

EXHIBIT 2
SAMPLE INSURANCE COMPANY
STATE XYZ

Calculation of Statewide Rate Level Change
Homeowners

(1) Total premiums on current rate level		\$4,544,326
(2) Current amount of insurance years (000's)		\$872,589
(3) Current average rate per \$1,000	(1)/(2)	\$5.21
(4) Catastrophe factor from last approved filing		1.327
(5) Portion of rate from catastrophes	$1 - [1/(4)]$	24.6%
(6) Portion of catastrophe from hurricane (est.)		80.0%
(7) Portion of rate from hurricane	(5) × (6)	19.7%
(8) Current average hurricane rate per \$1,000	(3) × (7)	\$1.03
(9) Current average non-hurricane rate per \$1,000	(3) - (8)	\$4.18
(10) Indicated average non-hurricane rate per \$1,000		\$4.02
(11) Indicated average hurricane rate per \$1,000		\$4.53
(12) Indicated total rate per \$1,000	(10) + (11)	\$8.55
(13) Indicated rate level change—non-hurricane	(10)/(9) - 1	-3.8%
(14) Indicated rate level change—hurricane	(11)/(8) - 1	339.8%
(15) Indicated total rate level change	(12)/(3) - 1	64.1%
(16) Filed average non-hurricane rate per \$1,000		\$4.02
(17) Filed average hurricane rate per \$1,000		\$4.25
(18) Filed average total rate per \$1,000	(16) + (17)	\$8.27
(19) Filed average non-hurricane rate level change	(16)/(9) - 1	-3.8%
(20) Filed average hurricane rate change	(17)/(8) - 1	312.6%
(21) Filed average total rate change	(18)/(3) - 1	58.7%
Rate Change Status for Future On-Level Calculations		
(22) Approved average non-hurricane rate per \$1,000		\$4.02
(23) Approved average hurricane rate per \$1,000		\$3.75
(24) Approved average total rate per \$1,000	(22) + (23)	\$7.77
(25) Approved average total rate level change	(24)/(3) - 1	49.1%
(26) Premium level change for non-hurricane coverage	(22)/(3) - 1	-22.8%