SERFF Tracking Number:	*ISOF-126760252*	*State:*	*Maine*
Filing Company:	*Insurance Services Office, Inc.*	*State Tracking Number:*	
Company Tracking Number:	*PP-2010-BRLA1*		
TOI:	*19.0 Personal Auto*	*Sub-TOI:*	*19.0001 Private Passenger Auto (PPA)*
Product Name:	*PP-2010-BRLA1*		
Project Name/Number:	*Personal Auto Advisory Prospective Loss Cost Revision/BP-2010-BRLA1*		

Filing at a Glance

Company: Insurance Services Office, Inc.

Product Name: PP-2010-BRLA1	SERFF Tr Num: ISOF-126760252	State: Maine
TOI: 19.0 Personal Auto	SERFF Status: Closed-Approved	State Tr Num:
Sub-TOI: 19.0001 Private Passenger Auto (PPA)	Co Tr Num: PP-2010-BRLA1	State Status: Approved
Filing Type: Rate		Reviewer(s): Michael Blake
	Authors: Sheila Lemley, Donna Jaffee, Arlene Byrd, Anne Casillo, Patricia Prial, Kelly Noonan, Richard DeSanctis, Laura Panesso	Disposition Date: 08/12/2010
	Date Submitted: 08/09/2010	Disposition Status: Approved
Effective Date Requested (New): 03/01/2011		Effective Date (New): 03/01/2011
Effective Date Requested (Renewal): 03/01/2011		Effective Date (Renewal): 03/01/2011

General Information

Project Name: Personal Auto Advisory Prospective Loss Cost Revision	Status of Filing in Domicile: Not Filed
Project Number: BP-2010-BRLA1	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 08/12/2010	
State Status Changed: 08/12/2010	Deemer Date:
Created By: Anne Casillo	Submitted By: Anne Casillo

Corresponding Filing Tracking Number:

Filing Description:

Personal Auto Advisory Prospective Loss Cost Revision

PP-2010-BRLA1

Insurance Services Office, Inc. (ISO) hereby files the captioned revision.

This revision will be submitted under the following rule of application:

These changes are applicable to all policies written on or after March 1, 2011.

SERFF Tracking Number:	*ISOF-126760252*	*State:*	*Maine*
Filing Company:	*Insurance Services Office, Inc.*	*State Tracking Number:*	
Company Tracking Number:	*PP-2010-BRLA1*		
TOI:	*19.0 Personal Auto*	*Sub-TOI:*	*19.0001 Private Passenger Auto (PPA)*
Product Name:	*PP-2010-BRLA1*		
Project Name/Number:	*Personal Auto Advisory Prospective Loss Cost Revision/BP-2010-BRLA1*		

In accordance with your loss cost procedures, this effective date applies only to those insurers who have filed their Personal Auto loss cost adjustments to be automatically applicable to future ISO loss cost revisions. Any other ISO participating insurer may adopt ISO loss costs by filing its loss cost multipliers and selecting an effective date.

Please do not hesitate to contact me if you have questions regarding this filing.

Your early approval will be greatly appreciated.

Company and Contact

Filing Contact Information

Anne Casillo, Regional Director	acasillo@iso.com	
319A Southbridge Street	508-832-7360 [Phone]	
Auburn, MA 01501	508-832-7362 [FAX]	

Filing Company Information

Insurance Services Office, Inc.	CoCode:	State of Domicile: Delaware
545 Washington Boulevard	Group Code:	Company Type: Advisory/Rating Organization
Jersey City, NJ 07310-1686	Group Name:	State ID Number:
(201) 469-2207 ext. [Phone]	FEIN Number: 13-3131412	

Filing Fees

Fee Required?	Yes
Fee Amount:	$20.00
Retaliatory?	No
Fee Explanation:	Filing fee = rate
Per Company:	Yes

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Insurance Services Office, Inc.	$20.00	08/09/2010	38610905

SERFF Tracking Number:	*ISOF-126760252*	*State:*	*Maine*
Filing Company:	*Insurance Services Office, Inc.*	*State Tracking Number:*	
Company Tracking Number:	*PP-2010-BRLA1*		
TOI:	*19.0 Personal Auto*	*Sub-TOI:*	*19.0001 Private Passenger Auto (PPA)*
Product Name:	*PP-2010-BRLA1*		
Project Name/Number:	*Personal Auto Advisory Prospective Loss Cost Revision/BP-2010-BRLA1*		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Michael Blake	08/12/2010	08/12/2010

SERFF Tracking Number:	*ISOF-126760252*	*State:*	*Maine*
Filing Company:	*Insurance Services Office, Inc.*	*State Tracking Number:*	
Company Tracking Number:	*PP-2010-BRLA1*		
TOI:	*19.0 Personal Auto*	*Sub-TOI:*	*19.0001 Private Passenger Auto (PPA)*
Product Name:	*PP-2010-BRLA1*		
Project Name/Number:	*Personal Auto Advisory Prospective Loss Cost Revision/BP-2010-BRLA1*		

Disposition

Disposition Date: 08/12/2010
Effective Date (New): 03/01/2011
Effective Date (Renewal): 03/01/2011
Status: Approved
Comment:

Company Name:	**Overall % Indicated Change:**	**Overall % Rate Impact:**	**Written Premium Change for this Program:**	**# of Policy Holders Affected for this Program:**	**Written Premium for this Program:**	**Maximum % Change (where required):**	**Minimum % Change (where required):**
Insurance Services Office, Inc.	1.000%	1.000%	$		$	%	%

SERFF Tracking Number:	*ISOF-126760252*	*State:*	*Maine*
Filing Company:	*Insurance Services Office, Inc.*	*State Tracking Number:*	
Company Tracking Number:	*PP-2010-BRLA1*		
TOI:	*19.0 Personal Auto*	*Sub-TOI:*	*19.0001 Private Passenger Auto (PPA)*
Product Name:	*PP-2010-BRLA1*		
Project Name/Number:	*Personal Auto Advisory Prospective Loss Cost Revision/BP-2010-BRLA1*		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Actuarial Justification for Rate (Change)	Approved	Yes
Supporting Document	Experience Exhibit	Approved	Yes
Supporting Document	Expense Exhibit	Approved	Yes
Supporting Document	Advisory Organization Loss Cost Multiplier Form	Approved	Yes
Supporting Document	Executive Summary	Approved	Yes
Supporting Document	Supporting Documentation	Approved	Yes
Rate	Revised Loss Costs	Approved	Yes

SERFF Tracking Number:	*ISOF-126760252*	*State:*	*Maine*
Filing Company:	*Insurance Services Office, Inc.*	*State Tracking Number:*	
Company Tracking Number:	*PP-2010-BRLA1*		
TOI:	*19.0 Personal Auto*	*Sub-TOI:*	*19.0001 Private Passenger Auto (PPA)*
Product Name:	*PP-2010-BRLA1*		
Project Name/Number:	*Personal Auto Advisory Prospective Loss Cost Revision/BP-2010-BRLA1*		

Rate Information

Rate data applies to filing.

Filing Method:
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 2.200%
Effective Date of Last Rate Revision: 03/01/2010
Filing Method of Last Filing:

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Insurance Services Office, Inc.	1.000%	1.000%				%	%

SERFF Tracking Number:	*ISOF-126760252*	*State:*	*Maine*
Filing Company:	*Insurance Services Office, Inc.*	*State Tracking Number:*	
Company Tracking Number:	*PP-2010-BRLA1*		
TOI:	*19.0 Personal Auto*	*Sub-TOI:*	*19.0001 Private Passenger Auto (PPA)*
Product Name:	*PP-2010-BRLA1*		
Project Name/Number:	*Personal Auto Advisory Prospective Loss Cost Revision/BP-2010-BRLA1*		

Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Attachments
Approved 08/12/2010	Revised Loss Costs	See attachd	Replacement	ISOF-126281616	PP-2010-BRLA1 - ME - SECTION A – SCOPE OF REVISION.pdf

INSURANCE SERVICES OFFICE, INC.

MAINE
PERSONAL AUTO INSURANCE

SECTION A – SCOPE OF REVISION

MAINE
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TABLE A1

STATEWIDE LOSS COST LEVEL CHANGES (A)

Coverages	Aggregate Loss Costs at Current Level (B)	Loss Cost Level Changes (C)
PERSONAL AUTO POLICY		
Liability:		
Single Limit Liability	$ 29,278,287	+11.4%
Bodily Injury	26,885,035	+ 6.1%
Property Damage	26,258,504	+16.5%
Medical Payments	5,832,846	+ 9.0%
UM/UIM (Bodily Injury) (D)	8,552,683	+ 3.2%
Sub-Total	$ 96,807,355	+10.4%
Physical Damage:		
Comprehensive	$ 16,698,737	- 22.7%
Collision	46,734,331	- 10.0%
Sub-Total	$ 63,433,068	- 13.3%
GRAND TOTAL	$160,240,423	+ 1.0%

(A) The trend effective date is 3/1/2011.

(B) Year ended 9/30/2009 Aggregate Loss Costs at ISO staff developed loss costs contained in Filing PP-2009-BRLA1.

(C) Loss cost level changes are calculated on a total limits basis for Liability and Uninsured Motorists coverages, and on an all deductibles combined basis for Comprehensive and Collision coverages.

(D) UMBI coverage includes UIM coverage for higher limits only.

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TABLE A2
TERRITORY LOSS COST LEVEL CHANGES

Territory	Liability				Physical Damage	
Code	Single Limit	B.I.	P.D.	Med Pay	Comprehensive	Collision
31	+17.6%	+13.2%	+20.4%	+ 7.7%	-26.3%	- 9.6%
32	+14.4%	+12.5%	+17.7%	+14.3%	-22.9%	-10.5%
33	+10.7%	+ 5.8%	+15.1%	0.0%	-18.4%	-10.3%
34	+17.4%	+11.5%	+21.4%	+ 9.1%	-19.8%	- 6.7%
35	+ 6.3%	+ 2.6%	+ 9.1%	+ 8.3%	-21.7%	-12.1%
36	+ 7.4%	+ 4.7%	+ 9.8%	+ 8.3%	-18.6%	- 8.8%
37	+ 7.5%	+ 4.7%	+12.0%	+12.5%	-19.8%	- 8.6%
38	+11.2%	+ 5.3%	+16.8%	+12.5%	-22.6%	-10.9%
39	+ 3.2%	0.0%	+ 7.4%	0.0%	-28.4%	-15.9%
40	+12.0%	+ 1.3%	+22.9%	+ 7.7%	-19.8%	- 9.7%
41	+ 6.8%	0.0%	+15.9%	+ 7.7%	-21.1%	-14.6%
42	+16.3%	+ 8.1%	+22.8%	+ 9.1%	-17.7%	- 8.3%
43	+ 9.7%	+ 4.3%	+16.9%	+ 7.7%	-21.8%	-10.5%
44	+ 8.6%	+ 3.7%	+15.0%	+18.2%	-21.8%	-10.1%
45	+ 8.2%	+ 5.1%	+11.8%	+10.0%	-35.7%	- 9.0%
46	+ 8.2%	+ 2.4%	+16.0%	+ 6.7%	-16.0%	- 6.7%
Statewide	+11.4%	+ 6.1%	+16.5%	+ 9.0%	-22.7%	-10.0%

NOTE: Loss cost level changes are calculated on a total limits basis for Liability and on an all deductibles combined basis for Physical Damage.

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TABLE A3

STATEWIDE LOSS COST LEVEL CHANGES BY DEDUCTIBLE

Coverage	(1) Aggregate Loss Costs at Current Level for Weighing	(2) Present Relativity	(3) Loss Cost Level Change
Full Cov. Comprehensive	$ 456,310	1.81	- 22.7%
$50 Ded. Comprehensive	2,736,339	1.69	- 22.7%
$100 Ded. Comprehensive	7,310,427	1.55	- 22.7%
$200 Ded. Comprehensive	592,564	1.35	- 22.7%
$250 Ded. Comprehensive	2,670,414	1.27	- 22.7%
$500 Ded. Comprehensive	2,601,401	1.00	- 22.7%
$1,000 Ded. Comprehensive	331,282	0.74	- 22.7%
Sub-total	$ 16,698,737		- 22.7%
$100 Ded. Collision	$ 3,355,879	1.18	- 10.0%
$200 Ded. Collision	3,273,277	1.13	- 10.0%
$250 Ded. Collision	13,019,542	1.11	- 10.0%
$500 Ded. Collision	24,289,469	1.00	- 10.0%
$1,000 Ded. Collision	2,796,164	0.83	- 10.0%
Sub-total	$ 46,734,331		- 10.0%
Physical Damage Total	$ 63,433,068		- 13.3%

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TABLE A4-1

PRESENT AND FILED BASE CLASS LOSS COSTS BY TERRITORY

	LIABILITY							
	PRESENT				FILED			
Territory Code	$125,000 Single Limit	50/100 B.I.	$25,000 P.D.	$2,000 Med. Pay.	$125,000 Single Limit	50/100 B.I.	$25,000 P.D.	$2,000 Med. Pay.
31	$199	$ 76	$ 98	$13	$234	$ 86	$118	$14
32	194	88	79	14	222	99	93	16
33	178	69	86	10	197	73	99	10
34	207	78	103	11	243	87	125	12
35	189	77	88	12	201	79	96	13
36	203	85	92	12	218	89	101	13
37	239	106	100	16	257	111	112	18
38	232	95	107	16	258	100	125	18
39	216	93	94	16	223	93	101	16
40	183	76	83	13	205	77	102	14
41	161	70	69	13	172	70	80	14
42	190	74	92	11	221	80	113	12
43	155	69	65	13	170	72	76	14
44	187	82	80	11	203	85	92	13
45	146	59	68	10	158	62	76	11
46	183	83	75	15	198	85	87	16

MAINE
PERSONAL AUTO INSURANCE

TABLE A4-2

PRESENT AND FILED BASE CLASS LOSS COSTS BY TERRITORY

	PHYSICAL DAMAGE(A)			
	PRESENT		FILED	
Territory Code	$500 Ded. Comprehensive	$500 Ded. Collision	$500 Ded. Comprehensive	$500 Ded. Collision
31	$34	$179	$25	$164
32	39	195	30	177
33	27	165	22	150
34	25	167	20	158
35	32	174	25	155
36	32	186	26	172
37	30	192	24	178
38	22	186	17	168
39	28	170	20	145
40	30	190	24	174
41	47	209	37	181
42	28	172	23	160
43	50	205	39	186
44	41	204	32	186
45	53	181	34	167
46	37	186	31	176

(A) Model Year 2011, Symbol 11.

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TABLE A4-3

SAMPLE DISPLAY OF MODEL YEAR LOSS COSTS FOR TERRITORY 31

Model Year	$500 Deductible Comprehensive (A)	$500 Deductible Collision (A)
2013	$ 28	$180
2012	26	172
2011	25	164
2010	24	154
2009	23	144
2008	22	136
2007	20	125
2006	19	115
2005	19	108
2004	18	102
2003	17	95
2002	16	90
2001	15	84
1990 - 2000	14	79

(A) Loss costs are for base Symbol 8 for model years 1990-2010 and base symbol 11 for model years 2011 and later. (See Tables C14-1 and C14-2 for model year and symbol relativities to determine loss costs for 1989 and prior.) The above loss costs reflect a shift in the base model year from 2010 to 2011. Tables C14-1 and C14-2 display the model year and symbol relativity factors for a model year 2011, Symbol 11 base loss cost.

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PRESENT AND FILED UNINSURED/UNDERINSURED MOTORISTS LOSS COSTS

PVM Rule 14.A. Uninsured Motorists Coverage
(U.M. coverage includes Underinsured Motorists coverage)

BASIC LIMITS - Charge the loss costs per registered auto displayed below depending on whether the risk is a Single Car or a Multi-Car risk. For Multi-Car risks, apply the loss cost to each car including the first car.

	PRESENT		FILED	
	Single Car	Multi-Car Per Car	Single Car	Multi-Car Per Car
50,000/100,000	$ 6.63	$ 5.30	$ 5.97	$ 4.78
$100,000	10.57	8.45	10.37	8.30

INCREASED LIMITS - Add the additional loss cost increments shown below to the basic limit loss costs.

SPLIT LIMITS	PRESENT		FILED	
	Single Car	Multi-Car Per Car	Single Car	Multi-Car Per Car
$ 100/200	$ 4.47	$ 3.58	$ 4.98	$ 3.98
100/300	4.66	3.73	5.18	4.14
250/500	21.65	17.32	23.75	19.00
300/300	24.34	19.48	26.68	21.34
500/500	35.77	28.62	38.80	31.04
500/1,000	36.50	29.21	39.59	31.67
1,000/1,000	49.65	39.72	53.51	42.80

SINGLE LIMIT	PRESENT		FILED	
	Single Car	Multi-Car Per Car	Single Car	Multi-Car Per Car
$ 125,000	$ 3.56	$ 2.85	$ 3.89	$ 3.11
200,000	12.52	10.02	13.67	10.93
300,000	20.40	16.33	22.28	17.82
500,000	31.83	25.47	34.40	27.52
1,000,000	45.71	36.57	49.11	39.28

SERFF Tracking Number:	*ISOF-126760252*	*State:*	*Maine*
Filing Company:	*Insurance Services Office, Inc.*	*State Tracking Number:*	
Company Tracking Number:	*PP-2010-BRLA1*		
TOI:	*19.0 Personal Auto*	*Sub-TOI:*	*19.0001 Private Passenger Auto (PPA)*
Product Name:	*PP-2010-BRLA1*		
Project Name/Number:	*Personal Auto Advisory Prospective Loss Cost Revision/BP-2010-BRLA1*		

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Actuarial Justification for Rate (Change)	Approved	08/12/2010

Comments:
Please review Supporting Documentation below.

		Item Status:	Status Date:
Bypassed - Item:	Experience Exhibit	Approved	08/12/2010
Bypass Reason:	N/A		
Comments:			

		Item Status:	Status Date:
Bypassed - Item:	Expense Exhibit	Approved	08/12/2010
Bypass Reason:	N/A		
Comments:			

		Item Status:	Status Date:
Bypassed - Item:	Advisory Organization Loss Cost Multiplier Form	Approved	08/12/2010
Bypass Reason:	N/A		
Comments:			

		Item Status:	Status Date:
Satisfied - Item:	Executive Summary	Approved	08/12/2010

Comments:
Attachment:
PP-2010-BRLA1 - ME - EXECUTIVE SUMMARY.pdf

SERFF Tracking Number:	*ISOF-126760252*	*State:*	*Maine*
Filing Company:	*Insurance Services Office, Inc.*	*State Tracking Number:*	
Company Tracking Number:	*PP-2010-BRLA1*		
TOI:	*19.0 Personal Auto*	*Sub-TOI:*	*19.0001 Private Passenger Auto (PPA)*
Product Name:	*PP-2010-BRLA1*		
Project Name/Number:	*Personal Auto Advisory Prospective Loss Cost Revision/BP-2010-BRLA1*		

		Item Status:	**Status Date:**
Satisfied - Item:	Supporting Documentation	Approved	08/12/2010

Comments:

Attachments:

PP-2010-BRLA1 - ME - TABLE OF CONTENTS.pdf
PP-2010-BRLA1 - ME - SECTION B – CALCULATION OF CHANGES.pdf
PP-2010-BRLA1 - ME - SECTION C – SUPPORTING MATERIAL.pdf
PP-2010-BRLA1 - ME - SECTION D - DETERMINATION OF UM-UIM MOTORISTS LOSS COSTS.pdf

INSURANCE SERVICES OFFICE, INC.

MAINE
PERSONAL AUTO INSURANCE

LOSS COST LEVEL REVISION

EXECUTIVE SUMMARY

PURPOSE

This document:

- revises advisory prospective loss costs. These loss costs represent a +1.0% statewide change from the present loss cost provisions.
- provides the analyses used to derive these advisory loss costs.

DEFINITION OF ISO ADVISORY PROSPECTIVE LOSS COSTS

Advisory prospective loss costs in this document are that portion of a rate that does not include provisions for expenses (other than loss adjustment expenses) or profit, and are based on historical aggregate losses and loss adjustment expenses adjusted through development to their ultimate value and projected through trending to a future point in time.

HISTORICAL SOURCE DATA

The data used in this review is based on voluntary market experience through 9/30/2009 of ISO reporting companies. For the liability coverages, losses are evaluated as of 12/31/2009.

LOSS COST LEVEL CHANGES

The statewide advisory loss cost level changes are:

	Indicated	Filed
Single Limit Liability*	+ 11.4%	+ 11.4%
Bodily Injury	+ 6.1%	+ 6.1%
Property Damage	+ 16.5%	+ 16.5%
Medical Payments	+ 9.0%	+ 9.0%
Uninsured Motorists (Bodily Injury)**	+ 3.2%	+ 3.2%
Liability Sub-Total	+ 10.4%	+ 10.4%
Comprehensive	- 22.7%	- 22.7%
Collision	- 10.0%	- 10.0%
Physical Damage Sub-Total	- 13.3%	- 13.3%
Total	+ 1.0%	+ 1.0%

Indicated and filed loss cost level changes are changes from the present loss cost provisions. Present loss cost provisions are based on staff developed loss costs contained in Filing PP-2009-BRLA1.

MAINE
PERSONAL AUTO INSURANCE

LOSS COST LEVEL REVISION

EXECUTIVE SUMMARY

LOSS COST LEVEL CHANGES (Cont'd)	Loss cost level changes are calculated on a total limits basis for Liability, Medical Payments, and Uninsured/Underinsured Motorists coverages, and on an all deductibles combined basis for Comprehensive and Collision coverages. * The Single Limit Liability loss cost level change is based on the Bodily Injury and Property Damage changes. ** UMBI coverage includes UIM coverage for higher limits only.
EXPLANATION OF INDICATED CHANGES	The +16.5% indication for Property Damage is mainly due to increases in the annual loss trend from 0.8% to 4.1%, which led to a cumulative effect of about +10%, and a worsening of the experience of around 7%. The -22.7% indication for Comprehensive is mainly due to an improvement of the experience around 17% and the additional revenue generated by the model year and symbol rating program (which is caused by changes in age and symbol distributions and model year and symbol trend) which had a cumulative effect of about -7%. The -10.0% indication for Collision is mainly due to the additional revenue generated by the model year and symbol rating program (which is caused by changes in age and symbol distributions and model year and symbol trend) which had a cumulative effect of about -8.5%, and decreases in the annual loss trend from 0.1% to -0.5%, which led to a cumulative effect of about -2%.
INDICATED VS. FILED	Indicated changes are based on standard ISO methodology.
CHANGE IN PROCEDURE FOR COMPREHENSIVE	A revision in the determination of the adjusted comprehensive losses and loss adjustment expenses is being implemented with this filing. Beginning with this filing, the actual wind and water losses for each year in the experience period will be replaced by an amount corresponding to the long term average ratio of wind and water losses to the Comprehensive losses resulting from other perils. This change is designed to increase stability in Comprehensive loss cost level changes over time. Further details are contained in Section C.
DETERMINATION OF UNINSURED AND UNDERINSURED MOTORISTS LOSS COSTS	Loss costs for basic and higher limits for Uninsured Motorists (UM) and Underinsured Motorists (UIM) Coverages are developed using the current full pricing procedures as utilized in PP-2009-BRLA1. The full pricing procedures and calculations are detailed in Section D of this filing.

MAINE
PERSONAL AUTO INSURANCE

LOSS COST LEVEL REVISION

EXECUTIVE SUMMARY

TREND AND OTHER ADJUSTMENTS

Loss Trend

The loss costs developed in this document will be used in a future period. For the historical loss costs to be valid for use in a future period, they must be multiplied by trend factors. A trend factor is a number based on the changes in claim cost and claim frequency that are expected to occur between Date X (the historical data period) and Date Y (the future period for which the loss costs will be in effect).

The historical trend factors are determined from:

- Claim cost trend is determined from the fitted claim cost curve for the latest 12 quarterly year-ended experience periods (12-point trend) through the fourth quarter of 2009.
- Claim frequency trend is selected based on an analysis of the claim frequency data for the latest 24 quarterly year-ended experience periods, taking into consideration the frequency fits for the latest 6, 12 and 24 points.
- Regional claim cost trends are used as the complement of credibility to the state claim cost trends where appropriate.
- The trend procedure for the Physical Damage coverages uses Collision claim cost data for $100, $200, $250 and $500 deductibles adjusted to a $500 deductible level for claim cost trend for both Comprehensive and Collision. An adjustment to the Comprehensive trend factor is applied to produce a trend factor applicable to experience losses at a lower base deductible, which is used in the review of loss experience.
- ISO has also imposed judgment in some cases based upon discussions of external influences to support final loss trend selections. The trend factors that were evaluated are discussed in Section C.

MAINE
PERSONAL AUTO INSURANCE

LOSS COST LEVEL REVISION

EXECUTIVE SUMMARY

TREND AND OTHER ADJUSTMENTS (Cont'd)

The annual loss trends by coverage are:

Coverage	Trend Factor
Bodily Injury	0.6%
Property Damage	4.1%
Medical Payments	2.4%
Uninsured Motorists Bodily Injury	0.6%
Comprehensive	-0.9%
Collision	-0.5%

Premium Trend

A variety of economic factors affect the cost of physical damage automobile insurance. As time goes by, the average price of new cars purchased and the cost of repairing/replacing all cars driven both tend to rise. The ISO physical damage rating structure is designed to reflect these dynamics.

As a result, premium revenue increases as newer model year cars are purchased and as the average price of new cars increases. In order to reflect the increase in revenue, ISO uses a premium trend procedure, the effect of which is to reduce the indicated loss costs for physical damage coverages.

Premium trend is applied in two ways:

Model Year Trend

The costs of repair, replacement, etc. are rising from year to year, even for vehicles whose cost new does not change with a newer model year. As a result of this phenomenon, the ISO model year rating program applies higher relativities to newer model year cars. The higher relativities increase revenue, which should be reflected in the ratemaking process. Our procedures incorporate this reflection through the application of model year premium trend factors of 1.051 and 1.065 for comprehensive and collision coverages, respectively, which on an annual basis are:

Comprehensive	3.6%
Collision	4.5%

MAINE
PERSONAL AUTO INSURANCE

LOSS COST LEVEL REVISION

EXECUTIVE SUMMARY

TREND AND OTHER ADJUSTMENTS (Cont'd)

Symbol Trend

Overall, the average price of new cars purchased is rising each year. Under the ISO rating structure, higher relativities apply for higher valued cars. The higher relativities also increase revenue, which should be reflected in the ratemaking process. Our procedures incorporate this reflection through the application of symbol trend factors of 1.073 and 1.045 for comprehensive and collision, respectively, for year ended 9/30/2008; and 1.054 and 1.034 for comprehensive and collision, respectively, for year ended 9/30/2009. These symbol trends on an annual basis are:

Comprehensive	1.8%
Collision	1.2%

Other Adjustments

Standard actuarial procedures have been used in calculating the loss costs, including adjusting the liability losses to ultimate settlement level and, for all coverages, reflecting all loss adjustment expenses.

SIZE OF ISO DATABASE

The market share of all insurers included in the ISO database in this state as measured by Annual Statement Statutory Page 14 written premium for the year ending 12/31/2008 is:

Liability (ASLOB 19.2)	Physical Damage (ASLOB 21.1)
47.0%	38.4%

TEN LARGEST COMPANIES IN ISO DATABASE

LIABILITY	PHYSICAL DAMAGE
1. Concord Group Insurance Pool	1. Concord Group Insurance Pool
2. GEICO	2. Quincy Mutual Group
3. MMG Insurance Co.	3. MMG Insurance Co.
4. Tower Group Cos.	4. USAA Group
5. Quincy Mutual Group	5. Liberty Mutual Agency Markets
6. USAA Group	6. Travelers Group
7. Liberty Mutual Agency Markets	7. GEICO
8. Travelers Group	8. Frankenmuth Financial Group
9. Hartford Insurance Group	9. Hartford Insurance Group
10. Frankenmuth Financial Group	10. Vermont Mutual Group

Insurers are listed in descending order based on the percent of statewide earned exposures in the ISO database for the year ending 9/30/2009.

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LOSS COST LEVEL REVISION

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SYSTEMS IMPACT

This document also contains other revisions that may affect company policy writing systems. These include:

- Shift in base model year from 2010 to 2011.
- Introduction of a new symbol table, with separate symbols for Comprehensive and Collision coverages, effective for the 2011 Model Year.

PRIOR ISO REVISIONS

The latest loss cost revisions in the state of Maine are:

Filing Designation	PP-2009-BRLA1	PP-2008-BRLA1	PP-2007-BRLA1*
Dates			
Filed	08/28/2009	08/18/2008	09/05/2007
Approved	09/01/2009	10/09/2008	01/11/2008
Effective	03/01/2010	03/01/2009	03/01/2008**
Implemented Changes			
S/L Liability	+ 2.9%	- 2.5%	- 1.0%
Bodily Injury	+ 3.6%	- 8.2%	- 10.0%
Property Damage	- 0.3%	+ 4.1%	- 1.2%
Medical Payments	- 0.8%	+ 1.6%	- 3.1%
UM/UIM BI	+ 1.9%	- 11.6%	+ 9.6%
Sub-Total	+ 1.9%	- 3.1%	- 2.6%
Comprehensive	+10.7%	- 7.3%	- 9.9%
Collision	+ 0.1%	- 15.1%	- 7.0%
Sub-Total	+ 2.6%	- 13.4%	- 7.7%
Total	+ 2.2%	- 7.5%	- 5.1%

*Amended filing.
** Effective date for trend purposes only.

INSURANCE SERVICES OFFICE, INC.

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INSURER DECISION

We encourage each insurer to decide independently whether the judgments made and the procedures or data used by Insurance Services Office, Inc. (ISO) in developing the loss costs contained herein are appropriate for its use. We have included within this document the information upon which ISO relied in order to enable companies to make such independent judgments.

The data underlying the enclosed material comes from companies reporting to Insurance Services Office, Inc. Therefore, the ISO experience permits the establishment of a much broader statistical ratemaking base than could be employed by using any individual insurer's data. A broader data base enhances the validity of ratemaking analysis derived therefrom. At the same time, however, an individual company may benefit from a comparison of its own experience to the aggregate ISO experience, and may reach valid conclusions with respect to the manner in which its own costs can be expected to differ from ISO's projections based on the aggregate data.

Some calculations included in this document involve areas of ISO staff judgment. Each insurer should carefully review and evaluate its own experience in order to determine whether the ISO selected loss costs are appropriate for its use.

The material has been developed exclusively by the staff of Insurance Services Office, Inc.

INSURANCE SERVICES OFFICE, INC.

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SECTION B – CALCULATION OF CHANGES

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OVERVIEW OF ISO ACTUARIAL PROCEDURES FOR LIABILITY AND PHYSICAL DAMAGE COVERAGES

INTRODUCTION

Personal Auto filed loss costs are determined by evaluating the adequacy of the present loss cost provisions to pay for our best estimate of losses and all loss adjustment expenses that will be incurred in the prospective (or future) period. This evaluation is done separately by coverage.

STEP 1: DETERMINATION OF STATEWIDE LOSS COST INDICATION

The first step in this process is the determination of the statewide loss cost indication. In other words, what percentage changes on average must be made to the present ISO loss costs in order to achieve adequacy for the prospective conditions? The percentage changes are presented on the exhibits labeled "Calculation of Statewide Loss Cost Level Changes."

STEP 2: DISTRIBUTION TO TERRITORIES

ISO then distributes the statewide loss cost indication to the individual territorial loss costs by comparing the relative loss experience by territory to the statewide average.

STEP 3: APPLICATION OF PERCENTAGE CHANGES

The last step is the calculation of the ISO filed loss costs. This is achieved by applying the territory indicated changes to the present ISO loss costs. For liability, the percentage change is applied at the basic limit; for physical damage, it is applied at the base model year and symbol and base deductible. The resulting base class loss costs are displayed in Section A.

Loss costs for higher policy limits for liability are then generated using the applicable increased limits factors, which are the result of a separate actuarial analysis. Similarly, loss costs for physical damage by model year, symbol and deductible are generated by the applicable factors contained in Section C.

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OVERVIEW OF CALCULATION OF STATEWIDE LOSS COST LEVEL CHANGES FOR LIABILITY AND PHYSICAL DAMAGE COVERAGES

OBJECTIVE

The objective of this procedure is to determine the indicated statewide loss cost level changes for Liability and Physical Damage coverages. This procedure answers the question: what percentage changes must be made on average to the present loss costs in order for them to be adequate to cover our best estimate of indemnity losses and all loss adjustment expenses that will be incurred in the prospective period in which the filed loss costs will be used?

DESCRIPTION

This procedure compares the weighted projected loss cost to the present loss cost provision . For Liability, the projected loss cost is the developed and trended incurred losses and loss adjustment expenses per earned exposure. For Physical Damage, the projected loss cost is the trended incurred losses and loss adjustment expenses per earned exposure. The weighted projected loss cost is the weighted average of the projected loss costs of the two years of experience. It is the trended incurred losses and loss adjustment expense per earned exposure after credibility weighting each year's projected loss cost with the trended present loss cost provision. Credibility is applied to minimize the impact of random variation in the observed losses. The weights applied to the two years of experience are determined as a function of the volume of claim experience. For Physical Damage, the present loss cost provision used in this procedure reflects both model year and symbol trend.

EXPERIENCE BASE

The experience used in this review is the latest available as reported under the ISO Personal Automobile Statistical Plan. The data is aggregated on an accident year basis for Liability and on a calendar year basis for Physical Damage.

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TABLE B1

CALCULATION OF STATEWIDE LOSS COST LEVEL CHANGES
FOR LIABILITY COVERAGES (A)

Coverage	Accident Years Ended	(1) Earned Exposures	(2) Incurred Losses & Loss Adjustment Expenses(B)	(3) Average Annual Change In Losses (Trend)	(4) Credibility
	09/30/2008	489,605	$33,626,023	+ 0.6%	1.00
Bodily Injury	09/30/2009	485,121	33,454,825	+ 0.6%	1.00
	09/30/2008	489,605	$36,171,305	+ 4.1%	1.00
Property Damage	09/30/2009	485,121	37,027,866	+ 4.1%	1.00
	09/30/2008	489,605	$2,404,938	+ 2.4%	1.00
Medical Payments	09/30/2009	485,121	2,329,062	+ 2.4%	1.00

Coverage	(5) Projected Loss Cost	(6) Year Weights	(7) Weighted Projected Loss Cost	(8) Present Loss Cost Provision	(9) Indicated Change	(10) Filed Change
	$70.33	40%				
Bodily Injury	70.20	60%	$70.25	$66.18	+ 6.1%	+ 6.1%
	$86.51	0%				
Property Damage	85.79	100%	$85.79	$73.61	+ 16.5%	+ 16.5%
	$5.39	30%				
Medical Payments	5.15	70%	$5.22	$4.79	+ 9.0%	+ 9.0%

Coverage	(11) Single Limit Loss Cost Change Indicated	(12) Filed
Single Limit Liability	+ 11.4%	+ 11.4%

(A) Experience includes 50/100 Bodily Injury, $25000 Property Damage, and $1000 Medical Payments.

(B) Incurred losses have been adjusted by the following factors:

1. Loss Development Factors:

Year Ended	B.I.	P.D.	Med Pay
09/30/2008	1.050	1.002	0.970
09/30/2009	1.076	1.021	0.868

2. Unallocated Loss Adjustment Expense Factors: 1.125 1.135 1.125

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TABLE B2

CALCULATION OF STATEWIDE LOSS COST LEVEL CHANGES
FOR PHYSICAL DAMAGE COVERAGES (A)

Coverage	(1) Calendar Years Ended	(2) Earned Exposures	(3) Incurred Losses & Loss Adjustment Expenses (B)	(4) Average Annual Change In Losses (Trend)	(5) Credibility
	09/30/2008	362,332	$16,195,372	- 0.9%	1.00
Comprehensive	09/30/2009	381,046	14,980,714	- 0.9%	1.00
	09/30/2008	307,315	$39,998,679	- 0.5%	1.00
Collision	09/30/2009	311,766	41,220,344	- 0.5%	1.00

Coverage	(6) Projected Loss Cost	(7) Year Weights	(8) Weighted Projected Loss Cost	(9) Present Loss Cost Provision	(10) Indicated Change	(11) Filed Change
	$43.13	0%				
Comprehensive	38.29	100%	$38.29	$49.54	- 22.7%	- 22.7%
	$127.68	0%				
Collision	130.23	100%	$130.23	$144.75	- 10.0%	- 10.0%

(A) Experience includes Full Coverage, $50 Deductible, $100 Deductible, $200 Deductible, $250 Deductible, $500 Deductible, and $1,000 Deductible Comprehensive adjusted to a $100 Deductible level, and $100 Deductible, $200 Deductible, $250 Deductible, $500 Deductible, and $1,000 Deductible Collision adjusted to a $500 Deductible level.

(B) Losses are adjusted from a paid to incurred basis and to include all loss adjustment expenses by a factor of 1.165.

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EXPLANATORY NOTES TO TABLES B1 AND B2

COLUMN (1) — EARNED EXPOSURES

The exposures for liability and physical damage coverages are those exposures that have been earned during the latest two available accident years ending 9/30/2008 and 9/30/2009.

COLUMN (2) — INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

LIABILITY COVERAGES (TABLE B1)

For Liability, the incurred losses displayed are basic limit losses including all loss adjustment expenses and developed to an ultimate settlement basis.

Incurred Losses

The indemnity losses used in this review are limited to the Financial Responsibility Limits for Bodily Injury, Property Damage, and Medical Payments losses.

Allocated Loss Adjustment Expenses

Incurred indemnity losses are combined with allocated loss adjustment expenses, which are the expenses incurred by a carrier in connection with claim settlements that can be directly allocated to a particular claim.

Unallocated Loss Adjustment Expense Factors

Unallocated loss adjustment expenses, those expenses that cannot be allocated to any one claim, are included by applying appropriate factors to the incurred losses and allocated loss adjustment expenses. The factors used in this review are based on three years of countrywide experience as shown in Tables C1-1 and C1-2.

Loss Development Factors

The incurred losses and loss adjustment expenses are developed to an ultimate settlement basis by applying loss development factors.

EXPLANATORY NOTES TO TABLES B1 AND B2 (Cont'd)

COLUMN (2) (Cont'd)

Application of Loss Development Factors

The loss development factors used in this review are based on statewide experience for Bodily Injury and Property Damage Liability and Medical Payments as shown in Tables C2-1 to C2-3.

PHYSICAL DAMAGE COVERAGES (TABLE B2)

For Physical Damage, the reported paid losses are adjusted to an incurred basis and to include all loss adjustment expenses. The factor used in this review is based on three years of countrywide experience as shown in Table C1-3.

All Physical Damage loss and claim experience is adjusted to a common deductible basis.

The data for Comprehensive coverage includes Full Coverage, $50 Deductible, $100 Deductible, $200 Deductible, $250 Deductible, $500 Deductible and $1000 Deductible Comprehensive paid losses adjusted to a $100 level. Comprehensive paid losses for each deductible are adjusted to a $100 deductible level separately for each Comprehensive type of loss category using factors determined separately for each Comprehensive type of loss. Since the state-specific type of loss distribution determines the overall adjustment factors, overall factors to adjust losses to a common level vary by state and year for Comprehensive coverages.

The data for Collision coverage includes $100 Deductible, $200 Deductible, $250 Deductible, $500 Deductible and $1000 Deductible Collision paid losses adjusted to a $500 Deductible level.

Wind and Water Procedure (Comprehensive only)

To ensure stability of indicated loss costs while maintaining adequacy in the event of large, unexpected losses, a wind and water adjustment procedure is used in the development of Personal Auto loss costs. This procedure adjusts the wind and water losses from each year of the experience period in a manner such that the resulting wind and water losses comprise a consistent percentage of the total Comprehensive losses. Hence, violent shifts in loss costs (both upward and downward), which might result from reflecting highly variable wind and water losses only in the year in which they occur, will be avoided.

This procedure involves determining the long term average ratio of wind and water losses to non-wind losses, and then replacing the actual wind and water losses for each year of the experience period with an amount corresponding to the long term average ratio. The derivation of the adjusted Comprehensive losses is shown in Tables C6-1 and C6-2.

EXPLANATORY NOTES TO TABLES B1 AND B2 (Cont'd)

COLUMN (3) — AVERAGE ANNUAL CHANGE IN LOSSES (LOSS TREND)

LIABILITY COVERAGES (TABLE B1)

The historic average annual change (trend) in liability losses is calculated by coverage. For Bodily Injury, Property Damage, and Medical Payments coverages, the selected average annual changes in losses are based upon the latest available average paid claim cost and paid claim frequency data. The claim cost data represents the inflationary trend in the cost of claims. The claim frequency data is used as a measure of the trend in claim occurrence. The statewide claim cost data is credibility weighted with comparable regional data utilizing the credibility standards shown in Table C10. Credibility is based on the number of claims underlying the latest year's experience appearing in the trend exhibit shown in Table C3-2. For all coverages, frequencies were selected based on more recent trend patterns. Overall average annual change in losses (trend) is then determined by coverage.

PHYSICAL DAMAGE COVERAGES (TABLE B2)

The average annual change (trend) in physical damage losses is selected by coverage. For Collision, the selected average annual change in losses is based upon the latest available average paid claim cost data and paid claim frequency data for Collision. For Collision, frequencies were selected based on more recent trend patterns. For Comprehensive, the average annual change in losses is based upon the latest available average paid claim cost data for Collision. For Comprehensive, frequency trend is unpredictable over time due to catastrophes; a Comprehensive claim frequency trend of 0.0% is selected in the absence of any other information. The claim cost data represents the inflationary trend in the cost of claims. The claim frequency selection is used as a measure of the trend in claim occurrence. The statewide claim cost data is credibility weighted with comparable regional data utilizing the credibility standards shown in Table C10. Credibility is based on the number of claims underlying the latest year's experience appearing in the trend exhibit shown in Table C4-1. Overall average annual changes in losses (trend) are then determined by coverage. The Comprehensive overall annual change is then adjusted by multiplying by the trend leveraging effect set forth in Table C5.

EXPLANATORY NOTES TO TABLES B1 AND B2 (Cont'd)

COLUMN (4) CREDIBILITY

Coverage credibility is based on each coverage's latest two-year number of claims (see Table C10).

COLUMN (5) PROJECTED LOSS COSTS

The projected loss cost is calculated as follows:

$[(\{(2) \times (1.0 + (3))^{n}\} \div (1)) \times (4)] + [(8) \times (1.0 + (3))^{N} \times (1.0 - (4))]$

where (3) is calculated in the last line of the trend summary exhibit (Table C3-1) and

n = the number of years of projection from the average date of accident to one year past the assumed effective date of this review. For the earlier year, n is equal to 3.92 and the average date of accident is 4/1/2008. For the later year, n is equal to 2.92 and the average date of accident is 4/1/2009. For both years, the assumed effective date of this review is 3/1/2011.

N = the number of years from one year past the assumed effective date of the latest revision to one year past the assumed effective date of this review. For both years, N is equal to 1.00, the assumed effective date of the latest revision is 3/1/2010, and the assumed effective date of this review is 3/1/2011.

Bodily Injury: $[(\{\$33,454,825 \times (1.006)^{2.92}\} \div 485,121) \times 1.00] +$
(9/30/2009) $[\$66.18 \times (1.006)^{1.00} \times (1.0 - 1.00)] = \$70.20$

Note that trend factors raised to exponential factors are rounded to three decimal places in the above calculations.

COLUMN (6) YEAR WEIGHTS

Year weights are based on each coverage's average number of claims for the latest two years (see Table C10). Note that in the case of 0-100% weights, experience for the earlier year is displayed for informational purposes only.

COLUMN (7) WEIGHTED PROJECTED LOSS COST

The projected loss costs are combined using the year weights displayed.

EXPLANATORY NOTES TO TABLES B1 AND B2 (Cont'd)

COLUMN (8) PRESENT LOSS COST PROVISION

The present loss cost provision is based on the loss costs set forth in Maine Personal Auto Filing, PP-2009-BRLA1.

For Physical Damage only, the present loss cost provision also reflects the following:

Effect of Model Year Rating

Due to Model Year Rating, the loss costs used to develop the statewide indicated changes are adjusted to reflect the increased revenue which will be generated by the introduction of the newer model year vehicles during the period in which the revised loss costs will be effective. This adjustment factor is called Model Year Trend. The calculation of Model Year Trend is shown in Table C8-1.

Effect of Symbol Rating

Due to reasonably anticipated changes in the average symbols, the loss costs used to develop the indicated changes are adjusted to reflect the increased revenue which will be generated by the higher average symbol relativity resulting from the introduction of higher valued, newer model year cars during the period in which loss costs will be effective. This adjustment factor is called Symbol Trend. The calculation of Symbol Trend is shown in Tables C7-1 to C7-4.

COLUMN (9) INDICATED CHANGE

The loss cost level change is the weighted projected loss cost, Column (7), divided by the present loss cost provision, Column (8).

COLUMN (10) FILED CHANGE

The filed changes equal the indicated changes.

EXPLANATORY NOTES TO TABLES B1 AND B2 (Cont'd)

COLUMNS (11), (12) — SINGLE LIMIT LOSS COST LEVEL CHANGE

LIABILITY COVERAGES ONLY (TABLE B1)

The Single Limit Liability change is calculated by increasing the Bodily Injury and Property Damage basic limit average loss cost provisions to the single limit level and discounting the lower of the two.

The present single limit average loss cost provision is calculated by increasing the 50/100 Bodily Injury and $25,000 Property Damage basic limit average loss cost provisions for year ended 9/30/2009 to the $125,000 single limit level and discounting the lower of the two average loss costs. The discount factor (.910) is necessary because a $125,000 Single Limit policy affords less coverage than a combined $125,000/$125,000 Bodily Injury and $125,000 Property Damage policy. Such a combined policy affords up to $250,000 total coverage.

The filed single limit average loss cost provision is calculated by first multiplying the 50/100 BI and $25,000 PD basic limit average loss cost provisions by the filed changes for BI and PD, respectively. Then, these filed loss cost provisions are increased to the $125,000 single limit level by multiplying by the increased limits factors, and the lower of the two average loss costs is discounted. The Single Limit filed change is the filed Single Limit average loss cost provision divided by the present Single Limit average loss cost provision.

Present Single Limit Average Loss Cost Provision:

BI $ 66.36 x 1.280 = $ 84.94; $ 84.94 x 1.000 = $ 84.94
PD $ 73.61 x 1.130 = $ 83.18; $ 83.18 x 0.910 = $ 75.69
$160.63

Filed Single Limit Average Loss Cost Provision:

BI $ 66.36 x 1.061 = $ 70.41; $ 70.41 x 1.280 = $ 90.12; $90.12 x 0.910 = $ 82.01
PD $ 73.61 x 1.165 = $ 85.76; $ 85.76 x 1.130 = $ 96.91; $96.91 x 1.000 = $ 96.91
$178.92

Single Limit Loss Cost Level Change:

$178.92 ÷ $160.63 = 1.114 or +11.4%

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OVERVIEW OF CALCULATION OF FILED LOSS COSTS BY TERRITORY FOR LIABILITY AND PHYSICAL DAMAGE COVERAGES

OBJECTIVE

The objective of this procedure is to distribute the statewide loss cost indication by territory. In other words, what percentage changes by territory should be made in order to equitably achieve an adequate statewide prospective loss cost level? The percentage changes by territory are then applied to present base class loss costs to produce filed base class loss costs.

OVERVIEW OF PROCEDURE

This procedure compares the individual territory experience ratios to the statewide average experience ratio. The territory experience ratio is calculated for the latest 3 years and a statewide weighted average experience ratio for the same period is calculated based on the earned car years. The territory experience ratio is then credibility weighted with the statewide average experience ratio to produce a credibility-weighted ratio. To determine the territory index to state, the credibility-weighted ratio is compared to the statewide credibility weighted average experience ratio. This index multiplied by the statewide filed change produces the filed percentage change for the individual territories and is applied to the present territory base class loss cost to produce the filed base class loss cost by territory. Filed base class loss costs by territory have been offset to reflect the change in base model year. The offsets for the change in base model year are shown on Tables C12-1 and C12-2.

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TABLE B3-1

BODILY INJURY INSURANCE LOSS COSTS

CALCULATION OF FILED LOSS COSTS BY TERRITORY

Terr.	(1) Earned Car Years Yr. Ended 09/30/2009	(2) Pres. Avg. Loss Cost Prov.	(3) 50/100 Loss Cost 3 Yrs. Ended 09/30/2009	(4) Exper-ience Ratio	(5) Cred	(6) Cred. Wtd. Ratio	(7) Index (6) To State	(8) 50/100 Base Class Loss Cost Pres.	(9) 50/100 Base Class Loss Cost Filed
31	28,085	$ 63.87	$ 77.85	1.219	0.4	1.108	1.063	$ 76	$ 86
32	48,490	74.15	86.32	1.164	0.5	1.099	1.055	88	99
33	18,520	59.39	63.52	1.070	0.3	1.045	1.003	69	73
34	71,941	69.02	77.09	1.117	0.7	1.092	1.048	78	87
35	48,641	65.57	62.95	0.960	0.4	1.004	0.964	77	79
36	30,819	72.51	74.04	1.021	0.4	1.029	0.988	85	89
37	10,056	89.96	91.83	1.021	0.2	1.031	0.989	106	111
38	15,907	82.27	85.12	1.035	0.3	1.034	0.992	95	100
39	18,836	80.15	69.32	0.865	0.3	0.983	0.943	93	93
40	34,730	62.23	58.32	0.937	0.4	0.995	0.955	76	77
41	39,623	57.45	49.86	0.868	0.3	0.984	0.944	70	70
42	29,277	65.20	72.22	1.108	0.4	1.064	1.021	74	80
43	16,538	55.33	54.03	0.977	0.2	1.023	0.982	69	72
44	24,720	67.67	66.11	0.977	0.3	1.017	0.976	82	85
45	36,085	48.94	50.30	1.028	0.3	1.032	0.990	59	62
46	12,853	69.19	62.03	0.897	0.2	1.007	0.966	83	85
State-Wide	485,121	66.36	68.60	1.034		1.042			

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TABLE B3-2

PROPERTY DAMAGE INSURANCE LOSS COSTS

CALCULATION OF FILED LOSS COSTS BY TERRITORY

Terr.	(1) Earned Car Years Yr. Ended 09/30/2009	(2) Pres. Avg. Loss Cost Prov.	(3) $25,000 Loss Cost 3 Yrs. Ended 09/30/2009	(4) Exper-ience Ratio	(5) Cred	(6) Cred. Wtd. Ratio	(7) Index (6) To State	(8) $25,000 Base Class Loss Cost Pres.	(9) $25,000 Base Class Loss Cost Filed
31	28,085	$ 82.37	$ 86.04	1.045	0.9	1.041	1.034	$ 98	$118
32	48,490	66.59	67.71	1.017	1.0	1.017	1.010	79	93
33	18,520	74.07	73.05	0.986	0.7	0.992	0.985	86	99
34	71,941	91.19	95.84	1.051	1.0	1.051	1.044	103	125
35	48,641	74.96	71.03	0.948	1.0	0.948	0.941	88	96
36	30,819	78.53	74.47	0.948	0.9	0.954	0.947	92	101
37	10,056	84.93	79.73	0.939	0.5	0.972	0.965	100	112
38	15,907	92.68	93.22	1.006	0.7	1.006	0.999	107	125
39	18,836	81.02	72.50	0.895	0.7	0.928	0.922	94	101
40	34,730	68.10	72.51	1.065	0.9	1.059	1.052	83	102
41	39,623	56.65	56.85	1.004	0.9	1.004	0.997	69	80
42	29,277	81.06	86.33	1.065	0.9	1.059	1.052	92	113
43	16,538	52.14	52.49	1.007	0.5	1.006	0.999	65	76
44	24,720	66.01	65.64	0.994	0.7	0.997	0.990	80	92
45	36,085	56.42	53.69	0.952	0.8	0.963	0.956	68	76
46	12,853	62.53	62.55	1.000	0.5	1.003	0.996	75	87
State-Wide	485,121	73.61	73.96	1.005		1.007			

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TABLE B3-3

MEDICAL PAYMENTS INSURANCE LOSS COSTS

CALCULATION OF FILED LOSS COSTS BY TERRITORY

Terr.	(1) Earned Car Years Yr. Ended 09/30/2009	(2) Pres. Avg. Loss Cost Prov.	(3) $1,000 Loss Cost 3 Yrs. Ended 09/30/2009	(4) Exper-ience Ratio	(5) Cred	(6) Cred. Wtd. Ratio	(7) Index (6) To State	(8) $2,000 Base Class Loss Cost Pres.	(9) Filed
31	28,085	$ 4.88	$ 5.07	1.039	0.4	1.037	1.001	$ 13	$ 14
32	48,490	5.40	5.93	1.098	0.5	1.067	1.030	14	16
33	18,520	3.85	3.14	0.816	0.2	0.991	0.957	10	10
34	71,941	4.36	4.59	1.053	0.6	1.046	1.010	11	12
35	48,641	4.62	4.45	0.963	0.5	0.999	0.964	12	13
36	30,819	4.64	4.93	1.063	0.4	1.046	1.010	12	13
37	10,056	6.04	6.87	1.137	0.2	1.055	1.018	16	18
38	15,907	6.27	6.71	1.070	0.3	1.046	1.010	16	18
39	18,836	6.28	5.23	0.833	0.3	0.974	0.940	16	16
40	34,730	4.86	5.17	1.064	0.4	1.047	1.011	13	14
41	39,623	4.98	4.82	0.968	0.4	1.008	0.973	13	14
42	29,277	4.44	4.97	1.119	0.3	1.060	1.023	11	12
43	16,538	4.81	5.16	1.073	0.3	1.046	1.010	13	14
44	24,720	4.12	5.02	1.218	0.3	1.090	1.052	11	13
45	36,085	3.91	3.86	0.987	0.4	1.016	0.981	10	11
46	12,853	5.86	6.07	1.036	0.3	1.035	0.999	15	16
State-Wide	485,121	4.79	4.96	1.035		1.036			

INSURANCE SERVICES OFFICE, INC.

MAINE
PERSONAL AUTO INSURANCE

TABLE B3-4

$500 DEDUCTIBLE COMPREHENSIVE INSURANCE LOSS COSTS

CALCULATION OF FILED LOSS COSTS BY TERRITORY

Terr.	(1) Earned Car Years Yr. Ended 09/30/2009	(2) Pres. Avg. Loss Cost Prov.	(3) $100 Ded. Loss Cost 3 Yrs. Ended 09/30/2009	(4) Exper-ience Ratio	(5) Cred	(6) Cred. Wtd. Ratio	(7) Index (6) To State	(8) $500 Ded. 2011 Symbol 11 Base Class Loss Cost Pres.	(9) Filed
31	25,819	$ 51.57	$ 41.78	0.810	1.0	0.810	0.964	$ 34	$ 25
32	35,204	54.59	45.12	0.827	1.0	0.827	0.985	39	30
33	14,915	42.16	37.08	0.880	0.7	0.869	1.035	27	22
34	61,184	39.24	34.46	0.878	1.0	0.878	1.045	25	20
35	38,286	46.82	39.56	0.845	1.0	0.845	1.006	32	25
36	23,990	45.75	41.26	0.902	0.9	0.896	1.067	32	26
37	8,274	44.56	39.69	0.891	0.5	0.867	1.032	30	24
38	13,574	32.13	27.50	0.856	0.6	0.851	1.013	22	17
39	14,650	40.85	31.20	0.764	0.7	0.788	0.938	28	20
40	26,682	43.81	39.14	0.893	0.9	0.888	1.057	30	24
41	27,214	64.46	54.95	0.852	1.0	0.852	1.014	47	37
42	22,243	42.85	38.05	0.888	0.9	0.884	1.052	28	23
43	13,065	69.18	58.13	0.840	0.8	0.841	1.001	50	39
44	19,705	58.77	50.84	0.865	0.9	0.863	1.027	41	32
45	27,316	70.21	49.01	0.698	1.0	0.698	0.831	53	34
46	8,925	49.89	47.65	0.955	0.6	0.910	1.083	37	31
State-Wide	381,046	49.54	41.74	0.843		0.840			

INSURANCE SERVICES OFFICE, INC.

MAINE
PERSONAL AUTO INSURANCE

TABLE B3-5

$500 DEDUCTIBLE COLLISION INSURANCE LOSS COSTS

CALCULATION OF FILED LOSS COSTS BY TERRITORY

Terr.	(1) Earned Car Years Yr. Ended 09/30/2009	(2) Pres. Avg. Loss Cost Prov.	(3) $500 Ded. Loss Cost 3 Yrs. Ended 09/30/2009	(4) Exper-ience Ratio	(5) Cred	(6) Cred. Wtd. Ratio	(7) Index (6) To State	(8) $500 Ded. 2011 Symbol 11 Base Class Loss Cost Pres.	(9) Filed
31	21,840	$145.55	$132.31	0.909	1.0	0.909	1.002	$179	$164
32	28,257	150.35	135.90	0.904	1.0	0.904	0.997	195	177
33	13,212	135.97	123.04	0.905	0.7	0.906	0.999	165	150
34	50,739	139.31	130.99	0.940	1.0	0.940	1.036	167	158
35	31,679	139.29	123.33	0.885	1.0	0.885	0.976	174	155
36	19,452	145.83	134.41	0.922	0.9	0.921	1.015	186	172
37	6,960	151.11	141.02	0.933	0.5	0.920	1.014	192	178
38	10,701	148.42	132.76	0.894	0.7	0.898	0.990	186	168
39	11,896	134.41	110.44	0.822	0.7	0.848	0.935	170	145
40	22,127	145.70	132.40	0.909	0.9	0.909	1.002	190	174
41	21,528	157.90	135.21	0.856	0.9	0.861	0.949	209	181
42	18,720	143.15	132.23	0.924	0.9	0.922	1.017	172	160
43	10,109	156.96	141.45	0.901	0.6	0.903	0.996	205	186
44	15,659	160.51	145.73	0.908	0.8	0.908	1.001	204	186
45	21,600	135.37	123.93	0.915	0.9	0.914	1.008	181	167
46	7,287	140.12	136.50	0.974	0.5	0.941	1.037	186	176
State-Wide	311,766	144.75	131.31	0.907		0.907			

MAINE
PERSONAL AUTO INSURANCE

EXPLANATORY NOTES TO TABLES B3-1 TO B3-5

COLUMN (1) — EARNED CAR YEARS

The exposures for liability and physical damage coverages are those exposures that have been earned during the latest available accident year ending 9/30/2009.

COLUMN (2) — PRESENT AVERAGE LOSS COST PROVISION

For liability and physical damage, the average loss cost is based on the accident year ending 9/30/2009 exposure distribution and reflects the base class loss costs as set forth in PP-2009-BRLA1.

COLUMN (3) — LOSS COST 3 YEARS ENDED 9/30/2009

The experience loss cost (losses ÷ exposures) is based on three years of experience for purposes of stability.

LIABILITY COVERAGES (TABLES B3-1 TO B3-3)

For Bodily Injury, Property Damage and Medical Payments this is based on the three accident years ended 9/30/2009, which have been developed to an ultimate settlement basis and include all loss adjustment expenses.

PHYSICAL DAMAGE COVERAGES (TABLES B3-4 AND B3-5)

If a territory's wind and water loss percentage for a given year measurably exceeds its historical normal wind and water percentage, an adjustment to the wind and water losses is necessary. The loss costs for Comprehensive are adjusted by territory by replacing actual wind and water losses incurred in the latest three years with a long-term territory wind and water provision. For Comprehensive and Collision, the loss costs are based on the three calendar years ended 9/30/2009 and include all loss adjustment expenses.

COLUMN (4) — EXPERIENCE RATIO

For each coverage, a ratio by territory is derived by dividing the three-year experience loss cost, Column (3), by the present average loss cost provision, Column (2).

COLUMN (5) — CREDIBILITY

The ratio thus calculated is assigned a credibility value on the basis of the number of claims underlying the three-year loss cost. The complement of the credibility is assigned to the statewide ratio appearing in Column (4). The number of claims for each territory is displayed in Table C9.

COLUMN (6) — CREDIBILITY-WEIGHTED RATIO

The credibility-weighted ratio is a weighted average of the territory ratio and the statewide ratio. The formula is as follows:

[Terr. Col. (4) x Terr. Col. (5)] + [SW Col. (4) x (1.0 - Terr. Col. (5))]

EXPLANATORY NOTES TO TABLES B3-1 TO B3-5 (Cont'd)

COLUMN (7) — INDEX TO STATE

Territory indices to state are calculated by dividing the territory's credibility-weighted ratio (Column (6)) by the statewide ratio. To avoid extreme fluctuations in territory loss costs, the territory loss costs are limited by bounding the territory index to state above by 1.250 and below by .800, if applicable, such that no additional overall change in loss cost level results.

[Territory Column (6) ÷ SW Column (6)]

COLUMN (8) — PRESENT BASE CLASS LOSS COST

For Liability, the present base class loss costs are the loss costs set forth in Maine Personal Auto Filing PP-2009-BRLA1.

For Physical Damage, the present loss costs are based on the loss costs set forth in Maine Personal Auto Filing PP-2009-BRLA1 for Model Year 2011, Symbol 11 vehicles.

COLUMN (9) — FILED BASE CLASS LOSS COST

LIABILITY COVERAGES (TABLES B3-1 TO B3-3)

For each Liability coverage, the filed base class loss cost for a particular territory was calculated by multiplying the present base class loss cost by the statewide filed change from Table B1 and the territory index to state. Filed base class loss costs are calculated at the state's financial responsibility limit.

Bodily Injury Territory 31: $76 x 1.061 x 1.063 = $86

PHYSICAL DAMAGE COVERAGES (TABLES B3-4 AND B3-5)

For Physical Damage, the filed loss costs in Column (9) are Model Year 2011, Symbol 11.

They have been offset to reflect the change in base model year from 2010 to 2011. The offset factors applied are 0.998 and 1.014 for Comprehensive and Collision, respectively. (See Tables C12-1 and C12-2.)

For each Physical Damage coverage, the filed base class loss cost for a particular territory was calculated by multiplying the present base class loss cost by the statewide filed change from Table B2, the territory index to state, and the offset necessary to introduce the change in base model year on a revenue neutral basis. The resulting filed base class loss costs appear in Column (9).

Comprehensive Territory 31: $34 x 0.773 x 0.964 x 0.998 = $25

Collision Territory 31: $179 x 0.900 x 1.002 x 1.014 = $164

MAINE
PERSONAL AUTO INSURANCE

SECTION C – SUPPORTING MATERIAL

MAINE
PERSONAL AUTO INSURANCE

LOSS ADJUSTMENT EXPENSE FACTORS AND INCURRED TO PAID LOSS FACTORS

OBJECTIVE	The reported indemnity losses must be loaded for any loss adjustment expenses (LAE) that are not reported in statistical detail to ISO and, for the physical damage coverages, must be adjusted to an incurred basis.
LIABILITY COVERAGES	For the liability coverages, allocated loss adjustment expenses are reported in detail to ISO under the Personal Automobile Statistical Plan. Unallocated loss adjustment expenses must be loaded into the losses. A factor representing the ratio of the sum of the incurred indemnity losses plus all LAE to the sum of the incurred indemnity losses plus allocated LAE was selected based on countrywide financial data for ISO members and subscribers (see Tables C1-1 and C1-2).
PHYSICAL DAMAGE COVERAGES	For the physical damage coverages, only the paid indemnity losses are reported. All loss adjustment expenses must be loaded in and the paid losses must be adjusted to an incurred basis. A factor representing the ratio of incurred losses plus all LAE to paid losses was selected based on countrywide financial data for industrywide agency and direct writers combined and on countrywide loss data for all Best's reporting companies (see Table C1-3).

INSURANCE SERVICES OFFICE, INC.

MAINE
PERSONAL AUTO INSURANCE

TABLE C1-1

LIABILITY

COUNTRYWIDE EXPERIENCE FOR UNALLOCATED LOSS ADJUSTMENT EXPENSE FACTORS

Bodily Injury Liability

	2006	2007	2008
(1) Losses Incurred (A)	$11,636,008,000	$12,604,131,000	$13,127,652,000
(2) Loss Adjustment Expense Incurred (A)	2,368,656,000	2,464,005,000	2,529,895,000
(3) Allocated Loss Adjustment Expense Incurred (A)	807,192,000	783,045,000	857,070,000
(4) Unallocated Loss Adjustment Expense Incurred (A)	1,561,464,000	1,680,960,000	1,672,825,000
(5) Losses + Allocated Expense (1) + (3)	12,443,200,000	13,387,176,000	13,984,722,000
(6) Unallocated Percentage (4) ÷ (5) x 100%	12.55%	12.56%	11.96%
(7) Three Year Average	12.4%		
(8) Selected Provision	12.5%		

(A) Based on the Insurance Expense Exhibits and supplements to the Insurance Expense Exhibits for companies that are members or subscribers of ISO for Personal Auto.

INSURANCE SERVICES OFFICE, INC.

MAINE
PERSONAL AUTO INSURANCE

TABLE C1-2

LIABILITY

COUNTRYWIDE EXPERIENCE FOR UNALLOCATED LOSS ADJUSTMENT EXPENSE FACTORS

Property Damage Liability

	2006	2007	2008
(1) Losses Incurred (A)	$4,738,426,000	$5,214,425,000	$5,349,896,000
(2) Loss Adjustment Expense Incurred (A)	667,855,000	799,046,000	787,749,000
(3) Allocated Loss Adjustment Expense Incurred (A)	6,778,000	87,442,000	78,195,000
(4) Unallocated Loss Adjustment Expense Incurred (A)	661,077,000	711,604,000	709,555,000
(5) Losses + Allocated Expense (1) + (3)	4,745,204,000	5,301,867,000	5,428,091,000
(6) Unallocated Percentage (4) ÷ (5) x 100%	13.93%	13.42%	13.07%
(7) Three Year Average	13.5%		
(8) Selected Provision	13.5%		

(A) Based on the Insurance Expense Exhibits and supplements to the Insurance Expense Exhibits for companies that are members or subscribers of ISO for Personal Auto.

INSURANCE SERVICES OFFICE, INC.

MAINE
PERSONAL AUTO INSURANCE

TABLE C1-3

PHYSICAL DAMAGE

COUNTRYWIDE EXPERIENCE FOR FACTORS TO ADJUST PAID LOSSES

	2006	2007	2008
(1) Losses Incurred (A)	$37,078,649,000	$38,712,220,000	$40,429,106,000
(2) Loss Adjustment Expense Incurred (A)	6,410,366,000	6,671,089,000	6,397,710,000
(3) Losses Incurred + Loss Adjustment Expense Incurred (1) + (2)	43,489,015,000	45,383,309,000	46,826,816,000
(4) Losses and Loss Adjustment Expense Incurred as Ratio to Losses Incurred (3) ÷ (1)	1.1729	1.1723	1.1582
(5) Losses Incurred (B)	36,628,865,000	38,324,800,000	40,270,459,000
(6) Losses Paid (B)	37,046,232,000	38,253,839,000	39,982,769,000
(7) Ratio of Losses Incurred to Losses Paid (5) ÷ (6)	0.9887	1.0019	1.0072
(8) Factor to Adjust Paid Losses to Incurred Basis (Including Loss Adjustment Expenses)(4) x (7)	1.1597	1.1745	1.1666
(9) Three Year Average ([Average (8) - 1.0] x 100%)	16.7%		
(10) Selected Provision	16.5%		

(A) Based on the industrywide Insurance Expense Exhibits for agency and direct writers combined.

(B) Based on Page 14 reports of all Best's reporting companies for Personal Automobile.

MAINE
PERSONAL AUTO INSURANCE

LOSS DEVELOPMENT

IMPORTANCE OF APPLICATION

The application of loss development factors recognizes the important ratemaking concept that all of the losses for a particular accident year have not been finally determined at the time the experience is compiled.

APPLICATION OF LOSS DEVELOPMENT FACTORS

The incurred losses and loss adjustment expenses underlying the statewide loss cost level indications are for accident years ended September 30, 2008 and September 30, 2009 and were evaluated as of December 31, 2009.

Accident year ended September 30, 2009 includes all losses and loss adjustment expenses paid on accidents occurring from October 1, 2008 to September 30, 2009 and all losses and loss adjustment expenses outstanding on those accidents as of December 31, 2009, 15 months after the inception of the accident year.

Similarly, accident year ended September 30, 2008 includes all losses paid and outstanding as of 27 months after the inception of the accident year.

Thus, the immature experience reported as of 15 or 27 months must be adjusted to an ultimate settlement basis. This adjustment is accomplished through the use of a loss development factor.

ISO's latest analysis has determined that 87 months subsequent to the beginning of the accident year for Bodily Injury Liability and 39 months subsequent to the beginning of the accident year for Property Damage and Medical Payments Liability are sufficiently close to an ultimate settlement basis. The ultimate settlement basis is 87 months subsequent to the beginning of the accident year for Uninsured Motorists Bodily Injury.

The loss development factors used in this revision are based on statewide experience for Bodily Injury Liability, Property Damage Liability, Medical Payments and multistate experience for Uninsured Motorists Bodily Injury.

The initial loss development factors displayed in Tables C2-1 to C2-5 are calculated from the loss experience shown on each table. The final loss development factors are adjusted to reflect the loss development experience of an additional insurer included in the ISO database for the determination of ISO advisory loss costs in this document. The loss experience shown in each table does not include the experience for the additional insurer.

INSURANCE SERVICES OFFICE, INC.

Maine
Personal Auto Insurance
Loss Development
Bodily Injury
Table C2-1

Basic Limit Amount: $50,000/$100,000
All Companies Reporting (A)

Voluntary Only
Non-Miscellaneous Classes

BASIC INCURRED WITH ALAE

ACCIDENT YEAR END	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS	75 MONTHS	87 MONTHS
200106	29,207,933	34,020,746	34,950,468	35,526,266	35,723,543	36,142,044	35,991,577
200206	32,482,080	32,920,472	34,585,974	34,833,667	34,749,445	34,741,032	34,664,599
200306	31,731,693	34,892,581	36,521,468	36,248,495	36,245,119	36,329,705	36,330,169
200406	27,628,309	29,360,179	29,792,991	30,089,467	30,174,677	30,452,641	
200506	27,414,192	28,823,196	29,801,085	30,474,296	30,590,391		
200606	26,058,234	27,464,049	27,967,698	28,421,539			
200706	26,447,133	26,131,000	27,246,344				
200806	25,542,168	26,431,451					
200906	23,242,252						

LINK RATIOS

ACCIDENT YEAR END	27:15	39:27	51:39	63:51	75:63	87:75
200106	1.165	1.027	1.016	1.006	1.012	0.996
200206	1.013	1.051	1.007	0.998	1.000	0.998
200306	1.100	1.047	0.993	1.000	1.002	1.000
200406	1.063	1.015	1.010	1.003	1.009	
200506	1.051	1.034	1.023	1.004		
200606	1.054	1.018	1.016			
200706	0.988	1.043				
200806	1.035					
3 YEAR AVERAGE	1.026	1.032	1.016	1.002	1.004	0.998
INITIAL LOSS DEV FACTOR	15: 87 1.080	27: 87 1.053	39: 87 1.020	51: 87 1.004	63: 87 1.002	75: 87 0.998
FINAL LOSS DEV FACTOR (B)	15: 87 1.076	27: 87 1.050	39: 87 1.019	51: 87 1.003	63: 87 1.002	75: 87 0.998

(A) The loss experience shown does not include the experience for an additional insurer included in the determination of the ISO advisory loss costs in this document.
(B) Final loss development factors reflect the loss development experience of an additional insurer included in the ISO database.

Maine
Personal Auto Insurance
Loss Development
Property Damage
Table C2-2

Basic Limit Amount: $25,000
All Companies Reporting (A)

Voluntary Only
Non-Miscellaneous Classes

BASIC INCURRED WITH ALAE

ACCIDENT YEAR END	15 MONTHS	27 MONTHS	39 MONTHS
200506	29,494,199	30,298,680	30,367,090
200606	27,873,340	28,529,359	28,563,362
200706	27,681,137	28,012,548	28,095,203
200806	29,065,485	29,789,348	
200906	29,241,317		

LINK RATIOS

ACCIDENT YEAR END	27:15	39:27
200506	1.027	1.002
200606	1.024	1.001
200706	1.012	1.003
200806	1.025	
3 YEAR AVERAGE	27:15 1.020	39:27 1.002
INITIAL LOSS DEV FACTOR	15: 39 1.022	27: 39 1.002
FINAL LOSS DEV FACTOR (B)	15: 87 1.021	27: 87 1.002

(A) The loss experience shown does not include the experience for an additional insurer included in the determination of the ISO advisory loss costs in this document.
(B) Final loss development factors reflect the loss development experience of an additional insurer included in the ISO database.

Maine
Personal Auto Insurance
Loss Development
Medical Payment
Table C2-3

Basic Limit Amount: $1,000
All Companies Reporting (A)

Voluntary Only
Non-Miscellaneous Classes

BASIC INCURRED WITH ALAE

ACCIDENT YEAR END	15 MONTHS	27 MONTHS	39 MONTHS
200506	2,630,484	2,338,260	2,269,487
200606	2,540,268	2,289,004	2,232,522
200706	2,499,209	2,212,265	2,141,790
200806	2,289,558	2,033,733	
200906	2,210,012		

LINK RATIOS

ACCIDENT YEAR END	27:15	39:27
200506	0.889	0.971
200606	0.901	0.975
200706	0.885	0.968
200806	0.888	
3 YEAR AVERAGE	27:15 0.891	39:27 0.971
INITIAL LOSS DEV FACTOR	15: 39 0.865	27: 39 0.971
FINAL LOSS DEV FACTOR (B)	15: 87 0.868	27: 87 0.970

(A) The loss experience shown does not include the experience for an additional insurer included in the determination of the ISO advisory loss costs in this document.
(B) Final loss development factors reflect the loss development experience of an additional insurer included in the ISO database.

INSURANCE SERVICES OFFICE, INC.

Maine
Multistate (A)
Personal Auto Insurance
Loss Development
Bodily Injury
Table C2-4

Basic Limit Amount: $25,000/$50,000
All Companies Reporting (B)

Voluntary Only
Non-Miscellaneous Classes

BASIC INCURRED WITH ALAE

ACCIDENT YEAR END	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS	75 MONTHS	87 MONTHS
200106	46,390,487	54,463,525	56,650,518	57,261,638	57,142,825	57,158,630	57,140,117
200206	48,564,481	55,579,293	57,423,156	57,827,611	58,281,662	58,178,364	58,245,147
200306	49,045,634	55,231,947	57,862,021	58,009,538	58,041,387	58,151,697	58,121,029
200406	46,409,239	52,062,561	53,683,586	53,994,601	54,104,762	53,965,902	
200506	49,779,701	52,498,813	54,763,747	54,997,480	54,948,909		
200606	47,993,502	51,393,292	53,282,659	53,586,313			
200706	49,791,910	53,473,120	55,179,160				
200806	48,820,170	53,434,086					
200906	49,446,854						

LINK RATIOS

ACCIDENT YEAR END	27:15	39:27	51:39	63:51	75:63	87:75
200106	1.174	1.040	1.011	0.998	1.000	1.000
200206	1.144	1.033	1.007	1.008	0.998	1.001
200306	1.126	1.048	1.003	1.001	1.002	0.999
200406	1.122	1.031	1.006	1.002	0.997	
200506	1.055	1.043	1.004	0.999		
200606	1.071	1.037	1.006			
200706	1.074	1.032				
200806	1.095					
3 YEAR AVERAGE	1.080	1.037	1.005	1.001	0.999	1.000
INITIAL LOSS DEV FACTOR	15: 87 1.126	27: 87 1.042	39: 87 1.005	51: 87 1.000	63: 87 0.999	75: 87 1.000
FINAL LOSS DEV FACTOR (C)	15: 87 1.072	27: 87 1.018	39: 87 0.996	51: 87 1.000	63: 87 0.999	75: 87 1.000

(A) Includes AK, AR, DC, GA, ID, IN, ME, MO, MT, NC, NE, NH, NM, RI, SD, TN, VA, VT, WI and WY.
(B) The loss experience shown does not include the experience for an additional insurer included in the determination of the ISO advisory loss costs in this document.
(C) Final loss development factors reflect the loss development experience of an additional insurer included in the ISO database.

INSURANCE SERVICES OFFICE, INC.

Maine
Multistate (A)
Personal Auto Insurance
Loss Development
Bodily Injury
Table C2-5

Total Limits
All Companies Reporting (B)

Voluntary Only
Non-Miscellaneous Classes

BASIC INCURRED WITH ALAE

ACCIDENT YEAR END	15 MONTHS	27 MONTHS	39 MONTHS	51 MONTHS	63 MONTHS	75 MONTHS	87 MONTHS
200106	163,747,276	213,573,595	229,880,249	233,071,354	234,255,504	234,443,444	234,067,769
200206	168,399,369	213,087,134	230,062,539	232,675,889	234,244,415	234,597,330	233,923,338
200306	176,492,239	207,962,172	223,713,686	226,287,065	227,414,261	227,226,995	227,246,621
200406	176,125,518	216,563,717	229,279,095	230,885,489	229,777,956	228,756,651	
200506	180,608,999	211,453,214	226,661,040	227,169,249	226,401,897		
200606	187,049,294	220,709,219	233,227,404	232,452,100			
200706	190,245,867	219,346,917	232,217,643				
200806	186,416,176	212,905,579					
200906	190,747,918						

LINK RATIOS

ACCIDENT YEAR END	27:15	39:27	51:39	63:51	75:63	87:75
200106	1.304	1.076	1.014	1.005	1.001	0.998
200206	1.265	1.080	1.011	1.007	1.002	0.997
200306	1.178	1.076	1.012	1.005	0.999	1.000
200406	1.230	1.059	1.007	0.995	0.996	
200506	1.171	1.072	1.002	0.997		
200606	1.180	1.057	0.997			
200706	1.153	1.059				
200806	1.142					
3 YEAR AVERAGE	27:15 1.158	39:27 1.063	51:39 1.002	63:51 0.999	75:63 0.999	87:75 0.998
INITIAL LOSS DEV FACTOR	15: 87 1.228	27: 87 1.061	39: 87 0.998	51: 87 0.996	63: 87 0.997	75: 87 0.998
FINAL LOSS DEV FACTOR (C)	15: 87 1.192	27: 87 1.046	39: 87 0.994	51: 87 0.996	63: 87 0.997	75: 87 0.998

(A) Includes AK, AR, DC, GA, ID, IN, ME, MO, MT, NC, NE, NH, NM, RI, SD, TN, VA, VT, WI and WY.
(B) The loss experience shown does not include the experience for an additional insurer included in the determination of the ISO advisory loss costs in this document.
(C) Final loss development factors reflect the loss development experience of an additional insurer included in the ISO database.

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AVERAGE ANNUAL CHANGE IN LOSSES (LOSS TREND)

IMPORTANCE OF APPLICATION

The application of average annual change in losses to historical data recognizes two important ratemaking concepts. First, loss costs are being made for use in a future period based on historical experience. Second, due to economic and social factors, cost and frequency levels continue to change from those underlying the historical data.

LOSS TREND ANALYSIS

Trend Determination. The method of trend determination utilized by ISO in this revision makes use of the Least Squares Method fitted to the reported time series data; specifically, an exponential curve represented by the equation $Y = Ae^{Bx}$ is fitted to the claim cost and claim frequency data. The parameters A and B are calculated constants; x is the unit of time; e is the natural logarithm base with a numerical value of 2.7182818...; and Y is the fitted value on the curve.

ISO uses the latest twelve-point claim cost fit in coming up with the claim cost trend factor used in the overall pure premium trend factor. However, exceptions to this procedure have been applied in some cases where the short-term experience deviates drastically from the longer-term experience. In such cases, ISO has imposed actuarial judgment to make selections on the final claim cost or pure premium trend factor used. The fitted claim frequency curves are determined from the latest 6, 12, and 24 quarterly year-ended experience periods (6, 12, and 24-point trends).

The trend projection period is the number of years from the average date of loss of the experience period to the average date of loss underlying the prospective loss costs.

Average Dates of Loss. The average date of loss of the experience period is the midpoint of each year of data. This is 4/1/2008 for accident year ending 9/30/2008 and 4/1/2009 for accident year ending 9/30/2009.

The average date of loss underlying the projected loss costs is the midpoint of the two-year period (3/1/2011 to 3/1/2013) during which a loss could occur on a policy written during the year following the assumed effective date (3/1/2011). This assumes that there will be annual revisions, that policies are written for a period of one year, and that the writing of policies is evenly distributed throughout the year. The average date of loss is thus one year past the assumed effective date, or 3/1/2012.

AVERAGE ANNUAL CHANGE IN LOSSES (LOSS TREND) (Cont'd)

LOSS TREND ANALYSIS (Cont'd)

Historical Data. The historical data are shown in Tables C3-2 to C3-3 for Liability and Tables C4-1 to C4-2 for Physical Damage. The statewide claim cost trend is weighted with the comparable regional data, utilizing credibility standards based on the number of claims underlying the latest year's experience. The credibility table used is found in Table C10. The result of weighting the data is the average annual change in claim costs for each coverage. Regional data are used because analysis has shown significant variation in claim cost and frequency trends in different areas of the country. The regional data are displayed on Table C3-3 for Liability coverages and Table C4-2 for Collision.

Paid Claim Frequency Data. The paid claim frequency data over the latest 24 quarterly year-ended points often does not adequately capture the most recent changes in claims activity. The 24-point period reflects factors such as the growth of vehicles equipped with air bags, increase in seat belt usage, heightened awareness of the dangers of drinking and driving, increases in speed limits, the introduction of anti-fraud initiatives, unusual weather influences, and changes in economic conditions, which have all affected the general personal automobile insurance environment. Therefore, to better account for the recent changes in claims activity, we are relying more heavily on the fits covering more recent periods in determining the claim frequency selections.

The average annual changes in paid claim frequency are selected based on an analysis of the latest 6, 12, and 24-point fits of state and regional data, as appropriate, so as to reflect the trend of the claims activity more accurately. Other relevant information such as changes in the nature of a coverage or specific state requirements are also considered.

AVERAGE ANNUAL CHANGE IN LOSSES (LOSS TREND) (Cont'd)

LOSS TREND ANALYSIS (Cont'd)

The average annual changes in claim costs, as determined by the procedure described above, are consolidated with the selected average annual changes in claim frequency to obtain the average annual changes in losses as calculated in Table C3-1.

Physical Damage. The ISO procedure for Physical Damage trend is to use Collision claim cost data for $100, $200, $250, and $500 deductibles adjusted to a $500 deductible level for claim cost trend for both Comprehensive and Collision. Collision claim cost trend is used for Comprehensive claim cost trend because Collision trend data is unaffected by catastrophes and, like Comprehensive coverage, Collision coverage compensates insureds for damages to their vehicles.

Paid claim frequency trend for Collision is selected based on Collision claim frequency data using the procedure outlined above. A 0% trend continues to be selected for Comprehensive claim frequency.

Adjustment to Physical Damage Trend Factors for Leveraging Effect. An adjustment to trend factors based on trend data from all major deductibles adjusted to a $500 deductible level is applied to produce trend factors applicable to experience losses at lower base deductibles, which are used in the review of loss cost experience. Table C5 includes a detailed explanation of the trend leveraging effect and an exhibit showing the derivation of the adjustment made in this filing to account for this effect.

Frequency and Pure Premium Selections. ISO continues to analyze the calculated annual pure premium trends in order to determine if they are appropriate to apply to the trend projection period. In situations where ISO determines that the historical trend data may not be fully indicative of future trends, ISO uses judgment and relies on analyses of external influences to support any final pure premium trend selections for individual states. The supplemental trend information section provides a detailed analysis.

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TABLE C3-1

TREND SUMMARY

	50/100 B.I.	$25,000 P.D.	$1,000 M.P.	Comp.	Coll.
			CLAIM COSTS		
Average Annual Change in Paid Claim Costs					
1) State (12 point fit)	-3.0%	+3.5%	+2.9%	-2.3%	-2.3%
2) Selected	-3.0%	+3.5%	+2.9%	-1.0%	-1.0%
3) Regional (12 point fit)	+2.6%	+1.3%	+2.1%	-1.0%	-1.0%
4) Credibility (State)	0.35	0.80	0.35	0.90	0.90
5) Credibility (Region)	1.00	1.00	1.00	1.00	1.00
6) Weighted Average	+0.6%	+3.1%	+2.4%	-1.0%	-1.0%
7) Selected	+0.6%	+3.1%	+2.4%	-1.0%	-1.0%
			CLAIM FREQUENCIES		
Average Annual Change in Paid Claim Frequencies					
8) Selected	0.0%	1.0%	0.0%	0.0%	+0.5%
			LOSSES		
Average Annual Change in Losses					
9) Average Annual Change	+0.6%	+4.1%	+2.4%	-1.0%	-0.5%
10) Trend Leveraging	N/A	N/A	N/A	-0.9%	N/A
11) Final Selected	+0.6%	+4.1%	+2.4%	-0.9%	-0.5%

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EXPLANATORY NOTES TO TABLE C3-1

ROW (1)	The statewide average annual change in paid claim costs is based on an exponential curve of best fit for trend data through fourth quarter 2009. The Collision average annual change in paid claim costs is used for Comprehensive.
ROW (2)	A claim cost selection of -1.0% was made for Comprehensive and Collision to reflect a recent flattening in claim costs, as well as continued increases in the cost of motor vehicle repair as measured by the CPI.
ROW (3)	The regional average annual change in paid claim costs is based on an exponential curve of best fit for trend data through fourth quarter 2009. States included in the regional data are listed in Tables C3-3 and C4-2.
ROWS (4), (5)	Credibility is based on the latest year number of claims (see Table C10).
ROW (6)	The weighted average annual change in paid claim costs is calculated as follows: [(2) x (4) + (3) x ((5) - (4))]
ROW (7)	No selections were made for the weighted average annual change in paid claim costs.

EXPLANATORY NOTES TO TABLE C3-1 (Cont'd)

ROW (8) CLAIM FREQUENCIES

Bodily Injury. Maine Bodily Injury claim frequency data, which is 35% credible, is fairly flat over the last seven points. East Regional data is fluctuating. Based on this, a 0.0% claim frequency trend is selected.

Property Damage. Maine Property Damage claim frequency data, which is 80% credible, increases over nine of the last twelve points, with strong positive short and middle-term fits. As a result, a +1.0% claim frequency trend is selected.

Medical Payments. Maine Medical Payments claim frequency data, which is 35% credible, is somewhat cyclical, fluctuating over the long term. East Regional data is flat over the last twelve points. Based on this, a 0.0% claim frequency trend is selected.

Comprehensive. Comprehensive claim frequency trend is unpredictable over time, due to catastrophes. A Comprehensive claim frequency trend of 0.0% is selected in the absence of any other information.

Collision. Maine Collision claim frequency data, which is 90% credible, increases over seven of the last eleven points, with positive fits. Due to this, a +0.5% claim frequency trend is selected.

ROW (9) The average annual change is the product of the selected average annual change in paid claim costs and the selected average annual change in paid claim frequencies:

$[(1.0 + (7)) \times (1.0 + (8))] - 1.0$

ROW (10) A trend leveraging factor of 0.90 is applied to Comprehensive coverage (see Table C5).

ROW (11) No selections were made for the average annual change in losses.

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PERSONAL AUTOMOBILE LIABILITY TREND DATA
TABLE C3-2
AVERAGE PAID CLAIM COST

Year Ended	$ 50,000 Bodily Injury #	Total Limits Bodily Injury #	$ 25,000 Property Damage #	$ 1,000 Medical Payments Φ
03/31/2007	9,124	12,353	2,156	877
06/30/2007	9,304	12,766	2,128	886
09/30/2007	9,274	12,160	2,142	871
12/31/2007	9,725	13,674	2,134	880
03/31/2008	9,779	13,570	2,131	861
06/30/2008	9,376	12,994	2,170	843
09/30/2008	9,202	13,583	2,178	854
12/31/2008	9,235	12,957	2,240	860
03/31/2009	8,688	12,245	2,313	879
06/30/2009	9,006	13,038	2,324	919
09/30/2009	8,607	11,692	2,316	951
12/31/2009	8,710	12,428	2,271	963
12/31/2009 Claims	1,625	1,625	7,572	1,511
Average Annual 6 PT:	-5.0%	-7.6%	+3.7%	+11.4%
Change 12 PT:	-3.0%	-1.2%	+3.5%	+2.9%

AVERAGE PAID CLAIM FREQUENCY
(Claim Frequency Per 100 Cars)

Year Ended	Bodily Injury	Property Damage	Medical Payments
03/31/2004	0.8030	3.0429	0.7177
06/30/2004	0.7851	2.9728	0.6827
09/30/2004	0.7921	2.9848	0.6718
12/31/2004	0.7744	2.9521	0.6603
03/31/2005	0.7615	2.9678	0.6507
06/30/2005	0.7418	2.9719	0.6522
09/30/2005	0.7473	2.9747	0.6534
12/31/2005	0.7119	2.9406	0.6717
03/31/2006	0.7218	2.7717	0.6304
06/30/2006	0.7348	2.6773	0.6087
09/30/2006	0.7226	2.6319	0.6066
12/31/2006	0.7390	2.6770	0.6007
03/31/2007	0.7220	2.7097	0.6086
06/30/2007	0.6994	2.8074	0.6127
09/30/2007	0.6771	2.8322	0.6202
12/31/2007	0.6627	2.8345	0.6269
03/31/2008	0.6815	2.9950	0.6001
06/30/2008	0.6828	2.9914	0.6133
09/30/2008	0.7051	2.9788	0.6073
12/31/2008	0.7052	2.9581	0.6098
03/31/2009	0.6852	2.9958	0.6545
06/30/2009	0.6884	3.0490	0.6289
09/30/2009	0.6922	3.1564	0.6372
12/31/2009	0.7038	3.2795	0.6544
12/31/2009 Claims	1,625	7,572	1,511
Average Annual 6 PT:	-0.7%	+8.2%	+5.5%
Change 12 PT:	+0.1%	+5.6%	+2.1%
24 PT:	-2.5%	+0.8%	-1.5%

Law Change:
07/01/1998 Financial Responsibility Limits for Bodily Injury and Property Damage raised from $20,000/$40,000 and $10,000 to $50,000/$100,000 and $25,000, respectively.
Φ 01/01/2008 Financial Responsibility Limit for Medical Payments raised from $1,000 to $2,000.

The Personal Automobile liability share of all insurers included in the ISO trend database in Maine is 26.9%.

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PERSONAL AUTOMOBILE LIABILITY TREND DATA
TABLE C3-3

AVERAGE PAID CLAIM COST

Year Ended		$50,000 Bodily Injury	$25,000 Property Damage	$1,000 Medical Payments
03/31/2007		9,467	2,548	1,033
06/30/2007		9,370	2,551	1,032
09/30/2007		9,396	2,560	1,038
12/31/2007		9,373	2,572	1,052
03/31/2008		9,427	2,594	1,061
06/30/2008		9,463	2,613	1,047
09/30/2008		9,600	2,623	1,039
12/31/2008		9,745	2,632	1,051
03/31/2009		9,831	2,624	1,061
06/30/2009		9,989	2,624	1,084
09/30/2009		9,947	2,623	1,101
12/31/2009		9,929	2,630	1,092
12/31/2009 Claims		31,009	286,220	14,200
Average Annual Change	6 PT:	+2.9%	0.0%	+4.8%
	12 PT:	+2.6%	+1.3%	+2.1%

Year Ended		Total Limits Bodily Injury	Total Limits Property Damage	Total Limits Medical Payments
03/31/2007		12,449	2,569	2,418
06/30/2007		12,328	2,573	2,426
09/30/2007		12,284	2,584	2,464
12/31/2007		12,264	2,597	2,533
03/31/2008		12,267	2,622	2,611
06/30/2008		12,384	2,640	2,599
09/30/2008		12,565	2,647	2,614
12/31/2008		12,749	2,657	2,703
03/31/2009		12,919	2,647	2,748
06/30/2009		13,208	2,649	2,830
09/30/2009		13,177	2,648	2,892
12/31/2009		13,208	2,654	2,867
12/31/2009 Claims		31,009	286,220	14,200
Average Annual Change	6 PT:	+4.3%	0.0%	+8.3%
	12 PT:	+3.1%	+1.3%	+7.2%

Bodily Injury includes Connecticut, Maine, Maryland, New Hampshire, Rhode Island, Vermont, and Virginia.

Property Damage includes Connecticut, Delaware, District of Columbia, Maine, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and Virginia.

Medical Payments includes Connecticut, Maine, New Hampshire, Rhode Island, Vermont, and Virginia.

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PERSONAL AUTOMOBILE LIABILITY TREND DATA
TABLE C3-3 (Cont'd)

AVERAGE PAID CLAIM FREQUENCY
(Claim Frequency Per 100 Cars)

Year Ended		Bodily Injury	Property Damage	Medical Payments
03/31/2004		1.1480	4.0580	0.6233
06/30/2004		1.1378	4.0318	0.6174
09/30/2004		1.1300	4.0058	0.6129
12/31/2004		1.1174	3.9552	0.6244
03/31/2005		1.1060	3.9208	0.6306
06/30/2005		1.0908	3.9064	0.6333
09/30/2005		1.0798	3.8714	0.6293
12/31/2005		1.0637	3.8372	0.6280
03/31/2006		1.0413	3.7466	0.6045
06/30/2006		1.0318	3.6552	0.5862
09/30/2006		1.0132	3.5958	0.5726
12/31/2006		1.0122	3.5872	0.5670
03/31/2007		1.0027	3.6076	0.5534
06/30/2007		0.9838	3.6418	0.5462
09/30/2007		0.9667	3.6587	0.5445
12/31/2007		0.9511	3.6788	0.5384
03/31/2008		0.9478	3.6938	0.5345
06/30/2008		0.9529	3.6998	0.5353
09/30/2008		0.9594	3.7164	0.5392
12/31/2008		0.9587	3.6824	0.5319
03/31/2009		0.9669	3.6879	0.5356
06/30/2009		0.9701	3.7032	0.5337
09/30/2009		0.9777	3.7319	0.5334
12/31/2009		0.9915	3.7729	0.5514
12/31/2009 Claims		31,009	286,220	14,200
Average Annual Change	6 PT:	+2.6%	+1.4%	+1.3%
	12 PT:	0.0%	+1.1%	-0.6%
	24 PT:	-3.3%	-1.5%	-3.5%

Bodily Injury includes Connecticut, Maine, Maryland, New Hampshire, Rhode Island, Vermont, and Virginia.

Property Damage includes Connecticut, Delaware, District of Columbia, Maine, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and Virginia.

Medical Payments includes Connecticut, Maine, New Hampshire, Rhode Island, Vermont, and Virginia.

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PERSONAL AUTOMOBILE PHYSICAL DAMAGE TREND DATA
TABLE C4-1
AVERAGE PAID CLAIM COST

Year Ended		$500 Deductible Collision
03/31/2007		2,513
06/30/2007		2,494
09/30/2007		2,477
12/31/2007		2,390
03/31/2008		2,270
06/30/2008		2,222
09/30/2008		2,279
12/31/2008		2,364
03/31/2009		2,386
06/30/2009		2,394
09/30/2009		2,345
12/31/2009		2,300
12/31/2009 Claims		9,339
Average Annual Change	6 PT:	+0.3%
	12 PT:	-2.3%

AVERAGE PAID CLAIM FREQUENCY
(Claim Frequency per 100 Cars)

Year Ended		$500 Deductible Collision
03/31/2004		4.7752
06/30/2004		4.6459
09/30/2004		4.5212
12/31/2004		4.4814
03/31/2005		4.4740
06/30/2005		4.4189
09/30/2005		4.3462
12/31/2005		4.4633
03/31/2006		4.3162
06/30/2006		4.2911
09/30/2006		4.3206
12/31/2006		4.1368
03/31/2007		4.0622
06/30/2007		4.2957
09/30/2007		4.3736
12/31/2007		4.4645
03/31/2008		4.7797
06/30/2008		4.7640
09/30/2008		4.7611
12/31/2008		4.7772
03/31/2009		4.7314
06/30/2009		4.6489
09/30/2009		4.7577
12/31/2009		4.8114
12/31/2009 Claims		9,339
Average Annual Change	6 PT:	+0.3%
	12 PT:	+5.0%
	24 PT:	+1.0%

The trend experience reflects a mix of coverages adjusted to a common deductible level.

The market share of all insurers included in the ISO physical damage trend database in Maine is 28.7%.

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TABLE C4-2
AVERAGE PAID CLAIM COST

Year Ended		$500 Deductible Collision
03/31/2007		2,709
06/30/2007		2,708
09/30/2007		2,686
12/31/2007		2,672
03/31/2008		2,663
06/30/2008		2,644
09/30/2008		2,652
12/31/2008		2,661
03/31/2009		2,660
06/30/2009		2,646
09/30/2009		2,639
12/31/2009		2,615
12/31/2009 Claims		391,091
Average Annual Change	6 PT:	-1.1%
	12 PT:	-1.0%

AVERAGE PAID CLAIM FREQUENCY
(Claim Frequency per 100 Cars)

Year Ended		$500 Deductible Collision
03/31/2004		5.8745
06/30/2004		5.7772
09/30/2004		5.7212
12/31/2004		5.6555
03/31/2005		5.6206
06/30/2005		5.6363
09/30/2005		5.6477
12/31/2005		5.6639
03/31/2006		5.5490
06/30/2006		5.4836
09/30/2006		5.4216
12/31/2006		5.4002
03/31/2007		5.4485
06/30/2007		5.5639
09/30/2007		5.6387
12/31/2007		5.7599
03/31/2008		5.8424
06/30/2008		5.8369
09/30/2008		5.8560
12/31/2008		5.8213
03/31/2009		5.8317
06/30/2009		5.8672
09/30/2009		5.9386
12/31/2009		5.9989
12/31/2009 Claims		391,091
Average Annual Change	6 PT:	+2.2%
	12 PT:	+2.8%
	24 PT:	+0.7%

The trend experience reflects a mix of coverages adjusted to a common deductible level.

East Region includes Connecticut, Delaware, District of Columbia, Maine, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont and Virginia.,

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ADJUSTMENT TO PHYSICAL DAMAGE TREND FACTORS FOR LEVERAGING EFFECT

This filing includes an adjustment for the "leveraging" effect on trend at excess layers. This refers to the phenomenon that, other factors being equal, the pure premium trends for claims excess of a higher deductible will be higher than trends for claims excess of a lower deductible, or "ground-up" claims.

The following typical examples illustrate this effect. Consider a Collision claim of $100 net of a $500 deductible. If claims excess of a $500 deductible are, for this hypothetical example, assumed to trend at the annual rate of 5.0%, then the value of this claim will be $105 one year later. This claim on a $200 deductible policy however will be a $400 claim today and a $405 claim one year from today. On a $200 deductible level, this claim will experience an annual trend of only 1.3%. (= (405/400) - 1). The effect of claims excess of higher deductibles experience higher rates of trend than claims at lower deductibles is termed the leveraging effect of the higher deductible. Another example shows that the effect varies greatly depending on the size of the claim. Consider a $5000 Collision claim on a $500 deductible policy, with a 5.0% annual loss trend on such claims, leading to a claim of $5250 a year later. On a $200 deductible policy, such a claim would be a $5300 this year, and $5550 a year later. Therefore on a $200 deductible level, the annual loss trend is +4.7% (=(5550/5300) - 1). The method described below gauges the overall effect on the trend factors based on the distribution of Collision claims by size.

As described, our trend procedure estimates annual trend factors based on experience under Collision policies of various deductibles adjusted to a $500 deductible level. In some states these trend factors are applied to Collision experience losses that have been adjusted to a $200 deductible level for the review of statewide experience (Table B2). The leveraging effect and the resulting trend factor applicable to the $200 deductible Collision losses have been estimated in the following manner.

For both countrywide data and for a sample of states, $200 deductible Collision claim-size data was fit to a lognormal model. Pure premiums excess of $200 and $500 deductibles were calculated based on accepted actuarial formulas, for the model claim-size distribution both initially and after one year's inflation. Comparison of these pure premiums yields the relative annual trend at the $200 and $500 Collision deductible levels. Further details on model fits, formulas, and a sample worksheet are in the section "Technical Details on Estimation of Trend Leveraging Effects" and "Sample Determination of Trend Leveraging Effect" (Table C5).

The leveraging effect was very consistent across the countrywide and various state data sampled, and was very similar regardless of the initial trend selection. As in the countrywide example shown in Table C5, the model shows that the appropriate adjustment to the $500 deductible trend factor is approximately 0.90. This same approach was applied to $100 deductible Collision claim-size countrywide data, and very similar trend leveraging effects were observed. Finally, the effects were confirmed based on actual countrywide Collision trend data by comparing pure premium trend fits for (i) $200 deductible trend data and (ii) $200 deductible trend data adjusted to a $500 deductible level. Leveraging effects close to those predicted by the claim-size model were observed.

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TECHNICAL DETAILS ON ESTIMATION OF TREND LEVERAGING EFFECT

ISO has examined $200 deductible Collision claim size data for accident year-ended 12/31/2000 evaluated as of 3/31/2001. For a sample of states and multistate data, this claim size data was fit to a lognormal distribution by percentile matching. Countrywide claim size data and estimates for parameters of the lognormal model are shown in Table C5. In reviewing data by state, ISO found that Collision claim size distributions did not differ significantly among states sampled.

Assume there is a "true" average annual loss change of r% applicable to Collision claims at a $200 deductible level; that is,

$$\frac{PP_{200}'}{PP_{200}} = 1 + r$$

where PP_{200} = pure premium on a $200 deductible level, and PP_{200}' = pure premium on a $200 deductible level one year later.

Losses excess of a $300 deductible on the underlying $200 deductible Collision claim size distribution are equivalent to Collision claims on a $500 deductible level.

Pure premium excess of this additional $300 deductible is given by:

$$p\,(\,E[X] - E[X;d]\,)\,; \quad d = 300$$

which we denote PP_{500} (pure premium at $500 deductible level).

Here: X = claim-size of underlying $200 deductible distribution

$E[X;d]$ = limited expected value = $\int_0^d (1 - F(X))dX$

F(X) = cumulative claim frequency distribution

p = (ground-up) claim frequency

Then the pure premium excess of deductible d = $300 after one year given underlying average annual loss change of r% is given by:

$$PP_{500}' = p\,(1 + r)\,(\,E[X] - E[X;d/(1 + r)]\,)$$

(see Hogg, R.V. & Klugman, S.A. (1984). *Loss Distributions,* 190. Wiley, New York.)

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TECHNICAL DETAILS ON ESTIMATION OF TREND LEVERAGING EFFECT

The average annual loss trend for Collision claims excess of a $500 deductible is then:

$$\frac{PP_{500}'}{PP_{500}} = \frac{(1 + r)\,(E[X] - E[X;d/(1 + r)])}{E[X] - E[X;d]} \quad \text{with } d = 300.$$

It can be shown that this ratio is always at least as large as 1 + r for positive r, which is the leveraging effect at layers excess of a deductible d.

Given annual trend at a $500 deductible level, this formula is then used to determine the annual trend at a $200 deductible level. Estimates for parameters are substituted using formulas for limited expected value of the lognormal distributions (see Hogg, R.V. & Klugman, S.A. (1984). *Loss Distributions,* 229-230). The annual trend factors at $500 and $200 deductible levels for Collision were estimated in this manner.

Results for states sampled and all initial $500 deductible annual trends were very similar, as shown below (r_{200} and r_{500} are the annual trend factors at $200 and $500 deductible levels respectively).

	Year = X				Year = X + 1		
	Annual Trend at				Annual Trend at		
State	$200 Ded.	$500 Ded.	r_{200}/r_{500}		$200 Ded.	$500 Ded.	r_{200}/r_{500}
Countrywide	2.74%	3.00%	0.91		4.56%	5.00%	0.91
State A	2.62%	3.00%	0.87		4.45%	5.00%	0.89
State B	2.73%	3.00%	0.91		4.55%	5.00%	0.91
State C	2.62%	3.00%	0.87		4.33%	5.00%	0.87

The leveraging effect on trend factors from a $500 deductible level to a $200 deductible level was also estimated based on $100 deductible Collision claim size data (instead of the $200 deductible Collision claim size data used above). Using the same approach described above with suitable modifications to formulas, very similar leveraging effects were observed. This effect is analyzed based on $100 deductible data because Comprehensive experience losses are adjusted to a $100 deductible level for the statewide experience review (Table B2). Since Collision claim cost trends are being used for Comprehensive, the same leverage adjustment applicable to Collision was also deemed applicable to the trend factors used for Comprehensive.

Based on the above analysis, ISO has selected an adjustment factor of 0.90 to adjust $500 deductible annual loss trends to the $100 or $200 deductible level used in statewide experience reviews. In states where Comprehensive or Collision experience review data is at a $500 deductible level, no adjustment factor is applied.

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TABLE C5
SAMPLE DETERMINATION OF TREND LEVERAGING EFFECT

Collision $200 Deductible
Accident Year-Ended 12/31/2000 Evaluated as of 3/31/2001 Countrywide Claim Data

(I) Claim Range*	(II) Cumulative Claim Count	(III) Cumulative Frequency Distribution**	(IV) Lognormal Fit of (III)#
100	2,664	0.013	0.007
200	7,624	0.038	0.035
300	15,091	0.074	0.074
400	23,147	0.114	0.117
500	32,125	0.158	0.162
700	49,702	0.245	0.248
900	65,987	0.325	0.325
1,000	75,376	0.372	0.360
1,100	79,612	0.393	0.393
1,300	91,603	0.452	0.452
1,500	102,149	0.504	0.504
2,000	122,632	0.605	0.606
3,000	149,458	0.737	0.738
4,000	165,280	0.815	0.815
5,000	175,557	0.866	0.864
Total Claims	202,806		

* - Upper bound of claim size
** - (II) / Total Claims
# - Fit is based on parameters μ and σ as shown in (1) and (2). Formula for Lognormal Distribution per Hogg & Klugman, *Loss Distributions*, page 229

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TABLE C5 (Cont'd)
SAMPLE DETERMINATION OF TREND LEVERAGING EFFECT

{1}	μ (Lognormal Parameter)		7.30325
{2}	σ (Lognormal Parameter)		1.10377
{3}	d (Excess Deductible[$200 to $500])	$	300.00
{4}	$\sigma^2/2$		0.609
{5}	$E(X) = e^{(\{1\} + \{4\})}$ ##	$	2730.53
{6}	σ^2		1.218
{7}	ln d		5.704
{8}	$\Phi^{-1}[(\ln d - \mu - \sigma^2)/\sigma]$		0.005
{9}	$\Phi^{-1}[(\ln d - \mu)/\sigma]$		0.074
{10}	{3} x (1.0 - {9})	$	277.80
{11}	E(X;d) = {5} x {8} + {10} @	$	291.45 p
{12}	Pure Premium in Excess of $500 before inflation @@ [{5} - {11}]	$	2439.08 p

{0'}	Annual trend at $200 Deductible Level=r %		4.56%
{1'}	μ (Lognormal Parameter)		7.30325
{2'}	σ (Lognormal Parameter)		1.104
{3'}	d' = d/(1+r) (Excess Deductible)	$	286.92
{4'}	$\sigma^2/2$		0.609
{5'}	$E(X) = e^{(\{1'\} + \{4'\})}$ ##	$	2730.53
{6'}	σ^2		1.219
{7'}	ln d'		5.659
{8'}	$\Phi^{-1}[(\ln d' - \mu - \sigma^2)/\sigma]$		0.005
{9'}	$\Phi^{-1}[(\ln d' - \mu)/\sigma]$		0.068
{10'}	{3'} x (1.0 - {9'})		267.41
{11'}	E(X;d') = {5'} x {8'} + {10'} @	$	281.06
{12'}	Pure Premium in Excess of $500 after inflation @@ [({5'} - {11'}) x (1.0 + {0'})]	$	2561.17 p
{13'}	Annual Trend at $500 Deductible level [{12'}/{12}]		5.00%

The Final Trend Leveraging Effect is [{0'}/{13'}] 0.91

The Final Selected Leveraging Factor is 0.90

- The Expected Value of a $200 Deductible Claim
@ - Limited Expected Value censored at deductible d or d'
@@ - p = "ground-up" claim frequency

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SUPPLEMENTAL TREND INFORMATION

OVERVIEW

As shown in Table C3-1, ISO selects trend factors to project losses to a prospective level corresponding to the future rating period. In addition to the evaluation of historical claim cost and claim frequency data, ISO uses judgment and relies on analyses of external influences to support any final pure premium trend selections for individual states.

PERSONAL AUTO TREND ANALYSIS

Multistate ISO Claim Cost and Frequency Annual Percent Changes, 4th Quarter 2009

	12 pt. Claim Cost	12 pt. Frequency
Bodily Injury (25/50)	+3.2%	-1.7%
Property Damage (T/L)	+1.1%	-0.1%
Medical Payments (T/L)	+5.1%	-4.3%
$500 Deductible Collision	-1.6%	+1.4%

Observed Trends in Claim Cost and Frequency

In the past few years several changes in the automobile insurance claims environment have affected claim cost and frequency trends.

The following factors have served to *reduce* the frequency and/or severity of claims:

- The requirement that passenger cars be equipped with front seat airbags and the implementation of newer airbag technology
- Increased seat belt usage
- The heightened awareness of the dangers of drinking and driving and the enactment of stricter laws against drunk driving
- The reduction of the number of miles driven each year (Note: Recent data may indicate that this is beginning to turn around).
- The introduction of graduated licensing programs
- Continuing growth of vehicles equipped with electronic stability control as well as other new safety features designed to actively help drivers avoid accidents
- Electronic traffic surveillance

Growth of Vehicles Equipped with Side Airbags

Side airbags are not yet required by the government, but of all 2009 passenger vehicles, 88% (95% cars, 100% SUVs, and 66% pickups) of the models offer side airbags (75% as standard and 13% as optional). Side protection airbags have been estimated to reduce deaths among drivers of passenger cars struck on the driver side by about 37% when the side airbag includes head protection, and by 26% when the side airbag was designed to protect only the torso.

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SUPPLEMENTAL TREND INFORMATION

PERSONAL AUTO TREND ANALYSIS (Cont'd)

Figure 1. Percent, National Seat Belt Usage

2000	71%	2005	82%
2001	73%	2006	81%
2002	75%	2007	82%
2003	79%	2008	83%
2004	80%	2009	84%*

* 86% in passenger cars, 87% in vans and SUVs, and 74% in pick-ups.
Seat belt use for occupants on expressways decreased to 89% in 2009 from 90% in 2008.

Figure 2. Alcohol Related Fatalities

Year	Total Fatalities	Alcohol Related Fatalities*	% of Total Fatalities	Fatalities Annual % Change	Alcohol Related Annual % Change
2004	42,836	13,099	30.6%	-0.11%	0.02%
2005	43,510	13,582	31.2%	1.57%	3.69%
2006	42,708	13,491	31.6%	-1.84%	-0.67%
2007	41,259	13,041	31.6%	-3.39%	-3.34%
2008	37,261	11,773	31.6%	-9.69%	-9.72%
2009**	33,963				

* BAIC .08+
** Early estimate. Traffic fatalities, as a whole, have been steadily declining by about 22% from 2005 to 2009.

Figure 3. Average Annual Growth, Miles Driven

	Countrywide
Sep-08	-2.54%
Dec-08	-2.96%
Mar-09	-2.62%
Jun-09	-1.22%
Sep-09	-0.16%
Dec-09	1.09%
Mar-10	1.47%

Introduction of Graduated Licensing Programs

Having realized the dangers of teenage driving, all states have enacted some form of graduated driver licensing (GDL) law. The *Nationwide Review of Graduated Driver Licensing* found the overall impact to be an 11% decrease for fatal crashes and a 19% decrease for injury crashes for states with some form of GDL during the period reviewed. The states with the most limiting GDL programs showed decreases of 38% and 40% for fatal crashes and injury crashes, respectively.

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SUPPLEMENTAL TREND INFORMATION

PERSONAL AUTO TREND ANALYSIS (Cont'd)

Growth of Electronic Stability Control (ESC) Systems

IIHS studies have found that ESC reduces fatal single-vehicle crash risk by 51% and fatal multiple-vehicle crash risk by 19% for cars and SUVs. Even more dramatically, for crashes involving rollovers, ESC reduces the risk of single-vehicle fatalities by 75% for SUVs and 72% for cars. In light of these findings, the Department of Transportation enacted a law requiring all manufactures to begin equipping passenger vehicles under 10,000 pounds with ESC starting with the 2009 model year and to have the feature available as standard equipment on all such vehicles by the 2012 model year.

Increased Use of Red Light and Speeding Cameras

Running red lights and excessive speeding are the two most frequent causes of accidents. In the past few years, at least 400 U.S. communities have installed red light cameras at busy intersections and streets where drivers are known to exceed the speed limit. In general, studies have shown that red light violations are reduced by 40%-50% and injury crashes by 25%-30% at intersections with red light cameras.

The following factors have served to increase the frequency and/or severity of claims:

- The rise in medical costs and auto bodywork
- Increased use of cell phone and other distractions while driving
- Increased performance capabilities (greater horsepower) of newer cars
- Increased deer population and deforestation, resulting in more collisions involving animals
- The increased effect of severe storms hitting the U.S.
- The increase in fraud committed by car owners in an effort to escape unaffordable car payments

Figure 4. Trends in Medical Care Costs and Auto Bodywork

	CPI – Medical Care Annual Rate of Change	CPI – Hospital & Other Related Services Annual Rate of Change	CPI - Auto Bodywork Annual Rate of Change
Jun-08	4.0%	7.4%	2.9%
Sep-08	3.2%	6.6%	4.2%
Dec-08	2.6%	5.4%	3.9%
Mar-09	2.8%	6.1%	4.4%
Jun-09	3.2%	6.2%	4.5%
Sep-09	3.5%	6.6%	3.1%
Dec-09	3.4%	7.1%	2.8%
Mar-10	3.7%	7.6%	1.9%

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SUPPLEMENTAL TREND INFORMATION

PERSONAL AUTO
TREND ANALYSIS
(Cont'd)

Cell Phone Use and Other Driver Distractions

It is estimated that cell phone use now causes at least 1.6 million crashes each year -- an overwhelming 28% of all accidents. To make matters worse, some of the newer cars are equipped with other electronic technologies such as DVD players, satellite radios, and navigational aids that may also contribute to driver distraction.

Increased Performance Capabilities of Newer Cars

The demand for faster, more powerful engines has led to a growth in average horsepower from 111 to 183 between 1985 and 2005. The addition of 1 horsepower per 100 pounds of vehicle weight resulted in an estimated increase of 5% in Collision losses, 1% in Property Damage losses, 5% in Personal Injury Protection losses, and 4% in Bodily Injury losses per insured vehicle year for drivers aged 25 to 64.

Increased Animal Collisions

A major automobile insurer estimated that the number of collision with animals has risen 18% over the last five years giving rise to increased costs for Comprehensive coverage

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SUPPLEMENTAL TREND INFORMATION

CONCLUSIONS

Newer airbag and traffic surveillance technology, continued efforts geared towards increasing seat belt use, stricter drunk driving and driver licensing laws, and the decline in annual miles driven have all had a downward effect on Bodily Injury claim costs and frequencies in recent years. ISO believes that the benefit of some of these factors may level off in the near future. Furthermore, other variables have had the opposite effect. Greater cell phone use while driving and the increased presence of DVD players and navigational aids increase driver distraction. ISO believes that recent increased growth in medical and hospital costs, as evidenced by the CPI data, will continue to exert upward pressure on Bodily Injury and Medical Payments claim costs. This is already being observed in the more recent Medical Payments trend experience. ISO believes that present Medical Payments trends are indicative, for the most part, of continuing trends for these coverages.

While certain factors such as increased awareness of the impact of drinking and driving, safer vehicles, safer roads, and a decline in the number of miles driven can serve to lower Property Damage and Collision claim costs and frequencies, other factors bring upward pressure to bear. These factors include rising automobile bodywork costs (including the cost to replace deployed airbags) plus increases in cell phone use and other driver distractions. ISO expects Property Damage claim costs to increase, but, partially due to the reduction in vehicle miles driven, the growth is not expected to be at rates observed earlier in the experience period in this circular. However, if the miles driven begin to return to their previously high levels, ISO expects Property Damage claim costs may once again begin to increase at a higher rate. Collision claim costs are expected to reverse direction and start to rise because of such factors as greater damageability of lighter cars, advanced in-vehicle technologies that are expensive to repair, and built-in crumple zones that are designed to absorb vehicular damage and protect occupants. Also, as the recessionary effects on new vehicle sales ease, higher repair costs corresponding to those new vehicles can be expected. Additionally, the annual growth rates of the CPI for automobile bodywork continue to outpace the overall CPI indication and are expected to exert upward pressure on Collision claim costs.

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WIND AND WATER PROCEDURE

OBJECTIVE

Because wind and water can cause large and unexpected losses, but also exhibit significant variation from year to year, a wind and water adjustment procedure is incorporated in the development of Personal Auto loss costs. The purpose of this procedure is to avoid shifts in loss costs (both upward and downward) that will result from reflecting large, unexpected, and variable wind and water losses only in the year in which they occur.

DESCRIPTION OF WIND AND WATER ADJUSTMENT METHODOLOGY (TABLE C6-1)

The wind and water procedure adjusts reported losses by removing the wind and water losses that actually occurred in a given year. Then, it replaces these losses with an expected wind and water loss provision, based on the state's long-term history of wind and water losses. The resulting losses are not subject to the type of yearly variation inherent in actual wind and water losses. The methodology for calculating the adjusted wind and water losses is described below.

The long term "normal" wind and water to total minus wind and water ratio (the "wind to non-wind" ratio) in Line (7) of Table C6-1 is determined by calculating the average wind and water to total minus wind and water ratios for the 25 years shown in Column (4).

The variation from the long term average or normal wind to non-wind ratio is then determined by comparing the wind to non-wind ratio for each year to the normal ratio. Column (5) of Table C6-1 displays this variation by calculating the difference between the normal ratio and the wind to non-wind ratio for each year of experience.

The loss adjustment required in order to bring each year of experience to a normal wind and water level is then determined by applying the variation factor from Column (5) of Table C6-1 to the reported non-wind losses as shown in Column (3).

For a description of the treatment of wind and water losses by territory, see Table C6-3.

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WIND AND WATER PROCEDURE

DEVELOPMENT OF ADJUSTED COMPREHENSIVE LOSSES AND LOSS ADJUSTMENT EXPENSES (TABLE C6-2)

Table B2 ("Calculation of Statewide Loss Cost Level Changes for Physical Damage Coverages") uses incurred comprehensive losses including all loss adjustment expenses adjusted to a common deductible level for the latest two years. Table C6-2 calculates the losses used in Table B2. The paid wind and water loss adjustment for the latest two years, as shown in Column (1), are multiplied by the appropriate factor which puts them on an incurred basis and includes all loss adjustment expenses, and the results are shown in Column (2). This same factor is applied to the total paid comprehensive losses for the latest two years, as shown in Column (3), and the results are shown in Column (4), the total incurred comprehensive losses including all loss adjustment expenses on a common deductible level. Column (5) is the sum of Columns (4) and (2) (the total incurred wind and water comprehensive losses, including the wind and water loss adjustment, and all loss adjustment expenses on a common deductible level). This calculation serves to replace the actual wind and water losses that occur in a given year with an amount corresponding to the statewide expected wind and water provision. The result is the adjusted comprehensive losses including all loss adjustment expenses on a common deductible level, used in Table B2.

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TABLE C6-1
PERSONAL AUTO INSURANCE
DERIVATION OF WIND & WATER ADJUSTMENT

Year Ending	(1) Wind & Water Paid Losses(A)	(2) Total Paid Losses(A)	(3) Reported Total-Wind Losses (2)-(1)	(4) Wind to Non-Wind Ratio (1)/(3)	(5) Variation From Ave. Wind Ratio Ave(4)-(4)	(6) Wind and Water Adjustment (3)x(5)
6/1984	$ 76,830	$ 4,480,427	$ 4,403,597	0.017	0.036	$ 158,529
12/1985	289,946	5,537,337	5,247,391	0.055	-0.002	-10,495
12/1986	2,158,658	9,568,987	7,410,329	0.291	-0.238	-1,763,658
12/1987	415,288	7,359,785	6,944,497	0.060	-0.007	-48,611
12/1988	98,132	7,943,485	7,845,353	0.013	0.040	313,814
12/1989	188,205	8,914,841	8,726,636	0.022	0.031	270,526
6/1991	180,218	8,948,906	8,768,688	0.021	0.032	280,598
6/1992	732,980	8,552,553	7,819,573	0.094	-0.041	-320,602
6/1993	177,863	6,875,796	6,697,933	0.027	0.026	174,146
6/1994	69,132	7,756,981	7,687,849	0.009	0.044	338,265
6/1995	166,085	9,108,943	8,942,858	0.019	0.034	304,057
6/1996	391,330	11,900,680	11,509,350	0.034	0.019	218,678
6/1997	894,103	14,833,033	13,938,930	0.064	-0.011	-153,328
6/1998	290,416	21,638,257	21,347,841	0.014	0.039	832,566
9/1999	503,263	20,275,975	19,772,712	0.025	0.028	553,636
9/2000	443,133	20,808,739	20,365,606	0.022	0.031	631,334
9/2001	411,763	20,769,952	20,358,189	0.020	0.033	671,820
9/2002	368,797	17,574,228	17,205,431	0.021	0.032	550,574
9/2003	226,368	15,607,496	15,381,128	0.015	0.038	584,483
9/2004	481,967	14,239,720	13,757,753	0.035	0.018	247,640
9/2005	491,531	15,098,059	14,606,528	0.034	0.019	277,524
9/2006	1,235,612	11,778,831	10,543,219	0.117	-0.064	-674,766
9/2007	1,844,034	13,794,395	11,950,361	0.154	-0.101	-1,206,986
9/2008	951,701	14,152,421	13,200,720	0.072	-0.019	-250,814
9/2009	897,075	13,103,103	12,206,028	0.073	-0.020	-244,121
Average				0.053		

(7) Normal Wind To Non-Wind Ratio = Ave. of Col.(4) = 0.053

(A) Full Coverage, $50, and $100 Deductible for 1984 to 1986.
Full Coverage, $50, $100, $200, and $250 Deductible for 1987 to 1991.
Full Coverage, $50, $100, $200, $250, and $500 Deductible for 1992 and 1993.
Full Coverage, $50, $100, $200, $250, $500, and $1,000 Deductible for 1994 to 2009.
All Losses are Comprehensive losses adjusted to a $100 Deductible level.

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TABLE C6-2

COMPREHENSIVE COVERAGES

DEVELOPMENT OF ADJUSTED COMPREHENSIVE LOSSES

Year Ended	(1) Paid Wind & Water Loss Adjustment (a)	(2) Incurred Wind & Water Loss Adjustment and Loss Adjustment Expenses (b)	(3) Total Paid Comprehensive Losses (c)	(4) Total Incurred Comprehensive Losses & Loss Adjustment Expenses (d)	(5) Adjusted Comprehensive Losses & Loss Adjustment Expenses (4) + (2)
9/30/2008	-$250,814	-$292,198	$14,152,421	$16,487,570	$16,195,372
9/30/2009	-244,121	-284,401	13,103,103	15,265,115	14,980,714

(a) Losses from Table C6-1, Column (6).

(b) Column (1) multiplied by 1.165 to reflect incurred losses and all loss adjustment expenses.

(c) Losses from Table C6-1, Column (2).

(d) Column (3) multiplied by 1.165 to reflect incurred losses and all loss adjustment expenses. Data for Comprehensive coverage includes Full Coverage, $50 Deductible, $100 Deductible, $200 Deductible, $250 Deductible, $500 Deductible and $1,000 Deductible Comprehensive paid losses adjusted to a $100 Deductible level.

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TERRITORY WIND AND WATER PROCEDURE

BACKGROUND

Overall loss cost level adequacy and stability have already been assured by the statewide catastrophe procedure. Territories within a state have their own wind and water histories that may differ from the statewide wind and water history. Wind and water losses in the current three-year experience period may reflect wind and water loss levels either higher or lower than the territory's historical normal level of wind and water losses. A territory wind and water procedure which normalizes the territory wind and water losses is necessary to make sure that the statewide indicated change is distributed to the territories based on the long-term wind and water potential for that territory and not by a random high or low wind and water year that occurs in a given territory in the latest three years.

The territory wind and water procedure for high wind states removes the territory's wind and water losses that actually occurred in a given year. It then distributes the statewide expected wind and water loss provision to the individual territories in proportion to the individual territory's long-term expected wind and water loss experience.

METHODOLOGY FOR TERRITORY WIND AND WATER PROCEDURE

Each territory's wind and water history is reviewed. The expected wind and water loss is calculated by first determining an average wind and water to non-wind and water ratio for the available territory history which represents the territory's long-term average wind and water losses.

The normal wind and water to non-wind and water ratio is determined by capping the wind and water to non-wind and water ratio for extreme wind and water years at five times the statewide median wind and water to non-wind and water ratio. The available territory wind and water experience is limited at this time. Therefore, the statewide cap has been applied to each year's ratio by territory to temper the impact of very high wind and water years, as the available data may not be sufficient to allow for an appropriate long-term mix of low and high wind and water years for a territory.

The total losses for each of the latest three years are multiplied by their respective non-wind and water to total loss ratio to produce the three-year total non-wind and water losses. Multiplying the three-year non-wind and water losses by the normal wind and water to non-wind and water ratio yields the territorial capped expected wind and water losses.

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TERRITORY WIND AND WATER PROCEDURE

METHODOLOGY FOR TERRITORY WIND AND WATER PROCEDURE (Cont'd)

The capped expected wind and water losses are totaled for all territories, and each territory's proportion of the total is its capped expected wind and water distribution. The product of the territory's capped expected wind and water distribution and the statewide wind provision is the capped territory wind provision. The sum of the capped territory wind and water provision and the territory's three-year non-wind and water losses divided by the three-year territorial exposures yields the adjusted three-year pure premium for the territory.

Because the three-year pure premium for the territory includes the capped territory wind and water provision in place of the actual wind and water losses that occurred in the latest three years, the number of wind and water claims must be adjusted. The capped territory wind and water provision is divided by the territory's wind and water claim cost to produce the adjusted number of wind and water claims. The adjusted number of wind and water claims is added to the number of non-wind and water claims, resulting in the adjusted total number of claims. The three-year adjusted number of total claims is used to determine territorial credibility.

A sample calculation for the territory wind and water procedure is given in Table C6-3.

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TABLE C6-3

METHODOLOGY FOR CALCULATING "WIND & WATER PROVISIONS" BY TERRITORY

In order to develop "Wind and Water Provisions" by territory*, the statewide provision is distributed using each territory's "expected" wind and water losses. This procedure is illustrated in the following example:

Territory	(1) Long-Term Capped** Ratio of Wind & Water to Non-Wind & Water Losses	(2) Non-Wind & Water Losses for Latest Three Years	(3) "Expected" Wind & Water Losses for Latest Three Years (1) x (2)	(4) "Expected" Wind & Water Distribution (3) ÷ Total (3)
A	.250	$500,000	$125,000	.500
B	.750	100,000	75,000	.300
C	.200	250,000	50,000	.200

Territory	(5) Three-Year Statewide Wind Provision	(6) Territory Wind Provision (4) x (5)	(7) Three-Year Adjusted Total Losses (2) + (6)	(8) Three-Year Earned Exposures	(9) Three-Year Adjusted Pure Premium (7) ÷ (8)
A		$200,000	$700,000	14,000	$50.00
B		120,000	220,000	5,000	44.00
C		80,000	330,000	10,000	33.00
	$400,000				

Territory	(10) Three-Year Non-Wind & Water Claims	(11) Three-Year Wind & Water Claim Cost	(12) Three-Year Adjusted Wind & Water Claims (6) ÷ (11)	(13) Three-Year Adjusted Total Claims (10) + (12)
A	1,500	$500	400	1,900
B	800	400	300	1,100
C	1,000	400	200	1,200

* When Loss Cost Changes By Territory are calculated, actual wind losses by territory are taken out of the Adjusted Incurred Losses and replaced with the losses arrived at using this procedure.

** Average of yearly capped ratios of wind & water to non-wind & water losses, based on territory experience capped at 5 times the statewide median wind & water to non-wind & water ratio.

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SYMBOL PREMIUM TREND

IMPORTANCE OF APPLICATION

As newer, higher-valued cars are introduced, there is an increase in overall premium revenue due to the physical damage symbol rating procedure. In order to reflect the revenue impact of the higher average value of cars during the prospective period, the ISO standard methodology includes a symbol trend procedure. The effect of this procedure is to reduce the indicated loss costs for the physical damage coverages.

The change in average symbol relativities is due to two factors: increases in the average price of insured automobiles with the introduction of each new model year of automobiles, and changes in average symbol relativities due to changes in the age distribution from the experience period to the prospective period. Thus, symbol trend is necessary to reflect the additional loss cost volume generated by the shift in the exposure distribution as new, higher-priced models are introduced.

SYMBOL RATING PROGRAM

Under ISO's symbol rating program, with each new model year, each model that car manufacturers produce is assigned a symbol that is initially based on the manufacturers' suggested retail price of the vehicle and popular options. ISO's vehicle series rating program then adjusts these initial symbols on a balanced basis to reflect the loss experience associated with vehicles of the same model (or a comparable model) for earlier years. Each symbol is assigned a symbol rating relativity. The present "base" symbol, with a relativity of 1.00, is defined as vehicles with a price between $13,751 and $15,000.

SYMBOL TREND METHODOLOGY

Table B2, the "Calculation of Statewide Loss Cost Level Changes for Physical Damage Coverages", tests the adequacy of the current loss cost provisions by projecting both experience loss costs and average loss cost provisions, and comparing the two. In determining symbol trend we project the average loss cost provision that will result in the prospective rating period if the current symbol relativity structure remains in effect. To make this projection, we first determine the average loss cost provision at current level (ALCPCL), and then project this provision to the prospective period based on anticipated changes in the vehicle symbol distribution.

Symbol trend factors are calculated separately for Comprehensive and Collision. This factor is reflected in the present loss cost provision for each coverage, thereby reducing the indicated loss cost level.

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SYMBOL PREMIUM TREND

SYMBOL TREND METHODOLOGY (Cont'd)

The symbol trend factor is calculated as the ratio of two multistate average symbol relativities:

$$G \div A, \text{ where}$$

G = The multistate average relativity for the period during which policies will be written at the prospective loss cost level, and

A = The multistate average relativity underlying the ALCPCL.

In this filing, separate symbol trend factors are determined for each year of experience used in the Statewide Indicated Loss Cost Level change exhibit for Comprehensive and Collision coverages (Table B2). The calculation of separate factors for each year is needed to reflect the improvement in calculation of the average symbol factor included in the average loss cost provision at current level (ALCPCL). Under the new report system the average symbol factor for each year is determined using the earned exposure distribution for that year.

SYMBOL TREND CALCULATIONS

Line A of Table C7-1 shows the multistate average symbol relativities for year-ended 4/1/2008 and 4/1/2009, the experience period underlying the present loss cost provisions used in Table B2. These relativities are based on written exposure distributions, which approximate the average symbol relativities based on earned distributions for year-ended 9/30/2008 and 9/30/2009, respectively, which were used to generate average loss costs at current level for year-ended 9/30/2008 and 9/30/2009, respectively.

The multistate average symbol relativities by year-ended quarter from 4/1/2011 to 7/1/2013 are shown on Line B, for use in projection to the proposed effective date. For further explanation of the calculation of these average relativities, see the Explanatory Notes following Table C7-4.

The calculation of the average symbol relativities based on the proposed effective date is shown on Lines C through G. Lines E and F show the average relativities, drawn from the average relativities shown on Line B, for the year-ending quarters immediately before and after the prospective rating period. Line G interpolates between these values to estimate the average relativity for the prospective period.

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SYMBOL PREMIUM TREND

SYMBOL TREND CALCULATIONS (Cont'd)

The symbol trend factor is calculated on Line H. The symbol trend factor is determined by dividing Line G (the average symbol relativity for the 12-month period for policies that will be written using the prospective loss costs, which is year-ended 3/1/2012 in this review) by Line A (the average symbol relativity underlying the age and symbol factors used to develop the present average loss cost provision in this review, for years ended 9/30/2008 and 9/30/2009, respectively).

For example, for year-ended 9/30/2009, the projection period for symbol trend is the number of years from year-ended 4/1/2009 (the distribution used to calculate the average symbol factor included in the present loss cost provision for year-ended 9/30/2009) to year-ended 3/1/2012 (the period when policies will be written using the prospective loss costs), which is 2.92 years (4/1/2009 to 3/1/2012) or 35 months.

Line I calculates the annualized symbol trends for year-ended 9/30/2009. The annualized trend is the symbol trend factor raised to a power equal to the reciprocal of the number of years projection, which is (1 ÷ 2.92) years or (12 ÷ 35) months.

AGE DISTRIBUTION

Age distributions for any given year are impacted by the auto sales for current and prior model years. As auto sales vary from year to year due to changes in the economy, the age distribution will also vary from year to year. Each model year has an average symbol relativity associated with it, with the average symbol relativity increasing over time as the model years become more current. Thus, in order to determine the appropriate symbol trend, ISO reflects the effects on average symbol relativities due to changes in the age distribution from the experience period to the prospective period.

INSURANCE SERVICES OFFICE, INC.

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TABLE C7-1
CALCULATION OF SYMBOL TREND FACTORS

A. Average Symbol Relativity of Experience Period:

Year ended	Comp	Coll
04/01/2008	1.741	1.381
04/01/2009	1.772	1.396

B. Summary of Average Symbol Relativities by year-ended quarter for determining symbol trend for the prospective effective date.

Year ended	Comp	Coll
04/01/2011	1.833	1.426
07/01/2011	1.841	1.430
10/01/2011	1.850	1.435
01/01/2012	1.861	1.440
04/01/2012	1.871	1.445
07/01/2012	1.880	1.450
10/01/2012	1.890	1.455
01/01/2013	1.902	1.461
04/01/2013	1.912	1.466
07/01/2013	1.921	1.472

C. Proposed Projection Date: 03/01/2012

D. Number of months to next year-ended quarter (in B above): 1

E. Average Symbol Relativity as of prior year-ended quarter:

Year ended	Comp	Coll
01/01/2012	1.861	1.440

F. Average Symbol Relativity as of next year-ended quarter:

Year ended	Comp	Coll
04/01/2012	1.871	1.445

G. Average Symbol Relativity as of Projection Date (Date in C above):
(D/3)(E) + ((3-D)/3)(F) = Av. Sym. Rel.

COMP: (1 / 3) 1.861 + (2 / 3) 1.871 = 1.868
COMP: (1 / 3) 1.440 + (2 / 3) 1.445 = 1.443

H. Symbol Trend Factors:

Year-Ended 09/30/2008	Comp:	1.868	/	1.741	=	1.073
	Coll:	1.443	/	1.381	=	1.045
(G)/(A) Year-Ended 09/30/2009	Comp:	1.868	/	1.772	=	1.054
	Coll:	1.443	/	1.396	=	1.034

I. Annualized Trends: (H)^(1 / 2.92) Year-Ended 09/30/2009 Comp: 1.8% Coll: 1.2%

INSURANCE SERVICES OFFICE, INC.

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TABLE C7-2
SUMMARY OF AVERAGE PRICE NEW AND CORRESPONDING SYMBOL RELATIVITIES

(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
DATE	YR ENDED AVG PRICE NEW CAR	COMP REL.	COLL. REL.	DATE	YR ENDED AVG PRICE NEW CAR	COMP REL.	COLL. REL.
01/01/1989	13294	0.931	0.954	07/01/2001	22680	1.694	1.356
04/01/1989	13481	0.943	0.960	10/01/2001	22882	1.711	1.365
07/01/1989	13637	0.953	0.966	01/01/2002	23132	1.730	1.375
10/01/1989	13795	0.963	0.972	04/01/2002	23476	1.756	1.387
01/01/1990	13951	0.974	0.978	07/01/2002	23661	1.770	1.393
04/01/1990	14097	0.982	0.989	10/01/2002	23886	1.786	1.401
07/01/1990	14254	0.992	0.995	01/01/2003	24045	1.798	1.407
10/01/1990	14413	1.003	1.002	04/01/2003	24031	1.797	1.406
01/01/1991	14577	1.015	1.008	07/01/2003	24195	1.810	1.412
04/01/1991	14673	1.021	1.012	10/01/2003	24212	1.811	1.412
07/01/1991	14780	1.029	1.016	01/01/2004	24326	1.819	1.416
10/01/1991	14904	1.038	1.021	04/01/2004	24504	1.833	1.423
01/01/1992	15015	1.046	1.026	07/01/2004	24566	1.837	1.425
04/01/1992	15228	1.061	1.034	10/01/2004	24683	1.846	1.429
07/01/1992	15451	1.077	1.043	01/01/2005	24814	1.856	1.433
10/01/1992	15662	1.093	1.052	04/01/2005	24917	1.864	1.437
01/01/1993	15858	1.110	1.059	07/01/2005	25120	1.879	1.445
04/01/1993	15985	1.122	1.064	10/01/2005	25291	1.892	1.452
07/01/1993	16115	1.133	1.070	01/01/2006	25428	1.902	1.457
10/01/1993	16262	1.146	1.076	04/01/2006	25612	1.916	1.464
01/01/1994	16458	1.163	1.083	07/01/2006	25719	1.924	1.469
04/01/1994	16720	1.186	1.094	10/01/2006	25849	1.934	1.474
07/01/1994	16983	1.209	1.104	01/01/2007	25988	1.944	1.480
10/01/1994	17265	1.234	1.116	04/01/2007	26133	1.955	1.485
01/01/1995	17516	1.256	1.126	07/01/2007	26327	1.970	1.493
04/01/1995	17664	1.269	1.132	10/01/2007	26526	1.984	1.501
07/01/1995	17803	1.282	1.137	01/01/2008	26635	1.993	1.505
10/01/1995	17858	1.286	1.139	04/01/2008	26590	1.989	1.504
01/01/1996	17948	1.294	1.143	07/01/2008	26320	1.969	1.493
04/01/1996	18142	1.312	1.151	10/01/2008	26018	1.946	1.481
07/01/1996	18350	1.332	1.161	01/01/2009	25671	1.920	1.467
10/01/1996	18719	1.367	1.179	04/01/2009	25449	1.904	1.458
01/01/1997	19133	1.407	1.198	07/01/2009	25636	1.918	1.465
04/01/1997	19511	1.441	1.216	10/01/2009	25588	1.914	1.464
07/01/1997	19915	1.473	1.233	01/01/2010	26111	1.953	1.484
10/01/1997	20251	1.500	1.248	04/01/2010	26519	1.984	1.501
01/01/1998	20511	1.521	1.259	07/01/2010	26742	2.001	1.510
04/01/1998	20838	1.547	1.273	10/01/2010	27261	2.038	1.530
07/01/1998	21129	1.570	1.286	01/01/2011	27341	2.044	1.534
10/01/1998	21382	1.591	1.297	04/01/2011	27540	2.058	1.542
01/01/1999	21665	1.613	1.310	07/01/2011	27680	2.068	1.547
04/01/1999	21854	1.628	1.318	10/01/2011	27820	2.077	1.553
07/01/1999	22012	1.641	1.326	01/01/2012	27953	2.087	1.558
10/01/1999	22199	1.656	1.334	04/01/2012	28082	2.096	1.563
01/01/2000	22293	1.664	1.338	07/01/2012	28234	2.106	1.569
04/01/2000	22301	1.664	1.339	10/01/2012	28382	2.117	1.575
07/01/2000	22331	1.667	1.340	01/01/2013	28543	2.128	1.582
10/01/2000	22351	1.668	1.341	04/01/2013	28690	2.138	1.588
01/01/2001	22356	1.668	1.341	07/01/2013	28823	2.148	1.593
04/01/2001	22495	1.680	1.347				

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TABLE C7-3
EXPOSURE DISTRIBUTION BY AGE

Comprehensive

AGE	12/2008	6/2009	12/2009	6/2010	12/2010	6/2011	12/2011	6/2012	12/2012	6/2013
1	5.6%	4.6%	4.6%	5.3%	5.4%	6.1%	6.5%	7.3%	7.4%	7.9%
2	9.6%	9.2%	8.8%	6.7%	7.1%	7.6%	8.4%	8.8%	9.9%	10.3%
3	9.8%	9.9%	9.7%	9.4%	8.9%	6.8%	7.2%	7.6%	8.3%	8.6%
4	9.7%	9.6%	9.5%	9.6%	9.4%	9.1%	8.5%	6.5%	6.8%	7.2%
5	9.5%	9.6%	9.5%	9.4%	9.3%	9.4%	9.1%	8.7%	8.1%	6.2%
6	9.1%	9.1%	9.2%	9.3%	9.2%	9.1%	8.9%	9.0%	8.6%	8.2%
7	8.6%	8.6%	8.6%	8.7%	8.7%	8.8%	8.6%	8.5%	8.2%	8.2%
8	7.6%	7.9%	8.0%	8.0%	8.0%	8.1%	7.9%	8.0%	7.7%	7.6%
9	7.0%	6.8%	6.9%	7.2%	7.2%	7.3%	7.1%	7.2%	7.0%	7.1%
10	5.8%	6.1%	6.2%	6.1%	6.1%	6.3%	6.3%	6.3%	6.1%	6.2%
11	4.5%	4.8%	5.0%	5.3%	5.3%	5.2%	5.1%	5.3%	5.2%	5.2%
12	3.6%	3.7%	3.8%	4.1%	4.2%	4.4%	4.4%	4.3%	4.2%	4.3%
13	2.6%	2.9%	3.0%	3.1%	3.2%	3.4%	3.5%	3.6%	3.5%	3.5%
14	2.1%	2.1%	2.1%	2.4%	2.4%	2.5%	2.5%	2.7%	2.8%	2.9%
15	1.6%	1.7%	1.7%	1.7%	1.7%	1.9%	2.0%	2.0%	2.0%	2.1%
16	1.2%	1.3%	1.3%	1.4%	1.4%	1.4%	1.4%	1.5%	1.5%	1.6%
17	0.9%	0.9%	0.9%	1.0%	1.1%	1.2%	1.1%	1.1%	1.1%	1.2%
18	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%
19	0.5%	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.7%	0.7%	0.8%

Collision

AGE	12/2008	6/2009	12/2009	6/2010	12/2010	6/2011	12/2011	6/2012	12/2012	6/2013
1	5.4%	4.4%	4.4%	5.0%	5.2%	5.9%	6.3%	7.1%	7.2%	7.7%
2	9.3%	8.9%	8.5%	6.6%	7.0%	7.4%	8.2%	8.6%	9.8%	10.2%
3	9.8%	9.9%	9.6%	9.3%	8.8%	6.8%	7.1%	7.6%	8.3%	8.6%
4	9.9%	9.8%	9.6%	9.7%	9.5%	9.1%	8.6%	6.6%	6.8%	7.2%
5	9.9%	9.9%	9.8%	9.6%	9.5%	9.6%	9.2%	8.8%	8.2%	6.3%
6	9.5%	9.6%	9.6%	9.7%	9.5%	9.3%	9.1%	9.2%	8.7%	8.3%
7	9.0%	9.0%	9.0%	9.2%	9.1%	9.2%	8.9%	8.7%	8.4%	8.5%
8	7.9%	8.3%	8.4%	8.4%	8.4%	8.5%	8.3%	8.4%	8.0%	7.9%
9	7.2%	7.1%	7.1%	7.5%	7.5%	7.6%	7.5%	7.5%	7.3%	7.4%
10	5.9%	6.2%	6.3%	6.2%	6.2%	6.5%	6.5%	6.5%	6.3%	6.4%
11	4.5%	4.8%	5.0%	5.3%	5.3%	5.2%	5.2%	5.4%	5.3%	5.4%
12	3.4%	3.5%	3.7%	3.9%	4.1%	4.4%	4.3%	4.3%	4.2%	4.4%
13	2.4%	2.7%	2.8%	2.9%	3.0%	3.2%	3.3%	3.5%	3.4%	3.4%
14	1.9%	1.8%	1.9%	2.2%	2.2%	2.3%	2.4%	2.5%	2.6%	2.7%
15	1.4%	1.5%	1.5%	1.5%	1.5%	1.7%	1.7%	1.8%	1.8%	1.9%
16	1.0%	1.0%	1.1%	1.2%	1.2%	1.2%	1.2%	1.3%	1.4%	1.4%
17	0.7%	0.7%	0.8%	0.8%	0.9%	0.9%	1.0%	0.9%	0.9%	1.0%
18	0.5%	0.5%	0.5%	0.6%	0.6%	0.7%	0.7%	0.8%	0.8%	0.7%
19	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%

Note: The distributions for 12/2008 and 6/2009 are historical distributions.
The distributions for 12/2009 through 6/2013 are estimated.

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TABLE C7-4

Average Price and Selected Relativities for Symbol Definitions

1989 & Prior Model Years				1990 - 2010 Model Years			
		Present Relativity				Present Relativity	
Symbol	Average Price	Comp	Coll	Symbol	Average Price	Comp	Coll
4	3,225	0.21	0.42	1	5,750	0.38	0.62
5	4,350	0.25	0.52	2	7,250	0.49	0.70
6	5,750	0.38	0.62	3	8,500	0.59	0.77
7	7,250	0.49	0.70	4	9,500	0.67	0.82
8	9,000	0.64	0.80	5	10,625	0.75	0.86
10	11,250	0.80	0.88	6	11,875	0.84	0.90
11	13,750	0.96	0.97	7	13,125	0.92	0.95
12	16,250	1.14	1.07	8	14,375	1.00	1.00
13	18,750	1.37	1.18	10	15,625	1.09	1.05
14	22,000	1.64	1.32	11	16,875	1.20	1.10
15	26,000	1.95	1.48	12	18,125	1.31	1.15
16	30,500	2.27	1.65	13	19,375	1.43	1.21
17	36,000	2.64	1.80	14	21,000	1.56	1.28
18	42,500	3.06	1.94	15	23,000	1.72	1.37
19	50,500	3.55	2.11	16	25,000	1.87	1.44
20	60,000	4.14	2.32	17	27,000	2.02	1.52
21	above 65K	5.17	2.71	18	29,000	2.16	1.60
				19	31,500	2.34	1.68
				20	34,500	2.54	1.76
				21	38,000	2.77	1.84
				22	42,500	3.06	1.94
				23	47,500	3.37	2.05
				24	55,000	3.83	2.21
				25	65,000	4.49	2.46
				26	75,000	5.17	2.71
				27	above 80K	(a)	(b)

(a) Add 0.74 to symbol 26 relativity for each $10,000 or fraction of $10,000 above $80,000.

(b) Add 0.35 to symbol 26 relativity for each $10,000 or fraction of $10,000 above $80,000.

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TABLE C7-4 (Cont'd)
Average Price and Selected Relativities for Symbol Definitions

2011 & Later Model Years

		Present Relativity				Present Relativity	
Symbol	Average Price	Comp	Coll	Symbol	Average Price	Comp	Coll
01	1,500	0.31	0.44	40	34,500	2.52	1.75
02	4,250	0.38	0.55	41	35,500	2.58	1.77
03	6,750	0.47	0.67	42	36,500	2.65	1.80
04	8,500	0.58	0.77	43	37,500	2.71	1.82
05	9,500	0.66	0.82	44	38,500	2.78	1.84
06	10,500	0.73	0.85	45	39,500	2.84	1.86
07	11,500	0.81	0.88	46	40,625	2.91	1.89
08	12,500	0.87	0.92	47	41,875	2.99	1.92
10	13,500	0.94	0.96	48	43,125	3.07	1.94
11	14,500	1.00	1.00	49	44,375	3.15	1.97
12	15,313	1.06	1.03	50	45,625	3.22	2.00
13	15,938	1.11	1.06	51	46,875	3.30	2.03
14	16,563	1.16	1.08	52	48,125	3.38	2.05
15	17,188	1.22	1.11	53	49,375	3.45	2.08
16	17,813	1.27	1.13	54	51,250	3.57	2.12
17	18,438	1.33	1.16	55	53,750	3.72	2.17
18	19,063	1.39	1.19	56	56,250	3.88	2.23
19	19,688	1.44	1.22	57	58,750	4.04	2.29
20	20,313	1.49	1.24	58	62,500	4.29	2.39
21	20,938	1.54	1.27	59	67,500	4.62	2.51
22	21,563	1.59	1.30	60	72,500	4.96	2.63
23	22,188	1.64	1.33	61	77,500	5.31	2.78
24	22,813	1.69	1.35	62	82,500	5.67	2.96
25	23,438	1.74	1.38	63	87,500	6.04	3.13
26	24,063	1.78	1.40	64	92,500	6.41	3.31
27	24,688	1.83	1.42	65	97,500	6.77	3.48
28	25,313	1.88	1.45	66	105,000	7.32	3.74
29	25,938	1.92	1.47	67	115,000	8.06	4.09
30	26,563	1.97	1.50	68	125,000	8.79	4.44
31	27,188	2.02	1.52	69	135,000	9.52	4.79
32	27,813	2.06	1.54	70	145,000	10.26	5.13
33	28,438	2.10	1.57	71	(a)	11.00	5.48
34	29,063	2.15	1.59	72	(a)	11.74	5.83
35	29,688	2.19	1.61	73	(a)	12.48	6.18
36	30,500	2.25	1.64	74	(a)	13.22	6.53
37	31,500	2.32	1.67	75	(a)	13.96	6.88
38	32,500	2.39	1.70	98	Above	(b)	(c)
39	33,500	2.45	1.72		$150,000		

(a) These are Rating Symbols only. They have no corresponding price ranges. Vehicles can only be assigned these Rating Symbols via experience-based modification.
(b) Add 0.74 to symbol 70 relativity for each $10,000 or fraction of $10,000 above $150,000.
(c) Add 0.35 to symbol 70 relativity for each $10,000 or fraction of $10,000 above $150,000.

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SYMBOL PREMIUM TREND – EXPLANATORY NOTES TO TABLES C7-1 TO C7-4

Table C7-1 sets forth the calculation of the symbol trend factor. Table C7-2 displays the year-ended symbol relativities for Comprehensive (Column (3)) and Collision (Column (4)) for the average price new (Column (2)) for that year. Average price new is based on actual quarterly data obtained from Global Insight, Inc. for points through year-ended 1/1/2010 and projections compiled by Global Insight, Inc. in February, 2010. Table C7-3 displays the exposure distributions by age for Comprehensive and Collision utilized to calculate the average symbol relativities shown on Table C7-1, Lines A and B. Table C7-4 displays the current ISO symbol relativities and the associated average price by symbol group. The relativities for average price new by year-ended quarter shown in Columns (3) and (4) of Table C7-2 are based on the symbol relativities shown on Table C7-4.

The average symbol relativities for the experience period (Line A of Table C7-1) and the average symbol relativities by year-ended quarter from 4/1/2011 to 7/1/2013 (Line B of Table C7-1) were calculated by weighting the symbol relativities on Table C7-2 on the exposure distribution by age shown on Table C7-3, with Age 1 weight applied to the year-ended quarter, n; Age 2 weight applied to year-ended quarter, n-1; Age 3 weight applied to year-ended quarter, n-2; etc., where, n = the year-ended quarter for which the average symbol relativity is being calculated. For example, the Comprehensive average symbol relativity for year-ended 7/1/2012 of 1.880 was calculated as follows:

$$2.106\ (2^{nd}\ Q,\ 2012)\ X\ .073 + 2.068\ (2^{nd}\ Q,\ 2011)\ X\ .088 + 2.001\ (2^{nd}\ Q,\ 2010)\ X\ .076 + ...$$

Average symbol relativities calculated by the above procedure for a given year-ended period utilize the age distribution for that year. Age distributions for years ended 12/31 are used to determine average symbol relativities for years ended 1/1 and 4/1; age distributions for years ended 6/30 are used to determine average symbol relativities for years ended 7/1 and 10/1.

Projected age distributions (12/2009 through 6/2013) in Table C7-3 were determined by applying auto sales indices obtained from Global Insight, Inc. to determine estimated age percentages for new model years (Ages 1 and 2). Estimates for Age 3 and over were determined by applying age retention factors for prior model year distributions to estimate the reduced percentage contribution to the total as the model year ages.

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MODEL YEAR PREMIUM TREND

IMPORTANCE OF APPLICATION

Due to model year rating, the present loss cost provision used to develop the indicated change in Table B2 reflects the increased revenue that will be generated by the introduction of newer model year cars during the period in which the loss costs will be effective. Therefore, this reflection of model year loss cost volume trend reduces loss cost level indications.

The change in average relativities is due to two factors: the shift in the distribution to more recent model years as new models are introduced, and changes in the age distribution from the experience period to the prospective period.

MODEL YEAR RATING PROGRAM

Under ISO's model year rating program, the base model year is assigned a "model year relativity" of 1.00. Older model years are assigned lower relativities. Model years that are newer than the base are assigned relativities that increase 5% for each prospective year. The loss cost for a given model year is the loss cost for the current base model year times the appropriate relativity.

MODEL YEAR TREND METHODOLOGY

Table B2, the "Calculation of Statewide Loss Cost Level Changes for Physical Damage Coverages", tests the adequacy of the current loss cost provisions by projecting both experience loss costs and average loss cost provisions, and comparing the two. In determining model year trend we project the average loss cost provision that will result in the prospective rating period if the current base model year, base loss cost, and relativity structure remain in effect. To make this projection, we first determine the average loss cost provision at current level (ALCPCL), and then project this provision to the prospective period based on anticipated changes in the model year vehicle distribution. Anticipated changes in the model year vehicle distribution are important because the model year rating program provides for a 5% increase in the relativity for each prospective model year.

ISO's calculation of the ALCPCL incorporates average age relativities that vary by territory. These average relativities are a weighted average of the age relativities on each territory's latest vehicle age distribution. The base model year relativity of 1.00 is applied to the Age 1 distribution, and relativities for older model years are applied to the corresponding age distributions for older cars.

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MODEL YEAR PREMIUM TREND

MODEL YEAR TREND METHODOLOGY (Cont'd)

Model year trend factors are calculated separately for Comprehensive and Collision. This factor is reflected in the present loss cost provision for each coverage, thereby reducing the indicated loss cost level.

The model year trend factor is calculated as the ratio of two average multistate model year relativities:

$$A \div B, \text{ where}$$

A = The multistate average relativity for the period during which policies will be written at the prospective loss cost level, and

B = The multistate average relativity underlying the ALCPCL.

MODEL YEAR TREND CALCULATIONS

The calculation of the average relativity underlying the ALCPCL is shown on Line (1) of Table C8-1. This calculation parallels that of the territory average relativities discussed above, using a multistate age distribution. That is, the base model year relativity of 1.00 is applied to the Age 1 distribution and relativities for older model years are applied to the corresponding age distributions for older cars.

Lines (2) and (3) show projected multistate average model year relativities for the two model year periods which straddle the prospective period. (ISO uses October 1 as the beginning of each new model year.)

Line (4) shows the number of months from the effective date to the beginning of the next model year period.

Line (5) shows the calculation of the average model year relativity for the prospective period. This is accomplished by interpolating between Lines (2) and (3), with Line (2) weighted on the number of months from the effective date to the following October 1, and Line (3) weighted on the remaining months to one year past the effective date:

$$[(2) \times (4) + (3) \times (12 - (4))] \div 12$$

Line (6) is the model year trend factor, which is determined by dividing Line (5), the average model year relativity for the period during which policies will be written at prospective loss costs, by Line (1), the average model year relativity underlying the ALCPCL).

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MODEL YEAR PREMIUM TREND

MODEL YEAR TREND CALCULATIONS (Cont'd)

For this review, 2010 was the current base model year, which we assume began on 10/1/2009. Therefore 2010 model year cars are Age 1 during the period 10/1/2009 to 10/1/2010. Since the effective date for this review is 3/1/2011, the period during which policies will be written using the prospective loss costs is from 3/1/2011 to 3/1/2012.

The projection period for model year trend is the number of years from year ended 10/1/2010 (the period when the base model year cars are Age 1) to year ended 3/1/2012 (the period during which policies will be written using the prospective loss costs), which is 1.42 years (10/1/2010 to 3/1/2012) or 17 months.

Line (7) calculates the annualized model year trends. The annualized trend is the model year trend factor raised to a power equal to the reciprocal of the number of years in the projection period, which is (1 ÷ 1.42) years or (12 ÷ 17) months.

AGE DISTRIBUTION

Age distributions for any given year are impacted by the auto sales for current and prior model years. As auto sales vary from year to year due to changes in the economy, the age distribution will also vary from year to year. Thus, in order to determine the appropriate model year trend, ISO reflects the effects on average model year relativities due to changes in the age distribution from the experience period to the prospective period.

The average model year relativity for the base model year (the period when 2010 was the most recent model year) is based on the year-ended 6/30/2009 age distribution which approximates the underlying present loss cost provision used in Table B2 (year-ended 9/30/2009). The average model year relativities for the period in which the revised loss costs will be in use are based on the age distributions for that period (the year-ended 6/30/2011 distribution is used for the average model year relativity after the introduction of 2011 models, and the year-ended 6/30/2012 distribution is used for the average model year relativity after the introduction of 2012 models).

INSURANCE SERVICES OFFICE, INC.

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MODEL YEAR TREND
TABLE C8-1

Model Year Relativity Underlying Loss Cost Provisions At Current ISO Level

		Comprehensive		Collision	
Model Year	Vehicle Age Group	Year-ended 6/30/2009 Age Distribution[a]	Model Year Relativity	Year-ended 6/30/2009 Age Distribution[a]	Model Year Relativity
2010	1	0.052	1.00	0.050	1.00
2009	2	0.094	0.95	0.092	0.94
2008	3	0.099	0.90	0.098	0.88
2007	4	0.097	0.86	0.099	0.83
2006	5	0.095	0.81	0.099	0.76
2005	6	0.091	0.77	0.096	0.70
2004	7	0.086	0.74	0.090	0.66
2003	8	0.077	0.70	0.080	0.62
2002	9	0.069	0.66	0.071	0.58
2001	10	0.060	0.63	0.060	0.55
2000	11	0.046	0.60	0.046	0.51
1999	12	0.036	0.57	0.035	0.48
1998	13	0.027	0.57	0.025	0.48
1997 & prior	14 & Older	0.071	0.57	0.059	0.48
	(1) Average		0.766		0.711

Average Relativity For the Year Starting October 1, 2010 (Introduction of 2011 Model Year)

	Comprehensive		Collision	
Model Year	Year-ended 6/30/2011 Age Distribution[b]	Model Year Relativity	Year-ended 6/30/2011 Age Distribution[b]	Model Year Relativity
2011	0.061	1.05	0.059	1.05
2010	0.076	1.00	0.074	1.00
2009	0.068	0.95	0.068	0.94
2008	0.091	0.90	0.091	0.88
2007	0.094	0.86	0.096	0.83
2006	0.091	0.81	0.093	0.76
2005	0.088	0.77	0.092	0.70
2004	0.081	0.74	0.085	0.66
2003	0.073	0.70	0.076	0.62
2002	0.063	0.66	0.065	0.58
2001	0.052	0.63	0.052	0.55
2000	0.044	0.60	0.044	0.51
1999	0.034	0.57	0.032	0.48
1998 & prior	0.084	0.57	0.073	0.48
(2) Average		0.788		0.737

[a] Based on ISO statistical data for policies earned during the year ended 6/30/2009. See Table C8-2.
[b] Projected Age Distribution. See Table C7-3.

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MODEL YEAR TREND
TABLE C8-1(Cont'd)

Average Relativity For the Year Starting October 1, 2011 (Introduction of 2012 Model Year)

Model Year	Comprehensive Year-ended 6/30/2012 Age Distribution[a]	Comprehensive Model Year Relativity	Collision Year-ended 6/30/2012 Age Distribution[a]	Collision Model Year Relativity
2012	0.073	1.10	0.071	1.10
2011	0.088	1.05	0.086	1.05
2010	0.076	1.00	0.076	1.00
2009	0.065	0.95	0.066	0.94
2008	0.087	0.90	0.088	0.88
2007	0.090	0.86	0.092	0.83
2006	0.085	0.81	0.087	0.76
2005	0.080	0.77	0.084	0.70
2004	0.072	0.74	0.075	0.66
2003	0.063	0.70	0.065	0.62
2002	0.053	0.66	0.054	0.58
2001	0.043	0.63	0.043	0.55
2000	0.036	0.60	0.035	0.51
1999 & prior	0.089	0.57	0.078	0.48
(3) Average		0.828		0.785

	Comprehensive	Collision
(4) Months from 3/1/2011 effective date to 10/1/2011	7	7
(5) Projected avg. relativity: [(2) x (4) + (3) x (12 - (4))] ÷ 12	0.805	0.757
(6) Model year trend factor: (5) ÷ (1)	1.051	1.065
(7) Annualized trend : (6) ^ (12/17)	3.6%	4.5%

[a] Projected Age Distribution. See Table C7-3.

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PHYSICAL DAMAGE -- AGE DISTRIBUTIONS
TABLE C8-2

BASED ON YEAR-ENDED 6/30/2009
EARNED EXPOSURES

Comprehensive		Collision	
Age	Age Distribution	Age	Age Distribution
1	5.2%	1	5.0%
2	9.4%	2	9.2%
3	9.9%	3	9.8%
4	9.7%	4	9.9%
5	9.5%	5	9.9%
6	9.1%	6	9.6%
7	8.6%	7	9.0%
8	7.7%	8	8.0%
9	6.9%	9	7.1%
10	6.0%	10	6.0%
11	4.6%	11	4.6%
12	3.6%	12	3.5%
13	2.7%	13	2.5%
14	2.1%	14	1.9%
15	1.7%	15	1.4%
16	1.2%	16	1.0%
17	0.9%	17	0.7%
18	0.7%	18	0.5%
19	0.5%	19	0.4%
TOTAL	100.0%	TOTAL	100.0%
SUM(14+)	7.1%	SUM(14+)	5.9%

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TABLE C9

THREE YEAR CLAIMS BY TERRITORY

Territory	Bodily Injury Incurred Claims	Property Damage Incurred Claims	Medical Payments Incurred Claims	Comprehensive Claims (A)	Collision Claims (B)
31	482	2,835	511	3,812	3,337
32	814	3,550	1,071	4,181	3,629
33	347	1,673	265	1,895	1,823
34	1,543	8,182	1,232	6,312	8,160
35	735	3,892	816	4,339	3,926
36	593	2,516	601	2,650	2,678
37	192	882	227	986	1,054
38	393	1,735	418	1,190	1,712
39	382	1,743	361	1,591	1,714
40	511	2,745	590	2,913	2,884
41	457	2,540	669	3,674	2,626
42	531	2,665	468	2,462	2,551
43	164	825	322	2,363	1,253
44	308	1,712	409	2,988	2,077
45	379	2,320	501	3,304	2,859
46	198	907	296	1,227	962
Total	8,029	40,722	8,757	45,887	43,245

(A) Includes Full, $50, $100, $200, $250, $500, and $1,000 deductible Comprehensive claims adjusted to normalize catastrophic losses.

(B) Includes $100, $200, $250, $500, and $1,000 deductible Collision claims.

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PERSONAL AUTO INSURANCE

TABLE C10

REVIEW OF PERSONAL AUTO INSURANCE LOSS COSTS
CREDIBILITY TABLES BASED UPON NUMBER OF CLAIMS

The projected loss costs are weighted in accordance with the following:

Average Number of Claims for the Latest Two Years (A)	Weight to Earlier Year	Weight to Later Year
4,000 and over	0%	100%
3,600 - 3,999	10	90
3,200 - 3,599	20	80
2,800 - 3,199	30	70
2,400 - 2,799	40	60
under 2,400	50	50

Credibility	Determination of Coverage & Territory Credibility (B)(C)
0	0 - 29
.10	30 - 119
.20	120 - 269
.30	270 - 479
.40	480 - 749
.50	750 - 1,079
.60	1,080 - 1,469
.70	1,470 - 1,919
.80	1,920 - 2,429
.90	2,430 - 2,999
1.00	3,000 or more

Credibility	Determination of Trend Factor Credibility (D)
0	0 - 26
.05	27 - 105
.10	106 - 238
.15	239 - 424
.20	425 - 663
.25	664 - 955
.30	956 - 1,300
.35	1,301 - 1,699
.40	1,700 - 2,150
.45	2,151 - 2,655
.50	2,656 - 3,212
.55	3,213 - 3,823
.60	3,824 - 4,487
.65	4,488 - 5,204
.70	5,205 - 5,974
.75	5,975 - 6,798
.80	6,799 - 7,674
.85	7,675 - 8,604
.90	8,605 - 9,586
.95	9,587 - 10,622
1.00	10,623 or more

(A) Applied separately by coverage.

(B) Coverage credibility is based on each coverage's latest two-year number of claims. A minimum credibility of 50% applies.

(C) Territory credibility is based on the number of claims underlying the three-year pure premium.

(D) Trend factor credibility is based on the number of claims underlying the latest year's experience appearing in the trend exhibits.

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AVERAGE INCREASED LIMITS FACTORS AND AVERAGE DEDUCTIBLE RELATIVITIES

IMPORTANCE OF APPLICATION

In order to calculate the Statewide Average Indicated Loss Costs, it is necessary to calculate total limits loss costs for Liability and all-deductible loss costs for Physical Damage.

METHODOLOGY FOR LIABILITY

For Bodily Injury, Property Damage, Medical Payments and Single Limit Liability the statewide loss cost level change (Table B1) is calculated using the basic limit loss cost volume. In order to calculate the Statewide Average Indicated Loss Cost Level Changes on a total limits basis, total limit loss costs are determined based on application of present increased limits factors. The calculation of the average increased limits factors is shown in Table C11-1.

METHODOLOGY FOR PHYSICAL DAMAGE

For Comprehensive and Collision coverages, the statewide loss cost level change (Table B2) is calculated using loss cost provisions on a base deductible level. In order to calculate the Statewide Average Indicated Loss Cost Level Changes on an all deductibles combined basis, all-deductible loss costs are determined based on the application of deductible relativities. The average deductible relativity calculations are shown in Table C11-2.

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TABLE C11-1

CALCULATION OF AVERAGE INCREASED LIMIT FACTORS

	Limit of Liability	Basic Limit Written Premium	Present Increased Limit Factor
Bodily Injury (50/100 base)	$ 50/100	$ 9,975,576	1.00
	100/200	496,654	1.23
	100/300	21,679,766	1.24
	250/500	4,047,248	1.55
	300/300	810,309	1.60
	500/1000	197,054	1.77
	1000/1000	61,569	1.93
	Average Increased Limit Factor:		1.221(A)

	Limit of Liability	Basic Limit Written Premium	Present Increased Limit Factor
Property Damage ($25,000 base)	$ 25,000	$ 5,422,374	1.00
	50,000	12,349,742	1.06
	100,000	12,324,747	1.12
	250,000(B)	351,634(B)	1.20(B)
	Average Increased Limit Factor:		1.075(A)

	Limit of Liability	Basic Limit Written Premium	Present Increased Limit Factor
Single Limit ($125,000 base)	$ 125,000	$ 2,476,276	1.00
	200,000	216,998	1.09
	300,000	13,915,128	1.17
	500,000	11,996,933	1.25
	1,000,000	168,872	1.33
	Average Increased Limit Factor:		1.189(A)

(A) A weighted average of the Increased Limit Factors for all limits of Liability weighted on Basic Limit Written Premium for year ended 9/30/2009.

(B) The basic limit written premium for the $250,000 limit includes premium for limits greater than $100,000. The factor shown corresponds to the $250,000 limit.

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TABLE C11-1 (Cont'd)

CALCULATION OF AVERAGE INCREASED LIMIT FACTORS

	Limit of Liability(B)	Basic Limit Written Premium	Present Increased Limit Factor
Medical Payments ($1,000 base)	$ 1,000	$ 854	1.00
	2,000	1,760,537	1.00
	5,000	3,649,080	1.59
	10,000	475,420	2.04
	25,000	58,089	2.66
	50,000	24,192	3.10
	75,000	1,589	3.24
	100,000	24,821	3.29
	Average Increased Limit Factor:		1.476(A)

(A) A weighted average of the Increased Limit Factors for all limits of Liability weighted on Basic Limit Written Premium for year ended 9/30/2009.

(B) For limits $10,000 and over, the assumed limits were selected as the most commonly purchased limits from among the ranges appearing in the current ISO statistical plan.

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PERSONAL AUTO INSURANCE

TABLE C11-2

CALCULATION OF AVERAGE DEDUCTIBLE RELATIVITIES

Coverage	Aggregate Loss Costs at Current Level(A)	Present Deductible Relativity
Full Coverage Comprehensive	$ 252,105	1.81
$50 Deductible Comprehensive	1,619,136	1.69
$100 Deductible Comprehensive	4,716,395	1.55
$200 Deductible Comprehensive	438,934	1.35
$250 Deductible Comprehensive	2,102,696	1.27
$500 Deductible Comprehensive	2,601,401	1.00
$1,000 Deductible Comprehensive	447,677	0.74
	Average Deductible Relativity:	1.371
$100 Deductible Collision	$ 2,843,965	1.18
$200 Deductible Collision	2,896,705	1.13
$250 Deductible Collision	11,729,317	1.11
$500 Deductible Collision	24,289,469	1.00
$1,000 Deductible Collision	3,368,872	0.83
	Average Deductible Relativity:	1.036

(A) For each deductible at the base deductible level.

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EFFECT OF CHANGE IN MODEL YEAR BASE

IMPORTANCE OF APPLICATION	Underlying the present loss costs for physical damage coverages are standard relativities that relate loss cost to the model year and symbol of an automobile. In order to implement the change from 2010 base model year relativities to 2011 base model year relativities without changing the overall loss cost level, a statewide offset must be applied when calculating the territory base class loss costs.
METHODOLOGY	The offsets used in this review are 0.998 for Comprehensive and 1.014 for Collision. They were determined by calculating the weighted average of the ratios of the revised model year relativities with a 2011 base model year to the present model year relativities with a 2010 base model year converted to a 2011 base, based on multistate written premium across all model year and symbol groups.

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TABLE C12-1
ONE YEAR CHANGE IN MODEL YEAR BASE
PHYSICAL DAMAGE COVERAGES
Effects of Model Year & Symbol Relativity Revision
Comprehensive

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Relativities				
Model Year	Age	Adjusted Present	Current Shifted	Ratio (4)/(3)	Written Premium@	Net Change (5) X 0.998*
2011	1	1.000	1.000	1.000	220,768,881	0.998
2010	2	0.952	0.950	0.998	432,019,633	0.996
2009	3	0.905	0.900	0.994	454,274,913	0.992
2008	4	0.857	0.860	1.004	450,065,045	1.002
2007	5	0.819	0.810	0.989	430,753,149	0.987
2006	6	0.771	0.770	0.999	401,175,748	0.997
2005	7	0.733	0.740	1.010	357,068,661	1.008
2004	8	0.705	0.700	0.993	313,427,767	0.991
2003	9	0.667	0.660	0.990	262,282,144	0.988
2002	10	0.629	0.630	1.002	222,446,079	1.000
2001	11	0.600	0.600	1.000	166,576,819	0.998
2000	12	0.571	0.570	0.998	120,738,115	0.996
1999	13	0.543	0.570	1.050	90,384,317	1.048
1998 & Prior	14 & Over	0.543	0.570	1.050	238,253,278	1.048
Totals				1.002	$ 4,160,234,549	1.000

Note: The written premium distribution utilized is based on year ended 6/30/2009 data. The model year relativities shown are for the base symbol for each model year.

@ Multistate Full Coverage, $50, $100, $200, $250, $500 and $1000 Deductible. Comprehensive written premiums combined for year ended 6/30/2009. Multistate excludes North Carolina, Puerto Rico and Texas.

* Reciprocal of the average ratio (column 5) for all age groups (1.000/1.002).

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TABLE C12-2
ONE YEAR CHANGE IN MODEL YEAR BASE
PHYSICAL DAMAGE COVERAGES
Effects of Model Year & Symbol Relativity Revision
Collision

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Relativities				
Model Year	Age	Adjusted Present	Current Shifted	Ratio (4)/(3)	Written Premium@	Net Change (5) X 1.014*
2011	1	1.000	1.000	1.000	595,684,686	1.014
2010	2	0.952	0.940	0.987	1,160,725,102	1.001
2009	3	0.895	0.880	0.983	1,230,615,847	0.997
2008	4	0.838	0.830	0.990	1,191,831,355	1.004
2007	5	0.790	0.760	0.962	1,144,739,888	0.975
2006	6	0.724	0.700	0.967	1,057,603,596	0.981
2005	7	0.667	0.660	0.990	934,547,541	1.004
2004	8	0.629	0.620	0.986	801,674,455	1.000
2003	9	0.590	0.580	0.983	646,439,485	0.997
2002	10	0.552	0.550	0.996	527,694,476	1.010
2001	11	0.524	0.510	0.973	371,660,612	0.987
2000	12	0.486	0.480	0.988	255,392,859	1.002
1999	13	0.457	0.480	1.050	179,008,112	1.065
1998 & Prior	14 & Over	0.457	0.480	1.050	392,368,926	1.065
Totals				0.986	$ 10,489,986,940	1.000

Note: The written premium distribution utilized is based on year ended 6/30/2009 data. The model year relativities shown are for the base symbol for each model year.

@ Multistate $100, $200, $250, $500 and $1000 Deductible. Collision written premiums combined for year ended 6/30/2009. Multistate excludes North Carolina, Puerto Rico, and Texas.

* Reciprocal of the average ratio (column 5) for all age groups (1.000/.986).

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TABLE C13-1

SUPPLEMENTAL LOSS COST INFORMATION

Statewide Average Indicated Loss Costs (based upon filed loss cost level changes):

Total Limits Bodily Injury loss cost:	$ 85.97
Total Limits Property Damage loss cost:	$ 92.19
Total Limits Single Limit Liability loss cost:	$212.72
Total Limits Medical Payments loss cost:	$ 7.71
All Deductible Comprehensive loss cost:	$ 34.49
All Deductible Collision loss cost:	$134.96

These loss costs were calculated based on application of the following multipliers:

Bodily Injury: 1.221 (applicable to 50/100 loss cost)
Property Damage: 1.075 (applicable to $25000 loss cost)
Single Limit Liability: 1.189 (applicable to $125,00 loss cost)
Medical Payments: 1.476 (applicable to $1000 loss cost)
Comprehensive: 1.371 (applicable to $500 Ded. Comprehensive loss cost)
Collision: 1.036 (applicable to $500 Ded. Collision loss cost)

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TABLE C13-2

MACHINE PROCESSING INFORMATION

The following information is provided for assistance in machine processing.

1. The Single Limit Liability increased limits factors are as follows:

Limits	Increased Limit Factors
$ 125,000	1.00
200,000	1.09
300,000	1.17
500,000	1.25
1,000,000	1.33

2. Liability increased limits factors utilized to create the base Single Limit Liability loss costs are as follows:

Bodily Injury Liability

Limit	Factor
50/100 to 125/125:	1.28

Property Damage Liability

Limit	Factor
$25,000 to $125,000:	1.13

3. The percentages for splitting the Single Limit Liability loss cost into its components are:

Bodily Injury	48%
Property Damage	52%

4. Due to the change in base from 2010 to 2011, multiplicative offset factors of 0.998 for Comprehensive and 1.014 for Collision have been applied to the indicated base class loss costs in order to produce no change to loss cost volume.

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TABLE C14-1
MODEL YEAR AND SYMBOL RELATIVITIES (a)
Comprehensive -- Model Year 2011 Base

Symbol (a)	2013 (c)	2012 (c)	2011
1	0.34	0.33	0.31
2	0.42	0.40	0.38
3	0.52	0.49	0.47
4	0.64	0.61	0.58
5	0.73	0.69	0.66
6	0.80	0.77	0.73
7	0.89	0.85	0.81
8	0.96	0.91	0.87
10	1.03	0.99	0.94
11	1.10	1.05	1.00
12	1.17	1.11	1.06
13	1.22	1.17	1.11
14	1.28	1.22	1.16
15	1.34	1.28	1.22
16	1.40	1.33	1.27
17	1.46	1.40	1.33
18	1.53	1.46	1.39
19	1.58	1.51	1.44
20	1.64	1.56	1.49
21	1.69	1.62	1.54
22	1.75	1.67	1.59
23	1.80	1.72	1.64
24	1.86	1.77	1.69
25	1.91	1.83	1.74
26	1.96	1.87	1.78
27	2.01	1.92	1.83
28	2.07	1.97	1.88
29	2.11	2.02	1.92
30	2.17	2.07	1.97
31	2.22	2.12	2.02
32	2.27	2.16	2.06
33	2.31	2.21	2.10
34	2.37	2.26	2.15
35	2.41	2.30	2.19
36	2.48	2.36	2.25
37	2.55	2.44	2.32
38	2.63	2.51	2.39
39	2.70	2.57	2.45
40	2.77	2.65	2.52
41	2.84	2.71	2.58
42	2.92	2.78	2.65
43	2.98	2.85	2.71

Symbol (b)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	1981-1989 (d)	1980& Prior (e)	
1	0.36	0.34	0.33	0.31	0.29	0.28	0.27	0.25	0.24	0.23	0.22	0.12	0.12	
2	0.47	0.44	0.42	0.40	0.38	0.36	0.34	0.32	0.31	0.29	0.28	0.12	0.12	
3	0.56	0.53	0.51	0.48	0.45	0.44	0.41	0.39	0.37	0.35	0.34	0.12	0.12	
4	0.64	0.60	0.58	0.54	0.52	0.50	0.47	0.44	0.42	0.40	0.38	0.12	0.12	
5	0.71	0.68	0.65	0.61	0.58	0.56	0.53	0.50	0.47	0.45	0.43	0.14	0.14	
6	0.80	0.76	0.72	0.68	0.65	0.62	0.59	0.55	0.53	0.50	0.48	0.22	0.22	
7	0.87	0.83	0.79	0.75	0.71	0.68	0.64	0.61	0.58	0.55	0.52	0.28	0.28	(f)
8	0.95	0.90	0.86	0.81	0.77	0.74	0.70	0.66	0.63	0.60	0.57	0.36	0.36	
10	1.04	0.98	0.94	0.88	0.84	0.81	0.76	0.72	0.69	0.65	0.62	0.46	0.46	
11	1.14	1.08	1.03	0.97	0.92	0.89	0.84	0.79	0.76	0.72	0.68	0.55	0.55	
12	1.24	1.18	1.13	1.06	1.01	0.97	0.92	0.86	0.83	0.79	0.75	0.65	0.65	
13	1.36	1.29	1.23	1.16	1.10	1.06	1.00	0.94	0.90	0.86	0.82	0.78	0.78	
14	1.48	1.40	1.34	1.26	1.20	1.15	1.09	1.03	0.98	0.94	0.89	0.93	0.99	
15	1.63	1.55	1.48	1.39	1.32	1.27	1.20	1.14	1.08	1.03	0.98	1.11		
16	1.78	1.68	1.61	1.51	1.44	1.38	1.31	1.23	1.18	1.12	1.07	1.29		
17	1.92	1.82	1.74	1.64	1.56	1.49	1.41	1.33	1.27	1.21	1.15	1.50		
18	2.05	1.94	1.86	1.75	1.66	1.60	1.51	1.43	1.36	1.30	1.23	1.74		
19	2.22	2.11	2.01	1.90	1.80	1.73	1.64	1.54	1.47	1.40	1.33	2.02		
20	2.41	2.29	2.18	2.06	1.96	1.88	1.78	1.68	1.60	1.52	1.45	2.36		
21	2.63	2.49	2.38	2.24	2.13	2.05	1.94	1.83	1.75	1.66	1.58	2.95		
22	2.91	2.75	2.63	2.48	2.36	2.26	2.14	2.02	1.93	1.84	1.74			
23	3.20	3.03	2.90	2.73	2.59	2.49	2.36	2.22	2.12	2.02	1.92			
24	3.64	3.45	3.29	3.10	2.95	2.83	2.68	2.53	2.41	2.30	2.18			
25	4.27	4.04	3.86	3.64	3.46	3.32	3.14	2.96	2.83	2.69	2.56			
26	4.91	4.65	4.45	4.19	3.98	3.83	3.62	3.41	3.26	3.10	2.95			

Refer to the following page for footnotes.

MAINE
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TABLE C14-1 (Cont'd)
MODEL YEAR AND SYMBOL RELATIVITIES (a)
Comprehensive -- Model Year 2011 Base

Symbol (a)	2013 (c)	2012 (c)	2011
44	3.06	2.92	2.78
45	3.12	2.98	2.84
46	3.20	3.06	2.91
47	3.29	3.14	2.99
48	3.38	3.22	3.07
49	3.47	3.31	3.15
50	3.54	3.38	3.22
51	3.63	3.47	3.30
52	3.72	3.55	3.38
53	3.80	3.62	3.45
54	3.93	3.75	3.57
55	4.09	3.91	3.72
56	4.27	4.07	3.88
57	4.44	4.24	4.04
58	4.72	4.50	4.29
59	5.08	4.85	4.62
60	5.46	5.21	4.96
61	5.84	5.58	5.31
62	6.24	5.95	5.67
63	6.64	6.34	6.04
64	7.05	6.73	6.41
65	7.45	7.11	6.77
66	8.05	7.69	7.32
67	8.87	8.46	8.06
68	9.67	9.23	8.79
69	10.47	10.00	9.52
70	11.29	10.77	10.26
71	12.10	11.55	11.00
72	12.91	12.33	11.74
73	13.73	13.10	12.48
74	14.54	13.88	13.22
75	15.36	14.66	13.96

(a) 75 Symbol Table applies to 2011 and later model years. Refer to Personal Vehicle Manual Rule 12. for rating Symbol 98 vehicles.
(b) 27 Symbol Table applies to 1990 - 2010 model years. Refer to Personal Vehicle Manual Rule 12. for rating Symbol 27 vehicles.
(c) 2012 relativities are 1.05 times the 2011 relativities. 2013 relativities are 1.10 times the 2011 relativities, where 1.10 = 1.05 x 1.05 rounded to two decimal places.
(d) 21 Symbol Table applies to 1981 - 1989 model years.
(e) 14 Symbol Table applies to 1976 - 1980 model years.
(f) 7 Symbol Table applies to 1975 and earlier model years. Refer to Personal Vehicle Manual Rule 12. for rating Symbol 7 vehicles.

MAINE
PERSONAL AUTO INSURANCE
TABLE C14-2
MODEL YEAR AND SYMBOL RELATIVITIES (a)
Collision -- Model Year 2011 Base

Symbol (a)	2013 (c)	2012 (c)	2011
1	0.48	0.46	0.44
2	0.61	0.58	0.55
3	0.74	0.70	0.67
4	0.85	0.81	0.77
5	0.90	0.86	0.82
6	0.94	0.89	0.85
7	0.97	0.92	0.88
8	1.01	0.97	0.92
10	1.06	1.01	0.96
11	1.10	1.05	1.00
12	1.13	1.08	1.03
13	1.17	1.11	1.06
14	1.19	1.13	1.08
15	1.22	1.17	1.11
16	1.24	1.19	1.13
17	1.28	1.22	1.16
18	1.31	1.25	1.19
19	1.34	1.28	1.22
20	1.36	1.30	1.24
21	1.40	1.33	1.27
22	1.43	1.37	1.30
23	1.46	1.40	1.33
24	1.49	1.42	1.35
25	1.52	1.45	1.38
26	1.54	1.47	1.40
27	1.56	1.49	1.42
28	1.60	1.52	1.45
29	1.62	1.54	1.47
30	1.65	1.58	1.50
31	1.67	1.60	1.52
32	1.69	1.62	1.54
33	1.73	1.65	1.57
34	1.75	1.67	1.59
35	1.77	1.69	1.61
36	1.80	1.72	1.64
37	1.84	1.75	1.67
38	1.87	1.79	1.70
39	1.89	1.81	1.72
40	1.93	1.84	1.75
41	1.95	1.86	1.77
42	1.98	1.89	1.80
43	2.00	1.91	1.82

Symbol (b)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	1990-2000	1981-1989 (d)	1980& Prior (e)	
1	0.58	0.55	0.51	0.47	0.43	0.41	0.38	0.36	0.34	0.32	0.30	0.20	0.20	
2	0.66	0.62	0.58	0.53	0.49	0.46	0.43	0.41	0.39	0.36	0.34	0.20	0.20	
3	0.72	0.68	0.64	0.59	0.54	0.51	0.48	0.45	0.42	0.39	0.37	0.20	0.20	
4	0.77	0.72	0.68	0.62	0.57	0.54	0.51	0.48	0.45	0.42	0.39	0.20	0.20	
5	0.81	0.76	0.71	0.65	0.60	0.57	0.53	0.50	0.47	0.44	0.41	0.25	0.25	
6	0.85	0.79	0.75	0.68	0.63	0.59	0.56	0.52	0.50	0.46	0.43	0.30	0.30	
7	0.89	0.84	0.79	0.72	0.67	0.63	0.59	0.55	0.52	0.48	0.46	0.34	0.34	(f)
8	0.94	0.88	0.83	0.76	0.70	0.66	0.62	0.58	0.55	0.51	0.48	0.38	0.38	
10	0.99	0.92	0.87	0.80	0.74	0.69	0.65	0.61	0.58	0.54	0.50	0.42	0.42	
11	1.03	0.97	0.91	0.84	0.77	0.73	0.68	0.64	0.61	0.56	0.53	0.47	0.47	
12	1.08	1.01	0.95	0.87	0.81	0.76	0.71	0.67	0.63	0.59	0.55	0.51	0.51	
13	1.14	1.06	1.00	0.92	0.85	0.80	0.75	0.70	0.67	0.62	0.58	0.57	0.57	
14	1.20	1.13	1.06	0.97	0.90	0.84	0.79	0.74	0.70	0.65	0.61	0.63	0.66	
15	1.29	1.21	1.14	1.04	0.96	0.90	0.85	0.79	0.75	0.70	0.66	0.71		
16	1.35	1.27	1.20	1.09	1.01	0.95	0.89	0.84	0.79	0.73	0.69	0.79		
17	1.43	1.34	1.26	1.16	1.06	1.00	0.94	0.88	0.84	0.78	0.73	0.86		
18	1.50	1.41	1.33	1.22	1.12	1.06	0.99	0.93	0.88	0.82	0.77	0.93		
19	1.58	1.48	1.39	1.28	1.18	1.11	1.04	0.97	0.92	0.86	0.81	1.01		
20	1.65	1.55	1.46	1.34	1.23	1.16	1.09	1.02	0.97	0.90	0.84	1.11		
21	1.73	1.62	1.53	1.40	1.29	1.21	1.14	1.07	1.01	0.94	0.88	1.30		
22	1.82	1.71	1.61	1.47	1.36	1.28	1.20	1.13	1.07	0.99	0.93			
23	1.93	1.80	1.70	1.56	1.44	1.35	1.27	1.19	1.13	1.05	0.98			
24	2.08	1.94	1.83	1.68	1.55	1.46	1.37	1.28	1.22	1.13	1.06			
25	2.31	2.16	2.04	1.87	1.72	1.62	1.53	1.43	1.35	1.25	1.18			
26	2.55	2.38	2.25	2.06	1.90	1.79	1.68	1.57	1.49	1.38	1.30			

Refer to the following page for footnotes.

MAINE
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TABLE C14-2 (Cont'd)
MODEL YEAR AND SYMBOL RELATIVITIES (a)
Collision -- Model Year 2011 Base

Symbol (a)	2013 (c)	2012 (c)	2011
44	2.02	1.93	1.84
45	2.05	1.95	1.86
46	2.08	1.98	1.89
47	2.11	2.02	1.92
48	2.13	2.04	1.94
49	2.17	2.07	1.97
50	2.20	2.10	2.00
51	2.23	2.13	2.03
52	2.26	2.15	2.05
53	2.29	2.18	2.08
54	2.33	2.23	2.12
55	2.39	2.28	2.17
56	2.45	2.34	2.23
57	2.52	2.40	2.29
58	2.63	2.51	2.39
59	2.76	2.64	2.51
60	2.89	2.76	2.63
61	3.06	2.92	2.78
62	3.26	3.11	2.96
63	3.44	3.29	3.13
64	3.64	3.48	3.31
65	3.83	3.65	3.48
66	4.11	3.93	3.74
67	4.50	4.29	4.09
68	4.88	4.66	4.44
69	5.27	5.03	4.79
70	5.64	5.39	5.13
71	6.03	5.75	5.48
72	6.41	6.12	5.83
73	6.80	6.49	6.18
74	7.18	6.86	6.53
75	7.57	7.22	6.88

(a) 75 Symbol Table applies to 2011 and later model years. Refer to Personal Vehicle Manual Rule 12. for rating Symbol 98 vehicles.
(b) 27 Symbol Table applies to 1990 - 2010 model years. Refer to Personal Vehicle Manual Rule 12. for rating Symbol 27 vehicles.
(c) 2012 relativities are 1.05 times the 2011 relativities. 2013 relativities are 1.10 times the 2011 relativities, where 1.10 = 1.05 x 1.05 rounded to two decimal places.
(d) 21 Symbol Table applies to 1981 - 1989 model years.
(e) 14 Symbol Table applies to 1976 - 1980 model years.
(f) 7 Symbol Table applies to 1975 and earlier model years. Refer to Personal Vehicle Manual Rule 12. for rating Symbol 7 vehicles.

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SECTION D – CALCULATION OF UNINSURED MOTORISTS INDICATION AND DETERMINATION OF UNINSURED MOTORISTS LOSS COSTS AND SUPPORTING MATERIAL FOR THE REPRICING OF UNDERINSURED MOTORISTS LOSS COSTS

MAINE
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OVERVIEW OF CALCULATION OF FILED BASIC LIMITS LOSS COSTS FOR UNINSURED MOTORISTS COVERAGE

OBJECTIVE	The objective of this procedure is to determine the indicated advisory loss cost level changes for Uninsured Motorists coverage. This procedure answers the question: what percentage changes must be made on average to the present loss costs in order for them to be adequate to cover our best estimate of indemnity losses and all loss adjustment expenses that will be incurred in the prospective period in which the filed loss costs will be used?
OVERVIEW OF PROCEDURE	This procedure compares the latest three-year projected loss cost to the present loss cost provision. The projected loss cost is the developed and trended incurred losses and loss adjustment expenses per earned exposure.
EXPERIENCE BASE	The experience used in this review is the latest available as reported under the ISO Personal Automobile Statistical Plan. The data is aggregated on an accident year basis.

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TABLE D1

UNINSURED MOTORISTS EXPERIENCE
50/100 UNINSURED MOTORISTS BODILY INJURY

STATEWIDE

Accident Year Ended	(1) Earned Exposures	(2) 50/100 Losses Including All Loss Adjustment(a)	(3) Number of Claims	(4) Average Annual Change in Losses (Trend)	(5) 50/100 Projected Loss Cost(b)
9/30/2007	489,500	$2,465,284	97	+0.6%	$5.19
9/30/2008	489,605	2,728,806	99	+0.6%	5.71
9/30/2009	485,121	2,088,526	91	+0.6%	4.38
Total	1,464,226	$7,282,616	287		$5.09

(6) Present Loss Cost Provision	(7) Indicated Change	(8) Filed Change
$5.65	-9.9%	-9.9%

(a) Incurred losses have been adjusted by the following factors:

1. Unallocated loss adjustment factor: 1.125 (Bodily Injury)

2. 70%/30% credibility-weighted multistate 25/50 Uninsred Motorists Bodily Injury and Total Limits Uninsured Motorists Bodily Injury loss development factors:

Year Ended	25/50 UMBI	TOTAL UMBI	70%-30% MS WEIGHTED
9/30/2007	0.996	0.994	0.995
9/30/2008	1.018	1.046	1.026
9/30/2009	1.072	1.192	1.108

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EXPLANATORY NOTES TO TABLE

COLUMN (1) EARNED EXPOSURES

The exposures for Uninsured Motorists coverages are those exposures which have been earned during the latest three accident years ending 9/30/2007, 9/30/2008, and 9/30/2009.

COLUMN (2) INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

The losses displayed are basic limit incurred losses including all loss adjustment expenses and developed to an ultimate settlement basis.

Allocated Loss Adjustment Expenses

Incurred losses are combined with allocated loss adjustment expenses which are the expenses incurred by a carrier in connection with claim settlements that can be directly allocated to a particular claim.

Unallocated Loss Adjustment Expense Factors

Unallocated loss adjustment expenses, those expenses which cannot be allocated to any one claim, are included by applying appropriate factors to the incurred losses and allocated loss adjustment expenses. The factor used for Uninsured Motorists Bodily Injury in this revision is the Bodily Injury Liability factor. This factor is based on three years of countrywide experience as shown in Table C1-1.

Loss Development Factors

The incurred losses and loss adjustment expenses are developed to an "ultimate" settlement basis by applying loss development factors. The use of a loss development factor is necessitated by the fact that all of the losses for a particular accident year have not been fully determined at the time the experience is compiled.

COLUMN (3) NUMBER OF CLAIMS

The three year claims for Uninsured Motorists Bodily Injury are displayed for informational purposes.

EXPLANATORY NOTES TO TABLE D1 (Cont'd)

COLUMN (4) AVERAGE ANNUAL CHANGE IN LOSSES (TREND)

The Bodily Injury average annual change in losses of 0.6% is used for UMBI.

COLUMN (5) PROJECTED LOSS COST

The projected loss cost for UMBI is calculated as follows:

$$[(2) \times (1.0 + (4))^{n}] \div (1);$$

n = the number of years of projection from the average date of accident to one year past the assumed effective date of this review. For the earliest year, n is equal to 4.92 and the average date of accident is 4/1/2007. For the middle year, n is equal to 3.92 and the average date of accident is 4/1/2008. For the latest year, n is equal to 2.92 and the average date of accident is 4/1/2009. For all three years, the assumed effective date of this review is 3/1/2011.

Note that trend factors raised to exponential factors are rounded to three decimal places in the above calculations.

The total projected loss cost for all years combined is equal to the sum of the trended losses over all years divided by the sum of the earned exposures shown in Column (1).

COLUMN (6) PRESENT LOSS COST PROVISION

The present loss cost provision is based on the loss costs set forth in Maine Personal Auto Filing, PP-2009-BRLA1.

COLUMN (7) INDICATED CHANGE

The indicated change is the Projected Loss Cost (Column (5)) divided by the Present Loss Cost Provision (Column (6)).

COLUMN (8) FILED CHANGE

The filed change equals the indicated change.

MAINE
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DETERMINATION OF UNINSURED MOTORISTS LOSS COSTS AND SUPPORTING MATERIAL FOR THE REPRICING OF UNDERINSURED MOTORISTS LOSS COSTS

INTRODUCTION

Loss costs for basic and higher limits for Uninsured Motorists (UM) and Underinsured Motorists (UIM) Coverages are developed using the current full pricing procedures as utilized in PP-2009-BRLA1. The following summarizes the full pricing procedures:

- A multi-car discount of 20% applies to all cars on the policy.
- Loss costs for higher limits of UM BI coverage are calculated using UM BI increased limits factors.
- The pricing model for UIM coverage uses a combination of the UM BI increased limits factors and the BI increased limits factors in determining the cost of the UIM BI coverage.
- The pricing model for UIM coverage includes voluntary and assigned risk in the policy limit distributions in determining the average cost of UIM BI coverage.
- The pricing model for UIM coverage includes voluntary and assigned risk experience to estimate the percentage of uninsured motorists.

DETERMINATION OF UNINSURED MOTORISTS LOSS COSTS

The filed loss costs are determined by first applying the 50/100 UM BI filed change of -9.9% to the present 50/100 UM BI single car loss cost. The filed multi-car 50/100 UM BI loss cost is then determined by applying the multi-car discount to the filed single car loss cost.

The filed single car higher limits of UM BI loss costs are determined by applying the UM BI increased limit factors to the filed 50/100 UM BI single car loss cost. The filed multi-car higher limits UM BI loss costs are then determined by applying the multi-car discount to the filed single car loss costs.

OVERVIEW OF REPRICING OF UNDERINSURED MOTORISTS LOSS COSTS

The filed UIM BI loss costs are determined from the ISO UIM pricing model. This model uses the filed BI average loss cost, the BI increased limit factors, and the UM BI increased limit factors in calculating the average loss costs for higher policy limits.

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TABLE D2A

STATEWIDE

CALCULATION OF FILED UNINSURED MOTORISTS LOSS COSTS

(1) Present Basic Limit UM BI Single Car Loss Cost:	$6.63
(2) UM BI Loss Cost Level Change:	-9.9%
(3) Filed Basic Limit UM BI Single Car Loss Cost:	$5.97

UM BI Split Limit	(4) UM BI Increased Limits Factor	(5) Filed Single Car UM BI Loss Cost	(6) Filed Single Car UM BI Increment	(7) Filed Per Car Multi-Car UM BI Loss Cost	(8) Filed Per Car Multi-Car UM BI Increment
50/100	1.000	$ 5.97		$ 4.78	
100/200	1.280	7.64	$ 1.67	6.11	$ 1.33
100/300	1.290	7.70	1.73	6.16	1.38
250/500	1.650	9.85	3.88	7.88	3.10
300/300	1.700	10.15	4.18	8.12	3.34
500/500	1.870	11.16	5.19	8.93	4.15
500/1000	1.880	11.22	5.25	8.98	4.20
1000/1000	2.050	12.24	6.27	9.79	5.01

EXPLANATORY NOTES TO TABLE D2A

LINE (1)	The present 50/100 basic limit Uninsured Motorists Bodily Injury single car loss cost is contained in Maine Personal Auto Filing, PP-2009-BRLA1.
LINE (2)	Filed Uninsured Motorists Bodily Injury base loss cost level change as determined on Table D1, Column (8).
LINE (3)	The filed basic limit Uninsured Motorists Bodily Injury 50/100 single car loss cost is calculated by applying the Uninsured Motorists Bodily Injury loss cost level change (Line (2)) to the present basic limit Uninsured Motorists Bodily Injury single car loss cost (Line (1)).
COLUMN (4)	Uninsured Motorists Bodily Injury increased limits factor for the policy limit shown.
COLUMN (5)	The filed single car Uninsured Motorists Bodily Injury loss cost is calculated by multiplying the filed basic limit Uninsured Motorists Bodily Injury loss cost (Line (3)) by the increased limits factors in Column (4).
COLUMN (6)	The filed single car increment is calculated as follows: The filed loss cost for single car policies (shown in Column (5)) minus the filed 50/100 basic limit loss cost shown in Column (5).
COLUMN (7)	The filed per car multi-car Uninsured Motorists Bodily Injury loss cost is calculated by multiplying the filed single car loss costs in Column (5) by (the multi-car discount factor of .80.
COLUMN (8)	The filed per car multi-car increment is calculated as follows: The filed per car loss cost for multi-car policies (shown in Column (7)) minus the filed 50/100 basic limit per car loss cost shown in Column (7).

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TABLE D2B

STATEWIDE

CALCULATION OF FILED UNINSURED MOTORISTS LOSS COSTS

UM BI Single Limit	(1) UM BI Increased Limits Factor	(2) Filed Single Car UM BI Loss Cost	(3) Filed Single Car UM BI Increment	(4) Filed Per Car Multi-Car UM BI Loss Cost	(5) Filed Per Car Multi-Car UM BI Increment
$100,000	1.250	$ 7.46		$ 5.97	
125,000	1.350	8.06	$ 0.60	6.45	$ 0.48
200,000	1.540	9.19	1.73	7.35	1.38
300,000	1.700	10.15	2.69	8.12	2.15
500,000	1.870	11.16	3.70	8.93	2.96
1,000,000	2.050	12.24	4.78	9.79	3.82

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EXPLANATORY NOTES TO TABLE D2B

COLUMN (1)	Uninsured Motorists Bodily Injury increased limits factor for the policy limit shown filing.
COLUMN (2)	The filed single car Uninsured Motorists Bodily Injury loss costs are calculated by multiplying the filed 50/100 basic limit Uninsured Motorists Bodily Injury loss cost (Table D2A, Line (3)) by the increased limits factors in Column (1).
COLUMN (3)	The filed single car increments are calculated as follows: The filed loss costs for single car policies (shown in Column (2)) minus the filed $100,000 basic limit loss cost shown in Column (2).
COLUMN (4)	The filed per car multi-car Uninsured Motorists Bodily Injury loss cost is calculated by multiplying the filed single car loss costs in Column (2) by the multi-car discount factor of .80.
COLUMN (5)	The filed per car multi-car increment is calculated as follows: The filed per car loss cost for multi-car policies (shown in Column (4)) minus the filed $100,000 basic limit per car loss cost shown in Column (4).

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TABLE D3

STATEWIDE

DETERMINATION OF INDICATED LIMITS REDUCTION
UNDERINSURED MOTORISTS LOSS COSTS

$100,000/$300,000 UIM

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
BI Limits of Party at Fault	Distribution of Policy Limits	Total Combined Limit of Coverage	BI ILF of (1)	UMBI ILF for Layer from (1) to (3)	Average Loss Cost for Combined Coverage	Average Loss Cost for BI Limits of Party at Fault	Indicated Loss Cost for Additional Coverage
50/100	0.146	100/300	1.00	1.290	$ 90.83	$ 70.41	$ 20.42
100/100	0.024	100/300	1.19	1.032	86.47	83.79	2.68
100/200	0.010	100/300	1.23	1.008	87.30	86.60	0.70

(9) Cost of all BI limits of at-fault party {sum of (8) x (2)}:	$ 3.05
(10) Portion of at-fault parties insured:	0.964
(11) Cost of coverage for at-fault parties insured ($3.05 x 0.964):	$ 2.94
(12) 50/100 BI average loss cost (based on year ending 09/30/2009):	$ 70.41

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EXPLANATORY NOTES TO TABLE D3

INTRODUCTION

The explanations that follow clarify Table D3, Determination of Indicated Limits Reduction Underinsured Motorists Loss Costs. Table D3 shows the calculation of the average loss cost for a 100/300 UIM policy purchased, where the tortfeasors have purchased either split limit policies or single limit policies.

Maine Underinsured Motorists Coverage has a Limits Trigger and a Limits Reduction.

Under a traditional limits trigger, Underinsured Motorists coverage becomes available only if the insured's Underinsured Motorists Bodily Injury limit is greater than the at-fault party's (tortfeasor's) Bodily Injury limit.

Under a limits reduction, the amount paid by the tortfeasor reduces the maximum Underinsured Motorists Bodily Injury limit (i.e. amount of coverage available) as stated in the policy declarations. With this type of reduction, Underinsured Motorists acts as a "fill-in" coverage, in that the insured's total recovery from all sources (i.e. payments by the tortfeasor and the tortfeasor's insurer, plus any Underinsured Motorists coverage payment) may equal but not exceed the maximum limit for Underinsured Motorists Bodily Injury under the policy.

The Limits Reduction Underinsured Motorists loss costs are calculated using the Limits Reduction Underinsured Motorists Pricing Model. This model assumes that the Underinsured Motorists coverage provides a layer of Bodily Injury coverage between the tortfeasor's Bodily Injury Liability limit and the insured's Underinsured Motorists limit. This calculation is shown for the 100/300 UIM limit in Table D3.

COLUMN (1)

The limits displayed are the most commonly purchased Bodily Injury Liability limits of the tortfeasor that are less than the insured's Underinsured Motorists coverage limit.

COLUMN (2)

For each Bodily Injury Liability policy limit, this is the distribution of policies based on the written car months by policy limit for Bodily Injury for year ending 9/30/2009. This distribution is based on voluntary and assigned risk exposures combined.

EXPLANATORY NOTES TO TABLE D3 (Cont'd)

COLUMN (3) — The total combined limit of coverage is the amount of coverage afforded by the insured's Underinsured Motorists policy limit.

COLUMN (4) — Bodily Injury increased limits factors for the policy limits in Column (1) to be applied to the 50/100 average Bodily Injury loss cost.

COLUMN (5) — The Uninsured Motorists Bodily Injury increased limits factors in Column (5) are calculated by reindexing the UMBI increased limits factors, as follows:

The UMBI increased limits factors for the combined limit (Column (3)) is divided by the UMBI increased limit factor for the party at-fault's limit (Column (1)).

Table D3, 100/300: $1.290 \div 1.250 = 1.032$

COLUMN (6) — The average loss cost for the total coverage available to the insured is calculated by applying the product of the increased limit factors in Column (4) and Column (5) to the average 50/100 Bodily Injury loss cost on Line (12).

COLUMN (7) — The average Bodily Injury loss cost of the tortfeasor is calculated by multiplying the average 50/100 Bodily Injury loss cost in Line (12) by the increased limit factor for the tortfeasor's Bodily Injury limit (Column (4)).

COLUMN (8) — The indicated loss cost for the additional coverage provided by Underinsured Motorists is the difference between the total combined coverage average loss cost (Column (6)) and the tortfeasor's average loss cost (Column (7)). This amount will cover the insured's losses above the tortfeasor's Bodily Injury Liability limits up to the amounts specified by the limits in Column (3).

LINE (9) — Using the results from Column (8), the indicated overall loss cost of the coverage provided by Underinsured Motorists can be determined. This is accomplished by weighting the indicated loss costs for each limit in Column (8) by the policy limit distribution in Column (2).

EXPLANATORY NOTES TO TABLE D3 (Cont'd)

LINES (10) AND (11)

Because Underinsured Motorists applies only when the tortfeasor is insured, the indicated Underinsured Motorists charge is adjusted by an estimate of the percentage of drivers in the state that are insured. The percentage is given by:

1 – [(Current Uninsured Motorists claim frequency)/
(Current Bodily Injury claim frequency)],

where the claim frequencies are based on voluntary and assigned risks combined. The result is the average loss cost for a given limit of Underinsured Motorists coverage.

The result for each Underinsured Motorist limit is shown in Column (1) of Table D4B.

LINE (12)

The 50/100 average loss cost is based on the latest year of data, year ending 9/30/2009.

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TABLE D4A

STATEWIDE

CALCULATION OF OFFSET FOR THE MULTI-CAR DISCOUNT

	(1) Percent Of Exposures	(2) Present Discount
Single Car Policies	26.6%	1.00
Multi-Car Policies	73.4%	0.80
		0.853

(3) Offset = 1.000 / 0.853 = 1.172

EXPLANATORY NOTES TO TABLE D4A

INTRODUCTION	Our pricing model for Underinsured Motorists produces average single and multi-car loss costs for this coverage. The calculated offset for the multi-car discount is applied to the results of the model to produce the filed single car loss cost. It is not applied to the present Underinsured Motorists single car loss costs.
COLUMN (1)	The percentage of exposures for single car policies is the percentage of single car exposures. The percentage of exposures for multi-car policies is the percentage of multi-car exposures.
COLUMN (2)	The present multi-car discount factor is 1.00 for single cars and .80 for each car in a multi-car policy. The present average discount for all policies is the discount in Column (2) weighted on the percentage of exposures in Column (1).
LINE (3)	The offset is determined by taking the reciprocal of the present average discount for all policies (1.000 ÷ Column (2) total).

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TABLE D4B

STATEWIDE

CALCULATION OF FILED UNDERINSURED MOTORISTS LOSS COSTS

Split Limits	(1) Single/Multi Combined (A)	(2) Single Car Loss Cost (B)	(3) Per Car Multi-Car Loss Cost (C)
100/200	$ 2.82	$ 3.31	$ 2.65
100/300	2.94	3.45	2.76
250/500	16.95	19.87	15.90
300/300	19.20	22.50	18.00
500/500	28.68	33.61	26.89
500/1000	29.30	34.34	27.47
1000/1000	40.31	47.24	37.79

Single Limits	Single/Multi Combined (A)	Single Car Loss Cost (B)	Per Car Multi-Car Loss Cost (C)
$100,000	$ 2.48	$ 2.91	$ 2.33
125,000	5.29	6.20	4.96
200,000	12.67	14.85	11.88
300,000	19.20	22.50	18.00
500,000	28.68	33.61	26.89
1,000,000	40.31	47.24	37.79

(A) Column (1) shows the average loss costs by UIM limit which result from Table D3.

(B) Column (1) x the UIM offset calculated on Table D4A.

(C) Column (2) x the UIM Multi-Car discount shown on Table D4A.

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TABLE D5

STATEWIDE
PRESENT AND FILED LOSS COSTS

UNINSURED/UNDERINSURED MOTORISTS BODILY INJURY

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Present Loss Costs		Filed Loss Costs		Average Loss		
	Single	Per Car	Single	Per Car	Costs Per Car		Percent
Basic Limits	Car	Multi-Car	Car	Multi-Car	Present	Filed	Change
50/100	$ 6.63	$ 5.30	$ 5.97	$ 4.78	$ 5.65	$ 5.10	- 9.7%
$100,000S/L	$ 10.57	$ 8.45	$ 10.37	$ 8.30	$ 9.01	$ 8.85	- 1.8%

Higher Limits Increments

	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Present Loss Costs		Filed Loss Costs		Average Loss		
	Single	Per Car	Single	Per Car	Costs Per Car		Percent
Split Limits	Car	Multi-Car	Car	Multi-Car	Present	Filed	Change
100/200	$ 4.47	$ 3.58	$ 4.98	$ 3.98	$ 3.82	$ 4.25	- 1.3%
100/300	4.66	3.73	5.18	4.14	3.98	4.42	- 1.1%
250/500	21.65	17.32	23.75	19.00	18.47	20.26	+ 5.1%
300/300	24.34	19.48	26.68	21.34	20.77	22.76	+ 5.5%
500/500	35.77	28.62	38.80	31.04	30.52	33.10	+ 5.6%
500/1000	36.50	29.21	39.59	31.67	31.15	33.78	+ 5.7%
1000/1000	49.65	39.72	53.51	42.80	42.36	45.65	+ 5.7%

	(15)	(16)	(17)	(18)	(19)	(20)	(21)
	Present Loss Costs		Filed Loss Costs		Average Loss		
	Single	Per Car	Single	Per Car	Costs Per Car		Percent
Single Limits	Car	Multi-Car	Car	Multi-Car	Present	Filed	Change
$125,000	$ 3.56	$ 2.85	$ 3.89	$ 3.11	$ 3.04	$ 3.32	+ 1.0%
200,000	12.52	10.02	13.67	10.93	10.69	11.66	+ 4.1%
300,000	20.40	16.33	22.28	17.82	17.41	19.01	+ 5.5%
500,000	31.83	25.47	34.40	27.52	27.16	29.35	+ 5.6%
1,000,000	45.71	36.57	49.11	39.28	39.00	41.89	+ 5.7%

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EXPLANATORY NOTES TO TABLE D5

COLUMN (1) Present loss costs shown for single car are contained in Maine Personal Auto Filing, PP-2009-BRLA1.

COLUMN (2) Present loss costs shown for per car multi-car are contained in Maine Personal Auto Filing, PP-2009-BRLA1.

COLUMN (3) The filed single car loss cost for the 50/100 basic limit is from Table D2A, Line (3). For the filed single car $100,000 limit loss cost, the filed single limit Uninsured Motorists loss cost at the $100,000 single limit from Table D2B, Column (2), is added to the $100,000 limit single car Underinsured Motorists filed loss cost from Table D4B, Column (2).

Table D5:

$100,000: $7.46 + $2.91 = $10.37

COLUMN (4) The filed per car multi-car loss cost for the 50/100 basic limit is from Table D2A, Column (7). For the filed per car multi-car $100,000 limit loss cost, the filed per car single limit Uninsured Motorists loss cost from Table D2B, Column (4), is added to the $100,000 limit per car multi-car Underinsured Motorists filed loss cost from Table D4B, Column (3).

Table D5:

$100,000: $5.97 + $2.33 = $8.30

COLUMN (5) These are the present average per car loss costs, calculated by weighting the present single and per car multi-car loss costs from Columns (1) and (2) on the present exposure distribution found in Table D4A, Column (1).

COLUMN (6) These are the filed average per car loss costs, calculated by weighting the filed single and per car multi-car loss costs from Columns (3) and (4) on the present exposure distribution found in Table D4A, Column (1).

COLUMN (7) The percent change is the filed average loss cost per car in Column (6), divided by the present average loss cost per car in Column (5).

EXPLANATORY NOTES TO TABLE D5 (Cont'd)

COLUMN (8) The present single car loss costs shown are the higher split limit increments contained in Maine Personal Auto Filing, PP-2009-BRLA1.

COLUMN (9) The present per car multi-car loss costs shown are the higher split limit increments contained in Maine Personal Auto Filing, PP-2009-BRLA1.

COLUMN (10) The filed single car loss cost increments shown are calculated by adding the filed single car Uninsured Motorists Bodily Injury loss cost increments from Table D2A, Column (6), to the Underinsured Motorists single car filed loss costs from Table D4B, Column (2).

COLUMN (11) The filed per car multi-car loss cost increments shown are calculated by adding the filed per car multi-car Uninsured Motorists Bodily Injury loss cost increments from Table D2A, Column (8) to the Underinsured Motorists per car multi-car loss costs from Table D4B, Column (3).

COLUMN (12) These are the present average per car loss cost increments, calculated by weighting the present single and per car multi-car loss cost increments from Columns (8) and (9) on the present exposure distribution found in Table D4A, Column (1).

COLUMN (13) These are the filed average per car loss cost increments, calculated by weighting the filed single and per car multi-car loss cost increments from Columns (10) and (11) on the present exposure distribution found in Table D4A, Column (1).

COLUMN (14) The percent change is the filed Total Limits Loss Cost change (Basic Limits plus Higher Limits increments). The average filed per car loss cost for the 50/100 basic limit from Column (6) is added to the applicable higher limit loss cost increment in Column (13), and divided by the corresponding present loss cost derived similarly from Columns (5) and (12).

Table D5:

100/200	Present Loss Cost	=	$ 5.65	+ $ 3.82	=	$ 9.47
	Filed Loss Cost	=	$ 5.10	+ $ 4.25	=	$ 9.35
	Percent Change	=	$ 9.35	/ $ 9.47	=	-1.3%

COLUMN (15) The present single car loss costs shown are the higher single limit increments contained in Maine Personal Auto Filing, PP-2009-BRLA1.

EXPLANATORY NOTES TO TABLE D5 (Cont'd)

COLUMN (16) The present per car multi-car loss costs shown are the higher single limit increments contained in Maine Personal Auto Filing, PP-2009-BRLA1.

COLUMN (17) The filed single car loss cost increments shown are calculated by adding the filed single car Uninsured Motorists Bodily Injury increments from Table D2B, Column (3), to the corresponding filed Underinsured Motorists single car loss cost increments from Table D4B, Column (2).

The Underinsured Motorists filed loss costs increments are derived from Table D4B, Column (2) by subtracting the $100,000 limit filed loss cost from the higher limit filed loss costs shown.

COLUMN (18) The filed per car multi-car loss cost increments shown are calculated by adding the filed per car multi-car Uninsured Motorists Bodily Injury loss cost increments from Table D2B, Column (5), to the Underinsured Motorists per car multi-car loss cost increments from Table D4B, Column (3).

The Underinsured Motorists filed loss costs increments are derived from Table D4B, Column (3) by subtracting the $100,000 limit filed loss cost from the higher limit filed loss costs shown.

COLUMN (19) These are the present average per car higher limit loss cost increments, calculated by weighting the present single and per car multi-car loss costs from Columns (15) and (16) on the present exposure distribution found in Table D4A, Column (1).

COLUMN (20) These are the filed average per car loss cost increments, calculated by weighting the filed single and per car multi-car loss costs from Columns (17) and (18) on the present exposure distribution found in Table D4A, Column (1).

COLUMN (21) The percent change is the filed Total Limits Loss Cost change (Basic Limits plus Higher Limits increments). The average filed per car loss cost for the $100,000 limit from Column (6) is added to the applicable higher limit loss cost increment in Column (20), and divided by the corresponding present loss cost derived similarly from Columns (5) and (19).

Table D5:

$125,000:	Present Loss Cost	=	$ 9.01	+	$ 3.04	=	$12.05
	Filed Loss Cost	=	$ 8.85	+	$ 3.32	=	$12.17
	Percent Change	=	$12.17	/	$12.05	=	+1.0%

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TABLE D6

STATEWIDE

CALCULATION OF PRESENT AND FILED AVERAGE LOSS COSTS
UNINSURED/UNDERINSURED MOTORISTS

	(1)	(2)	(3)
Split Limits	# of Written Car Months	Present Loss Cost	Filed Loss Cost
All Other	24	$ 11.69	$ 11.75
50/100	833,987	5.65	5.10
100/200	54,949	9.47	9.35
100/300	2,208,624	9.63	9.52
300/300	133,895	26.42	27.86
250/500	539,226	24.12	25.36
500/1000	28,649	36.80	38.88
1000/1000	8,865	48.01	50.75
Total	3,808,219	$ 11.69	$ 11.75
Single Limits	# of Written Car Months	Present Loss Cost	Filed Loss Cost
$100,000	11,834	$ 9.01	$ 8.85
125,000	128,333	12.05	12.17
200,000	12,068	19.70	20.51
300,000	852,376	26.42	27.86
500,000	842,592	36.17	38.20
1,000,000	9,645	48.01	50.74
Total	1,856,848	$ 29.81	$ 31.42

(4) Average Present Loss Cost:	$17.63
(5) Average Filed Loss Cost:	$18.20
(6) Total Filed Change:	+ 3.2%

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EXPLANATORY NOTES TO TABLE D6

COLUMN (1)

The written car months by policy limit for Uninsured/Underinsured Motorists Bodily Injury coverages are those exposures which have been written during the latest accident year ending 9/30/2009.

COLUMNS (2) AND (3)

The present loss costs are total limits loss costs calculated by adding the present basic limits loss costs shown in Table D5, Column (5), to the applicable higher limits increments shown in Table D5, Columns (12) and (19). The filed loss costs are similarly calculated using the loss costs and increments shown in Table D5, Columns (6), (13), and (20).

For "All Other" policy limits, the present and filed loss costs are an average of the present and filed loss costs for the other policy limits shown weighted on the written car months in Column (1).

The average split and single limit present loss costs are a weighted average of the loss costs in Column (2) weighted on the written car months in Column (1). The average split and single limit filed loss costs are similarly calculated using the loss costs in Column (3).

LINES (4) AND (5)

The average present loss cost is the weighted average of the split and single limit average loss costs weighted on the total written car months in Column (1). The average filed loss cost is similarly calculated.

Table D6:

UM Average Present Loss Cost:
(($11.69 x 3,808,219 + $29.81 x 1,856,848)/(3,808,219 + 1,856,848)) = $17.63

UM Average Filed Loss Cost:
(($11.75 x 3,808,219 + $31.42 x 1,856,848)/(3,808,219 + 1,856,848)) = $18.20

LINE (6)

The total filed change is the average filed loss cost in Line (5) divided by the average present loss cost in Line (4).