

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

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Motivation. Reserve uncertainty is a significant risk to many insurance companies, captive insurers and self-insurance programs. Understanding and quantifying this risk is essential to insurance related enterprise risk management efforts. Using publicly available data, this paper examines reserve uncertainty for a majority of the U.S. property-casualty insurance industry on both an industry and by-company basis.

Method. The authors apply analyses similar to those used by Rafal Balcarek in his 1966 Proceedings of the Casualty Actuarial Society article entitled, “Effect of Loss Reserve Margins in Calendar Year Results.” The authors are able to greatly expand the amount of data reviewed and the methods of analysis greatly due to changes in publicly available data and computing power in the intervening years. Data organized in this manner may provide opportunities for understanding industry and company reserving behaviors and loss development risk potentials.

Results/Conclusions.

- For personal lines, industry loss development from initial reserve estimates has generally been favorable.
- The three main commercial lines, CMP, CAL, and WC all show significant cyclical behavior between years of material adverse development and material favorable development.
- Medical professional liability shows even stronger cyclical swings between a high of 26.0% adverse development on the 2001 calendar year loss ratio and a 31.9% favorable impact on calendar year 2010.
- Each of the lines reviewed have calendar year reserve adjustments that are positively correlated to the others. Particularly strong correlations were seen between:
 - Homeowners (HMP/FMP) and personal auto liability (PPAL).
 - Personal auto and commercial auto liability (CAL).
 - The three predominant commercial lines, CMP, CAL and WC.
 - Medical professional liability and the other three commercial lines.
- At a company level, the commercial lines, especially WC and MM have greater potential for significant calendar year loss ratios changes due to development from prior years.
- The commercial lines show cyclical behaviors in unexpected loss reserve development both at the industry composite and insurance company/group level.
- Calendar year loss ratios do not appear to be more stable than accident year results, but do appear to delay the recognition of underwriting losses and profits, particularly for commercial lines.
- For Personal lines, adverse development for the industry as a whole is realized by 36 months of maturity.
- For CMP and CAL, adverse development for the industry as a whole is generally under 1% at 72 months of maturity and beyond
- WC and MM both experience the widest fluctuations in AY loss reserves in more mature observations.

Keywords. Loss Reserving, Risk Margins, Variability, Schedule P.

1. BACKGROUND AND SCOPE

1.1 Research Context

The 1966 Proceedings of the Casualty Actuarial Society published one of the most interesting and enduring articles in the actuarial literature, Rafal Balcarek’s, “Effect of Loss Reserve Margins in Calendar Year Results.” The article has remained relevant in the actuarial literature for decades for at least a couple of reasons: the straightforward, clean approach to the analysis and the importance

of the underlying business behavior it measures. This succinct, 16 page article with its handwritten tables, took a measured approach to one of the most basic risk factors property-casualty insurance companies and actuaries faced then and face now – loss reserve variability.

The Balcarek paper recognized the inherent variability in loss reserves and their impact on calendar year (CY) results. It also recognized the importance of calendar year results in insurance company decision making. The “nagging question” of the validity of business decisions based on calendar year data “if the calendar year results on which they are based contain major distortions” is as relevant today as in 1966.

The approach used by Balcarek was to compare estimated ultimate losses for a given company and accident year (AY) as of twelve months of development to the comparable results as of 60 months. For example, one could look at accident year 1959 data evaluated at December 31, 1959 and again evaluated as of December 31, 1963. The change in this estimate represents an over or understatement of calendar year 1959 results that impacts subsequent calendar years. The original paper sought to answer several questions:

- How materially can reserve changes impact calendar year results?
- Do companies’ reserve changes move together?
- Do reserve changes by line move in sympathy with one another or do they offset?
- Do companies manipulate reserve margins to stabilize results? Does this work?

1.2 Objectives

This paper is our attempt to update and expand the data used in the original analysis, expand the number of coverages and companies reviewed, and update and extend its findings, while honoring the approach of the original work.

Our analysis will strive to answer questions similar, if somewhat more expansive than the scope of Balcarek’s original paper. At both a company and industry level, we will try to answer the following questions:

- What is the impact of initial reserve development on calendar year results on the company and/ or industry level?
- Do lines of insurance move in sympathy at the company and/or industry level?
- Can you compare company CY or AY¹ results?
- At what level do companies/lines exhibit a risk of material adverse deviation (RMAD)?
- At what maturity do accident year loss reserves no longer have an RMAD?

¹ Accident year and calendar year are assumed to have their typical definitions, consistent with their use in the NAIC annual statement and the actuarial literature.

1.3 Outline

The remainder of the paper proceeds as follows. Section 2 will discuss the data and technical approach used in our analysis. Section 3 presents our discussion and analysis of each of the issues being considered. Section 4 provides a brief conclusion.

2. DATA AND TECHNICAL APPROACH

In order to update the analysis and increase its robustness, we have made a number of changes in approach from the original analysis. These changes relate to the lines of business considered, the number of years in the analysis, the maturity of the accident year loss evaluations examined, and the number of companies reviewed.

The original Balcarek paper looked at the auto bodily injury, general bodily injury and workers compensation lines of business. We have expanded the analysis to include the first six lines of business, or parts, of the current Schedule P:

- Part A - Homeowners/Farmowners (HMP/FMP)
- Part B - Private Passenger Auto Liability/Medical (PPAL)
- Part C - Commercial Auto/Truck Liability/Medical (CAL)
- Part D – Workers’ Compensation (WC)
- Part E - Commercial Multiple Peril (CMP)
- Part F - Medical Malpractice – Section 1 (Occurrence) and Section 2 (Claims-made) (MM)

This approach allows a consideration of the two main lines of business for personal lines insurance, the three main lines of business for “main street” commercial lines, and a key specialty line (medical professional liability) that has demonstrated significant reserve variability and several severe market disruptions since the Balcarek paper was published.

As previously mentioned, Balcarek looked at estimated ultimate losses as of twelve months and sixty months of development. His rationale was “it is suggested that the five year period is sufficiently long to account for the bulk of reserve developments.” He looked at accident years 1953-1960 from these two perspectives.

We have made two changes in our approach due to the substantial increases in the ability to compile Schedule P data and other annual statement data and the substantial lengthening of the “tail” on loss development. First, we are going to look at more years. Accident years 1991 through 2010 are readily available to us from data provided by AM Best Company. Second, we will capture data for each of the first ten valuations of held net ultimate losses.

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For our accident year held ultimate loss data we will use Schedule P – Part 2 that includes held ultimate loss and defense and cost containment expenses (DCCE), net of reinsurance. For our calendar year data, we will use data from Part 3 of the Insurance Expense Exhibit (IEE) which is also net and includes loss and DCCE. We recognize that during the experience period under review, the NAIC changed from allocated loss adjustment expenses to DCCE. We also recognize that each company adjusted their financial reporting data to reflect this change in their own way. We have not attempted to adjust the insurance companies' actual annual statement in any way to address this issue. For the remainder of this paper, the term loss will include DCCE.

Balcarek examined ten insurance companies in his original analysis. We have expanded the companies reviewed substantially. We desired to increase the number of companies reviewed so that the current market share of the companies would be greater than 60%. We deemed this volume of data sufficient to be representative of the overall U.S. property-casualty industry for these lines. It required between sixteen (16) and twenty-six (26) insurance companies or groups to achieve this critical mass for each line. Our analysis includes the following insurance groups:

- Accident Fund
- ACE
- Allstate
- AIG
- Amerisure
- APCapital
- Auto-Owners
- Berkshire Hathaway
- Canal
- Chubb
- Cincinnati
- CNA
- The Doctors Company
- Erie
- Farmers
- FPIC
- Great American
- Hartford
- ISMIE
- Liberty Mutual
- MAG Mutual
- Medical Mutual (MD)
- Medical Mutual (NC)
- Medical I.C. (AZ)
- Nationwide
- New Jersey Manufacturers (NJM)
- Norcal
- Old Republic
- ProAssurance
- Progressive
- ProMutual
- QBE
- Safeco
- SAIF
- SCIF
- State Farm
- State Volunteer Mutual
- Travelers
- USAA
- WR Berkley
- Zenith
- Zurich

Data for these companies was included in the analysis for all reviewed lines in which they had at least a 0.5% marketshare. Company names have been masked in the analysis and each company or group has been assigned a unique number that applies to that organization throughout the analysis.

During the experience period under review, many of these companies have undergone significant changes due to mergers, acquisitions, divestitures, etc. We have made a daunting number of adjustments to restate the historical data to the current composition of the organization. The authors would like to thank A.M. Best Company and a Pinnacle team led by Greg Fears for their efforts to scrub the data until we were confident in its appropriateness for this analysis.

3. DISCUSSION AND ANALYSIS

This section is organized along the lines of the key questions we are addressing.

How material is the impact of initial reserve development on calendar year results?

In order to evaluate this question, we calculated the calendar year change in prior ultimate loss and DCCE estimates divided by current year calendar year net earned premium. The results for our industry composites are shown in Exhibit 1. This metric should measure the impact of unexpected prior year development on current calendar year loss ratios². Because ten prior accident years of data are needed to compute this metric, only calendar years 2000-2010 are shown. The results are quite interesting.

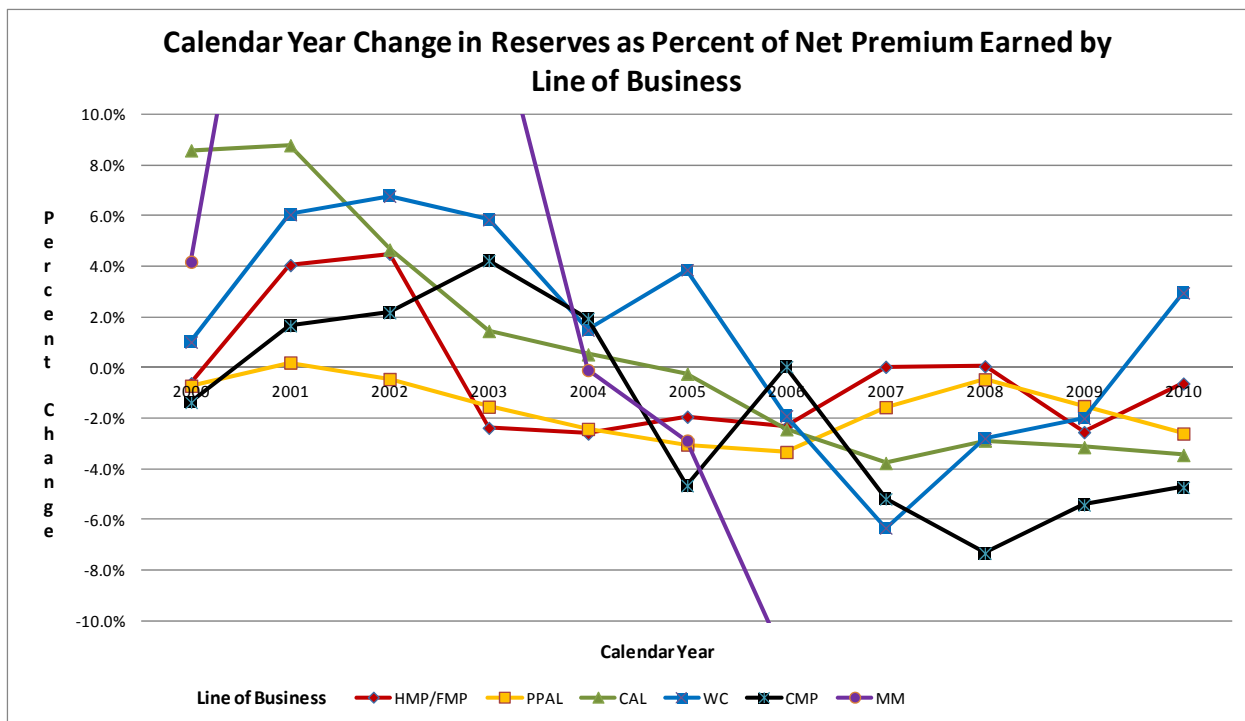
For PPAL, every year but one shows favorable loss development. This would appear to reflect the relatively predictable nature of PPAL claims and the conservative loss reserving philosophy of several of the leading insurers in this line. For HMP/FMP and CMP, there are four and five years respectively (out of eleven) that show adverse development. However, the magnitude of these reserve increases is never more than 4.5% of current year earned premiums. The three main commercial lines, CMP, CAL, and WC all show significant cyclicity between years of material adverse development (e.g. 8.8% for CAL in 2001) and material favorable development (e.g. -7.3% for CMP in 2008). WC in particular had adverse development up through CY 2005 and positive development in the four subsequent years. Medical professional liability shows even stronger cyclical swings between a high of 26.0% adverse development on the 2001 calendar year loss ratio and a 31.9% favorable impact on calendar year 2010. Using the ratio of CY reserve development as a percentage of carried reserves, the adverse deviation seen in years 2000 and 2001 for CAL, WC and

² This approach does not consider development from accident periods more than ten years prior to the current year. This simplifying assumption makes working with the AM Best Schedule P data easier and usually does not have a material impact on the lines reviewed. Some other lines, such as products liability, periodically see material development more than ten years after an accident year has expired.

MM could easily meet the threshold for material adverse deviation as used for a commercial lines insurer. Clearly this type of unexpected development on prior year reserves would materially impact calendar year net income.

Do lines of business tend to have reserve development that move in sympathy with one another? If so, which ones are most highly correlated?

The second table in Exhibit 1 computes the correlations between the calendar year impact of reserve development as a percentage of current calendar year earned premium shown in the exhibit. All of the lines have calendar year reserve adjustments that are positively correlated. This correlation can be seen in the following graph.



Graph 1 - Calendar Year Change in Reserves as Percent of Net Premium Earned by Line of Business

In addition, several of the lines are highly correlated to one another. The first noteworthy example is that homeowners (HMP/FMP) and personal auto liability (PPAL) are highly correlated with a correlation coefficient of 0.7291. This would suggest that at an industry level, when HMP/FMP has favorable or adverse development, PPAL is likely to move similarly as well, and vice versa. In addition, reserve development from initial estimates for personal auto and commercial auto liability (CAL) are highly correlated (0.6023) which seems intuitive. The three predominant

commercial lines, CMP, CAL and WC, all show significant positive reserve development correlations as well. CMP, however, shows very little correlation with the two personal lines observed. Finally, medical professional liability shows strong positive correlations to the other three commercial lines.

How material is the impact of prior year reserve development on calendar year results for an individual company?

Exhibit 2 examines the same metrics used in Exhibit 1 to examine unexpected reserve development by calendar year at the company level for leading insurers. In addition, several statistics have been added examining the range, average, and standard deviation of these reserve development metrics both across multiple years for a given company and across all companies in a given calendar year.

For HMP/FMP and PPAL, the generally favorable development seen in the industry composite is also seen for most individual companies. A few companies have one or two years with adverse development of more than 5.0% of current year premiums, but overall the potential for adverse development in these lines appears pretty modest. Almost all of the HMP/FMP companies had their worst year in the exposure period in 2001 or 2002, while PPAL does not show a systematic pattern. In addition, the standard deviations between the companies in a given year are generally very low. The 2010 observation of 51.4% development for company 33 relates to a group who is taking a substantial reduction to their PPAL writings while realizing the effect of several past accident years that weren't adequately reserved.

As would be expected, the three main commercial lines, CMP, CAL and WC, show much more divergence in reserve development results between companies. The standard deviation between companies in a given year is larger than in personal lines and most companies have adverse development of more than 10% of premium in at least one year and some companies have a year with an impact on current calendar year loss ratios in excess of 40% (e.g. 2000 CAL for company 20, 2009 WC for company 15 and 2010 CMP for company 17).

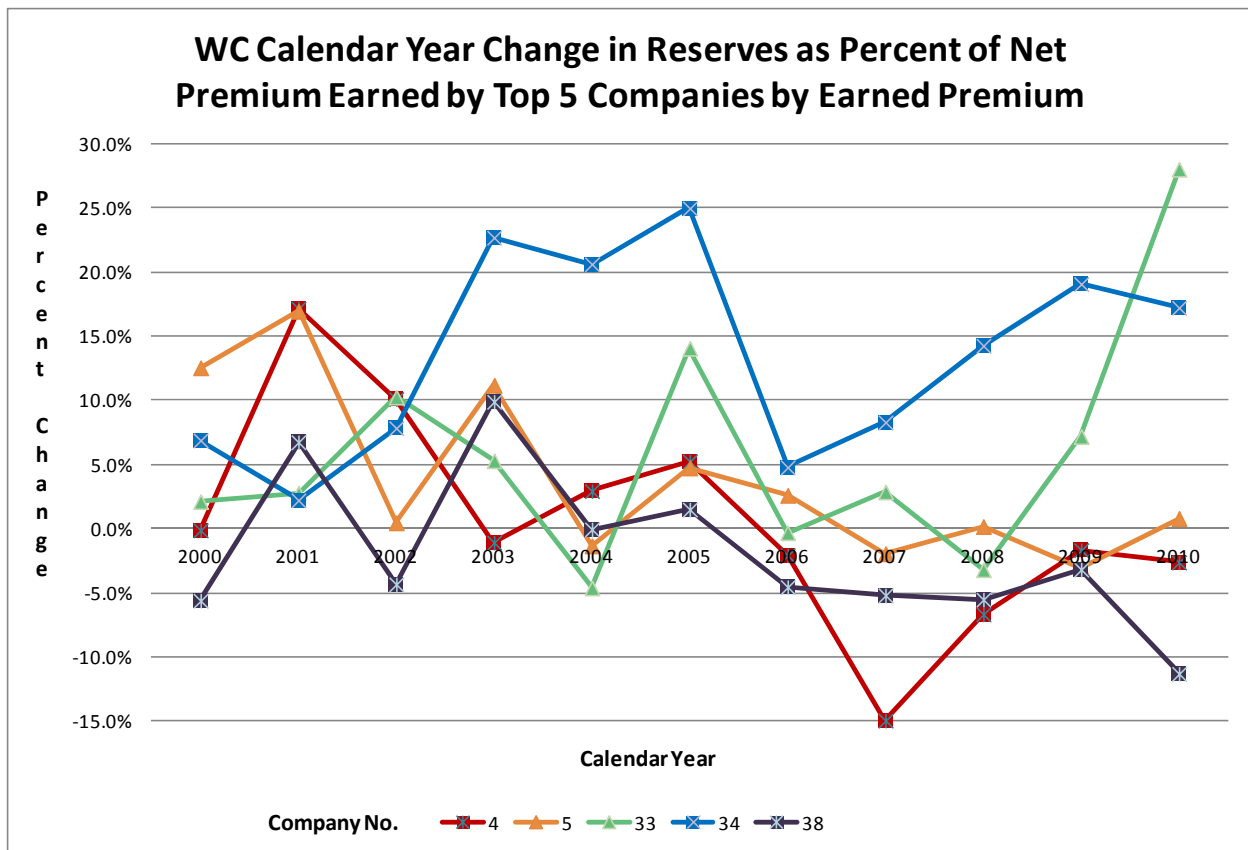
MM shows dramatically more variability than any other line reviewed. In some cases a company experienced adverse development of more than 300% of current year earned premium. In other cases a company saw loss ratio reductions of as much as 78.4% of current year earned premium.

Do companies in a given line of business tend to have reserve development that move in sympathy with one another? If so, which ones are most highly correlated?

A natural extension of the finding of strong positive correlations between lines at an industry composite level is “do companies in a given line also exhibit positively correlated movements?” The same metrics used in Exhibit 1 are provided at a company level for each line in Exhibit 2. The correlation statistics in Exhibit 2 compute correlations in unexpected reserve development between companies in a given line.

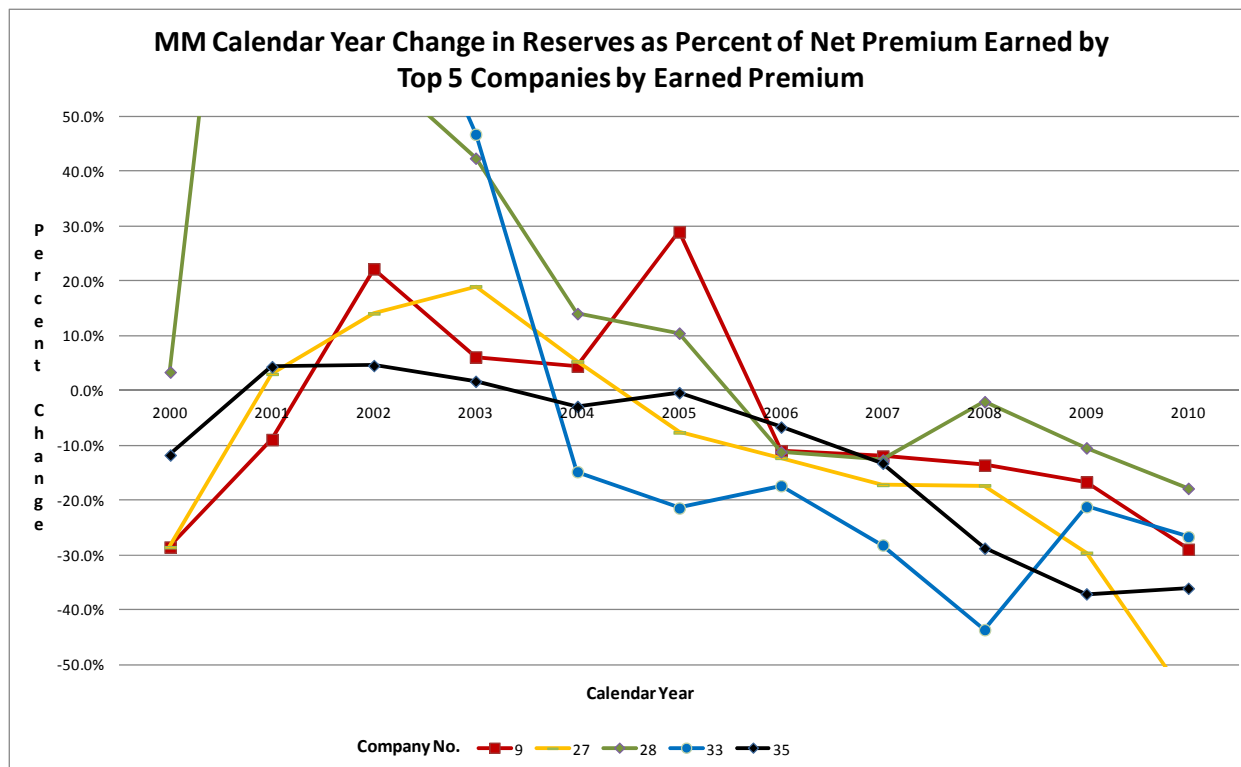
Interestingly, for HMP/FMP and PPAL, while some pairings of companies show reserve developments that are highly correlated, overall average correlations are only mildly positive at 0.3107 and 0.0127, respectively.

The divergence in reserve development results between companies for the three main commercial lines, results in small positive average correlations between companies in these lines, less than 0.20 for each. This positive correlation does seem to exhibit itself with a number of companies showing the same cyclical changes in reserves that was seen at the industry composite level. For example, consider the pattern seen in the following graph for the five largest WC insurers.



Graph 2 - WC Calendar Year Change in Reserves as Percent of Net Premium Earned by Top 5 Companies by Earned Premium

Interestingly, MM shows the most significant correlation in company reserve development on calendar year results with an average correlation of 0.4724. One could posit that factors such as the impact of countrywide changes in MM claims trends, the role of an industry association such as the Physician Insurers Association of America (PIAA), and the impact of a high concentration of these carriers with certain external service providers may contribute to this higher correlation of insurance company behaviors for this line relative to the others reviewed. Graph 3 shows the results for the five leading carriers.



Graph 3 - MM Calendar Year Change in Reserves as Percent of Net Premium Earned by Top 5 Companies by Earned Premium

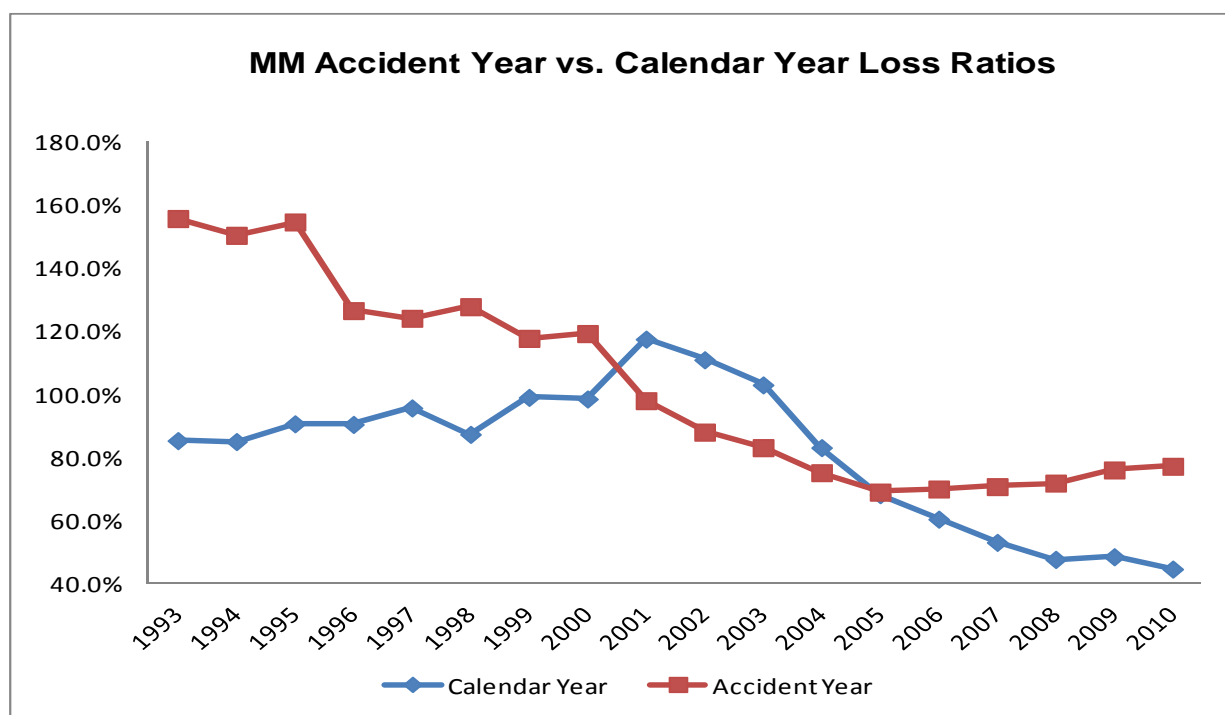
For a given company or group, do lines of business tend to have reserve development that move in sympathy with one another?

Exhibit 3 reorganizes the same calendar year loss ratio impacts of prior year reserve changes and presents them by company for all reviewed lines. The focus of these exhibits was insurance companies and groups with material market shares in most or all of the reviewed lines. The results are quite interesting. Several of the companies, for example numbers 4, 20, 21 33 and 38 show very little consistent correlation or pattern between lines as it related to reserve development from prior years. Within those companies however, are some strong examples of individual lines moving in

synch with each other like the correlation of .9073 for WC and PPAL for company 33. There are a couple of notable exceptions. Group/companies 5 and 19 show consistently high correlations between lines that seem to suggest a tendency for these company management teams to adjust loss reserve levels at a corporate level resulting in all lines moving together. There are some pairs of lines that appear to move together in other companies/groups, but nothing as pronounced as the phenomenon seen in these two companies.

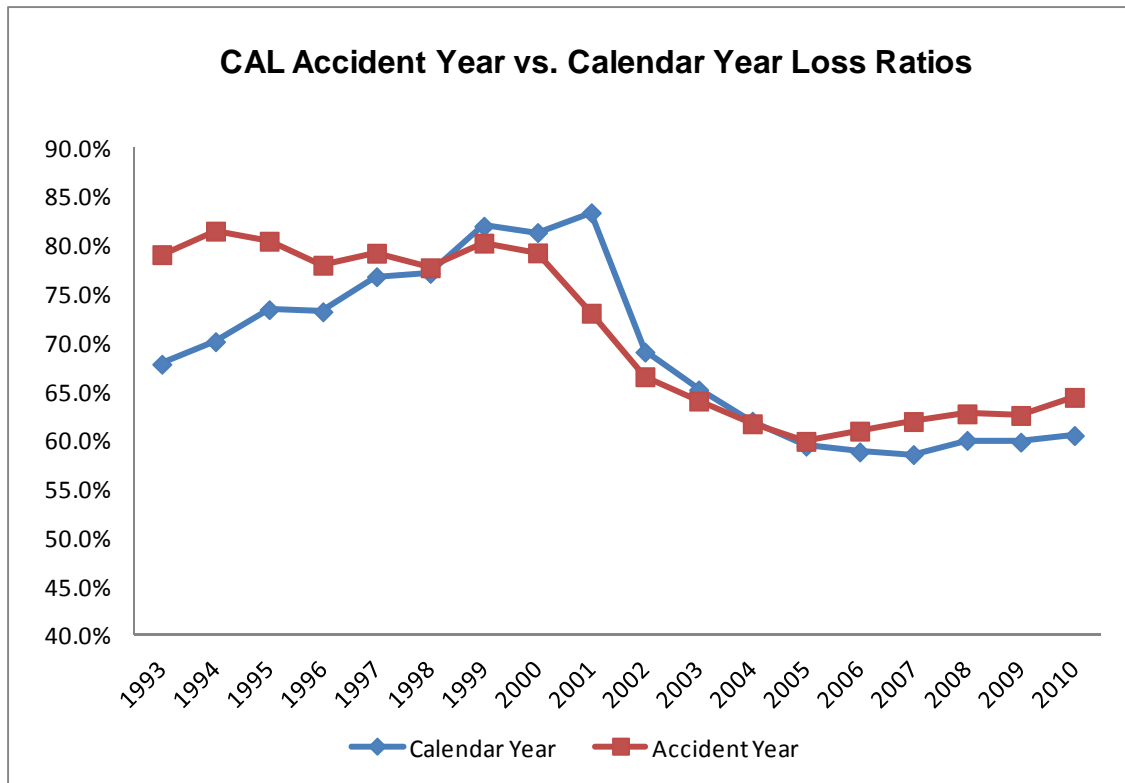
Do calendar year adjustments of loss reserves increase the stability of loss ratios? How do they affect the timing of when results are realized on financial statements? (Exhibits 4 and 5)

To begin to evaluate these questions, we examine Exhibit 4. Page 1 contains initial held ultimate loss ratios for our industry composite, while page 2 contains calendar year results for the same years. In addition, several summary statistics are provided by line. If companies were adjusting calendar year reserve levels to stabilize results, we would expect less variability (and therefore smaller standard deviations) in calendar year loss ratios than accident year loss ratios. With the sole exception of medical professional liability, this simply does not seem to be the case. For the MM line, calendar year adjustments appear to limit the highest of the highs and the lowest of the lows. This can also be seen in the following graph (Graph 4) comparing the MM calendar year and accident year results.

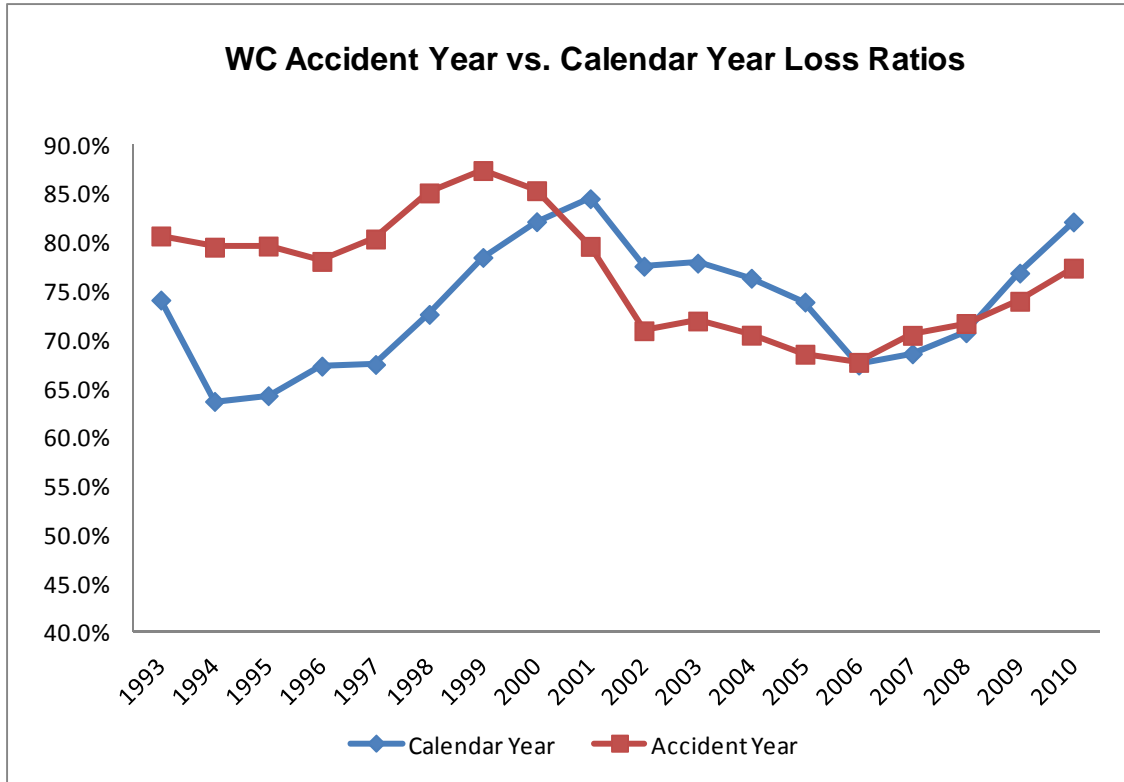


Graph 4 - Medical Professional Liability Accident Year and Calendar Year Loss Ratios

This graph also suggests that insurance company management reserving decisions may delay the recognition of underwriting profits and losses for the MM line. This concept can be reinforced by a couple of the commercial lines that have enough “tail” to result in timing shifts. The following graphs for both commercial auto liability and workers compensation show pronounced lags in the loss ratio cycles between the accident year and calendar year results suggesting that calendar year results delay the recognition of underwriting results compared to initial accident year estimates.



Graph 5 - Commercial Auto Liability Accident Year and Calendar Year Loss Ratios



Graph 6 - Workers Compensation Accident Year and Calendar Year Loss Ratios

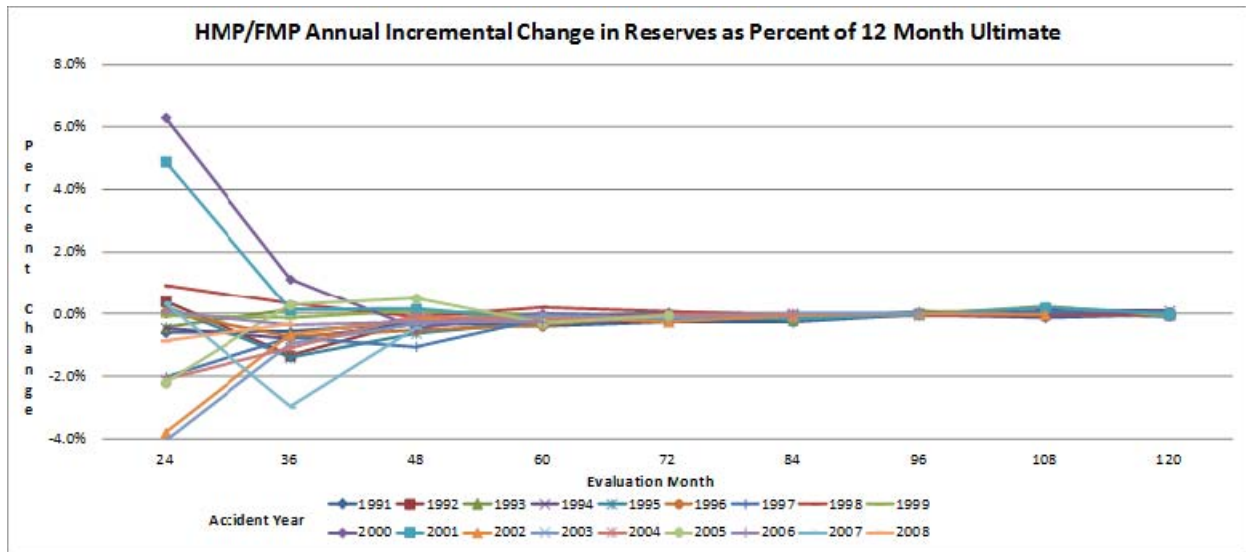
Exhibit 5 provides comparable data to Exhibit 4 for individual companies/groups. It can be noted that both AY and CY loss ratios for the major Homeowners writers appear to be positively correlated with each other, CAL shows a similar phenomenon. Workers' Compensation is interesting because the correlation of AY loss ratios between the major writers appear to be positively correlated while the CY correlations are split between negative and positive. This could lead one to conclude that while market forces effect WC results with a degree of consistency across accident years, there are internal factors such as case reserve setting practices that influence CY results for WC.

How material a risk of material adverse deviation (RMAD) do the accident year loss reserves for a line of business exhibit at different maturities? At what maturity do accident year loss reserves for a given line no longer have an RMAD?

The first perspective we will examine on how material adverse loss reserve development can be in a given accident year is Exhibit 6 which shows held ultimate loss development by annual valuations for our industry composite divided by the initial ultimate loss estimate.

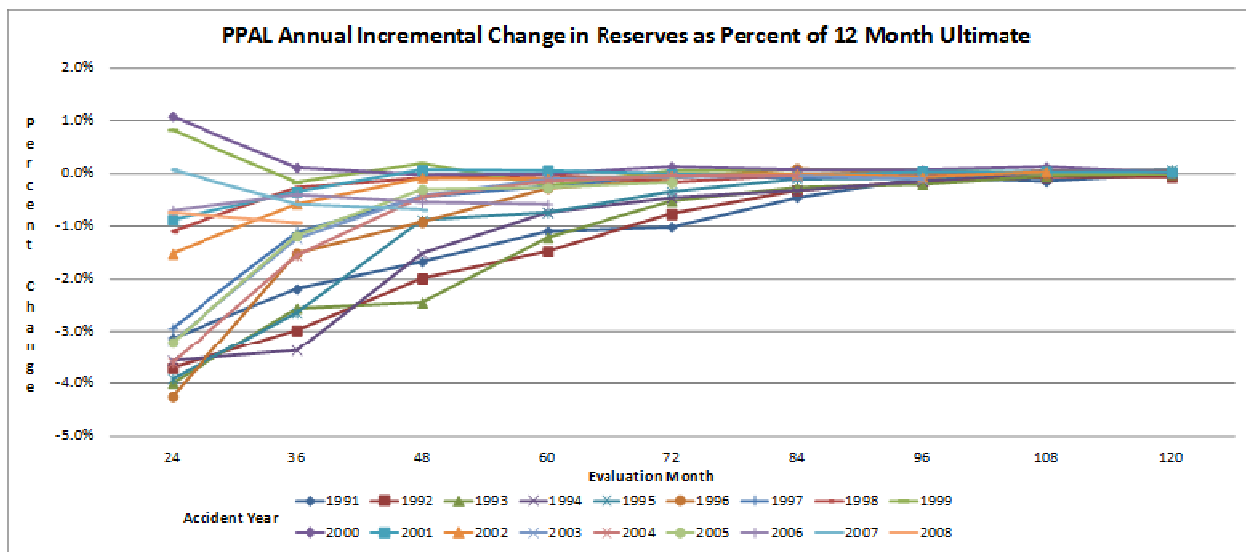
For HMP/FMP, only one year, 2000 shows adverse development of more than 1% of initial

ultimate losses after 24 months of maturity. Graph 7 shows visually how fast loss reserves stabilize for this line.



Graph 7 - Homeowners Accident Year Development by Maturity

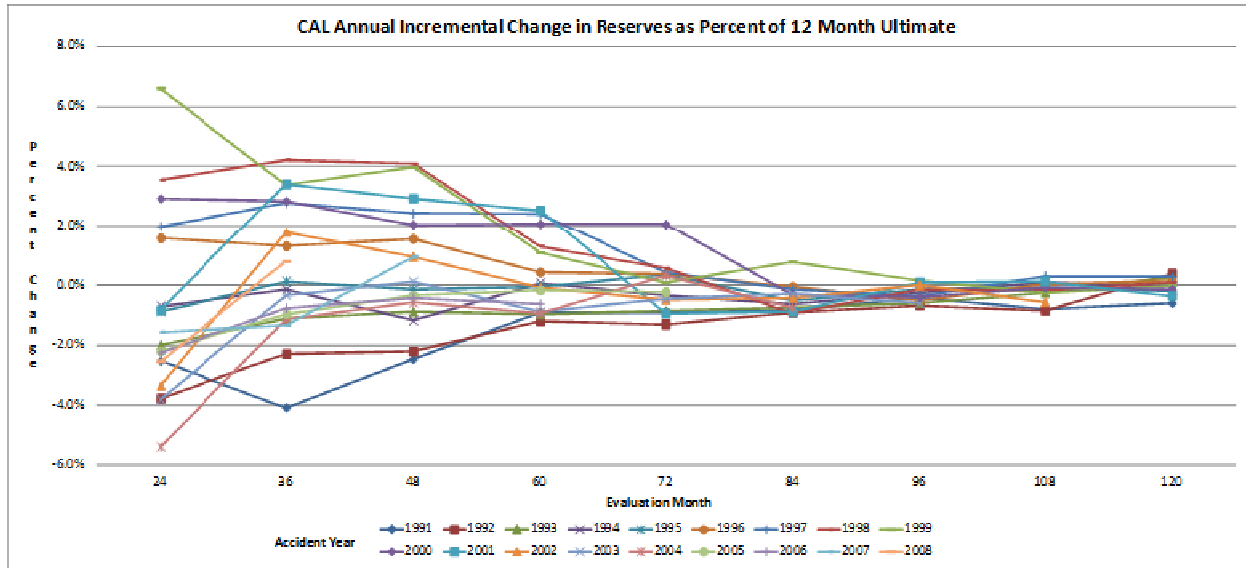
The result for PPAL is even more dramatic as only two years, 2000 and 2001 show more than 1% adverse development on initial ultimate loss estimates after only 12 months. In fact, the graph below implies a tendency for PPAL reserves to be inherently redundant on an industry-wide basis across early maturities. Things get more interesting in commercial lines. Again, the following graph shows both the conservatism of reserve levels for this line and the lack of potential for adverse development at the industry composite level.



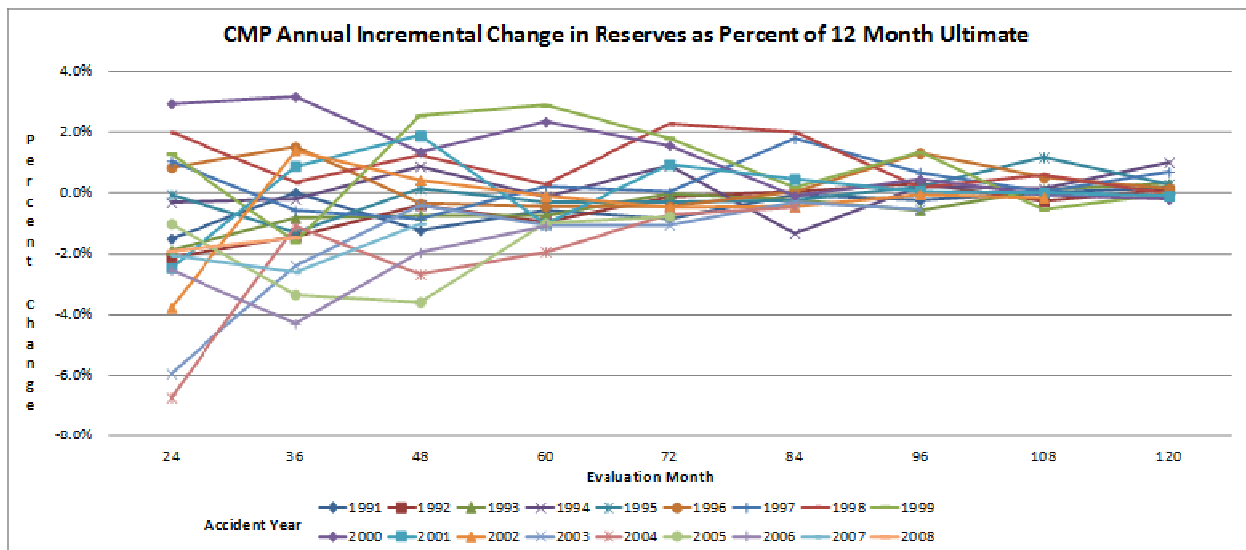
Graph 8 – Private Passenger Auto Liability Accident Year Development by Maturity

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In CAL, the potential for development of more than 2% of the initial ultimate loss estimate exists certainly until 60 months and actually was seen once between 60 and 72 months. In addition, during the calendar year diagonals 2005-2009 there appears to be a systematic improvement in ultimate loss estimates across a number of accident years. This could be seen as evidence of an asymptote in the soft curve of the underwriting cycle. Some of this same phenomenon can also be seen in the CMP line. The CMP line also shows development of more than 2% of initial ultimate losses as late as 84 months of development. Graphs 9 and 10 show these results.

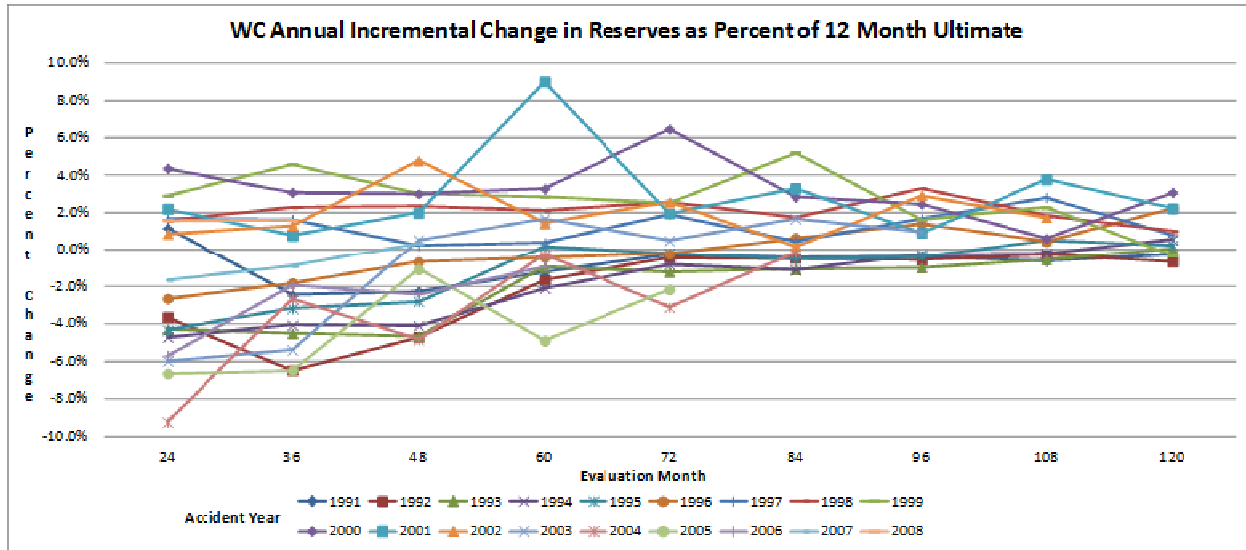


Graph 9 – Commercial Auto Liability Accident Year Development by Maturity



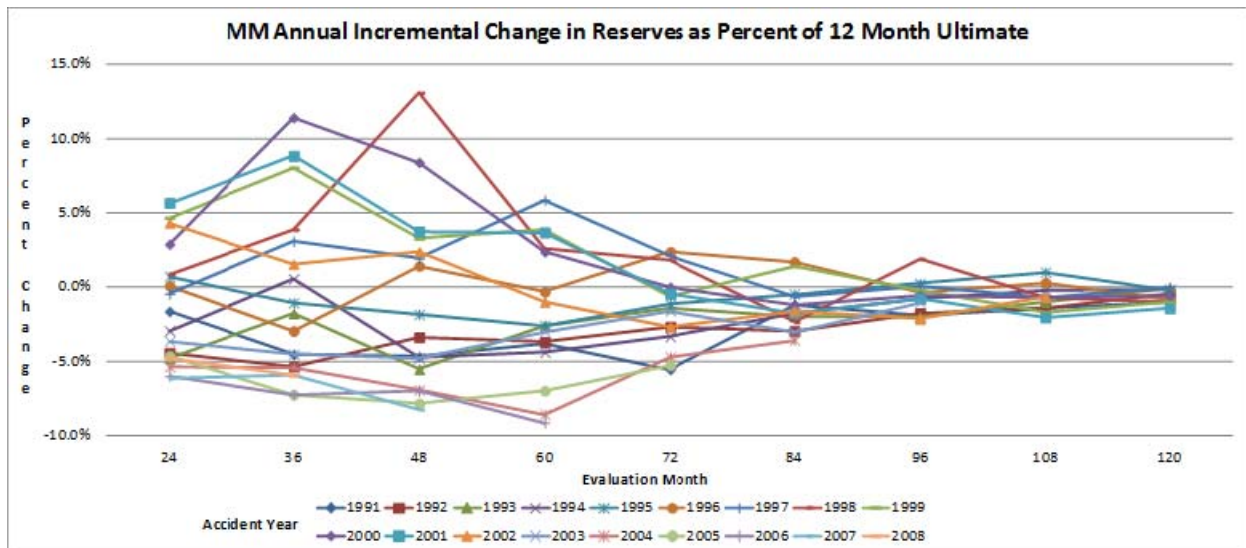
Graph 10 – Commercial Multiple Peril Accident Year Development by Maturity

The WC line shows even longer potential for significant adverse development. Numerous accident years show adverse development of more than 2% of initial ultimate loss estimates at the last valuation (between 108 and 120 months). The standard deviations of the amount of development are also greater in WC. Graph 10 shows these results.



Graph 11 – Workers Compensation Accident Year Development by Maturity

Finally, MM shows the largest potential for adverse development in the first 60 months of maturity with the 1997 year having development of 5.8% of initial held ultimates during calendar 2001. After 60 months, the potential for adverse development settles down to standard deviations comparable to WC. After 96 months of maturity, WC still exhibits the greatest amount of volatility of all lines, MM appears to have little if any adverse development at these intervals.



Graph 12 – Medical Professional Liability Accident Year Development by Maturity

At the company level, how material a risk of material adverse deviation (RMAD) do the accident year loss reserves for a line of business exhibit at different maturities? At what maturity do accident year loss reserves for a given line no longer have an RMAD?

Exhibits 7-9 show company/group level development between 12 and 24 months, 12 and 36 months, and 12 and 120 months respectively. In Exhibit 9, accident years 2002 through 2009 are shown even though they have not reached the full 120 month maturity.

The HMP/FMP and PPAL results at the company level mirror the industry composite results. Most companies show the potential for adverse development of 5-10% of initial held ultimate loss and DCCE between 12 and 36 months, but rarely show significant development after 36 months. Several large inadequacies from 12 to 120 months can be observed in the 2000 and 2001 accident years. Since portions of these cumulative inadequacies developed by over 10% between 12 and 24 months as well as 24 to 36 months, we can conclude the personal lines insurance as a group can have an industry RMAD across a single accident year.

For both CAL and CMP, many companies show at least one year that manifested adverse development of more than 10% of initial ultimates after 36 month.

For workers compensation, the development between 12 and 36 months and the development between 12 and 120 months appear to be highly correlated. Years that show favorable development in held ultimate losses at 36 months often show additional favorable development at 120 months. Similarly, years with adverse development at 36 months often show additional adverse development by 120 months.

Maybe the most interesting line for these exhibits is MM. We have already presented evidence of correlation between companies in their held reserve development, significant levels of favorable and adverse development, and cyclical in the development of initial reserves. It should be no surprise then that Exhibit 9 MM shows all of these trends in the company data. Most years between 1991 and 2001 have at least one company with adverse development of more than 100% of initial held ultimates. Further, the company development for accident years 1991-2001 often shows the same cyclical in the averages and the industry composite.

4. CONCLUSION

A review of publicly available insurance company annual statement data leads to several findings regarding industry and company loss reserve development. These findings include:

- For personal lines, industry loss development from initial reserve estimates has generally been favorable.
- The three main commercial lines, CMP, CAL, and WC all show significant cyclical behavior between years of material adverse development and material favorable development.
- Medical professional liability shows even stronger cyclical swings between a high of 26.0% adverse development on the 2001 calendar year loss ratio and a 31.9% favorable impact on calendar year 2010.
- Each of the lines reviewed have calendar year reserve adjustments that are positively correlated to the others. Particularly strong correlations were seen between:
 - Homeowners (HMP/FMP) and personal auto liability (PPAL).
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 - The three predominant commercial lines, CMP, CAL and WC.
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- At a company level, the commercial lines, especially WC and MM have greater potential for significant calendar year loss ratios changes due to development from prior years.
- The commercial lines show cyclical behaviors in unexpected loss reserve development both at the industry composite and insurance company/group level.
- Calendar year loss ratios do not appear to be more stable than accident year results, but do appear to delay the recognition of underwriting losses and profits, particularly for commercial lines.
- For Personal lines, adverse development for the industry as a whole is realized by 36 months of maturity.
- For CMP and CAL, adverse development for the industry as a whole is generally under 1% at 72 months of maturity and beyond
- WC and MM both experience the widest fluctuations in AY loss reserves in more mature observations.
- Data organized in this manner may provide opportunities for understanding industry and company reserving behaviors and loss development risk potentials.

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Exhibit	Description
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Exhibit 2	Impact of Prior Year Development on Calendar Year Loss Ratios by Company
Exhibit 3	Impact of Prior Year Development on Calendar Year Loss Ratios by Group/Company and Line
Exhibit 4	Initial Held Net Loss & LAE Ratios – Industry Composite
Exhibit 5	Initial Net Held Ultimate Loss & LAE Ratios – By Company and Line
Exhibit 6	Calendar Year Change in Accident year Ultimate Losses Over Time
Exhibit 7	Calendar Year Change in Accident year Ultimate Losses Between 12 and 24 Months
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Exhibit 9	Calendar Year Change in Accident year Ultimate Losses Between 12 and 120 Months
Exhibit 10	Listing of Included Companies/Groups by Line of Coverage

**Impact of Prior Year Development on Calendar Year Loss Ratios
Industry Composite**

Exhibit 1

Calendar Year Change in Reserves as a Percentage of Net Premiums Earned

Calendar Year	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
2000	-0.6%	-0.7%	8.6%	1.0%	-1.4%	4.2%
2001	4.0%	0.2%	8.8%	6.0%	1.7%	26.0%
2002	4.5%	-0.5%	4.7%	6.8%	2.2%	17.6%
2003	-2.4%	-1.5%	1.4%	5.8%	4.2%	15.2%
2004	-2.6%	-2.4%	0.5%	1.5%	1.9%	-0.1%
2005	-1.9%	-3.0%	-0.2%	3.9%	-4.7%	-2.9%
2006	-2.3%	-3.3%	-2.4%	-1.9%	0.0%	-11.5%
2007	0.0%	-1.6%	-3.8%	-6.3%	-5.2%	-19.6%
2008	0.1%	-0.5%	-2.9%	-2.8%	-7.3%	-24.8%
2009	-2.5%	-1.5%	-3.1%	-2.0%	-5.4%	-27.8%
2010	-0.6%	-2.6%	-3.4%	3.0%	-4.7%	-31.9%

Correlation

Line of Business	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
HMP/FMP		0.7291	0.5560	0.3972	0.2009	0.4925
PPAL			0.6023	0.1978	0.1225	0.4270
CAL				0.6232	0.5930	0.8461
WC					0.6547	0.7334
CMP						0.8332
MM						

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**Impact of Prior Year Development on Calendar Year Loss Ratios
By Company
Homeowners/Farmowners**

**Exhibit 2
HMP/FMP**

Calendar Year Change in Reserves as a Percentage of Net Premiums Earned

Calendar Year	Group / Company															High	Low	Average	Range	Std Dev
	1	2	3	4	5	6	15	18	19	20	21	25	33	38	40					
2000	-2.4%	-0.2%	-3.8%	1.2%	0.9%	0.2%	-2.6%	0.3%	2.1%	-2.2%	-4.6%	4.6%	-7.2%	-0.8%	-1.9%	4.6%	-7.2%	-1.1%	11.8%	0.0291
2001	5.5%	6.4%	4.2%	-1.2%	4.0%	4.7%	4.1%	2.7%	1.1%	2.2%	1.2%	3.7%	-10.5%	0.3%	5.7%	6.4%	-10.5%	2.3%	16.8%	0.0412
2002	7.5%	9.7%	11.9%	2.7%	3.6%	2.4%	-2.1%	4.7%	3.4%	-1.6%	0.4%	-1.6%	-4.4%	-0.4%	3.9%	11.9%	-4.4%	2.7%	16.2%	0.0455
2003	-0.2%	2.9%	-3.6%	-2.2%	-0.8%	-3.0%	-4.8%	-2.9%	-4.3%	-4.2%	-2.6%	-1.0%	-0.8%	-10.0%	-1.4%	2.9%	-10.0%	-2.6%	12.9%	0.0284
2004	-3.0%	-2.3%	-1.1%	1.8%	-2.6%	-1.4%	-3.0%	-2.7%	-3.7%	-3.6%	-3.3%	-3.5%	1.1%	-10.8%	-4.3%	1.8%	-10.8%	-2.8%	12.7%	0.0281
2005	-3.1%	-3.3%	-2.8%	1.1%	-4.2%	-2.3%	1.4%	0.1%	-1.7%	-2.7%	-5.4%	2.6%	-2.1%	0.8%	-5.1%	2.6%	-5.4%	-1.8%	8.0%	0.0244
2006	-5.6%	-3.7%	-0.4%	-0.7%	0.0%	-0.5%	-6.5%	-2.2%	-3.6%	0.2%	-2.2%	-1.4%	-7.9%	-8.6%	-3.1%	0.2%	-8.6%	-3.1%	8.7%	0.0288
2007	0.1%	-3.7%	-2.5%	-0.3%	-1.9%	2.6%	0.4%	-2.5%	-2.4%	-4.4%	-3.0%	2.6%	-16.5%	-0.7%	2.4%	2.6%	-16.5%	-2.0%	19.1%	0.0460
2008	1.2%	-3.4%	-1.8%	3.6%	-0.9%	1.9%	-1.2%	-1.0%	-3.0%	-4.3%	-0.1%	0.1%	1.0%	-3.8%	-3.6%	3.6%	-4.3%	-1.0%	7.9%	0.0234
2009	-3.6%	-4.7%	-2.9%	3.5%	-4.4%	-1.9%	-4.1%	-4.2%	0.5%	-2.2%	1.5%	-1.0%	-1.2%	-4.3%	-2.0%	3.5%	-4.7%	-2.1%	8.2%	0.0241
2010	-1.6%	-0.3%	-2.6%	6.2%	1.0%	-0.1%	-1.0%	-2.8%	-1.3%	-3.1%	-1.4%	-0.6%	-4.7%	0.5%	-0.1%	6.2%	-4.7%	-0.8%	10.9%	0.0246
High	7.5%	9.7%	11.9%	6.2%	4.0%	4.7%	4.1%	4.7%	3.4%	2.2%	1.5%	4.6%	1.1%	0.8%	5.7%					
Low	-5.6%	-4.7%	-3.8%	-2.2%	-4.4%	-3.0%	-6.5%	-4.2%	-4.3%	-4.4%	-5.4%	-3.5%	-16.5%	-10.8%	-5.1%					
Average	-0.5%	-0.2%	-0.5%	1.4%	-0.5%	0.2%	-1.8%	-0.9%	-1.2%	-2.4%	-1.8%	0.4%	-4.8%	-3.4%	-0.9%					
Range	13.1%	14.5%	15.7%	8.4%	8.4%	7.7%	10.5%	8.9%	7.7%	6.6%	6.9%	8.1%	17.6%	11.6%	10.7%					
Std Dev	0.0396	0.0471	0.0467	0.0247	0.0278	0.0239	0.0297	0.0269	0.0258	0.0203	0.0230	0.0257	0.0537	0.0442	0.0350					

Correlation

Group / Company	Group / Company														
	1	2	3	4	5	6	15	18	19	20	21	25	33	38	40
1		0.8472	0.7913	(0.0490)	0.7156	0.7200	0.5108	0.7812	0.5274	0.2387	0.5129	0.1490	(0.1855)	0.4167	0.7953
2			0.7962	(0.1635)	0.8274	0.4434	0.2540	0.7792	0.5630	0.4080	0.3507	0.0436	(0.0977)	0.2413	0.7269
3				0.0136	0.6813	0.5638	0.1935	0.8158	0.5786	0.4783	0.4965	(0.1674)	(0.1157)	0.2423	0.6409
4					(0.0837)	(0.0288)	(0.0010)	(0.1055)	0.2475	(0.2761)	0.2550	(0.2764)	0.3724	0.3245	(0.1664)
5						0.6864	0.2383	0.7085	0.5015	0.5492	0.3673	0.1834	(0.3434)	0.3049	0.7379
6							0.6047	0.6108	0.4370	0.4216	0.4580	0.4071	(0.5979)	0.5246	0.7655
15								0.4738	0.2986	0.2295	0.0707	0.6307	(0.3610)	0.7213	0.4741
18									0.6824	0.4957	0.1732	0.3346	(0.1841)	0.5178	0.5533
19										0.4512	0.3456	0.3777	(0.2186)	0.6614	0.5571
20											0.3769	0.2498	(0.3310)	0.2026	0.4520
21												(0.2511)	0.0446	0.0843	0.5248
25													(0.5756)	0.6813	0.2905
33														(0.4412)	(0.6321)
38															0.4743
40															

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Impact of Prior Year Development on Calendar Year Loss Ratios
By Company
Private Passenger Auto Liability

Exhibit 2
PPAL

Calendar Year Change in Reserves as a Percentage of Net Premiums Earned

Calendar Year	Group / Company																	High	Low	Average	Range	Std Dev
	1	2	3	4	5	6	8	9	15	18	19	20	21	25	33	38	40					
2000	-2.8%	2.2%	-3.2%	-1.4%	-1.6%	-0.1%	3.1%	-4.7%	-13.0%	9.4%	2.8%	-1.0%	-21.0%	2.4%	0.2%	-3.5%	37.5%	37.5%	-21.0%	0.3%	58.5%	0.1170
2001	-0.1%	-2.6%	-2.4%	-0.3%	0.2%	2.8%	-2.0%	-4.7%	-16.5%	2.5%	9.1%	-2.1%	2.9%	-1.1%	7.0%	0.3%	4.1%	9.1%	-16.5%	-0.2%	25.6%	0.0552
2002	1.0%	-1.3%	-1.1%	1.4%	3.1%	-0.8%	-0.2%	-4.8%	-11.5%	4.0%	13.5%	-4.1%	7.3%	-7.5%	10.0%	-3.7%	0.8%	13.5%	-11.5%	0.4%	24.9%	0.0616
2003	-1.4%	2.6%	8.1%	-3.5%	1.4%	-5.5%	-0.8%	-2.8%	-10.6%	-1.2%	-2.2%	1.7%	6.1%	-0.2%	6.4%	-4.8%	2.0%	8.1%	-10.6%	-0.3%	18.6%	0.0469
2004	-7.0%	1.8%	8.4%	-1.5%	-1.5%	-3.9%	-1.2%	-3.3%	-11.4%	-0.4%	-2.3%	-0.6%	5.2%	-0.6%	1.1%	-9.9%	-1.5%	8.4%	-11.4%	-1.7%	19.9%	0.0482
2005	-6.0%	9.4%	1.5%	-6.1%	-3.4%	-2.7%	-3.2%	-7.2%	-3.3%	2.0%	-4.1%	-1.1%	3.6%	-0.6%	20.4%	-16.5%	-5.4%	20.4%	-16.5%	-1.3%	36.8%	0.0781
2006	-5.4%	-8.5%	-0.9%	-2.1%	-3.7%	-1.9%	-2.6%	-6.3%	-12.5%	2.0%	-10.8%	0.6%	-2.8%	-5.0%	2.3%	-7.4%	-2.4%	2.3%	-12.5%	-4.0%	14.8%	0.0419
2007	-2.2%	-11.4%	-0.7%	-0.1%	-5.7%	1.2%	0.8%	-5.2%	-4.4%	-1.5%	-16.1%	3.4%	-1.2%	-1.8%	1.8%	-4.3%	-8.6%	3.4%	-16.1%	-3.3%	19.5%	0.0504
2008	0.6%	-11.5%	-1.2%	-5.8%	-4.4%	2.5%	0.7%	-2.7%	-1.2%	-6.7%	-5.9%	-7.4%	-0.9%	1.9%	-0.7%	-0.8%	-9.5%	2.5%	-11.5%	-3.1%	14.1%	0.0410
2009	1.3%	-14.0%	-5.0%	-3.7%	-4.5%	0.3%	-1.4%	-2.6%	-1.2%	-10.6%	-0.1%	-4.7%	5.7%	-0.2%	-3.3%	0.5%	3.2%	5.7%	-14.0%	-2.4%	19.8%	0.0474
2010	0.2%	-11.6%	-5.4%	-6.9%	-2.8%	-1.7%	-3.1%	-5.2%	-5.8%	-6.6%	-4.8%	-4.5%	7.3%	-4.0%	51.4%	-0.2%	-1.1%	51.4%	-11.6%	-0.3%	63.0%	0.1389
High	1.3%	9.4%	8.4%	1.4%	3.1%	2.8%	3.1%	-2.6%	-1.2%	9.4%	13.5%	3.4%	7.3%	2.4%	51.4%	0.5%	37.5%					
Low	-7.0%	-14.0%	-5.4%	-6.9%	-5.7%	-5.5%	-3.2%	-7.2%	-16.5%	-10.6%	-16.1%	-7.4%	-21.0%	-7.5%	-3.3%	-16.5%	-9.5%					
Average	-2.0%	-4.1%	-0.2%	-2.7%	-2.1%	-0.9%	-0.9%	-4.5%	-8.3%	-0.6%	-1.9%	-1.8%	1.1%	-1.5%	8.8%	-4.6%	1.7%					
Range	8.2%	23.4%	13.9%	8.3%	8.8%	8.4%	6.3%	4.7%	15.4%	20.0%	29.5%	10.8%	28.3%	9.9%	54.7%	16.9%	47.0%					
Std Dev	0.0297	0.0770	0.0461	0.0272	0.0272	0.0261	0.0192	0.0151	0.0529	0.0566	0.0831	0.0317	0.0815	0.0294	0.1556	0.0511	0.1268					

Correlation

Group / Company	Group / Company																
	1	2	3	4	5	6	8	9	15	18	19	20	21	25	33	38	40
1		(0.5414)	(0.5579)	(0.0065)	0.1819	0.5163	0.1901	0.4614	0.2156	(0.4181)	0.3904	(0.5757)	0.2017	(0.0845)	0.1048	0.8553	0.0100
2			0.5791	0.1024	0.5262	(0.5215)	(0.0161)	(0.3076)	(0.4164)	0.6842	0.3619	0.3293	(0.1136)	0.1435	(0.0057)	(0.7044)	0.3048
3				0.1098	0.3247	(0.6952)	(0.0430)	0.2062	(0.2284)	0.1713	(0.1001)	0.4870	0.2379	0.1334	(0.2578)	(0.5621)	(0.2104)
4					0.4304	0.1841	0.4052	(0.0060)	(0.6286)	0.5524	0.3660	0.3955	(0.1775)	(0.3258)	(0.5149)	0.1074	0.2444
5						(0.3209)	0.0231	0.1124	(0.6721)	0.4702	0.8022	(0.0095)	0.2101	(0.3435)	0.0709	0.0491	0.2725
6							0.3202	0.0486	0.1418	(0.0987)	0.0990	(0.4076)	(0.2768)	0.1584	(0.2258)	0.5728	0.0205
8								0.3615	(0.0593)	0.3337	0.0745	0.0581	(0.7028)	0.4330	(0.5384)	0.2815	0.5549
9									0.1555	(0.4949)	0.1631	(0.3312)	0.1466	0.4144	(0.4051)	0.5509	0.0405
15										(0.7279)	(0.4798)	(0.3534)	0.2290	0.2418	0.1115	(0.0093)	(0.4604)
18											0.3438	0.4286	(0.5683)	(0.0830)	(0.1636)	(0.3790)	0.5740
19												(0.4102)	0.1011	(0.1682)	(0.0107)	0.2379	0.4121
20													(0.1826)	(0.0356)	(0.1939)	(0.4394)	0.0568
21														(0.4660)	0.3531	(0.0226)	(0.7469)
25															(0.3729)	0.0209	0.3349
33																(0.0093)	(0.1547)
38																	0.1711
40																	

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Impact of Prior Year Development on Calendar Year Loss Ratios
By Company
Commercial Auto Liability

Exhibit 2
CAL

Calendar Year Change in Reserves as a Percentage of Net Premiums Earned																													
Calendar Year	Group / Company																								High	Low	Average	Range	Std Dev
	1	2	3	4	5	6	7	8	9	14	15	17	19	20	21	22	23	25	28	31	33	34	38	40					
2000	1.6%	34.9%	5.3%	0.1%	18.0%	7.0%	-1.3%	-0.9%	4.5%	-13.4%	-3.1%	12.6%	19.5%	45.6%	-2.0%	16.1%	3.6%	5.7%	5.0%	11.4%	23.1%	2.4%	6.7%	3.1%	45.6%	-13.4%	8.6%	59.0%	0.1277
2001	2.2%	-1.3%	17.0%	0.4%	20.2%	12.9%	-11.8%	-2.6%	0.6%	0.7%	12.1%	-2.6%	13.9%	8.0%	12.5%	3.5%	-2.2%	5.4%	40.7%	36.7%	-5.8%	6.8%	7.8%	6.0%	40.7%	-11.8%	7.5%	52.5%	0.1223
2002	2.4%	-6.1%	-4.9%	4.3%	1.6%	8.3%	-7.9%	3.7%	7.6%	3.3%	-8.4%	-3.4%	20.0%	0.1%	18.4%	1.4%	7.2%	0.9%	-3.8%	15.5%	-7.3%	14.5%	11.0%	6.3%	20.0%	-8.4%	3.5%	28.4%	0.0823
2003	5.6%	-3.8%	-11.7%	4.1%	0.2%	3.6%	-12.6%	0.2%	-6.2%	-2.1%	-20.5%	-8.2%	1.4%	-10.6%	13.8%	3.9%	4.5%	-3.0%	0.8%	5.9%	7.8%	7.2%	5.0%	-6.4%	13.8%	-20.5%	-0.9%	34.4%	0.0793
2004	2.2%	0.4%	8.6%	4.9%	-4.2%	5.2%	-18.5%	-2.6%	-9.6%	-0.3%	13.8%	-0.2%	2.9%	-11.7%	7.0%	7.0%	5.1%	-3.9%	3.5%	11.9%	7.9%	9.2%	-1.7%	3.6%	13.8%	-18.5%	1.7%	32.2%	0.0755
2005	0.6%	-1.9%	3.3%	3.2%	-3.0%	12.6%	-9.0%	-4.0%	-9.9%	1.3%	5.2%	-9.2%	-4.3%	-4.8%	5.9%	10.7%	-5.6%	-2.6%	16.7%	-7.8%	2.7%	15.7%	-8.8%	-0.6%	16.7%	-9.9%	0.3%	26.6%	0.0780
2006	-8.4%	-3.3%	-1.6%	1.9%	-7.3%	15.2%	-7.9%	0.1%	-16.3%	3.7%	-8.3%	4.0%	-11.1%	-4.9%	6.8%	-0.1%	-12.9%	4.9%	-1.1%	5.8%	-1.4%	11.6%	-11.2%	-5.0%	15.2%	-16.3%	-2.0%	31.4%	0.0782
2007	-7.9%	-7.1%	1.9%	-3.9%	-5.3%	13.3%	-7.7%	6.0%	-7.7%	8.4%	-12.8%	-5.1%	-22.8%	-6.0%	6.4%	-2.1%	-7.6%	1.2%	-10.8%	-5.2%	-6.5%	3.5%	-15.0%	1.2%	13.3%	-22.8%	-3.8%	36.2%	0.0805
2008	-4.9%	-12.4%	-11.2%	-3.3%	-3.1%	19.9%	-10.1%	1.9%	-12.4%	10.2%	19.1%	4.0%	-12.7%	-2.2%	0.1%	-0.9%	-10.4%	-0.3%	3.9%	-12.2%	-2.8%	1.0%	-10.4%	-3.8%	19.9%	-12.7%	-2.2%	32.6%	0.0912
2009	-10.6%	-9.6%	2.3%	-6.0%	-7.4%	14.5%	-12.3%	-4.1%	-16.1%	29.7%	32.9%	-13.9%	-16.8%	-5.8%	4.8%	4.4%	-9.3%	-4.4%	1.6%	7.9%	23.0%	-11.8%	-15.2%	-2.3%	32.9%	-16.8%	-1.0%	49.8%	0.1400
2010	0.7%	-9.4%	-5.1%	-11.0%	-4.7%	10.3%	-16.3%	-7.6%	-13.8%	16.7%	7.2%	-2.9%	-7.2%	-9.6%	0.2%	-9.3%	-7.8%	-10.2%	-17.6%	-16.2%	17.0%	1.0%	-1.1%	5.3%	17.0%	-17.6%	-3.8%	34.7%	0.0969
High	5.6%	34.9%	17.0%	4.9%	20.2%	19.9%	-1.3%	6.0%	7.6%	29.7%	32.9%	12.6%	20.0%	45.6%	18.4%	16.1%	7.2%	5.7%	40.7%	36.7%	23.1%	15.7%	11.0%	6.3%					
Low	-10.6%	-12.4%	-11.7%	-11.0%	-7.4%	3.6%	-18.5%	-7.6%	-16.3%	-13.4%	-20.5%	-13.9%	-22.8%	-11.7%	-2.0%	-9.3%	-12.9%	-10.2%	-17.6%	-16.2%	-7.3%	-11.8%	-15.2%	-6.4%					
Average	-1.5%	-1.8%	0.4%	-0.5%	0.5%	11.2%	-10.5%	-0.9%	-7.2%	5.3%	3.4%	-2.3%	-1.6%	-0.2%	6.7%	3.2%	-3.2%	-0.6%	3.5%	4.9%	5.2%	5.5%	-3.0%	0.7%					
Range	16.1%	47.3%	28.7%	15.9%	27.7%	16.3%	17.2%	13.6%	23.8%	43.1%	53.5%	26.5%	42.8%	57.3%	20.3%	25.5%	20.0%	15.9%	58.3%	53.0%	30.3%	27.5%	26.2%	12.7%					
Std Dev	0.0543	0.1281	0.0851	0.0504	0.0963	0.0483	0.0463	0.0386	0.0814	0.1113	0.1572	0.0729	0.1455	0.1615	0.0621	0.0676	0.0715	0.0489	0.1514	0.1492	0.1148	0.0770	0.0960	0.0456					

Correlation																									
Group / Company	Group / Company																								
	1	2	3	4	5	6	7	8	9	14	15	17	19	20	21	22	23	25	28	31	33	34	38	40	
1																									
2	0.3265																								
3	0.0474	0.3660																							
4	0.4590	0.2678	0.1471																						
5	0.5138	0.6648	0.1596	0.2126																					
6	(0.7398)	(0.4318)	(0.0614)	(0.4431)	0.3961																				
7	(0.1648)	0.5867	(0.0066)	0.1550	0.1105	0.1905																			
8	(0.1927)	(0.0384)	(0.2480)	0.3266	(0.0193)	0.3961	0.1105																		
9	0.5992	0.5316	0.2402	0.4377	0.7562	0.0913	0.1105	0.4905																	
14	(0.6378)	(0.7162)	(0.2010)	(0.6904)	(0.6083)	(0.0850)	(0.4572)	0.4660	0.3645																
15	(0.3400)	(0.2166)	0.3028	(0.4054)	(0.0850)	0.4404	0.5071	0.4266	0.4660	0.3645															
17	0.1253	0.6454	0.0555	0.1103	0.4404	0.4404	0.5071	0.4266	0.4660	0.3645	0.5869														
19	0.7673	0.5905	0.2905	0.5207	0.7661	0.7661	0.5071	0.4266	0.4660	0.3645	0.5869	0.6110													
20	0.1763	0.8978	0.3230	0.0673	0.7661	0.7661	0.5071	0.4266	0.4660	0.3645	0.5869	0.6110	0.3840												
21	0.3475	0.8978	0.3230	0.0673	0.7661	0.7661	0.5071	0.4266	0.4660	0.3645	0.5869	0.6110	0.3840	0.5783											
22	0.2749	0.7547	0.0265	0.5931	0.7661	0.7661	0.5071	0.4266	0.4660	0.3645	0.5869	0.6110	0.3840	0.5783	0.3632										
23	0.7974	0.4429	0.1205	0.6117	0.7661	0.7661	0.5071	0.4266	0.4660	0.3645	0.5869	0.6110	0.3840	0.5783	0.3632	0.4883									
25	(0.0841)	0.4910	0.3672	0.4417	0.7661	0.7661	0.5071	0.4266	0.4660	0.3645	0.5869	0.6110	0.3840	0.5783	0.3632	0.4883	0.8009								
28	0.2630	0.1887	0.6447	0.4417	0.7661	0.7661	0.5071	0.4266	0.4660	0.3645	0.5869	0.6110	0.3840	0.5783	0.3632	0.4883	0.8009	0.3668							
31	0.2831	0.3103	0.6447	0.4417	0.7661	0.7661	0.5071	0.4266	0.4660	0.3645	0.5869	0.6110	0.3840	0.5783	0.3632	0.4883	0.8009	0.3668	0.4082						
33	0.0029	0.4318	0.0139	0.3762	0.7661	0.7661	0.5071	0.4266	0.4660	0.3645	0.5869	0.6110	0.3840	0.5783	0.3632	0.4883	0.8009	0.3668	0.4082	0.6436					
34	0.5033	0.0694	0.0403	0.7322	0.7661	0.7661	0.5071	0.4266	0.4660	0.3645	0.5869	0.6110	0.3840	0.5783	0.3632	0.4883	0.8009	0.3668	0.4082	0.6436	0.0160				
38	0.8597	0.4247	0.1226	0.3987	0.7661	0.7661	0.5071	0.4266	0.4660	0.3645	0.5869	0.6110	0.3840	0.5783	0.3632	0.4883	0.8009	0.3668	0.4082	0.6436	0.0160	0.4146			
40	0.3851	0.2231	0.5394	0.0999	0.7661	0.7661	0.5071	0.4266	0.4660	0.3645	0.5869	0.6110	0.3840	0.5783	0.3632	0.4883	0.8009	0.3668	0.4082	0.6436	0.0160	0.4146	0.9362		

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Impact of Prior Year Development on Calendar Year Loss Ratios
By Company
Workers Compensation

Exhibit 2
WC

Calendar Year Change in Reserves as a Percentage of Net Premiums Earned

Calendar Year	Group / Company																				High	Low	Average	Range	Std Dev					
	2	3	4	5	6	7	9	10	11	15	16	17	19	20	21	22	23	25	28	31						33	34	38	39	40
2000	-6.5%	0.2%	-0.1%	12.5%	-8.5%	-12.6%	13.7%	1.6%	-28.8%	-21.6%	3.6%	-7.3%	0.3%	-14.9%	-26.8%	-28.0%	10.4%	-1.2%	9.8%	-85.0%	2.1%	6.9%	-5.6%	-3.6%	65.0%	65.0%	-85.0%	-5.0%	150.0%	0.2488
2001	-0.4%	17.8%	17.2%	16.9%	-0.1%	-0.6%	15.6%	1.0%	-59.1%	-2.2%	5.5%	3.4%	10.2%	-0.9%	-6.3%	12.6%	6.2%	26.9%	-28.3%	6.0%	2.8%	2.2%	6.7%	-8.4%	14.3%	26.9%	-59.1%	2.4%	86.0%	0.1681
2002	1.5%	22.1%	10.1%	0.5%	2.5%	-0.6%	10.6%	6.7%	-9.3%	-5.0%	12.0%	1.4%	6.6%	0.7%	-8.1%	2.4%	7.2%	7.9%	15.4%	4.0%	10.3%	7.8%	-4.3%	0.1%	3.5%	22.1%	-9.3%	4.2%	31.4%	0.0721
2003	8.2%	29.0%	-1.1%	11.2%	7.0%	6.9%	10.4%	2.8%	-27.7%	-12.0%	1.2%	-4.6%	10.3%	4.0%	4.1%	7.0%	2.8%	8.8%	18.0%	8.3%	5.3%	22.7%	9.9%	-1.8%	-1.1%	29.0%	-27.7%	5.2%	56.7%	0.1084
2004	5.5%	7.2%	2.9%	-1.3%	13.3%	2.5%	-15.3%	-0.4%	-20.2%	-23.6%	2.4%	-10.9%	0.3%	3.9%	2.3%	13.4%	5.7%	0.0%	14.3%	-1.7%	-4.6%	20.6%	0.0%	0.1%	1.2%	20.6%	-23.6%	0.7%	44.3%	0.1015
2005	1.5%	2.1%	5.2%	4.7%	4.5%	0.5%	2.3%	-4.6%	-20.1%	-9.6%	-3.4%	-9.0%	-8.8%	14.1%	-17.4%	-0.9%	-3.7%	0.7%	28.7%	-4.4%	14.1%	25.0%	1.5%	-2.3%	-1.0%	28.7%	-20.1%	0.8%	48.8%	0.1107
2006	-5.7%	-0.8%	-2.1%	2.6%	5.8%	-1.1%	-8.4%	-17.5%	-3.0%	-9.2%	-3.2%	-12.8%	-15.6%	2.1%	-14.8%	-6.2%	-7.4%	-14.4%	10.3%	-3.7%	-0.3%	4.8%	-4.5%	6.5%	-1.9%	10.3%	-17.5%	-4.0%	27.8%	0.0735
2007	-7.3%	-12.2%	-14.9%	-1.9%	2.0%	-2.8%	-12.9%	-15.5%	-14.2%	-8.5%	0.7%	-16.3%	2.4%	0.8%	-24.4%	-7.0%	-10.9%	-10.8%	7.9%	-169.8%	2.9%	8.3%	-5.2%	1.2%	6.1%	8.3%	-169.8%	-12.1%	178.1%	0.3394
2008	-3.9%	-4.2%	-6.7%	0.2%	8.8%	-4.5%	-23.7%	-13.0%	-15.7%	-0.8%	-3.8%	-11.4%	-16.7%	3.0%	13.7%	-3.9%	-31.2%	-3.3%	19.2%	-6.9%	-3.2%	14.3%	-5.5%	2.6%	-11.8%	19.2%	-31.2%	-4.3%	50.4%	0.1137
2009	-3.9%	1.4%	-1.7%	-3.1%	-2.8%	-6.4%	2.0%	-1.9%	-3.5%	43.5%	-58.3%	-18.1%	-50.3%	15.1%	24.8%	-2.3%	-10.9%	-5.0%	-2.6%	-7.8%	7.2%	19.1%	-3.2%	7.1%	1.4%	43.5%	-58.3%	-2.4%	101.8%	0.2004
2010	-4.7%	4.4%	-2.6%	0.8%	7.6%	12.9%	-23.3%	5.8%	-9.0%	-10.7%	-2.9%	-20.7%	-39.1%	-8.7%	10.8%	-5.5%	-7.3%	-10.8%	8.6%	-1.2%	28.0%	17.2%	-11.3%	9.4%	3.5%	28.0%	-39.1%	-1.9%	67.1%	0.1399
High	8.2%	29.0%	17.2%	16.9%	13.3%	12.9%	15.6%	6.7%	-3.0%	43.5%	12.0%	3.4%	10.3%	15.1%	24.8%	13.4%	10.4%	26.9%	28.7%	8.3%	28.0%	25.0%	9.9%	9.4%	65.0%					
Low	-7.3%	-12.2%	-14.9%	-3.1%	-8.5%	-12.6%	-23.7%	-17.5%	-59.1%	-23.6%	-58.3%	-20.7%	-50.3%	-14.9%	-26.8%	-28.0%	-31.2%	-14.4%	-28.3%	-169.8%	-4.6%	2.2%	-11.3%	-8.4%	-11.8%					
Average	-1.4%	6.1%	0.6%	3.9%	3.6%	-0.5%	-2.6%	-3.2%	-19.1%	-5.4%	-4.2%	-9.7%	-9.1%	1.8%	-3.8%	-1.7%	-3.6%	-0.1%	9.2%	-23.8%	5.9%	13.5%	-2.0%	1.0%	7.2%					
Range	15.5%	41.2%	32.1%	20.0%	21.8%	25.5%	39.3%	24.2%	56.1%	67.1%	70.3%	24.1%	60.6%	30.0%	51.6%	41.4%	41.6%	41.3%	56.9%	178.2%	32.6%	22.8%	21.2%	17.8%	76.8%					
Std Dev	0.0510	0.1219	0.0844	0.0668	0.0599	0.0669	0.1470	0.0850	0.1584	0.1769	0.1856	0.0758	0.2001	0.0858	0.1649	0.1133	0.1196	0.1159	0.1471	0.5485	0.0918	0.0786	0.0608	0.0520	0.2017					

Correlation

Group / Company	Group / Company																													
	2	3	4	5	6	7	9	10	11	15	16	17	19	20	21	22	23	25	28	31	33	34	38	39	40					
2		0.7791	0.4628	0.2112	0.4778	0.4455	0.2938	0.4774	(0.2883)	(0.2187)	0.2264	0.4909	0.4415	0.3479	0.2191	0.7257	0.4173	0.5467	0.2187	0.5568	(0.0751)	0.5397	0.7418	(0.3862)	(0.3128)					
3			0.6698	0.4869	0.1078	0.4067	0.5866	0.7062	(0.4001)	(0.0932)	0.2677	0.7003	0.4229	0.0088	0.1960	0.5506	0.5806	0.7216	(0.1354)	0.6109	0.1321	0.1085	0.6478	(0.3914)	(0.0693)					
4				0.5394	(0.1177)	0.0751	0.6224	0.5855	(0.5744)	(0.0345)	0.2272	0.7658	0.3185	0.0331	(0.0130)	0.4630	0.6130	0.8043	(0.4034)	0.6209	0.0810	(0.1618)	0.4693	(0.5548)	0.1208					
5					(0.3899)	(0.0840)	0.6898	0.3193	(0.8513)	(0.3168)	0.3915	0.6687	0.5400	(0.3829)	(0.3427)	(0.0110)	0.5289	0.6988	(0.4053)	0.1313	(0.0794)	(0.2992)	0.5975	(0.7492)	0.5270					
6						0.6851	(0.6506)	(0.1449)	0.2141	(0.3119)	0.2521	(0.1766)	0.0188	0.2589	0.3469	0.6078	(0.3002)	(0.1571)	0.3973	0.3948	(0.0347)	0.4475	0.0741	0.2780	(0.7533)					
7							(0.3349)	0.3211	0.0572	(0.2343)	0.2292	(0.1393)	(0.0723)	0.0272	0.3213	0.5329	0.0328	0.0111	0.1195	0.4144	0.5776	0.4064	0.1134	0.2793	(0.5325)					
9								0.4467	(0.5216)	0.0821	0.0621	0.7366	0.4619	(0.0107)	(0.3237)	0.0079	0.7043	0.6804	(0.3199)	0.0965	(0.0663)	(0.2314)	0.5882	(0.6710)	0.4944					
10									(0.2857)	(0.0554)	0.0969	0.3665	0.0752	(0.2526)	0.2328	0.1908	0.6429	0.5134	(0.1373)	0.4087	0.4942	0.2174	0.1801	(0.2205)	0.2947					
11										0.2731	(0.3915)	(0.6749)	(0.6027)	0.2447	0.2288	(0.2914)	(0.4394)	(0.8427)	0.5613	(0.0580)	0.2140	0.2598	(0.6511)	0.8680	(0.3571)					
15											(0.8889)	(0.2499)	(0.6471)	0.5739	0.6044	0.0753	(0.3906)	(0.0311)	(0.3401)	0.1564	0.0943	0.0981	(0.0454)	0.3599	(0.2894)					
16												0.5314	0.7870	(0.5504)	(0.5998)	0.0688	0.3664	0.2850	0.1731	(0.0913)	(0.0715)	(0.3270)	0.1166	(0.4938)	0.1756					
17													0.7711	(0.0984)	(0.2980)	0.3440	0.5668	0.8696	(0.2460)	0.2869	(0.2669)	(0.3482)	0.6242	(0.8210)	0.2014					
19														(0.2443)	(0.6185)	0.2328	0.5284	0.5724	0.0023	(0.1820)	(0.4235)	(0.2994)	0.5611	(0.8186)	0.2347					
20															0.3697	0.5007	(0.3170)	0.0144	0.1709	0.2996	(0.1025)	0.5351	0.3679	0.1142	(0.6782)					
21																	0.4014	(0.4247)	0.0045	(0.1090)	0.5758	0.1513	0.4594	(0.0078)	0.4803	(0.5275)				
22																			0.1081	0.5323	(0.2211)	0.5358	(0.1012)	0.2619	0.6068	(0.2072)	(0.6549)			
23																				0.4986	(0.2131)	0.0709	0.0602	(0.1550)	0.3812	(0.5368)	0.5608			
25																					(0.4930)	0.3612	(0.1294)	(0.1554)	0.7344	(0.8110)	0.1231			
28																						(0.0029)	0.0890	0.5714	(0.1970)	0.2563	(0.2165)			
31																							0.1690	0.3151	0.3108	0.0716	(0.4081)			
33																								0.2791	(0.3097)	0.3609	(0.0615)			
34																									0.2020	0.2200	(0.3974)			
38																										(0.6815)	(0.1158)			
39																											(0.4009)			
40																														

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Impact of Prior Year Development on Calendar Year Loss Ratios
By Company
Commercial Multiple Peril

Exhibit 2
CMP

Calendar Year Change in Reserves as a Percentage of Net Premiums Earned

Calendar Year	Group / Company																				High	Low	Average	Range	Std Dev	
	1	2	3	4	5	6	7	9	17	19	20	21	22	23	25	28	31	33	34	38						40
2000	-6.2%	-2.9%	-1.5%	-7.3%	2.0%	-1.0%	-28.6%	45.4%	-2.6%	6.8%	-4.9%	6.3%	-0.3%	17.7%	1.2%	1.5%	13.2%	11.4%	4.0%	-6.7%	-32.2%	45.4%	-32.2%	0.7%	77.6%	0.1551
2001	4.0%	-3.6%	-16.3%	-7.1%	6.9%	0.9%	-9.1%	-12.4%	-11.9%	5.6%	0.7%	6.2%	2.5%	-2.0%	1.8%	28.8%	1.6%	-0.6%	8.0%	-3.0%	-5.7%	28.8%	-16.3%	-0.2%	45.1%	0.0946
2002	5.0%	2.0%	9.3%	5.5%	-0.8%	-8.1%	-0.2%	1.2%	8.5%	5.2%	1.1%	-7.6%	6.9%	10.8%	-4.5%	3.3%	-32.4%	-17.5%	24.1%	1.9%	-0.6%	24.1%	-32.4%	0.6%	56.5%	0.1118
2003	1.6%	-1.0%	17.9%	-0.3%	-3.1%	-2.7%	11.6%	-6.6%	-0.5%	9.9%	1.4%	13.1%	1.0%	18.0%	1.3%	30.7%	81.8%	10.2%	4.4%	-1.6%	2.6%	81.8%	-6.6%	9.0%	88.4%	0.1894
2004	8.2%	-10.0%	6.0%	-3.4%	-0.3%	-0.9%	4.0%	16.0%	-3.5%	-12.9%	-0.3%	12.7%	2.0%	8.8%	0.6%	-8.4%	11.3%	-1.6%	82.5%	-7.1%	3.3%	82.5%	-12.9%	5.1%	95.4%	0.1927
2005	1.2%	-12.0%	3.1%	5.4%	-4.6%	0.6%	-5.5%	-25.9%	-4.6%	-4.6%	-6.5%	-7.2%	2.3%	-4.0%	-1.3%	5.7%	-83.1%	-12.7%	-31.2%	-10.6%	1.3%	5.7%	-83.1%	-9.2%	88.8%	0.1930
2006	1.5%	-6.2%	1.3%	11.3%	2.3%	18.4%	1.0%	-3.8%	-0.1%	-1.3%	3.9%	-12.4%	2.6%	-5.1%	-0.5%	-1.3%	7.8%	-6.5%	-6.2%	-10.7%	3.7%	18.4%	-12.4%	0.0%	30.8%	0.0708
2007	-0.2%	-9.3%	-2.0%	-4.8%	-9.7%	4.8%	1.7%	-11.0%	-3.4%	-4.0%	-4.8%	-6.3%	-1.5%	-4.2%	-1.5%	-8.3%	6.8%	8.5%	-15.9%	-10.0%	1.1%	8.5%	-15.9%	-3.5%	24.4%	0.0611
2008	5.6%	-8.0%	-5.7%	9.6%	-10.2%	8.9%	5.8%	-6.8%	-2.6%	-6.4%	-10.6%	-6.4%	0.9%	-5.3%	2.5%	-29.5%	-17.4%	-18.0%	-14.7%	-21.2%	-10.1%	9.6%	-29.5%	-6.7%	39.1%	0.1014
2009	0.5%	-15.6%	-1.0%	-2.3%	-9.1%	-1.3%	4.8%	-11.7%	23.9%	9.8%	-7.5%	-20.9%	-7.5%	-3.5%	-0.6%	-11.4%	10.3%	16.1%	-8.9%	-9.6%	4.8%	23.9%	-20.9%	-1.9%	44.8%	0.1080
2010	-0.8%	-6.3%	-1.7%	-2.3%	-1.7%	-4.6%	-1.6%	-9.7%	41.6%	-13.8%	-7.5%	-22.7%	-11.2%	2.8%	-9.2%	-17.6%	-11.7%	3.0%	-11.5%	0.5%	6.3%	41.6%	-22.7%	-3.8%	64.3%	0.1266
High	8.2%	2.0%	17.9%	11.3%	6.9%	18.4%	11.6%	45.4%	41.6%	9.9%	3.9%	13.1%	6.9%	18.0%	2.5%	30.7%	81.8%	16.1%	82.5%	1.9%	6.3%					
Low	-6.2%	-15.6%	-16.3%	-7.3%	-10.2%	-8.1%	-28.6%	-25.9%	-11.9%	-13.8%	-10.6%	-22.7%	-11.2%	-5.3%	-9.2%	-29.5%	-83.1%	-18.0%	-31.2%	-21.2%	-32.2%					
Average	1.8%	-6.6%	0.9%	0.4%	-2.6%	1.4%	-1.5%	-2.3%	4.1%	-0.5%	-3.2%	-4.1%	-0.2%	3.1%	-0.9%	-0.6%	-1.1%	-0.7%	3.1%	-7.1%	-2.3%					
Range	14.4%	17.6%	34.2%	18.7%	17.0%	26.5%	40.2%	71.2%	53.5%	23.7%	14.6%	35.8%	18.1%	23.3%	11.7%	60.3%	164.9%	34.1%	113.7%	23.1%	38.5%					
Std Dev	0.0384	0.0509	0.0868	0.0654	0.0545	0.0720	0.1058	0.1880	0.1548	0.0856	0.0472	0.1233	0.0505	0.0915	0.0337	0.1809	0.3949	0.1185	0.3011	0.0652	0.1100					

Correlation

Group / Company	Group / Company																									
	1	2	3	4	5	6	7	9	17	19	20	21	22	23	25	28	31	33	34	38	40					
1																										
2	(0.0224)																									
3	0.0795	0.2488																								
4	0.3479	0.0173	0.2488																							
5	(0.0196)	0.5467	(0.2876)	0.4141																						
6	0.0342	(0.2515)	(0.2876)	0.4141	0.0894																					
7	0.6206	(0.2033)	0.3422	(0.1642)	0.3150	0.5477																				
9	(0.3179)	(0.2383)	(0.3068)	0.2471	0.2152	0.4421	(0.2018)																			
17	(0.2383)	(0.3068)	0.2471	0.2152	0.4421	(0.2018)	0.1709	(0.0522)	(0.1112)	(0.5808)	0.5407	(0.1099)	0.4759													
19	(0.3068)	0.2471	0.2152	0.4421	(0.2018)	0.1709	(0.0522)	(0.1112)	(0.5808)	0.5407	(0.1099)	0.4759														
20	0.2471	0.2152	0.4421	(0.2018)	0.1709	(0.0522)	(0.1112)	(0.5808)	0.5407	(0.1099)	0.4759															
21	0.2152	0.4421	(0.2018)	0.1709	(0.0522)	(0.1112)	(0.5808)	0.5407	(0.1099)	0.4759																
22	0.4421	(0.2018)	0.1709	(0.0522)	(0.1112)	(0.5808)	0.5407	(0.1099)	0.4759																	
23	(0.2018)	0.1709	(0.0522)	(0.1112)	(0.5808)	0.5407	(0.1099)	0.4759																		
25	0.1709	(0.0522)	(0.1112)	(0.5808)	0.5407	(0.1099)	0.4759																			
28	(0.0522)	(0.1112)	(0.5808)	0.5407	(0.1099)	0.4759																				
31	(0.1112)	(0.5808)	0.5407	(0.1099)	0.4759																					
33	(0.5808)	0.5407	(0.1099)	0.4759																						
34	0.5407	(0.1099)	0.4759																							
38	(0.1099)	0.4759																								
40	0.4759																									

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Impact of Prior Year Development on Calendar Year Loss Ratios
By Company
Medical Professional Liability

Exhibit 2
MM

Calendar Year Change in Reserves as a Percentage of Net Premiums Earned

Calendar Year	Group / Company																		High	Low	Average	Range	Std Dev
	9	12	13	20	22	24	26	27	28	29	30	31	32	33	34	35	36	37					
2000	-28.6%	-14.8%	-3.0%	-39.7%	309.6%	-38.7%	-1.7%	-28.6%	3.4%	17.5%	4.8%	102.6%	-41.6%	181.4%	159.9%	-11.8%	-7.7%	-0.5%	309.6%	-41.6%	31.3%	351.2%	0.9533
2001	-9.0%	-21.6%	63.0%	-0.2%	53.6%	-29.9%	-3.4%	3.0%	165.0%	-0.8%	7.5%	108.2%	-10.1%	379.3%	242.2%	4.4%	-20.3%	-28.5%	379.3%	-29.9%	50.1%	409.2%	1.1005
2002	22.2%	-18.0%	-59.4%	1.1%	9.5%	-18.9%	-4.9%	14.1%	59.2%	2.4%	2.0%	53.4%	-9.2%	89.3%	66.4%	4.6%	15.7%	26.9%	89.3%	-59.4%	14.2%	148.8%	0.3530
2003	6.1%	-21.3%	11.4%	-18.0%	-1.3%	-9.2%	-1.0%	19.0%	42.4%	1.6%	0.4%	-0.8%	4.8%	46.8%	111.7%	1.7%	11.9%	4.3%	111.7%	-21.3%	11.7%	133.0%	0.3027
2004	4.5%	-2.0%	6.0%	-60.9%	-3.3%	3.5%	2.0%	5.3%	14.0%	-4.6%	1.0%	30.3%	0.1%	-14.8%	-24.1%	-2.9%	-4.3%	13.6%	30.3%	-60.9%	-2.0%	91.2%	0.1862
2005	28.9%	-1.7%	5.6%	-66.5%	-35.6%	-16.2%	-4.5%	-7.6%	10.5%	-8.7%	-0.7%	3.6%	-5.9%	-21.4%	-27.1%	-0.4%	-4.9%	0.5%	28.9%	-66.5%	-8.5%	95.5%	0.2040
2006	-11.0%	-19.6%	4.5%	-51.4%	-2.1%	-27.7%	-4.4%	-12.3%	-11.2%	-14.0%	-4.0%	-3.0%	-25.9%	-17.4%	1.1%	-6.7%	-4.7%	-6.7%	4.5%	-51.4%	-12.0%	55.9%	0.1315
2007	-12.0%	-33.2%	-9.2%	-66.4%	-16.4%	-42.6%	-17.3%	-17.2%	-12.7%	-24.3%	-14.9%	20.0%	-22.9%	-28.2%	-72.3%	-13.3%	-25.3%	-16.5%	20.0%	-72.3%	-23.6%	92.2%	0.2086
2008	-13.6%	-55.2%	-4.5%	-44.8%	-8.0%	-35.7%	-28.8%	-17.3%	-2.0%	-43.2%	-7.8%	-52.3%	-45.6%	-43.6%	-23.9%	-28.8%	-40.2%	-12.0%	-2.0%	-55.2%	-28.2%	53.2%	0.1755
2009	-16.7%	-23.3%	-11.5%	-31.5%	-8.4%	-45.6%	-24.0%	-29.6%	-10.5%	-78.4%	-10.7%	-32.2%	-44.6%	-21.2%	-28.6%	-37.1%	-32.7%	-17.2%	-8.4%	-78.4%	-28.0%	70.0%	0.1689
2010	-29.0%	-45.8%	-32.1%	-38.8%	-5.1%	-43.8%	-35.9%	-56.6%	-17.9%	-33.2%	-15.0%	-5.7%	-35.4%	-26.7%	-28.1%	-36.1%	-26.7%	-15.3%	-5.1%	-56.6%	-29.3%	51.5%	0.1362
High	28.9%	-1.7%	63.0%	1.1%	309.6%	3.5%	2.0%	19.0%	165.0%	17.5%	7.5%	108.2%	4.8%	379.3%	242.2%	4.6%	15.7%	26.9%					
Low	-29.0%	-55.2%	-59.4%	-66.5%	-35.6%	-45.6%	-35.9%	-56.6%	-17.9%	-78.4%	-15.0%	-52.3%	-45.6%	-43.6%	-72.3%	-37.1%	-40.2%	-28.5%					
Average	-5.3%	-23.3%	-2.7%	-37.9%	26.6%	-27.7%	-11.3%	-11.6%	21.8%	-16.9%	-3.4%	20.4%	-21.5%	47.6%	34.3%	-11.5%	-12.7%	-4.7%					
Range	57.9%	53.6%	122.4%	67.7%	345.3%	49.1%	37.9%	75.6%	182.8%	95.9%	22.5%	160.5%	50.4%	422.9%	314.4%	41.7%	55.8%	55.4%					
Std Dev	0.1883	0.1634	0.2985	0.2404	0.9633	0.1587	0.1298	0.2194	0.5321	0.2679	0.0773	0.5066	0.1847	1.2917	0.9842	0.1570	0.1788	0.1577					

Correlation

Group / Company	Group / Company																	
	9	12	13	20	22	24	26	27	28	29	30	31	32	33	34	35	36	37
9																		
12	0.5711																	
13	(0.0800)	0.0603																
20	0.0266	(0.0864)	0.0603															
22		0.0993	0.1531	0.0603														
24		0.1474	(0.0051)	0.1213	0.0603													
26			(0.2248)	0.2890	(0.1863)	0.0783												
27				0.7742	0.2533	0.5318	0.5697											
28					0.7553	0.4368	0.7771	0.8365	0.5969									
29						0.5603	0.5075	0.6533	0.2470	0.8008	0.2778							
30							0.4209	0.6904	0.6386	0.4801	0.8720	0.8029						
31								0.7480	0.7353	0.5835	0.5089	0.5918	0.8208					
32									0.7026	0.5045	0.7149	0.7911	0.7771	0.6053				
33										0.2763	0.8526	0.7708	0.5848	0.3705	0.0902			
34											0.1830	0.2238	0.8344	0.7310	0.4746			
35												0.9392	0.4715	0.1572	(0.2053)			
36													0.5041	0.3247	(0.0580)	0.4762		
37														0.7869	0.4762	0.7956		

**Impact of Prior Year Development on Calendar Year Loss Ratios
By Group/Company and Line
Group/Company No. 4**

**Exhibit 3
Page 1**

Calendar Year Change in Reserves as a Percentage of Net Premiums Earned

Calendar Year	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
2000	1.2%	-1.4%	0.1%	-0.1%	-7.3%	
2001	-1.2%	-0.3%	0.4%	17.2%	-7.1%	
2002	2.7%	1.4%	4.3%	10.1%	5.5%	
2003	-2.2%	-3.5%	4.1%	-1.1%	-0.3%	
2004	1.8%	-1.5%	4.9%	2.9%	-3.4%	
2005	1.1%	-6.1%	3.2%	5.2%	5.4%	
2006	-0.7%	-2.1%	1.9%	-2.1%	11.3%	
2007	-0.3%	-0.1%	-3.9%	-14.9%	-4.8%	
2008	3.6%	-5.8%	-3.3%	-6.7%	9.6%	
2009	3.5%	-3.7%	-6.0%	-1.7%	-2.3%	
2010	6.2%	-6.9%	-11.0%	-2.6%	-2.3%	

Correlation

Line of Business	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
HMP/FMP		(0.4678)	(0.6357)	(0.1381)	0.0829	
PPAL			0.4682	0.2705	(0.2791)	
CAL				0.4574	0.2086	
WC					(0.0990)	
CMP						
MM						

**Impact of Prior Year Development on Calendar Year Loss Ratios
By Group/Company and Line
Group/Company No. 5**

**Exhibit 3
Page 2**

Calendar Year Change in Reserves as a Percentage of Net Premiums Earned

Calendar Year	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
2000	0.9%	-1.6%	18.0%	12.5%	2.0%	
2001	4.0%	0.2%	20.2%	16.9%	6.9%	
2002	3.6%	3.1%	1.6%	0.5%	-0.8%	
2003	-0.8%	1.4%	0.2%	11.2%	-3.1%	
2004	-2.6%	-1.5%	-4.2%	-1.3%	-0.3%	
2005	-4.2%	-3.4%	-3.0%	4.7%	-4.6%	
2006	0.0%	-3.7%	-7.3%	2.6%	2.3%	
2007	-1.9%	-5.7%	-5.3%	-1.9%	-9.7%	
2008	-0.9%	-4.4%	-3.1%	0.2%	-10.2%	
2009	-4.4%	-4.5%	-7.4%	-3.1%	-9.1%	
2010	1.0%	-2.8%	-4.7%	0.8%	-1.7%	

Correlation

Line of Business	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
HMP/FMP		0.6490	0.6343	0.5088	0.6685	
PPAL			0.4762	0.4862	0.5801	
CAL				0.8592	0.6510	
WC					0.6738	
CMP						
MM						

**Impact of Prior Year Development on Calendar Year Loss Ratios
By Group/Company and Line
Group/Company No. 19**

**Exhibit 3
Page 3**

Calendar Year Change in Reserves as a Percentage of Net Premiums Earned

Calendar Year	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
2000	2.1%	2.8%	19.5%	0.3%	6.8%	
2001	1.1%	9.1%	13.9%	10.2%	5.6%	
2002	3.4%	13.5%	20.0%	6.6%	5.2%	
2003	-4.3%	-2.2%	1.4%	10.3%	9.9%	
2004	-3.7%	-2.3%	2.9%	0.3%	-12.9%	
2005	-1.7%	-4.1%	-4.3%	-8.8%	-4.6%	
2006	-3.6%	-10.8%	-11.1%	-15.6%	-1.3%	
2007	-2.4%	-16.1%	-22.8%	2.4%	-4.0%	
2008	-3.0%	-5.9%	-12.7%	-16.7%	-6.4%	
2009	0.5%	-0.1%	-16.8%	-50.3%	9.8%	
2010	-1.3%	-4.8%	-7.2%	-39.1%	-13.8%	

Correlation

Line of Business	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
HMP/FMP		0.7594	0.6053	0.0205	0.4576	
PPAL			0.8463	0.2582	0.4741	
CAL				0.5628	0.3401	
WC					0.1994	
CMP						
MM						

**Impact of Prior Year Development on Calendar Year Loss Ratios
By Group/Company and Line
Group/Company No. 20**

**Exhibit 3
Page 4**

Calendar Year Change in Reserves as a Percentage of Net Premiums Earned

Calendar Year	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
2000	-2.2%	-1.0%	45.6%	-14.9%	-4.9%	-39.7%
2001	2.2%	-2.1%	8.0%	-0.9%	0.7%	-0.2%
2002	-1.6%	-4.1%	0.1%	0.7%	1.1%	1.1%
2003	-4.2%	1.7%	-10.6%	4.0%	1.4%	-18.0%
2004	-3.6%	-0.6%	-11.7%	3.9%	-0.3%	-60.9%
2005	-2.7%	-1.1%	-4.8%	14.1%	-6.5%	-66.5%
2006	0.2%	0.6%	-4.9%	2.1%	3.9%	-51.4%
2007	-4.4%	3.4%	-6.0%	0.8%	-4.8%	-66.4%
2008	-4.3%	-7.4%	-2.2%	3.0%	-10.6%	-44.8%
2009	-2.2%	-4.7%	-5.8%	15.1%	-7.5%	-31.5%
2010	-3.1%	-4.5%	-9.6%	-8.7%	-7.5%	-38.8%

Correlation

Line of Business	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
HMP/FMP		(0.0493)	0.2710	(0.0864)	0.5036	0.4915
PPAL			(0.0232)	(0.0432)	0.5303	(0.3130)
CAL				(0.6234)	(0.0701)	0.1662
WC					(0.0696)	(0.1763)
CMP						0.3667
MM						

**Impact of Prior Year Development on Calendar Year Loss Ratios
By Group/Company and Line
Group/Company No. 21**

**Exhibit 3
Page 5**

Calendar Year Change in Reserves as a Percentage of Net Premiums Earned

Calendar Year	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
2000	-4.6%	-21.0%	-2.0%	-26.8%	6.3%	
2001	1.2%	2.9%	12.5%	-6.3%	6.2%	
2002	0.4%	7.3%	18.4%	-8.1%	-7.6%	
2003	-2.6%	6.1%	13.8%	4.1%	13.1%	
2004	-3.3%	5.2%	7.0%	2.3%	12.7%	
2005	-5.4%	3.6%	5.9%	-17.4%	-7.2%	
2006	-2.2%	-2.8%	6.8%	-14.8%	-12.4%	
2007	-3.0%	-1.2%	6.4%	-24.4%	-6.3%	
2008	-0.1%	-0.9%	0.1%	13.7%	-6.4%	
2009	1.5%	5.7%	4.8%	24.8%	-20.9%	
2010	-1.4%	7.3%	0.2%	10.8%	-22.7%	

Correlation

Line of Business	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
HMP/FMP		0.4297	0.3055	0.6317	(0.3360)	
PPAL			0.5418	0.5849	(0.2356)	
CAL				(0.0539)	0.2955	
WC					(0.3066)	
CMP						
MM						

**Impact of Prior Year Development on Calendar Year Loss Ratios
By Group/Company and Line
Group/Company No. 28**

**Exhibit 3
Page 6**

Calendar Year Change in Reserves as a Percentage of Net Premiums Earned

Calendar Year	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
2000			5.0%	9.8%	1.5%	3.4%
2001			40.7%	-28.3%	28.8%	165.0%
2002			-3.8%	15.4%	3.3%	59.2%
2003			0.8%	18.0%	30.7%	42.4%
2004			3.5%	14.3%	-8.4%	14.0%
2005			16.7%	28.7%	5.7%	10.5%
2006			-1.1%	10.3%	-1.3%	-11.2%
2007			-10.8%	7.9%	-8.3%	-12.7%
2008			3.9%	19.2%	-29.5%	-2.0%
2009			1.6%	-2.6%	-11.4%	-10.5%
2010			-17.6%	8.6%	-17.6%	-17.9%

Correlation

Line of Business	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
HMP/FMP						
PPAL						
CAL				(0.5165)	0.5656	0.7879
WC					(0.3238)	(0.6449)
CMP						0.7230
MM						

**Impact of Prior Year Development on Calendar Year Loss Ratios
By Group/Company and Line
Group/Company No. 33**

**Exhibit 3
Page 7**

Calendar Year Change in Reserves as a Percentage of Net Premiums Earned

Calendar Year	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
2000	-7.2%	0.2%	23.1%	2.1%	11.4%	181.4%
2001	-10.5%	7.0%	-5.8%	2.8%	-0.6%	379.3%
2002	-4.4%	10.0%	-7.3%	10.3%	-17.5%	89.3%
2003	-0.8%	6.4%	7.8%	5.3%	10.2%	46.8%
2004	1.1%	1.1%	7.9%	-4.6%	-1.6%	-14.8%
2005	-2.1%	20.4%	2.7%	14.1%	-12.7%	-21.4%
2006	-7.9%	2.3%	-1.4%	-0.3%	-6.5%	-17.4%
2007	-16.5%	1.8%	-6.5%	2.9%	8.5%	-28.2%
2008	1.0%	-0.7%	-2.8%	-3.2%	-18.0%	-43.6%
2009	-1.2%	-3.3%	23.0%	7.2%	16.1%	-21.2%
2010	-4.7%	51.4%	17.0%	28.0%	3.0%	-26.7%

Correlation

Line of Business	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
HMP/FMP		0.0179	0.3398	(0.0110)	(0.2510)	(0.3516)
PPAL			0.1591	0.9073	(0.1052)	(0.1263)
CAL				0.2813	0.6555	(0.1233)
WC					0.0487	(0.1293)
CMP						0.1078
MM						

**Impact of Prior Year Development on Calendar Year Loss Ratios
By Group/Company and Line
Group/Company No. 34**

**Exhibit 3
Page 8**

Calendar Year Change in Reserves as a Percentage of Net Premiums Earned

Calendar Year	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
2000			2.4%	6.9%	4.0%	159.9%
2001			6.8%	2.2%	8.0%	242.2%
2002			14.5%	7.8%	24.1%	66.4%
2003			7.2%	22.7%	4.4%	111.7%
2004			9.2%	20.6%	82.5%	-24.1%
2005			15.7%	25.0%	-31.2%	-27.1%
2006			11.6%	4.8%	-6.2%	1.1%
2007			3.5%	8.3%	-15.9%	-72.3%
2008			1.0%	14.3%	-14.7%	-23.9%
2009			-11.8%	19.1%	-8.9%	-28.6%
2010			1.0%	17.2%	-11.5%	-28.1%

Correlation

Line of Business	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
HMP/FMP						
PPAL						
CAL				(0.0753)	0.2023	0.1426
WC					0.0198	(0.4588)
CMP						0.1491
MM						

**Impact of Prior Year Development on Calendar Year Loss Ratios
By Group/Company and Line
Group/Company No. 38**

**Exhibit 3
Page 9**

Calendar Year Change in Reserves as a Percentage of Net Premiums Earned

Calendar Year	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
2000	-0.8%	-3.5%	6.7%	-5.6%	-6.7%	
2001	0.3%	0.3%	7.8%	6.7%	-3.0%	
2002	-0.4%	-3.7%	11.0%	-4.3%	1.9%	
2003	-10.0%	-4.8%	5.0%	9.9%	-1.6%	
2004	-10.8%	-9.9%	-1.7%	0.0%	-7.1%	
2005	0.8%	-16.5%	-8.8%	1.5%	-10.6%	
2006	-8.6%	-7.4%	-11.2%	-4.5%	-10.7%	
2007	-0.7%	-4.3%	-15.0%	-5.2%	-10.0%	
2008	-3.8%	-0.8%	-10.4%	-5.5%	-21.2%	
2009	-4.3%	0.5%	-15.2%	-3.2%	-9.6%	
2010	0.5%	-0.2%	-1.1%	-11.3%	0.5%	

Correlation

Line of Business	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
HMP/FMP		0.1831	0.1272	(0.3409)	0.1447	
PPAL			0.1488	(0.2328)	0.1371	
CAL				0.3179	0.7212	
WC					0.1691	
CMP						
MM						

**Initial Net Held Ultimate Loss & LAE Ratios
Industry Composite
Accident Year Basis**

**Exhibit 4
Page 1**

12 Month Held / Premium Earned

Accident Year	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
1993	77.7%	86.5%	79.1%	80.7%	75.2%	155.7%
1994	82.2%	86.0%	81.5%	79.5%	81.5%	150.4%
1995	77.4%	81.5%	80.5%	79.6%	73.4%	154.6%
1996	82.7%	76.4%	78.0%	78.1%	78.0%	126.6%
1997	61.4%	72.4%	79.2%	80.4%	71.2%	124.1%
1998	68.2%	71.2%	77.7%	85.1%	78.4%	127.8%
1999	68.4%	75.2%	80.3%	87.4%	76.4%	117.8%
2000	72.6%	79.5%	79.2%	85.3%	72.4%	119.3%
2001	80.4%	79.1%	73.1%	79.6%	75.8%	98.1%
2002	68.3%	76.2%	66.6%	71.0%	59.7%	88.1%
2003	62.2%	70.2%	64.1%	72.0%	56.7%	83.2%
2004	59.6%	67.0%	61.7%	70.5%	60.2%	75.3%
2005	64.1%	66.8%	59.9%	68.5%	62.3%	69.1%
2006	51.0%	65.3%	61.0%	67.7%	52.2%	70.1%
2007	56.0%	68.7%	62.0%	70.5%	53.5%	70.9%
2008	78.4%	69.7%	62.7%	71.7%	68.6%	72.0%
2009	68.8%	73.2%	62.6%	74.0%	59.1%	76.1%
2010	68.4%	73.8%	64.4%	77.4%	63.8%	77.3%
High	82.7%	86.5%	81.5%	87.4%	81.5%	155.7%
Low	51.0%	65.3%	59.9%	67.7%	52.2%	69.1%
Average	69.3%	74.4%	70.7%	76.6%	67.7%	103.1%
Range	31.8%	21.2%	21.6%	19.7%	29.3%	86.6%
Std Dev	0.0924	0.0628	0.0849	0.0608	0.0933	0.3144

Correlation

Line of Business	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
HMP/FMP		0.7732	0.5872	0.4919	0.7921	0.6001
PPAL			0.7633	0.6133	0.7019	0.8186
CAL				0.8826	0.8801	0.9448
WC					0.8224	0.7487
CMP						0.8205
MM						

**Calendar Year Net Loss & LAE
Industry Composite
Calendar Year Basis**

**Exhibit 4
Page 2**

Calendar Year Incurred & DCC / Premium Earned

Calendar Year	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
1993	74.9%	77.5%	67.8%	74.1%	72.9%	85.4%
1994	77.5%	75.4%	70.1%	63.7%	81.1%	85.1%
1995	74.7%	71.4%	73.4%	64.3%	70.9%	90.7%
1996	82.1%	67.0%	73.2%	67.3%	77.9%	90.6%
1997	59.7%	64.3%	76.8%	67.5%	71.0%	95.8%
1998	66.3%	66.4%	77.1%	72.6%	79.4%	87.4%
1999	68.0%	72.0%	82.0%	78.5%	75.0%	99.1%
2000	71.9%	78.7%	81.3%	82.1%	69.9%	98.6%
2001	84.5%	79.1%	83.4%	84.5%	77.4%	117.5%
2002	72.9%	76.2%	69.1%	77.6%	63.7%	111.0%
2003	59.8%	68.6%	65.2%	77.9%	63.7%	103.0%
2004	57.1%	65.1%	62.0%	76.3%	64.1%	83.2%
2005	62.2%	64.5%	59.4%	73.9%	58.2%	68.3%
2006	48.8%	62.0%	58.8%	67.4%	54.2%	60.6%
2007	56.1%	67.3%	58.6%	68.6%	49.2%	53.2%
2008	78.6%	69.4%	60.0%	70.8%	61.4%	47.8%
2009	66.7%	71.9%	59.8%	76.9%	53.9%	48.7%
2010	68.3%	71.3%	60.5%	82.1%	59.7%	44.8%
High	84.5%	79.1%	83.4%	84.5%	81.1%	117.5%
Low	48.8%	62.0%	58.6%	63.7%	49.2%	44.8%
Average	68.3%	70.5%	68.8%	73.7%	66.9%	81.7%
Range	35.7%	17.1%	24.8%	20.8%	31.9%	72.8%
Std Dev	0.0973	0.0527	0.0874	0.0629	0.0958	0.2255

Correlation

Line of Business	Line of Business					
	HMP/ FMP	PPAL	CAL	WC	CMP	MM
HMP/FMP		0.6962	0.4818	0.1163	0.6256	0.3282
PPAL			0.4626	0.4665	0.3817	0.4023
CAL				0.2039	0.8132	0.7921
WC					(0.0572)	0.2121
CMP						0.6819
MM						

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Initial Net Held Ultimate Loss & LAE Ratios
Homeowners/Farmowners
Accident Year Basis

Exhibit 5
HMP/FMP
Page 1

Accident Year Loss Ratios by Company

Accident Year	Group / Company									High	Low	Average	Range	Std Dev
	4	5	19	20	21	28	33	34	38					
1993	70.2%	101.9%	68.8%	72.0%	75.6%		19.0%		67.6%	101.9%	19.0%	67.9%	82.8%	0.2457
1994	76.1%	107.0%	116.6%	75.3%	76.7%		14.0%		79.8%	116.6%	14.0%	77.9%	102.6%	0.3277
1995	71.9%	96.7%	66.9%	84.1%	83.4%		19.0%		64.9%	96.7%	19.0%	69.6%	77.7%	0.2493
1996	93.6%	91.1%	109.6%	99.5%	83.8%		19.9%		81.7%	109.6%	19.9%	82.7%	89.7%	0.2927
1997	61.7%	63.5%	58.6%	74.4%	78.9%		18.2%		55.3%	78.9%	18.2%	58.6%	60.7%	0.1975
1998	64.7%	72.8%	62.5%	94.2%	97.9%		24.9%		67.8%	97.9%	24.9%	69.3%	73.0%	0.2411
1999	66.4%	70.4%	69.0%	70.5%	83.1%		24.7%		66.3%	83.1%	24.7%	64.3%	58.4%	0.1839
2000	66.3%	78.7%	66.3%	90.9%	93.6%		25.9%		68.4%	93.6%	25.9%	70.0%	67.7%	0.2253
2001	72.0%	83.0%	66.4%	92.9%	105.1%		43.6%		67.5%	105.1%	43.6%	75.8%	61.5%	0.2006
2002	61.1%	63.7%	75.8%	88.8%	79.1%		57.9%		53.1%	88.8%	53.1%	68.5%	35.7%	0.1293
2003	60.7%	59.4%	73.0%	85.8%	71.5%		52.7%		53.7%	85.8%	52.7%	65.2%	33.2%	0.1204
2004	68.7%	54.0%	48.2%	87.8%	81.2%		51.9%		55.8%	87.8%	48.2%	63.9%	39.7%	0.1555
2005	49.1%	57.5%	41.3%	69.7%	62.8%		126.4%		47.8%	126.4%	41.3%	65.0%	85.1%	0.2876
2006	54.1%	50.2%	58.7%	71.1%	66.6%		41.8%		41.8%	71.1%	41.8%	54.9%	29.3%	0.1141
2007	55.9%	51.0%	53.3%	56.5%	76.7%		57.9%		41.7%	76.7%	41.7%	56.1%	35.1%	0.1058
2008	71.2%	75.8%	67.2%	90.1%	104.3%		110.9%		59.1%	110.9%	59.1%	82.7%	51.8%	0.1955
2009	71.2%	65.6%	68.8%	97.6%	91.6%		53.4%		57.0%	97.6%	53.4%	72.2%	44.2%	0.1665
2010	74.4%	61.5%	87.4%	84.3%	94.9%		57.3%		61.9%	94.9%	57.3%	74.5%	37.7%	0.1475
High	93.6%	107.0%	116.6%	99.5%	105.1%	0.0%	126.4%	0.0%	81.7%					
Low	49.1%	50.2%	41.3%	56.5%	62.8%	0.0%	14.0%	0.0%	41.7%					
Average	67.2%	72.4%	69.9%	82.5%	83.7%		45.5%		60.6%					
Range	44.4%	56.8%	75.3%	42.9%	42.3%	0.0%	112.4%	0.0%	40.0%					
Std Dev	0.0986	0.1745	0.1882	0.1167	0.1203		0.3113		0.1117					

Correlation

Group / Company	Group / Company								
	4	5	19	20	21	28	33	34	38
4		0.6544	0.7544	0.5882	0.4840		(0.4244)		0.8330
5			0.6159	0.2223	0.2321		(0.4901)		0.8431
19				0.3066	0.1438		(0.4344)		0.7332
20					0.6340		(0.0755)		0.4779
21							(0.0427)		0.4225
28									
33									(0.5446)
34									
38									

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

**Calendar Year Net Loss & LAE
Homeowners/Farmowners
Calendar Year Basis**

**Exhibit 5
HMP/FMP
Page 2**

Calendar Year Loss Ratios by Company

Accident Year	Group / Company									High	Low	Average	Range	Std Dev
	4	5	19	20	21	28	33	34	38					
1993	73.5%	76.1%	68.5%	68.4%	76.4%		20.5%		68.7%	76.4%	20.5%	64.6%	55.9%	0.1975
1994	79.9%	81.0%	115.3%	78.5%	78.6%		17.2%		74.7%	115.3%	17.2%	75.0%	98.1%	0.2901
1995	66.9%	74.8%	66.9%	81.7%	81.2%		73.6%		64.5%	81.7%	64.5%	72.8%	17.2%	0.0697
1996	97.9%	90.6%	108.0%	97.9%	84.2%		68.3%		83.5%	108.0%	68.3%	90.0%	39.7%	0.1289
1997	63.5%	65.0%	60.2%	74.5%	80.3%		48.2%		60.3%	80.3%	48.2%	64.6%	32.1%	0.1043
1998	62.6%	70.5%	61.6%	95.0%	96.2%		65.9%		67.0%	96.2%	61.6%	74.1%	34.6%	0.1497
1999	64.9%	69.5%	67.6%	70.6%	84.8%		55.8%		62.3%	84.8%	55.8%	67.9%	29.0%	0.0896
2000	62.7%	74.5%	65.3%	85.7%	88.5%		43.6%		66.4%	88.5%	43.6%	69.5%	44.9%	0.1523
2001	67.1%	83.6%	65.2%	100.7%	106.7%		42.4%		70.1%	106.7%	42.4%	76.5%	64.3%	0.2224
2002	64.8%	71.6%	85.8%	90.4%	84.8%		57.9%		63.7%	90.4%	57.9%	74.2%	32.5%	0.1278
2003	60.7%	60.9%	73.2%	84.9%	73.1%		56.1%		54.5%	84.9%	54.5%	66.2%	30.4%	0.1113
2004	70.2%	56.0%	46.6%	88.0%	85.4%		54.9%		44.4%	88.0%	44.4%	63.6%	43.6%	0.1781
2005	48.9%	52.9%	42.9%	67.2%	59.6%		132.0%		62.6%	132.0%	42.9%	66.6%	89.1%	0.3002
2006	50.3%	51.7%	57.4%	75.7%	65.4%		52.0%		34.4%	75.7%	34.4%	55.3%	41.3%	0.1297
2007	54.7%	52.6%	53.5%	53.1%	73.5%		60.3%		43.4%	73.5%	43.4%	55.9%	30.0%	0.0921
2008	70.6%	74.7%	64.1%	89.0%	102.3%		100.6%		56.1%	102.3%	56.1%	79.6%	46.2%	0.1800
2009	72.6%	60.6%	71.3%	97.2%	93.8%		70.2%		51.3%	97.2%	51.3%	73.8%	45.9%	0.1657
2010	81.3%	62.5%	86.1%	81.1%	93.5%		52.3%		62.4%	93.5%	52.3%	74.2%	41.3%	0.1512
High	97.9%	90.6%	115.3%	100.7%	106.7%	0.0%	132.0%	0.0%	83.5%					
Low	48.9%	51.7%	42.9%	53.1%	59.6%	0.0%	17.2%	0.0%	34.4%					
Average	67.4%	68.3%	70.0%	82.2%	83.8%		59.5%		60.6%					
Range	48.9%	38.9%	72.3%	47.6%	47.0%	0.0%	114.9%	0.0%	49.1%					
Std Dev	0.1156	0.1127	0.1877	0.1250	0.1210		0.2604		0.1183					

Correlation

Group / Company	Group / Company								
	4	5	19	20	21	28	33	34	38
4		0.6871	0.7682	0.4648	0.4347		(0.2982)		0.6177
5			0.6560	0.5026	0.5062		(0.3143)		0.8546
19				0.3197	0.1693		(0.4217)		0.6266
20					0.6933		(0.0011)		0.3333
21							(0.1256)		0.2821
28									
33									(0.1432)
34									
38									

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

**Initial Net Held Ultimate Loss & LAE Ratios
Private Passenger Auto Liability
Accident Year Basis**

**Exhibit 5
PPAL
Page 1**

Accident Year Loss Ratios by Company

Accident Year	Group / Company									High	Low	Average	Range	Std Dev
	4	5	19	20	21	28	33	34	38					
1993	80.6%	86.8%	75.7%	85.7%	75.0%		20.3%		68.0%	86.8%	20.3%	70.3%	66.5%	0.2298
1994	80.4%	92.7%	78.5%	86.4%	74.4%		17.7%		72.4%	92.7%	17.7%	71.8%	75.0%	0.2484
1995	74.2%	86.0%	76.8%	85.5%	76.5%		12.0%		68.9%	86.0%	12.0%	68.5%	74.1%	0.2568
1996	69.2%	72.6%	78.8%	89.3%	72.7%		7.2%		71.5%	89.3%	7.2%	65.9%	82.1%	0.2676
1997	64.0%	73.5%	74.0%	88.0%	72.6%		15.0%		70.4%	88.0%	15.0%	65.4%	72.9%	0.2333
1998	63.1%	74.4%	70.2%	83.2%	73.1%		14.4%		72.9%	83.2%	14.4%	64.5%	68.8%	0.2287
1999	65.8%	79.6%	74.5%	78.6%	75.1%		30.1%		76.6%	79.6%	30.1%	68.6%	49.5%	0.1758
2000	70.9%	84.1%	79.5%	81.5%	81.2%		33.3%		82.5%	84.1%	33.3%	73.3%	50.8%	0.1816
2001	80.7%	81.3%	79.9%	77.4%	77.4%		100.4%		79.1%	100.4%	77.4%	82.3%	23.0%	0.0813
2002	79.5%	79.3%	79.5%	79.8%	83.0%		97.0%		75.3%	97.0%	75.3%	81.9%	21.7%	0.0703
2003	70.1%	72.1%	73.0%	73.4%	82.4%		89.9%		68.6%	89.9%	68.6%	75.6%	21.3%	0.0769
2004	63.7%	65.5%	67.2%	69.2%	72.4%		73.0%		62.5%	73.0%	62.5%	67.6%	10.5%	0.0410
2005	63.2%	63.2%	61.7%	64.3%	73.0%		83.3%		60.1%	83.3%	60.1%	67.0%	23.3%	0.0831
2006	64.3%	63.3%	60.5%	64.3%	75.7%		70.7%		60.0%	75.7%	60.0%	65.5%	15.7%	0.0570
2007	70.0%	65.6%	61.7%	69.8%	84.5%		81.1%		63.5%	84.5%	61.7%	70.9%	22.8%	0.0873
2008	70.1%	64.9%	61.9%	66.4%	86.9%		77.8%		62.2%	86.9%	61.9%	70.0%	25.0%	0.0923
2009	72.9%	67.1%	66.0%	69.9%	85.2%		94.7%		64.2%	94.7%	64.2%	74.3%	30.5%	0.1140
2010	74.7%	67.9%	67.9%	70.3%	79.2%		52.4%		62.1%	79.2%	52.4%	67.8%	26.8%	0.0869
High	80.7%	92.7%	79.9%	89.3%	86.9%	0.0%	100.4%	0.0%	82.5%					
Low	63.1%	63.2%	60.5%	64.3%	72.4%	0.0%	7.2%	0.0%	60.0%					
Average	71.0%	74.5%	71.5%	76.8%	77.8%		53.9%		68.9%					
Range	17.6%	29.5%	19.4%	25.0%	14.5%	0.0%	93.3%	0.0%	22.6%					
Std Dev	0.0631	0.0912	0.0700	0.0851	0.0487		0.3452		0.0673					

Correlation

Group / Company	Group / Company								
	4	5	19	20	21	28	33	34	38
4		0.6396	0.5457	0.3206	0.3143		0.0870		0.3357
5			0.8514	0.7846	(0.1984)		(0.5161)		0.7327
19				0.8404	(0.2193)		(0.4188)		0.8587
20					(0.4031)		(0.7651)		0.6774
21							0.5881		(0.0716)
28									
33									(0.2982)
34									
38									

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Net Loss & LAE
Private Passenger Auto Liability
Calendar Year Basis

Exhibit 5
PPAL
Page 2

Calendar Year Loss Ratios by Company

Accident Year	Group / Company									High	Low	Average	Range	Std Dev
	4	5	19	20	21	28	33	34	38					
1993	78.7%	81.0%	72.0%	64.9%	88.6%		3.2%		73.0%	88.6%	3.2%	65.9%	85.4%	0.2865
1994	79.8%	74.8%	77.5%	83.5%	79.2%		3.0%		66.7%	83.5%	3.0%	66.3%	80.4%	0.2842
1995	81.3%	70.7%	79.2%	79.6%	72.4%		74.5%		70.8%	81.3%	70.7%	75.5%	10.6%	0.0448
1996	76.2%	67.4%	83.4%	91.2%	69.0%		71.0%		62.5%	91.2%	62.5%	74.4%	28.7%	0.0997
1997	74.6%	69.8%	79.7%	85.4%	69.5%		59.8%		63.5%	85.4%	59.8%	71.7%	25.6%	0.0892
1998	68.7%	66.0%	67.9%	85.8%	58.6%		63.0%		67.9%	85.8%	58.6%	68.3%	27.2%	0.0852
1999	73.6%	73.6%	68.4%	73.2%	74.9%		78.9%		65.9%	78.9%	65.9%	72.6%	13.0%	0.0429
2000	75.1%	78.3%	74.6%	83.3%	61.0%		76.4%		82.3%	83.3%	61.0%	75.9%	22.3%	0.0739
2001	78.6%	79.4%	85.3%	79.1%	78.3%		69.5%		85.5%	85.5%	69.5%	79.4%	16.0%	0.0535
2002	82.7%	85.4%	97.6%	76.7%	84.5%		92.7%		81.9%	97.6%	76.7%	85.9%	20.9%	0.0702
2003	72.6%	75.3%	80.6%	76.3%	80.3%		90.6%		78.4%	90.6%	72.6%	79.2%	18.0%	0.0579
2004	71.1%	70.7%	76.0%	67.5%	75.1%		77.3%		67.5%	77.3%	67.5%	72.2%	9.8%	0.0401
2005	61.4%	66.6%	75.2%	63.0%	75.5%		108.5%		57.7%	108.5%	57.7%	72.5%	50.8%	0.1723
2006	65.8%	61.6%	61.7%	64.3%	74.3%		73.4%		56.1%	74.3%	56.1%	65.3%	18.1%	0.0656
2007	74.9%	63.4%	51.3%	70.4%	83.8%		78.5%		57.2%	83.8%	51.3%	68.5%	32.5%	0.1174
2008	66.3%	62.6%	54.4%	62.4%	82.6%		73.4%		61.7%	82.6%	54.4%	66.2%	28.2%	0.0921
2009	72.2%	63.0%	71.8%	66.1%	87.6%		90.3%		63.9%	90.3%	63.0%	73.6%	27.2%	0.1111
2010	67.9%	64.8%	62.2%	65.8%	86.1%		101.1%		61.8%	101.1%	61.8%	72.8%	39.3%	0.1500
High	82.7%	85.4%	97.6%	91.2%	88.6%	0.0%	108.5%	0.0%	85.5%					
Low	61.4%	61.6%	51.3%	62.4%	58.6%	0.0%	3.0%	0.0%	56.1%					
Average	73.4%	70.8%	73.3%	74.4%	76.7%		71.4%		68.0%					
Range	21.4%	23.9%	46.2%	28.8%	30.0%	0.0%	105.5%	0.0%	29.4%					
Std Dev	0.0581	0.0706	0.1124	0.0915	0.0852		0.2783		0.0895					

Correlation

Group / Company	Group / Company								
	4	5	19	20	21	28	33	34	38
4		0.7058	0.5734	0.5313	0.1075		(0.4490)		0.6104
5			0.7183	0.3160	0.0559		(0.3123)		0.8600
19				0.5151	(0.1233)		(0.0179)		0.6542
20					(0.6445)		(0.2357)		0.3754
21							(0.0321)		(0.0793)
28									
33									(0.0995)
34									
38									

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Initial Net Held Ultimate Loss & LAE Ratios
Commercial Auto Liability
Accident Year Basis

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Accident Year Loss Ratios by Company

Accident Year	Group / Company									High	Low	Average	Range	Std Dev
	4	5	19	20	21	28	33	34	38					
1993	62.7%	68.7%	77.1%	76.6%	80.0%	75.7%	91.7%	78.7%	68.4%	91.7%	62.7%	75.5%	29.0%	0.0834
1994	64.6%	85.3%	86.5%	88.3%	86.2%	79.6%	90.8%	78.8%	70.3%	90.8%	64.6%	81.2%	26.3%	0.0877
1995	65.1%	88.1%	80.5%	80.7%	79.3%	82.0%	98.5%	78.3%	77.6%	98.5%	65.1%	81.1%	33.4%	0.0890
1996	71.3%	86.7%	82.6%	81.5%	84.0%	80.4%	109.9%	85.7%	75.9%	109.9%	71.3%	84.2%	38.6%	0.1078
1997	68.5%	96.0%	89.4%	80.0%	74.3%	92.2%	93.0%	95.3%	86.2%	96.0%	68.5%	86.1%	27.4%	0.0977
1998	84.8%	90.7%	75.6%	96.8%	76.3%	97.2%	76.6%	107.6%	90.4%	107.6%	75.6%	88.4%	31.9%	0.1111
1999	86.4%	104.9%	74.9%	94.5%	86.6%	94.2%	131.8%	93.5%	93.7%	131.8%	74.9%	95.6%	56.8%	0.1581
2000	79.6%	92.8%	85.1%	88.8%	89.0%	80.8%	124.8%	83.9%	84.6%	124.8%	79.6%	89.9%	45.2%	0.1371
2001	70.8%	71.1%	88.1%	70.4%	80.7%	103.7%	102.8%	75.9%	78.4%	103.7%	70.4%	82.4%	33.3%	0.1309
2002	58.2%	61.9%	73.3%	60.5%	68.5%	69.1%	91.7%	75.8%	61.4%	91.7%	58.2%	68.9%	33.5%	0.1047
2003	53.2%	54.6%	75.6%	59.7%	64.2%	59.1%	98.1%	67.6%	55.0%	98.1%	53.2%	65.2%	44.9%	0.1426
2004	47.5%	54.0%	65.0%	57.7%	61.8%	58.0%	59.7%	58.5%	53.9%	65.0%	47.5%	57.4%	17.6%	0.0508
2005	53.8%	55.2%	58.3%	57.1%	59.9%	60.7%	59.0%	66.2%	49.3%	66.2%	49.3%	57.7%	16.9%	0.0476
2006	48.1%	59.8%	58.0%	60.6%	63.5%	58.9%	63.5%	67.0%	50.6%	67.0%	48.1%	58.9%	18.9%	0.0611
2007	56.5%	60.2%	54.1%	59.8%	68.4%	62.0%	75.4%	66.8%	56.3%	75.4%	54.1%	62.2%	21.3%	0.0686
2008	51.4%	60.1%	58.4%	61.1%	61.9%	71.0%	70.9%	65.1%	57.3%	71.0%	51.4%	61.9%	19.6%	0.0633
2009	56.1%	56.8%	58.4%	56.3%	62.1%	67.6%	64.4%	64.2%	54.8%	67.6%	54.8%	60.1%	12.8%	0.0458
2010	55.8%	60.1%	62.5%	61.1%	62.1%	68.3%	64.8%	70.9%	59.1%	70.9%	55.8%	62.7%	15.1%	0.0466
High	86.4%	104.9%	89.4%	96.8%	89.0%	103.7%	131.8%	107.6%	93.7%					
Low	47.5%	54.0%	54.1%	56.3%	59.9%	58.0%	59.0%	58.5%	49.3%					
Average	63.0%	72.6%	72.4%	71.8%	72.7%	75.6%	87.1%	76.7%	68.0%					
Range	38.9%	50.8%	35.4%	40.5%	29.1%	45.7%	72.8%	49.0%	44.5%					
Std Dev	0.1190	0.1698	0.1189	0.1414	0.1018	0.1421	0.2189	0.1275	0.1457					

Correlation

Group / Company	Group / Company								
	4	5	19	20	21	28	33	34	38
4		0.8914	0.6450	0.9081	0.8268	0.8574	0.7449	0.8934	0.9506
5			0.7124	0.9426	0.8515	0.7962	0.7422	0.8704	0.9463
19				0.7044	0.7998	0.7252	0.7373	0.6392	0.7550
20					0.8797	0.7784	0.6857	0.8849	0.9194
21						0.7311	0.8484	0.6824	0.8333
28							0.6044	0.8073	0.9106
33								0.5619	0.7506
34									0.9075
38									

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Net Loss & LAE
Commercial Auto Liability
Calendar Year Basis

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Calendar Year Loss Ratios by Company

Accident Year	Group / Company									High	Low	Average	Range	Std Dev
	4	5	19	20	21	28	33	34	38					
1993	64.4%	73.8%	64.0%	55.6%	86.6%	88.8%	27.4%	68.7%	60.9%	88.8%	27.4%	65.6%	61.4%	0.1818
1994	57.4%	68.7%	88.2%	88.3%	94.7%	84.6%	39.1%	72.6%	68.2%	94.7%	39.1%	73.5%	55.6%	0.1769
1995	69.7%	81.9%	76.1%	80.4%	86.4%	75.8%	69.9%	73.5%	68.5%	86.4%	68.5%	75.8%	18.0%	0.0615
1996	78.4%	63.6%	79.4%	82.0%	83.1%	81.0%	154.5%	76.3%	74.7%	154.5%	63.6%	85.9%	90.8%	0.2636
1997	62.2%	74.6%	78.8%	72.9%	75.2%	74.9%	154.9%	90.6%	75.9%	154.9%	62.2%	84.4%	92.7%	0.2741
1998	60.1%	89.0%	62.5%	64.8%	64.8%	66.5%	72.8%	96.2%	85.1%	96.2%	60.1%	74.7%	36.0%	0.1276
1999	70.8%	89.9%	66.7%	88.8%	76.7%	90.3%	134.7%	80.4%	72.2%	134.7%	66.7%	85.6%	68.0%	0.2037
2000	72.1%	100.3%	87.2%	131.3%	73.9%	29.0%	164.9%	70.4%	77.4%	164.9%	29.0%	89.6%	135.9%	0.3916
2001	60.7%	98.9%	89.9%	84.2%	75.4%	155.0%	101.5%	66.5%	81.4%	155.0%	60.7%	90.4%	94.2%	0.2775
2002	61.1%	71.5%	98.1%	67.8%	77.6%	66.3%	64.2%	85.8%	76.8%	98.1%	61.1%	74.4%	37.0%	0.1176
2003	66.3%	63.1%	83.0%	52.8%	68.2%	68.4%	94.7%	69.2%	68.6%	94.7%	52.8%	70.5%	42.0%	0.1196
2004	64.5%	57.5%	78.4%	48.3%	58.8%	63.2%	91.6%	66.2%	59.6%	91.6%	48.3%	65.3%	43.3%	0.1271
2005	57.0%	55.4%	71.2%	57.9%	63.2%	77.6%	60.1%	80.0%	50.5%	80.0%	50.5%	63.7%	29.5%	0.1031
2006	54.9%	53.6%	60.0%	57.9%	66.3%	64.0%	67.5%	78.9%	45.8%	78.9%	45.8%	61.0%	33.1%	0.0958
2007	53.0%	60.0%	49.1%	57.9%	68.9%	54.2%	59.5%	70.6%	45.4%	70.6%	45.4%	57.6%	25.2%	0.0838
2008	51.1%	62.0%	51.4%	64.7%	55.8%	75.8%	58.8%	71.3%	50.5%	75.8%	50.5%	60.1%	25.3%	0.0912
2009	51.6%	54.8%	47.0%	56.0%	66.1%	76.3%	85.3%	56.2%	43.8%	85.3%	43.8%	59.7%	41.5%	0.1369
2010	45.0%	54.9%	55.6%	51.6%	62.3%	52.8%	82.1%	67.2%	57.8%	82.1%	45.0%	58.8%	37.1%	0.1079
High	78.4%	100.3%	98.1%	131.3%	94.7%	155.0%	164.9%	96.2%	85.1%					
Low	45.0%	53.6%	47.0%	48.3%	55.8%	29.0%	27.4%	56.2%	43.8%					
Average	61.1%	70.8%	71.5%	70.8%	72.5%	74.7%	88.0%	74.5%	64.6%					
Range	33.4%	46.7%	51.1%	83.0%	38.9%	126.0%	137.5%	40.0%	41.2%					
Std Dev	0.0849	0.1539	0.1522	0.2016	0.1054	0.2479	0.4009	0.0962	0.1325					

Correlation

Group / Company	Group / Company								
	4	5	19	20	21	28	33	34	38
4		0.5153	0.5704	0.5406	0.5018	0.0653	0.5689	0.1957	0.6110
5			0.4499	0.7830	0.3870	0.2949	0.3933	0.2632	0.7845
19				0.4627	0.4992	0.2132	0.2926	0.2202	0.7129
20					0.4455	(0.0290)	0.5509	0.1669	0.6001
21						0.2818	0.0006	0.0765	0.4341
28							(0.0936)	(0.1037)	0.2423
33								0.1364	0.4672
34									0.4883
38									

Casualty Actuarial Society E-Forum, Fall 2013

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

**Initial Net Held Ultimate Loss & LAE Ratios
Workers Compensation
Accident Year Basis**

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Accident Year Loss Ratios by Company

Accident Year	Group / Company									High	Low	Average	Range	Std Dev
	4	5	19	20	21	28	33	34	38					
1993	55.0%	61.9%	64.3%	67.6%	59.3%	66.4%	92.5%	69.7%	64.7%	92.5%	55.0%	66.8%	37.4%	0.1059
1994	61.5%	66.7%	53.3%	53.2%	60.0%	55.4%	84.7%	69.4%	68.3%	84.7%	53.2%	63.6%	31.5%	0.1006
1995	61.1%	71.8%	48.8%	54.3%	51.2%	60.4%	85.0%	64.6%	71.6%	85.0%	48.8%	63.2%	36.2%	0.1153
1996	62.4%	79.4%	48.2%	57.5%	54.7%	60.9%	82.9%	67.5%	74.7%	82.9%	48.2%	65.4%	34.6%	0.1168
1997	74.6%	95.2%	59.8%	65.2%	59.1%	85.6%	89.6%	75.6%	81.1%	95.2%	59.1%	76.2%	36.1%	0.1294
1998	82.4%	108.4%	68.5%	72.3%	55.2%	104.4%	90.9%	79.8%	93.7%	108.4%	55.2%	84.0%	53.2%	0.1725
1999	89.8%	119.4%	108.2%	84.4%	64.9%	97.2%	114.7%	92.7%	104.5%	119.4%	64.9%	97.3%	54.6%	0.1682
2000	85.3%	102.6%	94.6%	93.9%	66.6%	91.1%	103.8%	126.2%	115.6%	126.2%	66.6%	97.7%	59.6%	0.1725
2001	83.7%	74.7%	95.1%	86.5%	77.4%	124.4%	106.1%	98.1%	103.2%	124.4%	74.7%	94.4%	49.7%	0.1575
2002	62.3%	67.9%	77.9%	77.5%	78.6%	82.8%	81.7%	84.2%	88.1%	88.1%	62.3%	77.9%	25.8%	0.0811
2003	56.4%	66.7%	77.8%	75.3%	73.9%	75.9%	74.7%	76.9%	75.0%	77.8%	56.4%	72.5%	21.4%	0.0684
2004	55.1%	66.2%	62.6%	77.2%	67.7%	50.7%	71.0%	64.4%	64.1%	77.2%	50.7%	64.3%	26.5%	0.0790
2005	54.5%	60.0%	48.9%	73.1%	70.1%	52.9%	70.5%	56.7%	62.9%	73.1%	48.9%	61.1%	24.3%	0.0865
2006	54.9%	64.7%	56.6%	74.0%	68.5%	55.8%	70.8%	60.8%	65.4%	74.0%	54.9%	63.5%	19.1%	0.0691
2007	59.3%	73.1%	53.7%	76.6%	71.0%	65.3%	74.0%	75.7%	69.5%	76.6%	53.7%	68.7%	23.0%	0.0784
2008	60.8%	77.7%	60.9%	82.7%	83.5%	69.8%	84.0%	89.5%	76.6%	89.5%	60.8%	76.2%	28.7%	0.1030
2009	61.4%	83.7%	69.0%	85.2%	80.3%	76.4%	79.6%	79.2%	74.4%	85.2%	61.4%	76.6%	23.8%	0.0749
2010	64.3%	87.0%	84.7%	91.0%	80.4%	74.7%	81.9%	88.4%	77.9%	91.0%	64.3%	81.2%	26.7%	0.0816
High	89.8%	119.4%	108.2%	93.9%	83.5%	124.4%	114.7%	126.2%	115.6%					
Low	54.5%	60.0%	48.2%	53.2%	51.2%	50.7%	70.5%	56.7%	62.9%					
Average	65.8%	79.3%	68.5%	74.9%	67.9%	75.0%	85.5%	78.9%	79.5%					
Range	35.3%	59.4%	60.0%	40.7%	32.4%	73.7%	44.2%	69.6%	52.7%					
Std Dev	0.1176	0.1708	0.1778	0.1183	0.0985	0.1980	0.1256	0.1645	0.1546					

Correlation

Group / Company	Group / Company								
	4	5	19	20	21	28	33	34	38
4		0.8581	0.7140	0.3718	(0.1338)	0.8517	0.8795	0.7256	0.9262
5			0.5793	0.3562	(0.1652)	0.6201	0.6891	0.5968	0.7464
19				0.7347	0.3613	0.7517	0.7220	0.7867	0.8141
20					0.7378	0.4819	0.2685	0.7008	0.5311
21						0.1526	(0.1691)	0.3294	0.0695
28							0.7577	0.6945	0.8547
33								0.6924	0.8289
34									0.8813
38									

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

**Calendar Year Net Loss & LAE
Workers Compensation
Calendar Year Basis**

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Calendar Year Loss Ratios by Company

Accident Year	Group / Company									High	Low	Average	Range	Std Dev
	4	5	19	20	21	28	33	34	38					
1993	73.3%	85.8%	77.7%	83.2%	69.9%	75.7%	15.8%	80.3%	98.5%	98.5%	15.8%	73.4%	82.7%	0.2315
1994	66.3%	70.6%	56.8%	76.5%	66.9%	65.7%	21.2%	66.5%	77.9%	77.9%	21.2%	63.2%	56.7%	0.1692
1995	70.4%	62.6%	58.6%	60.9%	46.4%	54.1%	82.0%	53.7%	68.1%	82.0%	46.4%	61.9%	35.6%	0.1057
1996	67.4%	63.3%	37.9%	50.7%	53.8%	49.3%	65.0%	73.9%	92.3%	92.3%	37.9%	61.5%	54.5%	0.1596
1997	66.7%	73.6%	46.4%	67.4%	43.5%	36.6%	76.3%	63.3%	69.4%	76.3%	36.6%	60.4%	39.7%	0.1439
1998	65.3%	79.0%	42.1%	64.1%	59.3%	74.0%	52.9%	71.5%	76.3%	79.0%	42.1%	64.9%	36.9%	0.1200
1999	68.3%	83.9%	75.9%	66.0%	27.9%	76.4%	82.2%	53.4%	72.3%	83.9%	27.9%	67.4%	56.0%	0.1741
2000	63.6%	86.0%	80.1%	68.7%	62.1%	84.9%	87.9%	71.2%	76.3%	87.9%	62.1%	75.7%	25.8%	0.0974
2001	86.1%	96.6%	86.8%	75.4%	65.0%	63.3%	82.9%	72.3%	87.2%	96.6%	63.3%	79.5%	33.3%	0.1118
2002	67.7%	70.7%	79.8%	73.4%	69.4%	75.7%	74.1%	73.2%	75.4%	79.8%	67.7%	73.3%	12.0%	0.0363
2003	63.6%	87.3%	94.0%	74.7%	64.8%	109.5%	77.1%	74.8%	87.0%	109.5%	63.6%	81.4%	45.9%	0.1464
2004	68.5%	77.2%	85.8%	73.4%	81.4%	88.7%	87.6%	82.8%	88.8%	88.8%	68.5%	81.6%	20.3%	0.0720
2005	70.6%	81.7%	66.4%	84.0%	64.8%	106.0%	81.6%	95.1%	75.4%	106.0%	64.8%	80.6%	41.1%	0.1346
2006	64.2%	78.1%	59.9%	77.5%	72.5%	83.9%	71.9%	77.9%	80.1%	83.9%	59.9%	74.0%	24.0%	0.0776
2007	60.1%	81.7%	70.6%	78.7%	59.7%	92.3%	72.7%	85.2%	74.8%	92.3%	59.7%	75.1%	32.7%	0.1086
2008	52.5%	74.3%	63.8%	82.6%	85.2%	128.6%	73.4%	95.1%	82.2%	128.6%	52.5%	82.0%	76.1%	0.2147
2009	58.2%	79.1%	14.1%	113.3%	97.7%	85.9%	95.3%	91.8%	72.1%	113.3%	14.1%	78.6%	99.2%	0.2892
2010	62.5%	86.9%	48.1%	86.9%	89.5%	86.2%	115.1%	107.3%	70.3%	115.1%	48.1%	83.6%	66.9%	0.2092
High	86.1%	96.6%	94.0%	113.3%	97.7%	128.6%	115.1%	107.3%	98.5%					
Low	52.5%	62.6%	14.1%	50.7%	27.9%	36.6%	15.8%	53.4%	68.1%					
Average	66.4%	78.8%	63.6%	75.4%	65.5%	79.8%	73.0%	77.2%	79.1%					
Range	33.6%	34.0%	79.9%	62.7%	69.8%	92.0%	99.3%	53.9%	30.4%					
Std Dev	0.0693	0.0870	0.2042	0.1313	0.1685	0.2212	0.2364	0.1419	0.0853					

Correlation

Group / Company	Group / Company								
	4	5	19	20	21	28	33	34	38
4		0.2850	0.3865	(0.3053)	(0.3552)	(0.5044)	(0.1651)	(0.3890)	0.3080
5			0.4289	0.3754	0.1727	0.3485	0.1964	0.2906	0.1806
19				(0.2507)	(0.2058)	0.2957	(0.0728)	(0.1874)	0.3769
20					0.7484	0.4844	0.1795	0.6582	(0.1211)
21						0.5163	0.1783	0.8154	0.1735
28							0.1935	0.6246	0.1152
33								0.3021	(0.4784)
34									0.1045
38									

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Initial Net Held Ultimate Loss & LAE Ratios
Commercial Multiple Peril
Accident Year Basis

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Accident Year Loss Ratios by Company

Accident Year	Group / Company									High	Low	Average	Range	Std Dev
	4	5	19	20	21	28	33	34	38					
1993	67.5%	68.3%	63.9%	67.7%	69.2%	76.1%	44.5%	78.5%	65.4%	78.5%	44.5%	66.8%	34.0%	0.0963
1994	65.2%	70.4%	90.3%	73.6%	80.4%	83.1%	43.8%	93.3%	70.8%	93.3%	43.8%	74.5%	49.4%	0.1488
1995	59.9%	68.0%	63.1%	67.8%	76.7%	76.4%	59.4%	90.8%	62.9%	90.8%	59.4%	69.4%	31.4%	0.1023
1996	67.9%	85.8%	85.6%	80.1%	80.0%	85.6%	67.8%	99.2%	70.4%	99.2%	67.8%	80.3%	31.4%	0.1033
1997	63.3%	77.6%	68.8%	68.3%	83.1%	78.0%	55.1%	102.8%	65.2%	102.8%	55.1%	73.6%	47.7%	0.1392
1998	73.1%	79.5%	66.1%	77.9%	96.9%	102.4%	87.1%	110.1%	80.0%	110.1%	66.1%	85.9%	44.0%	0.1448
1999	74.5%	82.6%	74.4%	70.5%	94.3%	90.9%	73.7%	104.0%	79.2%	104.0%	70.5%	82.7%	33.6%	0.1140
2000	68.6%	81.1%	68.2%	79.0%	89.5%	79.5%	66.1%	108.7%	74.6%	108.7%	66.1%	79.5%	42.6%	0.1326
2001	69.6%	69.9%	79.3%	68.8%	80.6%	79.2%	71.7%	86.3%	73.0%	86.3%	68.8%	75.4%	17.4%	0.0612
2002	56.1%	56.3%	65.7%	59.9%	59.7%	62.2%	53.6%	89.6%	47.0%	89.6%	47.0%	61.1%	42.6%	0.1193
2003	50.1%	50.8%	72.7%	58.2%	50.7%	54.1%	45.0%	65.8%	42.8%	72.7%	42.8%	54.5%	29.8%	0.0965
2004	51.8%	48.7%	53.9%	53.2%	66.1%	53.0%	54.3%	68.3%	41.5%	68.3%	41.5%	54.5%	26.7%	0.0820
2005	48.1%	49.4%	47.4%	54.7%	48.9%	60.7%	50.4%	53.5%	56.1%	60.7%	47.4%	52.1%	13.2%	0.0442
2006	49.3%	48.7%	54.4%	50.1%	54.2%	48.2%	47.2%	51.3%	38.7%	54.4%	38.7%	49.1%	15.7%	0.0465
2007	55.3%	53.0%	54.7%	49.8%	55.2%	55.3%	40.0%	48.5%	45.4%	55.3%	40.0%	50.8%	15.4%	0.0539
2008	68.9%	75.1%	62.1%	67.0%	80.7%	65.8%	42.6%	49.5%	56.1%	80.7%	42.6%	63.1%	38.1%	0.1206
2009	56.5%	67.6%	56.9%	59.1%	75.9%	65.2%	47.2%	32.6%	52.0%	75.9%	32.6%	57.0%	43.3%	0.1255
2010	61.7%	70.6%	68.6%	74.0%	78.6%	65.9%	60.4%	46.0%	57.8%	78.6%	46.0%	64.8%	32.6%	0.0972
High	74.5%	85.8%	90.3%	80.1%	96.9%	102.4%	87.1%	110.1%	80.0%					
Low	48.1%	48.7%	47.4%	49.8%	48.9%	48.2%	40.0%	32.6%	38.7%					
Average	61.5%	66.9%	66.5%	65.5%	73.4%	71.2%	56.1%	76.6%	59.9%					
Range	26.4%	37.2%	42.9%	30.3%	48.0%	54.2%	47.1%	77.5%	41.3%					
Std Dev	0.0846	0.1265	0.1124	0.0975	0.1467	0.1462	0.1290	0.2498	0.1332					

Correlation

Group / Company	Group / Company								
	4	5	19	20	21	28	33	34	38
4									
5	0.9086								
19	0.5966	0.6063							
20	0.8374	0.9067	0.7121						
21	0.8974	0.9130	0.5064	0.8341					
28	0.8751	0.8600	0.5982	0.8542	0.8580				
33	0.6068	0.5889	0.3281	0.6309	0.6884	0.7375			
34	0.6207	0.5962	0.5874	0.6655	0.5989	0.7701	0.6548		
38	0.8841	0.8617	0.5931	0.8636	0.8419	0.9595	0.7041	0.7303	

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Net Loss & LAE
Commercial Multiple Peril
Calendar Year Basis

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Calendar Year Loss Ratios by Company

Accident Year	Group / Company									High	Low	Average	Range	Std Dev
	4	5	19	20	21	28	33	34	38					
1993	60.7%	90.0%	66.7%	66.3%	55.6%	72.4%	4.2%	78.8%	76.1%	90.0%	4.2%	63.4%	85.8%	0.2444
1994	72.5%	75.8%	74.7%	79.2%	64.1%	82.5%	202.5%	85.6%	69.4%	202.5%	64.1%	89.6%	138.4%	0.4285
1995	65.3%	69.6%	66.8%	76.8%	73.5%	72.7%	-18.7%	92.6%	67.2%	92.6%	-18.7%	62.9%	111.2%	0.3166
1996	74.1%	78.1%	82.1%	86.9%	77.7%	96.4%	102.8%	75.9%	77.4%	102.8%	74.1%	83.5%	28.6%	0.0997
1997	59.4%	75.7%	63.6%	56.1%	76.4%	90.6%	67.1%	69.3%	62.2%	90.6%	56.1%	68.9%	34.5%	0.1063
1998	70.1%	71.6%	66.1%	71.5%	76.0%	84.3%	140.6%	107.0%	82.1%	140.6%	66.1%	85.5%	74.4%	0.2398
1999	67.1%	76.4%	64.9%	67.4%	82.7%	91.1%	93.4%	54.8%	67.9%	93.4%	54.8%	74.0%	38.6%	0.1288
2000	52.3%	75.2%	70.5%	70.5%	98.3%	67.3%	104.1%	79.1%	62.5%	104.1%	52.3%	75.5%	51.8%	0.1649
2001	58.4%	89.9%	73.7%	71.3%	95.2%	109.1%	76.1%	76.2%	71.5%	109.1%	58.4%	80.2%	50.7%	0.1524
2002	51.2%	68.4%	71.1%	64.0%	59.9%	77.0%	36.5%	98.1%	59.8%	98.1%	36.5%	65.1%	61.6%	0.1712
2003	80.0%	50.4%	88.8%	59.9%	73.6%	93.7%	51.1%	74.6%	54.7%	93.7%	50.4%	69.6%	43.3%	0.1629
2004	53.0%	56.6%	46.4%	56.9%	88.9%	59.4%	67.6%	180.9%	49.6%	180.9%	46.4%	73.2%	134.5%	0.4226
2005	51.4%	51.9%	44.6%	49.9%	50.2%	70.5%	47.4%	63.5%	67.7%	70.5%	44.6%	55.2%	25.9%	0.0943
2006	64.0%	58.1%	57.0%	59.2%	50.9%	63.4%	44.4%	66.9%	42.0%	66.9%	42.0%	56.2%	24.9%	0.0874
2007	53.2%	47.8%	54.3%	51.1%	59.1%	57.5%	50.0%	43.3%	37.7%	59.1%	37.7%	50.4%	21.4%	0.0678
2008	79.9%	67.8%	59.3%	62.1%	76.3%	29.2%	18.5%	40.8%	37.5%	79.9%	18.5%	52.4%	61.4%	0.2166
2009	52.6%	62.2%	75.0%	57.2%	53.2%	57.1%	68.5%	30.3%	41.4%	75.0%	30.3%	55.3%	44.7%	0.1345
2010	60.6%	69.9%	55.4%	66.7%	54.2%	44.2%	66.9%	54.0%	57.7%	69.9%	44.2%	58.9%	25.8%	0.0812
High	80.0%	90.0%	88.8%	86.9%	98.3%	109.1%	202.5%	180.9%	82.1%					
Low	51.2%	47.8%	44.6%	49.9%	50.2%	29.2%	-18.7%	30.3%	37.5%					
Average	62.5%	68.6%	65.6%	65.2%	70.3%	73.2%	67.9%	76.2%	60.3%					
Range	28.8%	42.2%	44.2%	37.0%	48.1%	79.9%	221.2%	150.6%	44.6%					
Std Dev	0.0969	0.1227	0.1154	0.0983	0.1516	0.1986	0.5041	0.3294	0.1387					

Correlation

Group / Company	Group / Company								
	4	5	19	20	21	28	33	34	38
4		0.1177	0.4605	0.4602	0.1428	0.1368	0.1747	(0.1281)	0.1383
5			0.3538	0.6559	0.3675	0.3996	0.1884	0.0117	0.6460
19				0.5647	0.2418	0.5608	0.2528	(0.1591)	0.3009
20					0.3648	0.3944	0.3936	0.1469	0.6325
21						0.3742	0.2363	0.3949	0.2546
28							0.3398	0.1874	0.6817
33								0.1275	0.3438
34									0.2789
38									

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

**Initial Net Held Ultimate Loss & LAE Ratios
Medical Professional Liability
Accident Year Basis**

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Accident Year Loss Ratios by Company

Accident Year	Group / Company									High	Low	Average	Range	Std Dev
	4	5	19	20	21	28	33	34	38					
1993				61.4%		87.7%	44.2%	16.4%		87.7%	16.4%	52.4%	71.3%	0.2995
1994				97.6%		107.2%	44.0%	28.0%		107.2%	28.0%	69.2%	79.3%	0.3911
1995				140.3%		119.1%	171.2%	43.5%		171.2%	43.5%	118.5%	127.7%	0.5439
1996				104.3%		122.2%	189.7%	211.3%		211.3%	104.3%	156.9%	107.0%	0.5169
1997				138.5%		131.0%	190.7%	303.4%		303.4%	131.0%	190.9%	172.5%	0.7958
1998				155.2%		147.0%	212.8%	395.4%		395.4%	147.0%	227.6%	248.4%	1.1562
1999				176.8%		141.7%	174.9%	252.9%		252.9%	141.7%	186.6%	111.2%	0.4706
2000				161.8%		110.6%	154.6%	207.2%		207.2%	110.6%	158.5%	96.7%	0.3957
2001				98.1%		138.3%	183.8%	141.7%		183.8%	98.1%	140.5%	85.7%	0.3503
2002				89.7%		98.3%	62.3%	105.8%		105.8%	62.3%	89.0%	43.5%	0.1899
2003				63.9%		55.2%	39.3%	24.3%		63.9%	24.3%	45.7%	39.5%	0.1749
2004				47.0%		48.8%	43.4%	38.1%		48.8%	38.1%	44.3%	10.7%	0.0474
2005				33.8%		50.2%	38.2%	44.7%		50.2%	33.8%	41.7%	16.4%	0.0722
2006				46.2%		45.6%	46.7%	43.1%		46.7%	43.1%	45.4%	3.5%	0.0156
2007				44.4%		59.4%	47.9%	48.7%		59.4%	44.4%	50.1%	15.0%	0.0645
2008				67.9%		57.0%	55.0%	61.6%		67.9%	55.0%	60.4%	12.9%	0.0573
2009				62.9%		58.8%	67.2%	70.3%		70.3%	58.8%	64.8%	11.4%	0.0501
2010				100.6%		60.3%	79.3%	70.0%		100.6%	60.3%	77.6%	40.3%	0.1723
High	0.0%	0.0%	0.0%	176.8%	0.0%	147.0%	212.8%	395.4%	0.0%					
Low	0.0%	0.0%	0.0%	33.8%	0.0%	45.6%	38.2%	16.4%	0.0%					
Average				93.9%		91.0%	102.5%	117.0%						
Range	0.0%	0.0%	0.0%	143.0%	0.0%	101.4%	174.6%	379.0%	0.0%					
Std Dev				0.4454		0.3673	0.6732	1.1103						

Correlation

Group / Company	Group / Company								
	4	5	19	20	21	28	33	34	38
4									
5									
19									
20						0.8496	0.8356	0.7583	
21									
28							0.8789	0.7570	
33								0.8405	
34									
38									

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Net Loss & LAE
Medical Professional Liability
Calendar Year Basis

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Calendar Year Loss Ratios by Company

Accident Year	Group / Company									High	Low	Average	Range	Std Dev
	4	5	19	20	21	28	33	34	38					
1993				119.9%		62.3%	50.8%	73.6%		119.9%	50.8%	76.6%	69.1%	0.3031
1994				70.0%		108.9%	16.8%	80.9%		108.9%	16.8%	69.2%	92.0%	0.3853
1995				163.2%		94.1%	84.4%	87.8%		163.2%	84.4%	107.4%	78.8%	0.3741
1996				100.3%		114.3%	57.4%	92.9%		114.3%	57.4%	91.2%	56.9%	0.2425
1997				70.5%		107.9%	103.3%	132.2%		132.2%	70.5%	103.5%	61.7%	0.2537
1998				108.4%		86.3%	41.2%	165.9%		165.9%	41.2%	100.4%	124.7%	0.5182
1999				169.2%		108.9%	153.1%	246.4%		246.4%	108.9%	169.4%	137.5%	0.5730
2000				151.5%		65.7%	201.5%	261.0%		261.0%	65.7%	169.9%	195.3%	0.8265
2001				130.8%		255.3%	195.0%	345.4%		345.4%	130.8%	231.6%	214.6%	0.9132
2002				138.2%		129.9%	149.0%	158.6%		158.6%	129.9%	143.9%	28.7%	0.1251
2003				107.8%		110.2%	135.2%	173.4%		173.4%	107.8%	131.6%	65.6%	0.3047
2004				44.2%		77.8%	92.7%	27.1%		92.7%	27.1%	60.5%	65.6%	0.3009
2005				11.6%		70.1%	36.3%	29.3%		70.1%	11.6%	36.8%	58.5%	0.2450
2006				30.1%		50.5%	51.6%	59.9%		59.9%	30.1%	48.0%	29.7%	0.1263
2007				21.1%		44.7%	38.7%	-21.4%		44.7%	-21.4%	20.8%	66.0%	0.2983
2008				27.1%		60.3%	21.7%	53.2%		60.3%	21.7%	40.6%	38.7%	0.1906
2009				48.3%		51.4%	47.7%	49.2%		51.4%	47.7%	49.2%	3.8%	0.0164
2010				61.2%		42.7%	51.5%	40.9%		61.2%	40.9%	49.1%	20.3%	0.0933
High	0.0%	0.0%	0.0%	169.2%	0.0%	255.3%	201.5%	345.4%	0.0%					
Low	0.0%	0.0%	0.0%	11.6%	0.0%	42.7%	16.8%	-21.4%	0.0%					
Average				87.4%		91.2%	84.9%	114.3%						
Range	0.0%	0.0%	0.0%	157.6%	0.0%	212.7%	184.7%	366.8%	0.0%					
Std Dev				0.5134		0.4917	0.5840	0.9527						

Correlation

Group / Company	Group / Company								
	4	5	19	20	21	28	33	34	38
4									
5									
19									
20						0.4770	0.6872	0.7447	
21									
28							0.5920	0.7405	
33								0.8456	
34									
38									

Calendar Year Change in Accident Year Ultimate Losses Over Time
Industry Composite
Homeowners/Farmowners

Exhibit 6
HMP/FMP

Accident Year	Calendar Year Change in Ultimate Losses as a Percent of 12 Month Ultimate								
	Months of Maturity								
	12	24	36	48	60	72	84	96	108
	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>72</u>	<u>84</u>	<u>96</u>	<u>108</u>	<u>120</u>
1991	-0.6%	-0.6%	-0.3%	-0.4%	-0.2%	-0.3%	0.0%	-0.1%	0.0%
1992	0.4%	-1.3%	-0.2%	-0.2%	-0.1%	-0.1%	0.0%	0.0%	0.0%
1993	-0.4%	0.1%	0.1%	-0.2%	0.0%	-0.2%	0.1%	0.0%	0.0%
1994	-0.5%	-0.8%	-0.3%	-0.2%	-0.3%	0.0%	0.0%	0.1%	0.1%
1995	0.3%	-1.4%	-0.6%	-0.2%	-0.1%	0.0%	0.0%	0.0%	0.0%
1996	0.1%	-0.7%	-0.5%	-0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
1997	-2.0%	-0.8%	-1.1%	-0.2%	0.1%	0.0%	0.0%	0.0%	-0.1%
1998	0.9%	0.3%	-0.1%	0.2%	0.1%	0.0%	-0.1%	-0.1%	0.0%
1999	-0.1%	-0.1%	0.1%	-0.1%	-0.1%	0.0%	0.0%	0.2%	-0.1%
2000	6.3%	1.1%	-0.5%	0.0%	-0.1%	-0.1%	0.0%	0.0%	0.1%
2001	4.9%	0.1%	0.2%	-0.2%	-0.2%	-0.1%	0.0%	0.2%	0.0%
2002	-3.8%	-0.7%	-0.2%	-0.1%	-0.2%	-0.1%	0.0%	0.0%	
2003	-4.1%	-1.0%	-0.3%	-0.1%	-0.1%	0.0%	0.0%		
2004	-2.1%	-1.1%	0.0%	-0.2%	0.0%	0.0%			
2005	-2.2%	0.3%	0.5%	-0.3%	-0.1%				
2006	0.1%	-0.4%	-0.3%	-0.3%					
2007	0.3%	-3.0%	-0.5%						
2008	-0.9%	-0.3%							
2009	0.0%								
2010									
High	6.3%	1.1%	0.5%	0.2%	0.1%	0.0%	0.1%	0.2%	0.1%
Low	-4.1%	-3.0%	-1.1%	-0.4%	-0.3%	-0.3%	-0.1%	-0.1%	-0.1%
Average	-0.2%	-0.6%	-0.2%	-0.2%	-0.1%	-0.1%	0.0%	0.0%	0.0%
Range	10.4%	4.1%	1.6%	0.6%	0.3%	0.3%	0.1%	0.4%	0.2%
Std Dev	0.0248	0.0089	0.0036	0.0015	0.0011	0.0009	0.0003	0.0010	0.0006

Calendar Year Change in Accident Year Ultimate Losses Over Time
Industry Composite
Private Passenger Auto Liability

Exhibit 6
PPAL

Accident Year	Calendar Year Change in Ultimate Losses as a Percent of 12 Month Ultimate								
	Months of Maturity								
	12	24	36	48	60	72	84	96	108
	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>72</u>	<u>84</u>	<u>96</u>	<u>108</u>	<u>120</u>
1991	-3.1%	-2.2%	-1.7%	-1.1%	-1.0%	-0.5%	-0.1%	-0.2%	0.0%
1992	-3.7%	-3.0%	-2.0%	-1.5%	-0.8%	-0.3%	-0.1%	-0.1%	-0.1%
1993	-4.0%	-2.6%	-2.4%	-1.2%	-0.5%	-0.3%	-0.2%	-0.1%	0.0%
1994	-3.6%	-3.4%	-1.5%	-0.7%	-0.5%	-0.3%	-0.1%	0.0%	0.0%
1995	-3.9%	-2.6%	-0.9%	-0.7%	-0.3%	-0.1%	-0.1%	0.0%	0.1%
1996	-4.3%	-1.5%	-0.9%	-0.3%	-0.1%	0.1%	0.0%	0.0%	0.0%
1997	-2.9%	-1.1%	-0.4%	-0.2%	0.0%	-0.1%	0.0%	0.0%	0.0%
1998	-1.1%	-0.3%	-0.1%	0.0%	-0.2%	0.0%	-0.1%	0.0%	0.1%
1999	0.8%	-0.2%	0.2%	-0.2%	0.1%	0.1%	0.1%	0.0%	0.0%
2000	1.1%	0.1%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.0%
2001	-0.9%	-0.3%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
2002	-1.5%	-0.6%	-0.1%	-0.1%	0.0%	0.0%	-0.1%	0.0%	
2003	-3.2%	-1.2%	-0.4%	-0.1%	-0.1%	0.0%	-0.1%		
2004	-3.6%	-1.6%	-0.4%	-0.1%	-0.1%	0.0%			
2005	-3.2%	-1.2%	-0.3%	-0.3%	-0.2%				
2006	-0.7%	-0.4%	-0.5%	-0.6%					
2007	0.1%	-0.6%	-0.7%						
2008	-0.7%	-0.9%							
2009	-1.4%								
2010									
High	1.1%	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Low	-4.3%	-3.4%	-2.4%	-1.5%	-1.0%	-0.5%	-0.2%	-0.2%	-0.1%
Average	-2.1%	-1.3%	-0.7%	-0.4%	-0.2%	-0.1%	-0.1%	0.0%	0.0%
Range	5.3%	3.5%	2.6%	1.5%	1.1%	0.5%	0.3%	0.3%	0.1%
Std Dev	0.0172	0.0105	0.0077	0.0047	0.0032	0.0017	0.0008	0.0007	0.0004

**Calendar Year Change in Accident Year Ultimate Losses Over Time
Industry Composite
Commercial Auto Liability**

**Exhibit 6
CAL**

Accident Year	Calendar Year Change in Ultimate Losses as a Percent of 12 Month Ultimate								
	Months of Maturity								
	12 <u>24</u>	24 <u>36</u>	36 <u>48</u>	48 <u>60</u>	60 <u>72</u>	72 <u>84</u>	84 <u>96</u>	96 <u>108</u>	108 <u>120</u>
1991	-2.5%	-4.1%	-2.5%	-0.9%	-0.9%	-0.8%	-0.4%	-0.8%	-0.6%
1992	-3.8%	-2.3%	-2.2%	-1.2%	-1.3%	-0.9%	-0.7%	-0.9%	0.4%
1993	-2.0%	-1.1%	-0.9%	-1.0%	-0.9%	-0.7%	-0.6%	-0.3%	0.2%
1994	-0.7%	-0.2%	-1.2%	0.1%	-0.3%	-0.6%	-0.3%	0.1%	-0.1%
1995	-0.9%	0.1%	-0.2%	0.0%	0.3%	-0.5%	-0.1%	-0.1%	-0.2%
1996	1.6%	1.3%	1.5%	0.4%	0.4%	-0.1%	-0.5%	0.0%	0.1%
1997	2.0%	2.8%	2.4%	2.4%	0.4%	-0.2%	-0.4%	0.3%	0.3%
1998	3.6%	4.2%	4.1%	1.3%	0.6%	-1.0%	-0.2%	-0.2%	0.1%
1999	6.6%	3.4%	4.0%	1.1%	0.1%	0.8%	0.2%	-0.2%	0.0%
2000	2.9%	2.8%	2.0%	2.1%	2.1%	-0.3%	-0.4%	-0.1%	-0.1%
2001	-0.8%	3.4%	2.9%	2.5%	-0.9%	-0.9%	0.1%	0.1%	-0.4%
2002	-3.4%	1.8%	1.0%	-0.1%	-0.5%	-0.4%	0.0%	-0.6%	
2003	-3.8%	-0.3%	0.1%	-0.9%	-0.5%	-0.3%	-0.6%		
2004	-5.4%	-1.2%	-0.6%	-0.9%	0.3%	-0.8%			
2005	-2.2%	-1.0%	-0.4%	-0.2%	-0.2%				
2006	-2.3%	-0.8%	-0.4%	-0.6%					
2007	-1.6%	-1.4%	1.0%						
2008	-2.6%	0.8%							
2009	-3.9%								
2010									
High	6.6%	4.2%	4.1%	2.5%	2.1%	0.8%	0.2%	0.3%	0.4%
Low	-5.4%	-4.1%	-2.5%	-1.2%	-1.3%	-1.0%	-0.7%	-0.9%	-0.6%
Average	-1.0%	0.5%	0.6%	0.3%	-0.1%	-0.5%	-0.3%	-0.2%	0.0%
Range	12.0%	8.3%	6.6%	3.7%	3.4%	1.7%	0.8%	1.2%	1.0%
Std Dev	0.0305	0.0225	0.0198	0.0126	0.0084	0.0046	0.0027	0.0036	0.0029

**Calendar Year Change in Accident Year Ultimate Losses Over Time
Industry Composite
Workers Compensation**

**Exhibit 6
WC**

Accident Year	Calendar Year Change in Ultimate Losses as a Percent of 12 Month Ultimate								
	Months of Maturity								
	12 24	24 36	36 48	48 60	60 72	72 84	84 96	96 108	108 120
1991	1.2%	-2.5%	-2.3%	-1.2%	-0.3%	-0.4%	-0.4%	-0.6%	-0.3%
1992	-3.6%	-6.5%	-4.7%	-1.6%	-0.4%	-0.5%	-0.6%	-0.3%	-0.6%
1993	-4.3%	-4.5%	-4.7%	-1.0%	-1.2%	-1.0%	-1.0%	-0.5%	0.0%
1994	-4.7%	-4.1%	-4.1%	-2.1%	-0.8%	-1.1%	-0.2%	-0.2%	0.5%
1995	-4.3%	-3.2%	-2.8%	0.2%	-0.2%	-0.5%	-0.3%	0.5%	0.2%
1996	-2.6%	-1.8%	-0.7%	-0.4%	-0.2%	0.6%	1.4%	0.4%	2.2%
1997	1.7%	1.6%	0.2%	0.4%	1.9%	0.5%	1.7%	2.8%	0.8%
1998	1.6%	2.3%	2.3%	2.1%	2.6%	1.7%	3.3%	1.8%	1.0%
1999	2.9%	4.6%	3.0%	2.9%	2.5%	5.2%	1.6%	2.3%	-0.3%
2000	4.4%	3.1%	3.0%	3.3%	6.5%	2.9%	2.5%	0.6%	3.1%
2001	2.2%	0.8%	2.0%	9.0%	2.0%	3.3%	0.9%	3.8%	2.2%
2002	0.9%	1.3%	4.8%	1.4%	2.6%	0.2%	2.9%	1.7%	
2003	-6.0%	-5.4%	0.5%	1.7%	0.5%	1.7%	0.9%		
2004	-9.2%	-2.7%	-4.9%	-0.3%	-3.1%	-0.2%			
2005	-6.6%	-6.5%	-1.1%	-4.9%	-2.2%				
2006	-5.7%	-2.0%	-2.4%	-0.9%					
2007	-1.6%	-0.9%	0.3%						
2008	1.6%	1.6%							
2009	1.2%								
2010									
High	4.4%	4.6%	4.8%	9.0%	6.5%	5.2%	3.3%	3.8%	3.1%
Low	-9.2%	-6.5%	-4.9%	-4.9%	-3.1%	-1.1%	-1.0%	-0.6%	-0.6%
Average	-1.6%	-1.4%	-0.7%	0.5%	0.7%	0.9%	1.0%	1.0%	0.8%
Range	13.6%	11.1%	9.6%	13.9%	9.6%	6.3%	4.3%	4.4%	3.7%
Std Dev	0.0389	0.0335	0.0304	0.0305	0.0238	0.0186	0.0141	0.0143	0.0122

Calendar Year Change in Accident Year Ultimate Losses Over Time
Industry Composite
Commercial Multiple Peril

Exhibit 6
CMP

Accident Year	Calendar Year Change in Ultimate Losses as a Percent of 12 Month Ultimate								
	Months of Maturity								
	12	24	36	48	60	72	84	96	108
	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>72</u>	<u>84</u>	<u>96</u>	<u>108</u>	<u>120</u>
1991	-1.5%	0.0%	-1.2%	-0.6%	-0.8%	-0.1%	-0.2%	0.0%	0.2%
1992	-2.1%	-1.4%	-0.4%	-0.9%	-0.1%	0.0%	0.3%	-0.3%	0.1%
1993	-1.9%	-0.8%	-0.7%	-0.7%	0.0%	-0.2%	-0.6%	0.1%	0.3%
1994	-0.3%	-0.2%	0.9%	-0.1%	0.9%	-1.3%	0.2%	0.1%	1.0%
1995	-0.1%	-1.3%	0.1%	-0.3%	-0.3%	-0.2%	0.2%	1.2%	0.3%
1996	0.8%	1.5%	-0.3%	-0.4%	-0.4%	0.1%	1.3%	0.5%	0.1%
1997	1.0%	-0.6%	-0.8%	0.2%	0.0%	1.8%	0.7%	0.1%	0.7%
1998	2.0%	0.3%	1.3%	0.3%	2.3%	2.0%	0.2%	0.6%	0.0%
1999	1.3%	-1.6%	2.5%	2.9%	1.8%	0.2%	1.3%	-0.5%	0.0%
2000	2.9%	3.2%	1.3%	2.3%	1.6%	-0.1%	0.4%	-0.1%	-0.2%
2001	-2.5%	0.9%	1.9%	-1.0%	0.9%	0.5%	0.1%	0.0%	-0.1%
2002	-3.8%	1.4%	0.4%	-0.1%	-0.5%	-0.5%	0.0%	-0.1%	
2003	-5.9%	-2.4%	-0.4%	-1.1%	-1.0%	-0.3%	-0.5%		
2004	-6.7%	-1.1%	-2.7%	-1.9%	-0.7%	-0.5%			
2005	-1.0%	-3.3%	-3.6%	-1.0%	-0.8%				
2006	-2.5%	-4.3%	-2.0%	-1.1%					
2007	-2.1%	-2.6%	-1.0%						
2008	-1.9%	-1.4%							
2009	-1.9%								
2010									
High	2.9%	3.2%	2.5%	2.9%	2.3%	2.0%	1.3%	1.2%	1.0%
Low	-6.7%	-4.3%	-3.6%	-1.9%	-1.0%	-1.3%	-0.6%	-0.5%	-0.2%
Average	-1.4%	-0.8%	-0.3%	-0.2%	0.2%	0.1%	0.3%	0.1%	0.2%
Range	9.7%	7.5%	6.1%	4.8%	3.3%	3.3%	1.9%	1.7%	1.2%
Std Dev	0.0247	0.0183	0.0160	0.0124	0.0105	0.0086	0.0059	0.0044	0.0036

Calendar Year Change in Accident Year Ultimate Losses Over Time
Industry Composite
Medical Professional Liability

Exhibit 6
MM

Accident Year	Calendar Year Change in Ultimate Losses as a Percent of 12 Month Ultimate								
	Months of Maturity								
	12 24	24 36	36 48	48 60	60 72	72 84	84 96	96 108	108 120
1991	-1.6%	-4.5%	-4.7%	-3.8%	-5.5%	-1.2%	-1.9%	-1.4%	-1.0%
1992	-4.4%	-5.3%	-3.4%	-3.7%	-2.7%	-3.0%	-1.8%	-1.4%	-0.4%
1993	-4.8%	-1.8%	-5.5%	-2.6%	-1.4%	-2.0%	-2.0%	-1.0%	-0.1%
1994	-3.0%	0.5%	-4.7%	-4.4%	-3.3%	-1.8%	-0.8%	-0.2%	-0.2%
1995	0.7%	-1.1%	-1.8%	-2.6%	-1.2%	-0.5%	0.2%	1.0%	-0.2%
1996	0.1%	-3.0%	1.4%	-0.3%	2.4%	1.7%	-0.4%	0.3%	-0.9%
1997	-0.5%	3.1%	1.9%	5.8%	2.1%	-0.6%	0.1%	-0.7%	0.0%
1998	0.8%	3.9%	13.1%	2.6%	1.8%	-2.4%	1.9%	-0.7%	-1.0%
1999	4.7%	8.0%	3.3%	3.9%	-0.7%	1.4%	-0.2%	-1.7%	-1.0%
2000	2.9%	11.4%	8.4%	2.4%	0.0%	-1.2%	-0.6%	-0.7%	-0.6%
2001	5.7%	8.8%	3.7%	3.7%	-0.4%	-1.7%	-0.8%	-2.1%	-1.4%
2002	4.3%	1.5%	2.4%	-1.0%	-2.7%	-1.6%	-2.1%	-0.7%	
2003	-3.6%	-4.5%	-4.8%	-3.0%	-1.6%	-3.0%	-1.0%		
2004	-5.4%	-5.4%	-6.9%	-8.6%	-4.7%	-3.6%			
2005	-4.6%	-7.2%	-7.8%	-7.0%	-5.3%				
2006	-6.0%	-7.3%	-7.0%	-9.1%					
2007	-6.1%	-5.9%	-8.2%						
2008	-4.8%	-6.0%							
2009	-5.1%								
2010									
High	5.7%	11.4%	13.1%	5.8%	2.4%	1.7%	1.9%	1.0%	0.0%
Low	-6.1%	-7.3%	-8.2%	-9.1%	-5.5%	-3.6%	-2.1%	-2.1%	-1.4%
Average	-1.6%	-0.8%	-1.2%	-1.7%	-1.5%	-1.4%	-0.7%	-0.8%	-0.6%
Range	11.8%	18.6%	21.3%	15.0%	7.9%	5.3%	4.0%	3.1%	1.4%
Std Dev	0.0388	0.0581	0.0607	0.0450	0.0254	0.0153	0.0112	0.0086	0.0047

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 24 Months
By Group/Company
Homeowners/Farmowners

Exhibit 7
HMP/FMP

12 to 24 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company															High	Low	Average	Range	Std Dev
	1	2	3	4	5	6	15	18	19	20	21	25	33	38	40					
1991	1.3%	0.4%	-1.3%	-0.6%	-0.3%	-0.7%	-3.5%	1.7%	-1.5%	-5.3%	-2.6%	-3.9%	-0.1%	-3.1%	-4.0%	1.7%	-5.3%	-1.6%	7.1%	0.0210
1992	-2.3%	0.8%	-1.2%	1.6%	-1.4%	3.8%	-19.7%	-1.2%	-2.2%	-0.9%	-5.0%	-1.6%	-2.4%	-1.0%	-5.2%	3.8%	-19.7%	-2.5%	23.5%	0.0525
1993	0.6%	-2.4%	-3.6%	-0.2%	-1.3%	2.4%	-2.0%	-4.4%	-2.3%	-0.3%	-4.8%	-2.9%	-7.5%	-6.3%	-2.6%	2.4%	-7.5%	-2.5%	9.9%	0.0261
1994	0.9%	1.4%	-1.7%	-5.6%	-1.9%	0.8%	0.5%	-4.5%	1.3%	-4.1%	-6.3%	-0.1%	-6.9%	-0.9%	-0.8%	1.4%	-6.9%	-1.9%	8.3%	0.0290
1995	1.6%	2.9%	-0.3%	1.3%	-1.5%	1.5%	-3.3%	-7.6%	0.8%	0.1%	-3.7%	3.3%	-19.5%	-1.5%	-2.7%	3.3%	-19.5%	-1.9%	22.8%	0.0564
1996	1.6%	-1.4%	-2.1%	-0.2%	1.5%	0.9%	-3.6%	-8.0%	1.6%	2.8%	-3.3%	0.1%	-27.6%	0.4%	0.5%	2.8%	-27.6%	-2.4%	30.5%	0.0748
1997	-3.7%	-3.1%	1.3%	-0.2%	-1.6%	-0.6%	-11.3%	-8.3%	-1.4%	2.2%	-3.6%	-4.7%	-28.2%	-2.8%	-5.2%	2.2%	-28.2%	-4.7%	30.4%	0.0736
1998	-0.8%	4.2%	3.3%	5.0%	1.1%	2.3%	-8.2%	-0.3%	1.0%	-0.7%	-0.9%	-3.6%	-28.7%	-1.0%	-2.7%	5.0%	-28.7%	-2.0%	33.7%	0.0809
1999	-2.5%	1.0%	-0.7%	1.3%	1.1%	0.1%	-8.3%	-0.3%	3.0%	-2.9%	-4.7%	4.1%	-24.7%	2.5%	0.1%	4.1%	-24.7%	-2.1%	28.8%	0.0702
2000	7.3%	13.4%	6.6%	3.3%	5.8%	5.7%	9.2%	3.7%	4.4%	4.5%	2.4%	11.3%	-11.2%	3.1%	10.1%	13.4%	-11.2%	5.3%	24.6%	0.0560
2001	7.9%	15.1%	10.4%	2.6%	3.2%	2.7%	-0.6%	6.9%	3.9%	0.0%	-0.5%	0.4%	-15.9%	2.1%	1.4%	15.1%	-15.9%	2.6%	31.0%	0.0677
2002	-0.5%	5.4%	-8.8%	-5.7%	-3.0%	-3.1%	-3.0%	-5.3%	-5.5%	-2.0%	-5.1%	-1.6%	-6.1%	-14.1%	-3.2%	5.4%	-14.1%	-4.1%	19.5%	0.0423
2003	-1.5%	-4.2%	-11.3%	-3.7%	-1.2%	-1.4%	-4.4%	-4.3%	-4.8%	-1.5%	-3.9%	-5.9%	1.0%	-15.3%	-4.9%	1.0%	-15.3%	-4.5%	16.3%	0.0409
2004	-3.7%	-3.3%	-4.2%	1.7%	-5.0%	-2.5%	0.5%	1.9%	-2.2%	-2.3%	-6.2%	3.8%	-2.4%	1.4%	-7.2%	3.8%	-7.2%	-2.0%	11.0%	0.0321
2005	-4.5%	-3.3%	-0.1%	-1.9%	0.6%	1.2%	-5.2%	-1.5%	-5.4%	0.2%	-2.2%	-0.6%	-9.9%	-13.0%	-3.5%	1.2%	-13.0%	-3.3%	14.3%	0.0396
2006	2.0%	-4.7%	-2.9%	1.4%	-1.8%	2.6%	-2.1%	-2.2%	-1.9%	-3.9%	-0.5%	-1.0%	-26.7%	-1.5%	2.4%	2.6%	-26.7%	-2.7%	29.3%	0.0699
2007	0.6%	-2.6%	-2.1%	2.6%	-0.8%	2.6%	-5.7%	-1.4%	-4.0%	-2.6%	0.7%	0.1%	-0.3%	-2.0%	-3.0%	2.6%	-5.7%	-1.2%	8.4%	0.0233
2008	-2.1%	-0.5%	-3.3%	4.8%	0.1%	-1.1%	-2.5%	-2.0%	1.0%	-2.4%	2.2%	1.0%	13.4%	-0.1%	-2.0%	13.4%	-3.3%	0.4%	16.7%	0.0418
2009	0.2%	-0.4%	-4.2%	3.4%	1.2%	1.4%	-0.6%	-3.4%	0.6%	-1.8%	-0.7%	-0.9%	-8.8%	2.6%	0.1%	3.4%	-8.8%	-0.8%	12.2%	0.0299
2010																0.0%	0.0%		0.0%	
High	7.9%	15.1%	10.4%	5.0%	5.8%	5.7%	9.2%	6.9%	4.4%	4.5%	2.4%	11.3%	13.4%	3.1%	10.1%					
Low	-4.5%	-4.7%	-11.3%	-5.7%	-5.0%	-3.1%	-19.7%	-8.3%	-5.5%	-5.3%	-6.3%	-5.9%	-28.7%	-15.3%	-7.2%					
Average	0.1%	1.0%	-1.4%	0.6%	-0.3%	1.0%	-3.9%	-2.1%	-0.7%	-1.1%	-2.6%	-0.1%	-11.2%	-2.7%	-1.7%					
Range	12.4%	19.8%	21.7%	10.8%	10.8%	8.8%	28.9%	15.2%	9.9%	9.8%	8.8%	17.2%	42.1%	18.4%	17.3%					
Std Dev	0.0329	0.0544	0.0481	0.0308	0.0236	0.0221	0.0572	0.0398	0.0300	0.0245	0.0267	0.0388	0.1201	0.0560	0.0379					

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 24 Months
By Group/Company
Private Passenger Auto Liability

Exhibit 7
PPAL

12 to 24 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company																	High	Low	Average	Range	Std Dev
	1	2	3	4	5	6	8	9	15	18	19	20	21	25	33	38	40					
1991	-3.1%	-7.5%	-3.7%	-7.1%	0.7%	-2.4%	-6.4%	-4.7%	-1.9%	-3.2%	-3.6%	-1.7%	-0.7%	-5.3%	-3.6%	-5.9%	0.9%	0.9%	-7.5%	-3.5%	8.4%	0.0250
1992	-2.1%	-6.1%	-5.7%	-4.6%	-3.8%	-2.9%	-8.6%	-4.0%	-12.1%	-3.4%	-6.6%	-9.8%	-7.1%	-6.1%	-6.6%	-2.2%	-1.4%	-1.4%	-12.1%	-5.5%	10.7%	0.0289
1993	-2.7%	1.2%	-5.2%	-0.6%	-5.7%	-2.9%	-4.8%	-6.4%	-5.7%	-8.0%	-4.7%	0.6%	-12.3%	-6.0%	1.1%	-2.0%	-2.8%	1.2%	-12.3%	-3.9%	13.5%	0.0351
1994	-1.3%	-3.3%	-4.1%	3.0%	-3.4%	-3.6%	-0.1%	-5.1%	-6.2%	-11.5%	-6.8%	-2.3%	-10.1%	-4.3%	0.0%	-2.1%	0.9%	3.0%	-11.5%	-3.5%	14.5%	0.0374
1995	-1.5%	-4.7%	-5.3%	-0.2%	-4.9%	-5.1%	-3.3%	-4.1%	-5.3%	-1.9%	-4.1%	-1.9%	-10.4%	-1.2%	-10.2%	-3.4%	0.8%	0.8%	-10.4%	-3.9%	11.2%	0.0302
1996	-2.4%	-2.3%	-1.8%	0.4%	-2.1%	-6.7%	-4.2%	-4.5%	-2.7%	-15.0%	0.5%	-0.9%	-7.5%	-0.1%	-0.3%	-1.5%	0.3%	0.5%	-15.0%	-3.0%	15.6%	0.0389
1997	-2.7%	3.0%	-2.7%	-0.5%	-4.5%	-2.8%	-5.2%	-4.0%	-6.6%	1.3%	-3.5%	-2.1%	-9.8%	-0.7%	-18.2%	-1.3%	-2.6%	3.0%	-18.2%	-3.7%	21.2%	0.0475
1998	0.5%	3.4%	1.2%	0.2%	-1.8%	-3.2%	1.0%	-2.7%	-2.1%	2.4%	-0.9%	-4.6%	-2.0%	-3.0%	4.7%	-1.3%	4.8%	4.8%	-4.6%	-0.2%	9.4%	0.0281
1999	1.6%	7.8%	0.6%	-0.7%	-0.4%	-0.1%	4.9%	-2.3%	-0.1%	8.4%	2.7%	-0.9%	-10.1%	-0.7%	1.9%	1.9%	8.5%	8.5%	-10.1%	1.4%	18.6%	0.0450
2000	1.8%	-1.6%	-0.9%	0.8%	2.4%	1.6%	-3.2%	-4.2%	-4.7%	2.6%	4.6%	-1.8%	0.3%	4.7%	16.1%	2.4%	9.5%	16.1%	-4.7%	1.8%	20.8%	0.0513
2001	0.7%	-2.3%	-2.7%	0.8%	0.5%	-0.8%	-1.3%	-5.6%	-8.8%	4.1%	6.0%	-2.5%	3.3%	-4.3%	4.7%	-0.3%	-1.6%	6.0%	-8.8%	-0.6%	14.8%	0.0382
2002	-1.6%	3.2%	2.5%	-6.3%	-0.6%	-4.1%	0.2%	-3.1%	-4.0%	0.3%	0.3%	2.5%	9.2%	0.2%	7.3%	0.0%	3.4%	9.2%	-6.3%	0.5%	15.6%	0.0399
2003	-5.4%	0.2%	0.8%	-4.8%	-1.6%	-4.3%	-0.7%	-5.5%	-7.2%	-0.2%	-2.9%	3.4%	11.0%	-1.6%	-4.2%	-6.4%	0.6%	11.0%	-7.2%	-1.7%	18.2%	0.0440
2004	-5.2%	3.5%	-0.4%	-7.5%	-2.6%	-3.3%	-2.9%	-6.7%	-2.5%	0.1%	-3.3%	3.0%	6.7%	-2.2%	-4.8%	-11.7%	-5.3%	6.7%	-11.7%	-2.7%	18.4%	0.0440
2005	-4.0%	-4.1%	-1.5%	-2.7%	-3.0%	-2.3%	-1.8%	-6.6%	-6.9%	0.1%	-6.8%	3.7%	1.3%	-3.5%	-9.2%	-6.0%	-0.5%	3.7%	-9.2%	-3.2%	12.8%	0.0330
2006	-0.1%	-2.5%	-0.8%	0.5%	-0.4%	1.0%	1.3%	-5.2%	-4.0%	0.2%	-9.1%	6.4%	0.3%	-0.8%	-1.6%	-4.0%	-6.7%	6.4%	-9.1%	-1.5%	15.6%	0.0357
2007	1.0%	-4.4%	-1.4%	-3.3%	-1.3%	1.4%	0.9%	-1.8%	-0.4%	-0.9%	-5.3%	7.1%	0.7%	1.7%	-1.4%	1.9%	-5.7%	7.1%	-5.7%	-0.7%	12.8%	0.0310
2008	0.8%	-6.7%	-4.0%	-0.5%	-0.6%	0.3%	-0.5%	-2.7%	-4.6%	-5.3%	0.7%	-2.6%	7.5%	0.7%	-0.5%	1.5%	8.4%	8.4%	-6.7%	-0.5%	15.2%	0.0398
2009	1.2%	-6.3%	-0.9%	-3.9%	-0.1%	0.2%	-3.0%	-5.0%	-3.5%	-4.9%	-2.7%	-1.8%	3.5%	-3.1%	2.0%	1.1%	4.9%	4.9%	-6.3%	-1.3%	11.1%	0.0316
2010																		0.0%	0.0%		0.0%	
High	1.8%	7.8%	2.5%	3.0%	2.4%	1.6%	4.9%	-1.8%	-0.1%	8.4%	6.0%	7.1%	11.0%	4.7%	16.1%	2.4%	9.5%					
Low	-5.4%	-7.5%	-5.7%	-7.5%	-5.7%	-6.7%	-8.6%	-6.7%	-12.1%	-15.0%	-9.1%	-9.8%	-12.3%	-6.1%	-18.2%	-11.7%	-6.7%					
Average	-1.3%	-1.6%	-1.9%	-1.9%	-1.7%	-2.1%	-2.0%	-4.4%	-4.7%	-1.8%	-2.4%	-0.3%	-1.4%	-1.9%	-1.2%	-2.1%	0.9%					
Range	7.2%	15.3%	8.3%	10.5%	8.1%	8.3%	13.5%	4.9%	12.0%	23.4%	15.1%	16.9%	23.3%	10.8%	34.3%	14.1%	16.2%					
Std Dev	0.0226	0.0425	0.0235	0.0301	0.0211	0.0234	0.0315	0.0144	0.0294	0.0547	0.0404	0.0398	0.0733	0.0278	0.0731	0.0358	0.0475					

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 24 Months
By Group/Company
Commercial Auto Liability

Exhibit 7
CAL

12 to 24 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company																				High	Low	Average	Range	Std Dev				
	1	2	3	4	5	6	7	8	9	14	15	17	19	20	21	22	23	25	28	31						33	34	38	40
1991	-4.3%	-2.7%	-0.1%	-4.1%	0.3%	-0.6%	-5.8%	7.6%	-8.1%	-3.1%	29.2%	-4.4%	22.3%	0.0%	7.3%	4.0%	2.9%	-7.3%	-2.2%	-8.9%	1.4%	-0.9%	-7.2%	-0.9%	29.2%	-8.9%	0.6%	38.1%	0.0895
1992	2.1%	2.7%	-12.0%	-5.7%	-3.1%	0.7%	-12.5%	-9.5%	-7.0%	-1.6%	11.7%	15.6%	3.8%	2.0%	7.0%	5.0%	13.7%	-4.2%	-2.1%	-11.4%	-7.8%	3.1%	-6.5%	5.6%	15.6%	-12.5%	-0.4%	28.1%	0.0793
1993	2.8%	-0.2%	-13.0%	-3.1%	-4.1%	0.1%	-6.8%	-19.7%	-9.4%	-6.1%	14.0%	-6.7%	-5.4%	12.4%	20.0%	3.3%	-4.0%	0.3%	-2.6%	-9.6%	-0.2%	4.8%	-1.3%	1.3%	20.0%	-19.7%	-1.4%	39.7%	0.0858
1994	-1.9%	-3.8%	-7.8%	1.5%	0.3%	-0.3%	-7.5%	-11.4%	10.9%	-6.9%	2.1%	-5.4%	-4.3%	5.3%	3.9%	0.8%	-5.5%	0.6%	-5.9%	-0.5%	3.4%	5.7%	-0.3%	11.0%	11.0%	-11.4%	-0.7%	22.4%	0.0572
1995	-3.9%	-0.9%	-23.3%	0.2%	-4.4%	-2.8%	-9.0%	-3.3%	-37.3%	-6.2%	13.2%	-12.7%	-1.7%	2.0%	-3.7%	-2.2%	-1.3%	-3.9%	1.7%	-7.5%	10.9%	4.5%	6.1%	6.7%	13.2%	-37.3%	-3.3%	50.4%	0.1043
1996	1.4%	11.8%	-5.1%	-1.6%	-1.5%	-4.4%	-6.0%	-7.3%	-13.1%	-3.2%	31.5%	9.5%	2.1%	3.3%	1.0%	-1.8%	8.2%	-2.1%	6.3%	4.6%	17.6%	5.3%	-0.2%	7.6%	31.5%	-13.1%	2.7%	44.6%	0.0914
1997	3.5%	17.7%	-4.6%	-3.6%	10.7%	3.2%	1.6%	-7.3%	-0.6%	0.2%	13.1%	-0.3%	-5.3%	7.2%	-3.5%	0.0%	7.7%	3.9%	-4.4%	9.3%	-12.2%	6.8%	3.8%	-1.2%	17.7%	-12.2%	1.9%	29.9%	0.0694
1998	0.0%	16.1%	19.0%	3.2%	2.0%	1.0%	1.8%	-0.3%	2.7%	-4.1%	11.1%	4.2%	1.9%	8.9%	4.6%	1.0%	-0.2%	7.3%	11.8%	10.5%	2.9%	4.5%	-2.3%	5.1%	19.0%	-4.1%	4.7%	23.1%	0.0569
1999	3.6%	12.5%	9.7%	0.1%	11.5%	6.9%	0.9%	-3.8%	2.3%	-8.5%	3.5%	21.8%	6.4%	21.5%	2.7%	12.1%	2.7%	3.7%	8.6%	13.2%	6.7%	-0.7%	8.0%	7.1%	21.8%	-8.5%	6.4%	30.2%	0.0705
2000	0.4%	-1.8%	-2.4%	-0.8%	4.0%	10.3%	-8.0%	-2.0%	4.9%	3.4%	11.1%	-2.2%	16.0%	12.5%	8.7%	-2.7%	-0.6%	5.6%	15.9%	21.0%	-12.0%	-3.2%	4.0%	7.9%	21.0%	-12.0%	3.8%	33.0%	0.0801
2001	-2.8%	-4.4%	-7.6%	-1.6%	-13.1%	4.3%	-4.0%	8.3%	14.4%	3.9%	4.0%	-0.6%	10.2%	-0.4%	17.3%	-0.4%	6.1%	-2.4%	14.2%	141.3%	-26.8%	5.8%	-0.5%	1.3%	141.3%	-26.8%	6.9%	168.1%	0.3008
2002	6.4%	-10.9%	-12.6%	-2.2%	-10.2%	1.1%	-10.6%	-0.1%	-9.6%	-3.7%	-11.9%	-1.2%	0.2%	-3.2%	9.2%	1.8%	0.8%	-4.5%	-5.7%	-1.7%	4.3%	0.8%	-3.2%	-12.4%	9.2%	-12.6%	-3.3%	21.8%	0.0613
2003	1.7%	0.9%	-1.5%	-2.7%	-8.1%	5.0%	-12.3%	-3.7%	-16.5%	-0.1%	12.2%	-2.4%	-0.7%	-2.0%	14.0%	-1.1%	0.7%	-5.8%	-2.1%	-20.4%	-0.6%	-9.6%	-2.8%	-9.9%	14.0%	-20.4%	-2.8%	34.4%	0.0769
2004	0.1%	-7.3%	0.8%	-3.2%	-6.4%	11.3%	-5.2%	-4.5%	-2.7%	1.4%	5.6%	-7.4%	1.3%	-3.2%	8.7%	7.2%	-7.2%	-1.0%	0.7%	-21.3%	-26.3%	1.8%	-12.1%	-2.5%	11.3%	-26.3%	-3.0%	37.5%	0.0848
2005	2.4%	-2.3%	-4.5%	2.0%	-4.6%	14.6%	-3.1%	0.9%	-9.6%	0.5%	-10.5%	2.7%	-7.1%	-5.4%	2.7%	-2.8%	-10.3%	2.9%	0.6%	13.3%	-8.1%	0.7%	-7.5%	1.9%	14.6%	-10.5%	-1.3%	25.1%	0.0647
2006	-1.5%	5.5%	1.0%	0.2%	-4.6%	9.4%	-5.2%	5.7%	-7.8%	-6.0%	-8.9%	-3.7%	-11.2%	-5.1%	7.7%	-0.4%	-9.3%	-0.9%	-5.5%	-0.4%	-8.0%	-1.4%	-4.6%	3.5%	9.4%	-11.2%	-2.1%	20.6%	0.0555
2007	-2.7%	-5.5%	-8.4%	1.5%	-4.5%	15.2%	-4.2%	3.9%	-6.1%	-6.1%	5.9%	0.5%	-11.2%	-1.9%	5.3%	-2.8%	-8.2%	-0.2%	0.5%	-5.7%	-3.9%	1.5%	-3.4%	2.4%	15.2%	-11.2%	-1.6%	26.4%	0.0568
2008	-5.3%	-1.2%	9.5%	-2.5%	-8.9%	6.8%	-1.9%	-1.8%	-6.5%	7.9%	35.7%	-12.7%	-5.3%	-4.4%	10.5%	3.7%	-5.4%	-2.5%	5.0%	21.6%	3.2%	-8.5%	-13.1%	1.2%	35.7%	-13.1%	1.0%	48.8%	0.1088
2009	2.7%	0.5%	-4.1%	-3.5%	-7.6%	3.0%	-8.1%	-7.3%	-9.2%	8.8%	12.0%	0.2%	-5.6%	-9.0%	1.4%	-5.1%	-2.7%	-4.7%	-3.2%	0.0%	4.2%	-3.8%	-6.5%	-1.2%	12.0%	-9.2%	-2.0%	21.2%	0.0545
2010																									0.0%	0.0%			0.0%
High	6.4%	17.7%	19.0%	3.2%	11.5%	15.2%	1.8%	8.3%	14.4%	8.8%	35.7%	21.8%	22.3%	21.5%	20.0%	12.1%	13.7%	7.3%	15.9%	141.3%	17.6%	6.8%	8.0%	11.0%					
Low	-5.3%	-10.9%	-23.3%	-5.7%	-13.1%	-4.4%	-12.5%	-19.7%	-37.3%	-8.5%	-11.9%	-12.7%	-11.2%	-9.0%	-3.7%	-5.1%	-10.3%	-7.3%	-5.9%	-21.3%	-26.8%	-9.6%	-13.1%	-12.4%					
Average	0.2%	1.4%	-3.5%	-1.4%	-2.8%	4.5%	-5.6%	-2.9%	-5.7%	-1.5%	9.7%	-0.3%	0.3%	2.1%	6.6%	1.0%	-0.6%	-0.8%	1.7%	7.8%	-2.7%	0.9%	-2.6%	1.8%					
Range	11.7%	28.6%	42.4%	8.9%	24.6%	19.6%	14.3%	27.9%	51.7%	17.3%	47.6%	34.5%	33.5%	30.5%	23.7%	17.2%	24.0%	14.6%	21.7%	162.6%	44.4%	16.5%	21.1%	23.4%					
Std Dev	0.0315	0.0790	0.0946	0.0238	0.0647	0.0565	0.0422	0.0686	0.1105	0.0496	0.1284	0.0858	0.0869	0.0762	0.0620	0.0413	0.0648	0.0403	0.0680	0.3461	0.1132	0.0470	0.0563	0.0587					

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 24 Months
By Group/Company
Workers Compensation

Exhibit 7
WC

12 to 24 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company																				High	Low	Average	Range	Std Dev						
	2	3	4	5	6	7	9	10	11	15	16	17	19	20	21	22	23	25	28	31						33	34	38	39	40	
1991	4.6%	5.7%	0.7%	3.8%	32.9%	-9.7%	-0.2%	1.9%	-13.6%	1.2%	6.4%	15.8%	26.1%	22.0%	-21.2%	1.7%	13.8%	2.8%	-0.5%	-4.9%	0.7%	3.1%	-1.7%	0.7%	0.2%	32.9%	-21.2%	3.7%	54.0%	0.1160	
1992	3.8%	-13.0%	-2.4%	-0.3%	26.3%	-5.3%	2.5%	-1.8%	-9.6%	2.9%	-11.8%	-5.7%	15.4%	3.1%	-13.1%	1.3%	-0.7%	-7.7%	-1.0%	-10.2%	-6.3%	7.2%	-6.7%	-0.9%	-7.0%	26.3%	-13.1%	-1.6%	39.4%	0.0889	
1993	1.0%	-6.4%	-6.8%	-2.6%	3.2%	-4.7%	1.9%	-5.9%	0.5%	0.4%	-13.5%	-11.6%	0.3%	-4.4%	-14.6%	-9.0%	-2.5%	-0.5%	-0.6%	-8.5%	-0.3%	-4.5%	-10.0%	2.9%	-8.6%	3.2%	-14.6%	-4.2%	17.9%	0.0515	
1994	0.5%	-11.8%	3.6%	-5.8%	-0.2%	-1.2%	-1.3%	4.3%	-1.5%	-4.9%	-2.5%	-13.2%	10.4%	-12.2%	-19.2%	-1.3%	-4.3%	-9.0%	-4.2%	0.9%	-4.7%	0.1%	-11.9%	0.4%	-9.3%	10.4%	-19.2%	-3.9%	29.6%	0.0654	
1995	1.2%	-9.3%	-3.7%	-2.7%	1.5%	-9.4%	-1.7%	2.7%	-13.8%	-8.9%	6.3%	-4.3%	-9.4%	-16.5%	-22.3%	-2.5%	1.1%	-5.5%	-1.8%	4.5%	-8.3%	1.2%	-11.5%	-3.7%	-8.2%	6.3%	-22.3%	-5.0%	28.6%	0.0683	
1996	4.7%	4.1%	0.1%	-6.7%	-5.5%	-1.1%	5.8%	3.8%	-10.5%	-7.4%	3.4%	0.3%	-19.9%	-3.2%	-25.6%	-2.1%	11.0%	-9.3%	-3.9%	-4.6%	-5.7%	-1.4%	5.3%	-1.3%	-3.0%	11.0%	-25.6%	-2.9%	36.6%	0.0793	
1997	5.6%	5.0%	-0.4%	0.8%	4.7%	-3.2%	0.7%	0.0%	-9.6%	-9.5%	5.2%	3.9%	0.2%	-2.4%	-21.2%	-0.6%	3.5%	9.3%	7.8%	1.0%	-2.6%	3.3%	4.8%	-1.4%	-2.8%	9.3%	-21.2%	0.1%	30.5%	0.0640	
1998	7.6%	-9.8%	-1.6%	4.9%	-12.9%	4.3%	9.0%	-0.4%	-1.4%	8.7%	4.7%	-1.7%	2.1%	2.0%	-38.6%	2.7%	1.9%	-2.4%	4.1%	5.1%	-8.5%	8.1%	2.1%	-0.3%	-0.8%	9.0%	-38.6%	-0.4%	47.5%	0.0966	
1999	2.4%	-2.2%	0.9%	5.7%	-1.5%	4.3%	-6.4%	5.2%	-9.3%	-9.2%	-0.4%	-4.4%	4.5%	-2.1%	-27.3%	3.7%	20.7%	11.2%	4.7%	12.5%	-4.3%	12.6%	8.1%	0.3%	14.4%	20.7%	-27.3%	1.8%	48.0%	0.0960	
2000	5.4%	4.2%	9.7%	4.4%	1.8%	5.1%	2.7%	-2.8%	-6.8%	8.2%	9.2%	3.8%	6.3%	4.2%	-10.6%	10.3%	-3.0%	19.1%	1.1%	-1.1%	-3.1%	7.1%	8.4%	-0.7%	21.3%	21.3%	-10.6%	4.2%	31.9%	0.0713	
2001	-3.6%	1.9%	5.5%	-3.2%	7.4%	3.2%	5.5%	4.6%	-2.9%	-4.9%	11.4%	2.9%	5.6%	6.2%	-7.3%	-2.0%	-6.9%	6.9%	10.6%	-7.1%	-6.2%	-1.7%	-1.6%	0.5%	0.4%	11.4%	-7.3%	1.0%	18.7%	0.0558	
2002	11.7%	16.1%	-0.9%	-3.5%	1.6%	1.2%	1.0%	4.2%	-6.9%	-1.6%	1.1%	-4.4%	12.4%	2.2%	0.4%	12.7%	0.9%	3.0%	1.7%	13.2%	2.9%	6.5%	-5.6%	-1.4%	-1.5%	16.1%	-6.9%	2.7%	22.9%	0.0616	
2003	-1.8%	-1.1%	-0.9%	-15.5%	2.5%	2.5%	-14.8%	-6.8%	-0.9%	-8.7%	-2.4%	-6.8%	-5.9%	-1.2%	0.2%	-0.6%	-10.7%	-5.7%	0.8%	-11.3%	-8.7%	-6.5%	-10.6%	-2.5%	-3.4%	2.5%	-15.5%	-4.8%	18.0%	0.0511	
2004	-7.3%	-6.9%	-2.6%	-5.5%	7.0%	1.3%	5.4%	-15.1%	-3.4%	-8.1%	-13.9%	-6.4%	-14.8%	6.4%	-32.0%	-13.2%	-12.4%	-2.2%	-2.2%	-16.1%	-12.3%	-4.4%	-8.0%	-0.6%	0.1%	7.0%	-32.0%	-6.7%	39.0%	0.0855	
2005	-8.4%	-0.5%	-2.3%	-11.7%	1.1%	-3.0%	-20.0%	-23.1%	-1.4%	-4.2%	-4.9%	-6.8%	-18.1%	1.5%	-27.1%	-8.3%	-5.4%	-7.8%	4.5%	-11.1%	-3.4%	-11.0%	-7.8%	-3.0%	-1.8%	4.5%	-27.1%	-7.3%	31.5%	0.0781	
2006	-4.8%	-8.5%	-7.0%	-8.1%	6.0%	-0.2%	-10.0%	-10.2%	-8.5%	-3.9%	-0.1%	-10.4%	2.6%	-2.8%	-35.0%	-11.5%	-11.2%	-7.2%	0.9%	-7.5%	-3.6%	-11.7%	-9.0%	-0.5%	6.6%	6.6%	-35.0%	-6.2%	41.6%	0.0806	
2007	-0.8%	3.2%	-3.6%	-1.4%	9.8%	-1.6%	-9.0%	11.1%	-5.6%	-2.1%	-0.2%	-4.8%	-8.2%	-1.6%	-22.5%	-3.8%	-3.4%	2.2%	2.2%	-9.2%	-0.4%	4.5%	-2.2%	4.3%	-3.1%	11.1%	-22.5%	-1.8%	33.5%	0.0662	
2008	0.1%	2.7%	-1.1%	-1.1%	-2.0%	1.9%	6.8%	0.0%	3.7%	1.3%	8.0%	4.6%	-14.3%	2.4%	11.8%	-0.3%	13.3%	2.2%	2.5%	-5.1%	1.9%	5.7%	1.2%	7.9%	-1.3%	13.3%	-14.3%	2.1%	27.6%	0.0547	
2009	-1.4%	14.4%	0.1%	0.8%	-0.4%	0.7%	-4.7%	3.4%	2.1%	-2.9%	-0.2%	-0.1%	-12.6%	-9.2%	13.2%	-1.7%	2.0%	-8.1%	1.3%	-8.3%	5.0%	7.1%	-1.4%	6.2%	3.1%	14.4%	-12.6%	0.3%	27.0%	0.0626	
2010																															
High	11.7%	16.1%	9.7%	5.7%	32.9%	5.1%	9.0%	11.1%	3.7%	8.7%	11.4%	15.8%	26.1%	22.0%	13.2%	12.7%	20.7%	19.1%	10.6%	13.2%	5.0%	12.6%	8.4%	7.9%	21.3%						
Low	-8.4%	-13.0%	-7.0%	-15.5%	-12.9%	-9.7%	-20.0%	-23.1%	-13.8%	-9.5%	-13.9%	-13.2%	-19.9%	-16.5%	-38.6%	-13.2%	-12.4%	-9.3%	-4.2%	-16.1%	-12.3%	-11.7%	-11.9%	-3.7%	-9.3%						
Average	1.1%	-0.6%	-0.7%	-2.5%	4.4%	-0.8%	-1.4%	-1.3%	-5.2%	-2.8%	0.3%	-2.6%	-0.9%	-16.4%	-1.3%	0.4%	-0.5%	1.5%	-3.6%	-3.6%	1.3%	-3.0%	0.4%	-0.2%							
Range	20.1%	29.1%	16.6%	21.3%	45.8%	14.7%	28.9%	34.1%	17.5%	18.2%	25.4%	29.1%	46.0%	38.4%	51.8%	25.9%	33.1%	28.4%	14.9%	29.3%	17.2%	24.3%	20.3%	11.6%	30.6%						
Std Dev	0.0508	0.0826	0.0390	0.0561	0.1026	0.0429	0.0771	0.0806	0.0515	0.0553	0.0735	0.0686	0.1239	0.0803	0.1470	0.0645	0.0898	0.0790	0.0374	0.0800	0.0444	0.0668	0.0665	0.0301	0.0759						

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 24 Month
By Group/Company
Commercial Multiple Peril

Exhibit 7
CMP

12 to 24 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company																				High	Low	Average	Range	Std Dev	
	1	2	3	4	5	6	7	9	17	19	20	21	22	23	25	28	31	33	34	38						40
1991	-1.6%	-3.9%	-2.3%	-4.0%	-0.4%	-3.0%	4.6%	13.1%	-15.3%	2.3%	9.9%	-16.7%	-0.7%	-10.6%	0.9%	-3.5%	4.0%	2.8%	0.0%	-1.2%	15.9%	15.9%	-16.7%	-0.5%	32.6%	0.0792
1992	-1.8%	0.1%	-7.7%	-11.1%	0.5%	-3.1%	1.3%	-5.7%	17.2%	4.9%	1.2%	-11.6%	-1.1%	-13.5%	3.5%	-1.7%	0.1%	20.7%	-0.3%	-2.7%	-4.1%	20.7%	-13.5%	-0.7%	34.2%	0.0814
1993	1.1%	-0.3%	-5.3%	-7.7%	-3.4%	-2.9%	-5.8%	-19.5%	0.9%	-11.9%	7.8%	-3.6%	5.0%	-3.8%	0.9%	1.6%	-4.5%	10.9%	-2.8%	-1.6%	-1.1%	10.9%	-19.5%	-2.2%	30.4%	0.0645
1994	0.5%	2.7%	2.9%	0.2%	-1.7%	-2.9%	-0.6%	-20.1%	-1.5%	4.0%	-3.6%	3.4%	-0.4%	6.9%	6.5%	-0.9%	-3.5%	-15.1%	-2.9%	0.4%	-2.8%	6.9%	-20.1%	-1.4%	27.0%	0.0627
1995	4.8%	2.8%	-4.9%	-5.2%	-2.0%	-2.2%	-2.2%	-54.9%	2.7%	-5.2%	-3.0%	7.7%	-1.3%	7.2%	7.3%	1.3%	-4.7%	21.8%	-1.0%	3.2%	-7.0%	21.8%	-54.9%	-1.7%	76.8%	0.1383
1996	5.6%	0.4%	-2.4%	-6.1%	3.0%	-1.6%	10.7%	-0.9%	-4.0%	-3.7%	-7.1%	-3.3%	0.2%	1.1%	4.9%	5.0%	11.4%	21.0%	-3.9%	0.4%	-4.9%	21.0%	-7.1%	1.2%	28.1%	0.0678
1997	-0.7%	-0.1%	17.0%	0.3%	0.3%	1.3%	-4.8%	0.9%	-4.1%	4.7%	-4.5%	-5.3%	-5.9%	-2.3%	-2.1%	-3.7%	43.5%	8.4%	1.6%	-6.6%	43.5%	-6.6%	1.7%	50.1%	0.1099	
1998	2.5%	7.7%	-3.1%	1.1%	3.5%	3.0%	-1.3%	24.2%	-8.0%	-4.4%	-3.9%	-3.4%	-2.6%	3.3%	-2.4%	9.2%	17.3%	18.7%	2.0%	-3.4%	-5.3%	24.2%	-8.0%	2.6%	32.2%	0.0852
1999	-4.3%	0.8%	16.6%	0.6%	4.1%	-0.3%	-11.1%	33.9%	2.3%	5.9%	-3.8%	2.5%	-3.6%	-0.6%	0.1%	2.0%	0.2%	-3.8%	1.4%	-1.5%	3.3%	33.9%	-11.1%	2.1%	45.0%	0.0894
2000	-0.6%	5.4%	2.3%	3.0%	5.4%	0.4%	-4.5%	-22.2%	-3.7%	9.2%	3.7%	2.0%	2.8%	7.2%	10.3%	7.7%	15.8%	-10.4%	-1.0%	-0.8%	-1.9%	15.8%	-22.2%	1.4%	38.1%	0.0790
2001	5.1%	-1.2%	5.2%	1.4%	-9.3%	-0.5%	-0.2%	6.9%	-1.6%	5.5%	3.7%	-10.8%	-1.5%	1.3%	-1.9%	5.4%	-15.0%	-42.9%	-6.9%	-2.7%	-8.8%	6.9%	-42.9%	-3.3%	49.8%	0.1086
2002	-1.8%	0.3%	-4.3%	-3.3%	-7.1%	0.2%	6.0%	-14.6%	-1.3%	7.4%	1.3%	-13.7%	2.9%	-17.7%	-0.9%	-8.5%	11.9%	-2.4%	-1.2%	-4.7%	-12.0%	11.9%	-17.7%	-3.0%	29.6%	0.0740
2003	5.4%	-9.6%	-10.4%	-6.5%	-9.9%	-0.1%	-8.3%	-0.6%	-10.7%	-6.7%	1.9%	-1.8%	-4.7%	-17.6%	-4.7%	-8.3%	-32.3%	-10.3%	0.4%	-6.5%	-7.6%	5.4%	-32.3%	-7.1%	37.7%	0.0782
2004	-0.9%	-9.4%	-4.0%	-10.8%	-5.8%	6.8%	-7.7%	25.5%	-10.2%	-7.0%	-1.1%	-6.5%	-0.1%	-15.0%	-0.5%	-7.0%	-14.2%	-21.7%	-19.5%	-8.6%	-3.8%	25.5%	-21.7%	-5.8%	47.1%	0.0979
2005	-1.5%	-0.8%	-3.9%	7.3%	-2.1%	39.1%	1.2%	-27.1%	2.5%	1.6%	5.1%	-9.2%	0.1%	-14.1%	3.9%	0.3%	-28.3%	-7.5%	-20.7%	-11.1%	4.8%	39.1%	-28.3%	-2.9%	67.4%	0.1402
2006	8.8%	0.0%	-0.2%	-2.8%	-1.7%	4.1%	-2.1%	-33.2%	-11.3%	-4.8%	-1.2%	-7.2%	-3.6%	-7.9%	-2.1%	-2.3%	-10.5%	-0.8%	-11.2%	-4.4%	3.9%	8.8%	-33.2%	-4.3%	42.0%	0.0831
2007	-3.3%	-3.0%	-2.9%	2.7%	-2.0%	8.7%	2.5%	-1.4%	-9.0%	-6.4%	-6.0%	-4.0%	-1.3%	-8.5%	2.5%	-7.9%	-19.7%	-8.0%	-5.4%	-4.0%	1.3%	8.7%	-19.7%	-3.6%	28.4%	0.0579
2008	0.0%	-6.1%	-0.6%	3.8%	-2.9%	1.0%	10.5%	-14.2%	-3.4%	0.8%	-5.6%	-8.0%	-4.9%	-7.3%	1.8%	-3.0%	10.0%	6.7%	-9.4%	-3.6%	1.9%	10.5%	-14.2%	-1.5%	24.7%	0.0621
2009	2.5%	-1.9%	-4.3%	1.2%	0.2%	0.6%	0.1%	5.7%	8.8%	-7.4%	-8.5%	-1.2%	-6.1%	-4.2%	-7.0%	-3.3%	-1.4%	-4.6%	-21.4%	1.8%	0.5%	8.8%	-21.4%	-2.4%	30.2%	0.0613
2010																						0.0%	0.0%		0.0%	
High	8.8%	7.7%	17.0%	7.3%	5.4%	39.1%	10.7%	33.9%	17.2%	9.2%	9.9%	7.7%	5.0%	7.2%	10.3%	9.2%	17.3%	43.5%	8.4%	3.2%	15.9%					
Low	-4.3%	-9.6%	-10.4%	-11.1%	-9.9%	-3.1%	-11.1%	-54.9%	-15.3%	-11.9%	-8.5%	-16.7%	-6.1%	-17.7%	-7.0%	-8.5%	-32.3%	-42.9%	-21.4%	-11.1%	-12.0%					
Average	1.0%	-0.8%	-0.6%	-1.9%	-1.6%	2.6%	-0.6%	-5.5%	-2.6%	-0.6%	-0.7%	-4.8%	-1.4%	-5.1%	1.1%	-0.8%	-3.5%	1.0%	-5.0%	-2.6%	-1.8%					
Range	13.1%	17.2%	27.4%	18.4%	15.3%	42.2%	21.8%	88.8%	32.5%	21.1%	18.4%	24.4%	11.1%	24.9%	17.3%	17.7%	49.6%	86.4%	29.8%	14.4%	28.0%					
Std Dev	0.0351	0.0432	0.0713	0.0507	0.0423	0.0942	0.0588	0.2192	0.0765	0.0616	0.0513	0.0620	0.0299	0.0831	0.0429	0.0523	0.1403	0.1923	0.0813	0.0358	0.0630					

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 24 Months
By Group/Company
Medical Professional Liability

Exhibit 7
MM

12 to 24 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company																	High	Low	Average	Range	Std Dev	
	9	12	13	20	22	24	26	27	28	29	30	31	32	33	34	35	36						37
1991	0.3%	15.7%	-3.9%	85.1%	0.0%	-0.7%	-12.0%	-1.8%	1.3%	-5.6%	18.5%	84.0%	-1.1%	-11.2%		-3.0%	-0.2%	-12.0%	85.1%	-12.0%	9.0%	97.1%	0.2955
1992	-1.4%	14.8%	-1.0%	-25.1%	13.4%	0.7%	-19.4%	-1.0%	-13.9%	-5.0%	-12.9%	-10.9%	-5.0%	5.4%		-4.0%	1.0%	-5.8%	14.8%	-25.1%	-4.1%	39.9%	0.1039
1993	1.1%	-11.9%	1.4%	33.6%	-0.8%	5.9%	-14.9%	-6.1%	0.7%	-18.4%	-4.4%	62.6%	-17.4%	-10.9%	0.6%	-3.4%	-1.5%	2.1%	62.6%	-18.4%	1.0%	81.0%	0.1920
1994	1.6%	-1.4%	1.7%	9.9%	0.0%	0.4%	-5.6%	-7.7%	-3.7%	-0.3%	2.4%	33.7%	-7.4%	-7.8%	23.7%	-3.0%	-0.8%	-2.6%	33.7%	-7.8%	1.8%	41.4%	0.1079
1995	0.5%	-3.4%	2.4%	-10.3%	18.6%	2.0%	-6.4%	-4.0%	14.3%	-5.9%	6.4%	41.6%	-4.9%	9.7%	16.6%	-4.9%	3.4%	2.3%	41.6%	-10.3%	4.3%	51.9%	0.1245
1996	-3.4%	-5.9%	3.3%	-21.3%	-7.4%	1.1%	-7.9%	-2.4%	18.6%	-9.5%	4.9%	6.8%	-7.1%	12.4%	30.8%	-6.1%	0.4%	-13.3%	30.8%	-21.3%	-0.3%	52.1%	0.1214
1997	0.5%	-1.2%	0.0%	-5.4%	9.4%	3.5%	-2.8%	-1.6%	18.3%	-11.9%	0.2%	27.7%	-7.2%	-15.6%	5.6%	-3.2%	3.6%	2.3%	27.7%	-15.6%	1.2%	43.2%	0.1003
1998	1.7%	0.0%	0.0%	2.3%	75.7%	0.6%	-5.2%	-2.3%	10.5%	-3.4%	-0.7%	72.9%	-8.7%	5.9%	32.3%	-4.1%	3.7%	-3.0%	75.7%	-8.7%	9.9%	84.4%	0.2501
1999	-6.4%	-3.7%	5.0%	8.3%	122.5%	6.8%	-2.8%	-2.2%	26.0%	0.0%	6.3%	55.8%	-0.1%	19.0%	41.4%	2.3%	0.2%	8.7%	122.5%	-6.4%	16.0%	128.9%	0.3127
2000	-6.4%	1.4%	-6.1%	11.3%	-6.5%	1.1%	-6.4%	5.0%	4.9%	3.5%	7.6%	-57.4%	-4.6%	41.3%	19.4%	5.4%	0.4%	2.2%	41.3%	-57.4%	0.9%	98.7%	0.1851
2001	6.6%	-2.6%	11.3%	9.0%	-6.1%	3.5%	-2.5%	6.7%	1.1%	5.7%	3.4%	-14.0%	-0.9%	3.6%	65.0%	-1.3%	19.5%	6.0%	65.0%	-14.0%	6.3%	79.0%	0.1633
2002	-3.6%	-13.4%	5.3%	2.6%	-5.2%	15.5%	-1.2%	8.2%	25.2%	4.7%	-7.7%	-25.7%	0.0%	14.6%	11.4%	2.3%	8.6%	1.9%	25.2%	-25.7%	2.4%	50.9%	0.1153
2003	0.8%	-6.9%	8.8%	-13.7%	-3.4%	8.9%	4.7%	-4.2%	1.6%	3.3%	-14.7%	-9.3%	-7.4%	-18.4%	-22.0%	0.2%	10.4%	-4.7%	10.4%	-22.0%	-3.7%	32.5%	0.0948
2004	-0.1%	-4.4%	2.1%	-30.1%	-29.0%	-4.6%	-5.1%	-5.0%	-8.7%	2.5%	-24.0%	-12.3%	-8.2%	-11.2%	-2.7%	-1.5%	-6.3%	-3.9%	2.5%	-30.1%	-8.5%	32.5%	0.0974
2005	-4.6%	-4.1%	2.6%	-15.7%	-6.2%	-6.4%	-15.5%	-6.6%	-2.1%	-2.1%	-5.9%	-6.0%	-7.6%	-11.4%	-1.8%	-3.6%	-6.7%	2.6%	2.6%	-15.7%	-5.8%	18.3%	0.0472
2006	-6.7%	-1.9%	4.7%	-27.9%	-33.0%	-11.0%	-8.1%	-5.2%	-0.1%	-4.5%	-5.3%	3.0%	-3.5%	-13.6%	-17.7%	0.3%	-10.4%	-7.7%	4.7%	-33.0%	-8.2%	37.7%	0.0988
2007	-6.1%	-15.3%	-5.2%	-26.6%	-3.5%	-2.1%	-15.0%	-4.3%	1.1%	-5.2%	-0.7%	-6.1%	-10.1%	-15.6%	-1.8%	0.6%	-7.6%	-3.6%	1.1%	-26.6%	-7.1%	27.7%	0.0710
2008	-5.0%	5.2%	-8.6%	-1.3%	-0.1%	0.6%	5.7%	-0.2%	2.2%	-8.6%	0.0%	-7.8%	-17.4%	-8.2%	-3.7%	1.7%	-12.5%	-2.9%	5.7%	-17.4%	-3.7%	23.1%	0.0658
2009	-4.9%	0.2%	-13.1%	-24.2%	-3.4%	-9.9%	-15.0%	-5.9%	-0.3%	-5.3%	-0.3%	0.7%	-9.4%	-4.0%	-14.2%	0.5%	-5.3%	-5.1%	0.7%	-24.2%	-6.6%	25.0%	0.0668
2010																			0.0%	0.0%		0.0%	
High	6.6%	15.7%	11.3%	85.1%	122.5%	15.5%	5.7%	8.2%	26.0%	5.7%	18.5%	84.0%	0.0%	41.3%	65.0%	5.4%	19.5%	8.7%					
Low	-6.7%	-15.3%	-13.1%	-30.1%	-33.0%	-11.0%	-19.4%	-7.7%	-13.9%	-18.4%	-24.0%	-57.4%	-17.4%	-18.4%	-22.0%	-6.1%	-12.5%	-13.3%					
Average	-1.9%	-2.0%	0.5%	-2.1%	7.1%	0.8%	-7.1%	-2.1%	5.2%	-3.8%	-1.2%	12.6%	-6.7%	-0.6%	10.2%	-1.2%	0.2%	-2.4%					
Range	13.4%	31.0%	24.5%	115.2%	155.5%	26.5%	25.1%	15.8%	39.8%	24.1%	42.4%	141.4%	17.4%	59.7%	87.0%	11.4%	32.0%	22.0%					
Std Dev	0.0369	0.0792	0.0593	0.2719	0.3541	0.0626	0.0683	0.0442	0.1083	0.0655	0.0932	0.3705	0.0491	0.1524	0.2330	0.0294	0.0748	0.0568					

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 36 Months
By Group/Company
Homeowners/Farmowners

Exhibit 8
HMP/FMP

12 to 36 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company															High	Low	Average	Range	Std Dev
	1	2	3	4	5	6	15	18	19	20	21	25	33	38	40					
1991	0.5%	-3.7%	-1.3%	1.1%	-0.6%	-0.8%	-2.3%	-1.3%	-1.0%	-8.7%	-2.9%	-4.5%	-2.7%	-5.1%	-5.7%	1.1%	-8.7%	-2.6%	9.8%	0.0260
1992	-6.7%	0.4%	-1.1%	1.9%	-2.9%	3.9%	-18.5%	-5.2%	-0.2%	-1.9%	-6.6%	-3.2%	-2.9%	-2.0%	-6.1%	3.9%	-18.5%	-3.4%	22.4%	0.0520
1993	-0.7%	-5.6%	-0.9%	-0.2%	-1.7%	2.9%	1.2%	-5.8%	-1.9%	-0.4%	-5.8%	-2.6%	-12.0%	-6.6%	-3.1%	2.9%	-12.0%	-2.9%	14.9%	0.0375
1994	-0.3%	-1.4%	-3.0%	-4.5%	-2.2%	0.1%	0.3%	-7.0%	1.4%	-4.4%	-8.5%	0.0%	-10.4%	-1.2%	-1.5%	1.4%	-10.4%	-2.8%	11.7%	0.0348
1995	0.7%	0.9%	-7.5%	1.8%	-1.8%	1.0%	0.2%	-12.4%	0.4%	0.0%	-4.2%	3.3%	-25.0%	-0.8%	-3.6%	3.3%	-25.0%	-3.1%	28.3%	0.0726
1996	-1.1%	-2.1%	-3.4%	0.3%	1.5%	0.8%	-1.5%	-10.4%	1.9%	1.6%	-4.8%	1.0%	-42.4%	-1.3%	1.6%	1.9%	-42.4%	-3.9%	44.3%	0.1113
1997	-7.1%	-4.7%	0.7%	-2.6%	-0.8%	-0.6%	-13.9%	-8.5%	-1.5%	1.7%	-4.5%	-3.2%	-42.1%	-7.3%	-3.8%	1.7%	-42.1%	-6.6%	43.8%	0.1062
1998	-1.5%	3.7%	3.5%	7.5%	1.6%	2.8%	-4.9%	0.4%	0.9%	-0.3%	-1.5%	-1.8%	-38.0%	-2.0%	-1.9%	7.5%	-38.0%	-2.1%	45.5%	0.1039
1999	-1.8%	0.7%	-2.0%	-2.0%	2.0%	0.5%	-6.9%	0.2%	2.6%	-2.1%	-4.8%	0.9%	-32.9%	2.4%	1.7%	2.6%	-32.9%	-2.8%	35.4%	0.0875
2000	9.4%	13.4%	8.2%	4.1%	6.6%	5.8%	5.7%	4.9%	5.5%	3.3%	9.1%	-12.9%	4.0%	9.5%	13.4%	-12.9%	5.3%	26.3%	0.0578	
2001	7.1%	14.4%	11.9%	3.2%	4.6%	1.9%	-4.2%	6.0%	3.7%	-2.9%	1.3%	0.4%	-12.6%	-0.6%	2.9%	14.4%	-12.6%	2.5%	27.0%	0.0648
2002	-2.1%	4.5%	-6.4%	-2.7%	-5.9%	-4.3%	-3.4%	-6.7%	-7.3%	-2.3%	-5.1%	-1.9%	-6.9%	-19.7%	-4.4%	4.5%	-19.7%	-5.0%	24.2%	0.0504
2003	-3.6%	-7.1%	-13.8%	-4.7%	-3.2%	-1.9%	-3.3%	-5.9%	-5.6%	-2.3%	-4.4%	-6.4%	-4.0%	-17.2%	-6.5%	-1.9%	-17.2%	-6.0%	15.3%	0.0421
2004	-5.5%	-4.5%	-4.5%	0.0%	-7.4%	-3.3%	-2.9%	-0.2%	-3.8%	-1.7%	-6.6%	1.8%	-0.6%	1.4%	-7.4%	1.8%	-7.4%	-3.0%	9.2%	0.0305
2005	-5.6%	-5.5%	-0.7%	-2.1%	0.2%	3.4%	-3.4%	-3.1%	-7.9%	0.3%	-2.7%	1.1%	-9.9%	-14.3%	-3.5%	3.4%	-14.3%	-3.6%	17.7%	0.0457
2006	1.2%	-7.1%	-2.5%	3.2%	-2.5%	2.4%	0.8%	-2.7%	-3.7%	-5.7%	-0.2%	-0.5%	-36.2%	-3.2%	1.1%	3.2%	-36.2%	-3.7%	39.4%	0.0946
2007	-2.9%	-8.9%	-2.9%	0.8%	-6.1%	0.8%	-6.4%	-6.8%	-4.0%	-1.5%	0.8%	-3.4%	-26.4%	-6.4%	-3.3%	0.8%	-26.4%	-5.1%	27.3%	0.0661
2008	-2.4%	-0.4%	-3.4%	6.2%	0.4%	-1.7%	-1.2%	-2.9%	0.2%	-3.6%	1.8%	1.6%	9.9%	-1.4%	-2.8%	9.9%	-3.6%	0.0%	13.5%	0.0374
2009																0.0%	0.0%		0.0%	
2010																0.0%	0.0%		0.0%	
High	9.4%	14.4%	11.9%	7.5%	6.6%	5.8%	5.7%	6.0%	5.5%	3.3%	3.3%	9.1%	9.9%	4.0%	9.5%					
Low	-7.1%	-8.9%	-13.8%	-4.7%	-7.4%	-4.3%	-18.5%	-12.4%	-7.9%	-8.7%	-8.5%	-6.4%	-42.4%	-19.7%	-7.4%					
Average	-1.2%	-0.7%	-1.6%	0.6%	-1.0%	0.8%	-3.6%	-3.8%	-1.1%	-1.7%	-3.1%	-0.5%	-17.1%	-4.5%	-2.0%					
Range	16.6%	23.3%	25.7%	12.2%	14.0%	10.1%	24.3%	18.4%	13.3%	12.0%	11.8%	15.5%	52.3%	23.7%	17.0%					
Std Dev	0.0427	0.0650	0.0562	0.0342	0.0359	0.0261	0.0554	0.0487	0.0368	0.0284	0.0332	0.0347	0.1593	0.0657	0.0413					

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 36 Months
By Group/Company
Private Passenger Auto Liability

Exhibit 8
PPAL

12 to 36 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company																	High	Low	Average	Range	Std Dev
	1	2	3	4	5	6	8	9	15	18	19	20	21	25	33	38	40					
1991	-5.4%	-8.3%	-6.1%	-10.1%	-1.9%	-4.5%	-10.5%	-6.0%	-6.6%	-4.5%	-4.9%	-10.0%	-3.7%	-9.5%	-8.6%	-8.7%	0.0%	0.0%	-10.5%	-6.4%	10.5%	0.0301
1992	-4.5%	-9.8%	-10.2%	-5.0%	-9.4%	-5.1%	-14.4%	-6.0%	-14.1%	-8.4%	-5.9%	-13.0%	-15.2%	-10.3%	-8.4%	-7.0%	-3.0%	-3.0%	-15.2%	-8.8%	12.2%	0.0375
1993	-6.7%	-1.7%	-7.0%	-0.1%	-8.9%	-5.9%	-6.8%	-7.8%	-0.6%	-12.9%	-5.0%	-1.8%	-21.2%	-8.8%	-5.0%	-3.2%	-3.0%	-0.1%	-21.2%	-6.3%	21.1%	0.0511
1994	-6.4%	-6.1%	-6.5%	3.2%	-6.7%	-7.3%	-1.7%	-6.5%	-4.7%	-25.7%	-5.5%	-1.7%	-18.1%	-4.8%	-1.9%	-4.2%	1.8%	3.2%	-25.7%	-6.0%	28.9%	0.0682
1995	-4.1%	-6.2%	-4.3%	0.8%	-7.8%	-9.7%	-5.6%	-5.3%	-5.2%	-10.4%	-5.6%	-1.8%	-16.8%	-1.8%	-14.7%	-8.0%	1.3%	1.3%	-16.8%	-6.2%	18.0%	0.0483
1996	-4.9%	-0.3%	-2.5%	-1.0%	-4.9%	-7.9%	-6.9%	-7.2%	3.8%	-21.8%	-1.2%	-2.3%	-14.8%	0.7%	-14.5%	-3.2%	-4.3%	3.8%	-21.8%	-5.5%	25.6%	0.0643
1997	-4.0%	3.9%	-3.1%	-1.4%	-5.2%	-4.6%	-5.3%	-7.8%	2.2%	1.7%	-3.9%	-1.8%	-13.9%	-1.4%	-22.8%	-3.7%	-4.5%	3.9%	-22.8%	-4.4%	26.7%	0.0621
1998	-0.1%	2.6%	0.2%	0.7%	-1.3%	-3.8%	1.0%	-3.4%	-6.6%	4.6%	1.0%	-4.0%	-7.9%	-1.7%	2.2%	-0.9%	6.0%	6.0%	-7.9%	-0.7%	13.8%	0.0367
1999	1.0%	8.9%	0.0%	-1.2%	-0.9%	1.1%	4.5%	-2.5%	-4.2%	7.0%	6.5%	3.8%	-8.4%	-3.3%	-4.5%	1.9%	8.2%	8.9%	-8.4%	1.1%	17.3%	0.0491
2000	2.0%	-3.4%	-0.5%	2.9%	4.2%	1.3%	-2.5%	-4.2%	-8.4%	2.7%	9.6%	0.3%	4.6%	1.0%	18.2%	-0.2%	12.4%	18.2%	-8.4%	2.4%	26.6%	0.0637
2001	0.3%	-0.9%	2.4%	1.3%	2.6%	-2.8%	-1.7%	-6.3%	-13.0%	1.8%	5.2%	0.3%	7.1%	-5.2%	7.4%	-5.7%	-6.1%	7.4%	-13.0%	-0.8%	20.4%	0.0534
2002	-3.8%	3.3%	8.4%	-4.9%	-1.8%	-5.4%	-0.4%	-3.2%	-11.5%	-1.5%	-0.9%	3.1%	9.7%	0.2%	4.9%	-5.6%	0.6%	9.7%	-11.5%	-0.5%	21.2%	0.0532
2003	-7.7%	2.0%	0.7%	-8.9%	-3.1%	-5.6%	-2.5%	-8.7%	-10.5%	1.8%	-5.6%	3.6%	11.2%	-1.8%	6.1%	-14.7%	-0.3%	11.2%	-14.7%	-2.6%	26.0%	0.0659
2004	-8.4%	1.7%	-1.5%	-9.5%	-6.1%	-3.9%	-4.4%	-8.9%	-11.3%	1.0%	-6.7%	5.4%	6.9%	-4.0%	-6.7%	-17.5%	-8.9%	6.9%	-17.5%	-4.9%	24.4%	0.0618
2005	-6.9%	-8.0%	-2.2%	-3.1%	-7.5%	-1.8%	-1.2%	-9.1%	-14.3%	-1.0%	-14.2%	6.5%	1.8%	-4.7%	-9.1%	-11.3%	-3.4%	6.5%	-14.3%	-5.3%	20.8%	0.0556
2006	-0.3%	-7.5%	-1.6%	-2.0%	-2.3%	1.7%	2.2%	-5.9%	-7.2%	-4.0%	-12.5%	3.1%	-0.9%	-0.3%	-1.6%	-6.1%	-10.0%	3.1%	-12.5%	-3.2%	15.5%	0.0436
2007	1.2%	-8.5%	-2.4%	-4.9%	-4.7%	1.3%	0.9%	-2.0%	-3.4%	-4.9%	-5.8%	3.9%	0.1%	1.7%	-1.8%	3.2%	-6.2%	3.9%	-8.5%	-1.9%	12.4%	0.0362
2008	1.9%	-11.7%	-6.6%	-2.8%	-3.5%	-0.6%	-0.8%	-4.0%	-6.7%	-7.6%	-1.1%	-5.1%	5.9%	-1.0%	4.7%	-0.2%	6.2%	6.2%	-11.7%	-1.9%	17.9%	0.0489
2009																		0.0%	0.0%		0.0%	
2010																		0.0%	0.0%		0.0%	
High	2.0%	8.9%	8.4%	3.2%	4.2%	1.7%	4.5%	-2.0%	3.8%	7.0%	9.6%	6.5%	11.2%	1.7%	18.2%	3.2%	12.4%					
Low	-8.4%	-11.7%	-10.2%	-10.1%	-9.4%	-9.7%	-14.4%	-9.1%	-14.3%	-25.7%	-14.2%	-13.0%	-21.2%	-10.3%	-22.8%	-17.5%	-10.0%					
Average	-3.2%	-2.8%	-2.4%	-2.6%	-3.8%	-3.5%	-3.1%	-5.8%	-6.8%	-4.6%	-3.1%	-0.6%	-4.1%	-3.1%	-3.1%	-5.3%	-0.7%					
Range	10.4%	20.6%	18.6%	13.3%	13.6%	11.5%	18.9%	7.1%	18.1%	32.7%	23.9%	19.5%	32.4%	12.0%	41.0%	20.8%	22.4%					
Std Dev	0.0355	0.0576	0.0420	0.0401	0.0372	0.0342	0.0463	0.0221	0.0523	0.0879	0.0603	0.0517	0.1064	0.0361	0.0960	0.0546	0.0600					

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 36 Months
By Group/Company
Commercial Auto Liability

Exhibit 8
CAL

12 to 36 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company																				High	Low	Average	Range	Std Dev					
	1	2	3	4	5	6	7	8	9	14	15	17	19	20	21	22	23	25	28	31						33	34	38	40	
1991	-7.3%	-6.7%	-10.5%	-4.6%	-8.3%	-0.3%	-15.8%	1.2%	-14.8%	-4.5%	21.8%	-9.6%	22.8%	-7.3%	16.6%	2.6%	11.3%	-13.0%	-4.3%	-16.9%	-2.2%	-2.4%	-12.5%	2.2%	22.8%	-16.9%	-2.6%	39.7%	0.1107	
1992	4.7%	2.4%	-23.4%	-7.5%	-10.5%	0.1%	-19.9%	-23.6%	-13.7%	-4.6%	7.4%	5.1%	1.7%	6.3%	10.4%	3.4%	16.6%	-3.1%	-6.6%	-8.5%	-8.5%	2.4%	-8.1%	4.4%	16.6%	-23.6%	-3.0%	40.2%	0.1040	
1993	2.7%	-1.0%	-17.4%	-5.1%	-6.9%	-0.1%	-14.5%	-13.1%	-1.5%	-10.4%	11.2%	-9.7%	-3.3%	11.5%	18.4%	4.9%	-5.0%	-2.6%	-1.5%	-9.3%	-5.2%	3.7%	-2.6%	7.9%	18.4%	-17.4%	-2.0%	35.8%	0.0868	
1994	0.4%	-0.5%	-18.6%	0.2%	-1.8%	-2.9%	-13.1%	-13.1%	-14.3%	-10.2%	3.9%	-6.5%	-3.5%	7.8%	4.5%	-0.4%	-4.7%	0.3%	-1.0%	-8.2%	19.2%	6.5%	-1.8%	10.6%	19.2%	-18.6%	-2.0%	37.9%	0.0856	
1995	-5.7%	0.9%	-19.7%	-3.1%	-4.6%	-7.2%	-13.4%	-5.9%	-70.1%	-11.4%	23.8%	-17.0%	2.4%	9.0%	-1.8%	-6.1%	-3.9%	-5.2%	6.4%	-8.3%	16.3%	4.8%	4.5%	4.2%	23.8%	-70.1%	-4.6%	93.9%	0.1708	
1996	-0.2%	15.6%	-6.8%	-6.8%	5.3%	-2.8%	-8.3%	-12.2%	-8.9%	-8.1%	28.8%	3.9%	-0.2%	2.0%	2.6%	1.9%	4.2%	-1.4%	5.8%	13.3%	21.1%	6.2%	0.5%	4.8%	28.8%	-12.2%	2.5%	40.9%	0.0974	
1997	6.6%	15.7%	-6.1%	-1.7%	15.5%	3.6%	6.2%	-8.4%	4.3%	-3.9%	25.7%	0.4%	-2.0%	13.9%	2.7%	8.8%	8.2%	11.1%	4.3%	6.3%	-7.3%	6.9%	-0.2%	4.4%	25.7%	-8.4%	4.8%	34.1%	0.0804	
1998	3.5%	32.3%	20.0%	5.9%	7.4%	6.2%	0.7%	-4.9%	7.3%	-11.1%	8.2%	5.3%	11.3%	30.0%	5.7%	5.9%	-0.8%	10.8%	10.8%	10.3%	12.0%	8.2%	2.3%	5.1%	32.3%	-11.1%	8.0%	43.4%	0.0937	
1999	5.1%	13.1%	6.0%	2.0%	16.7%	11.7%	-1.8%	-3.0%	-3.4%	-10.6%	10.9%	15.7%	10.1%	25.4%	13.1%	15.4%	6.9%	5.8%	9.2%	17.5%	5.0%	6.5%	11.8%	10.9%	25.4%	-10.6%	8.3%	36.1%	0.0793	
2000	4.3%	-2.3%	-4.2%	-0.8%	6.4%	14.6%	-12.8%	0.7%	9.9%	5.0%	5.7%	-5.7%	22.6%	10.7%	19.5%	2.5%	6.4%	7.2%	3.9%	22.0%	-4.1%	5.1%	11.3%	12.7%	22.6%	-12.8%	5.9%	35.4%	0.0875	
2001	0.3%	5.6%	-13.4%	-0.6%	-10.9%	3.6%	-7.5%	8.3%	13.9%	5.5%	-18.2%	1.3%	9.7%	-1.1%	27.6%	1.0%	14.6%	-0.5%	11.2%	35.1%	-34.5%	12.9%	9.0%	4.9%	35.1%	-34.5%	3.3%	69.6%	0.1423	
2002	8.5%	-1.4%	-12.7%	-5.2%	-13.1%	3.7%	-20.1%	-1.3%	-12.3%	-4.3%	-10.7%	-8.1%	2.1%	-8.3%	17.0%	10.4%	11.5%	-3.2%	-1.1%	21.4%	20.4%	0.9%	-1.8%	-6.9%	21.4%	-20.1%	-0.6%	41.5%	0.1091	
2003	-0.2%	3.0%	-11.6%	-7.4%	-11.0%	9.9%	-18.8%	-5.1%	-24.7%	1.6%	16.1%	-7.4%	-4.1%	-4.5%	17.7%	6.2%	-3.4%	-9.8%	-4.7%	-28.9%	3.3%	3.8%	-6.0%	-10.0%	17.7%	-28.9%	-3.9%	46.6%	0.1112	
2004	-6.2%	-10.8%	-12.4%	-1.1%	-11.5%	16.7%	-9.3%	-4.6%	-6.0%	2.1%	-0.3%	-3.8%	-6.4%	-3.4%	18.4%	9.9%	-16.5%	3.8%	3.0%	-6.9%	-35.6%	2.8%	-19.6%	-13.0%	18.4%	-35.6%	-4.6%	54.0%	0.1149	
2005	-7.0%	-7.2%	-5.6%	5.7%	-7.6%	25.9%	-5.6%	3.7%	-10.1%	10.7%	-20.3%	-0.9%	-19.3%	-8.5%	5.6%	-2.5%	-13.0%	3.9%	0.7%	11.7%	-11.8%	-0.1%	-13.6%	1.3%	25.9%	-20.3%	-2.7%	46.2%	0.1049	
2006	-4.6%	2.3%	-16.4%	-3.7%	-4.4%	21.1%	-8.8%	6.5%	-8.2%	-1.0%	-14.4%	-3.0%	-16.4%	-3.2%	8.1%	0.4%	-13.4%	-0.2%	-0.9%	-1.2%	-12.1%	-0.9%	-10.5%	2.0%	21.1%	-16.4%	-3.4%	37.5%	0.0854	
2007	-4.8%	-16.1%	-14.4%	3.3%	-7.6%	22.2%	-10.8%	1.7%	-6.4%	5.0%	14.3%	-4.2%	-25.7%	-4.5%	5.5%	-0.6%	-12.9%	-1.7%	1.2%	-2.0%	6.0%	-3.5%	-12.4%	-0.1%	22.2%	-25.7%	-2.9%	47.9%	0.1011	
2008	-5.8%	-8.3%	2.6%	-6.2%	-9.3%	9.6%	-7.0%	-3.0%	-8.2%	14.4%	25.5%	-12.6%	-9.4%	-9.2%	9.3%	-0.2%	-7.8%	-7.0%	4.5%	18.8%	13.0%	-9.2%	-6.3%	3.6%	25.5%	-12.6%	-0.3%	38.1%	0.1046	
2009																								0.0%	0.0%		0.0%			
2010																								0.0%	0.0%		0.0%			
High	8.5%	32.3%	20.0%	5.9%	16.7%	25.9%	6.2%	8.3%	13.9%	14.4%	28.8%	15.7%	22.8%	30.0%	27.6%	15.4%	16.6%	11.1%	11.2%	35.1%	21.1%	12.9%	11.8%	12.7%						
Low	-7.3%	-16.1%	-23.4%	-7.5%	-13.1%	-7.2%	-20.1%	-23.6%	-70.1%	-11.4%	-20.3%	-17.0%	-25.7%	-9.2%	-1.8%	-6.1%	-16.5%	-13.0%	-6.6%	-28.9%	-35.6%	-9.2%	-19.6%	-13.0%						
Average	-0.3%	2.0%	-9.1%	-2.0%	-3.1%	7.5%	-10.0%	-4.2%	-9.3%	-2.0%	7.7%	-3.0%	-0.4%	3.7%	11.1%	3.5%	-0.1%	-0.3%	2.3%	3.7%	-0.3%	3.0%	-3.1%	2.7%						
Range	15.8%	48.4%	43.4%	13.4%	29.8%	33.1%	26.3%	31.9%	84.0%	25.8%	49.1%	32.7%	48.5%	39.2%	29.4%	21.5%	33.1%	24.1%	17.8%	64.0%	56.8%	22.1%	31.4%	25.7%						
Std Dev	0.0515	0.1147	0.1049	0.0424	0.0934	0.0956	0.0706	0.0788	0.1799	0.0790	0.1543	0.0766	0.1293	0.1156	0.0773	0.0524	0.1042	0.0653	0.0522	0.1630	0.1680	0.0504	0.0890	0.0682						

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 36 Months
By Group/Company
Workers Compensation

Exhibit 8
WC

12 to 36 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company																				High	Low	Average	Range	Std Dev								
	2	3	4	5	6	7	9	10	11	15	16	17	19	20	21	22	23	25	28	31						33	34	38	39	40			
1991	10.1%	-2.6%	6.4%	0.2%	25.6%	-8.6%	-0.3%	1.3%	-29.7%	-2.1%	6.2%	9.7%	17.3%	14.8%	-27.2%	-1.1%	8.6%	-0.4%	-5.6%	-6.2%	0.5%	4.2%	-7.3%	2.5%	0.6%	25.6%	-29.7%	0.7%	55.3%	0.1185			
1992	1.9%	-19.1%	-2.2%	-10.3%	13.4%	-3.7%	3.9%	-1.8%	-23.2%	5.1%	-20.8%	-10.8%	6.2%	2.4%	-21.0%	-5.9%	-5.8%	-15.9%	-8.4%	-18.1%	-10.4%	-3.7%	-15.2%	-3.7%	-13.2%	13.4%	-23.2%	-7.2%	36.6%	0.0968			
1993	-0.4%	-10.8%	-8.1%	-10.3%	-2.4%	-10.0%	0.1%	-11.1%	-2.9%	-2.6%	-22.2%	-9.4%	-7.0%	-7.0%	-29.5%	-12.9%	-3.4%	-6.6%	-9.3%	14.9%	-1.8%	-10.4%	-17.3%	2.3%	-12.6%	14.9%	-29.5%	-7.6%	44.4%	0.0850			
1994	-7.1%	-24.9%	3.4%	-9.7%	-2.7%	-15.9%	-3.3%	4.9%	-16.0%	-14.5%	-4.0%	-11.1%	-10.5%	-24.3%	-28.9%	-4.0%	-9.0%	-15.8%	-9.9%	-0.8%	-6.3%	-3.3%	-17.9%	-4.2%	-15.4%	4.9%	-28.9%	-10.1%	33.8%	0.0857			
1995	-3.4%	-17.0%	-5.5%	-6.0%	-2.2%	-11.3%	9.9%	6.3%	-27.7%	-11.4%	6.2%	-12.0%	-27.5%	-23.3%	-35.0%	-5.7%	2.2%	-13.9%	-10.8%	4.6%	-14.7%	0.5%	-13.1%	-4.8%	-8.6%	9.9%	-35.0%	-9.0%	44.9%	0.1134			
1996	1.6%	4.2%	-1.1%	-7.4%	-8.3%	-3.3%	10.6%	3.6%	-23.6%	-7.9%	3.8%	-3.8%	-26.3%	-5.3%	-42.9%	-5.3%	9.8%	-7.7%	-3.9%	-0.4%	-11.7%	0.3%	-3.5%	-4.3%	-9.6%	10.6%	-42.9%	-5.7%	53.5%	0.1144			
1997	1.7%	1.5%	-1.2%	4.2%	6.3%	-3.8%	11.0%	2.8%	-19.0%	-4.4%	8.3%	5.3%	-2.2%	-7.6%	-29.8%	2.1%	7.9%	5.8%	6.5%	10.0%	-0.5%	6.1%	5.5%	-1.6%	1.9%	11.0%	-29.8%	0.7%	40.8%	0.0899			
1998	6.9%	12.9%	-0.9%	8.1%	-18.7%	5.3%	13.6%	0.8%	-11.0%	-0.6%	7.6%	-1.0%	3.6%	-3.0%	-64.8%	7.4%	0.3%	-0.8%	10.6%	5.1%	-8.7%	10.3%	3.7%	-0.6%	0.0%	13.6%	-64.8%	-0.6%	78.4%	0.1531			
1999	4.6%	5.8%	10.1%	12.0%	0.0%	4.9%	2.0%	8.6%	-24.2%	-8.3%	2.6%	-4.1%	5.1%	-1.0%	-27.9%	20.2%	20.3%	8.1%	4.9%	11.7%	6.2%	13.7%	10.6%	-0.9%	20.5%	20.5%	-27.9%	4.2%	48.4%	0.1164			
2000	8.9%	11.5%	12.2%	5.7%	0.9%	4.4%	9.8%	1.0%	-12.9%	6.6%	14.6%	3.6%	10.9%	4.7%	-10.9%	14.2%	0.3%	17.2%	6.5%	-2.0%	-3.2%	19.8%	8.8%	1.2%	18.4%	19.8%	-12.9%	6.1%	32.7%	0.0827			
2001	0.6%	8.7%	4.9%	-3.4%	10.2%	13.8%	13.7%	2.7%	-11.4%	-8.5%	11.4%	5.1%	8.9%	7.4%	4.2%	5.6%	-8.4%	10.3%	-28.7%	3.5%	0.3%	6.9%	0.1%	-0.1%	-1.5%	13.8%	-28.7%	2.3%	42.5%	0.0930			
2002	11.7%	13.6%	0.1%	-5.2%	4.8%	2.4%	1.1%	6.8%	-9.4%	-3.0%	-7.1%	9.1%	2.6%	-6.2%	25.0%	-0.6%	0.1%	-2.0%	6.5%	6.7%	11.4%	0.1%	-3.2%	1.7%	25.0%	-9.4%	2.6%	34.3%	0.0778				
2003	-1.7%	-4.9%	-3.9%	-24.3%	1.8%	1.7%	-16.2%	-14.8%	-5.1%	-16.4%	-17.6%	-10.9%	-7.5%	5.3%	4.0%	-3.8%	-17.6%	-6.2%	-10.6%	-7.7%	-8.9%	0.2%	-9.2%	-7.7%	-6.3%	5.3%	-24.3%	-7.5%	29.6%	0.0742			
2004	-14.2%	-11.0%	-3.7%	-6.1%	6.9%	0.0%	-5.0%	-27.7%	-2.0%	-12.9%	-19.6%	-13.9%	-24.2%	8.1%	-40.6%	-21.1%	-18.7%	-9.2%	-8.0%	-15.9%	-16.1%	-3.6%	-17.6%	2.8%	-4.6%	8.1%	-40.6%	-11.1%	48.7%	0.1114			
2005	-14.6%	-8.4%	-13.2%	-18.2%	4.6%	-5.3%	-37.6%	-39.7%	-6.1%	-3.8%	-14.3%	-15.5%	-34.7%	2.0%	-35.7%	-15.1%	-12.8%	-14.7%	-8.0%	-84.3%	-1.1%	-21.6%	-13.5%	-3.3%	-6.5%	4.6%	-84.3%	-16.9%	88.9%	0.1847			
2006	-11.0%	-23.2%	-10.2%	-7.6%	7.1%	-0.8%	-17.4%	-6.7%	-10.7%	-3.3%	0.1%	-14.7%	-8.0%	-2.8%	-35.4%	-17.5%	-25.3%	-12.4%	-7.6%	-7.6%	-6.6%	-10.9%	-17.3%	-1.5%	2.1%	7.1%	-35.4%	-10.0%	42.6%	0.0934			
2007	-3.5%	5.0%	-6.9%	-4.7%	8.8%	-1.6%	-7.6%	10.0%	-8.3%	3.3%	-0.3%	-12.7%	-17.2%	0.3%	-19.1%	-6.1%	-7.5%	0.5%	3.7%	-13.1%	-1.1%	11.4%	-3.1%	5.6%	-2.0%	11.4%	-19.1%	-2.6%	30.5%	0.0797			
2008	-3.9%	5.7%	0.6%	-0.1%	-1.8%	2.0%	1.7%	3.1%	0.1%	-0.5%	4.7%	-2.8%	-25.8%	4.2%	17.8%	-6.4%	9.1%	0.9%	4.9%	-5.7%	9.2%	10.4%	1.0%	10.9%	0.2%	17.8%	-25.8%	1.6%	43.6%	0.0797			
2009																																	
2010																																	
High	11.7%	13.6%	12.2%	12.0%	25.6%	13.8%	13.7%	10.0%	0.1%	6.6%	14.6%	9.7%	17.3%	14.8%	17.8%	25.0%	20.3%	17.2%	10.6%	14.9%	9.2%	19.8%	10.6%	10.9%	20.5%								
Low	-14.6%	-24.9%	-13.2%	-24.3%	-18.7%	-15.9%	-37.6%	-39.7%	-29.7%	-16.4%	-22.2%	-15.5%	-34.7%	-24.3%	-64.8%	-21.1%	-25.3%	-15.9%	-28.7%	-84.3%	-16.1%	-21.6%	-17.9%	-7.7%	-15.4%								
Average	-0.6%	-3.0%	-1.1%	-4.6%	3.0%	-1.6%	-0.6%	-2.8%	-13.5%	-5.0%	-1.7%	-5.9%	-7.2%	-1.2%	-23.8%	-1.7%	-2.8%	-3.4%	-4.2%	-5.9%	-3.8%	2.3%	-5.9%	-0.6%	-1.9%								
Range	26.3%	38.6%	25.4%	36.3%	44.3%	29.8%	51.2%	49.7%	29.8%	23.0%	36.8%	25.3%	52.0%	39.2%	82.6%	46.1%	45.7%	33.2%	39.3%	99.2%	25.3%	41.4%	28.6%	18.5%	35.9%								
Std Dev	0.0773	0.1253	0.0671	0.0892	0.0933	0.0708	0.1303	0.1311	0.0916	0.0653	0.1185	0.0778	0.1572	0.0995	0.1978	0.1242	0.1165	0.0968	0.0934	0.2169	0.0721	0.1026	0.0969	0.0436	0.0953								

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 36 Month
By Group/Company
Commercial Multiple Peril

Exhibit 8
CMP

12 to 36 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company																				High	Low	Average	Range	Std Dev	
	1	2	3	4	5	6	7	9	17	19	20	21	22	23	25	28	31	33	34	38						40
1991	-7.2%	-7.1%	5.7%	-6.6%	-2.9%	-2.9%	9.9%	9.2%	-14.3%	-3.0%	5.3%	-22.3%	-5.0%	-13.7%	5.8%	-4.1%	5.6%	5.2%	3.2%	-1.4%	13.2%	13.2%	-22.3%	-1.3%	35.5%	0.0891
1992	-4.7%	-1.2%	-10.4%	-16.8%	-0.1%	-3.8%	0.9%	0.4%	15.8%	-3.5%	-0.4%	-16.2%	-3.0%	-14.3%	5.3%	-3.4%	-2.7%	4.5%	-1.8%	-2.8%	-1.6%	15.8%	-16.8%	-2.9%	32.6%	0.0733
1993	1.1%	3.9%	-5.6%	-9.9%	-5.4%	-6.7%	-6.1%	-30.2%	15.3%	-12.7%	2.7%	-1.0%	2.4%	-9.4%	-2.3%	3.1%	-8.5%	-17.4%	-0.1%	-1.3%	2.3%	15.3%	-30.2%	-4.1%	45.5%	0.0926
1994	-6.2%	1.6%	-3.6%	-2.9%	-5.4%	-4.7%	6.1%	-35.2%	-4.1%	3.2%	-5.1%	13.0%	-2.1%	8.6%	7.3%	8.1%	-3.7%	-8.1%	-6.8%	0.1%	-5.4%	13.0%	-35.2%	-2.2%	48.1%	0.0965
1995	1.7%	5.2%	-7.9%	-6.1%	-0.1%	-6.4%	-3.2%	-122.3%	1.6%	-6.0%	-12.5%	12.0%	-1.4%	8.4%	9.5%	0.6%	-7.4%	23.4%	-9.5%	1.9%	-8.8%	23.4%	-122.3%	-6.1%	145.7%	0.2797
1996	2.6%	0.0%	-3.4%	-6.4%	2.6%	-2.6%	11.7%	9.8%	-6.8%	-7.5%	-10.5%	-1.8%	2.7%	2.1%	6.5%	9.1%	10.0%	52.5%	4.0%	2.9%	-8.8%	52.5%	-10.5%	3.3%	63.0%	0.1302
1997	-1.2%	-1.9%	15.0%	0.6%	2.7%	2.9%	-7.1%	3.6%	-8.8%	6.4%	-5.0%	-3.7%	4.4%	-1.6%	-1.4%	-3.6%	-7.2%	33.2%	8.8%	-3.4%	-11.3%	33.2%	-11.3%	1.0%	44.5%	0.0962
1998	1.4%	5.8%	9.8%	-0.5%	4.4%	1.1%	-6.7%	8.8%	-5.7%	-5.8%	-3.6%	1.3%	1.9%	2.0%	-1.9%	8.3%	20.3%	19.3%	-1.1%	-3.2%	-7.9%	20.3%	-7.9%	2.3%	28.3%	0.0770
1999	-1.2%	-2.9%	9.4%	-4.5%	8.2%	-2.6%	-13.1%	33.6%	7.2%	-3.9%	2.7%	-3.0%	1.5%	-3.5%	-1.5%	-7.6%	2.7%	-6.6%	-1.5%	0.4%	33.6%	-13.1%	0.8%	46.7%	0.0922	
2000	3.5%	9.1%	9.8%	3.6%	8.2%	-4.3%	-3.1%	-19.5%	0.3%	13.4%	5.1%	1.0%	14.6%	7.8%	8.6%	9.2%	-23.7%	-1.1%	14.4%	5.4%	3.4%	14.6%	-23.7%	3.1%	38.4%	0.0982
2001	5.6%	-1.3%	11.2%	-0.8%	-14.4%	-3.5%	8.0%	-3.8%	-7.9%	14.5%	3.0%	-3.0%	-2.0%	7.5%	0.1%	3.2%	45.4%	-44.9%	-14.7%	-0.1%	2.3%	45.4%	-44.9%	0.2%	90.3%	0.1600
2002	1.6%	-6.4%	0.5%	-0.7%	-6.2%	0.3%	5.1%	-16.5%	0.3%	0.1%	0.9%	-0.9%	9.8%	-25.5%	2.4%	-11.0%	25.2%	-2.6%	11.6%	-8.4%	-7.0%	25.2%	-25.5%	-1.3%	50.7%	0.1029
2003	7.2%	-16.3%	-14.1%	-9.5%	-11.2%	-1.1%	-13.0%	-16.0%	-13.3%	-5.5%	-3.4%	-1.1%	-0.7%	-28.2%	-5.6%	-10.6%	-65.8%	-13.3%	-2.7%	-12.0%	-9.5%	7.2%	-65.8%	-11.7%	73.1%	0.1449
2004	1.6%	-16.7%	-14.4%	-2.9%	-3.8%	5.4%	-9.4%	12.4%	-15.2%	-10.7%	-0.8%	-5.4%	1.0%	-16.7%	-2.1%	-10.8%	-38.3%	-28.2%	-33.1%	-11.5%	-0.7%	12.4%	-38.3%	-9.5%	50.8%	0.1254
2005	-6.9%	-6.8%	-6.9%	5.6%	-8.1%	26.7%	-1.2%	-34.7%	-1.6%	-1.0%	1.6%	-5.7%	-1.5%	-12.4%	4.3%	-1.9%	-17.2%	-8.0%	-45.6%	-17.1%	2.1%	26.7%	-45.6%	-6.5%	72.2%	0.1452
2006	6.2%	-1.7%	-5.8%	1.7%	-9.7%	6.7%	-2.3%	-68.3%	-20.0%	-7.3%	-6.9%	-9.7%	-3.3%	-14.1%	-2.2%	-15.5%	-20.8%	-10.4%	-20.5%	-14.8%	-1.8%	6.7%	-68.3%	-10.5%	75.0%	0.1550
2007	-7.3%	-9.2%	-5.7%	3.2%	-7.9%	8.1%	-1.2%	-4.5%	-3.0%	-1.1%	-6.4%	-11.6%	-5.4%	-11.3%	0.2%	-9.8%	-14.8%	-4.5%	-13.4%	-8.7%	0.0%	8.1%	-14.8%	-5.4%	22.9%	0.0566
2008	-3.7%	-9.6%	-2.8%	4.8%	-3.8%	-0.9%	11.5%	-21.0%	0.6%	-6.1%	-8.4%	-9.9%	-10.2%	-4.0%	-0.2%	-6.7%	3.6%	17.1%	-16.6%	-3.5%	4.7%	17.1%	-21.0%	-3.1%	38.1%	0.0868
2009																					0.0%	0.0%			0.0%	
2010																					0.0%	0.0%			0.0%	
High	7.2%	9.1%	15.0%	5.6%	8.2%	26.7%	11.7%	33.6%	15.8%	14.5%	5.3%	13.0%	14.6%	8.6%	9.5%	9.2%	45.4%	52.5%	14.4%	5.4%	13.2%					
Low	-7.3%	-16.7%	-14.4%	-16.8%	-14.4%	-6.7%	-13.1%	-122.3%	-20.0%	-12.7%	-12.5%	-22.3%	-10.2%	-28.2%	-5.6%	-15.5%	-65.8%	-44.9%	-45.6%	-17.1%	-11.3%					
Average	-0.3%	-3.1%	-1.1%	-2.7%	-2.9%	0.6%	-0.7%	-16.3%	-3.6%	-1.4%	-2.7%	-3.5%	0.0%	-6.3%	1.7%	-2.1%	-6.0%	1.1%	-7.3%	-4.4%	-1.9%					
Range	14.5%	25.8%	29.4%	22.4%	22.7%	33.4%	24.8%	155.9%	35.8%	27.2%	17.8%	35.2%	24.9%	36.8%	15.1%	24.7%	111.3%	97.4%	59.9%	22.5%	24.5%					
Std Dev	0.0473	0.0715	0.0906	0.0587	0.0644	0.0778	0.0794	0.3524	0.0948	0.0768	0.0521	0.0869	0.0568	0.1153	0.0457	0.0776	0.2448	0.2257	0.1525	0.0629	0.0631					

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 36 Months
By Group/Company
Medical Professional Liability

Exhibit 8
MM

12 to 36 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company																	High	Low	Average	Range	Std Dev	
	9	12	13	20	22	24	26	27	28	29	30	31	32	33	34	35	36						37
1991	2.8%	7.2%	-12.4%	54.2%	-5.5%	0.2%	-17.9%	-7.1%	-10.9%	-11.8%	15.9%	58.9%	-4.3%	-17.5%		-8.7%	-8.2%	-12.0%	58.9%	-17.9%	1.3%	76.9%	0.2252
1992	-5.2%	-5.8%	-8.4%	-39.5%	6.7%	0.0%	-21.3%	-6.2%	-10.7%	-27.1%	-16.7%	-27.1%	-20.5%	0.9%		-8.5%	3.8%	-4.2%	6.7%	-39.5%	-11.2%	46.2%	0.1249
1993	-0.9%	-13.0%	-3.8%	-3.3%	-14.8%	4.8%	-23.2%	-11.4%	0.3%	-24.9%	-10.3%	70.2%	-19.7%	0.1%	-8.6%	-9.5%	-3.1%	3.4%	70.2%	-24.9%	-3.8%	95.1%	0.2041
1994	-0.4%	2.7%	4.2%	-20.6%	11.2%	0.7%	-17.2%	-13.0%	18.0%	-7.2%	0.4%	36.9%	-9.8%	-21.6%	5.5%	-5.5%	3.8%	2.6%	36.9%	-21.6%	-0.5%	58.5%	0.1417
1995	2.0%	-5.4%	1.6%	-31.0%	28.7%	2.2%	-5.8%	-10.1%	22.6%	-15.0%	8.4%	60.0%	-5.2%	14.6%	16.6%	-12.9%	2.1%	-0.8%	60.0%	-31.0%	4.0%	91.0%	0.1994
1996	-2.2%	-6.8%	5.2%	-38.6%	6.0%	0.4%	-19.1%	-7.7%	20.7%	-20.3%	-0.3%	21.1%	-12.9%	-6.1%	32.1%	-7.3%	-1.9%	-22.9%	32.1%	-38.6%	-3.4%	70.7%	0.1701
1997	-1.0%	-3.3%	0.1%	-11.5%	49.0%	-5.7%	-11.5%	-4.2%	29.1%	-12.5%	-3.4%	36.1%	-12.5%	2.8%	63.6%	-6.3%	7.0%	-8.1%	63.6%	-12.5%	6.0%	76.1%	0.2270
1998	-8.0%	-0.5%	9.7%	-6.8%	164.2%	-2.3%	-7.9%	-1.2%	12.7%	-5.2%	3.6%	55.9%	-15.7%	48.2%	61.7%	-5.6%	4.0%	-2.4%	164.2%	-15.7%	16.9%	179.9%	0.4329
1999	-5.5%	-7.3%	3.5%	9.4%	66.4%	7.4%	1.0%	4.9%	46.2%	-1.3%	6.4%	116.0%	0.6%	76.2%	77.1%	3.5%	-0.5%	1.7%	116.0%	-7.3%	22.5%	123.4%	0.3673
2000	10.3%	-0.4%	-8.2%	11.9%	-0.9%	3.5%	-4.4%	18.0%	50.5%	5.2%	7.5%	-125.4%	-3.9%	66.7%	78.6%	5.6%	7.6%	5.6%	78.6%	-125.4%	7.1%	204.0%	0.4122
2001	4.8%	-14.3%	20.6%	-0.6%	-11.4%	10.0%	-6.8%	17.8%	48.8%	4.3%	4.6%	-20.9%	11.4%	22.5%	70.2%	3.4%	20.1%	7.8%	70.2%	-20.9%	10.7%	91.1%	0.2181
2002	-3.9%	-7.3%	5.7%	-19.4%	-10.0%	13.2%	-1.7%	9.6%	38.3%	3.7%	-13.9%	5.6%	-0.8%	20.2%	13.0%	0.1%	1.2%	9.3%	38.3%	-19.4%	3.5%	57.7%	0.1327
2003	1.7%	-15.4%	15.7%	-44.5%	-36.3%	1.5%	3.1%	-7.6%	6.4%	-1.2%	-22.6%	-28.1%	-11.5%	-44.8%	-37.3%	-0.2%	-0.3%	-5.4%	15.7%	-44.8%	-12.6%	60.5%	0.1862
2004	-12.3%	-11.2%	1.6%	-54.9%	-51.9%	-13.8%	-16.1%	-10.8%	-8.8%	-3.8%	-43.9%	-22.6%	-18.0%	-17.4%	-1.0%	-4.2%	-6.4%	-7.1%	1.6%	-54.9%	-16.8%	56.5%	0.1669
2005	-12.4%	-14.3%	-4.5%	-51.2%	-22.4%	-24.5%	-29.6%	-14.7%	-1.5%	-6.7%	-15.4%	-16.9%	-11.7%	-12.5%	-27.2%	-7.5%	-12.5%	-18.1%	-1.5%	-51.2%	-16.9%	49.7%	0.1141
2006	-12.8%	-16.8%	1.7%	-60.6%	-48.2%	-21.0%	-25.2%	-9.7%	-2.0%	-11.5%	-23.2%	12.5%	-14.5%	-35.5%	-19.2%	-6.1%	-16.8%	-11.7%	12.5%	-60.6%	-17.8%	73.1%	0.1720
2007	-12.1%	-38.9%	-12.2%	-47.3%	-11.7%	-7.8%	-33.6%	-5.9%	4.7%	-21.6%	-5.9%	-13.7%	-20.4%	-27.2%	-9.7%	-1.7%	-13.8%	-9.8%	4.7%	-47.3%	-16.0%	52.1%	0.1337
2008	-10.3%	-13.1%	-17.8%	-5.1%	-5.1%	-7.9%	-18.8%	-4.7%	1.7%	-26.2%	-8.3%	-4.1%	-33.1%	-18.9%	-17.4%	1.8%	-15.2%	-7.2%	1.8%	-33.1%	-11.7%	34.9%	0.0926
2009																			0.0%	0.0%		0.0%	
2010																			0.0%	0.0%		0.0%	
High	10.3%	7.2%	20.6%	54.2%	164.2%	13.2%	3.1%	18.0%	50.5%	5.2%	15.9%	116.0%	11.4%	76.2%	78.6%	5.6%	20.1%	9.3%					
Low	-12.8%	-38.9%	-17.8%	-60.6%	-51.9%	-24.5%	-33.6%	-14.7%	-10.9%	-27.1%	-43.9%	-125.4%	-33.1%	-44.8%	-37.3%	-12.9%	-16.8%	-22.9%					
Average	-3.6%	-9.1%	0.1%	-20.0%	6.3%	-2.2%	-14.2%	-3.6%	14.8%	-10.2%	-6.5%	11.9%	-11.2%	2.8%	18.6%	-3.9%	-1.6%	-4.4%					
Range	23.1%	46.1%	38.5%	114.8%	216.2%	37.7%	36.8%	32.8%	61.4%	32.2%	59.8%	241.4%	44.6%	121.0%	115.9%	18.5%	36.9%	32.2%					
Std Dev	0.0672	0.1000	0.0987	0.2924	0.4945	0.0995	0.1056	0.0982	0.2065	0.1058	0.1455	0.5315	0.1002	0.3362	0.3985	0.0521	0.0939	0.0876					

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 120 Months
By Group/Company
Homeowners/Farmowners

Exhibit 9
HMP/FMP

12 to 120 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company															High	Low	Average	Range	Std Dev
	1	2	3	4	5	6	15	18	19	20	21	25	33	38	40					
1991	-0.9%	-4.9%	-2.9%	0.8%	-2.4%	-1.9%	-4.0%	-4.7%	-3.8%	-10.9%	-6.0%	-4.7%	-5.0%	-6.0%	-8.4%	0.8%	-10.9%	-4.4%	11.6%	0.0287
1992	-7.1%	-1.0%	-1.6%	2.9%	-4.3%	4.0%	-17.0%	-6.8%	-3.9%	-4.7%	-8.4%	-4.4%	-3.8%	-2.7%	-9.1%	4.0%	-17.0%	-4.5%	21.1%	0.0506
1993	-0.1%	-7.0%	2.2%	1.1%	-2.6%	2.2%	-1.7%	-7.2%	-3.8%	-3.7%	-7.8%	-2.3%	-13.1%	-7.0%	-5.1%	2.2%	-13.1%	-3.7%	15.3%	0.0425
1994	-2.1%	-2.3%	-1.4%	-5.2%	-3.3%	-0.2%	-5.9%	-6.9%	-0.2%	-7.1%	-9.8%	0.9%	-10.7%	-3.1%	-5.0%	0.9%	-10.7%	-4.2%	11.6%	0.0347
1995	-1.1%	0.0%	-10.4%	1.2%	-2.6%	0.9%	-1.8%	-10.9%	0.2%	-2.5%	-5.7%	4.9%	-20.7%	-3.0%	-5.4%	4.9%	-20.7%	-3.8%	25.6%	0.0630
1996	-2.0%	-2.2%	-7.1%	-0.5%	1.5%	0.3%	-5.9%	-8.8%	1.4%	0.2%	-6.2%	0.9%	-31.8%	-5.1%	1.8%	1.8%	-31.8%	-4.2%	33.6%	0.0838
1997	-7.3%	-7.3%	-5.1%	-2.1%	-1.1%	-1.2%	-9.8%	-7.2%	-1.9%	1.1%	-6.1%	-3.3%	-29.7%	-11.3%	-3.2%	1.1%	-29.7%	-6.4%	30.8%	0.0733
1998	-1.2%	3.4%	5.5%	6.4%	1.8%	3.1%	-6.4%	0.6%	0.3%	-2.6%	-2.5%	-4.0%	-26.6%	-4.6%	-0.3%	6.4%	-26.6%	-1.8%	32.9%	0.0777
1999	-1.4%	0.3%	-1.8%	-0.4%	2.6%	0.9%	-4.6%	0.4%	2.2%	-2.2%	-4.9%	-0.3%	-23.3%	0.2%	2.3%	2.6%	-23.3%	-2.0%	25.8%	0.0630
2000	9.3%	13.9%	8.9%	7.8%	6.8%	4.7%	3.3%	4.3%	5.0%	3.0%	3.0%	10.7%	-8.1%	1.8%	8.9%	13.9%	-8.1%	5.6%	21.9%	0.0507
2001	6.7%	17.9%	14.8%	6.2%	4.3%	1.2%	-2.1%	6.3%	3.3%	-5.8%	-0.4%	3.4%	5.2%	-3.3%	1.7%	17.9%	-5.8%	4.0%	23.8%	0.0627
2002	-2.3%	2.9%	-6.7%	-1.3%	-6.4%	-5.1%	-2.9%	-6.7%	-7.9%	-3.6%	-6.4%	-0.9%	5.1%	-17.4%	-5.3%	5.1%	-17.4%	-4.3%	22.5%	0.0517
2003	-3.8%	-9.9%	-12.5%	-3.6%	-3.7%	-2.3%	-2.8%	-5.8%	-5.9%	-3.7%	-5.6%	-6.0%	-3.2%	-16.6%	-5.9%	-2.3%	-16.6%	-6.1%	14.3%	0.0400
2004	-5.0%	-6.8%	-4.7%	0.8%	-7.8%	-3.6%	-3.6%	-0.5%	-4.2%	-4.1%	-8.4%	2.7%	-1.9%	0.9%	-5.6%	2.7%	-8.4%	-3.5%	11.1%	0.0327
2005	-4.2%	-6.3%	-1.3%	3.1%	1.0%	4.8%	-7.4%	-2.9%	-7.5%	-0.3%	-3.3%	1.5%	-5.4%	-22.8%	-3.6%	4.8%	-22.8%	-3.6%	27.6%	0.0649
2006	-0.4%	-8.0%	-2.3%	6.1%	-2.8%	2.0%	-2.4%	-3.5%	-3.6%	-5.9%	-1.5%	-1.0%	-30.1%	-2.4%	0.7%	6.1%	-30.1%	-3.7%	36.3%	0.0802
2007	-4.6%	-9.5%	-2.8%	1.8%	-6.4%	0.4%	-7.5%	-7.0%	-4.7%	-1.7%	0.5%	-3.6%	-24.2%	-6.0%	-3.5%	1.8%	-24.2%	-5.3%	26.0%	0.0614
2008	-2.3%	-0.4%	-3.3%	6.5%	0.4%	-1.7%	-1.1%	-2.8%	0.2%	-3.6%	1.9%	1.6%	11.2%	-1.4%	-2.8%	11.2%	-3.6%	0.2%	14.8%	0.0401
2009	0.2%	-0.4%	-4.2%	3.4%	1.2%	1.4%	-0.6%	-3.4%	0.6%	-1.8%	-0.7%	-0.9%	-8.8%	2.6%	0.1%	3.4%	-8.8%	-0.8%	12.2%	0.0299
2010																0.0%	0.0%		0.0%	
For 2001 & Prior only																				
High	9.3%	17.9%	14.8%	7.8%	6.8%	4.7%	3.3%	6.3%	5.0%	3.0%	3.0%	10.7%	5.2%	1.8%	8.9%					
Low	-7.3%	-7.3%	-10.4%	-5.2%	-4.3%	-1.9%	-17.0%	-10.9%	-3.9%	-10.9%	-9.8%	-4.7%	-31.8%	-11.3%	-9.1%					
Average	-0.7%	1.0%	0.1%	1.6%	0.1%	1.3%	-5.1%	-3.7%	-0.1%	-3.2%	-5.0%	0.2%	-15.2%	-4.0%	-2.0%					
Range	16.7%	25.2%	25.2%	13.0%	11.1%	6.6%	20.3%	17.3%	8.8%	13.9%	12.7%	15.4%	37.0%	13.1%	18.0%					
Std Dev	0.0496	0.0808	0.0730	0.0391	0.0357	0.0208	0.0520	0.0570	0.0300	0.0393	0.0371	0.0474	0.1197	0.0352	0.0539					

Note: 2002 & subsequent is evaluated through the end of 2010

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 120 Months
By Group/Company
Private Passenger Auto Liability

Exhibit 9
PPAL

12 to 120 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company																High	Low	Average	Range	Std Dev	
	1	2	3	4	5	6	8	9	15	18	19	20	21	25	33	38						40
1991	-10.3%	-10.1%	-10.1%	-10.8%	-6.2%	-7.7%	-15.0%	-8.6%	-15.6%	-13.9%	-5.5%	-17.8%	-11.1%	-11.7%	-10.0%	-16.6%	-4.9%	-4.9%	-17.8%	-10.9%	13.0%	0.0383
1992	-11.5%	-15.9%	-12.9%	-5.8%	-14.4%	-8.7%	-15.5%	-9.6%	-24.4%	-18.4%	-5.1%	-18.5%	-23.0%	-10.7%	-10.3%	-14.8%	-9.0%	-5.1%	-24.4%	-13.4%	19.3%	0.0548
1993	-14.2%	-3.5%	-8.3%	-0.7%	-14.8%	-9.2%	-8.1%	-11.0%	-16.9%	-21.6%	-3.7%	-7.4%	-28.4%	-8.5%	-9.8%	-11.5%	-5.9%	-0.7%	-28.4%	-10.8%	27.6%	0.0687
1994	-13.1%	-2.4%	-7.7%	3.1%	-11.2%	-9.1%	-3.9%	-11.0%	-16.8%	-23.9%	-7.1%	-6.2%	-26.6%	-3.9%	-8.8%	-7.5%	-0.5%	3.1%	-26.6%	-9.2%	29.7%	0.0771
1995	-8.6%	-10.5%	-5.3%	-1.7%	-11.3%	-9.8%	-6.8%	-9.5%	-15.0%	-8.7%	-4.0%	-6.1%	-22.9%	-1.2%	-22.3%	-12.7%	-2.1%	-1.2%	-22.9%	-9.3%	21.7%	0.0633
1996	-7.5%	1.1%	-4.0%	-3.9%	-7.6%	-7.1%	-6.8%	-9.1%	-8.4%	-15.1%	0.5%	-7.1%	-19.9%	0.3%	-17.7%	-8.0%	-5.7%	1.1%	-19.9%	-7.4%	21.0%	0.0585
1997	-5.1%	-0.2%	-5.5%	-3.6%	-6.1%	-4.1%	-5.1%	-11.9%	-11.0%	5.7%	-0.8%	-3.9%	-14.5%	-3.2%	-8.7%	-6.2%	-6.2%	5.7%	-14.5%	-5.3%	20.2%	0.0469
1998	-1.3%	-0.5%	0.2%	1.4%	-1.2%	-3.3%	1.1%	-4.9%	-11.2%	5.8%	4.9%	-8.3%	-8.8%	-4.8%	13.6%	-2.6%	3.7%	13.6%	-11.2%	-1.0%	24.8%	0.0604
1999	0.5%	10.4%	1.3%	-0.3%	1.0%	0.7%	4.2%	-3.4%	-10.3%	10.2%	10.8%	-0.9%	-10.0%	-4.8%	7.9%	0.3%	10.3%	10.8%	-10.3%	1.6%	21.1%	0.0669
2000	0.5%	-3.3%	3.4%	6.6%	5.6%	0.5%	-3.9%	-4.1%	-11.4%	3.7%	9.4%	-4.0%	2.8%	3.9%	41.5%	-1.3%	18.0%	41.5%	-11.4%	4.0%	52.8%	0.1166
2001	-1.1%	1.9%	6.9%	2.7%	2.8%	-2.7%	-3.3%	-7.2%	-14.1%	2.2%	3.8%	-5.8%	5.2%	-4.8%	23.0%	-7.1%	-7.3%	23.0%	-14.1%	-0.3%	37.1%	0.0817
2002	-4.7%	4.1%	11.3%	-2.2%	-3.4%	-5.0%	-2.1%	-5.1%	-7.2%	-0.9%	-3.8%	-1.5%	9.4%	-1.0%	18.0%	-10.0%	-0.9%	18.0%	-10.0%	-0.3%	28.0%	0.0717
2003	-8.7%	-1.9%	0.7%	-8.8%	-3.2%	-5.0%	-3.8%	-9.9%	-10.4%	1.1%	-10.3%	-1.6%	10.3%	-4.0%	8.9%	-15.0%	-2.3%	10.3%	-15.0%	-3.8%	25.4%	0.0670
2004	-8.8%	-4.6%	-2.0%	-12.2%	-8.7%	-2.9%	-5.3%	-9.7%	-7.2%	-1.2%	-10.1%	1.2%	8.9%	-5.3%	-4.9%	-15.8%	-10.4%	8.9%	-15.8%	-5.8%	24.6%	0.0572
2005	-6.3%	-13.1%	-3.5%	-6.6%	-9.5%	-1.4%	-2.7%	-9.4%	-11.2%	-5.7%	-14.5%	0.3%	3.0%	-5.1%	-5.5%	-11.8%	-5.3%	3.0%	-14.5%	-6.4%	17.5%	0.0479
2006	-1.3%	-11.5%	-3.5%	-5.1%	-4.4%	0.9%	0.1%	-6.3%	-4.8%	-5.8%	-12.0%	0.9%	-1.1%	-0.7%	-0.5%	-5.1%	-10.7%	0.9%	-12.0%	-4.2%	12.9%	0.0419
2007	0.8%	-12.0%	-3.3%	-6.2%	-5.1%	0.5%	-0.1%	-2.7%	-2.2%	-7.2%	-6.6%	4.5%	0.0%	0.8%	5.5%	3.2%	-7.7%	5.5%	-12.0%	-2.2%	17.5%	0.0477
2008	1.9%	-10.9%	-6.3%	-2.8%	-3.4%	-0.6%	-0.8%	-3.9%	-6.4%	-7.2%	-1.1%	-5.0%	6.3%	-1.0%	4.7%	-0.3%	6.8%	6.8%	-10.9%	-1.8%	17.6%	0.0482
2009	1.2%	-6.3%	-0.9%	-3.9%	-0.1%	0.2%	-3.0%	-5.0%	-3.5%	-4.9%	-2.7%	-1.8%	3.5%	-3.1%	2.0%	1.1%	4.9%	4.9%	-6.3%	-1.3%	11.1%	0.0316
2010																		0.0%	0.0%		0.0%	
For 2001 & Prior only																						
High	0.5%	10.4%	6.9%	6.6%	5.6%	0.7%	4.2%	-3.4%	-8.4%	10.2%	10.8%	-0.9%	5.2%	3.9%	41.5%	0.3%	18.0%					
Low	-14.2%	-15.9%	-12.9%	-10.8%	-14.8%	-9.8%	-15.5%	-11.9%	-24.4%	-23.9%	-7.1%	-18.5%	-28.4%	-11.7%	-22.3%	-16.6%	-9.0%					
Average	-6.5%	-3.0%	-3.8%	-1.2%	-5.8%	-5.5%	-5.7%	-8.2%	-14.1%	-6.7%	0.3%	-7.8%	-14.3%	-4.5%	-0.1%	-8.0%	-0.9%					
Range	14.8%	26.3%	19.8%	17.4%	20.4%	10.5%	19.7%	8.4%	16.1%	34.1%	17.8%	17.5%	33.6%	15.6%	63.7%	16.9%	27.0%					
Std Dev	0.0553	0.0714	0.0609	0.0479	0.0701	0.0391	0.0590	0.0291	0.0444	0.1250	0.0616	0.0549	0.1123	0.0462	0.1939	0.0548	0.0839					

Note: 2002 & subsequent is evaluated through the end of 2010

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 120 Months
By Group/Company
Commercial Auto Liability

Exhibit 9
CAL

12 to 120 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company																				High	Low	Average	Range	Std Dev						
	1	2	3	4	5	6	7	8	9	14	15	17	19	20	21	22	23	25	28	31						33	34	38	40		
1991	-11.2%	-11.2%	-22.7%	-8.1%	-15.6%	-0.6%	-26.5%	-6.4%	-23.5%	-34.9%	16.3%	-8.7%	28.5%	-5.3%	7.4%	1.2%	-4.8%	-15.5%	-17.7%	-19.2%	-0.7%	-14.1%	-17.7%	-4.6%	28.5%	-34.9%	-9.0%	63.5%	0.1378		
1992	-3.7%	-0.1%	-31.0%	-11.0%	-15.2%	-0.5%	-29.5%	-25.3%	-18.6%	-24.2%	-6.6%	-0.1%	0.9%	3.3%	6.1%	-3.9%	4.4%	-5.7%	-17.8%	-13.0%	-12.1%	-6.6%	-14.7%	1.6%	6.1%	-31.0%	-9.3%	37.0%	0.1094		
1993	-0.9%	-3.1%	-16.4%	-10.3%	-11.8%	-1.6%	-18.8%	-17.7%	-22.6%	-14.6%	7.7%	-9.0%	0.0%	12.5%	17.1%	-7.2%	-6.9%	-7.3%	-11.3%	-13.9%	0.6%	5.6%	-7.9%	4.3%	17.1%	-22.6%	-5.6%	39.6%	0.1010		
1994	-4.1%	-5.4%	-16.8%	-9.0%	-1.6%	-2.0%	-17.1%	-14.4%	-19.4%	-13.5%	5.0%	-10.6%	3.1%	7.2%	-4.6%	-3.5%	-6.8%	1.0%	-4.8%	-6.8%	31.5%	4.4%	-7.5%	3.5%	31.5%	-19.4%	-3.8%	50.9%	0.1053		
1995	-9.4%	3.1%	-25.3%	-7.5%	2.1%	-5.7%	-14.2%	-5.3%	-41.6%	-25.5%	19.4%	-15.5%	6.5%	2.3%	-9.1%	3.5%	-7.1%	-6.5%	3.5%	-14.8%	23.5%	4.7%	3.0%	-0.6%	23.5%	-41.6%	-4.9%	65.1%	0.1405		
1996	-0.3%	27.1%	-12.0%	-9.9%	12.8%	0.0%	-9.1%	-10.7%	-8.8%	-10.3%	35.9%	11.7%	6.4%	2.9%	-4.4%	3.0%	11.0%	1.8%	10.5%	19.7%	33.8%	9.2%	-0.9%	-0.4%	35.9%	-12.0%	4.9%	47.8%	0.1365		
1997	7.1%	17.0%	48.7%	0.3%	25.9%	5.5%	4.8%	-12.2%	0.8%	-7.2%	25.7%	-10.2%	22.6%	26.4%	-4.1%	16.2%	7.8%	14.8%	10.6%	14.2%	15.0%	9.0%	4.1%	0.9%	48.7%	-12.2%	10.2%	60.9%	0.1372		
1998	0.3%	29.6%	23.6%	16.3%	16.0%	14.0%	-2.5%	-4.8%	12.9%	-11.9%	4.6%	6.9%	16.4%	22.8%	4.7%	7.6%	-9.3%	11.0%	19.9%	23.6%	23.3%	19.0%	8.2%	4.0%	29.6%	-11.9%	10.7%	41.5%	0.1110		
1999	3.6%	12.5%	10.6%	10.5%	26.5%	18.1%	-5.0%	-4.1%	4.2%	-5.9%	1.3%	9.8%	18.1%	15.6%	13.4%	23.1%	10.4%	11.1%	14.8%	28.3%	19.6%	21.7%	20.1%	18.1%	28.3%	-5.9%	12.3%	34.2%	0.0950		
2000	5.3%	-10.3%	3.7%	10.5%	12.5%	24.2%	-16.5%	0.3%	24.5%	2.0%	2.5%	-10.1%	28.0%	3.6%	19.8%	6.2%	3.7%	-2.6%	12.0%	51.8%	16.7%	16.3%	18.3%	25.6%	51.8%	-16.5%	10.3%	68.3%	0.1479		
2001	-0.7%	7.1%	-0.7%	11.0%	-7.1%	8.6%	-14.2%	7.4%	4.6%	11.2%	-15.3%	5.2%	15.3%	-6.1%	27.4%	15.2%	23.7%	-1.5%	20.7%	76.5%	-6.4%	28.8%	5.3%	8.8%	76.5%	-15.3%	9.4%	91.8%	0.1857		
2002	7.8%	-3.4%	1.9%	0.2%	-11.2%	14.7%	-22.7%	-3.6%	-22.2%	-5.7%	-1.5%	-6.8%	-3.8%	-10.9%	16.3%	20.7%	-1.1%	-2.6%	-2.5%	4.9%	38.8%	7.3%	-9.4%	-7.8%	38.8%	-22.7%	-0.1%	61.6%	0.1334		
2003	-4.1%	3.3%	-3.0%	-14.5%	-14.8%	23.4%	-19.5%	-5.9%	-31.5%	8.0%	25.9%	-5.0%	-8.1%	-5.7%	17.1%	2.8%	-12.1%	-5.6%	-9.6%	-31.4%	11.1%	8.9%	-14.2%	-10.3%	25.9%	-31.5%	-4.0%	57.4%	0.1470		
2004	-4.5%	-23.3%	-9.2%	-15.7%	-9.9%	27.4%	-12.6%	-5.1%	-12.9%	9.6%	6.4%	-6.4%	-13.1%	-4.7%	20.3%	10.7%	-22.1%	5.6%	-1.2%	-24.1%	-23.2%	2.8%	-22.4%	-14.2%	27.4%	-24.1%	-5.9%	51.4%	0.1399		
2005	-11.1%	-13.4%	-12.3%	1.5%	-6.8%	45.4%	-12.0%	1.9%	-13.8%	20.4%	-1.3%	1.4%	-21.8%	-9.0%	4.3%	-3.1%	-19.3%	2.4%	4.3%	14.4%	-6.6%	2.5%	-16.3%	-3.6%	45.4%	-21.8%	-2.2%	67.2%	0.1433		
2006	-9.7%	-2.7%	-15.0%	-9.8%	-2.7%	32.7%	-11.8%	4.6%	-8.5%	0.2%	5.4%	-5.3%	-18.6%	-3.7%	7.1%	0.2%	-18.4%	-3.9%	-5.6%	-0.9%	-7.4%	-0.3%	-11.7%	2.4%	32.7%	-18.6%	-3.5%	51.4%	0.1042		
2007	-4.7%	-15.9%	-9.3%	2.4%	-7.6%	29.3%	-13.9%	1.0%	-7.7%	5.1%	-1.6%	-9.4%	-23.3%	-6.6%	9.7%	-2.4%	-14.5%	-4.0%	-1.3%	-10.1%	15.1%	-2.1%	-6.1%	2.6%	29.3%	-23.3%	-3.1%	52.7%	0.1086		
2008	-5.5%	-8.2%	2.9%	-6.1%	-8.5%	10.3%	-6.8%	-3.0%	-7.7%	15.6%	34.6%	-11.0%	-8.9%	-8.8%	10.3%	-0.2%	-7.4%	-6.8%	4.7%	22.9%	13.4%	-8.4%	-5.5%	3.6%	34.6%	-11.0%	0.6%	45.6%	0.1177		
2009	2.7%	0.5%	-4.1%	-3.5%	-7.6%	3.0%	-8.1%	-7.3%	-9.2%	8.8%	12.0%	0.2%	-5.6%	-9.0%	1.4%	-5.1%	-2.7%	-4.7%	-3.2%	0.0%	4.2%	-3.8%	-6.5%	-1.2%	12.0%	-9.2%	-2.0%	21.2%	0.0545		
2010																									0.0%	0.0%			0.0%		
For 2001 & Prior only																															
High	7.1%	29.6%	48.7%	16.3%	26.5%	24.2%	4.8%	7.4%	24.5%	11.2%	35.9%	11.7%	28.5%	26.4%	27.4%	23.1%	23.7%	14.8%	20.7%	76.5%	33.8%	28.8%	20.1%	25.6%							
Low	-11.2%	-11.2%	-31.0%	-11.0%	-15.6%	-5.7%	-29.5%	-25.3%	-41.6%	-34.9%	-15.3%	-15.5%	-15.6%	-6.1%	-9.1%	-7.2%	-9.3%	-15.5%	-17.8%	-19.2%	-12.1%	-14.1%	-17.7%	-4.6%							
Average	-1.3%	6.0%	-3.5%	-0.7%	4.0%	5.5%	-13.5%	-8.5%	-8.0%	-12.3%	8.8%	-2.8%	13.3%	7.8%	6.7%	5.6%	2.4%	0.1%	3.7%	13.3%	13.2%	8.9%	0.9%	5.5%							
Range	18.2%	40.8%	79.6%	27.3%	42.2%	29.9%	34.3%	32.7%	66.1%	46.2%	51.2%	27.2%	28.5%	32.5%	36.5%	30.4%	33.0%	30.2%	38.5%	95.7%	45.9%	42.9%	37.8%	30.2%							
Std Dev	0.0564	0.1410	0.2392	0.1063	0.1561	0.0961	0.1011	0.0894	0.1923	0.1291	0.1461	0.0967	0.1049	0.1054	0.1173	0.0941	0.1039	0.0918	0.1434	0.3087	0.1549	0.1238	0.1226	0.0890							

Note: 2002 & subsequent is evaluated through the end of 2010

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 120 Months
By Group/Company
Workers Compensation

Exhibit 9
WC

12 to 120 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company																				High	Low	Average	Range	Std Dev						
	2	3	4	5	6	7	9	10	11	15	16	17	19	20	21	22	23	25	28	31						33	34	38	39	40	
1991	2.6%	-5.5%	4.0%	-5.7%	32.2%	-11.6%	14.8%	0.3%	-49.0%	-0.9%	2.9%	-2.1%	14.8%	12.3%	-28.5%	-16.1%	6.2%	-12.1%	-15.0%	-8.3%	-1.5%	-0.8%	-11.6%	-6.4%	-9.0%	32.2%	-49.0%	-3.8%	81.1%	0.1543	
1992	-6.2%	-20.5%	-10.3%	-21.6%	12.4%	-0.8%	56.3%	-3.4%	-44.6%	0.6%	-22.2%	-16.9%	1.8%	-10.4%	-25.8%	-32.9%	-12.4%	-18.0%	-21.6%	-32.1%	-17.1%	-9.5%	-22.6%	-14.7%	-17.2%	56.3%	-44.6%	-12.4%	100.9%	0.1886	
1993	-21.6%	-20.3%	-18.2%	-22.1%	-1.9%	-19.3%	15.5%	-9.1%	-22.5%	-5.3%	-22.7%	-20.0%	-14.8%	-19.0%	-32.4%	-47.5%	-16.2%	-15.2%	-19.9%	-14.6%	-4.6%	-12.0%	-24.4%	-13.9%	-17.3%	15.5%	-47.5%	-16.8%	63.0%	0.1129	
1994	-26.4%	-17.3%	1.8%	-14.6%	-1.2%	-23.1%	18.6%	8.2%	-37.1%	-15.4%	-3.6%	-18.2%	-20.8%	-29.5%	-28.8%	-31.1%	-11.8%	-21.8%	-25.6%	-20.4%	-12.5%	-6.7%	-27.8%	-23.3%	-21.9%	18.6%	-37.1%	-16.4%	55.7%	0.1318	
1995	-23.4%	-12.2%	-6.7%	-5.5%	-0.7%	-29.7%	5.9%	12.2%	-41.9%	-23.0%	10.7%	-17.4%	-25.6%	-28.5%	-23.2%	-33.2%	7.0%	-14.2%	-12.5%	12.9%	-11.8%	-4.7%	-22.0%	-28.8%	-20.8%	12.9%	-41.9%	-13.5%	54.8%	0.1525	
1996	-7.3%	-23.4%	0.5%	-0.3%	-6.4%	-2.9%	17.8%	8.2%	-35.4%	-13.1%	21.9%	-3.9%	-22.3%	-18.3%	-32.1%	-24.6%	15.4%	-8.6%	-4.9%	9.6%	6.6%	-1.9%	-6.2%	-28.7%	-11.4%	21.9%	-35.4%	-6.9%	57.2%	0.1541	
1997	2.0%	9.1%	7.4%	18.0%	6.8%	-7.1%	22.5%	11.8%	-29.4%	-15.3%	28.0%	0.1%	2.5%	-8.1%	-25.9%	-4.0%	17.4%	6.6%	15.8%	3.7%	14.5%	12.6%	11.1%	-13.0%	6.3%	28.0%	-29.4%	3.8%	57.4%	0.1416	
1998	18.9%	50.2%	15.0%	26.7%	-17.8%	6.9%	52.4%	10.7%	-24.9%	-5.7%	27.4%	-9.0%	1.6%	-2.4%	-43.0%	26.1%	14.2%	0.6%	43.4%	6.8%	10.3%	20.9%	12.7%	-1.0%	10.1%	52.4%	-43.0%	10.1%	95.5%	0.2187	
1999	16.7%	30.6%	29.8%	27.0%	16.3%	5.0%	39.6%	15.0%	-32.6%	-9.5%	24.8%	-5.6%	60.3%	2.1%	-15.3%	29.7%	38.9%	13.9%	40.4%	22.9%	20.0%	54.0%	26.2%	2.4%	32.6%	60.3%	-32.6%	19.4%	92.9%	0.2138	
2000	31.5%	30.5%	39.3%	23.8%	-0.2%	9.5%	14.0%	3.7%	-26.2%	9.2%	55.5%	1.8%	20.7%	14.2%	-9.3%	52.6%	7.6%	25.9%	28.6%	-2.0%	22.4%	88.9%	32.4%	26.7%	23.2%	88.9%	-26.2%	21.0%	115.1%	0.2322	
2001	39.6%	19.2%	4.1%	9.3%	29.4%	24.9%	11.3%	2.2%	-18.6%	-8.7%	51.8%	-0.8%	12.9%	15.6%	15.5%	37.0%	5.1%	10.9%	32.8%	11.3%	57.3%	51.0%	5.8%	5.3%	-0.4%	57.3%	-18.6%	16.9%	75.9%	0.1924	
2002	16.1%	17.7%	0.1%	4.6%	13.0%	7.0%	-7.3%	2.5%	-17.5%	-9.1%	31.9%	-18.7%	3.2%	10.1%	6.5%	45.7%	-0.9%	-4.0%	12.7%	-40.9%	34.2%	32.9%	5.7%	12.6%	4.8%	45.7%	-40.9%	6.5%	86.5%	0.1839	
2003	-13.8%	-7.6%	-13.3%	-4.7%	9.8%	0.7%	-21.0%	-26.1%	-8.2%	-15.0%	-6.1%	-18.9%	-11.7%	8.4%	23.0%	-4.3%	-24.0%	-14.8%	-7.1%	-61.0%	-2.1%	20.2%	-5.2%	-6.1%	-2.7%	23.0%	-61.0%	-8.1%	84.0%	0.1648	
2004	-23.4%	-25.3%	-16.6%	-8.1%	4.5%	-6.0%	-17.1%	-39.6%	-6.7%	-6.2%	-37.0%	-23.3%	-27.8%	13.0%	-17.5%	-22.6%	-37.8%	-12.0%	-11.2%	-66.6%	-10.8%	2.5%	-23.8%	4.4%	-4.2%	13.0%	-66.6%	-16.8%	79.6%	0.1712	
2005	-20.6%	-28.7%	-14.1%	-18.2%	4.2%	-8.3%	-37.9%	-33.7%	-10.6%	2.9%	-45.1%	-22.7%	-35.3%	4.5%	-13.2%	-17.5%	-37.1%	-20.1%	-14.2%	-74.2%	-0.3%	-14.9%	-20.3%	-4.1%	-8.6%	4.5%	-74.2%	-19.5%	78.7%	0.1772	
2006	-14.4%	-23.4%	-12.8%	-8.7%	7.0%	-3.1%	-21.6%	-7.5%	-13.7%	7.5%	-18.1%	-24.0%	-23.8%	-0.1%	-22.0%	-19.1%	-28.9%	-14.5%	-10.7%	-11.4%	-5.5%	-6.7%	-19.3%	0.7%	1.3%	7.5%	-28.9%	-11.7%	36.4%	0.1011	
2007	-6.4%	6.4%	-9.8%	-4.2%	11.5%	-0.3%	-9.0%	13.5%	-10.9%	1.3%	-0.3%	-20.4%	-26.3%	0.2%	-13.5%	-5.1%	-9.0%	0.0%	4.3%	-7.9%	1.8%	14.6%	-5.6%	11.8%	-2.6%	14.6%	-26.3%	-2.6%	40.9%	0.1001	
2008	-3.9%	5.8%	0.6%	-0.1%	-1.8%	2.0%	1.8%	3.1%	0.1%	-0.5%	5.1%	-2.9%	-22.1%	4.3%	19.9%	-6.3%	10.3%	0.9%	5.0%	-5.4%	9.3%	11.0%	1.1%	11.7%	0.2%	19.9%	-22.1%	2.0%	42.0%	0.0779	
2009	-1.4%	14.4%	0.1%	0.8%	-0.4%	0.7%	-4.7%	3.4%	2.1%	-2.9%	-0.2%	-0.1%	-12.6%	-9.2%	13.2%	-1.7%	2.0%	-8.1%	1.3%	-8.3%	5.0%	7.1%	-1.4%	6.2%	3.1%	14.4%	-12.6%	0.3%	27.0%	0.0626	
2010																										0.0%	0.0%			0.0%	
For 2001 & Prior only																															
High	39.6%	50.2%	39.3%	27.0%	32.2%	24.9%	56.3%	15.0%	-18.6%	9.2%	55.5%	1.8%	60.3%	15.6%	15.5%	52.6%	38.9%	25.9%	43.4%	22.9%	57.3%	88.9%	32.4%	26.7%	32.6%						
Low	-26.4%	-23.4%	-18.2%	-22.1%	-17.8%	-29.7%	5.9%	-9.1%	-49.0%	-23.0%	-22.7%	-20.0%	-25.6%	-29.5%	-43.0%	-47.5%	-16.2%	-21.8%	-25.6%	-32.1%	-17.1%	-12.0%	-27.8%	-28.8%	-21.9%						
Average	2.4%	3.7%	6.1%	3.2%	6.3%	-4.4%	24.4%	5.5%	-32.9%	-7.9%	15.9%	-8.3%	2.8%	-6.5%	-22.6%	-4.0%	6.5%	-2.9%	5.6%	-0.9%	7.6%	17.4%	-2.4%	-8.7%	-2.4%						
Range	66.0%	73.6%	57.5%	49.1%	50.0%	54.7%	50.4%	24.1%	30.3%	32.2%	78.3%	21.8%	85.9%	45.2%	58.5%	100.1%	55.1%	47.7%	69.0%	55.1%	74.4%	100.9%	60.2%	55.5%	54.4%						
Std Dev	0.2225	0.2558	0.1681	0.1881	0.1515	0.1600	0.1706	0.0742	0.0967	0.0891	0.2602	0.0827	0.2486	0.1640	0.1542	0.3437	0.1587	0.1544	0.2689	0.1642	0.2126	0.3314	0.2127	0.1653	0.1844						

Note: 2002 & subsequent is evaluated through the end of 2010

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 120 Month
By Group/Company
Commercial Multiple Peril

Exhibit 9
CMP

12 to 120 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company																				High	Low	Average	Range	Std Dev		
	1	2	3	4	5	6	7	9	17	19	20	21	22	23	25	28	31	33	34	38						40	
1991	-11.0%	-21.9%	0.5%	-8.8%	-7.9%	-6.5%	7.6%	1.2%	-14.2%	-12.1%	-3.2%	-24.0%	-7.3%	-11.2%	-3.2%	9.3%	0.3%	19.6%	-3.5%	-10.2%	9.0%	19.6%	-24.0%	-4.6%	43.6%	0.1045	
1992	-7.3%	-15.4%	-17.7%	-14.0%	-5.4%	-2.9%	-7.6%	-4.2%	13.5%	-8.3%	-11.2%	-16.6%	-5.8%	-8.2%	7.5%	9.3%	-10.2%	2.3%	-2.1%	-7.1%	-3.8%	13.5%	-17.7%	-5.5%	31.2%	0.0823	
1993	-4.6%	-2.1%	-12.5%	-5.5%	-7.4%	-9.9%	-11.7%	-29.8%	-2.2%	-11.5%	-10.0%	0.1%	0.4%	-8.9%	5.3%	11.5%	-13.4%	-7.5%	1.9%	-11.2%	-10.9%	11.5%	-29.8%	-6.7%	41.3%	0.0841	
1994	-7.0%	0.7%	-5.4%	-8.5%	-4.7%	-2.6%	2.1%	-31.2%	-18.2%	-1.9%	-12.7%	16.8%	-2.5%	17.9%	15.6%	17.3%	0.0%	1.7%	8.3%	-3.0%	-9.2%	17.9%	-31.2%	-1.3%	49.1%	0.1212	
1995	-0.1%	6.7%	-6.0%	-14.2%	-0.6%	-4.6%	-3.2%	-53.7%	-13.5%	-8.8%	-17.4%	12.5%	10.3%	17.2%	12.0%	14.5%	-7.2%	53.4%	10.5%	-8.9%	-15.4%	53.4%	-53.7%	-0.8%	107.1%	0.1999	
1996	-13.6%	1.7%	-2.7%	-8.8%	4.7%	-4.4%	5.4%	2.8%	-15.3%	-4.8%	-15.1%	19.6%	13.0%	17.9%	8.9%	20.6%	1.6%	70.1%	26.7%	-6.0%	-5.6%	70.1%	-15.8%	5.5%	85.9%	0.1908	
1997	-1.4%	-4.8%	17.2%	-1.5%	5.2%	4.1%	-10.8%	-1.2%	-18.3%	0.6%	-8.1%	9.6%	6.7%	11.4%	-5.1%	1.4%	-13.5%	61.7%	47.0%	-5.9%	-11.3%	61.7%	-18.3%	3.9%	80.0%	0.1900	
1998	5.8%	6.0%	18.7%	5.3%	9.6%	-2.7%	-6.1%	10.3%	5.4%	-3.8%	-6.7%	13.1%	1.7%	14.5%	-7.0%	27.9%	24.3%	34.5%	38.5%	-1.2%	-3.8%	38.5%	-7.0%	8.8%	45.5%	0.1351	
1999	4.2%	-7.1%	31.7%	4.5%	14.8%	-7.7%	-5.5%	49.7%	13.6%	12.8%	-6.0%	13.4%	1.8%	22.2%	-4.6%	16.1%	8.7%	16.4%	41.2%	2.6%	12.2%	49.7%	-7.7%	11.2%	57.4%	0.1546	
2000	12.6%	6.5%	23.4%	16.0%	11.5%	-7.9%	12.5%	11.9%	11.7%	8.8%	4.9%	-0.2%	20.3%	24.4%	10.4%	15.3%	-16.5%	18.5%	46.8%	6.2%	12.2%	46.8%	-16.5%	11.9%	63.4%	0.1250	
2001	13.2%	-15.4%	17.6%	1.7%	-13.4%	-4.1%	15.6%	-3.1%	1.7%	17.0%	-1.6%	-15.1%	3.6%	18.0%	0.1%	2.3%	106.6%	-18.9%	33.7%	-5.5%	6.0%	106.6%	-18.9%	7.6%	125.5%	0.2621	
2002	6.0%	-11.2%	3.9%	18.8%	-9.7%	-2.1%	5.7%	-23.5%	35.0%	0.8%	-4.0%	-15.2%	21.1%	-25.9%	-0.5%	-14.0%	-2.3%	8.7%	24.9%	-17.6%	-3.3%	35.0%	-25.9%	-0.2%	60.9%	0.1584	
2003	8.8%	-26.8%	-12.4%	-5.3%	-7.9%	-1.4%	-4.2%	-31.5%	4.1%	-7.8%	0.2%	-15.2%	7.5%	-28.3%	-8.1%	-19.3%	-33.4%	-8.7%	-5.6%	-21.1%	-10.7%	8.8%	-33.4%	-10.8%	42.2%	0.1220	
2004	5.7%	-26.9%	-12.7%	-3.5%	-15.7%	6.6%	0.7%	1.8%	2.7%	-8.0%	-5.4%	-11.9%	-0.9%	-18.4%	-3.6%	-21.9%	-39.3%	-18.4%	-29.7%	-25.9%	1.0%	6.6%	-39.3%	-10.7%	45.9%	0.1295	
2005	-3.9%	-14.1%	-11.0%	-1.6%	-13.8%	40.1%	-12.1%	-32.4%	11.4%	-3.5%	-5.0%	-14.3%	-0.3%	-16.6%	5.9%	-7.9%	-24.2%	-13.1%	-42.9%	-26.4%	3.4%	40.1%	-42.9%	-8.7%	83.0%	0.1703	
2006	11.1%	-10.3%	-2.4%	-6.0%	-11.8%	4.1%	-4.1%	-31.9%	-6.6%	-6.1%	-7.7%	-14.3%	-7.8%	-16.2%	-4.1%	-19.0%	-28.6%	-5.5%	-21.7%	-19.9%	1.6%	11.1%	-31.9%	-9.9%	43.0%	0.1044	
2007	-8.1%	-12.6%	-3.7%	1.3%	-7.1%	8.8%	0.1%	-6.1%	0.1%	-6.1%	-9.1%	-15.4%	-9.1%	-4.4%	-0.8%	-13.3%	-11.5%	-2.4%	-18.5%	-5.8%	0.6%	8.8%	-18.5%	-5.9%	27.3%	0.0646	
2008	-3.7%	-9.0%	-2.8%	5.0%	-3.7%	-0.9%	12.6%	-18.0%	0.6%	-6.1%	-8.0%	-9.1%	-9.7%	-3.7%	-0.2%	-6.5%	3.9%	18.2%	-15.0%	-3.4%	4.8%	18.2%	-18.0%	-2.6%	36.2%	0.0844	
2009	2.5%	-1.9%	-4.3%	1.2%	0.2%	0.6%	0.1%	5.7%	8.8%	-7.4%	-8.5%	-1.2%	-6.1%	-4.2%	-7.0%	-3.3%	-1.4%	-4.6%	-21.4%	1.8%	0.5%	8.8%	-21.4%	-2.4%	30.2%	0.0613	
2010																						0.0%	0.0%		0.0%		
For 2001 & Prior only																											
High	13.2%	6.7%	31.7%	16.0%	14.8%	4.1%	15.6%	49.7%	13.6%	17.0%	4.9%	19.6%	20.3%	24.4%	15.6%	27.9%	106.6%	70.1%	47.0%	6.2%	12.2%						
Low	-13.6%	-21.9%	-17.7%	-14.2%	-13.4%	-9.9%	-11.7%	-53.7%	-18.3%	-12.1%	-17.4%	-24.0%	-7.3%	-11.2%	-7.0%	1.4%	-16.5%	-18.9%	-3.5%	-11.2%	-15.4%						
Average	-0.8%	-4.1%	5.9%	-3.1%	0.6%	-4.5%	-0.1%	-4.3%	-3.3%	-1.1%	-7.9%	2.6%	3.8%	10.5%	3.6%	13.2%	7.3%	22.9%	22.6%	-4.6%	-1.9%						
Range	26.8%	28.5%	49.5%	30.2%	28.1%	14.1%	27.3%	103.4%	31.9%	29.1%	22.2%	43.6%	27.7%	35.6%	22.6%	26.5%	123.1%	89.0%	50.5%	17.3%	27.6%						
Std Dev	0.0900	0.0986	0.1634	0.0928	0.0915	0.0372	0.0938	0.2702	0.1312	0.0991	0.0640	0.1506	0.0827	0.1324	0.0787	0.0770	0.3496	0.2900	0.1999	0.0535	0.1002						

Note: 2002 & subsequent is evaluated through the end of 2010

Effects of Loss Reserve Margins on Calendar Year Results - Balcarek Expanded

Calendar Year Change in Accident Year Ultimate Losses between 12 and 120 Months
By Group/Company
Medical Professional Liability

Exhibit 9
MM

12 to 120 Months of Maturity Change in Ultimate Losses as a Percent of 12 Month Ultimate

Accident Year	Group/Company																	High	Low	Average	Range	Std Dev	
	9	12	13	20	22	24	26	27	28	29	30	31	32	33	34	35	36						37
1991	-9.0%	-32.7%	-36.0%	-10.4%	-90.6%	-42.5%	-7.5%	-29.3%	-22.2%	-41.5%	-8.5%	91.3%	-35.4%	-38.3%		-29.6%	-24.2%	-5.7%	91.3%	-90.6%	-21.9%	181.9%	0.3551
1992	-29.4%	-25.1%	-31.8%	-66.2%	-79.7%	-30.9%	-20.2%	-25.5%	-6.0%	-42.0%	-37.6%	1.3%	-35.8%	-21.2%		-29.6%	-30.0%	-17.3%	1.3%	-79.7%	-31.0%	81.0%	0.1926
1993	-15.9%	-26.9%	-19.2%	-55.5%	-42.5%	-29.5%	-18.7%	-30.5%	-10.4%	-28.8%	-38.5%	158.9%	-24.7%	-37.7%	62.3%	-24.3%	-21.8%	1.4%	158.9%	-55.5%	-11.3%	214.4%	0.4896
1994	-9.7%	-14.8%	-25.1%	-52.6%	20.5%	-33.0%	-10.7%	-28.4%	9.6%	-20.6%	-24.4%	70.7%	-26.7%	-26.1%	39.0%	-25.5%	-7.9%	-23.4%	70.7%	-52.6%	-10.5%	123.3%	0.2914
1995	-7.3%	0.8%	-1.5%	-41.7%	30.3%	-30.5%	3.0%	-27.4%	33.5%	-26.4%	-4.4%	109.7%	-24.3%	81.6%	69.9%	-26.2%	-24.9%	10.8%	109.7%	-41.7%	7.0%	151.4%	0.4267
1996	-5.1%	-7.6%	-15.0%	-53.4%	-30.7%	-27.9%	-4.9%	-13.6%	27.0%	-23.9%	-21.8%	48.2%	-25.0%	118.1%	153.7%	-15.7%	-9.0%	-10.0%	153.7%	-53.4%	4.6%	207.0%	0.5281
1997	-2.3%	-26.0%	4.7%	-31.5%	54.4%	-45.4%	-9.9%	-14.0%	48.1%	-15.8%	3.4%	110.0%	-23.8%	136.6%	169.9%	-9.6%	-11.9%	-10.3%	169.9%	-45.4%	18.1%	215.2%	0.6145
1998	1.8%	-14.2%	17.7%	-21.5%	341.2%	-26.4%	-24.8%	-0.3%	48.0%	-11.6%	15.7%	210.0%	-21.5%	168.8%	214.9%	0.2%	12.1%	10.6%	341.2%	-26.4%	51.1%	367.6%	1.0677
1999	19.4%	-6.7%	-8.7%	-10.0%	167.6%	-13.3%	-9.9%	3.2%	56.0%	-8.7%	-16.4%	15.4%	299.8%	-10.4%	191.6%	165.0%	4.9%	5.8%	299.8%	-16.4%	48.4%	316.3%	0.9228
2000	44.3%	-11.1%	-12.5%	-19.1%	-7.3%	-7.3%	-0.1%	29.0%	48.8%	5.9%	26.1%	67.0%	0.6%	181.8%	105.7%	-0.6%	9.9%	6.6%	181.8%	-19.1%	26.0%	200.9%	0.5050
2001	41.5%	-3.9%	3.2%	-30.5%	-0.3%	-12.0%	6.6%	11.4%	46.0%	9.6%	32.9%	206.9%	8.7%	28.6%	36.5%	2.5%	4.4%	16.6%	206.9%	-30.5%	22.7%	237.4%	0.4991
2002	25.1%	-26.4%	2.0%	-35.1%	8.2%	-12.1%	-1.2%	-0.3%	27.5%	-26.9%	25.0%	85.5%	-15.7%	-15.5%	18.1%	-1.0%	-8.0%	4.7%	85.5%	-35.1%	3.0%	120.5%	0.2757
2003	-6.7%	-19.2%	12.7%	-49.7%	-37.2%	-24.7%	6.2%	-21.2%	-10.2%	-28.9%	-4.3%	-13.0%	-30.3%	-56.8%	-60.6%	-18.9%	-17.8%	2.9%	12.7%	-60.6%	-21.0%	73.3%	0.2061
2004	-32.4%	-33.5%	3.0%	-55.2%	-47.7%	-42.7%	-34.0%	-36.9%	-20.8%	-35.2%	-44.0%	-53.7%	-33.8%	-39.4%	-24.9%	-39.6%	-35.3%	-21.3%	3.0%	-55.2%	-34.9%	58.2%	0.1339
2005	-31.5%	-36.3%	-2.5%	-57.9%	-15.1%	-45.5%	-32.5%	-41.9%	-14.6%	-35.1%	-33.5%	-46.8%	-24.6%	-34.0%	-27.7%	-36.4%	-27.2%	-17.3%	-2.5%	-57.9%	-31.1%	55.4%	0.1326
2006	-32.5%	-40.1%	-4.2%	-43.7%	-34.7%	-35.9%	-39.8%	-35.7%	-22.0%	-33.9%	-35.3%	-4.4%	-24.4%	-29.9%	-30.5%	-28.1%	-28.5%	-18.4%	-4.2%	-43.7%	-29.0%	39.5%	0.1103
2007	-16.6%	-46.0%	-23.1%	-49.5%	-11.4%	-22.6%	-39.7%	-24.4%	3.1%	-24.8%	-17.8%	-15.7%	-25.6%	-27.0%	-17.1%	-9.2%	-22.3%	-15.4%	3.1%	-49.5%	-22.5%	52.5%	0.1272
2008	-9.8%	-13.8%	-16.3%	-5.1%	-5.1%	-7.9%	-19.8%	-4.7%	1.7%	-22.5%	-8.3%	-3.8%	-27.4%	-17.4%	-16.7%	1.8%	-13.3%	-7.0%	1.8%	-27.4%	-10.9%	29.2%	0.0809
2009	-4.9%	0.2%	-13.1%	-24.2%	-3.4%	-9.9%	-15.0%	-5.9%	-0.3%	-5.3%	-0.3%	0.7%	-9.4%	-4.0%	-14.2%	0.5%	-5.3%	-5.1%	0.7%	-24.2%	-6.6%	25.0%	0.0668
2010																			0.0%	0.0%		0.0%	
For 2001 & Prior only																							
High	44.3%	0.8%	17.7%	-10.0%	341.2%	-7.3%	6.6%	29.0%	56.0%	9.6%	32.9%	299.8%	8.7%	191.6%	214.9%	4.9%	12.1%	18.3%					
Low	-29.4%	-32.7%	-36.0%	-66.2%	-90.6%	-45.4%	-24.8%	-30.5%	-22.2%	-42.0%	-38.5%	1.3%	-35.8%	-38.3%	36.5%	-29.6%	-30.0%	-23.4%					
Average	2.6%	-15.3%	-11.3%	-35.7%	33.0%	-27.1%	-8.8%	-11.4%	25.3%	-19.2%	-3.8%	124.9%	-19.9%	71.3%	113.0%	-13.9%	-8.9%	-0.2%					
Range	73.7%	33.5%	53.7%	56.2%	431.8%	38.1%	31.4%	59.4%	78.2%	51.6%	71.4%	298.5%	44.6%	230.0%	178.4%	34.5%	42.1%	41.7%					
Std Dev	0.2317	0.1091	0.1646	0.1943	1.2418	0.1203	0.0979	0.1981	0.2790	0.1650	0.2482	0.8646	0.1399	0.9301	0.6499	0.1380	0.1517	0.1404					

Note: 2002 & subsequent is evaluated through the end of 2010

Company	HO	PPAL	CAL	WC	CMP	MM
Allstate Insurance Group	x	x	x		x	
Chubb Group of Insurance Companies	x	x	x	x	x	
Farmers Insurance Group	x	x	x	x	x	
Hartford Insurance Group	x	x	x	x	x	
Liberty Mutual Insurance Companies	x	x	x	x	x	
State Farm Group	x	x	x	x	x	
Old Republic General Insurance Group			x	x	x	
Progressive Insurance Group		x	x			
Berkshire Hathaway Insurance Group		x	x	x	x	x
Zenith National Insurance Group				x		
SAIF Corporation				x		
Mutual Insurance Company of Arizona						x
State Volunteer Mutual Insurance Company						x
Canal Group			x			
NJM Insurance Group	x	x	x	x		
State Compensation Insurance Fund of CA				x		
Amerisure Companies			x	x	x	
USAA Group	x	x				
Erie Insurance Group	x	x	x	x	x	
Cincinnati Insurance Companies	x	x	x	x	x	x
Auto-Owners Insurance Group	x	x	x	x	x	
W. R. Berkley Group			x	x	x	x
Great American P & C Insurance Grp			x	x	x	
Medical Mutual Group (MD)						x
Nationwide Group	x	x	x	x	x	
Medical Mutual Group (NC)						x
Doctors Company Insurance Group						x
CNA Insurance Companies			x	x	x	x
ProMutual Group						x
FPIC Insurance Group						x
ACE INA Group			x	x	x	x
NORCAL Group						x
American International Group Inc	x	x	x	x	x	x
Zurich Financial Services NA Group			x	x	x	x
ProAssurance Group						x
MAG Mutual Group						x
ISMIE Mutual Group						x
Travelers Insurance Companies	x	x	x	x	x	
Accident Fund Group				x		
QBE Americas Group	x	x	x	x	x	