

RHODE ISLAND



FILING SUPPLEMENT -- LOSS COSTS AND RATING VALUES

PROPOSED EFFECTIVE FEBRUARY 1, 2007



Regulatory Services Division

Laura Backus Hall, CPCU
State Relations Executive

October 10, 2006

Honorable A. Michael Marques
Director
State of Rhode Island and Providence Plantations
Department of Business Regulation
Insurance Division
233 Richmond Street
Providence, RI 02903-4233

Attention: Paula Pallozzi, Chief Property & Casualty Insurance Rate Analyst

**Re: Rhode Island Workers Compensation Filing Supplement -- Loss Costs Including
LAE and Rating Values
Effective February 1, 2007**

CONFIDENTIAL AND COMMERCIAL DATA

Dear Director Marques:

As a follow-up to the loss cost level change filing submitted on September 5, 2006, I am submitting the filing supplement which contains voluntary loss costs (including LAE) and rating values. NCCI had originally planned to file these values by the end of September; however, due to the delayed delivery, we propose for the loss costs and rating values to be effective February 1, 2007 for new and renewal policies in Rhode Island. This filing proposes an overall decrease of 3.7% in the voluntary loss costs (including LAE).

NCCI stands ready to respond to all questions related to the above filing, as well as the issues raised by the hearing panel at the pre-hearing conference on September 25, 2006.

Please do not hesitate to contact me if you have questions or need additional information.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Laura Backus Hall", is located below the typed name.

Laura Backus Hall
State Relations Executive
Regulatory Services Division



Actuarial Certification

The information contained in this filing has been prepared under the direction of the undersigned actuary in accordance with applicable Actuarial Standards of Practice as promulgated by the Actuarial Standards Board. The Actuarial Standards Board is vested by the U.S.-based actuarial organizations with the responsibility for promulgating Actuarial Standards of Practice for actuaries providing professional services in the United States. Each of these organizations requires its members, through its Code of Professional Conduct, to observe the Actuarial Standards of Practice when practicing in the United States.

Filing prepared by:

A handwritten signature in black ink, which appears to read "Carolyn J. Bergh". The signature is written in a cursive style and is positioned above the typed name.

Carolyn Bergh, FCAS, MAAA
Practice Leader and Senior Actuary



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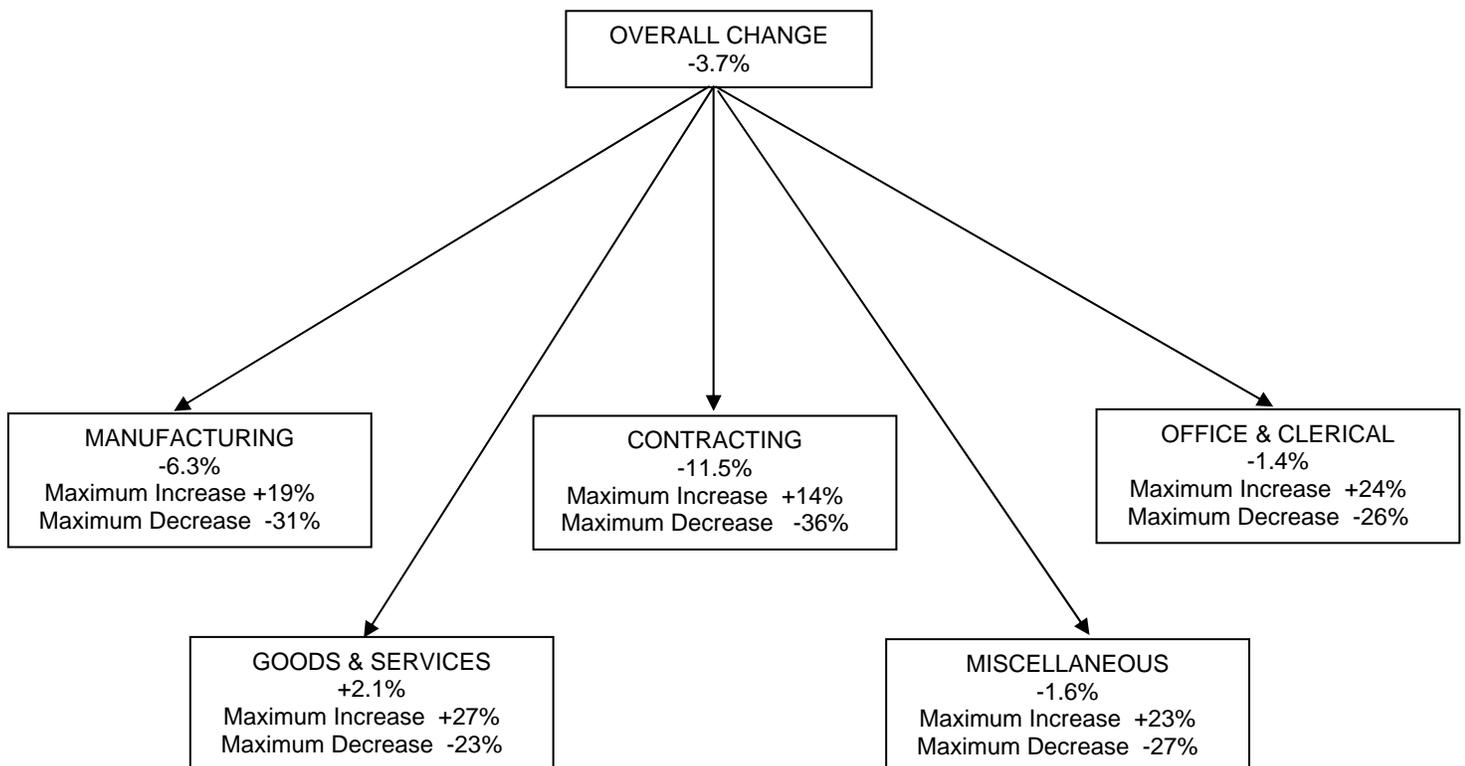
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LOSS COSTS AND RATING VALUES

SUMMARY OF PROPOSED CHANGES -- RHODE ISLAND
Proposed Effective February 1, 2007

<i>Key Components</i>	<i>Voluntary Loss Costs</i>
Experience and Trend	-3.9%
Benefit Change	+0.1%
Loss Adjustment Expense	+0.1%
Overall Change Requested	-3.7%

The change in pure premiums varies depending on the classification. Each classification belongs to one of five industry groups. The average change proposed for each of these five groups is displayed below, as well as the largest increase and largest decrease possible for a classification in each of those groups.



ADVISORY LOSS COSTS - NOT RATES

Advisory loss costs exclude all expense provisions except loss adjustment expense.

Exhibit IV

Effective February 1, 2007

CLASS CODE	LOSS COST	ELR	D RATIO	EX-MED RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	EX-MED RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	EX-MED RATIO
0005	5.07	2.99	0.26	0.28	2003	4.29	2.51	0.28	0.25	2660	2.74	1.63	0.27	0.29
0008	3.17	1.87	0.26	0.30	2014	7.40	4.06	0.23	0.27	2670	1.99	1.23	0.29	0.31
0016	8.59	4.95	0.23	0.25	2016	3.35	1.99	0.26	0.26	2683	2.61	1.62	0.31	0.29
0034	4.78	2.79	0.24	0.27	2021	5.52	3.09	0.18	0.18	2688	2.79	1.67	0.27	0.27
0035	2.44	1.46	0.28	0.31	2039	4.45	2.67	0.27	0.27	2702	24.00	12.59	0.18	0.22
0036	5.82	3.30	0.21	0.25	2041	3.74	2.27	0.29	0.29	2710	9.90	5.42	0.23	0.28
0037	5.22	2.95	0.21	0.24	2065	2.62	1.54	0.24	0.23	2714	8.14	4.61	0.23	0.31
0042	6.34	3.84	0.28	0.27	2070	5.36	3.04	0.22	0.26	2731	8.18	4.90	0.28	0.29
0050	5.93	3.33	0.21	0.26	2081	7.41	4.31	0.25	0.28	2735	5.73	3.45	0.29	0.32
0059D	0.23	0.06	0.17	-	2089	3.82	2.28	0.27	0.29	2759	9.64	5.86	0.29	0.29
0065D	0.05	0.02	0.27	-	2095	5.07	2.93	0.25	0.27	2790	1.77	1.01	0.23	0.27
0066D	0.05	0.02	0.25	-	2105	3.26	1.97	0.28	0.28	2802	9.30	5.44	0.25	0.26
0067D	0.05	0.02	0.28	-	2110	2.73	1.56	0.21	0.21	2812	3.53	2.12	0.27	0.27
0079	2.75	1.51	0.22	0.22	2111	12.37	7.15	0.27	0.41	2835	2.20	1.35	0.29	0.32
0083	9.53	5.54	0.25	0.30	2112	3.23	1.89	0.26	0.31	2836	3.89	2.33	0.26	0.30
0106	14.59	7.97	0.23	0.29	2114	3.01	1.87	0.31	0.30	2841	5.18	3.10	0.29	0.34
0113	5.35	3.05	0.21	0.21	2121	2.78	1.61	0.23	0.26	2881	3.34	2.03	0.29	0.28
0170	4.22	2.37	0.22	0.30	2130	4.82	2.81	0.24	0.25	2883	4.27	2.56	0.28	0.30
0251	5.10	2.93	0.22	0.24	2131	3.11	1.84	0.26	0.26	2913	2.74	1.56	0.23	0.30
0400	12.28	6.97	0.22	0.26	2143	4.28	2.38	0.19	0.23	2915	4.73	2.75	0.24	0.27
0401	14.86	7.96	0.20	0.22	2150	-	4.18	0.26	-	2916	4.51	2.60	0.23	0.27
0771N	0.89	-	-	-	2156	8.32	4.91	0.25	0.27	2923	4.46	2.76	0.30	0.25
0908P	95.00	55.52	0.25	0.28	2157	8.32	4.91	0.25	0.27	2942	3.65	2.25	0.28	0.26
0909P	73.00	43.72	0.25	0.19	2172	2.70	1.55	0.21	0.19	2960	14.47	8.80	0.29	0.30
0912P	234.00	148.54	0.34	0.33	2174	4.41	2.58	0.22	0.25	3004	5.41	2.97	0.22	0.24
0913P	224.00	128.30	0.22	0.26	2211	6.89	3.82	0.23	0.24	3018	5.78	3.33	0.22	0.24
0917	5.78	3.76	0.35	0.28	2220	3.04	1.77	0.25	0.29	3022	4.05	2.37	0.25	0.28
1005	6.63	3.24	0.17	0.18	2260X	4.95	2.69	0.20	0.20	3027	4.42	2.67	0.27	0.25
1164E	9.76	4.71	0.17	0.17	2286	4.43	2.72	0.31	0.36	3028	4.63	2.71	0.24	0.24
1165E	3.43	1.86	0.21	0.21	2288	4.35	2.51	0.23	0.26	3030	10.60	6.34	0.30	0.26
1320	3.12	1.64	0.18	0.20	2300	4.53	3.37	0.44	0.12	3040	12.49	7.01	0.25	0.28
1322	13.15	6.88	0.17	0.18	2302	3.35	2.04	0.28	0.26	3041	4.75	2.77	0.24	0.26
1430	9.37	5.09	0.22	0.27	2305	3.08	1.89	0.29	0.26	3042	5.22	3.02	0.24	0.28
1438	4.44	2.51	0.25	0.23	2361	2.33	1.40	0.28	0.29	3064	5.13	2.99	0.24	0.26
1452	3.68	2.03	0.22	0.22	2362	3.14	1.88	0.28	0.31	3066	4.69	2.73	0.24	0.28
1463	15.20	8.21	0.20	0.22	2380	2.71	1.59	0.25	0.25	3076	2.92	1.76	0.28	0.30
1472	6.59	3.48	0.19	0.24	2386	1.85	1.10	0.24	0.24	3081D	5.13	2.95	0.28	0.27
1624E	4.38	2.33	0.20	0.24	2388	2.28	1.42	0.31	0.27	3082D	4.98	2.81	0.27	0.29
1642	5.73	3.24	0.24	0.22	2402	5.14	2.84	0.23	0.26	3085D	4.00	2.20	0.25	0.28
1654	9.96	5.50	0.22	0.22	2413	3.20	1.95	0.29	0.28	3110	5.58	3.36	0.28	0.29
1655	5.89	3.05	0.17	0.20	2416	2.73	1.62	0.26	0.28	3111	3.47	2.00	0.23	0.26
1699	3.19	1.76	0.22	0.21	2417	4.45	2.47	0.19	0.21	3113	1.93	1.16	0.27	0.27
1701	5.61	3.03	0.20	0.22	2501	3.55	2.10	0.27	0.31	3114	5.24	3.00	0.23	0.28
1710E	5.99	3.19	0.20	0.22	2503	1.59	0.91	0.27	0.41	3118	3.33	1.92	0.23	0.24
1741E	4.98	2.26	0.17	0.20	2534	3.36	2.02	0.28	0.31	3119	1.14	0.67	0.23	0.23
1747	5.12	2.74	0.19	0.20	2570	5.08	3.02	0.26	0.27	3122	2.81	1.56	0.18	0.21
1748	4.70	2.63	0.24	0.26	2576	-	2.10	0.27	-	3126	4.35	2.53	0.24	0.24
1803D	7.82	3.82	0.22	0.25	2578	-	2.10	0.27	-	3131	5.36	2.95	0.18	0.22
1852D	5.14	2.54	0.13	0.16	2585	4.76	2.80	0.26	0.32	3132	5.70	3.27	0.28	0.31
1853	4.55	2.61	0.21	0.21	2586	1.52	0.91	0.28	0.32	3145	2.59	1.50	0.24	0.27
1860	1.84	1.12	0.29	0.29	2587	2.41	1.45	0.29	0.31	3146	3.80	2.25	0.25	0.25
1924	3.45	1.95	0.21	0.24	2589	2.89	1.68	0.26	0.36	3169	6.68	4.03	0.29	0.34
1925	3.34	1.99	0.28	0.31	2600	4.17	2.35	0.26	0.32	3175D	4.18	2.38	0.22	0.24
2001	3.46	2.07	0.27	0.29	2623	3.99	2.32	0.24	0.26	3179	1.77	1.06	0.26	0.25
2002	7.23	4.53	0.30	0.22	2651	2.61	1.51	0.24	0.26	3180	3.66	2.21	0.28	0.29

* Refer to the Footnotes Page for additional information on this class code.

ADVISORY LOSS COSTS - NOT RATES

RHODE ISLAND

Advisory loss costs exclude all expense provisions except loss adjustment expense.

Exhibit IV

Page S2

Effective February 1, 2007

CLASS CODE	LOSS COST	ELR	D RATIO	EX-MED RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	EX-MED RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	EX-MED RATIO
3188	3.77	2.23	0.26	0.29	3851	2.64	1.59	0.27	0.31	4557	4.04	2.25	0.21	0.28
3220	2.86	1.67	0.25	0.27	3865	3.00	1.82	0.27	0.29	4558	2.22	1.32	0.26	0.26
3223	5.20	3.11	0.27	0.35	3881	5.74	3.29	0.22	0.25	4561	2.42	1.40	0.22	0.23
3224	6.19	3.67	0.23	0.24	4000	6.44	3.42	0.20	0.26	4568	3.92	2.09	0.20	0.25
3227	2.85	1.66	0.25	0.30	4021	6.01	3.45	0.23	0.27	4581	2.57	1.35	0.19	0.26
3240	4.52	2.63	0.24	0.27	4024E	4.72	2.62	0.22	0.18	4583	9.71	5.10	0.18	0.21
3241	3.96	2.28	0.23	0.26	4034	8.67	4.95	0.25	0.21	4611	1.63	0.93	0.24	0.34
3255	3.80	2.29	0.26	0.27	4036	3.80	2.11	0.23	0.24	4635	4.06	2.04	0.21	0.23
3257	3.69	2.19	0.26	0.28	4038	2.98	1.81	0.28	0.32	4653	2.14	1.24	0.23	0.23
3270	2.08	1.22	0.26	0.30	4053	3.57	2.06	0.23	0.26	4665	9.31	5.11	0.22	0.23
3300	5.22	3.13	0.25	0.26	4061	8.60	5.67	0.35	0.20	4670	8.11	4.33	0.20	0.23
3303	5.17	3.03	0.26	0.31	4062	3.43	2.02	0.25	0.27	4683	4.26	2.69	0.32	0.27
3307	3.50	1.98	0.21	0.27	4101	3.43	1.92	0.25	0.27	4686	3.83	2.12	0.25	0.35
3315	3.61	2.11	0.24	0.25	4111	2.99	1.76	0.27	0.32	4692	0.68	0.40	0.24	0.27
3334	4.25	2.44	0.21	0.21	4112	1.35	0.80	0.26	0.28	4693	1.49	0.92	0.29	0.25
3336	3.68	2.24	0.28	0.23	4113	2.48	1.50	0.29	0.30	4703	3.36	1.90	0.21	0.23
3365	8.03	4.43	0.23	0.25	4114	3.63	2.17	0.26	0.25	4717	4.55	2.78	0.26	0.24
3372	2.50	1.39	0.23	0.24	4130	5.95	3.40	0.22	0.24	4720	3.36	2.07	0.30	0.28
3373	8.16	4.73	0.24	0.26	4131	4.12	2.34	0.22	0.26	4740	2.69	1.46	0.22	0.26
3383	2.08	1.26	0.28	0.28	4133	3.68	2.11	0.24	0.32	4741	3.05	1.75	0.22	0.25
3385	1.44	0.84	0.24	0.28	4150	2.32	1.36	0.24	0.31	4751	3.10	1.78	0.26	0.26
3400	3.26	1.92	0.25	0.27	4206	6.15	3.54	0.22	0.21	4771N	5.07	2.49	0.20	0.29
3507	4.33	2.57	0.26	0.27	4207	2.38	1.31	0.19	0.25	4777	7.26	3.91	0.19	0.17
3515	3.71	2.15	0.24	0.28	4239	2.76	1.56	0.24	0.21	4825	0.90	0.51	0.25	0.29
3516X	1.58	0.91	0.22	0.20	4240	3.96	2.36	0.26	0.27	4828	2.16	1.18	0.22	0.25
3548	3.14	1.81	0.22	0.23	4243	2.73	1.67	0.30	0.30	4829	2.11	1.17	0.23	0.24
3559	3.32	1.93	0.26	0.33	4244	4.74	2.70	0.21	0.20	4902	2.26	1.39	0.30	0.31
3561X	2.20	1.32	0.29	0.33	4250	2.20	1.29	0.24	0.25	4923	1.84	1.09	0.27	0.29
3574	1.81	1.09	0.27	0.26	4251	2.76	1.72	0.31	0.28	5020	9.49	4.98	0.18	0.23
3581	1.91	1.15	0.28	0.28	4263	3.35	1.98	0.26	0.30	5022	10.16	5.52	0.20	0.19
3612	3.11	1.84	0.25	0.26	4273	3.55	2.12	0.27	0.31	5037	19.30	9.53	0.19	0.20
3620	4.98	2.75	0.22	0.22	4279	4.50	2.68	0.27	0.30	5040	20.05	9.62	0.17	0.20
3629	1.84	1.08	0.25	0.28	4282	2.82	1.62	0.21	0.20	5057	10.98	5.23	0.16	0.17
3632	3.02	1.79	0.25	0.24	4283	5.64	3.24	0.23	0.26	5059	30.75	15.59	0.21	0.24
3634	2.17	1.30	0.27	0.26	4299	2.84	1.68	0.26	0.29	5069	28.94	15.31	0.18	0.18
3635	2.83	1.66	0.24	0.26	4301X	3.51	1.94	0.18	0.21	5102	5.46	2.94	0.21	0.26
3638	2.45	1.44	0.25	0.27	4304	5.14	3.09	0.26	0.24	5146	5.88	3.27	0.24	0.27
3642	1.62	0.96	0.25	0.25	4307	2.05	1.22	0.26	0.32	5160	3.00	1.68	0.24	0.23
3643	3.14	1.82	0.24	0.26	4308	-	1.68	0.26	-	5183	3.36	1.90	0.25	0.24
3647	3.69	2.21	0.27	0.28	4351	1.13	0.64	0.22	0.26	5188	3.78	2.08	0.22	0.24
3648	2.22	1.36	0.30	0.31	4352	1.17	0.71	0.30	0.30	5190	3.74	2.00	0.20	0.22
3681	1.30	0.78	0.27	0.29	4360	1.33	0.79	0.26	0.25	5191	1.02	0.57	0.24	0.26
3685	1.68	1.00	0.26	0.27	4361	1.04	0.62	0.28	0.32	5192	4.16	2.46	0.25	0.26
3719	2.89	1.53	0.19	0.20	4362	0.89	0.51	0.26	0.27	5213	10.00	5.50	0.22	0.22
3724	4.51	2.54	0.24	0.24	4410	7.73	4.41	0.26	0.40	5215	8.32	4.71	0.22	0.26
3726	8.52	4.10	0.17	0.18	4420	3.74	2.16	0.26	0.22	5221	9.96	5.37	0.23	0.34
3803	5.17	2.90	0.18	0.18	4431	2.21	1.34	0.26	0.26	5222	11.31	5.52	0.18	0.20
3807	2.73	1.59	0.24	0.23	4432	1.98	1.26	0.33	0.33	5223	4.83	2.67	0.23	0.25
3808	4.09	2.47	0.27	0.25	4439	3.34	1.91	0.26	0.25	5348	4.75	2.60	0.21	0.19
3821	5.70	3.26	0.26	0.27	4452	2.92	1.77	0.29	0.31	5402	8.33	4.71	0.20	0.21
3822	4.60	2.74	0.27	0.28	4459	3.26	1.96	0.28	0.30	5403	10.21	5.65	0.22	0.21
3824	4.51	2.63	0.25	0.28	4470	6.23	3.70	0.31	0.31	5437	6.01	3.34	0.23	0.25
3826	1.34	0.77	0.23	0.27	4484	2.89	1.76	0.29	0.29	5443	4.95	2.79	0.20	0.21
3827	1.70	1.01	0.25	0.23	4493	5.76	3.29	0.22	0.26	5445	8.34	4.45	0.19	0.22
3830	2.53	1.39	0.22	0.21	4511	0.72	0.41	0.22	0.26	5462	10.88	5.78	0.20	0.25

* Refer to the Footnotes Page for additional information on this class code.

ADVISORY LOSS COSTS - NOT RATES

Advisory loss costs exclude all expense provisions except loss adjustment expense.

Exhibit IV

Effective February 1, 2007

CLASS CODE	LOSS COST	ELR	D RATIO	EX-MED RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	EX-MED RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	EX-MED RATIO
5472	5.69	3.20	0.24	0.22	6872F	13.50	6.14	0.20	0.28	7540	4.08	2.03	0.20	0.25
5473	13.56	7.30	0.20	0.23	6874F	18.25	7.81	0.20	0.31	7580	3.11	1.88	0.31	0.28
5474	7.98	4.39	0.23	0.25	6882	4.57	2.37	0.22	0.20	7590	3.72	2.22	0.28	0.32
5478	4.57	2.60	0.24	0.20	6884	6.81	3.69	0.21	0.23	7600	1.91	1.08	0.25	0.25
5479	14.24	7.79	0.23	0.28	7016M	7.44	3.81	0.21	0.18	7601	9.53	5.18	0.22	0.25
5480	8.09	4.24	0.17	0.17	7024M	8.27	4.24	0.21	0.18	7605	2.57	1.49	0.27	0.26
5491	2.42	1.33	0.22	0.21	7038M	5.26	2.77	0.24	0.24	7610	0.51	0.29	0.24	0.24
5506	5.85	3.26	0.23	0.23	7046M	7.16	3.78	0.19	0.24	7611	5.98	3.22	0.20	0.22
5507	5.58	3.01	0.21	0.24	7047M	12.17	5.68	0.21	0.18	7612	7.97	4.22	0.20	0.25
5508D	8.35	4.41	0.19	0.22	7050M	8.59	4.11	0.24	0.24	7613	6.42	3.39	0.18	0.19
5536	-	3.60	0.25	-	7090M	5.84	3.07	0.24	0.24	7704	4.75	2.58	0.22	0.27
5537	6.28	3.60	0.25	0.22	7098M	7.95	4.20	0.19	0.24	7720	2.13	1.23	0.27	0.27
5538	5.26	2.94	0.23	0.24	7099M	11.69	5.62	0.19	0.24	7855	7.28	3.90	0.20	0.23
5551	13.80	7.40	0.20	0.22	7133	5.19	2.81	0.21	0.22	8001	2.02	1.23	0.28	0.30
5606	2.39	1.26	0.19	0.23	7151M	6.31	3.42	0.21	0.22	8002	2.11	1.27	0.29	0.31
5610	2.64	1.53	0.24	0.26	7152M	10.31	5.08	0.21	0.22	8006	2.90	1.72	0.26	0.27
5645	7.22	4.10	0.26	0.27	7153M	7.01	3.80	0.21	0.22	8008	1.07	0.64	0.28	0.33
5651	7.73	4.46	0.26	0.24	7222	8.58	4.56	0.18	0.18	8010	1.67	0.97	0.25	0.31
5703	17.64	9.42	0.19	0.20	7228	7.86	4.34	0.22	0.22	8013	0.93	0.57	0.30	0.30
5705	9.56	5.22	0.19	0.11	7229	6.85	3.78	0.22	0.23	8015	1.51	0.85	0.20	0.23
5951	0.78	0.45	0.21	0.23	7230	5.45	3.02	0.22	0.20	8017	1.65	0.98	0.28	0.32
6003	25.96	13.90	0.20	0.21	7231	6.54	3.65	0.25	0.28	8018	3.84	2.22	0.24	0.27
6005	9.65	4.97	0.16	0.18	7232	5.86	3.08	0.17	0.18	8021	4.04	2.38	0.27	0.33
6045	6.47	3.38	0.17	0.18	7309F	16.84	7.75	0.17	0.19	8031	3.22	1.93	0.28	0.30
6204	11.79	7.04	0.29	0.23	7313F	4.81	2.22	0.22	0.29	8032	3.45	2.01	0.25	0.31
6206	6.68	3.26	0.18	0.20	7317F	6.79	3.27	0.25	0.29	8033	2.80	1.73	0.30	0.28
6213	5.92	3.04	0.15	0.15	7327F	9.98	4.50	0.20	0.29	8039	2.17	1.33	0.30	0.31
6214	4.36	2.27	0.17	0.20	7333M	6.13	2.88	0.15	0.17	8044X	5.31	3.13	0.25	0.27
6216	6.29	3.31	0.18	0.20	7335M	6.81	3.20	0.15	0.17	8045	0.77	0.46	0.27	0.28
6217	6.50	3.48	0.21	0.28	7337M	10.02	4.28	0.15	0.17	8046	2.81	1.65	0.25	0.29
6229	4.47	2.45	0.17	0.19	7350F	16.15	6.99	0.20	0.36	8047	1.71	1.02	0.28	0.32
6233	7.99	4.25	0.18	0.19	7360	7.97	4.55	0.26	0.25	8050	-	0.98	0.28	-
6235	11.26	5.92	0.18	0.19	7370	3.55	2.08	0.25	0.28	8058	4.09	2.47	0.30	0.37
6236	15.36	8.19	0.19	0.20	7380	5.89	3.28	0.24	0.25	8072	1.06	0.62	0.24	0.28
6237	2.43	1.28	0.18	0.20	7382	3.99	2.21	0.23	0.26	8102	2.35	1.39	0.27	0.31
6251D	10.26	4.87	0.16	0.17	7390	6.67	3.92	0.27	0.22	8103	6.74	3.78	0.23	0.34
6252D	9.16	4.40	0.17	0.17	7394M	16.08	7.15	0.14	0.07	8105	5.14	2.85	0.19	0.22
6260D	14.80	6.68	0.12	0.13	7395M	17.87	7.94	0.14	0.07	8106	6.82	3.77	0.24	0.28
6306	7.91	4.18	0.18	0.20	7398M	26.29	10.63	0.14	0.07	8107	4.56	2.51	0.22	0.24
6319	3.78	2.10	0.22	0.21	7403	3.84	2.26	0.27	0.32	8111	3.70	2.22	0.27	0.27
6325	4.65	2.55	0.22	0.24	7405N	1.19	0.67	0.26	0.32	8116	3.73	2.15	0.23	0.26
6400	9.67	5.49	0.20	0.21	7409	-	14.21	0.10	-	8203	7.08	4.18	0.26	0.27
6504	3.03	1.84	0.28	0.27	7420	32.35	14.21	0.10	0.07	8204	7.60	4.04	0.19	0.20
6702M	8.85	4.75	0.20	0.23	7421	3.17	1.63	0.16	0.20	8209	5.66	3.25	0.22	0.24
6703M	14.46	7.05	0.20	0.23	7422	3.54	1.61	0.12	0.12	8215	4.06	2.22	0.23	0.28
6704M	9.83	5.27	0.20	0.23	7423	-	2.26	0.27	-	8227	4.68	2.52	0.21	0.24
6801F	6.09	2.72	0.20	0.27	7425	5.83	2.52	0.15	0.14	8232	5.15	2.87	0.24	0.27
6811	5.00	2.63	0.18	0.22	7431N	3.03	1.43	0.13	0.10	8233	9.05	4.80	0.17	0.15
6824F	8.48	3.76	0.24	0.37	7445N	0.64	-	-	-	8235	4.11	2.45	0.26	0.26
6826F	6.17	2.77	0.24	0.36	7453N	1.63	-	-	-	8263	12.79	7.17	0.21	0.28
6834	3.87	2.19	0.26	0.27	7502	3.28	1.97	0.31	0.30	8264	7.52	4.35	0.24	0.30
6836	2.62	1.53	0.28	0.28	7515	1.44	0.72	0.20	0.21	8265	7.44	4.22	0.25	0.23
6843F	16.37	8.45	0.28	0.26	7520	3.54	2.16	0.31	0.24	8279	11.75	6.79	0.26	0.36
6845F	11.06	4.66	0.22	0.40	7538	8.38	3.99	0.17	0.22	8288	6.90	3.96	0.24	0.32
6854	7.38	4.19	0.29	0.26	7539	1.75	0.94	0.20	0.23	8291	5.46	3.23	0.27	0.31

* Refer to the Footnotes Page for additional information on this class code.

ADVISORY LOSS COSTS - NOT RATES

Advisory loss costs exclude all expense provisions except loss adjustment expense.

Exhibit IV

Effective February 1, 2007

CLASS CODE	LOSS COST	ELR	D RATIO	EX-MED RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	EX-MED RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	EX-MED RATIO
8292	4.39	2.68	0.29	0.27	9058	1.70	1.03	0.30	0.33					
8293	11.67	6.84	0.26	0.30	9059	3.48	2.14	0.32	0.36					
8304	9.02	4.80	0.20	0.26	9060	1.61	0.95	0.27	0.29					
8350X	6.66	3.51	0.18	0.20	9061	1.42	0.83	0.25	0.31					
8381X	1.94	1.14	0.25	0.27	9063	0.76	0.44	0.30	0.35					
8385	2.87	1.67	0.28	0.28	9077F	1.55	0.76	0.24	0.28					
8387X	2.41	1.33	0.24	0.28	9082	1.97	1.20	0.31	0.34					
8391X	3.58	1.98	0.24	0.29	9083	2.23	1.37	0.31	0.32					
8392	2.40	1.42	0.27	0.32	9084	1.59	0.96	0.29	0.32					
8393X	2.14	1.19	0.23	0.23	9088a	a	a	a	a					
8500	7.76	4.29	0.23	0.27	9089	1.31	0.77	0.26	0.28					
8601	0.72	0.39	0.22	0.24	9093	1.74	1.03	0.25	0.31					
8606	6.25	3.40	0.20	0.19	9101	3.14	1.92	0.30	0.31					
8709F	4.32	2.04	0.23	0.29	9102	3.39	2.10	0.31	0.30					
8719	2.02	1.11	0.22	0.22	9110	0.98	0.58	0.26	0.32					
8720	1.67	0.92	0.23	0.24	9154	2.31	1.26	0.23	0.29					
8721	0.46	0.24	0.19	0.22	9156	1.65	1.00	0.30	0.37					
8726F	5.57	2.36	0.22	0.38	9178	13.70	8.18	0.25	0.21					
8734M	0.46	0.26	0.22	0.26	9179	9.04	5.13	0.22	0.26					
8737M	0.41	0.24	0.22	0.26	9180	6.19	3.53	0.26	0.40					
8738M	0.68	0.33	0.22	0.26	9182	2.28	1.31	0.25	0.33					
8742	0.34	0.18	0.22	0.26	9186	16.57	8.79	0.20	0.25					
8745	4.45	2.61	0.25	0.29	9220	4.04	2.36	0.25	0.27					
8748	0.65	0.35	0.21	0.22	9402	7.07	3.79	0.20	0.22					
8754X	1.37	0.81	0.26	0.27	9403	7.84	4.26	0.21	0.24					
8755	0.48	0.25	0.17	0.18	9410	2.00	1.19	0.27	0.29					
8800	1.31	0.79	0.26	0.30	9501	2.56	1.55	0.29	0.30					
8803	0.11	0.06	0.21	0.24	9505	7.11	3.95	0.20	0.28					
8805M	0.31	0.18	0.25	0.28	9516	2.54	1.38	0.21	0.24					
8810	0.23	0.14	0.25	0.28	9519	3.15	1.73	0.23	0.25					
8814M	0.28	0.17	0.25	0.28	9521	5.76	3.19	0.22	0.19					
8815M	0.46	0.25	0.25	0.28	9522	2.51	1.53	0.29	0.28					
8820	0.20	0.12	0.26	0.27	9534	6.28	3.39	0.21	0.26					
8824	3.62	2.23	0.28	0.29	9554	6.88	3.72	0.21	0.22					
8825	2.64	1.54	0.26	0.33	9586	1.14	0.70	0.28	0.28					
8826	3.14	1.91	0.29	0.30	9600	2.47	1.45	0.25	0.26					
8831	1.49	0.90	0.29	0.33	9620	1.09	0.60	0.23	0.27					
8832	0.45	0.24	0.21	0.26										
8833*	1.34	0.80	0.25	0.25										
8835	3.24	1.87	0.23	0.26										
8841X	2.59	1.49	0.23	0.26										
8861	0.98	0.58	0.26	0.32										
8868	0.30	0.17	0.26	0.30										
8869	0.68	0.42	0.32	0.35										
8871	0.32	0.19	0.25	0.22										
8901	0.30	0.17	0.28	0.27										
9012	0.88	0.49	0.25	0.29										
9014	3.70	2.20	0.26	0.26										
9015	3.54	1.94	0.23	0.28										
9016	3.27	1.97	0.28	0.28										
9019	2.51	1.40	0.23	0.19										
9033X	2.94	1.76	0.26	0.25										
9040*	4.17	2.45	0.25	0.26										
9047X	4.29	2.53	0.25	0.26										
9052	2.51	1.51	0.28	0.29										

* Refer to the Footnotes Page for additional information on this class code.

Effective February 1, 2007

FOOTNOTE

- a Advisory loss cost for each individual risk must be obtained from NCCI Customer Service or the Rating Organization having jurisdiction.
- D Advisory loss cost for classification already includes the specific disease loading shown in the table below. See Basic Manual Rule 3-A-7.
- E Advisory loss cost for classification already includes the specific disease loading shown in the table below.

Disease			Disease			Disease		
Code No.	Loading	Symbol	Code No.	Loading	Symbol	Code No.	Loading	Symbol
0059D	0.23	S	1710E	0.04	S	3175D	0.03	S
0065D	0.05	S	1741E	0.29	S	4024E	0.02	S
0066D	0.05	S	1803D	0.27	S	5508D	0.03	S
0067D	0.05	S	1852D	0.08	Asb	6251D	0.04	S
1164E	0.06	S	3081D	0.05	S	6252D	0.04	S
1165E	0.02	S	3082D	0.06	S	6260D	0.06	S
1624E	0.02	S	3085D	0.06	S			

Asb=Asbestos, S=Silica

- F Advisory loss cost provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Loss cost contains a provision for the USL&HW assessment.
- M Advisory loss cost provides for coverage under Admiralty Law and Federal Employers' Liability Act (FELA). A provision for the USL& HW assessment is included for those classifications under Program II USL Act.
- N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding advisory loss cost are applied in addition to the basic classification when determining premium.

Class Code	Non-Ratable Element Code
4771	0771
7405	7445
7431	7453

- P Classification is computed on a per capita basis.
- X Refer to special classification phraseology in these pages which is applicable in this state.

*** Class Codes with Specific Footnotes**

- 6702 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection code loss cost and elr each x 1.215.
- 6703 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost x 1.986 and elr x 1.808.
- 6704 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost and elr each x 1.35.
- 8833 The ex-medical advisory loss cost for this classification is \$1.01.
- 9040 The ex-medical advisory loss cost for this classification is \$3.09.

Effective February 1, 2007

ADVISORY MISCELLANEOUS VALUES

Advisory Loss Elimination Ratios - The following percentages represent the portion of total loss eliminated per claim and are applicable by hazard group.*

Advisory Loss Elimination Ratios							
Deductible Amount	HAZARD GROUP						
	A	B	C	D	E	F	G
\$250	5.5%	4.2%	3.7%	3.1%	2.6%	1.9%	1.5%
\$500	9.0%	7.1%	6.2%	5.3%	4.5%	3.3%	2.6%
\$1,000	13.3%	10.8%	9.5%	8.2%	7.1%	5.4%	4.3%
\$2,500	21.7%	17.8%	16.0%	14.2%	12.4%	9.9%	8.0%
\$5,000	30.6%	25.5%	23.3%	21.0%	18.5%	15.2%	12.5%

Note: These percentages do not include a safety factor and do not reflect the premium reductions to be applied to policy premium.

Loss Cost Reduction**							
Deductible Amount	HAZARD GROUP						
	A	B	C	D	E	F	G
\$250	3.8%	3.0%	2.6%	2.1%	1.8%	1.3%	1.0%
\$500	6.3%	5.0%	4.3%	3.7%	3.1%	2.3%	1.8%
\$1,000	9.3%	7.5%	6.7%	5.8%	5.0%	3.8%	3.0%
\$2,500	15.2%	12.4%	11.2%	9.9%	8.7%	6.9%	5.6%
\$5,000	21.4%	17.9%	16.3%	14.7%	12.9%	10.7%	8.8%

** Loss Elimination Ratios x Safety Factor

Advisory Loss Elimination Ratios				
Deductible Amount	HAZARD GROUP			
	1	2	3	4
\$250	4.4%	3.5%	2.2%	1.5%
\$500	7.3%	5.9%	3.9%	2.6%
\$1,000	11.1%	9.1%	6.2%	4.3%
\$2,500	18.3%	15.4%	11.1%	8.0%
\$5,000	26.2%	22.6%	16.8%	12.5%

Note: These percentages do not include a safety factor and do not reflect the premium reductions to be applied to policy premium.

Loss Cost Reduction**				
Deductible Amount	HAZARD GROUP			
	1	2	3	4
\$250	3.1%	2.4%	1.5%	1.0%
\$500	5.1%	4.1%	2.7%	1.8%
\$1,000	7.8%	6.4%	4.3%	3.0%
\$2,500	12.8%	10.8%	7.8%	5.6%
\$5,000	18.3%	15.8%	11.8%	8.8%

** Loss Elimination Ratios x Safety Factor

*The values shown for Hazard Groups 1 through 4 are for the reference of those carriers that have filed for the use of these hazard groups in accordance with Item B-1403.

Basis of premium applicable in accordance with **Basic Manual** footnote instructions for Code 7370 -- "Taxicab Co.":

Employee operated vehicle.....	\$52,532.00
Leased or rented vehicle.....	\$35,021.00

Domestic Terrorism, Earthquakes and Catastrophic Industrial Accidents - (Advisory Loss Cost)..... 0.01

Foreign Terrorism - (Advisory Loss Cost)..... 0.02

Maximum Payroll applicable in accordance with the **Basic Manual** Rule 2-E-1 -- "Executive Officers" and the footnote instructions for Code 9178 -- "Athletic Team: Non-Contact Sports," Code 9179 -- "Athletic Team: Contact Sports," and Code 9186 -- "Carnival--Traveling"..... \$2,700.00

Minimum Payroll applicable in accordance with **Basic Manual** Rule 2-E-1 -- "Executive Officers"..... \$337.00

Per Passenger Seat Surcharge - In accordance with **Basic Manual** footnote instructions for Code 7421, the surcharge is:

Maximum surcharge per aircraft.....	\$1,000
Per passenger seat.....	\$100

Effective February 1, 2007

ADVISORY MISCELLANEOUS VALUES (cont.)

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with Basic Manual Rule 3-A-4.....	75%
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(Multiply a Non-F classification loss cost by a factor of 1.75 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in state and federal benefits (1.54) and the adjustment for differences in state and federal loss-based expenses (1.139).)

Experience Rating Eligibility

A risk is eligible for intrastate experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$10,000. If more than two years, an average annual premium of at least \$5,000 is required. Page A-1 of the **Experience Rating Plan Manual** should be referenced for the latest approved eligibility amounts by state.

Effective February 1, 2007

TABLE OF WEIGHTING VALUES
APPLICABLE TO ALL POLICIES

Expected Losses		Weighting Values	Expected Losses		Weighting Values
0 --	1,141	0.04	643,585 --	679,084	0.44
1,142 --	4,613	0.05	679,085 --	716,640	0.45
4,614 --	8,160	0.06	716,641 --	756,435	0.46
8,161 --	11,783	0.07	756,436 --	798,676	0.47
11,784 --	15,486	0.08	798,677 --	843,597	0.48
15,487 --	25,902	0.09	843,598 --	891,461	0.49
25,903 --	38,556	0.10	891,462 --	942,568	0.50
38,557 --	49,812	0.11	942,569 --	997,259	0.51
49,813 --	60,771	0.12	997,260 --	1,055,926	0.52
60,772 --	71,732	0.13	1,055,927 --	1,119,018	0.53
71,733 --	82,828	0.14	1,119,019 --	1,187,057	0.54
82,829 --	94,134	0.15	1,187,058 --	1,260,648	0.55
94,135 --	105,701	0.16	1,260,649 --	1,340,500	0.56
105,702 --	117,568	0.17	1,340,501 --	1,427,448	0.57
117,569 --	129,766	0.18	1,427,449 --	1,522,482	0.58
129,767 --	142,325	0.19	1,522,483 --	1,626,787	0.59
142,326 --	155,272	0.20	1,626,788 --	1,741,787	0.60
155,273 --	168,633	0.21	1,741,788 --	1,869,218	0.61
168,634 --	182,434	0.22	1,869,219 --	2,011,211	0.62
182,435 --	196,705	0.23	2,011,212 --	2,170,413	0.63
196,706 --	211,472	0.24	2,170,414 --	2,350,155	0.64
211,473 --	226,767	0.25	2,350,156 --	2,554,688	0.65
226,768 --	242,620	0.26	2,554,689 --	2,789,520	0.66
242,621 --	259,066	0.27	2,789,521 --	3,061,923	0.67
259,067 --	276,141	0.28	3,061,924 --	3,381,698	0.68
276,142 --	293,883	0.29	3,381,699 --	3,762,381	0.69
293,884 --	312,333	0.30	3,762,382 --	4,223,205	0.70
312,334 --	331,537	0.31	4,223,206 --	4,792,456	0.71
331,538 --	351,543	0.32	4,792,457 --	5,513,504	0.72
351,544 --	372,404	0.33	5,513,505 --	6,456,411	0.73
372,405 --	394,175	0.34	6,456,412 --	7,742,189	0.74
394,176 --	416,921	0.35	7,742,190 --	9,599,421	0.75
416,922 --	440,707	0.36	9,599,422 --	12,517,923	0.76
440,708 --	465,608	0.37	12,517,924 --	17,771,221	0.77
465,609 --	491,705	0.38	17,771,222 --	30,028,906	0.78
491,706 --	519,088	0.39	30,028,907 --	91,317,301	0.79
519,089 --	547,853	0.40	91,317,302	AND OVER	0.80
547,854 --	578,109	0.41			
578,110 --	609,975	0.42			
609,976 --	643,584	0.43			

(a) G	5.45
(b) State Per Claim Accident Limitation	\$136,500
(c) State Multiple Claim Accident Limitation	\$273,000
(d) USL&HW Per Claim Accident Limitation	\$348,000
(e) USL&HW Multiple Claim Accident Limitation	\$696,000
(f) Employers Liability Accident Limitation	\$55,000
(g) USL&HW Act -- Expected Loss Factor -- Non-F Classes	1.54
<i>(Multiply a Non-F classification ELR by the USL&HW Act - Expected Loss Factor of 1.54.)</i>	

Effective February 1, 2007
**TABLE OF BALLAST VALUES
APPLICABLE TO ALL POLICIES**

Expected Losses	Ballast Values	Expected Losses	Ballast Values	Expected Losses	Ballast Values
0 -- 29,314	13,625	940,676 -- 967,909	109,000	1,894,149 -- 1,921,394	204,375
29,315 -- 50,453	16,350	967,910 -- 995,145	111,725	1,921,395 -- 1,948,641	207,100
50,454 -- 74,741	19,075	995,146 -- 1,022,381	114,450	1,948,642 -- 1,975,887	209,825
74,742 -- 100,364	21,800	1,022,382 -- 1,049,618	117,175	1,975,888 -- 2,003,133	212,550
100,365 -- 126,610	24,525	1,049,619 -- 1,076,855	119,900	2,003,134 -- 2,030,380	215,275
126,611 -- 153,185	27,250	1,076,856 -- 1,104,094	122,625	2,030,381 -- 2,057,627	218,000
153,186 -- 179,953	29,975	1,104,095 -- 1,131,332	125,350	2,057,628 -- 2,084,873	220,725
179,954 -- 206,842	32,700	1,131,333 -- 1,158,572	128,075	2,084,874 -- 2,112,120	223,450
206,843 -- 233,812	35,425	1,158,573 -- 1,185,811	130,800	2,112,121 -- 2,139,367	226,175
233,813 -- 260,839	38,150	1,185,812 -- 1,213,052	133,525	2,139,368 -- 2,166,614	228,900
260,840 -- 287,906	40,875	1,213,053 -- 1,240,292	136,250	2,166,615 -- 2,193,861	231,625
287,907 -- 315,005	43,600	1,240,293 -- 1,267,533	138,975	2,193,862 -- 2,221,108	234,350
315,006 -- 342,127	46,325	1,267,534 -- 1,294,775	141,700	2,221,109 -- 2,248,355	237,075
342,128 -- 369,268	49,050	1,294,776 -- 1,322,017	144,425	2,248,356 -- 2,275,603	239,800
369,269 -- 396,423	51,775	1,322,018 -- 1,349,259	147,150	2,275,604 -- 2,302,850	242,525
396,424 -- 423,591	54,500	1,349,260 -- 1,376,501	149,875	2,302,851 -- 2,330,097	245,250
423,592 -- 450,768	57,225	1,376,502 -- 1,403,744	152,600	2,330,098 -- 2,357,345	247,975
450,769 -- 477,953	59,950	1,403,745 -- 1,430,987	155,325	2,357,346 -- 2,384,592	250,700
477,954 -- 505,146	62,675	1,430,988 -- 1,458,230	158,050	2,384,593 -- 2,411,840	253,425
505,147 -- 532,344	65,400	1,458,231 -- 1,485,474	160,775	2,411,841 -- 2,439,087	256,150
532,345 -- 559,547	68,125	1,485,475 -- 1,512,717	163,500	2,439,088 -- 2,466,335	258,875
559,548 -- 586,755	70,850	1,512,718 -- 1,539,961	166,225	2,466,336 -- 2,493,583	261,600
586,756 -- 613,966	73,575	1,539,962 -- 1,567,205	168,950	2,493,584 -- 2,520,830	264,325
613,967 -- 641,180	76,300	1,567,206 -- 1,594,450	171,675	2,520,831 -- 2,548,078	267,050
641,181 -- 668,398	79,025	1,594,451 -- 1,621,694	174,400	2,548,079 -- 2,575,326	269,775
668,399 -- 695,618	81,750	1,621,695 -- 1,648,939	177,125	2,575,327 -- 2,602,375	272,500
695,619 -- 722,840	84,475	1,648,940 -- 1,676,184	179,850		
722,841 -- 750,064	87,200	1,676,185 -- 1,703,429	182,575		
750,065 -- 777,290	89,925	1,703,430 -- 1,730,674	185,300		
777,291 -- 804,518	92,650	1,730,675 -- 1,757,920	188,025		
804,519 -- 831,747	95,375	1,757,921 -- 1,785,165	190,750		
831,748 -- 858,977	98,100	1,785,166 -- 1,812,411	193,475		
858,978 -- 886,209	100,825	1,812,412 -- 1,839,656	196,200		
886,210 -- 913,441	103,550	1,839,657 -- 1,866,902	198,925		
913,442 -- 940,675	106,275	1,866,903 -- 1,894,148	201,650		

For Expected Losses greater than \$2,602,375, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

$$\text{Ballast} = (0.10)(\text{Expected Losses}) + 2500(\text{Expected Losses})(5.45) / (\text{Expected Losses} + (700)(5.45))$$

G = 5.45

Effective February 1, 2007

The values shown below for Hazard Groups 1 through 4 are for the reference of those carriers that have filed for the use of these hazard groups in accordance with Item B-1403.

1. Hazard Group Differentials

A	B	C	D	E	F	G
2.18	1.64	1.47	1.33	1.15	0.94	0.72
1	2	3	4			
1.76	1.42	1.04	0.72			

2. 2007 Table of Expected Loss Ranges

Effective February 1, 2007

3.

Excess Loss Pure Premium Factors
(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups							Hazard Groups			
	A	B	C	D	E	F	G	1	2	3	4
\$10,000 †	0.500	0.557	0.580	0.604	0.632	0.667	0.699	0.545	0.587	0.650	0.699
\$15,000 †	0.437	0.498	0.523	0.551	0.583	0.622	0.660	0.485	0.531	0.603	0.660
\$20,000 †	0.390	0.453	0.479	0.509	0.544	0.586	0.629	0.440	0.488	0.566	0.629
\$25,000	0.354	0.416	0.443	0.474	0.512	0.556	0.602	0.403	0.453	0.535	0.602
\$30,000	0.325	0.386	0.414	0.446	0.484	0.531	0.579	0.373	0.423	0.508	0.579
\$35,000	0.302	0.361	0.388	0.421	0.461	0.509	0.559	0.348	0.398	0.486	0.559
\$40,000	0.282	0.339	0.367	0.400	0.441	0.489	0.541	0.327	0.377	0.466	0.541
\$50,000	0.250	0.304	0.331	0.364	0.406	0.456	0.509	0.293	0.341	0.431	0.509
\$75,000	0.197	0.244	0.269	0.301	0.342	0.392	0.448	0.234	0.279	0.368	0.448
\$100,000	0.163	0.205	0.228	0.258	0.297	0.346	0.402	0.196	0.237	0.322	0.402
\$125,000	0.139	0.177	0.199	0.226	0.263	0.311	0.366	0.169	0.207	0.287	0.366
\$150,000	0.123	0.156	0.177	0.203	0.238	0.283	0.337	0.149	0.185	0.260	0.337
\$175,000	0.109	0.140	0.159	0.184	0.217	0.259	0.313	0.133	0.166	0.238	0.313
\$200,000	0.099	0.127	0.145	0.168	0.199	0.240	0.292	0.121	0.152	0.220	0.292
\$225,000	0.090	0.116	0.133	0.155	0.185	0.223	0.274	0.111	0.140	0.204	0.274
\$250,000	0.084	0.108	0.124	0.145	0.173	0.210	0.260	0.103	0.131	0.192	0.260
\$275,000	0.078	0.101	0.116	0.136	0.163	0.198	0.246	0.096	0.122	0.180	0.246
\$300,000	0.073	0.095	0.109	0.128	0.154	0.187	0.234	0.090	0.115	0.170	0.234
\$325,000	0.069	0.089	0.103	0.121	0.146	0.178	0.224	0.085	0.108	0.162	0.224
\$350,000	0.065	0.084	0.098	0.115	0.139	0.170	0.214	0.080	0.103	0.154	0.214
\$375,000	0.061	0.080	0.093	0.109	0.133	0.162	0.206	0.076	0.098	0.147	0.206
\$400,000	0.058	0.076	0.089	0.104	0.127	0.155	0.198	0.072	0.093	0.141	0.198
\$425,000	0.056	0.072	0.085	0.100	0.122	0.149	0.191	0.069	0.089	0.136	0.191
\$450,000	0.053	0.069	0.081	0.096	0.117	0.144	0.185	0.066	0.086	0.130	0.185
\$475,000	0.051	0.066	0.078	0.092	0.113	0.139	0.179	0.063	0.082	0.126	0.179
\$500,000	0.049	0.064	0.075	0.089	0.109	0.134	0.173	0.061	0.079	0.122	0.173
\$600,000	0.043	0.056	0.066	0.078	0.096	0.119	0.155	0.053	0.069	0.108	0.155
\$700,000	0.038	0.049	0.059	0.070	0.087	0.107	0.141	0.047	0.062	0.097	0.141
\$800,000	0.035	0.046	0.054	0.065	0.080	0.099	0.131	0.043	0.057	0.089	0.131
\$900,000	0.033	0.042	0.050	0.060	0.074	0.091	0.122	0.040	0.053	0.083	0.122
\$1,000,000	0.030	0.039	0.047	0.056	0.069	0.085	0.114	0.037	0.049	0.077	0.114
\$2,000,000	0.017	0.023	0.028	0.034	0.043	0.054	0.074	0.021	0.030	0.048	0.074
\$3,000,000	0.012	0.016	0.020	0.025	0.032	0.041	0.058	0.015	0.022	0.037	0.058
\$4,000,000	0.009	0.012	0.016	0.020	0.026	0.033	0.048	0.011	0.017	0.030	0.048
\$5,000,000	0.007	0.010	0.013	0.016	0.022	0.028	0.041	0.009	0.014	0.025	0.041
\$6,000,000	0.005	0.007	0.010	0.013	0.018	0.023	0.035	0.007	0.011	0.020	0.035
\$7,000,000	0.005	0.006	0.009	0.011	0.015	0.020	0.031	0.006	0.009	0.018	0.031
\$8,000,000	0.005	0.006	0.008	0.010	0.014	0.018	0.027	0.005	0.008	0.016	0.027
\$9,000,000	0.004	0.005	0.007	0.009	0.012	0.016	0.025	0.005	0.008	0.014	0.025
\$10,000,000	0.004	0.005	0.007	0.008	0.011	0.014	0.023	0.005	0.007	0.013	0.023

† This loss limit is not applicable for retrospective rating in this state.

Effective February 1, 2007

The values shown below for Hazard Groups 1 through 4 are for the reference of those carriers that have filed for the use of these hazard groups in accordance with Item B-1403.

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

Per Accident Limitation	Hazard Groups							Hazard Groups			
	A	B	C	D	E	F	G	1	2	3	4
\$10,000 †	0.575	0.636	0.660	0.686	0.715	0.750	0.783	0.623	0.668	0.733	0.783
\$15,000 †	0.510	0.575	0.602	0.631	0.664	0.705	0.744	0.562	0.611	0.685	0.744
\$20,000 †	0.462	0.529	0.557	0.588	0.625	0.669	0.713	0.515	0.567	0.648	0.713
\$25,000	0.424	0.491	0.520	0.553	0.592	0.639	0.686	0.477	0.530	0.616	0.686
\$30,000	0.393	0.459	0.489	0.523	0.564	0.613	0.663	0.445	0.500	0.589	0.663
\$35,000	0.367	0.432	0.462	0.498	0.540	0.590	0.642	0.419	0.474	0.566	0.642
\$40,000	0.345	0.409	0.439	0.475	0.519	0.570	0.623	0.396	0.450	0.545	0.623
\$50,000	0.310	0.371	0.401	0.437	0.482	0.535	0.591	0.358	0.412	0.509	0.591
\$75,000	0.248	0.303	0.331	0.367	0.412	0.468	0.527	0.291	0.342	0.441	0.527
\$100,000	0.207	0.256	0.283	0.318	0.362	0.417	0.478	0.246	0.294	0.390	0.478
\$125,000	0.178	0.223	0.248	0.281	0.323	0.377	0.437	0.213	0.258	0.350	0.437
\$150,000	0.157	0.198	0.222	0.253	0.293	0.345	0.405	0.189	0.231	0.319	0.405
\$175,000	0.140	0.178	0.200	0.229	0.268	0.317	0.377	0.170	0.209	0.293	0.377
\$200,000	0.127	0.161	0.183	0.210	0.247	0.294	0.353	0.154	0.191	0.271	0.353
\$225,000	0.116	0.148	0.168	0.194	0.229	0.275	0.332	0.141	0.176	0.252	0.332
\$250,000	0.108	0.138	0.157	0.182	0.215	0.259	0.315	0.131	0.164	0.237	0.315
\$275,000	0.100	0.128	0.147	0.170	0.202	0.244	0.299	0.122	0.154	0.223	0.299
\$300,000	0.094	0.120	0.138	0.160	0.191	0.231	0.285	0.115	0.145	0.211	0.285
\$325,000	0.088	0.113	0.130	0.152	0.181	0.220	0.272	0.108	0.137	0.200	0.272
\$350,000	0.083	0.107	0.123	0.144	0.173	0.210	0.261	0.102	0.130	0.191	0.261
\$375,000	0.079	0.102	0.117	0.137	0.165	0.201	0.251	0.097	0.123	0.183	0.251
\$400,000	0.075	0.097	0.112	0.131	0.158	0.192	0.242	0.092	0.118	0.175	0.242
\$425,000	0.071	0.092	0.107	0.126	0.152	0.185	0.233	0.088	0.113	0.168	0.233
\$450,000	0.068	0.088	0.103	0.121	0.146	0.178	0.225	0.084	0.108	0.162	0.225
\$475,000	0.065	0.085	0.099	0.116	0.141	0.172	0.218	0.081	0.104	0.156	0.218
\$500,000	0.063	0.081	0.095	0.112	0.136	0.166	0.212	0.077	0.100	0.151	0.212
\$600,000	0.055	0.071	0.083	0.098	0.120	0.147	0.190	0.067	0.088	0.134	0.190
\$700,000	0.049	0.063	0.074	0.088	0.108	0.133	0.173	0.060	0.078	0.121	0.173
\$800,000	0.045	0.058	0.068	0.081	0.100	0.122	0.160	0.055	0.072	0.111	0.160
\$900,000	0.041	0.053	0.063	0.075	0.092	0.113	0.149	0.050	0.066	0.103	0.149
\$1,000,000	0.038	0.049	0.058	0.069	0.086	0.105	0.140	0.047	0.062	0.096	0.140
\$2,000,000	0.022	0.029	0.035	0.043	0.054	0.066	0.091	0.027	0.037	0.060	0.091
\$3,000,000	0.015	0.020	0.026	0.031	0.041	0.051	0.071	0.019	0.027	0.046	0.071
\$4,000,000	0.011	0.016	0.020	0.025	0.033	0.041	0.059	0.015	0.021	0.037	0.059
\$5,000,000	0.009	0.013	0.016	0.021	0.027	0.035	0.050	0.012	0.018	0.031	0.050
\$6,000,000	0.007	0.010	0.013	0.017	0.023	0.029	0.043	0.009	0.014	0.026	0.043
\$7,000,000	0.006	0.008	0.011	0.014	0.020	0.025	0.038	0.008	0.012	0.023	0.038
\$8,000,000	0.005	0.007	0.010	0.013	0.017	0.023	0.034	0.007	0.011	0.020	0.034
\$9,000,000	0.005	0.007	0.009	0.011	0.016	0.020	0.031	0.006	0.010	0.018	0.031
\$10,000,000	0.005	0.006	0.008	0.010	0.014	0.018	0.029	0.006	0.009	0.016	0.029

† This loss limit is not applicable for retrospective rating in this state.

4. **Retrospective Pure Premium Development Factors**

With Loss Limit			Without Loss Limit			4th & Subsequent Adjustment
1st Adj.	2nd Adj.	3rd Adj.	1st Adj.	2nd Adj.	3rd Adj.	
0.07	0.02	0.00	0.14	0.05	0.01	0.00

5. **State Special Classifications by Hazard Group**

Code No.	HG						
2260	E	4301	B	8391	D	8841	D
3516	B	8387	D	8754	C	9047	C
3561	B						

**SUPPLEMENTARY PAGES
TO THE TECHNICAL SUPPLEMENT**

Distribution of Final Loss Cost Level Change to Industry Groups*

Industry Group Differentials (see Appendix A-V):

Manufacturing	0.973
Contracting	0.919
Office & Clerical	1.024
Goods & Services	1.060
Miscellaneous	1.022

Applying these industry group differentials to the final overall loss cost* level change produces the changes in loss cost level proposed for each group as shown:

Industry Group	(1) Final Overall Voluntary Loss Cost* Level Change	(2) Industry Group Differential	(3) = (1)x(2) Final Voluntary Loss Cost* Level Change by Industry Group	
Manufacturing	0.963	0.973	0.937	(-6.3%)
Contracting	0.963	0.919	0.885	(-11.5%)
Office & Clerical	0.963	1.024	0.986	(-1.4%)
Goods & Services	0.963	1.060	1.021	(2.1%)
Miscellaneous	0.963	1.022	0.984	(-1.6%)
Overall	0.963	1.000	0.963	(-3.7%)

* Loss Cost + LAE

Derivation of Industry Group Differentials

Industry group differentials are used to more equitably distribute the overall premium level change based on the individual experience of each industry group.

Wage trend adjustments are calculated to account for the change in industry group wages relative to the change in medical losses. The converted losses used to calculate these adjustments are the losses from the Workers Compensation Statistical Plan adjusted to include development and brought to the proposed experience, law and loss-based expense levels.

The indicated losses, column (8), are the converted losses further adjusted for trend and the change in overall off balance for experience rating; the combined adjustments are shown in parts (1) through (6) of Appendix B-I, Section (A). The expected losses (13) are at the same proposed level as the indicated losses and contain a change in industry group off balance. An adjustment to convert the proposed expected losses to reflect current relativities (15) is used to calculate the indicated to expected ratio (16). The indicated differential (17) reflects the indicated losses at a proposed level to expected losses with relativities of the current level to correctly distribute the proposed trend and benefits on an industry group basis.

In the calculation of the credibility weighted differentials, the ratios of indicated losses to expected losses by industry group (modified by the wage trend adjustments), column (18), are credibility weighted with the statewide ratio. The credibility is based on compensable claim counts, column (20). The full credibility standards, column (21), reflect the variability of the data within each industry group. Partial credibility is calculated using the square root of the ratio of the actual compensable claims and the number of compensable claims required for full credibility. The statewide credibility weighted ratio (23) is rebalanced using the latest year expected losses to ensure that the overall premium level change is achieved.

I. INDUSTRY GROUP WAGE TREND ADJUSTMENT

Industry Group	(1) Converted Indemnity Losses	(2) Converted Medical Losses	(3) Converted Total Losses (1)+(2)	(4) Wage Trend	(5) Wage Trend Differential (4)sw/(4)ig	(6) Adjustments ((1)+(2)x(5)) /(3)	(7) Wage Trend Adjustments (6)ig/(6)sw
Manufacturing	92,317,851	48,783,234	141,101,085	1.092	1.007	1.002	1.002
Contracting	86,378,565	46,462,418	132,840,983	1.102	0.998	0.999	0.999
Off. & Cler.	60,028,439	32,508,675	92,537,114	1.117	0.985	0.995	0.995
Goods & Srv.	126,705,217	76,740,642	203,445,859	1.094	1.005	1.002	1.002
Miscellaneous	57,543,996	29,399,319	86,943,315	1.105	0.995	0.998	0.998
Statewide	422,974,068	233,894,288	656,868,356	1.100		1.000	

II. INDICATED AND EXPECTED LOSSES

Industry Group	(8) Indicated Losses	(9) Curr. Ratio of Manual to Earned	(10) Prop. Ratio of Manual to Earned	(11) One Year Current Expected Losses	(12) Five Year Current Expected Losses	(13) Five Year Proposed Expected Losses	(14) Curr./ Prop. (12)/ (13)	(15) Adjust. to Prop. for Curr. Rel. (14)ig/ (14)sw
Manufacturing	161,231,960	1.047	1.033	33,338,010	172,426,778	166,003,539	1.039	1.000
Contracting	141,649,052	1.101	1.090	40,833,711	164,307,552	157,739,746	1.042	1.003
Off. & Cler.	107,258,293	1.031	1.018	25,934,786	107,268,955	103,302,059	1.038	0.999
Goods & Srv.	237,002,086	1.014	1.004	53,748,989	232,068,899	223,699,391	1.037	0.998
Miscellaneous	100,022,836	1.032	1.007	20,086,446	99,586,636	95,707,018	1.041	1.002
Statewide	747,164,228			173,941,942	775,658,820	746,451,753	1.039	

Derivation of Industry Group Differentials (contd.)

III. INDUSTRY GROUP DIFFERENTIALS

Industry Group	(16) Indicated/ Expected Ratio (8)/ ((13)x(15))	(17) Indicated Differential (w/o Wage Trend) (16)ig/(16)sw	(18) Indicated/ Expected Ratio (w/ Wage Trend) (16)x(7)	(19) Indicated Differential (w/Wage Trend) (18)ig/(18)sw	(20) Compens- able Cases	(21) Full Credibility Standard	(22) Credibility	(23) Credibility Weighted Ratio	(24) Credibility Weighted Differential	(25) Final Differ- ential
Manufacturing	0.971	0.970	0.973	0.972	7,448	10,000	0.860	0.977	0.973	0.973
Contracting	0.895	0.894	0.894	0.893	4,278	8,000	0.730	0.923	0.919	0.919
Off. & Cler.	1.039	1.038	1.034	1.033	4,619	7,000	0.810	1.028	1.024	1.024
Goods & Srv.	1.062	1.061	1.064	1.063	12,982	9,000	1.000	1.064	1.060	1.060
Miscellaneous	1.043	1.042	1.041	1.040	4,431	11,000	0.630	1.026	1.022	1.022
Statewide	1.001		1.001					1.004		1.000

Statewide ratio (column 23) = $\Sigma_{IG}((11)x(23)) \div \Sigma_{IG}(11)$

Distribution of Pure Premium Level Change to Occupational Classification

After determining the required changes in pure premium level (see Exhibit I), the next step in the ratemaking procedure is to distribute these changes among the various occupational classifications. In order to do this, the pure premiums by classification must be adjusted, by policy period, industry group, or on an overall basis, to incorporate the changes proposed in the filing. There are three sets of pure premiums for each classification: indicated, present on rate level, and national pure premiums.

The indicated pure premiums are calculated from the payroll and loss data reported, by class code and policy period, in the Workers Compensation Statistical Plan (WCSP) for the latest available five policy periods. Various adjustments are made to these pure premiums to put them at the level proposed in this filing (Section A). The pure premiums present on rate level are the pure premiums underlying the current manual loss cost, adjusted to the proposed level (Section B). Since the indicated and present on rate level pure premiums are modified to comparable levels, the adjustments to each are displayed concurrently for comparison purposes. Finally, there are the national pure premiums, which reflect the countrywide experience for each classification adjusted to state conditions (Section C).

The indicated, present on rate level and national pure premiums are credibility weighted (Section D), and the results, the derived by formula pure premiums, are used to determine the final class loss costs.

Section A – Calculation of Indicated Pure Premiums

The data used in the calculation of indicated pure premiums is the Workers Compensation Statistical Plan (WCSP) for the latest available five policy periods.

1. Loss Development Factors

The following factors are applied to develop the losses from first through fifth report to an ultimate basis.

Policy Period	Indemnity		Medical	
	Serious	Non-ser.	Serious	Non-ser.
1/99 - 12/99	0.953	1.000	1.205	1.000
1/00 - 12/00	0.939	0.999	1.183	0.982
1/01 - 12/01	0.980	0.997	1.188	0.986
1/02 - 12/02	1.176	0.961	1.216	1.009
1/03 - 12/03	1.934	0.899	1.269	1.053
3 Yr. Fixed	1.363	0.952	1.224	1.016

Section B – Calculation of Pure Premiums Present on Rate Level

The source of data for the above captioned pure premiums is the partial pure premiums underlying the current loss costs.

1. Loss Development Factors

The pure premiums already reflect development to an ultimate basis.

Section A – Calculation of Indicated Pure Premiums (contd.)

2. Adjustment for Experience Change

The following factor is applied to adjust for the experience change in the proposed loss cost level.

Indicated Change Based Upon Experience	0.977
--	-------

3. Factors to Adjust to the Proposed Trend Level

The proposed trend factors are applied to adjust the indicated pure premiums to the proposed level.

Indemnity	Medical
0.961	1.082

4. Factors to Adjust to the September 1, 2006 Benefit Level

The factors in the following table are applied to adjust the statistical plan losses to the proposed benefit level.

Policy Period	Death	P.T.	Major	Minor	T.T	Medical
1/99 - 12/99	1.075	1.032	1.029	1.022	1.033	1.000
1/00 - 12/00	1.051	1.022	1.015	1.011	1.022	1.000
1/01 - 12/01	1.039	1.016	1.005	1.001	1.016	1.000
1/02 - 12/02	1.035	1.012	1.003	1.001	1.012	1.000
1/03 - 12/03	1.023	1.009	1.003	1.001	1.009	1.000
3 Yr. Fixed	1.031	1.012	1.004	1.002	1.012	1.000

Section B – Calculation of Pure Premiums Present on Rate Level (contd.)

2. Adjustment for Experience Change

The following factor is applied to adjust for the experience change in the proposed loss cost level.

Indicated Change Based Upon Experience	0.977
--	-------

3. Factors to Adjust to the Proposed Trend Level

The pure premiums underlying present loss costs contain the current trend. The change in trend is applied to adjust to the proposed trend level.

	Serious Indemnity	Non-serious Indemnity	Medical
(1) Current Trend	1.000	1.000	1.061
(2) Proposed Trend	0.961	0.961	1.082
(3) Change in Trend (2)/(1)	0.961	0.961	1.020

4. Factors to Adjust to the September 1, 2006 Benefit Level

The pure premiums are at the current September 1, 2005 level. The following factors are applied to adjust to the proposed benefit level.

Effective Date	Serious	Non-serious	Medical
September 1, 2006	1.001	1.002	1.000

Section A – Calculation of Indicated Pure Premiums (contd.)

5. Factors to Include the Proposed Loss-Based Expense Provisions

The following factors are applied to include the proposed loss adjustment expense and loss-based assessments.

	Indemnity	Medical
(1) Loss Adjustment Expense	1.168	1.168
(2) Loss-based Assessment	1.000	1.000
(3) = (1) + (2) – 1.000	1.168	1.168

6. Adjustment to Balance Indicated to Expected Losses

The expected losses are calculated as the pure premium underlying the current loss costs adjusted to the proposed level and adjusted for the Experience Rating Plan off-balance. The indicated losses are balanced to the expected losses by applying the following factors.

Policy Period	(1) Adjustment of Indicated Losses to Pure Premium at Proposed Level	(2) Current Ratio of Manual to Standard Premium	(3) Proposed Ratio of Manual to Standard Premium	(4) Off-balance Adjustment (2) / (3)	(5) Balancing Indicated to Expected Losses (1) x (4)
1/99 - 12/99	1.003	1.045	1.044	1.001	1.004
1/00 - 12/00	1.127	1.044	1.056	0.989	1.115
1/01 - 12/01	1.105	1.044	1.032	1.012	1.118
1/02 - 12/02	1.148	1.044	1.012	1.032	1.185
1/03 - 12/03	1.200	1.045	1.015	1.030	1.236
3 Yr. Fixed	1.152	1.044	1.019	1.025	1.181

Section B – Calculation of Pure Premiums Present on Rate Level (contd.)

5. Factors to Include the Proposed Loss-Based Expense Provisions

The pure premiums include the current loss adjustment expense and loss-based assessment provisions and must be adjusted to the proposed level.

	(a) Current		(b) Proposed	
	Indemnity	Medical	Indemnity	Medical
(1) Loss Adjustment Expense	1.167	1.167	1.168	1.168
(2) Loss-based Assessment	1.000	1.000	1.000	1.000
(3) = (1) + (2) – 1.000	1.167	1.167	1.168	1.168
(4) Overall Change (3b)/(3a)			1.001	1.001

6. Adjustment to Obtain Expected Losses

The pure premiums reflect the current off-balance for the Experience Rating Plan. The change in off-balance must be applied.

Industry Group	(1) Current Ratio of Manual to Standard Premium	(2) Proposed Ratio of Manual to Standard Premium	(3) Off-balance Adjustment (1)/(2)
Manufacturing	1.047	1.033	1.014
Contracting	1.101	1.090	1.010
Office & Clerical	1.031	1.018	1.013
Goods & Services	1.014	1.004	1.010
Miscellaneous	1.032	1.007	1.025

Section A – Calculation of Indicated Pure Premiums (contd.)

7. Factors to Adjust for Proposed Industry Group Differentials

The following factors are applied to adjust the indicated industry group differentials for normalized wage trend, the effect of the credibility weighting of the industry group differentials, and weighting the differentials by the latest year expected losses.

Industry Group	(1) Indicated Differentials	(2) Cred.-Wtd. Differentials	(3) Adjustment (2)/(1)
Manufacturing	0.970	0.973	1.003
Contracting	0.894	0.919	1.028
Office & Clerical	1.038	1.024	0.987
Goods & Services	1.061	1.060	0.999
Miscellaneous	1.042	1.022	0.981

8. Ratio of Unlimited to Limited Losses

In order to reduce distortions in individual class loss cost indications, individual claim amounts in the WCSP data are subject to a maximum limit based on five times the historical average serious cost per case. The limit utilized in this filing is \$543,000. Incurred losses for each multiple claim accident are limited such that the total loss for the accident does not exceed two times the individual claim loss limitation. This limit is \$1,086,000. To build back the limited losses, the following ratios of unlimited to limited losses are applied.

Industry Group	Unlimited-to- Limited Ratio
Manufacturing	1.037
Contracting	1.150
Office & Clerical	1.049
Goods & Services	1.016
Miscellaneous	1.014

Section B – Calculation of Pure Premiums Present on Rate Level (contd.)

7. Factors to Adjust for Proposed Industry Group Differentials

The pure premiums are adjusted by the proposed industry group differentials.

Industry Group	(1) Differential	(2) Adjustment to Proposed for Current Relativities	(3) Adjusted Differential (1)x(2)
Manufacturing	0.973	1.000	0.973
Contracting	0.919	1.003	0.922
Office & Clerical	1.024	0.999	1.023
Goods & Services	1.060	0.998	1.058
Miscellaneous	1.022	1.002	1.024

8. Ratio of Unlimited to Limited Losses

The pure premiums reflect unlimited losses.

Section A – Calculation of Indicated Pure Premiums (contd.)

9. Combined Conversion Factors

The factors above are combined multiplicatively, resulting in the following factors:

Industry Group	Policy Period	Death	P.T.	Major	Minor	T.T.	Ser Med.	NSer Med.
Manufacturing	1/99 - 12/99	1.173	1.127	1.123	1.171	1.183	1.554	1.290
	1/00 - 12/00	1.255	1.220	1.212	1.285	1.299	1.694	1.406
	1/01 - 12/01	1.299	1.270	1.256	1.272	1.292	1.706	1.415
	1/02 - 12/02	1.645	1.608	1.595	1.300	1.315	1.850	1.536
	1/03 - 12/03	2.790	2.751	2.734	1.269	1.279	2.014	1.671
	3 Yr. Fixed	1.893	1.859	1.844	1.285	1.298	1.856	1.540
Contracting	1/99 - 12/99	1.333	1.281	1.276	1.331	1.345	1.766	1.466
	1/00 - 12/00	1.426	1.387	1.377	1.461	1.476	1.926	1.598
	1/01 - 12/01	1.476	1.443	1.427	1.446	1.468	1.939	1.609
	1/02 - 12/02	1.870	1.828	1.813	1.478	1.495	2.103	1.746
	1/03 - 12/03	3.171	3.127	3.108	1.442	1.454	2.290	1.900
	3 Yr. Fixed	2.152	2.112	2.096	1.460	1.476	2.110	1.751
Office & Clerical	1/99 - 12/99	1.167	1.122	1.117	1.165	1.178	1.547	1.284
	1/00 - 12/00	1.249	1.214	1.206	1.279	1.293	1.687	1.399
	1/01 - 12/01	1.293	1.264	1.250	1.266	1.286	1.698	1.409
	1/02 - 12/02	1.638	1.601	1.588	1.294	1.309	1.842	1.529
	1/03 - 12/03	2.777	2.739	2.722	1.263	1.273	2.005	1.664
	3 Yr. Fixed	1.884	1.850	1.835	1.279	1.292	1.848	1.533
Goods & Services	1/99 - 12/99	1.144	1.100	1.095	1.142	1.155	1.516	1.259
	1/00 - 12/00	1.225	1.191	1.183	1.254	1.268	1.653	1.372
	1/01 - 12/01	1.268	1.239	1.226	1.241	1.261	1.665	1.381
	1/02 - 12/02	1.606	1.570	1.556	1.269	1.283	1.805	1.499
	1/03 - 12/03	2.722	2.685	2.668	1.238	1.248	1.966	1.631
	3 Yr. Fixed	1.847	1.814	1.799	1.254	1.267	1.811	1.503
Miscellaneous	1/99 - 12/99	1.122	1.078	1.074	1.120	1.132	1.486	1.233
	1/00 - 12/00	1.200	1.167	1.159	1.229	1.242	1.620	1.344
	1/01 - 12/01	1.242	1.214	1.201	1.217	1.236	1.631	1.353
	1/02 - 12/02	1.574	1.538	1.525	1.244	1.258	1.769	1.469
	1/03 - 12/03	2.668	2.631	2.615	1.214	1.223	1.927	1.598
	3 Yr. Fixed	1.810	1.777	1.763	1.229	1.242	1.775	1.473

Section B – Calculation of Pure Premiums Present on Rate Level (contd.)

9. Combined Conversion Factors

The factors above are combined multiplicatively, resulting in the following factors.

Industry Group	Serious Indemnity	Non-serious Indemnity	Medical
Manufacturing	0.928	0.929	0.985
Contracting	0.876	0.877	0.929
Office & Clerical	0.975	0.976	1.034
Goods & Services	1.006	1.007	1.066
Miscellaneous	0.988	0.989	1.048

Section C – Calculation of Pure Premiums Indicated by National Relativity

These pure premiums reflect the countrywide experience for each classification as indicated by the latest available individual classification experience for all states for which the National Council on Compensation Insurance compiles workers compensation data.

Countrywide data is adjusted to Rhode Island conditions in four steps. First, statewide indicated pure premiums are determined for Rhode Island. Second, using Rhode Island payrolls as weights, corresponding statewide average pure premiums are computed for each remaining state. Third, the ratios of Rhode Island statewide pure premiums to those for other states are used as adjustment factors to convert losses for other states to a basis concomitant with the Rhode Island indicated pure premiums. The quotient of the countrywide total of such adjusted losses divided by the total countrywide payroll for the classification is the initial pure premium indicated by national relativity. Finally, national pure premiums are balanced to the level of the state indicated pure premiums to ensure unbiased derived by formula pure premiums. Serious, non-serious and medical pure premiums are computed separately.

Section D – Calculation of the Derived by Formula Pure Premiums

As for the preceding pure premiums, separate computations are performed for each partial pure premium: serious, non-serious and medical. Each partial formula pure premium is derived by the weighting of the indicated, present on rate level and national partial pure premiums. The weight assigned to the policy year indicated pure premium varies in one percent intervals from zero percent to one hundred percent, depending upon the volume of expected losses (i.e. the product of the underlying pure premiums and the payroll in hundreds). To achieve full state credibility, a classification must have expected losses of at least: \$15,046,269 for serious, 1,688,513 for non-serious, and 3,618,242 for medical.

The partial credibilities formula is:

$$z = [(\text{expected losses}) / (\text{full credibility standard})]^{0.4}$$

For the pure premiums indicated by national relativity, credibility is determined from the number of cases. Full credibility standards are: 175 serious cases for serious; 500 non-serious cases for non-serious; and 1000 serious and non-serious cases for medical.

Partial credibilities are assigned using a credibility formula similar to that used for indicated pure premiums but based on the number of cases nationally. In no case is the national credibility permitted to exceed 50% of the complement of the state credibility.

$$\text{National Credibility} = \text{the smaller of } [(\text{cases nationally}) / (\text{full credibility standard})]^{0.4} \text{ and } [(1 - \text{state credibility}) / 2]$$

The residual credibility (100% minus the sum of the state and national credibilities) is assigned to the present on rate level pure premium.

For example, if the state credibility is 40%, the pure premium indicated by national relativity is assigned a maximum credibility of 30% $((100-40) / 2)$. The remainder is assigned to the present on rate level pure premium.

The total pure premium shown on the attached Appendix B-II is obtained by adding the partial pure premiums obtained above and rounding the sum to two decimal places.

Adjustments to Pure Premiums to Obtain Advisory Loss Costs

The following items are combined with the derived by formula pure premium to obtain the proposed advisory loss cost:

(1) Test Correction Factor

The payrolls are now extended by the advisory loss costs presently in effect and by the indicated advisory loss costs to determine if the required change in manual premium level as calculated in Exhibit I has been achieved. Since at first this calculation may not yield the required results, an iterative process is initiated which continuously tests the proposed advisory loss costs including tentative test correction factors until the required change in manual premium level is obtained. The test correction factor is applied to the derived by formula pure premiums.

The factors referred to above are set out as follows:

	Test Correction Factor
Manufacturing	1.0183
Contracting	1.0038
Office & Clerical	1.0227
Goods & Services	1.0091
Miscellaneous	0.9988

(2) Ratios of Manual to Standard Premiums

The ratios of manual to standard premiums by industry group have also been excluded from the classification experience, and it is necessary to apply these factors to the derived by formula pure premiums.

	Ratio of Manual to Standard Premiums
Manufacturing	1.033
Contracting	1.090
Office & Clerical	1.018
Goods & Services	1.004
Miscellaneous	1.007

(3) Disease Loadings

The proposed manual advisory loss costs shown in this filing include specific disease loadings for those classifications where they apply. The proposed specific disease loadings are shown on the footnote page.

(4) Swing Limits

As a further step a test is made to make certain that the proposed advisory loss costs fall within the following departures from the present advisory loss costs:

Manufacturing	from 19% above to 31% below
Contracting	from 14% above to 36% below
Office & Clerical	from 24% above to 26% below
Goods & Services	from 27% above to 23% below
Miscellaneous	from 23% above to 27% below

These limits have been calculated in accordance with the following formula:

Max. Deviation = Effect of the final change in premium level by industry group plus or minus 25% rounded to the nearest 1%.

The product of the swing limits and the present advisory loss cost sets bounds for the proposed advisory loss cost. If the calculated advisory loss cost falls outside of the bounds, the closest bound is chosen as the proposed advisory loss cost. When a code is limited, the underlying pure premiums are adjusted to reflect the limited advisory loss cost. The classifications which have been so limited are shown below.

An illustrative example showing the calculation of a proposed manual class advisory loss cost is attached as Appendix B-III. This example demonstrates the manner in which the partial pure premiums are combined to produce a total pure premium, and shows the steps in the calculation at which the rounding takes place. The advisory loss costs for other classifications are calculated in the same manner.

List of Classifications Limited by Upper Swing

List of Classifications Limited by Lower Swing

0908 0909 0912 0913 1642 1748 2021 2172
2286 2300 2587 3042 3114 3131 3300 3559
4061 4130 4133 4304 4470 4720 6003 7222
7425 7539 8111 8381 8861 8869 9012 9110

5951 7405 7445 8755



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APPENDIX B-II

Determination of Rating Values on Miscellaneous Values Page

A. Miscellaneous Values are calculated based on formulas, dependent on C.P.S. wages, which were fixed with the original item filing. Therefore, the indicated rate change is equivalent to the C.P.S. rate of change.

	Current	Proposed	Change
1) Average Weekly Wage (basis for determination of rating values listed below)	\$637.87 *	\$673.49 **	5.6%
2) Basis of premium applicable in accordance with the Basic Manual footnote instructions for Code 7370 -- "Taxicab Co.":			
Employee operated vehicle	\$49,754.00	\$52,532.00	5.6%
Leased or rented vehicle	\$33,169.00	\$35,021.00	5.6%
3) Maximum Payroll applicable in accordance with the Basic Manual Rule 2-E-1 -- "Executive Officers" and the footnote instructions for Code 9178 -- "Athletic Team: Non-Contact Sports," Code 9179 -- "Athletic Team: Contact Sports," and Code 9186 -- "Carnival--Traveling"	\$2,600.00 #	\$2,700.00 #	3.8%
4) Minimum Payroll applicable in accordance with Basic Manual Rule 2-E-1 -- "Executive Officers"	\$319.00	\$337.00	5.6%
5) Per Passenger Seat Surcharge - In accordance with the Basic Manual footnote instructions for classification Code 7421, the surcharge is			
Maximum surcharge per aircraft	\$1,000.00 +	\$1,000.00 +	0.0%
Per passenger seat	\$100.00 ++	\$100.00 ++	0.0%

* Estimate for calendar year 2004 from Current Population Survey (C.P.S.) statistics. Reflects wages capped at \$100,000.
 ** Estimate for calendar year 2005 from Current Population Survey (C.P.S.) statistics. Reflects wages capped at \$150,000.
 # Underlying formula is: Latest C.P.S. x 4 (Rounded to nearest \$100).
 + Amount is capped at \$1000.
 ++ Amount is capped at \$100.

B. Loss Elimination Ratios (LERs) and Percent Premium Reductions for deductibles continue to be determined using the standard methodology described in the literature (e.g. Gillam,W.R.; and Snader, R.H., "Fundamentals of Individual Risk Rating," 1992, and Rollins, J.; and Washburn,M.J., "A Quantification of Snader's Deductible Safety Factor," 1994). The updated values reflect the experience and selections for trend and development presented in Item B-1403.



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APPENDIX B-III

DERIVATION OF PROPOSED ADVISORY LOSS COST - CODE 8810

As previously explained in Appendix B-I, the indicated pure premiums are developed by adjusting the limited losses by a set of conversion factors. The converted losses are then summarized into serious, non-serious and medical and then divided by payroll (in hundreds). The derivation of the indicated pure premium for the above captioned classification follows:

LIMITED LOSSES (Workers Compensation Statistical Plan)

Policy Period	Fatal	Permanent Total	Major Permanent Partial	Minor Permanent Partial	Temporary Total	Serious Medical	Non-Serious Medical
01/01/99 - 12/31/99	0	0	2,850,209	287,500	894,893	920,117	1,230,144
01/01/00 - 12/31/00	0	91,865	1,902,129	247,246	941,630	525,412	1,239,584
01/01/01 - 12/31/01	0	101,616	1,905,374	236,417	1,051,170	635,392	1,164,497
01/01/02 - 12/31/02	0	0	1,604,851	148,177	885,241	645,010	1,042,655
01/01/03 - 12/31/03	0	0	979,245	300,860	1,041,687	485,308	1,604,589
Three Year Fixed	0	0	0	0	0	0	0

COMBINED CONVERSION FACTORS (Appendix B-I, Section A)

Policy Period	Fatal	Permanent Total	Major Permanent Partial	Minor Permanent Partial	Temporary Total	Serious Medical	Non-Serious Medical
01/01/99 - 12/31/99	1.167	1.122	1.117	1.165	1.178	1.547	1.284
01/01/00 - 12/31/00	1.249	1.214	1.206	1.279	1.293	1.687	1.399
01/01/01 - 12/31/01	1.293	1.264	1.250	1.266	1.286	1.698	1.409
01/01/02 - 12/31/02	1.638	1.601	1.588	1.294	1.309	1.842	1.529
01/01/03 - 12/31/03	2.777	2.739	2.722	1.263	1.273	2.005	1.664
Three Year Fixed	1.884	1.850	1.835	1.279	1.292	1.848	1.533

PAYROLL, CONVERTED LOSSES (Limited Losses x Combined Conversion Factors)

Policy Period	Payroll	Serious	Non-Serious	Medical	Total
01/01/99 - 12/31/99	2,912,163,063	3,183,683	1,389,122	3,002,926	7,575,731
01/01/00 - 12/31/00	3,204,427,840	2,405,492	1,533,756	2,620,548	6,559,796
01/01/01 - 12/31/01	3,206,233,814	2,510,161	1,651,109	2,719,673	6,880,943
01/01/02 - 12/31/02	3,381,015,702	2,548,503	1,350,521	2,782,327	6,681,351
01/01/03 - 12/31/03	3,516,754,998	2,665,505	1,706,054	3,643,079	8,014,638
Three Year Fixed	0	0	0	0	0
Total	16,220,595,417	13,313,344	7,630,562	14,768,553	35,712,459
INDICATED PURE PREMIUM		0.082	0.047	0.091	0.22

The present on rate level pure premiums are developed by adjusting the pure premiums underlying the current loss cost by the conversion factors calculated in Appendix B-I. The derivation of the present on rate level pure premiums for the above captioned classification follows:

	Serious	Non-Serious	Medical	Total
Pure Premiums Underlying Current Loss Cost	0.098	0.051	0.091	0.24
Conversion Factors (App. B-I, section B)	0.975	0.976	1.034	
PURE PREMIUMS PRESENT ON RATE LEVEL (Underlying Pure Premiums) x (Conversion Factor)	0.096	0.050	0.094	0.24



RHODE ISLAND APPENDIX B-III

DERIVATION OF PROPOSED ADVISORY LOSS COST - CODE 8810 Industry Group - Office and Clerical

The loss cost for the above captioned classification is then derived as shown in the following exhibit:

	<u>Serious</u>	<u>Non-Serious</u>	<u>Medical</u>	<u>Total</u>
1. Indicated Pure Premium	0.082	0.047	0.091	0.22
2. Pure Premium Indicated by National Relativity	0.086	0.052	0.093	0.23
3. Pure Premium Present on Rate Level	0.096	0.050	0.094	0.24
4. State Credibilities	99%	100%	100%	xxx
5. National Credibilities	0%	0%	0%	xxx
6. Residual Credibilities = 100% - (4) - (5)	1%	0%	0%	xxx
7. Derived by Formula Pure Premiums = (1) x (4) + (2) x (5) + (3) x (6)	0.082	0.047	0.091	0.22
8. Test Correction Factor	1.0227	1.0227	1.0227	xxx
9. Underlying Pure Premiums = (7) x (8) *	0.089	0.048	0.093	0.23
10. Ratio of Manual to Standard Premium				1.018
11. Loss Cost = (9) x (10)				0.23
12. Loss Cost Within Swing Limits				0.23
Current Loss Cost x Swing Limits				
a) Lower bound = 0.25 x 0.740 = 0.19				
b) Upper bound = 0.25 x 1.240 = 0.31				
13. Pure Premiums Underlying Proposed Loss Cost* = ((13TOT) / (9TOT)) x (9) , (13TOT) = (12) / (10)	0.089	0.048	0.093	0.23
14. Disease, PAP, Catastrophe and/or Miscellaneous Loadings				0.00
15. Final Loaded Loss Cost				0.23

* Serious pure premium is adjusted for the rounded total pure premium:

$$\text{Serious Pure Premium} = \text{Total Pure Premium} - (\text{Non-serious Pure Premium} + \text{Medical Pure Premium})$$

I. Determination and Distribution of Premium Level Change to “F” Classifications

The Workers Compensation Statistical Plan (WCSP) data is used to determine the overall “F” class premium level change as well as the individual change by the various classifications. There are three sets of pure premiums for each classification: indicated, present on rate level, and national pure premiums. All sets of pure premiums are adjusted to the common proposed level that is explained further in this exhibit. These three sets of pure premiums are credibility weighted and the results, the derived by formula pure premiums, are adjusted for additional proposed components (section II) to determine the indicated loss costs. The payrolls are extended by the loss costs presently in effect and the indicated loss costs. The indicated loss costs are limited to 10% below and 10% above the current loss costs. This results in the proposed loss cost level change of -9.8%. Since the indicated and present on rate level pure premiums are modified to comparable levels, the adjustments to each are displayed concurrently for comparison purposes.

A. Indicated Pure Premiums

The payroll and loss data reported are from the WCSP data by class code for the latest available five policy periods.

1. Benefits

The state losses are adjusted to the September 1, 2006 state law level. The federal losses are adjusted to the October 1, 2006 federal law level.

STATE

Policy Period	Fatal	P.T.	Major	Minor	T.T.	Medical
1/03 - 12/03	1.023	1.009	1.003	1.001	1.009	1.000
1/02 - 12/02	1.035	1.012	1.003	1.001	1.012	1.000
1/01 - 12/01	1.039	1.016	1.005	1.001	1.016	1.000
1/00 - 12/00	1.051	1.022	1.015	1.011	1.022	1.000
1/99 - 12/99	1.075	1.032	1.029	1.022	1.033	1.000

FEDERAL

Policy Period	Fatal	P.T.	Major	Minor	T.T.	Medical
1/03 - 12/03	1.021	1.011	1.002	1.002	1.011	1.000
1/02 - 12/02	1.030	1.015	1.003	1.003	1.015	1.000
1/01 - 12/01	1.041	1.021	1.004	1.004	1.021	1.000
1/00 - 12/00	1.052	1.027	1.005	1.005	1.027	1.000
1/99 - 12/99	1.061	1.032	1.006	1.006	1.032	1.000

B. Present on Rate Level

1. Benefits

The current underlying pure premiums are at the current September 1, 2005 state and October 1, 2005 federal law levels. These pure premiums are adjusted to reflect the weighted effect of state and federal laws which bring losses to the proposed September 1, 2006 state and October 1, 2006 federal law levels. The distribution of state and federal losses in regard to total losses was used to determine the weighted effects.

State Weight (St%)	0.372
Federal Weight (Fed%)	0.628

	Serious	Non-ser	Medical	Total
(a) State Laws	1.001	1.002	1.000	1.001
(b) Federal Laws	1.001	1.002	1.000	1.001
(c) Weighted Laws = [(a)xSt%] + [(b)xFed%]	1.001	1.002	1.000	1.001

2. Loss-based Expenses

The state losses are adjusted to reflect the proposed state assessment and loss adjustment expense. The federal losses are adjusted to reflect the proposed USL&HW Special Fund Assessment and loss adjustment expense.

Proposed:

STATE			
	Indemnity	Medical	Total
(a) Loss Adjustment Expense	1.168	1.168	1.168
(b) Loss-based Assessment	1.000	1.000	1.000
(c) Total = (a) + (b) - 1	1.168	1.168	1.168

FEDERAL			
	Indemnity	Medical	Total
(d) Loss Adjustment Expense	1.168	1.168	1.168
(e) Loss-based Assessment	1.299	1.000	1.162
(f) Total = (d) + (e) - 1	1.467	1.168	1.330

	Indemnity	Medical	Total
(Ag) Weighted Proposed Expenses = [(c) x St%] + [(f) x Fed%]	1.356	1.168	1.270

3. Trend

The following factors are applied to trend the losses in each policy year to the proposed rating year. The credibility-weighted annual trends utilized were 0.990 and 1.020 for indemnity and medical, respectively.

Policy Period	Indemnity	Medical
1/03 - 12/03	0.961	1.082
1/02 - 12/02	0.951	1.104
1/01 - 12/01	0.941	1.126
1/00 - 12/00	0.932	1.149
1/99 - 12/99	0.923	1.172

2. Loss-based Expenses

The current underlying pure premiums are adjusted to reflect the change in the weighted effect of the loss-based expense provisions.

Current:

STATE			
	Indemnity	Medical	Total
(a) Loss Adjustment Expense	1.167	1.167	1.167
(b) Loss-based Assessment	1.000	1.000	1.000
(c) Total = (a) + (b) - 1	1.167	1.167	1.167

FEDERAL			
	Indemnity	Medical	Total
(d) Loss Adjustment Expense	1.167	1.167	1.167
(e) Loss-based Assessment	1.349	1.000	1.149
(f) Total = (d) + (e) - 1	1.516	1.167	1.316

	Indemnity	Medical	Total
(Bg) Weighted Current Expenses = [(c) x St%] + [(f) x Fed%]	1.386	1.167	1.261

	Indemnity	Medical	Total
Weighted Expense Change = (Ag)/(Bg)	0.978	1.001	1.007

3. Trend

Since the trend in the current underlying pure premiums is adequate for the current rating year, additional trend is applied to bring the underlyings to the proposed rating year.

Indemnity	Medical
0.990	1.020

4. Development

The following factors are applied to develop the losses from first through fifth report to an ultimate basis utilizing countrywide data.

Policy Period	Serious Indemnity	Non-serious Indemnity	Serious Medical	Non-serious Medical
1/03 - 12/03	2.355	0.935	3.800	0.842
1/02 - 12/02	1.564	0.969	2.560	0.899
1/01 - 12/01	1.279	0.987	2.221	0.964
1/00 - 12/00	1.190	0.994	2.048	0.989
1/99 - 12/99	1.130	1.000	1.971	1.000

5. Unlimited-to-Limited Ratio

To reduce distortions in individual class loss cost indications, individual claim amounts are subject to a maximum of five times the historical average serious cost per case. Utilizing countrywide data, this limit is \$996,000. Multiple claim accidents are limited to two times the individual claim loss limitation. To build back the limited losses, the following unlimited-to-limited loss ratio is applied.

1.031

6. Conversion Factors = (1) x (2) x (3) x (4) x (5)

The factors have been applied multiplicatively resulting in the following factors.

STATE

Policy Period	Fatal	P.T.	Major	Minor	T.T	Ser Med	NS Med
1/03 - 12/03	2.788	2.750	2.733	1.083	1.092	4.951	1.097
1/02 - 12/02	1.854	1.813	1.796	1.111	1.123	3.403	1.195
1/01 - 12/01	1.506	1.473	1.457	1.120	1.136	3.012	1.307
1/00 - 12/00	1.404	1.365	1.356	1.128	1.140	2.834	1.368
1/99 - 12/99	1.350	1.296	1.292	1.136	1.148	2.782	1.411

FEDERAL

Policy Period	Fatal	P.T.	Major	Minor	T.T	Ser Med	NS Med
1/03 - 12/03	3.495	3.461	3.430	1.362	1.374	4.951	1.097
1/02 - 12/02	2.317	2.283	2.256	1.398	1.415	3.403	1.195
1/01 - 12/01	1.895	1.859	1.828	1.410	1.434	3.012	1.307
1/00 - 12/00	1.765	1.723	1.686	1.408	1.439	2.834	1.368
1/99 - 12/99	1.674	1.628	1.587	1.404	1.441	2.782	1.411

4. Development

The pure premiums already reflect development to an ultimate basis.

5. Unlimited-to-Limited Ratio

The pure premiums reflect unlimited losses.

6. Conversion Factors = (1) x (2) x (3)

The factors have been applied multiplicatively resulting in the following factors.

Serious	Non-Serious	Medical
0.969	0.970	1.021

C. National Pure Premiums

The latest three years of state and federal losses for states in which NCCI compiles workers compensation data are separately adjusted to the same level as the indicated and present on rate level pure premiums.

Class Code 9077

For Code 9077, the indicated, national and present on rate level pure premiums were calculated as described previously in A, B and C but using the non-appropriated benefit changes and the federal loss-based expenses.

D. Derived by Formula Pure Premiums

The derived by formula pure premiums are calculated by a process similar to that of the industrial codes, which is described in Appendix B-I, Section D. To achieve full state credibility, a classification must have expected losses of at least: \$31,204,750 for serious, 3,273,200 for non-serious, and 7,014,000 for medical.

II. Calculation of Proposed Loss Costs

The following items are combined with the derived by formula pure premiums to obtain the proposed loss cost:

A. Test Correction Factor 1.0000

B. Ratio of Manual Premium to Earned Premium 0.982
(Selected based on Rhode Island off-balance analysis)

C. Swing Limits

The classifications which were adjusted by swing limits are as follows:

<u>List of Classifications Limited by Upper Swing</u>	<u>List of Classifications Limited by Lower Swing</u>							
6845	6801	6824	6826	6843	6872	6874	7309	7313
	7317	7327	7350	9077				

RHODE ISLAND
APPENDIX B-IV

DERIVATION OF PROPOSED ADVISORY LOSS COST - CODE 8709

The indicated pure premiums are developed by adjusting the limited losses by a set of conversion factors. The converted losses are then summarized into serious, non-serious and medical and then divided by payroll (in hundreds). The derivation of the indicated pure premium for the above captioned classification follows:

STATE LIMITED LOSSES (Workers Compensation Statistical Plan)

Policy Period	Fatal	Permanent Total	Major Permanent Partial	Minor Permanent Partial	Temporary Total	Serious Medical	Non-Serious Medical
01/01/99 - 12/31/99	0	0	0	0	0	0	0
01/01/00 - 12/31/00	0	0	0	0	0	0	0
01/01/01 - 12/31/01	0	0	0	0	0	0	0
01/01/02 - 12/31/02	0	0	0	0	0	0	0
01/01/03 - 12/31/03	0	0	0	0	0	0	0

FEDERAL LIMITED LOSSES (Workers Compensation Statistical Plan)

Policy Period	Fatal	Permanent Total	Major Permanent Partial	Minor Permanent Partial	Temporary Total	Serious Medical	Non-Serious Medical
01/01/99 - 12/31/99	0	0	0	0	0	0	0
01/01/00 - 12/31/00	0	0	0	0	0	0	0
01/01/01 - 12/31/01	0	0	0	0	0	0	0
01/01/02 - 12/31/02	0	0	0	0	0	0	0
01/01/03 - 12/31/03	0	0	0	0	0	0	0

STATE COMBINED CONVERSION FACTORS (Section A)

Policy Period	Fatal	Permanent Total	Major Permanent Partial	Minor Permanent Partial	Temporary Total	Serious Medical	Non-Serious Medical
01/01/99 - 12/31/99	1.350	1.296	1.292	1.136	1.148	2.782	1.411
01/01/00 - 12/31/00	1.404	1.365	1.356	1.128	1.140	2.834	1.368
01/01/01 - 12/31/01	1.506	1.473	1.457	1.120	1.136	3.012	1.307
01/01/02 - 12/31/02	1.854	1.813	1.796	1.111	1.123	3.403	1.195
01/01/03 - 12/31/03	2.788	2.750	2.733	1.083	1.092	4.951	1.097

FEDERAL COMBINED CONVERSION FACTORS (Section A)

Policy Period	Fatal	Permanent Total	Major Permanent Partial	Minor Permanent Partial	Temporary Total	Serious Medical	Non-Serious Medical
01/01/99 - 12/31/99	1.674	1.628	1.587	1.404	1.441	2.782	1.411
01/01/00 - 12/31/00	1.765	1.723	1.686	1.408	1.439	2.834	1.368
01/01/01 - 12/31/01	1.895	1.859	1.828	1.410	1.434	3.012	1.307
01/01/02 - 12/31/02	2.317	2.283	2.256	1.398	1.415	3.403	1.195
01/01/03 - 12/31/03	3.495	3.461	3.430	1.362	1.374	4.951	1.097



RHODE ISLAND
APPENDIX B-IV

DERIVATION OF PROPOSED ADVISORY LOSS COST - CODE 8709

STATE CONVERTED LOSSES (Limited Losses x Combined Conversion Factors)

Policy Period	Payroll	Serious	Non-Serious	Medical	Total
01/01/99 - 12/31/99	359,673	0	0	0	0
01/01/00 - 12/31/00	299,067	0	0	0	0
01/01/01 - 12/31/01	220,013	0	0	0	0
01/01/02 - 12/31/02	206,910	0	0	0	0
01/01/03 - 12/31/03	328,864	0	0	0	0
Total	1,414,527	0	0	0	0

FEDERAL CONVERTED LOSSES (Limited Losses x Combined Conversion Factors)

Policy Period	Payroll	Serious	Non-Serious	Medical	Total
01/01/99 - 12/31/99	359,673	0	0	0	0
01/01/00 - 12/31/00	299,067	0	0	0	0
01/01/01 - 12/31/01	220,013	0	0	0	0
01/01/02 - 12/31/02	206,910	0	0	0	0
01/01/03 - 12/31/03	328,864	0	0	0	0
Total	1,414,527	0	0	0	0

TOTAL PAYROLL, CONVERTED LOSSES

Policy Period	Payroll	Serious	Non-Serious	Medical	Total
01/01/99 - 12/31/99	359,673	0	0	0	0
01/01/00 - 12/31/00	299,067	0	0	0	0
01/01/01 - 12/31/01	220,013	0	0	0	0
01/01/02 - 12/31/02	206,910	0	0	0	0
01/01/03 - 12/31/03	328,864	0	0	0	0
Total	1,414,527	0	0	0	0
INDICATED PURE PREMIUM		0.000	0.000	0.000	0.00

The present on rate level pure premiums are developed by adjusting the pure premiums underlying the current statewide loss cost by the conversion factors. The derivation of the present on rate level pure premiums for the above captioned classification follows:

	Serious	Non-Serious	Medical	Total
Pure Premiums Underlying Current Statewide Loss Cost	2.157	0.652	1.221	4.03
Conversion Factors (Section B)	0.969	0.970	1.021	
PURE PREMIUMS PRESENT ON RATE LEVEL (Underlying Pure Premiums) x (Conversion Factor)	2.090	0.632	1.247	3.97



RHODE ISLAND

APPENDIX B-IV

DERIVATION OF PROPOSED ADVISORY LOSS COST - CODE 8709 F-Class

The loss cost for the above captioned classification is then derived as shown in the following exhibit:

	<u>Serious</u>	<u>Non-Serious</u>	<u>Medical</u>	<u>Total</u>
1. Indicated Pure Premium	0.000	0.000	0.000	0.00
2. Pure Premium Indicated by National Relativity	1.663	1.018	3.805	6.49
3. Pure Premium Present on Rate Level	2.090	0.632	1.247	3.97
4. State Credibilities	6%	9%	9%	xxx
5. National Credibilities	22%	34%	27%	xxx
6. Residual Credibilities = 100% - (4) - (5)	72%	57%	64%	xxx
7. Derived by Formula Pure Premiums = (1) x (4) + (2) x (5) + (3) x (6)	1.871	0.706	1.825	4.40
8. Test Correction Factor	1.0000	1.0000	1.0000	xxx
9. Underlying Pure Premiums = (7) x (8) *	1.869	0.706	1.825	4.40
10. Ratio of Manual to Standard Premium				0.982
11. Loss Cost = (9) x (10)				4.32
12. Loss Cost Within Swing Limits				4.32
Current Loss Cost x Swing Limits				
a) Lower bound = 4.44 x 0.900 = 4.00				
b) Upper bound = 4.44 x 1.100 = 4.88				
13. Pure Premiums Underlying Proposed Loss Cost* = ((12) / (11)) x (9)	1.869	0.706	1.825	4.40

* Serious pure premium is adjusted for the rounded total pure premium:

Serious Pure Premium = Total Pure Premium - (Non-serious Pure Premium + Medical Pure Premium)