

NEW YORK COMPENSATION INSURANCE RATING BOARD



2009 Loss Cost Revision

Effective October 1, 2009

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NEW YORK WORKERS COMPENSATION

DERIVATION OF APPROVED OCTOBER 1, 2009 LOSS COST REVISION

**Original Proposed Loss Cost Level Change: +5.8%
Filing of May 15, 2009**

**Approved Loss Cost Level Change: +4.5%
Letter of Approval, Dated July 15, 2009**

The Rating Board submitted the 2009 General Loss Cost Revision to the New York State Insurance Department on May 15, 2009 requesting an average change of +5.8% in manual loss cost level to become effective October 1, 2009.

The May 15, 2009 loss cost revision included the Rating Board's estimate of the impact of the latest increases in the maximum benefit as set forth in the 2007 reform legislation, and also contained experience on the basis of two policy years, in lieu of one policy year and one accident year as utilized in past filings. The use of two policy years has several advantages over the one policy year and one accident year of experience, including more mature experience, a better match of losses to premium and elimination of the experience overlap. Financial data, in lieu of the traditional use of unit statistical plan data, was used in this revision in the determination of the frequency and severity trend factors. Financial data is more current than unit plan data and is, therefore, more responsive to changes in cost and frequency in the determination of prospective trends.

The amended filing was submitted by the Rating Board in response to a Department request and differs from the original filing in the following area:

- **Trend Factor – Although there was general agreement with the new trend methodology, a more gradual introduction of this change was considered to be appropriate. Consequently, the approved trend factor was determined by weighing the policy year and accident year financial trends with the traditional unit statistical plan trend, with more weight being given to the financial trend.**

The detailed Filing Memorandum that accompanied the Rating Board's original filing submission precedes the attached actuarial exhibits and provides specific information on all components of the 2009 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, 2009 Loss Cost Revision

Explanatory Memorandum

This memorandum, together with the attached actuarial exhibits, provides supporting documentation for an overall loss cost level change of +5.8%, to become effective on October 1, 2009.

The proposed loss cost change is based on the latest statistical data reported by the Rating Board's member carriers and reflects the application of generally accepted actuarial principles and methodologies.

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 2007 experience	1.042
2. Change indicated by Policy Year 2006 experience	1.025
3. Average change indicated by experience [(1) + (2)] / 2	1.034
4. Change in prospective claim cost, frequency and wage levels	1.000
5. Change in loss adjustment expense	1.008
6. Change due to legislation	1.016
7. Indicated Loss Cost Level Change (3) x (4) x (5) x (6)	1.059
8. Change in catastrophe provision	1.000
9. Catastrophe loss cost as percent of total loss costs	0.024
10. Proposed Loss Cost Level Change [(7) x (1.0 - (9))] + [(8) x (9)]	1.058

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

1. Experience of Policy Year 2007

The calculation of the indicated change in loss costs derived from the experience of Policy Year 2007 is presented as Exhibit B.

The experience of Policy Year 2007, valued as of December 31, 2008, 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, 2008 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 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 2007 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 loss cost level changes. This results in an overall on-level factor of 0.854 for PY 2007 and 0.753 for PY 2006. The on-level calculations can be seen in Exhibit E, Sheet 1.

Similar to previous filings, the Rating Board has utilized paid plus case bases 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.

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.

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 middle 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, the large deductible experience, and the State Insurance Fund using this same methodology.

The Rating Board has used the same methodology as in the previous filings 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.

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 Exhibit CC, Sheets 1-2A are provided.

Exhibit DD, Sheets 1-2D 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. 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. Losses are then adjusted to reflect the current benefit level. The experience period of PY 2006 and PY 2007 includes both pre-reform losses and post-reform losses. Pre-reform losses are being adjusted for the full impact of the reform. In theory, losses that have occurred after the reform

would not need to be adjusted for the full impact of the reform, as they are already at the post-reform level. In practice, however, this may not necessarily be the case. At the time of the 2008 loss cost revision, the NYCIRB had conducted a carrier survey, and it was determined that, as of 12/31/07, carriers were still reserving post-reform losses at the pre-reform benefit levels. It was therefore necessary to adjust post-reform losses by the full impact of the reform.

For this filing, another carrier survey was conducted. It was determined that, although, for the most part, carriers are still reserving at pre-reform benefit levels, some carriers are starting to reflect the reforms in their loss reserves. When examining the different components of the reform, it was determined that for the change in maximum weekly benefits, the reserves (as well as payments) do reflect post-reform levels. However, with respect to the elimination of the Special Disability Fund (SDF), the reserves as of 12/31/08 are at levels that are similar to where these reserves would have been set in a pre-reform environment. This is because the claims are very immature at this time and any impact of the elimination of the SDF will be reflected in the future development of these losses. As far as the PPD section of the reform (benefit duration caps), it was determined that while most carriers are still setting reserves at pre-reform levels (primarily due to the lack of loss-of-earning-capacity guidelines), some carriers do set reserves based on their estimates of post-reform benefits. The on-level *calculations* shown on Exhibit D, Sheet 2 reflect an assumption that carriers accurately reserve post-reform losses at the proper post-reform benefit levels. The displayed *selected* on-levels reflect the following assumptions regarding loss reserves of post-reform losses:

- All reserves reflect post-reform maximum weekly benefit levels
- All reserves, at this point of their valuation, i.e., 12/31/08, do not reflect the elimination of the SDF
- 10% of losses reflect the elimination of lifetime benefits and application of duration caps on PPD losses
- 90% of losses *do not* reflect elimination of lifetime benefits and application of duration caps on PPD losses

In the selected on-level factors, the 10% of losses that are reflecting post-reform PPD benefits are not adjusted for the impact of the reform, but are expected to have a different development pattern than pre-reform losses. A development adjustment for these losses is implicitly reflected in the selected on-level factors.

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 an increase of 4.2% in loss cost level based upon Policy Year 2007 experience.

2. Experience of Policy Year 2006

The calculation of the change in loss cost level indicated by the experience of Policy Year 2006 is presented in Exhibit C.

With this filing, a second year of policy year experience is being used to determine the overall experience indication in lieu of the traditional use of accident year data. Although the use of the latest accident year provides a more recent view of experience, there are several aspects inherent in this base that strongly indicate that the use of two policy years is a better all-around experience base for ratemaking purposes. Specifically:

- Policy year data at second report is more mature than accident year experience at first report.
- Policy year data represents an exact match of premium and losses from the same set of policies. Accident year losses do not necessarily match the premiums that were written in the same year.

- Because accident year losses are more immature than policy year, larger development factors are necessary to project them to an ultimate settlement basis, which increases the chance of inaccuracies in the ultimate losses.
- The use of two policy years, in lieu of one policy year and one accident year, eliminates the overlap, or double counting, of a certain period of experience that is common to both the latest policy year and latest accident year.
- Using two policy years will result in more stable outcomes since completely new data is not being introduced in each annual filing. This stability concept is particularly important in the loss cost environment since more stable indications from year to year will lessen the need for the carriers to revise their loss cost multipliers whenever there is a loss cost change.

Policy Year 2006 experience, which is valued at a second report, has been adjusted to the current loss cost level and developed to an estimated settlement basis in the same manner as described previously for the Policy Year 2007 experience.

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 an increase of 2.5% in loss cost level based on Policy Year 2006 experience.

3. Average Experience Change

With equal weight being given to the 4.2% increase indicated by the Policy Year 2007 experience and the 2.5% increase indicated by the Policy Year 2006 experience, the average effect of experience is an increase of 3.4%.

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. However, with this revision, the data source for these determinations is being changed from unit statistical plan (USP) data to financial call data. While the use of USP data has worked reasonably well over the years, this data is significantly older than other data sources and, consequently, is not as responsive to more recent changes in the levels of frequency or severity. This lag in the USP data may not lead to a significant difference in results when trends are consistent over time. However, if the trend starts to change direction, continuing to rely solely on USP data can result in not being able to identify the change for at least two years. This could consequently lead to an overstatement or understatement of the required loss cost level change.

This year's methodology bases the indicated frequency and severities primarily on the policy year financial data, with the accident year data being used as a secondary indicator in the trend analysis. In addition, the indicated frequency and severity trends are based directly on the financial data of all private carriers excluding large deductible experience, and including the State Insurance Fund. Previously, separate frequencies and severities were calculated for the private carriers and State Fund and then combined on the basis of claim counts. The new methodology eliminates the need to weigh together any of the underlying experience.

All data has been adjusted in the same manner as under the previous methodology, i.e., the premiums underlying the frequency calculation are adjusted to the current loss cost level and losses are adjusted to an estimated ultimate settlement basis, as well as to the current benefit level in the same manner as previously described. Claim counts have also been adjusted to ultimate values.

It also should be noted that the claim counts reported in the financial data include only lost-time claims, i.e., medical-only claim counts are not part of the analysis under the new methodology. This is an improvement since, while medical-only cases represent over 60% of the total claims, they represent under 4% of the losses. The inclusion of medical-only claims in a frequency and severity analysis can have a misleading effect on the final trend. The exclusion of medical-only claims results in a greater focus on indemnity claims which are the major cost driver in the workers compensation system.

Exhibit EE, Sheets 1-9 show the derivation of the indicated claim frequency trend and the claim cost trend for both indemnity and medical losses.

Claim frequency continues to decline in New York, but at a lesser rate than seen previously. Claim costs, however, continue to increase, with the indicated indemnity trend lower than last year's and the medical trend higher than seen in the previous filing.

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 EE, Sheet 10 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 5.8% will certainly exceed the actual wage levels during the prospective policy period. According to the New York State Assembly's 2009 Economic Report, wage growth for 2009 is expected to be less than 1% and at a 3% rate in 2010. Consequently, a selected 2.5% annual wage trend has been selected for inclusion in the overall trend calculation.

The result of the above described trend methodology produces an annual trend of +1.3%. However, with the effects of the 2007 reforms being mostly unknown or uncertain at this time and in view of the current economic uncertainty, a unity trend factor has been selected as reasonable for the prospective policy period.

5. Loss Adjustment Expense

The indicated change in loss adjustment expense can be found on Exhibit F.

In this filing, similar to last year, 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 provides a stable base for measuring these expenses and is the most current data available. 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 1.184 is based on five year averages of each component.

The proposed 1.184 factor for LAE results in a +0.8% change in the overall loss cost level.

6. Legislative Changes

a) Increase in Maximum Weekly Benefit

According to statute, the maximum benefits for injured workers will increase from \$550 per week to \$600 per week on July 1, 2009, with additional annual increases, effective on July 1 of each subsequent year, keyed to the statewide average weekly wage.

The effect of the July 1, 2009 benefit change was partially included in the October 1, 2008 loss cost revision and has been fully taken into account in the adjustment of losses to the current benefit level as described earlier.

The determination of the loss cost impact resulting from statutory benefit changes subsequent to July 1, 2009 that raise the maximum weekly benefit continues to be 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 determination of the overall impact in New York of increasing the maximum weekly benefit from \$600 to 2/3 of the statewide average weekly wage per week as of July 1, 2010 and July 1, 2011 can be found on the attached Exhibit G, Sheet 1. Exhibit G, Sheets 1 and 2 display the calculation of the 2010 and 2011 benefit changes, respectively. 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 based on 2007 policy year financial data 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 adjustment is consistent with the utilization factor used in last year's analysis.

The increase in the maximum weekly benefit is expected to result in a 1.5% increase in total workers compensation claim costs.

b) Other Legislative Changes

Hospital Surcharge

As part of the approved 2009 New York budget legislation, the surcharge on hospital inpatient and outpatient services, imposed by the Health Care Reform Act, is being increased from 8.95% to 9.63%, effective April 1, 2009. Exhibit G, Sheet 4 contains the derivation of an indicated 0.1% increase in loss costs as a result of the change in the hospital surcharge.

Medical Treatment Guidelines

Medical treatment guidelines, relative to four body parts, was developed and published by the Workers' Compensation Board in 2008. At this time, the guidelines are not mandatory. 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. Consequently, no explicit provision has been included in this filing for this section of the reform.

PPD Duration

It is also too early to reevaluate 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 at least two years after the date of the accident. The first post-reform claims are, therefore, just starting to emerge and no credible data is yet available to quantify any impact.

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, as a result, put upward pressure on 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, conduct additional surveys, and examine other possibilities to obtain data which may be helpful in reevaluating cost impacts of the reforms that may be reflected in future loss cost filings.

7. Catastrophe Provisions

In December 2007, the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) extended the federal back stop for terrorism through December 31, 2014. In response to the increased carrier retentions required by the Act, the loss cost provision for terrorism was increased as part of the approved October 1, 2008 loss cost filing. The loss cost for natural disasters and catastrophic industrial accidents was also changed at that time.

In this filing, no change in the catastrophe provision for either terrorism or natural disasters and catastrophic industrial accidents is being proposed.

8. Industry Group Differentials

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

Food and Beverage Manufacturing	Stores and Dealers-Wholesale/Retail
Chemical Manufacturing	Professional and Office
All Other Manufacturing	Services
Contracting	Miscellaneous
Maritime, Admiralty and Federal	

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 loss cost 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 other factors as previously described. Credibility for each industry 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. The use of relativities by industry group provides a more refined and equitable distribution of the overall loss cost level to each class. 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.

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.

9. 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 \$900 on July 1, 2009 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 \$900 weekly cap.

The average statewide differential, proposed for October 1, 2009, is 0.4% which, when calculated by territory, is as follows: Territory 1 (NYC): 0.5%; Territory 2 (surrounding counties): 0.4%; Territory 3 (remainder): 0.3%.

The change in the off-balance represents an overall 2.4% decrease below the current average differential of 2.9%. 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, 2009 territory differentials can be found in Appendix B.

10. Classification Pure Premiums

Classification pure premiums are based on the experience of all carriers for the five-policy years 2002 - 2006, excluding the experience of self-rated risks. In addition, losses over \$1,200,000 per claim (State Act) and \$1,800,000 (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 that will be provided to the Department under separate cover.

11. 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.

12. Total Change

As a result of the above analyses, a loss cost level change of +5.9% is indicated. When combined with no change in the catastrophe provisions, an overall +5.8% change is proposed.

13. New York State Assessment

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, 2008, is 13.4% 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, 2009 is estimated to be 14.2%, or a 0.7% increase from the current level. The derivation of this policy charge is contained in Appendix A and utilizes the standard methodology for determining this charge.

14. 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, 2009 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

2009 Loss Cost Revision

List of Exhibits

Principal Exhibits

- Exhibit A - Summary - All Elements**
- Exhibit B - Determination of Policy Year 2007 Loss Cost Indication**
- Exhibit C - Determination of Policy Year 2006 Loss Cost Indication**
- Exhibit D - On-Level Factors**
- Exhibit E - Trend 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 - Private Carrier Policy Year Premium Development Factors**
- Exhibit BB, Sheets 2 – 2D - Private Carrier Policy Year Loss Development Factors**
- Exhibit CC, Sheet 1 - Large Deductible Policy Year Premium Development Factors**
- Exhibit CC, Sheets 2 – 2A - Large Deductible Policy Year Loss Development Factors**
- Exhibit DD, Sheet 1 - State Ins. Fund Policy Year Premium Development Factors**
- Exhibit DD, Sheets 2 – 2D - State Insurance Fund Policy Year Loss Development Factors**
- Exhibit EE, Sheets 1 – 10 - Trend Analysis**

Appendices

- Appendix A - New York State Assessment**
- Appendix B - Construction Class Territory Differentials**

Insurance Department Letter of Approval

WORKERS COMPENSATION - NEW YORK

GENERAL LOSS COST REVISION - OCTOBER 1, 2009

SUMMARY - ALL ELEMENTS

1.	Loss Cost change indicated by Policy Year 2007 Experience (Exhibit B)	1.042
2.	Loss Cost change indicated by Policy Year 2006 Experience (Exhibit C)	1.025
3.	Average Loss Cost change indicated by Experience $[(1)+(2)] / 2$	1.034
4.	Projected change in Loss Costs (Trend Exhibit E)	0.988
5.	Change in Loss Adjustment Expenses (Exhibit F)	1.008
6.	Legislative Changes (Exhibit G)	1.016
7.	Indicated Change $[(3) \times (4) \times (5) \times (6)]$	1.046
8.	Change in Catastrophe Provision (Exhibit H)	1.000
9.	Catastrophe Provision premium as percent of total premium	0.024
10.	Total Proposed Loss Cost Level Change $[(7) \times (1.0 - (9))] + [(8) \times (9)]$	1.045

NEW YORK WORKERS COMPENSATION

Determination of Change in Manual Loss Cost Level

Experience of All Carriers

Policy Year 2007 Experience

	Valued as of <u>12/31/2008</u> (1)	To 9/30/2009 <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)
1. Expected Total Losses**						
a. Excl. Large Ded.	1,520,935,302	0.854	0.971	1,261,211,264		
b. Large Deductible	661,359,258	0.854	1.022	577,226,424		
c. SIF	1,218,491,551	0.854	1.001	1,041,632,376		
d. Total Std. Ed. Prem. a+c	2,739,426,853			2,302,843,640		
2. Case Basis Indemnity Losses						
a. Excl. Large Ded.	332,580,604	0.755	2.343	588,323,448	0.466	-----
b. Large Deductible	125,854,267	0.755	2.806	266,626,040	-----	0.462
c. SIF	261,186,892	0.755	2.466	486,356,107	0.467	-----
d. Total Ind. Losses a+c	593,767,496			1,074,679,555	0.467	-----
3. Case Basis Medical Losses						
a. Excl. Large Ded.	315,477,913	0.995	1.952	612,733,822	0.486	-----
b. Large Deductible	125,524,959	0.995	2.433	303,875,214	-----	0.526
c. SIF	212,872,377	0.995	1.619	342,931,749	0.329	-----
d. Total Med. Losses a+c	528,350,290			955,665,571	0.415	-----
4. Indicated Change in Indemnity & Medical Loss Costs Col.(5) = (2d) + (3d); Col. (6) = (2b) + (3b)					0.882	0.988
5. Loss Cost Change, incl. Loss Adjustment Expense (4) x			1.175		1.036	1.161
6. Weights Based on Net Earned Premium					0.951	0.049
7. Final Policy Year 2007 Loss Cost Indication [Col (5), (5)*(6)] + [Col (6), (5)*(6)]						1.042

See Exhibit D

* Development Factors are from Exhibit BB for private carriers; Exhibit CC for Large Deductible; Exhibit DD for SIF.

** Expected Losses are derived from standard premium at NYCIRB level, adjusted by the latest approved expected loss & LAE ratio of 0.759.

Underlying standard earned premium excludes expense constant premium of	\$39,540,240
Underlying large deductible premium excludes expense constant premium of	\$4,393,360
Underlying SIF standard earned premium excludes expense constant premium of	\$42,966,600

NEW YORK WORKERS COMPENSATION

Determination of Change in Manual Loss Cost Level

Experience of All Carriers

Policy Year 2006 Experience

	Valued as of <u>12/31/2008</u> (1)	To 9/30/2009 <u>Levels #</u> (2)	Development <u>Factors *</u> (3)	Adjusted Data <u>(1) x (2) x (3)</u> (4)	Excl. Lge. Ded. <u>Loss Cost Change</u> (5)	Lge. Ded. <u>Loss Cost Change</u> (6)
1. Expected Total Losses**						
a. Excl. Large Ded.	1,477,850,210	0.753	0.979	1,089,451,963		
b. Large Deductible	727,227,008	0.753	0.995	544,863,927		
c. SIF	1,312,923,898	0.753	0.990	978,745,378		
d. Total Std. Ed. Prem. a+c	2,790,774,108			2,068,197,341		
2. Case Basis Indemnity Losses						
a. Excl. Large Ded.	376,456,393	0.772	1.668	484,761,391	0.445	-----
b. Large Deductible	192,061,325	0.772	1.835	272,077,914	-----	0.499
c. SIF	420,770,920	0.772	1.501	487,577,561	0.498	-----
d. Total Ind. Losses a+c	797,227,313			972,338,952	0.470	-----
3. Case Basis Medical Losses						
a. Excl. Large Ded.	300,292,599	0.984	1.651	487,850,552	0.448	-----
b. Large Deductible	155,833,514	0.984	1.904	291,959,698	-----	0.536
c. SIF	237,208,418	0.984	1.381	322,343,468	0.329	-----
d. Total Med. Losses a+c	537,501,017			810,194,020	0.392	-----
4. Indicated Change in Indemnity & Medical Loss Costs Col.(5) = (2d) + (3d); Col. (6) = (2b) + (3b)					0.862	1.035
5. Loss Cost Change, incl. Loss Adjustment Expense (4) x			1.175		1.013	1.216
6. Weights Based on Net Earned Premium					0.943	0.057
7. Final Policy Year 2006 Loss Cost Indication						1.025
[Col (5), (5)*(6)] + [Col (6), (5)*(6)]						

See Exhibit D

* Development Factors are from Exhibit BB for private carriers; Exhibit CC for Large Deductible; Exhibit DD for SIF.

** Expected Losses are derived from standard premium at NYCIRB level, adjusted by the latest approved expected loss & LAE ratio of 0.759.

Underlying standard earned premium excludes expense constant premium of	\$39,540,240
Underlying large deductible premium excludes expense constant premium of	\$4,393,360
Underlying SIF standard earned premium excludes expense constant premium of	\$42,966,600

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 Cumulative Change	Index	Weight	Product (2)x(3)	Adj. Factor Cumulative Index/ Sum Column (4)
NR 10/01/05	Base	1.000	0.969	0.969	0.753
OS 10/01/07	0.839	0.839	0.031	0.026	
NR 10/01/07	0.809	0.809			
NR 10/01/08	0.926	0.749			
				0.995	

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

	(1)	(2)	(3)	(4)	(5)
Date	Rate Level Cumulative Change	Index	Weight	Product (2)x(3)	Adj. Factor Cumulative Index/ Sum Column (4)
NR 10/01/05	Base	1.000	0.281	0.281	0.854
OS 10/01/07	0.839	0.839	0.469	0.393	
NR 10/01/07	0.809	0.809	0.250	0.202	
NR 10/01/08	0.926	0.749			
				0.877	

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 Cumulative Change	Index	Weight	Product (2)x(3)	Adj. Factor Cumulative Index/ Sum Column (4)
01/01/06	Base	1.000	0.678	0.678	0.876*
03/13/07	0.563	0.563	0.197	0.111	
07/01/07	1.285	0.724	0.125	0.090	
07/01/08	1.035	0.749			
07/01/09	1.028	0.770			
				0.879	

* Selected: **0.772** (see explanatory memorandum)

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

	(1)	(2)	(3)	(4)	(5)
Date	Benefit Level Cumulative Change	Index	Weight	Product (2)x(3)	Adj. Factor Cumulative Index/ Sum Column (4)
01/01/06	Base	1.000	0.019	0.019	1.076*
03/13/07	0.563	0.563	0.106	0.059	
07/01/07	1.285	0.724	0.750	0.543	
07/01/08	1.035	0.749	0.125	0.094	
07/01/09	1.028	0.770			
				0.715	

* Selected: **0.755** (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 Cumulative Change	Index	Weight	Product (2)x(3)	Adj. Factor Cumulative Index/ Sum Column (4)
01/01/06	Base	1.000	0.969	0.969	0.984
10/01/07	0.983	0.983	0.031	0.031	
				<u>0.999</u>	

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

	(1)	(2)	(3)	(4)	(5)
Date	Benefit Level Cumulative Change	Index	Weight	Product (2)x(3)	Adj. Factor Cumulative Index/ Sum Column (4)
01/01/06	Base	1.000	0.281	0.281	0.995
10/01/07	0.983	0.983	0.719	0.707	
				<u>0.988</u>	

WORKERS COMPENSATION - NEW YORK

DETERMINATION OF TREND FACTOR

(A)	Annual Loss Trend	Average Annual Change			Weighted Average
		Policy Year <u>Financial</u>	Accident Year <u>Financial</u>	Policy Year <u>Unit Reports</u>	
	(1) Indemnity Claim Cost Trend	1.0394	1.0487	1.0329	
	(2) Indemnity Claim Frequency Trend	0.9834	0.9761	0.9532	
	(3) Indemnity Loss Trend [(1) x (2)]	1.0221	1.0236	0.9846	
	(4) Medical Claim Cost Trend	1.0714	1.0717	1.0700	
	(5) Medical Claim Frequency Trend	0.9834	0.9761	0.9545	
	(6) Medical Loss Trend [(4) x (5)]	1.0536	1.0461	1.0213	
	(7) Indemnity Weight*	0.5200	0.5200	0.5200	
	(8) Medical Weight*	0.4800	0.4800	0.4800	
	(9) Indicated Annual Loss Trend [(3)x(7) + (6)x(8)]	1.0372	1.0344	1.0022	
	(10) Weights	0.45	0.10	0.45	1.0212
(B)	Annual Wage Trend (Selected)				1.0250
(C)	Annual Loss/Wage Trend (A10) / (B)				0.9963
(D)	Trended to Average Accident Date (D)^3.25				0.9880
(E)	Final Loss/Wage Trend Factor				0.988

* Policy Year 2007 adjusted ultimate losses - See Exhibit B

New York Workers Compensation

Loss Adjustment Expense Analysis (Private Carrier Experience)

Paid Defense & Cost Containment Expense by Policy Year @12/08						Paid Defense & Cost Containment Expense by Accident Year @12/08					
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	55,438,878	1.195	66,249,459	850,928,986	0.078	1995	55,086,302	1.101	60,650,019	891,603,881	0.068
1995	50,115,197	1.213	60,789,734	824,140,888	0.074	1996	48,292,999	1.109	53,556,936	766,877,699	0.070
1996	49,721,398	1.228	61,057,877	769,948,363	0.079	1997	53,277,017	1.114	59,350,597	851,941,576	0.070
1997	54,759,253	1.246	68,230,029	836,342,714	0.082	1998	57,487,063	1.120	64,385,511	918,625,023	0.070
1998	60,653,092	1.265	76,726,161	954,393,247	0.080	1999	65,194,625	1.133	73,865,510	1,052,380,782	0.070
1999	68,213,729	1.297	88,473,207	1,026,430,593	0.086	2000	69,004,842	1.160	80,045,617	1,094,023,075	0.073
2000	70,791,269	1.338	94,718,718	1,026,119,637	0.092	2001	69,526,317	1.198	83,292,528	1,013,075,292	0.082
2001	65,147,506	1.391	90,620,181	929,806,723	0.097	2002	65,330,646	1.248	81,532,646	1,009,230,672	0.081
2002	65,367,230	1.466	95,828,359	991,040,343	0.097	2003	61,309,813	1.318	80,806,334	1,012,124,308	0.080
2003	59,759,506	1.572	93,941,943	942,951,681	0.100	2004	55,376,825	1.425	78,911,976	896,321,632	0.088
2004	53,348,440	1.743	92,986,331	845,883,872	0.110	2005	50,726,153	1.604	81,364,749	901,994,084	0.090
2005	50,002,470	2.013	100,654,972	864,387,679	0.116	2006	48,385,947	1.934	93,578,421	932,730,030	0.100
2006	43,325,148	2.591	112,255,458	898,369,956	0.125	2007	38,314,408	2.789	106,858,884	053,204,233	0.101
2007	31,395,686	4.392	137,889,853	1,097,219,075	0.126	2008	15,308,272	8.108	124,119,979	174,365,727	0.106

Source: New York Financial Data Calls

* Indemnity losses are adjusted to the current benefit level.

All Year Average 0.096
Average 2003-2007 0.115
Average 2005-2007 0.122

Source: New York Financial Data Calls

* Indemnity losses are adjusted to the current benefit level.

All Year Average 0.082
Average 2004-2008 0.097
Average 2006-2008 0.102

Adjusting and Other Expenses Incurred

CY	Incurred Losses *	AOE Incurred	Adjustments for Large Deductibles		Inc. AOE Ratio to Loss
			Adi. to AOE	Adi. 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	0.0090	0.67	0.069
2008	22,161,623,000	1,960,693,000	0.0090	0.67	0.065

Source: Insurance Expense Exhibit

* (5) = {(2)/(1)+(3)} x (4)

All Year Average * 0.084
5 Year Average * 0.078
3 Year Average * 0.081

* Adj for reform by factor of 0.838

Final DCCE (5 yr avg PY & AY) 0.106
Final AOE 0.078
Total LAE 0.184
Current LAE 0.175
Change in LAE 1.008

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>Cumulative Impact</u> (4)	<u>Weight in Filing Effective Period</u> (5)	<u>Filing Impact</u> (6) [(4)-1]x(5)
Base		-	1.000	0.281	0.0%
July 1, 2010	\$685	2.0%	1.020	0.688	1.4%
July 1, 2011	\$699	0.3%	1.023	0.031	0.1%
Total Filing Impact					1.5%

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	\$685.23	\$600.00	\$685.23	\$600.00	\$685.23	\$600.00	\$685.23	\$600.00	\$685.23
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	\$1,027.79	\$899.96	\$1,027.79	\$899.96	\$1,027.79	\$899.96	\$1,027.79	\$899.96	\$1,027.79
8 Avg Weekly Wage	\$1,027.79	\$1,027.79	\$1,027.79	\$1,027.79	\$502.61	\$502.61 **	\$502.61	\$502.61 **	\$1,027.79	\$1,027.79
9 Ratio to Avg -Min- (6)/(8)	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.15	0.15
10 Ratio to Avg -Max- (7)/(8)	0.88	1.00	0.88	1.00	1.79	2.04	1.79	2.04	0.88	1.00
11 "B" Value for (9)	0.0653	0.0653	0.0653	0.0653	0.7270	0.7270	0.7270	0.7270	0.0653	0.0653
12 "B" Value for (10)	28.8185	37.6181	28.8185	37.6181	82.0043	88.6603	82.0043	88.6603	28.8185	37.6181
13 Difference (12) - (11)	28.7532	37.5528	28.7532	37.5528	81.2773	87.9333	81.2773	87.9333	28.7532	37.5528
14 "A" Value for (9)	0.6872	0.6872	0.6872	0.6872	3.4475	3.4475	3.4475	3.4475	0.6872	0.6872
15 "A" Value for (10)	48.6143	57.9869	48.6143	57.9869	91.9437	95.4407	91.9437	95.4407	48.6143	57.9869
16 Difference 100 - (15)	51.3857	42.0131	51.3857	42.0131	8.0563	4.5593	8.0563	4.5593	51.3857	42.0131
17 (9) x (14)	0.1031	0.1031	0.1031	0.1031	1.0343	1.0343	1.0343	1.0343	0.1031	0.1031
18 Product (10) x (16)	45.2194	42.0131	45.2194	42.0131	14.4208	9.3010	14.4208	9.3010	45.2194	42.0131
19 'Limit' Factor {(13) + (17) + (18)}	74.0757	79.6690	74.0757	79.6690	96.7323	98.2685	96.7323	98.2685	74.0757	79.6690
20 Eff. Avg. Weekly Wage (8) x (19)	\$761.34	\$818.83	\$761.34	\$818.83	\$486.19	\$493.91	\$486.19	\$493.91	\$761.34	\$818.83
21 Average Weekly Benefit	\$507.59	\$545.91	\$507.59	\$545.91	\$324.14	\$329.29	\$324.14	\$329.29	\$507.59	\$545.91
22 Indicated Change in Costs	-	7.6%	-	7.6%	-	1.6%	-	1.6%	-	7.6%

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

New York Incurred Losses *	July 1, 2009	Benefit Change	July 1, 2010
Death	\$80,307,928	7.6%	\$86,411,330
Permanent Total	\$220,668,176	7.6%	\$237,438,957
Permanent Partial - Major	\$995,429,186	1.6%	\$1,011,356,053
Permanent Partial - Minor	\$44,471,212	1.6%	\$45,182,752
Temporary	\$142,587,532	7.6%	\$153,424,185
Total Indemnity	\$1,483,464,034	3.4%	\$1,533,813,276

* Policy Year 2006 Unit Statistical Plan data for all carriers, on level and developed to estimated ultimate.

Indemnity Losses as Percent of Total Losses	0.523
Medical Losses as Percent of Total Losses	0.477

2009 Loss Cost Filing

Estimated Claim Cost Effect of Benefit Change =	1.8%
{{ (.61 x 1.034) + (.39 x 1.00) } - 1.00}	
Factor to Reflect Expected Increase in System Utilization	1.10
Estimated Rate Level Effect of Benefit Change =	2.0%
Estimated Premium Effect of Benefit Change =	\$69,871,855

New York Workers Compensation

Maximum @ July 1, 2011 = 2/3 SAWW Per Week

1 Injury Type	<u>Death</u>		Permanent Total		<u>Perm Partial - Major</u>		Perm Partial - Minor		Temporary	
	<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, 2010	July 1, 2011	July 1, 2010	July 1, 2011	July 1, 2010	July 1, 2011	July 1, 2010	July 1, 2011	July 1, 2010	July 1, 2011
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	\$685.23	\$698.93	\$685.23	\$698.93	\$685.23	\$698.93	\$685.23	\$698.93	\$685.23	\$698.93
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)	\$1,027.79	\$1,048.34	\$1,027.79	\$1,048.34	\$1,027.79	\$1,048.34	\$1,027.79	\$1,048.34	\$1,027.79	\$1,048.34
8 Avg Weekly Wage	\$1,048.34	\$1,048.34	\$1,048.34	\$1,048.34	\$512.66	\$512.66**	\$512.66	\$512.66**	\$1,048.34	\$1,048.34
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)	0.98	1.00	0.98	1.00	2.00	2.04	2.00	2.04	0.98	1.00
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)	36.1452	37.6181	36.1452	37.6181	87.7801	88.6603	87.7801	88.6603	36.1452	37.6181
13 Difference (12) - (11)	36.0925	37.5654	36.0925	37.5654	87.1413	88.0215	87.1413	88.0215	36.0925	37.5654
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)	56.4991	57.9869	56.4991	57.9869	95.0049	95.4407	95.0049	95.4407	56.4991	57.9869
16 Difference 100 - (15)	43.5009	42.0131	43.5009	42.0131	4.9951	4.5593	4.9951	4.5593	43.5009	42.0131
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)	42.6309	42.0131	42.6309	42.0131	9.9902	9.3010	9.9902	9.3010	42.6309	42.0131
19 'Limit' Factor {(13) + (17) + (1	78.8074	79.6625	78.8074	79.6625	98.0446	98.2356	98.0446	98.2356	78.8074	79.6625
20 Eff. Avg. Weekly Wage (8) x (\$826.17	\$835.14	\$826.17	\$835.14	\$502.64	\$503.62	\$502.64	\$503.62	\$826.17	\$835.14
21 Average Weekly Benefit	\$550.81	\$556.79	\$550.81	\$556.79	\$335.11	\$335.76	\$335.11	\$335.76	\$550.81	\$556.79
22 Indicated Change in Costs	-	1.1%	-	1.1%	-	0.2%	-	0.2%	-	1.1%

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

New York Incurred Losses *	July 1, 2010	Benefit Change	July 1, 2011
Death	\$86,411,330	1.1%	\$87,361,855
Permanent Total	\$237,438,957	1.1%	\$240,050,785
Permanent Partial - Major	\$1,011,356,053	0.2%	\$1,013,378,765
Permanent Partial - Minor	\$45,182,752	0.2%	\$45,273,117
Temporary	\$153,424,185	1.1%	\$155,111,851
Total Indemnity	\$1,533,813,276	0.5%	\$1,541,176,373

* Policy Year 2006 Unit Statistical Plan data for all carriers, on level and developed to estimated ultimate.

Indemnity Losses as Percent of Total Losses #	0.541
Medical Losses as Percent of Total Losses #	0.459

2009 Loss Cost Filing

Estimated Claim Cost Effect of Benefit Change = 0.3%
{(.63 x 1.005)+ (.37 x 1.00)} - 1.00

Factor to Reflect Expected Increase in System Utiliza 1.10

Estimated Rate Level Effect of Benefit Change = 0.3%

Estimated Premium Effect of Benefit Change = \$10,690,394

New York Workers Compensation

Impact of Change in Health Care Reform Act Hospital Surcharge

1	HCRA Surcharge 4/1/09 - 12/31/11 *	0.0963
2	HCRA Surcharge 1/1/06 -3/31/09 *	0.0895
3	Difference - New / Current (1) - (2)	0.0068
4	Hospital as % Total Medical #	0.28
5	Change in Surcharge on Medical (3) x (4)	0.0019
6	Medical as % Total Losses in 2009 Filing	0.49
7	Total Loss Cost Impact (5) x (6)	0.1%

* NY Dept of Health

WCRI Updated Baseline NY Report - April 2009

**New York Workers Compensation
Terrorism and Catastrophe Charges**

In the October 1, 2008 loss cost filing, the charge for terrorism was changed to reflect the higher carrier retentions required by the enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA). The charge for natural disasters and catastrophic industrial accidents was also changed at that time.

In this filing, no changes to these catastrophe charges are being proposed. Consequently, the currently approved loss cost for terrorism will remain at \$.038 per \$100 of payroll (2.9% of premium for per capita classes) and the current loss cost for natural disasters and catastrophic industrial accidents will remain at \$.008 per \$100 of payroll (0.7% of premium for per capita classes).

New York Workers Compensation

Determination of Industry Group Differentials

<u>Industry Group</u>	<u>Policy Year</u>	<u>Standard Earned Prem. On 10/2008 Level</u>	<u>Incurred USP Losses on 10/2008 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.	2004	\$85,186,690	\$55,100,362		1,533					
	2005	\$78,129,747	\$54,394,835		1,410					
	2006	\$70,198,157	\$54,293,299		1,255					
	Total	\$233,514,594	\$163,788,496	0.701	4,198	0.094	0.729	0.998	1.009	1.007
Chemical Mfg.	2004	\$25,100,729	\$15,302,548		437					
	2005	\$24,730,869	\$16,619,055		449					
	2006	\$32,967,866	\$19,844,253		406					
	Total	\$82,799,463	\$51,765,856	0.625	1,292	0.043	0.728	0.996	1.013	1.009
All Other Mfg.	2004	\$298,026,942	\$229,669,722		5,560					
	2005	\$295,399,114	\$222,937,716		4,980					
	2006	\$325,243,964	\$229,080,502		4,600					
	Total	\$918,670,021	\$681,687,940	0.742	15,140	0.220	0.734	1.005	0.995	1.000
Contracting	2004	\$711,152,724	\$595,812,605		6,467					
	2005	\$748,469,848	\$559,652,532		6,342					
	2006	\$736,799,028	\$718,813,678		6,377					
	Total	\$2,196,421,599	\$1,874,278,816	0.853	19,186	0.258	0.764	1.045	1.004	1.049
Stores&Dealers	2004	\$358,998,445	\$247,280,457		6,342					
	2005	\$364,511,609	\$256,347,847		6,342					
	2006	\$388,658,218	\$245,313,333		6,058					
	Total	\$1,112,168,271	\$748,941,637	0.673	18,742	0.254	0.717	0.982	1.013	0.994
Prof&Office	2004	\$634,651,210	\$435,464,786		10,281					
	2005	\$665,110,802	\$396,412,233		8,678					
	2006	\$711,272,380	\$406,573,015		8,296					
	Total	\$2,011,034,392	\$1,238,450,034	0.616	27,255	0.326	0.694	0.950	0.990	0.941
Services	2004	\$982,551,133	\$730,457,915		17,232					
	2005	\$946,231,210	\$743,751,031		16,357					
	2006	\$1,064,405,288	\$717,663,117		15,972					
	Total	\$2,993,187,631	\$2,191,872,062	0.732	49,561	0.486	0.732	1.002	1.001	1.004
Miscellaneous	2004	\$184,085,881	\$138,418,969		3,651					
	2005	\$198,603,337	\$168,749,299		3,626					
	2006	\$189,756,590	\$159,694,182		3,375					
	Total	\$572,445,808	\$466,862,451	0.816	10,652	0.174	0.747	1.022	0.985	1.007
Mar,Adm, Fed	2004	\$9,170,466	\$4,320,473		107					
	2005	\$8,466,897	\$4,779,928		109					
	2006	\$19,241,818	\$11,165,867		167					
	Total	\$36,879,181	\$20,266,267	0.550	383	0.019	0.729	0.997	1.018	1.015
All Ind Groups	2004	\$3,288,924,219	\$2,451,827,837		51,610					
	2005	\$3,329,653,433	\$2,423,644,475		48,293					
	2006	\$3,538,543,308	\$2,562,441,247		46,506					
	Total	\$10,157,120,960	\$7,437,913,560	0.732	146,409	1.000	0.731	1.000	1.000	1.000

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	\$88,808,312	\$74,980,183	\$163,788,496	1.039	1.0310
2	\$27,574,212	\$24,191,645	\$51,765,856	1.036	1.0379
3	\$362,704,792	\$318,983,148	\$681,687,940	1.053	0.9998
4	\$1,230,932,579	\$643,346,237	\$1,874,278,816	1.031	1.0493
5	\$380,557,022	\$368,384,615	\$748,941,637	1.038	1.0328
6	\$624,666,672	\$613,783,362	\$1,238,450,034	1.059	0.9873
7	\$1,150,554,809	\$1,041,317,254	\$2,191,872,062	1.047	1.0127
8	\$238,681,705	\$228,180,746	\$466,862,451	1.063	0.9787
9	\$10,963,604	\$9,302,664	\$20,266,267	1.030	1.0503
Total	\$4,115,443,707	\$3,322,469,852	\$7,437,913,560	1.052	0.9351

(7) Annual Indemnity Trend from 10/2009 rate revision 1.021

(8) Annual Medical Trend from 10/2009 rate revision 1.053

* 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	0.9790	1.009
2	0.9831	1.013
3	0.9654	0.995
4	0.9743	1.004
5	0.9832	1.013
6	0.9610	0.990
7	0.9720	1.001
8	0.9564	0.985
9	0.9880	1.018
Total	0.9706	1.000

* Factors are weighted on total losses.

WORKERS COMPENSATION - NEW YORK

PURE PREMIUM CORRECTION FACTORS AND MULTIPLIERS

Provision for Losses in 10/01/08 Rates <u>Including LTF, RLAF, & Wage Factor(a)</u>	Needed Provision for Losses on <u>2009 Level (b)</u>	Including RLAF & Change in Trend/ <u>Wage Factor</u>	Policy Year Extension at 10/1/09 Final <u>Pure Premiums</u>	Pure Premium Correction Factors <u>(2)/(4)</u>	10/1/2009	
					<u>Pure Premium Multipliers (3)/(4)</u>	
(1)	(2)	(3)	(4)			
Serious	1,308,385,721	1,444,496,172	1,445,107,264	1,421,930,539	1.0159	1.0163
Non-Serious	201,369,790	208,426,826	208,515,001	226,428,281	0.9205	0.9209
Medical	1,278,311,248	1,298,725,213	1,299,274,636	1,363,771,560	0.9523	0.9527
	2,788,066,759	2,951,648,212	2,952,896,901	3,012,130,380		

Industry Group	Industry Group <u>Differential</u>	Industry Group <u>Off-Balance(c)</u>	Pure Premium Multipliers		
			<u>Serious</u>	<u>Non-Serious</u>	<u>Medical</u>
1 - Food & Beverage Manufacturing	1.007	1.00367	1.0163	0.9209	0.9527
2 - Chemical Manufacturing	1.009	1.07549	1.0163	0.9209	0.9527
3 - All Other Manufacturing	1.000	1.00844	1.0163	0.9209	0.9527
4 - Contracting	1.049	1.02605	1.0163	0.9209	0.9527
5 - Stores & Dealers	0.994	0.99161	1.0163	0.9209	0.9527
6 - Professional & Office	0.941	1.17869	1.0163	0.9209	0.9527
7 - SeVICES - All Other	1.004	0.96196	1.0163	0.9209	0.9527
- Servants Per Capita (d)	1.004	0.96196	0.9915	0.8984	0.9295
8 - Miscellaneous	1.007	0.95928	1.0163	0.9209	0.9527
9 - Maritime, Admiralty & Federal - N.Y.	1.015	0.98832	1.0163	0.9209	0.9527
- U.S.(e)	1.015	0.98832	1.0264	0.9079	0.9517

Manual Loss Cost = { (Final Pure Premiums X Pure Premium Multipliers) X Change in LAE of 1.008 X Industry Group Differentials X Industry Group Off-Balance X (f) }, subject to swing limits of +/- 25% of the industry group change.

- (a) Obtained by multiplying Policy Year 2006 payrolls for all carriers by present Underlying Pure Premiums and Loss Trend/Wage Factor, and Rate Level Adjustment Factor from the 2008 Loss Cost Revision. Includes a test correction factor of 0.9651715.
- (b) Column (1) Total was multiplied by the Policy Year indication (1.042) and the Benefit Change (1.016), and Serious, Non-Serious, and Medical were then made proportional to the Policy Year 2006 Unit Statistical Report data.
- (c) Reflects balancing factor and the premium effect of limiting each class loss cost change to within 25% of its industry group change.
- (d) Not subject to Wage Factor of 1.025.
- (e) All U.S. Multipliers include a factor of 1.034 to reflect the difference between U.S.L. Assessment for Special Funds (1.416) and New York Assessments (1.369).
- (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, 2009
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.	+7.0 %	5	0	19	24
2. Chemical Mfg.	+7.1 %	5	0	20	25
3. All Other Mfg.	+6.3 %	63	1	131	195
4. Contracting	+11.5 %	15	1	70	86
5. Stores & Dealers	+5.7 %	6	1	34	41
6. Professional and Office	-7.3 %	13	3	7	23
7. Services	+6.8 %	19	2	56	77
8. Miscellaneous	+7.1 %	26	2	26	54
9. Maritime, Admiralty & Federal	+7.9 %	28	0	9	37
TOTAL	+4.6 %	180	10	372	562

WORKERS COMPENSATION - NEW YORK

SWING LIMITS IN CLASSIFICATION LOSS COSTS – OCTOBER 1, 2009
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.	30.3 %	-19.7 %
2. Chemical Mfg.	30.5 %	-19.5 %
3. All Other Mfg.	29.6 %	-20.4 %
4. Contracting	34.7 %	-15.3 %
5. Stores & Dealers	29.0 %	-21.0 %
6. Professional and Office	23.4 %	-26.6 %
7. Services	30.0 %	-20.0 %
8. Miscellaneous	30.3 %	-19.7 %
9. Maritime, Admiralty & Federal	31.2 %	-18.8 %

* Upper and lower limits are +/-25% of the respective industry group change as shown in Exhibit K.

The classifications which have been limited are listed below:

List of Classifications Limited by Upper Swing

0908	2818	4583	5462	6306	7231	8215	8382
0909	3081	5037	5473	6319	7242	8227	8385
1439	3129	5057	5507	6400	7538	8235	9029
2380	3385	5069	5545	6872	7601	8265	9044
2388	4279	5102	5547	7016	8021	8291	9539
2640	4420	5222	5648	7024	8031	8292	9552
2790	4561	5428	5954	7047	8033	8381	

List of Classifications Limited by Lower Swing

8833
8854
8864

WORKERS COMPENSATION -- NEW YORK

LOSS COST LEVEL TEST *

Excluding the Experience of Self-Insured Risks

<u>Industry Group</u> (1)	Premium at 10/01/2008 <u>Loss Costs</u> (2)	Premium at 10/01/2009 <u>Loss Costs</u> (3)	Loss Cost Level Change <u>(3)/(2)</u> (4)
1 Food & Beverage Mfg.	\$65,349,117	\$69,927,568	1.070
2 Chemical Mfg	\$28,380,984	\$30,400,863	1.071
3 All Other Mfg.	\$248,179,087	\$263,727,315	1.063
4 Contracting	\$666,779,214	\$743,214,493	1.115
5 Stores & Dealers	\$282,335,756	\$298,293,183	1.057
6 Professional and Office	\$645,758,081	\$598,870,835	0.927
7 Services	\$796,212,085	\$850,469,892	1.068
8 Miscellaneous	\$143,263,559	\$153,434,476	1.071
9 Maritime, Admiralty & Federal	\$10,794,571	\$11,648,878	1.079
A. Total Loss Cost Change	\$2,887,052,454	\$3,019,987,504	1.046
B. Change in Catastrophe Provisions (Exhibit H)			1.000
C. Overall Change [(A) x .976] + [(B) x .(1.0-.976)]			1.045

* Based on Policy Year 2006 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	
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					1,619,258,749	1,603,122,112	0.990
2002	Dev. 5/6					1,624,282,483	1,623,477,309	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				1,623,372,125	1,606,019,899		0.989
2003	Dev. 4/5				1,668,714,799	1,669,637,996		1.001
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			1,668,067,525	1,652,025,083			0.990
2004	Dev. 3/4			1,645,731,449	1,646,987,275			1.001
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		1,671,545,803	1,619,462,292		0.969		
2005	Dev. 2/3		1,817,692,752	1,790,745,498		0.985		
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	1,814,486,730	1,785,163,628			0.984		
2006	Dev. 1/2	2,013,366,362	1,986,221,936			0.987		
		1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/Ult.	
All Year Average								
Age to Age		0.992	0.986	0.999	0.997	0.997	1.000	
Age to Ult.		0.971	0.979	0.993	0.994	0.997	1.000	
4 Year Average								
Age to Age		0.995	0.986	0.999	0.997	0.996	1.000	
Age to Ult.		0.973	0.978	0.992	0.993	0.996	1.000	
3 Year Average								
Age to Age		0.992	0.984	0.998	0.996	0.997	1.000	
Age to Ult.		0.967	0.975	0.991	0.993	0.997	1.000	
2 Year Average								
Age to Age		0.986	0.977	0.996	0.995	0.995	1.000	
Age to Ult.		0.950	0.963	0.986	0.990	0.995	1.000	
Premium Development to Ultimate*		0.971	0.979	0.993	0.994	0.997	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	
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									595,406,611	593,001,197	0.996
1998	Dev. 9/10									674,678,261	681,107,349	1.010
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								666,998,777	668,569,809		1.002
1999	Dev. 8/9								718,941,364	728,366,179		1.013
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						693,809,495		711,964,844			1.026
2000	Dev. 7/8						690,653,319		706,759,750			1.023
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						668,488,568	683,852,297				1.023
2001	Dev. 6/7						592,517,318	616,490,230				1.040
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	666,609,518					1.044
2001	Dev. 5/6					556,823,768	583,714,381					1.048
2002	Dev. 5/6					576,029,521	596,482,597					1.036
1999	Dev. 4/5				622,201,988	667,479,150		1.073				
2000	Dev. 4/5				604,512,416	638,007,930		1.055				
2001	Dev. 4/5				541,248,705	557,034,850		1.029				
2002	Dev. 4/5				540,012,527	570,929,579		1.057				
2003	Dev. 4/5				536,533,870	568,033,848		1.059				
2000	Dev. 3/4			566,621,545	625,195,529			1.103				
2001	Dev. 3/4			466,354,583	540,343,832			1.159				
2002	Dev. 3/4			504,626,769	539,154,740			1.068				
2003	Dev. 3/4			481,000,271	530,770,259			1.103				
2004	Dev. 3/4			432,728,147	480,935,654			1.111				
2001	Dev. 2/3		373,266,139	491,294,049				1.316				
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		357,788,308	426,907,368				1.193				
2005	Dev. 2/3		367,981,948	441,090,850				1.199				
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	265,581,707	363,430,605		1.368							
2006	Dev. 1/2	264,510,055	376,269,833		1.423							
		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		2.481	1.771	1.401	1.212	1.109	1.055	1.046	1.035	1.018	1.017	1.013
4 Year Average		2.389	1.710	1.397	1.186	1.110	1.050	1.040	1.031	1.016	1.015	1.010
3 Year Average		2.232	1.595	1.399	1.187	1.094	1.048	1.043	1.029	1.017	1.011	1.007
2 Year Average		2.220	1.590	1.396	1.196	1.107	1.058	1.042	1.032	1.025	1.008	1.003
Latest Year		2.400	1.687	1.423	1.199	1.111	1.059	1.036	1.040	1.023	1.013	1.010
Mid 3 of 5		2.439	1.736	1.405	1.191	1.106	1.057	1.043	1.033	1.020	1.018	1.015
Loss Development to Ultimate*		2.343	1.668									

*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		
1985	Dev. 18/19									589,877,601	597,823,163	1.013	
1986	Dev. 18/19									600,644,337	606,221,017	1.009	
1987	Dev. 18/19									648,156,491	649,960,582	1.003	
1988	Dev. 18/19									685,112,866	671,367,055	0.980	
1989	Dev. 18/19									749,927,132	751,172,075	1.002	
1986	Dev. 17/18								600,962,891	598,960,555		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								751,004,499	741,637,785		0.988	
1990	Dev. 17/18								858,199,350	860,254,015		1.002	
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							858,018,078	851,925,082			0.993	
1991	Dev. 16/17							817,635,870	821,941,307			1.005	
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						815,546,448	813,792,460				0.998	
1992	Dev. 15/16						768,520,066	771,168,703				1.003	
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					767,504,733	764,965,202					0.997	
1993	Dev. 14/15					728,007,862	732,855,069					1.007	
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				726,808,340	723,552,067						0.996	
1994	Dev. 13/14				689,936,625	693,916,354						1.006	
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			686,112,376	686,353,933							1.000	
1995	Dev. 12/13			634,204,804	633,270,499							0.999	
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		631,737,687	629,118,914								0.996	
1996	Dev. 11/12		573,121,020	572,883,900								1.000	
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	569,910,423	570,145,781									1.000	
1997	Dev. 10/11	597,996,821	601,710,719									1.006	
Development				10th/11th	11th/12th	12th/13th	13th/14th	14th/15th	15th/16th	16th/17th	17th/18th	18th/19th	19th/Ult.*
5 Year Average				1.016	1.012	1.011	1.010	1.008	1.000	1.006	1.003	1.001	1.029
4 Year Average				1.015	1.010	1.010	1.012	1.011	1.006	1.006	1.005	0.999	1.029
3 Year Average				1.007	1.004	1.003	1.005	1.005	1.003	1.002	1.001	0.995	1.029
2 Year Average				1.003	0.998	1.000	1.001	1.002	1.001	0.999	0.995	0.991	1.029
Latest Year				1.006	1.000	0.999	1.006	1.007	1.003	1.005	1.002	1.002	1.029
Mid 3 of 5				1.014	1.012	1.008	1.008	1.005	1.003	1.006	1.004	1.005	1.029

* 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	
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									309,122,307	311,702,364	1.008
1998	Dev. 9/10									363,880,064	370,691,867	1.019
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								359,001,796	360,542,359		1.004
1999	Dev. 8/9								387,799,173	397,865,036		1.026
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							374,352,282	384,149,517		1.026	
2000	Dev. 7/8							375,760,136	387,230,737		1.031	
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						362,848,589	371,442,920		1.024		
2001	Dev. 6/7						350,963,711	364,197,558		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					340,713,046	361,788,175		1.062			
2001	Dev. 5/6					336,333,223	348,134,682		1.035			
2002	Dev. 5/6					370,592,589	378,614,856		1.022			
1999	Dev. 4/5				317,716,242	346,992,465		1.092				
2000	Dev. 4/5				326,556,771	340,616,569		1.043				
2001	Dev. 4/5				323,520,161	336,602,839		1.040				
2002	Dev. 4/5				348,856,675	367,295,910		1.053				
2003	Dev. 4/5				351,481,923	372,948,668		1.061				
2000	Dev. 3/4			311,517,665	329,847,195		1.059					
2001	Dev. 3/4			300,044,341	323,111,578		1.077					
2002	Dev. 3/4			334,347,456	348,272,859		1.042					
2003	Dev. 3/4			323,406,995	348,144,374		1.076					
2004	Dev. 3/4			292,211,847	313,650,932		1.073					
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		267,760,311	287,370,572		1.073						
2005	Dev. 2/3		294,995,853	322,435,438		1.093						
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	248,588,160	291,986,053		1.175							
2006	Dev. 1/2	252,148,793	299,965,969		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		1.955	1.672	1.169	1.094	1.065	1.058	1.043	1.031	1.031	1.022	1.019
4 Year Average		1.941	1.665	1.166	1.082	1.067	1.049	1.044	1.032	1.030	1.018	1.018
3 Year Average		1.908	1.607	1.187	1.093	1.064	1.051	1.040	1.029	1.027	1.016	1.015
2 Year Average		1.858	1.571	1.183	1.083	1.075	1.057	1.029	1.031	1.029	1.015	1.014
Latest Year		1.988	1.671	1.190	1.093	1.073	1.061	1.022	1.038	1.031	1.026	1.019
Mid 3 of 5		1.979	1.674	1.182	1.093	1.069	1.052	1.044	1.031	1.031	1.023	1.020
Loss Development to Ultimate*		1.952	1.651									

*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		
1985	Dev. 18/19								219,960,885	219,558,326	0.998	
1986	Dev. 18/19								239,080,441	241,169,618	1.009	
1987	Dev. 18/19								256,240,548	262,220,122	1.023	
1988	Dev. 18/19								296,495,493	293,184,728	0.989	
1989	Dev. 18/19								335,059,233	338,134,761	1.009	
1986	Dev. 17/18							239,515,838	238,008,316	0.994		
1987	Dev. 17/18							252,683,160	256,260,402	1.014		
1988	Dev. 17/18							294,790,642	295,931,823	1.004		
1989	Dev. 17/18							331,984,334	332,167,425	1.001		
1990	Dev. 17/18							366,344,333	369,241,857	1.008		
1987	Dev. 16/17						253,786,207	250,750,740	0.988			
1988	Dev. 16/17						289,231,690	294,563,723	1.018			
1989	Dev. 16/17						328,085,919	332,983,841	1.015			
1990	Dev. 16/17						355,983,204	364,019,291	1.023			
1991	Dev. 16/17						333,375,924	335,406,993	1.006			
1988	Dev. 15/16					284,304,486	286,047,544	1.006				
1989	Dev. 15/16					320,784,393	327,970,722	1.022				
1990	Dev. 15/16					353,457,420	355,943,786	1.007				
1991	Dev. 15/16					334,304,612	331,755,546	0.992				
1992	Dev. 15/16					315,522,744	319,059,189	1.011				
1989	Dev. 14/15				320,248,187	318,481,709	0.994					
1990	Dev. 14/15				347,196,051	353,418,116	1.018					
1991	Dev. 14/15				332,964,983	335,519,971	1.008					
1992	Dev. 14/15				312,481,402	314,278,434	1.006					
1993	Dev. 14/15				315,265,942	318,337,029	1.010					
1990	Dev. 13/14			344,671,250	345,202,546	1.002						
1991	Dev. 13/14			323,299,605	332,775,520	1.029						
1992	Dev. 13/14			308,646,120	313,396,209	1.015						
1993	Dev. 13/14			312,327,898	312,912,799	1.002						
1994	Dev. 13/14			292,109,157	295,985,224	1.013						
1991	Dev. 12/13		319,807,069	322,183,344	1.007							
1992	Dev. 12/13		300,244,965	308,624,231	1.028							
1993	Dev. 12/13		306,205,135	312,478,037	1.020							
1994	Dev. 12/13		289,821,454	290,552,171	1.003							
1995	Dev. 12/13		299,892,940	302,874,926	1.010							
1992	Dev. 11/12	292,316,648	298,495,991	1.021								
1993	Dev. 11/12	299,908,911	306,142,927	1.021								
1994	Dev. 11/12	286,395,844	289,019,188	1.009								
1995	Dev. 11/12	299,549,300	297,641,349	0.994								
1996	Dev. 11/12	286,358,218	286,323,434	1.000								
1993	Dev. 10/11	296,294,924	299,229,095	1.010								
1994	Dev. 10/11	279,674,677	286,323,560	1.024								
1995	Dev. 10/11	293,830,870	298,862,205	1.017								
1996	Dev. 10/11	284,665,822	284,765,197	1.000								
1997	Dev. 10/11	314,121,891	318,885,914	1.015								
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	1.009	1.014	1.012	1.007	1.008	1.010	1.004	1.006	1.082
4 Year Average			1.014	1.006	1.015	1.015	1.011	1.008	1.016	1.007	1.008	1.082
3 Year Average			1.011	1.001	1.011	1.010	1.008	1.003	1.015	1.004	1.007	1.082
2 Year Average			1.008	0.997	1.007	1.008	1.008	1.002	1.015	1.005	0.999	1.082
Latest Year			1.015	1.000	1.010	1.013	1.010	1.011	1.006	1.008	1.009	1.082
Mid 3 of 5			1.014	1.010	1.012	1.010	1.008	1.008	1.013	1.004	1.005	1.082

* 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 1986 valued as of 12/31/05*	606,462,938	313,497,556
2. Case incurred losses for Policy Year 1987 valued as of 12/31/06*	652,835,445	315,049,557
3. Case incurred losses for Policy Year 1988 valued as of 12/31/07	678,275,365	297,048,102
4. Average ((1)+(2)+(3))/3	645,857,916	308,531,738
5. Ratio of (4) / (3)	0.952	1.039
6. Total incurred losses for Policy Year 1986 valued as of 12/31/05*	612,510,791	317,245,934
7. Total incurred losses for Policy Year 1987 valued as of 12/31/06*	662,974,651	321,284,758
8. Total incurred losses for Policy Year 1988 valued as of 12/31/07	689,826,744	302,118,797
9. Average ((6)+(7)+(8))/3	655,104,062	313,549,830
10. Factor from case to total incurred basis at 19th report (9)/(4)	1.014	1.016
11. Change in total incurred losses from 12/31/04 to 12/31/05 for all Policy Years 1985 and prior*	35,523,835	36,080,772
12. Change in total incurred losses from 12/31/05 to 12/31/06 for all Policy Years 1986 and prior*	-17,042,128	-3,037,587
13. Change in total incurred losses from 12/31/06 to 12/31/07 for all Policy Years 1987 and prior*	-12,606,979	18,336,094
14. Average ((11)+(12)+(13))/3	1,958,243	17,126,426
15. Development factor from 19th to ultimate [(3)*(5)*(10) +(14)] / [(3)*(5)]	1.017	1.072
16. Case incurred losses for Policy Year 1987 valued as of 12/31/06**	652,835,445	335,579,102
17. Case incurred losses for Policy Year 1988 valued as of 12/31/07**	678,275,365	321,108,998
18. Case incurred losses for Policy Year 1989 valued as of 12/31/08	751,172,075	338,134,761
19. Average of (16) through (18)	694,094,295	331,607,621
20. Ratio of (19) / (18)	0.924	0.981
21. Total incurred losses for Policy Year 1987 valued as of 12/31/06**	662,974,651	342,220,607
22. Total incurred losses for Policy Year 1988 valued as of 12/31/07**	689,826,744	326,590,420
23. Total incurred losses for Policy Year 1989 valued as of 12/31/08	770,536,363	345,849,503
24. Average of (21) through (23)	707,779,253	338,220,176
25. Factor from case to total incurred basis at 19th report (24) / (19)	1.020	1.020
26. Change in total incurred losses from 12/31/05 to 12/31/06 for all Policy Years 1986 and prior**	-17,042,128	-3,236,198
27. Change in total incurred losses from 12/31/06 to 12/31/07 for all Policy Years 1987 and prior**	-12,606,979	19,530,927
28. Change in total incurred losses from 12/31/07 to 12/31/08 for all Policy Years 1988 and prior**	23,345,116	12,156,150
29. Average of (26) through (28)	-2,101,330	9,483,626
30. Development factor from 19th to ultimate [(18)*(20)*(25)+(29)] / [(18)*(20)]	1.017	1.049
31. Average development factor from 19th to ultimate [(15) + (30)] / 2	1.017	1.061
32. Factor 19th to ultimate @10/1/08	1.040	1.102
33. Final development factor from 19th to ultimate [(31)+(32)]/2	1.029	1.082

* Adjusted to the level of Policy Year 1988

** Adjusted to the level of Policy Year 1989

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	
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
2002	Dev. 5/6					927,800,598	907,042,639	0.978
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
2003	Dev. 4/5				1,033,644,500	1,030,975,942		0.997
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
2004	Dev. 3/4			1,057,773,044	1,085,684,164			1.026
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
2005	Dev. 2/3		1,009,394,194	1,008,361,193				0.999
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
2006	Dev. 1/2	980,472,046	962,531,710					0.982
		1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/Ult.	
All Year Average								
Age to Age		1.027	0.996	1.007	0.996	0.996	1.000	
Age to Ult.		1.022	0.995	0.999	0.992	0.996	1.000	
4 Year Average								
Age to Age		1.024	0.995	1.008	0.997	0.996	1.000	
Age to Ult.		1.020	0.996	1.001	0.993	0.996	1.000	
3 Year Average								
Age to Age		1.015	0.992	1.006	0.997	0.995	1.000	
Age to Ult.		1.005	0.990	0.998	0.992	0.995	1.000	
2 Year Average								
Age to Age		0.988	0.992	1.009	0.997	0.993	1.000	
Age to Ult.		0.979	0.991	0.999	0.990	0.993	1.000	
Premium Development to Ultimate*		1.022	0.995	0.999	0.992	0.996	1.000	

*Premium development based on all year average

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	
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
1998	Dev. 9/10									302,156,053	309,493,459	1.024
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
1999	Dev. 8/9								302,687,999	311,550,417		1.029
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
2000	Dev. 7/8							348,344,546	362,205,631			1.040
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
2001	Dev. 6/7						381,445,295	396,889,582				1.040
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	323,273,946					1.083
2001	Dev. 5/6					363,249,024	379,139,680					1.044
2002	Dev. 5/6					326,970,495	336,780,988					1.030
1999	Dev. 4/5				243,839,223	273,140,212		1.120				
2000	Dev. 4/5				299,415,433	298,485,319		0.997				
2001	Dev. 4/5				352,894,535	365,206,789		1.035				
2002	Dev. 4/5				297,316,969	324,594,029		1.092				
2003	Dev. 4/5				305,908,931	325,653,166		1.065				
2000	Dev. 3/4			268,300,886	296,539,194		1.105					
2001	Dev. 3/4			327,076,469	352,894,535		1.079					
2002	Dev. 3/4			258,731,374	299,431,711		1.157					
2003	Dev. 3/4			267,342,555	302,189,741		1.130					
2004	Dev. 3/4			268,662,448	297,891,975		1.109					
2001	Dev. 2/3		300,127,750	325,539,483		1.085						
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						
2005	Dev. 2/3		199,050,463	240,874,408		1.210						
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							
2006	Dev. 1/2	127,018,468	192,061,325		1.512							
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		2.834	1.869	1.516	1.200	1.116	1.062	1.057	1.047	1.037	1.027	1.014
4 Year Average		2.781	1.847	1.506	1.229	1.119	1.047	1.046	1.033	1.031	1.026	1.013
3 Year Average		2.906	1.901	1.529	1.237	1.132	1.064	1.052	1.054	1.039	1.034	1.015
2 Year Average		2.829	1.851	1.528	1.228	1.120	1.079	1.037	1.059	1.044	1.041	1.026
Latest Year		2.689	1.778	1.512	1.210	1.109	1.065	1.030	1.040	1.040	1.029	1.024
Mid 3 of 5		2.920	1.910	1.529	1.220	1.115	1.064	1.052	1.054	1.039	1.027	1.016
Loss Development to Ultimate*		2.806	1.835									

*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	
1994	Dev. 9/10									82,527,710	82,470,083	0.999
1995	Dev. 9/10									111,203,172	112,041,318	1.008
1996	Dev. 9/10									128,395,526	128,977,887	1.005
1997	Dev. 9/10									151,036,373	155,898,061	1.032
1998	Dev. 9/10									158,434,982	161,735,758	1.021
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	151,072,778		1.007
1998	Dev. 8/9								151,958,631	158,183,526		1.041
1999	Dev. 8/9								163,959,864	169,969,766		1.037
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
2000	Dev. 7/8							196,954,221	206,383,205			1.048
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
2001	Dev. 6/7						217,787,866	229,953,729				1.056
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	184,385,685					1.069
2001	Dev. 5/6					206,314,586	216,695,936					1.050
2002	Dev. 5/6					195,688,793	203,734,826					1.041
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	207,303,196		1.084				
2002	Dev. 4/5				175,176,065	194,009,361		1.108				
2003	Dev. 4/5				192,761,259	204,311,957		1.060				
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					
2004	Dev. 3/4			178,295,123	195,027,762		1.094					
2001	Dev. 2/3		150,281,701	183,301,001		1.220						
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						
2005	Dev. 2/3		157,123,002	175,253,150		1.115						
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							
2006	Dev. 1/2	122,836,831	155,833,514		1.269							
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		2.542	2.009	1.265	1.142	1.118	1.081	1.067	1.057	1.049	1.034	1.013
4 Year Average		2.369	1.885	1.257	1.122	1.095	1.074	1.052	1.047	1.042	1.024	1.017
3 Year Average		2.408	1.883	1.279	1.132	1.100	1.084	1.053	1.053	1.035	1.028	1.019
2 Year Average		2.442	1.905	1.282	1.135	1.099	1.084	1.046	1.063	1.045	1.039	1.027
Latest Year		2.350	1.852	1.269	1.115	1.094	1.060	1.041	1.056	1.048	1.037	1.021
Mid 3 of 5		2.467	1.930	1.278	1.132	1.100	1.084	1.056	1.053	1.050	1.030	1.011
Loss Development to Ultimate*		2.433	1.904									

*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
New York State Insurance Fund
Development Factors - Premium

Policy Year		1st Report	2nd Report	3rd Report	4th Report	5th Report	6th Report	
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
2002	Dev. 5/6					1,390,006,322	1,389,627,554	1.000
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	
2003	Dev. 4/5				1,473,670,252	1,472,407,155	0.999	
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		
2004	Dev. 3/4			1,561,166,457	1,557,679,593	0.998		
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			
2005	Dev. 2/3		1,672,006,212	1,658,178,029	0.992			
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				
2006	Dev. 1/2	1,755,897,236	1,772,774,107	1.010				
		1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/Ult.	
5 Year Average								
Age to Age		1.013	0.992	0.997	0.999	1.000	1.000	
Age to Ult.		1.001	0.988	0.996	0.999	1.000	1.000	
4 Year Average								
Age to Age		1.011	0.993	0.998	0.999	1.000	1.000	
Age to Ult.		1.001	0.990	0.997	0.999	1.000	1.000	
3 Year Average								
Age to Age		1.011	0.993	0.998	0.999	1.000	1.000	
Age to Ult.		1.001	0.990	0.997	0.999	1.000	1.000	
2 Year Average								
Age to Age		1.013	0.993	0.998	0.999	1.000	1.000	
Age to Ult.		1.003	0.990	0.997	0.999	1.000	1.000	
Premium Development to Ultimate*		1.001	0.990	0.997	0.999	1.000	1.000	

*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	
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
1998	Dev. 9/10									406,773,025	406,818,911	1.000
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
1999	Dev. 8/9								489,392,883	493,350,072		1.008
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
2000	Dev. 7/8						452,182,407		453,158,980			1.002
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
2001	Dev. 6/7						437,904,451		435,029,616			0.993
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			
2002	Dev. 5/6					510,507,545	509,415,979		0.998			
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				
2003	Dev. 4/5				518,479,747	524,008,825		1.011				
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					
2004	Dev. 3/4			505,087,949	560,010,573		1.109					
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						
2005	Dev. 2/3		387,985,295	489,787,100		1.262						
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							
2006	Dev. 1/2	263,108,106	420,770,920		1.599							
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		2.469	1.508	1.637	1.263	1.068	1.004	0.994	0.996	1.003	1.004	1.002
4 Year Average		2.455	1.513	1.622	1.255	1.069	1.001	0.996	0.997	1.006	1.004	1.003
3 Year Average		2.408	1.488	1.619	1.246	1.069	1.001	0.999	0.996	0.999	0.999	1.004
2 Year Average		2.332	1.482	1.574	1.248	1.076	1.010	0.987	0.989	1.005	0.998	1.004
Latest Year		2.551	1.595	1.599	1.262	1.109	1.011	0.998	0.993	1.002	1.008	1.000
Mid 3 of 5		2.459	1.497	1.643	1.262	1.063	1.006	0.991	0.996	1.000	1.005	1.002
Loss Development to Ultimate*		2.466	1.501									

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

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	
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	
1989	Dev. 18/19								726,652,982	730,959,396	1.006	
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		
1990	Dev. 17/18							878,475,275	885,496,394	1.008		
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			
1991	Dev. 16/17						947,811,982	959,639,669	1.012			
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				
1992	Dev. 15/16					997,850,661	1,005,278,584	1.007				
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					
1993	Dev. 14/15				990,544,634	996,595,915	1.006					
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						
1994	Dev. 13/14			852,279,060	859,378,182	1.008						
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							
1995	Dev. 12/13		667,841,486	672,114,638	1.006							
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								
1996	Dev. 11/12	555,729,552	560,955,542	1.009								
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								
1997	Dev. 10/11	482,957,899	485,625,229	1.006								
Development			10th/11th	11th/12th	12th/13th	13th/14th	14th/15th	15th/16th	16th/17th	17th/18th	18th/19th	19th/Ult.*
5 Year Average			1.005	1.007	1.006	1.009	1.008	1.005	1.008	1.006	1.005	1.051
4 Year Average			1.005	1.008	1.007	1.010	1.007	1.006	1.009	1.006	1.006	1.051
3 Year Average			1.004	1.007	1.006	1.011	1.007	1.007	1.009	1.006	1.006	1.051
2 Year Average			1.002	1.008	1.005	1.010	1.006	1.005	1.009	1.006	1.005	1.051
Latest Year			1.006	1.009	1.006	1.008	1.006	1.007	1.012	1.008	1.006	1.051
Mid 3 of 5			1.006	1.007	1.006	1.009	1.008	1.004	1.008	1.006	1.006	1.051

* 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	
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
1998	Dev. 9/10									177,948,154	180,886,423	1.017
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
1999	Dev. 8/9								190,949,339	195,994,014		1.026
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
2000	Dev. 7/8							193,987,311	198,746,274			1.025
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
2001	Dev. 6/7						202,031,846	212,903,098				1.054
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
2002	Dev. 5/6					231,300,333	234,060,030					1.012
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
2003	Dev. 4/5			245,881,503	251,015,932							1.021
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					
2004	Dev. 3/4			241,080,001	252,426,961		1.047					
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						
2005	Dev. 2/3		222,685,883	252,498,001		1.134						
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							
2006	Dev. 1/2	193,016,505	237,208,418		1.229							
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		1.618	1.389	1.165	1.125	1.057	1.009	1.007	1.005	1.010	1.015	1.009
4 Year Average		1.742	1.467	1.187	1.136	1.060	1.018	1.015	1.010	1.013	1.015	1.012
3 Year Average		1.681	1.416	1.187	1.131	1.048	1.013	1.009	1.011	1.015	1.018	1.012
2 Year Average		1.685	1.390	1.212	1.118	1.041	1.015	1.005	1.018	1.016	1.016	1.012
Latest Year		1.964	1.598	1.229	1.134	1.047	1.021	1.012	1.054	1.025	1.026	1.017
Mid 3 of 5		1.606	1.371	1.172	1.128	1.052	1.013	1.009	0.996	1.009	1.015	1.010
Loss Development to Ultimate*		1.619	1.381									

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

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		
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	
1989 Dev. 18/19									247,214,230	251,465,152	1.017	
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	
1990 Dev. 17/18							311,578,246		317,781,505		1.020	
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	
1991 Dev. 16/17							323,357,762	330,752,852			1.023	
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			
1992 Dev. 15/16						325,867,921	330,904,888		1.015			
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					
1993 Dev. 14/15					339,348,918	341,051,309	1.005					
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						
1994 Dev. 13/14				296,298,356	298,742,179	1.008						
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							
1995 Dev. 12/13			268,660,131	272,451,157	1.014							
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								
1996 Dev. 11/12		222,946,670	225,349,885	1.011								
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									
1997 Dev. 10/11	198,877,074	201,559,217	1.013									
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	1.007	1.009	1.005	1.015	1.005	1.008	1.005	1.014	1.020
4 Year Average			1.016	1.010	1.010	1.005	1.020	1.007	1.008	1.004	1.016	1.020
3 Year Average			1.019	1.010	1.009	1.005	1.006	1.006	1.006	1.004	1.016	1.020
2 Year Average			1.011	1.009	1.007	1.004	1.005	1.017	1.007	1.005	1.012	1.020
Latest Year			1.013	1.011	1.014	1.008	1.005	1.015	1.023	1.020	1.017	1.020
Mid 3 of 5			1.010	1.009	1.010	1.005	1.006	1.008	1.008	1.004	1.013	1.020

* 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 1986 valued as of 12/31/05*	499,080,110	223,909,492
2. Case incurred losses for Policy Year 1987 valued as of 12/31/06*	542,333,600	237,646,412
3. Case incurred losses for Policy Year 1988 valued as of 12/31/07	630,417,574	222,269,830
4. Average (1) through (3)	557,277,095	227,941,911
5. Ratio of (4)/(3)	0.884	1.026
6. Total incurred losses for Policy Year 1986 valued as of 12/31/05*	523,997,350	229,631,389
7. Total incurred losses for Policy Year 1987 valued as of 12/31/06*	575,678,513	241,134,182
8. Total incurred losses for Policy Year 1988 valued as of 12/31/07	669,354,081	236,098,558
9. Average (6) through(8)	589,676,648	235,621,376
10. Factor from case to total incurred basis at 19th report (9)/(4)	1.058	1.034
11. Change in total incurred losses from 12/31/04 to 12/31/05 for all Policy Years 1985 and prior*	23,499,719	6,760,245
12. Change in total incurred losses from 12/31/05 to 12/31/06 for all Policy Years 1986 and prior*	21,066,027	5,666,175
13. Change in total incurred losses from 12/31/06 to 12/31/07 for all Policy Years 1987 and prior	-46,100,297	-3,822,028
14. Average (11) through (14)	-511,517	2,868,131
15. Development factor from 19th to ultimate [(3)*(5)*(10) +(14)] / [(3)*(5)]	1.057	1.046
16. Case incurred losses for Policy Year 1987 valued as of 12/31/06**	542,333,600	253,132,143
17. Case incurred losses for Policy Year 1988 valued as of 12/31/07**	630,417,574	240,273,686
18. Case incurred losses for Policy Year 1989 valued as of 12/31/08	730,959,396	251,465,152
19. Average of (16) through (18)	634,570,190	248,290,327
20. Ratio of (19) / (18)	0.868	0.987
21. Total incurred losses for Policy Year 1987 valued as of 12/31/06**	575,678,513	256,847,187
22. Total incurred losses for Policy Year 1988 valued as of 12/31/07**	669,354,081	255,222,541
23. Total incurred losses for Policy Year 1989 valued as of 12/31/08	768,262,441	258,928,093
24. Average of (21) through (23)	671,098,345	256,999,274
25. Factor from paid to total incurred basis at 19th report (24) / (19)	1.058	1.035
26. Change in total incurred losses from 12/31/05 to 12/31/06 for all Policy Years 1986 and prior**	21,066,027	6,036,655
27. Change in total incurred losses from 12/31/06 to 12/31/07 for all Policy Years 1987 and prior**	-46,100,297	-4,071,083
28. Change in total incurred losses from 12/31/07 to 12/31/08 for all Policy Years 1988 and prior	-20,047,832	-22,502,099
29. Average of (26) through (28)	-15,027,367	-6,845,509
30. Development factor from 19th to ultimate [(18)*(20)*(25)+(29)] / [(18)*(20)]	1.034	1.008
31. Average development factor from 19th to ultimate [(15) + (30)] / 2	1.046	1.027
32. Factor 19th to ultimate @10/1/08	1.055	1.012
33. Selected development factor from 19th to ultimate [(31)+(32)]/2	1.051	1.020

* Adjusted to the level of Policy Year 1988

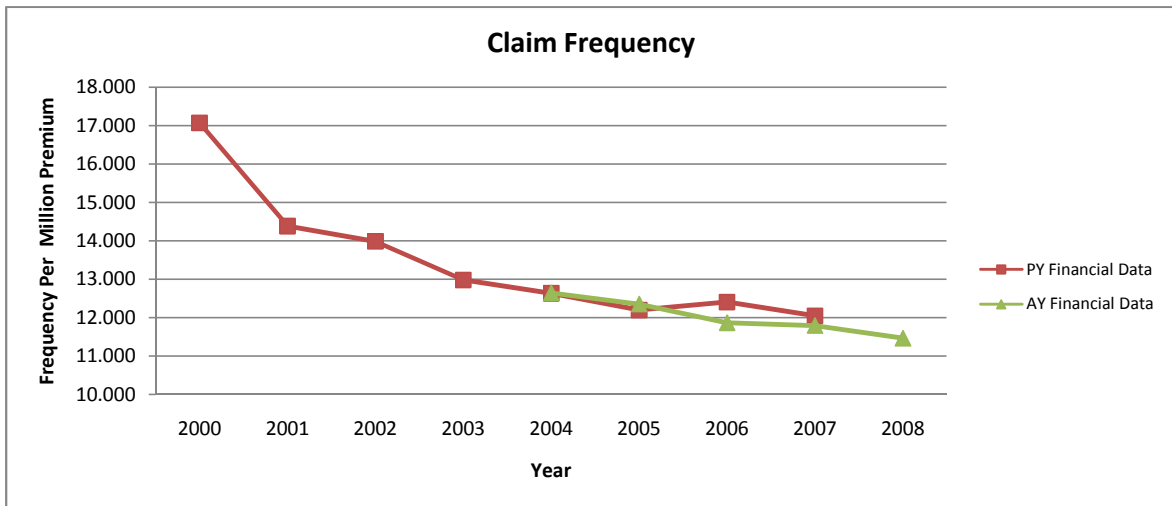
** Adjusted to the level of Policy Year 1989

Trend Analysis

Claim Frequency - All Carriers

Frequency = developed claims counts per 1,000,000 of onleveled premium adjusted for wage growth

Year	Financial Trend Policy Year Data		Financial Trend Accident Year Data		
	2000	17.069			
2001	14.383				
2002	13.986				
2003	12.980				
2004	12.636		12.644		
2005	12.196		12.353		
2006	12.407		11.868		
2007	12.049		11.795		
2008			11.466		
	Trend	R squared		Trend	R squared
2003-2007	-1.7%	0.806	2004-2008	-2.4%	0.964
2000-2007	-4.2%	0.775			

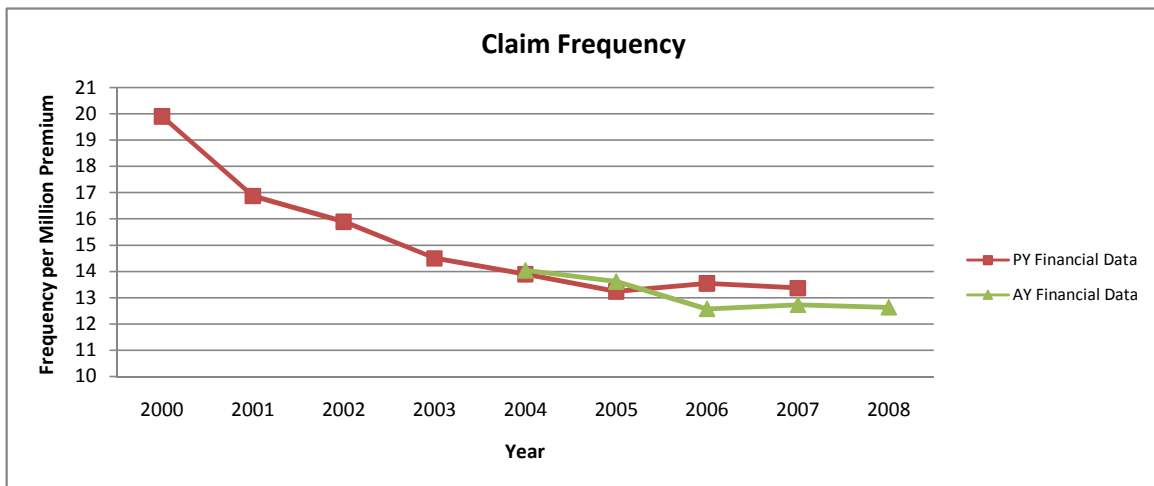


Trend Analysis

Claim Frequency - Private Carrier

Frequency = developed claims counts per 1,000,000 of onleveled premium adjusted for wage growth

Year	Financial Trend Policy Year Data		Financial Trend Accident Year Data		
2000	19.904				
2001	16.873				
2002	15.893				
2003	14.497				
2004	13.893		14.044		
2005	13.234		13.614		
2006	13.542		12.571		
2007	13.363		12.726		
2008			12.634		
	Trend	R squared		Trend	R squared
2003-2007	-1.9%	0.667	2004-2008	-2.8%	0.768
2000-2007	-5.2%	0.799			

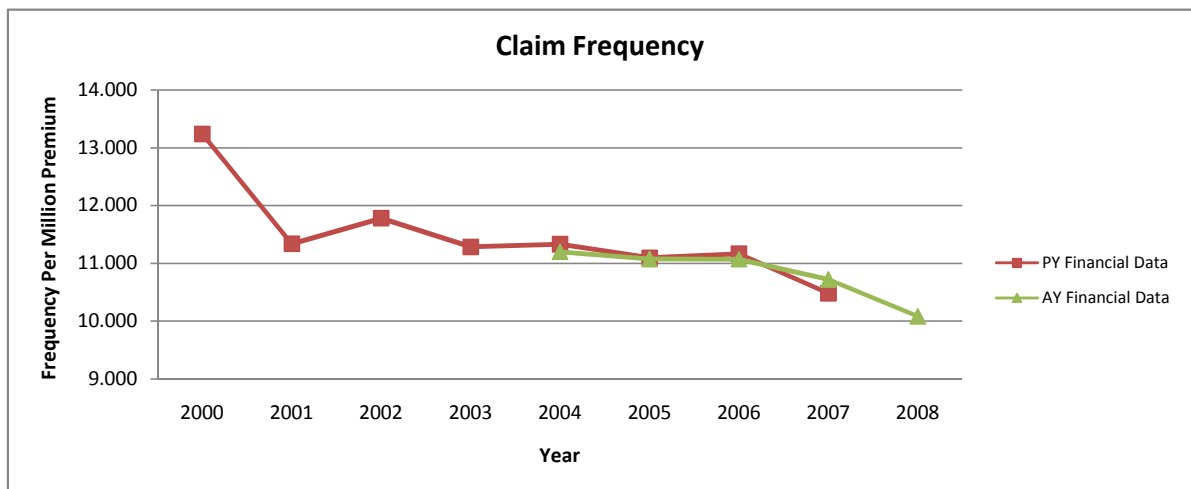


Trend Analysis

Claim Frequency - State Insurance Fund

Frequency = developed claims counts per 1,000,000 of onleveled premium adjusted for wage growth

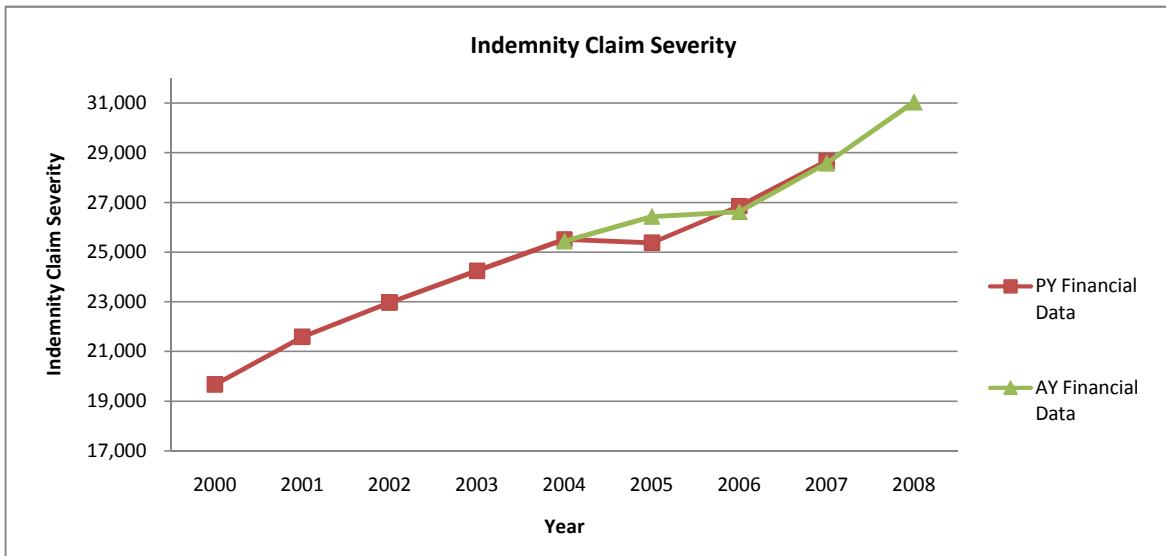
<u>Year</u>	Financial Trend Policy Year Data		Financial Trend Accident Year Data		
2000	13.233				
2001	11.337				
2002	11.779				
2003	11.285				
2004	11.331		11.199		
2005	11.095		11.075		
2006	11.164		11.071		
2007	10.483		10.721		
2008			10.084		
	Trend	R squared		Trend	R squared
2003-2007	-1.6%	0.670	2004-2008	-2.4%	0.812
2000-2007	-2.2%	0.650			



Trend Analysis

Indemnity Severity - All Carriers

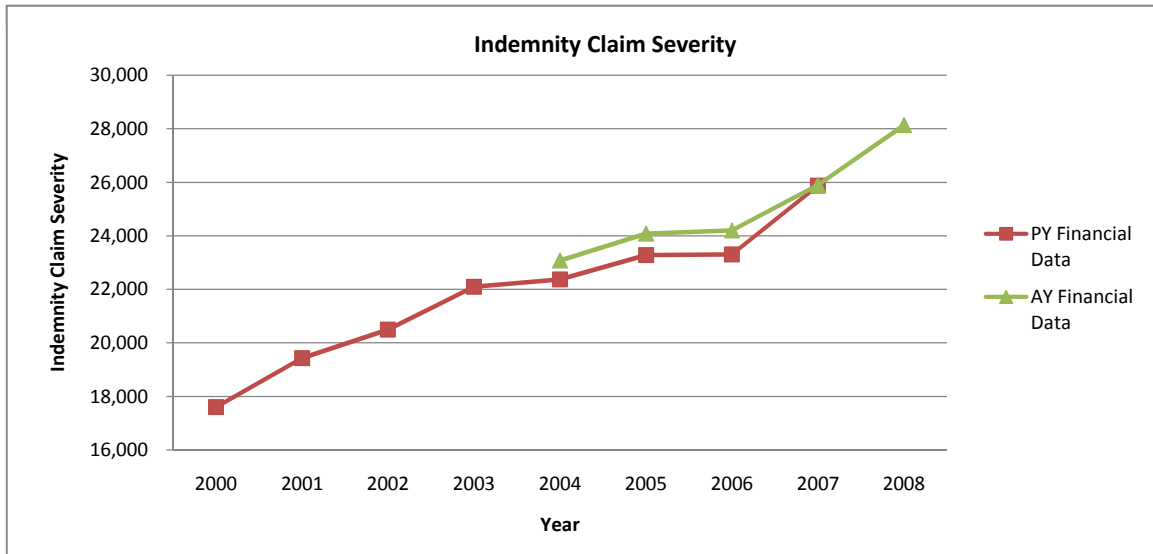
<u>Year</u>	Financial Data					
	Indemnity Average Claim Severity (Policy Year)			Indemnity Average Claim Severity (Accident Year)		
2000	19,662					
2001	21,585					
2002	22,967					
2003	24,246					
2004	25,513			25,434		
2005	25,377			26,429		
2006	26,854			26,616		
2007	28,671			28,571		
2008				31,035		
		Trend	R squared		Trend	R squared
	2003-2007	3.9%	0.905	2004-2008	4.9%	0.901
	2000-2007	5.0%	0.969			



Trend Analysis

Indemnity Severity - Private Carrier

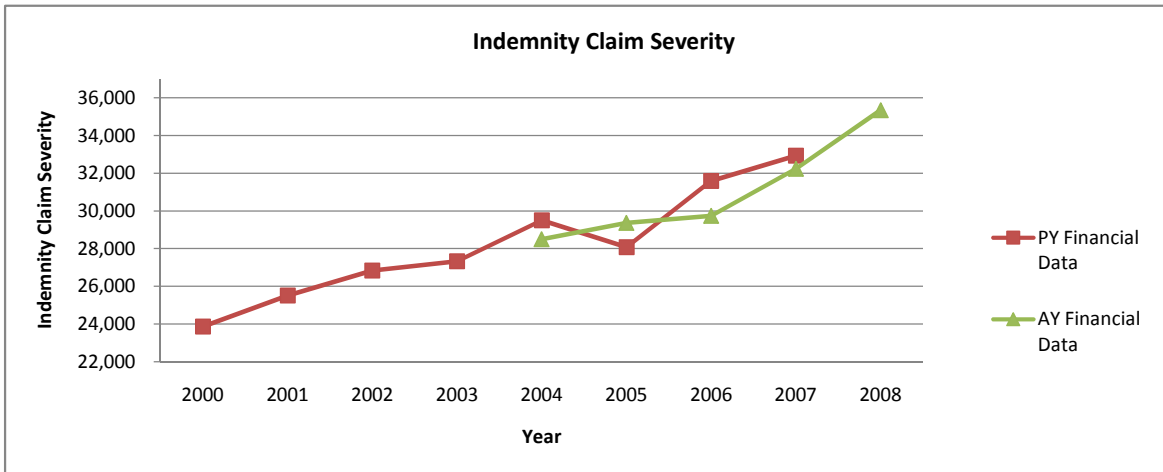
Year	Financial Data				
	Indemnity Average Claim Severity (Policy Year)		Indemnity Average Claim Severity (Accident Year)		
2000	17,598				
2001	19,431				
2002	20,491				
2003	22,097				
2004	22,368		23,074		
2005	23,274		24,076		
2006	23,300		24,201		
2007	25,874		25,898		
2008			28,135		
	Trend	R squared		Trend	R squared
2003-2007	3.6%	0.808	2004-2008	4.8%	0.903
2000-2007	4.9%	0.946			



Trend Analysis

Indemnity Severity - State Insurance Fund

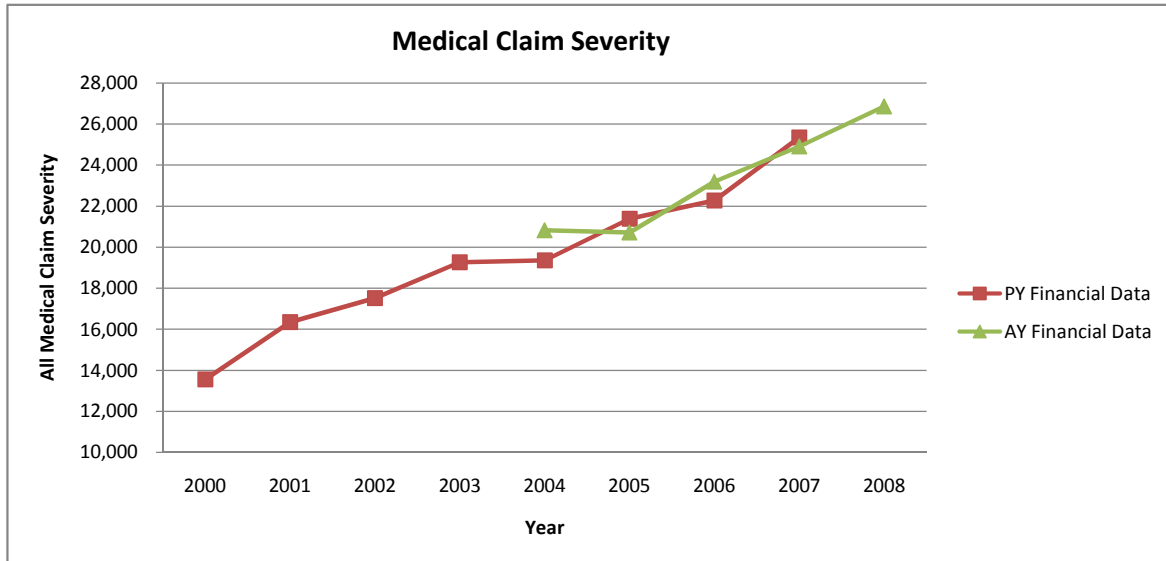
Year	Financial Data					
	Indemnity Average Claim Severity (Policy Year)		Indemnity Average Claim Severity (Accident Year)			
2000	23,865					
2001	25,506					
2002	26,834					
2003	27,330					
2004	29,489		28,490			
2005	28,068		29,358			
2006	31,579		29,726			
2007	32,919		32,233			
2008			35,336			
	Trend	R squared		Trend	R squared	
	2003-2007	4.5%	0.798	2004-2008	5.4%	0.887
	2000-2007	4.3%	0.922			



Trend Analysis

Medical Severity - All Carriers

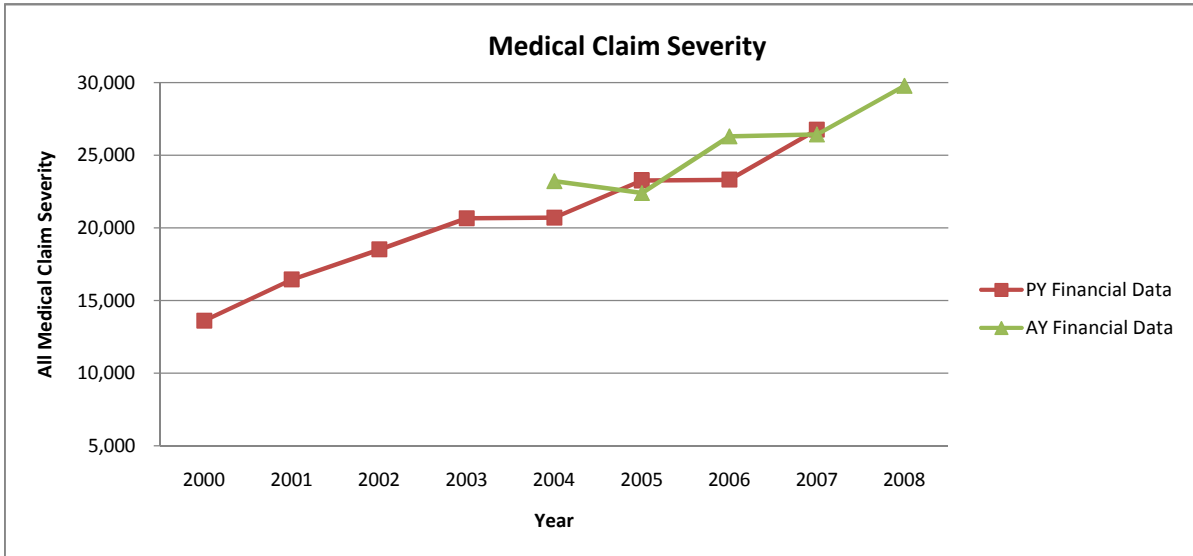
Year	Financial Data				
	Medical Average Claim Severity (Policy Year)		Medical Average Claim Severity (Accident Year)		
2000	13,550				
2001	16,338				
2002	17,513				
2003	19,256				
2004	19,352		20,833		
2005	21,385		20,721		
2006	22,263		23,203		
2007	25,341		24,911		
2008			26,858		
	Trend	R squared		Trend	R squared
	2003-2007	7.1%	0.910	2004-2008	7.2%
	2000-2007	8.1%	0.965		



Trend Analysis

Medical Severity - Private Carriers

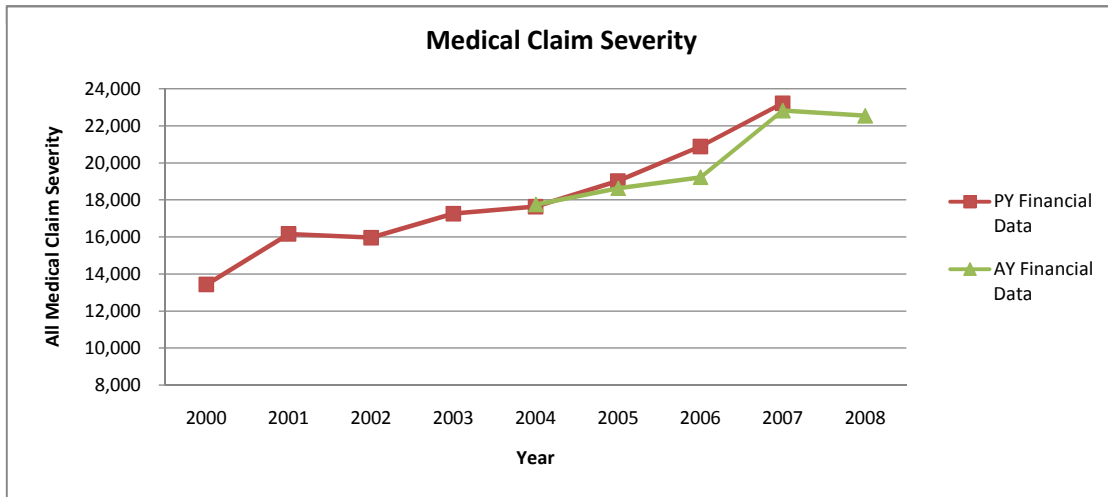
Year	Financial Data				
	Medical Average Claim Severity (Policy Year)		Medical Average Claim Severity (Accident Year)		
2000	13,607				
2001	16,435				
2002	18,504				
2003	20,651				
2004	20,700		23,213		
2005	23,256		22,404		
2006	23,307		26,297		
2007	26,742		26,438		
2008			29,770		
	Trend	R squared		Trend	R squared
	2003-2007	6.6%	0.877	2004-2008	6.9%
	2000-2007	8.9%	0.961		0.853



Trend Analysis

Medical Severity - State Insurance Fund

Year	Financial Data					
	Medical Average Claim Severity (Policy Year)			Medical Average Claim Severity (Accident Year)		
2000	13,433					
2001	16,162					
2002	15,964					
2003	17,255					
2004	17,636			17,752		
2005	19,016			18,626		
2006	20,877			19,220		
2007	23,214			22,818		
2008				22,537		
		Trend	R squared		Trend	R squared
	2003-2007	7.9%	0.942	2004-2008	7.0%	0.871
	2000-2007	7.0%	0.937			



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>
2003	908.95	904.38	900.56
2004	960.64	956.97	958.24
2005	998.87	1012.62	1015.91
2006	1,066.89	1071.51	1073.59
2007	1,144.21	1133.82	1131.27
Projected Average Annual Change		5.82%	5.68%
R Squared		0.990	0.983

* 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 10/1/09 - 10/1/10				Ratio	
Indemnity	\$1,341,305,595	x	(1.021 ^ 2.75)	\$1,420,196,791	0.495
Medical	\$1,259,540,785	x	(1.053 ^ 2.75)	\$1,451,744,722	0.505
				\$2,871,941,512	1.000

Note : 2007 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 0.761 / 1.184 (LAE) = 0.643. The loading for tax results in 0.643 / (1-0.028) = 0.662.

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 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>	<u>Actual Ass'mnt To Carriers as % of Indemnity Loss # (1)</u>	<u>New York State Assessment % of Std. Prem. (1) x 0.495 x 0.662 / 0.85 (2)</u>
Workers' Comp. Board	0.066	0.025
Reopened Case Fund (WCL 25-a)	0.074	0.029
Special Disability Fund (WCL 15-8)	0.206	0.079
Interdepartmental Exp.	0.020	0.008
Special Funds Cons. Comm.	0.003	0.001
Total - All Assessments	0.369	0.142

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

NEW YORK WORKERS COMPENSATION

CONSTRUCTION CLASSIFICATION PAYROLL LIMITATIONS
Construction Payroll Limitation Law

Eff. 10/1/2009
\$900 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	\$1,132	\$1,314	\$1,085	\$873
2	Ratio of Cap Amount to Construction AWW	---	0.685	0.830	1.030
3	Ratio, 'R', to Enter Wage Distribution Table	---	0.69	0.83	1.03
4	Table 'A' Value	---	0.317275	0.443991	0.601612
5	1-'A' Value	---	0.682725	0.556009	0.398388
6	'R' x (1-'A')	---	0.471080	0.461487	0.410340
7	Table 'B' Value	---	0.15598	0.252152	0.398249
8	1-'B' Value	---	0.84402	0.747848	0.601751
9	Indicated Off-Balance at \$900 Cap (8)-(6)x100	30.1%	37.3%	28.6%	19.1%
10	Off-Set for Effect of Cap on P. Y. 02 '03, '04, '05 & '06 data	0.297	0.370	0.290	0.178
11	Adjusted Indicated Off-Balance at \$900 Cap SW = (9)*[1.0-(9)/(10)]; Terr. = [Terr.(9) / SW (9)]*SW (11)]	0.4%	0.5%	0.4%	0.3%
12	Proposed Off-Balance at \$900 Cap	0.4%	0.5%	0.4%	0.3%
13	Current Off-Balance at \$825 Cap	2.9%	3.4%	2.9%	2.0%
14	Percentage Change in Off-Balance {(1+(12))/(1+13)}-1.0	-2.4%	-2.8%	-2.4%	-1.7%

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



STATE OF NEW YORK
INSURANCE DEPARTMENT
25 BEAVER STREET
NEW YORK, NEW YORK 10004

David A. Paterson
Governor

Kermitt J. Brooks
Acting Superintendent

July 15, 2009

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

Dear Mr. Almer:

This letter acknowledges receipt of NYCIRB's amended loss cost filing of July 15, 2009 (the "Loss Cost Filing"). Please be advised that the Loss Cost Filing is hereby approved with an effective date of October 1, 2009.

Best Regards,

A handwritten signature in black ink, appearing to read "K. Brooks", written over a horizontal line.

Kermitt J. Brooks
Acting Superintendent