STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
233 RICHMOND STREET
PROVIDENCE, RHODE ISLAND 02903

IN RE: Medical Malpractice Joint Underwriting
Association of Rhode Island
Physicians, Surgeons and Dentists
Professional Liability Insurance
Rate Filing

DBR No. 06-I-0033

(Filed: January 6, 2006)

DECISION

I.
TRAVEL

This matter came to be heard before the Department of Business Regulation ("Department") as a result of a rate filing received by the Department on January 6, 2006 from the Medical Malpractice Joint Underwriting Association of Rhode Island ("MMJUARI"). The filing requests an overall rate level increase of 15% for Physicians, Surgeons and Dentists Program. All rates were proposed to be effective on July 1, 2006. The rates now in effect for the MMJUARI’s Physicians, Surgeons and Dentists Program were approved effective February 1, 2004 pursuant to a Decision of the Department rendered in DBR No. 04-I-0114.

In accordance with the provisions of R.I. Gen. Laws § 27-9-10, 42-14-1 et seq and 42-35-1 et seq. on January 20, 2006, the Director of the Department designated Elizabeth Kelleher Dwyer, Deputy Chief of Legal Services and Paula M. Pallozzi, Chief Property & Casualty Insurance Rate Analyst, as Co-Hearing Officers in this matter. The
Department was assisted by Theodore J. Zubulake, FCAS, MAAA, FCIA, ARM and Debra Stein, ACAS, MAAA.

A pre-hearing conference was held on January 31, 2006 at which time extensive discussion ensued regarding scheduling in this matter. The Department issued a Pre-Hearing Order scheduling cut off dates for motions to intervene, discovery and filing of Regulation 39(b) statements. The public hearing was scheduled for April 24 2006 at 10:00 a.m. Notice of the public hearing appeared in the Providence Journal on March 14, 2006.

An Oral Motion to Intervene was filed by The Rhode Island Medical Society ("RIMS") at the prehearing conference. Both parties indicated that they had no objection to RIMS intervention. The Motion to Intervene of RIMS was, therefore, granted in the prehearing conference order of February 2, 2006. A deadline of February 20, 2006 was established for any other motions to intervene. No other motions to intervene were filed.

On April 24 and April 25, 2006 the public hearing in this matter was held. Genevieve M. Martin, Esq., and Brenda K. Gaynor, Esq. appeared on behalf of the Attorney General; David P. Whitman, Esq. appeared on behalf of the MMJUARI; and Jeffrey Chase-Lubitz, Esq., appeared on behalf of RIMS. Scott H. Dodge, FCAS, MAAA and Kathleen Cutler testified on behalf of the MMJUARI. Michael J. Illeo, Ph. D and Anthony J. Grippa FCAS, MAAA testified on behalf of the Attorney General. Admitted as full exhibits were Attorney General Exhibits A through M and MMJUARI Exhibits 1 through 10. No public comment was offered.
II. JURISDICTION

The Department has jurisdiction in this matter pursuant to R.I. Gen. Laws §§ 27-9-10. The hearing was conducted in accordance with the provisions of the Administrative Procedures Act, R.I. Gen. Laws §§ 42-35-1 et seq.

III. ISSUES

A. What Methods, Assumptions and Judgments are Appropriate in Assessing the MMJUARI’s Rate Level Needs?

B. What is the appropriate overall rate level indication?

IV. DISCUSSION

A. WHAT METHODS, ASSUMPTIONS, AND JUDGMENTS ARE APPROPRIATE IN ASSESSING THE MMJUARI’S RATE LEVEL NEEDS?

Testimony was presented throughout the hearing suggesting that the MMJUARI is not truly operating as a residual market. Evidence presented at the hearing indicated that risks do not need to be declined coverage in the voluntary market to become insured with the MMJUARI; the MMJUARI offers occurrence coverage that is not offered by all other insurers in the Rhode Island marketplace; and the MMJUARI’s rates are competitive with those charged in the voluntary market. Each of these factors operates against the MMJUARI as a true residual market as each can result in population of the MMJUARI for reasons other than unavailability of coverage in the voluntary market. During the hearing other issues regarding the MMJUARI’s operations were raised such as whether a profit margin should be included in the rates that are charged by the
MMJUARI, the role of the underwriting and stabilization reserve funds, whether the MMJUARI should have an experience rating plan or whether there should be a rate surcharge for the true residual market insureds.

The Department considers all of these issues to be valid concerns which warrant further discussion and consideration. However, each of these issues is beyond the scope of this rate hearing. Therefore, the Department will consider each of these issues separate from this rate filing in its ongoing regulation of the MMJUARI.

The determination of an insurance company’s rate level need is subject to a considerable amount of actuarial judgment. The Attorney General takes issue with certain methods, assumptions, and judgments that MMJUARI applied in calculating the rate level indication upon which it based its proposed rate level change.

A discussion of these issues and the Department’s decision and reasoning follows.

**Occurrence vs. Claims-Made**

The MMJUARI’s filing initially included rate level indications based on its occurrence policy experience only; no consideration was given to the MMJUARI’s claims-made policy experience. In response to a question raised by the Attorney General, the MMJUARI replied, “No claims-made data was included in the filing. For the experience period utilized, the bulk of insureds, approximately 90% of premium, was attributable to occurrence coverage policies.” [Response to Attorney General Data Request 3-4] Subsequently, in response to Attorney General Data Request 3-5, the MMJUARI provided its rate level indication for the claims-made policy.

The Department finds that the MMJUARI’s overall rate level need is to be determined based on separately developed rate level indications for its occurrence policy
and its claims-made policy. The discussion and findings that immediately follow reference the MMJUARI’s occurrence policy analysis. The Department’s findings as respects the MMJUARI’s claims-made policy analysis are presented later in this decision.

**Occurrence Policy Rate Level Indication**

**Loss Development Factors**

In selecting loss development factors, the MMJUARI considered its Rhode Island total limits incurred loss, paid loss, and reported claim count development experience over the period 1975 through 2004 as of December 31, 2004. In so doing the MMJUARI computed four sets of averages: “Simple Average of Middle 3 of Latest 5,” “Volume Weighted Average of Latest 3,” “Volume Weighted Average of Latest 5,” and “Volume Weighted Average of Latest 7.” However, its selected factors do not directly tie to any of the averages that it presented. In response to questions raised by the Panel, Mr. Dodge indicated that the MMJUARI displayed these particular averages because “…those seemed to match what the other carriers had provided, or at least what the Board wanted to see.” [Transcript of Hearing, page 160, lines 2-4] and that he considered other data points not included in the displayed averages.

The Attorney General does not agree with the incurred loss, paid loss, and reported claim count development factors selected by the MMJUARI, and it stated three reasons in its “Statement of Areas of Disagreement and Alternative Calculations, Pursuant to Insurance Regulation 39, Section 10(b)” (“Statement of Areas of Disagreement”):

1. “There is no documentation as to what analysis, if any, was performed in support of judgments made by the MMJUARI in selecting age-to-age LDFs;
2. The MMJUARI has a long history of over estimating ultimate losses. Data from the MMJUARI’s Annual Statement, Schedule P – Part 2 (displayed in Exhibit AG-B, Schedule 4) indicates that by the time losses have reached a maturity of 7 years (when most medical malpractice claims are closed), estimated ultimate losses are only about 57% of the estimates of ultimate losses initially established by the MMJUARI; and

3. There is an inherent bias of overstatement of expected loss development, meaning that the MMJUARI’s selected age-to-age LDFs are too high.”

The Attorney General recommends as reasonable incurred loss development factors for the period spanning 24 through 288 months of development, factors that represent the arithmetic average of the following averages presented by the MMJUARI: “Simple Average of Middle 3 of Latest 5,” “Volume Weighted Average of Latest 5,” and “Volume Weighted Average of Latest 7.” For loss development factors beyond 288 months, the Attorney General accepts the unity (i.e., 1.00) factors selected by the MMJUARI. For the 12 to 24 month period, the Attorney General recommends the 10 year weighted average for reasons of stability.

For paid loss development factors, the Attorney General recommends as reasonable for the months spanning 12 through 288, factors that represent the arithmetic average of the following averages presented by the MMJUARI: “Simple Average of Middle 3 of Latest 5,” “Volume Weighted Average of Latest 5,” and “Volume Weighted Average of Latest 7.” For loss development factors beyond 288 months, the Attorney General accepts the unity (i.e., 1.00) factors selected by the MMJUARI.
Mr. Dodge argued that by applying this “mechanical approach” for selecting loss development factors, the Attorney General fails to consider data points that may be aberrations, or outliers. “…like I said, the mechanical approach I think would omit some of the other considerations in terms of making a selection, particularly if a point is way high or way low or just based on a very limited volume…” [Transcript of Hearing, page 157, lines 16-20]

The Department agrees with the Attorney General’s concern as to the MMJUARI’s failure to fully explain its loss development factor selections and that the factors selected by the MMJUARI may be too high in general. Indeed, in response to a question asked by the Panel, Mr. Dodge stated, that the factors he selected are “…best estimates with a conservative tint to them” [Transcript of Hearing, page 164, line 25], but that the selections are not “…as conservative” [Transcript of Hearing, page 165, lines 24-25] as the loss development factors applied in estimating the reserve needs of the MMJUARI.

Therefore, the Department accepts the recommendation from the Attorney General that a more formulaic methodology be applied in selecting loss development factors, one that produces factors that would represent the expected average as opposed to factors that are somewhat conservative.

But the Department also agrees with the MMJUARI’s point that the Attorney General’s approach does not give due consideration to outlying data points that exist in the MMJUARI’s loss development experience; only one of the averages considered by the Attorney General excludes outlying data points.
In view of the volume of the MMJUARI loss development experience, testimony by Kathleen Cutler that there have been no changes in the claim reserving practices of the MMJUARI since at least 1989 [Transcript of Hearing, page 151: 1-10], and testimony by Mr. Grippa that due to factors such as inflation, changes in statutes, and changes in the judges, “...the direct relevance to predicting future development deteriorates (over time),” [Transcript of Hearing, page 235, lines 19-25 and Transcript of Hearing, page 226, lines 1-8], the Department finds that up to 15 years of MMJUARI experience should be considered in selecting loss development factors.

The Department accepts the following methodology for selecting loss development factors:

- For the age intervals 12 months-288 months, the arithmetic (unweighted) average of the following averages: Weighted Average of the Middle 3 of Latest 5; Weighted Average of the Middle 8 of Latest 10; and Weighted Average of the Middle 13 of Latest 15.

- For the age intervals 288 months and beyond, the Department accepts the unity (1.00) factors selected by the MMJUARI and the Attorney General.

The Department also agrees with the Attorney General’s position that the MMJUARI should not rely solely on a total limits loss development analysis because of the data volatility that arises due to the occurrence or non-occurrence of large claims.

The Department finds that future rate filings submitted by the MMJUARI should include a methodology that considers the development of claims limited to a value such as $250,000 or $500,000, and providing for losses in excess of the limited value through the application of increased limit factors.
Loss Trend

The MMJUARI selected an annual loss trend rate of 6.5%. In its filing, the MMJUARI stated, “This trend rate was selected based upon the loss trend approved as part of the MMJUARI’s recent hospital rate filing and the rate approved as reasonable in the recent ProSelect Insurance Company individual medical professional liability rate filing (6.3%). [Page 1 of the Rate Filing Memorandum, MMJUARI Exhibit 1] In his testimony, Mr. Dodge acknowledged that the MMJUARI physicians, surgeons and dentists loss experience is not sufficiently credible for determining a loss trend rate, and further stated, “But it (the loss trend selected by the MMJUARI) seemed reasonable relative to the rate filings, the rate hearings that basically covered 70% of the malpractice market other than MMJUARI.” [Transcript of Hearing, page 192, lines 10-13]

The Attorney General accepts the 6.5% loss trend rate selected by MMJUARI. But in response to questions asked by Mr. Whitman, Mr. Grippa agreed that the MMJUARI physicians, surgeons, and dentists loss experience is not sufficiently credible for determining a loss trend rate, and acknowledged, “I in fact am to some degree influenced by it (the loss trend selected by the MMJUARI) because I would assume, and I may be incorrect, that his (Mr. Dodge’s) much more frequent contact with the MMJUARI, since I have zero contact, may give him some insight as to what’s happening in the MMJUARI.” [Transcript of Hearing, page 265, line 25 and page 266, lines 1-4]

The Department agrees with Mr. Dodge’s and Mr. Grippa’s view that the MMJUARI’s experience is not sufficiently credible to be used in the determination of a loss trend rate and that other information must be considered. In this case the MMJUARI considered the loss trend rate it selected in its recent hospital professional
liability rate filing (6%-7%) and the loss trend rate approved by the Department in the recent ProSelect medical malpractice rate filing (6.3%).

The Department accepts the consideration of the loss trend rate approved in the ProSelect rate filing, but notes that the 6% to 7% loss trend rate selected by the MMJUARI in its recent hospital professional liability rate filing was based in part on the MMJUARI's hospital loss data which Mr. Dodge testified as being quite limited: “We unfortunately had the same problem with data, particularly with the hospitals not quite in the – the hospitals were gone starting 1994 or so, and didn’t come back until early 2000s, so they had the same limited amount of information.” [Transcript of Hearing, page 192, lines 16-20]

Consistent with the “actuarial memorandum of findings” attached to the Department’s decision on the MMJUARI hospital professional liability rate filing rendered September 26, 2005 which stated, “...that the amount of loss trend should not differ significantly among the various providers...,” the Department finds that consideration should also be given to the 10.6% loss trend rate approved for Norcal in its most recent physician & surgeon rate filing.

The Department determines that an appropriate loss trend rate to be the arithmetic average of the 10.6% loss trend rate approved for Norcal and the 6.3% loss trend rate approved for ProSelect, which is 8.45%.

**Selection of Ultimate Losses by Year**

The MMJUARI selected ultimate losses by occurrence year by considering the results of two ultimate loss estimation techniques: the incurred loss development method and the paid loss development method. For all years except the 1996 and 2004
occurrence year, it selected the results of the incurred loss development method. For the 1996 occurrence year, the MMJUARI selected the average of the results produced under the incurred loss development method and the paid loss development method. For the 2004 occurrence year, the MMJUARI selected 50% of the result indicated from the incurred loss development method.

The Attorney General accepts the MMJUARI’s method of selecting ultimate losses except for the 1996 and 2004 occurrence years. As respects the 1996 occurrence year, the Attorney General selects the results produced by the incurred loss development method. The Department notes that in the case of both the MMJUARI and the Attorney General, the results produced by the incurred development method and the paid development method for the 1996 year are not materially different.

As respects the 2004 occurrence year the Attorney General states in its “Statement of Areas of Disagreement…” “There is no actuarial justification for dividing the estimate by two, as compared to dividing the estimate by some other arbitrarily selected number.” The Attorney General recommends that the selected ultimate losses for the 2004 occurrence year be instead based on the application of the Bornhuetter-Ferguson ultimate loss estimation technique.

Mr. Dodge explained that his reason for reducing the result of the incurred loss development method by estimate by 50% (or dividing by two) was that the 50% adjustment produced an estimate that was in line with his estimates for the other occurrence years. “Again, that will produce a high indication there as well so we selected I think half of that again based on what we had seen I think in a couple of the prior
accident years in terms of the ultimate loss volume.” [Transcript of Hearing, page 29, lines 21-25]

Mr. Dodge said that he does not find the Attorney General’s use of the Bornhuetter-Ferguson method unreasonable: “Yes. I didn’t have any problems with the use of that method....” [Transcript of Hearing, page 176, lines 12-13] But Mr. Dodge suggested that the 81.4% expected loss ratio used by the Attorney General in applying the Bornhuetter-Ferguson method may be low: “As far as the calculation, it seems reasonable. The only thing I would point out is for the 2004 year, premium volume for the MMJUARI was substantially down to the two million, two and a half million range, so that expenses really took up a much larger percentage of premium than this would indicate, because servicing carrier expenses are a function in large part of prior exposure; therefore, servicing carrier expenses, actual servicing carrier expenses for that particular year are much higher than 20%.” [Transcript of Hearing, page 178, lines 21-25 and Transcript of Hearing, page 179, lines 1-6].

Consistent with the position it has taken in prior decisions, the Department rejects the consideration of the results of the paid loss development method.

The Department agrees with both the Attorney General and the MMJUARI that the results produced by the application of the incurred loss development method (based on unlimited losses) are not reasonable for the 2004 occurrence year. Also, the Department agrees with the Attorney General’s position that the Bornhuetter-Ferguson method is appropriate in this case as it is a well accepted actuarial loss estimation method that is particularly appropriate for the most immature years and given the fact that the MMJUARI has not provided, as an alternative method, the application of the incurred
loss development method with losses limited to some value. The Bornhuetter-Ferguson method is also a less subjective means of giving consideration to estimates from older years, which Mr. Dodge did in a more judgmental manner.

As respects the expected loss ratio of 81.4% used by the Attorney General, and Mr. Dodge’s view that due to what he referred to as a reduction in premium volume in 2004, the 81.4% expected loss ratio may be too high, the Department notes that: (1) the MMJUARI used the same 81.4% expected loss ratio in Exhibit A of its “Development of Loss Ratio for Complement of Credibility,” (2) the MMJUARI premium volume actually increased in 2004, and (3) the servicing carrier expense percentage for 2004 as presented in Exhibit 8 of the filing is 21.9%, which is not significantly different from the 20.1% used in deriving the 81.4% expected loss ratio.

The Department accepts the following methodology for selecting ultimate losses by occurrence year:

- For all years except 2004, select the results produced by the incurred loss development method.
- For the 2004 year, select the results produced by the Bornhuetter-Ferguson method, as applied by the Attorney General, and using an expected loss ratio of 81.4%.

**Selection of Total Limits Loss Ratio**

The MMJUARI’s initial method of selecting a total limits loss ratio is an attempt to be consistent with the systematic weighting approach accepted by the Department in prior decisions. However, as pointed out by the Attorney General, the MMJUARI did not reflect premium weight in its initial calculations. In response, the MMJUARI
submitted an alternative set of calculations dated April 21, 2006 that include consideration of premium weight. The Attorney General finds the revised method acceptable.

The Department accepts the MMJUARI's revised method of loss ratio selection, with one exception: the calculation of the responsiveness weight for occurrence year 2004. Both the MMJUARI and the Attorney General calculated the responsiveness weight for 2004 by taking the reciprocal of the incurred loss development factor they respectively selected. The Department finds more reasonable, a responsiveness weight for the 2004 occurrence year that is based on the reciprocal of the incurred loss development factor implied by the ultimate loss estimate that was selected.

Complement of Credibility Procedure

The MMJUARI determined its complement of credibility to be its selected loss trend rate compounded over the period spanning February 1, 2004 through January 1, 2007, where February 1, 2004 is the effective date of its last rate revision and January 1, 2007 is six months beyond its target effective date of July 1, 2006 for the current filing. In response to the Attorney General's "Statement of Areas of Disagreement," the MMJUARI submitted a rate level indication that results from an alternative complement of credibility procedure. But as Mr. Dodge stated in response to the Panel's question as to whether the MMJUARI stands by its initially filed procedure: "Yes. We presented that additional exhibit to show what the impact of the Attorney General's (approach) would be, but the method we had originally proposed seemed to be at least for this filing to have been accepted." [Page 183: 22-25] That is, Mr. Dodge stated that the reason why the MMJUARI used this initially filed procedure is because it is consistent with the
procedure approved by the Department in the recent ProSelect physician & surgeon rate filing.

The Attorney General disagrees with the MMJUARI’s complement of credibility procedure for two reasons. First, it disagrees with the time period over which the MMJUARI compounds its selected loss trend. As it states in its “Statement of Areas of Disagreement,” “Thus, the assumed starting mid-point of rate use for trend compounding in the complement of credibility calculation should be 2/1/2005. The proposed mid-point of rate use should be 7/1/2007. Thus, trend should be compounded annually for 29 months. The starting point of 2/1/04 and the ending point of 1/1/07 displayed in the Filing for trend compounding are incorrect.”

The Attorney General also disagrees with the general procedure used by the MMJUARI in considering the credibility of its experience. As it further states in its “Statement of Areas of Disagreement,” “In the Filing, the MMJUARI introduces ‘complement of credibility’ to determine a weighted average indicated rate change in a manner that results in applying compounded trend to expense provisions and discount factors that underlie current approved rates, which is incorrect.....The appropriate ‘complement of credibility’ is the loss ratio underlying current rates, adjusted to current level by the proposed annual trend, compounded for the number of years between the mid-point of proposed rate use for the Filing underlying current rates to the mid-point of rate use for the proposed rates.”

The Panel asked Mr. Grippa if he found the alternative complement of credibility calculation procedure submitted by the MMJUARI acceptable. Mr. Grippa stated, “And Exhibit 9 continues to have similar problems with it. They’ve inserted the loss ratio, but
the trend line – the length of compounding - is incorrect, and seeking to recoup some
desired rate change in the past is incorrect, so I still disagree with both exhibits (Exhibit 8
and Exhibit 9).” [Transcript of Hearing, page 227, lines 9-15]

The Department finds that the complement of credibility procedure initially used
by the MMJUARI and which it continues to support is not the procedure the Department
approved in the ProSelect filing. The Department agrees with the Attorney General on
both areas of concern that it has raised: the trend period is not correct, and it is the loss
ratio underlying the current rates to which the compounded trend rate should be applied.
Further, the Department does not accept the “residual rate requirement” adjustment made
by the MMJUARI in its alternative calculation because the Department did not make a
finding on the full amount of the rate level indication that had been calculated by the
MMJUARI at the time of its last filing. Therefore, the Department finds the
consideration of loss trend only and not the prior rate level indication to be appropriate.

The Department accepts the complement of credibility procedure recommended
by the Attorney General, which is to use as the complement of credibility the loss ratio
underlying the MMJUARI’s current rates, with no adjustment for “residual rate
requirement,” compounded by the selected loss trend rate over a period of 29 months.

However, the Department does not agree with the Attorney General’s use of the
loss trend rate that was filed by the MMJUARI in this filing. The Department finds it
appropriate to use the loss trend rate that it accepts for this filing, 8.45%, for the purposes
of calculating the complement of credibility.
Credibility of the MMJUARI’s Loss Experience

This issue concerns the amount of credibility weight assigned to the MMJUARI’s experience.

Both the MMJUARI and the Attorney General accept 1,500 claim counts as the full credibility standard, consistent with prior decisions of the Department. (It is noted that the MMJUARI initially applied a standard of 683 claims, but subsequently revised its calculations to reflect the 1,500 claim standard.)

Both the MMJUARI and the Attorney General estimate the number of ultimate claims by applying the reported claim count development method; however, the Attorney General does not accept the MMJUARI’s judgmentally selected claim count development factors. The Attorney General’s selected factors follow the methodology it used in selecting paid loss development factors.

The Department accepts the 1,500 full credibility claim standard and the following methodology for selecting ultimate claim counts by occurrence year:

- For all age intervals, the arithmetic (unweighted) average of the following averages: Weighted Average of the Middle 3 of Latest 5; Weighted Average of the Middle 8 of Latest 10; and Weighted Average of the Middle 13 of Latest 15.

Allocated Loss Adjustment Expense ("ALAE") Percentage

The MMJUARI applied a loading of 19% to its projected losses to provide for ALAE. The 19% provision was judgmentally selected by the MMJUARI based on an analysis performed by the MMJUARI of its historical ratio of incurred ALAE to incurred loss amounts. That analysis, which, subsequent to the initial filing was corrected by the
MMJUARI, shows the historical all-year average ratio to be 20.5%, with the average over the last five years to be 37.1%. Mr. Dodge stated, “So we were looking I think more in terms of the long-term average which was in the 20 range and we had selected 19, so I guess I viewed the lower years on the exhibit as being driven by a very small underlying exposure for the MMJUARI in terms of premium, in terms of counts and so forth.” [Transcript of Hearing, page 187, lines 16-22] On page 5 of the rate filing memorandum, the MMJUARI also stated, “The selected ratio of allocated loss adjustment expense as a proportion of total limit losses is summarized on Exhibit 9 and is based on the values selected as part of the December 31, 2004 MMJUARI reserve analysis and consistent with the MMJUARI’s recent hospital rate filing.”

The Attorney General accepts the MMJUARI’s 19% provision for ALAE as reasonable. The Panel asked Mr. Grippa why he did not give more weight to the MMJUARI’s ratios of incurred ALAE to incurred losses over the last five years as it had so done in selecting loss development factors. In response, Mr. Grippa commented that the ratios over the past five years are “subject to much greater random variation” [Transcript of Hearing, page 243, line 12]. He also stated, “So, to some degree a selection of ALAE should be done with some knowledge, not only of the company’s historical way of operating as respects claim settlements, but also with knowledge about how the company intends to operate in the future, hence, I give more weight to judgment selection by the carrier for ALAE than I would for loss development factor selection....We asked the question about claim settling practices and were told that there have not been any changes in claim settling practices.” [Transcript of Hearing, page 245, lines 6-14, 20-22]
Mr. Grippa also said that the “Insurance Expense Exhibit Compilations, Countrywide Experience” compiled by ISO supports 19% as a reasonable ratio. [Transcript of Hearing, page 243, lines 20-21] However, he later retracted this statement in his response to one of the Panel’s interrogatories.

Also, in response to a hypothetical question asked by the Panel that had the MMJUARI selected a ratio of 23% instead of 19%, would he have found that ratio to be reasonable in light of the MMJUARI’s experience, Mr. Grippa stated, “…I think I would have accepted that number as well.” [Transcript of Hearing, page 244, lines 13-14]

The Department agrees with both parties that excessive weight should not be placed on the MMJUARI’s ratios of incurred ALAE to incurred losses over the past five years. The Department accepts the 19% ratio selected by the MMJUARI.

**Unallocated Loss Adjustment Expense ("ULAE") Percentage**

The MMJUARI applied a loading of 9.5% to its projected losses to provide for unallocated loss adjustment expenses. The 9.5% provision was judgmentally selected by the MMJUARI based on an analysis performed of its historical ratio of paid ULAE to paid loss amounts. That analysis showed the all-year average ratio to be 6.72%. Mr. Dodge stated, “Well, you don’t have the prior report. I mean we had been moving this number up over time. I believe the last filing or the last year-end reserve review was somewhere around 8.5%, so recognizing that it has been going upward, we moved it up, I believe, a point this time and certainly the 9.5% is in the range of the latest four, latest five (data points).” [Transcript of Hearing, page 188, lines 15 - 22]

The Attorney General does not accept the historical averages presented by the MMJUARI in support of the selected 9.5% ULAE provision, but nevertheless accepts the
provision of 9.5% because it has no material effect on the calculation of the rate level indication. Mr. Grippa stated, “They (the historical ratios of paid ULAE to paid loss) are current, so you’ve got a mismatch, so I really don’t give any material credibility to the averages, and because whatever selected total there is, my understanding is if we change it, given that the whole total has to match the servicing carriers dollars spent, if we raise the 9.5%, we need to lower the fixed expense provision. If we lower the 9.5%, we need to raise the fixed expense provision. We are not getting any place.” [Transcript of Hearing, page 247, lines 16-24]

The Department agrees with the Attorney General’s assessment of the MMJUARI’s selected provision and accepts the MMJUARI’s provision of 9.5% for ULAE.

**XPL/ECO Load**

Consistent with the Decision issued in *In Re ProSelect* DBR No. 05-I-0111 ("ProSelect Decision"), MMJUARI included a 2% provision for its potential liability for losses in excess of policy limits and extra-contractual obligations (XPL/ECO). At the prehearing conference the Department requested that the parties brief the applicability of R.I.G.L. § 27-7-2.3. MMJUARI filed a brief indicating its position that R.I.G.L. § 27-7-2.3, which was enacted in 1981 - 18 years prior to the decision in *Asermely v Allstate Ins. Co*, 728 A.2d 461 (R.I. 1999) ("Asermely"), specifically refers to and must be interpreted as limited to application of R.I.G.L. § 27-7-2.2 related to prejudgment interest on awards. The Attorney General filed a motion to disallow the XPL/ECO load putting forth three legal arguments which it asserts support the disallowance of the requested load. First, the Attorney General cites three cases decided since *Asermely*, in which the
insurer was not held liable in excess of policy limits outside of the interest calculation of R.I.G.L. § 27-7-2.2. Second, the Attorney General argues that R.I.G.L. § 27-7-2.2 prohibits the inclusion since it prohibits retroactive recovery of prejudgment interest and, therefore, prospective inclusion violates the intent of the statute. Third, that there is little danger that MMJUARI would pay in excess of its policy limits as long as it did not engage in bad faith conduct.

The Department accepts the argument of MMJUARI that the intent of R.I.G.L. § 27-7-2.2 was not directed to the *Asemely* situation upon which the requested load is based and, therefore, does not prohibit the request. The Attorney General’s arguments, as outlined below, are interesting and are raised in this case for the first time. First, the Attorney General looks to the post *Asemely* cases and correctly points out that the *dicta* in *Asemely* has not resulted in any verdicts. While each of these cases addresses interest payments in excess of policy limits, none addresses an appeal of a trial court decision consistent with the *dicta* in *Asemely* upon which the load is based. While the Attorney General’s arguments are persuasive that the type of verdict made possible by the *dicta* in *Asemely* may not be appropriate, the fact remains that the Supreme Court has not directly addressed the issue. The Attorney General’s second and third arguments are predicated on a finding that an *Asemely* verdict will not occur.

MMJUARI indicated that there is currently a case pending before the Rhode Island Supreme Court that could bring some clarity to the *Asemely* issue. The Attorney General argues that the most likely outcome of this case is a mere awarding of interest on the judgment under R.I.G.L. § 27-7-2.2 but not full payment of the judgment over policy limits. Since the two competitive carriers in the market have included a 2% load in the
rates, the Department is hesitant to deny this load to the MMJUARI thus placing the statutory residual market in a disadvantageous position relative to competitive carriers. As indicated in the ProSelect and Norcal Decisions, the Department will continue to monitor the development with regard to an insurer’s potential liability under Asermely. However, for this filing, the Department will approve the 2% load requested, consistent with the ProSelect and Norcal Decisions.

In reference to the requested XPL/ECO factor, MMJUARI is referred to the discussions in the ProSelect Decision and the Norcal Decision with regard to this issue. MMJUARI should seriously consider, prior to its next filing, whether any development has occurred in this area with regard to Asermely and, therefore, whether the factor continues to be warranted.

**Profit and Consideration of Investment Income**

As the MMJUARI is considered to be a not-for-profit entity, it did not include a profit provision in the calculation of its rate level needs. Mr. Dodge stated, that as respects the profit loading, “I think it has been the MMJUARI’s long-standing position that the idea of loading a profit into a nonprofit MMJUARI was inconsistent.... The idea had come up at one of the Board meetings in terms of including a profit provision, and it was just deemed totally unreasonable. With the role the MMJUARI serves, to load a profit provision into the rates seemed inconsistent with their role.”

As respects this filing, not including a profit provision in the calculation of its rate level needs means that (1) a zero percent (i.e., no) underwriting margin is included in determining the expected loss ratio, and (2) the projection of losses and loss expenses is
performed on a "discounted" basis; that is, on a basis that removes the investment income that is anticipated to be earned on the loss reserves that are carried.

The Attorney General agrees with the MMJUARI not including a profit provision in calculating its rate level needs as respects this filing. However, the Attorney General commented that in future MMJUARI filings a positive profit margin may be needed. As it states in its "Statement of Areas of Disagreement," "On a going-forward basis, however, the continuing incorporation in rates of a 0.00% operating profit and income tax provision will likely serve at some point in time to lower the surplus position of the MMJUARI beyond a reasonable level so as to undermine policyholder protections. Accordingly, the Attorney General recommends that, in its future filings with the DBR, the MMJUARI be required to set forth the criteria (e.g., actual versus required Reserves to Surplus Ratios) by which it has determined whether to propose a zero provision for operating profits and income taxes or some positive level."

But while the Attorney General agrees with the MMJUARI not including a profit provision in calculating its rate level needs as respects this filing, it does not agree with the investment income rate of 5.25% and the investment income factor of .715 used by the MMJUARI to reflect the time value of money in its rate level indication calculations. The Attorney General finds an investment income rate of 5.95% and an investment income factor of .684 to be appropriate.

The 5.25% investment income rate used by the MMJUARI is based on an investment yield forecast made by the MMJUARI's investment manager, Conning Asset Management Co. ("Conning") The Attorney General raises several concerns with this rate: (1) The projected yield is for both the underwriting fund and the stabilization reserve
fund (SRF) combined; therefore, as the underwriting fund’s historical investment performance has exceeded that of the SRF, an investment rate that is higher than the combined projected investment rate should be used; (2) “Moreover, since the PSDPL rates at issue are scheduled to become effective July 1, 2006, only the Conning yield projections after this date should be applicable in determining an appropriate investment income rate”; (3) Based on an analysis performed by Dr. Ileo, “Conning’s forecasts of yields on Treasury Bonds & Notes have fallen short of actual financial market results by an average of approximately 20 basis points through the end of March 2006” [“Statement of Areas of Disagreement”]; and (4) “Due to continuing actions by the Board of Governors of the Federal Reserve System to alleviate inflationary expectations, upward pressures on interest rates are likely to continue into the foreseeable future.”

The Attorney General’s disagreement with the MMJUARI’s investment income factor of .715 stems from its view on the MMJUARI’s selected investment income rate and the MMJUARI’s selected loss payment pattern.

In response to the Attorney General’s position on its selected 5.25% investment rate, Mr. Dodge stated that Conning manages the underwriting fund only and, therefore, Conning’s investment yield forecast is appropriate for the underwriting fund. “Your understanding (is that) the underwriting fund is managed by Conning; correct? Yes. And the stabilization reserve fund is managed by some other entity? Yes.” [Transcript of Hearing, page 51, lines 8-13]

As respects the time period over which the selected investment rate is to apply, Mr. Dodge acknowledged the inconsistency noted by Dr. Ileo: “I saw in the letter that was submitted in February that the time period wasn’t exactly the same as I had discussed
with Conning but the interest rate there was 5.35%. We took that number and incorporated it into our analysis at face value. We did not try to check things out to see the money manager’s assumptions as to the new money rate.” [Transcript of Hearing, page 51, lines 16-25]

Mr. Dodge also commented on the Attorney General’s third and fourth points: “The only other point I would make is that in the Attorney General’s response, they were able to do a comparison of earned interest rates versus Conning’s projection using information through March 30th of 2006. Again, keep in mind the information available at the time we made the filing was only through mid-December of 2005 so we’ve got the benefit of three months of hindsight there so, again, it wasn’t available to me at the time I made the filing.” “It (the Attorney General) does a comparison of what Conning’s projection was and determined that they were low by 20 basis points. I guess that’s true at 3/31, but who’s to say where they’ll be six months, nine months down the road as it’s one data point.” [Transcript of Hearing, page 53, lines 4-10]

Mr. Dodge also commented on the MMJUARI’s reliance on the Conning projections: “Is that something that actuaries usually do, take investment advice of the investment manager for a particular entity?” “They’re certainly in a better position to forecast that number than I would be.” [Transcript of Hearing, page 52, lines 9-13]

The Department finds an investment income rate of 5.55% and an investment income factor of .715 to be appropriate. The Department agrees with the Attorney General’s position on the need to better match Conning’s investment rate projection with the time period the proposed rates are to be in effect. But the Department agrees with the MMJUARI’s position on the other three points raised by the Attorney General. That is,
the Department does not accept the Attorney General’s (1) adjustment to reflect differences in investment yield performance between the underwriting fund and the SRF, (2) consideration of information that became available after the date the filing was prepared, and (3) adjustment based on a hindsight review of the accuracy of Conning’s projections based on a single valuation point, March 31, 2006.

The 5.55% investment income rate is calculated from the Attorney General’s Table E.1, Row 4 and Row 7 [“Statement of Areas of Disagreement’’], using the following calculation: \([(2)/(1a)]x(1b)-(7). The .715 investment factor is based on the 5.55% investment rate and the occurrence paid loss development factors selected by the Department. It is a coincidence that the Department’s calculation of the investment income factor results in the same factor proposed by the MMJUARI.

The Department further notes that while it is appropriate for the MMJUARI to rely on the advice of its investment manager in selecting an investment income rate to be used in calculating its rate level need, it is quite appropriate for the Attorney General and the Department to review the projected investment income rate for reasonableness. In this case, the Department accepts Conning’s projection subject to the adjustment discussed above.

**Expenses**

The MMJUARI initially included the following expense provisions in deriving its rate level indications:

- Servicing Carrier: 15.0%
- Commissions: 4.3%
- Other: 3.0%
Total 22.3%

The MMJUARI also separated the total expense provision of 22.3% into variable expenses and fixed expenses as follows:

Variable Expense Ratio (Commission): 4.3%

Fixed Expense Ratio (including ULAE): 18.0%

The MMJUARI assumed, based on information from its servicing carrier, that approximately one half of all fixed expenses are attributable to ULAE; as discussed above, the MMJUARI included the assumed ULAE cost with losses, leaving its provision for other fixed expenses at 9.0% of premium.

During the hearing, the MMJUARI acknowledged a calculation error and amended its 4.3% commission provision to 3.45%. Also during the hearing, Mr. Dodge acknowledged that the 3.0% other expense provision incorrectly included a small provision for premium tax.

In its “Statement of Areas of Disagreement”, the Attorney General raised several concerns with the MMJUARI’s selected expense provisions.

As respects the variable expense provision, the Attorney General disagreed with the MMJUARI’s initial provision of 4.3%, but accepts the amended provision of 3.45%.

Another concern initially raised by the Attorney General was with the inclusion of a provision for premium taxes, but during the hearing the Attorney General agreed that such a provision should not be included in the rate level indication calculation.

The Attorney General also believes that the MMJUARI should reduce its provision for variable expenses by 0.31% to recognize the finance charges it collects.

The Attorney General’s recommended total variable expense ratio is 3.14%.
As respects the MMJUARI's selected fixed expense provision of 9.0%, the Attorney General finds a provision of 8.2% to be appropriate for the following reasons stated in its “Statement of Areas of Disagreement”:

- “...Various expense categories of the MMJUARI are inappropriately expressed in terms of Total Underwriting Revenue instead of written premium.”

- The MMJUARI should subtract investment expense, premium tax expense, and premium deficiency reserve expense from the fixed expense provision. The correct procedure according to the Attorney General results in a total fixed expense ratio, including ULAE, of 16.39%.

As respects the splitting of the 16.39% into ULAE and other fixed expenses, the Attorney General states in its “Statement of Areas of Disagreement”, “...the 9% fixed expense ratio proposed by the MMJUARI results from applying a purported factor of 50% to a selected total fixed expense ratio of 18%. The Attorney General has repeatedly requested documentation to support the use of this 50% factor in this, and prior, MMJUARI rate filings, but none has been provided by the MMJUARI... The Attorney General has reluctantly accepted for purposes of this case the MMJUARI’s wholly unsupported premise of utilizing a 50% factor for separating ULAE from fixed expenses.” Application of the 50% factor for ULAE to the 16.39% total fixed expense ratio results in a fixed expense provision calculated by the Attorney General of 8.2%.

As respects the variable expense ratio, the only point of disagreement between MMJUARI and the Attorney General is with respect to the billed finance charges. In its “Statement of Areas of Disagreement”, the Attorney General states, “Income statements
of the MMJUARI further establish that, in conjunction with the collection of premium, it receives finance charge revenue from policyholders.” The Attorney General believes that these charges, which amount to 0.31% of premium, should be subtracted from the total variable expense provision. In its “Statement of Areas of Disagreement”, the Attorney General further states, “Hence, the Attorney General recommends that an offset for Billed Finance Charges of -0.31% be incorporated within the Variable Expense Ratio approved by the DBR in this proceeding.” The MMJUARI believes that these charges should not be subtracted. The MMJUARI states, “It is really sort of a substitution of the money that MMJUARI does not have in its accounts to earn investment income. It is making up for it by a billed finance charge.” [Transcript of Hearing, page 49, lines 13-17]

The Department finds that the Attorney General’s approach of subtracting the billed finance charges without making an adjustment to the investment income factor does not recognize investment income lost due to delays in premium payments. However, the Department also finds that the MMJUARI’s approach of not subtracting the billed finance charges assumes that the billed finance charges exactly match the lost investment income due to premium payment delays; but the MMJUARI did not show this to be the case.

The Department finds it reasonable to offset for billed finance charges by an amount that is one-half of the Attorney General’s provision, or 0.16%, with no adjustment to the investment income factor. Therefore, the Department accepts a variable expense ratio of 3.29% (3.45%-0.16%).

The reasons for the differences between the Attorney General and the MMJUARI on the fixed expense ratio are not entirely clear. In fact, Mr. Dodge acknowledged this

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to be the case and further acknowledged that the differences are not material when he responded to a question on the MMJUARI’s use of written premium: “In terms of one percent, again, our number was based on a premium estimate after discussions with the MMJUARI so there’s certainly some uncertainty around that number in terms of the written premium volume. So I didn’t give it significance: 8.2% vs. 9%.” [Transcript of Hearing, page 50, lines 9-15]

As the Department finds merit in the respective positions of both the MMJUARI and the Attorney General, and given the relatively small difference in the provisions selected by each party, the Department accepts a fixed expense provision that is mid-way between the MMJUARI and Attorney General’s provisions, or 8.6%.

**Occurrence Policy Rate Level Indication**

The Department finds the MMJUARI’s rate level indication for occurrence policies to be +8.7%.

**Claims-Made Policy Rate Level Indication**

The MMJUARI calculated its claims-made policy rate level indication using the same methodology it used in developing its occurrence policy rate level indication (as revised on February 23, 2006), with the following exceptions:

- the selected ultimate losses for claims-made year 2004 is the ultimate losses indicated by the incurred loss development method
- the incurred loss development factors are based on incurred loss and ALAE loss development experience for occurrence policies (re-configured to a claims-made basis) and claims-made policies combined
• the paid loss development factors are based on paid loss and ALAE experience for occurrence (re-configured to a claims-made basis) and claims-made data combined

• reported claim counts are not developed

• the selected ratio of ALAE to loss is based on the ratio of incurred ALAE to incurred loss (undeveloped) from claims-made years 1992-2004 evaluated as of September 30, 2005

The Department’s findings related to the calculation of the occurrence policy rate level indication apply to the calculation of the claims-made policy rate level indication.

Claims-Made Policy Rate Level Indication

The Department finds the MMJUARI’s rate level indication for claims-made policies to be +11.0%.

B. OVERALL RATE LEVEL INDICATION

The Department determines the appropriate weights to apply to the separate rate level indications developed for occurrence policies and claims-made policies to be 85% and 15%, respectively based on the 2004 earned premium at current rate level. The result of applying these weights is an overall rate level indication of +9.1%.

What is the MMJUARI’s Rate Level Need?

As detailed in the analysis above, the Department finds that rates that are not excessive, inadequate or unfairly discriminatory can only be calculated by making adjustments to the MMJUARI’s proposal. In addition to the issues resolved as indicated above, the Department finds that the following alterations to the MMJUARI’s request are necessary:
• The Department finds that an overall rate level increase of 9.1% for MMJUARI’s Physicians, Surgeons and Dentists Professional Liability Program will result in rates that are not excessive, inadequate or unfairly discriminatory. The Department orders that MMJUARI is authorized to issue medical malpractice insurance in Rhode Island based on the rate level change established in accordance with the attached rate calculations, applied uniformly to occurrence and claims-made rates.

V. FINDINGS OF FACT

1. On January 6, 2006 the MMJUARI filed a request to increase rates for its Physicians, Surgeons and Dentists Program.

2. The filing requests an overall rate level increase of 15%. All rates are proposed to be effective on July 1, 2006. The rates now in effect for the MMJUARI were approved effective February 1, 2004.

3. The Attorney General disagrees with the MMJUARI’s requested rate level increase of 15% and recommends a rate level change of -4.8%.

4. The findings and recommendations in this Decision are based upon judgments and assumptions used by the Department in order to ascertain the appropriate rate relief. Insurers should not rely on the findings in this filing for future rate requests since conditions and situations may change depending on the credibility of the data provided by the filer. Clearly, the Department could have reached a different decision had the parties presented the Department with more credible and relevant data and other information for consideration. It is important to note that the Department relied on and accepted the data contained in the filing without independent audit.
5. The Department finds that the MMJUARI's overall rate level need is to be determined by separately determining a rate level indication for occurrence policies and for claims-made policies and then averaging the two indications by applying weights of 85% and 15%, respectively.

6. The Department accepts the following methodology for selecting incurred loss, paid loss, and claim count development factors:

   - For the age intervals 12 months-288 months, the arithmetic (unweighted) average of the following averages: Weighted Average of the Middle 3 of Latest 5; Weighted Average of the Middle 8 of Latest 10; and Weighted Average of the Middle 13 of Latest 15.

   - For the age intervals 288 months and beyond, the Department accepts the unity (1.00) factors selected by the MMJUARI and the Attorney General.

7. The Department determines an appropriate loss trend rate to be 8.45%.

8. The Department accepts the following methodology for selecting ultimate losses by occurrence year:

   - For all years except 2004, select the results produced by the incurred loss development method.

   - For the 2004 year, select the results produced by the Bornhuetter-Ferguson method, as applied by the Attorney General, and using an expected loss ratio of 81.4%.

9. The Department accepts the MMJUARI's revised method of loss ratio selection, with one exception: the calculation of the stability weight for 2004, which is to be calculated by taking the reciprocal of the incurred loss development factor implied by the selected ultimate loss estimate.
10. The Department accepts the complement of credibility procedure recommended by the Attorney General, which is to use as the complement of credibility the loss ratio underlying the MMJUARI’s current rates, with no adjustment for “residual rate requirement,” compounded by the selected loss trend over a period of 29 months. The loss trend rate selected by the Department to be used is 8.45%.

11. The Department accepts the 1,500 full credibility claim standard selected by the MMJUARI.

12. The Department accepts the 19% ALAE ratio selected by the MMJUARI.

13. The Department accepts the MMJUARI’s provision of 9.5% for ULAE.

14. With regard to the XPL/ECO Load, the Department, following its decision in the Proselect and Norcal Decisions, has included a 2% provision for the XPL/ECO liability. As indicated in the ProSelect and Norcal Decisions, the Department will monitor further developments with regard to an insurer’s potential liability under Asermely and these developments will be taken into account in the establishment or elimination of this provision in the future.

15. The Department accepts not including a profit provision.

16. The Department finds an investment income rate of 5.55% and an investment income factor of .715 to be appropriate.

17. The Department accepts a variable expense ratio of 3.29%.

18. The Department accepts a fixed expense provision of 8.6%.

19. Any conclusion of law which is also a finding of fact is hereby adopted as a finding of fact.
20. The Department finds that future rate filings submitted by the MMJUARI should include a methodology that considers the development of claims limited to a value such as $250,000 or $500,000, and providing for losses in excess of the limited value through the application of increased limit factors.

VI. CONCLUSIONS OF LAW

1. The MMJUARI’s request for rate relief was filed at the Department of Business Regulation in accordance with the applicable statutes and regulations pertaining thereto.

2. The Department of Business Regulation has jurisdiction in this proceeding in accordance with R.I. Gen. Laws §§ 27-9-10, 42-14-1 et seq. and 42-35-1 et seq.

3. The standard of review under which this filing is to be evaluated is to determine whether the rate request is excessive, inadequate or unfairly discriminatory.

4. The definition of “excessive” to be applied in the Department’s review is whether the requested rate is likely to produce an underwriting profit that is unreasonably high for the class of business or if expenses are unreasonably high in relation to services rendered.

5. R.I.G.L. § 27-7-2.3 does not prevent the inclusion of a factor for potential liability under Aspermel.

5. An overall rate level increase of 9.1% will result in rates that are not excessive, inadequate or unfairly discriminatory.

6. The filed changes shall be effective on July 1, 2006.

7. Any finding of fact that is also a conclusion of law is hereby adopted as a conclusion of law.
VII.
RECOMMENDATIONS

In accordance with the Findings of Fact and Conclusions of Law set forth above, we find that the overall rate level change of +9.1% will result in rates that are not excessive, inadequate or unfairly discriminatory.

This 6th day of June, 2006.

Elizabeth Kelleher Dwyer
Co-Hearing Officer

Paula M. Pallozzi
Co-Hearing Officer
ORDER AND DECISION

I have read the Hearing Officers' Decision and Recommendation in this matter, and I hereby

☐ ADOPT
☐ REJECT
☐ MODIFY

the Decision and Recommendation.


[Signature]

A. Michael Marques
Director and Insurance Commissioner
Department of Business Regulation

THIS DECISION CONSTITUTES A FINAL DECISION OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO RHODE ISLAND GENERAL LAWS TITLE 42, CHAPTER 35. AS SUCH, THIS DECISION MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE DATE OF THIS ORDER. SUCH APPEAL, IF TAKEN, MAY BE COMPLETED BY FILING A PETITION FOR REVIEW IN SAID COURT.
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<td>Data 16</td>
<td>Data 17</td>
<td>Data 18</td>
<td>Data 19</td>
<td>Data 20</td>
</tr>
<tr>
<td>Data 21</td>
<td>Data 22</td>
<td>Data 23</td>
<td>Data 24</td>
<td>Data 25</td>
</tr>
</tbody>
</table>

*Note: The table contains placeholder data.*