



September 1, 2011

Honorable Wayne Goodwin
Commissioner of Insurance
North Carolina Department of Insurance
PO Box 26387
Raleigh, North Carolina 27611

Re: Review of Workers Compensation Insurance -
Voluntary Loss Costs and Assigned Risk Rates

Dear Commissioner Goodwin:

In accordance with Article 36 of Chapter 58 of the General Statutes of North Carolina, the North Carolina Rate Bureau hereby submits experience, data, statistics and information for Workers Compensation insurance. This constitutes the loss cost and rate review required by law to be submitted on or before September 1, 2011.

We have included with this review the analysis that NCCI has completed on the impact of the legislation amending the workers compensation laws (House Bill 709). Based on that analysis, it appears that the legislation is likely to result in a reduction of workers compensation system costs over time, though the cost impact for a number of provisions in the legislation cannot be reasonably determined at this time because the data needed to make a determination are not available. The actual impact on system costs will be realized in future loss experience and will be reflected in future loss cost and assigned risk rate filings.

No Workers Compensation insurance voluntary loss cost changes or assigned risk rate changes are proposed in this review.

Sincerely,

Raymond F. Evans, Jr., CPCU
General Manager

RFE:dms
Enclosures

North Carolina

Workers Compensation Insurance Experience Review September 1, 2011

Index

Exhibits

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North Carolina Policy Year Premium On-level Factors

Section A - Historical Premium Level and Expense Constant Changes

Voluntary Market			Assigned Risk Market		
<u>Date</u>	<u>Pure Premium Level Change</u>	<u>Expense Constant</u>	<u>Date</u>	<u>Premium Level Change</u>	<u>Expense Constant</u>
4/1/97	0.863	n/a	4/1/97	0.868	\$210
4/1/98	0.989	n/a	4/1/98	1.043	----
4/1/00	1.000	n/a	4/1/00	1.000	----
4/1/01	1.046	n/a	4/1/01	1.046	----
4/1/02	0.986	n/a	4/1/02	1.052	----
4/1/03	1.000	n/a	4/1/03	1.000	----
4/1/04	0.990	n/a	4/1/04	1.050	----
4/1/05	1.020	n/a	4/1/05	1.040	----
4/1/06	1.094	n/a	4/1/06	1.087	----
4/1/07	1.073	n/a	4/1/07	1.076	\$250
4/1/08	1.016	n/a	4/1/08	1.041	----
4/1/09	0.956	n/a	4/1/09	0.962	----
4/1/10	0.904	n/a	4/1/10	1.000	----
4/1/11	1.006	n/a	4/1/11	1.041	----

Section B - Factors adjusting assigned risk and voluntary premium to present pure premium level

	<u>Policy Year 2009</u>	<u>Policy Year 2008</u>	<u>Policy Year 2007</u>	<u>Policy Year 2006</u>	<u>Policy Year 2005</u>	<u>Policy Year 2004</u>	<u>Policy Year 2003</u>	<u>Policy Year 2002</u>
(1) Assigned Risk Market Share	0.052	0.066	0.093	0.115	0.141	0.147	0.154	0.133
(2) Voluntary Market Share	0.948	0.934	0.907	0.885	0.859	0.853	0.846	0.867
(3) Assigned Risk Standard Prem. Adj. Factor	0.645	0.646	0.686	0.750	0.864	0.900	0.930	0.945
(4) Voluntary Standard Prem. Adj. Factor	0.896	0.873	0.903	0.975	1.041	1.054	1.047	1.044
(5) Current Premium Index A/R to Voluntary	1.551	1.551	1.551	1.551	1.551	1.551	1.551	1.551
(6) Final Premium Adjustment Factor = [((1)x(3))/(5) + (2)x(4)]	0.871	0.843	0.860	0.918	0.973	0.984	0.978	0.986

North Carolina

Policy Year Premium Development Factors

<u>Policy Year</u>	<u>Standard Premium for Matching Companies</u>		<u>Development Factor</u>
	<u>1st Report</u>	<u>2nd Report</u>	
2004	769,102,502	775,257,466	1.008
2005	846,472,000	860,141,873	1.016
2006	1,037,872,279	1,047,536,227	1.009
2007	1,190,134,153	1,185,492,709	0.996
2008	1,061,500,126	1,051,360,912	0.990
2-yr avg			0.993
3-yr avg			0.998
4-yr avg			1.003
5-yr avg			1.004
	<u>2nd Report</u>	<u>3rd Report</u>	
2003	728,990,130	728,250,610	0.999
2004	796,440,976	795,617,768	0.999
2005	927,121,894	926,987,090	1.000
2006	1,047,536,779	1,047,739,061	1.000
2007	1,106,378,997	1,106,187,601	1.000
2-yr avg			1.000
3-yr avg			1.000
4-yr avg			1.000
5-yr avg			1.000
	<u>3rd Report</u>	<u>4th Report</u>	
2002	657,699,282	656,946,388	0.999
2003	741,925,943	742,097,276	1.000
2004	853,487,018	854,425,633	1.001
2005	925,717,792	926,549,200	1.001
2006	973,617,674	972,563,908	0.999
2-yr avg			1.000
3-yr avg			1.000
4-yr avg			1.000
5-yr avg			1.000
	<u>4th Report</u>	<u>5th Report</u>	
2001	649,779,252	650,562,075	1.001
2002	671,109,457	671,401,308	1.000
2003	795,228,333	795,575,531	1.000
2004	844,072,792	845,351,521	1.002
2005	859,932,054	860,222,716	1.000
2-yr avg			1.001
3-yr avg			1.001
4-yr avg			1.001
5-yr avg			1.001

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Policy Year Development Factors

	Indemnity Losses			Medical Losses			Total Losses		
	1st	2nd	Dev't	1st	2nd	Dev't	1st	2nd	Dev't
PY04	88,526,971	184,237,158	2.081	168,098,166	222,992,438	1.327	256,625,137	407,229,596	1.587
PY05	94,208,606	187,795,693	1.993	177,598,690	235,252,553	1.325	271,807,296	423,048,246	1.556
PY06	93,123,468	194,424,096	2.088	178,968,620	237,630,431	1.328	272,092,088	432,054,527	1.588
PY07	109,045,024	225,323,486	2.066	195,149,939	260,816,153	1.336	304,194,963	486,139,639	1.598
PY08	103,183,734	213,155,842	2.066	182,966,850	240,614,243	1.315	286,150,584	453,770,085	1.586
2-yr avg			2.066			1.326			1.592
3-yr avg			2.073			1.326			1.591
4-yr avg			2.053			1.326			1.582
5-yr avg			2.059			1.326			1.583
	Indemnity Losses			Medical Losses			Total Losses		
	2nd	3rd	Dev't	2nd	3rd	Dev't	2nd	3rd	Dev't
PY03	169,173,858	235,148,973	1.390	191,257,031	214,849,101	1.123	360,430,889	449,998,074	1.249
PY04	185,706,594	259,294,234	1.396	224,797,860	250,505,871	1.114	410,504,454	509,800,105	1.242
PY05	186,302,861	262,105,864	1.407	232,086,592	258,593,727	1.114	418,389,453	520,699,591	1.245
PY06	197,780,151	275,301,891	1.392	242,416,590	271,820,565	1.121	440,196,741	547,122,456	1.243
PY07	225,341,551	307,492,150	1.365	260,816,153	290,511,474	1.114	486,157,704	598,003,624	1.230
2-yr avg			1.379			1.118			1.237
3-yr avg			1.388			1.116			1.239
4-yr avg			1.390			1.116			1.240
5-yr avg			1.390			1.117			1.242
	Indemnity Losses			Medical Losses			Total Losses		
	3rd	4th	Dev't	3rd	4th	Dev't	3rd	4th	Dev't
PY02	202,694,903	241,580,116	1.192	187,740,748	199,534,749	1.063	390,435,651	441,114,865	1.130
PY03	235,958,500	277,140,060	1.175	215,374,083	227,669,454	1.057	451,332,583	504,809,514	1.118
PY04	257,620,179	300,554,145	1.167	248,506,016	263,923,416	1.062	506,126,195	564,477,561	1.115
PY05	267,952,246	312,549,734	1.166	264,032,444	280,783,054	1.063	531,984,690	593,332,788	1.115
PY06	274,171,618	321,176,168	1.171	270,671,959	285,724,552	1.056	544,843,577	606,900,720	1.114
2-yr avg			1.169			1.060			1.115
3-yr avg			1.168			1.060			1.115
4-yr avg			1.170			1.060			1.116
5-yr avg			1.174			1.060			1.118
	Indemnity Losses			Medical Losses			Total Losses		
	4th	5th	Dev't	4th	5th	Dev't	4th	5th	Dev't
PY01	238,864,679	263,044,765	1.101	188,911,794	196,408,433	1.040	427,776,473	459,453,198	1.074
PY02	248,802,263	274,630,588	1.104	207,823,708	216,514,620	1.042	456,625,971	491,145,208	1.076
PY03	277,965,816	301,128,388	1.083	228,268,590	236,947,215	1.038	506,234,406	538,075,603	1.063
PY04	305,401,391	330,727,906	1.083	267,869,707	282,331,174	1.054	573,271,098	613,059,080	1.069
PY05	309,530,870	333,362,132	1.077	278,757,470	289,949,900	1.040	588,288,340	623,312,032	1.060
2-yr avg			1.080			1.047			1.065
3-yr avg			1.081			1.044			1.064
4-yr avg			1.087			1.044			1.067
5-yr avg			1.090			1.043			1.068
	Indemnity Losses			Medical Losses			Total Losses		
	5th	6th	Dev't	5th	6th	Dev't	5th	6th	Dev't
PY00	249,539,460	268,549,230	1.076	186,727,679	193,704,612	1.037	436,267,139	462,253,842	1.060
PY01	265,931,739	286,024,915	1.076	198,395,379	206,478,736	1.041	464,327,118	492,503,651	1.061
PY02	275,170,875	291,292,110	1.059	217,007,220	222,125,666	1.024	492,178,095	513,417,776	1.043
PY03	301,400,973	317,842,734	1.055	237,303,751	243,796,925	1.027	538,704,724	561,639,659	1.043
PY04	327,923,618	340,585,075	1.039	280,478,090	287,357,146	1.025	608,401,708	627,942,221	1.032
2-yr avg			1.047			1.026			1.038
3-yr avg			1.051			1.025			1.039
4-yr avg			1.057			1.029			1.045
5-yr avg			1.061			1.031			1.048
	Indemnity Losses			Medical Losses			Total Losses		
	6th	7th	Dev't	6th	7th	Dev't	6th	7th	Dev't
PY99	263,645,378	274,494,778	1.041	192,358,245	196,966,382	1.024	456,003,623	471,461,160	1.034
PY00	272,912,949	282,306,313	1.034	204,894,905	209,703,604	1.023	477,807,854	492,009,917	1.030
PY01	284,856,409	295,484,544	1.037	205,987,267	211,124,904	1.025	490,843,676	506,609,448	1.032
PY02	290,614,050	299,113,181	1.029	221,765,968	224,792,821	1.014	512,380,018	523,906,002	1.022
PY03	315,985,261	326,152,259	1.032	242,414,396	247,402,316	1.021	558,399,657	573,554,575	1.027
2-yr avg			1.031			1.018			1.025
3-yr avg			1.033			1.020			1.027
4-yr avg			1.033			1.021			1.028
5-yr avg			1.035			1.021			1.029

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Policy Year Development Factors, Continued

	Indemnity Losses			Medical Losses			Total Losses		
	7th	8th	Dev't	7th	8th	Dev't	7th	8th	Dev't
PY98	250,409,986	259,727,243	1.037	188,084,184	191,713,911	1.019	438,494,170	451,441,154	1.030
PY99	277,528,993	284,863,772	1.026	198,989,732	202,335,680	1.017	476,518,725	487,199,452	1.022
PY00	282,600,488	290,215,535	1.027	209,766,700	213,730,855	1.019	492,367,188	503,946,390	1.024
PY01	289,832,211	295,600,475	1.020	207,259,330	210,501,850	1.016	497,091,541	506,102,325	1.018
PY02	295,735,394	300,545,519	1.016	222,029,641	226,661,438	1.021	517,765,035	527,206,957	1.018
2-yr avg			1.018			1.019			1.018
3-yr avg			1.021			1.019			1.020
4-yr avg			1.022			1.018			1.021
5-yr avg			1.025			1.018			1.022
	Indemnity Losses			Medical Losses			Total Losses		
	8th	9th	Dev't	8th	9th	Dev't	8th	9th	Dev't
PY97	169,345,600	170,867,075	1.009	125,108,414	126,999,315	1.015	294,454,014	297,866,390	1.012
PY98	263,117,679	267,125,132	1.015	195,356,125	198,376,369	1.015	458,473,804	465,501,501	1.015
PY99	284,381,292	289,318,986	1.017	202,904,697	205,826,188	1.014	487,285,989	495,145,174	1.016
PY00	281,075,038	284,759,050	1.013	204,891,188	208,025,827	1.015	485,966,226	492,784,877	1.014
PY01	289,327,687	292,792,543	1.012	205,337,159	208,144,169	1.014	494,664,846	500,936,712	1.013
2-yr avg			1.013			1.015			1.014
3-yr avg			1.014			1.014			1.014
4-yr avg			1.014			1.015			1.015
5-yr avg			1.013			1.015			1.014
	Indemnity Losses			Medical Losses			Total Losses		
	9th	10th	Dev't	9th	10th	Dev't	9th	10th	Dev't
PY96	138,023,838	139,371,012	1.010	107,168,632	108,636,350	1.014	245,192,470	248,007,362	1.011
PY97	175,063,991	176,384,210	1.008	129,964,612	131,347,525	1.011	305,028,603	307,731,735	1.009
PY98	268,553,052	272,714,896	1.015	199,971,351	206,297,681	1.032	468,524,403	479,012,577	1.022
PY99	277,677,148	281,434,911	1.014	197,239,597	200,274,200	1.015	474,916,745	481,709,111	1.014
PY00	274,461,397	276,467,056	1.007	201,635,030	204,635,558	1.015	476,096,427	481,102,614	1.011
2-yr avg			1.011			1.015			1.013
3-yr avg			1.012			1.021			1.016
4-yr avg			1.011			1.018			1.014
5-yr avg			1.011			1.017			1.013
	Indemnity Losses			Medical Losses			Total Losses		
	10th	11th	Dev't	10th	11th	Dev't	10th	11th	Dev't
PY95	118,655,456	120,579,776	1.016	98,981,674	101,623,782	1.027	217,637,130	222,203,558	1.021
PY96	140,326,496	141,729,996	1.010	109,345,254	109,989,759	1.006	249,671,750	251,719,755	1.008
PY97	178,610,205	180,121,734	1.008	133,500,549	134,241,440	1.006	312,110,754	314,363,174	1.007
PY98	263,257,666	265,414,865	1.008	197,198,002	198,908,012	1.009	460,455,668	464,322,877	1.008
PY99	272,337,059	274,447,401	1.008	193,344,282	195,097,288	1.009	465,681,341	469,544,689	1.008
2-yr avg			1.008			1.009			1.008
3-yr avg			1.008			1.008			1.008
4-yr avg			1.009			1.008			1.008
5-yr avg			1.010			1.011			1.010
	Indemnity Losses			Medical Losses			Total Losses		
	11th	12th	Dev't	11th	12th	Dev't	11th	12th	Dev't
PY94	120,158,698	120,645,208	1.004	96,136,352	96,339,186	1.002	216,295,050	216,984,394	1.003
PY95	120,579,776	121,127,180	1.005	101,623,782	102,073,572	1.004	222,203,558	223,200,752	1.004
PY96	144,084,133	145,327,251	1.009	112,017,393	113,118,714	1.010	256,101,526	258,445,965	1.009
PY97	174,383,897	175,071,793	1.004	130,267,942	131,166,134	1.007	304,651,839	306,237,927	1.005
PY98	254,961,516	256,148,512	1.005	190,199,819	191,911,838	1.009	445,161,335	448,060,350	1.007
2-yr avg			1.005			1.008			1.006
3-yr avg			1.006			1.009			1.007
4-yr avg			1.006			1.008			1.006
5-yr avg			1.005			1.006			1.006
	Indemnity Losses			Medical Losses			Total Losses		
	12th	13th	Dev't	12th	13th	Dev't	12th	13th	Dev't
PY93	147,631,112	149,721,154	1.014	129,923,139	132,195,680	1.017	277,554,251	281,916,834	1.016
PY94	120,645,208	121,138,283	1.004	96,339,186	96,783,954	1.005	216,984,394	217,922,237	1.004
PY95	123,082,900	123,333,151	1.002	104,205,429	104,886,270	1.007	227,288,329	228,219,421	1.004
PY96	144,046,997	144,893,753	1.006	112,475,027	113,175,163	1.006	256,522,024	258,068,916	1.006
PY97	166,660,411	167,291,825	1.004	124,543,381	125,240,178	1.006	291,203,792	292,532,003	1.005
2-yr avg			1.005			1.006			1.006
3-yr avg			1.004			1.006			1.005
4-yr avg			1.004			1.006			1.005
5-yr avg			1.006			1.008			1.007

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Policy Year Development Factors, Continued

	Indemnity Losses			Medical Losses			Total Losses		
	13th	14th	Dev't	13th	14th	Dev't	13th	14th	Dev't
PY92	184,994,633	185,989,955	1.005	160,498,184	161,497,527	1.006	345,492,817	347,487,482	1.006
PY93	149,721,154	150,485,070	1.005	132,195,680	132,905,788	1.005	281,916,834	283,390,858	1.005
PY94	122,087,502	122,399,779	1.003	97,626,014	97,787,650	1.002	219,713,516	220,187,429	1.002
PY95	123,053,958	123,286,034	1.002	104,522,878	104,961,338	1.004	227,576,836	228,247,372	1.003
PY96	140,505,760	141,145,286	1.005	108,530,437	110,430,436	1.018	249,036,197	251,575,722	1.010
2-yr avg			1.004			1.011			1.007
3-yr avg			1.003			1.008			1.005
4-yr avg			1.004			1.007			1.005
5-yr avg			1.004			1.007			1.005
	Indemnity Losses			Medical Losses			Total Losses		
	14th	15th	Dev't	14th	15th	Dev't	14th	15th	Dev't
PY91	242,076,291	242,974,065	1.004	201,532,796	203,070,981	1.008	443,609,087	446,045,046	1.005
PY92	185,989,955	186,521,446	1.003	161,497,527	162,781,670	1.008	347,487,482	349,303,116	1.005
PY93	150,026,819	150,446,284	1.003	129,697,219	130,224,670	1.004	279,724,038	280,670,954	1.003
PY94	122,238,615	122,472,745	1.002	97,474,476	97,888,934	1.004	219,713,091	220,361,679	1.003
PY95	119,830,240	119,961,103	1.001	101,753,474	102,157,619	1.004	221,583,714	222,118,722	1.002
2-yr avg			1.002			1.004			1.003
3-yr avg			1.002			1.004			1.003
4-yr avg			1.002			1.005			1.003
5-yr avg			1.003			1.006			1.004
	Indemnity Losses			Medical Losses			Total Losses		
	15th	16th	Dev't	15th	16th	Dev't	15th	16th	Dev't
PY90	253,994,277	255,280,595	1.005	198,575,897	199,445,295	1.004	452,570,174	454,725,890	1.005
PY91	242,974,065	244,698,859	1.007	203,070,981	204,756,710	1.008	446,045,046	449,455,569	1.008
PY92	185,675,857	186,518,529	1.005	162,315,727	163,509,069	1.007	347,991,584	350,027,598	1.006
PY93	150,280,820	150,730,815	1.003	130,035,132	130,463,267	1.003	280,315,952	281,194,082	1.003
PY94	120,796,076	121,140,868	1.003	96,256,696	96,555,743	1.003	217,052,772	217,696,611	1.003
2-yr avg			1.003			1.003			1.003
3-yr avg			1.004			1.004			1.004
4-yr avg			1.005			1.005			1.005
5-yr avg			1.005			1.005			1.005
	Indemnity Losses			Medical Losses			Total Losses		
	16th	17th	Dev't	16th	17th	Dev't	16th	17th	Dev't
PY89	246,728,295	247,358,433	1.003	189,818,340	190,446,677	1.003	436,546,635	437,805,110	1.003
PY90	255,280,595	256,658,390	1.005	199,445,295	200,317,499	1.004	454,725,890	456,975,889	1.005
PY91	244,104,790	244,832,659	1.003	204,380,844	205,845,683	1.007	448,485,634	450,678,342	1.005
PY92	185,316,859	185,865,484	1.003	162,650,521	163,533,697	1.005	347,967,380	349,399,181	1.004
PY93	149,997,105	150,735,835	1.005	129,871,791	130,886,565	1.008	279,868,896	281,622,400	1.006
2-yr avg			1.004			1.007			1.005
3-yr avg			1.004			1.007			1.005
4-yr avg			1.004			1.006			1.005
5-yr avg			1.004			1.005			1.005
	Indemnity Losses			Medical Losses			Total Losses		
	17th	18th	Dev't	17th	18th	Dev't	17th	18th	Dev't
PY88	200,822,184	201,703,092	1.004	159,755,313	160,403,729	1.004	360,577,497	362,106,821	1.004
PY89	247,358,433	248,167,158	1.003	190,446,677	191,308,557	1.005	437,805,110	439,475,715	1.004
PY90	255,826,799	256,791,402	1.004	199,914,129	200,907,394	1.005	455,740,928	457,698,796	1.004
PY91	243,974,258	244,935,258	1.004	205,208,504	206,845,844	1.008	449,182,762	451,781,102	1.006
PY92	185,303,647	185,713,649	1.002	163,302,894	163,966,445	1.004	348,606,541	349,680,094	1.003
2-yr avg			1.003			1.006			1.005
3-yr avg			1.003			1.006			1.004
4-yr avg			1.003			1.006			1.004
5-yr avg			1.003			1.005			1.004
	Indemnity Losses			Medical Losses			Total Losses		
	18th	19th	Dev't	18th	19th	Dev't	18th	19th	Dev't
PY87	166,616,825	167,173,548	1.003	129,926,629	130,504,735	1.004	296,543,454	297,678,283	1.004
PY88	201,703,092	202,691,425	1.005	160,403,729	161,309,606	1.006	362,106,821	364,001,031	1.005
PY89	247,621,041	247,981,035	1.001	191,076,849	191,765,366	1.004	438,697,890	439,746,401	1.002
PY90	256,294,149	257,065,036	1.003	200,346,202	201,169,378	1.004	456,640,351	458,234,414	1.003
PY91	244,833,767	245,987,509	1.005	206,694,975	208,416,476	1.008	451,528,742	454,403,985	1.006
2-yr avg			1.004			1.006			1.005
3-yr avg			1.003			1.005			1.004
4-yr avg			1.004			1.006			1.004
5-yr avg			1.003			1.005			1.004

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	Indemnity Losses			Medical Losses			Total Losses		
	1st	2nd	Dev't	1st	2nd	Dev't	1st	2nd	Dev't
PY04	209,505,785	287,291,244	1.371	275,344,205	302,368,920	1.098	484,849,990	589,660,164	1.216
PY05	216,165,974	298,355,056	1.380	285,085,762	315,143,337	1.105	501,251,736	613,498,393	1.224
PY06	213,673,065	289,482,859	1.355	274,367,531	303,823,823	1.107	488,040,596	593,306,682	1.216
PY07	234,831,610	332,656,466	1.417	301,845,774	332,806,929	1.103	536,677,384	665,463,395	1.240
PY08	219,426,880	302,564,182	1.379	288,066,720	310,492,340	1.078	507,493,600	613,056,522	1.208
2-yr avg			1.398			1.091			1.224
3-yr avg			1.384			1.096			1.221
4-yr avg			1.383			1.098			1.222
5-yr avg			1.380			1.098			1.221
	Indemnity Losses			Medical Losses			Total Losses		
	2nd	3rd	Dev't	2nd	3rd	Dev't	2nd	3rd	Dev't
PY03	268,067,916	305,093,013	1.138	250,632,230	263,150,496	1.050	518,700,146	568,243,509	1.096
PY04	289,644,810	329,318,614	1.137	304,374,978	310,692,359	1.021	594,019,788	640,010,973	1.077
PY05	295,635,856	335,347,009	1.134	311,658,460	309,025,565	0.992	607,294,316	644,372,574	1.061
PY06	294,009,677	350,840,286	1.193	315,411,890	329,166,588	1.044	609,421,567	680,006,874	1.116
PY07	332,675,031	385,517,657	1.159	333,503,968	348,655,212	1.045	666,178,999	734,172,869	1.102
2-yr avg			1.176			1.045			1.109
3-yr avg			1.162			1.027			1.093
4-yr avg			1.156			1.026			1.089
5-yr avg			1.152			1.030			1.090
	Indemnity Losses			Medical Losses			Total Losses		
	3rd	4th	Dev't	3rd	4th	Dev't	3rd	4th	Dev't
PY02	268,421,701	289,701,408	1.079	235,653,238	232,450,968	0.986	504,074,939	522,152,376	1.036
PY03	306,153,546	326,266,604	1.066	263,730,461	267,871,700	1.016	569,884,007	594,138,304	1.043
PY04	327,337,539	348,107,069	1.063	308,533,131	312,086,520	1.012	635,870,670	660,193,589	1.038
PY05	342,301,876	365,984,211	1.069	315,022,031	321,714,168	1.021	657,323,907	687,698,379	1.046
PY06	349,565,820	373,603,366	1.069	328,103,926	326,671,883	0.996	677,669,746	700,275,249	1.033
2-yr avg			1.069			1.009			1.040
3-yr avg			1.067			1.010			1.039
4-yr avg			1.067			1.011			1.040
5-yr avg			1.069			1.006			1.039
	Indemnity Losses			Medical Losses			Total Losses		
	4th	5th	Dev't	4th	5th	Dev't	4th	5th	Dev't
PY01	286,606,192	300,749,335	1.049	229,622,769	228,743,921	0.996	516,228,961	529,493,256	1.026
PY02	300,628,341	311,966,400	1.038	244,418,066	250,287,011	1.024	545,046,407	562,253,411	1.032
PY03	327,198,550	338,110,122	1.033	268,464,855	271,267,585	1.010	595,663,405	609,377,707	1.023
PY04	353,413,568	369,220,865	1.045	316,205,906	326,019,997	1.031	669,619,474	695,240,862	1.038
PY05	362,660,927	375,375,658	1.035	319,967,514	329,084,224	1.028	682,628,441	704,459,882	1.032
2-yr avg			1.040			1.030			1.035
3-yr avg			1.038			1.023			1.031
4-yr avg			1.038			1.023			1.031
5-yr avg			1.040			1.018			1.030
	Indemnity Losses			Medical Losses			Total Losses		
	5th	6th	Dev't	5th	6th	Dev't	5th	6th	Dev't
PY00	288,888,338	294,246,742	1.019	217,507,008	218,443,478	1.004	506,395,346	512,690,220	1.012
PY01	303,953,109	313,111,946	1.030	230,968,077	227,325,035	0.984	534,921,186	540,436,981	1.010
PY02	312,171,375	316,036,357	1.012	250,623,334	251,661,586	1.004	562,794,709	567,697,943	1.009
PY03	338,426,889	345,827,560	1.022	271,711,144	274,832,265	1.011	610,138,033	620,659,825	1.017
PY04	366,411,607	372,996,560	1.018	324,163,742	329,598,612	1.017	690,575,349	702,595,172	1.017
2-yr avg			1.020			1.014			1.017
3-yr avg			1.017			1.011			1.014
4-yr avg			1.021			1.004			1.013
5-yr avg			1.020			1.004			1.013
	Indemnity Losses			Medical Losses			Total Losses		
	6th	7th	Dev't	6th	7th	Dev't	6th	7th	Dev't
PY99	292,865,833	297,232,282	1.015	214,216,878	218,371,692	1.019	507,082,711	515,603,974	1.017
PY00	299,954,668	304,915,060	1.017	236,305,777	240,921,414	1.020	536,260,445	545,836,474	1.018
PY01	311,943,440	315,032,302	1.010	226,833,566	230,550,111	1.016	538,777,006	545,582,413	1.013
PY02	315,662,983	319,232,687	1.011	251,325,996	250,103,496	0.995	566,988,979	569,336,183	1.004
PY03	343,969,895	348,296,842	1.013	273,484,037	277,658,737	1.015	617,453,932	625,955,579	1.014
2-yr avg			1.012			1.005			1.009
3-yr avg			1.011			1.009			1.010
4-yr avg			1.013			1.012			1.012
5-yr avg			1.013			1.013			1.013

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Policy Year Development Factors, Continued

	Indemnity Losses			Medical Losses			Total Losses		
	7th	8th	Dev't	7th	8th	Dev't	7th	8th	Dev't
PY98	272,828,284	273,883,463	1.004	219,817,713	214,258,010	0.975	492,645,997	488,141,473	0.991
PY99	300,331,015	302,394,351	1.007	220,457,522	222,673,913	1.010	520,788,537	525,068,264	1.008
PY00	304,961,958	305,528,163	1.002	241,005,734	241,405,183	1.002	545,967,692	546,933,346	1.002
PY01	308,883,881	310,851,662	1.006	226,141,149	225,232,654	0.996	535,025,030	536,084,316	1.002
PY02	315,512,138	318,303,155	1.009	247,529,843	255,180,500	1.031	563,041,981	573,483,655	1.019
2-yr avg			1.008			1.014			1.011
3-yr avg			1.006			1.010			1.008
4-yr avg			1.006			1.010			1.008
5-yr avg			1.006			1.003			1.004
	Indemnity Losses			Medical Losses			Total Losses		
	8th	9th	Dev't	8th	9th	Dev't	8th	9th	Dev't
PY97	177,502,881	177,284,015	0.999	133,681,479	135,814,018	1.016	311,184,360	313,098,033	1.006
PY98	277,798,888	279,054,730	1.005	218,951,662	220,429,393	1.007	496,750,550	499,484,123	1.006
PY99	301,427,104	304,386,859	1.010	222,271,696	226,898,963	1.021	523,698,800	531,285,822	1.014
PY00	294,835,731	296,394,826	1.005	224,759,310	227,223,367	1.011	519,595,041	523,618,193	1.008
PY01	304,438,210	305,026,111	1.002	219,999,192	223,245,986	1.015	524,437,402	528,272,097	1.007
2-yr avg			1.004			1.013			1.008
3-yr avg			1.006			1.016			1.010
4-yr avg			1.006			1.014			1.009
5-yr avg			1.004			1.014			1.008
	Indemnity Losses			Medical Losses			Total Losses		
	9th	10th	Dev't	9th	10th	Dev't	9th	10th	Dev't
PY96	144,237,553	145,060,310	1.006	113,303,239	118,413,711	1.045	257,540,792	263,474,021	1.023
PY97	181,480,931	181,903,799	1.002	138,779,315	139,280,986	1.004	320,260,246	321,184,785	1.003
PY98	280,514,955	282,308,960	1.006	221,978,421	220,662,413	0.994	502,493,376	502,971,373	1.001
PY99	292,136,129	293,815,098	1.006	217,852,553	222,753,240	1.022	509,988,682	516,568,338	1.013
PY00	285,560,097	286,118,420	1.002	220,613,176	221,879,421	1.006	506,173,273	507,997,841	1.004
2-yr avg			1.004			1.014			1.009
3-yr avg			1.005			1.007			1.006
4-yr avg			1.004			1.007			1.005
5-yr avg			1.004			1.014			1.009
	Indemnity Losses			Medical Losses			Total Losses		
	10th	11th	Dev't	10th	11th	Dev't	10th	11th	Dev't
PY95	121,510,090	122,399,769	1.007	108,412,988	104,589,930	0.965	229,923,078	226,989,699	0.987
PY96	146,015,794	146,291,898	1.002	119,122,615	118,970,339	0.999	265,138,409	265,262,237	1.000
PY97	184,129,794	185,003,413	1.005	141,434,010	140,852,570	0.996	325,563,804	325,855,983	1.001
PY98	272,288,832	273,769,697	1.005	211,402,180	213,020,146	1.008	483,691,012	486,789,843	1.006
PY99	284,524,751	284,737,985	1.001	215,782,146	215,420,353	0.998	500,306,897	500,158,338	1.000
2-yr avg			1.003			1.003			1.003
3-yr avg			1.004			1.001			1.002
4-yr avg			1.003			1.000			1.002
5-yr avg			1.004			0.993			0.999
	Indemnity Losses			Medical Losses			Total Losses		
	11th	12th	Dev't	11th	12th	Dev't	11th	12th	Dev't
PY94	122,424,724	123,011,323	1.005	98,554,454	99,244,141	1.007	220,979,178	222,255,464	1.006
PY95	122,399,769	122,501,743	1.001	104,589,930	104,804,913	1.002	226,989,699	227,306,656	1.001
PY96	148,646,035	149,241,116	1.004	120,997,973	122,216,198	1.010	269,644,008	271,457,314	1.007
PY97	179,260,576	179,330,922	1.000	136,853,309	139,107,118	1.016	316,113,885	318,438,040	1.007
PY98	263,147,285	263,592,164	1.002	204,169,914	206,301,098	1.010	467,317,199	469,893,262	1.006
2-yr avg			1.001			1.013			1.007
3-yr avg			1.002			1.012			1.007
4-yr avg			1.002			1.010			1.005
5-yr avg			1.002			1.009			1.005
	Indemnity Losses			Medical Losses			Total Losses		
	12th	13th	Dev't	12th	13th	Dev't	12th	13th	Dev't
PY93	153,422,747	154,302,053	1.006	138,152,346	139,220,921	1.008	291,575,093	293,522,974	1.007
PY94	123,011,323	123,425,791	1.003	99,244,141	99,097,089	0.999	222,255,464	222,522,880	1.001
PY95	124,506,425	124,620,161	1.001	106,990,102	109,389,474	1.022	231,496,527	234,009,635	1.011
PY96	147,960,862	148,716,947	1.005	121,572,511	121,663,721	1.001	269,533,373	270,380,668	1.003
PY97	170,723,086	171,676,309	1.006	132,517,322	133,701,863	1.009	303,240,408	305,378,172	1.007
2-yr avg			1.006			1.005			1.005
3-yr avg			1.004			1.011			1.007
4-yr avg			1.004			1.008			1.006
5-yr avg			1.004			1.008			1.006

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	Indemnity Losses			Medical Losses			Total Losses		
	13th	14th	Dev't	13th	14th	Dev't	13th	14th	Dev't
PY92	190,522,475	190,896,096	1.002	170,018,855	170,488,975	1.003	360,541,330	361,385,071	1.002
PY93	154,302,053	154,602,207	1.002	139,220,921	141,095,057	1.013	293,522,974	295,697,264	1.007
PY94	124,375,010	124,272,867	0.999	99,939,149	99,918,118	1.000	224,314,159	224,190,985	0.999
PY95	124,331,211	124,918,687	1.005	109,014,861	109,830,651	1.007	233,346,072	234,749,338	1.006
PY96	144,286,124	144,228,585	1.000	116,482,221	117,100,641	1.005	260,768,345	261,329,226	1.002
2-yr avg			1.003			1.006			1.004
3-yr avg			1.001			1.004			1.002
4-yr avg			1.002			1.006			1.004
5-yr avg			1.002			1.006			1.003
	Indemnity Losses			Medical Losses			Total Losses		
	14th	15th	Dev't	14th	15th	Dev't	14th	15th	Dev't
PY91	251,856,092	251,787,381	1.000	217,201,689	218,005,721	1.004	469,057,781	469,793,102	1.002
PY92	190,896,096	190,377,052	0.997	170,488,975	175,202,935	1.028	361,385,071	365,579,987	1.012
PY93	153,788,029	153,785,548	1.000	136,700,268	138,504,372	1.013	290,488,297	292,289,920	1.006
PY94	124,111,703	124,072,271	1.000	99,604,944	100,145,284	1.005	223,716,647	224,217,555	1.002
PY95	121,460,347	121,459,937	1.000	106,731,233	106,679,666	1.000	228,191,580	228,139,603	1.000
2-yr avg			1.000			1.003			1.001
3-yr avg			1.000			1.006			1.003
4-yr avg			0.999			1.012			1.005
5-yr avg			0.999			1.010			1.004
	Indemnity Losses			Medical Losses			Total Losses		
	15th	16th	Dev't	15th	16th	Dev't	15th	16th	Dev't
PY90	262,066,145	262,627,393	1.002	214,168,586	213,276,168	0.996	476,234,731	475,903,561	0.999
PY91	251,787,381	251,857,045	1.000	218,005,721	220,474,034	1.011	469,793,102	472,331,079	1.005
PY92	189,531,463	189,839,511	1.002	174,736,992	174,932,929	1.001	364,268,455	364,772,440	1.001
PY93	153,620,084	153,568,023	1.000	138,314,834	138,084,979	0.998	291,934,918	291,653,002	0.999
PY94	122,395,602	122,570,453	1.001	98,513,046	99,807,643	1.013	220,908,648	222,378,096	1.007
2-yr avg			1.001			1.006			1.003
3-yr avg			1.001			1.004			1.002
4-yr avg			1.001			1.006			1.003
5-yr avg			1.001			1.004			1.002
	Indemnity Losses			Medical Losses			Total Losses		
	16th	17th	Dev't	16th	17th	Dev't	16th	17th	Dev't
PY89	251,236,628	251,247,247	1.000	196,810,059	198,524,219	1.009	448,046,687	449,771,466	1.004
PY90	262,627,393	262,692,053	1.000	213,276,168	213,757,403	1.002	475,903,561	476,449,456	1.001
PY91	251,262,976	251,390,726	1.001	220,098,168	221,069,471	1.004	471,361,144	472,460,197	1.002
PY92	188,637,841	188,743,762	1.001	174,074,381	169,908,312	0.976	362,712,222	358,652,074	0.989
PY93	152,834,313	152,860,108	1.000	137,862,033	136,485,509	0.990	290,696,346	289,345,617	0.995
2-yr avg			1.001			0.983			0.992
3-yr avg			1.001			0.990			0.995
4-yr avg			1.001			0.993			0.997
5-yr avg			1.000			0.996			0.998
	Indemnity Losses			Medical Losses			Total Losses		
	17th	18th	Dev't	17th	18th	Dev't	17th	18th	Dev't
PY88	205,801,009	206,030,764	1.001	166,719,578	166,973,432	1.002	372,520,587	373,004,196	1.001
PY89	251,247,247	251,376,037	1.001	198,524,219	198,918,104	1.002	449,771,466	450,294,141	1.001
PY90	261,860,462	261,688,277	0.999	213,354,033	213,399,934	1.000	475,214,495	475,088,211	1.000
PY91	250,532,325	250,770,324	1.001	220,432,292	220,278,549	0.999	470,964,617	471,048,873	1.000
PY92	188,181,925	188,508,598	1.002	169,886,894	170,659,958	1.005	358,068,819	359,168,556	1.003
2-yr avg			1.002			1.002			1.002
3-yr avg			1.001			1.001			1.001
4-yr avg			1.001			1.002			1.001
5-yr avg			1.001			1.002			1.001
	Indemnity Losses			Medical Losses			Total Losses		
	18th	19th	Dev't	18th	19th	Dev't	18th	19th	Dev't
PY87	170,787,442	170,903,863	1.001	135,547,920	137,204,042	1.012	306,335,362	308,107,905	1.006
PY88	206,030,764	206,334,295	1.001	166,973,432	171,038,848	1.024	373,004,196	377,373,143	1.012
PY89	250,829,920	251,023,167	1.001	198,686,396	200,024,201	1.007	449,516,316	451,047,368	1.003
PY90	261,191,024	261,206,903	1.000	212,838,742	213,165,709	1.002	474,029,766	474,372,612	1.001
PY91	250,668,833	250,690,737	1.000	220,614,932	221,460,207	1.004	471,283,765	472,150,944	1.002
2-yr avg			1.000			1.003			1.002
3-yr avg			1.000			1.004			1.002
4-yr avg			1.001			1.009			1.005
5-yr avg			1.001			1.010			1.005

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Policy Year Development Factors

	Indemnity Losses			Medical Losses			Total Losses		
	<u>1st</u>	<u>2nd</u>	<u>Dev't</u>	<u>1st</u>	<u>2nd</u>	<u>Dev't</u>	<u>1st</u>	<u>2nd</u>	<u>Dev't</u>
	PY04	211,668,995	289,041,012	1.366	276,821,871	303,114,643	1.095	488,490,866	592,155,655
PY05	218,464,499	300,211,570	1.374	286,936,462	317,064,618	1.105	505,400,961	617,276,188	1.221
PY06	215,184,213	289,786,910	1.347	275,574,373	303,950,854	1.103	490,758,586	593,737,764	1.210
PY07	235,165,118	332,934,296	1.416	301,907,848	332,941,663	1.103	537,072,966	665,875,959	1.240
PY08	219,599,283	302,774,834	1.379	288,199,220	310,645,190	1.078	507,798,503	613,420,024	1.208
2-yr avg			1.398			1.091			1.224
3-yr avg			1.381			1.095			1.219
4-yr avg			1.379			1.097			1.220
5-yr avg			1.376			1.097			1.218
	Indemnity Losses			Medical Losses			Total Losses		
	<u>2nd</u>	<u>3rd</u>	<u>Dev't</u>	<u>2nd</u>	<u>3rd</u>	<u>Dev't</u>	<u>2nd</u>	<u>3rd</u>	<u>Dev't</u>
	PY03	269,996,300	306,409,967	1.135	251,349,499	263,655,525	1.049	521,345,799	570,065,492
PY04	291,394,578	330,202,620	1.133	305,120,701	311,224,521	1.020	596,515,279	641,427,141	1.075
PY05	297,492,370	335,560,619	1.128	313,579,741	309,274,460	0.986	611,072,111	644,835,079	1.055
PY06	294,313,728	351,071,056	1.193	315,538,921	329,437,687	1.044	609,852,649	680,508,743	1.116
PY07	332,952,861	385,797,944	1.159	333,638,702	348,858,021	1.046	666,591,563	734,655,965	1.102
2-yr avg			1.176			1.045			1.109
3-yr avg			1.160			1.025			1.091
4-yr avg			1.153			1.024			1.087
5-yr avg			1.150			1.029			1.088
	Indemnity Losses			Medical Losses			Total Losses		
	<u>3rd</u>	<u>4th</u>	<u>Dev't</u>	<u>3rd</u>	<u>4th</u>	<u>Dev't</u>	<u>3rd</u>	<u>4th</u>	<u>Dev't</u>
	PY02	269,312,708	290,560,123	1.079	236,534,343	234,686,099	0.992	505,847,051	525,246,222
PY03	307,470,500	327,646,263	1.066	264,235,490	268,569,036	1.016	571,705,990	596,215,299	1.043
PY04	328,221,545	348,297,801	1.061	309,065,293	312,271,754	1.010	637,286,838	660,569,555	1.037
PY05	342,515,486	366,158,802	1.069	315,270,926	322,016,410	1.021	657,786,412	688,175,212	1.046
PY06	349,796,590	373,769,018	1.069	328,375,025	326,893,768	0.995	678,171,615	700,662,786	1.033
2-yr avg			1.069			1.008			1.040
3-yr avg			1.066			1.009			1.039
4-yr avg			1.066			1.011			1.040
5-yr avg			1.069			1.007			1.039
	Indemnity Losses			Medical Losses			Total Losses		
	<u>4th</u>	<u>5th</u>	<u>Dev't</u>	<u>4th</u>	<u>5th</u>	<u>Dev't</u>	<u>4th</u>	<u>5th</u>	<u>Dev't</u>
	PY01	287,393,041	301,461,995	1.049	230,313,113	229,413,851	0.996	517,706,154	530,875,846
PY02	301,487,056	312,775,827	1.037	246,653,197	252,099,130	1.022	548,140,253	564,874,957	1.031
PY03	328,578,209	338,193,751	1.029	269,162,191	271,360,058	1.008	597,740,400	609,553,809	1.020
PY04	353,604,300	369,379,004	1.045	316,391,140	326,224,414	1.031	669,995,440	695,603,418	1.038
PY05	362,835,518	375,523,511	1.035	320,269,756	329,337,440	1.028	683,105,274	704,860,951	1.032
2-yr avg			1.040			1.030			1.035
3-yr avg			1.036			1.022			1.030
4-yr avg			1.037			1.022			1.030
5-yr avg			1.039			1.017			1.029
	Indemnity Losses			Medical Losses			Total Losses		
	<u>5th</u>	<u>6th</u>	<u>Dev't</u>	<u>5th</u>	<u>6th</u>	<u>Dev't</u>	<u>5th</u>	<u>6th</u>	<u>Dev't</u>
	PY00	289,129,452	294,368,145	1.018	217,685,768	218,542,776	1.004	506,815,220	512,910,921
PY01	304,665,769	313,783,737	1.030	231,638,007	227,915,699	0.984	536,303,776	541,699,436	1.010
PY02	312,980,802	316,207,284	1.010	252,435,453	251,776,718	0.997	565,416,255	567,984,002	1.005
PY03	338,510,518	345,889,925	1.022	271,803,617	274,907,568	1.011	610,314,135	620,797,493	1.017
PY04	366,569,746	373,268,429	1.018	324,368,159	329,830,113	1.017	690,937,905	703,098,542	1.018
2-yr avg			1.020			1.014			1.018
3-yr avg			1.017			1.008			1.013
4-yr avg			1.020			1.002			1.013
5-yr avg			1.020			1.003			1.012
	Indemnity Losses			Medical Losses			Total Losses		
	<u>6th</u>	<u>7th</u>	<u>Dev't</u>	<u>6th</u>	<u>7th</u>	<u>Dev't</u>	<u>6th</u>	<u>7th</u>	<u>Dev't</u>
	PY99	292,975,501	297,406,737	1.015	214,550,617	218,739,045	1.020	507,526,118	516,145,782
PY00	300,076,071	305,102,537	1.017	236,405,075	241,222,436	1.020	536,481,146	546,324,973	1.018
PY01	312,615,231	315,153,838	1.008	227,424,230	230,673,024	1.014	540,039,461	545,826,862	1.011
PY02	315,833,910	319,386,460	1.011	251,441,128	250,187,628	0.995	567,275,038	569,574,088	1.004
PY03	344,032,260	348,346,144	1.013	273,559,340	277,710,151	1.015	617,591,600	626,056,295	1.014
2-yr avg			1.012			1.005			1.009
3-yr avg			1.011			1.008			1.010
4-yr avg			1.012			1.011			1.012
5-yr avg			1.013			1.013			1.013

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Policy Year Development Factors, Continued

	Indemnity Losses			Medical Losses			Total Losses		
	7th	8th	Dev't	7th	8th	Dev't	7th	8th	Dev't
PY98	273,058,010	273,965,260	1.003	219,885,056	214,336,220	0.975	492,943,066	488,301,480	0.991
PY99	300,505,470	302,464,685	1.007	220,824,875	223,324,657	1.011	521,330,345	525,789,342	1.009
PY00	305,149,435	305,568,399	1.001	241,306,756	241,487,994	1.001	546,456,191	547,056,393	1.001
PY01	309,005,417	310,980,721	1.006	226,264,062	225,326,127	0.996	535,269,479	536,306,848	1.002
PY02	315,665,911	318,368,945	1.009	247,613,975	255,236,387	1.031	563,279,886	573,605,332	1.018
2-yr avg			1.008			1.014			1.010
3-yr avg			1.005			1.009			1.007
4-yr avg			1.006			1.010			1.008
5-yr avg			1.005			1.003			1.004
	Indemnity Losses			Medical Losses			Total Losses		
	8th	9th	Dev't	8th	9th	Dev't	8th	9th	Dev't
PY97	177,696,181	177,450,826	0.999	134,038,127	136,060,052	1.015	311,734,308	313,510,878	1.006
PY98	277,880,685	279,174,653	1.005	219,029,872	220,573,311	1.007	496,910,557	499,747,964	1.006
PY99	301,497,438	304,412,206	1.010	222,922,440	226,987,632	1.018	524,419,878	531,399,838	1.013
PY00	294,875,967	296,462,384	1.005	224,842,121	227,286,623	1.011	519,718,088	523,749,007	1.008
PY01	304,567,269	305,120,752	1.002	220,092,665	223,390,119	1.015	524,659,934	528,510,871	1.007
2-yr avg			1.004			1.013			1.008
3-yr avg			1.006			1.015			1.009
4-yr avg			1.006			1.013			1.009
5-yr avg			1.004			1.013			1.008
	Indemnity Losses			Medical Losses			Total Losses		
	9th	10th	Dev't	9th	10th	Dev't	9th	10th	Dev't
PY96	144,287,575	145,074,584	1.005	113,347,384	118,418,487	1.045	257,634,959	263,493,071	1.023
PY97	181,647,742	182,042,456	1.002	139,025,349	139,494,703	1.003	320,673,091	321,537,159	1.003
PY98	280,634,878	282,352,954	1.006	222,122,339	220,735,372	0.994	502,757,217	503,088,326	1.001
PY99	292,161,476	293,815,098	1.006	217,941,222	222,753,240	1.022	510,102,698	516,568,338	1.013
PY00	285,627,655	286,118,420	1.002	220,676,432	221,879,421	1.005	506,304,087	507,997,841	1.003
2-yr avg			1.004			1.014			1.008
3-yr avg			1.005			1.007			1.006
4-yr avg			1.004			1.006			1.005
5-yr avg			1.004			1.014			1.009
	Indemnity Losses			Medical Losses			Total Losses		
	10th	11th	Dev't	10th	11th	Dev't	10th	11th	Dev't
PY95	121,519,719	122,408,454	1.007	108,418,398	104,592,646	0.965	229,938,117	227,001,100	0.987
PY96	146,030,068	146,324,785	1.002	119,127,391	118,988,048	0.999	265,157,459	265,312,833	1.001
PY97	184,268,451	185,151,150	1.005	141,647,727	140,905,225	0.995	325,916,178	326,056,375	1.000
PY98	272,332,826	273,788,142	1.005	211,475,139	213,020,146	1.007	483,807,965	486,808,288	1.006
PY99	284,524,751	284,737,985	1.001	215,782,146	215,420,353	0.998	500,306,897	500,158,338	1.000
2-yr avg			1.003			1.003			1.003
3-yr avg			1.004			1.000			1.002
4-yr avg			1.003			1.000			1.002
5-yr avg			1.004			0.993			0.999
	Indemnity Losses			Medical Losses			Total Losses		
	11th	12th	Dev't	11th	12th	Dev't	11th	12th	Dev't
PY94	122,429,816	123,017,822	1.005	98,798,704	99,461,763	1.007	221,228,520	222,479,585	1.006
PY95	122,408,454	122,520,565	1.001	104,592,646	104,815,048	1.002	227,001,100	227,335,613	1.001
PY96	148,678,922	149,241,116	1.004	121,015,682	122,216,198	1.010	269,694,604	271,457,314	1.007
PY97	179,408,313	179,444,984	1.000	136,905,964	139,133,446	1.016	316,314,277	318,578,430	1.007
PY98	263,165,730	263,613,144	1.002	204,169,914	206,301,098	1.010	467,335,644	469,914,242	1.006
2-yr avg			1.001			1.013			1.007
3-yr avg			1.002			1.012			1.007
4-yr avg			1.002			1.010			1.005
5-yr avg			1.002			1.009			1.005
	Indemnity Losses			Medical Losses			Total Losses		
	12th	13th	Dev't	12th	13th	Dev't	12th	13th	Dev't
PY93	153,430,617	154,310,080	1.006	138,154,377	139,223,058	1.008	291,584,994	293,533,138	1.007
PY94	123,017,822	123,473,025	1.004	99,461,763	99,315,797	0.999	222,479,585	222,788,822	1.001
PY95	124,525,247	124,620,161	1.001	107,000,237	109,389,474	1.022	231,525,484	234,009,635	1.011
PY96	147,960,862	148,716,947	1.005	121,572,511	121,663,721	1.001	269,533,373	270,380,668	1.003
PY97	170,837,148	172,021,310	1.007	132,543,650	134,205,378	1.013	303,380,798	306,226,688	1.009
2-yr avg			1.006			1.007			1.006
3-yr avg			1.004			1.012			1.008
4-yr avg			1.004			1.009			1.006
5-yr avg			1.005			1.009			1.006

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Policy Year Development Factors, Continued

	Indemnity Losses			Medical Losses			Total Losses		
	13th	14th	Dev't	13th	14th	Dev't	13th	14th	Dev't
PY92	190,530,208	190,900,903	1.002	170,020,708	170,490,978	1.003	360,550,916	361,391,881	1.002
PY93	154,310,080	154,633,370	1.002	139,223,058	141,111,837	1.014	293,533,138	295,745,207	1.008
PY94	124,422,244	124,272,867	0.999	100,157,857	99,918,118	0.998	224,580,101	224,190,985	0.998
PY95	124,331,211	124,918,687	1.005	109,014,861	109,830,651	1.007	233,346,072	234,749,338	1.006
PY96	144,286,124	144,228,585	1.000	116,482,221	117,100,641	1.005	260,768,345	261,329,226	1.002
2-yr avg			1.003			1.006			1.004
3-yr avg			1.001			1.003			1.002
4-yr avg			1.002			1.006			1.004
5-yr avg			1.002			1.005			1.003
	Indemnity Losses			Medical Losses			Total Losses		
	14th	15th	Dev't	14th	15th	Dev't	14th	15th	Dev't
PY91	251,981,237	251,891,104	1.000	217,396,565	218,154,974	1.003	469,377,802	470,046,078	1.001
PY92	190,900,903	190,383,406	0.997	170,490,978	175,206,356	1.028	361,391,881	365,589,762	1.012
PY93	153,819,192	153,785,548	1.000	136,717,048	138,504,372	1.013	290,536,240	292,289,920	1.006
PY94	124,111,703	124,072,271	1.000	99,604,944	100,145,284	1.005	223,716,647	224,217,555	1.002
PY95	121,460,347	121,459,937	1.000	106,731,233	106,679,666	1.000	228,191,580	228,139,603	1.000
2-yr avg			1.000			1.003			1.001
3-yr avg			1.000			1.006			1.003
4-yr avg			0.999			1.012			1.005
5-yr avg			0.999			1.010			1.004
	Indemnity Losses			Medical Losses			Total Losses		
	15th	16th	Dev't	15th	16th	Dev't	15th	16th	Dev't
PY90	262,069,332	262,627,367	1.002	214,170,151	213,276,836	0.996	476,239,483	475,904,203	0.999
PY91	251,891,104	251,940,576	1.000	218,154,974	220,573,817	1.011	470,046,078	472,514,393	1.005
PY92	189,537,817	189,839,511	1.002	174,740,413	174,932,929	1.001	364,278,230	364,772,440	1.001
PY93	153,620,084	153,568,023	1.000	138,314,834	138,084,979	0.998	291,934,918	291,653,002	0.999
PY94	122,395,602	122,570,453	1.001	98,513,046	99,807,643	1.013	220,908,648	222,378,096	1.007
2-yr avg			1.001			1.006			1.003
3-yr avg			1.001			1.004			1.002
4-yr avg			1.001			1.006			1.003
5-yr avg			1.001			1.004			1.002
	Indemnity Losses			Medical Losses			Total Losses		
	16th	17th	Dev't	16th	17th	Dev't	16th	17th	Dev't
PY89	251,237,437	251,246,770	1.000	196,810,628	198,525,811	1.009	448,048,065	449,772,581	1.004
PY90	262,627,367	262,699,439	1.000	213,276,836	213,761,381	1.002	475,904,203	476,460,820	1.001
PY91	251,346,507	251,460,055	1.000	220,197,951	221,137,217	1.004	471,544,458	472,597,272	1.002
PY92	188,637,841	188,743,762	1.001	174,074,381	169,908,312	0.976	362,712,222	358,652,074	0.989
PY93	152,834,313	152,860,108	1.000	137,862,033	136,485,509	0.990	290,696,346	289,345,617	0.995
2-yr avg			1.001			0.983			0.992
3-yr avg			1.000			0.990			0.995
4-yr avg			1.000			0.993			0.997
5-yr avg			1.000			0.996			0.998
	Indemnity Losses			Medical Losses			Total Losses		
	17th	18th	Dev't	17th	18th	Dev't	17th	18th	Dev't
PY88	205,802,336	206,031,196	1.001	166,719,563	166,973,432	1.002	372,521,899	373,004,628	1.001
PY89	251,246,770	251,384,997	1.001	198,525,811	198,923,535	1.002	449,772,581	450,308,532	1.001
PY90	261,867,848	261,688,277	0.999	213,358,011	213,399,934	1.000	475,225,859	475,088,211	1.000
PY91	250,601,654	250,821,780	1.001	220,500,038	220,312,333	0.999	471,101,692	471,134,113	1.000
PY92	188,181,925	188,508,598	1.002	169,886,894	170,659,958	1.005	358,068,819	359,168,556	1.003
2-yr avg			1.002			1.002			1.002
3-yr avg			1.001			1.001			1.001
4-yr avg			1.001			1.002			1.001
5-yr avg			1.001			1.002			1.001
	Indemnity Losses			Medical Losses			Total Losses		
	18th	19th	Dev't	18th	19th	Dev't	18th	19th	Dev't
PY87	170,789,667	170,904,528	1.001	135,558,407	137,213,681	1.012	306,348,074	308,118,209	1.006
PY88	206,031,196	206,339,075	1.001	166,973,432	171,041,422	1.024	373,004,628	377,380,497	1.012
PY89	250,838,880	251,023,167	1.001	198,691,827	200,024,201	1.007	449,530,707	451,047,368	1.003
PY90	261,191,024	261,206,903	1.000	212,838,742	213,165,709	1.002	474,029,766	474,372,612	1.001
PY91	250,720,289	250,756,247	1.000	220,648,716	221,600,332	1.004	471,369,005	472,356,579	1.002
2-yr avg			1.000			1.003			1.002
3-yr avg			1.000			1.004			1.002
4-yr avg			1.001			1.009			1.005
5-yr avg			1.001			1.010			1.005

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Accident Year Loss Development Factors

	Indemnity Losses			Medical Losses			Total Losses		
	<u>1st</u>	<u>2nd</u>	<u>Dev't</u>	<u>1st</u>	<u>2nd</u>	<u>Dev't</u>	<u>1st</u>	<u>2nd</u>	<u>Dev't</u>
AY05	37,495,296	135,126,313	3.604	106,655,177	215,216,730	2.018	144,150,473	350,343,043	2.430
AY06	37,542,770	134,139,524	3.573	99,631,124	210,842,810	2.116	137,173,894	344,982,334	2.515
AY07	41,032,420	151,822,165	3.700	107,156,213	226,063,541	2.110	148,188,633	377,885,706	2.550
AY08	43,778,263	162,641,195	3.715	114,633,507	230,024,102	2.007	158,411,770	392,665,297	2.479
AY09	37,924,661	145,427,091	3.835	102,103,020	204,047,217	1.998	140,027,681	349,474,308	2.496
2-yr avg			3.775			2.003			2.488
3-yr avg			3.750			2.038			2.508
4-yr avg			3.706			2.058			2.510
5-yr avg			3.685			2.050			2.494
	Indemnity Losses			Medical Losses			Total Losses		
	<u>2nd</u>	<u>3rd</u>	<u>Dev't</u>	<u>2nd</u>	<u>3rd</u>	<u>Dev't</u>	<u>2nd</u>	<u>3rd</u>	<u>Dev't</u>
AY04	123,956,746	213,711,684	1.724	184,513,641	217,261,581	1.177	308,470,387	430,973,265	1.397
AY05	136,495,864	225,074,874	1.649	217,563,295	255,980,605	1.177	354,059,159	481,055,479	1.359
AY06	132,098,971	224,699,956	1.701	206,477,868	242,603,753	1.175	338,576,839	467,303,709	1.380
AY07	152,772,004	252,655,299	1.654	226,985,282	267,355,653	1.178	379,757,286	520,010,952	1.369
AY08	162,641,195	270,500,158	1.663	230,022,667	270,247,122	1.175	392,663,862	540,747,280	1.377
2-yr avg			1.659			1.177			1.373
3-yr avg			1.673			1.176			1.375
4-yr avg			1.667			1.176			1.371
5-yr avg			1.678			1.176			1.376
	Indemnity Losses			Medical Losses			Total Losses		
	<u>3rd</u>	<u>4th</u>	<u>Dev't</u>	<u>3rd</u>	<u>4th</u>	<u>Dev't</u>	<u>3rd</u>	<u>4th</u>	<u>Dev't</u>
AY03	192,013,147	244,282,550	1.272	194,696,868	213,801,018	1.098	386,710,015	458,083,568	1.185
AY04	214,788,724	273,484,669	1.273	218,240,693	234,767,012	1.076	433,029,417	508,251,681	1.174
AY05	222,904,797	283,616,595	1.272	253,091,911	273,687,728	1.081	475,996,708	557,304,323	1.171
AY06	229,361,281	290,317,175	1.266	248,929,605	271,755,330	1.092	478,290,886	562,072,505	1.175
AY07	252,655,299	311,159,156	1.232	267,355,653	287,891,006	1.077	520,010,952	599,050,162	1.152
2-yr avg			1.249			1.085			1.164
3-yr avg			1.257			1.083			1.166
4-yr avg			1.261			1.082			1.168
5-yr avg			1.263			1.085			1.171
	Indemnity Losses			Medical Losses			Total Losses		
	<u>4th</u>	<u>5th</u>	<u>Dev't</u>	<u>4th</u>	<u>5th</u>	<u>Dev't</u>	<u>4th</u>	<u>5th</u>	<u>Dev't</u>
AY02	213,788,078	244,350,456	1.143	181,956,960	191,101,065	1.050	395,745,038	435,451,521	1.100
AY03	244,743,613	277,512,622	1.134	214,140,706	225,606,190	1.054	458,884,319	503,118,812	1.096
AY04	273,549,297	305,029,772	1.115	234,376,414	245,325,812	1.047	507,925,711	550,355,584	1.084
AY05	289,494,653	325,067,195	1.123	278,527,678	295,502,579	1.061	568,022,331	620,569,774	1.093
AY06	288,790,231	325,386,919	1.127	270,429,559	282,462,943	1.044	559,219,790	607,849,862	1.087
2-yr avg			1.125			1.053			1.090
3-yr avg			1.122			1.051			1.088
4-yr avg			1.125			1.052			1.090
5-yr avg			1.128			1.051			1.092
	Indemnity Losses			Medical Losses			Total Losses		
	<u>5th</u>	<u>6th</u>	<u>Dev't</u>	<u>5th</u>	<u>6th</u>	<u>Dev't</u>	<u>5th</u>	<u>6th</u>	<u>Dev't</u>
AY01	243,390,542	265,204,327	1.090	187,485,504	193,559,209	1.032	430,876,046	458,763,536	1.065
AY02	253,869,113	275,006,372	1.083	199,679,404	208,040,007	1.042	453,548,517	483,046,379	1.065
AY03	278,078,554	298,397,197	1.073	226,062,369	233,265,082	1.032	504,140,923	531,662,279	1.055
AY04	307,663,626	327,700,529	1.065	247,464,823	256,673,557	1.037	555,128,449	584,374,086	1.053
AY05	322,393,401	340,473,821	1.056	293,621,923	303,681,506	1.034	616,015,324	644,155,327	1.046
2-yr avg			1.061			1.036			1.050
3-yr avg			1.065			1.034			1.051
4-yr avg			1.069			1.036			1.055
5-yr avg			1.073			1.035			1.057
	Indemnity Losses			Medical Losses			Total Losses		
	<u>6th</u>	<u>7th</u>	<u>Dev't</u>	<u>6th</u>	<u>7th</u>	<u>Dev't</u>	<u>6th</u>	<u>7th</u>	<u>Dev't</u>
AY00	262,485,826	277,374,921	1.057	195,898,067	202,635,024	1.034	458,383,893	480,009,945	1.047
AY01	269,364,745	284,230,023	1.055	203,960,794	209,850,963	1.029	473,325,539	494,080,986	1.044
AY02	275,452,204	287,522,004	1.044	208,514,459	212,796,324	1.021	483,966,663	500,318,328	1.034
AY03	298,698,894	311,498,225	1.043	233,673,040	238,151,665	1.019	532,371,934	549,649,890	1.032
AY04	324,861,219	336,843,496	1.037	254,682,043	260,174,907	1.022	579,543,262	597,018,403	1.030
2-yr avg			1.040			1.021			1.031
3-yr avg			1.041			1.021			1.032
4-yr avg			1.045			1.023			1.035
5-yr avg			1.047			1.025			1.037

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Accident Year Development Factors, Continued

	Indemnity Losses			Medical Losses			Total Losses		
	<u>7th</u>	<u>8th</u>	<u>Dev't</u>	<u>7th</u>	<u>8th</u>	<u>Dev't</u>	<u>7th</u>	<u>8th</u>	<u>Dev't</u>
AY99	260,125,540	269,813,124	1.037	187,911,588	192,302,966	1.023	448,037,128	462,116,090	1.031
AY00	280,126,205	287,905,835	1.028	204,907,044	208,859,108	1.019	485,033,249	496,764,943	1.024
AY01	282,695,962	293,510,473	1.038	209,314,394	214,710,111	1.026	492,010,356	508,220,584	1.033
AY02	286,615,100	293,072,400	1.023	211,542,591	214,845,175	1.016	498,157,691	507,917,575	1.020
AY03	309,268,326	316,908,742	1.025	236,394,668	242,040,268	1.024	545,662,994	558,949,010	1.024
2-yr avg			1.024			1.020			1.022
3-yr avg			1.029			1.022			1.026
4-yr avg			1.029			1.021			1.025
5-yr avg			1.030			1.022			1.026
	Indemnity Losses			Medical Losses			Total Losses		
	<u>8th</u>	<u>9th</u>	<u>Dev't</u>	<u>8th</u>	<u>9th</u>	<u>Dev't</u>	<u>8th</u>	<u>9th</u>	<u>Dev't</u>
AY98	222,802,804	229,068,743	1.028	173,060,483	176,446,247	1.020	395,863,287	405,514,990	1.024
AY99	273,079,465	279,973,855	1.025	194,696,397	197,922,455	1.017	467,775,862	477,896,310	1.022
AY00	286,648,064	292,064,836	1.019	208,231,923	211,177,204	1.014	494,879,987	503,242,040	1.017
AY01	283,951,110	289,140,329	1.018	208,300,150	211,938,575	1.017	492,251,260	501,078,904	1.018
AY02	287,968,210	292,148,548	1.015	211,089,505	214,556,038	1.016	499,057,715	506,704,586	1.015
2-yr avg			1.017			1.017			1.017
3-yr avg			1.017			1.016			1.017
4-yr avg			1.019			1.016			1.018
5-yr avg			1.021			1.017			1.019
	Indemnity Losses			Medical Losses			Total Losses		
	<u>9th</u>	<u>10th</u>	<u>Dev't</u>	<u>9th</u>	<u>10th</u>	<u>Dev't</u>	<u>9th</u>	<u>10th</u>	<u>Dev't</u>
AY97	158,038,744	158,933,948	1.006	114,994,638	115,430,655	1.004	273,033,382	274,364,603	1.005
AY98	232,912,285	236,062,574	1.014	180,005,778	182,692,258	1.015	412,918,063	418,754,832	1.014
AY99	282,393,043	286,146,607	1.013	199,812,934	206,017,170	1.031	482,205,977	492,163,777	1.021
AY00	282,165,181	285,418,229	1.012	202,348,251	204,006,291	1.008	484,513,432	489,424,520	1.010
AY01	279,927,367	282,275,385	1.008	205,347,388	207,470,166	1.010	485,274,755	489,745,551	1.009
2-yr avg			1.010			1.009			1.010
3-yr avg			1.011			1.016			1.013
4-yr avg			1.012			1.016			1.014
5-yr avg			1.011			1.014			1.012
	Indemnity Losses			Medical Losses			Total Losses		
	<u>10th</u>	<u>11th</u>	<u>Dev't</u>	<u>10th</u>	<u>11th</u>	<u>Dev't</u>	<u>10th</u>	<u>11th</u>	<u>Dev't</u>
AY96	131,948,217	134,260,212	1.018	106,458,922	109,886,166	1.032	238,407,139	244,146,378	1.024
AY97	161,654,116	163,026,951	1.008	117,641,489	118,136,922	1.004	279,295,605	281,163,873	1.007
AY98	236,636,720	240,507,070	1.016	183,967,791	186,498,961	1.014	420,604,511	427,006,031	1.015
AY99	275,234,283	278,609,187	1.012	197,848,648	200,767,329	1.015	473,082,931	479,376,516	1.013
AY00	277,519,117	279,193,115	1.006	198,444,872	201,058,322	1.013	475,963,989	480,251,437	1.009
2-yr avg			1.009			1.014			1.011
3-yr avg			1.011			1.014			1.012
4-yr avg			1.011			1.012			1.011
5-yr avg			1.012			1.016			1.014
	Indemnity Losses			Medical Losses			Total Losses		
	<u>11th</u>	<u>12th</u>	<u>Dev't</u>	<u>11th</u>	<u>12th</u>	<u>Dev't</u>	<u>11th</u>	<u>12th</u>	<u>Dev't</u>
AY95	118,195,128	118,753,333	1.005	97,585,119	98,148,902	1.006	215,780,247	216,902,235	1.005
AY96	134,430,675	135,159,975	1.005	109,981,667	110,483,806	1.005	244,412,342	245,643,781	1.005
AY97	165,222,355	166,211,361	1.006	120,156,949	120,519,300	1.003	285,379,304	286,730,661	1.005
AY98	233,988,654	235,744,332	1.008	179,653,063	181,963,254	1.013	413,641,717	417,707,586	1.010
AY99	267,792,851	269,993,910	1.008	192,569,700	194,610,956	1.011	460,362,551	464,604,866	1.009
2-yr avg			1.008			1.012			1.010
3-yr avg			1.007			1.009			1.008
4-yr avg			1.007			1.008			1.007
5-yr avg			1.006			1.008			1.007
	Indemnity Losses			Medical Losses			Total Losses		
	<u>12th</u>	<u>13th</u>	<u>Dev't</u>	<u>12th</u>	<u>13th</u>	<u>Dev't</u>	<u>12th</u>	<u>13th</u>	<u>Dev't</u>
AY94	130,884,650	132,813,098	1.015	109,772,971	111,581,129	1.016	240,657,621	244,394,227	1.016
AY95	118,753,333	119,412,930	1.006	98,148,902	98,921,530	1.008	216,902,235	218,334,460	1.007
AY96	137,362,217	138,292,798	1.007	112,326,773	113,490,818	1.010	249,688,990	251,783,616	1.008
AY97	161,133,854	161,804,075	1.004	117,188,784	117,545,790	1.003	278,322,638	279,349,865	1.004
AY98	226,083,545	226,988,960	1.004	173,988,362	175,436,421	1.008	400,071,907	402,425,381	1.006
2-yr avg			1.004			1.006			1.005
3-yr avg			1.005			1.007			1.006
4-yr avg			1.005			1.007			1.006
5-yr avg			1.007			1.009			1.008

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Accident Year Development Factors, Continued

	Indemnity Losses			Medical Losses			Total Losses		
	13th	14th	Dev't	13th	14th	Dev't	13th	14th	Dev't
AY93	157,415,272	158,197,259	1.005	143,754,706	144,774,811	1.007	301,169,978	302,972,070	1.006
AY94	132,813,098	133,543,193	1.005	111,581,129	111,926,023	1.003	244,394,227	245,469,216	1.004
AY95	121,153,578	121,522,137	1.003	100,835,356	101,425,915	1.006	221,988,934	222,948,052	1.004
AY96	137,574,441	138,130,556	1.004	112,994,172	113,595,840	1.005	250,568,613	251,726,396	1.005
AY97	155,704,547	155,979,555	1.002	112,469,297	114,135,538	1.015	268,173,844	270,115,093	1.007
2-yr avg			1.003			1.010			1.006
3-yr avg			1.003			1.009			1.005
4-yr avg			1.004			1.007			1.005
5-yr avg			1.004			1.007			1.005
	Indemnity Losses			Medical Losses			Total Losses		
	14th	15th	Dev't	14th	15th	Dev't	14th	15th	Dev't
AY92	203,790,727	204,803,071	1.005	170,087,289	171,254,727	1.007	373,878,016	376,057,798	1.006
AY93	158,197,259	158,643,073	1.003	144,774,811	145,608,338	1.006	302,972,070	304,251,411	1.004
AY94	134,289,824	134,709,992	1.003	112,657,188	113,043,475	1.003	246,947,012	247,753,467	1.003
AY95	121,422,621	121,714,975	1.002	101,045,655	101,733,087	1.007	222,468,276	223,448,062	1.004
AY96	134,482,298	135,021,853	1.004	109,609,973	109,988,102	1.003	244,092,271	245,009,955	1.004
2-yr avg			1.003			1.005			1.004
3-yr avg			1.003			1.004			1.004
4-yr avg			1.003			1.005			1.004
5-yr avg			1.003			1.005			1.004
	Indemnity Losses			Medical Losses			Total Losses		
	15th	16th	Dev't	15th	16th	Dev't	15th	16th	Dev't
AY91	251,484,640	252,651,706	1.005	206,866,950	208,399,285	1.007	458,351,590	461,050,991	1.006
AY92	204,803,071	205,867,880	1.005	171,254,727	172,817,283	1.009	376,057,798	378,685,163	1.007
AY93	158,221,301	158,915,604	1.004	142,458,128	143,302,398	1.006	300,679,429	302,218,002	1.005
AY94	134,533,166	134,959,667	1.003	112,858,239	113,063,307	1.002	247,391,405	248,022,974	1.003
AY95	118,709,607	118,963,294	1.002	98,766,009	99,292,881	1.005	217,475,616	218,256,175	1.004
2-yr avg			1.003			1.004			1.004
3-yr avg			1.003			1.004			1.004
4-yr avg			1.004			1.006			1.005
5-yr avg			1.004			1.006			1.005
	Indemnity Losses			Medical Losses			Total Losses		
	16th	17th	Dev't	16th	17th	Dev't	16th	17th	Dev't
AY90	256,980,192	257,957,930	1.004	192,015,896	192,545,495	1.003	448,996,088	450,503,425	1.003
AY91	252,651,706	254,132,519	1.006	208,399,285	210,077,291	1.008	461,050,991	464,209,810	1.007
AY92	204,852,951	205,535,892	1.003	172,248,679	173,273,356	1.006	377,101,630	378,809,248	1.005
AY93	158,683,726	158,989,940	1.002	143,003,260	143,614,990	1.004	301,686,986	302,604,930	1.003
AY94	133,262,235	133,812,033	1.004	111,498,188	112,208,168	1.006	244,760,423	246,020,201	1.005
2-yr avg			1.003			1.005			1.004
3-yr avg			1.003			1.005			1.004
4-yr avg			1.004			1.006			1.005
5-yr avg			1.004			1.005			1.005
	Indemnity Losses			Medical Losses			Total Losses		
	17th	18th	Dev't	17th	18th	Dev't	17th	18th	Dev't
AY89	230,511,840	231,198,933	1.003	182,549,400	183,402,815	1.005	413,061,240	414,601,748	1.004
AY90	257,957,930	259,184,776	1.005	192,545,495	193,031,154	1.003	450,503,425	452,215,930	1.004
AY91	253,669,474	254,191,810	1.002	209,781,834	211,394,533	1.008	463,451,308	465,586,343	1.005
AY92	204,404,413	205,144,859	1.004	172,495,416	173,575,453	1.006	376,899,829	378,720,312	1.005
AY93	158,241,554	158,861,428	1.004	143,208,410	143,722,142	1.004	301,449,964	302,583,570	1.004
2-yr avg			1.004			1.005			1.005
3-yr avg			1.003			1.006			1.005
4-yr avg			1.004			1.005			1.005
5-yr avg			1.004			1.005			1.004
	Indemnity Losses			Medical Losses			Total Losses		
	18th	19th	Dev't	18th	19th	Dev't	18th	19th	Dev't
AY88	185,188,096	185,915,097	1.004	146,085,968	146,579,521	1.003	331,274,064	332,494,618	1.004
AY89	231,198,933	232,252,336	1.005	183,402,815	184,592,213	1.006	414,601,748	416,844,549	1.005
AY90	258,317,489	259,243,534	1.004	192,638,466	193,367,464	1.004	450,955,955	452,610,998	1.004
AY91	253,174,814	254,030,573	1.003	210,676,807	212,430,202	1.008	463,851,621	466,460,775	1.006
AY92	204,885,770	205,463,027	1.003	173,347,247	174,341,981	1.006	378,233,017	379,805,008	1.004
2-yr avg			1.003			1.007			1.005
3-yr avg			1.003			1.006			1.005
4-yr avg			1.004			1.006			1.005
5-yr avg			1.004			1.005			1.005

North Carolina - Paid+Case

Accident Year Development Factors

	Indemnity Losses			Medical Losses			Total Losses		
	<u>1st</u>	<u>2nd</u>	<u>Dev't</u>	<u>1st</u>	<u>2nd</u>	<u>Dev't</u>	<u>1st</u>	<u>2nd</u>	<u>Dev't</u>
	AY05	152,994,813	254,602,275	1.664	244,915,499	311,175,004	1.271	397,910,312	565,777,279
AY06	149,858,810	253,353,592	1.691	236,188,459	300,599,103	1.273	386,047,269	553,952,695	1.435
AY07	161,324,579	270,778,149	1.678	252,868,360	317,395,950	1.255	414,192,939	588,174,099	1.420
AY08	156,348,434	283,269,940	1.812	251,007,040	321,604,042	1.281	407,355,474	604,873,982	1.485
AY09	139,273,975	247,396,965	1.776	227,880,527	276,965,840	1.215	367,154,502	524,362,805	1.428
2-yr avg			1.794			1.248			1.457
3-yr avg			1.755			1.250			1.444
4-yr avg			1.739			1.256			1.442
5-yr avg			1.724			1.259			1.438

	Indemnity Losses			Medical Losses			Total Losses		
	<u>2nd</u>	<u>3rd</u>	<u>Dev't</u>	<u>2nd</u>	<u>3rd</u>	<u>Dev't</u>	<u>2nd</u>	<u>3rd</u>	<u>Dev't</u>
	AY04	239,760,896	299,331,241	1.248	260,689,754	269,199,489	1.033	500,450,650	568,530,730
AY05	257,163,210	319,994,612	1.244	314,021,501	331,031,545	1.054	571,184,711	651,026,157	1.140
AY06	249,521,664	305,429,875	1.224	288,589,280	296,329,003	1.027	538,110,944	601,758,878	1.118
AY07	272,004,519	345,352,784	1.270	318,445,137	328,841,727	1.033	590,449,656	674,194,511	1.142
AY08	283,269,940	357,539,680	1.262	321,902,904	339,442,938	1.054	605,172,844	696,982,618	1.152
2-yr avg			1.266			1.044			1.147
3-yr avg			1.252			1.038			1.137
4-yr avg			1.250			1.042			1.138
5-yr avg			1.250			1.040			1.138

	Indemnity Losses			Medical Losses			Total Losses		
	<u>3rd</u>	<u>4th</u>	<u>Dev't</u>	<u>3rd</u>	<u>4th</u>	<u>Dev't</u>	<u>3rd</u>	<u>4th</u>	<u>Dev't</u>
	AY03	279,553,143	308,485,508	1.103	251,045,047	261,486,629	1.042	530,598,190	569,972,137
AY04	300,741,062	329,386,217	1.095	270,270,023	270,905,458	1.002	571,011,085	600,291,675	1.051
AY05	317,083,311	346,247,182	1.092	328,065,213	328,388,755	1.001	645,148,524	674,635,937	1.046
AY06	311,793,231	352,319,972	1.130	309,774,251	322,627,185	1.041	621,567,482	674,947,157	1.086
AY07	345,352,784	377,459,209	1.093	329,568,461	340,356,848	1.033	674,921,245	717,816,057	1.064
2-yr avg			1.112			1.037			1.075
3-yr avg			1.105			1.025			1.065
4-yr avg			1.103			1.019			1.062
5-yr avg			1.103			1.024			1.064

	Indemnity Losses			Medical Losses			Total Losses		
	<u>4th</u>	<u>5th</u>	<u>Dev't</u>	<u>4th</u>	<u>5th</u>	<u>Dev't</u>	<u>4th</u>	<u>5th</u>	<u>Dev't</u>
	AY02	267,740,802	284,515,385	1.063	229,218,118	223,036,366	0.973	496,958,920	507,551,751
AY03	309,189,319	324,123,976	1.048	261,871,775	269,897,503	1.031	571,061,094	594,021,479	1.040
AY04	329,371,259	346,098,995	1.051	270,513,200	273,615,243	1.011	599,884,459	619,714,238	1.033
AY05	352,574,400	369,912,882	1.049	333,381,778	342,484,258	1.027	685,956,178	712,397,140	1.039
AY06	350,688,558	369,233,193	1.053	321,353,482	317,504,410	0.988	672,042,040	686,737,603	1.022
2-yr avg			1.051			1.008			1.031
3-yr avg			1.051			1.009			1.031
4-yr avg			1.050			1.014			1.034
5-yr avg			1.053			1.006			1.031

	Indemnity Losses			Medical Losses			Total Losses		
	<u>5th</u>	<u>6th</u>	<u>Dev't</u>	<u>5th</u>	<u>6th</u>	<u>Dev't</u>	<u>5th</u>	<u>6th</u>	<u>Dev't</u>
	AY01	287,254,912	297,612,299	1.036	219,341,452	218,093,121	0.994	506,596,364	515,705,420
AY02	297,017,319	305,419,833	1.028	235,291,651	233,875,146	0.994	532,308,970	539,294,979	1.013
AY03	324,435,425	330,870,501	1.020	270,345,118	271,474,956	1.004	594,780,543	602,345,457	1.013
AY04	349,043,628	362,164,308	1.038	275,887,092	281,024,596	1.019	624,930,720	643,188,904	1.029
AY05	367,052,961	378,838,093	1.032	340,798,657	352,429,763	1.034	707,851,618	731,267,856	1.033
2-yr avg			1.035			1.027			1.031
3-yr avg			1.030			1.019			1.025
4-yr avg			1.030			1.013			1.022
5-yr avg			1.031			1.009			1.021

	Indemnity Losses			Medical Losses			Total Losses		
	<u>6th</u>	<u>7th</u>	<u>Dev't</u>	<u>6th</u>	<u>7th</u>	<u>Dev't</u>	<u>6th</u>	<u>7th</u>	<u>Dev't</u>
	AY00	294,416,255	297,324,742	1.010	225,361,174	228,879,490	1.016	519,777,429	526,204,232
AY01	302,668,592	311,188,306	1.028	235,144,442	238,928,539	1.016	537,813,034	550,116,845	1.023
AY02	305,859,755	310,113,747	1.014	234,222,355	237,656,827	1.015	540,082,110	547,770,574	1.014
AY03	331,521,066	336,684,751	1.016	271,994,044	272,383,879	1.001	603,515,110	609,068,630	1.009
AY04	359,322,030	363,357,898	1.011	279,045,525	284,024,934	1.018	638,367,555	647,382,832	1.014
2-yr avg			1.014			1.010			1.012
3-yr avg			1.014			1.011			1.012
4-yr avg			1.017			1.013			1.015
5-yr avg			1.016			1.013			1.014

North Carolina - Paid+Case

Accident Year Development Factors, Continued

	Indemnity Losses			Medical Losses			Total Losses		
	7th	8th	Dev't	7th	8th	Dev't	7th	8th	Dev't
AY99	289,204,753	292,129,105	1.010	213,951,014	214,557,633	1.003	503,155,767	506,686,738	1.007
AY00	300,602,774	304,848,538	1.014	231,271,846	234,756,440	1.015	531,874,620	539,604,978	1.015
AY01	309,340,434	310,693,695	1.004	238,349,794	235,103,914	0.986	547,690,228	545,797,609	0.997
AY02	309,077,147	311,341,805	1.007	236,187,203	235,863,837	0.999	545,264,350	547,205,642	1.004
AY03	334,344,562	338,842,444	1.013	270,956,463	278,976,355	1.030	605,301,025	617,818,799	1.021
2-yr avg			1.010			1.015			1.013
3-yr avg			1.008			1.005			1.007
4-yr avg			1.010			1.008			1.009
5-yr avg			1.010			1.007			1.009
	Indemnity Losses			Medical Losses			Total Losses		
	8th	9th	Dev't	8th	9th	Dev't	8th	9th	Dev't
AY98	242,384,778	240,990,615	0.994	198,431,369	195,587,484	0.986	440,816,147	436,578,099	0.990
AY99	295,425,547	296,160,995	1.002	216,986,424	217,401,446	1.002	512,411,971	513,562,441	1.002
AY00	303,638,742	304,803,972	1.004	234,207,084	238,247,614	1.017	537,845,826	543,051,586	1.010
AY01	300,160,609	302,409,183	1.007	227,447,929	229,032,608	1.007	527,608,538	531,441,791	1.007
AY02	305,942,465	307,125,543	1.004	231,910,970	233,967,789	1.009	537,853,435	541,093,332	1.006
2-yr avg			1.006			1.008			1.007
3-yr avg			1.005			1.011			1.008
4-yr avg			1.004			1.009			1.006
5-yr avg			1.002			1.004			1.003
	Indemnity Losses			Medical Losses			Total Losses		
	9th	10th	Dev't	9th	10th	Dev't	9th	10th	Dev't
AY97	163,573,647	163,579,125	1.000	118,977,387	118,809,300	0.999	282,551,034	282,388,425	0.999
AY98	245,329,146	247,078,229	1.007	200,188,454	202,919,140	1.014	445,517,600	449,997,369	1.010
AY99	297,986,856	300,203,218	1.007	218,150,016	221,100,466	1.014	516,136,872	521,303,684	1.010
AY00	293,564,017	295,279,545	1.006	222,166,329	221,742,777	0.998	515,730,346	517,022,322	1.003
AY01	292,800,036	293,022,109	1.001	222,371,288	226,209,962	1.017	515,171,324	519,232,071	1.008
2-yr avg			1.004			1.008			1.006
3-yr avg			1.005			1.010			1.007
4-yr avg			1.005			1.011			1.008
5-yr avg			1.004			1.008			1.006
	Indemnity Losses			Medical Losses			Total Losses		
	10th	11th	Dev't	10th	11th	Dev't	10th	11th	Dev't
AY96	136,966,905	138,413,924	1.011	117,101,072	118,738,885	1.014	254,067,977	257,152,809	1.012
AY97	166,299,293	166,287,091	1.000	121,020,134	120,957,497	0.999	287,319,427	287,244,588	1.000
AY98	247,784,279	249,685,754	1.008	204,343,857	204,874,775	1.003	452,128,136	454,560,529	1.005
AY99	289,078,742	290,684,427	1.006	212,993,776	218,368,049	1.025	502,072,518	509,052,476	1.014
AY00	287,161,524	287,814,477	1.002	215,991,410	215,729,042	0.999	503,152,934	503,543,519	1.001
2-yr avg			1.004			1.012			1.008
3-yr avg			1.005			1.009			1.007
4-yr avg			1.004			1.007			1.005
5-yr avg			1.005			1.008			1.006
	Indemnity Losses			Medical Losses			Total Losses		
	11th	12th	Dev't	11th	12th	Dev't	11th	12th	Dev't
AY95	121,051,172	121,105,118	1.000	101,803,192	101,983,148	1.002	222,854,364	223,088,266	1.001
AY96	138,584,387	138,807,261	1.002	118,834,386	119,210,397	1.003	257,418,773	258,017,658	1.002
AY97	168,482,495	168,864,866	1.002	122,977,524	122,997,807	1.000	291,460,019	291,862,673	1.001
AY98	242,603,395	243,038,264	1.002	197,711,325	200,319,503	1.013	440,314,720	443,357,767	1.007
AY99	279,634,675	279,584,796	1.000	210,173,341	211,293,288	1.005	489,808,016	490,878,084	1.002
2-yr avg			1.001			1.009			1.005
3-yr avg			1.001			1.006			1.003
4-yr avg			1.002			1.005			1.003
5-yr avg			1.001			1.005			1.003
	Indemnity Losses			Medical Losses			Total Losses		
	12th	13th	Dev't	12th	13th	Dev't	12th	13th	Dev't
AY94	135,686,766	136,948,826	1.009	115,336,450	116,456,034	1.010	251,023,216	253,404,860	1.009
AY95	121,105,118	121,417,626	1.003	101,983,148	101,913,600	0.999	223,088,266	223,331,226	1.001
AY96	141,009,503	141,687,965	1.005	121,053,364	122,000,604	1.008	262,062,867	263,688,569	1.006
AY97	163,782,359	164,383,444	1.004	119,641,528	120,990,010	1.011	283,423,887	285,373,454	1.007
AY98	233,176,356	234,635,468	1.006	192,196,353	194,235,598	1.011	425,372,709	428,871,066	1.008
2-yr avg			1.005			1.011			1.008
3-yr avg			1.005			1.010			1.007
4-yr avg			1.005			1.007			1.006
5-yr avg			1.005			1.008			1.006

North Carolina - Paid+Case

Accident Year Development Factors, Continued

	Indemnity Losses			Medical Losses			Total Losses		
	13th	14th	Dev't	13th	14th	Dev't	13th	14th	Dev't
AY93	161,489,838	161,876,566	1.002	152,957,015	153,781,270	1.005	314,446,853	315,657,836	1.004
AY94	136,948,826	137,178,548	1.002	116,456,034	116,671,848	1.002	253,404,860	253,850,396	1.002
AY95	123,207,241	123,172,284	1.000	103,883,024	106,177,818	1.022	227,090,265	229,350,102	1.010
AY96	140,959,851	141,501,275	1.004	121,494,201	121,494,062	1.000	262,454,052	262,995,337	1.002
AY97	158,160,446	158,154,250	1.000	116,173,664	117,297,237	1.010	274,334,110	275,451,487	1.004
2-yr avg			1.002			1.005			1.003
3-yr avg			1.001			1.011			1.005
4-yr avg			1.002			1.009			1.005
5-yr avg			1.002			1.008			1.004
	Indemnity Losses			Medical Losses			Total Losses		
	14th	15th	Dev't	14th	15th	Dev't	14th	15th	Dev't
AY92	211,995,354	211,444,397	0.997	178,586,762	178,417,273	0.999	390,582,116	389,861,670	0.998
AY93	161,876,566	161,604,426	0.998	153,781,270	158,282,391	1.029	315,657,836	319,886,817	1.013
AY94	137,925,179	138,045,695	1.001	117,403,013	118,652,904	1.011	255,328,192	256,698,599	1.005
AY95	123,072,768	123,644,674	1.005	105,796,094	106,811,656	1.010	228,868,862	230,456,330	1.007
AY96	137,810,187	137,832,610	1.000	116,865,972	116,304,587	0.995	254,676,159	254,137,197	0.998
2-yr avg			1.003			1.003			1.003
3-yr avg			1.002			1.005			1.003
4-yr avg			1.001			1.011			1.006
5-yr avg			1.000			1.009			1.004
	Indemnity Losses			Medical Losses			Total Losses		
	15th	16th	Dev't	15th	16th	Dev't	15th	16th	Dev't
AY91	259,869,208	260,513,390	1.002	229,429,421	230,248,009	1.004	489,298,629	490,761,399	1.003
AY92	211,444,397	211,549,636	1.000	178,417,273	180,483,906	1.012	389,861,670	392,033,542	1.006
AY93	160,826,727	160,983,046	1.001	153,945,961	154,005,953	1.000	314,772,688	314,988,999	1.001
AY94	137,868,869	137,907,009	1.000	118,467,668	119,002,647	1.005	256,336,537	256,909,656	1.002
AY95	120,636,934	120,858,067	1.002	103,839,921	105,193,410	1.013	224,476,855	226,051,477	1.007
2-yr avg			1.001			1.009			1.005
3-yr avg			1.001			1.006			1.003
4-yr avg			1.001			1.008			1.004
5-yr avg			1.001			1.007			1.004
	Indemnity Losses			Medical Losses			Total Losses		
	16th	17th	Dev't	16th	17th	Dev't	16th	17th	Dev't
AY90	263,568,375	264,287,580	1.003	198,445,853	198,616,578	1.001	462,014,228	462,904,158	1.002
AY91	260,513,390	260,683,476	1.001	230,248,009	233,241,688	1.013	490,761,399	493,925,164	1.006
AY92	210,534,707	210,881,384	1.002	179,915,302	181,075,299	1.006	390,450,009	391,956,683	1.004
AY93	160,751,168	160,433,838	0.998	153,706,815	147,767,384	0.961	314,457,983	308,201,222	0.980
AY94	136,209,577	135,611,724	0.996	117,557,559	116,317,921	0.989	253,767,136	251,929,645	0.993
2-yr avg			0.997			0.975			0.987
3-yr avg			0.999			0.985			0.992
4-yr avg			0.999			0.992			0.996
5-yr avg			1.000			0.994			0.997
	Indemnity Losses			Medical Losses			Total Losses		
	17th	18th	Dev't	17th	18th	Dev't	17th	18th	Dev't
AY89	235,460,840	235,211,893	0.999	191,812,413	192,669,462	1.004	427,273,253	427,881,355	1.001
AY90	264,287,580	264,358,653	1.000	198,616,578	198,730,269	1.001	462,904,158	463,088,922	1.000
AY91	260,220,431	259,700,873	0.998	232,946,231	233,576,311	1.003	493,166,662	493,277,184	1.000
AY92	209,749,905	209,952,030	1.001	180,297,359	182,061,498	1.010	390,047,264	392,013,528	1.005
AY93	159,685,452	160,246,768	1.004	147,609,303	147,644,945	1.000	307,294,755	307,891,713	1.002
2-yr avg			1.003			1.005			1.004
3-yr avg			1.001			1.004			1.002
4-yr avg			1.001			1.004			1.002
5-yr avg			1.000			1.004			1.002
	Indemnity Losses			Medical Losses			Total Losses		
	18th	19th	Dev't	18th	19th	Dev't	18th	19th	Dev't
AY88	189,561,184	189,806,740	1.001	151,076,114	152,380,958	1.009	340,637,298	342,187,698	1.005
AY89	235,211,893	235,160,301	1.000	192,669,462	196,554,322	1.020	427,881,355	431,714,623	1.009
AY90	263,491,366	263,657,447	1.001	198,337,581	198,552,264	1.001	461,828,947	462,209,711	1.001
AY91	258,683,877	259,012,120	1.001	232,858,585	232,671,345	0.999	491,542,462	491,683,465	1.000
AY92	209,692,941	210,118,352	1.002	182,042,677	183,285,670	1.007	391,735,618	393,404,022	1.004
2-yr avg			1.002			1.003			1.002
3-yr avg			1.001			1.002			1.002
4-yr avg			1.001			1.007			1.004
5-yr avg			1.001			1.007			1.004

North Carolina - Excluding IBNR

Accident Year Development Factors

	Indemnity Losses			Medical Losses			Total Losses		
	<u>1st</u>	<u>2nd</u>	<u>Dev't</u>	<u>1st</u>	<u>2nd</u>	<u>Dev't</u>	<u>1st</u>	<u>2nd</u>	<u>Dev't</u>
AY05	155,297,934	256,413,717	1.651	247,125,797	312,019,778	1.263	402,423,731	568,433,495	1.413
AY06	152,205,811	255,452,444	1.678	238,554,031	302,364,928	1.267	390,759,842	557,817,372	1.428
AY07	162,671,311	271,221,331	1.667	254,248,334	317,423,887	1.248	416,919,645	588,645,218	1.412
AY08	156,542,088	283,467,509	1.811	250,952,288	321,689,871	1.282	407,494,376	605,157,380	1.485
AY09	139,373,029	247,299,200	1.774	227,864,967	276,868,144	1.215	367,237,996	524,167,344	1.427
2-yr avg			1.793			1.249			1.456
3-yr avg			1.751			1.248			1.441
4-yr avg			1.733			1.253			1.438
5-yr avg			1.716			1.255			1.433
	Indemnity Losses			Medical Losses			Total Losses		
	<u>2nd</u>	<u>3rd</u>	<u>Dev't</u>	<u>2nd</u>	<u>3rd</u>	<u>Dev't</u>	<u>2nd</u>	<u>3rd</u>	<u>Dev't</u>
AY04	241,945,261	300,762,244	1.243	261,750,223	269,896,377	1.031	503,695,484	570,658,621	1.133
AY05	258,974,652	321,055,528	1.240	314,866,275	332,190,141	1.055	573,840,927	653,245,669	1.138
AY06	251,620,516	305,651,065	1.215	290,355,105	296,628,689	1.022	541,975,621	602,279,754	1.111
AY07	272,447,701	345,675,936	1.269	318,473,074	329,030,743	1.033	590,920,775	674,706,679	1.142
AY08	283,467,509	357,799,503	1.262	321,988,733	339,662,673	1.055	605,456,242	697,462,176	1.152
2-yr avg			1.266			1.044			1.147
3-yr avg			1.249			1.037			1.135
4-yr avg			1.247			1.041			1.136
5-yr avg			1.246			1.039			1.135
	Indemnity Losses			Medical Losses			Total Losses		
	<u>3rd</u>	<u>4th</u>	<u>Dev't</u>	<u>3rd</u>	<u>4th</u>	<u>Dev't</u>	<u>3rd</u>	<u>4th</u>	<u>Dev't</u>
AY03	281,030,668	309,904,444	1.103	252,005,957	263,856,064	1.047	533,036,625	573,760,508	1.076
AY04	302,172,065	330,632,573	1.094	270,966,911	271,660,130	1.003	573,138,976	602,292,703	1.051
AY05	318,144,227	346,487,165	1.089	329,223,809	328,628,340	0.998	647,368,036	675,115,505	1.043
AY06	312,014,421	352,507,049	1.130	310,073,937	322,988,877	1.042	622,088,358	675,495,926	1.086
AY07	345,675,936	377,731,563	1.093	329,757,477	340,539,510	1.033	675,433,413	718,271,073	1.063
2-yr avg			1.112			1.038			1.075
3-yr avg			1.104			1.024			1.064
4-yr avg			1.102			1.019			1.061
5-yr avg			1.102			1.025			1.064
	Indemnity Losses			Medical Losses			Total Losses		
	<u>4th</u>	<u>5th</u>	<u>Dev't</u>	<u>4th</u>	<u>5th</u>	<u>Dev't</u>	<u>4th</u>	<u>5th</u>	<u>Dev't</u>
AY02	268,602,063	285,201,249	1.062	229,632,904	223,398,237	0.973	498,234,967	508,599,486	1.021
AY03	310,608,255	325,313,376	1.047	264,241,210	271,753,741	1.028	574,849,465	597,067,117	1.039
AY04	330,617,615	346,180,614	1.047	271,267,872	273,699,391	1.009	601,885,487	619,880,005	1.030
AY05	352,814,383	370,114,702	1.049	333,621,363	342,749,697	1.027	686,435,746	712,864,399	1.039
AY06	350,875,635	369,374,036	1.053	321,715,174	317,787,092	0.988	672,590,809	687,161,128	1.022
2-yr avg			1.051			1.008			1.031
3-yr avg			1.050			1.008			1.030
4-yr avg			1.049			1.013			1.033
5-yr avg			1.052			1.005			1.030
	Indemnity Losses			Medical Losses			Total Losses		
	<u>5th</u>	<u>6th</u>	<u>Dev't</u>	<u>5th</u>	<u>6th</u>	<u>Dev't</u>	<u>5th</u>	<u>6th</u>	<u>Dev't</u>
AY01	287,869,069	298,053,041	1.035	219,982,081	218,583,873	0.994	507,851,150	516,636,914	1.017
AY02	297,703,183	306,053,973	1.028	235,653,522	234,208,043	0.994	533,356,705	540,262,016	1.013
AY03	325,624,825	330,957,995	1.016	272,201,356	271,575,753	0.998	597,826,181	602,533,748	1.008
AY04	349,125,247	362,226,613	1.038	275,971,240	281,126,356	1.019	625,096,487	643,352,969	1.029
AY05	367,254,781	379,160,483	1.032	341,064,096	352,742,145	1.034	708,318,877	731,902,628	1.033
2-yr avg			1.035			1.027			1.031
3-yr avg			1.029			1.017			1.023
4-yr avg			1.029			1.011			1.021
5-yr avg			1.030			1.008			1.020
	Indemnity Losses			Medical Losses			Total Losses		
	<u>6th</u>	<u>7th</u>	<u>Dev't</u>	<u>6th</u>	<u>7th</u>	<u>Dev't</u>	<u>6th</u>	<u>7th</u>	<u>Dev't</u>
AY00	294,523,832	297,366,136	1.010	225,642,160	229,169,462	1.016	520,165,992	526,535,598	1.012
AY01	303,109,334	311,688,521	1.028	235,635,194	239,581,587	1.017	538,744,528	551,270,108	1.023
AY02	306,493,895	310,322,515	1.012	234,555,252	237,761,659	1.014	541,049,147	548,084,174	1.013
AY03	331,608,560	336,749,501	1.016	272,094,841	272,435,051	1.001	603,703,401	609,184,552	1.009
AY04	359,384,335	363,414,535	1.011	279,147,285	284,088,800	1.018	638,531,620	647,503,335	1.014
2-yr avg			1.014			1.010			1.012
3-yr avg			1.013			1.011			1.012
4-yr avg			1.017			1.013			1.015
5-yr avg			1.015			1.013			1.014

North Carolina - Excluding IBNR

Accident Year Development Factors, Continued

	Indemnity Losses			Medical Losses			Total Losses		
	<u>7th</u>	<u>8th</u>	<u>Dev't</u>	<u>7th</u>	<u>8th</u>	<u>Dev't</u>	<u>7th</u>	<u>8th</u>	<u>Dev't</u>
AY99	289,438,065	292,323,948	1.010	214,074,046	214,709,760	1.003	503,512,111	507,033,708	1.007
AY00	300,644,168	304,909,311	1.014	231,561,818	235,331,846	1.016	532,205,986	540,241,157	1.015
AY01	309,840,649	310,765,005	1.003	239,002,842	235,253,831	0.984	548,843,491	546,018,836	0.995
AY02	309,285,915	311,546,325	1.007	236,292,035	235,975,345	0.999	545,577,950	547,521,670	1.004
AY03	334,409,312	338,884,412	1.013	271,007,635	279,015,316	1.030	605,416,947	617,899,728	1.021
2-yr avg			1.010			1.015			1.013
3-yr avg			1.008			1.004			1.007
4-yr avg			1.009			1.007			1.009
5-yr avg			1.009			1.006			1.008
	Indemnity Losses			Medical Losses			Total Losses		
	<u>8th</u>	<u>9th</u>	<u>Dev't</u>	<u>8th</u>	<u>9th</u>	<u>Dev't</u>	<u>8th</u>	<u>9th</u>	<u>Dev't</u>
AY98	242,589,500	241,173,557	0.994	198,762,988	195,820,883	0.985	441,352,488	436,994,440	0.990
AY99	295,620,390	296,288,887	1.002	217,138,551	217,606,321	1.002	512,758,941	513,895,208	1.002
AY00	303,699,515	304,819,865	1.004	234,782,490	238,279,032	1.015	538,482,005	543,098,897	1.009
AY01	300,231,919	302,501,056	1.008	227,597,846	229,106,702	1.007	527,829,765	531,607,758	1.007
AY02	306,146,985	307,215,155	1.003	232,022,478	234,040,603	1.009	538,169,463	541,255,758	1.006
2-yr avg			1.006			1.008			1.007
3-yr avg			1.005			1.010			1.007
4-yr avg			1.004			1.008			1.006
5-yr avg			1.002			1.004			1.003
	Indemnity Losses			Medical Losses			Total Losses		
	<u>9th</u>	<u>10th</u>	<u>Dev't</u>	<u>9th</u>	<u>10th</u>	<u>Dev't</u>	<u>9th</u>	<u>10th</u>	<u>Dev't</u>
AY97	163,617,223	163,610,031	1.000	119,049,345	118,842,222	0.998	282,666,568	282,452,253	0.999
AY98	245,512,088	247,223,090	1.007	200,421,853	203,157,293	1.014	445,933,941	450,380,383	1.010
AY99	298,114,748	300,264,613	1.007	218,354,891	221,246,385	1.013	516,469,639	521,510,998	1.010
AY00	293,579,910	295,301,167	1.006	222,197,747	221,772,450	0.998	515,777,657	517,073,617	1.003
AY01	292,891,909	293,071,944	1.001	222,445,382	226,317,688	1.017	515,337,291	519,389,632	1.008
2-yr avg			1.004			1.008			1.006
3-yr avg			1.005			1.009			1.007
4-yr avg			1.005			1.011			1.008
5-yr avg			1.004			1.008			1.006
	Indemnity Losses			Medical Losses			Total Losses		
	<u>10th</u>	<u>11th</u>	<u>Dev't</u>	<u>10th</u>	<u>11th</u>	<u>Dev't</u>	<u>10th</u>	<u>11th</u>	<u>Dev't</u>
AY96	137,002,912	138,427,672	1.010	117,114,359	118,742,171	1.014	254,117,271	257,169,843	1.012
AY97	166,330,199	166,336,774	1.000	121,053,056	120,984,250	0.999	287,383,255	287,321,024	1.000
AY98	247,929,140	249,833,491	1.008	204,582,010	204,927,430	1.002	452,511,150	454,760,921	1.005
AY99	289,140,137	290,702,872	1.005	213,139,695	218,368,049	1.025	502,279,832	509,070,921	1.014
AY00	287,183,146	287,814,477	1.002	216,021,083	215,729,042	0.999	503,204,229	503,543,519	1.001
2-yr avg			1.004			1.012			1.008
3-yr avg			1.005			1.009			1.007
4-yr avg			1.004			1.006			1.005
5-yr avg			1.005			1.008			1.006
	Indemnity Losses			Medical Losses			Total Losses		
	<u>11th</u>	<u>12th</u>	<u>Dev't</u>	<u>11th</u>	<u>12th</u>	<u>Dev't</u>	<u>11th</u>	<u>12th</u>	<u>Dev't</u>
AY95	121,059,655	121,110,427	1.000	101,813,064	101,990,432	1.002	222,872,719	223,100,859	1.001
AY96	138,598,135	138,828,951	1.002	118,837,672	119,222,076	1.003	257,435,807	258,051,027	1.002
AY97	168,532,178	168,864,866	1.002	123,004,277	122,997,807	1.000	291,536,455	291,862,673	1.001
AY98	242,751,132	243,152,326	1.002	197,763,980	200,345,831	1.013	440,515,112	443,498,157	1.007
AY99	279,653,120	279,605,776	1.000	210,173,341	211,293,288	1.005	489,826,461	490,899,064	1.002
2-yr avg			1.001			1.009			1.005
3-yr avg			1.001			1.006			1.003
4-yr avg			1.002			1.005			1.003
5-yr avg			1.001			1.005			1.003
	Indemnity Losses			Medical Losses			Total Losses		
	<u>12th</u>	<u>13th</u>	<u>Dev't</u>	<u>12th</u>	<u>13th</u>	<u>Dev't</u>	<u>12th</u>	<u>13th</u>	<u>Dev't</u>
AY94	135,690,482	136,956,119	1.009	115,574,709	116,668,709	1.009	251,265,191	253,624,828	1.009
AY95	121,110,427	121,434,537	1.003	101,990,432	101,927,392	0.999	223,100,859	223,361,929	1.001
AY96	141,031,193	141,687,965	1.005	121,065,043	122,000,604	1.008	262,096,236	263,688,569	1.006
AY97	163,782,359	164,383,444	1.004	119,641,528	120,990,010	1.011	283,423,887	285,373,454	1.007
AY98	233,290,418	234,980,469	1.007	192,222,681	194,739,113	1.013	425,513,099	429,719,582	1.010
2-yr avg			1.006			1.012			1.009
3-yr avg			1.005			1.011			1.008
4-yr avg			1.005			1.008			1.006
5-yr avg			1.006			1.008			1.007

North Carolina - Excluding IBNR

Accident Year Development Factors, Continued

	Indemnity Losses			Medical Losses			Total Losses		
	13th	14th	Dev't	13th	14th	Dev't	13th	14th	Dev't
AY93	161,500,477	161,885,081	1.002	152,959,046	153,783,273	1.005	314,459,523	315,668,354	1.004
AY94	136,956,119	137,245,998	1.002	116,668,709	116,896,755	1.002	253,624,828	254,142,753	1.002
AY95	123,224,152	123,172,284	1.000	103,896,816	106,177,818	1.022	227,120,968	229,350,102	1.010
AY96	140,959,851	141,501,275	1.004	121,494,201	121,494,062	1.000	262,454,052	262,995,337	1.002
AY97	158,160,446	158,154,250	1.000	116,173,664	117,297,237	1.010	274,334,110	275,451,487	1.004
2-yr avg			1.002			1.005			1.003
3-yr avg			1.001			1.011			1.005
4-yr avg			1.002			1.009			1.005
5-yr avg			1.002			1.008			1.004
	Indemnity Losses			Medical Losses			Total Losses		
	14th	15th	Dev't	14th	15th	Dev't	14th	15th	Dev't
AY92	212,123,064	211,548,701	0.997	178,781,633	178,566,726	0.999	390,904,697	390,115,427	0.998
AY93	161,885,081	161,611,397	0.998	153,783,273	158,286,145	1.029	315,668,354	319,897,542	1.013
AY94	137,992,629	138,045,695	1.000	117,627,920	118,652,904	1.009	255,620,549	256,698,599	1.004
AY95	123,072,768	123,644,674	1.005	105,796,094	106,811,656	1.010	228,868,862	230,456,330	1.007
AY96	137,810,187	137,832,610	1.000	116,865,972	116,304,587	0.995	254,676,159	254,137,197	0.998
2-yr avg			1.003			1.003			1.003
3-yr avg			1.002			1.005			1.003
4-yr avg			1.001			1.011			1.006
5-yr avg			1.000			1.008			1.004
	Indemnity Losses			Medical Losses			Total Losses		
	15th	16th	Dev't	15th	16th	Dev't	15th	16th	Dev't
AY91	259,870,730	260,514,754	1.002	229,431,165	230,249,678	1.004	489,301,895	490,764,432	1.003
AY92	211,548,701	211,633,136	1.000	178,566,726	180,583,671	1.011	390,115,427	392,216,807	1.005
AY93	160,833,698	160,983,046	1.001	153,949,715	154,005,953	1.000	314,783,413	314,988,999	1.001
AY94	137,868,869	137,907,009	1.000	118,467,668	119,002,647	1.005	256,336,537	256,909,656	1.002
AY95	120,636,934	120,858,067	1.002	103,839,921	105,193,410	1.013	224,476,855	226,051,477	1.007
2-yr avg			1.001			1.009			1.005
3-yr avg			1.001			1.006			1.003
4-yr avg			1.001			1.007			1.004
5-yr avg			1.001			1.007			1.004
	Indemnity Losses			Medical Losses			Total Losses		
	16th	17th	Dev't	16th	17th	Dev't	16th	17th	Dev't
AY90	263,572,673	264,288,251	1.003	198,447,298	198,618,170	1.001	462,019,971	462,906,421	1.002
AY91	260,514,754	260,689,470	1.001	230,249,678	233,244,916	1.013	490,764,432	493,934,386	1.006
AY92	210,618,207	210,950,713	1.002	180,015,067	181,143,045	1.006	390,633,274	392,093,758	1.004
AY93	160,751,168	160,433,838	0.998	153,706,815	147,767,384	0.961	314,457,983	308,201,222	0.980
AY94	136,209,577	135,611,724	0.996	117,557,559	116,317,921	0.989	253,767,136	251,929,645	0.993
2-yr avg			0.997			0.975			0.987
3-yr avg			0.999			0.985			0.992
4-yr avg			0.999			0.992			0.996
5-yr avg			1.000			0.994			0.997
	Indemnity Losses			Medical Losses			Total Losses		
	17th	18th	Dev't	17th	18th	Dev't	17th	18th	Dev't
AY89	235,459,322	235,209,028	0.999	191,812,398	192,669,462	1.004	427,271,720	427,878,490	1.001
AY90	264,288,251	264,368,340	1.000	198,618,170	198,736,092	1.001	462,906,421	463,104,432	1.000
AY91	260,226,425	259,700,873	0.998	232,949,459	233,576,311	1.003	493,175,884	493,277,184	1.000
AY92	209,819,234	210,003,486	1.001	180,365,105	182,095,282	1.010	390,184,339	392,098,768	1.005
AY93	159,685,452	160,246,768	1.004	147,609,303	147,644,945	1.000	307,294,755	307,891,713	1.002
2-yr avg			1.003			1.005			1.004
3-yr avg			1.001			1.004			1.002
4-yr avg			1.001			1.004			1.002
5-yr avg			1.000			1.004			1.002
	Indemnity Losses			Medical Losses			Total Losses		
	18th	19th	Dev't	18th	19th	Dev't	18th	19th	Dev't
AY88	189,564,407	189,809,371	1.001	151,076,099	152,380,958	1.009	340,640,506	342,190,329	1.005
AY89	235,209,028	235,167,404	1.000	192,669,462	196,558,147	1.020	427,878,490	431,725,551	1.009
AY90	263,501,053	263,657,447	1.001	198,343,404	198,552,264	1.001	461,844,457	462,209,711	1.001
AY91	258,683,877	259,012,120	1.001	232,858,585	232,671,345	0.999	491,542,462	491,683,465	1.000
AY92	209,744,397	210,183,862	1.002	182,076,461	183,425,795	1.007	391,820,858	393,609,657	1.005
2-yr avg			1.002			1.003			1.003
3-yr avg			1.001			1.002			1.002
4-yr avg			1.001			1.007			1.004
5-yr avg			1.001			1.007			1.004

North Carolina - Incurred

Accident Year Development Factors

	Indemnity Losses			Medical Losses			Total Losses		
	<u>1st</u>	<u>2nd</u>	<u>Dev't</u>	<u>1st</u>	<u>2nd</u>	<u>Dev't</u>	<u>1st</u>	<u>2nd</u>	<u>Dev't</u>
AY05	341,699,580	362,576,176	1.061	407,341,618	407,885,348	1.001	749,041,198	770,461,524	1.029
AY06	337,532,960	368,560,985	1.092	429,822,813	402,451,401	0.936	767,355,773	771,012,386	1.005
AY07	348,783,991	387,187,348	1.110	460,340,780	423,363,802	0.920	809,124,771	810,551,150	1.002
AY08	354,742,462	399,428,526	1.126	458,052,316	422,100,141	0.922	812,794,778	821,528,667	1.011
AY09	320,825,419	342,257,443	1.067	401,424,282	366,560,179	0.913	722,249,701	708,817,622	0.981
2-yr avg			1.097			0.918			0.996
3-yr avg			1.101			0.918			0.998
4-yr avg			1.099			0.923			1.000
5-yr avg			1.091			0.938			1.006
	Indemnity Losses			Medical Losses			Total Losses		
	<u>2nd</u>	<u>3rd</u>	<u>Dev't</u>	<u>2nd</u>	<u>3rd</u>	<u>Dev't</u>	<u>2nd</u>	<u>3rd</u>	<u>Dev't</u>
AY04	338,806,517	365,476,370	1.079	333,421,118	324,107,022	0.972	672,227,635	689,583,392	1.026
AY05	365,336,572	399,492,737	1.093	410,988,696	400,246,457	0.974	776,325,268	799,739,194	1.030
AY06	362,707,163	386,833,629	1.067	388,507,594	369,440,758	0.951	751,214,757	756,274,387	1.007
AY07	388,707,039	422,235,743	1.086	424,548,185	397,281,485	0.936	813,255,224	819,517,228	1.008
AY08	399,427,965	427,489,469	1.070	422,398,144	409,104,776	0.969	821,826,109	836,594,245	1.018
2-yr avg			1.078			0.953			1.013
3-yr avg			1.074			0.952			1.011
4-yr avg			1.079			0.958			1.016
5-yr avg			1.079			0.960			1.018
	Indemnity Losses			Medical Losses			Total Losses		
	<u>3rd</u>	<u>4th</u>	<u>Dev't</u>	<u>3rd</u>	<u>4th</u>	<u>Dev't</u>	<u>3rd</u>	<u>4th</u>	<u>Dev't</u>
AY03	339,569,530	354,597,172	1.044	295,100,721	305,480,605	1.035	634,670,251	660,077,777	1.040
AY04	366,922,420	380,339,790	1.037	325,225,741	315,966,040	0.972	692,148,161	696,305,830	1.006
AY05	395,806,492	404,402,427	1.022	396,401,666	381,033,342	0.961	792,208,158	785,435,769	0.991
AY06	395,002,297	413,187,063	1.046	390,437,416	382,774,535	0.980	785,439,713	795,961,598	1.013
AY07	422,235,743	424,921,236	1.006	398,008,219	391,003,251	0.982	820,243,962	815,924,487	0.995
2-yr avg			1.026			0.981			1.004
3-yr avg			1.025			0.974			1.000
4-yr avg			1.028			0.974			1.001
5-yr avg			1.031			0.986			1.009
	Indemnity Losses			Medical Losses			Total Losses		
	<u>4th</u>	<u>5th</u>	<u>Dev't</u>	<u>4th</u>	<u>5th</u>	<u>Dev't</u>	<u>4th</u>	<u>5th</u>	<u>Dev't</u>
AY02	302,293,384	318,331,386	1.053	257,594,015	256,049,385	0.994	559,887,399	574,380,771	1.026
AY03	355,273,132	371,250,478	1.045	305,848,298	316,355,581	1.034	661,121,430	687,606,059	1.040
AY04	380,551,525	398,753,679	1.048	315,728,540	322,454,863	1.021	696,280,065	721,208,542	1.036
AY05	411,170,702	427,502,377	1.040	386,160,141	398,103,248	1.031	797,330,843	825,605,625	1.035
AY06	411,067,342	430,010,420	1.046	381,076,859	383,548,172	1.006	792,144,201	813,558,592	1.027
2-yr avg			1.043			1.019			1.031
3-yr avg			1.045			1.019			1.033
4-yr avg			1.045			1.023			1.035
5-yr avg			1.046			1.017			1.033
	Indemnity Losses			Medical Losses			Total Losses		
	<u>5th</u>	<u>6th</u>	<u>Dev't</u>	<u>5th</u>	<u>6th</u>	<u>Dev't</u>	<u>5th</u>	<u>6th</u>	<u>Dev't</u>
AY01	313,978,154	315,867,287	1.006	234,306,742	236,376,075	1.009	548,284,896	552,243,362	1.007
AY02	332,043,713	325,349,454	0.980	268,255,249	252,186,260	0.940	600,298,962	577,535,714	0.962
AY03	371,736,340	358,430,402	0.964	316,940,065	298,911,154	0.943	688,676,405	657,341,556	0.954
AY04	401,929,735	388,358,187	0.966	324,788,206	304,046,966	0.936	726,717,941	692,405,153	0.953
AY05	424,004,952	406,322,444	0.958	395,975,208	380,232,325	0.960	819,980,160	786,554,769	0.959
2-yr avg			0.962			0.948			0.956
3-yr avg			0.963			0.946			0.955
4-yr avg			0.967			0.945			0.957
5-yr avg			0.975			0.958			0.967
	Indemnity Losses			Medical Losses			Total Losses		
	<u>6th</u>	<u>7th</u>	<u>Dev't</u>	<u>6th</u>	<u>7th</u>	<u>Dev't</u>	<u>6th</u>	<u>7th</u>	<u>Dev't</u>
AY00	310,612,919	309,922,961	0.998	238,600,797	240,603,328	1.008	549,213,716	550,526,289	1.002
AY01	321,130,145	329,762,900	1.027	253,573,596	256,862,305	1.013	574,703,741	586,625,205	1.021
AY02	325,814,811	328,125,629	1.007	252,549,304	256,050,576	1.014	578,364,115	584,176,205	1.010
AY03	359,331,268	357,689,813	0.995	299,452,264	293,683,708	0.981	658,783,532	651,373,521	0.989
AY04	385,442,885	382,712,987	0.993	302,019,370	303,410,571	1.005	687,462,255	686,123,558	0.998
2-yr avg			0.994			0.993			0.994
3-yr avg			0.998			1.000			0.999
4-yr avg			1.006			1.003			1.005
5-yr avg			1.004			1.004			1.004

North Carolina - Incurred

Accident Year Development Factors, Continued

	Indemnity Losses			Medical Losses			Total Losses		
	7th	8th	Dev't	7th	8th	Dev't	7th	8th	Dev't
AY99	300,100,060	301,019,534	1.003	223,395,917	223,769,847	1.002	523,495,977	524,789,381	1.002
AY00	313,411,974	316,016,540	1.008	243,169,706	245,713,723	1.010	556,581,680	561,730,263	1.009
AY01	327,899,322	325,760,134	0.993	256,274,157	250,420,830	0.977	584,173,479	576,180,964	0.986
AY02	327,004,021	324,611,243	0.993	254,512,211	248,995,657	0.978	581,516,232	573,606,900	0.986
AY03	355,301,341	355,911,908	1.002	292,224,072	298,800,192	1.023	647,525,413	654,712,100	1.011
2-yr avg			0.998			1.001			0.999
3-yr avg			0.996			0.993			0.994
4-yr avg			0.999			0.997			0.998
5-yr avg			1.000			0.998			0.999
	Indemnity Losses			Medical Losses			Total Losses		
	8th	9th	Dev't	8th	9th	Dev't	8th	9th	Dev't
AY98	251,161,091	248,981,930	0.991	206,614,598	203,916,840	0.987	457,775,689	452,898,770	0.989
AY99	304,586,126	305,240,197	1.002	226,396,577	225,870,917	0.998	530,982,703	531,111,114	1.000
AY00	314,893,045	314,842,325	1.000	245,230,955	248,449,352	1.013	560,124,000	563,291,677	1.006
AY01	314,879,803	315,372,940	1.002	241,946,990	241,076,839	0.996	556,826,793	556,449,779	0.999
AY02	319,026,284	319,244,948	1.001	244,553,960	246,550,097	1.008	563,580,244	565,795,045	1.004
2-yr avg			1.002			1.002			1.002
3-yr avg			1.001			1.006			1.003
4-yr avg			1.001			1.004			1.002
5-yr avg			0.999			1.000			1.000
	Indemnity Losses			Medical Losses			Total Losses		
	9th	10th	Dev't	9th	10th	Dev't	9th	10th	Dev't
AY97	170,665,777	169,842,814	0.995	124,429,171	125,660,873	1.010	295,094,948	295,503,687	1.001
AY98	253,582,287	258,306,695	1.019	208,760,267	213,837,871	1.024	462,342,554	472,144,566	1.021
AY99	307,029,539	310,861,324	1.012	226,559,698	232,665,633	1.027	533,589,237	543,526,957	1.019
AY00	303,035,339	303,293,292	1.001	231,820,391	228,903,940	0.987	534,855,730	532,197,232	0.995
AY01	305,500,655	300,873,026	0.985	234,265,235	237,402,411	1.013	539,765,890	538,275,437	0.997
2-yr avg			0.993			1.000			0.996
3-yr avg			0.999			1.009			1.004
4-yr avg			1.004			1.013			1.008
5-yr avg			1.002			1.012			1.007
	Indemnity Losses			Medical Losses			Total Losses		
	10th	11th	Dev't	10th	11th	Dev't	10th	11th	Dev't
AY96	128,208,000	128,404,524	1.002	110,917,764	112,856,843	1.017	239,125,764	241,261,367	1.009
AY97	172,751,959	171,394,191	0.992	128,025,299	125,600,365	0.981	300,777,258	296,994,556	0.987
AY98	259,185,845	256,475,341	0.990	215,447,404	211,686,251	0.983	474,633,249	468,161,592	0.986
AY99	299,610,993	297,651,133	0.993	224,632,493	226,032,446	1.006	524,243,486	523,683,579	0.999
AY00	294,790,026	293,847,353	0.997	222,877,843	221,711,615	0.995	517,667,869	515,558,968	0.996
2-yr avg			0.995			1.001			0.998
3-yr avg			0.993			0.995			0.994
4-yr avg			0.993			0.991			0.992
5-yr avg			0.995			0.996			0.995
	Indemnity Losses			Medical Losses			Total Losses		
	11th	12th	Dev't	11th	12th	Dev't	11th	12th	Dev't
AY95	111,661,020	115,443,150	1.034	95,792,323	100,087,719	1.045	207,453,343	215,530,869	1.039
AY96	142,030,129	145,742,245	1.026	122,838,130	127,051,902	1.034	264,868,259	272,794,147	1.030
AY97	173,589,595	177,856,721	1.025	127,620,392	132,934,975	1.042	301,209,987	310,791,696	1.032
AY98	248,998,497	254,928,770	1.024	204,246,028	214,049,746	1.048	453,244,525	468,978,516	1.035
AY99	286,229,577	288,977,437	1.010	217,587,054	224,495,003	1.032	503,816,631	513,472,440	1.019
2-yr avg			1.017			1.040			1.027
3-yr avg			1.020			1.041			1.029
4-yr avg			1.021			1.039			1.029
5-yr avg			1.024			1.040			1.031
	Indemnity Losses			Medical Losses			Total Losses		
	12th	13th	Dev't	12th	13th	Dev't	12th	13th	Dev't
AY94	126,508,560	124,041,508	0.980	107,895,177	106,280,684	0.985	234,403,737	230,322,192	0.983
AY95	128,293,259	124,093,400	0.967	109,829,304	104,516,376	0.952	238,122,563	228,609,776	0.960
AY96	147,944,487	145,418,323	0.983	128,894,869	125,806,931	0.976	276,839,356	271,225,254	0.980
AY97	172,767,322	167,765,697	0.971	129,553,354	124,233,889	0.959	302,320,676	291,999,586	0.966
AY98	244,900,198	240,528,225	0.982	205,756,272	201,134,495	0.978	450,656,470	441,662,720	0.980
2-yr avg			0.977			0.969			0.973
3-yr avg			0.979			0.971			0.975
4-yr avg			0.976			0.966			0.972
5-yr avg			0.977			0.970			0.974

North Carolina - Incurred

Accident Year Development Factors, Continued

	Indemnity Losses			Medical Losses			Total Losses		
	13th	14th	Dev't	13th	14th	Dev't	13th	14th	Dev't
AY93	150,002,945	150,391,550	1.003	140,774,601	141,649,542	1.006	290,777,546	292,041,092	1.004
AY94	141,016,748	140,242,835	0.995	121,785,501	119,854,965	0.984	262,802,249	260,097,800	0.990
AY95	125,934,583	126,265,986	1.003	106,541,468	109,135,260	1.024	232,476,051	235,401,246	1.013
AY96	144,687,997	145,091,468	1.003	125,298,747	124,541,655	0.994	269,986,744	269,633,123	0.999
AY97	161,538,181	160,991,118	0.997	119,415,110	120,625,045	1.010	280,953,291	281,616,163	1.002
2-yr avg			1.000			1.002			1.001
3-yr avg			1.001			1.009			1.005
4-yr avg			1.000			1.003			1.001
5-yr avg			1.000			1.004			1.002
	Indemnity Losses			Medical Losses			Total Losses		
	14th	15th	Dev't	14th	15th	Dev't	14th	15th	Dev't
AY92	198,733,027	198,574,084	0.999	166,697,997	165,961,046	0.996	365,431,024	364,535,130	0.998
AY93	166,396,541	164,548,807	0.989	157,361,125	162,190,708	1.031	323,757,666	326,739,515	1.009
AY94	140,989,466	141,380,313	1.003	120,586,130	121,721,867	1.009	261,575,596	263,102,180	1.006
AY95	126,165,494	126,116,864	1.000	108,752,750	109,195,102	1.004	234,918,244	235,311,966	1.002
AY96	141,397,032	140,728,269	0.995	119,911,391	119,513,808	0.997	261,308,423	260,242,077	0.996
2-yr avg			0.998			1.001			0.999
3-yr avg			0.999			1.003			1.001
4-yr avg			0.997			1.010			1.003
5-yr avg			0.997			1.007			1.002
	Indemnity Losses			Medical Losses			Total Losses		
	15th	16th	Dev't	15th	16th	Dev't	15th	16th	Dev't
AY91	220,456,477	221,160,350	1.003	197,488,740	198,362,089	1.004	417,945,217	419,522,439	1.004
AY92	201,306,484	201,096,619	0.999	170,066,353	172,184,436	1.012	371,372,837	373,281,055	1.005
AY93	163,771,108	163,292,618	0.997	157,854,278	157,194,078	0.996	321,625,386	320,486,696	0.996
AY94	141,203,487	141,305,873	1.001	121,536,631	122,072,238	1.004	262,740,118	263,378,111	1.002
AY95	123,078,082	122,754,802	0.997	106,191,234	106,997,656	1.008	229,269,316	229,752,458	1.002
2-yr avg			0.999			1.006			1.002
3-yr avg			0.998			1.003			1.000
4-yr avg			0.999			1.005			1.001
5-yr avg			0.999			1.005			1.002
	Indemnity Losses			Medical Losses			Total Losses		
	16th	17th	Dev't	16th	17th	Dev't	16th	17th	Dev't
AY90	223,800,830	223,995,473	1.001	170,634,039	170,731,664	1.001	394,434,869	394,727,137	1.001
AY91	242,703,633	242,513,000	0.999	216,703,998	219,382,737	1.012	459,407,631	461,895,737	1.005
AY92	200,081,690	200,850,873	1.004	171,615,832	172,763,206	1.007	371,697,522	373,614,079	1.005
AY93	163,060,740	163,711,704	1.004	156,894,940	150,134,043	0.957	319,955,680	313,845,747	0.981
AY94	139,608,123	139,095,685	0.996	120,626,828	119,414,733	0.990	260,234,951	258,510,418	0.993
2-yr avg			1.000			0.974			0.987
3-yr avg			1.001			0.985			0.993
4-yr avg			1.001			0.992			0.996
5-yr avg			1.001			0.993			0.997
	Indemnity Losses			Medical Losses			Total Losses		
	17th	18th	Dev't	17th	18th	Dev't	17th	18th	Dev't
AY89	221,148,013	221,216,037	1.000	182,133,050	183,241,547	1.006	403,281,063	404,457,584	1.003
AY90	266,919,540	266,845,281	1.000	201,076,545	201,042,106	1.000	467,996,085	467,887,387	1.000
AY91	262,335,774	261,721,667	0.998	235,933,956	236,344,287	1.002	498,269,730	498,065,954	1.000
AY92	213,332,656	211,711,653	0.992	182,663,104	185,312,295	1.015	395,995,760	397,023,948	1.003
AY93	162,962,879	161,923,773	0.994	149,975,304	150,272,121	1.002	312,938,183	312,195,894	0.998
2-yr avg			0.993			1.009			1.001
3-yr avg			0.995			1.006			1.000
4-yr avg			0.996			1.005			1.000
5-yr avg			0.997			1.005			1.001
	Indemnity Losses			Medical Losses			Total Losses		
	18th	19th	Dev't	18th	19th	Dev't	18th	19th	Dev't
AY88	175,396,941	175,587,589	1.001	142,382,616	142,994,386	1.004	317,779,557	318,581,975	1.003
AY89	237,592,284	236,525,529	0.996	194,071,858	197,464,172	1.017	431,664,142	433,989,701	1.005
AY90	265,977,994	266,062,259	1.000	200,649,418	201,032,157	1.002	466,627,412	467,094,416	1.001
AY91	240,611,648	240,177,428	0.998	218,646,498	218,556,119	1.000	459,258,146	458,733,547	0.999
AY92	195,307,328	196,366,999	1.005	169,718,224	171,212,987	1.009	365,025,552	367,579,986	1.007
2-yr avg			1.002			1.005			1.003
3-yr avg			1.001			1.004			1.002
4-yr avg			1.000			1.007			1.003
5-yr avg			1.000			1.006			1.003

NORTH CAROLINA

Accident Year Loss Development Factors, 19th:Ultimate Report

	<u>Indemnity</u>	<u>Medical</u>
(1) Losses for accident year 1982 valued as of 12-31-1989	47,663,737	34,598,009
(2) Losses for accident year 1983 valued as of 12-31-1990	55,532,749	42,881,830
(3) Losses for accident year 1984 valued as of 12-31-1991	62,397,553	52,330,852
(4) Losses for accident year 1985 valued as of 12-31-1992	72,725,374	57,812,133
(5) Losses for accident year 1986 valued as of 12-31-1993	88,442,418	67,387,275
(6) Average = ((1)+(2)+(3)+(4)+(5))/5	65,352,366	51,002,020
(7) Losses for accident year 1987 valued as of 12-31-1994	117,635,669	92,198,588
(8) Ratio = (6)/(7)	0.556	0.553
(9) Losses for accident year 1987 valued as of 12-31-2005	139,723,534	111,975,423
(10) Losses for accident year 1987 valued as of 12-31-2006	139,933,643	112,444,934
(11) Losses for accident years prior to 1987 valued as of 12-31-2005	919,221,368	674,444,959
(12) Losses for accident years prior to 1987 valued as of 12-31-2006	920,241,854	679,192,570
(13) 19th-to-ultimate development factor = 1+[(10)-(9)+((12)-(11))/(8)]/(9)	1.015	1.081
(14) Losses for accident year 1983 valued as of 12-31-1990	80,335,646	63,328,381
(15) Losses for accident year 1984 valued as of 12-31-1991	98,546,007	78,564,723
(16) Losses for accident year 1985 valued as of 12-31-1992	117,059,567	90,066,448
(17) Losses for accident year 1986 valued as of 12-31-1993	135,960,969	103,433,064
(18) Losses for accident year 1987 valued as of 12-31-1994	167,762,527	135,134,393
(19) Average = ((14)+(15)+(16)+(17)+(18))/5	119,932,943	94,105,402
(20) Losses for accident year 1988 valued as of 12-31-1995	214,777,459	166,127,292
(21) Ratio = (19)/(20)	0.558	0.566
(22) Losses for accident year 1988 valued as of 12-31-2006	175,429,517	142,871,672
(23) Losses for accident year 1988 valued as of 12-31-2007	175,845,930	144,605,839
(24) Losses for accident years prior to 1988 valued as of 12-31-2006	1,060,166,167	791,637,504
(25) Losses for accident years prior to 1988 valued as of 12-31-2007	1,061,724,225	796,546,539
(26) 19th-to-ultimate development factor = 1+[(23)-(22)+((25)-(24))/(21)]/(22)	1.018	1.073
(27) Losses for accident year 1984 valued as of 12-31-2002	68,031,500	51,971,257
(28) Losses for accident year 1985 valued as of 12-31-2003	84,692,229	67,096,174
(29) Losses for accident year 1986 valued as of 12-31-2004	96,064,069	75,416,222
(30) Losses for accident year 1987 valued as of 12-31-2005	131,148,407	103,838,701
(31) Losses for accident year 1988 valued as of 12-31-2006	162,732,839	131,988,444
(32) Average = ((27)+(28)+(29)+(30)+(31))/5	108,533,809	86,062,160
(33) Losses for accident year 1989 valued as of 12-31-2007	201,559,281	171,350,429
(34) Ratio = (32)/(33)	0.538	0.502
(35) Losses for accident year 1989 valued as of 12-31-2007	236,489,428	197,618,478
(36) Losses for accident year 1989 valued as of 12-31-2008	237,087,497	200,867,499
(37) Losses for accident years prior to 1989 valued as of 12-31-2007	1,315,116,082	1,001,856,053
(38) Losses for accident years prior to 1989 valued as of 12-31-2008	1,318,388,368	1,009,127,074
(39) 19th-to-ultimate development factor = 1+[(36)-(35)+((38)-(37))/(34)]/(35)	1.028	1.090

NORTH CAROLINA

Accident Year Loss Development Factors, 19th:Ultimate Report

	<u>Indemnity</u>	<u>Medical</u>
(40) Losses for accident year 1985 valued as of 12-31-2003	84,485,932	66,895,727
(41) Losses for accident year 1986 valued as of 12-31-2004	95,791,717	75,248,121
(42) Losses for accident year 1987 valued as of 12-31-2005	130,766,649	103,595,862
(43) Losses for accident year 1988 valued as of 12-31-2006	162,588,618	131,879,510
(44) Losses for accident year 1989 valued as of 12-31-2007	201,121,241	171,145,993
(45) Average = ((40)+(41)+(42)+(43)+(44))/5	134,950,831	109,753,043
(46) Losses for accident year 1990 valued as of 12-31-2008	221,617,040	169,535,593
(47) Ratio = (45)/(46)	0.609	0.647
(48) Losses for accident year 1990 valued as of 12-31-2008	265,677,322	200,475,983
(49) Losses for accident year 1990 valued as of 12-31-2009	264,550,849	202,147,241
(50) Losses for accident years prior to 1990 valued as of 12-31-2008	1,547,892,714	1,204,864,023
(51) Losses for accident years prior to 1990 valued as of 12-31-2009	1,549,874,291	1,207,351,604
(52) 19th-to-ultimate development factor = 1+[(49)-(48)+((51)-(50))/(47)]/(48)	1.008	1.028
(53) Losses for accident year 1986 valued as of 12-31-2004	95,637,483	75,124,035
(54) Losses for accident year 1987 valued as of 12-31-2005	130,723,406	103,551,292
(55) Losses for accident year 1988 valued as of 12-31-2006	162,460,263	131,812,110
(56) Losses for accident year 1989 valued as of 12-31-2007	200,648,450	170,886,909
(57) Losses for accident year 1990 valued as of 12-31-2008	221,291,470	169,069,497
(58) Average = ((53)+(54)+(55)+(56)+(57))/5	162,152,214	130,088,769
(59) Losses for accident year 1991 valued as of 12-31-2009	210,265,103	189,200,355
(60) Ratio = (58)/(59)	0.771	0.688
(61) Losses for accident year 1991 valued as of 12-31-2009	212,210,447	190,742,682
(62) Losses for accident year 1991 valued as of 12-31-2010	212,957,043	192,540,726
(63) Losses for accident years prior to 1991 valued as of 12-31-2009	1,577,649,122	1,218,036,643
(64) Losses for accident years prior to 1991 valued as of 12-31-2010	1,579,722,700	1,218,388,653
(65) 19th-to-ultimate development factor = 1+[(62)-(61)+((64)-(63))/(60)]/(61)	1.016	1.012
(66) 5-year average 19th-to-ultimate development factor ((13)+(26)+(39)+(52)+(65))/5	1.017	1.057

- (1) through (5) and (7) include only information for matching companies for the 1989 through 1994 valuations.
 (9) through (12) include only information for matching companies for the 2005 and 2006 valuations.
 (14) through (18) and (20) include only information for matching companies for the 1990 through 1995 valuations.
 (22) through (25) include only information for matching companies for the 2006 and 2007 valuations.
 (27) through (31) and (33) include only information for matching companies for the 2002 through 2007 valuations.
 (35) through (38) include only information for matching companies for the 2007 and 2008 valuations.
 (40) through (44) and (46) include only information for matching companies for the 2003 through 2008 valuations.
 (48) through (51) include only information for matching companies for the 2008 and 2009 valuations.
 (53) through (57) and (59) include only information for matching companies for the 2004 through 2009 valuations.
 (61) through (64) include only information for matching companies for the 2009 and 2010 valuations.

North Carolina Open and Closed Claim Count Data*

Policy Year

Policy Year	Paid (Closed) Claim Counts			Outstanding (Open) Claim Counts			Total Claim Counts		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	<u>Indemnity</u>	Medical <u>Only</u>	<u>Total</u>	<u>Indemnity</u>	Medical <u>Only</u>	<u>Total</u>	<u>Indemnity</u>	Medical <u>Only</u>	<u>Total</u>
2005	12,915	48,215	61,130	516	55	571	13,431	48,270	61,701
2006	12,154	47,348	59,502	733	130	863	12,887	47,478	60,365
2007	11,738	46,664	58,402	1,380	240	1,620	13,118	46,904	60,022
2008	9,301	40,887	50,188	2,368	473	2,841	11,669	41,360	53,029
2009	5,418	35,853	41,271	5,064	2,861	7,925	10,482	38,714	49,196

Accident Year

Accident Year	Paid (Closed) Claim Counts			Outstanding (Open) Claim Counts			Total Claim Counts		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	<u>Indemnity</u>	Medical <u>Only</u>	<u>Total</u>	<u>Indemnity</u>	Medical <u>Only</u>	<u>Total</u>	<u>Indemnity</u>	Medical <u>Only</u>	<u>Total</u>
2006	12,279	47,376	59,655	607	72	679	12,886	47,448	60,334
2007	12,060	47,667	59,727	974	161	1,135	13,034	47,828	60,862
2008	10,698	44,182	54,880	1,887	357	2,244	12,585	44,539	57,124
2009	7,231	37,129	44,360	3,486	905	4,391	10,717	38,034	48,751
2010	2,650	27,593	30,243	7,075	9,600	16,675	9,725	37,193	46,918

* PY and AY data is valued as of 12/31/10. Claim counts are not developed to an ultimate basis.

The source of this data is a special North Carolina Financial Call to which not all large companies have responded. Caution should be used in interpreting the data shown on these exhibits. For instance, the data, as it is shown, cannot be used to make a determination on the relative frequency of claims—the data must first be developed to an ultimate basis. In addition, consideration would have to be given to matching companies, shifts in premium and loss volume and any differences in reporting methods by company.

NORTH CAROLINA
Loss Ratio Trend Information
Financial Data is Valued as of December 31, 2010

Section A - Premium

Policy Year	(1) Policy Year Premium	(2) Premium Devel Factor	(3) Ultimate Premium (1) x (2)	(4) On-level Factor	(5) On-level Devel Prem (3) x (4)
2002	710,159,375	xxx	710,159,375	0.986	700,217,144
2003	793,038,176	xxx	793,038,176	0.978	775,591,336
2004	854,651,983	xxx	854,651,983	0.984	840,977,551
2005	933,536,257	xxx	933,536,257	0.973	908,330,778
2006	1,045,193,341	1.001	1,046,238,534	0.918	960,446,974
2007	1,183,612,458	1.001	1,184,796,070	0.860	1,018,924,620
2008	1,122,903,876	1.001	1,124,026,780	0.843	947,554,576
2009	1,013,634,421	0.999	1,012,620,787	0.871	881,992,705

Section B - Paid Loss Ratios

Policy Year	(1) Paid Indemnity Losses	(2) Loss Devel Factor	(3) Ultimate Ind. Loss (1) x (2)	(4) On-level Factor	(5) On-level Devel Ind. Loss (3) x (4)	(6) Paid Ind. Loss Ratio (5)/[Section A (5)]
2002	300,545,519	1.104	331,802,253	1.047	347,396,959	0.496
2003	326,152,259	1.124	366,595,139	1.038	380,525,754	0.491
2004	340,585,075	1.159	394,738,102	1.030	406,580,245	0.483
2005	333,362,132	1.213	404,368,266	1.028	415,690,577	0.458
2006	321,218,871	1.310	420,796,721	1.023	430,475,046	0.448
2007	307,492,150	1.531	470,770,482	1.016	478,302,810	0.469
2008	213,155,842	2.111	449,971,982	1.012	455,371,646	0.481
2009	97,647,698	4.361	425,841,611	1.006	428,396,661	0.486

Policy Year	(7) Paid Medical Losses	(8) Loss Devel Factor	(9) Ultimate Med. Loss (7) x (8)	(10) On-level Factor	(11) On-level Devel Med. Loss (9) x (10)	(12) Paid Med. Loss Ratio (11)/[Section A (5)]
2002	226,661,438	1.219	276,300,293	1.000	276,300,293	0.395
2003	247,395,298	1.242	307,264,960	1.000	307,264,960	0.396
2004	287,356,946	1.264	363,219,180	1.000	363,219,180	0.432
2005	289,946,020	1.297	376,059,988	1.000	376,059,988	0.414
2006	285,724,552	1.358	388,013,942	1.000	388,013,942	0.404
2007	290,423,475	1.439	417,919,381	1.000	417,919,381	0.410
2008	240,614,243	1.609	387,148,317	1.000	387,148,317	0.409
2009	167,395,959	2.134	357,222,977	1.000	357,222,977	0.405

Section C - Paid+Case Loss Ratios

Policy Year	(1) Paid+Case Indemnity Losses	(2) Loss Devel Factor	(3) Ultimate Ind. Loss (1) x (2)	(4) On-level Factor	(5) On-level Devel Ind. Loss (3) x (4)	(6) Paid+Case Ind. Loss Ratio (5)/[Section A (5)]
2002	318,303,155	1.043	331,990,191	1.047	347,593,730	0.496
2003	348,296,842	1.049	365,363,387	1.038	379,247,196	0.489
2004	372,996,560	1.063	396,495,343	1.030	408,390,203	0.486
2005	375,375,658	1.084	406,907,213	1.028	418,300,615	0.461
2006	373,646,069	1.127	421,099,120	1.023	430,784,400	0.449
2007	385,517,657	1.205	464,548,777	1.016	471,981,557	0.463
2008	302,564,182	1.388	419,959,085	1.012	424,998,594	0.449
2009	205,649,024	1.915	393,817,881	1.006	396,180,788	0.449

Policy Year	(7) Paid+Case Medical Losses	(8) Loss Devel Factor	(9) Ultimate Med. Loss (7) x (8)	(10) On-level Factor	(11) On-level Devel Med. Loss (9) x (10)	(12) Paid+Case Med. Loss Ratio (11)/[Section A (5)]
2002	255,180,500	1.126	287,333,243	1.000	287,333,243	0.410
2003	277,651,719	1.129	313,468,791	1.000	313,468,791	0.404
2004	329,598,412	1.144	377,060,583	1.000	377,060,583	0.448
2005	329,080,344	1.149	378,113,315	1.000	378,113,315	0.416
2006	326,671,883	1.170	382,206,103	1.000	382,206,103	0.398
2007	348,567,213	1.177	410,263,610	1.000	410,263,610	0.403
2008	310,492,340	1.212	376,316,716	1.000	376,316,716	0.397
2009	257,567,408	1.331	342,822,220	1.000	342,822,220	0.389

Note: Premium development factors are three year averages; paid loss development factors are two year averages; and paid + case loss development factors are five year averages.

NORTH CAROLINA
Frequency and Severity Trend Information
Financial Data is Valued as of December 31, 2010

Section A - Claim Frequency

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
			= (1)x(2)			= (4)x(5)			= (6)x(7)x(8)	= (3)/(9)
Policy Year	Policy Year Claims	Claim Devel Factor	Ultimate Claim Counts	Policy Year Premium	Premium Devel Factor	Ultimate Premium	On-level Factor	Factor to Adjust to 2009 Wage Levels	On-level Devel Prem Adj to 2009 Wage Level	Claim Freq Per Million of On-level Premium
2002	11,780	1.000	11,780	710,159,375	1.000	710,159,375	0.986	1.214	850,060,772	13.9
2003	12,569	1.000	12,569	793,038,176	1.000	793,038,176	0.978	1.177	912,786,941	13.8
2004	12,768	1.000	12,768	846,341,417	1.000	846,341,417	0.984	1.136	946,209,704	13.5
2005	12,757	1.000	12,757	915,561,365	1.000	915,561,365	0.973	1.096	975,988,415	13.1
2006	12,744	1.000	12,744	1,042,994,460	1.001	1,044,037,454	0.918	1.054	1,010,628,255	12.6
2007	13,138	1.001	13,151	1,183,612,458	1.001	1,184,796,070	0.860	1.024	1,043,805,338	12.6
2008	11,673	1.005	11,731	1,122,903,876	1.001	1,124,026,780	0.843	1.012	958,794,843	12.2
2009	10,489	1.033	10,835	1,013,634,421	0.999	1,012,620,787	0.871	1.000	881,992,705	12.3

Section B - Paid Severity

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
			= (1)x(2)			= (4)x(5)			= (6)x(7)x(8)	= (9)/(3)
Policy Year	Policy Year Claims	Claim Devel Factor	Ultimate Claim Counts	Paid Indemnity Losses	Paid Indemnity LDF	Ultimate Indemnity Losses	On-level Factor	Factor to Adjust to 2009 Wage Levels	On-level Devel Indemnity Losses Adj to 2009 Wage Level	Average Claim Severity
2002	11,780	1.000	11,780	300,545,519	1.104	331,802,253	1.047	1.214	421,720,664	35,800
2003	12,569	1.000	12,569	326,152,259	1.124	366,595,139	1.038	1.177	447,979,260	35,642
2004	12,768	1.000	12,768	337,491,516	1.159	391,152,667	1.030	1.136	457,648,620	35,843
2005	12,757	1.000	12,757	327,435,206	1.213	397,178,905	1.028	1.096	447,620,626	35,088
2006	12,744	1.000	12,744	320,563,062	1.310	419,937,611	1.023	1.054	452,692,745	35,522
2007	13,138	1.001	13,151	307,492,150	1.531	470,770,482	1.016	1.024	489,601,301	37,229
2008	11,673	1.005	11,731	213,155,842	2.111	449,971,982	1.012	1.012	460,771,310	39,278
2009	10,489	1.033	10,835	97,647,698	4.361	425,841,611	1.006	1.000	428,396,661	39,538

	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
			= (11)x(12)			= (14)x(15)			= (16)x(17)x(18)	= (19)/(13)
Policy Year	Policy Year Claims	Claim Devel Factor	Ultimate Claim Counts	Paid Medical Losses	Paid Medical LDF	Ultimate Medical Losses	On-level Factor	Factor to Adjust to 2009 Wage Levels	On-level Devel Medical Losses Adj to 2009 Wage Level	Medical Average Claim Severity
2002	11,780	1.000	11,780	226,661,438	1.219	276,300,293	1.000	1.214	335,428,556	28,474
2003	12,569	1.000	12,569	247,395,298	1.242	307,264,960	1.000	1.177	361,650,858	28,773
2004	12,768	1.000	12,768	284,719,769	1.264	359,885,788	1.000	1.136	408,830,255	32,020
2005	12,757	1.000	12,757	285,350,150	1.297	370,099,145	1.000	1.096	405,628,663	31,797
2006	12,744	1.000	12,744	285,045,558	1.358	387,091,868	1.000	1.054	407,994,829	32,015
2007	13,138	1.001	13,151	290,423,475	1.439	417,919,381	1.000	1.024	427,949,446	32,541
2008	11,673	1.005	11,731	240,614,243	1.609	387,148,317	1.000	1.012	391,794,097	33,398
2009	10,489	1.033	10,835	167,395,959	2.134	357,222,977	1.000	1.000	357,222,977	32,969

Section C - Paid+Case Severity

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
			= (1)x(2)			= (4)x(5)			= (6)x(7)x(8)	= (9)/(3)
Policy Year	Policy Year Claims	Claim Devel Factor	Ultimate Claim Counts	Paid+Case Indemnity Losses	Paid+Case Indemnity LDF	Ultimate Indemnity Losses	On-level Factor	Factor to Adjust to 2009 Wage Levels	On-level Devel Indemnity Losses Adj to 2009 Wage Level	Average Claim Severity
2002	11,780	1.000	11,780	318,303,155	1.043	331,990,191	1.047	1.214	421,959,533	35,820
2003	12,569	1.000	12,569	348,296,842	1.049	365,363,387	1.038	1.177	446,474,059	35,522
2004	12,768	1.000	12,768	369,879,746	1.063	393,182,170	1.030	1.136	460,023,139	36,029
2005	12,757	1.000	12,757	369,098,583	1.084	400,102,864	1.028	1.096	450,915,928	35,347
2006	12,744	1.000	12,744	372,924,139	1.127	420,285,505	1.023	1.054	453,067,774	35,551
2007	13,138	1.001	13,151	385,517,657	1.205	464,548,777	1.016	1.024	483,130,728	36,737
2008	11,673	1.005	11,731	302,564,182	1.388	419,959,085	1.012	1.012	430,038,103	36,658
2009	10,489	1.033	10,835	205,649,024	1.915	393,817,881	1.006	1.000	396,180,788	36,565

	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
			= (11)x(12)			= (14)x(15)			= (16)x(17)x(18)	= (19)/(13)
Policy Year	Policy Year Claims	Claim Devel Factor	Ultimate Claim Counts	Paid+Case Medical Losses	Paid+Case Medical LDF	Ultimate Medical Losses	On-level Factor	Factor to Adjust to 2009 Wage Levels	On-level Devel Medical Losses Adj to 2009 Wage Level	Medical Average Claim Severity
2002	11,780	1.000	11,780	255,180,500	1.126	287,333,243	1.000	1.214	348,822,557	29,611
2003	12,569	1.000	12,569	277,651,719	1.129	313,468,791	1.000	1.177	368,952,767	29,354
2004	12,768	1.000	12,768	326,920,025	1.144	373,996,509	1.000	1.136	424,860,034	33,275
2005	12,757	1.000	12,757	324,464,969	1.149	372,810,249	1.000	1.096	408,600,033	32,029
2006	12,744	1.000	12,744	325,989,379	1.170	381,407,573	1.000	1.054	402,003,582	31,545
2007	13,138	1.001	13,151	348,567,213	1.177	410,263,610	1.000	1.024	420,109,937	31,945
2008	11,673	1.005	11,731	310,492,340	1.212	376,316,716	1.000	1.012	380,832,517	32,464
2009	10,489	1.033	10,835	257,567,408	1.331	342,822,220	1.000	1.000	342,822,220	31,640

Note: Claim development factors are three year averages; premium development factors are three year averages; paid loss development factors are two year averages; and paid + case loss development factors are five year averages.

NORTH CAROLINA

State Average Weekly Wages

Calendar Year

2006	717	
2007	743	
2008	758	
2009	757	
2010	781	*
2011	811	*
2012	840	*
2013	873	*

Policy Year

2000	603	
2001	618	
2002	632	
2003	651	
2004	675	
2005	700	
2006	728	
2007	749	
2008	758	
2009	767	
2010	793	*
2011	823	*
2012	854	*

* Estimated.

ANALYSIS OF ENACTED NORTH CAROLINA HOUSE BILL 709

NCCI estimates the enactment of House Bill 709 (H709) will change workers compensation (WC) system costs in North Carolina by -1.4%, as shown in the following table:

Bill Section	Statute Reference	Impact Description	Overall Cost Impact
6	§97-25	Choice of Healthcare Provider	-0.6%
10	§97-29	TTD 500 Week Duration	-1.1%
14/15	§97-38, §97-40	Fatal Benefit Increases	+0.3%
		Overall Impact on WC System Costs	-1.4%

NCCI has analyzed the following sections and determined that they either do not have a notable cost impact in North Carolina or the cost impact cannot be reasonably determined:

Bill Section	Statute Reference	Section Description
2/12	§97-2, §97-32	Definition of Suitable Employment
3	§97-12.1	Willful Misrepresentation In Applying For Employment
7	§97-25.6	Reasonable Access To Medical Information
9	§97-27	Medical Examination
11	§97-30	Partial Incapacity

Summary of H709

Below is a summary of the most notable provisions contained in enacted H709:

- Section 2 (§97-2) defines *suitable employment* and includes vocational rehabilitation in the definition of medical compensation. Parts of this section are referred to in other sections of this bill.
- Section 3 (§97-12.1) disallows compensation to claimants that misrepresent their physical condition when applying for employment if there is a causal connection between the false representation and the injury or occupational disease.
- Section 6 (§97-25) adds restrictions to the ability of an employee to obtain an order from the North Carolina Industrial Commission (NCIC) for a change in treatment or healthcare provider.
- Section 7 (§97-25.6) expands reasonable access to all of the employee's pertinent medical information.
- Section 9 (§97-27) allows an employer to suspend benefits without seeking prior authorization from the NCIC in instances of non-compliance with a medical



ANALYSIS OF ENACTED NORTH CAROLINA HOUSE BILL 709

evaluation requested by the employer. It further specifies that the NCIC must disregard or give less weight to medical opinions, other than the percentage of permanent impairment, of the physician performing an employee-requested independent medical examination (IME).

- Section 10 (§97-29) limits temporary total disability (TTD) benefits to 500 weeks with a contingency for extended compensation, and expands conditions for permanent total disability.
- Section 11 (§97-30) increases the duration limit for partial incapacity benefits from 300 to 500 weeks and requires the deduction of weeks of TTD payments.
- Section 12 (§97-32) suspends the employee's compensation benefits for refusing to accept suitable employment.
- Sections 14 and 15 (§97-38 and §97-40) increases the maximum burial expense allowance from \$3,500 to \$10,000. Additionally, it increases the duration limit for survivorship benefits from 400 to 500 weeks.

Actuarial Analysis of H709

Section 6 (§97-25)

H709 requires that the NCIC base its approval of an employee's petition to change the healthcare provider or medical treatment on a preponderance of evidence that the change is reasonably necessary to effect a cure, provide relief, or lessen the period of disability. In addition, when considering the change of healthcare provider, the NCIC may disregard or give less weight to the opinion of the healthcare provider that the employee sought for evaluation, diagnosis, or treatment before the employee first requested written authorization.

Prior to H709, the employee was allowed to change the healthcare provider by petitioning the NCIC. Per stakeholder input, these requests were often granted. Furthermore, there was no restriction with regards to who may offer a medical opinion to the NCIC that will be used in the consideration of a change in treatment or healthcare provider.

It is unclear what will constitute "a preponderance" of evidence as a basis sufficient to change a medical treatment or healthcare provider. This determination will ultimately be subject to the discretion of the NCIC. However, an evidentiary requirement in support of a petition does not currently exist in statute. It is therefore expected that this new requirement will result in fewer successful petitions, which will tend to decrease costs as employees are expected to return to work sooner and fewer duplicate medical evaluations are expected to take place due to a change in healthcare provider and treatments.

Studies indicate that costs are considerably higher in states where an employee has complete freedom in the choice of physician. In *The Impact of Provider Choice on*

ANALYSIS OF ENACTED NORTH CAROLINA HOUSE BILL 709

Workers' Compensation Costs and Outcomes, WCRI (2005), Victor, et. al. compared employee choice to employer choice systems and found that employee choice systems:

- Had medical payments that were 10% to 21% higher and indemnity benefits that were 8% to 15% higher;
- Had poorer return-to-work outcomes; and
- Exhibited generally no difference in physical recovery.

Since H709 places additional restrictions on the employee's choice of physician, NCCI has selected the initial cost impacts of: -11.1% for indemnity and -14.6% for medical from the WCRI research to base its estimates on. These selections take into consideration the two statistical models in the study. The full cost impact indicated from the study is not expected to be realized. H709 only restricts requests for provider changes. NCCI estimates that 5% of lost-time claims will no longer be granted a change of healthcare provider. Thus, NCCI has selected a 95% reduction factor for the initial indemnity and medical impacts using actuarial judgment and feedback from system stakeholders.

NCCI estimates the indemnity cost savings will be -0.6% (= -11.1% x [1 – 95%]) and the medical savings will be -0.7% (= -14.6% x [1 – 95%]). Indemnity costs are approximately 53.4%¹ of total costs, so the combined estimated overall impact on system costs due to the change in Section 6 is -0.6% (-0.6% x 53.4% + -0.7% x [1 – 53.4%]).

Section 10 (§97-29)

H709 distinguishes the benefits for TTD and Permanent Total disabilities (PTD). Prior to H709, both TTD and PTD benefits were paid during the period of disability. Section 10 of the bill limits the duration of TTD benefits to 500 weeks with a contingency allowing for an extension of benefits which may be applied for after the 425th week, if the employee proves by a preponderance of the evidence that he or she has a total loss of earnings capacity. The TTD benefits in excess of 500 weeks would be subject to reductions for any retirement benefits that are received under the Social Security Act.

Prior to H709, North Carolina G.S. §97-31 (17) defined PTD to be the “*loss of both hands, or both arms, or both feet, or both legs, or both eyes, or any two thereof*”. H709 expands the PTD eligibility definition as follows:

- “Loss of both hands, both arms, both feet, both legs, both eyes, or any two thereof;
- Spinal injury involving severe paralysis of both arms, both legs, or the trunk;
- Severe brain or closed-head injury as evidenced by severe and permanent:
 - Sensory or motor disturbances;

¹ Based on North Carolina Financial Call data for policy years 2008 and 2009 trended to 6/24/2011.

ANALYSIS OF ENACTED NORTH CAROLINA HOUSE BILL 709

- Communication disturbances;
- Complex integrated disturbances of cerebral function; or
- Neurological disorders,
- Second-degree or third-degree burns of 33% or more of the total body surface”

It is likely that the additional injuries that will qualify the worker for PTD are currently being paid under total incapacity for a comparable period of time. Therefore, NCCI does not expect the change in definition to materially impact system costs.

Reducing the TTD benefit duration will result in a small cost savings in North Carolina. Based on North Carolina stakeholder feedback, an employer will now be able to settle a total incapacity claim that does not meet the new definition of PTD for an amount that is based on a shorter expected duration. Prior to H709, this claim would likely have been settled for an amount based on lifetime benefits.

Based on stakeholder feedback and actuarial judgment, NCCI has estimated that 10% of the lost-time claim dollars will no longer be entitled to lifetime benefits and settlements for those claims will be reduced by 20%. Since indemnity benefits comprise 53.4% of the costs in the state, NCCI estimates the impact on overall system costs from Section 10 to be -1.1% (10.0% x -20.0% x 53.4%).

Sections 14 and 15 (§97-38 and §97-40)

Sections 14 and 15 of H709 increase the limit on compensation for burial expenses from \$3,500 to \$10,000 and the limit on the duration of benefits to a dependent surviving spouse from 400 to 500 weeks.

Based on North Carolina Statistical Plan data for policy years 2005 and 2006, NCCI estimates burial expenses to be approximately 2.2% of overall fatal indemnity benefits in North Carolina. The increase in the maximum burial allowance is +185.7% ($= \$10,000 / \$3,500 - 1.0$). Assuming that the full burial allowance was utilized prior to H709, and will be fully utilized under the new law, the estimated impact on fatal indemnity benefits is +4.1% ($= 2.2\% \times 185.7\%$).

In pricing the impact of the increase to the limit on the duration of benefits to a dependent surviving spouse, NCCI based the analysis on the distribution of fatal benefits and dependents and on countrywide remarriage and mortality tables².

² Based on the 1999 US Life Tables and the 1980 US RRB (Railroad Retirement Board) Remarriage Tables.



ANALYSIS OF ENACTED NORTH CAROLINA HOUSE BILL 709

Consider the following example, presented for illustrative purposes only:

Survivor	Pre H709 Benefits	H709 Benefit	Nominal Change	Percentage Change
Widow aged 40 with \$500 weekly benefit	\$177,765	\$217,990	\$40,225	+22.6%

An average over the distribution of fatal survivorship benefits resulted in an estimated +19.1% increase in fatal dependency benefits. Dependency benefits are approximately 97.8% (= 100% - 2.2%) of fatal indemnity benefits, since as previously stated, burial expenses account for approximately 2.2% of fatal indemnity benefits. Therefore, the estimated impact on fatal indemnity benefits is +18.7% (= 19.1% x 97.8%).

Combining the impacts from the two changes, results in an estimated impact of +22.8% (= 4.1% + 18.7%) on fatal indemnity costs. **Since fatal benefits represent approximately 2.2%³ of total indemnity benefits and total indemnity benefits represent approximately 53.4%⁴ of total costs, the estimated combined impact on overall system costs due to the changes in Sections 14 and 15 is +0.3% (= +22.8% x 2.2% x 53.4%).**

³ Based on North Carolina Statistical Plan data for the 24-month policy period ending 12/31/2007.

⁴ Based on North Carolina Financial Call data for policy years 2008 and 2009 trended to 6/24/2011.

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For the following sections, NCCI has determined that they either will not have a notable cost impact in North Carolina or that the cost impact cannot be reasonably determined.

Sections 2 and 12 (§97-2 and §97-32)

H709 defines *suitable employment* to be any employment available that:

- prior to Maximum Medical Improvement (MMI) is within the employee's work restrictions, or
- after reaching MMI, is employment which the employee is capable of performing, considering the employee's education, physical limitations due to the injury, vocational rehabilitation, and experience.

Prior to the enactment of H709, comparable wage and income advancement were considered when determining whether an employment offer was suitable for an injured employee⁵. In the enacted definition, wages are no longer specified as a factor when determining suitable employment for an injured employee.

It is not common to allow TTD benefits after the injured employee reaches MMI, as is the case in North Carolina. Based on North Carolina stakeholder feedback, it is expected that under the definition of suitable employment, the employee is likely to return to work sooner, and therefore may be eligible for total incapacity benefits for a shorter time period⁶. A savings in overall workers compensation system costs may be realized due to the employee now collecting temporary partial disability (TPD) or permanent partial disability (PPD) weekly benefits, if eligible, which are less than total incapacity weekly benefits.

H709 Section 12 rewrites G.S. §97-32 to include the reference to the suitable employment definition created in Section 2. Prior to the enactment of H709 an injured employee's benefits could be suspended if the employee refused to accept employment that was suitable to his/her capacity. As mentioned above, the new definition for suitable employment is less restrictive than what was historically used. Therefore, under the new definition, it is expected that a greater number of injured employees could be qualified as finding suitable employment. As a result, savings may be realized through reduced disability duration.

NCCI expects that these provisions of H709 may result in a savings on overall workers compensation system costs in North Carolina. However, the magnitude of savings is unclear since data on the number of claims potentially affected by this change, and the corresponding impact on benefit durations, is not available. Furthermore, per stakeholder input, these changes are largely up to the

⁵ Dixon v. City of Durham

⁶ NCCI's "Workers Compensation Temporary Total Disability Indemnity Benefit Duration 2010 Update" study shows that North Carolina Accident Year 2006 temporary total duration is 169 days at 36-month valuation, while the countrywide average is approximately 100 days.

ANALYSIS OF ENACTED NORTH CAROLINA HOUSE BILL 709

interpretation of the NCIC. Any impact on system costs will be realized in future loss experience and reflected in subsequent loss cost filings.

Section 3 (§97-12.1)

H709 states that no compensation will be allowed if the employer proves that an injury or occupational disease has a causal connection with a willful misrepresentation by the injured employee in the course of entering employment.

NCCI expects that this provision of H709 may result in a minimal⁷ savings on overall workers compensation system costs in North Carolina. Any impact on system costs will be realized in future loss experience and reflected in subsequent loss cost filings.

Section 7 (§97-25.6)

H709 allows the employer to communicate with the employee's healthcare provider without prior notification to the employee. It specifies the limitations of the communication and requires that the employer notify the employee of the healthcare provider's response within 10 days of the response.

This change is anticipated to facilitate more timely communication between employer and healthcare providers, allowing the employer access to pertinent claim-related medical information. Easier access to medical records will likely lead to increased efficiencies in processing claims. The bill also requires the NCIC to establish an appropriate medical fee to compensate providers for time spent communicating with employers or employees. Based on stakeholder feedback, any savings from this proposal are expected to be minimal.

NCCI expects that this provision of H709 may result in a minimal savings on overall workers compensation system costs in North Carolina. Any impact on system costs will be realized in future loss experience and reflected in subsequent loss cost filings.

Section 9 (§97-27)

Section 9, among other changes, allows employees who are dissatisfied with the percentage of permanent disability assigned by the health care provider to request another examination to determine the percentage of permanent disability. Under H709, the NCIC must disregard or give less weight to the opinions of the physician chosen by the employee on issues outside the scope of determining the percentage of permanent disability.

⁷ Minimal is defined in this context as an impact on overall system costs of less than 0.2%.

ANALYSIS OF ENACTED NORTH CAROLINA HOUSE BILL 709

According to stakeholder feedback, employees not satisfied with their permanent disability rating may be less likely to obtain a healthcare provider to conduct a second opinion if that provider's opinion with regard to other treatment issues is disregarded or given less weight, thus reducing costs. The magnitude of savings is unclear since data to complete such an analysis is not available and the cost impact depends on claimant behavior and the NCIC's judgment.

Any impact on system costs from this provision of H709 would be realized in future loss experience and reflected in subsequent loss cost filings.

Section 11 (§97-30)

Section 11 of the bill increases the limit on the duration of indemnity benefits for non-scheduled PPD awards from 300 to 500 weeks. Furthermore, any weeks of total disability payments will be deducted from the 500 weeks of payments available under this section.

Based on an analysis of North Carolina's Statistical Plan data, approximately 15.0% of indemnity PPD costs may be attributable to non-scheduled injuries. Indemnity PPD costs are approximately 85.0%⁸ of indemnity costs and indemnity costs are approximately 53.4% of total costs. Therefore, non-scheduled PPD costs are approximately 6.8% (= 15.0% x 85% x 53.4%) of overall system costs. Based on stakeholder feedback, the number of non-scheduled PPD claims that currently receive indemnity benefits for 300 weeks from the date of injury is negligible. This is because the employee's post-injury wage is required to be similar to the employee's pre-injury wage, and the employee in virtually all cases attains their pre-injury wage within the 300-week limit on benefits through salary increases. **Therefore, since a negligible amount of non-scheduled PPD claims are currently limited to 300 weeks, it is expected that the change from 300 to 500 weeks for the maximum PPD duration will have a negligible impact on overall system costs.**

⁸ Based on North Carolina Statistical Plan data for the 24-month policy period ending 12/31/2007.

NORTH CAROLINA LAW MEMO

Increase in the Maximum Weekly Benefit

Effective: January 1, 2012

Change in the maximum weekly benefit for:

Fatal Injury: From \$856.00 to \$864.00

Total Disability: From \$856.00 to \$864.00

Permanent Partial Disability: From \$856.00 to \$864.00

Total Effect: +0.1%

SAWW effective 01/01/2011 = \$777.40 (estimated).

110 % of \$777.40 rounded to the nearest \$2.00 dollars is \$856.00.

SAWW effective 01/01/2012 = \$785.17 (estimated).

110 % of \$785.17 rounded to the nearest \$2.00 dollars is \$864.00.

NORTH CAROLINA LAW MEMO

**Impact By Type of Injury Due to the Increase in the Maximum
Weekly Benefit, Effective January 1, 2012**

<u>Type of Injury</u>	<u>Percentage of Losses (a)</u>	<u>Effect (%)</u>	
Fatal	1.5%	0.2	
Permanent Total	2.1%	0.2	
Permanent Partial	44.7%	0.2	
Temporary Total	4.7%	0.2	
Total Indemnity	53.0%	0.2	(b)
Medical	47.0%	0.0	
Total Losses	100.0%	0.1	(b)

(a) Proportions within indemnity are based on the 24-month period ending 12/31/2007 on the 06/24/2011 law level and developed to an ultimate basis by type of injury. Incorporates an assumed indemnity/medical split of 0.530 / 0.470.

(b) Weighted average.

LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT LAW MEMO

Increase in the Minimum and Maximum Weekly Benefit

Effective: October 1, 2011

Change in the Wage for the Minimum Weekly Benefit for:

Fatal Injury	From	\$625.18	to	\$643.94
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Change in the Minimum Weekly Benefit for:

Total Disability	From	\$312.59	to	\$321.97
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Change in the Maximum Weekly Benefit for:

Fatal Injury	From	\$1,250.36	to	\$1,287.88
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Total Disability	From	\$1,250.36	to	\$1,287.88
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Permanent Partial Disability	From	\$1,250.36	to	\$1,287.88
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Total Effect: +0.1%

LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT LAW MEMO

**Impact By Type of Injury Due to the Increase in the Minimum
and Maximum Weekly Benefit, Effective October 1, 2011**

<u>Type of Injury</u>	<u>Percentage of Losses *</u>	<u>Effect (%)</u>	
Fatal	4.3%	0.6	
Permanent Total	12.1%	0.5	
Permanent Partial	29.0%	0.2	
Temporary Total	3.6%	0.5	
Total Indemnity	49.0%	0.3	**
Medical	51.0%	0.0	
Total	100.0%	0.1	**

* Nationwide losses under the Longshore and Harbor Workers' Act for the three-year policy period ending 12/31/2007 on the 10/01/2010 law level, and developed to an ultimate report by type of injury.

** Weighted average.

North Carolina

Loss Adjustment Expenses

	<u>COUNTRYWIDE</u>			<u>NORTH CAROLINA</u>		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Year</u>	Accident Year Developed LAE <u>Ratio+</u>	Accident Year Developed DCCE <u>Ratio+</u>	Accident Year Developed AOE <u>Ratio+</u>	Accident Year DCCE Ratio Adjusted to NC Relativity <u>(3) x 0.766[^]</u>	Accident Year LAE Ratio Adjusted to NC Relativity <u>(4) + (5)</u>	Calendar <u>Year</u>
2003	17.8%	10.5%	7.3%	8.0%	15.3%	13.9%
2004	17.4%	10.5%	6.9%	8.0%	14.9%	13.0%
2005	18.2%	10.5%	7.7%	8.0%	15.7%	13.8%
2006	18.6%	10.6%	8.0%	8.1%	16.1%	16.6%
2007	19.1%	11.1%	8.0%	8.5%	16.5%	16.6%
2008	19.0%	11.6%	7.4%	8.9%	16.3%	16.4%
2009	19.6%	12.0%	7.6%	9.2%	16.8%	17.6%
2010	19.7%	12.3%	7.4%	9.4%	16.8%	18.1%

+ Source: NCCI Call for Loss Adjustment Expense.

[^] Exhibit 7, Page 2.

North Carolina

Loss Adjustment Expenses (con't)

	(1)	(2)	(3)
	Calendar Years 2009 and 2010 <u>Paid Losses* ('000s)</u>	Calendar Years 2009 and 2010 <u>Paid DCCE* ('000s)</u>	DCCE Ratio <u>(2)/(1)</u>
(a) North Carolina	\$1,612,312	\$136,935	8.5%
(b) Countrywide	43,989,886	4,870,949	11.1%
 North Carolina DCCE relativity (3a) / (3b)			 0.766

* Source: Annual Statement Statutory Page 14 data, excluding state funds, collected and aggregated by NCCI, Inc.

North Carolina - Assigned Risk

Direct Assignment Carrier Expenses

Calendar Year	Net Earned Premium Std. Basis	Commission & Brokerage	Other Acq. Field Super. Collection	General Expenses	Other Acq. Field Super. & Gen. Exp
2008	\$519,463,136	\$26,167,640	\$19,888,703	\$13,975,008	\$33,863,711
2009	372,724,235	22,115,861	23,652,637	15,693,563	39,346,200
2010	<u>377,513,651</u>	<u>20,848,280</u>	<u>21,111,366</u>	<u>13,348,043</u>	<u>34,459,409</u>
Total	\$1,269,701,022	\$69,131,781	\$64,652,706	\$43,016,614	\$107,669,320

Source: Data collected by NCCI, Inc.

North Carolina - Assigned Risk

Pool Expenses

Data Valued as of 12/31/2010

<u>Calendar Year</u>	<u>Gross Written Premium</u>	<u>Administrative Expense</u>	<u>Admin Expenses as a % of GWP</u>
2008	67,829,798	437,993	0.65%
2009	35,409,667	442,695	1.25%
2010	28,209,060	486,545	1.72%

<u>Policy Year</u>	<u>Gross Written Premium</u>	<u>"Separately Reimbursable" Expense</u>	<u>Percent of Gross Written Premium</u>
2007	\$81,285,840	\$936,808	1.15%
2008	55,298,393	446,276	0.81%
2009	37,952,997	168,823	0.44%

Source: Data collected by NCCI, Inc.

North Carolina - Assigned Risk

Expense Constant and Minimum Premiums

	Policy Year		
	2008	2009	2010
(1) Current Expense Constant (approved effective April 1, 2007)	\$250	\$250	\$250
(2) Standard Premium Excluding Expense Constant Premium*	53,718,915	36,200,462	30,707,144
(3) Standard Premium Excluding Expense Constant Premium and Balance to Minimum Premium = (2) x (1.000 - 0.033)**	51,946,191	35,005,847	29,693,808
(4) Number of Risks*	25,229	19,563	16,887
(5) Premium Generated from Expense Constant and Balance to Minimum Premium = (1) x (4) + (2) - (3)	8,079,974	6,085,365	5,235,086
(6) Effect of Expense Constant and Minimum Premiums = (5) / (3)	0.156	0.174	0.176

* Source: Policy Data collected by NCCI, Inc.

** See Exhibit 8C, Page 2, Line 5.

North Carolina - Assigned Risk

Effect of Minimum Premiums

Based on Assigned Risk Data for Policies with Effective Dates in 2008

Current Minimum Premium Program Parameters

(1) Minimum Premium Multiplier (MPM)		200
(2) Maximum Minimum Premium (MMP)	\$	1,000
(3) Standard Premium Generated by Current MPM and MMP	\$	1,524,073
(4) Standard Premium Including Additional Premium Generated by Current MPM and MMP	\$	45,764,730
(5) Impact of MPM and MMP = (3) / (4)		0.033

Source: Unit Statistical Data

**North Carolina - Assigned Risk
Assigned Risk Differential
Based on Paid Losses**

Policy Year	(1) <u>Residual Market</u>	(2) <u>Statewide Market</u>	(3) = (1) / (2) Ratio of Residual to Statewide <u>Market</u>	(4) Indicated Assigned Risk Pure Prem. Diff.^ <u>(Std Basis)</u>
I. Standard Pure Premium Valued as of 12/31/2010 *				
2005	\$70,962,299	\$905,973,999	0.078	
2006	56,889,963	959,220,924	0.059	
2007	48,079,764	1,018,600,439	0.047	
2008	31,050,270	947,294,797	0.033	
2009	21,805,559	882,315,864	0.025	
II. Paid Loss Experience Valued as of 12/31/2010 **				
2005	\$84,861,502	\$791,750,565	0.107	1.372
2006	76,151,617	818,488,988	0.093	1.576
2007	71,405,464	896,222,191	0.080	1.702
2008	38,851,711	842,519,963	0.046	1.394
2009	25,400,127	785,619,638	0.032	1.280
Current Impact of Standard Pure Premium Programs@				1.551

* Developed to fifth report and brought to the 4/1/2011 pure premium level.

** Brought to the 1/1/2011 benefit level.

^ This is the indicated pure premium differential based on loss experience, calculated by comparing the ratio of assigned risk and statewide losses to the ratio of assigned risk and statewide premium.

@ This is composed of an ARAP impact equal to 1.6% and a differential of 1.527. ARAP impact from Exhibit 8D, Page 9.

North Carolina - Assigned Risk (Residual Market)

	(1)	(2)	(3)	(4) = (1) x ((2) / (3))
Policy Year	Standard Premium*	On-level Factor	Effect of Current Standard Premium Programs#	Stand. Pure Prem. at Current Level
2005	\$131,411,665	0.864	1.600	\$70,962,299
2006	120,529,582	0.750	1.590	56,889,963
2007	110,022,343	0.686	1.571	48,079,764
2008	74,640,072	0.646	1.553	31,050,270
2009	52,543,515	0.645	1.554	21,805,559

	(5)	(6)	(7)	(8) = ((5) x (6)) x (7)
Policy Year	Ind. Losses Paid	Development Factor^	On-level Factor	Adjusted Ind. Losses
2005	\$35,392,042	1.213	1.028	\$44,132,602
2006	27,933,288	1.310	1.023	37,434,237
2007	24,353,716	1.531	1.016	37,882,108
2008	10,319,763	2.111	1.012	22,046,440
2009	3,238,234	4.361	1.006	14,206,670

	(9)	(10)	(11)	(12) = ((9) x (10)) x (11)
Policy Year	Med. Losses Paid	Development Factor^	On-level Factor	Adjusted Med. Losses
2005	\$31,402,390	1.297	1.000	\$40,728,900
2006	28,510,589	1.358	1.000	38,717,380
2007	23,296,286	1.439	1.000	33,523,356
2008	10,444,544	1.609	1.000	16,805,271
2009	5,245,294	2.134	1.000	11,193,457

* Developed to a fifth report. See Exhibit 8D, Page 7.

^ Paid loss development factors are three year averages.

This is composed of a differential of 1.527 and year-specific ARAP impacts which are displayed on Exhibit 8D, Page 9.

North Carolina - Assigned Risk (Statewide Market)

Policy Year	(1) Voluntary Standard Premium*	(2) Assigned Risk Standard Premium**	(3) = (1) + (2) Standard Pure Premium On-level	
2005	\$835,011,700	\$70,962,299	\$905,973,999	
2006	902,330,961	56,889,963	959,220,924	
2007	970,520,675	48,079,764	1,018,600,439	
2008	916,244,527	31,050,270	947,294,797	
2009	860,510,305	21,805,559	882,315,864	

Policy Year	(4) Ind. Losses Paid	(5) Development Factor^	(6) On-level Factor	(7) = ((4) x (5)) x (6) Adjusted Ind. Losses
2005	\$333,362,132	1.213	1.028	\$415,690,577
2006	321,218,871	1.310	1.023	430,475,046
2007	307,492,150	1.531	1.016	478,302,810
2008	213,155,842	2.111	1.012	455,371,646
2009	97,647,698	4.361	1.006	428,396,661

Policy Year	(8) Med. Losses Paid	(9) Development Factor^	(10) On-level Factor	(11) = ((8) x (9)) x (10) Adjusted Med. Losses
2005	\$289,946,020	1.297	1.000	\$376,059,988
2006	285,724,552	1.358	1.000	388,013,942
2007	290,423,475	1.439	1.000	417,919,381
2008	240,614,243	1.609	1.000	387,148,317
2009	167,395,959	2.134	1.000	357,222,977

* Developed to a fifth report and on current premium level. See Exhibit 8D, Page 8.

** Developed to a fifth report and on current premium level. See Exhibit 8D, Page 2.

^ Paid loss development factors are three year averages.

North Carolina - Assigned Risk Assigned Risk Differential Based on Paid+Case Losses

Policy Year	(1) <u>Residual Market</u>	(2) <u>Statewide Market</u>	(3) = (1) / (2) Ratio of Residual to Statewide <u>Market</u>	(4) Indicated Assigned Risk Pure Prem. Diff.^ <u>(Std Basis)</u>
I. Standard Pure Premium Valued as of 12/31/2010 *				
2005	\$70,962,299	\$905,973,999	0.078	
2006	56,889,963	959,220,924	0.059	
2007	48,079,764	1,018,600,439	0.047	
2008	31,050,270	947,294,797	0.033	
2009	21,805,559	882,315,864	0.025	
II. Paid + Case Loss Experience Valued as of 12/31/2010 **				
2005	\$85,540,475	\$796,413,930	0.107	1.372
2006	84,550,995	812,990,503	0.104	1.763
2007	74,915,958	882,245,167	0.085	1.809
2008	38,001,038	801,315,310	0.047	1.424
2009	26,441,369	739,003,008	0.036	1.440
Current Impact of Standard Pure Premium Programs@				1.551

* Developed to fifth report and brought to the 4/1/2011 pure premium level.

** Brought to the 1/1/2011 benefit level.

^ This is the indicated pure premium differential based on loss experience, calculated by comparing the ratio of assigned risk and statewide losses to the ratio of assigned risk and statewide premium.

@ This is composed of an ARAP impact equal to 1.6% and a differential of 1.527. ARAP impact from Exhibit 8D, Page 9.

North Carolina - Assigned Risk (Residual Market)

	(1)	(2)	(3)	(4) = (1) x ((2) / (3))
<u>Policy Year</u>	<u>Standard Premium*</u>	<u>On-level Factor</u>	Effect of <u>Current Standard Premium Programs#</u>	<u>Stand. Pure Prem. at Current Level</u>
2005	\$131,411,665	0.864	1.600	\$70,962,299
2006	120,529,582	0.750	1.590	56,889,963
2007	110,022,343	0.686	1.571	48,079,764
2008	74,640,072	0.646	1.553	31,050,270
2009	52,543,515	0.645	1.554	21,805,559

	(5)	(6)	(7)	(8) = ((5) x (6)) x (7)
<u>Policy Year</u>	<u>Ind. Losses Paid+Case</u>	<u>Development Factor^</u>	<u>On-level Factor</u>	<u>Adjusted Ind. Losses</u>
2005	\$40,327,351	1.084	1.028	\$44,938,864
2006	33,961,951	1.127	1.023	39,155,447
2007	30,351,189	1.205	1.016	37,158,354
2008	14,892,694	1.388	1.012	20,919,112
2009	7,593,770	1.915	1.006	14,629,322

	(9)	(10)	(11)	(12) = ((9) x (10)) x (11)
<u>Policy Year</u>	<u>Med. Losses Paid+Case</u>	<u>Development Factor^</u>	<u>On-level Factor</u>	<u>Adjusted Med. Losses</u>
2005	\$35,336,476	1.149	1.000	\$40,601,611
2006	38,799,614	1.170	1.000	45,395,548
2007	32,079,528	1.177	1.000	37,757,604
2008	14,093,998	1.212	1.000	17,081,926
2009	8,874,566	1.331	1.000	11,812,047

* Developed to a fifth report. See Exhibit 8D, Page 7.

^ Paid + case loss development factors are five year averages.

This is composed of a differential of 1.527 and year-specific ARAP impacts which are displayed on Exhibit 8D, Page 9.

North Carolina - Assigned Risk (Statewide Market)

Policy Year	(1) Voluntary Standard Premium*	(2) Assigned Risk Standard Premium**	(3) = (1) + (2) Standard Pure Premium On-level	
2005	\$835,011,700	\$70,962,299	\$905,973,999	
2006	902,330,961	56,889,963	959,220,924	
2007	970,520,675	48,079,764	1,018,600,439	
2008	916,244,527	31,050,270	947,294,797	
2009	860,510,305	21,805,559	882,315,864	

Policy Year	(4) Ind. Losses Paid+Case	(5) Development Factor^	(6) On-level Factor	(7) = ((4) x (5)) x (6) Adjusted Ind. Losses
2005	375,375,658	1.084	1.028	\$418,300,615
2006	373,646,069	1.127	1.023	430,784,400
2007	385,517,657	1.205	1.016	471,981,557
2008	302,564,182	1.388	1.012	424,998,594
2009	205,649,024	1.915	1.006	396,180,788

Policy Year	(8) Med. Losses Paid+Case	(9) Development Factor^	(10) On-level Factor	(11) = ((8) x (9)) x (10) Adjusted Med. Losses
2005	329,080,344	1.149	1.000	\$378,113,315
2006	326,671,883	1.170	1.000	382,206,103
2007	348,567,213	1.177	1.000	410,263,610
2008	310,492,340	1.212	1.000	376,316,716
2009	257,567,408	1.331	1.000	342,822,220

* Developed to a fifth report and on current premium level. See Exhibit 8D, Page 8.

** Developed to a fifth report and on current premium level. See Exhibit 8D, Page 5.

^ Paid + case loss development factors are five year averages.

North Carolina - Assigned Risk (Residual Market)

Section A - Assigned Risk Premium Development Factor:

<u>Policy Year</u>	<u>Standard Premium for Matching Companies</u>		<u>Development Factor</u>
	<u>1st Report</u>	<u>2nd Report</u>	
2006	117,995,337	121,273,687	1.028
2007	110,155,984	109,861,013	0.997
2008	70,401,211	69,132,454	0.982
Average			1.002
	<u>2nd Report</u>	<u>3rd Report</u>	
2005	130,780,601	131,789,002	1.008
2006	121,273,687	120,772,592	0.996
2007	96,915,989	97,118,725	1.002
Average			1.002
	<u>3rd Report</u>	<u>4th Report</u>	
2004	124,585,757	125,509,900	1.007
2005	131,789,002	131,961,755	1.001
2006	106,314,453	106,191,638	0.999
Average			1.002
	<u>4th Report</u>	<u>5th Report</u>	
2003	122,303,071	122,111,510	0.998
2004	125,509,900	125,370,639	0.999
2005	110,671,941	110,580,554	0.999
Average			0.999

Section B - Calculation of Developed Assigned Risk Standard Premium

<u>Policy Year</u>	<u>Standard Premium</u>	<u>Development Factor</u>	<u>Developed Premium</u>
2005	131,411,665	1.000	131,411,665
2006	120,650,232	0.999	120,529,582
2007	109,912,431	1.001	110,022,343
2008	74,416,822	1.003	74,640,072
2009	52,282,104	1.005	52,543,515

Note: Premium development factors are three year averages.

**North Carolina - Assigned Risk
(Statewide Market)**

Section A - Voluntary Premium Development Factor:

<u>Policy Year</u>	<u>Standard Premium for Matching Companies</u>		<u>Development Factor</u>
	<u>1st Report</u>	<u>2nd Report</u>	
2006	919,876,942	926,262,540	1.007
2007	1,078,064,227	1,073,763,907	0.996
2008	991,098,915	982,228,458	0.991
Average			0.998
	<u>2nd Report</u>	<u>3rd Report</u>	
2005	796,341,293	795,198,088	0.999
2006	926,250,322	926,948,840	1.001
2007	1,009,334,229	1,008,940,097	1.000
Average			1.000
	<u>3rd Report</u>	<u>4th Report</u>	
2004	728,901,261	728,915,733	1.000
2005	793,928,790	794,587,445	1.001
2006	866,342,226	865,411,275	0.999
Average			1.000
	<u>4th Report</u>	<u>5th Report</u>	
2003	672,925,262	673,464,021	1.001
2004	718,562,892	719,980,882	1.002
2005	748,454,799	748,836,501	1.001
Average			1.001

Section B - Calculation of Developed Voluntary Standard Premium

<u>Policy Year</u>	<u>Standard Premium</u>	<u>Development Factor</u>	<u>Developed Premium</u>
2005	802,124,592	1.000	802,124,592
2006	924,543,109	1.001	925,467,652
2007	1,073,700,027	1.001	1,074,773,727
2008	1,048,487,054	1.001	1,049,535,541
2009	961,352,317	0.999	960,390,965

Section C - Calculation of Developed and On-leveled Voluntary Standard Premium

<u>Policy Year</u>	<u>Voluntary Premium*</u>	<u>Voluntary On-level Factor</u>	<u>Voluntary Prem Dev't & On-level</u>
2005	802,124,592	1.041	835,011,700
2006	925,467,652	0.975	902,330,961
2007	1,074,773,727	0.903	970,520,675
2008	1,049,535,541	0.873	916,244,527
2009	960,390,965	0.896	860,510,305

Note: Premium development factors are three year averages.

* Exhibit 8D, Page 8, Section B.

North Carolina - Assigned Risk

Impact of the Assigned Risk Adjustment Program*

Based on Assigned Risk Data for Policies with Effective Dates in 2010

<u>Type of Risk</u>	(1) Experience Modified <u>Premium</u>	(2) ARAP <u>Premium</u>	(3) ARAP Impact <u>(2) / (1)</u>
Risks with Credit Mods	\$6,368,548	\$6,368,548	1.000
Risks with Debit Mods	3,034,751	3,696,175	1.218
Risks with Mods of 1.00	75,223	75,223	1.000
Risks with No Mods	<u>31,252,758</u>	<u>31,252,758</u>	<u>1.000</u>
Totals	\$40,731,280	\$41,392,704	1.016

Historical Impacts of the Assigned Risk Adjustment Program

<u>Policy Year</u>	<u>ARAP Impact</u>
2005	1.048
2006	1.041
2007	1.029
2008	1.017
2009	1.018

* Source: North Carolina Rate Bureau

NORTH CAROLINA

WORKERS COMPENSATION STATISTICAL PLAN DATA

Injury Type: Fatal

Indemnity

Medical

Combined (Indemnity + Medical)

Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report	Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report	Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report
1999	10,295,374	10,529,217	12,661,162	13,896,037	14,350,877	1999	1,548,532	1,368,321	1,602,506	1,534,795	2,114,025	1999	11,843,906	11,897,538	14,263,668	15,430,832	16,464,902
2000	10,085,408	10,779,493	11,230,641	12,591,824	12,980,204	2000	664,060	677,193	699,287	816,865	815,973	2000	10,749,468	11,456,686	11,929,928	13,408,689	13,796,177
2001	11,276,525	12,533,844	13,148,608	13,289,436	13,320,876	2001	1,959,020	2,140,942	2,134,505	1,894,293	2,012,870	2001	13,235,545	14,674,786	15,283,113	15,183,729	15,333,746
2002	9,271,523	9,827,704	10,416,678	10,607,571	10,792,154	2002	1,333,820	1,080,768	1,097,033	1,772,611	1,761,731	2002	10,605,343	10,908,472	11,513,711	12,380,182	12,553,885
2003	11,361,533	12,704,113	12,712,700	12,443,246	12,844,337	2003	2,058,382	1,555,764	1,135,579	1,362,774	1,341,171	2003	13,419,915	14,259,877	13,848,279	13,806,020	14,185,508
2004	12,773,284	13,165,941	13,432,275	14,018,863	14,577,659	2004	6,068,769	5,919,717	5,553,420	5,773,948	6,128,375	2004	18,842,053	19,085,658	18,985,695	19,792,811	20,706,034
2005	11,359,749	12,828,879	13,522,582	13,701,643		2005	2,017,291	3,092,212	4,161,439	4,151,877		2005	13,377,040	15,921,091	17,684,021	17,853,520	
2006	10,840,519	12,293,984	12,686,972			2006	977,920	794,068	700,326			2006	11,818,439	13,088,052	13,387,298		
2007	10,436,239	10,514,866				2007	2,142,134	1,241,032				2007	12,578,373	11,755,898			
2008	7,397,820					2008	2,459,331					2008	9,857,151				

Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th	Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th	Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th
1999	1.023	1.202	1.098	1.033	1999	0.884	1.171	0.958	1.377	1999	1.005	1.199	1.082	1.067
2000	1.069	1.042	1.121	1.031	2000	1.020	1.033	1.168	0.999	2000	1.066	1.041	1.124	1.029
2001	1.111	1.049	1.011	1.002	2001	1.093	0.997	0.887	1.063	2001	1.109	1.041	0.993	1.010
2002	1.060	1.060	1.018	1.017	2002	0.810	1.015	1.616	0.994	2002	1.029	1.055	1.075	1.014
2003	1.118	1.001	0.979	1.032	2003	0.756	0.730	1.200	0.984	2003	1.063	0.971	0.997	1.027
2004	1.031	1.020	1.044	1.040	2004	0.975	0.938	1.040	1.061	2004	1.013	0.995	1.043	1.046
2005	1.129	1.054	1.013		2005	1.533	1.346	0.998		2005	1.190	1.111	1.010	
2006	1.134	1.032			2006	0.812	0.882			2006	1.107	1.023		
2007	1.008				2007	0.579				2007	0.935			
5-yr Avg	1.084	1.033	1.013	1.024	5-yr Avg	0.931	0.982	1.148	1.020	5-yr Avg	1.062	1.031	1.024	1.025

Injury Type: Permanent Total

Indemnity

Medical

Combined (Indemnity + Medical)

Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report	Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report	Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report
1999	5,802,659	14,984,377	22,490,392	30,971,550	40,183,388	1999	11,137,464	15,754,805	16,755,763	25,409,665	32,560,269	1999	16,940,123	30,739,182	39,246,155	56,381,215	72,743,657
2000	3,945,984	7,893,430	12,460,323	20,509,072	26,407,612	2000	4,849,400	9,481,576	13,764,471	25,028,162	36,525,206	2000	8,795,384	17,375,006	26,224,794	45,537,234	62,932,818
2001	4,554,301	6,987,802	14,507,143	18,140,794	23,050,099	2001	29,750,196	39,410,589	33,585,210	37,515,554	40,306,371	2001	34,304,497	46,398,391	48,092,353	55,656,348	63,356,470
2002	4,137,175	7,875,407	14,704,014	25,431,042	25,981,590	2002	19,356,033	24,173,732	28,211,171	40,482,326	40,208,659	2002	23,493,208	32,049,139	42,915,185	65,913,368	66,190,249
2003	4,466,938	6,416,020	13,084,250	18,706,825	21,807,043	2003	15,298,222	17,920,351	27,385,061	36,656,254	35,399,042	2003	19,765,160	24,336,371	40,469,311	55,363,079	57,206,085
2004	4,028,790	7,803,177	12,846,646	16,377,926	17,755,272	2004	12,768,859	37,129,110	43,159,643	48,849,826	49,694,649	2004	16,797,649	44,932,287	56,006,289	65,227,752	67,449,921
2005	7,234,333	11,602,284	14,760,370	16,176,206		2005	34,818,975	47,584,501	40,505,742	39,200,656		2005	42,053,308	59,186,785	55,266,112	55,376,862	
2006	6,270,300	8,754,401	12,907,545			2006	30,076,193	32,478,268	41,993,160			2006	36,346,493	41,232,669	54,900,705		
2007	4,884,515	7,555,904				2007	19,209,975	34,587,580				2007	24,094,490	42,143,484			
2008	4,326,411					2008	21,484,029					2008	25,810,440				

Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th	Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th	Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th
1999	2.582	1.501	1.377	1.297	1999	1.415	1.064	1.516	1.281	1999	1.815	1.277	1.437	1.290
2000	2.000	1.579	1.646	1.288	2000	1.955	1.452	1.818	1.459	2000	1.975	1.509	1.736	1.382
2001	1.534	2.076	1.250	1.271	2001	1.325	0.852	1.117	1.074	2001	1.353	1.037	1.157	1.138
2002	1.904	1.867	1.730	1.022	2002	1.249	1.167	1.435	0.993	2002	1.364	1.339	1.536	1.004
2003	1.436	2.039	1.430	1.166	2003	1.171	1.528	1.339	0.966	2003	1.231	1.663	1.368	1.033
2004	1.937	1.646	1.275	1.084	2004	2.908	1.162	1.132	1.017	2004	2.675	1.246	1.165	1.034
2005	1.604	1.272	1.096		2005	1.367	0.851	0.968		2005	1.407	0.934	1.002	
2006	1.396	1.474			2006	1.080	1.293			2006	1.134	1.331		
2007	1.547				2007	1.801				2007	1.749			
5-yr Avg	1.584	1.660	1.356	1.166	5-yr Avg	1.665	1.200	1.198	1.102	5-yr Avg	1.639	1.303	1.246	1.118

NORTH CAROLINA

WORKERS COMPENSATION STATISTICAL PLAN DATA

Injury Type: Permanent Partial

Indemnity

Medical

Combined (Indemnity + Medical)

Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report	Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report	Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report
1999	158,958,107	255,612,124	314,343,120	355,939,283	380,976,052	1999	129,620,084	169,600,514	195,405,413	200,816,155	204,913,970	1999	288,578,191	425,212,638	509,748,533	556,755,438	585,890,022
2000	158,998,446	258,363,614	341,762,830	393,224,621	421,693,429	2000	131,743,639	176,470,133	207,935,464	227,624,387	233,358,462	2000	290,742,085	434,833,747	549,698,294	620,849,008	655,051,891
2001	156,109,872	264,491,643	358,253,277	405,788,260	432,910,617	2001	145,778,135	194,138,417	226,312,343	234,704,687	237,911,034	2001	301,888,007	458,630,060	584,565,620	640,492,947	670,821,651
2002	167,743,287	294,114,646	374,976,836	404,329,253	424,387,938	2002	163,746,132	230,997,506	257,204,249	255,716,528	265,427,988	2002	331,489,419	525,112,152	632,181,085	660,045,781	689,815,926
2003	195,230,316	332,275,059	407,258,227	447,413,957	468,513,294	2003	179,701,619	248,326,682	269,324,386	277,790,115	286,713,539	2003	374,931,935	580,601,741	676,582,613	725,204,072	755,226,833
2004	208,804,425	349,702,914	426,928,987	466,804,707	483,955,225	2004	213,052,422	277,115,784	290,617,399	302,718,999	311,865,100	2004	421,856,847	626,818,698	717,546,386	769,523,706	795,820,325
2005	214,962,011	368,082,730	443,220,931	486,247,424		2005	218,643,986	289,560,363	312,636,097	331,802,474		2005	433,605,997	657,643,093	755,857,028	818,049,898	
2006	227,501,499	375,800,412	460,845,809			2006	226,449,922	304,017,574	334,922,506			2006	453,951,421	679,817,986	795,768,315		
2007	239,476,261	412,683,749				2007	241,261,472	319,859,149				2007	480,737,733	732,542,898			
2008	231,186,032					2008	233,195,619					2008	464,381,651				

Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th	Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th	Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th
1999	1.608	1.230	1.132	1.070	1999	1.308	1.152	1.028	1.020	1999	1.473	1.199	1.092	1.052
2000	1.625	1.323	1.151	1.072	2000	1.339	1.178	1.095	1.025	2000	1.496	1.264	1.129	1.055
2001	1.694	1.354	1.133	1.067	2001	1.332	1.166	1.037	1.014	2001	1.519	1.275	1.096	1.047
2002	1.753	1.275	1.078	1.050	2002	1.411	1.113	0.994	1.038	2002	1.584	1.204	1.044	1.045
2003	1.702	1.226	1.099	1.047	2003	1.382	1.085	1.031	1.032	2003	1.549	1.165	1.072	1.041
2004	1.675	1.221	1.093	1.037	2004	1.301	1.049	1.042	1.030	2004	1.486	1.145	1.072	1.034
2005	1.712	1.204	1.097		2005	1.324	1.080	1.061		2005	1.517	1.149	1.082	
2006	1.652	1.226			2006	1.343	1.102			2006	1.498	1.171		
2007	1.723				2007	1.326				2007	1.524			
5-yr Avg	1.693	1.230	1.100	1.055	5-yr Avg	1.335	1.086	1.033	1.028	5-yr Avg	1.515	1.167	1.073	1.044

Injury Type: Temporary Total

Indemnity

Medical

Combined (Indemnity + Medical)

Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report	Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report	Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report
1999	95,909,071	90,997,178	87,846,865	86,532,731	85,085,732	1999	103,264,677	90,320,387	84,431,250	81,946,349	79,912,970	1999	199,173,748	181,317,565	172,278,115	168,479,080	164,998,702
2000	98,654,528	94,440,540	91,511,261	87,988,533	86,334,743	2000	108,370,963	94,901,908	85,915,396	80,444,503	78,299,054	2000	207,025,491	189,342,448	177,426,657	168,433,036	164,633,797
2001	101,073,131	93,530,946	85,966,394	82,772,125	82,377,668	2001	115,763,277	97,433,509	84,261,181	78,419,211	76,790,431	2001	216,836,408	190,964,455	170,227,575	161,191,336	159,168,099
2002	91,970,548	80,200,325	72,698,719	70,637,999	70,263,066	2002	110,780,590	88,101,472	74,724,457	70,745,424	70,285,970	2002	202,751,138	168,301,797	147,423,176	141,383,423	140,549,036
2003	92,876,872	74,088,026	67,703,862	66,550,439	66,293,204	2003	120,719,195	84,877,036	72,816,604	70,312,342	69,745,800	2003	213,596,067	158,965,062	140,520,466	136,862,781	136,039,004
2004	85,708,460	65,199,624	63,368,141	62,615,199	62,524,213	2004	121,715,987	80,355,498	75,073,713	73,294,186	73,233,666	2004	207,424,447	145,555,122	138,441,854	135,909,385	135,757,879
2005	85,784,019	63,584,304	62,331,640	61,502,172		2005	120,273,180	77,800,621	73,141,483	70,907,069		2005	206,057,199	141,384,925	135,473,123	132,409,241	
2006	81,863,538	62,028,233	60,409,474			2006	120,520,116	79,746,378	73,828,949			2006	202,383,654	141,774,611	134,238,423		
2007	87,679,975	66,585,585				2007	123,124,182	83,581,642				2007	210,804,157	150,167,227			
2008	82,382,931					2008	121,446,421					2008	203,829,352				

Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th	Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th	Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th
1999	0.949	0.965	0.985	0.983	1999	0.875	0.935	0.971	0.975	1999	0.910	0.950	0.978	0.979
2000	0.957	0.969	0.962	0.981	2000	0.876	0.905	0.936	0.973	2000	0.915	0.937	0.949	0.977
2001	0.925	0.919	0.963	0.995	2001	0.842	0.865	0.931	0.979	2001	0.881	0.891	0.947	0.987
2002	0.872	0.906	0.972	0.995	2002	0.795	0.848	0.947	0.994	2002	0.830	0.876	0.959	0.994
2003	0.798	0.914	0.983	0.996	2003	0.703	0.858	0.966	0.992	2003	0.744	0.884	0.974	0.994
2004	0.761	0.972	0.988	0.999	2004	0.660	0.934	0.976	0.999	2004	0.702	0.951	0.982	0.999
2005	0.741	0.980	0.987		2005	0.647	0.940	0.969		2005	0.686	0.958	0.977	
2006	0.758	0.974			2006	0.662	0.926			2006	0.701	0.947		
2007	0.759				2007	0.679				2007	0.712			
5-yr Avg	0.763	0.949	0.979	0.993	5-yr Avg	0.670	0.901	0.958	0.987	5-yr Avg	0.709	0.923	0.968	0.990

NORTH CAROLINA

WORKERS COMPENSATION STATISTICAL PLAN DATA

Injury Type: Medical Only

Indemnity

Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report
1999	0	0	0	0	0
2000	0	0	0	0	0
2001	0	0	0	0	0
2002	0	0	0	0	0
2003	0	0	0	0	0
2004	0	0	0	0	0
2005	0	0	0	0	0
2006	0	0	0	0	0
2007	0	0	0	0	0
2008	0	0	0	0	0

Medical

Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report
1999	47,884,529	49,396,050	50,066,724	50,110,927	50,151,829
2000	46,775,613	48,663,592	49,128,441	49,592,875	49,546,710
2001	47,477,847	48,775,473	48,489,596	48,773,951	49,064,051
2002	46,639,884	47,484,927	47,636,298	47,813,909	48,044,080
2003	49,171,186	50,150,111	50,341,892	50,427,437	50,539,164
2004	51,779,608	51,952,339	51,699,229	52,333,614	52,476,344
2005	54,676,432	54,919,139	55,528,585	55,801,101	
2006	57,250,855	56,599,532	57,026,845		
2007	60,419,649	58,892,494			
2008	53,387,963				

Combined (Indemnity + Medical)

Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report
1999	47,884,529	49,396,050	50,066,724	50,110,927	50,151,829
2000	46,775,613	48,663,592	49,128,441	49,592,875	49,546,710
2001	47,477,847	48,775,473	48,489,596	48,773,951	49,064,051
2002	46,639,884	47,484,927	47,636,298	47,813,909	48,044,080
2003	49,171,186	50,150,111	50,341,892	50,427,437	50,539,164
2004	51,779,608	51,952,339	51,699,229	52,333,614	52,476,344
2005	54,676,432	54,919,139	55,528,585	55,801,101	
2006	57,250,855	56,599,532	57,026,845		
2007	60,419,649	58,892,494			
2008	53,387,963				

Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th
1999	-	-	-	-
2000	-	-	-	-
2001	-	-	-	-
2002	-	-	-	-
2003	-	-	-	-
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	-	-
2007	-	-	-	-
5-yr Avg	-	-	-	-

Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th
1999	1.032	1.014	1.001	1.001
2000	1.040	1.010	1.009	0.999
2001	1.027	0.994	1.006	1.006
2002	1.018	1.003	1.004	1.005
2003	1.020	1.004	1.002	1.002
2004	1.003	0.995	1.012	1.003
2005	1.004	1.011	1.005	
2006	0.989	1.008		
2007	0.975			
5-yr Avg	0.998	1.004	1.006	1.003

Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th
1999	1.032	1.014	1.001	1.001
2000	1.040	1.010	1.009	0.999
2001	1.027	0.994	1.006	1.006
2002	1.018	1.003	1.004	1.005
2003	1.020	1.004	1.002	1.002
2004	1.003	0.995	1.012	1.003
2005	1.004	1.011	1.005	
2006	0.989	1.008		
2007	0.975			
5-yr Avg	0.998	1.004	1.006	1.003

Injury Type: Total - All Injury Types

Indemnity

Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report
1999	270,965,211	372,122,896	437,341,539	487,339,601	520,596,049
2000	271,684,366	371,477,077	456,965,055	514,314,050	547,415,988
2001	273,013,829	377,544,235	471,875,422	519,990,615	551,659,260
2002	273,122,533	392,018,082	472,796,247	511,005,865	531,424,748
2003	303,935,659	425,483,218	500,759,039	545,114,467	569,457,878
2004	311,314,959	435,871,656	516,576,049	559,816,695	578,812,369
2005	319,340,112	456,098,197	533,835,523	577,627,445	
2006	326,475,856	458,877,030	546,849,800		
2007	342,476,990	497,340,104			
2008	325,293,194				

Medical

Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report
1999	293,455,286	326,440,077	348,261,656	359,817,891	369,653,063
2000	292,403,675	330,194,402	357,443,059	383,506,792	398,545,405
2001	340,728,475	381,898,930	394,782,835	401,307,696	406,084,757
2002	341,856,459	391,838,405	408,873,208	416,530,798	425,728,428
2003	366,948,604	402,829,944	421,003,522	436,548,922	443,738,716
2004	405,385,645	452,472,448	466,103,404	482,970,573	493,398,134
2005	430,429,864	472,956,836	485,973,346	501,863,177	
2006	435,275,006	473,635,820	508,471,786		
2007	446,157,412	498,161,897			
2008	431,973,363				

Combined (Indemnity + Medical)

Policy Year	1st Report	2nd Report	3rd Report	4th Report	5th Report
1999	564,420,497	698,562,973	785,603,195	847,157,492	890,249,112
2000	564,088,041	701,671,479	814,408,114	897,820,842	945,961,393
2001	613,742,304	759,443,165	866,658,257	921,298,311	957,744,017
2002	614,978,992	783,856,487	881,669,455	927,536,663	957,153,176
2003	670,884,263	828,313,162	921,762,561	981,663,389	1,013,196,594
2004	716,700,604	888,344,104	982,679,453	1,042,787,268	1,072,210,503
2005	749,769,976	929,055,033	1,019,808,869	1,079,490,622	
2006	761,750,862	932,512,850	1,055,321,586		
2007	788,634,402	995,502,001			
2008	757,266,557				

Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th
1999	1.373	1.175	1.114	1.068
2000	1.367	1.230	1.125	1.064
2001	1.383	1.250	1.102	1.061
2002	1.435	1.206	1.081	1.040
2003	1.400	1.177	1.089	1.045
2004	1.400	1.185	1.084	1.034
2005	1.428	1.170	1.082	
2006	1.406	1.192		
2007	1.452			
5-yr Avg	1.417	1.186	1.088	1.049

Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th
1999	1.112	1.067	1.033	1.027
2000	1.129	1.083	1.073	1.039
2001	1.121	1.034	1.017	1.012
2002	1.146	1.043	1.019	1.022
2003	1.098	1.045	1.037	1.016
2004	1.116	1.030	1.036	1.022
2005	1.099	1.028	1.033	
2006	1.088	1.074		
2007	1.117			
5-yr Avg	1.104	1.044	1.028	1.022

Policy Year	1st to 2nd	2nd to 3rd	3rd to 4th	4th to 5th
1999	1.238	1.125	1.078	1.051
2000	1.244	1.161	1.102	1.054
2001	1.237	1.141	1.063	1.040
2002	1.275	1.125	1.052	1.032
2003	1.235	1.113	1.065	1.032
2004	1.239	1.106	1.061	1.028
2005	1.239	1.098	1.059	
2006	1.224	1.132		
2007	1.262			
5-yr Avg	1.240	1.115	1.060	1.037

NORTH CAROLINA

WORKERS COMPENSATION STATISTICAL PLAN DATA

Aggregate Earned Exposures By Policy Year

<u>Policy Year</u>	<u>Payroll</u>	<u>Std Earned Premium</u>
1999	70,555,830,554	1,198,192,047
2000	73,210,062,314	1,271,435,885
2001	74,080,876,787	1,369,583,316
2002	74,419,028,212	1,468,538,284
2003	77,838,826,048	1,613,298,161
2004	81,849,088,118	1,738,231,310
2005	89,313,164,762	1,878,245,604
2006	94,938,464,773	2,050,724,759
2007	103,754,895,532	2,301,747,428
2008	101,244,452,118	2,152,374,420

Incurred Claim Counts By Injury Type

Fatal						Permanent Total					
<u>Policy Year</u>	<u>1st Report</u>	<u>2nd Report</u>	<u>3rd Report</u>	<u>4th Report</u>	<u>5th Report</u>	<u>Policy Year</u>	<u>1st Report</u>	<u>2nd Report</u>	<u>3rd Report</u>	<u>4th Report</u>	<u>5th Report</u>
1999	91	97	116	118	122	1999	41	105	145	172	204
2000	67	79	85	91	92	2000	47	69	84	109	128
2001	80	91	94	96	97	2001	23	34	55	70	82
2002	71	76	82	84	84	2002	20	33	53	77	83
2003	70	76	76	78	80	2003	25	34	56	69	78
2004	73	78	81	84	88	2004	28	36	47	57	62
2005	72	80	82	86		2005	27	41	46	51	
2006	68	73	76			2006	26	34	50		
2007	66	70				2007	17	27			
2008	46					2008	15				

Permanent Partial						Temporary Total					
<u>Policy Year</u>	<u>1st Report</u>	<u>2nd Report</u>	<u>3rd Report</u>	<u>4th Report</u>	<u>5th Report</u>	<u>Policy Year</u>	<u>1st Report</u>	<u>2nd Report</u>	<u>3rd Report</u>	<u>4th Report</u>	<u>5th Report</u>
1999	8,173	9,341	9,675	9,861	9,919	1999	16,373	15,583	15,542	15,412	15,344
2000	6,788	8,042	8,546	8,799	8,872	2000	15,169	14,671	14,520	14,350	14,197
2001	6,126	7,468	8,096	8,269	8,308	2001	14,501	13,699	13,327	13,017	12,936
2002	6,230	7,775	8,329	8,434	8,430	2002	13,057	12,010	11,450	11,332	11,348
2003	6,751	8,645	9,107	9,160	9,174	2003	13,240	11,643	11,264	11,228	11,232
2004	7,239	9,231	9,458	9,490	9,495	2004	12,207	10,778	10,704	10,666	10,685
2005	7,586	9,561	9,771	9,840		2005	12,211	10,699	10,614	10,639	
2006	7,689	9,499	9,761			2006	11,590	10,247	10,125		
2007	7,652	9,644				2007	11,808	10,417			
2008	6,845					2008	10,497				

Medical Only						Total - All Injury Types					
<u>Policy Year</u>	<u>1st Report</u>	<u>2nd Report</u>	<u>3rd Report</u>	<u>4th Report</u>	<u>5th Report</u>	<u>Policy Year</u>	<u>1st Report</u>	<u>2nd Report</u>	<u>3rd Report</u>	<u>4th Report</u>	<u>5th Report</u>
1999	101,923	105,282	106,376	106,955	107,057	1999	126,601	130,408	131,854	132,518	132,646
2000	92,464	95,236	96,397	96,834	97,073	2000	114,535	118,097	119,632	120,183	120,362
2001	83,768	85,375	85,893	86,199	86,472	2001	104,498	106,667	107,465	107,651	107,895
2002	76,654	77,844	78,089	78,229	78,263	2002	96,032	97,738	98,003	98,156	98,208
2003	75,486	76,573	76,756	76,814	76,808	2003	95,572	96,971	97,259	97,349	97,372
2004	71,088	72,131	72,317	72,364	72,436	2004	90,635	92,254	92,607	92,661	92,766
2005	72,747	73,672	73,775	73,818		2005	92,643	94,053	94,288	94,434	
2006	70,163	71,016	71,297			2006	89,536	90,869	91,309		
2007	70,990	71,735				2007	90,533	91,893			
2008	61,077					2008	78,480				