



ACTUARIAL PEER REVIEW

WORKERS COMPENSATION RATEMAKING PROCESSES OF THE NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

Prepared for:

State of Florida

Office of Insurance Regulation

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I. Introduction and Description of Assignment

A. Background

Pursuant to section 627.285, Florida Statutes (F.S.), requires that the Financial Services Commission (“Commission”) contract for an independent actuarial peer review and analysis of the ratemaking processes of any licensed rating organization that makes rate filings for workers’ compensation insurance in Florida and produce a report by February 1, 2018.

The National Council on Compensation Insurance (“NCCI”) is currently responsible for collecting statistical information and making workers’ compensation rate filings on behalf of Florida’s insurers. NCCI is a licensed statistical bureau and rating organization that provides insurance rate and loss cost recommendations in more than thirty states nationwide.

B. Scope

The State of Florida Office of Insurance Regulation (“Office” or “FLOIR”) engaged EVP Advisors, Inc. (“EVP” or “We” or “Us” or “Our”) to conduct a review and analysis of the ratemaking processes of NCCI, including an analysis of the processes supporting legislative changes. EVP was *not* engaged to comment on, or substitute our own particular judgement for NCCI’s selections within NCCI’s rate filings. It is possible, and even likely, that EVP would make different selections if this were an independent analysis of workers’ compensation rates. Rather, EVP has been engaged to review the data, processes, and methodologies that NCCI utilizes in arriving at its conclusions. Furthermore, in addition to comments on the reasonableness of NCCI’s data, processes, and methodologies, we offer suggestions on improvements where necessary.

The Commission has outlined the specific tasks of this review as follows:

- Conduct peer review and analysis in accordance with applicable actuarial principles and any standards for such analysis established by the Casualty Actuarial Society (“CAS”) and the American Academy of Actuaries (“AAA”).
- Draft a report which outlines objectives and approach of the project; documents the data used, materials reviewed, assumptions and methodologies employed during the project including reference to any Actuarial Standards of Practice; and detail findings recommendations, if any.
- Produce a final report, consistent with format and content described above, to the Office no later than January 3, 2018.
- Attend status meetings which may be conducted by teleconference, as requested by the Office.
- Provide expert witness testimony during the 2018 legislative session and/or associated legislative committee weeks as required.

C. General Overview

A general overview of our analysis consisted of an assessment of the following:

1. Overall change in rate level.
 - a. Adjustments to premiums
 - b. Adjustments to losses (e.g., loss development – number of valuations, averaging techniques, addressing data anomalies, tail factors, etc.)
 - c. Trend factors
 - d. Provisions for expenses and profit and contingencies
 - e. Off-balance factors

2. Classification rates
3. Data underlying ratemaking (e.g., paid losses vs paid+case losses, accident year vs. policy year, large deductible data, etc.)
4. Cost evaluation of proposed and enacted legislation
5. Individual risk rating values
6. Data collection, timing, completeness, and accuracy

D. Criteria for Review of Ratemaking Processes

EVP utilized the following criteria in review of NCCI's ratemaking data, processes, and methodologies:

1. **Florida Statutes**
2. **Florida Rules and Regulations**
3. **Professional Actuarial Societies** – requirements and guidance from Professional Actuarial Societies include:
 - a. Principles of Ratemaking published by the CAS
 - b. Relevant Actuarial Standards of Practice (ASOP) as published by the AAA

II. Executive Summary

The NCCI ratemaking methodology utilizes standard actuarial methodologies which are applied appropriately to determine workers' compensation rates in Florida. When considering the entire NCCI process, we believe NCCI complies with Florida statutes, rules, and regulations. The steps of this process include:

- Filing of rates with the FLOIR
- Interrogatories to NCCI from the FLOIR
- Support provided by NCCI to the FLOIR to answer interrogatories
- Order on rates made by the FLOIR

However, there are areas where NCCI may more fully comply with Florida statutes, rules, and regulations in the initial filing of rates with the FLOIR. It is in these areas where NCCI should reasonably anticipate interrogatories from the FLOIR due to the subjective nature of NCCI's selections.

Similarly, it is in question whether actuarial standards of practice are being followed to the fullest extent, due to these same subjective selections.

In other aspects of the filings, there may be potential improvements to the currently existing process.

The following represent our conclusions after completing our review:

A. Conclusions with Respect to Ratemaking Process Other Than Cost Evaluation of Proposed and Enacted Legislation

Overall Change in Rate Level

1. Areas of Agreement on Current Process

- a. Adjustments to premiums
- b. Adjustments to losses:
 - Tail factor calculations

- c. **Provision for loss adjustment expense (LAE)**
- d. **Provision for other expenses including profit and contingencies**

For all of the above, we believe NCCI complies with relevant actuarial standards of practice and Florida statutes, rules, and regulations.

2. Areas Where Change in Current Process May Be Beneficial

- a. **Adjustments to premiums:**
 - Support for targeted off-balance calculations
- b. **Adjustments to losses:**
 - Inclusion of more age-to-age links prior to application of tail factor
- c. **Trend factors**
 - Support for selected trend factors

In regards to (b) above, we believe NCCI may not be utilizing more complete and/or relevant data that is readily available.

In regards to (a) and (c) above, we believe NCCI may more fully comply with: 1) relevant actuarial standards of practice, and: 2) Florida statutes, rules, and regulations.

Classification Rates

1. Areas of Agreement on Current Process

- a. **All processes related to determination of classification rates**

For all of the above, we believe NCCI complies with relevant actuarial

standards of practice and Florida statutes, rules, and regulations.

2. Areas Where Change in Current Process May Be Beneficial:

a. None

Data Underlying Ratemaking

1. Areas of Agreement on Current Process

a. Number of valuations

b. Basis of losses (paid vs. paid+case, policy year vs. accident year)

c. Averaging techniques

For all of the above, we believe NCCI complies with relevant actuarial standards of practice and Florida statutes, rules, and regulations.

2. Areas Where Change in Current Process May Be Beneficial:

a. None

B. Conclusions with Respect to Cost Evaluation of Proposed and Enacted Legislation

Review of Process Used by NCCI to Evaluate Cost Effect of Changes

1. Areas of Agreement on Current Process

a. All processes related to Cost Evaluation of:

- Marvin Castellanos v. Next Door Company, et. al.
- Bradley Westphal v. City of St. Petersburg, etc., et al.
- Fee Schedules

For all of the above, we believe NCCI complies with relevant actuarial standards of practice and Florida statutes, rules, and regulations.

2. Areas Where Change in Current Process May Be Beneficial

a. None

C. **Conclusions with Respect to Review of Individual Risk Rating Values**

Review of Process Used by NCCI to determine Individual Risk Rating Values

1. Areas of Agreement on Current Process

a. **Reasonableness of rating values.**

For all of the above, we believe NCCI complies with relevant actuarial standards of practice and Florida statutes, rules, and regulations.

2. Areas Where Change in Current Process May Be Beneficial

b. **Determination of impact of Castellanos and Westphal decisions on excess loss factors.**

D. **Conclusions with Respect to Data Collection Timing, Completeness and Accuracy**

1. Areas of Agreement on Current Process

a. **All processes related to the collection, timing, completeness, and accuracy of data.**

For all of the above, we believe NCCI complies with relevant actuarial standards of practice and Florida statutes, rules, and regulations.

2. Areas Where Change in Current Process May Be Beneficial

a. None

III. NCCI's Ratemaking Methodology

NCCI's ratemaking methodology for Florida contains four general steps:

1. The calculation of the overall change in rate level;
2. The allocation of this overall change in rate level to industry groups;
3. The allocation of the industry group rate changes to occupational classes;
and
4. The determination of rating values used in NCCI's retrospective and experience rating plans.

Within each of these steps, NCCI utilizes various methodologies and makes subjective decisions including, but not limited to, the source of the data, which data to include/exclude, the number of years, the basis of the losses, adjustments to premiums, losses, expenses, etc.

A. Overall Change in Rate Level

NCCI's calculation of the overall change in rate level is the major step in its ratemaking process. It contains the overall rate level change to which the other three steps need to balance. The overall change in rate level determines how much more (or less), on average, policyholders will pay the following year.

The calculation of the overall change in rate level contains the following components:

- Basis for loss experience (e.g. number of years in the experience period, paid or paid+case, accident year or policy year)
- Adjustments to premium (development averaging techniques, on-level factors)
- Adjustments to losses (development averaging techniques, on-level factors, number of years to include before applying tail factor, tail factor methodology)
- Calculation of trend (number of years to fit, relevance of goodness of fit,

use of other data sources)

- Calculation of expenses (loss adjustment expenses, other insurance company expenses, profit and contingencies)

B. Allocation of Overall Change in Rate Level to Industry Groups

After calculating the overall change in rate level, NCCI allocates the change to each of the five industry groups: 1) Manufacturing; 2) Contracting; 3) Office & Clerical; 4) Goods & Services; and 5) Miscellaneous.

NCCI allocates the change in rate level by utilizing a methodology that compares actual losses to expected losses for each industry group, resulting in five separate industry group differentials. Each group's industry differential is then multiplied by the overall change in rate level to arrive at the rate change by industry group.

C. Allocation of Industry Group Rate Changes to Occupational Classes

The third general step in NCCI's ratemaking methodology is determining the average rate per \$100 of payroll for the workers' compensation job classifications. NCCI uses a pure premium methodology based on state-specific payroll and loss experience, currently-approved pure premiums on-leveled to proposed rate level, and countrywide experience adjusted to the Florida level.

NCCI utilizes an iterative process to balance back the class rates to the overall indicated rate change.

D. Determination of Rating Values Used in NCCI's Retrospective and Experience Rating Plans

The final general step is the calculation of rating values which are used in NCCI's retrospective and experience rating plans.

Experience rating adjusts the premium of a policyholder (typically, larger employers) based on its historical claim experience in comparison to its expected claim experience.

Retrospective rating adjusts the premium of policyholders based on the loss experience during the policy period, subject to a minimum and a maximum.

IV. Areas Where Change in Current Process May be Beneficial

In the Executive Summary we noted four areas where we believe a change in the current process may be beneficial. As stated previously, this is not a critique on any subjective selections or rate level indications produced by the NCCI. Instead, these are suggestions which the NCCI and the FLOIR may find beneficial in producing more adequate rates, improving the documentation of the underlying process, and enhancing compliance with Florida statutes and actuarial standards of practice.

A. Support for Targeted Off-Balance Calculations

The experience rating plan (“ERP”) is a mandatory part of the determination of workers’ compensation premium in Florida. The goal of the ERP is to customize the cost of insurance to the loss experience of the employer. The ERP forecasts whether an employer is likely to have better or worse loss experience than the average employer in its classification. NCCI provides each employer with an experience modification factor (“Mod”) that increases (Mod greater than 1.0) or decreases (Mod less than 1.0) the employer’s premium based on its historical loss experience.

The premium data NCCI uses to determine the rates in Florida includes the effect of Mods. A statewide average Mod less than 1.0 is called an average credit Mod. A statewide average Mod greater than 1.0 is called an average debit Mod. If the average Mod is a credit (otherwise known as a credit off-balance), rates are increased to cover the premium lost through experience rating. Conversely, if the average Mod is a debit (otherwise known as a debit off-balance), rates are decreased to offset the premium gained through experience rating.

If there is a statewide change in the average Mod subsequent to the data that went into the Filing, and the subsequent average Mod is lower, rates will be inadequate unless an adjustment factor is introduced. If the average Mod is higher than the data that went into the filing, rates will be excessive unless an

adjustment factor is introduced. For these reasons, NCCI selects a “Target Mod” or “Targeted Off-Balance” where it attempts to predict the adjustment to premiums needed to offset the premium lost or gained due to experience Mods.

It is an often used practice that rates be increased to offset the premium not earned due to an ERP negative off-balance. Similarly, it is an often used practice that rates be decreased to offset the additional premium earned due to an ERP positive off-balance.

Exhibit 1a is taken directly from NCCI’s Florida filing effective 1/1/2018. This exhibit displays the calculations behind the on-level factors needed to adjust premiums and losses to current premium and benefit levels, respectively. A similar exhibit is contained in all Florida filings that we have reviewed. Within this exhibit, the NCCI’s Target Mod is displayed in a footnote.

For the filing effective 1/1/2018, this footnote is the only reference to NCCI’s selected Target Mod in its rate analysis. NCCI has provided no support regarding its selection of a Target Mod. Furthermore, the historical off-balance information by rating year is not provided, making it difficult to compare the NCCI’s current Target Mod to Florida’s historical experience.

Actuarial Standards of Practice (ASOP) No. 41, Section 3.2 Actuarial Report states:

“In the actuarial report, the actuary should state the actuarial findings, and identify the methods, procedures, assumptions, and data used by the actuary with sufficient clarity that another actuary qualified in the same practice area could make an objective appraisal of the reasonableness of the actuary’s work as presented in the actuarial report.”

Exhibit 1b, produced by EVP, displays NCCI’s Target Mod (column (3)) as compared to the actual average Mod experienced during the rating year (column 4)). Column 5 displays the rate excessiveness/inadequacy due to the Target Mod

selection.

The range in inadequacy (negative values) to excessiveness (positive values) ranges from -1.7% to 3.6% for the filings we reviewed. Therefore, the selection of the Target Mod has a material impact on rates in Florida. It is understood that there is likely to be discrepancies between the Target Mod and the actual Mod experienced during the rating period. However, this does not preclude NCCI from better documenting its selection.

EVP recommends that NCCI provide documentation in support of its Target Mod selection that better complies with ASOP 41.

B. Inclusion of More Age-to-Age Links Prior to Application of Tail Factor

Loss development factors (LDFs) are intended to be used to predict the most likely future loss development patterns. The most frequently used approaches to determine LDFs are based on the use of historical averages at each age of development. The unweighted average of the three most recent factors has consistently been the process NCCI has used in Florida in filings in recent years. More specifically, NCCI calculates a three-year average of the age-to-age ratios at each age of development (e.g., 12 months, 24 months, etc.) until the age of development reaches 19 years, and then applies a tail factor. The tail factor accounts for the development of losses from 19 years until the point in time when all claims are settled.

In order to determine the ultimate losses for a given policy year in the experience period, for example policy year 2015 as of December 31, 2016, one must take the product of all of the individual age-to-age link ratios (e.g., 12-24 month age-to-age ratio x 24-36 months age-to-age ratio x ...) until the age of 19 years (228 months) is reached. Then the tail factor is multiplied by this product and the ultimate LDF is calculated.

The 19-year attachment point for standard policies has been used in Florida since January 1, 2011. However, EVP believes increasing the tail factor application point and including more age-to-age link ratios may be beneficial for the following reasons:

1. Credible data is available and could easily be implemented
2. Later attachment points are used in other non-NCCI states
3. Currently excluded development links indicate current tail factors may be deficient

In regards to (1), upon request, NCCI provided EVP with three-year average LDFs for ages 19 through 28 years for standard policies, and ages 19 through 25 years for large deductible policies. It is our understanding that this data was subject to the same validation process as the data for ages 1 to 19 years. Therefore, this data could easily be implemented in any future Florida rate filing.

In regards to (2), the following chart displays the tail factor attachment ages for the most recent workers' compensation rate/loss cost filings for other Non-NCCI states:

State	Loss Basis	Tail Attachment Age
California	Accident Year	32.25 years
Pennsylvania	Policy Year	28 years
Delaware	Policy Year	27 years
Massachusetts	Policy Year	21 years
New York	Policy Year	20 years
Florida	Policy Year	19 years
New Jersey	Policy Year	10 years

As displayed in the chart, when compared to most "Non-NCCI" states, NCCI includes fewer years before applying its tail factor in Florida.

In regards to (3), EVP believes that by not including the older LDFs in Florida, the resulting 19th-ultimate tail factor produced by NCCI may be deficient.

Exhibits 2a through 2d contained herein display the Florida age-to-age LDFs, age-to-ultimate LDFs, and tail factors for standard and large deductible policies on a paid and paid+case basis for the filing effective 1/1/2018.

Exhibit 2a displays indemnity paid and medical paid LDFs for standard policies. Columns (2) and (6) display the age-to-age paid LDFs for indemnity and medical, respectively. A line is drawn under 18th report because that is where the LDFs are no longer used in the filing, and the tail factor is applied.

Columns (3) and (7) display the age-to-ultimate paid LDFs for indemnity and medical, respectively. The bolded numbers under the line at a 19th report display the implied age-to-ultimate LDF had the excluded age-to-age LDFs not been excluded.

Columns (4) and (8) display the exponential decay rate of Column (3). In observing Column (4) one can see the decay rate increases sharply at early maturities, then increases much more slowly at older maturities. The decay rate below the line at the 19th report is based on an unweighted five-year average of the most recent five years. In our opinion this was a conservative projection, since the decay rate should, in theory, be steadily increasing.

Columns (5) and (9) display the decay-rate adjusted age-to-ultimate LDFs. These values are calculated by multiplying the expected decay rate in Columns (4) and (8) by the prior year's age-to-ultimate LDF in columns (3) and (7).

The values in Row (10) display the differentials between the implied 28th-to-ultimate LDF using the current tail factors and those produced by the decay rate method. The differential between the implied standard indemnity paid 28th-to-ultimate LDF and the decay rate adjusted LDF is 1.006. This means that the tail

factor may be low by 0.6%. Similarly, the differential between the implied standard medical paid 28th-to-ultimate LDF and the decay rate method is 1.018, suggesting that the tail factor is possibly too low by 1.8%.

One can see that for Column (3) the implied standard indemnity paid 28th-to-ultimate LDF of 1.004 may possibly be too low given the most recent three age-to-age factors were all 1.003. Also, the most recent three factors on the medical (Column (7)) are 1.006, 1.008, 1.008, implying the medical factor of 1.026 is also possibly too low.

Similar exhibits for standard paid+case LDFs (Exhibit 2b), large deductible paid LDFs (Exhibit 2c), and large deductible paid+case LDFs (Exhibit 2d) are also provided.

In regards to the standard paid+case LDFs (Exhibit 2b), the indemnity differential is 1.002, and the medical is 1.029.

In regards to the large deductible paid LDFs (Exhibit 2c), the indemnity differential is 0.998, and the medical is 1.000.

In regards to the large deductible paid+case LDFs (Exhibit 2d), the indemnity differential is 1.005, and the medical is 1.015.

EVP recommends that NCCI include as much data as available before applying the tail factor. However, if NCCI deems the 19th age the most appropriate attachment point, it should still provide the age-to-age links subsequent to a 19th report in the filing with documentation for why the data was excluded.

C. Support for Selected Trend Factors

Trend, as it relates to workers' compensation, measures the change in losses as it

compares to wage inflation. In its filings, NCCI analyzes indemnity and medical trends separately.

Trend factors have two components: (1) a frequency trend; and (2) a severity trend. The combination of (1) and (2) produce a (3) loss ratio trend. We reviewed NCCI's filing effective January 1, 2018 to attempt to understand NCCI's process for its trend selections.

In its filing effective January 1, 2018, NCCI supplies the frequency, severity, and loss ratio data for the most recent eight points. Also displayed are the current approved indemnity and medical trends, as well as NCCI's selected indemnity and medical trends.

NCCI states in its filing that it applies loss ratio trends to the experience period loss ratios to project loss ratios for the proposed filing period. However, they do not state the particular frequency trend selected, severity trend selected, or whether they disregarded frequency and severity as individual components altogether. Furthermore, the NCCI Florida Supplementary Information exhibits accompanying the January 1, 2018 filing also lack this relevant documentation. Within the supplementary exhibits, NCCI only provides the most recent fifteen policy years of data, which presumably underlie its trend selections.

Given the lack of documentation provided by NCCI in its most recent filing and supplemental exhibits, EVP next performed the following:

- Calculated the 5-point through 12-point loss ratio trends using the data NCCI provided in its filings* for each experience filing going back to filing effective 1/1/2011, including the accompanying "R-Squared Statistics**"
- Viewed the Office of Insurance Regulation Rate Hearing for NCCI on October 18, 2017

*including the NCCI Florida Supplementary Information exhibits

**A standard measure of the likelihood that a trend calculation result is likely to be a good predictor of the immediate future is the R-Squared Statistic (“R-squared”. The closer an R-squared is to 1.000, the better the fit of the trend.)

For the filing effective 1/1/2018, Exhibit 3, rows (7), (14), (21), and (28) provided display the annual indemnity loss ratio trends, indemnity R-squareds, medical loss ratio trends, and medical R-squareds.

Regarding indemnity trend, NCCI proposed a trend of 0.970. The highest of the trends calculated by EVP based on the data supplied in the 1/1/2018 filing is the 8-point trend, and it displays an indicated trend of 0.966 (col. (f), row (7).) However, using the additional data from the supplementary information NCCI provided, the proposed trend is equivalent to the 9-point trend. The 9-point trend has an R-squared of 0.781, the third-lowest of the calculated R-squareds.

Regarding medical trend, NCCI proposed a trend of 0.995. The highest of the trends calculated by EVP based on the data supplied in the 1/1/2018 filing is the 8-point trend, and it displays an indicated trend of 0.990 (col. (f), row (21).) However, using the additional data from the supplementary information NCCI provided, the proposed trend is approximately equivalent to the 9-point trend (0.994). The 9-point trend has an R-squared of 0.132, the second-lowest of the calculated R-squareds and significantly lower than other indicated trends.

To better assist EVP in understanding why NCCI apparently relied on the 9-point trends in its selection process we reviewed the Office of Insurance Regulation Rate Hearing for NCCI on October 18, 2017. In regards to trend selection, NCCI made the following comments in its testimony:

- Trend analysis was focused on 8, 9, and 10 points of data for two reasons:
1) To analyze trend changes over an entire underwriting cycle; 2) To smooth out year-to-year fluctuations

- There is a lot of uncertainty in the marketplace and relying on short term trends such as 5-point trends would produce unreasonably low indications
- Actuaries, at NCCI particularly, strive for rate stability
- The Castellanos and Westphal decisions contribute to the uncertainty

In light of NCCI's testimony and to gain a general sense of NCCI's approach to trend selection, we reviewed NCCI's trend selections for each experience filing beginning with the filing effective January 1, 2011. We note that NCCI has had three different actuaries responsible for producing rates in Florida beginning with the filing effective January 1, 2011. EVP has included the results in Exhibit 3, and we make the following observations:

- For the filing effective January 1, 2018, NCCI testified that it relied upon 8, 9, and 10 points of data. However, in the filing effective January 1, 2018 they did not include the data to allow another actuary to calculate the 9 and 10-point trends directly in the filing. Instead, they included this information in the supplemental exhibits. Furthermore, this is the first filing since 2011 where NCCI did not include the data directly in the filing, which would allow one to produce longer trends.
- NCCI testified that for the January 1, 2018 filing they utilized 8, 9, and 10-point trends to analyze changes over an entire underwriting cycle. This also collaborates with its testimony of striving for rate stability. However, it appears both of those statements are contradicted in the 2011, 2012, 2013, and 2015 filings, where they appeared to rely on shorter term (5 and 6-point) trends.
- Exhibit 3 displays that NCCI utilizes shorter-term trend indications when those trends are higher than the longer-term trend indications. EVP believes this may be due to NCCI's goal of maintaining rate stability. However, the goal of rate stability is contradicted in NCCI's 2011, 2012,

and 2013 proposed trends, where NCCI selected trends were materially higher (greater than 0.5 point change) than the trends approved in previous filings (see column (l)). The conclusion that EVP reaches based on this data is that NCCI is consistent in that it relies on indicated trends near the high-end of its range.

- R-squareds appear to contain no weight in NCCI's trend selection process.

EVP recommends that NCCI better document and support its proposed trends to better comply with ASOP 41. In addition, EVP recommends that if NCCI's goal is rate stability, then NCCI should consistently rely on longer term trends.

D. Determination of Impact of Castellanos & Westphal Decisions on Excess Loss (& ALAE) Factors

On April 28, 2016 the Florida Supreme Court rendered a decision in *Marvin Castellanos v. Next Door Company, et al.*, No. SC13-2082 ("Castellanos") that changed the level of benefits that were required to be paid under workers' compensation insurance.

On June 9, 2016 the Florida Supreme Court rendered a decision in *Bradley Westphal v. City of St. Petersburg, etc., et al.*, No. SC13-1930 ("Westphal") that also changed the level of benefits that were required to be paid under workers' compensation insurance.

NCCI subsequently submitted a law-only filing effective December 1, 2016 in an effort to quantify the impacts these decisions would have on workers compensation rates in Florida.

The result of the Supreme Court's decision in Castellanos effectively removed the statutory caps on claimant attorney fees. NCCI proposed a 15% rate increase to

offset that decision.

The result of the Supreme Court's decision in Westphal implemented the pre-1994, 260-week temporary total disability benefit limitation. NCCI proposed a 2.2% rate increase to offset that decision.

EVP has reviewed NCCI's filing effective December 1, 2016 and believes all processes are reasonable and conform to actuarial standards of practice and Florida statutes.

However, EVP does have concern with regards to the excess loss (&ALAE) tables and whether those tables have accounted for the impact of the Florida Supreme Court decisions.

An excess loss (&ALAE) factor ("ELF") is the ratio of the portion of losses greater than a particular occurrence limit to standard premium. ELFs are used in the determination of premiums in retrospective rating plans and large deductible policies.

It is our understanding based on our interpretation of the Castellanos and Westphal decisions, that the impact of the decisions will primarily affect claims in the "working layer", meaning claims less than \$100,000. To be more specific, while we would have expected the ELFs for all occurrence limits to have increased after the decision, we would have expected claims with smaller limits to have increased at a greater rate than claims with a larger limit.

However, when EVP compared the ELFs in the filing effective January 1, 2016 to the ELFs in the filing effective December 1, 2016 we note that, while the average change for claims with smaller limits has increased at a greater rate than claims with a larger limit, the rate of change is not as dramatic as we would expect.

EVP has prepared Exhibit 4e to display the percentage change in the excess loss

(&ALAE) factors between the filing effective 1/1/2016 and the filing effective 12/1/2016. Column (9) displays that the additive change in ELF factors for the accident limits less than or equal to \$100,000, range from 2.3% to 2.7%. For the limits greater than \$100,000, the change in ELF factors range from 0.7% to 2.0%. Mathematically, one would expect a much steeper decline when moving from among lower limits to moving among higher limits.

Next, we investigated the differences in the inputs for the ELF calculations between the filing effective 1/1/2016 and the filing effective 12/1/2016. Exhibit 4f has been provided to display these inputs, and the resulting changes.

Exhibit 4f displays the average claim severities and projected claim counts by hazard group and injury type between the two filings. Section A displays the inputs for the filing effective 1/1/2016. Section B displays the inputs for filing effective 12/1/2016. Section C displays the percentage change between the two filings.

EVP has the following observations and/or concerns which reflect the lack of “steepness” in changes between lower limits and higher limits:

- The projected claim counts between the two filings are identical. One would have expected an increase in likely and non-likely claims, with potentially a shift from med-only claims into likely and non-likely claims. The likely increase in claim counts would be due to greater incentive for attorneys to handle more claims.
- The increase in permanent total claim severity appears unusual. We believe that since the Castellanos and Westphal decisions primarily impact “working layer” claims, and that the impact on permanent total claims (i.e. claims typically greater than \$1,000,000) would be negligible.

In filing #17-148, NCCI states “the court cases are not anticipated to significantly change the proportion of PT-to-total claims. Therefore, no adjustment was needed to the PT methodology.” NCCI has provided no

support for the previous statement.

An investigation into the two issues noted above would likely produce ELF's which experience greater changes at the lower limits and smaller changes at the higher limits, than those currently utilized.

Based on the results of our high-level review of the ELF's, it is difficult to determine whether NCCI contemplated the impact the Supreme Court's decisions would have on the ELF's.

Principle 4 of Casualty Actuarial Society Statement of Principles Regarding Property & Casualty Insurance Ratemaking states:

"A rate is reasonable and not excessive, inadequate, or unfairly discriminatory if it is an actuarially sound estimate of the expected value of all future costs associated with an individual risk transfer."

Large deductible policies are just one example of how excessive ELF's could charge individual risks excessive rates. Large deductible policies comprise more than 40% of the workers' compensation premium in Florida. Large deductible insureds retain their own risk up to a particular dollar amount (deductible).

To the extent the ELF's are overstated the large deductible policyholders would be paying too much. The additional premium could be used to pay for the higher than expected losses that are within their deductible.

EVP recommends that NCCI perform an in-depth analysis to determine the impact the Castellanos and Westphal decisions have on the excess loss (&ALAE) factors.

V. Description of Data Used

EVP relied on the following data in support of this report:

- NCCI Florida filings effective from 1/1/2009 through 1/1/2018 from FLOIR website including filing documents, hearing documents, interrogatories, and correspondence
- Filing documents from other independent bureaus
- Miscellaneous other documents

VI. Assumptions and Notes, Caveats and Limitations

A. Assumptions and Notes

Consistency – The conclusions are predicated on the assumptions that the reporting, reserving, payments patterns, frequency and severity trends, and claim distributions apply, and will continue, to the program. The risk exposure covered by the program as well as the claim reserving, management, and settlement practices are assumed to be consistent over time, except as noted.

B. Caveats and Limitations

Entire Document – The conclusions in this study are developed in the accompanying text and exhibits, which together comprise the report.

Distribution - This report was prepared for the use of the FLOIR. This report may be distributed to third parties with EVP's consent. When distributed, the report must be provided in its entirety. We recommend that any third party have its own actuary review this report to ensure that the party understands the assumptions and uncertainties inherent in our analysis.

Data Reliance – The data for this study was provided by the NCCI via the FLOIR website. In the study, we relied on the accuracy and completeness of this data without independent audit. If the data is inaccurate or incomplete, our findings and conclusions may need to be revised.

Study Foundations – The study conclusions were based on analysis of the available data and on the estimation of many contingent events.

Significant Digits – Numbers in the exhibits generally display more significant digits than their accuracy suggests. This purpose is to simplify review of the calculations.

Uncertainty – Due to the uncertainties inherent in the estimation of future costs, it cannot be guaranteed that the estimates set forth in the report will not prove to be inadequate or excessive and actual costs may vary significantly.

Unanticipated Changes – Unanticipated changes in factors such as judicial decisions, legislative actions, claim consciousness, claim management, claim settlement practices, and economic conditions may significantly alter the conclusions.

VII. Exhibits



FLORIDA
APPENDIX A-I

Determination of Policy Year On-level Factors

Section A - Factor Adjusting 2015 Policy Year Premium to Present Level

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Rate	Cumulative		Product	Adj. Factor	Adj. For	Adj. For	Off-balance	Premium
Date	Level	Index	Weight	(2)x(3)	Present Index/ Sum Column (4)	Expense Constant Removal @	Expense Removal	Adjustment Factor*	Adjustment Factor (5)x(6)x(7)x(8)
	Change								
NR 01/01/15	Base	1.000	1.000	1.000	1.091	0.988	0.5848	1.006	0.634
NR 01/01/16	0.953	0.953							
NR 12/01/16	1.145	1.091							
				1.000					

Section B - Factor Adjusting 2015 Policy Year Indemnity Losses to Present Benefit Level

	(1)	(2)	(3)	(4)	(5)
	Benefit	Cumulative		Product	Adj. Factor
Date	Level	Index	Weight	(2)x(3)	Present Index/ Sum Column (4)
	Change				
01/01/15	Base	1.000	0.621	0.621	1.141
01/01/16	1.000	1.000	0.217	0.217	
04/28/16	1.101	1.101	0.052	0.057	
06/09/16	1.060	1.167	0.025	0.029	
07/01/16	1.000	1.167	0.085	0.099	
				1.023	

Section C - Factor Adjusting 2015 Policy Year Medical Losses to Present Benefit Level

	(1)	(2)	(3)	(4)	(5)
	Benefit	Cumulative		Product	Adj. Factor
Date	Level	Index	Weight	(2)x(3)	Present Index/ Sum Column (4)
	Change				
01/01/15	Base	1.000	0.621	0.621	1.112
01/01/16	0.998	0.998	0.217	0.217	
04/28/16	1.101	1.099	0.052	0.057	
06/09/16	1.005	1.104	0.025	0.028	
07/01/16	1.026	1.133	0.085	0.096	
				1.019	

NR New and renewal business.

@ Eliminates premium derived from expense constants.

* $1.006 = 0.947 / 0.941 = (\text{Targeted Off-balance}) / (\text{Off-balance for Policy Year 2015})$

Impact on Rates Due to Selected Target Mod

(1)	(2)	(3)	(4)	(5)
Rating Year	Filing Effective Date	Target Mod During	Actual Avg. Mod During Rating	% Rates Over/(Under) Stated Due to NCCI Selection of Target Mod
2009	1/1/2009	0.948	0.974	2.7%
2010	1/1/2010	0.943	0.977	3.6%
2011	1/1/2011	0.971	0.985	1.4%
2012	1/1/2012	0.969	0.976	0.7%
2013	1/1/2013	0.964	0.965	0.1%
2014	1/1/2014	0.959	0.955	-0.4%
2015	1/1/2015	0.957	0.941	-1.7%
2016	1/1/2016	0.949	0.941	-0.8%

NOTES:

(3) taken from filing effective in (2)

(4) provided by NCCI

(5) = (4)/(3) - 1

Summary of Loss Development Factors (LDFs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Standard	<u>Indemnity Paid</u>				<u>Medical Paid</u>			
Report	Age-to-LDFs	Age-to-Ultimate LDFs	Decay Rate	Decay -Rate Adjusted Age-to-Ult. LDFs	Age-to-Age LDFs	Age-to-Ultimate LDFs	Decay Rate	Decay -Rate Adjusted Age-to-Ult. LDFs
1st	1.530	2.416			1.265	1.774		
2nd	1.183	1.579	0.518		1.092	1.402	0.589	
3rd	1.086	1.335	0.633		1.045	1.284	0.740	
4th	1.047	1.229	0.714		1.027	1.229	0.825	
5th	1.031	1.174	0.778		1.018	1.197	0.872	
6th	1.021	1.139	0.811		1.016	1.176	0.902	
7th	1.013	1.116	0.843		1.010	1.157	0.900	
8th	1.014	1.102	0.885		1.011	1.146	0.934	
9th	1.009	1.087	0.859		1.008	1.134	0.923	
10th	1.009	1.077	0.889		1.008	1.125	0.937	
11th	1.006	1.067	0.874		1.006	1.116	0.932	
12th	1.006	1.061	0.913		1.005	1.109	0.943	
13th	1.008	1.055	0.904		1.007	1.103	0.948	
14th	1.005	1.047	0.858		1.006	1.095	0.926	
15th	1.004	1.042	0.896		1.005	1.088	0.929	
16th	1.004	1.038	0.907		1.004	1.083	0.945	
17th	1.004	1.034	0.896		1.003	1.079	0.954	
18th	1.003	1.030	0.884		1.004	1.076	0.963	
19th	1.003	1.027	0.901		1.004	1.072	0.949	
20th	1.004	1.024	0.897	1.024	1.003	1.068	0.948	1.068
21st	1.003	1.020	0.897	1.022	1.004	1.065	0.948	1.065
22nd	1.000	1.017	0.897	1.019	1.002	1.060	0.948	1.061
23rd	1.002	1.017	0.897	1.017	1.004	1.058	0.948	1.058
24th	1.002	1.015	0.897	1.016	1.005	1.054	0.948	1.055
25th	1.003	1.013	0.897	1.014	1.006	1.049	0.948	1.052
26th	1.003	1.010	0.897	1.013	1.008	1.042	0.948	1.049
27th	1.003	1.007	0.897	1.011	1.008	1.034	0.948	1.046
28th		1.004	0.897	1.010		1.026	0.948	1.044
		(10)	Differential	1.006		Differential	1.018	

NOTES:

- (2)and (6) 1st through 18th Report see NCCI Filing Effective 1/1/2018, Appendix A-II, Section O
19th through 28th Report provided by NCCI
- (3)and (7) 1st through 18th Report see NCCI Filing Effective 1/1/2018, Appendix A-II, Section O
20th through 28th Report = (3) prior / (2) prior ; (7) prior / (6) prior
- (4) = ln (3) / ln (3) prior, for 1st through 18th Report
= Unweighted Average 15th through 19th Reports, for 20th through 28th
- (8) = ln (7) / ln (7) prior, for 1st through 18th Report
= Unweighted Average 15th through 19th Reports, for 20th through 28th
- (5) = (3) prior ^ (4)
- (9) = (7) prior ^ (8)
- (10) = 28th Report, (5) / 28th Report, (3) and 28th Report, (9) / 28th Report, (7)

Summary of Loss Development Factors (LDFs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Standard								
	<u>Indemnity Paid+Case</u>				<u>Medical Paid+Case</u>			
Report	Age-to-LDFs	Age-to-Ultimate LDFs	Decay Rate	Decay -Rate Adjusted Age-to-Ult. LDFs	Age-to-Age LDFs	Age-to-Ultimate LDFs	Decay Rate	Decay -Rate Adjusted Age-to-Ult. LDFs
1st	1.236	1.585			1.095	1.310		
2nd	1.108	1.282	0.539		1.041	1.196	0.663	
3rd	1.046	1.157	0.587		1.024	1.149	0.776	
4th	1.023	1.106	0.691		1.016	1.122	0.829	
5th	1.017	1.081	0.773		1.011	1.104	0.860	
6th	1.009	1.063	0.784		1.011	1.092	0.890	
7th	1.005	1.054	0.861		1.005	1.080	0.874	
8th	1.008	1.049	0.910		1.005	1.075	0.940	
9th	1.006	1.041	0.840		1.006	1.070	0.936	
10th	1.006	1.035	0.856		1.005	1.064	0.917	
11th	1.002	1.029	0.831		1.000	1.059	0.924	
12th	1.002	1.027	0.932		1.002	1.059	1.000	
13th	1.004	1.025	0.927		1.003	1.057	0.967	
14th	1.002	1.021	0.842		1.002	1.054	0.949	
15th	1.002	1.019	0.906		1.000	1.052	0.964	
16th	1.001	1.017	0.896		1.004	1.052	1.000	
17th	1.002	1.016	0.942		0.996	1.048	0.925	
18th	1.001	1.014	0.876		1.000	1.052	1.081	
19th	1.002	1.013	0.929		1.002	1.052	1.000	
20th	1.001	1.011	0.910	1.012	1.004	1.050	0.986	1.051
21st	1.000	1.010	0.910	1.011	1.001	1.046	0.986	1.051
22nd	1.000	1.010	0.910	1.010	1.003	1.045	0.986	1.050
23rd	1.001	1.010	0.910	1.009	1.001	1.042	0.986	1.049
24th	1.000	1.009	0.910	1.008	1.004	1.041	0.986	1.048
25th	1.002	1.009	0.910	1.007	1.009	1.036	0.986	1.048
26th	1.001	1.007	0.910	1.007	1.005	1.027	0.986	1.047
27th	1.002	1.006	0.910	1.006	1.006	1.022	0.986	1.047
28th		1.004	0.910	1.006		1.016	0.986	1.046
		(10)	Differential	1.002		Differential	1.029	

NOTES:

- (2)and (6) 1st through 18th Report see NCCI Filing Effective 1/1/2018, Appendix A-II, Section O 19th through 28th Report provided by NCCI
- (3)and (7) 1st through 18th Report see NCCI Filing Effective 1/1/2018, Appendix A-II, Section O 20th through 28th Report = (3) prior / (2) prior ; (7) prior / (6) prior
- (4) = $\ln(3) / \ln(3)$ prior, for 1st through 18th Report
= Unweighted Average 15th through 19th Reports, for 20th through 28th
- (8) = $\ln(3) / \ln(3)$ prior, for 1st through 18th Report
= Unweighted Average 14th through 19th Reports, for 20th through 28th
- (5) = (3) prior ^ (4)
- (9) = (7) prior ^ (8)
- (10) = 28th Report, (5) / 28th Report, (3) and 28th Report, (9) / 28th Report, (7)

Summary of Loss Development Factors (LDFs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Large Deductible								
	<u>Indemnity Paid</u>				<u>Medical Paid</u>			
Report	Age-to-LDFs	Age-to-Ultimate LDFs	Decay Rate	Decay -Rate Adjusted Age-to-Ult. LDFs	Age-to-Age LDFs	Age-to-Ultimate LDFs	Decay Rate	Decay -Rate Adjusted Age-to-Ult. LDFs
1st	1.596	2.858			1.287	1.928		
2nd	1.220	1.791	0.555		1.095	1.498	0.616	
3rd	1.108	1.468	0.659		1.056	1.368	0.775	
4th	1.071	1.325	0.733		1.036	1.295	0.825	
5th	1.037	1.237	0.756		1.021	1.250	0.863	
6th	1.029	1.193	0.830		1.016	1.224	0.906	
7th	1.022	1.159	0.836		1.012	1.205	0.923	
8th	1.014	1.134	0.852		1.011	1.191	0.937	
9th	1.014	1.118	0.887		1.010	1.178	0.937	
10th	1.011	1.103	0.879		1.010	1.166	0.937	
11th	1.008	1.091	0.888		1.009	1.154	0.933	
12th	1.007	1.082	0.905		1.007	1.144	0.939	
13th	1.007	1.074	0.906		1.008	1.136	0.948	
14th	1.007	1.067	0.908		1.008	1.127	0.938	
15th	1.005	1.060	0.899		1.005	1.118	0.933	
16th	1.004	1.055	0.919		1.005	1.112	0.952	
17th	1.006	1.051	0.929		1.005	1.103	0.923	
18th	1.004	1.045	0.885		1.004	1.100	0.972	
19th	1.003	1.041	0.913		1.003	1.096	0.962	
20th	1.004	1.038	0.909	1.037	1.004	1.093	0.948	1.091
21st	1.003	1.034	0.909	1.034	1.009	1.088	0.948	1.086
22nd	1.004	1.031	0.909	1.031	1.004	1.079	0.948	1.081
23rd	1.002	1.027	0.909	1.028	1.003	1.074	0.948	1.077
24th	1.000	1.025	0.909	1.025	1.002	1.071	0.948	1.073
25th		1.025	0.909	1.023		1.069	0.948	1.069
		(10)	Differential	0.998		Differential	1.000	

NOTES:

- (2) and (6) 1st through 18th Report see NCCI Filing Effective 1/1/2018, Appendix A-II, Section O 19th through 25th Report provided by NCCI
- (3) and (7) 1st through 18th Report see NCCI Filing Effective 1/1/2018, Appendix A-II, Section O 20th through 25th Report = (3) prior / (2) prior ; (7) prior / (6) prior
- (4) = $\ln(3) / \ln(3)$ prior, for 1st through 18th Report
= Unweighted Average 15th through 19th Reports, for 20th through 25th
- (8) = $\ln(7) / \ln(7)$ prior, for 1st through 18th Report
= Unweighted Average 15th through 19th Reports, for 20th through 25th
- (5) = (3) prior ^ (4)
- (9) = (7) prior ^ (8)
- (10) = 25th Report, (5) / 25th Report, (3) and 25th Report, (9) / 25th Report, (7)

Summary of Loss Development Factors (LDFs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Large Deductible								
	<u>Indemnity Paid+Case</u>				<u>Medical Paid+Case</u>			
Report	Age-to-LDFs	Age-to-Ultimate LDFs	Decay Rate	Decay -Rate Adjusted Age-to-Ult. LDFs	Age-to-Age LDFs	Age-to-Ultimate LDFs	Decay Rate	Decay -Rate Adjusted Age-to-Ult. LDFs
1st	1.338	1.913			1.112	1.391		
2nd	1.141	1.430	0.551		1.057	1.251	0.679	
3rd	1.072	1.253	0.631		1.025	1.184	0.754	
4th	1.055	1.169	0.692		1.024	1.155	0.853	
5th	1.023	1.108	0.657		1.008	1.128	0.836	
6th	1.015	1.083	0.777		1.013	1.119	0.933	
7th	1.013	1.067	0.813		1.012	1.105	0.888	
8th	1.005	1.053	0.796		1.004	1.092	0.881	
9th	1.007	1.048	0.908		1.005	1.088	0.958	
10th	1.004	1.041	0.857		1.007	1.083	0.945	
11th	1.006	1.037	0.904		1.007	1.075	0.907	
12th	1.003	1.031	0.840		0.999	1.068	0.910	
13th	1.006	1.028	0.905		1.005	1.069	1.014	
14th	1.002	1.022	0.788		1.006	1.064	0.930	
15th	1.003	1.020	0.910		1.002	1.058	0.909	
16th	1.001	1.017	0.851		1.001	1.056	0.966	
17th	1.001	1.016	0.942		1.001	1.055	0.983	
18th	1.002	1.015	0.938		1.002	1.054	0.982	
19th	1.002	1.013	0.868		1.002	1.052	0.964	
20th	1.003	1.011	0.902	1.012	1.001	1.050	0.956	1.050
21st	1.004	1.008	0.902	1.011	1.010	1.049	0.956	1.047
22nd	1.002	1.004	0.902	1.010	1.003	1.038	0.956	1.045
23rd	1.000	1.002	0.902	1.009	1.006	1.035	0.956	1.043
24th	1.000	1.002	0.902	1.008	1.005	1.029	0.956	1.041
25th		1.002	0.902	1.007		1.024	0.956	1.039
		(10)	Differential	1.005		Differential	1.015	

NOTES:

- (2)and (6) 1st through 18th Report see NCCI Filing Effective 1/1/2018, Appendix A-II, Section O 19th through 25th Report provided by NCCI
- (3)and (7) 1st through 18th Report see NCCI Filing Effective 1/1/2018, Appendix A-II, Section O 20th through 28th Report = (3) prior / (2) prior ; (7) prior / (6) prior
- (4) = $\ln(3) / \ln(3)$ prior, for 1st through 18th Report
= Unweighted Average 15th through 19th Reports, for 20th through 25th
- (8) = $\ln(7) / \ln(7)$ prior, for 1st through 18th Report
= Unweighted Average 14th through 19th Reports, for 20th through 25th
- (5) = (3) prior ^ (4)
- (9) = (7) prior ^ (8)
- (10) = 25th Report, (5) / 25th Report, (3) and 25th Report, (9) / 25th Report, (7)

Florida Indicated and NCCI Proposed Trend History

	(a) Filing Effective Date	(b) Loss Type	(c)-(j) Indicated Annual INDEMNITY Loss Ratio Trends								(k) NCCI Proposed Trend	(l) Prior Approved Trend
			5 Pt	6 Pt	7 Pt	8 Pt	9 Pt	10 Pt	11 Pt	12 Pt		
(1)	1/1/2011	Indemnity	0.948	0.931	0.919	0.912	0.908	0.908	0.911	0.915	0.950	0.930
(2)	1/1/2012	Indemnity	0.969	0.947	0.931	0.921	0.916	0.912	0.911	0.913	0.970	0.950
(3)	1/1/2013	Indemnity	1.011	0.987	0.968	0.949	0.938	0.931	0.926	0.923	0.990	0.970
(4)	1/1/2014	Indemnity	0.999	1.003	0.987	0.972	0.958	0.947	0.940	0.935	0.990	0.990
(5)	1/1/2015	Indemnity	0.982	0.990	0.996	0.987	0.975	0.963	0.953	0.946	0.980	0.990
(6)	1/1/2016	Indemnity	0.964	0.972	0.979	0.987	0.980	0.971	0.962	0.953	0.980	0.980
(7)	1/1/2018	Indemnity	0.960	0.956	0.961	0.966	0.970	0.976	0.973	0.969	0.970	0.975

	(a) Filing Effective Date	(b) Loss Type	(c)-(j) Indicated INDEMNITY R-Squareds							
			5 Pt	6 Pt	7 Pt	8 Pt	9 Pt	10 Pt	11 Pt	12 Pt
(8)	1/1/2011	Indemnity	0.838	0.878	0.914	0.948	0.449	0.333	0.349	0.959
(9)	1/1/2012	Indemnity	0.466	0.710	0.822	0.891	0.424	0.298	0.307	0.970
(10)	1/1/2013	Indemnity	0.959	0.209	0.528	0.692	0.378	0.341	0.401	0.938
(11)	1/1/2014	Indemnity	0.008	0.083	0.265	0.522	0.325	0.366	0.476	0.884
(12)	1/1/2015	Indemnity	0.462	0.256	0.040	0.332	0.334	0.415	0.542	0.811
(13)	1/1/2016	Indemnity	0.831	0.739	0.614	0.373	0.485	0.569	0.636	0.771
(14)	1/1/2018	Indemnity	0.886	0.936	0.908	0.879	0.781	0.644	0.742	0.802

	(a) Filing Effective Date	(b) Loss Type	(c)-(j) Indicated Annual MEDICAL Loss Ratio Trends								(k) NCCI Proposed Trend	(l) Prior Approved Trend
			5 Pt	6 Pt	7 Pt	8 Pt	9 Pt	10 Pt	11 Pt	12 Pt		
(15)	1/1/2011	Medical	0.952	0.947	0.938	0.937	0.936	0.940	0.943	0.949	0.970	0.960
(16)	1/1/2012	Medical	0.979	0.961	0.947	0.944	0.944	0.945	0.946	0.949	0.990	0.967
(17)	1/1/2013	Medical	1.021	0.994	0.977	0.963	0.956	0.954	0.952	0.952	1.000	0.990
(18)	1/1/2014	Medical	1.023	1.019	0.998	0.984	0.970	0.963	0.960	0.957	1.005	1.000
(19)	1/1/2015	Medical	1.015	1.014	1.014	0.999	0.986	0.975	0.968	0.964	1.000	1.005
(20)	1/1/2016	Medical	0.987	0.999	1.002	1.005	0.995	0.986	0.976	0.969	1.000	1.005
(21)	1/1/2018	Medical	0.973	0.974	0.982	0.990	0.994	0.997	0.991	0.985	0.995	1.000

	(a) Filing Effective Date	(b) Loss Type	(c)-(j) Indicated MEDICAL R-Squareds							
			5 Pt	6 Pt	7 Pt	8 Pt	9 Pt	10 Pt	11 Pt	12 Pt
(22)	1/1/2011	Medical	0.860	0.925	0.933	0.958	0.537	0.465	0.476	0.879
(23)	1/1/2012	Medical	0.288	0.611	0.770	0.855	0.540	0.441	0.442	0.912
(24)	1/1/2013	Medical	0.704	0.043	0.354	0.593	0.398	0.397	0.458	0.895
(25)	1/1/2014	Medical	0.846	0.826	0.007	0.253	0.219	0.298	0.411	0.817
(26)	1/1/2015	Medical	0.482	0.612	0.691	0.008	0.106	0.261	0.421	0.720
(27)	1/1/2016	Medical	0.337	0.002	0.021	0.117	0.032	0.225	0.417	0.631
(28)	1/1/2018	Medical	0.866	0.912	0.644	0.305	0.132	0.031	0.247	0.441

Notes:

Boxed values represent trends closest to NCCI's proposed trends, with the exception of filing effective 1/1/2018 where NCCI testified it relied upon 8, 9, and 10 point trends. Values in red were able to be calculated based on data provided in Florida Supplementary Information provided by NCCI to the FLOIR.

**RETROSPECTIVE RATING PLAN MANUAL
STATE SPECIAL RATING VALUES**

**FLORIDA
RR 1
Exhibit IV**

Effective January 1, 2016

1. Hazard Group Differentials

A	B	C	D	E	F	G
2.10	1.63	1.47	1.23	1.01	0.84	0.67

2. Tax Multipliers

- a. State (non-F Classes) 1.033
- b. Federal Classes, or non-F classes where rate is increased by the USL&HW Act Percentage 1.067

3. Expected Loss Ratio

Countrywide: 0.585

Florida: 0.5729*

Expected Loss and Allocated Expense Ratio

Countrywide: 0.660

Florida: 0.6542*

4. Table of Expense Ratios

Type A: 2015-01
Type B: 2015-01

Type FL-A: 2015-01
Type FL-B: 2015-01

* The FL-specific Expected Loss Ratio (ELR) and Expected Loss and Allocated Expense Ratio (ELAER) are provided for optional use. If these options are chosen, the FL-specific expense ratio tables should also be used. If the countrywide ELR or ELAER are used, then the standard Type A and Type B tables should be used.

5. 2013 Table of Expected Loss Ranges

Effective January 1, 2013

6.

Excess Loss Factors

(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$10,000	0.377	0.409	0.421	0.449	0.471	0.487	0.504
\$15,000	0.335	0.372	0.387	0.418	0.443	0.462	0.483
\$20,000	0.303	0.343	0.359	0.391	0.419	0.440	0.465
\$25,000	0.277	0.318	0.336	0.369	0.399	0.421	0.449
\$30,000	0.256	0.297	0.316	0.349	0.381	0.404	0.435
\$35,000	0.238	0.280	0.299	0.332	0.365	0.389	0.422
\$40,000	0.222	0.264	0.284	0.317	0.351	0.375	0.410
\$50,000	0.197	0.238	0.259	0.292	0.327	0.351	0.389
\$75,000	0.154	0.194	0.216	0.246	0.282	0.307	0.350
\$100,000	0.128	0.165	0.187	0.215	0.252	0.275	0.321
\$125,000	0.110	0.145	0.167	0.193	0.229	0.252	0.300
\$150,000	0.097	0.130	0.152	0.177	0.212	0.233	0.282
\$175,000	0.087	0.119	0.140	0.163	0.198	0.218	0.268
\$200,000	0.079	0.109	0.131	0.153	0.187	0.206	0.257
\$225,000	0.072	0.102	0.123	0.144	0.177	0.196	0.247
\$250,000	0.067	0.095	0.116	0.136	0.169	0.187	0.238
\$275,000	0.062	0.090	0.110	0.129	0.162	0.179	0.230
\$300,000	0.058	0.085	0.105	0.124	0.156	0.172	0.224
\$325,000	0.055	0.081	0.101	0.119	0.151	0.166	0.217
\$350,000	0.052	0.077	0.097	0.114	0.146	0.161	0.212
\$375,000	0.049	0.074	0.093	0.110	0.141	0.156	0.207
\$400,000	0.046	0.071	0.090	0.106	0.137	0.152	0.202
\$425,000	0.044	0.068	0.087	0.103	0.133	0.148	0.198
\$450,000	0.042	0.066	0.084	0.100	0.130	0.144	0.194
\$475,000	0.041	0.064	0.082	0.097	0.127	0.140	0.190
\$500,000	0.039	0.061	0.080	0.094	0.124	0.137	0.187
\$600,000	0.034	0.054	0.072	0.085	0.114	0.126	0.175
\$700,000	0.030	0.049	0.065	0.078	0.105	0.117	0.165
\$800,000	0.026	0.045	0.060	0.072	0.098	0.110	0.157
\$900,000	0.024	0.041	0.056	0.067	0.093	0.104	0.150
\$1,000,000	0.022	0.038	0.052	0.063	0.087	0.098	0.143
\$2,000,000	0.011	0.021	0.031	0.038	0.056	0.066	0.101
\$3,000,000	0.007	0.014	0.021	0.027	0.041	0.049	0.078
\$4,000,000	0.005	0.010	0.015	0.020	0.031	0.038	0.062
\$5,000,000	0.003	0.008	0.012	0.015	0.024	0.030	0.050
\$6,000,000	0.003	0.006	0.009	0.012	0.020	0.025	0.042
\$7,000,000	0.002	0.005	0.007	0.010	0.016	0.021	0.035
\$8,000,000	0.002	0.004	0.006	0.008	0.013	0.018	0.030
\$9,000,000	0.001	0.003	0.005	0.007	0.011	0.015	0.026
\$10,000,000	0.001	0.003	0.004	0.006	0.010	0.013	0.023

**RETROSPECTIVE RATING PLAN MANUAL
STATE SPECIAL RATING VALUES**

**FLORIDA
RR 2
Exhibit IV**

Effective January 1, 2016

**Excess Loss and
Allocated Expense Factors**
(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$10,000	0.448	0.482	0.495	0.525	0.548	0.565	0.583
\$15,000	0.403	0.442	0.458	0.491	0.518	0.538	0.561
\$20,000	0.367	0.410	0.427	0.463	0.492	0.515	0.541
\$25,000	0.338	0.383	0.401	0.438	0.470	0.494	0.524
\$30,000	0.313	0.359	0.379	0.416	0.450	0.476	0.508
\$35,000	0.293	0.339	0.360	0.397	0.433	0.459	0.494
\$40,000	0.275	0.321	0.343	0.380	0.417	0.444	0.481
\$50,000	0.245	0.292	0.314	0.351	0.390	0.417	0.458
\$75,000	0.196	0.240	0.264	0.299	0.339	0.367	0.413
\$100,000	0.164	0.207	0.230	0.263	0.303	0.330	0.380
\$125,000	0.142	0.183	0.207	0.237	0.277	0.303	0.355
\$150,000	0.126	0.165	0.189	0.217	0.257	0.281	0.335
\$175,000	0.114	0.151	0.174	0.201	0.240	0.264	0.318
\$200,000	0.104	0.139	0.163	0.188	0.227	0.249	0.305
\$225,000	0.095	0.130	0.153	0.177	0.215	0.237	0.293
\$250,000	0.088	0.122	0.145	0.168	0.206	0.226	0.282
\$275,000	0.083	0.115	0.138	0.160	0.197	0.217	0.273
\$300,000	0.077	0.109	0.131	0.153	0.190	0.209	0.265
\$325,000	0.073	0.104	0.126	0.147	0.183	0.202	0.258
\$350,000	0.069	0.099	0.121	0.141	0.177	0.195	0.252
\$375,000	0.065	0.095	0.116	0.136	0.172	0.189	0.246
\$400,000	0.062	0.091	0.112	0.132	0.167	0.184	0.240
\$425,000	0.059	0.087	0.109	0.127	0.162	0.179	0.235
\$450,000	0.057	0.084	0.105	0.123	0.158	0.174	0.230
\$475,000	0.054	0.081	0.102	0.120	0.154	0.170	0.226
\$500,000	0.052	0.079	0.099	0.117	0.150	0.166	0.222
\$600,000	0.045	0.070	0.089	0.105	0.138	0.153	0.208
\$700,000	0.040	0.063	0.081	0.096	0.128	0.142	0.196
\$800,000	0.035	0.057	0.075	0.089	0.119	0.133	0.186
\$900,000	0.032	0.052	0.069	0.083	0.112	0.125	0.177
\$1,000,000	0.029	0.048	0.065	0.077	0.106	0.119	0.170
\$2,000,000	0.015	0.027	0.038	0.047	0.069	0.079	0.121
\$3,000,000	0.009	0.018	0.026	0.033	0.050	0.059	0.093
\$4,000,000	0.007	0.013	0.019	0.025	0.038	0.046	0.075
\$5,000,000	0.005	0.010	0.015	0.019	0.030	0.037	0.062
\$6,000,000	0.004	0.008	0.012	0.015	0.025	0.031	0.051
\$7,000,000	0.003	0.006	0.009	0.012	0.020	0.026	0.044
\$8,000,000	0.002	0.005	0.008	0.010	0.017	0.022	0.037
\$9,000,000	0.002	0.004	0.006	0.009	0.014	0.019	0.032
\$10,000,000	0.002	0.004	0.005	0.007	0.012	0.016	0.028

7.

Retrospective Development Factors

<u>With Loss Limit</u>			<u>Without Loss Limit</u>			4th & Subsequent <u>Adjustment</u>
1st <u>Adj.</u>	2nd <u>Adj.</u>	3rd <u>Adj.</u>	1st <u>Adj.</u>	2nd <u>Adj.</u>	3rd <u>Adj.</u>	
0.05	0.04	0.03	0.15	0.12	0.09	0.00

8.

Drug Free Workplace Premium Credit

A 5% credit is available for employers with anniversary rating dates of January 1, 1992 or after who have complied with the provisions of the Department of Labor and Employment Security Rules.

**RETROSPECTIVE RATING PLAN MANUAL
STATE SPECIAL RATING VALUES**

APPROVED

Date Received: 5/27/2016 Date Of Action: 10/5/2016
FLORIDA RR 1

Effective December 1, 2016 FL OFFICE OF INSURANCE REGULATION Exhibit V

1. Hazard Group Differentials

A	B	C	D	E	F	G
1.82	1.41	1.28	1.07	0.88	0.73	0.58

2. Tax Multipliers

- a. State (non-F Classes) 1.033
- b. Federal Classes, or non-F classes where rate is increased by the USL&HW Act Percentage 1.067

3. Expected Loss Ratio

Countrywide: 0.585

Florida: 0.5848*

Expected Loss and Allocated Expense Ratio

Countrywide: 0.660

Florida: 0.6679*

4. Table of Expense Ratios

Type A: 2015-01
Type B: 2015-01

Type FL-A: 2015-01
Type FL-B: 2015-01

* The FL-specific Expected Loss Ratio (ELR) and Expected Loss and Allocated Expense Ratio (ELAER) are provided for optional use. If these options are chosen, the FL-specific expense ratio tables should also be used. If the countrywide ELR or ELAER are used, then the standard Type A and Type B tables should be used.

5. 2013 Table of Expected Loss Ranges

Effective January 1, 2013

6.

Excess Loss Factors

(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$10,000	0.401	0.431	0.443	0.470	0.490	0.505	0.521
\$15,000	0.361	0.396	0.410	0.440	0.464	0.482	0.502
\$20,000	0.329	0.367	0.383	0.415	0.441	0.461	0.484
\$25,000	0.303	0.343	0.360	0.393	0.421	0.443	0.469
\$30,000	0.281	0.322	0.340	0.374	0.404	0.427	0.455
\$35,000	0.262	0.304	0.323	0.357	0.388	0.412	0.443
\$40,000	0.246	0.289	0.308	0.342	0.374	0.398	0.431
\$50,000	0.219	0.262	0.282	0.316	0.350	0.375	0.411
\$75,000	0.174	0.215	0.236	0.268	0.304	0.329	0.371
\$100,000	0.145	0.184	0.205	0.235	0.272	0.297	0.341
\$125,000	0.125	0.162	0.183	0.211	0.248	0.272	0.318
\$150,000	0.110	0.145	0.167	0.193	0.229	0.252	0.300
\$175,000	0.098	0.132	0.154	0.179	0.214	0.236	0.285
\$200,000	0.089	0.122	0.143	0.167	0.202	0.222	0.272
\$225,000	0.082	0.113	0.134	0.157	0.191	0.211	0.262
\$250,000	0.076	0.106	0.127	0.148	0.182	0.201	0.252
\$275,000	0.070	0.100	0.121	0.141	0.175	0.193	0.244
\$300,000	0.066	0.095	0.115	0.135	0.168	0.186	0.237
\$325,000	0.062	0.090	0.110	0.129	0.162	0.179	0.230
\$350,000	0.058	0.086	0.106	0.124	0.156	0.173	0.224
\$375,000	0.055	0.082	0.102	0.120	0.152	0.168	0.219
\$400,000	0.053	0.079	0.098	0.115	0.147	0.163	0.214
\$425,000	0.050	0.076	0.095	0.112	0.143	0.158	0.209
\$450,000	0.048	0.073	0.092	0.108	0.139	0.154	0.205
\$475,000	0.046	0.070	0.089	0.105	0.136	0.150	0.201
\$500,000	0.044	0.068	0.086	0.102	0.133	0.147	0.197
\$600,000	0.038	0.060	0.078	0.092	0.121	0.135	0.184
\$700,000	0.033	0.054	0.071	0.084	0.113	0.125	0.174
\$800,000	0.030	0.049	0.065	0.078	0.105	0.118	0.165
\$900,000	0.027	0.045	0.061	0.073	0.099	0.111	0.158
\$1,000,000	0.025	0.042	0.057	0.068	0.094	0.105	0.151
\$2,000,000	0.013	0.024	0.034	0.042	0.061	0.071	0.108
\$3,000,000	0.008	0.016	0.024	0.030	0.045	0.053	0.084
\$4,000,000	0.006	0.012	0.017	0.022	0.035	0.042	0.068
\$5,000,000	0.004	0.009	0.013	0.017	0.028	0.034	0.056
\$6,000,000	0.003	0.007	0.011	0.014	0.022	0.028	0.047
\$7,000,000	0.002	0.006	0.009	0.011	0.019	0.024	0.040
\$8,000,000	0.002	0.005	0.007	0.009	0.016	0.020	0.034
\$9,000,000	0.002	0.004	0.006	0.008	0.013	0.017	0.030
\$10,000,000	0.001	0.003	0.005	0.007	0.011	0.015	0.026

**RETROSPECTIVE RATING PLAN MANUAL
STATE SPECIAL RATING VALUES**

APPROVED

Date Received: 5/27/2016 Date Of Action: 10/5/2016 FLORIDA RR 2

Effective December 1, 2016 FL OFFICE OF INSURANCE REGULATION Exhibit V

**Excess Loss and
Allocated Expense Factors**
(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$10,000	0.475	0.507	0.519	0.548	0.569	0.586	0.602
\$15,000	0.431	0.469	0.484	0.516	0.541	0.561	0.581
\$20,000	0.396	0.438	0.454	0.489	0.517	0.539	0.563
\$25,000	0.367	0.411	0.429	0.465	0.496	0.519	0.546
\$30,000	0.343	0.388	0.407	0.444	0.477	0.502	0.531
\$35,000	0.321	0.368	0.388	0.425	0.459	0.486	0.518
\$40,000	0.303	0.350	0.370	0.408	0.444	0.471	0.505
\$50,000	0.272	0.320	0.341	0.379	0.416	0.445	0.482
\$75,000	0.219	0.265	0.288	0.325	0.364	0.393	0.437
\$100,000	0.185	0.229	0.252	0.287	0.327	0.356	0.404
\$125,000	0.161	0.203	0.227	0.259	0.299	0.327	0.377
\$150,000	0.143	0.183	0.207	0.237	0.277	0.304	0.356
\$175,000	0.129	0.167	0.191	0.220	0.260	0.285	0.338
\$200,000	0.117	0.155	0.178	0.206	0.245	0.269	0.324
\$225,000	0.108	0.144	0.168	0.194	0.233	0.256	0.311
\$250,000	0.100	0.135	0.159	0.184	0.222	0.244	0.300
\$275,000	0.094	0.128	0.151	0.175	0.213	0.234	0.290
\$300,000	0.088	0.121	0.144	0.167	0.204	0.225	0.281
\$325,000	0.083	0.115	0.138	0.160	0.197	0.217	0.274
\$350,000	0.078	0.110	0.132	0.154	0.191	0.210	0.267
\$375,000	0.074	0.105	0.127	0.148	0.185	0.204	0.260
\$400,000	0.071	0.101	0.123	0.143	0.179	0.198	0.254
\$425,000	0.068	0.097	0.119	0.139	0.174	0.193	0.249
\$450,000	0.065	0.094	0.115	0.134	0.170	0.188	0.244
\$475,000	0.062	0.090	0.111	0.131	0.165	0.183	0.239
\$500,000	0.059	0.087	0.108	0.127	0.161	0.179	0.234
\$600,000	0.051	0.077	0.097	0.115	0.148	0.164	0.219
\$700,000	0.045	0.069	0.089	0.105	0.137	0.152	0.207
\$800,000	0.040	0.063	0.082	0.097	0.128	0.143	0.196
\$900,000	0.036	0.058	0.076	0.090	0.120	0.134	0.187
\$1,000,000	0.033	0.054	0.071	0.084	0.114	0.127	0.179
\$2,000,000	0.017	0.031	0.043	0.052	0.075	0.086	0.129
\$3,000,000	0.011	0.021	0.030	0.037	0.055	0.065	0.101
\$4,000,000	0.008	0.015	0.022	0.028	0.043	0.051	0.082
\$5,000,000	0.006	0.012	0.017	0.022	0.034	0.042	0.068
\$6,000,000	0.004	0.009	0.014	0.018	0.028	0.035	0.057
\$7,000,000	0.004	0.007	0.011	0.014	0.023	0.029	0.049
\$8,000,000	0.003	0.006	0.009	0.012	0.020	0.025	0.042
\$9,000,000	0.002	0.005	0.008	0.010	0.017	0.022	0.037
\$10,000,000	0.002	0.004	0.006	0.009	0.014	0.019	0.032

7.

Retrospective Development Factors

With Loss Limit			Without Loss Limit			4th & Subsequent Adjustment
1st Adj.	2nd Adj.	3rd Adj.	1st Adj.	2nd Adj.	3rd Adj.	
0.05	0.04	0.03	0.16	0.12	0.10	0.00

8.

Drug Free Workplace Premium Credit

A 5% credit is available for employers with anniversary rating dates of January 1, 1992 or after who have complied with the provisions of the Department of Labor and Employment Security Rules.

**Additive Percentage Change in Excess Loss & ALAE Factors
From Filing Effective 1/1/16 to Filing Effective 12/1/16**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Per Accident Limitation	<u>Hazard Groups</u>							Average
	A	B	C	D	E	F	G	
10,000	2.7%	2.5%	2.4%	2.3%	2.1%	2.1%	1.9%	2.3%
25,000	2.9%	2.8%	2.8%	2.7%	2.6%	2.5%	2.2%	2.6%
50,000	2.7%	2.8%	2.7%	2.8%	2.6%	2.8%	2.4%	2.7%
75,000	2.3%	2.5%	2.4%	2.6%	2.5%	2.6%	2.4%	2.5%
100,000	2.1%	2.2%	2.2%	2.4%	2.4%	2.6%	2.4%	2.3%
150,000	1.7%	1.8%	1.8%	2.0%	2.0%	2.3%	2.1%	2.0%
200,000	1.3%	1.6%	1.5%	1.8%	1.8%	2.0%	1.9%	1.7%
300,000	1.1%	1.2%	1.3%	1.4%	1.4%	1.6%	1.6%	1.4%
500,000	0.7%	0.8%	0.9%	1.0%	1.1%	1.3%	1.2%	1.0%
1,000,000	0.4%	0.6%	0.6%	0.7%	0.8%	0.8%	0.9%	0.7%

NOTES:

(2) through (8) = Excess Loss Factor in Exhibit 4d - Excess Loss Factor in Exhibit 4b ,for a given Per Accident Limitation

(9) = average of (2) through (8)

Impact of Castellanos and Westphal on Frequency and Severity
From Filing Effective 1/1/16 to Filing Effective 12/1/16

(1) (2) (3) (4) (5) (6) (7) (8) (9)

Section A: Filing Effective 1/1/2016

Injury Type	<u>Average Claim Severity Including ALAE</u>							
	<u>Hazard Group</u>							Average
	A	B	C	D	E	F	G	
Fatal	170,665	187,136	191,527	206,278	218,596	235,834	244,993	207,861
PT	1,035,321	1,432,862	1,571,935	1,828,423	2,204,831	2,674,785	3,121,168	1,981,332
Likely	65,750	82,778	87,701	105,475	121,777	146,945	161,367	110,256
Not-Likely	23,362	28,382	29,802	34,831	39,328	46,095	49,890	35,956
Med-Only	1,679	1,685	1,746	1,654	1,830	2,034	2,151	1,826

Injury Type	<u>Projected Claim Count</u>							
	<u>Hazard Group</u>							Total
	A	B	C	D	E	F	G	
Fatal	16,479	43,374	113,229	81,380	165,757	157,830	45,380	623
PT	40,612	122,336	293,443	136,784	255,911	161,369	45,676	1,056
Likely	3,497	6,933	11,585	4,909	6,851	4,362	765	38,902
Not-Likely	16,764	33,322	56,011	23,607	32,977	20,857	3,659	187,197
Med-Only	73,017	148,064	243,867	84,741	97,127	50,192	7,941	704,949

Section B: Filing Effective 12/1/2016

Injury Type	<u>Average Claim Severity Including ALAE</u>							
	<u>Hazard Group</u>							Average
	A	B	C	D	E	F	G	
Fatal	196,628	215,117	220,037	236,574	250,370	269,707	279,920	238,336
PT	1,218,492	1,686,366	1,850,044	2,151,911	2,594,914	3,148,012	3,673,370	2,331,873
Likely	80,815	101,723	107,761	129,584	149,582	180,540	198,190	135,456
Not-Likely	28,670	34,826	36,565	42,732	48,242	56,555	61,194	44,112
Med-Only	1,991	1,999	2,071	1,962	2,170	2,413	2,551	2,165

Injury Type	<u>Projected Claim Count</u>							
	<u>Hazard Group</u>							Total
	A	B	C	D	E	F	G	
Fatal	16,479	43,374	113,229	81,380	165,757	157,830	45,380	623
PT	40,612	122,336	293,443	136,784	255,911	161,369	45,676	1,056
Likely	3,497	6,933	11,585	4,909	6,851	4,362	765	38,902
Not-Likely	16,764	33,322	56,011	23,607	32,977	20,857	3,659	187,197
Med-Only	73,017	148,064	243,867	84,741	97,127	50,192	7,941	704,949

Section C: = Change Between 1/1/2016 Filing and 12/1/2016 Filing = (Section B / Section A) - 1

Injury Type	<u>Average Claim Severity Including ALAE</u>							
	<u>Hazard Group</u>							Average
	A	B	C	D	E	F	G	
Fatal	15.2%	15.0%	14.9%	14.7%	14.5%	14.4%	14.3%	14.7%
PT	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%
Likely	22.9%	22.9%	22.9%	22.9%	22.8%	22.9%	22.8%	22.9%
Not-Likely	22.7%	22.7%	22.7%	22.7%	22.7%	22.7%	22.7%	22.7%
Med-Only	18.6%	18.6%	18.6%	18.6%	18.6%	18.6%	18.6%	18.6%

Injury Type	<u>Projected Claim Count</u>							
	<u>Hazard Group</u>							Total
	A	B	C	D	E	F	G	
Fatal	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Likely	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not-Likely	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Med-Only	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%