

**NEW YORK COMPENSATION INSURANCE RATING BOARD**



**2008 Loss Cost Revision**

**Effective October 1, 2008**

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## **NEW YORK WORKERS COMPENSATION**

### **DERIVATION OF APPROVED OCTOBER 1, 2008 LOSS COST REVISION**

**Proposed Loss Cost Level Change: -6.4%**  
**Filing of May 15, 2008 (amended June 3, 2008)**

**Approved Loss Cost Level Change: -6.4%**  
**Letter of Approval, Dated July 1, 2008**

The Rating Board submitted its 2008 Loss Cost Revision filing to the New York State Insurance Department on May 15, 2008. The filing was submitted on a loss cost basis as required by legislation enacted in 2008.

The Rating Board staff met with the Insurance Department on two occasions to explain the technical aspects of the filing and to answer questions that were raised by the Department. Following these meeting, the New York State Assessment was amended upward on June 3, 2008 to reflect the full effect of the 2007 reforms in the calculation of the policyholder charge.

The filing requested an average change of -6.4% in overall loss cost level to become effective October 1, 2008. The Department issued its letter of approval on July 1, 2008, approving the Rating Board's filing.

The detailed Filing Memorandum that accompanied the Rating Board's filing submission is attached and provides specific information on all components of the 2008 loss cost revision.

The Insurance Department's approval letter is also attached and can be found following the actuarial exhibits.

# NEW YORK WORKERS COMPENSATION

October 1, 2008 Loss Cost Revision

## Explanatory Memorandum

This memorandum, together with the attached actuarial exhibits, provides supporting documentation for an overall loss cost level change of -6.4%, to become effective on October 1, 2008.

The proposed loss cost change is based upon the latest statistical data reported by the Rating Board's member carriers and reflects the estimated measurable effects of the 2007 workers compensation reform.

The elements contributing to the overall change are summarized below and are presented in detail on the following pages.

1. Change indicated by Policy Year 2006 experience	.925
2. Change indicated by Accident Year 2007 experience	.901
3. Average change indicated by experience $[(1) + (2)]/2$	.913
4. Change in prospective claim cost, frequency and wage levels	.980
5. Change due to legislation	1.035
6. Indicated Loss Cost Level Change $(3) \times (4) \times (5)$	.926
7. Change in catastrophe provision	1.364
8. Proposed Loss Cost Level Change $[(6) \times .976 + (7) \times (1.0 - .976)]$	.936

A listing of the actuarial exhibits follows the explanatory portion of this memorandum in order to provide easy reference for reviewing the underlying support for this filing.

### 1. Experience of Policy Year 2006

The calculation of the indicated change in loss costs derived from the experience of policy year 2006 is presented as Exhibit B.

The experience of Policy Year 2006, valued as of December 31, 2007, has been compiled from the latest available statistical data submitted by the Rating Board's member companies. Similar to recent years, large deductible experience is included in the determination of the indicated experience change. Although this experience is still viewed as unique and similar to self-insurance, its inclusion reflects the Insurance Department's long held position that this data should be included in the annual NYCIRB filing. The methodology to include the large deductible experience takes into account the relative net earned premium volumes of the non-large deductible and large deductible business, respectively. This methodology is the same procedure that was used in the approved October 1, 2007 rate revision. The net ratios are appropriate since they represent the actual premium levels that are being charged for the respective New York business. Furthermore, at the previous direction of the Insurance Department, the policy year indication also includes the experience of the State Insurance Fund.

Since this is the first time that a loss cost experience indication is being filed, it is first necessary to convert reported standard premium to a loss cost base. The premium as reported by the carriers is at the historical designated statistical reporting level. For example, Policy Year 2006 premiums are reported to the Rating Board based on the full rate level, i.e. including expenses, based on the rate level in effect for that policy year. The first step in the premium adjustment process is to remove all expenses included in the historical rates (except Loss Adjustment Expenses (LAE), which are part of the loss costs) to bring the premium from a rate level to a loss cost level. The premiums generated by the expense constant are removed, and the remaining premiums are then multiplied by the latest approved loss and LAE ratio (.759). Now that premiums have been adjusted to the loss cost level, they need to be brought to current level. This adjustment is done in accordance with standard actuarial procedures, reflecting the latest approved rate level change for the new and renewal policies, as well as the change applied to all outstanding policies as of October 1, 2007. This results in an overall on-level factor of 0.813 for PY 2006 and 0.844 for AY 2007. The on-level calculations can be seen in Exhibit E, Sheet 1.

Losses emanating from the September 11, 2001 terrorist attacks have been excluded from the ratemaking data. Both policy year 2000 and policy year 2001 losses have been adjusted to remove the effects of the September 11, 2001 experience that was identified and reported under Catastrophe Code 48. The definition of Catastrophe Code 48 encompasses claims directly arising from the commercial airline hijackings of September 11, 2001 and the resulting subsequent events with accident dates of September 11, 2001 through September 14, 2001.

Similar to previous filings, the Rating Board has utilized paid plus case losses for the policy year loss evaluation. Indemnity and medical losses were analyzed separately in recognition of the significant differences in their respective development patterns.

For loss development, two, three, four and five-year average link ratios, as well as a three-year average, calculated after excluding the highest and lowest points, were analyzed for both indemnity and medical. Development patterns can vary at various report levels, but especially at the more immature valuations. Consequently, the methodology uses the three of five factors for the first to tenth reports and three-year average factors from tenth to nineteenth in order to smooth the impact of the variations in the observed development patterns. Separate development factors were derived for the non-large deductible and large deductible experience using this same methodology.

The Rating Board has used the same methodology as in the 2007 filing for determining the tail factor portion of the ultimate loss development factors. This method utilizes three reports of data at two successive valuations, and averages these results with the tail factors calculated in the prior year's filing submission. The incorporation of the previous factors is felt to be appropriate in order to further smooth the effect on development of reserve changes occurring in older policy years.

For the private carriers, premium development factors, similar to previous filings, are based on five-year averages which minimize fluctuations in the observed development patterns.

The private carrier non-deductible development data can be found in Exhibits BB, Sheets 1 thru 2D. For large deductible development, exhibits labeled as Appendix D, Sheets 3 thru 5 are provided.

Appendix F contains the experience of the State Insurance Fund. These pages include premium development factors for the policy year, and separate indemnity and medical loss development factors on both a policy year and accident year basis. Because of the large volume of State Fund data, it is appropriate that projections of ultimate losses reflect this experience's own development patterns.

Policy year losses for the private carrier non-large deductible, State Fund experience, and the large deductible experience are separately adjusted to an ultimate settlement basis, as described above, and are then converted to the current level of benefits that is in effect as a result of the 2007 reform legislation. Some of the experience period losses occurred prior to the reform, while some losses have occurred subsequent to the reform. In accordance with actuarial procedures, it is necessary to adjust pre-reform losses to post-reform levels. The calculations of these adjustment factors can be found on Exhibit E, Sheets 2 and 3 for indemnity and medical losses, respectively. In theory, losses that occurred subsequent to the reform do not require an adjustment, as they are supposed to be reserved (and reported) based on the post-reform benefit levels. However, for purposes of this filing, it was assumed that because there are several unknowns with regard to the benefit levels (e.g. impairment guidelines are not published and it is difficult to ascertain the duration of benefits for certain PPD claims), claims are still being reserved on a pre-reform basis. This assumption is based on results from a carrier survey, which describes the difficulty in setting reserves, and the increased uncertainty in the reserved amounts. The selected loss on-level factors reflect this assumption, and are adjusting all losses from the experience period, including those losses that occurred after the reform has been enacted, to post-reform level. It should be noted that, as time passes, and more information becomes available, the uncertainties surrounding the claims process may diminish, and the assumption described above will be revisited.

The indicated changes in loss costs are also adjusted to include a loss adjustment expense factor of 1.175, which is an increase in this factor from the 1.163 that underlies the current rates. The derivation of this factor can be found on Exhibit F.

In this filing, loss adjustment expense has been determined on the basis of paid policy year and accident year Financial Call data for Defense and Cost Containment Expense (DCCE), and on Insurance Expense Exhibit data for Adjusting and Other Expense (AOE). The utilization of Financial Call data for determining DCCE is an improvement over the previous use of Statutory Page 14 data in that possible distortions inherent in the use of calendar year data are eliminated by the use of actual policy year and accident year experience. Ratios of paid DCCE to paid loss is an accurate measure of these costs since any variability over time in reserves for either loss or DCCE does not enter the calculation of this factor. AOE continues to be based on Insurance Expense Exhibit data since it is the only data available with which to calculate this expense.

For both DCCE and AOE, the effects of the 2007 reforms on losses have been taken into account. The historical underlying policy year and accident year indemnity losses were brought to the post-reform benefit level in the manner that has been previously described. For AOE, ratios of indemnity to total loss were estimated for each calendar period and an average benefit adjustment factor was applied to the average AOE ratio. The final LAE ratio of 1.175 is based on five year averages of each component.

Loss cost indications are calculated separately for the non-large deductible and large deductible experience and are then weighted on the basis of their respective net earned premiums to arrive at a decrease of 7.5% in loss cost level based upon Policy Year 2006 experience.

## 2. Experience of Accident Year 2007

The calculation of the change in loss cost level indicated by the experience of accident year 2007 is presented in Exhibit C.

Consistent with the policy year experience, large deductible data, as well as the experience of the State Insurance Fund, has been included in the accident year experience base. The Rating Board has also utilized paid plus case losses for the accident year evaluation and has excluded losses attributable to the September 11, 2001 event from the accident year 2001 experience.

Case basis losses have been analyzed separately for medical and indemnity and traditional loss development factors have been derived. Similar to the policy year experience, three of five factors from first to tenth and three-year average link ratios from tenth to twentieth were used to determine the proposed loss development factors through twentieth report. For both indemnity and medical, an average of three reports at two successive valuations, further averaged with the prior year's tail factor, was utilized in the determination of a twentieth report to ultimate, or tail, loss development factor which is consistent with the policy year methodology.

Accident year losses are developed to an ultimate settlement basis and are converted to the current benefit level and premiums have been adjusted to the current rate level in the same manner as previously described for the policy year experience. The resulting changes in loss cost are also adjusted to include loss adjustment expense as previously described.

The private carrier non-deductible loss development data can be found in Exhibits CC, Sheets 1 thru 1D. The large deductible development is included in exhibits labeled as Appendix D, Sheets 6 and 7. State Fund development is shown in Appendix F.

Loss cost indications are calculated separately for the non-large deductible and large deductible experience and are weighted on the basis of their respective net earned premiums. The subsequent weighted average indicates a decrease of 9.9% in loss cost level based on Accident Year 2007 experience.

### 3. Average Experience Change

With equal weight being given to the 7.5% decrease indicated by the policy year experience and the 9.9% decrease indicated by the accident year experience, the average effect of experience is a decrease of 8.7%.

### 4. Trend Factor Analysis

The presentation of the loss portion of the trend factor is similar to previous years in that indicated trends are expressed in terms of average annual changes in claim costs and claim frequencies. Exponential and linear regression lines are used in analyzing the severity and frequency trends, and are calculated using both five years and eight years of data. The loss trend analysis utilizes a weighted average of private carrier and State Insurance Fund (SIF) claim costs and frequencies as the basis for calculating the trend factors. The determination of the wage trend utilizes five years of actual New York wage data, analyzed on both a linear and exponential basis.

For the indemnity trend, historical average claim costs by injury type were derived separately for the private carriers and the SIF by the application of observed claim and loss development patterns. The average severities for the private carriers and the SIF are displayed as information in Exhibit DD, Sheets 5 and 6, respectively. The injury type severities are weighted together on the basis of the actual frequencies for each injury type for each policy year. This methodology recognizes any shifts in the claim frequencies between injury types over time and ensures that the appropriate weights are given to the respective average claim costs in the final trend analysis. This year's indemnity severity analysis results in an upward trend, but the increase in costs is below that observed last year.

Total medical costs, including both medical only and medical on compensable cases, is used as the basis for the medical claim cost trend calculation. The use of separate private carrier and SIF data has also been used as described above. Compared to last year, there is a decrease in the annual medical claim cost trend. Medical costs have continued to produce a clear and recognizable upward trend in New York over the past several years, but this year's trend is less than that observed in previous revisions.

Exhibit DD, Sheets 2-6 show the derivation of the indicated claim cost trend for both indemnity and medical losses.

Similar to the procedure utilized for claim costs, separate private carrier and SIF claim frequencies are calculated, and then combined, to produce indicated frequency trends. Consistent with prior revisions, premium at present rates is the exposure base used in the frequency calculations. Indicated frequency trends continue to be negative, although at a slightly greater annual rate compared to last year.

Exhibit DD, Sheets 7-11 show the details underlying the change in both indemnity and medical claim frequencies as calculated in the traditional manner.

A wage trend analysis procedure, using both an exponential and linear regression of the latest five years of wage data from the New York State Department of Labor (DOL), is used in the wage trend calculation which is the same methodology as used in previous years. The average weekly wages are derived directly from published DOL statistics for all industries. Exhibit DD, Sheet 12 shows the calculation of the wage trend factor produced by this methodology. However, in light of the current economic downturn, the indicated annual wage trend of 4.7% will almost certainly exceed the actual wage levels during the experience period. According to the New York State Budget Office, wage growth for 2008 is expected to be 3.3%. Consequently, a selected 3.5% annual wage trend has been selected for inclusion in the overall trend calculation.

The result of the above described trend methodologies produces an annual trend of -0.8%, which is applied to the entire trend projection period in this filing. With the effects of the 2007 reforms being mostly unknown or uncertain at this time, a small negative trend is considered reasonable for the prospective experience period.

## 5. Legislative Changes

New York Legislative Bill A. 6163/S. 3322 was a comprehensive reform bill that was designed to increase benefits for injured workers, while at the same time, reducing the overall costs of the workers compensation system.

In 2007, the Rating Board, together with its Actuarial Committee, and assisted by the consulting firm of Tillinghast/Towers Perrin, estimated the cost impact of those provisions of the new law that were quantifiable, and an overall decrease of 15.0% in overall rate level was approved by the Department attributable to the reforms.

### a) Increase in Maximum Weekly Benefit

The maximum benefits for injured workers will increase from \$500 per week to \$550 per week on July 1, 2008, with additional annual increases, effective on July 1 of subsequent years.

The determination of the loss cost impact resulting from statutory benefit changes that raise the maximum weekly benefit is based on a universally accepted actuarial methodology developed by actuary Barney Fratello in a paper entitled *The Workers Compensation Injury Table and Standard Wage Distribution Table – Their Development and Use in Workers Compensation Insurance Ratemaking*, published by the Casualty Actuarial Society. This publication, or portions thereof, has been used for over fifty years by actuaries in all jurisdictions to price the effects of changes in the maximum weekly benefit that are either proposed or enacted by their respective state legislatures. The incorporation of a state's current statutory maximum weekly benefit, the new maximum weekly benefit, the state's average weekly wage and the 'Standard Actuarial Wage Distribution Table' enable an actuary to produce an accurate estimate of the benefit cost when changes to the maximum are proposed or enacted.



The actual methodology used by the NYCIRB to calculate the effects of changes in the maximum weekly benefit is a Limit Factor Analysis, as set forth in Mr. Fratello's actuarial paper. For a better understanding of the method, the following should be especially noted:

- While the methodology refers to average benefits and wage levels, these are expressed in terms of ratios for use with the Wage Distribution Table and are not intended to be actual values.
- The methodology only measures changes in the minimum and maximum benefits or percentage that these benefits bear to an employee's wages, and nothing more. It assumes that the current administrative functions within the workers compensation system and the level of disability or impairment of the injured workers that determines these benefits are at the current level.
- The methodology also reflects potential increases in utilization of the system as a result of the large increase in benefits. In other states, when large benefit changes were enacted, it was often seen that more claimants applied for the more generous benefits, which resulted in higher actual effects than the actuarial estimates were able to predict.

The calculation of the impact in New York of increasing the maximum weekly benefit from \$500 to \$550 per week can be found on the attached Exhibit G, Sheet 1. The methodology is performed separately for each major injury type [death, permanent total, permanent partial major (>22,000 per claim), permanent partial minor (<22,000 per claim) and temporary] to recognize any variation in the maximum, as a percent of wage, that is provided for by statute. Recognition has also been given to the lower wage levels of PPD claimants and the manner of determining benefits that is used by the WCB for PPD cases. This is consistent with last year's calculation.

Once the indicated changes are determined by injury type, these changes are applied to the latest distribution of incurred losses by injury type in order to obtain the estimated change in total indemnity costs. The resultant indicated indemnity change is then weighted with the distribution of indemnity and medical losses to obtain an overall change. The NYCIRB analysis then includes a utilization factor of 1.10 that contemplates the additional utilization of the workers compensation system as a result of the significantly higher benefit level. This effect must be taken into account in order to properly price this part of the reform bill. John W. Ruser of the U.S. Bureau of Economic Analysis in his 2004 paper entitled *Workers Compensation Reforms and Benefit Claiming*, states that "...Benefit claiming is positively associated with the generosity of benefits...". He then goes on to say that "...we then show that the probability of filing a claim increases...with an increase in benefit generosity". Experience in states that have enacted benefit increases has shown that utilization can increase significantly (up to 25% and more) with an increase in statutory benefits. In 2004, the California Workers Compensation Insurance Rating Bureau determined that there was a 26% rise in claims as a result of the latest series of benefit increases. The WCRI in a report by Dr. John Gardner entitled *Benefit Increases and System Utilization: The Connecticut Experience* states that "...Over the past decade, a number of studies have shown that as benefits rise, the duration of claims increases and more claims are filed. This study finds a large increase in utilization – about a 20 percent increase in utilization for every 20 percent increase in benefits – among workers affected by the benefit increase...". Based on the above, and recognizing that the benefit increases in New York are the first in 15 years, the 1.10 utilization factor can be considered reasonable in relation to the magnitude of the benefit changes.

The increase in the maximum weekly benefit from \$500 to \$550 is expected to result in a 2.1% increase in workers compensation claim costs.

In addition, the legislated benefit increases scheduled for subsequent years, using the above described methodology, are expected to result in the following claim cost changes:

<u>Effective Date</u>	<u>Maximum Weekly Benefit</u>	<u>Claim Cost Change</u>
7/1/09	\$600	+1.7%
7/1/10	2/3 AWW	+4.4% *

\* preliminary estimate

The derivation of these estimates can be found on Exhibit G, Sheets 2 and 3.

Proportional effects of the 7/1/09 and 7/1/10 benefit increases will also affect the October 1, 2008 to October 1, 2009 policy period, resulting in a total estimated increase in costs of 3.5%, effective October 1, 2008. The Summary page of Exhibit G illustrates the derivation of the 3.5% change.

b) Other Legislative Changes

Last Year's rate filing (effective 10/1/2007) included several provisions that explicitly reflected the Rating Board's estimate of the potential impact of certain sections of the 2007 reform. Those portions of the filing were approved. Several sections of the reform were not included as explicit provisions in the filing because of the lack of information.

In this filing, the only explicit legislative provision that has been included is the increase in maximum weekly benefits, as previously described. With respect to other provisions, the Rating Board has conducted a carrier survey in 2008 to examine the possibility of re-pricing the sections of the reforms that were included in last year's filing, as well to obtain more information on the sections of the reform that were not included in that filing. Based on the survey results, it has been determined that, at this time, it is too early to estimate the impact of other provisions of the reform, as post-reform data and claim handling practices are still evolving.

In particular, two sections of the reforms have been addressed as follows:

Medical Treatment Guidelines

A draft of medical treatment guidelines, relative to four body parts, was developed and forwarded by the Department to the Workers' Compensation Board in December 2007. These guidelines are still in draft form and have not yet been enacted by rule. In addition, it is difficult to ascertain at this point the enforceability of these guidelines after they are enacted. Also, based on the carrier survey, it appears that carriers already employ case management practices. To that end, these guidelines may in effect codify current treatment practices. Also, from discussions with several members of the task force that developed the guidelines, it appears that the main focus of the draft guidelines is to standardize care to be uniform across practitioners. Medical care may improve as a result of the guidelines either by increasing the level of treatment in some cases or by decreasing the amount of treatment in other cases. In addition, the level of system utilization may depend on the enforceability of the guidelines. In the long term, the guidelines may also result in a decrease in return to work time. These effects cannot be quantified at this time and will be reflected through future loss experience. In light of this information, no explicit provision has been included in this filing for this section of the reform.

### PPD Duration

It is also too early to revisit the estimates of the impact of the sections of the reform relating to the implementation of benefit durations on non-schedule PPDs. First, impairment rating guidelines are not yet developed. This makes the reserving process for PPD claims extremely difficult. In addition, these claims, according to the carrier survey, would normally be classified approximately two years after the date of the accident. The first post-reform claims are therefore not expected to be classified until early 2009.

The mandatory settlement offers, as well as compelling carriers to pay the present values of these claims into the Aggregate Trust Fund, may significantly reduce the carriers' negotiation leverage in trying to reach a settlement and could increase claim costs.

In summary, there is still significant uncertainty in the way the claims process will evolve under the new system. Therefore, while not including any new explicit reform provisions in this filing, the Rating Board will continue to monitor and study the reform, will conduct additional surveys, and will examine other possibilities to obtain data. Once more data become available, the Rating Board may include any new cost impacts in future filings.

## 6. Catastrophe Provisions

As a result of the terrorism attack of September 11, 2001, the Rating Board introduced loadings in the manual rates for foreign terrorism, as well as for catastrophic industrial accidents in conjunction with its October 1, 2002 rate revision. In 2003, these loadings were replaced by stand-alone premium charges of \$ .034 per \$100 of payroll for foreign terrorism and \$ .01 per \$100 of payroll for catastrophic industrial accidents. These charges remain in effect today.

In 2002, the Terrorism Risk Insurance Act (TRIA) was enacted that provided a federal backstop to the terrorism exposure through December 31, 2005. The Terrorism Risk Insurance Extension Act (TRIEA) subsequently became effective January 1, 2006 and extended the federal backstop until December 31, 2007. In December 2007, the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) extended the federal back stop through December 31, 2014.

From the initial pricing of the foreign terrorism charge under TRIA in 2002 and the subsequent enactments of TRIEIA and TRIPRA, carrier retentions have significantly increased with each extension of the federal backstop. Furthermore, terrorism models to date have indicated an enormous potential for loss if a major terrorism event were to strike New York City. Based on the higher carrier retentions and loss potential, the current charge for terrorism will generate only a fraction of the needed revenue should there be a major terrorism event in New York.

This filing proposes that the charge for terrorism be increased commensurate with the increase in carrier retention. Since the retention has increased by 33% (from 15% to 20% of premium), the current charge for terrorism is being increased by that same percentage, as developed on Exhibit H. Since TRIPRA eliminates the distinction between foreign and domestic terrorism, a single terrorism charge is proposed. In addition, it is proposed that the charge for catastrophic industrial accidents (without domestic terrorism) remain at \$ .01 per \$100 of payroll.

The total estimated loss cost change for terrorism and catastrophic industrial accidents as a result of this proposal is an increase of 36.4% in these charges, or an impact on the total loss cost level of +1.0%.

## 7. Industry Group Differentials

Industry group differentials are used to more equitably distribute the overall rate level change to individual employer classifications. Nine industry groups are used in this analysis and are listed below:

Food and Beverage Manufacturing  
Chemical Manufacturing  
All Other Manufacturing  
Contracting  
Maritime, Admiralty and Federal

Stores and Dealers-Wholesale/Retail  
Professional and Office  
Services  
Miscellaneous

The industry group methodology entails a compilation of the latest three years of Unit Statistical Plan data into the nine industry groups, and utilizes loss ratios as the basis for calculating a differential for each group relative to the statewide average (Exhibit I, Sheet 1). The underlying premium base is standard premium on current rate level and includes payroll development. Incurred losses have been developed to ultimate and are at the pre-2007 benefit level. The methodology includes trend and utilizes the factors contained in the general rate revision. Credibility for each group is based on the three-year total number of compensable claims, with the total number of lost-time claims for all groups combined as the standard for full credibility. Partial credibility for each group in this revision is determined by the formula  $(N/T)^{2/3}$ , where N is the three-year total of lost-time claims for the industry group and T is the three-year total of all lost-time claims. The complement of credibility is the loss ratio for all groups combined. Indicated differentials are calculated by relating each credibility weighted industry group's loss ratio to the overall total loss ratio. As in past revisions, an additional refinement to the indicated differential is included which recognizes different wage trends by industry group (Exhibit I, Sheet 2). The final differentials will be applied as part of the process which calculates loss costs from class pure premiums. To ensure overall balance, after the differentials are applied in the determination of class loss costs, a test of loss costs will become the final step in the process. The use of relativities by industry group provides a more refined and equitable distribution of rate level to each class.

Loss cost changes for each classification will be limited to  $\pm 25\%$  from the calculated industry group change to minimize the swings in loss cost level by class while still maintaining a proper relativity structure.

8. Minimum Premium

Although the Rating Board will no longer be calculating or publishing minimum premiums, the current minimum premium formula is being provided as information to the Department and can be found in Appendix B.

9. Small Deductible Loss Elimination Ratios

Small deductible credits were implemented with the implementation of the revised Hazard Group structure as of January 1, 2008. At this time, we are unwinding the approved loss and LAE ratio (.759) from these premium credits and will be publishing the underlying loss elimination ratios that are found in Appendix C.

10. Large Deductible Experience

Appendix D contains the experience reported by the Rating Board's member companies for policies written under independently filed large deductible programs. Both policy year and accident year data is being provided in this section of the filing and all loss data is on a first dollar, or gross of deductible, basis.

Consistent with last year's filing, large deductible loss development factors for both policy year and accident year are also included in this Appendix. Since the development factors for this business differ from those of the non-large deductible business, any projection or analysis of ultimate large deductible losses reflects this experience's own development where available.

#### **11. Construction Classification Territory Off-Balance**

In accordance with the Construction Employment Payroll Limitation Law (Chapter 135 of the Laws of 1998), the weekly payroll limitation for construction employments will increase to \$825 on July 1, 2008 as a result of the increase in the maximum weekly benefit.

In recognition of this payroll limitation relative to today's wage levels, revised territory differentials have been developed in accordance with the methodology approved by the Department at the inception of this program in 1999. Updated construction wage data was obtained from the New York Department of Labor and was projected into the prospective policy period. The standard actuarial wage distribution table was then used to estimate the percentage of payroll by territory that would be eliminated by the \$825 weekly cap.

The average statewide differential, proposed for October 1, 2008, is 2.9% which, when calculated by territory, is as follows: Territory 1 (NYC): 3.4%; Territory 2 (surrounding counties): 2.9%; Territory 3 (remainder): 2.0%.

The change in the off-balance represents an overall 3.7% decrease below the current average differential of 6.8%. However, the estimated overall premium level effect for all construction classes is 0.0% since the differentials merely offset the effect of the capped payrolls on manual premiums.

The derivation of the October 1, 2008 territory differentials can be found in Appendix E.

#### **12. State Insurance Fund Experience**

Appendix F contains the experience of the State Insurance Fund, which includes premium development factors for the policy year, and separate indemnity and medical loss development factors on both a policy year and accident year basis. Because of the large volume of State Fund data, it is appropriate that projections of ultimate losses reflect this experience's own development patterns.

#### **13. Classification Pure Premiums**

Classification pure premiums are based on the experience of all carriers for the five-policy years 2001 - 2005, excluding the experience of self-rated risks. In addition, losses over \$1,300,000 per claim (State Act) and \$1,950,000 (Federal Act) are excluded from the pure premium development. Consistent with past revisions, five years of experience are used to determine the proposed pure premiums for all classes irrespective of credibility.

Complete details with respect to the classification experience are contained in a separate document which will be provided to the Department under separate cover.

#### **14. Changes in Loss Cost by Classification and Industry Group**

A table showing the percentage change in loss cost level for each classification and industry group and the number of classifications for which loss costs are to be increased or decreased, as well as those to which no change will be applicable, will be provided upon approval.

#### **15. Total Change**

As a result of the above analyses, a loss cost level change of -7.4% is indicated. When combined with the change in the catastrophe provisions, an overall -6.4% change is proposed.

**16. New York State Assessment - Amended**

A separate identifiable policy charge, referred to as the New York State Assessment, has been in effect since April 1, 1994 as the mechanism to fund the costs of the Workers' Compensation Board, the Reopened Case Fund, the Special Disability Fund, the Special Funds Conservation Committee and Interdepartmental Expenses. The current percentage charge calculated by the Rating Board, effective October 1, 2007, is 15.5% of standard premium.

Based on the latest available information from the Workers' Compensation Board and Special Funds Conservation Committee, the percentage of standard premium required to fund these costs for policies effective October 1, 2008 is estimated to be 13.4% or a 1.8% decrease from the current level. The derivation of this policy charge is contained in Appendix A and utilizes the standard methodology, including an adjustment for the 2007 reforms, for determining this charge.

**17. Effective Date**

It is proposed that the filed loss costs and related rating values, after approval by the Insurance Department, become effective on October 1, 2008 for new and renewal business, observing the established rating anniversary date in accordance with the provisions of Rule I, Section G of the New York Workers Compensation and Employers Liability Manual.

**New York - Workers Compensation**

**List of Exhibits**

**Principal Exhibits**

- Exhibit A - Summary - All Elements**
- Exhibit B - Determination of Policy Year Loss Cost Indication**
- Exhibit C - Determination of Accident Year Loss Cost Indication**
- Exhibit D - Trend Factors**
- Exhibit E - On-Level Factors**
- Exhibit F - Loss Adjustment Expense**
- Exhibit G - Legislative Changes**
- Exhibit H - Terrorism and Natural Catastrophes**
- Exhibit I - Industry Group Differentials**
- Exhibit J - Pure Premium Multipliers**
- Exhibit K - Loss Cost Level Changes by Industry Group**
- Exhibit L - Loss Cost Swing Limits by Industry Group**

**Supporting Exhibits**

- Exhibit AA - Test of Loss Cost Level**
- Exhibit BB, Sheet 1 - Policy Year Premium Development Factors**
- Exhibit BB, Sheets 2 - 2D - Policy Year Loss Development Factors**
- Exhibit CC, Sheets 1 - 1D - Accident Year Loss Development Factors**
- Exhibit DD, Sheets 1 - 12 - Trend Analysis**

**Appendices**

- Appendix A - New York State Assessment**
- Appendix B - Minimum Premium Formula**
- Appendix C - Small Deductible Loss Elimination Ratios**
- Appendix D, Sheets 1 - 2 - Large Deductible Experience**
- Appendix D, Sheets 3 - 7 - Large Deductible Development Factors**
- Appendix E - Construction Class Territory Differentials**
- Appendix F, Sheets 1 - 3D - State Insurance Fund Development Factors**

WORKERS COMPENSATION - NEW YORK

GENERAL LOSS COST REVISION - OCTOBER 1, 2008

SUMMARY - ALL ELEMENTS

1.	Loss Cost change indicated by Policy Year 2006 Experience (Exhibit B)	0.925
2.	Loss Cost change indicated by Accident Year 2007 Experience (Exhibit C)	0.901
3.	Average Loss Cost change indicated by Experience $[(1)+(2)] / 2$	0.913
4.	Projected change in Loss Costs (Trend Exhibit D)	0.980
5.	Legislative Changes (Exhibit G)	1.035
6.	Indicated Loss Cost Change $[(3) \times (4) \times (5)]$	0.926
7.	Change in Catastrophe Provision (Exhibit H)	1.364
8.	Total Proposed Loss Cost Change $[(6) \times .976] + [(7) \times (1.0-.976)]$	<b>0.936</b>



NEW YORK WORKERS COMPENSATION

Determination of Change in Manual Loss Cost Level

**Experience of All Carriers**

Policy Year 2006 Experience

	Valued as of <u>12/31/2007</u> (1)	To 9/30/2008 <u>Levels #</u> (2)	Development <u>Factors *</u> (3)	Adjusted Data <u>(1) x (2) x (3)</u> (4)	Excl. Lge. Ded. Loss Cost <u>Change</u> (5)	Lge. Ded. Loss Cost <u>Change</u> (6)
<b>1. Expected Total Losses**</b>						
a. Excl. Large Ded.	1,471,585,366	0.813	0.983	1,176,060,121		
b. Large Deductible	735,585,749	0.813	1.044	624,344,588		
c. SIF	1,332,726,002	0.813	1.002	1,085,673,252		
d. Total Std. Ed. Prem. a+c	2,804,311,368			2,261,733,373		
<b>2. Case Basis Indemnity Losses</b>						
a. Excl. Large Ded.	257,654,593	0.724	2.693	502,357,405	0.427	-----
b. Large Deductible	126,889,309	0.724	3.393	311,707,648	-----	0.499
c. SIF	263,108,106	0.724	2.375	452,480,003	0.417	-----
d. Total Ind. Losses a+c	520,762,699			954,837,408	0.422	-----
<b>3. Case Basis Medical Losses</b>						
a. Excl. Large Ded.	246,303,422	0.983	2.075	502,391,247	0.427	-----
b. Large Deductible	122,698,748	0.983	2.683	323,604,328	-----	0.518
c. SIF	193,016,505	0.983	1.536	291,421,696	0.268	-----
d. Total Med. Losses a+c	439,319,927			793,812,943	0.351	-----
<b>4. Indicated Change in Indemnity &amp; Medical Loss Costs</b>					0.773	1.017
Col.(5) = (2d) + (3d); Col. (6) = (2b) + (3b)						
<b>5. Loss Cost Change, incl. Loss Adjustment Expense</b>			(4) x 1.175 (See Exhibit F)		0.908	1.195
<b>6. Weights Based on Net Earned Premium</b>					0.942	0.058
<b>7. Final Policy Year Loss Cost Indication</b>						<b>0.925</b>
[Col (5), (5)*(6)] + [Col (6), (5)*(6)]						

# See Exhibit E

\* Premium Development Factors are from Exhibit BB, Sheet 1.

Loss Development Factors are from Exhibit BB for private carriers; Appendix D for Large Deductible; Appendix F for SIF.

\*\* Expected Losses are derived from standard premium at 10/1/07 NYCIRB rate level, adjusted by the approved 10/1/07 expected loss & LAE ratio of .759.

Underlying standard earned premium excludes expense constant premium of	\$	28,263,400
Underlying large deductible premium excludes expense constant premium of	\$	10,246,000
Underlying SIF standard earned premium excludes expense constant premium of	\$	42,628,400

NEW YORK WORKERS COMPENSATION

Determination of Change in Manual Loss Cost Level

**Experience of All Carriers**

Accident Year 2007 Experience

	Valued as of <u>12/31/2007</u> (1)	To 9/30/2008 <u>Levels #</u> (2)	Development <u>Factors *</u> (3)	Adjusted Data <u>(1)x(2)x(3)</u> (4)	Excl. Lge. Ded. Loss Cost <u>Change</u> (5)	Lge. Ded. Loss Cost <u>Change</u> (6)
<b>1. Expected Total Losses**</b>						
a. Excl. Large Ded.	1,548,085,659	0.844	1.000	1,306,584,296		
b. Large Deductible	726,155,375	0.844	1.000	612,875,136		
c. SIF*	1,339,684,354	0.844	1.000	1,130,693,594		
d. Total Std. Ed. Prem. a+c	2,887,770,012			2,437,277,890		
<b>2. Case Basis Indemnity Losses</b>						
a. Excl. Large Ded.	190,461,685	0.724	3.708	511,311,916	0.391	
b. Large Deductible	84,257,863	0.724	5.064	308,917,636	-----	0.504
c. SIF	174,672,203	0.724	3.817	482,718,051	0.427	-----
d. Total Ind. Losses a+c	365,133,888			994,029,967	0.408	-----
<b>3. Case Basis Medical Losses</b>						
a. Excl. Large Ded.	210,717,373	0.983	2.580	534,408,758	0.409	
b. Large Deductible	94,897,867	0.983	3.513	327,708,811	-----	0.535
c. SIF	164,327,360	0.983	1.862	300,740,224	0.266	-----
d. Total Med. Losses a+c	375,044,733			835,148,982	0.343	-----
<b>4. Indicated Change in Indemnity &amp; Medical Loss Costs</b>					0.751	1.039
Col.(5) = (2d) + (3d); Col. (6)= (2b) + (3b)						
<b>5. Loss Cost Change, incl. Loss Adjustment Expense</b>			(4) x 1.175 (See Exhibit F)		0.882	1.221
<b>6. Weights Based on Net Earned Premium</b>					0.945	0.055
<b>7. Final Accident Year Loss Cost Indication</b>						<b>0.901</b>
[Col (5), (5)*(6)] + [Col (6), (5)*(6)]						

# See Exhibit E

\* Loss Development Factors are from Exhibit CC for private carriers; Appendix D for Large Deductible; Appendix F for SIF.

\*\* Expected Losses are derived from standard premium at 10/1/07 NYCIRB rate level, adjusted by the approved 10/1/07 expected loss & LAE ratio of .759.

Underlying standard earned premium excludes expense constant factor of 0.016.

Underlying large deductible premium excludes expense constant factor of 0.01.

Underlying SIF standard earned premium excludes expense constant factor of 0.026.

WORKERS COMPENSATION - NEW YORK  
DETERMINATION OF TREND FACTOR

	<u>Average Annual Change</u>
(A) Annual Loss Trend (See Exhibit DD, Sheet 1)	
(1) Indemnity Claim Cost Trend	1.055
(2) Indemnity Claim Frequency Trend	0.969
(3) Indemnity Loss Trend [(1) x (2)]	1.022
(4) Medical Claim Cost Trend	1.072
(5) Medical Claim Frequency Trend	0.963
(6) Medical Loss Trend [(4) x (5)]	1.033
(7) Indemnity Weight*	0.536
(8) Medical Weight*	0.464
(9) Indicated Annual Loss Trend [(3)x(7) + (6)x(8)]	1.027
(B) Annual Wage Trend (Selected)	1.035
(C) Annual Loss/Wage Trend (A9) / (B)	0.992
(D) Trended to Average Accident Date (C)^2.5	0.980
(E) Proposed Loss/Wage Trend Factor	0.980

\* Policy Year 2006 adjusted ultimate losses - See Exhibit B

**New York Workers Compensation**

**Determination of On-level Factors**

**Section A - Factor Adjusting 2006 Policy Year Loss Costs to Present Level**

	(1)	(2)	(3)	(4)	(5)
Date	Rate Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Cumulative Index/ Sum Column (4)
NR 10/01/05	Base	1.000	0.969	0.969	<b>0.813</b>
OS 10/01/07	0.839	0.839	0.031	0.026	
NR 10/01/07	0.809	0.809			
				0.995	

**Section B - Factor Adjusting 2007 Accident Year Loss Costs to Present Level**

	(1)	(2)	(3)	(4)	(5)
Date	Rate Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Cumulative Index/ Sum Column (4)
NR 10/01/05	Base	1.000	0.750	0.750	<b>0.844</b>
OS 10/01/07	0.839	0.839	0.219	0.184	
NR 10/01/07	0.809	0.809	0.031	0.025	
				0.959	

**New York Workers Compensation**

**Determination of On-level Factors**

**Section C - Factor Adjusting 2006 Policy Year Indemnity Losses To Present Benefit Level**

	(1)	(2)	(3)	(4)	(5)
Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Cumulative Index/ Sum Column (4)
01/01/06	Base	1.000	0.719	0.719	<b>0.807*</b>
04/01/07	0.563	0.563	0.156	0.088	
07/01/07	1.285	0.724	0.125	0.090	
				0.897	

\* Selected: **0.724** (see explanatory memorandum)

**Section D - Factor Adjusting 2007 Accident Year Indemnity Losses To Present Benefit Level**

	(1)	(2)	(3)	(4)	(5)
Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Cumulative Index/ Sum Column (4)
01/01/06	Base	1.000	0.250	0.250	<b>0.962*</b>
04/01/07	0.563	0.563	0.250	0.141	
07/01/07	1.285	0.724	0.500	0.362	
				0.753	

\* Selected: **0.724** (see explanatory memorandum)

**New York Workers Compensation**

**Determination of On-level Factors**

**Section E - Factor Adjusting 2006 Policy Year Medical Losses To Present Benefit Level**

	(1)	(2)	(3)	(4)	(5)
Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Cumulative Index/ Sum Column (4)
01/01/06	Base	1.000	0.969	0.969	<b>0.984*</b>
10/01/07	0.983	0.983	0.031	0.031	
				<u>0.999</u>	

\* Selected: **0.983** (see explanatory memorandum)

**Section F - Factor Adjusting 2007 Accident Year Medical Losses To Present Benefit Level**

	(1)	(2)	(3)	(4)	(5)
Date	Benefit Level Change	Cumulative Index	Weight	Product (2)x(3)	Adj. Factor Cumulative Index/ Sum Column (4)
01/01/06	Base	1.000	0.750	0.750	<b>0.987*</b>
10/01/07	0.983	0.983	0.250	0.246	
				<u>0.996</u>	

\* Selected: **0.983** (see explanatory memorandum)

New York Workers Compensation

Loss Adjustment Expense Analysis (Private Carrier Experience)

Paid Defense & Cost Containment Expense by Policy Year @12/07						Paid Defense & Cost Containment Expense by Accident Year @12/07					
PY	Paid DCCE	DCCE Factor to Ult.	DCCE @ Ult	Ultimate Indem.+ Med. Loss	Paid DCCE Ratio to Loss	AY	Paid DCCE	DCCE Factor to Ult	DCCE @ Ult	Ultimate Indem.+ Med. Loss	Paid DCCE Ratio to Loss
1994	54,468,916	1.105	60,188,152	844,731,736	0.071	1995	52,114,124	1.116	58,159,362	882,048,962	0.066
1995	49,270,945	1.127	55,528,355	820,577,287	0.068	1996	45,312,636	1.120	50,771,177	749,355,168	0.068
1996	48,600,016	1.147	55,744,218	757,367,030	0.074	1997	50,090,814	1.128	56,517,828	812,319,518	0.070
1997	53,320,098	1.166	62,171,234	822,602,355	0.076	1998	52,981,583	1.134	60,078,402	871,520,559	0.069
1998	58,769,049	1.194	70,170,245	933,484,295	0.075	1999	60,454,370	1.157	69,923,203	997,155,777	0.070
1999	65,209,953	1.226	79,947,402	1,008,468,309	0.079	2000	63,141,976	1.195	75,441,810	1,038,604,145	0.073
2000	66,984,266	1.275	85,404,939	1,047,792,574	0.082	2001	64,864,496	1.247	80,909,866	1,090,694,981	0.074
2001	63,410,719	1.344	85,224,006	1,006,638,221	0.085	2002	58,966,940	1.322	77,966,653	963,902,181	0.081
2002	60,472,950	1.443	87,262,467	979,567,754	0.089	2003	54,217,958	1.440	78,067,691	963,213,674	0.081
2003	53,661,104	1.597	85,696,783	930,895,824	0.092	2004	46,624,317	1.639	76,398,164	852,977,062	0.090
2004	45,085,672	1.852	83,498,665	822,012,495	0.102	2005	39,802,009	1.997	79,502,198	833,699,832	0.095
2005	37,924,034	2.369	89,842,037	837,450,027	0.107	2006	31,686,613	2.878	91,204,012	845,484,055	0.108
2006	24,576,259	4.008	98,501,646	845,985,284	0.116	2007	12,354,391	8.318	102,767,859	880,041,969	0.117

Source: New York Financial Data Calls

* Indemnity losses are adjusted to the current benefit level.	All Year Average	0.086	Source: New York Financial Data Calls	All Year Average	0.082
	5 Year average	0.101	* Indemnity losses are adjusted to the current benefit level.	5 Year average	0.098
	3 Year average	0.108		3 Year average	0.107

Adjusting and Other Expenses Incurred					
CY	Incurred Losses *	AOE Incurred	Adjustments for Large Deductibles		Inc. AOE Ratio to Loss *
			Adj. to AOE	Adj. to Loss	
(1)	(2)	(3)	(4)	(5)	
1995	9,558,603,000	1,033,949,000	0.0075	0.69	0.080
1996	11,140,964,000	1,272,801,000	0.0075	0.69	0.084
1997	10,772,792,000	1,047,294,000	0.0075	0.67	0.070
1998	12,240,243,000	1,772,564,000	0.0100	0.66	0.102
1999	12,190,030,000	1,191,923,000	0.0100	0.66	0.071
2000	13,036,758,000	1,271,399,000	0.0080	0.66	0.070
2001	16,499,675,000	1,572,009,000	0.0080	0.66	0.068
2002	19,625,724,000	1,733,224,000	0.0080	0.63	0.061
2003	20,131,432,000	1,503,135,000	0.0070	0.64	0.052
2004	21,158,156,700	1,891,204,800	0.0040	0.64	0.060
2005	21,516,206,058	1,986,173,553	0.0070	0.65	0.065
2006	19,786,622,352	1,948,192,140	0.0080	0.65	0.069
2007	18,513,969,963	1,746,118,572	0.0080	0.65	0.067

Source: Insurance Expense Exhibit

* (5) = {(2)/(1)+(3)} x (4)	All Year Average *	0.085
	5 Year Average *	0.075
	3 Year Average *	0.081

\* Adj for reform by factor of 0.829

Final DCCE (5 yr avg PY & AY)	0.100
Final AOE	<u>0.075</u>
Total LAE	0.175

New York Workers Compensation

Proposed Benefit Changes

<u>Date</u> (1)	<u>Proposed Max. Benefit</u> (2)	<u>Est. Increase in Cost %</u> (3)	<u>Est. Increase in Cost Cumulative Impact</u> (4)	<u>Weight in Filing Effective Period</u> (5)	<u>Filing Impact</u> (6) [(4)-1]x(5)
July 1, 2008	\$550	2.1%	1.021	0.281	0.6%
July 1, 2009	\$600	1.7%	1.038	0.688	2.6%
July 1, 2010	\$769	4.4%	1.084	0.031	0.3%
<b>Total Filing Impact</b>					<b>3.5%</b>



New York Workers Compensation

Maximum @ July 1, 2008 = \$550 Per Week

1 Injury Type	<u>Death</u>		<u>Permanent Total</u>		<u>Perm Partial - Major</u>		<u>Perm Partial - Minor</u>		<u>Temporary</u>	
	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>
2 Effective Date	July 1, 2007	July 1, 2008	July 1, 2007	July 1, 2008	July 1, 2007	July 1, 2008	July 1, 2007	July 1, 2008	July 1, 2007	July 1, 2008
3 % Compensation	0.6667	0.6667	0.6667	0.6667	0.6667	0.6667	0.6667	0.6667	0.6667	0.6667
4 Minimum Comp	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
5 Maximum Comp	\$500.00	\$550.00	\$500.00	\$550.00	\$500.00	\$550.00	\$500.00	\$550.00	\$500.00	\$550.00
6 Eff Wkly Wage for Min (4)/(3)	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99
7 Eff Wkly Wage for Max (5)/(3)	\$749.96	\$824.96	\$749.96	\$824.96	\$749.96	\$824.96	\$749.96	\$824.96	\$749.96	\$824.96
8 Avg Weekly Wage	\$1,089.81	\$1,089.81	\$1,089.81	\$1,089.81	\$520.55	\$520.55 **	\$520.55	\$520.55 **	\$1,089.81	\$1,089.81
9 Ratio to Avg -Min- (6)/(8)	0.14	0.14	0.14	0.14	0.29	0.29	0.29	0.29	0.14	0.14
10 Ratio to Avg -Max- (7)/(8)	0.69	0.76	0.69	0.76	1.44	1.58	1.44	1.58	0.69	0.76
11 "B" Value for (9)	0.0527	0.0527	0.0527	0.0527	0.6388	0.6388	0.6388	0.6388	0.0527	0.0527
12 "B" Value for (10)	15.5980	20.2931	15.5980	20.2931	66.8863	73.8654	66.8863	73.8654	15.5980	20.2931
13 Difference (12) - (11)	15.5453	20.2404	15.5453	20.2404	66.2475	73.2266	66.2475	73.2266	15.5453	20.2404
14 "A" Value for (9)	0.6002	0.6002	0.6002	0.6002	3.1487	3.1487	3.1487	3.1487	0.6002	0.6002
15 "A" Value for (10)	31.7275	38.2054	31.7275	38.2054	82.4590	87.0909	82.4590	87.0909	31.7275	38.2054
16 Difference 100 - (15)	68.2725	61.7946	68.2725	61.7946	17.5410	12.9091	17.5410	12.9091	68.2725	61.7946
17 (9) x (14)	0.0840	0.0840	0.0840	0.0840	0.9131	0.9131	0.9131	0.9131	0.0840	0.0840
18 Product (10) x (16)	47.1080	46.9639	47.1080	46.9639	25.2590	20.3964	25.2590	20.3964	47.1080	46.9639
19 'Limit' Factor {(13) + (17) + (18)}	62.7374	67.2883	62.7374	67.2883	92.4197	94.5361	92.4197	94.5361	62.7374	67.2883
20 Eff. Avg. Weekly Wage (8) x (19)	\$683.72	\$733.32	\$683.72	\$733.32	\$481.09	\$492.10	\$481.09	\$492.10	\$683.72	\$733.32
21 Average Weekly Benefit	\$455.84	\$488.90	\$455.84	\$488.90	\$320.74	\$328.09	\$320.74	\$328.09	\$455.84	\$488.90
22 Indicated Change in Costs	-	7.3%	-	7.3%	-	2.3%	-	2.3%	-	7.3%

\*\* PPD average wage adjusted for average % disability rating.

New York Incurred Losses *	July 1, 2007	Benefit Change	July 1, 2008		
Death	\$64,042,262	7.3%	\$68,687,892	275400747.3	
Permanent Total	\$127,206,413	7.3%	\$136,433,973	1452096726	
Permanent Partial - Major	\$874,426,644	2.3%	\$894,451,276		
Permanent Partial - Minor	\$44,643,698	2.3%	\$45,666,052	0.189657302	
Temporary	\$120,710,895	7.3%	\$129,467,270		
Total Indemnity	\$1,231,029,912	3.5%	\$1,274,706,463	0.07979406	0.077

\* Policy Year 2004 Unit Statistical Plan data for all carriers, on level and developed to 5th report.

Indemnity Losses as Percent of Total Losses #	0.54
Medical Losses as Percent of Total Losses #	0.46

# 2008 General Rate Revision Filing

Estimated Claim Cost Effect of Benefit Change = 1.9%  
 {( .54 x 1.035)+ (.46 x 1.00)} - 1.00

Factor to Reflect Expected Increase in System Utilization 1.10

Estimated Rate Level Effect of Benefit Change = 2.1%

Estimated Premium Effect of Benefit Change = \$84,900,533

New York Workers Compensation

Maximum @ July 1, 2009 = \$600Per Week

1 Injury Type	Death		Permanent Total		Perm Partial - Major		Perm Partial - Minor		Temporary	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
2 Effective Date	July. 1, 2008	July. 1, 2009	July. 1, 2008	July. 1, 2009	July. 1, 2008	July. 1, 2009	July. 1, 2008	July. 1, 2009	July. 1, 2008	July. 1, 2009
3 % Compensation	0.6667	0.6667	0.6667	0.6667	0.6667	0.6667	0.6667	0.6667	0.6667	0.6667
4 Minimum Comp	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
5 Maximum Comp	\$550.00	\$600.00	\$550.00	\$600.00	\$550.00	\$600.00	\$550.00	\$600.00	\$550.00	\$600.00
6 Eff Wkly Wage for Min (4)/ (3)	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99
7 Eff Wkly Wage for Max (5)/ (3)	\$824.96	\$899.96	\$824.96	\$899.96	\$824.96	\$899.96	\$824.96	\$899.96	\$824.96	\$899.96
8 Avg Weekly Wage	\$1,121.42	\$1,121.42	\$1,121.42	\$1,121.42	\$535.64	\$535.64 **	\$535.64	\$535.64 **	\$1,121.42	\$1,121.42
9 Ratio to Avg -Min- (6)/(8)	0.13	0.13	0.13	0.13	0.28	0.28	0.28	0.28	0.13	0.13
10 Ratio to Avg -Max- (7)/(8)	0.74	0.80	0.74	0.80	1.54	1.68	1.54	1.68	0.74	0.80
11 "B" Value for (9)	0.0420	0.0420	0.0420	0.0420	0.5595	0.5595	0.5595	0.5595	0.0420	0.0420
12 "B" Value for (10)	18.9232	23.0848	18.9232	23.0848	72.0040	78.0709	72.0040	78.0709	18.9232	23.0848
13 Difference (12) - (11)	18.8812	23.0428	18.8812	23.0428	71.4445	77.5114	71.4445	77.5114	18.8812	23.0428
14 "A" Value for (9)	0.5212	0.5212	0.5212	0.5212	2.8703	2.8703	2.8703	2.8703	0.5212	0.5212
15 "A" Value for (10)	36.3788	41.7849	36.3788	41.7849	85.8975	89.6738	85.8975	89.6738	36.3788	41.7849
16 Difference 100 - (15)	63.6212	58.2151	63.6212	58.2151	14.1025	10.3262	14.1025	10.3262	63.6212	58.2151
17 (9) x (14)	0.0678	0.0678	0.0678	0.0678	0.8037	0.8037	0.8037	0.8037	0.0678	0.0678
18 Product (10) x (16)	47.0797	46.5721	47.0797	46.5721	21.7179	17.3480	21.7179	17.3480	47.0797	46.5721
19 'Limit' Factor {(13) + (17) + (18)}	66.0286	69.6826	66.0286	69.6826	93.9660	95.6631	93.9660	95.6631	66.0286	69.6826
20 Eff. Avg. Weekly Wage (8) x (19)	\$740.46	\$781.43	\$740.46	\$781.43	\$503.32	\$512.41	\$503.32	\$512.41	\$740.46	\$781.43
21 Average Weekly Benefit	\$493.66	\$520.98	\$493.66	\$520.98	\$335.56	\$341.62	\$335.56	\$341.62	\$493.66	\$520.98
22 Indicated Change in Costs	-	5.5%	-	5.5%	-	1.8%	-	1.8%	-	5.5%

\*\* PPD average wage adjusted for average % disability rating.

New York Incurred Losses *	July. 1, 2008	Benefit Change	July. 1, 2009
Death	\$68,687,892	5.5%	\$72,489,045
Permanent Total	\$136,433,973	5.5%	\$143,984,161
Permanent Partial - Major	\$894,451,276	1.8%	\$910,605,441
Permanent Partial - Minor	\$45,666,052	1.8%	\$46,490,800
Temporary	\$129,467,270	5.5%	\$136,631,924
<b>Total Indemnity</b>	<b>\$1,274,706,463</b>	<b>2.8%</b>	<b>\$1,310,201,371</b>

\* Policy Year 2004 Unit Statistical Plan data for all carriers, on level and developed to 5th report.

Indemnity Losses as Percent of Total Losses #	0.56
Medical Losses as Percent of Total Losses #	0.44
# 2008 General Rate Revision Filing	

Estimated Claim Cost Effect of Benefit Change = 1.6%  
 $((.56 \times 1.028) + (.44 \times 1.000)) - 1.00$

Factor to Reflect Expected Increase in System Utilization = 1.10

**Estimated Rate Level Effect of Benefit Change = 1.7%**

**Estimated Premium Effect of Benefit Change = \$70,172,312**

New York Workers Compensation

Maximum @ July 1, 2010 = 2/3 SAWW Per Week

1 Injury Type	Death		Permanent Total		Perm Partial - Major		Perm Partial - Minor		Temporary	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
2 Effective Date	July 1, 2009	July 1, 2010	July 1, 2009	July 1, 2010	July 1, 2009	July 1, 2010	July 1, 2009	July 1, 2010	July 1, 2009	July 1, 2010
3 % Compensation	0.6667	0.6667	0.6667	0.6667	0.6667	0.6667	0.6667	0.6667	0.6667	0.6667
4 Minimum Comp	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
5 Maximum Comp	\$600.00	\$769.33	\$600.00	\$769.33	\$600.00	\$769.33	\$600.00	\$769.33	\$600.00	\$769.33
6 Eff Wkly Wage for Min (4)/(3)	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99	\$149.99
7 Eff Wkly Wage for Max (5)/(3)	\$899.96	\$1,153.94	\$899.96	\$1,153.94	\$899.96	\$1,153.94	\$899.96	\$1,153.94	\$899.96	\$1,153.94
8 Avg Weekly Wage	\$1,153.94	\$1,153.94	\$1,153.94	\$1,153.94	\$551.18	\$551.18 **	\$551.18	\$551.18 **	\$1,153.94	\$1,153.94
9 Ratio to Avg -Min- (6)/(8)	0.13	0.13	0.13	0.13	0.27	0.27	0.27	0.27	0.13	0.13
10 Ratio to Avg -Max- (7)/(8)	0.78	1.00	0.78	1.00	1.63	2.09	1.63	2.09	0.78	1.00
11 "B" Value for (9)	0.0420	0.0420	0.0420	0.0420	0.4883	0.4883	0.4883	0.4883	0.0420	0.0420
12 "B" Value for (10)	21.6812	37.6181	21.6812	37.6181	76.0466	89.6753	76.0466	89.6753	21.6812	37.6181
13 Difference (12) - (11)	21.6392	37.5761	21.6392	37.5761	75.5583	89.1870	75.5583	89.1870	21.6392	37.5761
14 "A" Value for (9)	0.5212	0.5212	0.5212	0.5212	2.6114	2.6114	2.6114	2.6114	0.5212	0.5212
15 "A" Value for (10)	40.0081	57.9869	40.0081	57.9869	88.4503	95.9324	88.4503	95.9324	40.0081	57.9869
16 Difference 100 - (15)	59.9919	42.0131	59.9919	42.0131	11.5497	4.0676	11.5497	4.0676	59.9919	42.0131
17 (9) x (14)	0.0678	0.0678	0.0678	0.0678	0.7051	0.7051	0.7051	0.7051	0.0678	0.0678
18 Product (10) x (16)	46.7937	42.0131	46.7937	42.0131	18.8260	8.5013	18.8260	8.5013	46.7937	42.0131
19 'Limit' Factor {(13) + (17) + (18)}	68.5006	79.6570	68.5006	79.6570	95.0894	98.3934	95.0894	98.3934	68.5006	79.6570
20 Eff. Avg. Weekly Wage (8) x (19)	\$790.45	\$919.19	\$790.45	\$919.19	\$524.11	\$542.32	\$524.11	\$542.32	\$790.45	\$919.19
21 Average Weekly Benefit	\$527.00	\$612.82	\$527.00	\$612.82	\$349.42	\$361.56	\$349.42	\$361.56	\$527.00	\$612.82
22 Indicated Change in Costs	-	16.3%	-	16.3%	-	3.5%	-	3.5%	-	16.3%

\*\* PPD average wage adjusted for average % disability rating.

New York Incurred Losses *	Benefit		July 1, 2010
	July 1, 2009	Change	
Death	\$72,489,045	16.3%	\$84,294,933
Permanent Total	\$143,984,161	16.3%	\$167,434,061
Permanent Partial - Major	\$910,605,441	3.5%	\$942,245,310
Permanent Partial - Minor	\$46,490,800	3.5%	\$48,106,168
Temporary	\$136,631,924	16.3%	\$158,884,405
<b>Total Indemnity</b>	<b>\$1,310,201,371</b>	<b>6.9%</b>	<b>\$1,400,964,877</b>

\* Policy Year 2004 Unit Statistical Plan data for all carriers, on level and developed to 5th report.

Indemnity Losses as Percent of Total Losses #	0.57
Medical Losses as Percent of Total Losses #	0.43

# 2008 General Rate Revision Filing

Estimated Claim Cost Effect of Benefit Change =	4.0%
$\{ (.57 \times 1.069) + (.43 \times 1.00) \} - 1.00$	
Factor to Reflect Expected Increase in System Utilization	1.10
<b>Estimated Rate Level Effect of Benefit Change =</b>	<b>4.4%</b>
<b>Estimated Premium Effect of Benefit Change =</b>	<b>\$184,710,037</b>

New York Workers Compensation  
Evaluation of Terrorism and Catastrophe Charge

<u>Carrier Retentions Under Federal Backstop</u>			<u>Cumulative Changes In Carrier Retentions</u>	<u>Estimated New York WC Retained Carrier Exposure *</u>
2005	TRIA	15.0%	-	\$ 480,000,000
2006	TRIEA	17.5%	1.167	\$ 560,000,000
2007	TREIA	20.0%	1.333	\$ 640,000,000
2008	TRIPRA	20.0%	1.333	\$ 640,000,000

\* Assumes an annual net premium of \$3.2B.

Estimated Change in Carrier Retentions from enactment of TRIA to TRIPRA 1.333

American Academy of Actuaries WC Terrorism Estimates for New York City \*\*

<u>Large NBCR</u>	<u>Medium NBCR</u>	<u>Truck Bomb</u>
\$483.7B	\$313.2B	\$3.5B

\*\* Testimony at NAIC Public Hearing on Terrorism Insurance Matters - 3/29/06

Current Foreign Terrorism Rate in New York - payroll basis	\$	0.034
Current Foreign Terrorism Rate in New York - other than payroll basis		2.1%
Estimated Annual Premium for Foreign Terrorism	\$	95,333,388
Estimated Annual Premium for Domestic Terrorism (Assumes 1/2 of current DTEC charge is for domestic terrorism)	\$	<u>14,003,613</u>
Estimated Annual Premium for Terrorism in New York	\$	109,337,001
Potential Premium Shortfall if Maximum Retention is Reached By Terrorism Event in New York During 10/08 - 10/09	\$	(530,662,999)
Potential Premium Shortfall if Truck Bomb Strikes New York City During 10/08 - 10/09	\$	(2,750,662,999)
<b>Recommended Terrorism Charge for 10/08 - 10/09 (RATE)</b> 1.333 x (.034+.005)	\$	<b>0.05</b>
<b>Recommended Charge for Nat. Dis.and Industrial Cats in 10/08 -10/09 (RATE)</b>	\$	<b>0.01</b>
<b>Total Recommended Catastrophe charge for 10/08 - 10/09 (RATE)</b>	\$	<b>0.06</b>
<b>Conversion from Rate Provision to Loss Cost Provision</b>		<b>0.759</b>
<b>Recommended Terrorism Charge for 10/08 - 10/09 (Loss Cost)</b>	\$	<b>0.038</b>
<b>Recommended Charge for Nat. Dis.and Industrial Cats in 10/08 -10/09 (Loss Cost)</b>	\$	<b>0.008</b>
<b>Total Recommended Catastrophe charge for 10/08 - 10/09 (Loss Cost)</b>	\$	<b>0.046</b>
<b>Effect of Change in Total Catastrophe Provision</b> (.06/.044), where .06 is the total recommended catastrophe charge and .044 is the current charge for foreign and domestic terrorism and industrial catastrophes		<b>36.4%</b>

New York Workers Compensation

Determination of Industry Group Differentials

<u>Industry Group</u>	<u>Policy Year</u>	<u>Standard Earned Prem. On 10/2007 Level</u>	<u>Incurred USP Losses on 10/2007 Level</u>	<u>Loss Ratio</u>	<u>Number of Compensable Cases</u>	<u>Group Credibility</u>	<u>Cred. Wt'd Loss Ratio</u>	<u>Indicated Ind. Group Differential</u>	<u>Differential Adjustment Factor</u>	<u>Final Ind. Group Differential</u>
Food&Bev Mfg.	2003	\$104,230,864	\$84,629,251		1,786					
	2004	\$102,957,251	\$70,291,190		1,503					
	2005	\$93,325,192	\$71,034,038		1,435					
	<b>Total</b>	<b>\$300,513,307</b>	<b>\$225,954,479</b>	<b>0.752</b>	<b>4,724</b>	<b>0.095</b>	<b>0.832</b>	<b>0.990</b>	<b>1.002</b>	<b>0.992</b>
Chemical Mfg.	2003	\$28,272,134	\$23,647,344		488					
	2004	\$27,051,011	\$18,605,248		416					
	2005	\$25,602,286	\$20,545,948		432					
	<b>Total</b>	<b>\$80,925,431</b>	<b>\$62,798,540</b>	<b>0.776</b>	<b>1,336</b>	<b>0.041</b>	<b>0.837</b>	<b>0.997</b>	<b>0.992</b>	<b>0.989</b>
All Other Mfg.	2003	\$335,321,815	\$280,425,098		5,773					
	2004	\$359,722,844	\$290,178,224		5,516					
	2005	\$345,654,235	\$295,266,593		4,901					
	<b>Total</b>	<b>\$1,040,698,894</b>	<b>\$865,869,915</b>	<b>0.832</b>	<b>16,190</b>	<b>0.216</b>	<b>0.838</b>	<b>0.998</b>	<b>1.000</b>	<b>0.998</b>
Contracting	2003	\$694,163,920	\$601,062,922		6,757					
	2004	\$778,044,265	\$641,196,113		8,735					
	2005	\$751,577,216	\$669,622,093		6,528					
	<b>Total</b>	<b>\$2,223,785,402</b>	<b>\$1,911,881,128</b>	<b>0.860</b>	<b>22,020</b>	<b>0.266</b>	<b>0.845</b>	<b>1.006</b>	<b>1.007</b>	<b>1.014</b>
Stores&Dealers	2003	\$383,323,987	\$323,975,744		8,735					
	2004	\$375,233,401	\$293,535,372		8,735					
	2005	\$393,647,797	\$298,668,269		6,352					
	<b>Total</b>	<b>\$1,152,205,185</b>	<b>\$916,179,384</b>	<b>0.795</b>	<b>23,822</b>	<b>0.280</b>	<b>0.828</b>	<b>0.985</b>	<b>1.006</b>	<b>0.991</b>
Prof&Office	2003	\$633,837,437	\$577,619,888		10,846					
	2004	\$577,480,376	\$538,937,783		9,909					
	2005	\$615,829,195	\$509,652,755		8,570					
	<b>Total</b>	<b>\$1,827,147,008</b>	<b>\$1,626,210,426</b>	<b>0.890</b>	<b>29,325</b>	<b>0.322</b>	<b>0.856</b>	<b>1.019</b>	<b>1.008</b>	<b>1.028</b>
Services	2003	\$1,063,695,549	\$928,885,836		17,713					
	2004	\$1,187,282,953	\$920,508,913		17,488					
	2005	\$1,132,010,627	\$931,909,679		16,733					
	<b>Total</b>	<b>\$3,382,989,129</b>	<b>\$2,781,304,428</b>	<b>0.822</b>	<b>51,934</b>	<b>0.471</b>	<b>0.832</b>	<b>0.990</b>	<b>0.989</b>	<b>0.979</b>
Miscellaneous	2003	\$196,151,938	\$182,066,787		3,893					
	2004	\$207,297,962	\$169,820,395		3,558					
	2005	\$223,917,033	\$208,806,261		3,634					
	<b>Total</b>	<b>\$627,366,932</b>	<b>\$560,693,443</b>	<b>0.894</b>	<b>11,085</b>	<b>0.168</b>	<b>0.849</b>	<b>1.011</b>	<b>0.999</b>	<b>1.010</b>
Mar,Adm, Fed	2003	\$10,149,037	\$6,222,976		96					
	2004	\$10,997,114	\$4,593,332		95					
	2005	\$17,454,281	\$5,626,739		139					
	<b>Total</b>	<b>\$38,600,432</b>	<b>\$16,443,046</b>	<b>0.426</b>	<b>330</b>	<b>0.016</b>	<b>0.833</b>	<b>0.992</b>	<b>1.006</b>	<b>0.998</b>
All Ind Groups	2003	\$3,449,146,681	\$3,008,535,845		56,087					
	2004	\$3,626,067,177	\$2,947,666,568		55,955					
	2005	\$3,599,017,862	\$3,011,132,376		48,724					
	<b>Total</b>	<b>\$10,674,231,721</b>	<b>\$8,967,334,789</b>	<b>0.840</b>	<b>160,766</b>	<b>1.000</b>	<b>0.840</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>

New York Workers Compensation

Industry Group Differential Adjustment Factor Calculation

Industry Group	Indemnity Losses	Medical Losses	Total Losses	Avg. Annual Wage Trend	Effect of Med/Ind Wage trends On Ind. Group *
(1)	(2)	(3)	(4)	(5)	(6)
1	\$124,226,786	\$101,727,693	\$225,954,479	1.031	1.0791
2	\$31,384,918	\$31,413,622	\$62,798,540	1.042	1.0542
3	\$466,399,732	\$399,470,183	\$865,869,915	1.034	1.0722
4	\$1,155,369,874	\$756,511,254	\$1,911,881,128	1.023	1.0985
5	\$455,550,751	\$460,628,633	\$916,179,384	1.030	1.0821
6	\$820,864,481	\$805,345,945	\$1,626,210,426	1.028	1.0884
7	\$1,495,890,708	\$1,285,413,719	\$2,781,304,428	1.045	1.0473
8	\$279,954,274	\$280,739,169	\$560,693,443	1.036	1.0678
9	\$8,269,530	\$8,173,517	\$16,443,046	1.029	1.0840
Total	\$4,837,911,054	\$4,129,423,735	\$8,967,334,789	1.037	1.0383

(7) Annual Indemnity Trend from 10/2008 rate revision 1.054

(8) Annual Medical Trend from 10/2008 rate revision 1.067

\* Effect by Group(6) =  $\text{MedLossTrend}(8)^{2.25} / \text{Group Wage Trend}(5)^{2.25}$   
Effect for Total(6) =  $\text{IndLossTrend}(8)^{2.25} / \text{Total Wage Trend}(5)^{2.25}$

Industry Group	Factors to Adjust Indicated Differentials	Normalized Adjustment Factors
(9)	(10)	(11)
1	1.0567	<b>1.002</b>
2	1.0463	<b>0.992</b>
3	1.0539	<b>1.000</b>
4	1.0621	<b>1.007</b>
5	1.0603	<b>1.006</b>
6	1.0631	<b>1.008</b>
7	1.0424	<b>0.989</b>
8	1.0530	<b>0.999</b>
9	1.0610	<b>1.006</b>
Total	1.0544	<b>1.000</b>

WORKERS COMPENSATION - NEW YORK

PURE PREMIUM CORRECTION FACTORS AND MULTIPLIERS

Provision for Losses in 10/01/07 Rates Including LTF, RLAf, & Wage Factor(a)	Needed Provision for Losses on 2008 Level (b)	Including RLAf & Change in Trend/ Wage Factor	Policy Year Extension at 10/1/08 Final Pure Premiums	Pure Premium Correction Factors (2)/(4)	10/1/2008 Pure Premium Multipliers (3)/(4)	
(1)	(2)	(3)	(4)			
Serious	1,558,051,738	1,141,710,068	1,089,113,136	1,784,310,658	0.6399	0.6104
Non-Serious	191,965,402	177,152,459	168,991,301	221,786,634	0.7988	0.7620
Medical	798,305,616	1,123,475,486	1,071,718,595	919,099,745	1.2224	1.1661
	2,548,322,756	2,442,338,013	2,329,823,032	2,925,197,037		

Industry Group	Industry Group Differential	Industry Group Off-Balance(c)	Pure Premium Multipliers		
			Serious	Non-Serious	Medical
1 - Food & Beverage Manufacturing	0.9923	0.98846	0.6104	0.7620	1.1661
2 - Chemical Manufacturing	0.9893	0.98685	0.6104	0.7620	1.1661
3 - All Other Manufacturing	0.9976	1.00484	0.6104	0.7620	1.1661
4 - Contracting	1.0137	0.99693	0.6104	0.7620	1.1661
5 - Stores & Dealers	0.9907	0.96814	0.6104	0.7620	1.1661
6 - Professional & Office	1.0277	1.10634	0.6104	0.7620	1.1661
7 - Services	0.9789	0.94594	0.6104	0.7620	1.1661
- All Other	0.9789	0.94594	0.6104	0.7620	1.1661
- Servants Per Capita (d)	0.9789	0.94594	0.5898	0.7362	1.1267
8 - Miscellaneous	1.0096	1.00704	0.6104	0.7620	1.1661
9 - Maritime, Admiralty & Federal - N.Y.	0.9984	1.09054	0.6104	0.7620	1.1661
- U.S.(e)	0.9984	1.09054	0.6329	0.8181	1.1661

Manual Loss Cost = { (Final Pure Premiums X Pure Premium Multipliers) X Industry Group Differentials X Industry Group Off-Balance (f) }, subject to swing limits of +/- 25% of the industry group change.

- (a) Obtained by multiplying Policy Year 2005 payrolls for all carriers by present Underlying Pure Premiums and Loss Trend/Wage Factor, and Rate Level Adjustment Factor from the 2007 Rate Revision. Includes a test correction factor of 0.84545.
- (b) Column (1) Total was multiplied by the Policy Year indication (0.926) and the Benefit Change (1.035), and Serious, Non-Serious, and Medical were then made proportional to the Policy Year 2005 Unit Statistical Report data.
- (c) Reflects balancing factor and the premium effect of limiting each class rate change to within 25% of its industry group change.
- (d) Not subject to Wage Factor of 1.035.
- (e) All U.S. Multipliers include a factor of 1.089 to reflect the difference between U.S.L. Assessment for Special Funds (1.444) and New York Assessments (1.326).
- (f) For classes eligible for the New York Construction Classification Premium Adjustment Program, an off-balance factor of 1.039 is also applied.

WORKERS COMPENSATION - NEW YORK

CHANGES IN CLASSIFICATION LOSS COSTS – OCTOBER 1, 2008  
BY INDUSTRY GROUP

Set forth below are the percentage changes in manual loss cost level for each industry group and the number of classifications for which loss costs were increased or decreased, as well as those for which no change was developed.

Industry Group	Percentage Change In Manual Loss Cost Level	Decreased	Unchanged	Increased	Total # of Classes
1. Food & Beverage Mfg.	-8.3 %	18	0	6	24
2. Chemical Mfg.	-8.5 %	24	0	1	25
3. All Other Mfg.	-7.8 %	130	0	65	195
4. Contracting	-6.3 %	62	0	24	86
5. Stores & Dealers	-8.4 %	31	0	10	41
6. Professional and Office	-5.0 %	19	0	3	22
7. Services	-9.5 %	58	0	20	78
8. Miscellaneous	-6.7 %	35	0	20	55
9. Maritime, Admiralty & Federal	-8.2 %	31	0	6	37
<b>TOTAL</b>	<b>-7.4 %</b>	<b>408</b>	<b>0</b>	<b>155</b>	<b>563</b>



WORKERS COMPENSATION - NEW YORK  
CHANGES IN CLASSIFICATION LOSS COSTS – OCTOBER 1, 2008  
BY INDUSTRY GROUP

The manual loss costs were calculated to fall within the following swing limits:

Industry Group	Upper Limit*	Lower Limit*
1. Food & Beverage Mfg.	16.9 %	-33.1 %
2. Chemical Mfg.	16.6 %	-33.4 %
3. All Other Mfg.	17.4 %	-32.6 %
4. Contracting	18.9 %	-31.1 %
5. Stores & Dealers	16.7 %	-33.3 %
6. Professional and Office	20.2 %	-29.8 %
7. Services	15.6 %	-34.4 %
8. Miscellaneous	18.5 %	-31.5 %
9. Maritime, Admiralty & Federal	17.5 %	-32.5 %

\* Upper and lower limits are +/-25% of the respective indicated industry group change.

The classifications which have been limited are listed below:

List of Classifications limited by Upper Swing

0031	2065	2790	5069	8046	9063
0908	2380	4352	6872	8381	9093
0909	2670	4561	7242	9055	9182
0917	2688	4923	7309	9058	9410

List of Classifications limited by Lower Swing

7016	7050	7327
7024	7090	7394
7038	7313	7395
7047	7317	7398

WORKERS COMPENSATION -- NEW YORK

LOSS COST LEVEL TEST \*

Excluding the Experience of Self-Insured Risks  
Excluding the Experience of the State Insurance Fund

<u>Industry Group</u> (1)	<u>Premium at</u> <u>10/01/2007</u> <u>Loss Costs</u> (2)	<u>Premium at</u> <u>10/01/2008</u> <u>Loss Costs</u> (3)	<u>Loss Cost</u> <u>Level Change</u> <u>(3)/(2)</u> (4)
1 Food & Beverage Mfg.	\$58,790,102	\$53,927,978	0.917
2 Chemical Mfg	\$20,057,164	\$18,361,478	0.915
3 All Other Mfg.	\$238,183,617	\$219,577,602	0.922
4 Contracting	\$561,695,959	\$526,455,590	0.937
5 Stores & Dealers	\$279,980,216	\$256,412,043	0.916
6 Professional and Office	\$542,065,279	\$514,864,777	0.950
7 Services	\$729,107,071	\$659,781,285	0.905
8 Miscellaneous	\$133,859,089	\$124,849,516	0.933
9 Maritime, Admiralty & Federal	\$6,454,946	\$5,928,468	0.918
Total - Industry Group	\$2,570,193,443	\$2,380,158,735	0.926
Total Loss Cost Level Change = [ .926 x .976] + [ 1.364 x .(1.0-.976)]			<b>0.936</b>

\* Based on Policy Year 2005 New York Unit Statistical Plan Experience.

WORKERS COMPENSATION - NEW YORK

Development Factors - Premiums

Private Carriers Excluding Large Deductible Experience

Policy Year		1st Report	2nd Report	3rd Report	4th Report	5th Report	6th Report	
1997	Dev. 5/6					1,657,681,585	1,612,116,117	0.973
1998	Dev. 5/6					1,550,921,741	1,549,292,094	0.999
1999	Dev. 5/6					1,628,854,568	1,616,669,216	0.993
2000	Dev. 5/6					1,701,903,910	1,704,909,876	1.002
2001	Dev. 5/6					1,602,936,448	1,603,122,112	1.000
1998	Dev. 4/5				1,683,175,546	1,683,721,803		1.000
1999	Dev. 4/5				1,630,413,496	1,631,537,303		1.001
2000	Dev. 4/5				1,720,951,917	1,715,275,219		0.997
2001	Dev. 4/5				1,619,896,756	1,618,492,332		0.999
2002	Dev. 4/5				1,605,686,604	1,606,019,899		1.000
1999	Dev. 3/4			1,732,839,073	1,737,376,308			1.003
2000	Dev. 3/4			1,726,266,517	1,729,625,609			1.002
2001	Dev. 3/4			1,624,481,775	1,624,581,860			1.000
2002	Dev. 3/4			1,619,434,969	1,624,598,038			1.003
2003	Dev. 3/4			1,648,954,143	1,652,025,083			1.002
2000	Dev. 2/3		1,830,269,988	1,830,430,682				1.000
2001	Dev. 2/3		1,658,501,398	1,634,596,090				0.986
2002	Dev. 2/3		1,637,998,555	1,623,024,322				0.991
2003	Dev. 2/3		1,670,802,481	1,668,910,438				0.999
2004	Dev. 2/3		1,641,301,574	1,645,086,840				1.002
2001	Dev. 1/2	1,837,140,538	1,784,700,142		0.971			
2002	Dev. 1/2	1,673,551,341	1,641,741,154		0.981			
2003	Dev. 1/2	1,663,828,560	1,668,983,128		1.003			
2004	Dev. 1/2	1,651,158,873	1,659,515,138		1.005			
2005	Dev. 1/2	1,777,198,801	1,785,163,628		1.004			
		1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/Ult.	
All Year Average								
Age to Age		0.993	0.996	1.002	0.999	0.993	1.000	
Age to Ult.		0.983	0.990	0.994	0.992	0.993	1.000	
4 Year Average								
Age to Age		0.998	0.995	1.002	0.999	0.999	1.000	
Age to Ult.		0.993	0.995	1.000	0.998	0.999	1.000	
3 Year Average								
Age to Age		1.004	0.997	1.002	0.999	0.998	1.000	
Age to Ult.		1.000	0.996	0.999	0.997	0.998	1.000	
2 Year Average								
Age to Age		1.005	1.001	1.003	1.000	1.001	1.000	
Age to Ult.		1.010	1.005	1.004	1.001	1.001	1.000	
Premium Development to Ultimate *		0.983	0.990	0.994	0.992	0.993	1.000	

\*Premium development based on all year average

WORKERS COMPENSATION - NEW YORK

Policy Year Development Factors - Indemnity Losses (Case Basis)

Private Carriers Excluding Large Deductible Experience

Policy Year		1st Report	2nd Report	3rd Report	4th Report	5th Report	6th Report	7th Report	8th Report	9th Report	10th Report	
1993	Dev. 9/10									722,072,049	715,833,548	0.991
1994	Dev. 9/10									637,285,287	652,652,991	1.024
1995	Dev. 9/10									610,626,004	621,735,369	1.018
1996	Dev. 9/10									560,124,609	568,899,161	1.016
1997	Dev. 9/10									588,598,630	593,001,197	1.007
1994	Dev. 8/9								656,734,081	661,995,160		1.008
1995	Dev. 8/9								602,384,381	616,067,218		1.023
1996	Dev. 8/9								544,971,096	559,564,772		1.027
1997	Dev. 8/9								583,175,325	594,017,019		1.019
1998	Dev. 8/9								658,912,306	668,569,809		1.015
1995	Dev. 7/8							632,302,839	631,815,335			0.999
1996	Dev. 7/8							538,118,764	551,033,611			1.024
1997	Dev. 7/8							574,683,442	582,809,457			1.014
1998	Dev. 7/8							663,929,389	665,242,472			1.002
1999	Dev. 7/8							686,076,006	711,964,844			1.038
1996	Dev. 6/7						570,507,941	573,471,638				1.005
1997	Dev. 6/7						556,211,151	585,661,582				1.053
1998	Dev. 6/7						639,674,629	663,482,750				1.037
1999	Dev. 6/7						677,630,237	693,271,450				1.023
2000	Dev. 6/7						660,055,015	683,802,872				1.036
1997	Dev. 5/6					574,022,270	598,867,324					1.043
1998	Dev. 5/6					613,146,647	656,098,098					1.070
1999	Dev. 5/6					656,565,705	677,276,960					1.032
2000	Dev. 5/6					638,411,634	661,171,966					1.036
2001	Dev. 5/6					549,605,201	587,630,481					1.069
1998	Dev. 4/5				612,346,591	657,535,341		1.074				
1999	Dev. 4/5				622,201,988	667,479,150		1.073				
2000	Dev. 4/5				604,512,416	648,007,930		1.072				
2001	Dev. 4/5				642,791,724	680,004,914		1.058				
2002	Dev. 4/5				533,935,487	570,929,579		1.069				
1999	Dev. 3/4			601,426,264	657,079,303		1.093					
2000	Dev. 3/4			566,621,545	635,195,529		1.121					
2001	Dev. 3/4			466,354,583	548,172,644		1.175					
2002	Dev. 3/4			504,626,769	539,154,740		1.068					
2003	Dev. 3/4			476,364,654	530,770,259		1.114					
2000	Dev. 2/3		465,975,744	592,892,989		1.272						
2001	Dev. 2/3		373,266,139	481,294,049		1.289						
2002	Dev. 2/3		426,538,409	503,572,251		1.181						
2003	Dev. 2/3		411,316,089	481,024,766		1.169						
2004	Dev. 2/3		351,147,762	426,907,368		1.216						
2001	Dev. 1/2	307,980,221	488,543,618		1.586							
2002	Dev. 1/2	319,005,598	452,518,742		1.419							
2003	Dev. 1/2	295,858,493	410,741,285		1.388							
2004	Dev. 1/2	253,357,136	356,566,580		1.407							
2005	Dev. 1/2	261,022,570	363,430,605		1.392							
		1st/Ult.	2nd/Ult.	1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/7th	7th/8th	8th/9th	9th/10th
5 Year Average		2.693	1.873	1.438	1.225	1.114	1.069	1.050	1.031	1.015	1.018	1.011
4 Year Average		2.694	1.922	1.402	1.214	1.120	1.068	1.052	1.037	1.020	1.021	1.016
3 Year Average		2.618	1.875	1.396	1.189	1.119	1.066	1.046	1.032	1.018	1.020	1.014
2 Year Average		2.447	1.748	1.400	1.193	1.091	1.064	1.053	1.030	1.020	1.017	1.012
Latest Year		2.500	1.796	1.392	1.216	1.114	1.069	1.069	1.036	1.038	1.015	1.007
Mid 3 of 5		2.606	1.853	1.406	1.223	1.109	1.071	1.049	1.032	1.013	1.019	1.014
Loss Development to Ultimate*		2.693										

\*Loss development based on 3 Mid of 5 Year average for 1st to 10th maturities and 3 Year average for 10th to 19th.

WORKERS COMPENSATION - NEW YORK

Policy Year Development Factors - Indemnity Losses (Case Basis)

Private Carriers Excluding Large Deductible Experience

Policy Year	10th Report	11th Report	12th Report	13th Report	14th Report	15th Report	16th Report	17th Report	18th Report	19th Report		
1984	Dev. 18/19								538,260,493	537,567,932	0.999	
1985	Dev. 18/19								589,877,601	598,960,555	1.015	
1986	Dev. 18/19								600,644,337	606,221,017	1.009	
1987	Dev. 18/19								637,608,031	649,960,582	1.019	
1988	Dev. 18/19								677,414,341	671,367,055	0.991	
1985	Dev. 17/18							607,283,947	607,078,637		1.000	
1986	Dev. 17/18							600,962,891	599,160,002		0.997	
1987	Dev. 17/18							637,608,031	647,915,953		1.016	
1988	Dev. 17/18							678,746,862	686,680,964		1.012	
1989	Dev. 17/18							742,001,956	741,637,785		1.000	
1986	Dev. 16/17						614,005,206	619,828,356		1.009		
1987	Dev. 16/17						632,088,958	634,732,035		1.004		
1988	Dev. 16/17						666,648,955	678,259,514		1.017		
1989	Dev. 16/17						745,598,509	751,944,877		1.009		
1990	Dev. 16/17						853,740,009	851,925,082		0.998		
1987	Dev. 15/16					642,101,337	654,019,590		1.019			
1988	Dev. 15/16					678,540,831	664,626,038		0.979			
1989	Dev. 15/16					733,809,609	745,063,950		1.015			
1990	Dev. 15/16					853,576,116	859,928,169		1.007			
1991	Dev. 15/16					814,278,552	813,792,460		0.999			
1988	Dev. 14/15				699,464,200	701,188,526		1.002				
1989	Dev. 14/15				735,349,028	732,523,162		0.996				
1990	Dev. 14/15				829,732,344	853,054,226		1.028				
1991	Dev. 14/15				810,329,138	818,439,011		1.010				
1992	Dev. 14/15				765,102,136	764,965,202		1.000				
1989	Dev. 13/14			754,401,960	763,278,694		1.012					
1990	Dev. 13/14			823,625,169	828,369,739		1.006					
1991	Dev. 13/14			785,589,415	809,843,509		1.031					
1992	Dev. 13/14			758,694,763	768,896,491		1.013					
1993	Dev. 13/14			721,098,492	723,552,067		1.003					
1990	Dev. 12/13		853,403,314	857,667,177		1.005						
1991	Dev. 12/13		777,540,694	787,767,821		1.013						
1992	Dev. 12/13		735,682,244	758,371,416		1.031						
1993	Dev. 12/13		718,681,393	725,696,254		1.010						
1994	Dev. 12/13		679,770,791	686,353,933		1.010						
1991	Dev. 11/12	820,820,159	822,869,696		1.002							
1992	Dev. 11/12	724,323,505	738,062,125		1.019							
1993	Dev. 11/12	699,240,527	718,386,441		1.027							
1994	Dev. 11/12	672,107,199	683,844,430		1.017							
1995	Dev. 11/12	625,476,044	629,118,914		1.006							
1992	Dev. 10/11	779,017,039	781,603,247		1.003							
1993	Dev. 10/11	689,800,520	704,874,216		1.022							
1994	Dev. 10/11	646,983,655	671,607,137		1.038							
1995	Dev. 10/11	622,037,922	630,716,136		1.014							
1996	Dev. 10/11	565,809,767	570,145,781		1.008							
Development			10th/11th	11th/12th	12th/13th	13th/14th	14th/15th	15th/16th	16th/17th	17th/18th	18th/19th	19th/Ult.*
5 Year Average			1.017	1.014	1.014	1.013	1.007	1.004	1.007	1.005	1.007	1.040
4 Year Average			1.021	1.017	1.016	1.013	1.009	1.000	1.007	1.006	1.009	1.040
3 Year Average			1.020	1.017	1.017	1.016	1.013	1.007	1.008	1.009	1.006	1.040
2 Year Average			1.011	1.012	1.010	1.008	1.005	1.003	1.004	1.006	1.005	1.040
Latest Year			1.008	1.006	1.010	1.003	1.000	0.999	0.998	1.000	0.991	1.040
Mid 3 of 5			1.015	1.014	1.011	1.010	1.004	1.007	1.007	1.004	1.008	1.040

\* From Exhibit BB, Sheet 2D

WORKERS COMPENSATION - NEW YORK

Policy Year Development Factors - Medical Losses (Case Basis)

Private Carriers Excluding Large Deductible Experience

Policy Year		1st Report	2nd Report	3rd Report	4th Report	5th Report	6th Report	7th Report	8th Report	9th Report	10th Report	
1993	Dev. 9/10									305,499,661	309,991,777	1.015
1994	Dev. 9/10									271,870,754	277,793,509	1.022
1995	Dev. 9/10									286,749,904	293,777,620	1.025
1996	Dev. 9/10									278,611,434	283,825,705	1.019
1997	Dev. 9/10									306,017,808	311,702,364	1.019
1994	Dev. 8/9								276,607,619	285,189,476		1.031
1995	Dev. 8/9								276,021,234	285,554,925		1.035
1996	Dev. 8/9								271,753,175	278,407,115		1.024
1997	Dev. 8/9								302,937,724	308,549,516		1.019
1998	Dev. 8/9								355,037,602	360,542,359		1.016
1995	Dev. 7/8							289,289,484	290,622,778			1.005
1996	Dev. 7/8							260,814,537	270,889,363			1.039
1997	Dev. 7/8							292,096,367	302,709,322			1.036
1998	Dev. 7/8							349,921,268	358,762,916			1.025
1999	Dev. 7/8							370,395,566	384,149,517			1.037
1996	Dev. 6/7						271,528,110	277,952,857				1.024
1997	Dev. 6/7						283,687,567	292,254,734				1.030
1998	Dev. 6/7						336,793,755	349,757,483				1.038
1999	Dev. 6/7						364,742,125	374,058,897				1.026
2000	Dev. 6/7						357,773,936	371,402,477				1.038
1997	Dev. 5/6					300,813,910	312,354,702					1.038
1998	Dev. 5/6				322,413,143	335,225,234						1.040
1999	Dev. 5/6				344,564,565	364,580,730						1.058
2000	Dev. 5/6				339,713,046	349,863,614						1.030
2001	Dev. 5/6				334,398,615	348,150,558						1.041
1998	Dev. 4/5				334,530,176	347,490,527						1.039
1999	Dev. 4/5				317,716,242	346,992,465						1.092
2000	Dev. 4/5				337,799,855	346,644,700						1.026
2001	Dev. 4/5				322,201,179	337,061,221						1.046
2002	Dev. 4/5				345,139,728	367,295,910						1.064
1999	Dev. 3/4			316,745,758	337,679,539							1.066
2000	Dev. 3/4			311,517,665	329,847,195							1.059
2001	Dev. 3/4			298,166,617	321,994,750							1.080
2002	Dev. 3/4			334,347,456	348,272,859							1.042
2003	Dev. 3/4			320,237,648	348,144,374							1.087
2000	Dev. 2/3		297,025,890	324,346,905								1.092
2001	Dev. 2/3		272,066,539	310,517,048								1.141
2002	Dev. 2/3		317,947,883	333,867,798								1.050
2003	Dev. 2/3		290,509,547	323,037,662								1.112
2004	Dev. 2/3		263,017,285	287,370,572								1.093
2001	Dev. 1/2	253,673,072	287,286,143									1.133
2002	Dev. 1/2	286,000,963	337,662,227									1.181
2003	Dev. 1/2	263,592,537	290,333,267									1.101
2004	Dev. 1/2	222,772,820	266,764,206									1.197
2005	Dev. 1/2	245,336,632	291,986,053									1.190
		1st/Ult.	2nd/Ult.	1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/7th	7th/8th	8th/9th	9th/10th
5 Year Average		2.007	1.730	1.160	1.098	1.067	1.053	1.041	1.031	1.028	1.025	1.020
4 Year Average		2.045	1.752	1.167	1.099	1.067	1.057	1.042	1.033	1.034	1.024	1.021
3 Year Average		2.038	1.752	1.163	1.085	1.070	1.045	1.043	1.034	1.033	1.020	1.021
2 Year Average		2.043	1.711	1.194	1.103	1.065	1.055	1.036	1.032	1.031	1.018	1.019
Latest Year		2.049	1.722	1.190	1.093	1.087	1.064	1.041	1.038	1.037	1.016	1.019
Mid 3 of 5		2.019	1.729	1.168	1.099	1.068	1.050	1.040	1.031	1.033	1.025	1.020
Loss Development to Ultimate*		2.075										

\*Loss development based on 3 Mid of 5 Year average for 1st to 10th maturities and 3 Year average for 10th to 19th.

Note: Policy years 2000 and 2001 adjusted for Cat48 losses.

WORKERS COMPENSATION - NEW YORK

Policy Year Development Factors - Medical Losses (Case Basis)

Private Carriers Excluding Large Deductible Experience

Policy Year	10th Report	11th Report	12th Report	13th Report	14th Report	15th Report	16th Report	17th Report	18th Report	19th Report		
1983 Dev. 18/19									204,145,662	204,603,994	1.002	
1984 Dev. 18/19									219,960,885	219,558,326	0.998	
1985 Dev. 18/19									239,080,441	241,169,618	1.009	
1986 Dev. 18/19									256,240,548	262,220,122	1.023	
1987 Dev. 18/19									258,380,045	257,487,151	0.997	
1984 Dev. 17/18								225,814,763	227,615,981		1.008	
1985 Dev. 17/18								239,515,838	238,008,316		0.994	
1986 Dev. 17/18								252,683,160	256,260,402		1.014	
1987 Dev. 17/18								294,790,642	295,931,823		1.004	
1988 Dev. 17/18								291,554,419	293,184,728		1.006	
1985 Dev. 16/17							242,372,487	248,318,429			1.025	
1986 Dev. 16/17							253,786,207	250,750,740			0.988	
1987 Dev. 16/17							289,231,690	294,563,723			1.018	
1988 Dev. 16/17							328,085,919	332,983,841			1.015	
1989 Dev. 16/17							329,560,048	332,167,425			1.008	
1986 Dev. 15/16					259,728,937	263,849,170		1.016				
1987 Dev. 15/16					284,304,486	286,047,544		1.006				
1988 Dev. 15/16					320,784,393	327,970,722		1.022				
1989 Dev. 15/16					353,457,420	355,943,786		1.007				
1990 Dev. 15/16					353,844,186	364,019,291		1.029				
1987 Dev. 14/15					292,921,541	296,119,952		1.011				
1988 Dev. 14/15					320,248,187	318,481,709		0.994				
1989 Dev. 14/15					347,196,051	353,418,116		1.018				
1990 Dev. 14/15					332,964,983	335,519,971		1.008				
1991 Dev. 14/15					333,865,315	331,755,546		0.994				
1988 Dev. 13/14				330,331,901	333,574,173						1.010	
1989 Dev. 13/14				344,671,250	345,202,546						1.002	
1990 Dev. 13/14				323,299,605	332,775,520						1.029	
1991 Dev. 13/14				308,646,120	313,396,209						1.015	
1992 Dev. 13/14				312,157,997	314,278,434						1.007	
1989 Dev. 12/13			355,018,316	359,335,575		1.012						
1990 Dev. 12/13			319,807,069	322,183,344		1.007						
1991 Dev. 12/13			300,244,965	308,624,231		1.028						
1992 Dev. 12/13			306,205,135	312,478,037		1.020						
1993 Dev. 12/13			310,196,991	312,912,799		1.009						
1990 Dev. 11/12		341,044,116	344,988,236			1.012						
1991 Dev. 11/12		292,316,648	298,495,991			1.021						
1992 Dev. 11/12		299,908,911	306,142,927			1.021						
1993 Dev. 11/12		286,395,844	289,019,188			1.009						
1994 Dev. 11/12		287,406,183	290,552,171			1.011						
1991 Dev. 10/11	320,243,775	324,322,191				1.013						
1992 Dev. 10/11	296,294,924	299,229,095				1.010						
1993 Dev. 10/11	279,674,677	286,323,560				1.024						
1994 Dev. 10/11	293,830,870	298,862,205				1.017						
1995 Dev. 10/11	296,692,187	297,641,349				1.003						
Development			10th/11th	11th/12th	12th/13th	13th/14th	14th/15th	15th/16th	16th/17th	17th/18th	18th/19th	19th/Ult.*
5 Year Average			1.013	1.015	1.015	1.013	1.005	1.016	1.011	1.005	1.006	1.102
4 Year Average			1.014	1.016	1.016	1.013	1.004	1.016	1.007	1.005	1.007	1.102
3 Year Average			1.015	1.014	1.019	1.017	1.007	1.019	1.014	1.008	1.010	1.102
2 Year Average			1.010	1.010	1.015	1.011	1.001	1.018	1.012	1.005	1.010	1.102
Latest Year			1.003	1.011	1.009	1.007	0.994	1.029	1.008	1.006	0.997	1.102
Mid 3 of 5			1.013	1.015	1.014	1.011	1.004	1.015	1.014	1.006	1.003	1.102

\* From Exhibit BB, Sheet 2D

WORKERS COMPENSATION - NEW YORK

Policy Year Loss Development Factors from 19th Report (Case Basis) to Ultimate Incurred  
Private Carriers Excluding Large Deductible Experience

	<u>INDEMNITY</u>	<u>MEDICAL</u>
1. Case incurred losses for Policy Year 1985 valued as of 12/31/04*	603,758,631	259,411,479
2. Case incurred losses for Policy Year 1986 valued as of 12/31/05*	606,462,938	262,044,026
3. Case incurred losses for Policy Year 1987 valued as of 12/31/06	646,108,763	258,380,045
4. Average ((1)+(2)+(3))/3	618,776,777	259,945,184
5. Ratio of (4) / (3)	0.958	1.006
6. Total incurred losses for Policy Year 1985 valued as of 12/31/04*	608,288,958	262,956,609
7. Total incurred losses for Policy Year 1986 valued as of 12/31/05*	612,186,098	265,083,800
8. Total incurred losses for Policy Year 1987 valued as of 12/31/06	656,062,479	263,421,739
9. Average ((6)+(7)+(8))/3	625,512,512	263,820,716
10. Factor from case to total incurred basis at 19th report (9)/(4)	1.011	1.015
11. Change in total incurred losses from 12/31/03 to 12/31/04 for all Policy Years 1984 and prior*	21,933,209	21,337,403
12. Change in total incurred losses from 12/31/04 to 12/31/05 for all Policy Years 1985 and prior*	35,581,993	30,094,016
13. Change in total incurred losses from 12/31/05 to 12/31/06 for all Policy Years 1986 and prior*	21,557,546	21,048,049
14. Average ((11)+(12)+(13))/3	26,357,583	24,159,823
15. Development factor from 19th to ultimate [(3)*(5)*(10) + (14)] / [(3)*(5)]	1.053	1.108
16. Case incurred losses for Policy Year 1986 valued as of 12/31/05**	606,462,938	309,272,355
17. Case incurred losses for Policy Year 1987 valued as of 12/31/06**	606,221,017	334,915,315
18. Case incurred losses for Policy Year 1988 valued as of 12/31/07	671,367,055	293,184,728
19. Average of (16) through (18)	628,017,003	312,457,466
20. Ratio of (19) / (18)	0.935	1.066
21. Total incurred losses for Policy Year 1986 valued as of 12/31/05**	612,186,098	312,859,989
22. Total incurred losses for Policy Year 1987 valued as of 12/31/06**	611,944,177	338,800,129
23. Total incurred losses for Policy Year 1988 valued as of 12/31/07	682,493,552	298,006,498
24. Average of (21) through (23)	635,541,276	316,555,539
25. Factor from case to total incurred basis at 19th report (24) / (19)	1.012	1.013
26. Change in total incurred losses from 12/31/04 to 12/31/05 for all Policy Years 1985 and prior**	35,581,993	35,517,876
27. Change in total incurred losses from 12/31/05 to 12/31/06 for all Policy Years 1986 and prior**	21,557,546	24,841,550
28. Change in total incurred losses from 12/31/06 to 12/31/07 for all Policy Years 1987 and prior**	-24,025,677	14,667,675
29. Average of (26) through (28)	11,037,954	25,009,033
30. Development factor from 19th to ultimate [(18)*(20)*(25)+(29)] / [(18)*(20)]	1.030	1.093
31. Average development factor from 19th to ultimate [(15) + (30)] / 2	1.042	1.100
32. Factor 19th to ultimate @ 10/1/06	1.038	1.104
33. Final development factor from 19th to ultimate [(31)+(32)]/2	1.040	1.102

\* Adjusted to the level of Policy Year 1987

\*\* Adjusted to the level of Policy Year 1988



WORKERS COMPENSATION - NEW YORK  
Accident Year Development Factors - Indemnity Losses (Case Basis)

		Private Carriers Excluding Large Deductible Experience										
Accident Year		1st Report	2nd Report	3rd Report	4th Report	5th Report	6th Report	7th Report	8th Report	9th Report	10th Report	
1994	Dev. 9/10									687,866,337	688,659,087	1.001
1995	Dev. 9/10									608,245,635	619,347,766	1.018
1996	Dev. 9/10									541,527,387	555,115,700	1.025
1997	Dev. 9/10									583,708,257	593,387,420	1.017
1998	Dev. 9/10									606,039,993	620,342,390	1.024
1995	Dev. 8/9								669,867,568	669,518,684	0.999	
1996	Dev. 8/9								493,840,163	502,630,422	1.018	
1997	Dev. 8/9								572,905,399	583,446,115	1.018	
1998	Dev. 8/9								602,574,595	612,224,175	1.016	
1999	Dev. 8/9								703,265,390	714,134,629	1.015	
1996	Dev. 7/8							563,217,540	569,436,263	1.011		
1997	Dev. 7/8							514,197,213	531,220,537	1.033		
1998	Dev. 7/8							587,744,197	602,408,315	1.025		
1999	Dev. 7/8							701,977,934	706,891,737	1.007		
2000	Dev. 7/8							682,175,822	704,164,981	1.032		
1997	Dev. 6/7						585,632,622	594,154,063	1.015			
1998	Dev. 6/7						526,340,605	547,412,371	1.040			
1999	Dev. 6/7						677,601,832	701,834,009	1.036			
2000	Dev. 6/7						673,113,978	689,485,210	1.024			
2001	Dev. 6/7						606,989,781	639,464,584	1.054			
1998	Dev. 5/6					574,491,993	609,404,204	1.061				
1999	Dev. 5/6					598,284,264	635,396,667	1.062				
2000	Dev. 5/6					640,743,754	672,989,212	1.050				
2001	Dev. 5/6					593,568,681	643,216,562	1.084				
2002	Dev. 5/6					536,668,353	568,921,863	1.060				
1999	Dev. 4/5				629,685,316	680,455,561	1.081					
2000	Dev. 4/5				567,167,222	610,478,044	1.076					
2001	Dev. 4/5				488,201,196	535,361,815	1.097					
2002	Dev. 4/5				520,325,253	540,575,788	1.039					
2003	Dev. 4/5				508,301,868	556,649,256	1.095					
2000	Dev. 3/4			557,684,417	633,322,125	1.136						
2001	Dev. 3/4			406,335,033	488,377,496	1.202						
2002	Dev. 3/4			465,009,789	519,221,173	1.117						
2003	Dev. 3/4			466,517,277	512,720,031	1.099						
2004	Dev. 3/4			392,313,753	454,426,763	1.158						
2001	Dev. 2/3		365,663,581	475,456,421	1.300							
2002	Dev. 2/3		372,098,610	467,355,449	1.256							
2003	Dev. 2/3		361,688,815	466,134,503	1.289							
2004	Dev. 2/3		305,977,663	397,388,864	1.299							
2005	Dev. 2/3		299,669,629	398,335,458	1.329							
2002	Dev. 1/2	228,476,810	396,297,151	1.735								
2003	Dev. 1/2	214,289,093	363,074,868	1.694								
2004	Dev. 1/2	183,451,851	305,469,293	1.665								
2005	Dev. 1/2	171,942,506	304,158,379	1.769								
2006	Dev. 1/2	181,589,486	303,163,302	1.669								
Development		1st/Ult.	2nd/Ult.	1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/7th	7th/8th	8th/9th	9th/10th
5 Year Average		3.669	2.151	1.706	1.295	1.142	1.078	1.063	1.034	1.022	1.013	1.017
4 Year Average		3.760	2.213	1.699	1.293	1.144	1.077	1.064	1.039	1.024	1.017	1.021
3 Year Average		3.709	2.180	1.701	1.306	1.125	1.077	1.065	1.038	1.021	1.016	1.022
2 Year Average		3.585	2.086	1.719	1.314	1.129	1.067	1.072	1.039	1.020	1.016	1.021
Latest Year		3.563	2.135	1.669	1.329	1.158	1.095	1.060	1.054	1.032	1.015	1.024
Mid 3 of 5		3.639	2.142	1.699	1.296	1.137	1.084	1.061	1.033	1.023	1.016	1.020
Loss Development to Ultimate*		3.708										

\*Loss development based on 3 Mid of 5 Year average for 1st to 10th maturities and 3 Year average for 10th to 20th.

WORKERS COMPENSATION - NEW YORK

Accident Year Development Factors - Medical Losses (Case Basis)

Private Carriers Excluding Large Deductible Experience

Accident Year		1st Report	2nd Report	3rd Report	4th Report	5th Report	6th Report	7th Report	8th Report	9th Report	10th Report	
1994	Dev. 9/10									293,312,892	298,964,579	1.019
1995	Dev. 9/10									269,993,671	278,456,042	1.031
1996	Dev. 9/10									272,869,196	280,692,119	1.029
1997	Dev. 9/10									291,411,401	296,536,895	1.018
1998	Dev. 9/10									329,319,765	334,983,710	1.017
1995	Dev. 8/9								291,422,068	296,267,051	1.017	
1996	Dev. 8/9								242,345,525	255,821,285	1.056	
1997	Dev. 8/9								283,934,542	291,312,612	1.026	
1998	Dev. 8/9								325,782,483	332,223,804	1.020	
1999	Dev. 8/9								370,113,739	380,439,608	1.028	
1996	Dev. 7/8							271,215,297	276,865,069	1.021		
1997	Dev. 7/8							254,113,401	263,416,790	1.037		
1998	Dev. 7/8							318,993,396	325,781,322	1.021		
1999	Dev. 7/8							359,602,715	372,644,281	1.036		
2000	Dev. 7/8							375,903,911	385,245,501	1.025		
1997	Dev. 6/7						291,100,630	297,423,679	1.022			
1998	Dev. 6/7						283,819,401	296,619,609	1.045			
1999	Dev. 6/7						336,943,258	359,748,714	1.068			
2000	Dev. 6/7						365,944,650	380,417,974	1.040			
2001	Dev. 6/7						346,596,710	363,350,663	1.048			
1998	Dev. 5/6					320,861,167	331,529,176	1.033				
1999	Dev. 5/6					292,252,198	312,864,895	1.071				
2000	Dev. 5/6					348,637,560	366,357,053	1.051				
2001	Dev. 5/6					331,160,246	341,507,413	1.031				
2002	Dev. 5/6					342,176,882	362,405,260	1.059				
1999	Dev. 4/5				319,208,979	338,816,045	1.061					
2000	Dev. 4/5				316,746,667	331,624,086	1.047					
2001	Dev. 4/5				303,742,217	331,538,793	1.092					
2002	Dev. 4/5				333,761,409	344,930,895	1.033					
2003	Dev. 4/5				319,659,598	341,065,381	1.067					
2000	Dev. 3/4			330,543,345	352,489,624	1.066						
2001	Dev. 3/4			270,935,089	299,879,108	1.107						
2002	Dev. 3/4			318,224,849	333,463,865	1.048						
2003	Dev. 3/4			300,375,011	322,162,346	1.073						
2004	Dev. 3/4			288,903,298	318,929,287	1.104						
2001	Dev. 2/3		268,120,097	299,883,064	1.118							
2002	Dev. 2/3		292,432,373	320,625,790	1.096							
2003	Dev. 2/3		275,345,030	300,407,044	1.091							
2004	Dev. 2/3		251,846,158	292,514,124	1.161							
2005	Dev. 2/3		250,431,609	277,882,972	1.110							
2002	Dev. 1/2	229,732,189	305,024,145	1.328								
2003	Dev. 1/2	212,632,561	277,449,676	1.305								
2004	Dev. 1/2	209,393,930	251,587,752	1.202								
2005	Dev. 1/2	183,643,161	253,807,440	1.382								
2006	Dev. 1/2	203,459,892	282,031,087	1.386								

Development	1st/Ult.	2nd/Ult.	1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/7th	7th/8th	8th/9th	9th/10th
5 Year Average	2.601	1.969	1.321	1.115	1.080	1.060	1.049	1.045	1.028	1.029	1.023
4 Year Average	2.653	2.011	1.319	1.115	1.083	1.060	1.053	1.050	1.030	1.033	1.024
3 Year Average	2.596	1.962	1.323	1.121	1.075	1.064	1.047	1.052	1.027	1.025	1.021
2 Year Average	2.630	1.900	1.384	1.136	1.089	1.050	1.045	1.044	1.031	1.024	1.018
Latest Year	2.613	1.885	1.386	1.110	1.104	1.067	1.059	1.048	1.025	1.028	1.017
Mid 3 of 5	2.585	1.932	1.338	1.108	1.081	1.058	1.048	1.044	1.027	1.025	1.022
Loss Development to Ultimate*	2.580										

\*Loss development based on 3 Mid of 5 Year average for 1st to 10th maturities and 3 Year average for 10th to 20th.

Note: Accident Year 2001 adjusted for cat48 loss.



WORKERS COMPENSATION - NEW YORK

Accident Year Development Factors -Medical Losses (Case Basis)

Private Carriers Excluding Large Deductible Experience

Accident Year	10th Report	11th Report	12th Report	13th Report	14th Report	15th Report	16th Report	17th Report	18th Report	19th Report	20th Report		
1984 Dev. 19/20										185,020,990	185,772,189	1.004	
1985 Dev. 19/20										210,379,807	216,103,917	1.027	
1986 Dev. 19/20										215,538,887	219,770,844	1.020	
1987 Dev. 19/20										246,768,700	248,580,387	1.007	
1988 Dev. 19/20										283,011,115	283,604,676	1.002	
1985 Dev. 18/19									227,912,494	225,450,438		0.989	
1986 Dev. 18/19									207,337,954	207,276,049		1.000	
1987 Dev. 18/19									242,574,325	246,631,675		1.017	
1988 Dev. 18/19									282,286,645	286,905,592		1.016	
1989 Dev. 18/19									314,066,980	316,444,209		1.008	
1986 Dev. 17/18								219,169,846	226,240,250			1.032	
1987 Dev. 17/18								231,934,801	233,707,531			1.008	
1988 Dev. 17/18								278,319,849	282,340,729			1.014	
1989 Dev. 17/18								315,502,005	318,538,445			1.010	
1990 Dev. 17/18								349,892,259	352,909,191			1.009	
1987 Dev. 16/17							248,446,546	255,561,243				1.029	
1988 Dev. 16/17							264,258,353	269,174,824				1.019	
1989 Dev. 16/17							308,777,060	315,479,452				1.022	
1990 Dev. 16/17							350,014,347	353,017,813				1.009	
1991 Dev. 16/17							352,505,416	357,659,032				1.015	
1988 Dev. 15/16						279,887,385	287,774,424					1.028	
1989 Dev. 15/16						293,438,600	299,314,183					1.020	
1990 Dev. 15/16						343,604,396	350,000,822					1.019	
1991 Dev. 15/16						349,106,966	354,748,438					1.016	
1992 Dev. 15/16						304,829,200	306,988,562					1.007	
1989 Dev. 14/15					315,301,569	318,480,092						1.010	
1990 Dev. 14/15					331,607,978	335,365,020						1.011	
1991 Dev. 14/15					340,749,121	349,134,355						1.025	
1992 Dev. 14/15					304,800,723	306,268,905						1.005	
1993 Dev. 14/15					311,107,471	314,031,165						1.009	
1990 Dev. 13/14				352,135,395	357,473,514							1.015	
1991 Dev. 13/14				327,062,155	332,289,868							1.016	
1992 Dev. 13/14				297,041,576	304,707,958							1.026	
1993 Dev. 13/14				304,883,593	312,512,175							1.025	
1994 Dev. 13/14				300,241,885	301,185,688							1.003	
1991 Dev. 12/13			355,446,118	358,837,099								1.010	
1992 Dev. 12/13			280,752,032	288,279,761								1.027	
1993 Dev. 12/13			297,667,131	304,842,170								1.024	
1994 Dev. 12/13			299,283,274	302,397,179								1.010	
1995 Dev. 12/13			302,910,265	304,832,823								1.006	
1992 Dev. 11/12		310,024,673	313,616,404									1.012	
1993 Dev. 11/12		280,198,898	286,081,527									1.021	
1994 Dev. 11/12		293,548,030	299,237,854									1.019	
1995 Dev. 11/12		300,897,001	305,188,120									1.014	
1996 Dev. 11/12		283,802,488	285,416,975									1.006	
1993 Dev. 10/11	313,036,798	315,569,813										1.008	
1994 Dev. 10/11	272,492,688	279,111,705										1.024	
1995 Dev. 10/11	292,649,798	300,860,645										1.028	
1996 Dev. 10/11	280,619,514	285,629,988										1.018	
1997 Dev. 10/11	294,594,080	297,393,228										1.010	
			10th/11th	11th/12th	12th/13th	13th/14th	14th/15th	15th/16th	16th/17th	17th/18th	18th/19th	19th/20th	20th/Ult.*
5 Year Average			1.018	1.014	1.015	1.017	1.012	1.018	1.019	1.015	1.006	1.012	1.125
4 Year Average			1.020	1.015	1.017	1.018	1.013	1.016	1.016	1.010	1.010	1.014	1.125
3 Year Average			1.019	1.013	1.013	1.018	1.013	1.014	1.015	1.011	1.014	1.010	1.125
2 Year Average			1.014	1.010	1.008	1.014	1.007	1.012	1.012	1.010	1.012	1.005	1.125
Latest Year			1.010	1.006	1.006	1.003	1.009	1.007	1.015	1.009	1.008	1.002	1.125
Mid 3 of 5			1.017	1.015	1.015	1.019	1.010	1.018	1.019	1.011	1.008	1.010	1.125

\* From Exhibit CC, Sheet 1D

WORKERS COMPENSATION - NEW YORK

Accident Year Loss Development Factors from 20th Report (Case Basis) to Ultimate Incurred

Private Carriers Excluding Large Deductible Experience

	<u>INDEMNITY</u>	<u>MEDICAL</u>
1. Case incurred losses for Accident Year 1985 valued as of 12/31/04*	589,526,948	272,559,437
2. Case incurred losses for Accident Year 1986 valued as of 12/31/05*	581,704,862	242,617,664
3. Case incurred losses for Accident Year 1987 valued as of 12/31/06	616,767,472	245,555,621
4. Average ((1)+(2)+(3))/3	595,999,761	253,577,574
5. Ratio of (4)/(3)	0.966	1.033
6. Total incurred losses for Accident Year 1985 valued as of 12/31/04*	593,167,753	275,753,288
7. Total incurred losses for Accident Year 1986 valued as of 12/31/05*	586,585,688	245,312,608
8. Total incurred losses for Accident Year 1987 valued as of 12/31/06	627,102,705	250,484,974
9. Average ((6)+(7)+(8))/3	602,285,382	257,183,624
10. Factor from case to total incurred basis at 20th report (9)/(4)	1.011	1.014
11. Change in total incurred losses from 12/31/03 to 12/31/04 for all Accident Years 1984 and prior*	32,090,544	23,825,174
12. Change in total incurred losses from 12/31/04 to 12/31/05 for all Accident Years 1985 and prior*	39,186,615	36,025,354
13. Change in total incurred losses from 12/31/05 to 12/31/06 for all Accident Years 1986 and prior	15,533,262	16,207,167
14. Average ((11)+(12)+(13))/3	28,936,807	25,352,565
15. Development factor from 20th to ultimate [(3)*(5)*(10) +(14)] / [(3)*(5)]	1.059	1.114
16. Case incurred losses for Accident Year 1986 valued as of 12/31/05**	581,704,082	296,425,143
17. Case incurred losses for Accident Year 1987 valued as of 12/31/06**	620,207,830	313,133,052
18. Case incurred losses for Accident Year 1988 valued as of 12/31/07	645,790,429	283,604,676
19. Average of (16) through (18)	615,900,780	297,720,957
20. Ratio of (19) / (18)	0.954	1.050
21. Total incurred losses for Accident Year 1986 valued as of 12/31/05**	593,292,918	336,978,379
22. Total incurred losses for Accident Year 1987 valued as of 12/31/06**	630,546,391	319,453,178
23. Total incurred losses for Accident Year 1988 valued as of 12/31/07	655,002,491	287,464,245
24. Average of (21) through (23)	626,280,600	314,631,934
25. Factor from case to total incurred basis at 20th report (24) / (19)	1.017	1.057
26. Change in total incurred losses from 12/31/04 to 12/31/05 for all Accident Years 1985 and prior**	38,757,011	44,015,777
27. Change in total incurred losses from 12/31/05 to 12/31/06 for all Accident Years 1986 and prior**	15,533,262	17,937,519
28. Change in total incurred losses from 12/31/06 to 12/31/07 for all Accident Years 1987 and prior	(20,317,020)	16,389,590
29. Average of (26) through (28)	11,324,418	26,114,296
30. Development factor from 20th to ultimate [(18)*(20)*(25)+(29)] / [(18)*(20)]	1.035	1.145
31. Average development factor from 20th to ultimate [(15) + (30)] / 2	1.047	1.130
32. Factor 20th to ultimate @10/1/07	1.053	1.120
33. Selected development factor from 20th to ultimate [(31)+(32)]/2	1.050	1.125

\* Adjusted to the level of Accident Year 1987

\*\* Adjusted to the level of Accident Year 1988

Trend Study

Indicated Loss and Wage Trend

Traditional New York Method

<u>Trend</u>	<u>Method</u>	<u>Average Annual Change</u>
Indemnity Claim Cost	All Indemnity - 5 Yr Exponential Projection	1.055
Indemnity Claim Frequency	All Indemnity - 5 Yr Exponential Projection	0.969
Medical Claim Cost	All Medical - 5 Yr Exponential Projection	1.072
Medical Claim Frequency	All Medical - 5 Yr Exponential Projection	0.963
New York Wage	Wage - 5 Yr Exponential Projection	1.047

TREND STUDY

Analysis of Claim Cost Trends by Injury Type

Weighted All Carriers - All Indemnity

Experience Period		Avg. Claim Cost*	FITTED CLAIM COST TRENDS			
			FIVE YEARS		EIGHT YEARS	
			Exponential	Linear	Exponential	Linear
Policy Year	1998	15,028			15,218	15,014
	1999	16,277			16,144	16,120
	2000	16,972			17,126	17,226
	2001	18,397	18,424	18,361	18,168	18,332
	2002	19,752	19,435	19,461	19,273	19,438
	2003	20,027	20,500	20,561	20,446	20,544
	2004	21,712	21,624	21,660	21,690	21,650
	2005	22,915	22,810	22,760	23,009	22,756
Average Annual Change			5.48%	5.35%	6.08%	5.86%
R Squared			0.971	0.968	0.990	0.991

\* Average Claim Cost from Exhibit DD Sheet 4

TREND STUDY

Analysis of Claim Cost Trends by Injury Type

Weighted All Carriers - All Medical

Experience Period	Avg. Claim Cost*	FITTED CLAIM COST TRENDS			
		FIVE YEARS		EIGHT YEARS	
		Exponential	Linear	Exponential	Linear
Policy Year 1998	3,385			3,267	3,180
1999	3,384			3,539	3,527
2000	3,705			3,833	3,874
2001	4,243	4,275	4,253	4,151	4,221
2002	4,616	4,582	4,595	4,496	4,568
2003	4,976	4,912	4,936	4,870	4,914
2004	5,173	5,265	5,277	5,274	5,261
2005	5,671	5,643	5,618	5,712	5,608
Average Annual Change		7.19%	6.91%	8.31%	7.89%
R Squared		0.987	0.987	0.976	0.979

\* Average Claim Cost from Exhibit DD Sheet 4



TREND STUDY

Historical Schedule Z Data  
Weighted - All Carriers  
Average Claim Costs

Policy Year	Death	P.T.	Major	Minor	Temporary	All Indemnity	Medical Only	Medical On Comp.	All Medical
1998	284,947	367,634	53,342	5,095	3,778	15,028	592	8,576	3,385
1999	306,023	426,904	57,737	5,601	3,788	16,277	597	9,066	3,384
2000	296,683	353,920	57,526	5,675	3,982	16,972	636	9,949	3,705
2001	277,313	352,342	59,605	5,707	4,050	18,397	667	11,359	4,243
2002	320,304	546,743	61,540	5,764	4,031	19,752	719	12,232	4,616
2003	304,790	378,501	63,751	5,939	3,552	20,027	789	12,891	4,976
2004	484,040	508,929	63,805	6,150	3,570	21,712	818	13,758	5,173
2005	446,180	446,976	65,310	6,340	3,651	22,915	838	14,778	5,671

$$\text{Average Claim Cost} = \frac{\text{Developed On-Level Losses}}{\text{Developed Claim Count}}$$

TREND STUDY

Historical Schedule Z Data  
Private Carriers - Excluding SIF  
Average Claim Costs

Policy Year	Death	P.T.	Major	Minor	Temporary	All Indemnity	Medical Only	Medical On Comp.	All Medical
1998	191,452	360,510	46,249	4,932	3,988	12,929	558	8,460	3,476
1999	256,431	276,080	47,739	5,431	3,981	13,287	566	8,768	3,341
2000	245,257	316,097	49,678	5,490	4,168	14,779	593	9,781	3,670
2001	260,389	294,063	50,893	5,578	4,264	15,944	630	11,133	4,151
2002	208,825	280,750	51,133	5,538	4,248	15,855	673	11,778	4,394
2003	214,181	299,725	53,395	5,715	3,601	16,108	733	12,209	4,717
2004	390,403	230,859	53,643	5,979	3,687	17,223	762	13,245	4,915
2005	475,026	437,421	54,425	6,074	3,735	19,027	796	14,348	5,279

$$\text{Average Claim Cost} = \frac{\text{Developed On-Level Losses}}{\text{Developed Claim Count}}$$

TREND STUDY

Historical Schedule Z Data  
State Insurance Fund  
Average Claim Costs

Policy Year	Death	P.T.	Major	Minor	Temporary	All Indemnity	Medical Only	Medical On Comp.	All Medical
1998	408,883	413,429	68,375	5,431	3,076	20,329	686	8,896	3,717
1999	387,251	1,127,796	80,140	5,945	3,143	24,029	698	9,892	4,162
2000	395,158	516,850	75,609	6,020	3,381	22,512	783	10,403	4,481
2001	301,173	690,739	79,120	5,950	3,400	24,428	792	11,940	5,172
2002	491,534	1,154,726	81,981	6,070	3,438	28,139	861	13,244	5,937
2003	431,942	551,203	82,799	6,250	3,413	28,484	957	14,443	6,505
2004	553,146	1,257,579	81,715	6,369	3,283	30,612	981	14,815	6,658
2005	428,307	518,637	84,558	6,641	3,439	30,628	967	15,661	7,207

$$\text{Average Claim Cost} = \frac{\text{Developed On-Level Losses}}{\text{Developed Claim Count}}$$

TREND STUDY

Analysis of Claim Frequency Trends

Weighted All Carriers - All Indemnity

FITTED CLAIM FREQUENCY

Experience Period	Claim Frequency*	<u>FIVE YEARS</u>		<u>EIGHT YEARS</u>	
		Exponential	Linear	Exponential	Linear
Policy Year 1998	16.47			16.04	16.00
1999	15.15			15.50	15.51
2000	14.92			14.98	15.02
2001	14.10	14.4161	14.4025	14.48	14.53
2002	14.36	13.9645	13.9744	13.99	14.04
2003	13.89	13.5270	13.5462	13.52	13.55
2004	12.52	13.1032	13.1181	13.07	13.06
2005	12.87	12.6927	12.6900	12.63	12.57
Average Annual Change		-3.13%	-3.26%	-3.36%	-3.75%
R Squared		0.706	0.711	0.899	0.898

\* Claim Frequency from Exhibit DD Sheet 9

TREND STUDY

Analysis of Claim Frequency Trends

Weighted All Carriers - All Medical

FITTED CLAIM FREQUENCY

Experience Period	Claim Frequency*	<u>FIVE YEARS</u>		<u>EIGHT YEARS</u>	
		Exponential	Linear	Exponential	Linear
Policy Year 1998	44.59			45.03	44.83
1999	43.25			43.47	43.43
2000	42.63			41.97	42.04
2001	39.95	40.70	40.64	40.52	40.65
2002	40.29	39.20	39.23	39.12	39.25
2003	38.19	37.76	37.83	37.77	37.86
2004	35.29	36.38	36.42	36.47	36.47
2005	35.41	35.04	35.01	35.21	35.07
Average Annual Change		-3.67%	-3.87%	-3.45%	-3.82%
R Squared		0.861	0.863	0.951	0.958

\* Claim Frequency from Exhibit DD Sheet 9

TREND STUDY

Historical Schedule Z Data  
Weighted All Carriers  
Claim Frequencies

Policy Year	Death	P.T.	Major	Minor	Temp.	Medical Only	Medical All Comp	All Indemnity	All Medical
1998	0.0530	0.0510	2.973	3.378	10.011	28.12	16.47	16.47	44.59
1999	0.0401	0.0470	2.810	3.037	9.211	28.11	15.15	15.15	43.25
2000	0.0361	0.0519	2.993	2.832	9.006	27.71	14.92	14.92	42.63
2001	0.0417	0.0553	3.009	2.680	8.309	25.85	14.10	14.10	39.95
2002	0.0495	0.0386	3.211	2.545	8.512	25.88	14.40	14.36	40.29
2003	0.0534	0.0343	3.228	2.305	8.265	24.22	13.98	13.89	38.19
2004	0.0392	0.0304	3.117	2.035	7.301	22.75	12.54	12.52	35.29
2005	0.0411	0.0229	3.474	2.025	7.309	22.77	12.64	12.87	35.41

Claim Frequencies = (Developed Claim Counts)/(Premium at Present Rates)

TREND STUDY

Historical Schedule Z Data  
Private Carriers  
Claim Frequencies

Policy Year	Death	P.T.	Major	Minor	Temp.	Medical Only	Medical All Comp	All Indemnity	All Medical
1998	0.0445	0.0702	3.0571	3.4386	11.9345	31.6620	18.5449	18.54	50.21
1999	0.0361	0.0600	2.8784	2.9912	10.7674	32.7232	16.7331	16.73	49.46
2000	0.0350	0.0653	3.1132	2.7111	10.4797	32.5785	16.4043	16.40	48.98
2001	0.0355	0.0744	3.1242	2.5971	9.5577	30.5107	15.3890	15.39	45.90
2002	0.0465	0.0422	3.3300	2.2545	9.8546	30.9929	15.6173	15.53	46.61
2003	0.0491	0.0375	3.3163	2.1106	9.7621	29.1043	15.4764	15.28	44.58
2004	0.0267	0.0361	3.2209	1.8450	8.4385	27.5056	13.7123	13.57	41.22
2005	0.0257	0.0332	3.6414	1.7610	8.6119	28.2595	13.9651	14.07	42.22

Claim Frequencies = (Developed Claim Counts)/(Premium at Present Rates)

TREND STUDY

Historical Schedule Z Data  
State Insurance Fund  
Claim Frequencies

Policy Year	Death	P.T.	Major	Minor	Temp.	Medical Only	Medical All Comp	All Indemnity	All Medical
1998	0.0661	0.0215	2.8426	3.2854	7.0588	22.6847	13.2744	13.27	35.96
1999	0.0464	0.0272	2.7058	3.1072	6.8221	21.0182	12.7088	12.71	33.73
2000	0.0379	0.0315	2.8078	3.0169	6.7450	20.2368	12.6392	12.64	32.88
2001	0.0512	0.0260	2.8311	2.8076	6.3935	18.7066	12.1093	12.11	30.82
2002	0.0541	0.0330	3.0289	2.9917	6.4506	18.0430	12.5351	12.56	30.58
2003	0.0600	0.0293	3.0921	2.6040	5.9676	16.7110	11.6739	11.75	28.38
2004	0.0585	0.0217	2.9567	2.3271	5.5552	15.4448	10.7518	10.92	26.20
2005	0.0647	0.0069	3.2173	2.4298	5.3083	14.3572	10.5988	11.03	24.96

Claim Frequencies = (Developed Claim Counts)/(Premium at Present Rates)



TREND STUDY

Analysis of New York Average Wage Trends

New York Average Weekly Wage

<u>Experience Period</u>	<u>Actual</u> *	<u>Fitted Regression Lines</u>	
		<u>Exponential</u>	<u>Linear</u>
2002	890.92	879.45	876.89
2003	908.95	920.37	921.07
2004	960.64	963.19	965.25
2005	998.87	1008.01	1009.44
2006	1066.89	1054.92	1053.62
Projected Average Annual Change		4.65%	4.58%
R Squared		0.974	0.968

\* Average weekly wages from N. Y. Department of Labor for all industries

New York Workers Compensation  
Determination of New York State Assessment

I. Calculation of Indemnity Portion of Total Losses

Projected Incurred Losses for Policies Incepting 10/1/08 - 10/1/09				Ratio
Indemnity	\$1,266,545,056	x	(1.022 <sup>2.75</sup> ) =	\$1,344,654,184 0.524
Medical	\$1,117,417,271	x	(1.033 <sup>2.75</sup> ) =	\$1,221,775,083 0.476
				\$2,566,429,266 1.000

Note : Policy year on-level developed losses are from Exhibit B and have been projected using the loss trend from Exhibit D.

II. Determination of New York State Assessment

In general, assessments, as a percentage of premium, are calculated as (assessments/losses) x (expected losses/premium). However, the 1993 legislation treats the policyholder surcharge as premium for tax purposes, so that expected losses must become expected losses plus tax. The current pure expected losses, derived from 2007 expense data, are .761 / 1.175(LAE) = .648. The loading for tax results in .648 / (1-.028) =0.667

A further adjustment is made to reflect the impact of the reforms on the assessment premium base. Since the premium base will be lower as a result of the reforms and the fact that the assessments to the carriers have been calculated by the Workers' Compensation Board on the basis of pre-reform data, the assessment percentage must increase so that the same dollars of assessment that have been that have been charged to the carriers are collected from the policyholders. Since the estimated impact of the reform was -15.0%, a factor of .850 is used to adjust the final premium percentage.

<u>Assessment</u>	Actual Ass'mnt To Carriers as % of <u>Indemnity Loss #</u> (1)	New York <u>State Assessment</u> % of Std. Prem. <u>[(1) x .524 x .667 / .850]</u> (2)
Workers' Comp. Board	0.068	0.028
Reopened Case Fund (WCL 25-a)	0.043	0.018
Special Disability Fund (WCL 15-8)	0.193	0.079
Interdepartmental Exp.	0.020	0.008
Special Funds Cons. Comm.	0.002	0.001
<b>Total - All Assessments</b>	<b>0.326</b>	<b>0.134</b>

# Assessments as percentages of Indemnity loss have been obtained from the Workers' Compensation Board and the Special Funds Conservation Committee.

## New York Workers Compensation

### Minimum Premium Formula

In conjunction with its annual filing, the Rating Board has historically reviewed, and updated when necessary, the elements of the minimum premium formula to ascertain its appropriate level.

With the advent of loss costs, the Rating Board will no longer be performing this analysis. Each carrier is now responsible for establishing its own minimum premium amounts.

The traditional minimum premium formula has been: a constant (representing a payroll amount divided by 100) times the class rate, plus an expense constant, subject to a maximum minimum premium dollar amount. For the Department's information, the approved values, as of October 1, 2007, were a constant of 110, an expense constant of \$200 and a maximum minimum premium of \$875.

WORKERS COMPENSATION - NEW YORK  
SMALL DEDUCTIBLE LOSS ELIMINATION RATIOS  
PER OCCURRENCE WITH POLICY AGGREGATE  
EFFECTIVE October 1, 2008

	HAZARD GP A	HAZARD GP B	HAZARD GP C	HAZARD GP D	HAZARD GP E	HAZARD GP F	HAZARD GP G
Deductible	<u>LER</u>	<u>LER</u>	<u>LER</u>	<u>LER</u>	<u>LER</u>	<u>LER</u>	<u>LER</u>
100	0.4	0.4	0.4	0.3	0.3	0.2	0.2
200	0.8	0.8	0.7	0.6	0.5	0.4	0.3
300	1.2	1.1	0.9	0.8	0.8	0.5	0.5
400	1.5	1.5	1.2	1.0	1.0	0.7	0.6
500	1.8	1.8	1.4	1.2	1.2	0.8	0.7
1,000	3.2	3.1	2.5	2.2	2.1	1.5	1.3
1,500	4.4	4.3	3.5	3.0	2.9	2.0	1.9
2,000	5.5	5.3	4.4	3.8	3.7	2.6	2.3
2,500	6.5	6.3	5.2	4.5	4.4	3.1	2.8
5,000	10.7	10.4	8.7	7.6	7.3	5.3	4.8

Note: The LER's (Loss Elimination Ratios) have been derived from the previously determined average loss sizes by hazard group and the formulas underlying the 1/1/08 Excess Loss Factor calculations

NEW YORK WORKERS COMPENSATION

Large Deductible Experience  
Policy Year as of 12/31/06

Policy Year	Std Ed Premium	Net Ed Premium	Indemnity Losses			Medical Losses			Total Losses		
			Paid	Case	Incurred	Paid	Case	Incurred	Paid	Case	Incurred
1990	167,640	147,837	93,969	0	619,428	90,600	0	429,721	184,569	0	1,049,149
1991	136,471,487	35,615,201	27,248,487	8,444,140	38,273,627	12,867,003	2,692,593	17,658,882	40,115,490	11,136,733	55,932,509
1992	379,202,890	94,179,057	83,628,104	24,293,474	114,563,868	38,794,597	5,027,176	49,538,193	122,422,701	29,320,650	164,102,061
1993	513,113,108	102,374,896	132,909,925	36,764,622	177,846,600	59,722,953	8,242,397	75,006,263	192,632,878	45,007,019	252,852,863
1994	472,499,921	99,292,135	154,367,888	42,007,687	203,928,329	74,874,963	9,990,623	89,971,129	229,242,851	51,998,310	293,899,458
1995	709,297,010	91,313,181	187,891,745	55,201,665	253,444,020	98,914,803	16,121,368	122,454,544	286,806,548	71,323,033	375,898,564
1996	755,320,246	109,888,418	195,484,805	49,343,501	252,807,878	111,431,823	17,546,064	134,649,613	306,916,628	66,889,565	387,457,491
1997	643,892,196	110,885,817	211,534,840	57,305,471	280,679,543	121,934,586	29,138,192	158,313,469	333,469,426	86,443,663	438,993,012
1998	634,008,740	116,089,724	222,883,341	64,012,536	305,014,819	128,584,942	23,801,712	163,741,693	351,468,283	87,814,248	468,756,512
1999	712,352,063	126,114,422	222,905,476	65,902,050	318,992,326	136,425,332	21,174,338	178,354,022	359,330,808	87,076,388	497,346,348
2000	746,643,164	137,503,603	275,484,741	153,925,181	479,023,040	158,670,682	37,364,870	229,585,024	434,155,423	191,290,051	708,608,064
2001	949,353,139	176,530,758	336,327,953	282,905,092	683,190,394	171,014,532	51,578,258	265,399,584	507,342,485	334,483,350	948,589,978
2002	921,989,921	188,962,321	190,687,833	106,629,136	364,377,959	144,465,551	32,361,909	221,571,627	335,153,384	138,991,045	585,949,586
2003	1,032,519,351	262,604,494	159,572,999	107,769,556	336,056,290	138,979,163	35,670,390	224,579,179	298,552,162	143,439,946	560,635,469
2004	1,060,948,650	225,911,801	108,232,972	105,528,324	281,645,388	113,142,430	41,207,257	211,096,866	221,375,402	146,735,581	492,742,254
2005	1,010,959,766	214,346,048	48,935,263	79,482,862	204,286,179	72,283,789	48,965,677	192,236,103	121,219,052	128,448,539	396,522,282
2006	564,109,723	123,000,717	8,999,602	28,928,310	114,296,901	14,448,078	28,277,336	112,034,480	23,447,680	57,205,646	226,331,381
Cal Year	1,134,681,941	226,414,692	516,903,059	98,759,759	120,516,435	736,179,253	197,521	329,301,215	187,601,844	51,217,539	47,542,220

Large Deductible Experience  
as of 12/31/07

Policy Year	Std Ed Premium	Net Ed Premium	Indemnity Losses			Medical Losses			Total Losses		
			Paid	Case	Incurred	Paid	Case	Incurred	Paid	Case	Incurred
1990	166,746	55,007	91,444	0	260,569	78,702	0	186,832	170,146	0	447,401
1991	136,523,650	35,661,841	27,907,011	7,995,291	36,388,232	13,085,541	3,318,866	17,010,831	40,992,552	11,314,157	53,399,063
1992	379,103,707	93,972,484	85,852,275	22,522,774	111,320,259	39,518,745	5,193,439	46,778,164	125,371,020	27,716,213	158,098,423
1993	512,516,728	101,851,036	136,647,853	33,525,415	173,467,479	60,065,042	8,568,987	70,077,050	196,712,895	42,094,402	243,544,529
1994	472,395,215	99,609,857	157,919,499	40,424,486	203,479,882	75,589,826	9,900,221	88,303,316	233,509,325	50,324,707	291,783,198
1995	708,172,230	110,017,138	194,877,856	55,704,524	257,309,807	100,001,890	18,016,648	122,566,311	294,879,746	73,721,172	379,876,118
1996	755,051,137	133,101,887	201,676,860	54,348,387	262,298,335	113,256,238	18,755,611	134,898,195	314,933,098	73,103,998	397,196,530
1997	639,733,654	109,421,259	217,037,850	59,080,122	287,383,333	123,403,069	32,494,992	161,626,567	340,440,919	91,575,114	449,009,900
1998	626,272,991	103,851,510	232,528,964	69,172,983	316,963,373	130,964,894	27,218,632	167,377,156	363,493,858	96,391,615	484,340,529
1999	705,831,564	137,066,044	236,297,360	66,118,285	324,661,052	139,022,281	24,757,854	178,570,200	375,319,641	90,876,139	503,231,252
2000	750,674,083	139,962,789	309,660,216	154,936,623	502,485,626	165,637,660	44,832,298	237,662,769	475,297,876	199,768,921	740,148,395
2001	956,220,627	163,009,146	382,921,569	266,034,918	695,048,024	182,390,224	50,555,819	268,585,304	565,311,793	316,590,737	963,633,328
2002	918,441,119	211,530,468	221,818,704	102,775,325	377,237,803	154,335,112	39,674,249	233,054,576	376,153,816	142,449,574	610,292,379
2003	1,023,795,486	218,182,162	199,062,433	103,127,308	347,401,545	154,285,688	35,905,023	222,562,820	353,348,121	139,032,331	569,964,365
2004	1,044,832,964	217,079,167	156,586,123	109,523,779	317,102,045	136,106,112	40,267,997	215,124,757	292,692,235	149,791,776	532,226,802
2005	1,003,607,667	217,322,999	99,648,709	98,478,876	267,618,686	110,158,293	46,157,793	216,855,901	209,807,002	144,636,669	484,474,587
2006	979,397,185	198,392,088	48,181,603	78,707,706	215,268,434	72,047,413	50,651,335	198,184,751	120,229,016	129,359,041	413,453,185
2007	516,035,059	101,728,084	10,016,574	26,961,551	116,730,193	14,692,441	29,786,080	111,839,349	24,709,015	56,747,631	228,569,542
Cal Year	908,314,580	192,931,962	355,113,877	82,663,466	426,740,202	197,647,670	79,306,677	259,256,067	552,761,547	161,970,143	685,996,269

NEW YORK WORKERS COMPENSATION

Large Deductible Experience  
Accident Year as of 12/31/06

Accident Year	Std Ed Premium	Net Ed Premium	Indemnity Losses			Medical Losses			Total Losses		
			Paid	Case	Incurred	Paid	Case	Incurred	Paid	Case	Incurred
1990	0	0	4,135	0	129,936	1,266	0	114,474	5,401	0	244,410
1991	40,061,719	9,277,946	15,242,002	3,680,430	20,175,667	7,358,920	2,099,138	10,384,866	22,600,922	5,779,568	30,560,533
1992	169,768,550	41,353,890	71,921,534	20,587,412	98,445,217	33,120,891	3,447,806	41,276,152	105,042,425	24,035,218	139,721,369
1993	448,824,912	91,159,635	115,352,155	33,450,746	157,607,355	51,179,771	8,012,260	67,761,975	166,531,926	41,463,006	225,369,330
1994	553,090,968	94,670,194	143,577,444	37,497,034	186,934,517	67,679,123	7,809,163	79,161,040	211,256,567	45,306,197	266,095,557
1995	593,897,306	120,108,557	162,746,817	52,418,794	225,012,843	82,952,487	16,929,452	107,597,691	245,699,304	69,348,246	332,610,534
1996	699,972,370	144,162,263	190,162,580	45,924,958	243,998,792	106,111,756	12,794,498	124,839,430	296,274,336	58,719,456	368,838,222
1997	608,023,409	137,131,750	216,778,400	58,266,537	283,169,400	121,714,220	22,208,051	149,668,944	338,492,620	80,474,588	432,838,344
1998	679,162,216	198,604,326	203,621,999	54,623,487	273,215,781	122,377,506	29,427,677	160,183,869	325,999,505	84,051,164	433,399,650
1999	514,303,333	130,691,848	219,295,645	67,164,221	306,678,260	129,771,354	23,092,623	167,802,164	349,066,999	90,256,844	474,480,424
2000	741,831,398	134,946,303	234,834,012	81,557,585	359,792,600	146,110,771	25,228,268	200,822,408	380,944,783	106,785,853	560,615,008
2001	922,430,651	172,998,172	384,433,478	332,050,213	773,203,829	176,961,109	51,793,419	270,008,916	561,394,587	383,843,632	1,043,212,745
2002	989,038,146	161,187,472	208,276,695	110,100,012	380,230,007	149,906,768	37,348,584	226,374,615	358,183,463	147,448,596	606,604,622
2003	1,015,115,513	238,987,725	182,134,493	117,026,409	367,242,068	146,034,806	35,534,313	231,336,010	328,169,299	152,560,722	598,578,078
2004	987,416,692	220,104,367	134,129,893	108,288,075	307,878,434	126,580,929	37,741,756	217,374,147	260,710,822	146,029,831	525,252,581
2005	919,454,946	207,586,903	70,611,122	92,925,690	236,898,687	92,549,440	44,870,537	203,861,155	163,160,562	137,796,227	440,759,842
2006	1,110,995,662	231,139,022	22,804,110	57,406,207	188,659,503	35,967,422	50,765,828	189,071,646	58,771,532	108,172,035	377,731,149

Large Deductible Experience  
as of 12/31/07

Accident Year	Std Ed Premium	Net Ed Premium	Indemnity Losses			Medical Losses			Total Losses		
			Paid	Case	Incurred	Paid	Case	Incurred	Paid	Case	Incurred
1990	166,746	55,007	4,135	0	97,122	1,266	0	60,717	5,401	0	157,839
1991	177,096,344	68,183,421	15,464,475	3,903,763	19,585,776	7,458,220	2,693,209	10,290,511	22,922,695	6,596,972	29,876,287
1992	350,246,147	134,467,782	72,571,160	18,210,679	91,976,756	32,800,888	3,295,886	37,031,764	105,372,048	21,506,565	129,008,520
1993	445,901,163	90,329,637	119,476,695	31,166,187	154,263,834	52,377,021	8,999,925	64,001,796	171,853,716	40,166,112	218,265,630
1994	555,605,895	96,925,571	147,263,550	35,150,439	186,693,319	68,472,246	7,496,011	78,111,064	215,735,796	42,646,450	264,804,383
1995	597,150,632	115,068,289	168,570,885	49,739,040	225,120,268	84,042,657	17,909,851	106,997,751	252,613,542	67,648,891	332,118,019
1996	704,245,354	143,965,641	195,268,267	50,088,084	249,677,059	107,035,320	14,040,579	123,808,226	302,303,587	64,128,663	373,485,285
1997	611,272,012	134,279,061	222,984,141	61,860,004	293,979,564	123,395,120	25,343,597	152,888,265	346,379,261	87,203,601	446,867,829
1998	680,875,603	196,073,139	210,668,464	58,969,785	282,710,860	124,376,909	30,950,996	163,497,132	335,045,373	89,920,781	446,207,992
1999	661,829,065	143,823,187	230,065,170	68,647,646	315,422,360	131,894,604	27,837,754	169,785,561	361,959,774	96,485,400	485,207,921
2000	747,250,258	134,027,986	258,967,951	82,539,517	370,361,479	150,387,611	31,075,905	202,869,859	409,355,562	113,615,422	573,231,338
2001	923,869,766	172,510,921	433,476,608	315,325,720	799,482,653	188,831,441	53,766,979	281,512,052	622,308,049	369,092,699	1,080,994,705
2002	977,440,212	158,810,390	235,500,585	109,088,452	394,842,952	158,788,585	41,727,453	238,947,480	394,289,170	150,815,905	633,790,432
2003	1,003,073,456	236,127,953	216,529,232	108,393,800	369,993,942	160,414,984	37,111,770	227,644,018	376,944,216	145,505,570	597,637,960
2004	973,544,644	216,893,321	178,641,232	107,702,982	333,715,624	145,045,402	39,929,687	220,982,743	323,686,634	147,632,669	554,698,367
2005	928,908,123	217,026,855	122,076,801	103,310,804	285,660,709	121,277,522	44,836,426	211,597,368	243,354,323	148,147,230	497,258,077
2006	1,185,525,212	230,654,428	66,099,322	86,203,504	236,851,427	89,580,774	42,672,118	209,651,421	155,680,096	128,875,622	446,502,848
2007	966,807,253	192,931,970	25,120,116	59,137,747	204,593,655	38,530,161	56,367,706	194,053,832	63,650,277	115,505,453	398,647,487

WORKERS COMPENSATION - NEW YORK

Development Factors - Premiums  
Large Deductible Experience Only

Policy Year		1st Report	2nd Report	3rd Report	4th Report	5th Report	6th Report	
1997	Dev. 5/6					629,685,197	629,553,083	1.000
1998	Dev. 5/6					686,007,512	683,604,641	0.996
1999	Dev. 5/6					852,864,970	851,826,349	0.999
2000	Dev. 5/6					752,677,668	753,569,906	1.001
2001	Dev. 5/6					949,353,139	956,220,627	1.007
1998	Dev. 4/5				568,439,020	568,916,252		1.001
1999	Dev. 4/5				786,567,099	779,818,183		0.991
2000	Dev. 4/5				814,942,331	812,893,762		0.997
2001	Dev. 4/5				970,019,154	968,767,499		0.999
2002	Dev. 4/5				921,989,921	918,441,119		0.996
1999	Dev. 3/4			607,719,454	610,463,875			1.005
2000	Dev. 3/4			772,950,907	775,544,173			1.003
2001	Dev. 3/4			1,051,546,959	1,063,897,571			1.012
2002	Dev. 3/4			886,454,781	886,503,781			1.000
2003	Dev. 3/4			1,032,519,351	1,023,795,486			0.992
2000	Dev. 2/3		722,707,585	726,922,892				1.006
2001	Dev. 2/3		960,544,974	961,746,167				1.001
2002	Dev. 2/3		1,117,346,082	1,121,040,647				1.003
2003	Dev. 2/3		1,092,952,112	1,085,428,669				0.993
2004	Dev. 2/3		1,060,948,650	1,044,832,964				0.985
2001	Dev. 1/2	765,822,885	783,769,913		1.023			
2002	Dev. 1/2	871,569,234	904,257,914		1.038			
2003	Dev. 1/2	1,106,063,728	1,164,068,929		1.052			
2004	Dev. 1/2	960,377,623	1,026,913,004		1.069			
2005	Dev. 1/2	1,010,959,766	1,003,607,667		0.993			
		1st/2nd #	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/Ult.	
<b>All Year Average</b>								
Age to Age		1.046	0.998	1.002	0.997	1.001	1.000	
Age to Ult.		1.044	0.998	1.000	0.998	1.001	1.000	
<b>4 Year Average</b>								
Age to Age		1.046	0.996	1.002	0.996	1.001	1.000	
Age to Ult.		1.041	0.995	0.999	0.997	1.001	1.000	
<b>3 Year Average</b>								
Age to Age		1.053	0.994	1.001	0.997	1.002	1.000	
Age to Ult.		1.047	0.994	1.000	0.999	1.002	1.000	
<b>2 Year Average</b>								
Age to Age		1.061	0.989	0.996	0.998	1.004	1.000	
Age to Ult.		1.047	0.987	0.998	1.002	1.004	1.000	
Premium Development to Ultimate		1.044	0.998	1.000	0.998	1.001	1.000	

\*Premium development based on all year average

# 1st/2nd excludes latest year because of data anomaly.

WORKERS COMPENSATION - NEW YORK

Policy Year Development Factors - Indemnity Losses (Case Basis)

Experience from Large Deductible Policies Only

Policy Year		1st Report	2nd Report	3rd Report	4th Report	5th Report	6th Report	7th Report	8th Report	9th Report	10th Report	
1993	Dev. 9/10									162,742,620	164,551,241	1.011
1994	Dev. 9/10									186,180,377	189,844,227	1.020
1995	Dev. 9/10									239,564,223	240,825,014	1.005
1996	Dev. 9/10									246,401,683	244,980,232	0.994
1997	Dev. 9/10									268,840,311	276,117,972	1.027
1994	Dev. 8/9								193,560,786	198,498,287		1.026
1995	Dev. 8/9								230,286,305	237,641,079		1.032
1996	Dev. 8/9								245,802,176	246,401,683		1.002
1997	Dev. 8/9								263,607,314	268,868,000		1.020
1998	Dev. 8/9								286,895,877	301,701,947		1.052
1995	Dev. 7/8							194,186,358	205,054,900			1.056
1996	Dev. 7/8							234,258,253	248,577,693			1.061
1997	Dev. 7/8							262,067,491	263,607,314			1.006
1998	Dev. 7/8							279,430,671	287,610,281			1.029
1999	Dev. 7/8							288,807,526	302,415,645			1.047
1996	Dev. 6/7						193,833,412	207,543,880				1.071
1997	Dev. 6/7						244,714,330	269,174,840				1.100
1998	Dev. 6/7						287,335,549	279,430,671				0.972
1999	Dev. 6/7						277,076,745	289,062,496				1.043
2000	Dev. 6/7						322,039,542	347,043,733				1.078
1997	Dev. 5/6					203,188,089	222,776,757					1.096
1998	Dev. 5/6					263,434,766	289,566,015					1.099
1999	Dev. 5/6					269,508,242	277,076,745					1.028
2000	Dev. 5/6					298,485,319	323,493,942					1.084
2001	Dev. 5/6					363,249,024	379,139,680					1.044
1998	Dev. 4/5				210,605,520	234,680,321		1.114				
1999	Dev. 4/5				243,839,223	273,140,212		1.120				
2000	Dev. 4/5				299,415,433	323,485,319		1.080				
2001	Dev. 4/5				352,894,535	367,776,248		1.042				
2002	Dev. 4/5				297,316,969	324,594,029		1.092				
1999	Dev. 3/4			188,896,225	219,875,879		1.164					
2000	Dev. 3/4			268,300,886	296,539,194		1.105					
2001	Dev. 3/4			327,076,469	357,894,535		1.094					
2002	Dev. 3/4			258,731,374	299,431,711		1.157					
2003	Dev. 3/4			267,342,555	302,189,741		1.130					
2000	Dev. 2/3		256,778,592	318,699,121		1.241						
2001	Dev. 2/3		280,736,664	325,539,483		1.160						
2002	Dev. 2/3		214,964,241	258,731,374		1.204						
2003	Dev. 2/3		215,420,914	270,530,423		1.256						
2004	Dev. 2/3		213,761,296	266,109,902		1.245						
2001	Dev. 1/2	148,690,625	233,375,171		1.570							
2002	Dev. 1/2	135,460,485	211,029,878		1.558							
2003	Dev. 1/2	149,853,196	215,395,954		1.437							
2004	Dev. 1/2	141,089,219	215,956,857		1.531							
2005	Dev. 1/2	128,418,125	198,127,585		1.543							
		1st/Ult.	2nd/Ult.	1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/7th	7th/8th	8th/9th	9th/10th
5 Year Average		3.170	2.075	1.528	1.221	1.130	1.090	1.070	1.053	1.040	1.026	1.011
4 Year Average		3.088	2.036	1.517	1.216	1.122	1.084	1.064	1.048	1.036	1.027	1.012
3 Year Average		3.005	1.998	1.504	1.235	1.127	1.071	1.052	1.031	1.027	1.025	1.009
2 Year Average		3.193	2.077	1.537	1.251	1.144	1.067	1.064	1.061	1.038	1.036	1.011
Latest Year		3.192	2.069	1.543	1.245	1.130	1.092	1.044	1.078	1.047	1.052	1.027
Mid 3 of 5		3.393	2.198	1.544	1.230	1.131	1.095	1.075	1.064	1.044	1.026	1.012
Loss Development to Ultimate*		3.393										

\*Loss development to ultimate based on 3 Mid of 5 Year average for 1st to 10th maturities and 3 Year average of non-deductible experience for 10th to ultimate.



WORKERS COMPENSATION - NEW YORK

Policy Year Development Factors - Medical Losses (Case Basis)

		Experience from Large Deductible Policies Only										
Policy Year		1st Report	2nd Report	3rd Report	4th Report	5th Report	6th Report	7th Report	8th Report	9th Report	10th Report	
1993	Dev. 9/10									162,742,620	167,587,949	1.030
1994	Dev. 9/10									186,180,377	189,844,227	1.020
1995	Dev. 9/10									239,564,223	240,825,014	1.005
1996	Dev. 9/10									128,395,526	128,977,887	1.005
1997	Dev. 9/10									151,036,373	155,898,061	1.032
1994	Dev. 8/9								86,154,393	89,131,006		1.035
1995	Dev. 8/9								105,987,562	114,038,226		1.076
1996	Dev. 8/9								127,014,965	128,395,526		1.011
1997	Dev. 8/9								150,057,976	151,036,373		1.007
1998	Dev. 8/9								151,958,631	158,183,526		1.041
1995	Dev. 7/8							98,878,715	101,089,416			1.022
1996	Dev. 7/8							124,819,135	134,463,773			1.077
1997	Dev. 7/8							141,605,196	150,057,976			1.060
1998	Dev. 7/8							149,788,628	152,386,654			1.017
1999	Dev. 7/8							157,386,871	163,780,135			1.041
1996	Dev. 6/7						105,960,286	111,445,722				1.052
1997	Dev. 6/7						135,820,052	149,351,794				1.100
1998	Dev. 6/7						146,062,730	149,788,628				1.026
1999	Dev. 6/7						152,324,283	157,599,670				1.035
2000	Dev. 6/7						183,585,851	196,175,214				1.069
1997	Dev. 5/6					114,251,148	122,370,792					1.071
1998	Dev. 5/6					136,214,111	153,723,304					1.129
1999	Dev. 5/6					145,382,816	152,324,283					1.048
2000	Dev. 5/6					172,421,413	184,423,617					1.070
2001	Dev. 5/6					206,314,586	216,695,936					1.050
1998	Dev. 4/5				108,779,742	117,693,196		1.082				
1999	Dev. 4/5				137,695,207	152,926,700		1.111				
2000	Dev. 4/5				165,313,365	172,421,413		1.043				
2001	Dev. 4/5				191,293,589	208,244,783		1.089				
2002	Dev. 4/5				175,176,065	194,009,361		1.108				
1999	Dev. 3/4			111,243,012	121,114,562		1.089					
2000	Dev. 3/4			148,109,473	179,164,025		1.210					
2001	Dev. 3/4			177,623,639	191,293,589		1.077					
2002	Dev. 3/4			160,186,199	176,827,460		1.104					
2003	Dev. 3/4			172,497,498	190,190,711		1.103					
2000	Dev. 2/3		123,397,859	141,204,099		1.144						
2001	Dev. 2/3		150,281,701	178,301,001		1.186						
2002	Dev. 2/3		146,674,692	160,186,199		1.092						
2003	Dev. 2/3		154,939,601	174,649,553		1.127						
2004	Dev. 2/3		152,820,579	176,374,109		1.154						
2001	Dev. 1/2	106,386,347	141,175,994			1.327						
2002	Dev. 1/2	114,614,081	148,319,019			1.294						
2003	Dev. 1/2	129,867,919	154,926,517			1.193						
2004	Dev. 1/2	121,376,483	154,349,687			1.272						
2005	Dev. 1/2	120,687,244	156,316,086			1.295						
		1st/Ult.	2nd/Ult.	1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/7th	7th/8th	8th/9th	9th/10th
5 Year Average		2.498	1.958	1.276	1.141	1.117	1.087	1.074	1.056	1.043	1.034	1.018
4 Year Average		2.529	2.001	1.264	1.140	1.124	1.088	1.074	1.058	1.049	1.034	1.016
3 Year Average		2.294	1.831	1.253	1.124	1.095	1.080	1.056	1.043	1.039	1.020	1.014
2 Year Average		2.359	1.837	1.284	1.141	1.104	1.099	1.060	1.052	1.029	1.024	1.019
Latest Year		2.425	1.873	1.295	1.154	1.103	1.108	1.050	1.069	1.041	1.041	1.032
Mid 3 of 5		2.507	1.948	1.287	1.142	1.099	1.093	1.064	1.052	1.041	1.029	1.018
Loss Development to Ultimate*		2.507										

\*Loss development to ultimate based on 3 Mid of 5 Year average for 1st to 10th maturities and 3 Year average of non-deductible experience for 10th to ultimate.

WORKERS COMPENSATION - NEW YORK

Accident Year Development Factors - Indemnity Losses (Case Basis)

		Experience from Large Deductible Policies Only										
Accident Year		1st Report	2nd Report	3rd Report	4th Report	5th Report	6th Report	7th Report	8th Report	9th Report	10th Report	
1994	Dev. 9/10									183,264,152	185,491,727	1.012
1995	Dev. 9/10									199,582,320	207,089,267	1.038
1996	Dev. 9/10									230,092,610	232,610,018	1.011
1997	Dev. 9/10									271,603,783	275,044,937	1.013
1998	Dev. 9/10									257,625,362	269,638,249	1.047
1995	Dev. 8/9								187,143,291	191,406,544		1.023
1996	Dev. 8/9								227,690,726	228,263,865		1.003
1997	Dev. 8/9								270,439,899	263,709,489		0.975
1998	Dev. 8/9								253,724,877	258,245,486		1.018
1999	Dev. 8/9								286,236,141	298,712,816		1.044
1996	Dev. 7/8							191,091,018	203,028,016			1.062
1997	Dev. 7/8							256,372,321	270,201,891			1.054
1998	Dev. 7/8							260,457,359	249,127,064			0.956
1999	Dev. 7/8							276,993,745	286,459,866			1.034
2000	Dev. 7/8							315,325,238	341,507,468			1.083
1997	Dev. 6/7						209,617,412	230,022,097				1.097
1998	Dev. 6/7						240,064,738	261,350,131				1.089
1999	Dev. 6/7						277,164,510	272,656,134				0.984
2000	Dev. 6/7						299,888,753	316,391,597				1.055
2001	Dev. 6/7						352,478,296	361,432,415				1.025
1998	Dev. 5/6					195,475,499	213,748,293					1.093
1999	Dev. 5/6					248,622,305	273,037,674					1.098
2000	Dev. 5/6					292,039,834	287,670,975					0.985
2001	Dev. 5/6					347,873,925	378,803,796					1.089
2002	Dev. 5/6					315,252,267	344,589,037					1.093
1999	Dev. 4/5				191,396,445	216,199,626						1.130
2000	Dev. 4/5				254,463,137	289,320,983						1.137
2001	Dev. 4/5				338,319,568	357,994,747						1.058
2002	Dev. 4/5				286,090,045	318,376,707						1.113
2003	Dev. 4/5				296,818,969	324,923,032						1.095
2000	Dev. 3/4			203,003,315	241,069,924		1.188					
2001	Dev. 3/4			335,138,972	376,714,275		1.124					
2002	Dev. 3/4			247,615,359	286,500,201		1.157					
2003	Dev. 3/4			248,126,784	299,160,902		1.206					
2004	Dev. 3/4			240,037,367	286,344,214		1.193					
2001	Dev. 2/3		462,709,546	549,922,095		1.188						
2002	Dev. 2/3		168,050,467	246,310,190		1.466						
2003	Dev. 2/3		188,504,507	248,973,414		1.321						
2004	Dev. 2/3		188,504,507	248,973,414		1.321						
2005	Dev. 2/3		162,112,443	225,387,605		1.390						
2002	Dev. 1/2	109,656,614	185,203,710		1.689							
2003	Dev. 1/2	80,072,304	159,898,599		1.997							
2004	Dev. 1/2	93,631,656	185,324,446		1.979							
2005	Dev. 1/2	90,797,938	176,753,098		1.947							
2006	Dev. 1/2	79,612,334	152,302,826		1.913							
		1st/Ult.	2nd/Ult.	1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/7th	7th/8th	8th/9th	9th/10th
5 Year Average		4.676	2.455	1.905	1.337	1.174	1.107	1.072	1.050	1.038	1.013	1.024
4 Year Average		4.857	2.479	1.959	1.375	1.170	1.101	1.066	1.038	1.032	1.010	1.027
3 Year Average		4.541	2.334	1.946	1.344	1.185	1.089	1.056	1.021	1.024	1.012	1.024
2 Year Average		4.946	2.563	1.930	1.356	1.200	1.104	1.091	1.040	1.059	1.031	1.030
Latest Year		4.856	2.538	1.913	1.390	1.193	1.095	1.093	1.025	1.083	1.044	1.047
Mid 3 of 5		5.064	2.602	1.946	1.344	1.179	1.113	1.092	1.056	1.050	1.015	1.021
Loss Development to Ultimate*		5.064										

\*Loss development to ultimate based on 3 Mid of 5 Year average for 1st to 10th maturities and 3 Year average of non-deductible experience for 10th to ultimate.



NEW YORK WORKERS COMPENSATION

CONSTRUCTION CLASSIFICATION PAYROLL LIMITATIONS  
Construction Payroll Limitation Law

**Eff. 10/1/2008**  
**\$825 Limitation**

		<u>Effect on Manual Rates</u>			
		<u>Statewide</u>	<u>Territory 1</u>	<u>Territory 2</u>	<u>Territory 3</u>
1	Estimated 10/08 - 10/09 Construction AWW	\$1,098	\$1,229	\$1,101	\$878
2	Ratio of Cap Amount to Construction AWW	---	0.671	0.749	0.940
3	Ratio, 'R', to Enter Wage Distribution Table	---	0.67	0.75	0.94
4	Table 'A' Value	---	0.298444	0.372949	0.534335
5	1-'A' Value	---	0.701556	0.627051	0.465665
6	'R' x ( 1-'A')	---	0.470043	0.470288	0.437725
7	Table 'B' Value	---	0.143175	0.196058	0.332026
8	1-'B' Value	---	0.856825	0.803942	0.667974
9	Indicated Off-Balance at \$825 Cap (8)-(6)x100	33.0%	38.7%	33.4%	23.0%
10	Off-Set for Effect of Cap on P. Y. '01, '02, '03,'04 &'05 data	0.303	0.381	0.296	0.182
11	Adjusted Indicated Off-Balance at \$825 Cap SW = (9)*[1.0-(9)/(10)]; Terr. = [Terr.(9) / SW (9)]*SW (11)]	2.9%	3.4%	2.9%	2.0%
12	<b>Proposed Off-Balance at \$825 Cap</b>	2.9%	<b>3.4%</b>	<b>2.9%</b>	<b>2.0%</b>
13	Current Off-Balance at \$750 Cap	6.8%	8.5%	6.8%	4.0%
14	Percentage Change in Off-Balance {(1+(10))/(1+11)}-1.0	-3.7%	-4.7%	-3.7%	-1.9%

Territory 1: Counties of Bronx, Kings, Manhattan,Queens, Richmond

Territory 2: Counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, Westchester

Territory 3: All Other Counties

WORKERS COMPENSATION - NEW YORK  
New York State Insurance Fund  
Development Factors - Premium

Policy Year		1st Report	2nd Report	3rd Report	4th Report	5th Report	6th Report	
1997	Dev. 5/6					1,176,089,061	1,175,932,531	1.000
1998	Dev. 5/6					1,111,780,484	1,111,240,236	1.000
1999	Dev. 5/6					1,181,933,770	1,181,498,415	1.000
2000	Dev. 5/6					1,255,024,339	1,254,053,977	0.999
2001	Dev. 5/6					1,308,727,022	1,308,296,639	1.000
1998	Dev. 4/5				1,112,356,972	1,111,780,484		0.999
1999	Dev. 4/5				1,183,544,377	1,181,933,770		0.999
2000	Dev. 4/5				1,257,316,210	1,255,024,339		0.998
2001	Dev. 4/5				1,310,073,769	1,308,727,022		0.999
2002	Dev. 4/5				1,391,847,766	1,390,006,322		0.999
1999	Dev. 3/4			1,187,228,935	1,183,544,377			0.997
2000	Dev. 3/4			1,263,412,230	1,257,316,210			0.995
2001	Dev. 3/4			1,314,462,140	1,310,073,769			0.997
2002	Dev. 3/4			1,394,549,643	1,391,847,766			0.998
2003	Dev. 3/4			1,476,816,924	1,473,670,252			0.998
2000	Dev. 2/3		1,264,830,109	1,263,412,230				0.999
2001	Dev. 2/3		1,328,879,253	1,314,462,140				0.989
2002	Dev. 2/3		1,403,351,949	1,394,549,643				0.994
2003	Dev. 2/3		1,485,071,748	1,476,816,924				0.994
2004	Dev. 2/3		1,572,415,373	1,561,166,457				0.993
2001	Dev. 1/2	1,282,337,716	1,328,879,253		1.036			
2002	Dev. 1/2	1,372,053,717	1,403,351,949		1.023			
2003	Dev. 1/2	1,469,769,533	1,485,071,748		1.010			
2004	Dev. 1/2	1,560,539,230	1,572,415,373		1.008			
2005	Dev. 1/2	1,646,831,333	1,672,006,212		1.015			
		1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/Ult.	
<b>5 Year Average</b>								
Age to Age		1.018	0.994	0.997	0.999	1.000	1.000	
Age to Ult.		1.008	0.990	0.996	0.999	1.000	1.000	
<b>4 Year Average</b>								
Age to Age		1.014	0.993	0.997	0.999	1.000	1.000	
Age to Ult.		1.003	0.989	0.996	0.999	1.000	1.000	
<b>3 Year Average</b>								
Age to Age		1.011	0.994	0.998	0.999	1.000	1.000	
Age to Ult.		1.002	0.991	0.997	0.999	1.000	1.000	
<b>2 Year Average</b>								
Age to Age		1.012	0.994	0.998	0.999	1.000	1.000	
Age to Ult.		1.003	0.991	0.997	0.999	1.000	1.000	
Premium Development to Ultimate*		<b>1.002</b>	<b>0.991</b>	<b>0.997</b>	<b>0.999</b>	<b>1.000</b>	<b>1.000</b>	

\*Premium development based on 3 year average

WORKERS COMPENSATION - NEW YORK  
New York State Insurance Fund  
Policy Year Development Factors - Indemnity Losses (Case Basis)

Policy Year		1st Report	2nd Report	3rd Report	4th Report	5th Report	6th Report	7th Report	8th Report	9th Report	10th Report	
1993	Dev. 9/10									972,194,749	962,216,666	0.990
1994	Dev. 9/10									835,913,894	836,378,374	1.001
1995	Dev. 9/10									659,275,719	657,748,046	0.998
1996	Dev. 9/10									555,046,270	557,057,817	1.004
1997	Dev. 9/10									478,998,536	482,957,899	1.008
1994	Dev. 8/9								845,681,484	835,913,894		0.988
1995	Dev. 8/9								655,303,347	659,275,719		1.006
1996	Dev. 8/9								545,965,520	555,046,270		1.017
1997	Dev. 8/9								477,804,682	478,998,536		1.002
1998	Dev. 8/9								411,738,113	406,773,025		0.988
1995	Dev. 7/8						669,198,130		655,303,347			0.979
1996	Dev. 7/8						550,145,842		545,965,520			0.992
1997	Dev. 7/8						465,339,926		477,804,682			1.027
1998	Dev. 7/8						416,776,578		411,738,113			0.988
1999	Dev. 7/8						486,221,780		489,392,883			1.007
1996	Dev. 6/7						565,413,109		550,145,842			0.973
1997	Dev. 6/7						467,439,320		465,339,926			0.996
1998	Dev. 6/7						417,253,015		416,776,578			0.999
1999	Dev. 6/7						482,040,137		486,221,780			1.009
2000	Dev. 6/7						459,227,246		452,182,407			0.985
1997	Dev. 5/6					472,590,889	467,439,320					0.989
1998	Dev. 5/6					423,162,780	417,253,015					0.986
1999	Dev. 5/6					487,670,750	482,040,137					0.988
2000	Dev. 5/6					449,024,562	459,227,246					1.023
2001	Dev. 5/6					448,636,089	437,904,451					0.976
1998	Dev. 4/5				420,750,777	423,162,780						1.006
1999	Dev. 4/5				478,898,688	487,670,750						1.018
2000	Dev. 4/5				449,708,937	449,024,562						0.998
2001	Dev. 4/5				455,450,448	448,636,089						0.985
2002	Dev. 4/5				506,306,170	510,507,545						1.008
1999	Dev. 3/4			456,017,211	478,898,688							1.050
2000	Dev. 3/4			421,044,548	449,708,937							1.068
2001	Dev. 3/4			426,361,077	455,450,448							1.068
2002	Dev. 3/4			480,500,416	506,306,170							1.054
2003	Dev. 3/4			497,276,177	518,479,747							1.043
2000	Dev. 2/3		351,975,131	421,044,548		1.196						
2001	Dev. 2/3		329,490,717	426,361,077		1.294						
2002	Dev. 2/3		374,884,944	480,500,416		1.282						
2003	Dev. 2/3		399,905,239	497,276,177		1.243						
2004	Dev. 2/3		409,557,666	505,087,949		1.233						
2001	Dev. 1/2	211,652,841	329,490,717		1.557							
2002	Dev. 1/2	220,663,949	374,884,944		1.699							
2003	Dev. 1/2	245,064,313	399,905,239		1.632							
2004	Dev. 1/2	239,630,732	409,557,666		1.709							
2005	Dev. 1/2	250,574,204	387,985,295		1.548							
Development		1st/Ult.	2nd/Ult.	1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/7th	7th/8th	8th/9th	9th/10th
5 Year Average		2.351	1.443	1.629	1.250	1.057	1.003	0.992	0.992	0.999	1.000	1.000
4 Year Average		2.462	1.495	1.647	1.263	1.058	1.002	0.993	0.997	1.004	1.003	1.003
3 Year Average		2.425	1.488	1.630	1.253	1.055	0.997	0.996	0.998	1.007	1.002	1.003
2 Year Average		2.353	1.444	1.629	1.238	1.049	0.997	1.000	0.997	0.998	0.995	1.006
Latest Year		2.093	1.352	1.548	1.233	1.043	1.008	0.976	0.985	1.007	0.988	1.008
Mid 3 of 5		2.350	1.442	1.629	1.253	1.057	1.004	0.988	0.993	0.996	0.999	1.001
Loss Development to Ultimate*		2.375	1.458									

\*Loss development based on 3 Mid of 5 Year average for 1st to 10th maturities and 3 Year average for 10th to 19th.

Note: Policy years 2000 and 2001 adjusted for Cat48 losses.

WORKERS COMPENSATION - NEW YORK  
New York State Insurance Fund  
Policy Year Development Factors - Indemnity Losses (Case Basis)

Policy Year	10th Report	11th Report	12th Report	13th Report	14th Report	15th Report	16th Report	17th Report	18th Report	19th Report	19th Report	
1984	Dev. 18/19								294,725,619	296,578,258	1.006	
1985	Dev. 18/19								379,620,512	380,435,580	1.002	
1986	Dev. 18/19								495,616,601	499,080,110	1.007	
1987	Dev. 18/19								538,741,996	542,333,600	1.007	
1988	Dev. 18/19								627,473,440	630,417,574	1.005	
1985	Dev. 17/18							378,472,350	379,620,512	1.003		
1986	Dev. 17/18							494,019,744	495,616,601	1.003		
1987	Dev. 17/18							535,313,968	538,741,996	1.006		
1988	Dev. 17/18							623,218,236	627,473,440	1.007		
1989	Dev. 17/18							723,782,998	726,652,982	1.004		
1986	Dev. 16/17						493,583,372	494,019,744	1.001			
1987	Dev. 16/17						532,622,437	535,313,968	1.005			
1988	Dev. 16/17						618,781,642	623,218,236	1.007			
1989	Dev. 16/17						716,962,529	723,782,998	1.010			
1990	Dev. 16/17						873,006,496	878,475,275	1.006			
1987	Dev. 15/16					530,648,987	532,622,437	1.004				
1988	Dev. 15/16					617,567,357	618,781,642	1.002				
1989	Dev. 15/16					714,695,071	716,962,529	1.003				
1990	Dev. 15/16					863,850,350	873,006,496	1.011				
1991	Dev. 15/16					945,293,540	947,811,982	1.003				
1988	Dev. 14/15				615,530,243	617,567,357	1.003					
1989	Dev. 14/15				706,315,166	714,695,071	1.012					
1990	Dev. 14/15				858,026,841	863,850,350	1.007					
1991	Dev. 14/15				935,885,167	945,293,540	1.010					
1992	Dev. 14/15				992,914,113	997,850,661	1.005					
1989	Dev. 13/14		698,296,315	706,315,166	1.011							
1990	Dev. 13/14		854,397,547	858,026,841	1.004							
1991	Dev. 13/14		928,336,595	935,885,167	1.008							
1992	Dev. 13/14		980,189,723	992,914,113	1.013							
1993	Dev. 13/14		980,064,292	990,544,634	1.011							
1990	Dev. 12/13		854,645,112	854,397,547	1.000							
1991	Dev. 12/13		925,012,063	928,336,595	1.004							
1992	Dev. 12/13		971,498,137	980,189,723	1.009							
1993	Dev. 12/13		973,538,411	980,064,292	1.007							
1994	Dev. 12/13		848,699,414	852,279,060	1.004							
1991	Dev. 11/12	931,714,766	925,012,063	0.993								
1992	Dev. 11/12	965,050,202	971,498,137	1.007								
1993	Dev. 11/12	965,291,211	973,538,411	1.009								
1994	Dev. 11/12	843,402,597	848,699,414	1.006								
1995	Dev. 11/12	663,701,091	667,841,486	1.006								
1992	Dev. 10/11	970,351,446	965,050,202	0.995								
1993	Dev. 10/11	962,216,666	965,291,211	1.003								
1994	Dev. 10/11	836,378,374	843,402,597	1.008								
1995	Dev. 10/11	657,748,046	663,701,091	1.009								
1996	Dev. 10/11	557,057,817	555,729,552	0.998								
Development			10th/11th	11th/12th	12th/13th	13th/14th	14th/15th	15th/16th	16th/17th	17th/18th	18th/19th	19th/Ult.*
5 Year Average			1.003	1.004	1.005	1.010	1.007	1.004	1.006	1.005	1.005	1.055
4 Year Average			1.005	1.007	1.006	1.009	1.008	1.005	1.007	1.005	1.005	1.055
3 Year Average			1.005	1.007	1.007	1.011	1.007	1.005	1.008	1.006	1.006	1.055
2 Year Average			1.003	1.006	1.005	1.012	1.008	1.007	1.008	1.005	1.006	1.055
Latest Year			0.998	1.006	1.004	1.011	1.005	1.003	1.006	1.004	1.005	1.055
Mid 3 of 5			1.003	1.006	1.005	1.010	1.007	1.003	1.006	1.005	1.006	1.055

\* From Exhibit BB, Sheet 2D

WORKERS COMPENSATION - NEW YORK  
New York State Insurance Fund  
Policy Year Development Factors - Medical Losses (Case Basis)

Policy Year		1st Report	2nd Report	3rd Report	4th Report	5th Report	6th Report	7th Report	8th Report	9th Report	10th Report	
1993	Dev. 9/10									333,472,517	331,977,936	0.996
1994	Dev. 9/10									291,197,885	290,452,699	0.997
1995	Dev. 9/10									255,121,405	257,738,083	1.010
1996	Dev. 9/10									218,227,946	221,175,328	1.014
1997	Dev. 9/10									197,650,874	198,877,074	1.006
1994	Dev. 8/9								292,865,111	291,197,885		0.994
1995	Dev. 8/9								250,644,739	255,121,405		1.018
1996	Dev. 8/9								217,086,522	218,227,946		1.005
1997	Dev. 8/9								193,327,321	197,650,874		1.022
1998	Dev. 8/9								176,899,721	177,948,154		1.006
1995	Dev. 7/8							257,072,414	250,644,739			0.975
1996	Dev. 7/8							217,695,777	217,086,522			0.997
1997	Dev. 7/8							192,191,254	193,327,321			1.006
1998	Dev. 7/8							174,212,312	176,899,721			1.015
1999	Dev. 7/8							189,721,819	190,949,339			1.006
1996	Dev. 6/7						218,066,807	217,695,777				0.998
1997	Dev. 6/7						195,426,644	192,191,254				0.983
1998	Dev. 6/7						173,097,437	174,212,312				1.006
1999	Dev. 6/7						190,039,181	189,721,819				0.998
2000	Dev. 6/7						197,571,407	193,987,311				0.982
1997	Dev. 5/6					190,206,833	195,426,644					1.027
1998	Dev. 5/6					177,788,124	173,097,437					0.974
1999	Dev. 5/6					183,805,291	190,039,181					1.034
2000	Dev. 5/6					194,301,244	197,571,407					1.017
2001	Dev. 5/6					202,549,626	202,031,846					0.997
1998	Dev. 4/5				172,638,709	177,788,124						1.030
1999	Dev. 4/5				188,258,881	183,805,291						0.976
2000	Dev. 4/5				188,714,625	194,301,244						1.030
2001	Dev. 4/5				200,280,539	202,549,626						1.011
2002	Dev. 4/5				229,560,124	231,300,333						1.008
1999	Dev. 3/4			183,507,675	188,258,881							1.026
2000	Dev. 3/4			180,366,601	188,714,625							1.046
2001	Dev. 3/4			182,325,223	200,280,539							1.098
2002	Dev. 3/4			216,164,278	229,560,124							1.062
2003	Dev. 3/4			237,791,147	245,881,503							1.034
2000	Dev. 2/3		164,922,461	180,366,601								1.094
2001	Dev. 2/3		168,388,978	182,325,223								1.083
2002	Dev. 2/3		188,156,411	216,164,278								1.149
2003	Dev. 2/3		205,600,073	237,791,147								1.157
2004	Dev. 2/3		218,748,539	241,080,001								1.102
2001	Dev. 1/2	148,112,337	168,388,978									1.137
2002	Dev. 1/2	174,374,278	188,156,411									1.079
2003	Dev. 1/2	173,482,866	205,600,073									1.185
2004	Dev. 1/2	192,326,089	218,748,539									1.137
2005	Dev. 1/2	186,292,488	222,685,883									1.195
Development		1st/Ult.	2nd/Ult.	1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/7th	7th/8th	8th/9th	9th/10th
5 Year Average		1.499	1.307	1.147	1.117	1.053	1.011	1.010	0.993	1.000	1.009	1.005
4 Year Average		1.527	1.329	1.149	1.123	1.060	1.006	1.006	0.992	1.006	1.013	1.007
3 Year Average		1.646	1.404	1.172	1.136	1.065	1.016	1.016	0.995	1.009	1.011	1.010
2 Year Average		1.543	1.323	1.166	1.130	1.048	1.010	1.007	0.990	1.011	1.014	1.010
Latest Year		1.380	1.155	1.195	1.102	1.034	1.008	0.997	0.982	1.006	1.006	1.006
Mid 3 of 5		1.488	1.291	1.153	1.115	1.047	1.016	1.014	0.993	1.003	1.010	1.004
Loss Development to Ultimate*		1.536	1.332									

\*Loss development based on 3 Mid of 5 Year average for 1st to 10th maturities and 3 Year average for 10th to 19th.

Note: Policy years 2000 and 2001 adjusted for Cat48 losses.



WORKERS COMPENSATION - NEW YORK  
New York State Insurance Fund  
Policy Year Development Factors - Medical Losses (Case Basis)

Policy Year	10th Report	11th Report	12th Report	13th Report	14th Report	15th Report	16th Report	17th Report	18th Report	19th Report		
1984	Dev. 18/19								122,929,227	130,126,030	1.059	
1985	Dev. 18/19								127,323,822	128,462,170	1.009	
1986	Dev. 18/19								169,817,695	172,238,071	1.014	
1987	Dev. 18/19								193,760,376	198,535,014	1.025	
1988	Dev. 18/19								221,037,029	222,269,830	1.006	
1985	Dev. 17/18							127,453,392	127,323,822	0.999		
1986	Dev. 17/18							168,470,839	169,817,695	1.008		
1987	Dev. 17/18							193,262,967	193,760,376	1.003		
1988	Dev. 17/18							220,497,151	221,037,029	1.002		
1989	Dev. 17/18							249,685,530	247,214,230	0.990		
1986	Dev. 16/17						167,897,017	168,470,839	1.003			
1987	Dev. 16/17						191,707,970	193,262,967	1.008			
1988	Dev. 16/17						218,157,945	220,497,151	1.011			
1989	Dev. 16/17						248,301,253	249,685,530	1.006			
1990	Dev. 16/17						314,685,613	311,578,246	0.990			
1987	Dev. 15/16					195,350,862	191,707,970	0.981				
1988	Dev. 15/16					218,428,893	218,157,945	0.999				
1989	Dev. 15/16					246,005,377	248,301,253	1.009				
1990	Dev. 15/16					319,871,483	314,685,613	0.984				
1991	Dev. 15/16					317,772,771	323,357,762	1.018				
1988	Dev. 14/15				215,798,662	218,428,893	1.012					
1989	Dev. 14/15				246,493,520	246,005,377	0.998					
1990	Dev. 14/15				301,576,701	319,871,483	1.061					
1991	Dev. 14/15				315,111,863	317,772,771	1.008					
1992	Dev. 14/15				324,486,012	325,867,921	1.004					
1989	Dev. 13/14			246,012,321	246,493,520	1.002						
1990	Dev. 13/14			300,324,728	301,576,701	1.004						
1991	Dev. 13/14			313,879,674	315,111,863	1.004						
1992	Dev. 13/14			321,877,894	324,486,012	1.008						
1993	Dev. 13/14			339,661,274	339,348,918	0.999						
1990	Dev. 12/13		302,238,764	300,324,728	0.994							
1991	Dev. 12/13		313,118,031	313,879,674	1.002							
1992	Dev. 12/13		317,551,512	321,877,894	1.014							
1993	Dev. 12/13		335,140,036	339,661,274	1.013							
1994	Dev. 12/13		296,280,063	296,298,356	1.000							
1991	Dev. 11/12	310,228,038	313,118,031	1.009								
1992	Dev. 11/12	318,598,596	317,551,512	0.997								
1993	Dev. 11/12	332,242,740	335,140,036	1.009								
1994	Dev. 11/12	292,805,892	296,280,063	1.012								
1995	Dev. 11/12	266,997,905	268,660,131	1.006								
1992	Dev. 10/11	320,309,350	318,598,596	0.995								
1993	Dev. 10/11	331,977,936	332,242,740	1.001								
1994	Dev. 10/11	290,452,699	292,805,892	1.008								
1995	Dev. 10/11	257,738,083	266,997,905	1.036								
1996	Dev. 10/11	221,175,328	222,946,670	1.008								
Development			10th/11th	11th/12th	12th/13th	13th/14th	14th/15th	15th/16th	16th/17th	17th/18th	18th/19th	19th/Ult.*
5 Year Average			1.010	1.007	1.005	1.003	1.017	0.998	1.004	1.000	1.023	1.011
4 Year Average			1.013	1.006	1.007	1.004	1.018	1.003	1.004	1.001	1.014	1.011
3 Year Average			1.017	1.009	1.009	1.004	1.024	1.004	1.002	0.998	1.015	1.011
2 Year Average			1.022	1.009	1.007	1.004	1.006	1.001	0.998	0.996	1.016	1.011
Latest Year			1.008	1.006	1.000	0.999	1.004	1.018	0.990	0.990	1.006	1.011
Mid 3 of 5			1.006	1.008	1.005	1.003	1.008	0.997	1.006	1.001	1.016	1.011

\* From Exhibit BB, Sheet 2D

WORKERS COMPENSATION - NEW YORK  
New York State Insurance Fund  
Policy Year Loss Development Factors from 19th Report (Case Basis) to Ultimate Incurred

	INDEMNITY	MEDICAL
1. Case incurred losses for Policy Year 1985 valued as of 12/31/04*	383,030,354	151,154,412
2. Case incurred losses for Policy Year 1986 valued as of 12/31/05*	499,080,110	187,159,816
3. Case incurred losses for Policy Year 1987 valued as of 12/31/06	542,333,600	198,535,014
4. Average (1) through (3)	474,814,688	178,949,747
5. Ratio of (4)/(3)	0.876	0.901
6. Total incurred losses for Policy Year 1985 valued as of 12/31/04*	383,069,620	151,166,178
7. Total incurred losses for Policy Year 1986 valued as of 12/31/05*	499,131,110	187,173,942
8. Total incurred losses for Policy Year 1987 valued as of 12/31/06	542,391,600	198,548,014
9. Average (6) through(8)	474,864,110	178,962,712
10. Factor from case to total incurred basis at 19th report (9)/(4)	1.000	1.000
11. Change in total incurred losses from 12/31/03 to 12/31/04 for all Policy Years 1984 and prior*	13,861,102	-203,226
12. Change in total incurred losses from 12/31/04 to 12/31/05 for all Policy Years 1985 and prior*	19,801,921	11,599,872
13. Change in total incurred losses from 12/31/05 to 12/31/06 for all Policy Years 1986 and prior	23,532,510	-3,774,593
14. Average (11) through (14)	19,065,177	2,540,684
15. Development factor from 19th to ultimate [(3)*(5)*(10) +(14)] / [(3)*(5)]	1.040	1.014
16. Case incurred losses for Policy Year 1986 valued as of 12/31/05**	499,080,110	220,891,725
17. Case incurred losses for Policy Year 1987 valued as of 12/31/06**	542,333,600	275,708,098
18. Case incurred losses for Policy Year 1988 valued as of 12/31/07	630,417,574	222,269,830
19. Average of (16) through (18)	557,277,095	239,623,218
20. Ratio of (19) / (18)	0.884	1.078
21. Total incurred losses for Policy Year 1986 valued as of 12/31/05**	499,131,110	220,908,398
22. Total incurred losses for Policy Year 1987 valued as of 12/31/06**	542,391,600	275,730,317
23. Total incurred losses for Policy Year 1988 valued as of 12/31/07	630,493,574	222,288,830
24. Average of (21) through (23)	557,338,761	239,642,515
25. Factor from paid to total incurred basis at 19th report (24) / (19)	1.000	1.000
26. Change in total incurred losses from 12/31/04 to 12/31/05 for all Policy Years 1985 and prior**	19,801,921	11,635,216
27. Change in total incurred losses from 12/31/05 to 12/31/06 for all Policy Years 1986 and prior**	23,532,510	-4,454,890
28. Change in total incurred losses from 12/31/06 to 12/31/07 for all Policy Years 1987 and prior	20,203,426	-15,534,358
29. Average of (26) through (28)	21,179,286	-2,784,677
30. Development factor from 19th to ultimate [(18)*(20)*(25)+(29)] / [(18)*(20)]	1.038	0.988
31. Average development factor from 19th to ultimate [(15) + (30)] / 2	1.039	1.001
32. Factor 19th to ultimate @10/1/06	1.071	1.021
33. Selected development factor from 19th to ultimate [(31)+(32)]/2	1.055	1.011

\* Adjusted to the level of Policy Year 1987

\*\* Adjusted to the level of Policy Year 1988

WORKERS COMPENSATION - NEW YORK  
New York State Insurance Fund  
Accident Year Development Factors - Indemnity Losses (Case Basis)

Accident Year		1st Report	2nd Report	3rd Report	4th Report	5th Report	6th Report	7th Report	8th Report	9th Report	10th Report	
1994	Dev. 9/10									922,594,590	912,709,757	0.989
1995	Dev. 9/10									720,893,963	724,048,790	1.004
1996	Dev. 9/10									577,127,496	579,764,916	1.005
1997	Dev. 9/10									504,781,529	506,162,299	1.003
1998	Dev. 9/10									447,164,363	447,413,707	1.001
1995	Dev. 8/9								733,012,968	720,893,963		0.983
1996	Dev. 8/9								578,568,024	577,127,496		0.998
1997	Dev. 8/9								500,270,761	504,781,529		1.009
1998	Dev. 8/9								448,804,502	447,164,363		0.996
1999	Dev. 8/9								479,835,554	479,170,050		0.999
1996	Dev. 7/8							595,639,675	578,568,024			0.971
1997	Dev. 7/8							504,294,730	500,270,761			0.992
1998	Dev. 7/8							438,448,160	448,804,502			1.024
1999	Dev. 7/8							475,631,338	479,835,554			1.009
2000	Dev. 7/8							456,938,853	453,845,210			0.993
1997	Dev. 6/7						510,899,611	504,294,730				0.987
1998	Dev. 6/7						445,205,013	438,448,160				0.985
1999	Dev. 6/7						475,359,481	475,631,338				1.001
2000	Dev. 6/7						449,003,129	456,938,853				1.018
2001	Dev. 6/7						443,753,647	437,138,637				0.985
1998	Dev. 5/6					447,853,774	445,205,013					0.994
1999	Dev. 5/6					467,784,023	475,359,481					1.016
2000	Dev. 5/6					458,649,533	449,003,129					0.979
2001	Dev. 5/6					448,690,867	443,753,647					0.989
2002	Dev. 5/6					496,228,329	487,400,903					0.982
1999	Dev. 4/5				454,078,993	467,784,023						1.030
2000	Dev. 4/5				441,181,318	458,649,533						1.040
2001	Dev. 4/5				430,293,934	448,690,867						1.043
2002	Dev. 4/5				492,452,324	496,228,329						1.008
2003	Dev. 4/5				503,129,945	519,357,503						1.032
2000	Dev. 3/4			402,144,973	441,181,318		1.097					
2001	Dev. 3/4			376,888,380	430,293,934		1.142					
2002	Dev. 3/4			422,606,104	492,452,324		1.165					
2003	Dev. 3/4			442,167,308	503,129,945		1.138					
2004	Dev. 3/4			466,478,504	520,814,500		1.116					
2001	Dev. 2/3		261,483,865	376,888,380		1.441						
2002	Dev. 2/3		264,364,909	422,606,104		1.599						
2003	Dev. 2/3		297,723,840	442,167,308		1.485						
2004	Dev. 2/3		299,628,312	466,478,504		1.557						
2005	Dev. 2/3		308,679,873	451,666,433		1.463						
2002	Dev. 1/2	141,697,217	264,364,909		1.866							
2003	Dev. 1/2	145,080,294	297,723,840		2.052							
2004	Dev. 1/2	148,516,924	299,628,312		2.017							
2005	Dev. 1/2	153,510,229	308,679,873		2.011							
2006	Dev. 1/2	156,868,644	296,394,206		1.889							
Development		1st/Ult.	2nd/Ult.	1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/7th	7th/8th	8th/9th	9th/10th
5 Year Average		3.841	1.953	1.967	1.509	1.132	1.031	0.992	0.995	0.998	0.997	1.000
4 Year Average		3.749	1.882	1.992	1.526	1.140	1.031	0.992	0.997	1.005	1.001	1.003
3 Year Average		3.441	1.745	1.972	1.502	1.140	1.028	0.983	1.001	1.009	1.001	1.003
2 Year Average		3.828	1.963	1.950	1.510	1.127	1.020	0.986	1.002	1.001	0.998	1.002
Latest Year		3.441	1.822	1.889	1.463	1.116	1.032	0.982	0.985	0.993	0.999	1.001
Mid 3 of 5		3.828	1.941	1.972	1.502	1.132	1.034	0.988	0.991	0.998	0.998	1.003
Loss Development to Ultimate*		3.817	1.936									

\*Loss development based on 3 Mid of 5 Year average for 1st to 10th maturities and 3 Year average for 10th to 20th.

Note: Accident year 2001 adjusted for Cat 48 losses.

WORKERS COMPENSATION - NEW YORK  
New York State Insurance Fund  
Accident Year Development Factors - Indemnity Losses (Case Basis)

Accident Year	10th Report	11th Report	12th Report	13th Report	14th Report	15th Report	16th Report	17th Report	18th Report	19th Report	20th Report		
1984 Dev. 19/20										277,761,054	278,602,827	1.003	
1985 Dev. 19/20										338,105,225	339,488,428	1.004	
1986 Dev. 19/20										458,257,014	461,881,605	1.008	
1987 Dev. 19/20										520,901,086	524,375,546	1.007	
1988 Dev. 19/20										586,156,548	589,464,748	1.006	
1985 Dev. 18/19									335,822,563	338,105,225		1.007	
1986 Dev. 18/19									457,731,282	458,257,014		1.001	
1987 Dev. 18/19									518,338,778	520,901,086		1.005	
1988 Dev. 18/19									581,954,751	586,156,548		1.007	
1989 Dev. 18/19									684,319,741	687,236,805		1.004	
1986 Dev. 17/18								457,738,099	457,731,282			1.000	
1987 Dev. 17/18								516,128,154	518,338,778			1.004	
1988 Dev. 17/18								577,455,964	581,954,751			1.008	
1989 Dev. 17/18								679,673,499	684,319,741			1.007	
1990 Dev. 17/18								803,316,354	808,210,446			1.006	
1987 Dev. 16/17							513,256,700	516,128,154				1.006	
1988 Dev. 16/17							575,278,652	577,455,964				1.004	
1989 Dev. 16/17							677,534,185	679,673,499				1.003	
1990 Dev. 16/17							795,066,058	803,316,354				1.010	
1991 Dev. 16/17							939,565,789	943,506,424				1.004	
1988 Dev. 15/16						573,761,374	575,278,652					1.003	
1989 Dev. 15/16						672,267,652	677,534,185					1.008	
1990 Dev. 15/16						787,887,600	795,066,058					1.009	
1991 Dev. 15/16						929,089,496	939,565,789					1.011	
1992 Dev. 15/16						968,571,269	974,018,063					1.006	
1989 Dev. 14/15					664,889,614	672,267,652						1.011	
1990 Dev. 14/15					786,578,729	787,887,600						1.002	
1991 Dev. 14/15					921,632,963	929,089,496						1.008	
1992 Dev. 14/15					955,651,809	968,571,269						1.014	
1993 Dev. 14/15					1,000,736,990	1,008,367,340						1.008	
1990 Dev. 13/14				784,749,877	786,578,729							1.002	
1991 Dev. 13/14				913,827,888	921,632,963							1.009	
1992 Dev. 13/14				950,516,767	955,651,809							1.005	
1993 Dev. 13/14				993,698,867	1,000,736,990							1.007	
1994 Dev. 13/14				926,914,819	931,809,524							1.005	
1991 Dev. 12/13			918,427,802	913,827,888		0.995							
1992 Dev. 12/13			950,725,236	950,516,767		1.000							
1993 Dev. 12/13			982,382,028	993,698,867		1.012							
1994 Dev. 12/13			921,746,984	926,914,819		1.006							
1995 Dev. 12/13			730,359,859	733,378,432		1.004							
1992 Dev. 11/12		957,624,383	950,725,236		0.993								
1993 Dev. 11/12		975,235,213	982,382,028		1.007								
1994 Dev. 11/12		914,393,795	921,746,984		1.008								
1995 Dev. 11/12		722,967,359	730,359,859		1.010								
1996 Dev. 11/12		581,572,040	586,591,213		1.009								
1993 Dev. 10/11	981,718,421	975,235,213		0.993									
1994 Dev. 10/11	912,709,757	914,393,795		1.002									
1995 Dev. 10/11	724,048,790	722,967,359		0.999									
1996 Dev. 10/11	579,764,916	581,572,040		1.003									
1997 Dev. 10/11	506,162,299	505,361,674		0.998									
Development			10th/11th	11th/12th	12th/13th	13th/14th	14th/15th	15th/16th	16th/17th	17th/18th	18th/19th	19th/20th	20th/Ult.*
5 Year Average			0.999	1.005	1.005	1.006	1.009	1.007	1.005	1.005	1.005	1.006	1.054
4 Year Average			1.001	1.009	1.006	1.007	1.008	1.009	1.005	1.006	1.004	1.006	1.054
3 Year Average			1.000	1.009	1.007	1.006	1.010	1.009	1.006	1.007	1.005	1.007	1.054
2 Year Average			1.001	1.010	1.005	1.006	1.011	1.009	1.007	1.007	1.006	1.007	1.054
Latest Year			0.998	1.009	1.004	1.005	1.008	1.006	1.004	1.006	1.004	1.006	1.037
Mid 3 of 5			1.000	1.008	1.003	1.006	1.009	1.008	1.005	1.006	1.005	1.006	1.054

\* From Exhibit CC, Sheet 1D

WORKERS COMPENSATION - NEW YORK  
New York State Insurance Fund  
Accident Year Development Factors - Medical Losses (Case Basis)

Accident Year		1st Report	2nd Report	3rd Report	4th Report	5th Report	6th Report	7th Report	8th Report	9th Report	10th Report	
1994	Dev. 9/10									309,246,372	308,581,915	0.998
1995	Dev. 9/10									267,112,825	269,037,385	1.007
1996	Dev. 9/10									227,695,631	227,573,984	0.999
1997	Dev. 9/10									209,804,444	214,698,232	1.023
1998	Dev. 9/10									185,554,721	185,708,357	1.001
1995	Dev. 8/9								267,016,004	267,112,825	1.000	
1996	Dev. 8/9								226,242,962	227,695,631	1.006	
1997	Dev. 8/9								209,498,355	209,804,444	1.001	
1998	Dev. 8/9								182,337,495	185,554,721	1.018	
1999	Dev. 8/9								185,963,485	187,033,016	1.006	
1996	Dev. 7/8							235,256,926	226,242,962	0.962		
1997	Dev. 7/8							212,069,848	209,498,355	0.988		
1998	Dev. 7/8							181,136,509	182,337,495	1.007		
1999	Dev. 7/8							187,118,336	185,963,485	0.994		
2000	Dev. 7/8							191,362,307	189,377,410	0.990		
1997	Dev. 6/7						208,315,288	212,069,848	1.018			
1998	Dev. 6/7						185,828,876	181,136,509	0.975			
1999	Dev. 6/7						180,020,624	187,118,336	1.039			
2000	Dev. 6/7						189,990,619	191,362,307	1.007			
2001	Dev. 6/7						197,838,726	196,268,674	0.992			
1998	Dev. 5/6					180,363,683	185,828,876	1.030				
1999	Dev. 5/6					186,339,089	180,020,624	0.966				
2000	Dev. 5/6					187,420,125	189,990,619	1.014				
2001	Dev. 5/6					191,475,412	197,838,726	1.033				
2002	Dev. 5/6					225,153,066	223,800,015	0.994				
1999	Dev. 4/5				183,362,010	186,339,089	1.016					
2000	Dev. 4/5				181,871,377	187,420,125	1.031					
2001	Dev. 4/5				181,644,226	191,475,412	1.054					
2002	Dev. 4/5				220,954,889	225,153,066	1.019					
2003	Dev. 4/5				222,638,565	230,487,968	1.035					
2000	Dev. 3/4			169,080,896	181,871,377	1.076						
2001	Dev. 3/4			172,306,676	181,644,226	1.054						
2002	Dev. 3/4			191,775,993	220,954,889	1.152						
2003	Dev. 3/4			203,778,697	222,638,565	1.093						
2004	Dev. 3/4			239,804,014	249,097,170	1.039						
2001	Dev. 2/3		156,332,036	172,306,676	1.102							
2002	Dev. 2/3		171,155,244	191,775,993	1.120							
2003	Dev. 2/3		176,044,081	203,778,697	1.158							
2004	Dev. 2/3		206,852,932	239,804,014	1.159							
2005	Dev. 2/3		202,466,384	239,939,043	1.185							
2002	Dev. 1/2	133,447,788	171,155,244	1.283								
2003	Dev. 1/2	145,973,048	176,044,081	1.206								
2004	Dev. 1/2	147,162,193	206,852,932	1.406								
2005	Dev. 1/2	147,853,541	202,466,384	1.369								
2006	Dev. 1/2	149,502,726	202,003,851	1.351								
Development		1st/Ult.	2nd/Ult.	1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/7th	7th/8th	8th/9th	9th/10th
5 Year Average		1.835	1.387	1.323	1.145	1.083	1.031	1.007	1.006	0.988	1.006	1.006
4 Year Average		1.883	1.413	1.333	1.156	1.084	1.035	1.002	1.003	0.994	1.008	1.008
3 Year Average		2.055	1.494	1.375	1.167	1.094	1.036	1.014	1.013	0.997	1.008	1.008
2 Year Average		1.894	1.393	1.360	1.172	1.066	1.027	1.014	1.000	0.992	1.012	1.012
Latest Year		1.649	1.220	1.351	1.185	1.039	1.035	0.994	0.992	0.990	1.006	1.001
Mid 3 of 5		1.806	1.354	1.334	1.146	1.074	1.028	1.013	1.006	0.990	1.005	1.002
Loss Development to Ultimate*		1.862	1.396									

\*Loss development based on 3 Mid of 5 Year average for 1st to 10th maturities and 3 Year average for 10th to 20th.

Note: Accident year 2001 adjusted for Cat 48 losses.

WORKERS COMPENSATION - NEW YORK  
New York State Insurance Fund  
Accident Year Loss Development Factors from 20th Report (Case Basis) to Ultimate Incurred

	INDEMNITY	MEDICAL
1. Case incurred losses for Accident Year 1985 valued as of 12/31/04*	348,943,873	161,854,752
2. Case incurred losses for Accident Year 1986 valued as of 12/31/05*	461,881,605	165,094,257
3. Case incurred losses for Accident Year 1987 valued as of 12/31/06	524,375,546	190,901,034
4. Average (1) through (3)	445,067,008	172,616,681
5. Ratio of (4)/(3)	0.964	1.046
6. Total incurred losses for Accident Year 1985 valued as of 12/31/04*	348,979,848	161,865,759
7. Total incurred losses for Accident Year 1986 valued as of 12/31/05*	461,928,605	165,107,547
8. Total incurred losses for Accident Year 1987 valued as of 12/31/06	524,428,546	190,916,034
9. Average (6) through(8)	445,112,333	172,629,780
10. Factor from case to total incurred basis at 19th report (9)/(4)	1.000	1.000
11. Change in total incurred losses from 12/31/03 to 12/31/04 for all Accident Years 1984 and prior*	14,669,955	160,605
12. Change in total incurred losses from 12/31/04 to 12/31/05 for all Accident Years 1985 and prior	18,790,770	12,350,554
13. Change in total incurred losses from 12/31/05 to 12/31/06 for all Accident Years 1986 and prior	21,306,527	-4,533,965
14. Average (11) through (14)	18,255,750	2,659,065
15. Development factor from 20th to ultimate [(3)*(5)*(10) +(14)] / [(3)*(5)]	1.036	1.013
16. Case incurred losses for Accident Year 1986 valued as of 12/31/05*	461,881,605	201,712,164
17. Case incurred losses for Accident Year 1987 valued as of 12/31/06*	524,375,546	238,115,424
18. Case incurred losses for Accident Year 1988 valued as of 12/31/07	589,464,748	209,117,397
19. Average of (16) through (18)	525,240,633	216,314,995
20. Ratio of (19) / (18)	0.891	1.034
21. Total incurred losses for Accident Year 1986 valued as of 12/31/05**	461,928,605	201,728,401
22. Total incurred losses for Accident Year 1987 valued as of 12/31/06**	524,428,546	238,134,134
23. Total incurred losses for Accident Year 1988 valued as of 12/31/07	589,527,748	209,132,397
24. Average of (21) through (23)	525,294,966	216,331,644
25. Factor from case to total incurred basis at 20th report (24) / (19)	1.000	1.000
26. Change in total incurred losses from 12/31/04 to 12/31/05 for all Accident Years 1985 and prior**	18,790,770	15,089,906
27. Change in total incurred losses from 12/31/05 to 12/31/06 for all Accident Years 1986 and prior**	21,306,527	-5,539,598
28. Change in total incurred losses from 12/31/06 to 12/31/07 for all Accident Years 1987 and prior	18,054,030	-13,841,158
29. Average of (26) through (28)	19,383,776	-1,430,283
30. Development factor from 20th to ultimate [(18)*(20)*(25)+(29)] / [(18)*(20)]	1.037	0.993
31. Average development factor from 20th to ultimate [(15) + (30)] / 2	1.037	1.003
32. Factor 20th to ultimate @10/1/06	1.071	1.011
33. Selected development factor from 20th to ultimate [(31)+(32)]/2	1.054	1.007

\* Adjusted to the level of Policy Year 1987

\*\* Adjusted to the level of Policy Year 1988

WORKERS COMPENSATION - NEW YORK  
New York State Insurance Fund  
Accident Year Development Factors -Medical Losses (Case Basis)

Accident Year	10th Report	11th Report	12th Report	13th Report	14th Report	15th Report	16th Report	17th Report	18th Report	19th Report	20th Report		
1984 Dev. 19/20										102,779,275	108,324,798	1.054	
1985 Dev. 19/20										132,703,476	132,342,345	0.997	
1986 Dev. 19/20										148,272,842	149,073,050	1.005	
1987 Dev. 19/20										191,134,912	190,901,034	0.999	
1988 Dev. 19/20										210,661,192	209,117,397	0.993	
1985 Dev. 18/19									131,670,204	132,703,476		1.008	
1986 Dev. 18/19									146,170,019	148,272,842		1.014	
1987 Dev. 18/19									189,588,389	191,134,912		1.008	
1988 Dev. 18/19									204,974,909	210,661,192		1.028	
1989 Dev. 18/19									235,201,664	235,152,536		1.000	
1986 Dev. 17/18								146,323,267	146,170,019			0.999	
1987 Dev. 17/18								187,536,806	189,588,389			1.011	
1988 Dev. 17/18								204,181,078	204,974,909			1.004	
1989 Dev. 17/18								234,501,303	235,201,664			1.003	
1990 Dev. 17/18								288,057,906	286,511,878			0.995	
1987 Dev. 16/17							190,414,075	187,536,806				0.985	
1988 Dev. 16/17							204,899,023	204,181,078				0.996	
1989 Dev. 16/17							231,473,377	234,501,303				1.013	
1990 Dev. 16/17							283,184,817	288,057,906				1.017	
1991 Dev. 16/17							320,647,627	318,022,322				0.992	
1988 Dev. 15/16						203,269,448	204,899,023					1.008	
1989 Dev. 15/16						230,161,712	231,473,377					1.006	
1990 Dev. 15/16						279,039,449	283,184,817					1.015	
1991 Dev. 15/16						328,127,389	320,647,627					0.977	
1992 Dev. 15/16						323,842,781	329,569,863					0.982	
1989 Dev. 14/15				230,940,884	230,161,712			0.997					
1990 Dev. 14/15				278,262,243	279,039,449			1.003					
1991 Dev. 14/15				310,305,661	328,127,389			1.057					
1992 Dev. 14/15				320,421,272	323,842,781			1.011					
1993 Dev. 14/15				339,938,293	339,925,868			1.000					
1990 Dev. 13/14				277,056,056	278,262,243		1.004						
1991 Dev. 13/14				311,314,051	310,305,661		0.997						
1992 Dev. 13/14				319,411,005	320,421,272		1.003						
1993 Dev. 13/14				337,058,054	339,938,293		1.009						
1994 Dev. 13/14				315,724,862	316,335,699		1.002						
1991 Dev. 12/13			313,115,685	311,314,051		0.994							
1992 Dev. 12/13			318,681,559	319,411,005		1.002							
1993 Dev. 12/13			333,281,562	337,058,054		1.011							
1994 Dev. 12/13			311,697,838	315,724,862		1.013							
1995 Dev. 12/13			276,501,772	282,237,303		1.021							
1992 Dev. 11/12		314,066,635	318,681,559		1.015								
1993 Dev. 11/12		335,158,589	333,281,562		0.994								
1994 Dev. 11/12		309,294,356	311,697,838		1.008								
1995 Dev. 11/12		273,503,772	276,501,772		1.011								
1996 Dev. 11/12		235,720,091	232,861,348		0.988								
1993 Dev. 10/11	338,138,398	335,158,589		0.991									
1994 Dev. 10/11	308,581,915	309,294,356		1.002									
1995 Dev. 10/11	269,037,385	273,503,772		1.017									
1996 Dev. 10/11	227,573,984	235,720,091		1.036									
1997 Dev. 10/11	214,698,232	216,686,385		1.009									
Development			10th/11th	11th/12th	12th/13th	13th/14th	14th/15th	15th/16th	16th/17th	17th/18th	18th/19th	19th/20th	20th/Ult.*
5 Year Average			1.011	1.003	1.008	1.003	1.014	0.998	1.001	1.002	1.012	1.010	1.007
4 Year Average			1.016	1.000	1.012	1.003	1.018	0.995	1.005	1.003	1.013	0.999	1.007
3 Year Average			1.021	1.002	1.015	1.005	1.023	0.991	1.007	1.001	1.012	0.999	1.007
2 Year Average			1.023	1.000	1.017	1.006	1.006	0.980	1.005	0.999	1.014	0.996	1.007
Latest Year			1.009	0.988	1.021	1.002	1.000	0.982	0.992	0.995	1.000	0.993	1.007
Mid 3 of 5			1.009	1.004	1.009	1.003	1.005	0.999	1.000	1.002	1.010	1.000	1.007

\* From Exhibit CC, Sheet 1D



STATE OF NEW YORK  
INSURANCE DEPARTMENT  
25 BEAVER STREET  
NEW YORK, NY 10004 - 2319

DAVID A. PATERSON  
Governor

ERIC R. DINALLO  
Superintendent

July 1, 2008

Mr. Monte Almer  
President  
New York Compensation Insurance Rating Board  
200 East 42nd Street  
New York, New York 10017

Dear Mr. Almer:

This letter acknowledges receipt of NYCIRB's amended loss cost filing of June 3, 2008 (the "Loss Cost Filing"). Please be advised that the Loss Cost Filing is hereby approved with an effective date of October 1, 2008.

Best Regards,

A handwritten signature in black ink, appearing to read "Eric R. Dinallo".

Eric R. Dinallo  
Superintendent