	-	-	1.000	-	-	1.000	-	-	1.000	-
2007	0	0.0%	1.000	-	-	1.000	-	-	1.000	-	-	1.000	-	-	1.000	-
2008	33	0.0%	1.000	38	0.0%	1.000	0.0%	0.0%	1.000	0.0%	0.0%	1.000	-	0.0%	1.000	-
2009	77	0.0%	1.000	88	0.0%	1.000	0.0%	0.0%	1.000	0.0%	0.0%	1.000	-	0.0%	1.000	-
2010	116	-0.3%	0.997	131	72.9%	1.000	64.0%	72.9%	1.000	64.0%	72.9%	1.000	64.0%	72.9%	1.000	64.0%
2011	117	1.0%	1.007	132	12.9%	1.000	11.5%	12.9%	1.000	11.5%	12.9%	1.000	11.5%	11.2%	1.000	10.0%
2012	154	6.8%	1.075	163	0.0%	1.000	0.0%	0.0%	1.000	0.0%	0.0%	1.000	-	0.0%	1.000	-
2013	299	1.9%	1.095	310	62.6%	1.000	60.4%	62.6%	1.000	60.4%	62.6%	1.000	60.4%	45.2%	1.000	43.7%
2014	334	-1.7%	1.077	352	14.3%	1.000	13.6%	14.0%	1.000	13.3%	14.0%	1.000	13.3%	13.1%	1.000	12.4%
2015	287	5.4%	1.134	287	23.9%	1.000	23.9%	23.6%	1.000	23.6%	22.4%	1.000	22.4%	19.0%	1.000	19.0%
		0.0%	1.134													
					All Yr Wtd:		26.9%			26.7%			26.5%			22.0%
					Last 7 Wtd:		27.6%			27.4%			27.2%			22.6%
					Last 5 Wtd:		25.6%			25.5%			25.2%			19.8%
					Last 3 Wtd:		32.0%			31.8%			31.5%			24.6%
					Selected Ultimate:		24.0%			23.0%			22.0%			19.0%
					ILF:		1.00			1.01			1.05			1.25
					Policy Limits Ultimate:		24.0%			23.2%			23.1%			23.8%
					Weight:		3%			32%			32%			32%

* Averages include PY 2015

Frequency/Severity Indication:	22.5%
Weighted Average:	23.4%
PY 2015 Selected:	23.0%
Adjustment:	0.0%
PY 2015:	23.0%

All Year Avg Empirical Cat Load:	3.2%
Program Specific AAL Cat Load:	0.9%
Selected Cat Load:	0.9%
Corporate Cat Charge:	0.0%
XOL Loss Cost:	0.9%
Indicated XOL Cost:	0.0%
ULE:	1.0%
Claims Fees:	0.0%

PY 2015 Ultimate ILAE Ratio Including AAL Cat Load and Cost of Reinsurance: 25.8%

Property

Large Losses - Incurred + Legal > 100k

PY	DSP	Cat #	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	Legal	I+Legal	Acc State	Description
2013	2-2-110		7561236	7072	3/13/2014	Liberty Roll-Offs	140	-	16	156	Georgia	2006 Morbark 6600 Grinder Caught

APD

Rate Need Indications

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Before 2015 Rate Change PY 2015 Ultimate ILAE Ratio	Before 2015 Rate Change PY 2015 Rate Need	PY 2015 Rate Achieved	After 2015 Rate Change PY 2015 Ultimate ILAE Ratio	PY 2016 Ultimate ILAE Ratio	PY 2016 Rate Need
RAP Neutral:	97.6%	67.7%	105.8%	53.7%	12.6%	94.0%	94.0%	37.1%

Expense Ratio calculated as follows:

Commission:	20.0%
Prem Tax:	2.7%
Other Acquisition Fees:	1.6%
Direct Expense:	3.1%
Indirect Expense:	2.5%
	<u>29.9%</u>

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

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

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

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

(5) = Input

(6) = Exhibit 3

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

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

APD

Indexing - PY 2015 Ultimate Loss & LAE Selection

PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP	Policy Limits	Ultimate ILAE Ratio	0.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio
2005	0	0.0%	1.000	-		-	1.000	-
2006	0	0.0%	1.000	-		-	1.000	-
2007	0	0.0%	1.000	-		-	1.000	-
2008	218	0.0%	1.000	301		134.5%	1.000	97.4%
2009	230	0.0%	1.000	318		172.4%	1.000	124.8%
2010	322	0.0%	1.000	445		86.6%	1.000	62.7%
2011	401	-2.0%	0.980	566		134.9%	1.000	95.7%
2012	688	-7.4%	0.907	1,048		164.1%	1.000	107.7%
2013	1,435	15.6%	1.048	1,891		123.8%	1.000	94.0%
2014	1,288	17.1%	1.227	1,450		142.8%	1.000	126.8%
2015	913	12.6%	1.381	913		102.2%	1.000	102.2%
		0.0%	1.381					
				All Yr Wtd:				103.7%
				Last 7 Wtd:				104.0%
				Last 5 Wtd:				106.0%
				Last 3 Wtd:				106.9%
				Frequency/Severity Indication:				102.5%

* Averages include PY 2015

PY 2015 Selected:

NJ Adjustment:

PY 2015:

ULE: 1.0%

Claims Fees: 0.0%

PY 2015 Ultimate ILAE Ratio: 94.0%

APD

Large Losses - Incurred + Legal > 100k

PY	DSP	Cat #	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	Legal	I+Legal	Acc State	Description
2009	2-2-110		5847809	7180	7/15/2010	Oliver Rubbish Rem	100	-	0	101	Connecticut	IV Went Down Embankment
2012	2-2-110	1209	9046416	5492	10/29/2012	B & B Disposals LL	171	-	2	173	New Jersey	CAT 90 Hurricane Sandy Insured Vehicle
2012	2-2-110		9046976	3761	10/10/2013	S&M Prompt Rubbish	109	-	5	114	New York	Insured Vehicle WAS Struck By Other VE
2013	2-2-110		9049691	4334	10/27/2014	Panichi Holding Co	145	-	1	146	New York	Insured `S Vehicle Caught Fire DUE To A
2013	2-2-110		6692149	1600	7/2/2013	G&C Industries Inc	114	-	5	119	Pennsylvania	Insured Truck Rolled, Additional Loss
2013	2-2-110		6692002	7442	3/26/2014	Blue Diamond Dispo	111	-	6	118	New Jersey	Insured Vehicle Caught Fire.
2013	2-2-110		6692214	8594	4/29/2014	LCS Restoration SE	31	68	2	101	South Carolina	Insured Vehicle Struck Claimant Vehicl
2014	2-2-110		6692002	3930	10/30/2014	Blue Diamond Dispo	129	-	6	135	New Jersey	Insured Vehicle HIT A Light Pole When
2014	2-2-110		9049175	2814	9/29/2014	Regional Industrie	119	-	11	130	New Jersey	Insured Vehicle Caught ON Fire And The
2014	2-2-110		9049160	8949	5/21/2014	National Waste Ser	-	100	4	104	New York	Insured Vehicle Struck Bridge.

Excess Liability

Rate Need Indications

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Target Combined Ratio	Target ILAE Ratio	Before 2015 Rate Change PY 2015 Ultimate ILAE Ratio	Before 2015 Rate Change PY 2015 Rate Need	PY 2015 Rate Achieved	After 2015 Rate Change PY 2015 Ultimate ILAE Ratio	PY 2016 Ultimate ILAE Ratio	PY 2016 Rate Need
RAP Neutral:	98.8%	66.0%	66.2%	0.3%	13.3%	58.4%	61.4%	-6.7%

Expense Ratio calculated as follows:

Commission:	21.8%
Prem Tax:	3.0%
Other Acquisition Fees:	1.6%
Direct Expense:	3.9%
Indirect Expense:	2.5%
	<hr/>
	32.7%

- (1) = [1 - (Calculated RAP)]
- (2) = [(1) - (Total Expense)]
- (3) = (6) x [1 + (5)]
- (4) = [(3) + (Direct Expense)] / [(2) + (Direct Expense)] - 1
- (5) = Input
- (6) = Exhibit 3
- (7) = (6) x [1 + (Trend)]
- (8) = [(7) + (Direct Expense)] / [(2) + (Direct Expense)] - 1

Excess Liability

Indexing - PY 2015 Ultimate Loss & LAE Selection

PY	GWP	Annual PY Rate Chg	Cumulative PY Rate Chg	On-Level GWP
2005	0	0.0%	1.000	-
2006	0	0.0%	1.000	-
2007	0	0.0%	1.000	-
2008	230	0.0%	1.000	411
2009	216	-1.7%	0.983	393
2010	269	20.1%	1.181	407
2011	390	5.8%	1.250	557
2012	730	0.8%	1.260	1,036
2013	1,124	5.5%	1.329	1,511
2014	1,077	18.7%	1.577	1,220
2015	627	13.3%	1.787	627
		0.0%	1.787	
All Yr Wtd:				134.6%
Last 7 Wtd:				143.4%
Last 5 Wtd:				164.0%
Last 3 Wtd:				202.3%
Selected Ultimate:				135.0%
ILF:				1.00
Capped @ \$10M Ultimate:				135.0%

Capped @ \$10M		
Ultimate ILAE Ratio	5.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio
-	1.629	-
-	1.551	-
-	1.477	-
13.0%	1.407	10.3%
18.5%	1.340	13.6%
22.3%	1.276	18.8%
28.2%	1.216	24.0%
141.0%	1.158	115.1%
47.2%	1.103	38.7%
518.3%	1.050	480.2%
55.9%	1.000	55.9%
		134.6%
		143.4%
		164.0%
		202.3%
		135.0%
		1.00
		135.0%

Weight: 6%

Capped @ 2M		
Ultimate ILAE Ratio	4.5% Trend to PY 2015	On-Level Ultimate ILAE Ratio
-	1.553	-
-	1.486	-
-	1.422	-
8.7%	1.361	6.6%
9.2%	1.302	6.6%
14.9%	1.246	12.2%
15.4%	1.193	12.8%
126.0%	1.141	101.4%
28.5%	1.092	23.1%
219.2%	1.045	202.1%
36.7%	1.000	36.7%
		69.3%
		73.8%
		84.2%
		90.7%
		68.0%
		1.67
		113.6%

Weight: 47%

Capped @ 1M		
Ultimate ILAE Ratio	4.0% Trend to PY 2015	On-Level Ultimate ILAE Ratio
-	1.480	-
-	1.423	-
-	1.369	-
4.3%	1.316	3.2%
4.6%	1.265	3.2%
7.4%	1.217	6.0%
10.3%	1.170	8.4%
117.8%	1.125	93.4%
17.8%	1.082	14.3%
115.2%	1.040	105.7%
23.9%	1.000	23.9%
		44.1%
		47.1%
		53.9%
		49.3%
		44.0%
		2.52
		110.9%

Weight: 47%

* Averages include PY 2015

Frequency/Severity Indication:	96.0%
Weighted Average:	113.6%
PY 2015 Selected - Capped @ \$10M:	100.0%
Adjustment:	0.0%
PY 2015 - Capped @ \$10M:	100.0%
ILF:	1.000
Catastrophe/Latency Load:	5.0%
ULE:	1.0%
PY 2015 Ultimate ILAE Ratio:	106.0%
Credibility:	7%
Complement of Credibility:	54.7%
Credibility Weighted PY 2015 Ultimate ILAE Ratio:	58.4%

Compliment of Credibility

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

Excess Liability

Large Losses - Incurred + LAE

PY	DSP	Policy #	Case #	DOL	Insured	Ind Paid	Ind OS	LAE	ILAE	Acc State	Description
2012	2-2-111	6146574	9418	5/16/2013	Wilkie Trucking IN	500	-	7	507	Pennsylvania	Claimant Alleges Injuries DUE To Insur
2012	2-2-111	2856243	9342	1/18/2013	Troiano Waste Serv	250	-	3	253	New Hampshire	Claimant WAS Allegedly Involved In MVA
2014	2-2-111	2865114	2116	8/27/2014	T Farese & Sons IN	-	5,000	3	5,003	New Jersey	IVD rear ended claimant vehicle result