

NAIC EXPENSE CONSTANT SUPPLEMENT
CALCULATION OF COMPANY LOSS COST MULTIPLIER
WITH EXPENSE CONSTANTS

(EFFECTIVE: March 31, 2008)

(This form must be provided ONLY when making a filing that includes an expense constant)

This filing transmittal is part of Company Tracking #	
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

Selected Provisions

4.			Overall	Variable	Fixed	
	A.	Total Production Expense				%
	B.	General Expense				%
	C.	Taxes, License & Fees				%
	D.	Underwriting Profit & Contingencies*				%
	E.	Other (explain)				%
	F.	TOTAL				%
		*Explain how investment income is taken into account.				

5.	A.	Expected Loss Ratio: ELR = 100% - Overall 4F				%
	B.	ELR in decimal form = 5A ELR in Decimal Form				

	C.	Variable Expected Loss Ratio: VELR=100% - Variable 4F				%
	D.	VELR in Decimal Form = 5C VELR in Decimal Form =				

6.	A.	Formula Expense Constant: [(1.00 divided by 5B) – (1.00 divided by 5D)] times [Average Underlying Loss Cost]				
	B.	Formula Variable Loss Cost Multiplier (3B divided by 5D)				

7.	A.	Selected Expense Constant =				
	B.	Selected Variable Loss Cost Multiplier =				

8. Explain any differences between 6 and 7:

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9.	Rate level change for the coverage(s) to which this page applies		%
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