



**THE WORKERS' COMPENSATION
RATING AND INSPECTION BUREAU**

**WORKERS' COMPENSATION
INSURANCE RATE FILING**

Volume 1 of 2

MAIN RATE FILING

Proposed Effective Date: September 1, 2005
Filing Date: March 1, 2005



**THE WORKERS' COMPENSATION
RATING AND INSPECTION BUREAU**

March 1, 2005

The Honorable Julianne M. Bowler
Commissioner of Insurance
Massachusetts Division of Insurance
One South Station
Boston, Massachusetts 02110-2208

Dear Commissioner Bowler:

In accordance with General Laws, Chapter 152, Sections 52 and 53A, as amended by St. 1985, c. 572, I submit, on behalf of all members and subscribers of The Workers' Compensation Rating and Inspection Bureau of Massachusetts, a General Revision of Workers' Compensation Insurance Rates and Rating Values.

With this letter, I am submitting the technical support for the analysis underlying the proposed statewide average 1.0% rate increase. Our Cost Containment filing is attached as Volume 3 of the filing.

We propose the manual rates to be effective 12:01 A.M., September 1, 2005, and to apply to each risk as of the first normal anniversary rating date following that effective date.

On behalf of the members and subscribers of the Bureau, I respectfully request early consideration and prompt approval of the General Revision of Rates.

Also enclosed is a check for the \$150 filing fee.

Sincerely,

Paul F. Meagher
President

Enclosure

**COMMONWEALTH OF MASSACHUSETTS
DIVISION OF INSURANCE**

Docket No. 05-

In re:

**APPLICATION OF THE WORKERS'
COMPENSATION RATING AND INSPECTION
BUREAU OF MASSACHUSETTS FOR APPROVAL
OF A GENERAL RATE REVISION TO BE
EFFECTIVE ON AND AFTER SEPTEMBER 1, 2005**

PRE-FILED DIRECT TESTIMONY OF DAVID APPEL

The Workers' Compensation Rating and Inspection Bureau of Massachusetts ("WCRIB") submits the following direct testimony of David Appel in support of its application for a general rate revision to be effective on and after September 1, 2005.

Q. Please state your full name.

A. David Appel.

Q. What are your professional qualifications?

A. I am a Principal and Director of Economics Consulting with the firm of Milliman, Inc. Milliman is one of the nation's largest independently owned consulting firms specializing in the areas of risk and insurance. The company operates offices in 30 cities in the U.S., and, through our international network, Milliman Global, is affiliated with similar firms in more than 20 countries worldwide. Our U.S. employees number over 1,800, and our clients number in the thousands. They include insurers, self-insured entities,

Federal and State Governments, private corporations, non-profit organizations, unions, and many others. A complete description of my academic and professional credentials can be found in my curriculum vitae, which is attached to this testimony.

Q. What was your role in the preparation of the current WCRIB filing for a general rate revision?

A. I was responsible for and sponsor the materials in Section VIII of the WCRB's filing dealing with the estimation of the cost of capital and the use of an internal rate of return (IRR) model to derive the underwriting profit provision proposed by the WCRIB this year. To the best of my knowledge, information and belief, the data and calculations underlying Section VIII of the filing are complete and accurate, and the narrative statements offered in support of Section VIII are also accurate and correct.

Q. Are you familiar with the underwriting profit provision used by the WCRIB in calculating the proposed rates?

A. Yes.

Q. Are you familiar with the statutory standard that must be applied by the Commissioner in reviewing the rates proposed in the WCRB's current filing – that they “are not excessive, inadequate or unfairly discriminatory” and that they “fall within a range of reasonableness”?

A. Yes. That is the standard typically applied by regulators in assessing insurance rates and rates in other regulated industries.

Q. Do you have an opinion as to whether the rates proposed in the WCRIB's current filing satisfy the statutory standard?

A. Yes.

Q. What is your opinion?

A. For the reasons offered in Sections VIII-B and VIII-C and in the accompanying Appendix, it is my professional opinion that if the actuarial projections of losses, expenses and premiums in the filing are reasonable, then the proposed rates satisfy the statutory standard because the underwriting profit provision has been calculated so that the rates will yield a fair return to the insurers who have invested their capital in the Massachusetts workers' compensation market.

Q. Do you have anything to add to the text of Section VIII of the filing at this time?

A. Yes. While I have concluded that the rates as filed by the WCRIB are reasonable and not excessive, I must also note that I believe that the calculations used to derive the indicated profit provision are extremely conservative in the sense that they overstate the income insurers would reasonably expect to earn from the sale of workers' compensation insurance in Massachusetts. To the extent that income is overstated, of course, the required rate change will be set too low. There are two principal reasons for this.

First, we have not reflected the true cost of policyholder dividends in the IRR model. Policyholder dividends are refunds of premium paid at the end of the policy period (and are frequently tied to the loss experience of the insured). Dividend payments definitively reduce insurer income, and should be reflected as such in the IRR. However, in her Decision on 2003 Rates, the Commissioner rejected consideration of dividends in any fashion, and hence in this year's model the WCRIB has not considered policyholder dividends in any form. (I understand that previous practice in Massachusetts had been to simply reflect the reduction in investible funds due to the payment of policyholder dividends, but not to reflect the dividend expense itself. In this filing neither the dividend expense nor the reduction in investible funds has been reflected.)

Second, the WCRIB has included a provision for the cost of reinsurance in the current filing, but its provision is restricted solely to the reinsurer's expense costs. That is, it does not consider the true net cost of reinsurance, which includes not only the reinsurer's expenses, but also the reinsurer's required profit. Had the reinsurer's required profit been reflected, the required rate change would have been higher.

I would add that I have not adjusted the target rate of return to reflect the arguably greater risk of workers' compensation relative to the average line of property/casualty insurance. While this does not result in an overstatement of income (as do the two considerations just discussed), I note that had I set

Pre-Filed Direct Testimony
David Appel

the target return higher, a higher underwriting profit would have been indicated as well.

Signed this 25th day of February 2005 under the pains and penalties of perjury.



David Appel

DAVID APPEL

One Pennsylvania Plaza
New York, NY 10119
(646) 473-3000

PROFESSIONAL EXPERIENCE:

1989 to present **MILLIMAN - USA, INC.**
Principal & Director - Economics Consulting

Responsible for the formation, development and management of
a national consulting practice in insurance economics.

1980 to 1989 **NATIONAL COUNCIL ON COMPENSATION INSURANCE**
Economic and Social Research Division
1985 to 1989 Vice President
1983 Assistant Vice President
Responsible for all economic and social research of NCCI

1982 Director of Economic and Social Research
1981 Senior Research Economist
1980 Associate Research Economist

1976 to 1997 **RUTGERS UNIVERSITY**

1981-97 Associate of the Graduate Faculty,
Department of Economics, Newark, New Jersey

1981-93 Teach variety of graduate courses including:
Microeconomic Theory, Industrial Organization, Public Finance

1978-80 Instructor, Department of Economics,
New Brunswick, New Jersey

1976-78 Adjunct Instructor, Department of Economics,
Newark, New Jersey

EDUCATION:

1980 Ph.D., Economics, Rutgers University
1976 M.A., Economics, Rutgers University
1972 B.A., Economics, Brooklyn College, CUNY
Licensed Property-Casualty Insurance Broker, New York State
Certified ARIAS Arbitrator and Umpire
Member: AAA Panel of Neutrals

PAPERS AND PUBLICATIONS

"Comment on Jaffee and Russell" in Deregulating Property-Liability Insurance, J. David Cummins, Editor, Brookings Institution Press, Washington, DC, 2002

"Dynamic Financial Analysis of a Workers Compensation Insurer", CAS Call Papers Program, 1997 (with Susan Witcraft and Mark Mulvaney)

"The Impact of Managed Care on Workers Compensation Claim Costs," in a volume of conference proceedings published by the Workers' Compensation Research Institute, September 1994, (with Philip Borba).

"Health Care Costs in Workers' Compensation", Benefits Quarterly, Vol. 9, No. 4, Fourth Quarter, 1993

"The Transition From Temporary to Permanent Disability: A Longitudinal Analysis" in Workers' Compensation Insurance: Claims Costs, Prices and Regulation, David Durbin and Philip Borba, Editors, Kluwer Academic Publishers, Boston, 1992, (with Richard Butler, David Durbin and John Worrall)

"Leverage, Interest Rates and Workers' Compensation Survival" in Workers' Compensation Insurance: Claims Costs, Prices and Regulation, David Durbin and Philip Borba, Editors, Kluwer Academic Publishers, Boston, 1992, (with Richard Butler, David Durbin and John Worrall)

Benefits, Costs and Cycles in Workers' Compensation, Kluwer Academic Publishers, Boston, 1990, (co-editor with Philip Borba)

"Benefit Increases in Workers' Compensation", Southern Economics Journal, January 1990, (with Richard J. Butler)

"Internal Rate of Return Criteria in Ratemaking" NCCI Digest, Vol. IV, Issue III, September 1990, (with Richard J. Butler)

"Social Inflation in Workers' Compensation: The Phenomenon of Benefit Utilization", Proceedings of the Casualty Loss Reserve Seminar, 1988. Also in Contingencies, Nov./Dec., 1989

Workers' Compensation Insurance Pricing: Current Programs and Proposed Reforms, Kluwer Academic Publishers, Boston, 1988,(co-editor with Philip Borba)

"Prices and Costs of Workers' Compensation" in Workers' Compensation Insurance Pricing: Current Programs and Proposed Reforms, Kluwer Academic Publishers, Boston, 1988, (with Philip Borba)

1986 Tax Reform Act: Effects on Workers' Compensation Profitability, NCCI, New York April 1987

"The Propensity for Permanently Disabled Workers' to Hire Legal Services", Industrial and Labor Relations Review, April 1987, (with Philip Borba)

"Sex, Marital Status, and Medical Utilization by Injured Workers'", Journal of Risk and Insurance, Vol. LIV, No. 1, March 1987, (with John Worrall and Richard Butler)

"The Impact of Workers' Compensation Benefits on Low Back Claims" in Clinical Concepts in Regional Musculoskeletal Illness, Nortin M. Hadler, ed. (Boston: 1986, Grune and Stratton), (with John Worrall)

"Workers' Compensation and Employment: An Industry Analysis" in Disability and the Labor Market: Economic Problems, Policies and Programs, M. Anne Hill and Monroe Berkowitz, eds., (Ithaca:1986 ILR Press), (with James Lambrinos)

"Some Benefit Issues in Workers' Compensation", in Workers' Compensation Benefits: Adequacy, Equity, Efficiency. (Ithaca:1985 ILR Press), (with John Worrall)

Workers' Compensation Benefits: Adequacy, Equity, Efficiency. (co-editor with John Worrall), (Ithaca:1985 ILR Press)

"Survivorship and the Size Distribution of the Property-Liability Insurance Industry" Journal of Risk and Insurance, October 1985, (with John Worrall and Richard Butler)

"Regulating Competition-The Case of Workers' Compensation Insurance", Journal of Insurance Regulation, (with James Gerofsky), June 1985.

"The Wage Replacement Rate and Benefit Utilization in Workers' Compensation Insurance", Journal of Risk and Insurance, September 1982 (with John Worrall)

"Property Damages", in Joseph Seneca and Peter Asch, The Benefits of Air Pollution Control in New Jersey, Center for Coastal and Environmental Studies, Rutgers University, 1979

WORKING PAPERS

"Workers' Compensation Pricing: The Role of Policyholder Dividends" (with David Durbin)

"The Impact of Lifetime Work on Mortality: Do Unisex Pensions Matter?" (with Richard J. Butler)

"Regulatory Survival: Rate Changes in Workers' Compensation" (with Richard J. Butler and John D. Worrall)

"Framing, Firm Size and Financial Incentives in Workers' Compensation Insurance" (with Richard J. Butler and John D. Worrall)

"Application of NAIC Profitability Models to Long Tailed Lines of Insurance" (with James Gerofsky)

INVITED PRESENTATIONS

Philadelphia, Pennsylvania, March 11, 2004

CAS Ratemaking Seminar

"The Consideration of Risk Loads and Reinsurance Costs in Primary Insurance Ratemaking"

New York, New York, December 12, 2003

Goldman Sachs Insurance Conference

"Interest Rate Changes and Insurance Underwriting"

San Antonio, Texas, March 28, 2003

CAS Ratemaking Seminar

"The Consideration of Risk Loads and Reinsurance Costs in Primary Insurance Ratemaking"

San Antonio, Texas, March 27, 2003

CAS Ratemaking Seminar

"Rate of Return Models in Insurance Ratemaking"

San Diego, California, May 20, 2002

CAS Annual Meeting

"The Actuary as an Expert Witness"

Tampa, Florida, March 7, 2002

CAS Ratemaking Seminar

"Parameterizing Rate of Return Models in Insurance Ratemaking"

Chicago, Illinois, December 10, 2001

NAIC Meeting

"The Impact of Proposition 103 in California"

Kansas City, Missouri, April 30, 2001

NAIC Meeting

"Personal Lines Regulation"

Las Vegas, Nevada, March 12, 2001

CAS Ratemaking Seminar

"Parameterizing Rate of Return Models in Insurance Ratemaking"

Washington DC, January 18, 2001

Brookings Institution Conference on Insurance Regulation

"Auto Insurance Experience in California"

Bermuda, September 14, 2000

Ace Insurance Worldwide Actuarial Conference

"Rate of Return Models In Property Casualty Insurance Ratemaking"

Orlando, Florida, June 9, 1998

Florida Managed Care Institute Annual Conference

"Issues in Integrated Health Care"

Seattle, Washington, July 21, 1997

CAS Dynamic Financial Analysis Seminar

"Dynamic Financial Analysis of a Workers Compensation Insurer"

Boston, Massachusetts, March 14, 1997

CAS Ratemaking Seminar

"Discounted Cash Flow Models in Insurance Ratemaking"

East Lansing, Michigan, July 15, 1996

National Symposium on Workers Compensation

"Managed Care in Workers Compensation"

New Orleans, Louisiana, March 20, 1996

Global Business Research Seminar: Partnerships Between Insurers and Providers

"Integrating the Data Systems"

Orlando, Florida, November 15, 1995

Global Business Research Seminar: Documenting Savings From Managed Care

"Evaluating Savings From Managed Care"

Orlando, Florida, October 27, 1995

Self Insurance Association of America Annual Meeting

"Managed Care in Workers Compensation: A Magic Act or Humbug?"

San Diego, California, October 16, 1995

Global Business Research Seminar: Documenting Savings From Managed Care

"Technical Issues in Measuring Savings From Managed Care"

Durham, North Carolina, September 6, 1995

North Carolina HMO Association Annual Meeting

"Workers Compensation in North Carolina: Risks and Opportunities for HMO's"

Washington, DC, May 22, 1995

Global Business Research Seminar: Outcomes for Workers' Compensation Managed Care

"Measuring and Reporting the Savings"

Orlando, Florida, April 13, 1995

NCCI Annual Meeting

"Managed Care in Workers Compensation"

Phoenix, Arizona, April 3, 1995

Casualty Actuarial Society Seminar on Profitability

"Rate of Return Models - Selecting the Parameters"

New Orleans, Louisiana, March 16, 1995

Casualty Actuarial Society Ratemaking Seminar

"Discounted Cash Flow Models for Insurance Ratemaking"

Orlando, Florida, March 14, 1995

Standard & Poor's Rating Conference

"Consolidation in the Property/Casualty Insurance Industry"

Minneapolis, Minnesota, October 11, 1994

Casualty Actuarial Society Seminar on Medical Cost Containment

"Managed Care and Workers' Compensation"

Toronto, Ontario, August 22, 1994

American Risk and Insurance Association Annual Meeting

"Current Issues in Workers' Compensation"

Boston, Massachusetts, May 17, 1994
Casualty Actuarial Society Annual Meeting
"Standard Of Practice on Profit and Contingency"

Hartford, Connecticut, April 20, 1994
University of Connecticut Blue Cross/Blue Shield Symposium
"24 Hour Coverage - What Will It Involve"

Atlanta, Georgia, March 10, 1994
Casualty Actuarial Society Ratemaking Seminar
"Cash Flow Models for Insurance Ratemaking"

Cambridge, Massachusetts, March 2, 1994
Workers' Compensation Research Institute Health Care Reform Conference
"Early Results of the Florida Pilot Project"

Phoenix, Arizona, November 15, 1993
Casualty Actuarial Society Annual Meeting
"The Use Of Managed Care in Workers' Compensation"

New York, New York, October 20, 1993
Insurance Information Institute/Reinsurance Association of America Research Conference
The Impact of Health Care Reform on Casualty Insurance"

Somerset, New Jersey, July 13, 1993
National Symposium on Workers' Compensation
"Economic Analysis of Workers' Compensation Issues"

Boston, Massachusetts, June 30, 1993
Institute of Actuaries of Japan Special Meeting
"Health Care Costs in Workers' Compensation"

Dallas, Texas, June 15, 1993
Stirling-Cooke Workers' Compensation Seminar
"Workers' Compensation Medical Costs: Trends, Causes and Solutions"

New York, New York, June 3, 1993
New York Business Group On Health
"The Crisis in Workers' Compensation Health Care"

Mauna Lani Bay, Hawaii, May 3, 1993
Western Association of Insurance Brokers Annual Meeting
"Trends in Insurance Insolvency"

Kingston, Ontario, April 28, 1993
Queen's University Workers' Compensation Conference
"Exposure Bases for Workers' Compensation: Equity vs. Practicality"

Sanibel Island, Florida, March 29, 1993
Workers' Compensation Reinsurance Bureau Annual Meeting
"The Use of Managed Care in Workers' Compensation"

Baltimore, Maryland, March 23, 1993
CAMAR Annual Meeting
"Estimating the Cost of Capital in Insurance Ratemaking"

Philadelphia, Pennsylvania, December 1, 1992
Economic Issues in Workers' Compensation Seminar,
"Rate of Return Regulation in Workers' Compensation"

Seattle, Washington, October 16, 1992
Casualty Actuarial Society Seminar on Profitability
"Risk Based Capital Standards for Property Casualty Insurers"

Washington, DC, August 18, 1992
American Risk and Insurance Association Annual Meeting
"The Crisis in Workers' Compensation"

New York, New York, May 19, 1992
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Palm Beach, Florida, April 23, 1992
NCCI Annual Meeting
"Is the Workers' Compensation Industry Competitive?"

Philadelphia, Pennsylvania, March 20, 1992
University of Pennsylvania/Duncanson & Holt Special Seminar
"Current Issues in Workers' Compensation"

Dallas, Texas, March 12, 1992
Casualty Actuarial Society Ratemaking Seminar
"Profitability Models in Insurance Ratemaking: Estimating the Parameters"

Houston, Texas, December 11, 1991
NCCI/NAIC Commissioners Symposium
"Rate Adequacy: Solvency and Safety Implications"

New York, New York, November 17, 1991
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Philadelphia, Pennsylvania, November 12, 1991
Casualty Actuarial Society Annual Meeting
"The Impact of Medical Costs on Casualty Coverages"

New York, New York, May 17, 1991
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Kiawah Island, South Carolina, April 15 & 16, 1991
Casualty Actuarial Society Seminar on Profitability
"Cost of Capital Estimation: Lessons From Public Utilities"

Chicago, Illinois, March 14, 1991
Casualty Actuarial Society Ratemaking Seminar
"The Use of Profitability Models in Insurance Ratemaking"

Orlando, Florida, October 24, 1990,
Financial Management Association Annual Meeting,
"Current Issues in Insurance Rate Regulation: California Prop. 103 and Pennsylvania Act 6"

New Brunswick, New Jersey, May 18, 1990,
Joint Conference on Workers' Compensation,
"Current State Issues and Benefit Reforms"

Orlando, Florida, May 8, 1990,
National Association of Insurance Commissioners Southeast Zone Raters Conference,
"Loss Cost Rating for Workers' Compensation"

Orlando, Florida, April 3, 1990,
Workers' Compensation Reinsurance Bureau Annual Meeting,
"Medical Costs in Workers' Compensation: Recent Trends in Cost Containment"

Philadelphia, Pennsylvania, March 15, 1990,
CAS Ratemaking Seminar,
"Rate of Return Models in Insurance Regulation: Return on Sales vs. Return on Equity"

Chicago, Illinois, November 10, 1989,
Alliance of American Insurers Research Committee,
"Recent Developments in Rate Regulation: California Proposition 103"

New York, New York, October 5, 1989,
NCCI Legal Trends Seminar,
"Medical Cost Containment in Workers' Compensation"

Philadelphia, Pennsylvania, September 7, 1989,
Workers' Compensation Congress,
"Medical Cost Containment in Workers' Compensation"

Denver, Colorado, August 21, 1989,
American Risk and Insurance Association Annual Meeting,
"Regulatory Survival: Rate Changes in Workers' Compensation" (with Richard J. Butler)

Hilton Head, South Carolina, April 4, 1989,
Workers' Compensation Reinsurance Bureau Annual Meeting,
"Prospects for Workers' Compensation in the 1990's"

Mountain Lakes, New Jersey, March 29, 1989,
St. Clares-Riverside Medical Center,
"Stress in the Workplace"

Dallas, Texas, March 16, 1989,
Casualty Actuarial Society Ratemaking Seminar,
"The Impact of Tax Reform on Insurance Profitability"

New Orleans, Louisiana, December 15, 1988,
NAIC-NCCI Commissioners School,
"A Forecast for Workers' Compensation"

Philadelphia, Pennsylvania, November 17, 1988,
Economic Issues in Workers' Compensation Seminar,
"The Impact of Regulation on the Probability of Insolvency" (with John D. Worrall and David Durbin)

Boston, Massachusetts, November 14, 1988,
American Public Health Association Annual Meeting,
"Stress in the Workplace"

Atlanta, Georgia, September 14, 1988,
Casualty Loss Reserve Seminar,
"Estimating the Cost of Social Inflation in Workers' Compensation"

Reno, Nevada, August 15, 1988,
American Risk and Insurance Association Annual Meeting,
"Benefit Increases in Workers' Compensation"

New York, New York, June 13, 1988,
National Association Of Insurance Commissioners Annual Meeting,
"Alternative Rate of Return Models for Insurance Regulation"

Syracuse, New York, May 5, 1988,
Current Issues in Workers' Compensation Symposium,
"Workers' Compensation Stress Claims"

Hilton Head, South Carolina, April 22, 1988,
Workers' Compensation Reinsurance Bureau Annual Meeting,
"A Forecast for Workers' Compensation Insurers"

Absecon, New Jersey, April 19, 1988,
Pennsylvania Coal Mine Rating Bureau Annual Meeting,
"The Use of Rate of Return Models in Insurance Rate Regulation"

Philadelphia, Pennsylvania, November 17, 1987,
Economic Issues in Workers' Compensation Seminar,
"The Transition to Permanent Disability Status" (with John D. Worrall and David Durbin)

Charlotte, North Carolina, October 20, 1987,
American Insurance Association Government Affairs Conference,
"Prospects for Workers' Compensation in 1988"

Minneapolis, Minnesota, September 29, 1987,
Minnesota Workers' Compensation Reinsurance Association Annual Meeting,
"Economic and Demographic Characteristics of Workers' Compensation Claims"

Airlie, Virginia, July 7, 1987,
National Symposium on Workers' Compensation,
"Forecasting Workers' Compensation Experience"

Santa Clara, California, June 30, 1987,
Symposium on Recent Advances in Ratemaking,
"Econometric Models of Workers' Compensation Losses"

Storrs, Connecticut, May 1, 1987,
University of Connecticut Symposium on Current Issues in Workers' Compensation,
"Current Research in Workers' Compensation"

Philadelphia, Pennsylvania, April 16, 1987,
Wharton School Graduate Seminar Series,
"Impact of Tax Reform on Workers' Compensation Profitability"

Boca Raton, Florida, December 4, 1986,
National Association of Insurance Commissioners/NCCI Commissioners School,
Panel Discussion on Current Issues in Workers' Compensation

Philadelphia, Pennsylvania, November 7, 1985,
Wharton School, University of Pennsylvania, Graduate Seminar Series,
"Litigation in Workers' Compensation"

Vancouver, British Columbia, August 19, 1985,
American Risk and Insurance Association Annual Meeting,
"Earnings Loss and Permanent Disability"

Washington, D.C., April 23, 1985,
Washington Conference on the Economics of Disability,
"Employment Effects of Workers' Compensation Insurance"

Schenectady, New York, January 18, 1985,
Union University Graduate Business Seminar Series,
"The Use of Modern Portfolio Theory in Insurance Regulation"

EXPERT TESTIMONY

Lawrence, Massachusetts, February 14, 2005
Highground, Inc. v. Mazonson

Austin, Texas, July 13, 2004
Medical Protective Insurance Company Medical Malpractice Insurance Rate Hearing

Austin, Texas, December 16, 2003
Biennial Title Insurance Rate Hearing

Providence, Rhode Island, November 17, 2003
Norcal Medical Malpractice Insurance Rate Hearing

San Francisco, California, September 16, 2003
Century National Proposition 103 Rollback Hearing

Austin, Texas, September 11, 2003
Farmers Insurance Exchange Homeowner Rate Rollback Hearing

Austin, Texas, September 2, 2003
State Farm Lloyds Homeowners Rate Rollback Hearing

Austin, Texas, May 21, 2003
Farmers Insurance Group Settlement Hearing

Boston, Massachusetts, April 29, 2003
Massachusetts Workers Compensation Rate Hearing

Los Angeles, California, March 12, 2003
SCPIE Medical Malpractice Rate Hearing

Raleigh, North Carolina, July 17, 2002
Auto Insurance Rate Hearing

Tallahassee, Florida, February 25, 2002
NCCI Workers Compensation Insurance Rate Hearing

Austin, Texas, February 5, 2002
Biennial Title Insurance Rate Hearing

Raleigh, North Carolina, September 24, 2001
Auto Insurance Rate Hearing

Boston, Massachusetts, August 14, 2001
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, March 6, 2001
Texas Auto Benchmark Rate Hearing

Boston, Massachusetts, August 23, 2000
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, December 7, 1999
Texas Auto Insurance Plan Association Rate Hearing

Raleigh, North Carolina, December 3, 1999
Auto Insurance Rate Hearing

Austin, Texas, November 3, 1999
Biennial Title Insurance Rate Hearing

Austin, Texas, September 8, 1999
Texas Auto Benchmark Rate Hearing

Boston, Massachusetts, August 13, 1999
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, June 22, 1999
Texas Property Benchmark Rate Hearing

Honolulu, Hawaii, December 16, 1998
NCCI Workers Compensation Insurance Rate Hearing

Richmond, Virginia, November 15, 1998
NCCI Workers Compensation Insurance Rate Hearing

Boston, Massachusetts, October 9, 1998
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, May 19, 1998
Texas Auto Insurance Plan Association Rate Hearing

Austin, Texas, April 7, 1998
Auto Insurance Benchmark Rate Hearing

Austin, Texas, February 17, 1998
Property Insurance Benchmark Rate Hearing

Austin, Texas, November 18, 1997
Biennial Title Insurance Rate Hearing

Tallahassee, Florida, September 8, 1997
NCCI Workers Compensation Insurance Rate Hearing

Austin, Texas, April 8, 1997
Texas Auto Insurance Plan Association Rate Hearing

Austin, Texas, March 10, 1997
Auto Insurance Benchmark Rate Hearing

San Francisco, California, March 4, 1997
Insurance Department Hearing on Rating Factors

Raleigh, North Carolina, July 16, 1996
Auto Insurance Rate Hearing

San Francisco, California, March 11, 1996
Century National Proposition 103 Rollback Hearing

Sacramento, California, January 30, 1996
Hartford Steam Boiler Proposition 103 Rollback Hearing

San Francisco, California, January 8, 1996
SAFECO Insurance Company Earthquake Rate Hearing

Austin, Texas, December 21, 1995
Residential Property Insurance Benchmark Rate Hearing

Clearwater, Florida, December 8, 1995
Florida Windstorm Underwriting Association Rate Hearing

Austin, Texas, November 28, 1995
Private Passenger Auto Insurance Benchmark Rate Hearing

Austin, Texas, October 31, 1995
Texas Automobile Insurance Plan Association Rate Hearing

Sacramento, California, April 18, 1995
California Insurance Department Hearing on Auto Insurance Rating Factors

Portland, Maine, April 13, 1995
Workers Compensation Assigned Risk Pool Fresh Start Hearing

San Francisco, California, February 6, 1995
Farmers Insurance Group Earthquake Insurance Rate Hearing

Austin, Texas, January 6, 1995
Special Hearing on Classification Rules for Automobile Insurance

Austin, Texas, December 15, 1994
Residential Property Insurance Benchmark Rate Hearing

Austin, Texas, October 4, 1994
Texas Automobile Insurance Plan Association Rate Hearing

Austin, Texas, September 27, 1994
Private Passenger Auto Insurance Benchmark Rate Hearing

Raleigh, North Carolina, July 19, 1994
Private Passenger Auto Insurance Rate Hearing

San Francisco, California, December 22, 1993
Century National Homeowner's Insurance Rate Hearing

Raleigh, North Carolina, October 13, 1993
Homeowners/Farmowners Insurance Rate Hearing

Tallahassee, Florida, October 4, 1993
Workers' Compensation Insurance Rate Hearing

Boston, Massachusetts, September 9, 1993
Automobile Insurance Rate Hearing

Austin, Texas, March 4, 1993
Residential Property Insurance Benchmark Rate Hearing

Austin, Texas, February 10, 1993
Automobile Insurance Benchmark Rate Hearing

Honolulu, Hawaii, November 18, 1992
Liberty Mutual Insurance Automobile Rate Hearing

Raleigh, North Carolina, November 13, 1992
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, October 29, 1992
Workers' Compensation Insurance Rate Hearing

San Francisco, California, October 14, 1992
Workers' Compensation Insurance Rate Hearing

Atlanta, Georgia, September 24, 1992
Workers' Compensation Insurance Rate Hearing

Nashville, Tennessee, May 27, 1992
Workers' Compensation Insurance Rate Hearing

San Francisco, California, May 13, 1992
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, April 10, 1992
Mercury General Proposition 103 Rollback Proceedings

Austin, Texas, January 27, 1992
Texas Automobile Insurance Plan Rate Hearing

Austin, Texas, December 17, 1991
Automobile Insurance Rate Hearing

Raleigh, North Carolina, December 16, 1991
Workers' Compensation Insurance Rate Hearing

San Francisco, California, October 22, 1991
Workers' Compensation Rate Hearing

Los Angeles, California, May 23, 1991,
Proposition 103 RCD-2 Proceedings

San Francisco, California, April 9, 1991
California Workers' Compensation Rate Study Commission

Nashville, Tennessee, March 20, 1991
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, March 12, 1991,
California Workers' Compensation Rate Study Commission

Olympia, Washington, February 26, 1991,
House Financial Institutions/Insurance Committee Hearing on Rules for Insurance Regulatory Legislation

Olympia, Washington, November 27, 1990,
Insurance Department Public Hearing on Proposed Rules for Ratemaking

Harrisburg, Pennsylvania, November 12, 1990,
Allstate Insurance Company Automobile Insurance Rate Hearing

Tallahassee, Florida, November 1, 1990,
Scanlan v. Martinez, et.al., Superior Court of Leon County

San Bruno, California, October 1, 1990,
SAFECO Insurance Group Proposition 103 Rate Rollback Hearing

Austin, Texas, July 23, 1990,
Texas State Board of Insurance Special Hearing on Investment Income in Ratemaking

Harrisburg, Pennsylvania, July 18, 1990,
Pennsylvania National Mutual Insurance Company Automobile Insurance Rate Hearing

Harrisburg, Pennsylvania, June 28, 1990,
Harleysville Mutual Insurance Company Automobile Insurance Rate Hearing

Columbia, South Carolina, March 30, 1990,
Workers' Compensation Insurance Rate Hearing

San Bruno, California, March 19, 1990,
California Proposition 103 Generic Hearing

Denver, Colorado, December 12, 1989,
Workers' Compensation Insurance Rate Hearing

Tampa, Florida, October 23, 1989,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, October 17, 1989,
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, September 25, 1989,
SAFECO Insurance Company of America Proposition 103 Rate Hearing

Austin, Texas, August 29, 1989,
Texas Insurance Advisory Association Property Insurance Rate Hearing

Providence, Rhode Island, April 13, 1989,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, January 24, 1989,
Workers' Compensation Insurance Rate Hearing

Hartford, Connecticut, November 14, 1988,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 3, 1988,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, November 2, 1988,
Workers' Compensation Insurance Rate Hearing

Montgomery, Alabama, June 30, 1988,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, March 24, 1988,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, October 27, 1987,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, October 9, 1987,
Workers' Compensation Insurance Rate Hearing

Atlanta, Georgia, August 6, 1987,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, February 24, 1987,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 14, 1986,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, November 18, 1986,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, May 28, 1986,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, December 6, 1985,
Workers' Compensation Insurance Rate Hearing

Oklahoma City, Oklahoma, October 10, 1985,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, July 23, 1985,
Workers' Compensation Insurance Rate Hearing

Austin Texas, June 14, 1985,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 18, 1984,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, August 29, 1984,
Workers' Compensation Insurance Rate Hearing

Portland, Oregon, March 6, 1984,
National Association of Insurance Commissioners,
Public Hearing on Investment Income and Insurance Profitability

Tallahassee, Florida, February 25, 1984,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, August 18, 1983,
Workers' Compensation Insurance Rate Hearing

Austin Texas, July 13, 1983,
Workers' Compensation Insurance Rate Hearing

Oklahoma City, Oklahoma, March 6, 1983,
Workers' Compensation Insurance Rate Hearing

Baton Rouge, Louisiana, March 16, 1982,
Louisiana Insurance Commission Public Hearing on Investment Income

Providence, Rhode Island, February 3, 1982,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, October 1, 1981,
Workers' Compensation Insurance Rate Hearing

A. I was responsible for the preparation of the cost containment filing.

Q. What was involved in the preparation of the cost containment filing?

A. I contacted the ten member companies of the WCRIB that are participating in this year's cost containment survey and asked them to submit new, free-standing response forms as requested by the Commissioner in her Decision on 2003 rates. As each company's submission was received, I reviewed the responses to the questionnaire and any supporting documents that were submitted.

In addition to compiling the results of our survey of insurers, I obtained updated data from the Insurance Fraud Bureau of Massachusetts, which is included in the cost containment filing. I also gathered data on the Department of Industrial Accidents from the Workers' Compensation Advisory Council, which is also included in the cost containment filing. I created the exhibits pertaining to the Qualified Loss Management Program. Finally, I wrote the narrative statement that accompanies the cost containment filing. To the best of my knowledge, information and belief, the exhibits are complete and accurate, and the narrative statement is also accurate and correct.

Q. Do you have anything to add to the text of the filing at this time?

A. No, I do not.

Signed this 28th day of February 2005 under the pains and penalties of perjury.



Matthew Chamberlain

MATTHEW CHAMBERLAIN

EMPLOYMENT HISTORY

Workers' Compensation Rating and Inspection Bureau of Massachusetts (WCRIB)
Boston, Massachusetts *(August 2002-present)*

Actuarial Analyst (2003-present)

- Prepared trend section of 2005 rate filing
- Prepared cost containment section of 2005 rate filing
- Performed technical review of other sections of the 2005 rate filing
- Created exhibits for 2005 NCCI Annual Statistical Bulletin
- Responded to other information requests, as necessary

Actuarial Assistant (2002-2003)

- Prepared exhibits for Law Amendment section of 2003 rate filing
- Developed frequency trend methodology for 2003 rate filing
- Prepared exhibits for Trend section of 2003 rate filing
- Prepared rebuttal exhibits during 2003 rate hearing
- Participated in summer exchange program between the WCRIB and NCCI

EXAM HISTORY

Passed CAS/SOA joint exams 1-4; CAS exams 5 and 6

EDUCATION

Auburn University

Auburn, Alabama

- M.S., Physics (2002).

The Ohio State University

Columbus, Ohio

- B.S., Physics (1997)
- B.A., Classics (1997)

COMPUTER SKILLS

Excel, Toad, SQL, SAS

**COMMONWEALTH OF MASSACHUSETTS
DIVISION OF INSURANCE**

Docket No. 05-

In re:

**APPLICATION OF THE WORKERS'
COMPENSATION RATING AND INSPECTION
BUREAU OF MASSACHUSETTS FOR APPROVAL
OF A GENERAL RATE REVISION TO BE
EFFECTIVE ON AND AFTER SEPTEMBER 1, 2005**

PRE-FILED DIRECT TESTIMONY OF ROBERT F. CONGER

The Workers' Compensation Rating and Inspection Bureau of Massachusetts ("WCRIB") submits the following direct testimony of Robert F. Conger in support of its application for a general rate revision to be effective on and after September 1, 2005.

Q. Please state your full name.

A. Robert Frederick Conger.

Q. What are your professional qualifications?

A. I am a consulting actuary with the Tillinghast business of Towers Perrin, and the manager of Tillinghast's Chicago office. I am a principal of Towers Perrin. My consulting practice at Tillinghast covers the full range of issues facing property/casualty insurers, with a particular expertise on the workers' compensation line. I have assisted clients with pricing, reserving, operational reviews, financial analysis, reinsurance structures, mergers and acquisitions, strategy, and litigation involving business and regulatory issues.

These clients include insurance companies, state funds, industry bureaus, self-insured entities and regulators. I have served as Professional Standards Officer for Tillinghast, and as leader of the firm's property/casualty insurance industry practice.

Before joining Tillinghast in 1986, I served as senior vice president and actuary at the Massachusetts Rating Bureau (which at that time carried on both the work presently performed by the WCRIB and the work now conducted by the Automobile Insurers Bureau or "AIB"). I was responsible for all ratemaking, research and statistical functions of the Bureau and testified at numerous rate hearings before the Division of Insurance on workers' compensation and automobile insurance rates. Before that, I worked for the American Mutual Liability Insurance Group.

I am a Fellow of the Casualty Actuarial Society, a Member of the American Academy of Actuaries, a Fellow of the Canadian Institute of Actuaries, and an Honorary Fellow of the UK Institute of Actuaries. I recently served as President of the CAS and also served the CAS as Chairman of the Board, as Vice President-Administration, and as an elected Board member. I have chaired and served on numerous CAS committees over the years. I am also a past president of Casualty Actuaries of New England and of the Casualty Actuaries of the Southeast. I served on the Board of Directors of the American Academy of Actuaries.

I have written various articles and professional papers, frequently spoken at insurance industry forums and co-authored "Estimating ULAE Liabilities: Rediscovering and Expanding Kittel's Approach," the winner of the 2003 James C.H. Anderson Award for the advancement of current actuarial practice.

I have a B.A., with honors, in economics and mathematics from Amherst College.

Q. What was your role in the preparation of the current WCRIB filing for a general rate revision?

A. I was responsible for preparing and sponsor the WCRIB's analysis of net trend, found in Section V of its filing. I also participated in the development, preparation and review of all of the sections of the filing except Section VI-K, Exhibit 4 (reinsurance costs), Section VIII (underwriting profit) and Section XII (cost containment). To the best of my knowledge, information and belief, the data and calculations underlying Section V of the filing are complete and accurate, and the narrative statements offered in support of Section V are also accurate and correct.

Q. Mr. Conger, what general rate level change is the WCRIB recommending this year?

A. As shown in Section I of the filing, the WCRIB is recommending an average increase of 1.0% in the rates for workers' compensation, effective September 1, 2005.

Q. Are you familiar with the statutory standard that must be applied by the Commissioner in reviewing the rates proposed in the WCRIB's current filing – that they “are not excessive, inadequate or unfairly discriminatory” and that they “fall within a range of reasonableness”?

A. Yes. That standard is found in the governing statutes of many states and articulates the commonly understood standard for insurance rate-setting.

Q. Do you have an opinion as to whether the rates proposed in the WCRIB's current filing satisfy the statutory standard?

A. Yes.

Q. What is your opinion?

A. It is my professional opinion that the rates proposed in the WCRIB's current filing are not excessive, inadequate or unfairly discriminatory for the classifications to which they apply, and they fall within a range of reasonableness. For these reasons, in my judgment the Commissioner should approve the WCRIB's filing.

Q. Have you reviewed the protocols used by the WCRIB's Actuarial Department to verify that the insurance company data relied upon in this filing are sufficiently reliable for use in rate-setting?

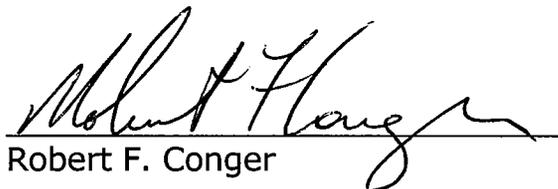
A. Yes. When I was retained by the WCRIB, I was asked to review the actuarial edits and audits they use to assess the reliability of the Financial Aggregate and Unit Statistical Plan data that are compiled for use in rate filings. The verification of data accuracy is a challenging process because of

the vast number of insurance transactions that are reported to the WCRIB each year. I examined the actuarial edits and audits the WCRIB had in place, compared them to the routines used by the NCCI to edit the data it compiles and made a few recommendations to refine the WCRIB's procedures based upon my knowledge and experience. These refinements were put in place in time for the compilation of the data used in this filing. While no system of this kind can be expected to be perfect, in my judgment the WCRIB's actuarial edits and audits are consistent with or better than contemporary industry standards and yield data reports that can properly be used to set rates.

Q. Do you have anything to add at this time?

A. No.

Signed this 25th day of February 2005 under the pains and penalties of perjury.


Robert F. Conger

ROBERT F. CONGER

Mr. Conger is a consulting actuary with the Tillinghast business of Towers Perrin, and is the manager of Tillinghast's Chicago office. He is a principal of Towers Perrin.

Mr. Conger's consulting practice at Tillinghast covers the range of issues facing property/casualty insurers, with a particular expertise in the area of workers' compensation. He has assisted clients with pricing, reserving, operational reviews, financial analysis, reinsurance structures, mergers and acquisitions, strategy, and litigation involving business and regulatory issues. These clients include insurance companies, state funds, industry bureaus, self-insured entities and regulators. Mr. Conger has served as Professional Standards Officer for Tillinghast, and as leader of the firm's property/casualty insurance industry practice.

Prior to joining Tillinghast in 1986, his experience included pricing and loss reserving all property/casualty lines at the American Mutual Liability Insurance Company group. Subsequently, at the Massachusetts Rating Bureaus, Mr. Conger held the position of senior vice president and actuary, responsible for all ratemaking, research and statistical functions of the organization, and he testified at numerous public hearings.

Mr. Conger is a Fellow of the Casualty Actuarial Society, a Member of the American Academy of Actuaries, a Fellow of the Canadian Institute of Actuaries, and an Honorary Fellow of the UK Institute of Actuaries. Mr. Conger is a leader of the actuarial profession. He is a Past President of the CAS, and also served the CAS as Chairman of the Board, as Vice President-Administration, and as an elected Board member. He has chaired and served on numerous CAS committees over the years. Mr. Conger is a past president of Casualty Actuaries of New England and of the Casualty Actuaries of the Southeast, a CAS regional affiliate he helped found. Mr. Conger also served on the Board of Directors of the American Academy of Actuaries.

Mr. Conger is the author of various articles and professional papers, and a frequent speaker at insurance industry forums. He co-authored "Estimating ULAE Liabilities: Rediscovering and Expanding Kittel's Approach," which was the winner of the 2003 James C.H. Anderson Award for the advancement of current actuarial practice.

He has a B.A., with honors, in economics and mathematics from Amherst College.

**COMMONWEALTH OF MASSACHUSETTS
DIVISION OF INSURANCE**

Docket No. 05-

In re:

APPLICATION OF THE WORKERS'
COMPENSATION RATING AND INSPECTION
BUREAU OF MASSACHUSETTS FOR APPROVAL
OF A GENERAL RATE REVISION TO BE
EFFECTIVE ON AND AFTER SEPTEMBER 1, 2005

PRE-FILED DIRECT TESTIMONY OF CLAUDIA B. CUNNIFF

The Workers' Compensation Rating and Inspection Bureau of Massachusetts ("WCRIB") submits the following direct testimony of Claudia B. Cunniff in support of its application for a general rate revision to be effective on and after September 1, 2005.

Q. Please state your full name.

A. Claudia B. Cunniff.

Q. Ms. Cunniff, please describe your current employment and your educational and professional experience.

A. I am presently employed as Actuary of the Workers' Compensation Rating and Inspection Bureau of Massachusetts, 101 Arch Street, Boston, Massachusetts. My educational background includes a Bachelors degree in Biology from College of the Holy Cross. I am a fellow of the Casualty Actuarial Society. Before joining the WCRIB in February 2000, I worked for ten years as an actuary in Massachusetts. My actuarial career began in 1990 at Liberty Mutual Insurance Company where I focused on ratemaking issues on both personal and commercial lines. In 1994, I moved to Trust Insurance

Insurance Group, Inc., where I became a Manager and Actuary and dealt with a broad range of actuarial and financial matters. A copy of my curriculum vitae is attached to this testimony.

Q. What was your role in the preparation of the current WCRIB filing for a general rate revision?

A. I had principal responsibility for the preparation of the following sections of the filing, which I am sponsoring: Sections II (Loss Development), III (Premium) and X (Classification). To the best of my knowledge, information and belief, the data and calculations underlying the sections of the filing that I am sponsoring are complete and accurate, and the narrative statements offered in support of those sections are also accurate and correct.

Q. Have you explained the basis of your derivation of each of the ratemaking factors that you are sponsoring in the text and accompanying exhibits found in the WCRIB's filing?

A. Yes.

Q. Do you have anything to add to the text of the filing at this time?

A. No, I do not.

Signed this 28th day of February 2005 under the pains and penalties of perjury.


Claudia B. Cunniff, FCAS, MAAA

Claudia B. Cunniff, FCAS, MAAA

Workers' Compensation Rating and Inspection Bureau of Massachusetts
101 Arch Street, 5th floor
Boston, MA 02110
(617) 646-7589

PROFESSIONAL EXPERIENCE:

WORKERS' COMPENSATION RATING & INSPECTION BUREAU OF MA, Boston, MA

Vice President and Actuary

Actuary

Directs development of rate indication and strategy of filing and approval process

Directs preparation of main rate filing and other filings

Supports filings with hearing testimony

Prepares and directs preparation of informational reports

Processes information requests, etc. from members, regulators, etc.

2/00 – present

8/01 – 9/03

10/03 – present

TRUST GROUP, INC., Taunton, MA

8/94-1/00

Manager - Actuary

Financial Modeling - Developed pro-forma income statement model and assisted with the preparation of projected balance sheet and cash flow items

Merger & Acquisition analysis - Performed due diligence analysis associated with various company investment opportunities

Corporate Reporting & Reserving - Responsible for coordinating the quarterly/annual loss reserve analysis, financial booking of company results by component, and Schedule P preparation for all lines of business

Reinsurance Treaty evaluation - Analyzed company reinsurance needs, prepared data for reinsurance pricing negotiations and provided recommendations to senior management regarding reinsurance purchases

Pricing - Responsible for monitoring the regulatory environment and tracking marketplace activity including preparation of competitor analyses, rate-setting, and pricing proposals

Cession strategy - Developed a sophisticated Massachusetts Involuntary Market cession strategy model incorporating the dynamics of the company and industry

Manager - Led a team of 12 professional and technical staff responsible for profitability studies, statistical reporting, statutory reporting, price setting/monitoring, data compilation and analysis

LIBERTY MUTUAL INSURANCE GROUP, Boston MA

6/90-8/94

Senior Actuarial Analyst - Personal Lines ratemaking

Presented actuarial recommendations to Sales, Marketing, and Underwriting

Evaluated loss ratios, retention, growth, competition, and legislation by state to be incorporated in pricing decisions

Completed rate indications and provided actuarial support to the field in over 20 states

Prepared rate filings consistent with state regulatory requirements

Organized training seminars for Actuarial Student Program

Actuarial Assistant/Analyst - Commercial Lines ratemaking

Implemented Loss Costs and rate filings: Commercial Lines Task Force

Prepared actuarial proposals for senior management to aid in rate adequacy decisions

Analyzed Involuntary Market mechanisms and results

EDUCATION:

F.C.A.S. 1999, M.A.A.A. 2000

College of the Holy Cross, Worcester, Massachusetts, B.A. Biology 1990

**COMMONWEALTH OF MASSACHUSETTS
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PRE-FILED DIRECT TESTIMONY OF ROBERT McCARTHY

The Workers' Compensation Rating and Inspection Bureau of Massachusetts ("WCRIB") submits the following direct testimony of Rob McCarthy in support of its application for a general rate revision to be effective on and after September 1, 2005.

Q. Please state your full name.

A. Robert McCarthy.

Q. What are your professional qualifications?

A. I am presently employed as Vice President and Actuary at the WCRIB. I joined the WCRIB in this capacity last year. I am a Fellow of the Casualty Actuarial Society. I have been working as an actuary on the workers' compensation line since 1989, when I graduated from the University of Florida with bachelors degrees in Mathematics, Business Management, and Industrial and Systems Engineering. From 1989 until 2003, I worked in a variety of capacities for the FCCI Insurance Group in Florida. My responsibilities included reserving, pricing and product development, reinsurance, data management, decision and accounting support, and investments and cash management. My curriculum vitae is attached to this testimony.

Q. What was your role in the preparation of the current WCRIB filing for a general rate revision?

A. I was ultimately responsible for the preparation of the entire filing. I worked closely with the WCRIB's actuarial staff and with our two outside consulting experts (David Appel and Robert Conger) in putting the filing together. I am testifying in support of the reasonableness of the WCRIB's overall rate indication and sponsor Sections I (Rate Recommendation), IV (Benefit Change Adjustments), VI (Expenses), IX (Retrospective Rating) and XI (Experience Rating). I am also testifying in support of Section VIII (Profit), to the extent that it is not sponsored by Dr. Appel, and in support of Section XIII (Cost Containment), to the extent it is not sponsored by Matthew Chamberlain. To the best of my knowledge, information and belief, the data and calculations underlying the sections of the filing I am sponsoring are complete and accurate, and the narrative statements offered in support of these sections are also accurate and correct.

Q. Mr. McCarthy, what general rate level change is the WCRIB recommending this year?

A. As shown in Section I of the filing, the WCRIB is recommending an average increase of 1.0% in the rates for workers' compensation, effective September 1, 2005.

Q. Are you familiar with the statutory standard that must be applied by the Commissioner in reviewing the rates proposed in the WCRIB's current filing – that they “are not excessive, inadequate or unfairly discriminatory” and that they “fall within a range of reasonableness”?

A. Yes.

Q. Do you have an opinion as to whether the rates proposed in the WCRIB's current filing satisfy the statutory standard?

A. Yes.

Q. What is your opinion?

A. It is my professional opinion that the rates proposed in the WCRIB's current filing are not excessive, inadequate or unfairly discriminatory for the classifications to which they apply, and they fall within a range of reasonableness. Accordingly, I recommend that the Commissioner approve the WCRIB's filing.

Q. Have you explained in the text and accompanying exhibits found in the WCRIB's filing the basis of your derivation of the factors contributing to the overall rate increase that you are sponsoring?

A. Yes.

Q. What was your role in the preparation of the cost containment section of the current WCRIB filing?

A. It was compiled under my supervision and control.

Q. Are you familiar with the statutory provisions that require the WCRIB to make a cost containment filing?

A. Yes. It is my understanding that the legislature has mandated that the Commissioner make a finding, based on the information we submit in our filing, as to whether insurers employ acceptable "cost control programs and techniques ... which have had or are expected to have a substantial impact on fraudulent claim costs, unnecessary health care costs, and any other unreasonable costs and expenses, as well as the collection of appropriate premium charges owed" to the insurers the WCRIB represents.

Q. Does this filing provide the information the Commissioner would need to make a finding that the industry's cost control programs and techniques satisfy the statutory standard?

A. Yes.

Q. Do you have an opinion on what her finding should be this year?

A. Yes.

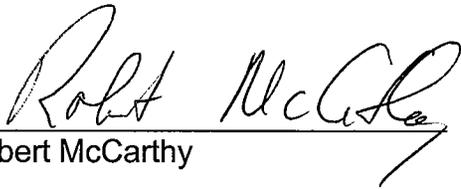
Q. What is your opinion?

A. In my professional opinion, the information we have submitted this year should lead the Commissioner to make the same finding that was made in the decision on 9/1/99 rates: that "there are acceptable 'cost control programs and techniques' presently in place which satisfy the statutory requirements."

Q. Do you have anything to add at this time?

A. No.

Signed this 28th day of February 2005 under the pains and penalties of perjury.


Robert McCarthy

Robert McCarthy

101 Arch St ♦ Boston, MA 02110
(617) 646-7536 ♦ E-mail: rmccarthy@wcribma.org

PROFESSIONAL EXPERIENCE

WCRIBMA, Boston, MA

(Mar 2004 – Current)

Vice President & Actuary responsible for the management of the Actuarial and Financial Aggregate Services departments. Manage the process of the preparation of the workers' compensation rate filing for the state of Massachusetts.

[FCCI Insurance Group](#), Sarasota, FL

(Dec 1989 – Jan 2003)

Senior Vice President of Decision Support & Chief Actuary Jan 2002 – Jan 2003

Senior Vice President of Investments & Chief Actuary July 2001 – Dec 2001

Vice President of Investments & Chief Actuary July 2000 – Jun 2001

Assistant Vice President of Investments & Chief Actuary Jan 1999 – Jun 2000

Chief Actuary May 1995 – Dec 1998

Early Positions at FCCI Included: Actuary (May 1995 – Dec 1998), **Assistant Actuary** (May 1995 – Dec 1998), and **Actuarial Trainee** (Dec 1989 – Dec 1998)

Reserving

- Responsible for internally generated reserve estimates and quarterly presentation to board.
- Collaborated with opining actuary on reserves carried in the annual statement.
- Contact for insurance department examiners and independent auditors.

Pricing / Product Development

- Provided product development with the supporting materials needed for rate filings.
- Developed and monitored all workers compensation sliding scale dividend plans.
- Developed the workers comp large deductible product and the rating mechanism used by underwriting.

Reinsurance

- Reviewed quotes and independently developed experience and exposure based pricing.
- Provided data to reinsurers and reinsurance brokers and served as their technical contact.
- Developed an automated system for the calculation of reinsurance recoverables.

Data Warehouse / Decision Support

- Identify and analyze data warehouse software options that facilitated data mining and reporting.
- Developed data warehouse architecture and championed consistent definitions for terms.
- Responsible for ISO CSP statistical reporting and NCCI Aggregate Financial calls
- Responsible for the conversion of many Excel and Access based reports to SAS.

EDUCATION

Bachelor of Science ♦ Industrial and Systems Engineering ♦ [University of Florida](#) ♦ 1989

Bachelor of Arts ♦ Mathematics ♦ [University of Florida](#) ♦ 1989

Bachelor of Science ♦ Business Management ♦ [University of Florida](#) ♦ 1989

Fellow of the Casualty Actuarial Society ♦ 1995

MASSACHUSETTS WORKERS' COMPENSATION

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Introduction

On behalf of all member carriers writing workers' compensation insurance in Massachusetts, the Workers' Compensation Rating and Inspection Bureau of Massachusetts ("WCRIB") recommends that average rates for workers' compensation insurance be increased by 1.0% for the policy period beginning September 1, 2005. The rates for workers' compensation insurance were last revised two years ago, effective September 1, 2003, when the Commissioner ordered a 4.0% decrease in the rates.

This filing is divided into three parts. The first is the main rate level filing, with the explanatory text and actuarial exhibits underlying the rate calculations. The second part contains the revised experience and retrospective rating plan parameters, and the industry group and classification rate displays. The third part deals with cost containment. The pre-filed testimony of the three WCRIB actuaries supporting this filing (Robert McCarthy, Claudia Cunniff and Matthew Chamberlain) and of the WCRIB's outside expert witnesses, David Appel of Milliman, Inc. and Robert Conger of Tillinghast – Towers Perrin, follows this introduction.

This filing presents the required testimony, data and calculations supporting the WCRIB's proposed rate revisions. The rates the WCRIB proposes are neither excessive nor inadequate, nor unfairly discriminatory, and they fall within a range of reasonableness. The Commissioner should, therefore, approve the WCRIB's filing.

In this introduction we present a summary of the principal ratemaking issues and methods considered in the filing. In preparing this filing, we have continued the efforts we began several years ago to simplify our filings and the methods we use to make rates. We have been mindful of the Commissioner's repeated admonitions to avoid

unnecessary complexity and needless change. We have introduced a few new methods this year only to enhance the accuracy of our filing or to simplify its presentation. We do so with the hope and expectation that the new methods we have developed will prove to be useful for many years. Before turning to our summary of the filing, we offer a few comments on current market conditions and certain data issues.

Market Conditions

The WCRIB's proposed 1.0% increase in rates, if approved, would be the first increase in average workers' compensation rates in Massachusetts since 2001, when the Commissioner approved a similar 1.0% increase. In the meantime, however, the Commissioner ordered a 4.0% decrease in the rates in 2003. Even if our filing is approved, the rates will remain 3.0% lower than they were in 2001. The rate increase in 2001 itself followed five consecutive double-digit decreases in average rates. Our proposed rates, if approved, would be less than half of what they were fifteen years ago.

Although the WCRIB is proposing only a modest 1.0% rate increase, there is reason to be concerned about the adequacy of the existing rates. In recent years, the voluntary market in Massachusetts has shrunk at an alarming rate. The population of the Residual Market has grown for over four consecutive years and now accounts for more than 40% of all the policies (and nearly 20% of the premiums) written in Massachusetts. The Massachusetts Residual Market is one of the largest in the country and is the second biggest provider of workers' compensation coverage in the state.

Workers' compensation insurance covers claims for lost wages and medical expenses arising out of accidents in the workplace. During recent years, both wages

and medical expenses – and hence the benefits paid by workers’ compensation insurers – have continued to rise significantly. In the past, the steadily increasing severity of claims has been more than offset by continuing reductions in the frequency of claims and by increased wages (which lead to additional premium). Although frequencies continue to decline and wages continue to increase, they are beginning to be outpaced by the steadily increasing severity of claims. The WCRIB has, as a result, predicted that over the next two years there will be a small, but positive “net trend.”

Our filing also recognizes that in the current economic climate, insurers have less opportunity than they have had in the past to make up for underwriting losses with investment income. Interest rates are very low. Expected yields on insurance company investment portfolios are much less than they have been in the past. The WCRIB has, as a result, proposed a small, but positive underwriting profit provision this year.

The carriers writing workers’ compensation coverage in Massachusetts have, in recent years, had to face another economic reality. Especially since the events of 9/11, carriers purchasing reinsurance are faced with increased costs for less comprehensive reinsurance coverage. In the past, the rate-setting methods used in Massachusetts have ignored the costs of reinsurance, even though without reinsurance many carriers would not have the capacity to continue to write workers’ compensation in this state. Recognizing this undeniable economic reality, the WCRIB has this year proposed to include a modest provision in the rates for the “frictional costs” of reinsurance based on the long term average costs of reinsurance.

The WCRIB’s overall proposed rate increase is very small, just 1.0%. The Commissioner should approve this proposed rate increase. Anything less than the

WCRIB's requested change can be expected to result in an inadequate rate level and is likely to foster continued growth in the Residual Market population and reduce market stability.

Data Issues.

The two major types of data underlying this filing are “financial aggregate” data and “Schedule Z” (or “Unit Statistical data”) collected from each of the WCRIB's member insurers. An enormous number of insurance transactions are captured in these two sets of data. To ensure that the data are sufficiently reliable for ratemaking purposes, the WCRIB uses a comprehensive set of careful editing and auditing techniques as it compiles the data. These routine procedures, which meet or exceed contemporary industry standards, are supplemented by careful actuarial review designed to spot and resolve anomalies in the data that require explanation or justification by the member carrier submitting the data.

This year, we have excluded all of the financial aggregate data reported by one major writer of workers' compensation policies in Massachusetts, American International Group (“AIG”). The accuracy of the financial aggregate data reported by AIG is the subject of a separate proceeding being conducted by the Division of Insurance. In contrast, the Unit Statistical data reported by AIG has not exhibited the kinds of unexplained anomalies that have caused us (and the Division of Insurance) to question AIG's financial aggregated data. AIG's Unit Statistical data appears to be suitable for use in ratemaking and therefore has been used for certain limited purposes in this filing.

If AIG is able in a timely way to correct its reported financial aggregate data so that its experience could properly be used in ratemaking, the WCRIB may seek to amend this filing to include AIG's revised financial aggregate data. In the short time since AIG submitted its most recently revised financial aggregate data for policy years 2001, 2002 and 2003, however, the WCRIB has not been able to verify that the revised data are suitable for use in this rate filing. The WCRIB reserves its right to amend this filing if the WCRIB is able to determine that the AIG financial aggregate data should be used.

We have also excluded an additional carrier from the expense section of the filing because we were unable to resolve our doubts about the accuracy of their other acquisition expenses.

Filing Summary

Consistent with past practice, the WCRIB uses a loss ratio methodology to derive two separate rate indications that are then averaged to produce our final recommendation. This year we derive one indication from policy year 2002 data and the other from policy year 2001 data.¹ Policy year 2002 data consists of premium and loss experience generated by policies written during 2002. Policy year 2001 data consists of premium and loss experience generated by policies written during 2001. We average these to get our filed indication. In previous filings, we used one policy year and one accident year. Most state filings use the two policy year approach we have followed this year.

In the loss ratio method, we calculate a permissible loss, LAE, and fixed expense ratio ("Target Cost Ratio") and compare it with an adjusted loss, LAE, and fixed expense ratio reflecting the past experience the filing is based upon ("Actual Cost Ratio"). We adjust financial aggregate premium and loss data from the experience period so that it reflects as accurately as possible conditions that are expected to prevail during the period when the rates will be in effect (here 9/1/05-8/31/06). The rate increase we propose is designed to bring the Actual Cost Ratio into alignment with the Target Cost Ratio.

It is important to look at the ratemaking methodology not as a series of unrelated calculations, but as an integrated series of adjustments to the reported experience that taken together yield a reasonable rate level. We summarize below each of these adjustments, which are detailed in the body of the filing.

Losses

Losses require three separate adjustments to rate period levels. The first, described in Section II of the filing, is loss development. Since the claims associated with policy year 2001 and policy year 2002 losses have not yet all been settled, we look at past settlement patterns to estimate ultimate values. Workers' compensation payments may reflect claims for either (or both) medical and indemnity (generally wage loss and survivor) benefits, and these are developed separately. We calculate two different estimates of ultimate medical and indemnity losses, the first based on the development of paid losses, and the second based on the development of the sum of

¹ This filing excludes losses associated with the tragic large scale events of September 11, 2001

paid losses and case reserves. These are averaged when we calculate the experience period loss ratios. In this filing we again use aggregate industry losses as the source of loss development factors.

We must also adjust losses to current benefit levels, and these calculations are displayed in Section IV of the filing. These adjustments are for recent changes in the Statewide Average Weekly Wage and for the September 1, 2004 changes in the medical fee schedule. In this filing, as last time, we estimate the wage-based benefit effects with a version of the evaluation model used by the National Council on Compensation Insurance (“NCCI”).

Finally, we adjust losses for trend. In this filing we have separately analyzed, using regression techniques, the components of loss trend: claim frequency, medical severity and indemnity severity. Details of our loss trend calculations are found in Section V.

Premiums

For many workers’ compensation policies, the final premium is not known until after the policy expires. Insurers base initial premiums on estimated payroll, subject to a post-expiration audit. As a result, we develop policy year premium using a technique much like loss development and we also adjust reported premiums to current rate level. These adjustments are found in Section III.

Expenses

Section VI contains the calculations underlying the expense provisions in the rates. As in past years, these calculations are based on the methods specified by the Commissioner in the 1987 rate decision. Expenses are divided into fixed and variable categories. Variable expenses are proportional to either premium (premium taxes, commissions, and other acquisition expenses) or losses (loss adjustment expenses). Fixed expenses are divided into expense categories (salaries, postage, utilities, etc.). In the past, each category was represented by an external index and each index was trended separately. This year, a composite external index is constructed and used to trend to the rate period.

With this filing, we are including a provision to reflect the estimated net cost to insurers for the purchase of reinsurance.

Underwriting Profit

We calculate the underwriting profit provision in Section VIII of the filing. This year the WCRIB has again used an internal rate of return (“IRR”) model. The IRR model is widely used in insurance ratemaking and was approved by the Commissioner in setting 9/1/2003 rates. To implement the IRR model, we first determine the cost of capital (or target rate of return) for workers’ compensation insurers. The cost of capital represents the rate of return required by investors who assume the risk of investment in the insurance industry. We then use the internal rate of return model to derive the premium level required to achieve the target return on capital.

Classifications and Rating Plan Parameters

Section IX includes the calculation of various retrospective rating parameters, including updated expected loss groups and a revision of state and hazard group relativities. Section X describes how the overall rate change is distributed among the more than four hundred classifications for which workers' compensation is written in Massachusetts. Section XI presents D-Ratio and expected loss rate calculations for use in experience rating. There is no proposal to revise the Experience Rating Plan at this time.

Cost Containment

Our cost containment filing once again includes the responses of ten representative carriers to a survey of cost containment practices. The WCRIB recommends that, as in the past, the Commissioner accept this filing as evidence of the industry's compliance with its statutory cost containment obligations.

I 010

Section I - Rate Recommendation
Subsection A - Introduction
9/1/2005

Section I - A
Exhibit 1

RATE INDICATION SUMMARY

Statewide Rate Change Summary		
<i>Indication Effective Date: 9/1/2005</i>		
(1)	Indicated Rate Change Based on Policy Year 2001 Data <i>(Section I-B, Exhibit 2)</i>	3.9%
(2)	Indicated Rate Change Based on Policy Year 2002 Data <i>(Section I-B, Exhibit 2)</i>	-2.0%
(3)	Indicated Rate Change <i>[(1) + (2)]/2.0</i>	1.0%

Expense Constants		
	Current	Proposed
For Risks developing at least \$200 in Standard Premium	\$264	\$284
For Risks developing less than \$200 in Standard Premium	\$132	\$142
Per Capita Risks (for each exposure, up to a maximum of \$200)	\$53	\$57

Calculation of Indicated Rate Change

	Policy Year <u>2001</u>	Policy Year <u>2002</u>
(1) Standard Earned Premium + ARAP	766,659,351	831,466,460
(2) Adjustment Factor (Section III ¹)	1.054	1.040
(3) Adjusted Standard Earned Premium plus ARAP (1) x (2)	808,200,111	864,871,508
(4) Development Factor to Ultimate	1.007	1.019
(5) Factor to Adjust Premium to Current Rate Level	0.932	0.926
(6) Adjusted On-Level Standard Earned Premium at Ultimate = (3) x (4) x (5)	758,295,749	816,000,210
(7) Wage Trend Factor to 9/1/06 (Section V)	1.148	1.114
(8) Standard Earned Premium Projected to Policy Effective Period = (6) x (7)	870,474,358	909,429,659
(9) Incurred Losses Projected to Policy Effective Period I-C Exhibit I, Page 1 Item (26), Page 2 Item (26)	600,577,295	591,619,202
(10) Loss Ratio Projected to Policy Effective Period [(9)/(8)]	0.690	0.651
(11) Factor to Reflect Impact of Large Deductible Policies	0.997	0.997
(12) Loss Adjustment Expense Factor (Section VI-D)	1.166	1.166
(13) Fixed Expense Ratio (Section VI-B)	0.052	0.049
(14) Indicated Policy Year Loss, LAE, and Fixed Expense Ratio [(10)x(11)x(12)]+(13)	0.854	0.806
(15) Commission and Other Acquisition Expense (Section VI-K)	0.105	0.105
(16) Premium Tax Ratio (Section VI-A)	0.022	0.022
(17) Premium Discount (Section VI-I)	0.042	0.042
(18) Variable Expense Ratio [(15)+(16)+(17)]	0.169	0.169
(19) Underwriting Profit Provision (Section VIII)	0.009	0.009
(20) Permissible Loss, LAE, and Fixed Expense Ratio [1.0-(18)-(19)]	0.822	0.822
(21) Indicated Rate Change (14)/(20) - 1.0	3.9%	-2.0%
(22) Overall Indicated Rate Change [(21) PY02 + (21) PY01]/2.0		1.0%

¹ The Adjustment Factor for Premium is the product of the Experience and Merit Rating Offbalance, the ARAP Offbalance, the Construction Credit Offbalance, and the Adjustment for the Insolvency Fund Recoupment loading.

Policy Year 2001

	<u>Paid Method</u>	<u>Paid + Case</u>
Indemnity Losses		
(1) Indemnity Losses at Latest Month - Industry Total (Section II)	154,520,637	231,892,946
(2) Indemnity Loss Development Factor to 252 months	1.827	1.248
(3) Tail Factors 252 to ultimate	1.070	1.021
(4) Factor to Adjust for Escalated Benefits	1.034	1.012
(5) Estimated Ultimate Indemnity Loss = (1) x (2) x (3) x (4)	312,197,297	299,059,192
(6) Annual Indemnity Loss Trend (Section V)	0.036	0.036
(7) Indemnity Loss Trend Factor to 9/1/06	1.180	1.180
(8) Estimated Indemnity Losses Trended = (5) x (7)	368,465,391	352,959,373
(9) Estimated Benefit Change Factor Prior to 1/1/2004 (Section IV)	1.004	1.004
(10) On Level Losses (8) x (9)	369,768,619	354,207,757
(11) Estimated Benefit Change Factor Subsequent to 1/1/2004	1.020	1.020
(12) Incurred Losses Projected to Policy Effective Period [(10) x (11)]	377,042,559	361,175,591
Medical Losses		
(13) Medical Losses at Latest Month - Industry Total (Section II)	99,597,979	128,270,064
(14) Medical Loss Development Factor to 252 months	1.383	1.428
(15) Tail Factors 252 months to ultimate	1.118	1.058
(16) Factor to Adjust for Escalated Benefits	1.000	1.000
(17) Estimated Ultimate Medical Loss = (13) x (14) x (15) x (16)	154,012,512	193,811,110
(18) Annual Medical Loss Trend (Section V)	0.049	0.049
(19) Medical Loss Trend Factor to 9/1/06	1.247	1.247
(20) Estimated Medical Losses Trended = (17) x (19)	192,110,628	241,754,216
(21) Estimated Benefit Change Factor Prior to 1/1/2004 (Section IV)	1.052	1.052
(22) On Level Losses (20) x (21)	202,100,381	254,325,435
(23) Estimated Benefit Change Factor Subsequent to 1/1/2004	1.014	1.014
(24) Incurred Losses Projected to Policy Effective Period = (22) x (23)	204,983,214	257,953,225
Total Combined Medical and Indemnity Losses		
(25) Total Estimated Ultimate Losses Trended and On Level = (12) + (24)	582,025,773	619,128,816
(26) Average Incurred Losses Projected to Policy Effective Period	600,577,295	

Policy Year 2002

	<u>Paid Method</u>	<u>Paid + Case</u>
Indemnity Losses		
(1) Indemnity Losses at Latest Month - Industry Total (Section II)	84,874,379	186,495,597
(2) Indemnity Loss Development Factor to 252 months	3.257	1.621
(3) Tail Factors 252 months to ultimate	1.070	1.021
(4) Factor to Adjust for Escalated Benefits	1.034	1.012
(5) Estimated Ultimate Indemnity Loss = (1) x (2) x (3) x (4)	305,802,894	312,422,401
(6) Annual Indemnity Loss Trend (Section V)	0.036	0.036
(7) Indemnity Loss Trend Factor to 9/1/06	1.139	1.139
(8) Estimated Indemnity Losses Trended = (5) x (7)	348,328,200	355,868,223
(9) Estimated Benefit Change Factor Prior to 1/1/2004 (Section IV)	1.000	1.000
(10) On Level Losses (8) x (9)	348,259,794	355,798,336
(11) Estimated Benefit Change Factor Subsequent to 1/1/2004	1.020	1.020
(12) Incurred Losses Projected to Policy Effective Period [(10) x (11)]	355,110,622	362,797,459
Medical Losses		
(13) Medical Losses at Latest Month - Industry Total (Section II)	79,430,474	127,214,541
(14) Medical Loss Development Factor to 252 months	1.874	1.558
(15) Tail Factors 252 months to ultimate	1.118	1.058
(16) Factor to Adjust for Escalated Benefits	1.000	1.000
(17) Estimated Ultimate Medical Loss = (13) x (14) x (15) x (16)	166,385,744	209,681,159
(18) Annual Medical Loss Trend (Section V)	0.049	0.049
(19) Medical Loss Trend Factor to 9/1/06	1.190	1.190
(20) Estimated Medical Losses Trended = (17) x (19)	197,944,086	249,451,331
(21) Estimated Benefit Change Factor Prior to 1/1/2004 (Section IV)	1.025	1.025
(22) On Level Losses (20) x (21)	202,983,711	255,802,323
(23) Estimated Benefit Change Factor Subsequent to 1/1/2004	1.014	1.014
(24) Incurred Losses Projected to Policy Effective Period = (22) x (23)	205,879,144	259,451,179
Total Combined Medical and Indemnity Losses		
(25) Total Estimated Ultimate Losses Trended and On Level = (12) + (24)	560,989,766	622,248,638
(26) Average Incurred Losses Projected to Policy Effective Period	591,619,202	

**REFLECTING THE RESIDUAL MARKET BURDEN
BORNE BY LARGE DEDUCTIBLE POLICIES**

In this filing we do not include the experience on large deductible policies. Since large deductible policies pay a portion of the expected residual market burden, however, we must reduce the full coverage loss ratio to reflect this otherwise unacknowledged contribution. The adjustment factor calculation described below is the same used by the Commissioner to set 1999 and 2003 rates.

Define the following items:

$$d = \frac{\textit{Residual Market Loss Ratio}}{\textit{Full Coverage Voluntary Market Loss Ratio}}$$

$$r = \frac{\textit{Residual Market Premium}}{\textit{Full Coverage Voluntary Market Premium}}$$

$$u = \frac{\textit{Voluntary Assessable Premium From Other Than Large Deductible Policies}}{\textit{Total Voluntary Assessable Premium}}$$

$$t = \frac{\textit{Provision for Premium Discounts}}{\textit{Expected Loss Ratio}}$$

The WCRIB projects the following values for the proposed policy effective period:

$$\text{Adjustment Factor} = \frac{1 + rdu}{(1 + ru + rut - rt)} \times \frac{1 + r}{1 + rd}$$

We project the following values for the formula variables:

d	=	1.150	=	Residual Market Loss Ratio Differential
r	=	0.240	=	Residual Market Size/Full Coverage Voluntary Market Size
u	=	0.749	=	Proportion of Voluntary Assessable Premium from Other Than Large Deductibles ¹
t	=	0.07	=	Provision for Premium Discounts ² /Expected Loss Ratio ³

For these values, the Adjustment Factor equals 0.997.

¹ Estimate assumes large deductibles are assessed on the basis of Standard Premium plus ARAP prior to the application of the large deductible credit.

² Premium Discounts = 4.2% (Section VI-A).

³ Expected Loss Ratio (without LAE, prior to adjustment factor for the impact of large deductibles) = 64.2%. (Section VI-A, Exhibit 1).

I 016

Section I - Rate Recommendation
 Subsection D - Reflecting the Impact
 of Large Deductibles
 9/1/2005

Section I-D
 Exhibit 1
 Page 1

Calculation of Loss Ratio Differential, "d"

	(1) Total Market	(2) Residual Market	(3) Voluntary Market	(4) Loss Ratio Differential
<i>Policy Year 1996:</i>				
Standard Earned Premium plus ARAP	786.2	125.2	661.0	
Paid Losses and Case Reserves	320.9	55.6	265.3	
Loss Ratio	40.8%	44.4%	40.1%	1.107
<i>Policy Year 1997:</i>				
Standard Earned Premium plus ARAP	798.2	82.7	715.5	
Paid Losses and Case Reserves	323.4	36.5	286.9	
Loss Ratio	40.5%	44.2%	40.1%	1.102
<i>Policy Year 1998:</i>				
Standard Earned Premium plus ARAP	802.3	48.8	753.5	
Paid Losses and Case Reserves	380.0	34.7	345.3	
Loss Ratio	47.4%	71.1%	45.8%	1.552
<i>Policy Year 1999:</i>				
Standard Earned Premium plus ARAP	768.0	41.1	726.9	
Paid Losses and Case Reserves	403.4	22.6	380.8	
Loss Ratio	52.5%	55.1%	52.4%	1.051
<i>Policy Year 2000:</i>				
Standard Earned Premium plus ARAP	725.4	54.7	670.7	
Paid Losses and Case Reserves	426.7	31.1	395.7	
Loss Ratio	58.8%	56.8%	59.0%	0.963
<i>Policy Year 2001</i>				
Standard Earned Premium plus ARAP	766.7	102.7	663.9	
Paid Losses and Case Reserves	360.2	53.0	307.2	
Loss Ratio	47.0%	51.6%	46.3%	1.114
<i>Policy Year 2002</i>				
Standard Earned Premium plus ARAP	831.5	165.1	666.4	
Paid Losses and Case Reserves	313.7	72.3	241.4	
Loss Ratio	37.7%	43.8%	36.2%	1.211
Two Year Average Loss Ratio Differential				
				1.163
Eight Year Average Loss Ratio Differential				
				1.157
Selected				1.150

Notes:

Data as of 12/31/03, in millions.

ARAP was effective 1/1/90. Premium discounts were discontinued in the Residual Market effective 1/1/91.

(1) From Financial Aggregate Database, Reference Code 2B, with adjustment to remove September 11 losses - (excludes large deductible policies).

(2) From Financial Aggregate Data, corresponding to Reference Code 10B (excludes large deductible policies).

(3) = (1) - (2)

(4) = (2) / (3)

This exhibit excludes AIG.

Section I - Rate Recommendation
Subsection D - Reflecting the Impact
of Large Deductibles
9/1/2005

Residual Market Ratio "r"

(1) Year	(2) Residual Market Written Premium (\$millions)	(3) Take-Out Program Written Premium (\$millions)	(4) Voluntary Full Coverage Not in Take-Out Program Written Premium (\$millions)	(5) Residual Market Ratio "r" (2)/[(3)+(4)]
Calendar Year 1995	181	104	640	0.243
Calendar Year 1996	136	56	641	0.195
Calendar Year 1997	82	34	714	0.110
Calendar Year 1998	59	23	698	0.082
Calendar Year 1999	66	10	735	0.089
Calendar Year 2001	99	3	699	0.141
Calendar Year 2002	184	12	785	0.231
Calendar Year 2003	203	33	785	0.249
Proposed Effective Policy Period ¹	194	23	785	0.240

¹ Refers to the Proposed Policy Effective Period of 9/1/2005 through 9/1/2006.
This exhibit was prepared including AIG.

Proportion of Voluntary Assessable Premium not from Large Deductibles, " u "

(1) Year	(2) Voluntary Net Assessable Premium (\$millions)	(3) Large Deductible Standard + ARAP Written Premium (\$millions)	(4) " u " -- Proportion of Assessable Premium Not from Large Deductibles [(2) - (3)]/(2)
Calendar Year 1996	858	217	0.747
Calendar Year 1997	848	211	0.751
Calendar Year 1998	934	226	0.758
Calendar Year 1999	889	188	0.789
Calendar Year 2000	913	177	0.806
Calendar Year 2001	969	270	0.721
Calendar Year 2002	1083	299	0.724
Calendar Year 2003	1013	227	0.775
Proposed Effective Policy Period ¹	1048	263	0.749

¹ Refers to the Proposed Policy Effective Period of 9/1/2005 through 9/1/2006.
 This exhibit was prepared including AIG.

INSOLVENCY FUND IMPACT ON MANUAL RATES

Background

This year we calculate adjustment for the recoupment of the Insolvency Fund assessments in this section (I-E). The insolvency fund adjustment is being shown here to highlight its significance in the determination of final manual rates. It is not considered part of the indicated rate change. The calculations are done as in previous years and the results carry to Section X-M as in past filings.

Section X-M displays the proposed manual rates and rating values for this filing. Proposed manual rates are determined by applying offsets to the proposed average capped rates. We continue to calculate offsets for the impact of merit rating, ARAP and construction credits in Section X-L.

Loading for Recoupment of Insolvency Fund Assessments

Under Massachusetts law, from time to time the Massachusetts Insurers Insolvency Fund (“Fund”) makes assessments upon carriers that write policies in Massachusetts on the lines of insurance protected by the Fund, to cover the Fund's costs of providing relief in the event of insurer insolvencies. Beginning in 1989, workers' compensation insurance was covered by the Fund. The loading included in this filing provides recoupment of these recent assessments consistent with the Fund Statute.

The Fund assesses insurers amounts necessary to pay the obligations of the Fund and the expenses of handling covered claims and examination costs subsequent to an insolvency. The assessment is an aggregate total for all lines covered by the Fund

and is not separately determined for each line of business. Therefore, we first determine the proportion of the total Fund assessment that is associated with workers' compensation by dividing the Massachusetts workers' compensation Statutory Page 14 written premium by the total premium assessment base of the Fund. The assessment charged to workers' compensation is the product of this ratio and the total assessment. We adjust the assessment for each year for interest, premium taxes, and commissions.

The present loading provides for the recoupment of assessments made by the Fund in 2003 and 2004 that are attributable to the workers' compensation line and have not yet been recouped. The Fund made an assessment on 12/31/03. The factor to load this assessment is 1.008 (Section I-E, Exhibit 4, Page 6). It will be applied to the average rates by class and is derived as the ratio of the assessment to the 2004 workers' compensation expected written premium.

The Fund made an additional assessment on 12/01/04. The factor to load this assessment is 1.006 (Section I-E, Exhibit 4, Page 2). It will be applied to the average rates by class and is derived as the ratio of the assessment to the 2005 workers' compensation expected written premium.

The "true up" loading that we use in this filing, 2.3%, reflects the presently required recoupment and the loading of -0.9% that was approved in the current rates.

I 021

Insolvency Fund Recoupments

Amounts Approved or Filed to be Collected:

(1)	(2)	(3)	(4)	(5)	(6)	(7) = (3)x(4)x(5)x(6)
Rate Basis	PY to Collect	Approved or Filed %	Factor to 9/1/2003 Rate Level	Factor for Exposure Growth to 9/1/05-8/31/06 @1.0%	Factor for Interest to 9/1/05-8/31/06 @3.26%	Adjusted Approved or Filed %
9/1/2003	2003	-0.9%	1.000	0.973	1.092	-0.956%
9/1/2005	2004	0.8%	0.990	0.983	1.057	0.823%
9/1/2005	2005	0.6%	0.990	0.993	1.022	0.603%
						0.470%

Amounts Collected:

(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) =(10)x(11)x(12) x(13)x(14) Adjusted Approved or Filed %
Rate Basis	Period Collected	Collected %	Number of Years	Factor to 9/1/2003 Rate Level	Factor for Exposure Growth to 9/1/05-8/31/06 @1.0%	Factor for Interest to 9/1/05-8/31/06 @3.26%	Adjusted Approved or Filed %
9/1/2003	9/1/2003 to 8/31/05	-0.9%	2.000	1.00	0.985	1.051	-1.863% -1.863%

Excess Collected = (15) - TT(7) = **-2.333%**

Therefore, the "Truing-up" loading is **2.333%**
 (Derived by Capping at 2.0%)

- (3): On 9/1/2003 the truing up loading approved was -.9%.
 Included in this filing is a .8% loading for insolvency fund recoupments in the 2004 rates,
 and a .6% loading for insolvency fund recoupments in the 2005 rates,
- (6): Section VIII-F, Exhibit 1.
- (9): Assumes the effective date will be September 1, 2005.
- (11): The period for which the rates are in effect after completing the last truing up will be from 9/1/03 to 9/1/05
 which is 2 years.
- (13): Average date of the period from 9/1/03 to 9/1/05 is 9/1/04. Average date of 9/1/05 to 8/31/06 is 3/1/06.
 Difference is 1.5 years.

I 022

2005 Recoupment of Insolvency Fund Assessments

(1) Total Assessment	7,532,354
(2) 2003 Calendar Year Written Premium Absent Insolvency Assessments	1,243,243,944
(3) Expected Premium Growth Absent Rate Change	1.021
(4) Rate Change from Calendar Year 2003 Written to 2005	-2.4%
(5) Expected Written Premium in 2005 $(2) \times (3) \times [1 + (4)]$	1,239,047,766
(6) Factor to Load Assessment $1 + [(1)/(5)]$	1.006

Notes:

- (1) Sum of adjusted assessments for calendar years 1988 - 2003, Pages 3 and 4, Line 9.
- (2) The 2003 Calendar Year Written Premium for Workers' Compensation is \$1,248,676,750 based on Guaranty Fund Management Systems. The adjustment factor for the insolvency fund loading of 1.1% in the 7/1/2001 rates is .989 and for the loading of -0.9% in the 9/1/2003 rates it is 1.009.
- (3) Assumes a 1.04% annual change over two years. The factor obtained on Line 6 is insensitive to this estimate.
- (4) The 9/1/03 rate change was -4.0%.
- (5) The factor to load the assessment into 2005 rates has been computed with the intention that it will be applied to 9/1/05 average rates by class.

2005 Recoupment of Insolvency Fund Assessments

Assessment Date: 12/1/2004

	Base Year for assessment									
	2003	2002	2001	2000	1999	1997	1996	1995		
(1) Workers' Compensation Written Premium, Calendar Year	1,248,676,750	1,270,355,928	877,204,341	873,456,717	852,073,429	914,971,260	981,758,872	1,043,750,298		
(2) Assessment Base	8,301,699,602	7,642,598,776	8,301,699,602	7,642,598,776	6,979,043,413	6,781,202,666	6,855,906,608	7,139,153,644		
(3) Percentage Charged to Workers' Compensation (1)/(2)	15.0%	16.6%	10.6%	11.4%	12.2%	13.5%	14.3%	14.6%		
(4) Assessment	45,000,000	0	0	0	0	0	0	0		
(5) Assessment Charged to Workers' Compensation (3) x (4)	6,750,000	0	0	0	0	0	0	0		
(6) Interest to Average Collection Date 7/1/2003	1.019	1.019	1.019	1.019	1.019	1.019	1.019	1.019		
(7) Premium Tax Rate	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%		
(8) Commission Rate	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%		
(9) Net Assessment (5) x (6)/[1-(7)-(8)]	7,532,354	0	0	0	0	0	0	0		

(1) 2003 and 2003 from Guaranty Fund Management Systems, remaining years based on a compilation of Page 14 or Page 15 data from Annual Statements. 1988 was the first year that Workers' Compensation was included in the assessment.

(2),(4) Information from Guaranty Fund Management Services; see Page 5.

(6) 3.36% is the risk-free rate of interest, shown in Sec. VIII-H.

(7) From Sec. VI-A, Exhibit 1.

(8) The average commission is 6.24%, shown in Sec. VI-K Exhibit 1. Since the average premium discount is 4.21% (Sec VI-I, Exhibit1), the average commission as a percent of net premium is $6.24\% / (1 - 4.21\%) = 6.5\%$

2005 Recoupment of Insolvency Fund Assessments

Assessment Date: 12/1/2004

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	<u>Base Year for assessment</u>						
	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>
(1) Workers' Compensation Written Premium, Calendar Year	1,175,326,757	1,395,560,326	1,309,252,255	1,436,058,443	1,364,830,026	1,303,051,741	1,192,120,104
(2) Assessment Base	7,224,575,261	7,233,247,733	6,888,088,844	6,868,646,572	6,755,551,749	6,692,131,638	6,766,445,953
(3) Percentage Charged to Workers' Compensation (1)/(2)	16.3%	19.3%	19.0%	20.9%	20.2%	19.5%	17.6%
(4) Assessment	0	0	0	0	0	0	0
(5) Assessment Charged to Workers' Compensation (3) x (4)	0	0	0	0	0	0	0
(6) Interest to Average Collection Date 7/1/2001	1.019	1.019	1.019	1.019	1.019	1.019	1.019
(7) Premium Tax Rate	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
(8) Commission Rate	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
(9) Net Assessment (5) x (6)/[1-(7)-(8)]	0	0	0	0	0	0	0

- (1) Based on a compilation of Page 14 or Page 15 data from Annual Statements. 1988 was the first year that Workers' Compensation was included in the assessment.
- (2),(4) Information from Guaranty Fund Management Services; see Page 5.
- (6) 3.36% is the risk-free rate of interest, shown in Sec. VIII-H.
- (7) From Sec. VI-A, Exhibit 1.
- (8) The average commission is 6.24%, shown in Sec. VI-K Exhibit 1. Since the average premium discount is 4.21% (Sec VI-I, Exhibit1), the average commission as a percent of net premium is $6.24\% / (1 - 4.21\%) = 6.5\%$

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2005 Recoupment of Insolvency Fund Assessments

Assessment Information from Guaranty Fund Management Services

Assessment Date: 12/1/2004

<u>Company</u>	<u>Assessment Voted</u>	<u>Assessment Base Year for Returns</u>
Midland Insurance Company	5,000,000	2003
PHICO Insurance Company	3,000,000	2003
Home Insurance Company	15,000,000	2003
Fremont Indemnity Company	3,000,000	2003
Legion Insurance Company	19,000,000	2003
Total	45,000,000	

2004 Assessments by Premium Base

<u>Base Year</u>	<u>Assessment</u>	<u>Premium Base</u>
2003	45,000,000	8,301,699,602
2002	0	7,642,598,776
2001	0	8,301,699,602
2000	0	7,642,598,776
1999	0	6,979,043,413
1998	0	6,877,677,561
1997	0	6,781,202,666
1996	0	6,855,906,608
1995	0	7,139,153,644
1994	0	7,224,575,261
1993	0	7,233,247,733
1992	0	6,888,088,844
1991	0	6,868,646,572
1990	0	6,755,551,749
1989	0	6,692,131,638
1988	0	6,766,445,953

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2004 Recoupment of Insolvency Fund Assessments

(1) Total Assessment	9,490,284
(2) 2003 Calendar Year Written Premium Absent Insolvency Assessments	1,243,243,944
(3) Expected Premium Growth Absent Rate Change	1.010
(4) Rate Change from Calendar Year 2003 Written to 2004	-2.7%
(5) Expected Written Premium in 2004 $(2) \times (3) \times [1 + (4)]$	1,222,072,832
(6) Factor to Load Assessment $1 + [(1)/(5)]$	1.008

Notes:

- (1) Sum of adjusted assessments for calendar years 1988 - 2002, Pages 7 and 8, Line 9.
- (2) The 2003 Calendar Year Written Premium for Workers' Compensation is \$1,248,676,750 based on Guaranty Fund Management Systems. The adjustment factor for the insolvency fund loading of 1.1% in the 7/1/2001 rates is .989 and for the loading of -0.9% in the 9/1/2003 rates it is 1.009.
- (3) Assumes a 1.04% annual change over two years. The factor obtained on Line 6 is insensitive to this estimate.
- (4) The 9/1/03 rate change was -4.0%.
- (5) The factor to load the assessment into 2004 rates has been computed with the intention that it will be applied to 9/1/05 average rates by class.

2004 Recoupment of Insolvency Fund Assessments

Assessment Date: 12/31/2003

	<u>Base Year for assessment</u>							
	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1995</u>	
(1) Workers' Compensation Written Premium, Calendar Year	1,270,355,928	877,204,341	873,456,717	852,073,429	896,280,476	914,971,260	981,758,872	1,043,750,298
(2) Assessment Base	9,481,535,538	8,497,773,752	7,642,598,776	6,979,043,413	6,877,677,561	6,781,202,666	6,855,906,608	7,139,153,644
(3) Percentage Charged to Workers' Compensation (1)/(2)	13.4%	10.3%	11.4%	12.2%	13.0%	13.5%	14.3%	14.6%
(4) Assessment	65,000,000	0	0	0	0	(18,000)	(131,000)	(14,000)
(5) Assessment Charged to Workers' Compensation (3) x (4)	8,710,000	0	0	0	0	(2,430)	(18,733)	(2,044)
(6) Interest to Average Collection Date 7/1/2004	1.017	1.017	1.017	1.017	1.017	1.017	1.017	1.017
(7) Premium Tax Rate	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
(8) Commission Rate	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
(9) Net Assessment (5) x (6)/[1 - (7) - (8)]	9,700,450	0	0	0	0	(2,706)	(20,863)	(2,276)

(1) 2002 from Guaranty Fund Management Systems, remaining years based on a compilation of Page 14 or Page 15 data from Annual Statements. 1988 was the first year that Workers' Compensation was included in the assessment.

(2),(4) Information from Guaranty Fund Management Services; see Page 10.

(6) 3.36% is the risk-free rate of interest, shown in Sec. VIII-H.

(7) From Sec. VI-A, Exhibit 1.

(8) The average commission is 6.24%, shown in Sec. VI-K Exhibit 1.

Since the average premium discount is 4.21% (Sec VI-I, Exhibit1), the average commission as a percent of net premium is 6.24%/(1-4.21%) = 6.5%

2004 Recoupment of Insolvency Fund Assessments

Assessment Date: 12/31/2003

	<u>Base Year for assessment</u>						
	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>
(1) Workers' Compensation Written Premium, Calendar Year	1,175,326,757	1,395,560,326	1,309,252,255	1,436,058,443	1,364,830,026	1,303,051,741	1,192,120,104
(2) Assessment Base	7,224,575,261	7,233,247,733	6,888,088,844	6,868,646,572	6,755,551,749	6,692,131,638	6,766,445,953
(3) Percentage Charged to Workers' Compensation (1)/(2)	16.3%	19.3%	19.0%	20.9%	20.2%	19.5%	17.6%
(4) Assessment	(218,474)	(185,230)	0	0	(123,616)	(354,726)	0
(5) Assessment Charged to Workers' Compensation (3) x (4)	(35,611)	(35,749)	0	0	(24,970)	(69,172)	0
(6) Interest to Average Collection Date 7/1/2004	1.017	1.017	1.017	1.017	1.017	1.017	1.017
(7) Premium Tax Rate	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
(8) Commission Rate	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
(9) Net Assessment (5) x (6)/[1-(7)-(8)]	(39,660)	(39,814)	0	0	(27,809)	(77,038)	0

- (1) Based on a compilation of Page 14 or Page 15 data from Annual Statements. 1988 was the first year that Workers' Compensation was included in the assessment.
- (2),(4) Information from Guaranty Fund Management Services; see Page 10.
- (6) 3.36% is the risk-free rate of interest, shown in Sec. VIII-H.
- (7) From Sec. VI-I, Exhibit 1.
- (8) The average commission is 6.24%, shown in Sec. VI-K Exhibit 1. Since the average premium discount is 4.21% (Sec VI-I, Exhibit 1), the average commission as a percent of net premium is 6.24%/(1-4.21%) = 6.5%

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2004 Recoupment of Insolvency Fund Assessments

Assessment Information from Guaranty Fund Management Services

Assessment Date: 12/31/2003

<u>Company</u>	<u>Assessment Voted</u>	<u>Assessment Base Year for Returns</u>
Union Indemnity Insurance Company	(8,000)	1995
	(41,000)	1996
	(18,000)	1997
Midland Insurance Company	17,000,000	2002
American Druggist Insurance Company	(70,000)	1989
	(123,616)	1990
Mission Insurance Company	(194,000)	1994
	(6,000)	1995
	(90,000)	1996
Equity General Insurance Company	(284,726)	1989
Edison Insurance Company	(93,286)	1993
MCA Insurance Company	(24,474)	1994
Covenant Mutual Insurance Company	(91,944)	1993
Reliance Insurance Company	20,000,000	2002
Home Insurance Company	7,000,000	2002
Legion Insurance Company	20,000,000	2002
Villanova Insurance Company	1,000,000	2002
Total	63,954,954	

2003 Assessments by Premium Base

<u>Base Year</u>	<u>Assessment</u>	<u>Premium Base</u>
2002	65,000,000	9,481,535,538
2001	0	8,497,773,752
2000	0	7,642,598,776
1999	0	6,979,043,413
1998	0	6,877,677,561
1997	(18,000)	6,781,202,666
1996	(131,000)	6,855,906,608
1995	(14,000)	7,139,153,644
1994	(218,474)	7,224,575,261
1993	(185,230)	7,233,247,733
1992	0	6,888,088,844
1991	0	6,868,646,572
1990	(123,616)	6,755,551,749
1989	(354,726)	6,692,131,638
1988	0	6,766,445,953

63,954,954

LOSS DEVELOPMENT

Loss development is an actuarial method of estimating the ultimate settlement value of losses based on currently reported losses. The assumption is that losses move in a consistent pattern so that historical experience can be used to predict future development. Reported losses are developed to their estimated "ultimate" level based on these historical loss development patterns. The pattern of change in reported losses over time is observed at regular intervals and converted into age-to-age link ratios, also referred to as loss development factors. Loss development factors are applied to current reported losses to estimate what the ultimate value of losses will be when all associated claims are closed.

In this section of the filing, reported losses for policy years 2001 and 2002 are developed to their estimated ultimate levels generally using the same method employed by the Commissioner in the 2003 Rate Decision. Consistent with the statement of actuarial principles of the Casualty Actuarial Society, we have examined the results of more than one method of estimating ultimate losses in an effort to derive a reasonable estimate of losses. The selected estimate of ultimate losses is the average of the estimates derived by developing paid losses and by developing the sum of paid losses and case reserves.

One of the goals when using historical data as the basis for our predictions is to balance stability with responsiveness. Stability is desired so as to avoid any large or random fluctuations that are not truly representative of the future. Here, the more years

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we consider, the more stable our result will be. We also must consider responsiveness. We only want to include data that we believe are truly representative of current conditions. This would entail using only the most recent data. As in prior filings, our selected age-to-age development factors are the unweighted averages of the latest two indicated age-to-age link ratios.

The 2001 policy year and the 2002 policy year ultimate loss estimates used in our rate indication are calculated by multiplying the reported losses by the applicable loss development factor to ultimate, which is the product of all age-to-age development factors from a given "age of development" forward, including the tail factor.

As in the most recent rate filing, we have again calculated ultimate losses based on aggregate industry-wide loss development data. This method is easy to understand and consistent with customary ratemaking practices. We develop medical and indemnity losses separately because of their differing development patterns. In doing so, we also avoid potential distortions that may arise because of changes in the relative proportions of medical and indemnity losses over time. Section II-A Exhibit 1 summarizes the results. The underlying details of the methodology are displayed in Section II-B.

The experience for prior years of companies that have stopped writing new business in Massachusetts and that did not report policy experience valued as of the latest calendar year's end has been excluded from our financial aggregate database in order to avoid any distortions to the rate indication.

In this filing, historical data and the resultant loss development factors are used to develop the policy year paid and the paid plus case losses to 252 months. An industry

based "tail factor" accounts for development beyond 252 months to ultimate. As in prior filings, the selected tail factor is based on an average of five observations in order to increase stability. Section II-C details the calculation of the tail factor.

Indicated ultimate indemnity losses are then adjusted for escalation. We make this adjustment for escalated benefits because some of the losses in the experience period do not reflect escalation, and therefore the development pattern of indemnity losses that are subject to escalation differs from that of indemnity losses not subject to escalation. See Section II-A, Exhibit 1 for the details of the calculation.

TAIL FACTOR

It is a generally accepted practice to base a tail factor calculation on several years of data as a way to maintain stability and reduce volatility in the resulting estimates.

In this filing, we calculate separate tail factors directly for medical and indemnity losses in order to reflect their differing development patterns. Medical losses tend to develop differently than do indemnity losses (see Section II-B). Application of separate tail factors captures the different development patterns and prevents the estimate of ultimate losses from being unduly distorted by shifts in the proportions of medical and indemnity losses over time.

We use the link factor method described above to develop policy years 2001 and 2002 losses to 252 months. As in previous filings, the tail loss development factor is based on the average of five observations. In this filing, we have brought each of the five valuations to a common report level, 252 months, so that the calculated tail factor is consistent with the losses to which it is applied. We then calculate a tail factor to project losses from 252 months to ultimate values. The tail factor calculation is detailed on Exhibit 1, Page 1 and Exhibit 2, Page 1 of Section II-C.

We compute tail factors separately for medical and indemnity losses using separate indications from the paid and paid-plus-case reported losses. To calculate the tail factor, we examine development for all policy years prior to 1983 during each of the five calendar years 1999-2003, and compare aggregate development to policy year 1983 losses evaluated at the end of the corresponding calendar year (1999 development/1983 losses evaluated at end of 1999, etc.). These quotients are converted into five separate 252nd month to ultimate link ratios, and the average of these five factors, after an adjustment for growth, is the tail factor.

Growth Factor Adjustment

The growth factor adjustment is necessary because the losses in the numerator of the ratios used to calculate the tail factor, losses for policy years 1982 and prior, are not at the same exposure level as the policy year 1983 losses used in the denominator. Therefore, the unadjusted ratio yields a distorted estimate of development beyond 252 months due to growth in exposure. The growth factor (see Section II-C, Exhibit 1, Page

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3 and Exhibit 2, Page 3) decomposes the numerator of each tail factor ratio, calendar year development for years prior to 1983, into individual policy year components, and then adjusts each year individually based on its contribution to aggregate development.

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Section II - Loss Development
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Section II - A
 Exhibit 1
 Page 1

Summary of Ultimate Losses

Paid Loss Development Method

Policy Year 2001					
	(1)	(2)	(3)	(4)	(5)
	Paid Losses at Latest Month	Cumulative Factors from Latest Month to 252 Months	Tail Factor from 252 Months to Ultimate	Factor to Adjust for Escalated Benefits	Adjusted Estimated Ultimate Losses
Indemnity	154,520,637	1.827	1.070	1.034	312,197,297
Medical	99,597,979	1.383	1.118	1.000	154,012,512

Policy Year 2002					
	(1)	(2)	(3)	(4)	(5)
	Paid Losses at Latest Month	Cumulative Factors from Latest Month to 252 Months	Tail Factor from 252 Months to Ultimate	Factor to Adjust for Escalated Benefits	Adjusted Estimated Ultimate Losses
Indemnity	84,874,379	3.257	1.070	1.034	305,802,894
Medical	79,430,474	1.874	1.118	1.000	166,385,744

Paid plus Case Loss Development Method

Policy Year 2001					
	(6)	(7)	(8)	(9)	(10)
	Paid plus Case Losses at Latest Month	Cumulative Factors from Latest Month to 252 Months	Tail Factor from 252 Months to Ultimate	Factor to Adjust for Escalated Benefits	Adjusted Estimated Ultimate Losses
Indemnity	231,892,946	1.248	1.021	1.012	299,059,192
Medical	128,270,064	1.428	1.058	1.000	193,811,110

Policy Year 2002					
	(6)	(7)	(8)	(9)	(10)
	Paid plus Case Losses at Latest Month	Cumulative Factors from Latest Month to 252 Months	Tail Factor from 252 Months to Ultimate	Factor to Adjust for Escalated Benefits	Adjusted Estimated Ultimate Losses
Indemnity	186,495,597	1.621	1.021	1.012	312,422,401
Medical	127,214,541	1.558	1.058	1.000	209,681,159

(1), (2): Section II - B, Exhibit 1, Pages 1 and 2.

(3): Section II - C, Exhibit 1, Page 1.

(4): Section II - D, Exhibit 1, Page 1.

(5): (1) x (2) x (3) x (4)

(6), (7): Section II - B, Exhibit 2, Pages 1 and 2.

(8): Section II - C, Exhibit 2, Page 1.

(9): Section II - D, Exhibit 2, Page 1.

(10): (6) x (7) x (8) x (9)

Policy Year Financial Aggregate Data
 Calculation of Indemnity Paid Loss Development Factors
 Industrywide

Policy Year	Indemnity Paid Losses (\$000) Evaluated at Month:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252
1983	28,242	109,766	180,537	230,910	260,410	281,171	298,391	311,779	321,223	326,220	331,014	334,579	338,384	341,060	343,067	344,379	346,404	348,768	350,401	351,926	353,171
1984	32,428	123,306	214,375	270,662	306,821	335,876	357,487	370,604	377,957	383,945	387,799	390,925	393,559	396,484	397,782	400,932	402,030	403,021	404,191	405,515	
1985	37,038	150,320	248,636	320,412	377,292	419,003	442,329	456,274	465,642	469,506	474,480	478,070	480,756	483,348	484,516	486,331	489,151	490,833	491,434		
1986	46,282	188,303	314,318	411,581	477,784	523,396	556,941	575,448	584,207	592,760	598,492	604,898	609,488	611,911	616,582	620,551	622,670	624,825			
1987	57,215	236,659	400,096	519,381	596,908	648,731	680,097	697,479	711,666	719,180	724,800	731,222	735,002	740,047	743,358	745,516	748,455				
1988	61,965	262,186	460,080	595,596	674,561	726,598	756,814	777,571	788,557	796,429	803,093	806,844	810,698	815,682	819,450	822,321					
1989	65,357	291,172	513,217	648,937	728,832	773,756	806,912	825,380	837,555	847,092	852,031	856,743	859,678	863,699	866,757						
1990	60,270	265,596	460,361	585,489	653,086	703,881	736,726	755,669	767,067	774,419	781,496	784,461	788,247	792,338							
1991	51,666	198,034	327,979	402,670	451,813	484,077	506,201	516,804	521,026	527,530	530,718	533,026	534,697								
1992	28,205	117,249	197,750	251,209	279,787	296,442	303,874	309,431	314,281	316,434	318,470	320,678									
1993	21,122	92,974	162,044	202,630	227,673	239,108	247,224	253,387	256,709	260,437	263,240										
1994	17,928	76,787	132,180	164,622	182,921	194,158	200,709	204,010	207,655	209,682											
1995	16,007	73,136	127,448	160,542	180,473	194,991	201,587	205,782	208,534												
1996	16,005	66,866	117,631	150,808	172,352	183,748	190,554	196,208													
1997	16,653	69,410	120,937	157,955	177,404	189,817	196,457														
1998	19,723	82,466	144,930	185,749	211,465	224,256															
1999	20,320	85,677	149,923	197,458	225,188																
2000	20,756	92,467	163,272	214,446																	
2001	19,363	85,804	154,521																		
2002	18,771	84,874																			
2003	20,960																				

Policy Year	Loss Development Factors From:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252
1983	3.887	1.645	1.279	1.128	1.080	1.061	1.045	1.030	1.016	1.015	1.011	1.011	1.008	1.006	1.004	1.006	1.007	1.005	1.004	1.004
1984	3.802	1.739	1.263	1.134	1.095	1.064	1.037	1.020	1.016	1.010	1.008	1.007	1.007	1.003	1.008	1.003	1.002	1.003	1.003	
1985	4.059	1.654	1.289	1.178	1.111	1.056	1.032	1.021	1.008	1.011	1.008	1.006	1.005	1.002	1.004	1.006	1.003	1.001		
1986	4.069	1.669	1.309	1.161	1.095	1.064	1.033	1.015	1.015	1.010	1.011	1.008	1.004	1.008	1.006	1.003	1.003			
1987	4.136	1.691	1.298	1.149	1.087	1.048	1.026	1.020	1.011	1.008	1.009	1.005	1.007	1.004	1.003	1.004				
1988	4.231	1.755	1.295	1.133	1.077	1.042	1.027	1.014	1.010	1.008	1.005	1.005	1.006	1.005	1.004					
1989	4.455	1.763	1.264	1.123	1.062	1.043	1.023	1.015	1.011	1.006	1.006	1.003	1.005	1.004						
1990	4.407	1.733	1.272	1.115	1.078	1.047	1.026	1.015	1.010	1.009	1.004	1.005	1.005							
1991	3.833	1.656	1.228	1.122	1.071	1.046	1.021	1.008	1.012	1.006	1.004	1.003								
1992	4.157	1.687	1.270	1.114	1.060	1.025	1.018	1.016	1.007	1.006	1.007									
1993	4.402	1.743	1.250	1.124	1.050	1.034	1.025	1.013	1.015	1.011										
1994	4.283	1.721	1.245	1.111	1.061	1.034	1.016	1.018	1.010											
1995	4.569	1.743	1.260	1.124	1.080	1.034	1.021	1.013												
1996	4.178	1.759	1.282	1.143	1.066	1.037	1.030													
1997	4.168	1.742	1.306	1.123	1.070	1.035														
1998	4.181	1.757	1.282	1.138	1.060															
1999	4.216	1.750	1.317	1.140																
2000	4.455	1.766	1.313																	
2001	4.431	1.801																		
2002	4.522																			
2 Yr Average	4.476	1.783	1.315	1.139	1.065	1.036	1.025	1.016	1.012	1.009	1.006	1.004	1.005	1.004	1.003	1.004	1.003	1.002	1.004	1.004
Cumulative	14.582	3.257	1.827	1.389	1.219	1.144	1.104	1.077	1.061	1.048	1.039	1.033	1.029	1.024	1.020	1.017	1.013	1.009	1.007	1.004

II 007

Policy Year Financial Aggregate Data
 Calculation of Medical Paid Loss Development Factors
 Industrywide

Policy Year	Medical Paid Losses (\$000) Evaluated at Month:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252
1983	15,569	53,224	69,313	76,875	80,855	83,411	85,538	87,281	88,524	90,268	91,000	91,562	92,039	92,589	93,149	93,189	93,475	93,738	94,311	94,602	95,369
1984	17,626	58,133	78,722	87,779	92,804	96,521	99,391	100,656	102,597	103,429	104,184	104,657	105,093	105,598	106,082	106,551	107,024	107,320	107,849	108,255	
1985	17,934	69,104	93,909	105,939	113,928	119,290	123,668	127,480	132,708	134,304	135,477	136,508	137,353	137,445	138,094	138,743	139,721	140,451	140,853		
1986	22,856	83,615	114,443	130,891	139,865	145,554	149,749	153,104	155,252	157,010	158,789	160,388	161,180	162,161	162,916	164,593	166,324	167,293			
1987	24,592	95,400	135,410	154,831	165,871	174,863	179,315	182,329	184,726	186,526	187,992	188,564	189,728	190,863	192,206	193,480	195,092				
1988	25,308	108,279	154,140	175,869	190,906	198,462	203,359	205,988	207,806	210,319	211,411	212,543	214,292	216,049	217,413	218,922					
1989	30,723	125,953	176,597	201,340	213,770	220,434	225,528	228,154	230,213	231,760	233,265	234,820	235,608	237,418	239,243						
1990	32,197	125,134	173,630	193,953	203,440	209,224	212,697	215,042	215,717	217,719	219,517	221,545	223,396	225,361							
1991	30,422	113,683	150,758	165,290	174,591	178,332	180,933	182,695	184,582	186,669	188,367	189,902	191,051								
1992	24,073	92,755	118,659	128,717	133,238	135,839	137,604	139,052	140,374	141,883	143,214	144,505									
1993	21,048	76,876	98,224	104,502	107,727	109,881	111,261	112,334	113,727	114,953	116,042										
1994	17,325	65,883	83,443	89,580	92,892	95,068	96,315	97,654	99,434	101,031											
1995	17,107	61,895	79,680	85,498	88,374	90,624	92,520	94,066	95,759												
1996	16,817	61,208	79,258	85,333	89,105	91,551	93,161	94,588													
1997	15,970	61,849	80,704	87,789	91,784	94,247	96,118														
1998	19,505	72,251	94,724	103,787	108,744	111,970															
1999	19,222	74,506	100,432	110,189	116,852																
2000	19,992	76,511	102,196	113,920																	
2001	18,716	72,511	99,598																		
2002	18,692	79,430																			
2003	21,513																				

Policy Year	Loss Development Factors From:																				
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	
1983	3.419	1.302	1.109	1.052	1.032	1.026	1.020	1.014	1.020	1.008	1.006	1.005	1.006	1.006	1.000	1.003	1.003	1.006	1.003	1.008	
1984	3.298	1.354	1.115	1.057	1.040	1.030	1.013	1.019	1.008	1.007	1.005	1.004	1.005	1.005	1.004	1.004	1.003	1.005	1.004		
1985	3.853	1.359	1.128	1.075	1.047	1.037	1.031	1.041	1.012	1.009	1.008	1.006	1.001	1.005	1.005	1.007	1.005	1.003			
1986	3.658	1.369	1.144	1.069	1.041	1.029	1.022	1.014	1.011	1.011	1.010	1.005	1.006	1.005	1.010	1.011	1.006				
1987	3.879	1.419	1.143	1.071	1.054	1.025	1.017	1.013	1.010	1.008	1.003	1.006	1.006	1.007	1.007	1.008					
1988	4.278	1.424	1.141	1.085	1.040	1.025	1.013	1.009	1.012	1.005	1.005	1.008	1.008	1.006	1.007						
1989	4.100	1.402	1.140	1.062	1.031	1.023	1.012	1.009	1.007	1.006	1.007	1.003	1.008	1.008							
1990	3.887	1.388	1.117	1.049	1.028	1.017	1.011	1.003	1.009	1.008	1.009	1.008	1.009								
1991	3.737	1.326	1.096	1.056	1.021	1.015	1.010	1.010	1.011	1.009	1.008	1.006									
1992	3.853	1.279	1.085	1.035	1.020	1.013	1.011	1.010	1.011	1.009	1.009										
1993	3.652	1.278	1.064	1.031	1.020	1.013	1.010	1.012	1.011	1.009											
1994	3.803	1.267	1.074	1.037	1.023	1.013	1.014	1.018	1.016												
1995	3.618	1.287	1.073	1.034	1.025	1.021	1.017	1.018													
1996	3.640	1.295	1.077	1.044	1.027	1.018	1.015														
1997	3.873	1.305	1.088	1.046	1.027	1.020															
1998	3.704	1.311	1.096	1.048	1.030																
1999	3.876	1.348	1.097	1.060																	
2000	3.827	1.336	1.115																		
2001	3.874	1.374																			
2002	4.249																				
2 Yr Average	4.062	1.355	1.106	1.054	1.028	1.019	1.016	1.018	1.013	1.009	1.009	1.007	1.008	1.007	1.007	1.009	1.006	1.004	1.003	1.008	
Cumulative	7.610	1.874	1.383	1.251	1.186	1.154	1.133	1.115	1.095	1.080	1.070	1.061	1.054	1.045	1.038	1.031	1.021	1.015	1.012	1.008	

Policy Year Financial Aggregate Data
 Calculation of Indemnity Paid plus Case Loss Development Factors
 Industrywide

Policy Year	Indemnity Paid plus Case Losses (\$000) Evaluated at Month:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252
1983	111,102	244,747	284,255	299,989	319,176	330,221	339,527	346,718	352,195	352,638	353,150	353,319	355,504	356,074	356,876	356,759	357,881	359,264	359,957	360,937	361,354
1984	127,943	285,570	323,568	361,055	381,772	397,687	407,438	410,306	410,743	409,543	409,044	409,993	410,605	410,969	409,942	410,866	411,380	412,183	413,807	414,311	
1985	149,823	319,928	388,771	434,454	464,878	485,960	497,657	497,369	496,297	494,265	494,163	494,709	495,272	496,468	497,105	497,511	499,265	500,128	500,082		
1986	174,529	400,666	489,929	542,643	583,168	616,078	622,688	623,852	625,121	628,497	632,099	634,719	634,726	637,615	640,945	644,450	645,040	644,461			
1987	221,080	497,530	602,021	681,760	734,326	755,167	755,683	762,721	767,140	767,021	764,818	767,750	767,984	769,323	770,068	771,255	774,071				
1988	230,865	533,888	678,219	771,868	808,052	821,100	832,942	836,093	835,428	840,456	840,715	841,764	841,308	846,832	847,506	848,329					
1989	232,911	591,984	767,751	825,883	852,285	872,750	879,597	885,032	889,884	893,678	896,120	894,671	892,947	895,850	896,508						
1990	227,010	594,425	696,477	747,521	774,265	792,989	804,789	810,555	814,658	816,847	820,194	819,987	820,005	818,939							
1991	211,977	421,012	471,255	507,988	533,615	539,796	544,112	547,964	550,147	553,010	554,242	554,438	553,671								
1992	118,551	254,716	293,714	314,413	330,792	329,955	330,799	332,052	331,308	330,797	330,872	331,856									
1993	96,744	206,794	245,295	260,193	266,022	269,408	271,994	273,368	273,947	275,666	275,543										
1994	73,459	165,018	201,721	212,525	216,857	220,438	220,605	225,713	224,672	224,419											
1995	55,183	152,398	187,170	199,278	214,551	217,729	219,605	221,348	221,469												
1996	58,314	134,290	176,651	189,861	196,347	203,508	209,746	208,227													
1997	50,765	137,381	177,483	191,547	203,063	211,361	213,938														
1998	57,951	160,352	206,717	224,720	238,501	243,585															
1999	60,275	165,664	221,782	248,155	259,997																
2000	59,431	185,645	241,464	265,612																	
2001	61,556	178,751	231,893																		
2002	63,371	186,496																			
2003	66,862																				

Policy Year	Loss Development Factors From:																				
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	
1983	2.203	1.161	1.055	1.064	1.035	1.028	1.021	1.016	1.001	1.001	1.000	1.006	1.002	1.002	1.000	1.003	1.004	1.002	1.003	1.001	
1984	2.232	1.133	1.116	1.057	1.042	1.025	1.007	1.001	0.997	0.999	1.002	1.001	1.001	0.997	1.002	1.001	1.002	1.004	1.001	1.001	
1985	2.135	1.215	1.118	1.070	1.045	1.024	0.999	0.998	0.996	1.000	1.001	1.001	1.002	1.001	1.001	1.004	1.002	1.000			
1986	2.296	1.223	1.108	1.075	1.056	1.011	1.002	1.002	1.005	1.006	1.004	1.000	1.005	1.005	1.005	1.001	0.999				
1987	2.250	1.210	1.132	1.077	1.028	1.001	1.009	1.006	1.000	0.997	1.004	1.000	1.002	1.001	1.002	1.004					
1988	2.313	1.270	1.138	1.047	1.016	1.014	1.004	0.999	1.006	1.000	1.001	0.999	1.007	1.001	1.001						
1989	2.542	1.297	1.076	1.032	1.024	1.008	1.006	1.005	1.004	1.003	0.998	0.998	1.003	1.001							
1990	2.619	1.172	1.073	1.036	1.024	1.015	1.007	1.005	1.003	1.004	1.000	1.000	0.999								
1991	1.986	1.119	1.078	1.050	1.012	1.008	1.007	1.004	1.005	1.002	1.000	0.999									
1992	2.149	1.153	1.070	1.052	0.997	1.003	1.004	0.998	0.998	1.000	1.003										
1993	2.138	1.186	1.061	1.022	1.013	1.010	1.005	1.002	1.006	1.000											
1994	2.246	1.222	1.054	1.020	1.017	1.001	1.023	0.995	0.999												
1995	2.762	1.228	1.065	1.077	1.015	1.009	1.008	1.001													
1996	2.303	1.315	1.075	1.034	1.036	1.031	0.993														
1997	2.706	1.292	1.079	1.060	1.041	1.012															
1998	2.767	1.289	1.087	1.061	1.021																
1999	2.748	1.339	1.119	1.048																	
2000	3.124	1.301	1.100																		
2001	2.904	1.297																			
2002	2.943																				
2 Yr Average	2.923	1.299	1.109	1.055	1.031	1.021	1.000	0.998	1.003	1.000	1.002	0.999	1.001	1.001	1.001	1.002	1.000	1.002	1.002	1.001	
Cumulative	4.738	1.621	1.248	1.125	1.066	1.034	1.013	1.012	1.014	1.012	1.012	1.010	1.011	1.010	1.009	1.008	1.005	1.005	1.003	1.001	

Policy Year Financial Aggregate Data
 Calculation of Medical Paid plus Case Loss Development Factors
 Industrywide

Policy Year	Medical Paid plus Case Losses (\$000) Evaluated at Month:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252
1983	48,768	96,477	94,740	93,365	93,127	93,137	92,770	92,941	94,012	94,570	95,177	95,533	95,734	96,056	96,688	96,260	95,810	96,077	97,540	97,957	99,036
1984	57,301	109,792	108,196	107,607	108,305	109,468	113,649	109,795	110,709	110,238	110,836	110,643	110,971	112,568	112,990	113,647	113,846	114,155	114,744	114,756	
1985	66,779	125,157	134,240	138,711	137,574	136,763	139,297	140,103	147,164	144,395	144,175	145,407	148,665	147,613	147,534	148,265	149,756	150,522	150,837		
1986	73,628	145,166	158,220	165,821	166,393	166,826	166,497	165,613	172,634	170,433	171,428	173,540	174,355	171,577	175,505	177,001	178,741	180,756			
1987	82,041	173,707	187,447	194,092	194,975	197,934	198,891	200,415	205,052	206,392	204,937	204,357	202,482	204,700	209,214	210,627	210,963				
1988	87,916	189,883	208,842	214,330	218,321	218,419	220,318	219,527	219,386	224,257	225,012	226,520	229,179	237,966	240,238	242,872					
1989	94,250	212,908	237,375	241,095	241,991	242,415	240,691	241,900	241,847	245,629	247,328	250,863	255,623	262,501	261,683						
1990	93,086	211,933	227,962	228,323	227,293	225,445	226,327	227,249	230,115	235,144	239,585	244,871	246,565								
1991	86,659	179,157	185,587	189,478	191,613	194,066	191,368	191,795	194,686	202,808	207,403	211,058	212,585								
1992	68,782	139,239	145,470	143,834	144,872	144,514	146,290	147,187	148,556	154,496	158,878	161,119									
1993	66,153	122,426	123,143	120,373	118,699	121,652	123,242	124,708	129,716	129,975	132,494										
1994	53,066	104,113	107,609	113,237	115,061	115,304	117,158	118,195	120,125	122,147											
1995	44,845	93,210	98,537	98,206	97,736	101,175	105,423	109,073	108,704												
1996	49,906	96,714	99,019	98,905	101,680	106,504	109,238	112,680													
1997	40,542	91,460	97,253	99,687	104,971	107,681	109,444														
1998	49,918	106,733	116,589	120,557	125,042	136,394															
1999	54,862	114,438	129,470	135,051	143,441																
2000	53,807	134,853	146,537	161,116																	
2001	50,514	117,134	128,270																		
2002	55,514	127,215																			
2003	58,456																				

Policy Year	Loss Development Factors From:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252
1983	1.978	0.982	0.985	0.997	1.000	0.996	1.002	1.012	1.006	1.006	1.004	1.002	1.003	1.007	0.996	0.995	1.003	1.015	1.004	1.011
1984	1.916	0.985	0.995	1.006	1.011	1.038	0.966	1.008	0.996	1.005	0.998	1.003	1.014	1.004	1.006	1.002	1.003	1.005	1.000	
1985	1.874	1.073	1.033	0.992	0.994	1.019	1.006	1.050	0.981	0.998	1.009	1.022	0.993	0.999	1.005	1.010	1.005	1.002		
1986	1.972	1.090	1.048	1.003	1.003	0.998	0.995	1.042	0.987	1.006	1.012	1.005	0.984	1.023	1.009	1.010	1.011			
1987	2.117	1.079	1.035	1.005	1.015	1.005	1.008	1.023	1.007	0.993	0.997	0.991	1.011	1.022	1.007	1.002				
1988	2.160	1.100	1.026	1.019	1.000	1.009	0.996	0.999	1.022	1.003	1.007	1.012	1.038	1.010	1.011					
1989	2.259	1.115	1.016	1.004	1.002	0.993	1.005	1.000	1.016	1.007	1.014	1.019	1.027	0.997						
1990	2.277	1.076	1.002	0.995	1.001	0.991	1.004	1.004	1.013	1.022	1.019	1.022	1.007							
1991	2.067	1.036	1.021	1.011	1.013	0.986	1.002	1.015	1.042	1.023	1.018	1.007								
1992	2.024	1.045	0.989	1.007	0.998	1.012	1.006	1.009	1.040	1.028	1.014									
1993	1.851	1.006	0.978	0.986	1.025	1.013	1.012	1.040	1.002	1.019										
1994	1.962	1.034	1.052	1.016	1.002	1.016	1.009	1.016	1.017											
1995	2.078	1.057	0.997	0.995	1.035	1.042	1.035	0.997												
1996	1.938	1.024	0.999	1.028	1.047	1.026	1.032													
1997	2.256	1.063	1.025	1.053	1.026	1.016														
1998	2.138	1.092	1.034	1.037	1.091															
1999	2.086	1.131	1.043	1.062																
2000	2.506	1.087	1.099																	
2001	2.319	1.095																		
2002	2.292																			
2 Yr Average	2.305	1.091	1.071	1.050	1.058	1.021	1.033	1.006	1.009	1.024	1.016	1.015	1.017	1.003	1.009	1.006	1.008	1.004	1.002	1.011
Cumulative	3.592	1.558	1.428	1.333	1.270	1.200	1.175	1.138	1.131	1.120	1.094	1.077	1.061	1.044	1.040	1.031	1.025	1.017	1.013	1.011

II 010

Paid Loss Tail Factors

252nd Month to Ultimate Indemnity Loss Tail Development Factor

(1)	Valuation Date [Y]	12/31/99	12/31/00	12/31/01	12/31/02	12/31/03
(2)	Prior to Policy Year 1983 at [Y]	3,013,687,680	3,026,441,075	3,034,817,390	3,042,913,407	3,051,635,308
(3)	Prior to Policy Year 1983 at [Y]-1	3,003,421,392	3,013,687,680	3,026,441,075	3,034,817,390	3,042,913,407
(4)	Difference = (2) - (3)	10,266,288	12,753,395	8,376,315	8,096,017	8,721,901
(5)	Policy Year 1983 at [Y]	346,404,386	348,768,070	350,401,288	351,926,371	353,171,071
(6)	Ratio = (4) / (5)	0.030	0.037	0.024	0.023	0.025
(7)	Growth Factor	2.800	2.800	2.800	2.800	2.800
(8)	Product = (6) x (7)	0.083	0.102	0.067	0.064	0.069
(9)	Factor to Ultimate = 1.000 + (8)	1.083	1.102	1.067	1.064	1.069
(10)	Month [M]	204	216	228	240	252
(11)	Factor to Ultimate = (9)	1.083	1.102	1.067	1.064	1.069
(12)	Factor from [252] to [M]	0.987	0.991	0.993	0.996	1.000
(13)	Indicated [252] to Ultimate Tail Factor = (11) x (12)	1.069	1.092	1.059	1.061	1.069
(14)	Five Year Average					1.070

252nd Month to Ultimate Medical Loss Tail Development Factor

(15)	Valuation Date [Y]	12/31/99	12/31/00	12/31/01	12/31/02	12/31/03
(16)	Prior to Policy Year 1983 at [Y]	975,847,355	980,168,926	984,407,051	988,403,782	993,858,874
(17)	Prior to Policy Year 1983 at [Y]-1	971,866,022	975,847,355	980,168,926	984,407,051	988,403,782
(18)	Difference = (16) - (17)	3,981,333	4,321,571	4,238,125	3,996,731	5,455,092
(19)	Policy Year 1983 at [Y]	93,474,646	93,737,788	94,311,143	94,601,591	95,368,579
(20)	Ratio = (18) / (19)	0.043	0.046	0.045	0.042	0.057
(21)	Growth Factor	2.800	2.800	2.800	2.800	2.800
(22)	Product = (20) x (21)	0.119	0.129	0.126	0.118	0.160
(23)	Factor to Ultimate = 1.000 + (22)	1.119	1.129	1.126	1.118	1.160
(24)	Month [M]	204	216	228	240	252
(25)	Factor to Ultimate = (23)	1.119	1.129	1.126	1.118	1.160
(26)	Factor from [252] to [M]	0.979	0.985	0.989	0.992	1.000
(27)	Indicated [252] to Ultimate Tail Factor = (25) x (26)	1.096	1.112	1.113	1.109	1.160
(28)	Five Year Average					1.118

(2), (3), (16), (17): Section II - C, Exhibit 1, Page 2.
 (5), (12): Section II - B, Exhibit 1, Page 1.
 (7), (21): Section II - C, Exhibit 1, Page 3.
 (19), (26): Section II - B, Exhibit 1, Page 2.

II 012

Section II - Loss Development
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Exhibit 1
Page 2

Prior to 1983 Paid Losses

Prior to 1983 Evaluated as of	Indemnity Paid Losses	Medical Paid Losses
12/31/98	3,003,421,392	971,866,022
12/31/99	3,013,687,680	975,847,355
12/31/00	3,026,441,075	980,168,926
12/31/01	3,034,817,390	984,407,051
12/31/02	3,042,913,407	988,403,782
12/31/03	3,051,635,308	993,858,874

II 013

Estimate of the Adjustment Factor for Growth in the Tail Factor Calculation Paid Losses

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Policy Year	On-Level Annual Growth Factor	On-Level Cumulative Growth Factor	Relative Volume of Losses	Report Interval	Percent Development for Report Interval	Prior to 1983 Dollar Development	On-Level Prior to 1983 Dollar Development
1983			1,000,000				
1982	1.137	1.137	879,782	Quarters 85 through 88	0.43%	3,804	4,324
1981	1.134	1.289	775,964	Quarters 89 through 92	0.43%	3,355	4,324
1980	1.131	1.457	686,123	Quarters 93 through 96	0.43%	2,967	4,324
1979	1.128	1.644	608,218	Quarters 97 through 100	0.43%	2,630	4,324
1978	1.125	1.850	540,526	Quarters 101 through 104	0.40%	2,162	4,000
1977	1.122	2.076	481,588	Quarters 105 through 108	0.40%	1,926	4,000
1976	1.120	2.325	430,171	Quarters 109 through 112	0.40%	1,721	4,000
1975	1.117	2.596	385,224	Quarters 113 through 116	0.40%	1,541	4,000
1974	1.114	2.891	345,858	Quarters 117 through 120	0.40%	1,383	4,000
1973	1.111	3.212	311,311	Quarters 121 through 124	0.37%	1,144	3,676
1972	1.108	3.560	280,937	Quarters 125 through 128	0.37%	1,033	3,676
1971	1.105	3.934	254,181	Quarters 129 through 132	0.37%	934	3,676
1970	1.102	4.337	230,568	Quarters 133 through 136	0.37%	848	3,676
1969	1.100	4.769	209,691	Quarters 137 through 140	0.37%	771	3,676
1968	1.097	5.230	191,201	Quarters 141 through 144	0.30%	574	3,000
1967	1.094	5.721	174,795	Quarters 145 through 148	0.30%	524	3,000
1966	1.091	6.242	160,216	Quarters 149 through 152	0.30%	481	3,000
1965	1.088	6.792	147,237	Quarters 153 through 156	0.30%	442	3,000
1964	1.085	7.371	135,665	Quarters 157 through 160	0.30%	407	3,000
1963	1.082	7.979	125,332	Quarters 161 through 164	0.30%	376	3,000
1962	1.080	8.614	116,093	Quarters 165 through 168	0.30%	348	3,000
1961	1.077	9.275	107,819	Quarters 169 through 172	0.30%	323	3,000
1960	1.074	9.960	100,401	Quarters 173 through 176	0.30%	301	3,000
						29,996	82,676
(8) Indicated Growth Factor:							2.756
(9) Selected Growth Factor:							2.800

Assume 1983 losses of \$1,000,000. This produces a tail of 3.00% = 29,996 / \$1,000,000 (with no growth). However, putting Prior to 1983 Losses on-level produces a tail of 8.27% = 2.756 x 3.00%. Therefore, a growth factor of 2.800 has been selected.

- (1): These are fitted growth factors based on a linear regression of actual Calendar Year growth factors.
Source: IEE, Massachusetts Incurred Losses
- (2): Cumulative product of Column (1).
- (3): Column (3) represents the equivalent of what \$1,000,000 of paid losses in 1983 would be in each prior policy year (1960-1982) given the on-level cumulative growth factors in Column (2).
In other words, Column (3) = \$1,000,000 / Column (2)
- (4): Column (4) displays the quarters that correspond to the prior policy years.
- (5): Column (5) displays the change in paid losses during the quarters displayed in Column (4).
The percentages are from the Profit Section of the Rate Filing for 9/1/03 rates (Section VIII - F, Exhibit 1.)
- (6): Column (3) x Column (5).
- (7): Column (2) x Column (6).
- (8): Sum of Column (7) divided by Sum of Column (6).

Paid plus Case Loss Tail Factors

252nd Month to Ultimate Indemnity Loss Tail Development Factor

(1)	Valuation Date [Y]	12/31/99	12/31/00	12/31/01	12/31/02	12/31/03
(2)	Prior to Policy Year 1983 at [Y]	3,067,828,744	3,072,492,413	3,077,623,692	3,081,678,260	3,087,862,834
(3)	Prior to Policy Year 1983 at [Y]-1	3,062,179,511	3,067,828,744	3,072,492,413	3,077,623,692	3,081,678,260
(4)	Difference = (2) - (3)	5,649,233	4,663,669	5,131,279	4,054,568	6,184,574
(5)	Policy Year 1983 at [Y]	357,881,410	359,263,563	359,956,730	360,936,800	361,353,691
(6)	Ratio = (4) / (5)	0.016	0.013	0.014	0.011	0.017
(7)	Growth Factor	1.700	1.700	1.700	1.700	1.700
(8)	Product = (6) x (7)	0.027	0.022	0.024	0.019	0.029
(9)	Factor to Ultimate = 1.000 + (8)	1.027	1.022	1.024	1.019	1.029
(10)	Month [M]	204	216	228	240	252
(11)	Factor to Ultimate = (9)	1.027	1.022	1.024	1.019	1.029
(12)	Factor from [252] to [M]	0.995	0.995	0.997	0.999	1.000
(13)	Indicated [252] to Ultimate Tail Factor = (11) x (12)	1.021	1.017	1.021	1.018	1.029
(14)	Five Year Average					1.021

252nd Month to Ultimate Medical Loss Tail Development Factor

(15)	Valuation Date [Y]	12/31/99	12/31/00	12/31/01	12/31/02	12/31/03
(16)	Prior to Policy Year 1983 at [Y]	1,007,617,039	1,012,315,369	1,015,023,032	1,019,351,670	1,024,571,586
(17)	Prior to Policy Year 1983 at [Y]-1	1,004,010,142	1,007,617,039	1,012,315,369	1,015,023,032	1,019,351,670
(18)	Difference = (16) - (17)	3,606,897	4,698,330	2,707,663	4,328,638	5,219,916
(19)	Policy Year 1983 at [Y]	95,810,333	96,077,267	97,539,846	97,957,249	99,036,233
(20)	Ratio = (18) / (19)	0.038	0.049	0.028	0.044	0.053
(21)	Growth Factor	1.700	1.700	1.700	1.700	1.700
(22)	Product = (20) x (21)	0.064	0.083	0.047	0.075	0.090
(23)	Factor to Ultimate = 1.000 + (22)	1.064	1.083	1.047	1.075	1.090
(24)	Month [M]	204	216	228	240	252
(25)	Factor to Ultimate = (23)	1.064	1.083	1.047	1.075	1.090
(26)	Factor from [252] to [M]	0.975	0.983	0.987	0.989	1.000
(27)	Indicated [252] to Ultimate Tail Factor = (25) x (26)	1.038	1.065	1.034	1.063	1.090
(28)	Five Year Average					1.058

(2), (3), (16), (17): Section II - C, Exhibit 2, Page 2.
 (5), (12): Section II - B, Exhibit 2, Page 1.
 (7), (21): Section II - C, Exhibit 2, Page 3.
 (19), (26): Section II - B, Exhibit 2, Page 2.

II 015

Section II - Loss Development
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Section II - C
Exhibit 2
Page 2

Prior to 1983 Paid plus Case Losses

Prior to 1983 Evaluated as of	Indemnity Paid plus Case Losses	Medical Paid plus Case Losses
12/31/98	3,062,179,511	1,004,010,142
12/31/99	3,067,828,744	1,007,617,039
12/31/00	3,072,492,413	1,012,315,369
12/31/01	3,077,623,692	1,015,023,032
12/31/02	3,081,678,260	1,019,351,670
12/31/03	3,087,862,834	1,024,571,586

II 016

Estimate of the Adjustment Factor for Growth in the Tail Factor Calculation Paid plus Case Losses

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Policy Year	On-Level Annual Growth Factor	On-Level Cumulative Growth Factor	Relative Volume of Losses	Report Interval	Percent Development for Report Interval	Prior to 1983 Dollar Development	On-Level Prior to 1983 Dollar Development
1983			1,000,000				
1982	1.137	1.137	879,782	Quarters 85 through 88	0.60%	5,279	6,000
1981	1.134	1.289	775,964	Quarters 89 through 92	0.55%	4,268	5,500
1980	1.131	1.457	686,123	Quarters 93 through 96	0.50%	3,431	5,000
1979	1.128	1.644	608,218	Quarters 97 through 100	0.45%	2,737	4,500
1978	1.125	1.850	540,526	Quarters 101 through 104	0.40%	2,162	4,000
1977	1.122	2.076	481,588	Quarters 105 through 108	0.35%	1,686	3,500
1976	1.120	2.325	430,171	Quarters 109 through 112	0.30%	1,291	3,000
1975	1.117	2.596	385,224	Quarters 113 through 116	0.25%	963	2,500
1974	1.114	2.891	345,858	Quarters 117 through 120	0.20%	692	2,000
1973	1.111	3.212	311,311	Quarters 121 through 124	0.15%	467	1,500
1972	1.108	3.560	280,937	Quarters 125 through 128	0.10%	281	1,000
1971	1.105	3.934	254,181	Quarters 129 through 132	0.05%	127	500
						23,382	39,000
(8) Indicated Growth Factor:							1.668
(9) Selected Growth Factor:							1.700

Assume 1983 losses of \$1,000,000. This produces a tail of 2.34% = 23,382 / \$1,000,000 (with no growth). However, putting Prior to 1983 Losses on-level produces a tail of 3.90% = 1.668 x 2.34%. Therefore, a growth factor of 1.700 has been selected.

- (1): These are fitted growth factors based on a linear regression of actual Calendar Year growth factors.
 Source: IEE, Massachusetts Incurred Losses
- (2): Cumulative product of Column (1).
- (3): Column (3) represents the equivalent of what \$1,000,000 of paid losses in 1983 would be in each prior policy year (1971-1982) given the on-level cumulative growth factors in Column (2).
 In other words, Column (3) = \$1,000,000 / Column (2)
- (4): Column (4) displays the quarters that correspond to the prior policy years.
- (5): Column (5) displays the change in paid losses during the quarters displayed in Column (4).
 These values are selected based on judgment and were used in the 9/1/03 filing.
- (6): Column (3) x Column (5).
- (7): Column (2) x Column (6).
- (8): Sum of Column (7) divided by Sum of Column (6).

**LOSS DEVELOPMENT
ADJUSTMENT FOR ESCALATED BENEFITS**

This section calculates factors that reflect the impact of the introduction of escalation (inflation-indexed wage loss benefit increases) on loss development. The adjustment for differences in development patterns is necessary because some of our loss data predates the law change introducing escalation of indemnity benefits. These older, unescalated losses exhibit a development pattern that will differ from the expected development of indemnity loss subject to escalation.

Policy years 1987 and subsequent reflect the impact of escalation of indemnity benefits which became law on 10/1/86, following the passage of chapter 572 of the Acts of 1986. Age-to-age link ratios derived from experience for policy years 1987 and subsequent only allow us to develop losses to 204 months. Beyond 204 months of development, age-to-age link ratios are derived from policy years 1986 and prior, and reported losses for these years do not reflect the impact of escalation. An adjustment factor is therefore applied to age-to-age loss development factors for unescalated indemnity losses.

We have used the same simulation model to quantify this adjustment as was used in the WCRIB's 9/1/03 filing, in which we assumed that permanent total claimants experience impaired mortality.

Exhibits 1 and 2 measure the differentials between the escalated and non-escalated benefit levels for the paid and paid-plus-case loss development methods, respectively.

These factors are multiplied by unescalated ultimate losses in Section II-A to get the final estimate of escalated ultimate losses.

Pension Table Adjustment

As in the past, we examined each individual case report for every death and permanent total claim for composite policy years 2000/2001 and 2001/2002. For each case report we calculated what the case reserve would have been if the currently approved pension tables had been used and noted any discrepancies. In addition, we were able to use the expanded "reserve type codes," which were enhanced in 2004 to designate certain situations that may affect particular case reserves, to identify cases where the reported reserve may be unusual. In each case this year, the company reporting a case reserve that deviated from the pension table either adjusted their reported reserve to match the pension tables or provided a sufficient explanation for the discrepancy. As a result, in this filing we did not adjust the reserves on any pension table claims or apply a pension table adjustment to the ultimate losses we use.

II 019

Section II - Loss Development
 Subsection D - Adjustment for Escalation of Benefits
 9/1/2005

Section II - D
 Exhibit 1
 Page 1

Differential in Loss Development

Paid Loss Development Method Calculation of Adjustment for Differential in Loss Development

	(1)	(2) Adjusted Paid Loss at T =		(3)	(4)
Injury Kind	192	204	216		Ultimate
		Escalated			
Fatal	698	736	775		1,887
Permanent Total	898	972	1,047		3,067
Other Indemnity	57,704	57,704	57,704		57,704
Total Indemnity	59,299	59,412	59,527		62,658
		Unescalated			
Fatal	561	582	602		1,004
Permanent Total	702	742	781		1,516
Other Indemnity	57,704	57,704	57,704		57,704
Total Indemnity	58,967	59,028	59,087		60,224
		Adjustment for Differential in Loss Development at T =			
Benefit	(5) 192	(6) 204	(7) 216		
Fatal	1.511	1.485	1.459		
Permanent Total	1.582	1.545	1.509		
Other Indemnity	1.000	1.000	1.000		
Total Indemnity	1.035	1.034	1.033		

Notes:

(1), (2), (3): (4) / (implicit loss development factors from Section II - D, Exhibit 1, Page 3)

(4): From Section II - D, Exhibit 1, Page 2.

(5): [escalated (4) / (1)] / [unescalated (4) / (1)]

(6): [escalated (4) / (2)] / [unescalated (4) / (2)]

(7): [escalated (4) / (3)] / [unescalated (4) / (3)]

II 020

Section II - Loss Development
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9/1/2005

Section II - D
Exhibit 1
Page 2

Differential in Loss Development

Paid Loss Development Method Calculation of Adjusted Ultimate Average Loss by Injury Kind

<u>Injury Kind</u>	(1) Escalated Ultimate Paid Loss Based on Impaired Mortality	(2) Injury Kind Weights	(3) Adjusted Escalated Ultimate
Fatal	874,958	1.89%	1,887
Permanent Total	1,668,738	3.07%	3,067
Other Indemnity	NA	57.70%	57,704
Total Indemnity		62.66%	62,658

<u>Injury Kind</u>	(4) Unescalated Ultimate Paid Loss Based on Impaired Mortality	(5) Adjusted Unescalated Ultimate
Fatal	465,615	1,004
Permanent Total	824,906	1,516
Other Indemnity	NA	57,704
Total Indemnity		60,224

Notes:

(1), (4): From Section II - D, Exhibit 1, Page 3.

(2): From Section V - B, Exhibit 1.

(3): (2) x 100,000

(5): [(4) / (1)] x (3)

Other Indemnity = (3)

II 021

Section II - Loss Development
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 9/1/2005

Section II - D
 Exhibit 1
 Page 3

Differential in Loss Development

Paid Loss Development Method Calculation of Implicit Loss Development Factors

Injury Kind	(1) 192	(2) Average Paid Loss at T = 204	(3) 216	(4) Ultimate
		Escalated		
Fatal	323,680	341,550	359,626	874,958
Permanent Total	488,350	528,641	569,759	1,668,738
		Unescalated		
Fatal	260,195	269,862	279,221	465,615
Permanent Total	381,858	403,713	424,987	824,906
		Implicit Loss Development Factors to Ultimate at T =		
Injury Kind	(5) 192	(6) 204	(7) 216	
		Escalated		
Fatal	2.703	2.562	2.433	
Permanent Total	3.417	3.157	2.929	
Other Indemnity	1.000	1.000	1.000	
		Unescalated		
Fatal	1.789	1.725	1.668	
Permanent Total	2.160	2.043	1.941	
Other Indemnity	1.000	1.000	1.000	

Notes:

Non-serious indemnity loss development factors to ultimate for T = 192, 204, and 216 are 1.00.

(5): (4) / (1)

(6): (4) / (2)

(7): (4) / (3)

II 022

Section II - Loss Development
 Subsection D - Adjustment for Escalation of Benefits
 9/1/2005

Section II - D
 Exhibit 2
 Page 1

Differential in Loss Development

Paid plus Case Loss Development Method Calculation of Adjustment for Differential in Loss Development

Injury Kind	(1)	(2) Adjusted Paid plus Case Loss at T =		(4)
	192	204	216	Ultimate
		Escalated		
Fatal	1,433	1,457	1,481	1,887
Permanent Total	2,289	2,336	2,381	3,067
Other Indemnity	57,704	57,704	57,704	57,704
Total Indemnity	61,426	61,497	61,566	62,658
		Unescalated		
Fatal	848	857	866	1,004
Permanent Total	1,247	1,265	1,282	1,516
Other Indemnity	57,704	57,704	57,704	57,704
Total Indemnity	59,799	59,826	59,852	60,224
		(5) (6) (7) Adjustment for Differential in Loss Development at T =		
Benefit	192	204	216	
Fatal	1.112	1.105	1.099	
Permanent Total	1.102	1.096	1.089	
Other Indemnity	1.000	1.000	1.000	
Total Indemnity	1.013	1.012	1.011	

Notes:

(1), (2), (3): (4) / (implicit loss development factors from Section II - D, Exhibit 2, Page 3)

(4): From Section II - D, Exhibit 2, Page 2.

(5): [escalated (4) / (1)] / [unescalated (4) / (1)]

(6): [escalated (4) / (2)] / [unescalated (4) / (2)]

(7): [escalated (4) / (3)] / [unescalated (4) / (3)]

II 023

Section II - Loss Development
 Subsection D - Adjustment for Escalation of Benefits
 9/1/2005

Section II - D
 Exhibit 2
 Page 2

Differential in Loss Development

Paid plus Case Loss Development Method Calculation of Adjusted Ultimate Average Loss by Injury Kind

Injury Kind	(1) Escalated Ultimate Paid plus Case Loss Based on Impaired Mortality	(2) Injury Kind Weights	(3) Adjusted Escalated Ultimate
Fatal	874,958	1.89%	1,887
Permanent Total	1,668,738	3.07%	3,067
Other Indemnity	NA	57.70%	57,704
Total Indemnity		62.66%	62,658

Injury Kind	(4) Unescalated Ultimate Paid plus Case Loss Based on Impaired Mortality	(5) Adjusted Unescalated Ultimate
Fatal	465,615	1,004
Permanent Total	824,906	1,516
Other Indemnity	NA	57,704
Total Indemnity		60,224

Notes:

- (1), (4): From Section II - D, Exhibit 2, Page 3.
- (2): From Section V - B, Exhibit 1.
- (3): (2) x 100,000
- (5): [(4) / (1)] x (3)
- Other Indemnity = (3)

II 024

Section II - Loss Development
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Section II - D
 Exhibit 2
 Page 3

Differential in Loss Development

Paid plus Case Loss Development Method Calculation of Implicit Loss Development Factors

Injury Kind	(1) 192	(2) Average Paid plus Case Loss at T =		(4) Ultimate
		204	216	
		Escalated		
Fatal	664,504	675,808	686,874	874,958
Permanent Total	1,245,595	1,270,688	1,295,221	1,668,738
		Unescalated		
Fatal	393,217	397,535	401,676	465,615
Permanent Total	678,696	688,321	697,538	824,906
		(5) Implicit Loss Development Factors to Ultimate at T =		
Injury Kind	192	204	216	
		Escalated		
Fatal	1.317	1.295	1.274	
Permanent Total	1.340	1.313	1.288	
Other Indemnity	1.000	1.000	1.000	
		Unescalated		
Fatal	1.184	1.171	1.159	
Permanent Total	1.215	1.198	1.183	
Other Indemnity	1.000	1.000	1.000	

Notes:

Average discounted losses are calculated from Simulation Model loss flows using a 3.5% discount factor. For permanent total claims, case reserves are based on impaired mortality. The ultimate average discounted loss, however, is based on standard mortality.

Non-serious indemnity development factors to ultimate for T = 192, 204, and 216 are 1.00.

(5): (4) / (1)

(6): (4) / (2)

(7): (4) / (3)

PREMIUMS**Background**

The rate indication evaluates the adequacy of the current rate level by comparing an historical loss, LAE, and fixed expense ratio to a permissible loss, LAE, and fixed expense ratio. The historical loss ratio is the ratio of losses and loss adjustment expenses to earned premium. The current ratemaking methodology uses policy year earned standard and All Risk Adjustment Program ("ARAP") Premium. Policy year premiums are defined as the premiums associated with all policies taking effect in a given year. Earned premiums are the premiums related to the portion of the policy period that has already expired. Standard premium is defined as the accumulated premium resulting from standard rating procedures after the application of experience rating adjustments, Merit Rating Plan adjustments, Construction Class Premium Adjustment Program ("CCPAP") Credits, expense constants, and loss constants.

Policy years 2001 and 2002 earned standard and ARAP premiums are used in the indication and are brought to the current rate level in Section III.

Summary

Initial workers' compensation insurance premiums are by necessity estimates. Workers' compensation premiums are typically a function of the employer's payroll during the time the policy is in effect and consequently are not known definitively when the policy becomes effective. In addition to payroll audit adjustments, other adjustments may occur to the premium as a result of changes to the policy. For example,

experience modification factors may change during the term of a policy or CCPAP credit applications may be filed up to six months after the termination date of a policy.

Insurance carriers typically try to accrue an estimate of the impact of premium adjustments. However, industry-wide policy year earned standard and ARAP premium historically develops upward until such time as all audits have been finalized and no further premiums modifications can be made. Therefore, premiums must be developed to ultimate so that the premiums used in the indication properly reflect the actual exposure level which gave rise to the ultimate losses.

The currently effective rates were derived using “estimated values” for the average experience modification, the average merit rating credit, the average ARAP surcharge, and the average CCPAP credit. However, the “actual values” for the policy years under review differ from the “estimated values” loaded into the current rates. We apply factors to premiums to adjust the “actual values” of the experience modification, merit rating credit, ARAP surcharge, and Construction Class Premium Adjustment Program credit to the “estimated values” loaded in the current rates. These offsets are necessary to insure that the change in the current manual rates (which contain the same “estimated values”) is consistent with the overall indicated change. Additionally, the loading for prior Insolvency Fund assessments is removed.

Premium Development

Premium development factors are determined in this filing using the same methodology as was employed in the 9/1/03 filing. We utilized premium development

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factors based on the average of the latest two age-to-age development factors, also known as link ratios. For a given policy year, a premium development link ratio is the ratio of the premium valued as of time (t+1) to the premium valued as time t. As in recent filings, annual age-to-age link ratios are calculated using the sum of earned standard premium and earned ARAP premium.

Impact of Experience and Merit Rating

The currently effective rates contain an assumed load to reflect an estimated average experience modification and merit rating impact. The actual experience modifications and merit rating debits or credits for the policy years under review differ from the estimated values used in deriving the current rates. A factor is applied to premiums to reflect the impact of experience and merit rating to the level anticipated in the current rates.

In the 2003 filing we selected a projected average experience modification for the prospective period in the derivation of the adjustment factor. In this filing we used the historical experience mod anticipated in the rates. This is appropriate as the intention of the adjustment factor is to bring premium to the current rate level. The experience modification in the rates for non-merit rated risks is 1.00 and the average merit rating for merit rated risks is (4.2%). The selected average modifications and corresponding premium adjustment factors are displayed in Subsection B.

ARAP

The All Risk Adjustment Program (“ARAP”) was introduced in Massachusetts for policies effective 1/1/90 and after. The premium used to develop the rate indication is standard premium plus premium collected under ARAP.

An adjustment for the ARAP offset is included to reflect the fact that the ARAP surcharges during policy year 2001 and policy year 2002 were not precisely balanced by the offset in the rates. These adjustments are derived in Subsection C.

Construction Credit

An adjustment for the Construction Credit offset is included because the revenue generated from the rates effective during policy year 2001 and policy year 2002 due to the offsets for this program is different than the credits paid out during these periods of time. These adjustments are calculated in Subsection D.

Insolvency Fund

In Subsection E, factors are calculated to adjust the policy year 2001 and policy year 2002 premiums so that one-time Insolvency Fund recoupment amounts are excluded.

On-Level Adjustment

The rate indication is a review of the adequacy of the current rate level. Therefore, the reported premium should be brought to the current rate level. Since the

beginning of the historical period, there has been a 1.0% rate increase (effective 7/1/01) and a 4.0% rate decrease (effective 9/1/03). Workers' compensation premium is not written evenly throughout the year, and a disproportionate number of policies are effective on January 1 or July 1. To take this into account, the on-level calculation in this filing uses a Schedule Z monthly premium distribution. Subsection F calculates these factors.

Premium Adjustment Factor

The premium adjustment factor is intended to bring the experience period policy year standard premium data to the level of the policy effective period. It is used to determine the percentage of premium eligible for experience rating, adjust the layers of standard premium for premium discount and expense constant, and determine weightings in the premium flow of the profit provision. This factor incorporates average wage trend, current premium level, the estimated proposed rate level change, impacts of changes in rating programs, and exposure growth. These adjustments are calculated in Subsection G.

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Section III - Premiums
 Subsection A - Policy Year Data
 9/1/2005

Section III-A
 Exhibit 1

Standard Premium plus ARAP Premium Industrywide (\$000)

Months / Pol. Year	12	24	36	48	60
1998	451,342	781,728	798,401	805,474	805,924
1999	425,116	765,605	766,016	768,204	767,984
2000	397,545	713,342	717,696	725,379	
2001	423,007	753,329	766,659		
2002	466,974	831,466			
2003	457,598				

Development Factors

Months/ Pol. Year	12-24	24-36	36-48	48-60
1998	1.732	1.021	1.009	1.001
1999	1.801	1.001	1.003	1.000
2000	1.794	1.006	1.011	
2001	1.781	1.018		
2002	1.781			

2yr Avg	1.781	1.012	1.007	1.000
Cum. 2yr.	1.814	1.019	1.007	1.000

		<u>PY 2001</u>	<u>PY 2002</u>
(1)	Standard Earned Premium plus ARAP Premium ¹	766,659,351	831,466,460
(2)	Adjustment for Experience and Merit Rating Offbalance (Section III-B)	1.037	1.037
(3)	Adjustment for ARAP Offbalance (Section III-C)	1.018	1.012
(4)	Adjustment for Construction Credit Offbalance (Section III-D)	1.002	1.002
(5)	Adjustment for Insolvency Fund Recoupment Loading (Section III-E)	0.996	0.989
(6)	Development Factor to Ultimate (Development Factors above)	1.007	1.019
(7)	Premium On-Level Factor (Section III-F)	0.932	0.926
(8)	Adjustment Factors = (2) x (3) x (4) x (5) x (6) x (7)	0.989	0.981
(9)	Adjusted On-Level Earned Premium at Ultimate = (1) x (8)	758,295,749	816,000,210

¹ From 2003 Policy Year Call Reference Code 2-A

Adjustment for Experience Rating and Merit Rating Offbalance

Rate Level Effective Date (1)	Experience Mod for non-Merit Rated Risks		Merit Rating Impact		Average Experience Mod and Merit Rating Impact (6)	Policy Year Weights	
	Anticipated in Rates (2)	Percentage of Premium (3)	Anticipated in Rates (4)	Percentage of Premium (5)		2001 (7)	2002 (8)
09/01/1999	1.000	0.875	(0.042)	0.125	0.995	51.8%	0.0%
07/01/2001	1.000	0.904	(0.042)	0.096	0.996	48.2%	100.0%
09/01/2003	1.000	0.895	(0.042)	0.105	0.996	0.0%	0.0%

Policy Year	
2001	2002

(9) Weighted Average Experience and Merit Rating impact anticipated in current rates

0.995 0.996

(10) Standard Premium

706,620,691 770,835,048

(11) Manual Premium

736,396,564 802,238,630

(12) Average Impact of Experience Modification and Merit Rating
 = (10) / (11)

0.960 0.961

(13) Adjustment Factor
 = (9) / (12)

1.037 1.037

Average Modification (All Risks)

From Schedule Z, Excluding Large Deductible policies

(3) = 1.0 - (5)

(5) From old filings

(6) = (2) * (3) + (1.0 + (4)) * (5)

(7), (8) Policy Year weights are from Section III-F, Exhibit 1.

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III 008

Section III - Premiums
 Subsection C - Adjustment for ARAP Offbalance
 9/1/2005

Section III - C
 Exhibit 1

Adjustment for ARAP Offbalance

Rate Level Effective Date (1)	ARAP Charge in Rates (2)	Policy Year Weights	
		2001 (3)	2002 (4)
09/01/1999	5.90%	51.8%	0.0%
07/01/2001	5.20%	48.2%	100.0%
09/01/2003	5.10%	0.0%	0.0%

Policy Year	
2001	2002

(5) Weighted ARAP Charge in Rates	0.056	0.052
(6) Standard Premium	706,620,691	770,835,048
(7) ARAP Premium	26,422,075	30,374,247
(8) Average ARAP Surcharge = (7) / (6)	0.037	0.039
(9) Adjustment Factor = [1.0 + (5)] / [1.0 + (8)]	1.018	1.012

Average Modification (All Risks)
 From Schedule Z, Excluding Large Deductible policies
 (3), (4) Policy Year weights are from Section III-F, Exhibit 1.

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Section III - Premiums
 Subsection D - Adjustment for Construction Credit Offbalance
 9/1/2005

Section III-D
 Exhibit 1

Adjustment for Construction Credit Offbalance

Rate Level Effective Date (1)	Construction Credit in Rates (2)	Policy Year Weights	
		2001 (3)	2002 (4)
09/01/1999	-1.90%	51.8%	0.0%
07/01/2001	-1.90%	48.2%	100.0%
09/01/2003	-2.30%	0.0%	0.0%

Policy Year	
2001	2002

(5) Weighted Average Construction Credit in Rates (For Construction Credit eligible risks)	(0.019)	(0.019)
(6) Actual Average Construction Credit	(0.027)	(0.027)
(7) Percentage of Premium for Eligible Classes	0.315	0.315
(8) Adjustment Factor	1.002	1.002
$= \frac{\{ (7) \times [1.0 + (5)] + [1.0 - (7)] \times 1.0 \}}{\{ (7) \times [1.0 + (6)] + [1.0 - (7)] \times 1.0 \}}$		

(3), (4) Policy Year weights are from Section III-F, Exhibit 1.
 (7) For Composite Policy Year 01/02 at first report.

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Section III - Premiums
Subsection E - Adjustment for Insolvency Fund Recoupment Loading
9/1/2005

Section III-E
Exhibit 1

Adjustment for Insolvency Fund Recoupment Loading

Rate Level Effective Date (1)	Insolvency Fund Recoupment Load (2)	Policy Year Weights	
		2001 (3)	2002 (4)
09/01/1999	-0.30%	51.8%	0.0%
07/01/2001	1.10%	48.2%	100.0%
09/01/2003	-0.90%	0.0%	0.0%

Policy Year	
2001	2002

(5) Weighted Average Insolvency Load in Rates	0.004	0.011
(6) Adjustment Factor to be Applied to Premiums = $1.0 / [1.0 + (1)]$	0.996	0.989

(3), (4) Policy Year weights are from Section III-F, Exhibit 1.

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Section III - Premiums
 Subsection F - Premium On-Level Factors
 9/1/2005

Section III-F
 Exhibit 1

Premium On Level Factors

Policy Year (1)	Policy Month (2)	Written Premiums (3)	Percent of Policy Year Written Premium (4)	Percent Written at Rate Level Effective:	
				09/01/1999 (5)	07/01/2001 (6)
2001	1	141,185,936	17.15%	17.2%	0.0%
2001	2	49,188,150	5.98%	6.0%	0.0%
2001	3	47,601,762	5.78%	5.8%	0.0%
2001	4	65,465,241	7.95%	8.0%	0.0%
2001	5	56,607,691	6.88%	6.9%	0.0%
2001	6	66,667,506	8.10%	8.1%	0.0%
2001	7	69,118,388	8.40%	0.0%	8.4%
2001	8	54,293,883	6.60%	0.0%	6.6%
2001	9	52,507,656	6.38%	0.0%	6.4%
2001	10	66,122,213	8.03%	0.0%	8.0%
2001	11	81,150,330	9.86%	0.0%	9.9%
2001	12	73,150,912	8.89%	0.0%	8.9%
2001	Total	823,059,668	100.00%	51.8%	48.2%
2002	1	164,309,242	17.69%	0.0%	17.7%
2002	2	60,710,048	6.54%	0.0%	6.5%
2002	3	57,003,139	6.14%	0.0%	6.1%
2002	4	83,768,279	9.02%	0.0%	9.0%
2002	5	66,244,759	7.13%	0.0%	7.1%
2002	6	78,362,269	8.44%	0.0%	8.4%
2002	7	80,556,418	8.67%	0.0%	8.7%
2002	8	70,036,022	7.54%	0.0%	7.5%
2002	9	59,615,252	6.42%	0.0%	6.4%
2002	10	69,692,621	7.50%	0.0%	7.5%
2002	11	65,521,131	7.05%	0.0%	7.1%
2002	12	72,978,182	7.86%	0.0%	7.9%
2002	Total	928,797,362	100.00%	0.0%	100.0%

Rate Level Effective Date (8)	Rate Change (9)	Cumulative Rate Level Change (10)	Factor to Current Rate Level (11)	Policy Year Weights	
				2001 (12)	2002 (13)
09/01/1999		1.000	0.970	51.8%	0.0%
07/01/2001	1.010	1.010	0.960	48.2%	100.0%
09/01/2003	0.960	0.970	1.000		

		Policy Year	
		2001	2002
(14)	Weighted Average Factor	0.965	0.960
(15)	Factor to Remove Expense Constant	0.966	0.965
(16)	Premium On-Level Factors = (14) * (15)	0.932	0.926

Note:
 (15) from Section VI-J

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Section III - Premiums
 Subsection G - Premium Adjustment Factors
 9/1/2005

Section III-G
 Exhibit 1

Calculation of Premium Adjustment Factor CPY01/02 to PY9/1/05-08/30/07

(1)	Average Wage Trend from 01/02 to Pol Eff. Period	1.100
(2)	Exposure Growth	1.044
(3)	Rate Level Changes	0.960
(4)	Estimated Rate Changes for policies eff. 9/1/2005	1.010
(5)	Balance Experience Rating	1.040
(6)	Balance Construction Credit Program	1.002
(7)	Balance ARAP	1.014
(8)	Change in Insolvency Fund Loading	1.012
(9)	Adjustment Factor =product of all	1.190

Selected factor	1.20
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(1)	Average Wage & Salary for CPY 01/02 (from Section V-G, Exhibit 2)	45,967
	Average Wage & Salary for 10/01/04 (from Section V-G, Exhibit 2)	47,776
	Average Wage & Salary at 9/1/06 (using wage trend of 3% from Section V-A, Exhibit 4)	50,562
(2)	Exposure growth from 01/02 to Policy Effective Period (from Section VI-H, exhibit 1)	1.044
(3)	Rate change effective 7/1/01	1.0%
	Rate change effective 9/1/03	-4.0%
(5)	CPY01/02 Avg. MOD, excluding large deductible (std prem/manual prem=760704345/790939017)	0.962
	Est. Pol. Eff. Period Avg. MOD, excluding large deductibles	1.000
(6)	Construction Credit offset in rates for 01/02	0.994
	Average Construction Credit for 01/02	0.992
	Adjustment to balance CPY01/02 Construction Credit = 0.994 / 0.992	1.002
	Balanced Construction Credit for Policy Effective Period	1.000
(7)	ARAP offset in rates for 01/02	1.052
	Average ARAP for 01/02 (ARAP Premium/Std Premium=28891292/760704345)	1.038
	Adjustment to balance CPY01/02 ARAP = 1.052 / 1.038	1.014
	Balanced ARAP for Policy Effective Period	1.000
(8)	CPY01/02 Insolvency Fund Load	1.011
	Est. Policy Effective Insolvency Fund Load	1.023

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Section III - Premiums
 Subsection G - Premium Adjustment Factors
 9/1/2005

Section III-G
 Exhibit 2

Calculation of Premium Adjustment Factor CPY01/02 to PY01

(1)	Average Wage Trend from 01/02 to 1/1/02	1.000
(2)	Exposure Growth	0.995
(3)	Rate Level Changes	0.995
(4)	Balance Experience Rating	0.998
(5)	Balance Construction Credit Program	1.000
(6)	Balance ARAP	0.996
(7)	Change in Insolvency Fund Loading	0.993
(8)	Adjustment Factor =product of all	0.977

Selected factor	1.00
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(1)	Average Wage & Salary for 01/02 (from Section V-G, exhibit 2)	45,967
	Average Wage & Salary at 1/1/02 (from Section V-G, exhibit 2)	45,985
(2)	Exposure growth from 01/02 to PY01 (from Section VI-H, exhibit 1)	0.995
(3)	Rate change effective 9/1/99	-20.3%
	Rate change effective 7/1/01	1.0%
(4)	CPY01/02 Avg. MOD, excluding large deductible (from exhibit 1)	0.962
	PY01 Avg. MOD, excluding large deductibles (from Section III-B, exhibit 1)	0.960
(5)	CPY99/00 Construction Credit offset (from exhibit 1)	1.002
	PY01 Construction Credit offset (from Section III-D, exhibit 1)	1.002
(6)	CPY01/02 ARAP offset, excluding large ded (from exhibit 1)	1.014
	PY01 ARAP offset (from Section III-C, exhibit 1)	1.018
(7)	CPY01/02 Insolvency Fund Load (from exhibit 1)	1.011
	PY01 Insolvency Fund Load (from Section III-E, exhibit 1)	1.004

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Section III - Premiums
Subsection G - Premium Adjustment Factors
9/1/2005

Section III-G
Exhibit 3

Calculation of Premium Adjustment Factor CPY01/02 to PY02

(1)	Average Wage Trend from 01/02 to 1/1/03	1.015
(2)	Exposure Growth	1.005
(3)	Rate Level Changes	1.000
(4)	Balance Experience Rating	0.999
(5)	Balance Construction Credit Program	1.000
(6)	Balance ARAP	1.001
(7)	Change in Insolvency Fund Loading	1.000
(8)	Adjustment Factor =product of all	1.020
Selected Factor		1.00

(1)	Average Wage & Salary for 01/02 (from Section V-G, exhibit 2)	45,967
	Average Wage & Salary at 1/1/03 (from Section V-G, exhibit 2)	46,649
(2)	Exposure growth from 01/02 to PY02 (from Section VI-H, exhibit 1)	1.005
(3)	Rate change effective 7/1/01	1.0%
(4)	CPY01/02 Avg. MOD, excluding large deductible (from exhibit 1)	0.962
	PY02 Avg. MOD, excluding large deductibles (from Section III-B, exhibit 1)	0.961
(5)	CPY01/02 Construction Credit offset (from exhibit 1)	1.002
	PY02 Construction Credit offset (from Section III-D, exhibit 1)	1.002
(6)	CPY01/02 ARAP offset, excluding large deductibles (from exhibit 1)	1.014
	PY02 ARAP offset, excluding large deductibles (from Section III-C, exhibit 1)	1.012
(7)	CPY01/02 Insolvency Fund Load (from exhibit 1)	1.011
	PY02 Insolvency Fund Load (from Section III-E, exhibit 1)	1.011

BENEFIT CHANGE ADJUSTMENTS

In Section IV we calculate the estimated effect on indemnity losses of both prior and projected changes in the Statewide Average Weekly Wage (“SAWW”). We also derive an estimate for the rate level impact of the September 1, 2004 change in the medical fee schedule.

Benefit Change Adjustments

The benefit change adjustments are summarized in Section IV-A, Exhibit 1. We calculate separate adjustments to bring indemnity and medical losses for policy years 2001 and 2002 to the 1/1/04 benefit level, and additional adjustments to bring losses from the 1/1/04 benefit level to the projected benefit level for the period the rates will be in effect.

Benefit changes considered in this section are the consequence of the reevaluations of the SAWW, performed every October 1 by the Commonwealth’s Department of Unemployment Assistance, and the change in the medical fee schedule effective September 1, 2004.

In Sections IV-B to IV-E, we display in detail the derivation of our estimates of the effects of the changes in the SAWW announced in 2003 and 2004 and projected for 2005 and 2006. Section IV-F summarizes the provisions of Chapter 398, showing benefits that are tied to the SAWW. Section IV-G contains backup data used in the evaluations. The model underlying the estimates is described below. The medical fee schedule calculation is presented in Section IV-H.

Determination of the Effect of Announced SAWW Changes**Introduction**

We use a version of the NCCI's "Automatics Model" to evaluate the effects of changes in the SAWW. The Automatics Model, a traditional approach, looks at benefits paid to average claimants. It is used by the NCCI in thirty-nine states.

Description of the Model

NCCI's "Automatics Model" is used to evaluate benefit changes that are dependent on changes in the SAWW. In Massachusetts, SAWW changes are announced every October. Most indemnity benefits are determined as a percentage of the SAWW, subject to maximum and minimum amounts.

For each injury kind, the indemnity benefits payable to an average claimant are determined before and after each announced SAWW change. The estimated impact of the change in the SAWW is calculated by comparing the "before" and "after" costs.

Sections IV-B through IV-E detail the estimation of changes in the costs of benefits arising from changes in the SAWW effective October 1, 2003 and October 1, 2004, and the projected SAWW changes of October 1, 2005 and October 1, 2006. Exhibit 1, pages 1 to 4, in each of Sections IV-B, C, D, and E estimate the effect on fatal benefits. Exhibit 2, pages 1 and 2 in each of Sections IV-B, C, D, and E evaluate the effect on permanent total benefits. Exhibit 3, pages 1 and 2 in each of Sections IV-B, C, D, and E evaluates the effect on permanent partial benefits. Exhibit 4 Page 1 looks at temporary total benefits.

Benefits for Fatal Claims

Fatal benefits are the sum of dependent survivor benefits, which are a function of the SAWW, and burial payments, which are not a function of the SAWW (Exhibit 1, page 1). Expected dependent survivor payments are valued on Exhibit 1, page 2. The NCCI provided the distribution of dependents by category - none, widow alone, widow with children, etc. For each category of dependents, the cost is estimated as the product of a contingent annuity value and an average weekly benefit.

The contingent annuity values represent the present value of a stream of payments of \$1 discounted to reflect not only the time value of money, but also possible occurrence of a contingent event that would cause the payment stream to cease. Examples of contingent events that would affect dependent survivor benefits for workers' compensation include death or remarriage of the dependent survivor. For simplicity, we have used values from the approved pension tables in the Massachusetts' Workers' Compensation Statistical Plan which assume an interest rate of 3.5% and COLA adjustments of 3.1%. The annuities reflect the appropriate U.S. life tables in all cases except for the category of "three orphans," where an annuity certain was used to approximate joint survivorship.

Average weekly benefits before and after the SAWW revision are evaluated on the remaining pages of Exhibit 1. The estimated average weekly benefit depends on the proportions of workers whose wages result in either the application of the statutory minimum benefit, the application of the statutory maximum benefit, or a benefit that falls somewhere between the minimum and the maximum. As in the last filing these proportions come from the Massachusetts Wage Table ("Wage Table"). As shown in Section IV-G exhibit 1, the Wage Table is based on Massachusetts workers' compensation

data from accident years 1987 to 1994. For wage levels twice the statewide average and higher the data were smoothed using a lognormal distribution.

Benefits for Permanent Total Cases

To evaluate the effect of announced SAWW changes on permanent total losses, we consider weekly wage loss benefits and specific injury payments separately, and then we weight them together in Exhibit 2, page 1. Most permanent total payments relate to weekly wage loss benefits. The statutory weekly wage loss benefit is two thirds of the pre-injury wage subject to a minimum and maximum. The minimum and maximum are a function of the promulgated SAWW. Therefore changes to the SAWW affect the average benefit paid (Exhibit 2, page 2). The second component we consider is specific injury payments. These benefits vary directly with the SAWW. Specific injury payments are made for the loss of use of body parts and determined as various multiples of the SAWW as listed in Section 36 of M.G.L. Chapter 152.

Benefits for Permanent Partial Cases

Permanent partial disability cases typically include a temporary period of total disability, referred to as the “healing period,” followed by a period of partial disability during which the worker has a wage earning capacity at a level below his pre-injury wage. Different benefit structures apply to the two periods. In addition, under Section 36 specific injury payments are made for the loss of use of various body parts. In Exhibit 3, page 1, we weight together the effect of the SAWW on wage loss, specific injury payments, and healing period payments, using weights provided by the NCCI.

Benefits for Temporary Total Cases

We evaluate the effect on temporary total benefits on Exhibit 4, page 1. Temporary total wage loss benefits under Section 34 of M.G.L. Chapter 152 provide an injured worker sixty percent of their average weekly wage before the injury subject to a cap, the statutory maximum compensation rate, and a floor, the statutory minimum compensation rate. However, if the average weekly wage of the employee is less than the minimum compensation rate his wage compensation rate is set equal to his average weekly wage.

Determination of the Effect of Medical Fee Schedule Changes

The Division of Health Care Finance and Policy implemented changes to the medical fee schedule effective September 1, 2004. We have estimated the impact of this change on medical loss costs using the same method that has been used in recent years. This is done in three steps: we calculate the impact of the fee schedule change on a representative sample of procedures; we estimate the proportion of medical costs to which the fee schedule applies, and we derive the effect of the schedule change on total medical losses.

Using a frequency distribution of medical procedures provided by the NCCI and categorized by “CPT” codes (the AMA’s Current Procedural Terminology), we calculated the total cost by CPT for procedures having explicit values in both the old and new fee schedules. We performed these calculations separately for surgical procedures, radiology, clinical laboratories, and medicine. These calculations are summarized on page 1 of Exhibit 3, which shows that the impact of the change on those CPT codes included in the NCCI frequency distribution is 3.3%. We estimate (see Exhibit 3, page 2) that 45% of

IV 006

medical payments will be subject to the fee schedule. However, an estimated 3.5% of the medical payments expected to be subject to the fee schedule will involve CPT codes for which no explicit fee is listed, so a tempering factor is applied (Exhibit 2). We estimate that the effect of the fee change on medical losses is 1.4%.

BENEFIT CHANGE ADJUSTMENTS
Indemnity Benefit Level Factors

Estimated Benefit Changes Subsequent to 1/1/04

(1)	Date of Change	1/1/2004	10/1/2004	10/1/2005	10/1/2006
(2)	Benefit Level Change	1.000	1.009	1.007	1.007
(3)	Average Benefit Level in Effect	1.000	1.009	1.017	1.024
(4)	Proportion of Policy Effective Period that Average Benefit Level in Effect	0.0000	0.0053	0.6133	0.3814
(5)	Average Policy Effective Period Benefit Level [Sum of (3) x (4)]	1.020			

Estimated Benefit Changes Prior to 1/1/04

		Policy Year 2001		
(1)	Effective Date	1/1/2001	10/1/2001	10/1/2002
(2)	Benefit Level Change	1.000	1.015	0.998
(3)	Cumulative Benefit Level Change	1.000	1.015	1.013
(4)	Proportion of PY '01 that (3) was in effect	0.3350	0.6420	0.0230
(5)	Average PY '01 Benefit Level [Sum of (3) x (4)]	1.010		
(6)	Benefit Level in Effect at 1/1/04	1.014		
(7)	PY '01 Indemnity Benefit Level Factor = (6) / (5)	1.004		

		Policy Year 2002		
(1)	Effective Date	1/1/2002	10/1/2002	10/1/2003
(2)	Benefit Level Change	1.000	0.998	1.001
(3)	Cumulative Benefit Level Change	1.000	0.998	0.999
(4)	Proportion of PY '02 that (3) was in effect	0.3546	0.6264	0.0190
(5)	Average PY '02 Benefit Level [Sum of (3) x (4)]	0.999		
(6)	Benefit Level in Effect at 1/1/04	0.999		
(7)	PY '02 Indemnity Benefit Level Factor = (6) / (5)	1.000		

Notes:
 (1),(2) The Benefit Level Changes were estimated using an adaptation of the NCCI's Automatics Model.
 10/1/2001-02 from Section IV-A of 9/1/03 filing.
 10/1/2003-06 from Exhibit 3
 (4) from Exhibit 2

BENEFIT CHANGE ADJUSTMENTS
Medical Benefit Level Factors

Estimated Benefit Changes Subsequent to 1/1/04

(1)	Date of Change	1/1/2004	9/1/2004
(2)	Benefit Level Change	1.000	1.014
(3)	Average Benefit Level in Effect	1.000	1.014
(4)	Proportion of Policy Effective Period that Average Benefit Level in Effect	0.0000	1.0000
(5)	Average Policy Effective Period Benefit Level [Sum of (3) x (4)]	1.014	

Estimated Benefit Changes Prior to 1/1/04

		Policy Year 2001	
(1)	Effective Date	1/1/2001	12/1/2002
(2)	Benefit Level Change	1.000	1.052
(3)	Cumulative Benefit Level Change	1.000	1.052
(4)	Proportion of PY '01 that (3) was in effect	1.0000	0.0000
(5)	Average PY '01 Benefit Level [Sum of (3) x (4)]	1.000	
(6)	Benefit Level in Effect at 1/1/04	1.052	
(7)	PY '01 Medical Benefit Level Factor = (6) / (5)	1.052	

		Policy Year 2002	
(1)	Effective Date	1/1/2002	12/1/2002
(2)	Benefit Level Change	1.000	1.052
(3)	Cumulative Benefit Level Change	1.000	1.052
(4)	Proportion of PY '02 that (3) was in effect	0.5023	0.4977
(5)	Average PY '02 Benefit Level [Sum of (3) x (4)]	1.026	
(6)	Benefit Level in Effect at 1/1/04	1.052	
(7)	PY '02 Medical Benefit Level Factor = (6) / (5)	1.025	

Notes:

(1),(2) Estimated Impact of Medical Fee Schedule change. 12/1/02 from Section IV-H of 9/1/03 filing. 9/1/04 from Section IV-H.

(4) from Exhibit 2

IV 009

Section IV - Benefit Change Adjustments
 Subsection A - Summary
 9/1/2005

Section IV-A
 Exhibit 2

Calculation of Weights for Benefit Periods

Policy Year 2001						
Effective Month	% of PY Premium	Indemnity Benefit Level			Medical Benefit Level	
		1/1/2001	10/1/2001	10/1/2002	1/1/2001	12/1/2002
		Months Policy In Force			Months Policy In Force	
Jan	17.2%	9	3			12
Feb	6.0%	8	4			12
Mar	5.8%	7	5			12
Apr	8.0%	6	6			12
May	6.9%	5	7			12
Jun	8.1%	4	8			12
Jul	8.4%	3	9			12
Aug	6.6%	2	10			12
Sep	6.4%	1	11			12
Oct	8.0%		12			12
Nov	9.9%		11	1		12
Dec	8.9%		10	2		12
Proportion of PY'01 that was in effect		33.5%	64.2%	2.3%		100.0% 0.0%

Policy Year 2002						
Effective Month	% of PY Premium	Indemnity Benefit Level			Medical Benefit Level	
		1/1/2002	10/1/2002	10/1/2003	1/1/2002	12/1/2002
		Months Policy In Force			Months Policy In Force	
Jan	17.7%	9	3			11 1
Feb	6.5%	8	4			10 2
Mar	6.1%	7	5			9 3
Apr	9.0%	6	6			8 4
May	7.1%	5	7			7 5
Jun	8.4%	4	8			6 6
Jul	8.7%	3	9			5 7
Aug	7.5%	2	10			4 8
Sep	6.4%	1	11			3 9
Oct	7.5%		12			2 10
Nov	7.1%		11	1		1 11
Dec	7.9%		10	2		12
Proportion of PY'02 that was in effect		35.5%	62.6%	1.9%		50.2% 49.8%

Policy Effective Period							
Effective Month	% of PY Premium	Indemnity Benefit Level			Medical Benefit Level		
		1/1/2004	10/1/2004	10/1/2005	10/1/2006	1/1/2004	9/1/2004
		Months Policy In Force			Months Policy In Force		
Sep	6.4%		1	11			12
Oct	7.5%			12			12
Nov	7.1%			11	1		12
Dec	7.9%			10	2		12
Jan	17.7%			9	3		12
Feb	6.5%			8	4		12
Mar	6.1%			7	5		12
Apr	9.0%			6	6		12
May	7.1%			5	7		12
Jun	8.4%			4	8		12
Jul	8.7%			3	9		12
Aug	7.5%			2	10		12
Proportion of Period that was in effect		0.0%	0.5%	61.3%	38.1%	0.0%	100.0%

Note:
 Monthly Distribution of Policy Year Premium from Section III-F
 Policy Effective Period uses PY'02 Monthly Premium Distribution

IV 010

Section IV - Benefit Change Adjustments
 Subsection A - Summary
 9/1/2005

Section IV-A
 Exhibit 3

Summary of October 1 Benefit Change by Injury Kind and for Total Indemnity

	<i>Indemnity Injury Kind</i>						Total Indemnity	Total Losses
	Fatal	Permanent Total	Major Permanent Partial	Minor Permanent Partial	Temporary Total			
Weights ¹	0.0189	0.0307	0.3516	0.0417	0.1837	0.6266	1.0000	
Date of benefit change								
Oct. 1, 2003	0.0%	0.0%	0.1%	0.1%	0.0%	0.1%	0.0%	
Oct. 1, 2004	0.5%	0.7%	1.2%	1.2%	0.4%	0.9%	0.6%	
Oct. 1, 2005	0.4%	0.6%	1.0%	1.0%	0.3%	0.7%	0.5%	
Oct. 1, 2006	0.4%	0.6%	1.0%	1.0%	0.3%	0.7%	0.5%	

¹ These weights are the final weights for Post-Chapter 398 data excluding large deductibles at ultimate.

IV 011

Section IV - Benefit Change Adjustments
 Subsection A - Summary
 9/1/2005

Section IV-A
 Exhibit 4

Historical Benefit Level Changes

Effective Date	Indemnity							Medical	Total
	Injury Kind 1	Injury Kind 2	Injury Kind 3	Injury Kind 4	Injury Kinds 3&4	Injury Kind 5	All Injury Kinds	All Injury Kinds	
10/1/1990	1.3%	0.8%	1.0%	1.2%	1.0%	1.0%	1.0%	0.0%	0.8%
10/1/1991	1.9%	1.1%	1.5%	2.9%	1.5%	1.2%	1.5%	0.0%	1.2%
12/1/1991	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.4%	0.6%
12/23/1991	-33.6%	-44.2%	-20.0%	-10.5%	-19.7%	-29.8%	-24.0%	-2.9%	-20.0%
10/1/1992	2.0%	1.2%	1.7%	3.0%	1.7%	0.8%	1.5%	0.0%	1.1%
7/1/1993	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	0.2%
10/1/1993	1.5%	0.9%	1.3%	2.3%	1.3%	0.6%	1.2%	0.0%	0.9%
10/1/1994	1.2%	0.6%	1.1%	1.9%	1.1%	0.3%	0.8%	0.0%	0.6%
2/1/1995	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%	0.6%
10/1/1995	1.0%	0.5%	1.0%	1.8%	1.0%	0.3%	0.8%	0.0%	0.5%
7/1/1996	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	0.6%
10/1/1996	1.6%	0.9%	1.4%	2.5%	1.4%	0.5%	1.1%	0.0%	0.8%
10/1/1997	1.9%	1.1%	1.8%	3.0%	1.9%	0.7%	1.4%	0.0%	1.0%
10/1/1998	1.9%	1.1%	1.6%	2.8%	1.7%	0.6%	1.3%	0.0%	0.9%
10/1/1999	2.7%	1.5%	2.2%	3.9%	2.4%	0.8%	1.8%	0.0%	1.2%
9/1/2000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	1.0%
10/1/2000	4.2%	2.5%	3.4%	5.9%	3.7%	1.5%	3.0%	0.0%	2.1%
10/1/2001	0.8%	1.2%	2.2%	2.2%	2.2%	0.6%	1.5%	0.0%	0.9%
10/1/2002	-0.1%	-0.1%	-0.3%	-0.3%	-0.3%	-0.1%	-0.2%	0.0%	-0.1%
12/1/2002	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.2%	2.0%
10/1/2003	0.0%	0.0%	0.1%	0.1%	0.1%	0.0%	0.1%	0.0%	0.0%
9/1/2004	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	0.5%
10/1/2004	0.5%	0.7%	1.2%	1.2%	1.2%	0.4%	0.9%	0.0%	0.6%
10/1/2005	* 0.4%	0.6%	1.0%	1.0%	1.0%	0.3%	0.7%	0.0%	0.5%
10/1/2006	* 0.4%	0.6%	1.0%	1.0%	1.0%	0.3%	0.7%	0.0%	0.5%

Notes

From Section IV-A Exhibit 2, IV-H Exhibit 1 and Section V-D Exhibit 10 Page 3 of 9/1/03 Filing

Section IV-A, Exhibit 3 and Section IV-H Exhibit 1.

Law Amendments for I.K. 3 & 4 are an average of Law Amendments for I.K. 3 and I.K. 4, weighted by latest Injury Kind weights (Section IV-B, Exhibit 1, Page 1 of past filings) at time of benefit change.

* Estimate

IV 012

Section IV - Benefit Change Adjustments
 Subsection A - Summary
 9/1/2005

Section IV-A
 Exhibit 5

Composite Policy Year Benefit On-Level Factors to 10/1/04 Law Level

Composite Policy Year	Indemnity Losses							Medical Losses
	Injury Kind 1	Injury Kind 2	Injury Kind 3	Injury Kind 4	Injury Kinds 3 & 4	Injury Kind 5	All Injury Kinds	All Injury Kinds
1991/92	1.138	1.032	1.165	1.320	1.174	1.021	1.118	1.152
1992/93	1.182	1.113	1.180	1.301	1.188	1.063	1.142	1.147
1993/94	1.165	1.104	1.165	1.273	1.173	1.057	1.130	1.139
1994/95	1.152	1.097	1.153	1.249	1.160	1.054	1.121	1.124
1995/96	1.138	1.091	1.140	1.225	1.148	1.050	1.111	1.110
1996/97	1.120	1.080	1.123	1.193	1.130	1.044	1.098	1.100
1997/98	1.099	1.069	1.104	1.160	1.110	1.037	1.083	1.100
1998/99	1.076	1.056	1.085	1.124	1.089	1.031	1.068	1.100
1999/00	1.044	1.037	1.058	1.077	1.060	1.021	1.046	1.088
2000/01	1.012	1.016	1.027	1.028	1.027	1.008	1.020	1.067
2001/02	1.005	1.007	1.012	1.012	1.012	1.004	1.009	1.067

Notes

Calculated using parallelogram method using benefit changes from Exhibit 4

IV 013

Section IV - Benefit Change Adjustments
 Subsection A - Summary
 9/1/2005

Section IV-A
 Exhibit 6

Composite Policy Year Benefit On-Level Factors to Policy Effective Period

Benefit On-Level Factors

Policy Period	Fatal	Permanent Total	Major Permanent Disability	Minor Permanent Disability	Temporary Total	Medical
(1) CPY 1997/1998	1.108	1.081	1.125	1.182	1.044	1.100
(2) CPY 1998/1999	1.085	1.068	1.105	1.146	1.037	1.100
(3) CPY 1999/2000	1.052	1.049	1.078	1.097	1.027	1.088
(4) CPY 2000/2001	1.020	1.028	1.047	1.047	1.015	1.067
(5) CPY 2001/2002	1.013	1.019	1.031	1.031	1.010	1.067
(6) PY 9/1/2005 to 8/31/2006	1.002	1.003	1.006	1.006	1.002	1.000

Benefit Level Adjustment Factors

Policy Period	Fatal	Permanent Total	Major Permanent Disability	Minor Permanent Disability	Temporary Total	Medical
(7) CPY 1997/1998 = (1) / (6)	1.105	1.077	1.119	1.175	1.042	1.100
(8) CPY 1998/1999 = (2) / (6)	1.082	1.064	1.099	1.140	1.035	1.100
(9) CPY 1999/2000 = (3) / (6)	1.050	1.046	1.072	1.091	1.025	1.088
(10) CPY 2000/2001 = (4) / (6)	1.017	1.024	1.041	1.042	1.013	1.067
(11) CPY 2001/2002 = (5) / (6)	1.011	1.015	1.025	1.025	1.008	1.067

Notes

Effects of Benefit Changes from Section IV - A, Exhibit 4. Benefit On-Level Factors are calculated using parallelogram method. Benefit Level Adjustment Factors adjust the experience policy to the proposed effective policy year period.

IV 014

Section IV - Benefit Change Adjustments
 Subsection A - Summary
 9/1/2005

Section IV-A
 Exhibit 7

Prior Policy Effective Period Benefit On-Level Factors to Proposed Policy Effective Period

Benefit On-Level Factors

Policy Period	Fatal	Permanent Total	Major Permanent Disability	Minor Permanent Disability	Temporary Total	Medical
(1) PY 9/1/2003 to 8/31/2004	1.011	1.016	1.026	1.026	1.009	1.007
(2) PY 9/1/2005 to 8/31/2006	1.002	1.003	1.006	1.006	1.002	1.000

Benefit Level Adjustment Factors

Policy Period	Fatal	Permanent Total	Major Permanent Disability	Minor Permanent Disability	Temporary Total	Medical
(3) PY 9/1/2003 to PY9/1/2005 = (1) / (2)	1.009	1.012	1.021	1.021	1.007	1.007
(4) Injury Kind Weights	0.019	0.031	0.352	0.042	0.184	0.373
		Serious (I.K. 1-3)		Non-Serious (I.K. 4-5)		Medical (I.K. 1-6)
Effect by Injury Type:		1.020		1.010		1.007

Notes

Effects of Benefit Changes from Section IV - A, Exhibit 4. Benefit On-Level Factors are calculated using parallelogram method. Benefit Level Adjustment Factors adjust the experience policy to the proposed effective policy year period.
 (4) Post-Chapter 398 weights at ultimate, from Section V-B.

IV 015

Section IV - Benefit Change Adjustments
 Subsection A - Summary
 9/1/2005

Section IV-A
 Exhibit 8

Benefit Level Change from Prior Projection of Average Benefit Level for Prior Policy Effective Period to Current Projection of Average Benefit Level for Proposed Policy Effective Period

		Projected Average Benefit Level for Proposed Effective Policy Period Policy Year 9/1/2005 to 8/31/2006					
(1) Date of Change	12/1/2002	10/1/2003	09/1/2004	10/1/2004	10/1/2005	10/1/2006	
(2) Benefit Level Change	1.020	1.000	1.005	1.006	1.005	1.005	
(3) Cumulative Benefit Level Change	1.020	1.020	1.026	1.032	1.037	1.041	
(4) Policy Period Weights	0.000	0.000	0.000	0.003	0.575	0.421	
(5) Average Policy Period Benefit Level = Sum of (3) x (4)						1.039	
		Average Benefit Level for Current Policy Period, Estimated at 9/1/2003 Policy Year 9/1/2003 to 8/31/2004					
(6) Date of Change	12/1/2002	10/1/2003	09/1/2004	10/1/2004	10/1/2005	10/1/2006	
(7) Benefit Level Change	1.020	1.001	1.000	1.005	1.000	1.000	
(8) Cumulative Benefit Level Change	1.020	1.021	1.021	1.026	1.026	1.026	
(9) Policy Period Weights	0.003	0.497	0.079	0.421	0.000	0.000	
(10) Average Policy Period Benefit Level = Sum of (8) x (9)						1.023	
(11) Benefit Level Change = (5) / (10)						1.015	
(12) Benefit Level Change on Percentage Basis = [(11) - 1.000] x 100						1.5%	

Notes

- (2) From Exhibit 4.
- (3) Product of (2) at successive benefit dates.
- (4) Policy Year 9/1/2005 to 8/31/2006
- (7) From Section IV-A, Exhibit 1 of 9/1/2003
- (8) Product of (7) at successive benefit dates.
- (9) Policy Year 9/1/2003 to 8/31/2004

IV 016

Section IV - Benefit Change Adjustments
 Subsection A - Summary
 9/1/2005

Section IV-A
 Exhibit 9

Law Adjustment Factors

Law Factors			Fraction of Premium Earned at a Given Benefit Level			
Effective Date (1)	Law Amendment Factor (2)	Cumulative Factor (3)	Policy Effective Date			PY Effective 9/1/2005 (7)
			03/01/2002 (4)	03/01/2003 (5)	03/01/2004 (6)	
03/01/2002	Base Level	1.000	0.586			
10/01/2002	0.999	0.999	0.167			
12/01/2002	1.020	1.019	0.247	0.585		
10/01/2003	1.000	1.019		0.415	0.504	
09/01/2004	1.005	1.025			0.082	
10/01/2004	1.006	1.031			0.414	0.003
10/01/2005	1.005	1.036				0.576
10/01/2006	1.005	1.040				0.421

(8) Average Benefit Level

1.005	1.019	1.025	1.038
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(9) Adjustment to PY Effective 9/1/2005 Benefit Level

1.033	1.018	1.013
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Notes:

(1),(2) From Section IV-A Exhibit 4

(4),(5),(6) Unit Stat Reports used to experience rate a policy taking effect 6 months after effective date of the proposed rates.

IV 017

Calculation of Law Amendment Factors for Use in Calculating D-Ratios Indemnity Benefits

A. Benefit Changes by Injury Kind

	10/01/1998	10/01/1999	10/01/2000	10/01/2001	10/01/2002	10/01/2003	10/01/2004
Fatal	1.9%	2.7%	4.2%	0.8%	-0.1%	0.0%	0.5%
Permanent Total	1.1%	1.5%	2.5%	1.2%	-0.1%	0.0%	0.7%
Major Permanent Partial	1.6%	2.2%	3.4%	2.2%	-0.3%	0.1%	1.2%
Minor Permanent Partial	2.8%	3.9%	5.9%	2.2%	-0.3%	0.1%	1.2%
Temporary Total	0.6%	0.8%	1.5%	0.6%	-0.1%	0.0%	0.4%

B. Cumulative Index

	Base							
Fatal	1.000	1.019	1.047	1.090	1.099	1.098	1.098	1.104
Permanent Total	1.000	1.011	1.026	1.052	1.064	1.063	1.064	1.072
Major Permanent Partial	1.000	1.016	1.038	1.074	1.097	1.094	1.095	1.108
Minor Permanent Partial	1.000	1.028	1.068	1.131	1.156	1.153	1.153	1.168
Temporary Total	1.000	1.006	1.014	1.029	1.035	1.034	1.035	1.039

C. Schedule Z Composite Policy Year

Effect by Policy Year:

07/01/1999 - 06/30/2000	0.032	0.689	0.280			
07/01/2000 - 06/30/2001		0.032	0.689	0.280		
07/01/2001 - 06/30/2002			0.032	0.689	0.280	

D. Average Policy Period

Effect by Policy Period:

03/01/2002 - 02/28/2003				0.586	0.414		
03/01/2003 - 02/29/2004					0.586	0.414	
03/01/2004 - 02/28/2005						0.585	0.415

Injury Kind

	Fatal	Perm Tot	Maj PP	Min PP	Temp Tot
E. Sum of (B) Weighted by (C)					
07/01/1999 - 06/30/2000	1.058	1.033	1.048	1.084	1.018
07/01/2000 - 06/30/2001	1.091	1.054	1.079	1.136	1.030
07/01/2001 - 06/30/2002	1.099	1.064	1.096	1.154	1.035
F. Sum of (B) Weighted by (D)					
03/01/2002 - 02/28/2003	1.099	1.064	1.096	1.155	1.035
03/01/2003 - 02/29/2004	1.098	1.064	1.094	1.153	1.034
03/01/2004 - 02/28/2005	1.101	1.067	1.100	1.159	1.036
G. Law Amendment Factor = (F) / (E)					
1999/2000 to 03/01/2002	1.039	1.030	1.046	1.065	1.017
2000/2001 to 03/01/2003	1.006	1.009	1.014	1.015	1.004
2001/2002 to 03/01/2004	1.002	1.003	1.004	1.004	1.001

Notes:

A: Section IV-A Exhibit 4

IV 018

Section IV - Benefit Change Adjustments
 Subsection A - Summary
 9/1/2005

Section IV-A
 Exhibit 10
 Page 2

Calculation of Law Amendment Factors for Use in Calculating D-Ratios Medical Benefits

A. Benefit Changes by Injury Kind

	07/01/1999	09/01/2000	12/01/2002	09/01/2004
All Medical		3.1%	5.2%	1.4%

B. Cumulative Index

	Base				
All Medical	1.000	1.000	1.031	1.085	1.100

C. Schedule Z Composite Policy Year

Effect by Policy Year:					
07/01/1999	- 06/30/2000	0.655	0.345		
07/01/2000	- 06/30/2001	0.014	0.986		
07/01/2001	- 06/30/2002		0.831	0.169	

D. Average Policy Period

Effect by Policy Period:					
03/01/2002	- 02/28/2003		0.753	0.247	
03/01/2003	- 02/29/2004			1.000	
03/01/2004	- 02/28/2005			0.503	0.497

All Medical

E. Sum of (B) Weighted by (C)

07/01/1999	- 06/30/2000	1.011
07/01/2000	- 06/30/2001	1.031
07/01/2001	- 06/30/2002	1.040

F. Sum of (B) Weighted by (D)

03/01/2002	- 02/28/2003	1.044
03/01/2003	- 02/29/2004	1.085
03/01/2004	- 02/28/2005	1.092

G. Law Amendment Factor = (F) / (E)

1999/2000	to 03/01/2002	1.033
2000/2001	to 03/01/2003	1.052
2001/2002	to 03/01/2004	1.050

Notes:

A: Section IV-H exhibit 1

IV 019

Section IV - Benefit Change Adjustments
Subsection B - Effects of SAWW Change of 10/1/2003
9/1/2005

Section IV-B
Exhibit 1
Page 1

Determination of the Monetary Cost and Effect of Amendments on Fatal Benefits

	<u>10/01/2002</u>	<u>10/01/2003</u>
(1) Cost for 1, 000 Fatal Dependency Cases From Section IV-B, Exhibit 1, Page 2	522,115,463	522,274,588
(2) Cost of Burial (1,000 cases)	4,000,000	4,000,000
(3) Total Monetary Cost (1)+(2)	526,115,463	526,274,588
(4) Effect		1.000

Valuation of Fatal Benefits

(1) Number of Cases	(2) Person(s) Receiving Benefits	(3) Number Of Dependents	(4) Average Arithmetic Age	(5) Annuity Symbol	(6) Annuity Value (c)	(7) Average Weekly Benefit Effective 10/01/2002	(8) Average Weekly Benefit Effective 10/01/2003	(9) 10/01/2002 Cost (1) x (6) x (7)	(10) 10/01/2003 Cost (1) x (6) x (8)
204	None	0	xx	xxx	xxx			xxx	xxx
212	Widow Alone	1	40	$\overline{a}_{40 : \overline{LIFE}}$	1,600.72	499.94	500.10	169,656,530	169,710,413
407	Widow with Child(ren)	1 2 (a)	38 10	$\overline{a}_{38 : \overline{LIFE}}$ $a_{416}^{(b)}$	1,604.30 405.01	499.94	500.10	326,438,602	326,542,278
21	Orphan	1	13	$\overline{a}_{13 : \overline{5}}$	252.57	499.94	500.10	2,651,682	2,652,524
15	Orphans	3 (a)	12	$a_{312}^{(b)}$	303.79	499.94	500.10	2,278,165	2,278,888
141	Other Dependents	1.7 (a)	58	$\overline{a}_{58 : \overline{LIFE}}$	1,101.57	135.79	135.79	21,090,483	21,090,483
<u>1,000</u>								<u>522,115,463</u>	<u>522,274,588</u>

(a) Average number of dependents

(b) For two or more dependents, benefits are last-survivor contingent.
 An annuity certain is used to approximate the joint-survivor annuity.

(c) From Pension Tables (see text)

(1),(3),(4) From Section IV-G, Exhibit 2.

(7),(8) From Exhibit 1, Pages 3 & 4.

**Determination of the Average Weekly Benefit
 Fatal - Widows and Orphans**

Effective: 10/01/2002

Class of Injury	Fatal - Widows and Orphans
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	110.00
Max Weekly Compensation	882.57
Average Injured Worker Weekly Wage for 12 months starting 10/01/2003	771.23

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 164.99	Statutory Minimum	0.00 - 0.20	0.9257	0.1319	109.89	110.00
164.99 - 1,323.79	Wage times compensation rate	0.20 - 1.70	90.6732	82.6131	702.67	468.47
1,323.79 - over	Statutory Maximum	1.70 - over	8.4011	17.2550	1,584.03	882.57
Average Weekly Benefit ⁴						499.94

Effective: 10/01/2003

Class of Injury	Fatal - Widows and Orphans
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	110.00
Max Weekly Compensation	884.46
Average Injured Worker Weekly Wage for 12 months starting 10/01/2003	771.23

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 164.99	Statutory Minimum	0.00 - 0.20	0.9257	0.1319	109.89	110.00
164.99 - 1,326.62	Wage times compensation rate	0.20 - 1.70	90.6732	82.6131	702.67	468.47
1,326.62 - over	Statutory Maximum	1.70 - over	8.4011	17.2550	1,584.03	884.46
Average Weekly Benefit ⁴						500.10

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)

**Determination of the Average Weekly Benefit
 Fatal - All Other Dependents**

Effective: 10/01/2002

Class of Injury	Fatal - All Other Dependents
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	0.00
Max Weekly Compensation	80.00
Average Injured Worker Weekly Wage for 12 months starting 10/01/2003	771.23

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 0.00	Statutory Minimum	0.00 - 0.00	0.0000	0.0000	0.00	0.00
0.00 - 119.99	Wage times compensation rate	0.00 - 0.15	0.4174	0.0405	74.83	49.89
119.99 - over	Statutory Maximum	0.15 - over	99.5826	99.9595	774.15	80.00
Average Weekly Benefit ⁴						79.87

Effective: 10/01/2003

Class of Injury	Fatal - All Other Dependents
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	0.00
Max Weekly Compensation	80.00
Average Injured Worker Weekly Wage for 12 months starting 10/01/2003	771.23

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 0.00	Statutory Minimum	0.00 - 0.00	0.0000	0.0000	0.00	0.00
0.00 - 119.99	Wage times compensation rate	0.00 - 0.15	0.4174	0.0405	74.83	49.89
119.99 - over	Statutory Maximum	0.15 - over	99.5826	99.9595	774.15	80.00
Average Weekly Benefit ⁴						79.87

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)

IV 023

Determination of the Monetary Cost and Effect of Amendments on Permanent Total Benefits

	<u>10/01/2002</u>	<u>10/01/2003</u>
A. PERMANENT TOTAL WAGE LOSS BENEFITS		
(1) Average Wage Loss Benefit - Exhibit 2, Page 2	501.92	502.10
(2) Effect on "Regular" PT benefits		1.000
B. SPECIFIC INJURY PAYMENTS		
(3) SAWW ¹	882.57	884.46
(4) Effect on Specific Injuries		1.002
C. TOTAL EFFECT		
(5) PT Wage Loss Benefits as a Proportion of PT Cost ²		96.5%
(6) Specific Injury Payment as a Proportion of PT Cost ²		3.5%
(7) Permanent Total Effect ((2)x(5) + (4)x(6))		1.000

¹ The specific injury payment equals the SAWW multiplied by a number, according to the injury, for scheduled injuries, and equals the SAWW x 32, for non-scheduled injuries. The multipliers do not change year by year, so the effect on specific injuries equals the change in the SAWW.

² From the Filing for 9/1/03 Rates, Section IV-D, Exhibit 2, Page 1. Estimated Average Schedule Benefit compared to Average Indemnity Cost per Claim.

**Determination of the Average Weekly Benefit
 Permanent Total**

Effective: 10/01/2002

Class of Injury	Permanent Total
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	176.51
Max Weekly Compensation	882.57
Average Injured Worker Weekly Wage for 12 months starting 10/01/2003	771.23

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 264.75	Statutory Minimum	0.00 - 0.35	5.0674	1.2884	196.09	176.51
264.75 - 1,323.79	Wage times compensation rate	0.35 - 1.70	86.5315	81.4566	726.00	484.02
1,323.79 - over	Statutory Maximum	1.70 - over	8.4011	17.2550	1,584.03	882.57
Average Weekly Benefit ⁴						501.92

Effective: 10/01/2003

Class of Injury	Permanent Total
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	176.89
Max Weekly Compensation	884.46
Average Injured Worker Weekly Wage for 12 months starting 10/01/2003	771.23

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 265.32	Statutory Minimum	0.00 - 0.35	5.0674	1.2884	196.09	176.89
265.32 - 1,326.62	Wage times compensation rate	0.35 - 1.70	86.5315	81.4566	726.00	484.02
1,326.62 - over	Statutory Maximum	1.70 - over	8.4011	17.2550	1,584.03	884.46
Average Weekly Benefit ⁴						502.10

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)

IV 025

Determination of the Monetary Cost and Effect of Amendments on Permanent Partial Benefits

		Permanent Partial Law Effective	
		<u>10/01/2002</u>	<u>10/01/2003</u>
A.	PERMANENT PARTIAL WAGE LOSS BENEFITS		
(1)	Average Weekly Benefit for PP Wage Loss ¹	284.41	284.43
(2)	Effect on Wage Loss Benefits		1.000
B.	PERMANENT PARTIAL SPECIFIC INJURY PAYMENTS		
(3)	SAWW ²	882.57	884.46
(4)	Effect on Specific Injuries		1.002
C.	PERMANENT PARTIAL (HEALING PERIOD)		
(5)	Average Weekly Benefit for Temp Total ³	457.33	457.43
(6)	Effect on Healing Period		1.000
D.	TOTAL EFFECT		
(7)	Wage Loss Benefits as a Proportion of P.P. Cost ⁴		27%
(8)	Specific Injury Payment as a Proportion of P.P. Cost ⁴		26%
(9)	Healing Period Cost as a Proportion of P.P. Cost ⁴		47%
(10)	Permanent Partial Effect ((2)x(7) + (4)x(8) + (6)x(9))		1.001

¹ Exhibit 3, Page 2.

² The specific injury payment equals the SAWW multiplied by a number, according to the injury, for scheduled injuries, and equals the SAWW x 32, for non-scheduled injuries. The multipliers do not change year by year, so the effect on specific injuries equals the change in the SAWW.

³ Exhibit 4, Page 1.

⁴ DCI for Permanent Partial Claims in Massachusetts.

**Determination of the Average Weekly Benefit
 Permanent Partial**

Effective: 10/01/2002

Class of Injury	Permanent Partial Wage Loss
Nominal Rate of Compensation Based on Gross Wages	0.3720
Min Weekly Compensation	0.00
Max Weekly Compensation (SAWW x .75)	661.93
Average Injured Worker Weekly Wage for 12 months starting 10/01/2003	771.23

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Wage Intervals	Benefit	(1)/Average Wage ¹	$\frac{\text{Percentage in Interval}}{\text{Workers}^2}$	Wages ³	Avg. Wage in Interval (5) / (4) x AIWW	Avg. Benefit in Interval
0.00 - 1,779.38	Wage times compensation rate	0.00 - 2.30	98.8893	96.6609	753.85	280.43
1,779.38 - 4,645.11	Statutory Maximum	2.30 - 6.00	1.0715	3.0974	2,229.38	661.93
4,645.11 - over	Statutory Limitation ⁵	6.00 - over	0.0392	0.2417	4,755.79	0.00
Average Weekly Benefit ⁴						284.41

Effective: 10/01/2003

Class of Injury	Permanent Partial Wage Loss
Nominal Rate of Compensation Based on Gross Wages	0.3720
Min Weekly Compensation	0.00
Max Weekly Compensation (SAWW x .75)	663.35
Average Injured Worker Weekly Wage for 12 months starting 10/01/2003	771.23

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Wage Intervals	Benefit	(1)/Average Wage ¹	$\frac{\text{Percentage in Interval}}{\text{Workers}^2}$	Wages ³	Avg. Wage in Interval (5) / (4) x AIWW	Avg. Benefit in Interval
0.00 - 1,783.19	Wage times compensation rate	0.00 - 2.30	98.8893	96.6609	753.85	280.43
1,783.19 - 4,655.05	Statutory Maximum	2.30 - 6.05	1.0724	3.1028	2,231.41	663.35
4,655.05 - over	Statutory Limitation ⁵	6.05 - over	0.0383	0.2363	4,758.31	0.00
Average Weekly Benefit ⁴						284.43

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)
⁵ Insurer may reduce benefit to level at which benefits + earnings = 2 x SAWW.

BENEFIT CHANGE ADJUSTMENTS

**Determination of the Average Weekly Benefit
 Temporary Total**

Effective: 10/01/2002

Class of Injury	Temporary Total
Nominal Rate of Compensation Based on Gross Wages	0.6000
Min Weekly Compensation	176.51
Max Weekly Compensation	882.57
Average Injured Worker Weekly Wage for 12 months starting 10/01/2003	771.23

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 176.51	Actual Wage	0.00 - 0.25	2.2314	0.4323	149.41	149.41
176.51 - 294.18	Statutory Minimum	0.25 - 0.40	4.6179	1.5260	254.86	176.51
294.18 - 1,470.95	Wage times compensation rate	0.40 - 1.90	88.6344	87.7354	763.41	458.04
1,470.95 - over	Statutory Maximum	1.90 - over	4.5163	10.3063	1,759.96	882.57
Average Weekly Benefit ⁴						457.33

Effective: 10/01/2003

Class of Injury	Temporary Total
Nominal Rate of Compensation Based on Gross Wages	0.6000
Min Weekly Compensation	176.89
Max Weekly Compensation	884.46
Average Injured Worker Weekly Wage for 12 months starting 10/01/2003	771.23

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 176.89	Actual Wage	0.00 - 0.25	2.2314	0.4323	149.41	149.41
176.89 - 294.82	Statutory Minimum	0.25 - 0.40	4.6179	1.5260	254.86	176.89
294.82 - 1,474.10	Wage times compensation rate	0.40 - 1.90	88.6344	87.7354	763.41	458.04
1,474.10 - over	Statutory Maximum	1.90 - over	4.5163	10.3063	1,759.96	884.46
Average Weekly Benefit ⁴						457.43

Effect of Amendments on Temporary Total Benefits 1.000

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)

IV 028

Section IV - Benefit Change Adjustments
Subsection C - Effects of SAWW Change of 10/1/2004
9/1/2005

Section IV-C
Exhibit 1
Page 1

Determination of the Monetary Cost and Effect of Amendments on Fatal Benefits

	<u>10/01/2003</u>	<u>10/01/2004</u>
(1) Cost for 1, 000 Fatal Dependency Cases From Section IV-C, Exhibit 1, Page 2	535,034,098	537,858,100
(2) Cost of Burial (1,000 cases)	4,000,000	4,000,000
(3) Total Monetary Cost (1)+(2)	539,034,098	541,858,100
(4) Effect		1.005

Valuation of Fatal Benefits

(1) Number of Cases	(2) Person(s) Receiving Benefits	(3) Number Of Dependents	(4) Average Arithmetic Age	(5) Annuity Symbol	(6) Annuity Value (c)	(7) Average Weekly Benefit Effective 10/01/2003	(8) Average Weekly Benefit Effective 10/01/2004	(9) 10/01/2003 Cost (1) x (6) x (7)	(10) 10/01/2004 Cost (1) x (6) x (8)
204	None	0	xx	xxx	xxx			xxx	xxx
212	Widow Alone	1	40	a 40 : LIFE	1,600.72	512.83	515.65	174,030,466	174,986,726
407	Widow with Child(ren)	1 2 (a)	38 10	a 38 : LIFE a 416 (b)	1,604.30 405.01	512.83	515.65	334,854,555	336,694,510
21	Orphan	1	13	a 13 : 5	252.57	512.83	515.65	2,720,046	2,734,992
15	Orphans	3 (a)	12	a 312 (b)	303.79	512.83	515.65	2,336,899	2,349,739
141	Other Dependents	1.7 (a)	58	a 58: LIFE	1,101.57	135.80	135.80	21,092,133	21,092,133
1,000								535,034,098	537,858,100

(a) Average number of dependents

(b) For two or more dependents, benefits are last-survivor contingent.

An annuity certain is used to approximate the joint-survivor annuity.

(c) From Pension Tables (see text)

(1),(3),(4) From Section IV-G, Exhibit 2.

(7),(8) From Exhibit 1, Pages 3 & 4.

**Determination of the Average Weekly Benefit
 Fatal - Widows and Orphans**

Effective: 10/01/2003

Class of Injury	Fatal - Widows and Orphans
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	110.00
Max Weekly Compensation	884.46
Average Injured Worker Weekly Wage for 12 months starting 10/01/2004	794.37

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 164.99	Statutory Minimum	0.00 - 0.20	0.9257	0.1319	113.19	110.00
164.99 - 1,326.62	Wage times compensation rate	0.20 - 1.65	89.5388	80.7159	716.09	477.42
1,326.62 - over	Statutory Maximum	1.65 - over	9.5355	19.1522	1,595.50	884.46
Average Weekly Benefit ⁴						512.83

Effective: 10/01/2004

Class of Injury	Fatal - Widows and Orphans
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	110.00
Max Weekly Compensation	918.78
Average Injured Worker Weekly Wage for 12 months starting 10/01/2004	794.37

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 164.99	Statutory Minimum	0.00 - 0.20	0.9257	0.1319	113.19	110.00
164.99 - 1,378.10	Wage times compensation rate	0.20 - 1.75	91.9360	84.7888	732.61	488.43
1,378.10 - over	Statutory Maximum	1.75 - over	7.1383	15.0793	1,678.06	918.78
Average Weekly Benefit ⁴						515.65

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 2
⁴ Weighted Average of (7) on (4)

BENEFIT CHANGE ADJUSTMENTS

**Determination of the Average Weekly Benefit
 Fatal - All Other Dependents**

Effective: 10/01/2003

Class of Injury	Fatal - All Other Dependents
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	0.00
Max Weekly Compensation	80.00
Average Injured Worker Weekly Wage for 12 months starting 10/01/2004	794.37

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 0.00	Statutory Minimum	0.00 - 0.00	0.0000	0.0000	0.00	0.00
0.00 - 119.99	Wage times compensation rate	0.00 - 0.15	0.4174	0.0405	77.08	51.39
119.99 - over	Statutory Maximum	0.15 - over	99.5826	99.9595	797.38	80.00
Average Weekly Benefit ⁴						79.88

Effective: 10/01/2004

Class of Injury	Fatal - All Other Dependents
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	0.00
Max Weekly Compensation	80.00
Average Injured Worker Weekly Wage for 12 months starting 10/01/2004	794.37

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 0.00	Statutory Minimum	0.00 - 0.00	0.0000	0.0000	0.00	0.00
0.00 - 119.99	Wage times compensation rate	0.00 - 0.15	0.4174	0.0405	77.08	51.39
119.99 - over	Statutory Maximum	0.15 - over	99.5826	99.9595	797.38	80.00
Average Weekly Benefit ⁴						79.88

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)

IV 032

Section IV - Benefit Change Adjustments
Subsection C - Effects of SAWW Change of 10/1/2004
9/1/2005

Section IV-C
Exhibit 2
Page 1

Determination of the Monetary Cost and Effect of Amendments on Permanent Total Benefits

	<u>10/01/2003</u>	<u>10/01/2004</u>
A. PERMANENT TOTAL WAGE LOSS BENEFITS		
(1) Average Wage Loss Benefit - Exhibit 2, Page 2	514.65	517.82
(2) Effect on "Regular" PT benefits		1.006
B. SPECIFIC INJURY PAYMENTS		
(3) SAWW ¹	884.46	918.78
(4) Effect on Specific Injuries		1.039
C. TOTAL EFFECT		
(5) PT Wage Loss Benefits as a Proportion of PT Cost ²		96.5%
(6) Specific Injury Payment as a Proportion of PT Cost ²		3.5%
(7) Permanent Total Effect ((2)x(5) + (4)x(6))		1.007

¹ The specific injury payment equals the SAWW multiplied by a number, according to the injury, for scheduled injuries, and equals the SAWW x 32, for non-scheduled injuries. The multipliers do not change year by year, so the effect on specific injuries equals the change in the SAWW.

² From the Filing for 9/1/03 Rates, Section IV-D, Exhibit 2, Page 1. Estimated Average Schedule Benefit compared to Average Indemnity Cost per Claim.

BENEFIT CHANGE ADJUSTMENTS

**Determination of the Average Weekly Benefit
 Permanent Total**

Effective: 10/01/2003

Class of Injury	Permanent Total
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	176.89
Max Weekly Compensation	884.46
Average Injured Worker Weekly Wage for 12 months starting 10/01/2004	794.37

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 265.32	Statutory Minimum	0.00 - 0.35	5.0674	1.2884	201.97	176.89
265.32 - 1,326.62	Wage times compensation rate	0.35 - 1.65	85.3971	79.5594	740.07	493.40
1,326.62 - over	Statutory Maximum	1.65 - over	9.5355	19.1522	1,595.50	884.46
Average Weekly Benefit ⁴						514.65

Effective: 10/01/2004

Class of Injury	Permanent Total
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	183.76
Max Weekly Compensation	918.78
Average Injured Worker Weekly Wage for 12 months starting 10/01/2004	794.37

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 275.63	Statutory Minimum	0.00 - 0.35	5.0674	1.2884	201.97	183.76
275.63 - 1,378.10	Wage times compensation rate	0.35 - 1.75	87.7943	83.6323	756.71	504.50
1,378.10 - over	Statutory Maximum	1.75 - over	7.1383	15.0793	1,678.06	918.78
Average Weekly Benefit ⁴						517.82

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)

IV 034

Section IV - Benefit Change Adjustments
Subsection C - Effects of SAWW Change of 10/1/2004
9/1/2005

Section IV-C
Exhibit 3
Page 1

Determination of the Monetary Cost and Effect of Amendments on Permanent Partial Benefits

		Permanent Partial Law Effective	
		<u>10/01/2003</u>	<u>10/01/2004</u>
A.	PERMANENT PARTIAL WAGE LOSS BENEFITS		
(1)	Average Weekly Benefit for PP Wage Loss ¹	292.71	293.03
(2)	Effect on Wage Loss Benefits		1.001
B.	PERMANENT PARTIAL SPECIFIC INJURY PAYMENTS		
(3)	SAWW ²	884.46	918.78
(4)	Effect on Specific Injuries		1.039
C.	PERMANENT PARTIAL (HEALING PERIOD)		
(5)	Average Weekly Benefit for Temp Total ³	469.61	471.57
(6)	Effect on Healing Period		1.004
D.	TOTAL EFFECT		
(7)	Wage Loss Benefits as a Proportion of P.P. Cost ⁴		27%
(8)	Specific Injury Payment as a Proportion of P.P. Cost ⁴		26%
(9)	Healing Period Cost as a Proportion of P.P. Cost ⁴		47%
(10)	Permanent Partial Effect ((2)x(7) + (4)x(8) + (6)x(9))		1.012

¹ Exhibit 3, Page 2.

² The specific injury payment equals the SAWW multiplied by a number, according to the injury, for scheduled injuries, and equals the SAWW x 32, for non-scheduled injuries. The multipliers do not change year by year, so the effect on specific injuries equals the change in the SAWW.

³ Exhibit 4, Page 1.

⁴ DCI for Permanent Partial Claims in Massachusetts.

BENEFIT CHANGE ADJUSTMENTS

**Determination of the Average Weekly Benefit
 Permanent Partial**

Effective: 10/01/2003

Class of Injury	Permanent Partial Wage Loss
Nominal Rate of Compensation Based on Gross Wages	0.3720
Min Weekly Compensation	0.00
Max Weekly Compensation (SAWW x .75)	663.35
Average Injured Worker Weekly Wage for 12 months starting 10/01/2004	794.37

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Wage Intervals	Benefit	(1)/Average Wage ¹	Percentage in Interval Workers ²	Wages ³	Avg. Wage in Interval (5) / (4) x AIWW	Avg. Benefit in Interval
0.00 - 1,783.19	Wage times compensation rate	0.00 - 2.25	98.7336	96.3063	774.84	288.24
1,783.19 - 4,655.05	Statutory Maximum	2.25 - 5.85	1.2243	3.4348	2,228.61	663.35
4,655.05 - over	Statutory Limitation ⁵	5.85 - over	0.0421	0.2589	4,885.30	0.00
Average Weekly Benefit ⁴						292.71

Effective: 10/01/2004

Class of Injury	Permanent Partial Wage Loss
Nominal Rate of Compensation Based on Gross Wages	0.3720
Min Weekly Compensation	0.00
Max Weekly Compensation (SAWW x .75)	689.09
Average Injured Worker Weekly Wage for 12 months starting 10/01/2004	794.37

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Wage Intervals	Benefit	(1)/Average Wage ¹	Percentage in Interval Workers ²	Wages ³	Avg. Wage in Interval (5) / (4) x AIWW	Avg. Benefit in Interval
0.00 - 1,852.38	Wage times compensation rate	0.00 - 2.35	99.0155	96.9546	777.84	289.35
1,852.38 - 4,835.68	Statutory Maximum	2.35 - 6.10	0.9471	2.8145	2,360.66	689.09
4,835.68 - over	Statutory Limitation ⁵	6.10 - over	0.0374	0.2308	4,902.83	0.00
Average Weekly Benefit ⁴						293.03

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)
⁵ Insurer may reduce benefit to level at which benefits + earnings = 2 x SAWW.

BENEFIT CHANGE ADJUSTMENTS

**Determination of the Average Weekly Benefit
 Temporary Total**

Effective: 10/01/2003

Class of Injury	Temporary Total
Nominal Rate of Compensation Based on Gross Wages	0.6000
Min Weekly Compensation	176.89
Max Weekly Compensation	884.46
Average Injured Worker Weekly Wage for 12 months starting 10/01/2004	794.37

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Wage Intervals	Benefit	(1)/Average Wage ¹	Percentage in Interval Workers ²	Wages ³	Avg. Wage in Interval (5) / (4) x AIWW	Avg. Benefit in Interval
0.00 - 176.89	Actual Wage	0.00 - 0.20	0.9257	0.1319	113.19	113.19
176.89 - 294.82	Statutory Minimum	0.20 - 0.35	4.1417	1.1565	221.81	176.89
294.82 - 1,474.10	Wage times compensation rate	0.35 - 1.85	89.6030	86.8818	770.24	462.15
1,474.10 - over	Statutory Maximum	1.85 - over	5.3296	11.8298	1,763.21	884.46
Average Weekly Benefit ⁴						469.61

Effective: 10/01/2004

Class of Injury	Temporary Total
Nominal Rate of Compensation Based on Gross Wages	0.6000
Min Weekly Compensation	183.76
Max Weekly Compensation	918.78
Average Injured Worker Weekly Wage for 12 months starting 10/01/2004	794.37

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Wage Intervals	Benefit	(1)/Average Wage ¹	Percentage in Interval Workers ²	Wages ³	Avg. Wage in Interval (5) / (4) x AIWW	Avg. Benefit in Interval
0.00 - 183.76	Actual Wage	0.00 - 0.25	2.2314	0.4323	153.90	153.90
183.76 - 306.27	Statutory Minimum	0.25 - 0.40	4.6179	1.5260	262.50	183.76
306.27 - 1,531.30	Wage times compensation rate	0.40 - 1.95	89.3889	89.1884	792.59	475.55
1,531.30 - over	Statutory Maximum	1.95 - over	3.7618	8.8533	1,869.53	918.78
Average Weekly Benefit ⁴						471.57

Effect of Amendments on Temporary Total Benefits 1.004

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)

IV 037

Section IV - Benefit Change Adjustments
Subsection D - Effects of SAWW Change of 10/1/2005
9/1/05

Section IV-D
Exhibit 1
Page 1

Determination of the Monetary Cost and Effect of Amendments on Fatal Benefits

	<u>10/01/2004</u>	<u>10/01/2005</u>
(1) Cost for 1, 000 Fatal Dependency Cases From Section IV-D, Exhibit 1, Page 2	551,095,158	553,333,745
(2) Cost of Burial (1,000 cases)	4,000,000	4,000,000
(3) Total Monetary Cost (1)+(2)	555,095,158	557,333,745
(4) Effect		1.004

Valuation of Fatal Benefits

(1) Number of Cases	(2) Person(s) Receiving Benefits	(3) Number Of Dependents	(4) Average Arithmetic Age	(5) Annuity Symbol	(6) Annuity Value (c)	(7) Average Weekly Benefit Effective 10/01/2004	(8) Average Weekly Benefit Effective 10/01/2005	(9) 10/01/2004 Cost (1) x (6) x (7)	(10) 10/01/2005 Cost (1) x (6) x (8)
204	None	0	xx	xxx	xxx			xxx	xxx
212	Widow Alone	1	40	a '40 : LIFE	1,600.72	528.86	531.09	179,468,469	180,226,497
407	Widow with Child(ren)	1 2 (a)	38 10	a '38 : LIFE a 416 (b)	1,604.30 405.01	528.86	531.09	345,317,896	346,776,429
21	Orphan	1	13	a 13 : 5	252.57	528.86	531.09	2,805,040	2,816,888
15	Orphans	3 (a)	12	a 312 (b)	303.79	528.86	531.09	2,409,921	2,420,100
141	Other Dependents	1.7 (a)	58	a 58 : LIFE	1,101.57	135.81	135.81	21,093,832	21,093,832
<u>1,000</u>								<u>551,095,158</u>	<u>553,333,745</u>

(a) Average number of dependents

(b) For two or more dependents, benefits are last-survivor contingent.
 An annuity certain is used to approximate the joint-survivor annuity.

(c) From Pension Tables (see text)

(1),(3),(4) From Section IV-G, Exhibit 2.

(7),(8) From Exhibit 1, Pages 3 & 4.

**Determination of the Average Weekly Benefit
 Fatal - Widows and Orphans**

Effective: 10/01/2004

Class of Injury	Fatal - Widows and Orphans
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	110.00
Max Weekly Compensation	918.78
Average Injured Worker Weekly Wage for 12 months starting 10/01/2005	818.20

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 164.99	Statutory Minimum	0.00 - 0.20	0.9257	0.1319	116.58	110.00
164.99 - 1,378.10	Wage times compensation rate	0.20 - 1.70	90.6732	82.6131	745.47	497.01
1,378.10 - over	Statutory Maximum	1.70 - over	8.4011	17.2550	1,680.50	918.78
Average Weekly Benefit ⁴						528.86

Effective: 10/01/2005

Class of Injury	Fatal - Widows and Orphans
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	110.00
Max Weekly Compensation	946.35
Average Injured Worker Weekly Wage for 12 months starting 10/01/2005	818.20

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 164.99	Statutory Minimum	0.00 - 0.20	0.9257	0.1319	116.58	110.00
164.99 - 1,419.45	Wage times compensation rate	0.20 - 1.75	91.9360	84.7888	754.59	503.09
1,419.45 - over	Statutory Maximum	1.75 - over	7.1383	15.0793	1,728.41	946.35
Average Weekly Benefit ⁴						531.09

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)

BENEFIT CHANGE ADJUSTMENTS

**Determination of the Average Weekly Benefit
 Fatal - All Other Dependents**

Effective: 10/01/2004

Class of Injury	Fatal - All Other Dependents
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	0.00
Max Weekly Compensation	80.00
Average Injured Worker Weekly Wage for 12 months starting 10/01/2005	818.20

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 0.00	Statutory Minimum	0.00 - 0.00	0.0000	0.0000	0.00	0.00
0.00 - 119.99	Wage times compensation rate	0.00 - 0.15	0.4174	0.0405	79.39	52.93
119.99 - over	Statutory Maximum	0.15 - over	99.5826	99.9595	821.30	80.00
Average Weekly Benefit ⁴						79.89

Effective: 10/01/2005

Class of Injury	Fatal - All Other Dependents
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	0.00
Max Weekly Compensation	80.00
Average Injured Worker Weekly Wage for 12 months starting 10/01/2005	818.20

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 0.00	Statutory Minimum	0.00 - 0.00	0.0000	0.0000	0.00	0.00
0.00 - 119.99	Wage times compensation rate	0.00 - 0.15	0.4174	0.0405	79.39	52.93
119.99 - over	Statutory Maximum	0.15 - over	99.5826	99.9595	821.30	80.00
Average Weekly Benefit ⁴						79.89

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)

IV 041

Section IV - Benefit Change Adjustments
Subsection D - Effects of SAWW Change of 10/1/2005
9/1/05

Section IV-D
Exhibit 2
Page 1

Determination of the Monetary Cost and Effect of Amendments on Permanent Total Benefits

	<u>10/01/2004</u>	<u>10/01/2005</u>
A. PERMANENT TOTAL WAGE LOSS BENEFITS		
(1) Average Wage Loss Benefit - Exhibit 2, Page 2	530.84	533.35
(2) Effect on "Regular" PT benefits		1.005
B. SPECIFIC INJURY PAYMENTS		
(3) SAWW ¹	918.78	946.35
(4) Effect on Specific Injuries		1.030
C. TOTAL EFFECT		
(5) PT Wage Loss Benefits as a Proportion of PT Cost ²		96.5%
(6) Specific Injury Payment as a Proportion of PT Cost ²		3.5%
(7) Permanent Total Effect ((2)x(5) + (4)x(6))		1.006

¹ The specific injury payment equals the SAWW multiplied by a number, according to the injury, for scheduled injuries, and equals the SAWW x 32, for non-scheduled injuries. The multipliers do not change year by year, so the effect on specific injuries equals the change in the SAWW.

² From the Filing for 9/1/03 Rates, Section IV-D, Exhibit 2, Page 1. Estimated Average Schedule Benefit compared to Average Indemnity Cost per Claim.

BENEFIT CHANGE ADJUSTMENTS

**Determination of the Average Weekly Benefit
 Permanent Total**

Effective: 10/01/2004

Class of Injury	Permanent Total
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	183.76
Max Weekly Compensation	918.78
Average Injured Worker Weekly Wage for 12 months starting 10/01/2005	818.20

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 275.63	Statutory Minimum	0.00 - 0.35	5.0674	1.2884	208.03	183.76
275.63 - 1,378.10	Wage times compensation rate	0.35 - 1.70	86.5315	81.4566	770.22	513.50
1,378.10 - over	Statutory Maximum	1.70 - over	8.4011	17.2550	1,680.50	918.78
Average Weekly Benefit ⁴						530.84

Effective: 10/01/2005

Class of Injury	Permanent Total
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	189.27
Max Weekly Compensation	946.35
Average Injured Worker Weekly Wage for 12 months starting 10/01/2005	818.20

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 283.89	Statutory Minimum	0.00 - 0.35	5.0674	1.2884	208.03	189.27
283.89 - 1,419.45	Wage times compensation rate	0.35 - 1.75	87.7943	83.6323	779.41	519.64
1,419.45 - over	Statutory Maximum	1.75 - over	7.1383	15.0793	1,728.41	946.35
Average Weekly Benefit ⁴						533.35

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)

IV 042

IV 043

Determination of the Monetary Cost and Effect of Amendments on Permanent Partial Benefits

		Permanent Partial Law Effective	
		<u>10/01/2004</u>	<u>10/01/2005</u>
A.	PERMANENT PARTIAL WAGE LOSS BENEFITS		
(1)	Average Weekly Benefit for PP Wage Loss ¹	301.57	301.82
(2)	Effect on Wage Loss Benefits		1.001
B.	PERMANENT PARTIAL SPECIFIC INJURY PAYMENTS		
(3)	SAWW ²	918.78	946.35
(4)	Effect on Specific Injuries		1.030
C.	PERMANENT PARTIAL (HEALING PERIOD)		
(5)	Average Weekly Benefit for Temp Total ³	484.18	485.72
(6)	Effect on Healing Period		1.003
D.	TOTAL EFFECT		
(7)	Wage Loss Benefits as a Proportion of P.P. Cost ⁴		27%
(8)	Specific Injury Payment as a Proportion of P.P. Cost ⁴		26%
(9)	Healing Period Cost as a Proportion of P.P. Cost ⁴		47%
(10)	Permanent Partial Effect ((2)x(7) + (4)x(8) + (6)x(9))		1.010

¹ Exhibit 3, Page 2.

² The specific injury payment equals the SAWW multiplied by a number, according to the injury, for scheduled injuries, and equals the SAWW x 32, for non-scheduled injuries. The multipliers do not change year by year, so the effect on specific injuries equals the change in the SAWW.

³ Exhibit 4, Page 1.

⁴ DCI for Permanent Partial Claims in Massachusetts.

BENEFIT CHANGE ADJUSTMENTS

**Determination of the Average Weekly Benefit
 Permanent Partial**

Effective: 10/01/2004

Class of Injury	Permanent Partial Wage Loss
Nominal Rate of Compensation Based on Gross Wages	0.3720
Min Weekly Compensation	0.00
Max Weekly Compensation (SAWW x .75)	689.09
Average Injured Worker Weekly Wage for 12 months starting 10/01/2005	818.20

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Wage Intervals	Benefit	(1)/Average Wage ¹	Percentage in Interval Workers ²	Wages ³	Avg. Wage in Interval (5) / (4) x AIWW	Avg. Benefit in Interval
0.00 - 1,852.38	Wage times compensation rate	0.00 - 2.25	98.7336	96.3063	798.09	296.89
1,852.38 - 4,835.68	Statutory Maximum	2.25 - 5.90	1.2253	3.4407	2,297.53	689.09
4,835.68 - over	Statutory Limitation ⁵	5.90 - over	0.0411	0.2530	5,037.30	0.00
Average Weekly Benefit ⁴						301.57

Effective: 10/01/2005

Class of Injury	Permanent Partial Wage Loss
Nominal Rate of Compensation Based on Gross Wages	0.3720
Min Weekly Compensation	0.00
Max Weekly Compensation (SAWW x .75)	709.76
Average Injured Worker Weekly Wage for 12 months starting 10/01/2005	818.20

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Wage Intervals	Benefit	(1)/Average Wage ¹	Percentage in Interval Workers ²	Wages ³	Avg. Wage in Interval (5) / (4) x AIWW	Avg. Benefit in Interval
0.00 - 1,907.96	Wage times compensation rate	0.00 - 2.35	99.0155	96.9546	801.17	298.04
1,907.96 - 4,980.77	Statutory Maximum	2.35 - 6.10	0.9471	2.8145	2,431.49	709.76
4,980.77 - over	Statutory Limitation ⁵	6.10 - over	0.0374	0.2308	5,049.93	0.00
Average Weekly Benefit ⁴						301.82

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)
⁵ Insurer may reduce benefit to level at which benefits + earnings = 2 x SAWW.

BENEFIT CHANGE ADJUSTMENTS

**Determination of the Average Weekly Benefit
 Temporary Total**

Effective: 10/01/2004

Class of Injury	Temporary Total
Nominal Rate of Compensation Based on Gross Wages	0.6000
Min Weekly Compensation	183.76
Max Weekly Compensation	918.78
Average Injured Worker Weekly Wage for 12 months starting 10/01/2005	818.20

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Wage Intervals	Benefit	(1)/Average Wage ¹	Percentage in Interval Workers ²	Wages ³	Avg. Wage in Interval (5) / (4) x AIWW	Avg. Benefit in Interval
0.00 - 183.76	Actual Wage	0.00 - 0.20	0.9257	0.1319	116.58	116.58
183.76 - 306.27	Statutory Minimum	0.20 - 0.35	4.1417	1.1565	228.47	183.76
306.27 - 1,531.30	Wage times compensation rate	0.35 - 1.85	89.6030	86.8818	793.35	476.01
1,531.30 - over	Statutory Maximum	1.85 - over	5.3296	11.8298	1,816.12	918.78
Average Weekly Benefit ⁴						484.18

Effective: 10/01/2005

Class of Injury	Temporary Total
Nominal Rate of Compensation Based on Gross Wages	0.6000
Min Weekly Compensation	189.27
Max Weekly Compensation	946.35
Average Injured Worker Weekly Wage for 12 months starting 10/01/2005	818.20

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Wage Intervals	Benefit	(1)/Average Wage ¹	Percentage in Interval Workers ²	Wages ³	Avg. Wage in Interval (5) / (4) x AIWW	Avg. Benefit in Interval
0.00 - 189.27	Actual Wage	0.00 - 0.25	2.2314	0.4323	158.51	158.51
189.27 - 315.45	Statutory Minimum	0.25 - 0.40	4.6179	1.5260	270.38	189.27
315.45 - 1,577.24	Wage times compensation rate	0.40 - 1.95	89.3889	89.1884	816.37	489.82
1,577.24 - over	Statutory Maximum	1.95 - over	3.7618	8.8533	1,925.62	946.35
Average Weekly Benefit ⁴						485.72

Effect of Amendments on Temporary Total Benefits 1.003

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)

IV 046

Section IV - Benefit Change Adjustments
Subsection E - Effects of SAWW Change of 10/1/2006
9/1/05

Section IV-E
Exhibit 1
Page 1

Determination of the Monetary Cost and Effect of Amendments on Fatal Benefits

	<u>10/01/2005</u>	<u>10/01/2006</u>
(1) Cost for 1, 000 Fatal Dependency Cases From Section IV-E, Exhibit 1, Page 2	566,967,956	569,273,707
(2) Cost of Burial (1,000 cases)	4,000,000	4,000,000
(3) Total Monetary Cost (1)+(2)	570,967,956	573,273,707
(4) Effect		1.004

Valuation of Fatal Benefits

(1) Number of Cases	(2) Person(s) Receiving Benefits	(3) Number Of Dependents	(4) Average Arithmetic Age	(5) Annuity Symbol	(6) Annuity Value (c)	(7) Average Weekly Benefit Effective 10/01/2005	(8) Average Weekly Benefit Effective 10/01/2006	(9) 10/01/2005 Cost (1) x (6) x (7)	(10) 10/01/2006 Cost (1) x (6) x (8)
204	None	0	xx	xxx	xxx			xxx	xxx
212	Widow Alone	1	40	a 40 : LIFE	1,600.72	544.69	546.99	184,842,706	185,623,477
407	Widow with Child(ren)	1 2 (a)	38 10	a 38 : LIFE a 416 (b)	1,604.30 405.01	544.69	546.99	355,658,543	357,160,836
21	Orphan	1	13	a 13 : 5	252.57	544.69	546.99	2,889,038	2,901,241
15	Orphans	3 (a)	12	a 312 (b)	303.79	544.69	546.99	2,482,086	2,492,571
141	Other Dependents	1.7 (a)	58	a 58 : LIFE	1,101.57	135.82	135.82	21,095,583	21,095,583
<hr/>								566,967,956	569,273,707

- (a) Average number of dependents
- (b) For two or more dependents, benefits are last-survivor contingent.
An annuity certain is used to approximate the joint-survivor annuity.
- (c) From Pension Tables (see text)
- (1),(3),(4) From Section IV-G, Exhibit 2.
- (7),(8) From Exhibit 1, Pages 3 & 4.

**Determination of the Average Weekly Benefit
 Fatal - Widows and Orphans**

Effective: 10/01/2005

Class of Injury	Fatal - Widows and Orphans
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	110.00
Max Weekly Compensation	946.35
Average Injured Worker Weekly Wage for 12 months starting 10/01/2006	842.75

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 164.99	Statutory Minimum	0.00 - 0.20	0.9257	0.1319	120.08	110.00
164.99 - 1,419.45	Wage times compensation rate	0.20 - 1.70	90.6732	82.6131	767.84	511.92
1,419.45 - over	Statutory Maximum	1.70 - over	8.4011	17.2550	1,730.92	946.35
Average Weekly Benefit ⁴						544.69

Effective: 10/01/2006

Class of Injury	Fatal - Widows and Orphans
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	110.00
Max Weekly Compensation	974.74
Average Injured Worker Weekly Wage for 12 months starting 10/01/2006	842.75

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 164.99	Statutory Minimum	0.00 - 0.20	0.9257	0.1319	120.08	110.00
164.99 - 1,462.04	Wage times compensation rate	0.20 - 1.75	91.9360	84.7888	777.23	518.18
1,462.04 - over	Statutory Maximum	1.75 - over	7.1383	15.0793	1,780.27	974.74
Average Weekly Benefit ⁴						546.99

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)

**Determination of the Average Weekly Benefit
 Fatal - All Other Dependents**

Effective: 10/01/2005

Class of Injury	Fatal - All Other Dependents
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	0.00
Max Weekly Compensation	80.00
Average Injured Worker Weekly Wage for 12 months starting 10/01/2006	842.75

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 0.00	Statutory Minimum	0.00 - 0.00	0.0000	0.0000	0.00	0.00
0.00 - 119.99	Wage times compensation rate	0.00 - 0.15	0.4174	0.0405	81.77	54.52
119.99 - over	Statutory Maximum	0.15 - over	99.5826	99.9595	845.94	80.00
Average Weekly Benefit ⁴						79.89

Effective: 10/01/2006

Class of Injury	Fatal - All Other Dependents
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	0.00
Max Weekly Compensation	80.00
Average Injured Worker Weekly Wage for 12 months starting 10/01/2006	842.75

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 0.00	Statutory Minimum	0.00 - 0.00	0.0000	0.0000	0.00	0.00
0.00 - 119.99	Wage times compensation rate	0.00 - 0.15	0.4174	0.0405	81.77	54.52
119.99 - over	Statutory Maximum	0.15 - over	99.5826	99.9595	845.94	80.00
Average Weekly Benefit ⁴						79.89

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)

IV 050

Section IV - Benefit Change Adjustments
Subsection E - Effects of SAWW Change of 10/1/2006
9/1/05

Section IV-E
Exhibit 2
Page 1

Determination of the Monetary Cost and Effect of Amendments on Permanent Total Benefits

	<u>10/01/2005</u>	<u>10/01/2006</u>
A. PERMANENT TOTAL WAGE LOSS BENEFITS		
(1) Average Wage Loss Benefit - Exhibit 2, Page 2	546.77	549.36
(2) Effect on "Regular" PT benefits		1.005
B. SPECIFIC INJURY PAYMENTS		
(3) SAWW ¹	946.35	974.74
(4) Effect on Specific Injuries		1.030
C. TOTAL EFFECT		
(5) PT Wage Loss Benefits as a Proportion of PT Cost ²		96.5%
(6) Specific Injury Payment as a Proportion of PT Cost ²		3.5%
(7) Permanent Total Effect ((2)x(5) + (4)x(6))		1.006

¹ The specific injury payment equals the SAWW multiplied by a number, according to the injury, for scheduled injuries, and equals the SAWW x 32, for non-scheduled injuries. The multipliers do not change year by year, so the effect on specific injuries equals the change in the SAWW.

² From the Filing for 9/1/03 Rates, Section IV-D, Exhibit 2, Page 1. Estimated Average Schedule Benefit compared to Average Indemnity Cost per Claim.

**Determination of the Average Weekly Benefit
 Permanent Total**

Effective: 10/01/2005

Class of Injury	Permanent Total
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	189.27
Max Weekly Compensation	946.35
Average Injured Worker Weekly Wage for 12 months starting 10/01/2006	842.75

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 283.89	Statutory Minimum	0.00 - 0.35	5.0674	1.2884	214.27	189.27
283.89 - 1,419.45	Wage times compensation rate	0.35 - 1.70	86.5315	81.4566	793.33	528.91
1,419.45 - over	Statutory Maximum	1.70 - over	8.4011	17.2550	1,730.92	946.35
Average Weekly Benefit ⁴						546.77

Effective: 10/01/2006

Class of Injury	Permanent Total
Nominal Rate of Compensation Based on Gross Wages	0.6667
Min Weekly Compensation	194.95
Max Weekly Compensation	974.74
Average Injured Worker Weekly Wage for 12 months starting 10/01/2006	842.75

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 292.41	Statutory Minimum	0.00 - 0.35	5.0674	1.2884	214.27	194.95
292.41 - 1,462.04	Wage times compensation rate	0.35 - 1.75	87.7943	83.6323	802.80	535.23
1,462.04 - over	Statutory Maximum	1.75 - over	7.1383	15.0793	1,780.27	974.74
Average Weekly Benefit ⁴						549.36

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)

IV 052

Section IV - Benefit Change Adjustments
Subsection E - Effects of SAWW Change of 10/1/2006
9/1/05

Section IV-E
Exhibit 3
Page 1

Determination of the Monetary Cost and Effect of Amendments on Permanent Partial Benefits

		Permanent Partial Law Effective	
		<u>10/01/2005</u>	<u>10/01/2006</u>
A.	PERMANENT PARTIAL WAGE LOSS BENEFITS		
(1)	Average Weekly Benefit for PP Wage Loss ¹	310.62	310.88
(2)	Effect on Wage Loss Benefits		1.001
B.	PERMANENT PARTIAL SPECIFIC INJURY PAYMENTS		
(3)	SAWW ²	946.35	974.74
(4)	Effect on Specific Injuries		1.030
C.	PERMANENT PARTIAL (HEALING PERIOD)		
(5)	Average Weekly Benefit for Temp Total ³	498.71	500.30
(6)	Effect on Healing Period		1.003
D.	TOTAL EFFECT		
(7)	Wage Loss Benefits as a Proportion of P.P. Cost ⁴		27%
(8)	Specific Injury Payment as a Proportion of P.P. Cost ⁴		26%
(9)	Healing Period Cost as a Proportion of P.P. Cost ⁴		47%
(10)	Permanent Partial Effect ((2)x(7) + (4)x(8) + (6)x(9))		1.010

¹ Exhibit 3, Page 2.

² The specific injury payment equals the SAWW multiplied by a number, according to the injury, for scheduled injuries, and equals the SAWW x 32, for non-scheduled injuries. The multipliers do not change year by year, so the effect on specific injuries equals the change in the SAWW.

³ Exhibit 4, Page 1.

⁴ DCI for Permanent Partial Claims in Massachusetts.

**Determination of the Average Weekly Benefit
 Permanent Partial**

Effective: 10/01/2005

Class of Injury	Permanent Partial Wage Loss
Nominal Rate of Compensation Based on Gross Wages	0.3720
Min Weekly Compensation	0.00
Max Weekly Compensation (SAWW x .75)	709.76
Average Injured Worker Weekly Wage for 12 months starting 10/01/2006	842.75

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 1,907.96	Wage times compensation rate	0.00 - 2.25	98.7336	96.3063	822.03	305.80
1,907.96 - 4,980.77	Statutory Maximum	2.25 - 5.90	1.2253	3.4407	2,366.46	709.76
4,980.77 - over	Statutory Limitation ⁵	5.90 - over	0.0411	0.2530	5,188.43	0.00
Average Weekly Benefit ⁴						310.62

Effective: 10/01/2006

Class of Injury	Permanent Partial Wage Loss
Nominal Rate of Compensation Based on Gross Wages	0.3720
Min Weekly Compensation	0.00
Max Weekly Compensation (SAWW x .75)	731.05
Average Injured Worker Weekly Wage for 12 months starting 10/01/2006	842.75

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 1,965.20	Wage times compensation rate	0.00 - 2.35	99.0155	96.9546	825.21	306.98
1,965.20 - 5,130.21	Statutory Maximum	2.35 - 6.10	0.9471	2.8145	2,504.44	731.05
5,130.21 - over	Statutory Limitation ⁵	6.10 - over	0.0374	0.2308	5,201.45	0.00
Average Weekly Benefit ⁴						310.88

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)
⁵ Insurer may reduce benefit to level at which benefits + earnings = 2 x SAWW.

**Determination of the Average Weekly Benefit
 Temporary Total**

Effective: 10/01/2005

Class of Injury	Temporary Total
Nominal Rate of Compensation Based on Gross Wages	0.6000
Min Weekly Compensation	189.27
Max Weekly Compensation	946.35
Average Injured Worker Weekly Wage for 12 months starting 10/01/2006	842.75

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 189.27	Actual Wage	0.00 - 0.20	0.9257	0.1319	120.08	120.08
189.27 - 315.45	Statutory Minimum	0.20 - 0.35	4.1417	1.1565	235.32	189.27
315.45 - 1,577.24	Wage times compensation rate	0.35 - 1.85	89.6030	86.8818	817.16	490.29
1,577.24 - over	Statutory Maximum	1.85 - over	5.3296	11.8298	1,870.60	946.35
Average Weekly Benefit ⁴						498.71

Effective: 10/01/2006

Class of Injury	Temporary Total
Nominal Rate of Compensation Based on Gross Wages	0.6000
Min Weekly Compensation	194.95
Max Weekly Compensation	974.74
Average Injured Worker Weekly Wage for 12 months starting 10/01/2006	842.75

(1) Wage Intervals	(2) Benefit	(3) (1)/Average Wage ¹	(4) Percentage in Interval Workers ²	(5) Wages ³	(6) Avg. Wage in Interval (5) / (4) x AIWW	(7) Avg. Benefit in Interval
0.00 - 194.95	Actual Wage	0.00 - 0.25	2.2314	0.4323	163.27	163.27
194.95 - 324.92	Statutory Minimum	0.25 - 0.40	4.6179	1.5260	278.49	194.95
324.92 - 1,624.57	Wage times compensation rate	0.40 - 1.95	89.3889	89.1884	840.86	504.52
1,624.57 - over	Statutory Maximum	1.95 - over	3.7618	8.8533	1,983.39	974.74
Average Weekly Benefit ⁴						500.30

Effect of Amendments on Temporary Total Benefits 1.003

¹ Rounded to nearest 0.05
² From Column A in Section IV-G Exhibit 1
³ From Column B in Section IV-G Exhibit 1
⁴ Weighted Average of (7) on (4)

IV 055

Section IV- Benefit Change Adjustments
 Subsection F - Provisions of the Law
 9/1/2005

Section IV-F
 Exhibit 1

Summary of Principal Benefit Changes Due to the Increase in the Maximum and Minimum Weekly Benefits Effective 10/01/2003

	<u>10/01/2002</u>	<u>10/01/2003</u>
<u>Fatal</u>		
% Rate of Compensation		66 2/3 %
Minimum/Maximum Weekly Benefit		
Widow/Orphan	\$110.00 / \$882.57 (1)	\$110.00 / \$884.46 (1)
Others	\$0.00 / \$80.00	\$0.00 / \$80.00
Each Additional Child		\$6.00, if benefit under \$150.00
Maximum Aggregate Payable		250 x SAWW
Burial Allowance		\$4,000
Cost of Living Adjustment - benefits increase annually by:		Each October 1 after 2 years after injury. Based on the lesser of 5%, N.E. region urban area CPI, and the % change in the SAWW
<u>Total Disability</u>		
A. Permanent Total		
% Rate of Compensation		66 2/3 %
Minimum/Maximum Weekly Benefit	\$176.51 (2) / \$882.57 (1)	\$176.89 (2) / \$884.46 (1)
Duration		Lifetime
Cost of Living Adjustment - benefits increase annually by:		Same as Fatal
B. Temporary Total		
% Rate of Compensation		60 %
Minimum/Maximum Weekly Benefit	\$176.51 (2) / \$882.57 (1)	\$176.89 (2) / \$884.46 (1)
Waiting Period/Retroactive After		5 days/21 days
<u>Permanent Partial Disability</u>		
% Rate of Compensation		60 % of lost wage-earning capacity
Minimum Weekly Benefit	\$0.00	\$0.00
Maximum Weekly Benefit		75% of total incapacity benefit
 SPECIFIC INJURY PAYMENTS		
Scheduled Injuries		According to the injury, a scheduled number multiplied by the SAWW (3)
Non-Scheduled Injuries		SAWW multiplied by 32
 DISFIGUREMENT		
Maximum Benefit		\$15,000
Benefit		As determined by the reviewing board

(1) Maximum Weekly Benefit for Fatalities and Total Disabilities is 100% of the State Average Weekly Wage

(2) Minimum Weekly Benefit for Total Disability is 20% of the SAWW

(3) e.g., for the loss of hearing in one ear - SAWW * 29; for the loss of hearing in both ears - SAWW * 77

IV 056

Summary of Principal Benefit Changes Due to the Increase in the Maximum and Minimum Weekly Benefits Effective 10/01/2004

	<u>10/01/2003</u>	<u>10/01/2004</u>
<u>Fatal</u>		
% Rate of Compensation		66 2/3 %
Minimum/Maximum Weekly Benefit		
Widow/Orphan	\$110.00 / \$884.46 (1)	\$110.00 / \$918.78 (1)
Others	\$0.00 / \$80.00	\$0.00 / \$80.00
Each Additional Child		\$6.00, if benefit under \$150.00
Maximum Aggregate Payable		250 x SAWW
Burial Allowance		\$4,000
Cost of Living Adjustment - benefits increase annually by:		Each October 1 after 2 years after injury. Based on the lesser of 5%, N.E. region urban area CPI, and the % change in the SAWW
<u>Total Disability</u>		
A. Permanent Total		
% Rate of Compensation		66 2/3 %
Minimum/Maximum Weekly Benefit	\$176.89 (2) / \$884.46 (1)	\$183.76 (2) / \$918.78 (1)
Duration		Lifetime
Cost of Living Adjustment - benefits increase annually by:		Same as Fatal
B. Temporary Total		
% Rate of Compensation		60 %
Minimum/Maximum Weekly Benefit	\$176.89 (2) / \$884.46 (1)	\$183.76 (2) / \$918.78 (1)
Waiting Period/Retroactive After		5 days/21 days
<u>Permanent Partial Disability</u>		
% Rate of Compensation		60 % of lost wage-earning capacity
Minimum Weekly Benefit	\$0.00	\$0.00
Maximum Weekly Benefit		75% of total incapacity benefit
 SPECIFIC INJURY PAYMENTS		
Scheduled Injuries		According to the injury, a scheduled number multiplied by the SAWW (3)
Non-Scheduled Injuries		SAWW multiplied by 32
 DISFIGUREMENT		
Maximum Benefit		\$15,000
Benefit		As determined by the reviewing board

(1) Maximum Weekly Benefit for Fatalities and Total Disabilities is 100% of the State Average Weekly Wage

(2) Minimum Weekly Benefit for Total Disability is 20% of the SAWW

(3) e.g., for the loss of hearing in one ear - SAWW * 29; for the loss of hearing in both ears - SAWW * 77

IV 057

Section IV- Benefit Change Adjustments
 Subsection F - Provisions of the Law
 9/1/05

Section IV-F
 Exhibit 3

Summary of Principal Benefit Changes Due to the Increase in the Maximum and Minimum Weekly Benefits Effective 10/01/2005

	<u>10/01/2004</u>	<u>10/01/2005</u>
<u>Fatal</u>		
% Rate of Compensation		66 2/3 %
Minimum/Maximum Weekly Benefit		
Widow/Orphan	\$110.00 / \$918.78 (1)	\$110.00 / \$946.35 (1)
Others	\$0.00 / \$80.00	\$0.00 / \$80.00
Each Additional Child		\$6.00, if benefit under \$150.00
Maximum Aggregate Payable		250 x SAWW
Burial Allowance		\$4,000
Cost of Living Adjustment - benefits increase annually by:		Each October 1 after 2 years after injury. Based on the lesser of 5%, N.E. region urban area CPI, and the % change in the SAWW
 <u>Total Disability</u>		
A. Permanent Total		
% Rate of Compensation		66 2/3 %
Minimum/Maximum Weekly Benefit	\$183.76 (2) / \$918.78 (1)	\$189.27 (2) / \$946.35 (1)
Duration		Lifetime
Cost of Living Adjustment - benefits increase annually by:		Same as Fatal
B. Temporary Total		
% Rate of Compensation		60 %
Minimum/Maximum Weekly Benefit	\$183.76 (2) / \$918.78 (1)	\$189.27 (2) / \$946.35 (1)
Waiting Period/Retroactive After		5 days/21 days
 <u>Permanent Partial Disability</u>		
% Rate of Compensation		60 % of lost wage-earning capacity
Minimum Weekly Benefit	\$0.00	\$0.00
Maximum Weekly Benefit		75% of total incapacity benefit
 SPECIFIC INJURY PAYMENTS		
Scheduled Injuries		According to the injury, a scheduled number multiplied by the SAWW (3)
Non-Scheduled Injuries		SAWW multiplied by 32
 DISFIGUREMENT		
Maximum Benefit		\$15,000
Benefit		As determined by the reviewing board

(1) Maximum Weekly Benefit for Fatalities and Total Disabilities is 100% of the State Average Weekly Wage

(2) Minimum Weekly Benefit for Total Disability is 20% of the SAWW

(3) e.g., for the loss of hearing in one ear - SAWW * 29; for the loss of hearing in both ears - SAWW * 77

IV 058

Section IV- Benefit Change Adjustments
 Subsection F - Provisions of the Law
 9/1/05

Section IV-F
 Exhibit 4

Summary of Principal Benefit Changes Due to the Increase in the Maximum and Minimum Weekly Benefits Effective 10/01/2006

	<u>10/01/2005</u>	<u>10/01/2006</u>
<u>Fatal</u>		
% Rate of Compensation		66 2/3 %
Minimum/Maximum Weekly Benefit		
Widow/Orphan	\$110.00 / \$946.35 (1)	\$110.00 / \$974.74 (1)
Others	\$0.00 / \$80.00	\$0.00 / \$80.00
Each Additional Child		\$6.00, if benefit under \$150.00
Maximum Aggregate Payable		250 x SAWW
Burial Allowance		\$4,000
Cost of Living Adjustment - benefits increase annually by:		Each October 1 after 2 years after injury. Based on the lesser of 5%, N.E. region urban area CPI, and the % change in the SAWW
<u>Total Disability</u>		
A. Permanent Total		
% Rate of Compensation		66 2/3 %
Minimum/Maximum Weekly Benefit	\$189.27 (2) / \$946.35 (1)	\$194.95 (2) / \$974.74 (1)
Duration		Lifetime
Cost of Living Adjustment - benefits increase annually by:		Same as Fatal
B. Temporary Total		
% Rate of Compensation		60 %
Minimum/Maximum Weekly Benefit	\$189.27 (2) / \$946.35 (1)	\$194.95 (2) / \$974.74 (1)
Waiting Period/Retroactive After		5 days/21 days
<u>Permanent Partial Disability</u>		
% Rate of Compensation		60 % of lost wage-earning capacity
Minimum Weekly Benefit	\$0.00	\$0.00
Maximum Weekly Benefit		75% of total incapacity benefit
 SPECIFIC INJURY PAYMENTS		
Scheduled Injuries		According to the injury, a scheduled number multiplied by the SAWW (3)
Non-Scheduled Injuries		SAWW multiplied by 32
 DISFIGUREMENT		
Maximum Benefit		\$15,000
Benefit		As determined by the reviewing board

(1) Maximum Weekly Benefit for Fatalities and Total Disabilities is 100% of the State Average Weekly Wage

(2) Minimum Weekly Benefit for Total Disability is 20% of the SAWW

(3) e.g., for the loss of hearing in one ear - SAWW * 29; for the loss of hearing in both ears - SAWW * 77

IV 059

Section IV - Benefit Change Adjustments
 Subsection G - Massachusetts Inputs and Backup Data for Oct. 1 Evaluations
 9/1/2005

Section IV-G
 Exhibit 1

Massachusetts Standard Wage Distribution Table

R = Ratio to Average Wage
 A = Percentage of workers receiving not more than the percentage of
 the average wage indicated by column R
 B = Percentage of wages received by the % of workers in column A

R	A	B	R	A	B	R	A	B
0.05	0.0856	0.0013	2.40	99.1195	97.2019	4.75	99.9236	99.5618
0.10	0.1766	0.0085	2.45	99.2068	97.4138	4.80	99.9259	99.5728
0.15	0.4174	0.0405	2.50	99.2808	97.5971	4.85	99.9281	99.5834
0.20	0.9257	0.1319	2.55	99.3443	97.7576	4.90	99.9302	99.5937
0.25	2.2314	0.4323	2.60	99.3993	97.8994	4.95	99.9322	99.6035
0.30	3.5317	0.7887	2.65	99.4474	98.0258	5.00	99.9342	99.6135
0.35	5.0674	1.2884	2.70	99.4897	98.1390	5.05	99.9360	99.6226
0.40	6.8493	1.9583	2.75	99.5271	98.2411	5.10	99.9378	99.6317
0.45	8.8185	2.8024	2.80	99.5604	98.3335	5.15	99.9395	99.6404
0.50	11.3281	4.0021	2.85	99.5902	98.4178	5.20	99.9412	99.6492
0.55	14.4745	5.6622	2.90	99.6170	98.4949	5.25	99.9428	99.6576
0.60	18.4932	7.9785	2.95	99.6412	98.5658	5.30	99.9443	99.6655
0.65	23.0308	10.8200	3.00	99.6631	98.6310	5.35	99.9458	99.6735
0.70	28.5691	14.5564	3.05	99.6831	98.6915	5.40	99.9472	99.6810
0.75	35.0225	19.2288	3.10	99.7013	98.7475	5.45	99.9486	99.6886
0.80	40.0471	23.1320	3.15	99.7180	98.7998	5.50	99.9499	99.6957
0.85	44.3868	26.7137	3.20	99.7333	98.8484	5.55	99.9512	99.7029
0.90	48.9940	30.7458	3.25	99.7474	98.8939	5.60	99.9524	99.7096
0.95	53.5531	34.9727	3.30	99.7604	98.9365	5.65	99.9536	99.7164
1.00	57.4700	38.7995	3.35	99.7724	98.9764	5.70	99.9547	99.7226
1.05	61.0338	42.4490	3.40	99.7836	99.0143	5.75	99.9558	99.7289
1.10	64.9829	46.6881	3.45	99.7939	99.0496	5.80	99.9569	99.7353
1.15	68.2577	50.3695	3.50	99.8035	99.0829	5.85	99.9579	99.7411
1.20	71.1419	53.7606	3.55	99.8125	99.1147	5.90	99.9589	99.7470
1.25	73.9565	57.2095	3.60	99.8209	99.1447	5.95	99.9599	99.7529
1.30	76.3431	60.2534	3.65	99.8288	99.1734	6.00	99.9608	99.7583
1.35	78.8313	63.5465	3.70	99.8361	99.2002	6.05	99.9617	99.7637
1.40	80.9932	66.5149	3.75	99.8430	99.2260	6.10	99.9626	99.7692
1.45	83.1764	69.6230	3.80	99.8495	99.2505	6.15	99.9634	99.7741
1.50	85.3328	72.8012	3.85	99.8556	99.2739	6.20	99.9643	99.7796
1.55	87.3234	75.8346	3.90	99.8613	99.2960	6.25	99.9650	99.7840
1.60	89.0732	78.5889	3.95	99.8667	99.3172	6.30	99.9658	99.7890
1.65	90.4645	80.8478	4.00	99.8718	99.3375	6.35	99.9666	99.7941
1.70	91.5989	82.7450	4.05	99.8767	99.3572	6.40	99.9673	99.7985
1.75	92.8617	84.9207	4.10	99.8812	99.3755	6.45	99.9680	99.8030
1.80	93.8677	86.7057	4.15	99.8856	99.3937	6.50	99.9687	99.8076
1.85	94.6704	88.1702	4.20	99.8897	99.4108	6.55	99.9693	99.8115
1.90	95.4837	89.6937	4.25	99.8935	99.4269	6.60	99.9700	99.8161
1.95	96.2382	91.1467	4.30	99.8972	99.4427	6.65	99.9706	99.8201
2.00	96.9125	92.4774	4.35	99.9008	99.4583	6.70	99.9712	99.8241
2.05	97.4495	93.5662	4.40	99.9041	99.4727	6.75	99.9718	99.8281
2.10	97.9350	94.5748	4.45	99.9073	99.4869	6.80	99.9724	99.8322
2.15	98.2808	95.3105	4.50	99.9103	99.5003	6.85	99.9729	99.8356
2.20	98.5368	95.8679	4.55	99.9132	99.5135	6.90	99.9735	99.8397
2.25	98.7336	96.3063	4.60	99.9160	99.5263	6.95	99.9740	99.8432
2.30	98.8893	96.6609	4.65	99.9186	99.5383	7.00	99.9745	99.8467
2.35	99.0155	96.9546	4.70	99.9211	99.5500			

Note: For R>2.00, B_i = B_{i-1} + (.55xR_i + .45xR_{i-1})x(A_i-A_{i-1})

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Section IV - Benefit Change Adjustments
 Subsection G - Massachusetts Inputs and Backup Data for Oct. 1 Evaluations
 9/1/2005

Section IV-G
 Exhibit 2

Dependency Table

Dependency Class	Number of Cases	Average Number of Dependents	Average Dependent Age
No Dependents	204	0	N/A
Spouse, No Children	212	1	40
Spouse	153	1	38
1 Child		1	11
Spouse	166	1	38
2 Children		2	10
Spouse	63	1	37
3 Children		3	10
Spouse	18	1	37
4 Children		4	10
Spouse	5	1	37
5 Children		5	10
Spouse	2	1	38
More than 5 Children		7	10
Spouse with children	407	1	38
		2	10
Orphan	21	1	13
2 Children	10	2	12
3 Children	3	3	12
4 Children	1	4	12
More than 4 Children	1	5	12
Orphans	15	3	12
No spouse			
1 Parent	41	1	62
2 Parents	91	2	58
Sibling	7	1	37
Other	2	2	31
Other Dependents	141	1.7	58

Note: Dependent count includes working adult household members standardized to a total of 1,000 cases.

Source: NCCI, CPS data, 1989-1993
 Reweighted using DCI Data for Fatalities, 1984-1993.

Derivation of AIWW (Average Injured Worker Wage)

(1) SAWW Promulgation Date	(2) AIWW Average Date	(3) Based on Data	(4) AIWW	
10/1/03	4/1/04	10/1/03-10/1/04	771.23	= .827 x {(918.78 + 946.35)/2}
10/1/04	4/1/05	10/1/04-10/1/05	794.37	= 771.23 x 1.03
10/1/05	4/1/06	10/1/05-10/1/06	818.20	= 794.37 x 1.03
10/1/06	4/1/07	10/1/06-10/1/07	842.75	= 818.2 x 1.03

- (4) Historical Relationship of .827 for the ratio of AIWW to SAWW is selected based on DCI data.
 4/1/96: SAWW = 648.29, AIWW = 536.40
 4/1/94: SAWW = 594.85, AIWW = 492.23
 4/1/93: SAWW = 575.80, AIWW = 479.68

3% Payroll Trend from Section V-A

Section IV - Benefit Change Adjustments
 Subsection G - Massachusetts Inputs and Backup Data for Oct. 1 Evaluations
 9/1/2005

Section IV-G
 Exhibit 4

Derivation of Estimated SAWW (Statewide Average Weekly Wage)

(1) SAWW Promulgated Date	(2) Based on Data	(3) Midpoint of the Data	(4) SAWW	
10/1/02	4/1/01-4/1/02	10/1/01	882.57	= as promulgated
10/1/03	4/1/02-4/1/03	10/1/02	884.46	= as promulgated
10/1/04	4/1/03-4/1/04	10/1/03	918.78	= as promulgated
10/1/05	4/1/04-4/1/05	10/1/04	946.35	
10/1/06	4/1/05-4/1/06	10/1/05	974.74	

(4) 3% Payroll Trend from Section V-A

Average Wage Loss for Major Permanent Partial Claimants

Report	<u>Accident Year Weekly Benefits/ Pre-Injury Wage</u>					Average
	1979	1980	1981	1982	1983	
Report 1	0.61	0.62	0.60	0.62	0.60	0.61
Report 2	0.62	0.62	0.59	0.63	0.62	0.62
Report 3	0.64	0.60	0.65	0.60		0.62
Report 4	0.60	0.64	0.62			0.62

Selected average weekly benefit/ pre-injury wage = 62%

These data were compiled prior to Chapter 398. To be consistent with Chapter 398, 62% will be used as the wage loss as a percent of pre-injury wage. The percent of that that is paid is 60% subject to maximums.

Source:

Detail Claim Call, compiled as of 10/1/85. Report 1 is valued six months after injury date. Report 2 is valued eighteen months after injury date, and includes any claim with activity after report 1. Report 3 is valued thirty months after injury date and includes any claim with activity after report 2. Report 4 is valued forty-two months after injury date and includes any claim with activity after report 3.

Average Wage Loss for Minor Permanent Partial Claimants

Report	Accident Year Weekly Benefits/ Pre-Injury Wage					Average
	1979	1980	1981	1982	1983	
Report 1	0.58	0.58	0.58	0.60	0.59	0.59
Report 2	0.62	0.60	0.59	0.58	0.64	0.61
Report 3	0.66	0.64	0.65	0.56		0.63
Report 4	0.62	0.70	0.66			0.66

Selected average weekly benefit/ pre-injury wage = 62%

These data were compiled prior to Chapter 398. To be consistent with Chapter 398, 62% will be used as the wage loss as a percent of pre-injury wage. The percent of that that is paid is 60% subject to maximums.

Source:

Detail Claim Call, compiled as of 10/1/85. Report 1 is valued six months after injury date. Report 2 is valued eighteen months after injury date, and includes any claim with activity after report 1. Report 3 is valued thirty months after injury date and includes any claim with activity after report 2. Report 4 is valued forty-two months after injury date and includes any claim with activity after report 3.

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Section IV - Benefit Change Adjustments
Subsection H - Medical Fee Schedules
9/1/2005

Section IV-H
Exhibit 1

Impact of Revised Medical Fee Schedule

	Date of Change in Medical Fee Schedule	Impact on Medical Losses
(1)	9/1/2000	3.1%
(2)	12/1/2002	5.2%
(3)	9/1/2004	1.4%

Notes:

- (1) From the filing for 9/1/01 rates.
- (2) From the filing for 9/1/03 rates.

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Section IV - Benefit Change Adjustments
Subsection H - Medical Fee Schedules
9/1/2005

Section IV-H
Exhibit 2

Impact of Medical Fee Schedule Effective 12/1/2002

(1) Fee change:	3.3%
(2) Percent of Medical Losses Due to Medical Fee Schedule:	45.0%
(3) Tempering Factor:	0.965
(4) Effect of Medical Fee Change on Medical Losses: = (1) x (2) x (3)	1.4%

Notes:

- (1) Exhibit 3, Page 1.
- (2) Exhibit 3, Page 2.
- (3) This factor represents those codes for which "independent considerations" (IC) determine the fee to be paid, and which are not affected by the change in the fee schedule. From the rate filing approved to be effective 1/1/88.

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Section IV - Benefit Change Adjustments
Subsection H - Medical Fee Schedules
9/1/2005

Section IV-H
Exhibit 3
Page 1

Impact of Medical Fee Schedule Effective 9/1/2004

(1) TYPE OF PROCEDURE CODES	(2) 12/1/2002 COST ¹	(3) 9/1/2004 COST ¹	(4) CHANGE =(3)/(2)
a. SURGICAL	205,433,503	199,542,217	0.971
b. RADIOLOGY	112,418,919	121,388,101	1.080
c. CLINICAL LABORATORIES	2,272,939	2,298,326	1.011
d. MEDICINE	294,390,165	311,472,653	1.058
e. TOTAL	614,515,526	634,701,297	1.033

¹ The amounts are based on the product of the NCCI frequency counts and the medical fees from the two fee schedules.
The listed amounts are relative and do not correspond to actual Massachusetts Medical Losses.

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Section IV - Benefit Change Adjustments
Subsection H - Medical Fee Schedules
9/1/2005

Section IV-H
Exhibit 3
Page 2

Paid Medical Costs by Provider Type

Type of Medical Costs Paid	Percent of Total
a. Hospital Costs Paid to Date	48.0%
b. Total Payments to Physicians	38.0%
c. Other Medical Paid to Date	14.0%
d. Total Medical Costs Paid to Date	100.0%

Total Payments subject to the Medical Fee Schedule = % Paid to Physicians
plus half of Other Medical Paid to Date

Selected value for percentage of Medical Costs that are Due to Medical
Fee Schedule Payments: 45%

SOURCE: WCRI

NET TREND**The Role of Trend**

The rate level analysis in this filing is based on recent historical Massachusetts premium and loss data. Because the filing is developing rates for a future period, beginning with policies issued 9/1/05, basic principles of ratemaking require that the analysis of historical losses and premiums bring these components to the levels expected during the prospective rate period. The role of trend is to adjust these components for changes from the experience period (in this filing, policy years 2001 and 2002) to September 1, 2006, the midpoint of the policy period for which we are setting rates. The trend factors are intended to reflect movements in the frequency of claims and in the cost of claims, and movements in payroll levels (which in turn drive movements in the amount of premium collected). Trend factors must exclude certain otherwise-quantifiable effects such as benefit changes and on-level factors for historical rate changes which are quantified and included elsewhere in the filing.

WCRIB Recommendation

The final trend factor developed in this section is expressed as a “net” trend, meaning that it incorporates the combined effects on loss ratios of claim frequency movements, claim cost movements, and wage inflation – some of which partially offset one another. Net trends are developed in this section separately for indemnity losses and medical losses (including medical only

claims and medical on lost time claims). Based on the methodology documented in this section, the WCRIB has developed and used net trend factors of +0.6% per year for indemnity losses, and +1.8% per year for medical losses, indicating that losses will increase slightly faster than premiums during the projection period. The indicated trend factors, and their key components are summarized on Section V-A Exhibit 1.

Indemnity Net Trend	0.6%
Medical Net Trend	1.8%

The trend factors incorporate three major components: claim cost (also called “severity”); claim frequency; and wage levels. We are projecting that average claim costs for workers’ compensation will continue to rise, as they have in recent years in both Massachusetts and elsewhere, at annual rates ranging from 7% to 10% for indemnity and medical benefits. We are utilizing a projected downward movement of claim frequency per worker week, at a pace of 5% annually for lost time claims and approximately 3% for medical only claims.

The projected annual claim frequency declines represent a blend of the actual movement in claim frequencies observed historically in Massachusetts over the short term (5 years) and the long term (15 years). Thus, as with the trend in the average cost of claims, this filing assumes that the historical direction and rate of movement in claim frequencies will continue over the forecast horizon. Finally, with respect to wage levels, the recommended trend incorporates an average wage trend component of 3.0% annually, also based on

a blend of the actual movement in Massachusetts average weekly wages observed over the short term (5 years) and the long term (15 years).

Trend	Indemnity	Medical
Severity	8.9%	9.8%
Frequency	-4.9%	-4.5%
AWW	3.0%	
NET	0.6%	1.8%

The small positive annual net trends we recommend and use in this filing reflect our expectation that growth in the cost of claims will outpace the combined effect of declining claim frequencies and the natural growth of premium due to wage inflation.

General Methodology

The WCRIB has separately calculated claim cost trends (for indemnity benefits, for medical on lost time claims, and for medical only claims); claim frequency trends (for lost time claims and for medical only claims); and average weekly wage trends. The cost, frequency and wage trends have been calculated based on observed historical time trends, quantified using an exponential form of least squares regression.

In light of the criticisms directed at the WCRIB's trend methodology in the last filing, we have developed a new trend methodology in this filing. This year the WCRIB has not used econometric models to calculate the net trend. We continue to believe that such models may, one day, be the preferred basis for projecting future Massachusetts workers' compensation trends, and we intend to

continue our research in this area. In the meantime, we introduce here a model that, although not capable of projecting turning points in claim frequency, claim severity or wage trends, will be well-behaved and track overall trends effectively, from one filing to the next. Accordingly, we believe the methodology introduced in this filing produces both a result that should be accepted for rate-setting this year and a methodology that should be accepted by the Commissioner for ongoing use in the future.

For each component (claim severity, frequency, and wage trend), our primary method of measuring historical trends is an exponential least squares regression fit to the most recent five years of Massachusetts Unit Statistical Plan data. The results of these regressions indicate an annual rate of change for the component data analyzed in the regression. Second, we tested the credibility or reliability of these indicated trends based on the degree of consistency between the historical data and the fitted exponential curve. Using a methodology from the actuarial literature¹, we assigned higher credibility to the indicated trend if the trend line more closely fit the data, and a lower credibility if the data displayed wide departures from the fitted trend line. Third, to the extent that this credibility test suggested that the indicated trend from the five year data should be granted less than 100% weight, we complemented the five year indication with an indicated trend from a longer or broader data base. In the case of claim cost trends, we looked to national trends in workers' compensation claim costs to

¹ Venter, Gary, "Classical Partial Credibility with Application to Trend," *PCAS LXXIII*, 1986, pp. 27-51.

provide the complementary trend indication. In the case of claim frequency trends and average weekly wage trends, we looked to longer term (15 year) Massachusetts trends to provide the complementary trend indication. The five year trend indications, the credibilities assigned to those indications, and the complementary trend indications are summarized in Exhibits 1 through 3 of Section V-A for claim cost and claim frequency, and in Exhibit 4 of Section V-A for average weekly wage.

	Empirical Trend	Credibility	Complement of Credibility	Selected Trend
SEVERITY				
Indemnity	9.6%	38%	8.5%	8.9%
Medical on Lost Time	10.3%	46%	10.4%	10.3%
Medical Only	6.8%	100%	8.1%	6.8%
FREQUENCY				
Lost Time Claims	-5.9%	20%	-4.6%	-4.9%
Medical Only	-4.9%	28%	-1.6%	-2.6%
Average Weekly Wage	2.0%	65%	4.9%	3.0%

The WCRIB recommends the calculation of trend factors be based upon movements in the underlying factors of claim severity, claim frequency, and wages – rather than fitting time trends to loss ratios themselves. Given the differences in the directions, rates and stability of movement of the various components, it is our view that analyzing them separately provides better insights into the drivers of net trend, and gives us better ability to evaluate the credibility of the indicated trend factors.

Any trending method that relies on fitting linear or exponential curves to the historical data as a basis for quantifying and projecting trend rates – whether

that method is applied to cost components or to final loss ratios – will, by its nature, fail to predict turning points, and be relatively slow to respond to turning points as they first emerge in the experience. The ideal trending method would be able to forecast the timing and degree of turning points. However, discussions in the last hearing, and in other venues, reveals the difficulty of forecasting the timing and degree of turning points for any economic or social phenomenon. The methodology used by the WCRIB in this filing will not predict turning points, and the WCRIB is not using final trend factors that anticipate turning points for claim frequency or any of the other components. By blending indications from short term and long term movements, however, the WCRIB has introduced a method that we believe provides a reasonable balance between stability and responsiveness. Further, if used consistently over time, we believe this methodology would avoid some of the wide swings in trend and rate indications that could result from the application of significantly different judgments (about turning points, for example) from one year to the next. In short, the WCRIB believes that the trend methodology presented in this filing provides an appropriate and reasonable basis for selecting trend factors in the current context, but also represents a methodology that we anticipate will produce reasonable results in future years.

We recommend that the Commissioner accept the WCRIB's net trend factors in this filing, and that the Commissioner endorse the WCRIB's

methodology so that the parties can narrow the range of issues addressed in subsequent hearings.

Section V-A – Net Trend Calculation

Section V-A documents the calculation of the separate trends for claim severity, claim frequency, and average weekly wage.

Exhibit 1 in this section summarizes and combines all of the trend components, beginning with the indicated trend based on five years of Massachusetts data (column 1), applying the credibility parameter that is based on how well the trend fits the data (column 2), and applying the complement of the credibility to the trend indications that are based on broader or longer data series (columns 3 and 4). The claim severity trend and the claim frequency trend are then combined to produce loss trends (column 5). The medical trends for lost time claims and medical only claims weighted together, based on relative volume of claim dollars, to produce an overall medical loss trend. Finally, for each of indemnity and medical, the loss trend is offset by the credibility-weighted average weekly wage trend to produce the net annual trend.

Exhibits 2 through 4 of Section V-A, respectively, document the calculation of the severity trends, frequency trends, and average weekly wage trends. In each of these exhibits, the first step is to calculate an exponential fit to the most recent five years of Massachusetts data that is displayed; this exponential fit produces fitted values for each year, and also an indicated annual rate of change

in the data series. The exponential fits here and elsewhere in this section were calculated using a standard function within Microsoft Excel™.

Next, using a procedure documented in the Venter paper, these exhibits document the calculation of the credibility associated with the fitted annual trend rate. This procedure requires defining the parameters of a confidence interval. The WCRIB judgmentally selected parameters such that we seek to achieve at least a 90% probability that the trend observed in the future be within 6% of the projected trend in this filing. Selecting a higher required degree of confidence (probability) or a lower tolerance for error would reduce the amount of credibility assigned to the latest five year trend indications, while a lower required degree of confidence (probability) or higher tolerance for error would increase the credibility assigned to the latest five year trend indications. Based on our review of Venter's paper, judgment, and sensitivity testing, we selected 90% and 6% as reasonable parameters to use in the credibility calculation.

The specific steps and calculations that implement Venter's procedure to calculate the credibility assigned to the five year Massachusetts trend (row (1)) are detailed in Exhibits 2 through 4 of Section V-A, in the formula rows numbered (2) through (10). Row (2), denoted "s," quantifies the goodness of fit of the exponential curve to the five years of Massachusetts data. $S = \text{SQRT} (\text{SSR} / (n-2))$, where SSR is the sum of the squared differences between the observed and fitted points over the five years ($n=5$) of Massachusetts data, and $n-2$ is an adjustment for degrees of freedom. Row (3), denoted "t," is the 95th percentile of the t-distribution with $n-2=3$ degrees of freedom. We use the 95th percentile one-

sided distribution to correspond to the selected 90% probability of being within a specified tolerance in either direction. Row (5) implements the formula that Venter provides for a component element of the standard deviation of the projected point, given the distance into the future that we are projecting, and Row (6) then calculates the confidence interval for the projection. The confidence interval incorporates both the uncertainty about the parameters of the trend line, and the potential variability of the actual future point from its expected value on the line. Row (8) expresses this confidence interval as a percentage of the projected value of frequency, severity, or average weekly wage, which is calculated in Row (7). If Row (8) is less than the selected error tolerance (i.e., 6% in this filing), then there is at least 90% probability that the actual value is within 6% of the five-year fitted value; therefore, the credibility procedure assigns 100% to the indicated five-year trend. If the ratio in (8) is greater than the selected error tolerance, then the credibility assigned to the five-year trend must be less than 100%. Specifically, it is calculated in line (9) as the ratio of the selected error tolerance, divided by the calculated confidence interval.

To the extent that the credibility assigned to the fitted trend based on five years of Massachusetts data is less than 100%, the balance of the credibility is assigned to a longer term Massachusetts trend (frequency; average weekly wage) or countrywide trend (claim severity). The calculations of the annual trend rates from these complementary data series are documented at the foot of Section V-A Exhibit 2 (severity), Section V-B (frequency) and Section V-G Exhibit

2 (average weekly wage), and use the same exponential fit function within Microsoft Excel™.

The choice of a complementary data set to be given weight when the five-year Massachusetts indications are not fully credible is designed to provide a trend indication for a particular component (severity, frequency, average weekly wage), that yields an a priori estimate in the absence of the Massachusetts five-year data. In other words, this trend should represent a trend that we would be willing to use if we had no recent local data. For severity, the WCRIB expects that trend rates will tend to vary across different economic cycles, as well as different stages of evolution in medical technology, medical practice, and societal expectations with respect to the delivery of medical care. Thus, it is our expectation that severity trends occurring currently in other states represent a reasonable expectation of Massachusetts severity trends. The actual level of costs is likely to vary by state, depending on benefit levels, demographics, industry mix, and social factors, but we expect that the average trend across a broad mix of states creates a reasonable basis for a baseline expectation of Massachusetts severity trends. Consequently, we have selected a multi-state severity trend as the complement of credibility for Massachusetts severity trends. The multi-state severities are shown at the foot of Section V-A Exhibit 2, and supporting information is provided in Section V-G.

For claim frequency and average weekly wage, it is our expectation that Massachusetts trends observed in the short term will tend to revert to long term Massachusetts averages, and that these long-term Massachusetts averages thus

represent a reasonable expectation of future trends, in the absence of recent observations. Consequently, we have selected a long-term Massachusetts trend as the complement of credibility for Massachusetts five-year frequency and average weekly wage trends. We judgmentally selected fifteen years of data to calculate the long-term Massachusetts trends, primarily because we were concerned that data older than fifteen years could not easily be placed on a consistent level with the more recent data.

Finally, Section V-A Exhibits 2 through 4 lines (10) calculate the credibility-weighted annual trend, which is:

Credibility-weighted annual trend =

$$\begin{aligned} & [\text{credibility, } Z] \times [\text{indicated annual trend based on 5-year Mass data}] \\ & + [1.0 \text{ minus } Z] \times [\text{indicated annual trend based on complementary data}] \end{aligned}$$

These various components of the final net trend calculation are shown graphically on Exhibits 5 through 10 of Section V-A, and are brought forward to Exhibit 1.

Data Used in the WCRIB Trend Analysis

For the trend analysis in this year's filing, the WCRIB has used Unit Statistical data. The WCRIB selected this data source because it provides detailed, matching payroll, claim count, and claim dollar data that can be used to calculate historical claim frequencies and claim severities. Unit Statistical data are reported on a policy-by-policy basis and in individual claim detail (except for

the smallest claims, which may be reported in a batch for an individual employer and policy period).

The Unit Statistical data used in the trend analysis has been compiled on a “composite policy year” basis. Composite policy year 1998/1999, for example, includes all policies with inception dates between July 1, 1998 and June 30, 1999. The average policy of this composite policy has an inception date of January 1, 1999 and the average accident date is June 30, 1999.

Unit Statistical data includes coding that designates the “injury kind” of a claim (i.e., fatal, permanent total, permanent partial, temporary total, medical only). We have used separate data for lost time claims and medical only claims as the starting point for our analysis, because the medical only claims are very numerous but small in average severity, and thus could mask important trends if combined with the lost time claims. The Unit Statistical data also reports medical loss dollars separately from indemnity loss dollars, and we have preserved this separation in the data entering our analysis.

The Unit Statistical data for a particular policy is first reported to the Bureau eighteen months after policy inception (i.e., six months after a twelve month policy expires), and then each policy is reported again at successive twelve month intervals, 30, 42, 54, and 66 months after policy inception. (The Unit Statistical data reporting timeline is thus different than some other policy year data in which all policies are reported at a common calendar date, such as December 31.) These successive reports are compiled in order to evaluate the composite policy years at various maturities, which in turn allows us to compile

loss development histories that allow us to select and apply development patterns to develop the most recent, least mature composite policy years to the same fifth report maturity as the older, more mature composite policy years.

Unit Statistical data is collected and compiled systematically out to fifth report. For purposes of the trend analysis, we have used all composite policy years developed to fifth report. While we could have used other data sources to derive development factors from fifth report to ultimate, we expect that we would have applied the same fifth-to-ultimate development factor to all composite policy years, and thus not have produced a different trend indication. In the interest of not adding unnecessary complexity to the filing, we opted to leave all the composite policy years at fifth report.

We note that the Unit Statistical data, as reported, reflects the statutory benefit provisions that applied to each individual claim. Thus, claims from the 1997/1998 composite policy year were handled and are reported based on the benefits in effect at that time. Similarly, claims from the 2001/2002 composite policy year were handled and reported based on the benefits in effect at that time. The changes in benefit statutes over time would contribute to a trend in the average claim cost data; we do not want this trend to be affecting the data because the statutory benefit changes are specifically addressed in another section of the filing. Therefore, before the Unit Statistical data is used in our trend analysis, the losses all are adjusted to a common current benefit level.

Section V-B – Claim Count Development**Section V-C – Indemnity Loss Development****Section V-D – Medical Loss Development**

Section V-B documents the calculation of historical claim counts developed to fifth report, which are used in the calculation of claim frequencies and average claim costs. Section V-C and Section V-D document that calculation of historical loss dollars for indemnity and medical, respectively, developed to fifth report and adjusted to current benefit levels; the resulting on-level developed losses are used in the calculation of average claim costs.

These sections use standard loss development techniques to develop the claim counts and losses to a fifth report basis. We have developed indemnity losses separately from medical, and medical only losses separately from lost time medical. In all cases we have used the two most recent years of data to calculate the development factors.

For purposes of the trend calculations, we have only developed the claim counts and loss dollars to fifth report, not an ultimate basis because the unit statistical plan data does not provide information to estimate tail factors beyond fifth report. If we were to estimate a loss development factor from fifth report to ultimate, it would be the same for all policy years, and not affect the calculated annual trends in claim frequency or claim severity.

In Sections V-C and V-D the developed loss dollars also are placed “on-level” to the current Massachusetts benefit levels. The impact of changing

benefit levels is addressed explicitly in another section of the filing, and thus we do not want the trend factors to be showing movements in claim severity over time that are caused by increasing benefit levels. By placing all of the loss data on current benefit level, we avoid a distortion of this type in the trend analysis.

Section V-B, C, D – Massachusetts Average Claim Costs and Claim Frequency

After the losses and claim counts are developed to fifth report, as described above, these sections of the filing calculate the historical year-by-year average claim costs and claim frequencies that are used in the calculation of the indicated Massachusetts loss trends in Section V-A.

The historical average claim costs derived in Section V-C and Section V-D for each year are simply the ratio of

- (a) reported losses as of the most recent unit statistical plan compilation, developed to fifth report, and adjusted to current benefit levels, divided by
- (b) reported claim counts as of the most recent unit statistical plan compilation, developed to fifth report.

One final adjustment before the average severities are used in calculating indicated severity trends is to eliminate a portion of year-to-year severity movements that may be attributable to the implementation of cost containment measures in the mid-1990s. Based on prior Commissioner Decisions, we

estimate that the oldest policy year (1997/98) requires a 2% downward adjustment to put it on the same operational basis as the more recent years.

The resulting Massachusetts historical average claim costs in the final columns of Sections V-C and V-D are carried forward to Section V-A for use in calculating the five year fitted Massachusetts trends.

The historical claim frequencies derived in Section V-B for each year are similarly derived as the ratio of

- (a) the reported claim counts as of the most recent unit statistical plan compilation, developed to fifth report, adjusted to the current mix of Massachusetts payrolls by employment classification, and adjusted for the extent of participation in QLMPs, divided by
- (b) Estimated worker weeks underlying the unit statistical plan data (described below in Section V-E).

For purposes of the trend calculations, we calculate claim frequencies separately for lost time claims and for medical only claims. We have only developed the claim counts to fifth report, not to ultimate, because the unit statistical plan data does not provide information to estimate tail factors beyond fifth report. If we were to estimate a loss development factor from fifth report to ultimate, it would be similar for all policy years, and not significantly affect the calculated annual trends in claim frequency.

The adjustment to the current mix of Massachusetts payrolls by employment classification is intended to remove any trend in claim frequency that is attributable to historical shifts in the mix of employments in Massachusetts, since our objective is to estimate the level of premiums that would be adequate for the current mixture of classes (any future shifts in the mix of employments would be adjusted for automatically in the premium base because these shifts would move payroll to lower-rated or higher-rated classifications). The adjustment for the extent of participation in QLMPs similarly is intended to remove any claim frequency movements that are attributable to cumulative increase in the portion of the market that has participated in these programs. To the extent that additional businesses participate in QLMPs in the future, such participation will automatically produce premium discounts commensurate with the presumed potential for these programs to reduce claim frequency. Details of the class mix and QLMP adjustment calculations are provided in Section V-F.

Section V-B also displays the indicated claim frequency trend based on the exponential fit to the fifteen years of Massachusetts data, calculated using the claim frequencies as shown, and the standard function in Microsoft Excel™. This long term claim frequency trend is used as the complement of credibility in Section V-A.

Section V-E – Payroll Development and Worker-Weeks

Section V-E documents the estimation of worker weeks that underlie the unit statistical plan data for each year. The resulting estimate of worker weeks is

used as the denominator of the claim frequency calculation in Section V-B, as described above.

In summary, worker weeks for a particular time period are estimated by dividing total covered payroll for that period by the state average weekly wage corresponding to that same period.

More specifically, the historical worker weeks estimated in Section V-E for each policy year are derived as the ratio of

- (a) the reported payroll as of the most recent unit statistical plan compilation, developed to fifth report, divided by
- (b) state average weekly wage corresponding to the same period

For purposes of this analysis, we have only developed the payrolls to fifth report, not to ultimate, because the unit statistical plan data does not provide information to estimate tail factors beyond fifth report. If we were to estimate a payroll development factor from fifth report to ultimate, it would be similar for all policy years, and not significantly affect the calculated annual trends in claim frequency.

The state average weekly wage is based on Massachusetts wage data compiled by the Department of Unemployment Assistance (DUA). Although it is not compiled for workers' compensation purposes, and is not defined in exactly the same way as payrolls used in workers' compensation calculations, we believe that the overall movement over time in this series should be reasonably

representative of the overall movement to be expected in the average wages used to calculate workers' compensation premiums. The time periods for which the Massachusetts wage data are compiled do not correspond to the policy periods we are analyzing; we use a weighted average of several wage data periods to correspond to the policy periods, as detailed in the footnotes in Section V-E. The underlying Massachusetts average wage series is documented in Section V-G.

Section V-F – Adjustment Factor for Class Mix and QLMP; On-Level Factors

Section V-F documents the quantification of the estimated effect of a shifting mix of payrolls by classification over time. This effect is estimated by examining the proportion of payrolls that are in high-rated classifications versus low-rated classifications; specifically by calculating a weighted average of the *current* manual rates, weighted by each year's payrolls by classification. For example, using the 2001/2002 distribution of payrolls by classification, the weighted average of the current rates is \$1.36, while using the 1987/1988 distribution of payrolls by classification against the same current rates produces an average rate of \$1.63. Since the manual rate in each classification is based on the workers' compensation claims experience within that classification, this movement in average rates indicates that the insured employment mix in Massachusetts has shifted towards less hazardous occupations. The claim trends caused by this shift should not be included in the trend factors because other sections of the filing (specifically the classification rate section) incorporate

an explicit distribution of payrolls, and any further movement in the insured employment mix towards less hazardous occupations will automatically produce premium reductions by means of the lower rates that apply to those less hazardous occupations.

While the class mix change may affect the average cost of claims as well as the frequency of claims, we have made the simplifying assumption that all of the effect is related to claim frequency, and we have applied the class mix adjustment to the claim frequency series that is developed in Section V-B.

Similarly, the cumulative market penetration of the QLMP program, which was designed to decrease loss ratios by encouraging insureds to work with firms skilled in loss management, has increased from 0% in 1987/88 (before the program was introduced) to an estimated 30% in 2001/2002. The claim frequency data is adjusted to remove the effect of growth in the portion of the market that has participated in the QLMP program. As with class mix changes, we have made the simplifying assumption that all of the QLMP effect is related to claim frequency.

Section V-G – External Data

Section V-G Exhibit 1 displays some details underlying the countrywide severity data used to develop the complementary average claim cost trends.

Section V-G Exhibit 2 displays the Massachusetts average weekly wage data used in our analysis.

Section V-H – Injury Kind Weights

The Unit Statistical Plan data is used in Section V-H to calculate the relative weights of the various injury kinds, and indemnity versus medical. (Note that for purposes of calculating these relative weights, we have developed each type to an ultimate basis, since the weights will be affected by the different development patterns characteristic of each benefit type.) These detailed weights by injury kind are not used in the trend analysis itself, but are calculated here for use in various other sections of the filing.

Net Trend

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Trend	Credibility	Complement of Credibility	Credibility weighted trend	Loss Trend	Fraction of Total	Total Loss Trend	Credibility Weighted SAWW Trend	Net Trend
	Indemnity	Severity Frequency	9.6% -5.9%	38% 20%	8.5% -4.6%	8.9% -4.9%	3.6% 100.0%	3.6%		0.6%
Medical	Lost Time Medical	Severity Frequency	10.3% -5.9%	46% 20%	10.4% -4.6%	10.3% -4.9%	4.9% 88.6%	4.9%	3.0%	1.8%
	Medical Only	Severity Frequency	6.8% -4.9%	100% 28%	8.1% -1.6%	6.8% -2.6%	4.1% 11.4%			

Notes

- (1), (2), (3) From Section V-A, Exhibits 2,3
- (4) = (1) * (2) + [1 - (2)] * (3)
- (5) = Credibility Weighted Severity Trend * Credibility Weighted Frequency Trend
- (6) = Fraction of Total Indemnity Losses (for Indemnity) or of Total Medical Losses (for Medical). From Section V-H Exhibit 2.
- (7) = Weighted Average of (5) using (6) as weights
- (8) From Section V-A Exhibit 4
- (9) = [1 + (7)] / [1 + (8)] -1

Severity Trend Calculation

Composite Policy Year	Indemnity			Lost Time Medical			Medical Only			
	Massachusetts Severity	5 Year Exponential Fit	Difference squared	Massachusetts Severity	5 Year Exponential Fit	Difference squared	Massachusetts Severity	5 Year Exponential Fit	Difference Squared	
1997/1998	13,515	13,610	9,037	6,117	6,267	22,534	411.84	413.30	2.14	
1998/1999	14,741	14,912	29,480	6,873	6,912	1,513	442.53	441.58	0.91	
1999/2000	16,316	16,339	504	8,148	7,623	275,759	473.86	471.79	4.29	
2000/2001	19,114	17,901	1,469,810	8,246	8,407	25,903	503.53	504.07	0.29	
2001/2002	18,740	19,614	763,228	9,112	9,272	25,584	537.52	538.56	1.08	
(1)	Trend based on Five Year Exponential Fits			Indemnity 9.6%			Lost Time Medical 10.3%			Medical Only 6.8%
(2)	s			870.26			342.20			1.70
(3)	t			2.35			2.35			2.35
(4)	m			6.17			6.17			6.17
(5)	[1+1/n+12*m^2/(n^3-n)]^0.5			2.24			2.24			2.24
(6)	Confidence Interval			4,584			1,803			8.98
(7)	Projected Severity			28,714			13,952			710
(8)	CI/Projected Severity			0.16			0.13			0.01
(9)	Z			38%			46%			100%
(10)	Credibility weighted percentage change			8.9%			10.3%			6.8%

NCCI Annual Statistical Bulletin Year	Indemnity Severity	CW Indemnity On-Level Factors	On-Level Indemnity Severity	Medical Severity	CW Medical On-Level Factors	On-Level Medical Severity	Medical Only Severity	CW Medical On-Level Factors	On-Level Med Only Severity	
2000	10,126	1.087	11,010	11,490	1.001	11,504	422	1.001	423	
2001	10,719	1.073	11,504	11,912	1.002	11,938	448	1.002	449	
2002	11,950	1.059	12,657	12,707	0.999	12,693	478	0.999	477	
2003	13,824	1.036	14,322	15,334	0.995	15,262	533	0.995	530	
2004	14,958	1.014	15,166	17,118	0.995	17,027	589	0.995	586	
(11)	Complement of Credibility (Annual Countrywide Severity Trend)			8.5%			10.4%			8.1%

Notes

Massachusetts Severity data from Sections V-C and V-D; Countrywide severity data from NCCI.

- (1) Trend from five-year exponential fit to Massachusetts severities
- (2) $\sqrt{SSR/(n-2)}$ where SSR is the sum of squared residuals and n is the number of years in the regression.
- (3) Value from two-tailed t distribution p of 90% (confidence interval) and degrees of freedom
- (4) Number of years between midpoint of data and projected point
- (5) n = number of years of data used (five)
- (6) Confidence Interval, = (2) * (3) * (5)
- (7) Severity projected to policy effective period using exponential fit to data
- (8) = (6) / (7)
- (9) The credibility is the ratio of the target value k to the confidence interval divided by the projected severity, capped at 100%. Numerically, (9) = the minimum of k / (8) and 100%.
- (10) = (9) * (1) + [1 - (9)] * (11)
- (11) Trend from five-year exponential fit to on-level countrywide severity

Calculation of Frequency Trend

Composite Policy Year	Lost Time			Medical Only		
	Frequency (claims per million worker-weeks)	5 Year Exponential Fit	Difference squared	Frequency (claims per million worker-weeks)	5 Year Exponential Fit	Difference squared
1997/1998	350.84	361.64	116.79	867.56	888.62	443.43
1998/1999	343.25	340.36	8.37	856.01	845.39	112.74
1999/2000	337.77	320.32	304.34	834.74	804.26	928.82
2000/2001	298.44	301.47	9.18	753.07	765.14	145.70
2001/2002	277.81	283.72	34.94	720.83	727.92	50.30
(1)	Trend based on Five Year Exponential Fit		-5.9%			-4.9%
(2)	s		12.56			23.67
(3)	t		2.35			2.35
(4)	m		6.17			6.17
(5)	[1+(1/n)+12*m^2/(n^3-n)]^0.5		2.24			2.24
(6)	Confidence Interval		66.19			124.69
(7)	Projected Frequency		220.27			591.17
(8)	CI/Projected Frequency		0.30			0.21
(9)	Z		20%			28%
(10)	Complement of credibility		-4.6%			-1.6%
(11)	Credibility weighted trend		-4.9%			-2.6%

Notes

Frequencies are from section V-B, Exhibits 1 and 2

- (1) Trend from five-year exponential fit to Massachusetts claim frequencies
- (2) $\sqrt{SSR/(n-2)}$ where SSR is the sum of squared residuals and n is the number of years in the regression.
- (3) Value from two-tailed t distribution for given p (confidence interval) and degrees of freedom
- (4) Number of years between midpoint of data and projected point
- (5) n = number of years of data used (five)
- (6) Confidence Interval, = (2) * (3) * (5)
- (7) Frequency projected to policy effective period using exponential fit to data
- (8) = (6) / (7)
- (9) The credibility is the ratio of the target value k to the confidence interval divided by the projected severity, capped at 100%. Numerically, (9) = the minimum of k / (8) and 100%.
- (10) Trend from fifteen-year exponential fit to on-level Massachusetts claim frequency (see Section V-B, Exhibits 1 and 2)
- (11) = (9) * (1) + [1 - (9)] * (10)

Calculation of SAWW Trend

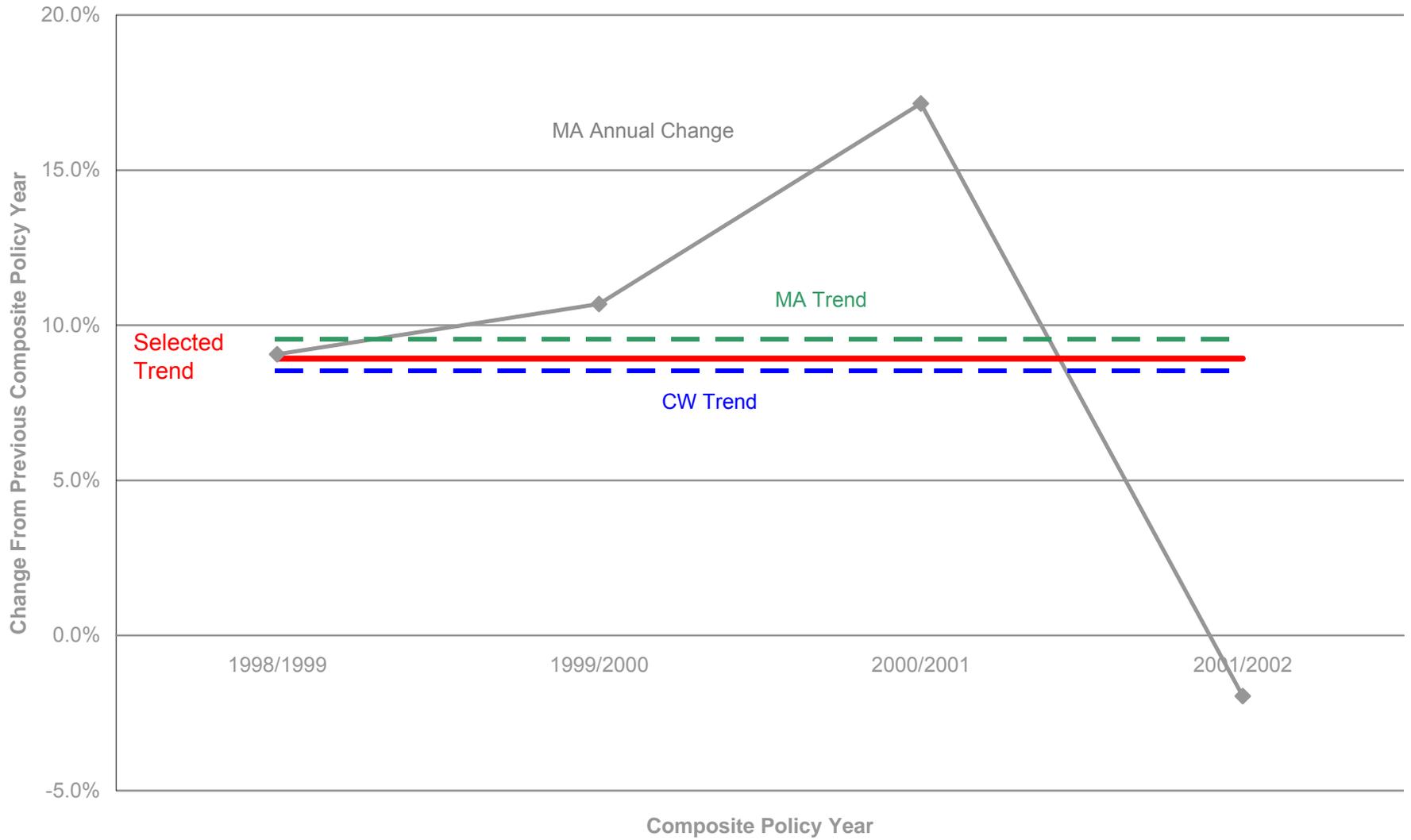
Data from period	SAWW	Five Year Exponential Fit	Difference Squared
4/1/89 to 4/1/90	490.57		
4/1/90 to 4/1/91	515.52		
4/1/91 to 4/1/92	543.30		
4/1/92 to 4/1/93	565.94		
4/1/93 to 4/1/94	585.66		
4/1/94 to 4/1/95	604.03		
4/1/95 to 4/1/96	631.03		
4/1/96 to 4/1/97	665.55		
4/1/97 to 4/1/98	699.91		
4/1/98 to 4/1/99	749.69		
4/1/99 to 4/1/00	830.89	848	278
4/1/00 to 4/1/01	890.94	864	718
4/1/01 to 4/1/02	882.57	881	2
4/1/02 to 4/1/03	884.46	898	192
4/1/03 to 4/1/04	918.78	916	8
(1) Trend based on Five Year Exponential Fit		2.0%	
(2) s		19.98	
(3) t		2.35	
(4) m		4.92	
(5) $[1+(1/n)+12*m^2/(n^3-n)]^{.5}$		1.90	
(6) Confidence Interval		89.44	
(7) Projected SAWW		969.14	
(8) CI/Projected SAWW		0.09	
(9) Z		65%	
(10) Complement of credibility		4.9%	
(11) Credibility weighted trend		3.0%	

Notes

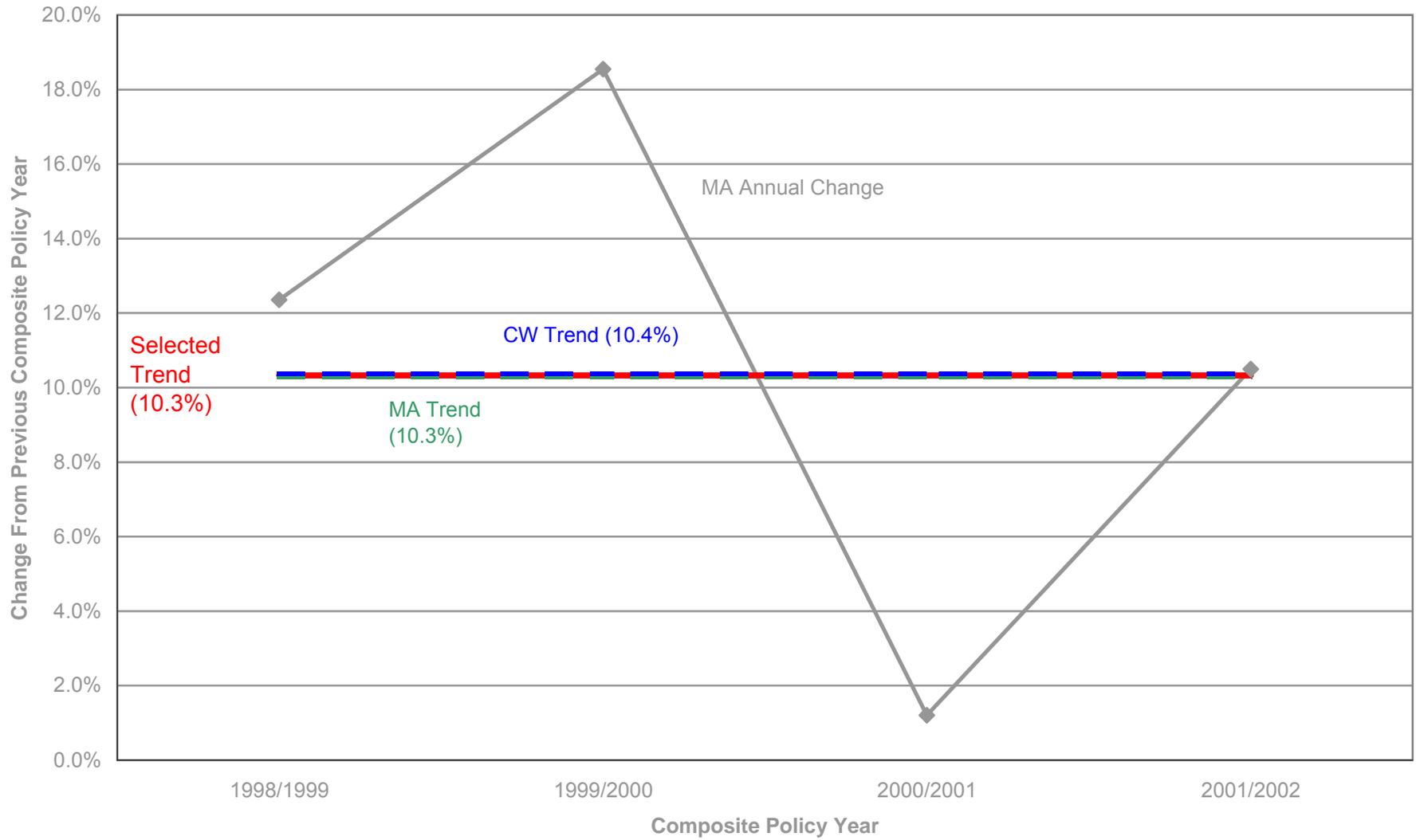
SAWW from Section V-G, Exhibit 2

- (1) Trend from five-year exponential fit to Massachusetts SAWW
- (2) $\sqrt{SSR/(n-2)}$ where SSR is the sum of squared residuals and n is the number of years in the regression.
- (3) Value from two-tailed t distribution for given p (confidence interval) and degrees of freedom
- (4) Number of years between midpoint of data and projected point
- (5) n = number of years of data used (five)
- (6) Confidence Interval, = (2) * (3) * (5)
- (7) SAWW projected to policy effective period using exponential fit to data
- (8) = (6) / (7)
- (9) Minimum of k / (8) and 100%
- (10) From Section V-G, Exhibit 2
- (11) = (9) * (1) + [1 - (9)] * (10)

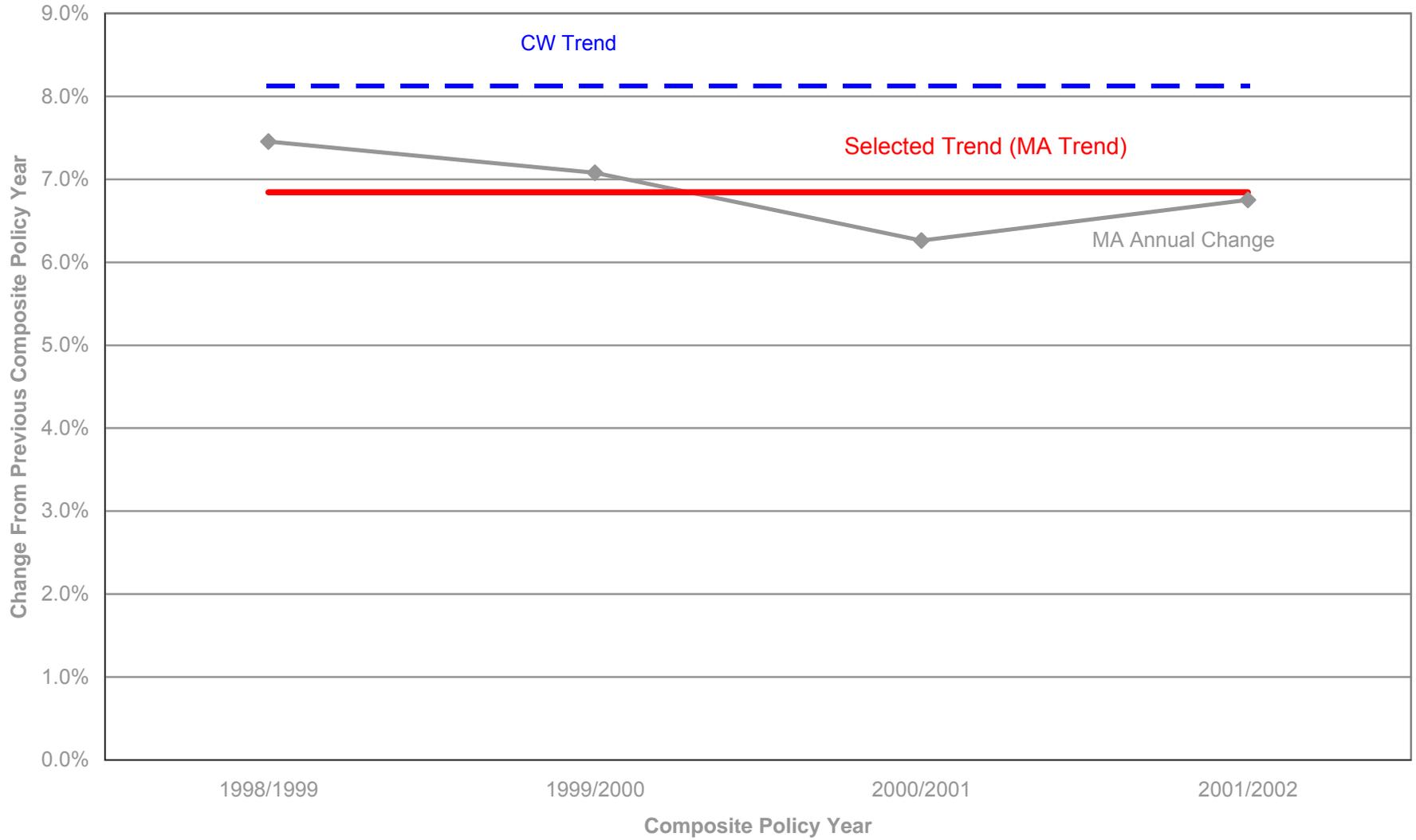
Indemnity Severity Trend



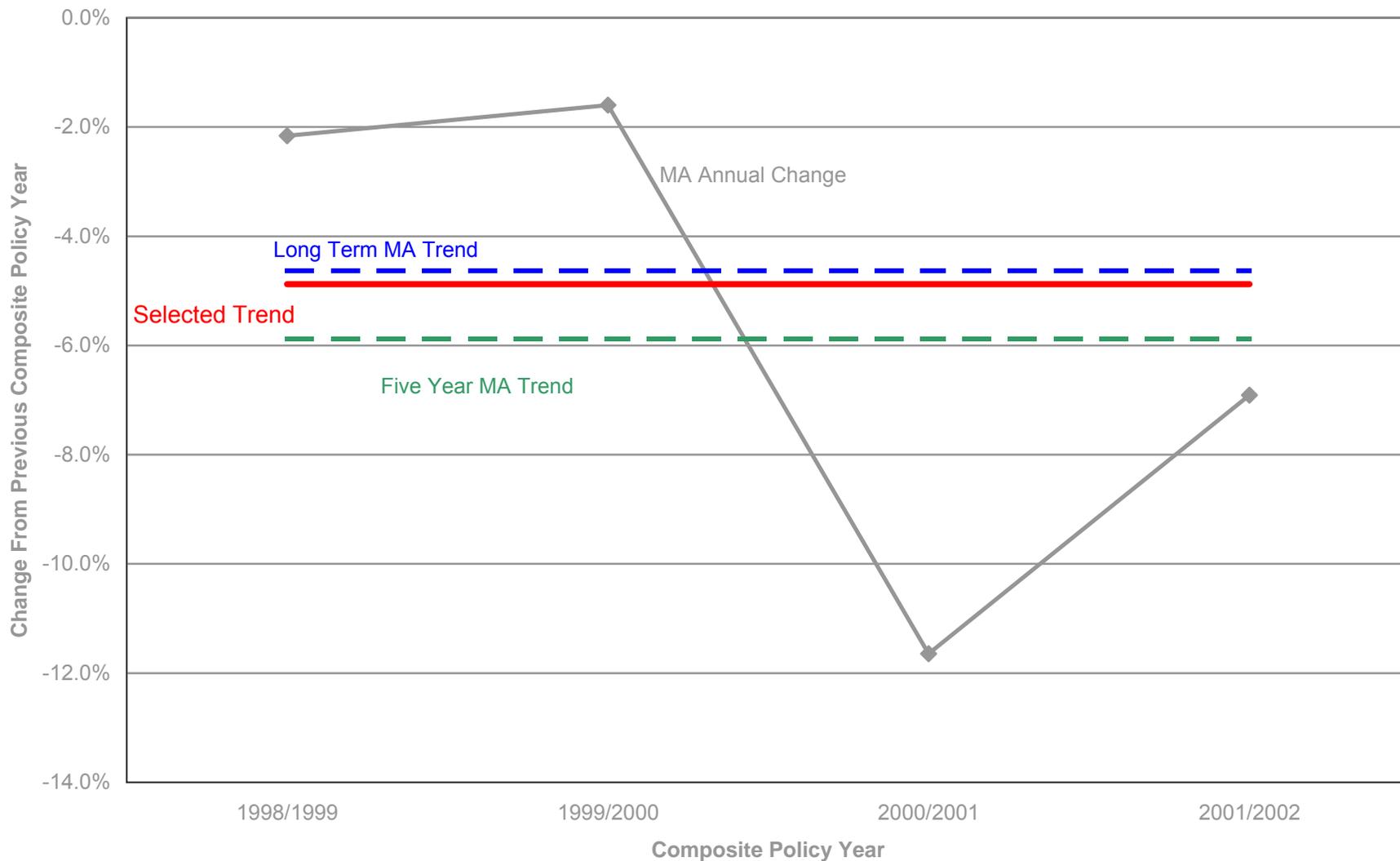
Medical Lost Time Severity Trend



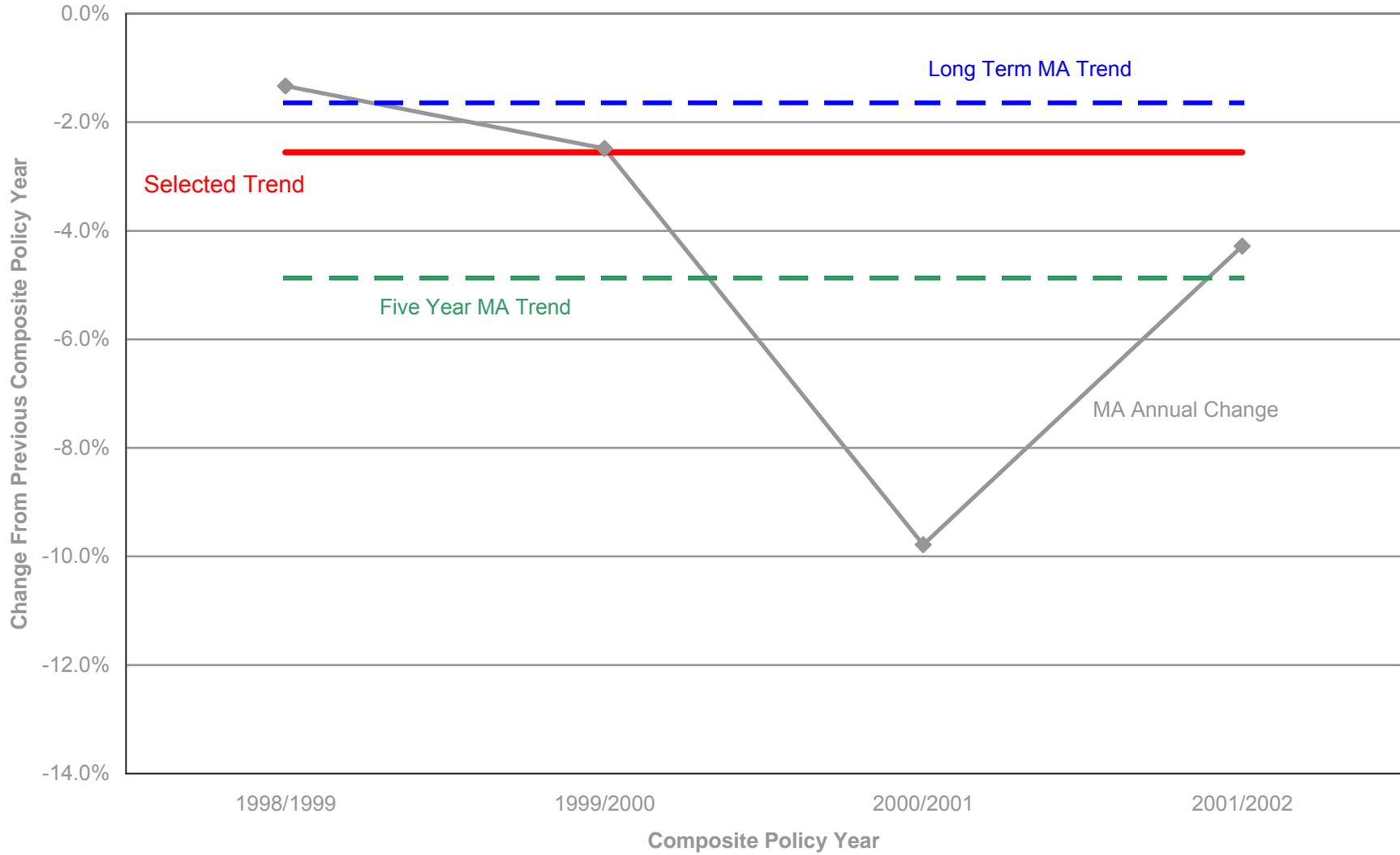
Medical Only Severity Trend



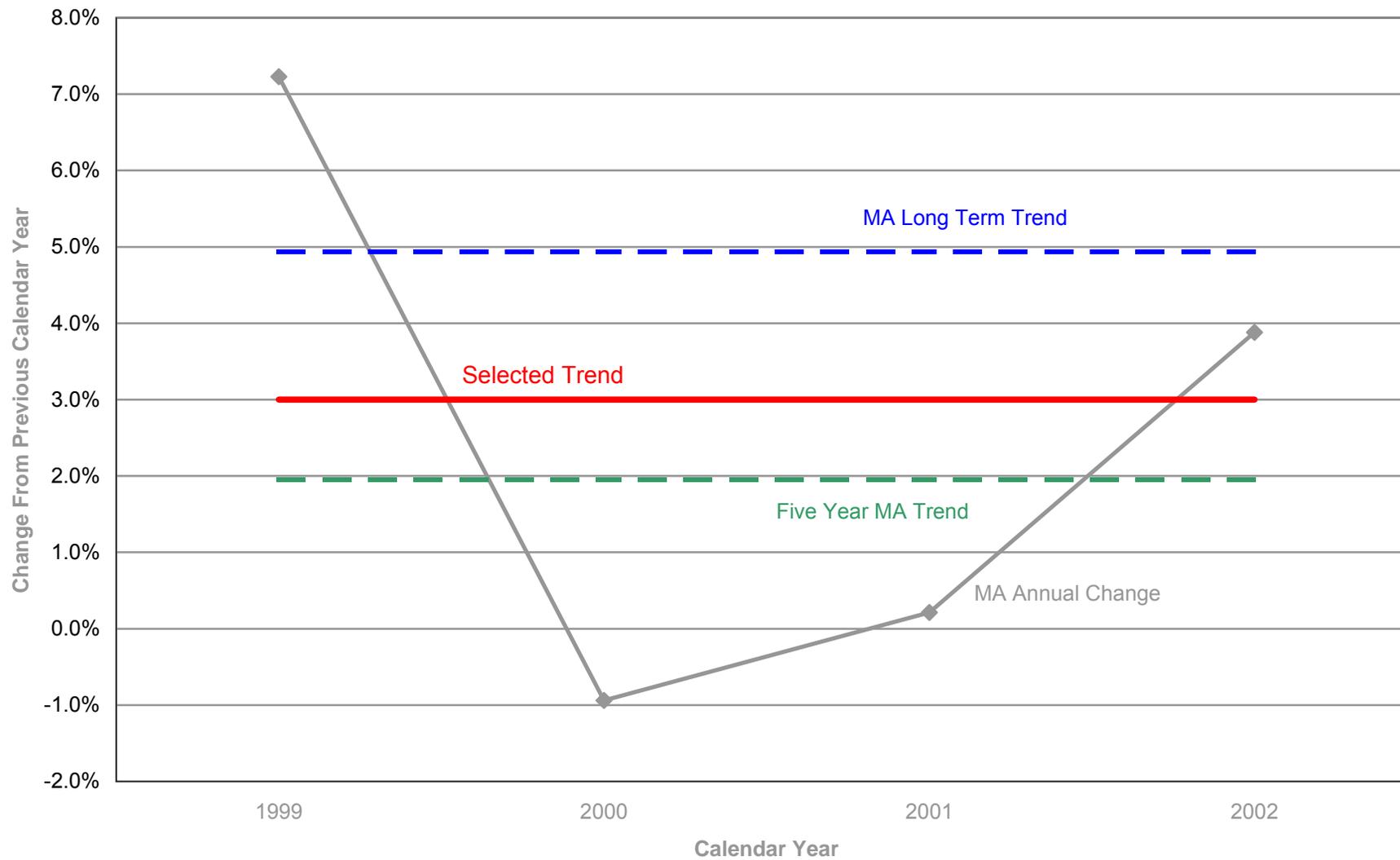
Lost Time Frequency Trend



Medical Only Frequency Trend



SAWW Trend



Composite Policy Year	Lost Time Claim Counts					(1) Claims Counts developed to Fifth Report	(2) Estimated Million Worker-Weeks	(3) Unadjusted Claim Frequency	(4) Class Mix and QLMP Adjustment	(5) Adjusted Claim Frequency
	First	Second	Report		Fifth					
			Third	Fourth						
1987/1988					68,989	68,989	112.18	614.97	0.835	513.79
1988/1989					66,554	66,554	107.60	618.56	0.877	542.56
1989/1990					58,393	58,393	100.74	579.62	0.937	543.24
1990/1991					48,299	48,299	92.11	524.38	1.021	535.17
1991/1992					33,695	33,695	76.89	438.23	1.040	455.79
1992/1993					27,007	27,007	64.47	418.90	1.016	425.57
1993/1994				24,909	24,812	24,812	64.36	385.49	1.036	399.36
1994/1995			25,117	24,788	24,793	24,793	66.81	371.08	1.022	379.22
1995/1996		24,488	24,528	24,693	25,210	25,210	72.02	350.03	1.047	366.54
1996/1997	23,966	24,361	24,779	24,908	24,953	24,953	74.02	337.11	1.062	357.98
1997/1998	24,337	25,317	25,001	25,655	25,263	25,263	72.97	346.19	1.013	350.84
1998/1999	24,003	24,713	24,867	24,614		24,445	73.32	333.39	1.030	343.25
1999/2000	24,656	25,318	25,230			25,258	77.76	324.84	1.040	337.77
2000/2001	22,247	22,418				22,473	80.27	279.98	1.066	298.44
2001/2002	20,433					20,847	77.27	269.77	1.030	277.81

Development Factors

15 year Lost Time Frequency trend

-4.6%

	Report			
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th
Two year weighted average	1.018	1.001	1.008	0.993
Cumulative	1.020	1.002	1.001	0.993

Notes

Development factors are claim count weighted average from latest two years

(2) From Section V-E, Exhibit 1

(3) = (1) / (2)

(4) From Section V-F, Exhibit 1

(5) = (3) * (4)

Composite Policy Year	Medical Only Claim Counts					(1)	(2)	(3)	(4)	(5)
	First	Second	Report		Fifth	Claims Counts developed to Fifth Report	Estimated Million Worker-Weeks	Unadjusted Claim Frequency	Class Mix and QLMP Adjustment	Adjusted Claim Frequency
			Third	Fourth						
1987/1988					123,875	123,875	112.18	1104.23	0.835	922.55
1988/1989					115,073	115,073	107.60	1069.49	0.877	938.09
1989/1990					99,685	99,685	100.74	989.49	0.937	927.39
1990/1991					85,978	85,978	92.11	933.47	1.021	952.66
1991/1992					72,119	72,119	76.89	937.97	1.040	975.55
1992/1993					61,114	61,114	64.47	947.94	1.016	963.02
1993/1994				57,794	57,979	57,979	64.36	900.80	1.036	933.19
1994/1995			58,682	59,389	59,540	59,540	66.81	891.15	1.022	910.69
1995/1996		57,919	58,271	58,371	60,083	60,083	72.02	834.22	1.047	873.58
1996/1997	57,087	59,273	59,588	60,103	60,530	60,530	74.02	817.74	1.062	868.38
1997/1998	58,517	60,551	61,685	62,650	62,471	62,471	72.97	856.07	1.013	867.56
1998/1999	56,944	59,575	60,376	60,839		60,962	73.32	831.41	1.030	856.01
1999/2000	57,330	60,592	61,576			62,422	77.76	802.78	1.040	834.74
2000/2001	53,425	55,120				56,708	80.27	706.49	1.066	753.07
2001/2002	50,324					54,091	77.27	699.98	1.030	720.83

Development Factors

15 year Lost Time Frequency trend

-1.6%

	Report			
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th
Two year weighted average	1.045	1.015	1.012	1.002
Cumulative	1.075	1.029	1.014	1.002

Notes

Development factors are claim count weighted average from latest two years

(2) From Section V-E, Exhibit 1

(3) = (1) / (2)

(4) From Section V-F, Exhibit 1

(5) = (3) * (4)

Indemnity Losses

Composite Policy Year	Report				
	1	2	3	4	5
1996/1997	180,150,729	237,067,331	255,421,096	262,594,290	274,462,994
1997/1998	204,671,795	263,311,028	286,984,386	309,042,062	320,495,531
1998/1999	209,914,727	268,370,875	307,599,102	324,224,519	
1999/2000	227,085,956	319,699,906	355,552,995		
2000/2001	270,629,361	336,953,611			
2001/2002	234,758,862				

Development Factors

	Report				(5)	(6) Severity Adjusted for the effect of Cost Containment
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th		
Two year weighted average	1.319	1.128	1.065	1.041		
Cumulative	1.649	1.250	1.109	1.041		
	(1)	(2) On-Level	(3)	(4)	(5) Cost Containment Adjustment	(6) Severity Adjusted for the effect of Cost Containment
Composite Policy Year	Indemnity Losses developed to Fifth Report	Indemnity Losses developed to Fifth Report	Developed Claim Counts	Severity	Cost Containment Adjustment	Severity Adjusted for the effect of Cost Containment
1997/1998	320,495,531	347,182,498	25,263	13,743	0.98	13,515
1998/1999	337,452,545	360,333,581	24,445	14,741	1.00	14,741
1999/2000	394,134,924	412,119,268	25,258	16,316	1.00	16,316
2000/2001	421,205,699	429,540,510	22,473	19,114	1.00	19,114
2001/2002	387,169,723	390,670,228	20,847	18,740	1.00	18,740

Notes

Development factors are loss weighted average from latest two years

On-Level Factors are from Section IV-A, Exhibit 5

(3) From Section V-B, Exhibit 1

(4) = (2) / (3)

(5) Cost Containment adjustment is calculated based on the Commissioner's 1999 decision

(6) = (4) * (5)

Lost Time Medical Losses

Composite Policy Year	Report				
	1	2	3	4	5
1996/1997	106,021,458	110,710,878	111,413,224	115,091,788	119,457,430
1997/1998	113,791,283	122,783,331	127,909,089	133,795,255	142,842,165
1998/1999	120,802,722	130,839,359	141,797,501	144,918,836	
1999/2000	137,601,643	162,752,466	173,617,841		
2000/2001	140,537,612	148,376,228			
2001/2002	136,025,211				

Development Factors

	Report				(5)	(6) Severity Adjusted for the effect of Cost Containment
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th		
Two year weighted average	1.119	1.074	1.033	1.054		
Cumulative	1.309	1.170	1.089	1.054		
	(1)	(2) On-Level	(3)	(4)	(5) Cost Containment Adjustment	(6) Severity Adjusted for the effect of Cost Containment
Composite Policy Year	Lost Time Medical Losses developed to Fifth Report	Lost Time Medical Losses developed to Fifth Report	Developed Claim Counts	Severity	Cost Containment Adjustment	Severity Adjusted for the effect of Cost Containment
1997/1998	142,842,165	157,138,280	25,263	6,220	0.98	6,117
1998/1999	152,728,529	168,014,104	24,445	6,873	1.00	6,873
1999/2000	189,084,988	205,810,874	25,258	8,148	1.00	8,148
2000/2001	173,606,460	185,319,541	22,473	8,246	1.00	8,246
2001/2002	178,032,275	189,961,525	20,847	9,112	1.00	9,112

Notes

Development factors are loss weighted average from latest two years

On-Level Factors are from Section IV-A, Exhibit 5

(3) From Section V-B, Exhibit 1

(4) = (2) / (3)

(5) Cost Containment adjustment is calculated based on the Commissioner's 1999 decision

(6) = (4) * (5)

Medical Only Losses

Composite Policy Year	Report				
	1	2	3	4	5
1996/1997	19,925,993	20,904,672	21,003,976	21,172,045	21,397,388
1997/1998	21,869,719	22,709,926	23,345,511	23,694,837	23,780,684
1998/1999	22,384,250	23,796,437	24,080,309	24,354,365	
1999/2000	23,983,467	25,778,286	26,638,400		
2000/2001	24,369,675	25,629,104			
2001/2002	24,556,773				

Development Factors

	Report				(5)	(6)
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th		
Two year weighted average	1.063	1.023	1.013	1.007		
Cumulative	1.110	1.044	1.020	1.007		
	(1)	(2)	(3)	(4)	(5)	(6)
		On-Level			Cost	Severity
Composite	Medical Only Losses	Medical Only Losses	Developed	Severity	Containment	Adjusted for
Policy Year	developed	developed	Claim Counts		Adjustment	the effect of
	to Fifth Report	to Fifth Report				Cost Containment
1997/1998	23,780,684	26,160,733	62,471	419	0.98	412
1998/1999	24,523,283	26,977,654	60,962	443	1.00	443
1999/2000	27,175,733	29,579,616	62,422	474	1.00	474
2000/2001	26,749,425	28,554,186	56,708	504	1.00	504
2001/2002	27,249,164	29,075,024	54,091	538	1.00	538

Notes

- Development factors are loss weighted average from latest two years
- On-Level Factors are from Section IV-A, Exhibit 5
- (3) From Section V-B, Exhibit 2
- (4) = (2) / (3)
- (5) Cost Containment adjustment is calculated based on the Commissioner's 1999 decision
- (6) = (4) * (5)

Composite Policy Year	Payroll (in millions of dollars)					(1)	Calendar Year	(2)	(3)
	First	Second	Report Third	Fourth	Fifth	Payroll developed to Fifth Report		Smoothed State Average Weekly Wage	= (1) / (2) Estimated Million Worker Weeks
1987/1988	49,252	51,279	51,710	51,951	51,954	51,954	1988	463.12	112.18
1988/1989	51,096	52,136	52,416	52,454	52,461	52,461	1989	487.58	107.60
1989/1990	51,378	51,562	51,535	51,498	51,453	51,453	1990	510.73	100.74
1990/1991	49,509	49,512	49,408	49,305	49,305	49,305	1991	535.31	92.11
1991/1992	43,657	43,052	42,974	42,974	42,990	42,990	1992	559.12	76.89
1992/1993	37,350	37,427	37,427	37,412	37,402	37,402	1993	580.15	64.47
1993/1994	38,767	38,767	38,754	38,674	38,714	38,714	1994	601.48	64.36
1994/1995	41,880	41,846	41,844	41,870	41,884	41,884	1995	626.88	66.81
1995/1996	45,706	45,741	45,685	45,724	47,356	47,356	1996	657.51	72.02
1996/1997	51,038	51,011	51,309	51,413	51,457	51,457	1997	695.16	74.02
1997/1998	53,735	54,159	54,308	54,482	54,467	54,467	1998	746.39	72.97
1998/1999	58,032	58,951	59,256	59,224		59,240	1999	807.92	73.32
1999/2000	66,200	66,378	66,542			66,643	2000	857.06	77.76
2000/2001	70,125	70,387				70,757	2001	881.53	80.27
2001/2002	68,420					69,002	2002	892.95	77.27

Development Factors

	Report			
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th
2 Yr Weighted Average	1.003	1.004	1.001	1.000
Cumulative	1.009	1.005	1.002	1.000

Notes

Development factors are payroll weighted average from latest two years

(2) From Section V-G, Exhibit 2. The smoothed SAWW is the average of the calendar year SAWW with the preceding and following calendar year SAWW.

For all policy years the following class codes are excluded from reported Schedule Z payrolls: 0059, 0065, 0066, 0067, 0088,

0111, 0277, 0770, 0773, 0774, 0775, 0776, 0779, 0799, 0908, 0909, 0912, 0913, 7445, 7453, 9140, 9885, and 9885.

V 038

Section V - Trend
 Subsection F - Adjustment Factors
 9/1/2005

Section V - F
 Exhibit 1

Calculation of Adjustment Factor For Class Mix Changes and QLMP

Composite Policy Year	(1) Average Manual Rates based on Rates Effective 9/1/03	(2) = 1.362 ÷ (1) Class Mix Adjustment Factor	(3) Cumulative Market Share for QLMP Participants	(4) QLMP Credit	(5) = 1 + (3) x (4) QLMP Adjustment Factor	(6) = (2) x (5) Class Mix and QLMP Adjustment Factor
1987/1988	1.630	0.835	0%	0.0%	1.000	0.835
1988/1989	1.553	0.877	0%	0.0%	1.000	0.877
1989/1990	1.453	0.937	0%	0.0%	1.000	0.937
1990/1991	1.340	1.017	6%	6.3%	1.004	1.021
1991/1992	1.322	1.030	14%	6.7%	1.009	1.040
1992/1993	1.360	1.001	16%	9.1%	1.014	1.016
1993/1994	1.341	1.015	18%	11.2%	1.020	1.036
1994/1995	1.359	1.002	20%	9.7%	1.019	1.022
1995/1996	1.323	1.030	22%	7.7%	1.017	1.047
1996/1997	1.302	1.046	24%	6.2%	1.015	1.062
1997/1998	1.366	0.997	25%	6.4%	1.016	1.013
1998/1999	1.342	1.015	26%	5.5%	1.014	1.030
1999/2000	1.334	1.021	26%	7.0%	1.018	1.040
2000/2001	1.307	1.042	28%	8.2%	1.023	1.066
2001/2002	1.362	1.000	30%	9.9%	1.030	1.030

Notes

- (1) Current rates (effective 09/01/03) averaged over class payrolls (excluding large deductibles) by Composite Policy Year
- (2) Adjustment to 2001/2002 level.
- (3), (4) The QLMP was introduced 11/1/90. Factors are estimated.

Periods from which NCCI data is taken

State	Weights		Annual Statistical Bulletin Year				
	without Nevada	with Nevada	2000	2001	2002	2003	2004
Alabama	1.6%	1.6%	1/1/1996	1/1/1997	1/1/1998	5/1/1999	5/1/2000
Alaska	0.8%	0.8%	4/1/1996	4/1/1997	4/1/1998	4/1/1999	4/1/2000
Arizona	2.6%	2.6%	3/1/1996	3/1/1997	3/1/1998	3/1/1999	3/1/2000
Arkansas	0.8%	0.8%	8/1/1996	8/1/1997	8/1/1998	2/1/1999	2/1/2000
Colorado	3.2%	3.1%	3/1/1996	3/1/1997	3/1/1998	3/1/1999	3/1/2000
Connecticut	2.6%	2.6%	1/1/1996	1/1/1997	1/1/1998	8/1/1999	8/1/2000
District Of Columbia	0.3%	0.3%	4/1/1996	4/1/1997	4/1/1998	2/1/1999	2/1/2000
Florida	12.6%	12.5%	10/1/1995	10/1/1996	10/1/1997	10/1/1998	1/1/2000
Georgia	3.9%	3.9%	1/1/1996	1/1/1997	1/1/1998	7/1/1999	7/1/2000
Hawaii	0.7%	0.7%	1/1/1996	1/1/1997	1/1/1998	6/1/1999	6/1/2000
Idaho	0.9%	0.9%	3/1/1996	3/1/1997	3/1/1998	7/1/1999	7/1/2000
Illinois	8.1%	8.0%	4/1/1996	4/1/1997	4/1/1998	4/1/1999	4/1/2000
Indiana	2.3%	2.2%	1/1/1996	1/1/1997	1/1/1998	7/1/1999	7/1/2000
Iowa	1.6%	1.6%	3/1/1996	3/1/1997	3/1/1998	3/1/1999	3/1/2000
Kansas	1.4%	1.4%	1/1/1996	1/1/1997	1/1/1998	7/1/1999	7/1/2000
Kentucky	2.4%	2.4%	1/1/1996	1/1/1997	1/1/1998	5/1/1999	5/1/2000
Louisiana	2.3%	2.3%	4/1/1996	4/1/1997	4/1/1998	9/1/1999	9/1/2000
Maine	0.7%	0.7%	6/1/1996	6/1/1997	6/1/1998	6/1/1999	6/1/2000
Maryland	2.1%	2.1%	4/1/1996	4/1/1997	4/1/1998	4/1/1999	4/1/2000
Michigan	4.4%	4.3%	4/1/1996	4/1/1997	4/1/1998	4/1/1999	4/1/2000
Mississippi	1.3%	1.3%	1/1/1996	1/1/1997	1/1/1998	9/1/1999	9/1/2000
Missouri	3.4%	3.3%	1/1/1996	1/1/1997	1/1/1998	7/1/1999	7/1/2000
Montana	0.6%	0.6%	1/1/1996	1/1/1997	1/1/1998	1/1/1999	1/1/2000
Nebraska	1.1%	1.1%	1/1/1996	1/1/1997	1/1/1998	8/1/1999	8/1/2000
Nevada	0.0%	1.0%		7/1/1996	7/1/1997	7/1/1998	7/1/1999
New Hampshire	1.0%	0.9%	4/1/1996	4/1/1997	4/1/1998	4/1/1999	4/1/2000
New Mexico	0.7%	0.7%	1/1/1996	1/1/1997	1/1/1998	7/1/1999	7/1/2000
North Carolina	3.8%	3.8%	1/1/1996	1/1/1997	1/1/1998	1/1/1999	1/1/2000
Oklahoma	2.0%	2.0%	1/1/1996	1/1/1997	1/1/1998	6/1/1999	6/1/2000
Oregon	2.4%	2.4%	1/1/1996	1/1/1997	1/1/1998	1/1/1999	1/1/2000
Rhode Island	0.5%	0.5%	1/1/1996	1/1/1997	1/1/1998	1/1/1999	1/1/2000
South Carolina	2.1%	2.0%	1/1/1996	1/1/1997	1/1/1998	5/1/1999	5/1/2000
South Dakota	0.4%	0.3%	1/1/1996	1/1/1997	1/1/1998	1/1/1999	1/1/2000
Tennessee	3.8%	3.7%	1/1/1996	1/1/1997	1/1/1998	6/1/1999	8/1/2000
Texas	13.5%	13.4%	1/1/1996	1/1/1997	1/1/1998	1/1/1999	1/1/2000
Utah	0.9%	0.9%	1/1/1996	1/1/1997	1/1/1998	7/1/1999	7/1/2000
Vermont	0.5%	0.5%	4/1/1996	4/1/1997	4/1/1998	7/1/1999	7/1/2000
Virginia	2.7%	2.7%	2/1/1996	2/1/1997	2/1/1998	2/1/1999	2/1/2000
Wisconsin	4.1%	4.1%	1/1/1996	1/1/1997	1/1/1998	1/1/1999	1/1/2000
TOTAL	100.0%	100.0%					
		Policy Period Start Date	1/15/96	1/13/97	1/13/98	3/8/99	3/21/00
		Average Written Date	7/15/96	7/13/97	7/13/98	9/8/99	9/21/00
		Average Earned Date	1/15/97	1/13/98	1/13/99	3/8/00	3/21/01
		Years	8.04	9.04	10.04	11.19	12.22

Time = 0 corresponds to 1/1/1989

Weights are derived from data obtained from NCCI that underlies the 2004 NCCI Annual Statistical Bulletin. Policy Periods are taken from the NCCI Annual Statistical Bulletin of the relevant year.

Summary of SAWW Data

(1) Date Promulgated by DUA	(2) Period of Data Used by DUA	(3) Average Weekly Wage	(4) Corresponding Composite Policy Year	(5) Corresponding Calendar Year	(6) SAWW
10/1/87	4/1/86 to 4/1/87	411.00	1986/87	1987	435.90
10/1/88	4/1/87 to 4/1/88	444.20	1987/88	1988	466.90
10/1/89	4/1/88 to 4/1/89	474.47	1988/89	1989	486.55
10/1/90	4/1/89 to 4/1/90	490.57	1989/90	1990	509.28
10/1/91	4/1/90 to 4/1/91	515.52	1990/91	1991	536.36
10/1/92	4/1/91 to 4/1/92	543.30	1991/92	1992	560.28
10/1/93	4/1/92 to 4/1/93	565.94	1992/93	1993	580.73
10/1/94	4/1/93 to 4/1/94	585.66	1993/94	1994	599.44
10/1/95	4/1/94 to 4/1/95	604.03	1994/95	1995	624.28
10/1/96	4/1/95 to 4/1/96	631.03	1995/96	1996	656.92
10/1/97	4/1/96 to 4/1/97	665.55	1996/97	1997	691.32
10/1/98	4/1/97 to 4/1/98	699.91	1997/98	1998	737.25
10/1/99	4/1/98 to 4/1/99	749.69	1998/99	1999	810.59
10/1/00	4/1/99 to 4/1/00	830.89	1999/00	2000	875.93
10/1/01	4/1/00 to 4/1/01	890.94	2000/01	2001	884.66
10/1/02	4/1/01 to 4/1/02	882.57	2001/02	2002	883.99
10/1/03	4/1/02 to 4/1/03	884.46	2002/03	2003	910.20
10/1/04	4/1/03 to 4/1/04	918.78			
15 Year Exponential Fit, Trend =					4.9%

(6) SAWW for Year i = [.25 x AWW during period 4/1/(i-1) to 4/1/i] + [.75 x AWW during period 4/1/i to 4/1/(i+1)]

The DUA is the Department of Unemployment Assistance; previously this data was compiled by the DET (the Division of Unemployment and Training)

Post-Chapter 398 Injury Kind Weights

Indemnity								
Injury Kind	Composite Policy Year	(1) Losses at Fifth Report	(2) On-Level Factor to 10/1/2004	(3) On-level Losses at Fifth Report	(4) Weights at 5th report	(5) Development Factors 5th to Ultimate	(6) Losses at Ultimate Used in Weights	(7) Weights at Ultimate
1	1993/1994	7,230,734	1.165	8,424,403		1.093	9,204,712	
	1994/1995	8,913,080	1.152	10,265,906		1.093	11,216,784	
	1995/1996	8,577,272	1.138	9,764,563		1.093	10,669,004	
	1996/1997	9,196,824	1.120	10,298,294		1.093	11,252,172	
	1997/1998	7,664,599	1.099	8,423,304	1.95%	1.093	9,203,510	1.89%
2	1993/1994	8,964,258	1.104	9,893,275		1.093	10,809,637	
	1994/1995	12,006,322	1.097	13,173,885		1.093	14,394,113	
	1995/1996	19,285,444	1.091	21,031,645		1.093	22,979,697	
	1996/1997	12,060,688	1.080	13,029,762		1.093	14,236,641	
	1997/1998	18,309,629	1.069	19,566,798	3.17%	1.093	21,379,168	3.07%
3	1993/1994	156,314,939	1.165	182,112,428		1.093	198,980,551	
	1994/1995	161,679,902	1.153	186,349,993		1.093	203,610,620	
	1995/1996	154,565,703	1.140	176,187,902		1.093	192,507,268	
	1996/1997	143,478,238	1.123	161,131,618		1.093	176,056,399	
	1997/1998	157,152,969	1.104	173,486,108	36.30%	1.093	189,555,220	35.16%
4	1993/1994	15,195,769	1.273	19,341,511		1.000	19,341,511	
	1994/1995	16,073,260	1.249	20,079,355		1.000	20,079,355	
	1995/1996	16,460,292	1.225	20,160,094		1.000	20,160,094	
	1996/1997	16,660,283	1.193	19,883,932		1.000	19,883,932	
	1997/1998	29,725,173	1.160	34,467,766	4.70%	1.000	34,467,766	4.17%
5	1993/1994	92,002,876	1.057	97,255,710		1.000	97,255,710	
	1994/1995	88,319,090	1.054	93,072,996		1.000	93,072,996	
	1995/1996	97,812,881	1.050	102,712,711		1.000	102,712,711	
	1996/1997	93,066,961	1.044	97,194,651		1.000	97,194,651	
	1997/1998	107,643,161	1.037	111,674,060	20.72%	1.000	111,674,060	18.37%
Total Indemnity					66.83%			62.66%

Notes

- (1) From Schedule Z Data, 2004 Review, Excluding Large Deductibles.
- (2) Calculated using parallelogram method. Factors from Section IV-A Exhibit 5
- (3) = (1) x (2)
- (4) = Total Losses at Fifth Report for Injury Kind divided by Total Losses at Fifth Report
- (5) From Section V-H Exhibit 3
- (6) = (3) x (5)
- (7) = Total Losses at Ultimate for Injury Kind divided by Total Losses at Ultimate

Post-Chapter 398 Injury Kind Weights

Medical								
Injury Kind	Composite Policy Year	(1) Losses at Latest Report	(2) On-Level Factor to 10/1/2004	(3) On-level Losses at Fifth Report	(4) Weights at 5th	(5) Development Factors 5th to Ultimate	(6) Losses at Ultimate Used in Weights	(7) Weights at Ultimate
1	1993/1994	331,433	1.139	377,613		1.000	377,613	
	1994/1995	1,158,985	1.124	1,302,142		1.000	1,302,142	
	1995/1996	322,968	1.110	358,461		1.000	358,461	
	1996/1997	81,309	1.100	89,447		1.000	89,447	
	1997/1998	121,392	1.100	133,541	0.09%	1.000	133,541	0.08%
2	1993/1994	5,165,066	1.139	5,884,739		1.666	9,805,954	
	1994/1995	9,796,381	1.124	11,006,421		1.666	18,340,399	
	1995/1996	13,530,726	1.110	15,017,695		1.666	25,024,531	
	1996/1997	5,476,977	1.100	6,025,131		1.666	10,039,894	
	1997/1998	13,457,771	1.100	14,804,669	2.18%	1.666	24,669,558	3.22%
3	1993/1994	45,442,478	1.139	51,774,189		1.666	86,273,211	
	1994/1995	52,086,699	1.124	58,520,401		1.666	97,514,669	
	1995/1996	45,884,713	1.110	50,927,247		1.666	84,861,921	
	1996/1997	48,157,614	1.100	52,977,387		1.666	88,278,143	
	1997/1998	52,996,398	1.100	58,300,452	11.25%	1.666	97,148,160	16.62%
4	1993/1994	9,863,105	1.139	11,237,377		1.000	11,237,377	
	1994/1995	10,875,823	1.124	12,219,195		1.000	12,219,195	
	1995/1996	11,981,350	1.110	13,298,049		1.000	13,298,049	
	1996/1997	11,931,594	1.100	13,125,747		1.000	13,125,747	
	1997/1998	18,924,312	1.100	20,818,320	2.92%	1.000	20,818,320	2.59%
5	1993/1994	47,560,688	1.139	54,187,539		1.000	54,187,539	
	1994/1995	48,120,925	1.124	54,064,778		1.000	54,064,778	
	1995/1996	52,522,749	1.110	58,294,775		1.000	58,294,775	
	1996/1997	53,809,936	1.100	59,195,412		1.000	59,195,412	
	1997/1998	57,342,292	1.100	63,081,298	11.92%	1.000	63,081,298	10.57%
6	1993/1994	18,949,723	1.139	21,590,076		1.000	21,590,076	
	1994/1995	20,118,243	1.124	22,603,230		1.000	22,603,230	
	1995/1996	20,372,270	1.110	22,611,096		1.000	22,611,096	
	1996/1997	21,397,388	1.100	23,538,909		1.000	23,538,909	
	1997/1998	23,780,684	1.100	26,160,733	4.81%	1.000	26,160,733	4.26%
Total Medical					33.17%			37.34%
Medical Only fraction of total medical					14.50%			11.42%

Notes

- (1) From Schedule Z Data, 2004 Review, Excluding Large Deductibles.
- (2) Calculated using parallelogram method. Factors from Section IV-A Exhibit 5
- (3) = (1) x (2)
- (4) = Total Losses at Fifth Report for Injury Kind divided by Total Losses at Fifth Report
- (5) From Section V-H Exhibit 3
- (6) = (3) x (5)
- (7) = Total Losses at Ultimate for Injury Kind divided by Total Losses at Ultimate

Injury Kind Weights
Calculation of Fifth to Ultimate Development Factor
Using Paid Losses and Case Reserves at Fifth Report
Excluding Large Deductibles
Indemnity

Policy Year	Injury Kind 1 Fatal	Injury Kind 2 Permanent Total	Injury Kind 3 Major Partial Disability	Injury Kind 4 Minor Partial Disability	Injury Kind 5 Temporary Total	Ratio of Serious Losses to Total Losses
1993/1994	7,230,734	8,964,258	156,314,939	15,195,769	92,002,876	61.7%
1994/1995	8,913,080	12,006,322	161,679,902	16,073,260	88,319,090	63.6%
1995/1996	8,577,272	19,285,444	154,565,703	16,460,292	97,812,881	61.5%
1996/1997	9,196,824	12,060,688	143,478,238	16,660,283	93,066,961	60.0%
1997/1998	7,664,599	18,309,629	157,152,969	29,725,173	107,643,161	57.1%
(1) Serious Losses (Injury Kinds 1,2 and 3) divided by Total Losses						60.7%
(2) Financial Aggregate Indemnity Policy Year Fifth to Ultimate Development Factor						1.056
(3) Schedule Z Serious Indemnity Fifth to Ultimate Development Factor						1.093

Medical

Policy Year	Injury Kind 1 Fatal	Injury Kind 2 Permanent Total	Injury Kind 3 Major Partial Disability	Injury Kind 4 Minor Partial Disability	Injury Kind 5 Temporary Total	Injury Kind 6 Medical Only	Ratio of PTs and Major Permanent Partials to Total Losses
1993/1994	331,433	5,165,066	45,442,478	9,863,105	47,560,688	18,949,723	39.8%
1994/1995	1,158,985	9,796,381	52,086,699	10,875,823	48,120,925	20,118,243	43.5%
1995/1996	322,968	13,530,726	45,884,713	11,981,350	52,522,749	20,372,270	41.1%
1996/1997	81,309	5,476,977	48,157,614	11,931,594	53,809,936	21,397,388	38.1%
1997/1998	121,392	13,457,771	52,996,398	18,924,312	57,342,292	23,780,684	39.9%
(1) Injury Kind 2 and 3 Losses divided by Total Losses							40.5%
(2) Financial Aggregate Medical Policy Year Fifth to Ultimate Development Factor							1.270
(3) Schedule Z Injury Kinds 2 and 3 Medical Fifth to Ultimate Development Factor							1.666

Notes

- (2) From Section II-B, Exhibit 2, Pages 1 and 2 and Section II-C Exhibit 2, Page 1
 (3) $1.00 + \{[(2) - 1.00] / (1)\}$

EXPENSES

The WCRIB has employed in this filing the same general methods to calculate expenses that were used in the WCRIB's filings for 9/1/01 and 9/1/03 rates, with the following changes:

- The use of a combined expense trend index
- The use of Written Premium in calculating the average commission
- Inclusion of the Frictional Cost of Reinsurance
- Inclusion of Incidental Income and Earned but Uncollected Premium

Fixed Expenses

The provision for fixed expenses has three components: general expenses, Pool expenses, and other taxes.

The determination of the general expense allowance involves estimating general expenses from the latest three available years of Massachusetts data (Section VI-B, Exhibit 2, Page 2). For each of the three years a general expense ratio calculated from industry-wide data (except for the data for two carriers due to reporting problems) is applied to Massachusetts standard earned premium plus ARAP, excluding expense constant revenue, to obtain an estimate of Massachusetts general expenses for all companies (Section VI-B, Exhibit 2, Page 1). These estimated general expense dollars are trended and adjusted for exposure growth to be consistent with the data periods on which the rate indication in Section I is based. The three years of estimated general

VI 002

expenses are averaged to obtain an estimate of Massachusetts general expense requirements for all companies. In this filing, general expenses relating to Boards and Bureaus were estimated using the actual WCRIB expenses taken from WCRIB Financial Statements and Expense Analysis Report rather than the Incurred Boards and Bureaus expense item from the Expense Call.

The latest three available years of Massachusetts data, taken from the Massachusetts Workers' Compensation Assigned Risk Pool Annual Report and the WCRIB Financial Statements and Expense Analysis Report, are used to determine the Pool expense allowance (Section VI-B, Exhibit 1). The estimated Pool expense dollars are trended and adjusted for exposure growth to be consistent with the data periods on which the rate indication in Section I is based. The three years of estimated Pool expenses are averaged to obtain an estimate of Massachusetts Pool expense requirements for all companies.

We use the “Other Tax” percentage for “Property-Casualty Companies with Commercial Casualty Predominating” as compiled in Best's Aggregates and Averages (2004) to estimate the allowance for miscellaneous taxes in Massachusetts. The resulting allowance for other taxes is then trended and adjusted for exposure growth to be consistent with the experience periods on which the rate indication in Section I is based (Section VI-C).

VI 003

Expense Trends

Fixed expenses are trended over two separate time periods. Fixed expenses are first trended from the historical periods for which they are reported to the periods on which the rate indication is based. Next, fixed expenses are trended forward to the proposed effective period for which the rates are being set. For the first trend period, reported external index values (such as the CPI) are available that span the time period over which we are trending. Consequently, the first trend factor is taken as a ratio of index values for the corresponding time periods (Section VI-F, Exhibit 1, Page 1). For the second trend period, index values are not available for the proposed effective period of the rates. Therefore, a projection needs to be made and the WCRIB has employed linear regression methods to do so (Section VI-F, Exhibit 1, Page 2).

The trends in the individual components of insurance company expenses have been estimated by using government indices that reflect changes in the prices of the goods and services used in operating an insurance company. Specifically, the selected indices are:

Expense	Index
Average Weekly Earnings	Average Weekly Earnings of Massachusetts Private Fire, Marine, and Casualty Insurance Employees. This series is provided on an annual basis.
Food Away From Home	Consumer Price Index for Food Away from Home
Private Transportation	Consumer Price Index for Private Transportation
Telephone Services	Consumer Price Index for Telephone
Postage	Consumer Price Index for Postage
Office and Store Machines and Equipment	Producer Price Index for Office and Store Machines and Equipment
Paper	Producer Price Index for Paper

VI 004

(No specific external indices have been utilized for the remaining components of insurance company expenses; rather, it has been assumed that the trends in the costs of these other components will be equal to the weighted average of the trends in the major components detailed above.) These indices are first normalized to a value of 100 for Calendar Year 2003 and are then combined using the weights shown in Section VI-F, Exhibit 3 to derive the expense trend shown in Section VI-G. The weights attributed to the various components of insurance company expenses for the workers' compensation line are based on the experience of "Property-Casualty Companies with Commercial Casualty Predominating" as compiled in Best's Aggregates and Averages (2004). Premium taxes, which are not incorporated in the expenses to which the expense trends and projection factors apply, are excluded from the determination of the component weights.

Variable Expenses

As in the past, the variable expense ratio is comprised of the following components: commissions, other acquisition expenses, premium discounts and premium taxes. This year we have also considered two additional variable expenses: earned but uncollected premium along with incidental income, and the "frictional costs" of reinsurance.

The provision for commission expenses is calculated by taking the ratios of reported commission expenses to reported written premium for each of the latest three

calendar years. A three-year average is taken to arrive at the commission expense ratio (Section VI – K, Exhibit 3).

We calculate the other acquisition expense load by taking the ratios of reported other acquisition expenses to reported standard earned premium for each of the latest three calendar years. We then average these three years to determine the other acquisition expense ratio (Section VI – K, Exhibit 2).

The average premium discount is calculated from the Premium Discount Schedules using the methodology of the Commissioner’s Decision on 9/1/99 Rates and in the WCRIB’s Filing for 9/1/01 and 9/1/03 Rates. Based on the projected size of policy distributions and each Premium Discount Table, we calculate an average premium discount for each of the Type A and Type B Tables. These two averages are weighted using the percentages of voluntary market premium written by Type A insurers and Type B insurers (Section VI – I, Exhibit 1) as weights. The resulting average premium discount for the voluntary market is used to obtain the premium discount used in the overall rate indication in Section I.

The premium tax rate is 2.28% of net premiums. To put this expense on a “standard premium plus ARAP” basis, we multiply the premium tax rate by (1 – “average premium discount for the total market”) (Section VI – I, Exhibit 1).

Incidental Income and Earned but Uncollected Premium

During the last rate hearing, questions were raised about whether the WCRIB should take various forms of “incidental income” (such as finance charges) into account

and, if the WCRIB was to do so, whether it would also be appropriate to make allowance for earned but uncollected premium (“EBUP”). The WCRIB therefore created a new call for data on both incidental income and EBUP. The WCRIB proposes to treat incidental income as a negative expense item and to offset incidental income by EBUP. This year, the selected net effect of accounting for both incidental income and EBUP, based upon a three-year average of the experience reported for Policy Years 2000, 2001 and 2002, is 0.0%, because incidental income has been more than offset by EBUP (Section VI-K, Exhibit 5).

Frictional Costs of Reinsurance

Fundamental to the business of insurance is the concept of sharing underwriting risk among risk bearers. Examples include the sharing of large property risks across a syndicate of primary insurers; self insureds participating in group self insurance funds; and reinsurers assuming risks from primary carriers. In workers’ compensation, primary insurers utilize reinsurance to reduce their overall underwriting risk, and reinsurers (not unlike primary insurers) must commit capital – surplus – to support the underwriting risk they assume from primary insurers. Reinsurance allows primary insurers to underwrite risks that, but for the existence of a risk-sharing business partner, they would not be able to insure.

The business of reinsurance is not an altruistic endeavor, and primary carriers must cover their costs of purchasing reinsurance and provide an opportunity for reinsurers to earn a fair rate of return on their invested capital. In the past, both the

benefits of reinsurance and the costs of obtaining it have been overlooked in the making of rates for workers' compensation in Massachusetts. In this filing the WCRIB has introduced an expense load intended to recognize only the "frictional costs" of reinsurance. Frictional costs, as that term is used in this filing, are the sum of the acquisition expenses (reduced for recognition of ceding commissions), general expenses and taxes associated with providing reinsurance coverage that must be borne by the primary carriers. The estimation of the WCRIB's load for frictional costs associated with the purchase of reinsurance does not include any provision for reinsurer profit (although the primary carriers undeniably must pay enough for the reinsurance they procure to provide the reinsurers with a reasonable return) and is detailed in Section VI-K, Exhibit 4.

Expense Constants

The current expense constants are \$132 and \$264 for risk sizes less than and exceeding \$200, respectively. The indicated constants of \$142 and \$284 for risk sizes less than and exceeding \$200, respectively, are calculated in the same manner as in the WCRIB's Filings for 9/1/01 and 9/1/03 Rates.

We calculate a trend factor to bring the current expense constants from 3/1/04 expense levels to those of 3/1/06, the average effective date for policies written during the rate period. We then apply this factor to the current expense constants to arrive at the indicated expense constants for the policy effective period (Section VI – E, Exhibit 1).

Loss Adjustment Expense

The loss adjustment expense (“LAE”) provision is calculated using a three-year average ratio of LAE to losses (Section VI – D). The Adjusting and Other Expense (“AOE”) portion of the LAE ratio is adjusted for the effects of losses eliminated by large deductibles. The reported AOE for large deductible policies is assumed to be less than it would have been had the policies been written on a full coverage basis, but more than it would have been as a percentage of net losses. In other words, AOE is assumed to be partially variable and partially fixed with respect to large deductible losses. The selected adjustment factor is an average of that which would result from assuming AOE is fixed and from assuming AOE is variable (Section VI – L, Exhibit 1, Page 1).

VI 009

Section VI - Expense
Subsection A - Summary
9/1/05

Section VI - A
Exhibit 1

MASSACHUSETTS WORKERS' COMPENSATION EXPENSES

Loss Ratios Underlying the Proposed Rates

(1) Acquisition Expenses	10.5%
(2) Premium Taxes = 2.28% x [1.0 - (3)]	2.2%
(3) Premium Discount	4.2%
(4) Variable Expense Ratio = (1) + (2) + (3)	16.9%
(5) Profit and Contingencies	0.9%
(6) Permissible Loss, LAE, and Fixed Expense Ratio = 1.0 - [(4) + (5)]	82.2%
(7) Fixed Expense Ratio	5.0%
(8) Insolvency Fund Assessment	2.3%
(9) Expected Loss and Loss Adjustment Expense Ratio = (6) - [(7) + (8)]	74.9%
(10) Loss Adjustment Expenses (As a percent of losses)	16.6%
(11) Expected Loss Ratio without Loss Adjustment Expense = (9) / [1.0 + (10)]	64.2%

Notes:

- (1) Section VI - K, Exhibit 1.
- (2) 2.28% is Premium Tax as % of Net Premium
- (3) Section VI - I, Exhibit 1.
- (5) Section VIII.
- (6) Used in Section I.
- (7) Section VI - B, Exhibit 1. The Fixed Expense Ratio for Policy Year 2001 is 5.2%. The Fixed Expense Ratio for Policy Year 2002 is 4.9%. The average of these two ratios is divided by the indicated rate change, 1%, to give the Fixed Expense Ratio underlying the rates.
- (8) Section I-E, Exhibit 4, Page 1.
- (9) Used in Section IX.
- (10) Section VI - D.
- (11) Used in Section IX.

VI 010

Section VI - Expenses
 Subsection B - Fixed Expenses
 9/1/05

Section VI - B
 Exhibit 1

Calculation of Fixed Expenses

	Calendar Year					
	2001		2002		2003	
(1) General Expense Exclusive of Expense Constant Revenue	30,743,191		25,173,810		21,445,529	
(2) Pool Expense	3,496,805		4,388,894		4,446,495	
	to PY2001	to PY2002	to PY2001	to PY2002	to PY2001	to PY2002
(3) General Expense Trend Factor	1.012	1.059	0.989	1.035	0.925	0.968
(4) Exposure Growth Factor	1.005	1.016	0.995	1.005	0.985	0.995
(5) General Expense projected = (1) x (3) x (4)	31,265,397	33,059,228	24,756,694	26,177,092	19,526,267	20,646,573
(6) Pool Expense projected = (2) x (3) x (4)	3,556,202	3,760,236	4,316,172	4,563,810	4,048,557	4,280,840

	Pol Yr 2001	Pol Yr 2002
(7) Three Year Average Projected General Expense	25,182,786	26,627,631
(8) Three Year Average Pool Expense	3,973,644	4,201,629
(9) Provision for Other Taxes (Section VI - C)	3,934,909	4,160,672
(10) Provision for Fixed Expenses = (7) + (8) + (9)	33,091,339	34,989,932
(11) Expense Trends from PYs 2001 and 2002 to Policy Effective 9/1/05	1.212	1.158
(12) Trended Fixed Expenses = (10) x (11)	40,108,305	40,523,452
(13) Standard Premium plus ARAP	768,401,069	825,447,285
(14) Fixed Expense Ratio to Standard Premium = (12) / (13)	5.2%	4.9%

Notes:

- (1) Section VI - B, Exhibit 2, Page 1.
- (2) From the Massachusetts Workers' Compensation Assigned Risk Pool Annual Report and WCRIB Financial Statements and Expense Analysis Report
- (3) Section VI - F, Exhibit 1, Page 1.
- (4) 1% annual growth in worker-weeks, from Section VI - H; 0.5 years from CY 2001 to PY 2001, 1.5 years from CY 2001 to PY 2002, etc.
- (11) Section VI - F, Exhibit 1, Page 2.
- (13) These premium amounts do not match those displayed in Section I. This is due to the exclusion from this section of a company included in the loss and premium sections. The premium amounts displayed have been adjusted by the same development, trend, and premium level factors shown in Section I and off-balance factors shown in Section III.

VI 011

General Expense Exclusive of Proposed Expense Constant

	Calendar Year		
	2001	2002	2003
(1) Standard Premium plus ARAP Including Expense Constant Revenue	708,647,354	771,370,504	785,759,354
(2) Expense Constant Offset	0.969	0.965	0.964
(3) Standard Premium plus ARAP Excluding Expense Constant Revenue = (1) x (2)	686,956,564	744,449,595	757,688,440
(4) Ratio of General Expense to Standard + ARAP Premium	6.0%	5.2%	4.8%
(5) General Expenses = (1) x (4)	42,814,268	39,796,314	37,479,405
(6) Historical Expense Constant Revenue = (1) - (3)	21,690,790	26,920,908	28,070,914
(7) General Expense Portion of Expense Constant	51.0%	51.0%	51.0%
(8) Average Expense Constant in Effect	191.58	200.91	204.24
(9) Proposed Average Expense Constant	252.19	252.19	252.19
(10) Trend Factor to Adjust Proposed Average Expense Constant to Calendar Year	1.205	1.178	1.102
(11) Adjusted Proposed Average Expense Constant = (9) / (10)	209.21	214.13	228.91
(12) Adjusted General Expenses Generated by the Expense Constant = [(6) x (7)] x [(11) / (8)]	12,071,077	14,622,504	16,033,875
(13) General Expenses Exclusive of Expense Constant Revenue = (5) - (12)	30,743,191	25,173,810	21,445,529
(14) General Expense Percent Exclusive of Expense Constant = (13) / (3)	4.5%	3.4%	2.8%

Notes:

- (1) Reference Code 02A, Policy Year Call for all reporting companies. Excludes large deductible policies.
- (2) 2001 and 2002 values: Section VI - J, Exhibit 5.
2003 value: Section VI-J, Exhibit 4.
- (4) Section VI - B, Exhibit 2, Page 2.
- (7) Section VI - B, Exhibit 3.
- (8) The parallelogram method was used to calculate the average expense constant in effect.
- (9) Section VI - E, Exhibit 1.
- (10) Section VI - F, Exhibit 2.

VI 012

Section VI - Expenses
Subsection B - Fixed Expenses
9/1/05

Section VI - B
Exhibit 2
Page 2

Calculation of General Expense

		Calendar Year		
		2001	2002	2003
(1)	Direct Standard Earned Premium	889,832,733	1,015,588,504	905,044,600
(2)	Factor to include ARAP	1.038	1.037	1.040
(3)	Standard Earned Premium plus ARAP = (1) x (2)	923,761,269	1,053,587,307	941,108,950
(4)	Actual Bureau Expenses	9,462,827	8,053,422	7,531,438
(5)	Audit, Inspection and Other General Expenses	46,347,954	46,302,936	37,357,882
(6)	General Expense = (4) + (5)	55,810,781	54,356,358	44,889,320
(7)	Ratio of General Expense to Standard + ARAP Premium = (6) / (3)	6.0%	5.2%	4.8%

Notes:

- (1),(5) From the Massachusetts Expense Calls, Calendar Years 2001 - 2003, Reference Code 04.
- (1) Reported premium excludes ARAP and includes large deductible policies at Standard premium.
- (2) Estimated using Schedule Z data for Composite Policy Years 00/01, 01/02 and 02/03
- (4) From the WCRIB Financial Statements and Expense Analysis Report.
Excludes Workers' Compensation Bureau Pool Expenses.

VI 013

Section VI - Expenses
Subsection B - Fixed Expenses
9/1/05

Section VI-B
Exhibit 3

Expense Constant Components

(1)	Portion of Expense Constant for General Expenses loaded for Premium Taxes	\$	96.50
(2)	Portion of Expense Constant for Other Acquisition Expenses loaded for Premium Taxes	\$	88.50
(3)	Factor to adjust Expense Constant for Premium taxes		0.977
(4)	Portion of Expense Constant for General Expenses excluding Premium Taxes = (1) x (3)	\$	94.28
(5)	Portion of Expense Constant for General Expenses excluding Premium Taxes = (2) x (3)	\$	86.46
(6)	General Expense Portion of Expense Constant = (4) / [(1) + (2)]		51.0%
(7)	Other Acquisition Portion of Expense Constant = (5) / [(1) + (2)]		46.7%

Source: (1),(2) NCCI 1991 Calendar Year Expense database.

VI 014

Section VI - Expenses
Subsection C - Other Taxes
9/1/05

Section VI - C
Exhibit 1

Calculation of Other Taxes

(1)	2003 Calendar Year Massachusetts Standard Earned Premium plus ARAP	785,759,354
(2)	2003 Other Tax Allowance	0.55%
(3)	2003 Massachusetts Other Taxes = (1) x (2)	4,321,676
(4A)	Other Tax Trend Factor, CY 2003 to PY 2001	0.925
(4B)	Other Tax Trend Factor, CY 2003 to PY 2002	0.968
(5A)	Exposure Growth from CY 2003 to PY 2001	0.985
(5B)	Exposure Growth from CY 2003 to PY 2002	0.995
(6A)	Massachusetts Other Taxes for PY 2001 = (3) x (4A) x (5A)	3,934,909
(6B)	Massachusetts Other Taxes for PY 2002 = (3) x (4B) x (5B)	4,160,672

Notes:

- (1) Massachusetts Policy Year Call, Reference Code 02A.
- (2) 2004 Best's Aggregates and Averages. Pages 644-645
- (4A),(4B) Using methodology of Section VI - F, Exhibit 1, Page 1.
- (5A),(5B) 1.0% per year (Section VI - H, Exhibit 1); -0.5 years from CY 2003 to PY 2002,
-1.5 years from CY 2003 to PY 2001.

VI 015

Section VI - Expenses
 Subsection D - Loss Adjustment Expense
 9/1/05

Section VI - D
 Exhibit 1

Incurred Loss and Loss Adjustment Expense All Companies Combined; Direct Prior to Reinsurance

	Calendar Year		
	2001	2002	2003
(1) Direct Incurred Losses (\$000)	497,498	508,357	574,250
(2) Direct Incurred Defense and Cost Containment Expense (\$000)	36,232	43,035	48,312
(3) Average Provision for Defense and Cost Containment Expense = (2) / (1)	7.3%	8.5%	8.4%
(4) Three Year Average Provision for Defense and Cost Containment Expense = Average of (3)	8.1%		
(5) Direct Incurred Adjusting and Other Expense (\$000)	46,908	48,849	56,072
(6) Average Provision for Adjusting and Other Expense = (5) / (1)	9.43%	9.61%	9.76%
(7) Factor to adjust for effect of Large Deductible policies	0.899	0.885	0.884
(8) Adjusted Provision for Adjusting and Other Expense = (6) x (7)	8.5%	8.5%	8.6%
(9) Three Year Average Provision for Adjusting and Other Expense = Average of (8)	8.5%		
(10) Adjusted Provision for Total Loss Adjustment Expense = (4) + (9)	16.6%		

Source: 2001, 2002, and 2003 Massachusetts Expense Calls - Reference Code 04.

(7) Section VI - L, Exhibit 1, Page 1.

VI 016

Section VI - Expenses
 Subsection E - Expense Constant
 9/1/05

Section VI - E
 Exhibit 1

Calculation of Revised Expense Constant

Risk Size Intervals		(1)		(2)	(3)	(4)	(5)
		CPY01/02 Policy Count		Policy	Current	Trend Factor	(3) x (4)
Unadjusted	Adjusted ¹	Interstate	Intrastate	Distribution	Expense Constant	from 3/1/04 to 3/1/06	Calculated Expense Constant
Less than \$200	Less Than \$166.67	-	31,367	22%	\$132.00	1.074	\$142.00
\$200 or more	\$166.67 or more	10,378	98,275	78%	\$264.00	1.074	\$284.00
TOTAL		10,378	129,642	100%	\$234.43		\$252.19

Source: Schedule Z Composite PY 01/02 (excluding Large Deductible policies).

Risk sizes in terms of Standard Premium

¹ Intervals have been adjusted by a factor of 1.2. See Section III - G, Exhibit 1.

(4) from VI-F, Exhibit 2

VI 017

Section VI - Expenses
Subsection F - Expense Trends
9/1/05

Section VI - F
Exhibit 1
Page 1

Historical Trends for General Expenses and Other Taxes from Data Periods to PYs 2001 & 2002

	<u>Expense Trend Index</u>
(1) Average 2001 Index Value	91.39
Average 2002 Index Value	93.54
Average 2003 Index Value	100.00
(2) Average PY 2001 Value	92.47
Average PY 2002 Value	96.77
(3) Trend Factors = (2) / (1)	
CY 2001 to PY 2001	1.012
CY 2002 to PY 2001	0.989
CY 2003 to PY 2001	0.925
CY 2001 to PY 2002	1.059
CY 2002 to PY 2002	1.035
CY 2003 to PY 2002	0.968

Notes:

- (1),(2) Section VI - G. Data period for Other Taxes is Calendar Year 2003.
Data period for General Expenses is CY 2001 - 2003.
Index for PY 2001 is computed as average of indices for CY 2001 - 2002.
Index for PY 2002 is computed as average of indices for CY 2002 - 2003.

VI 018

Section VI - Expenses
Subsection F - Expense Trends
9/1/05

Section VI - F
Exhibit 1
Page 2

Projected Trends for General Expenses and Other Taxes from PYs 2001 and 2002 to Policy Effective 9/1/05

	<u>Expense Trend Index</u>
(1) Latest Data Period	2003
(2) Average PY 2001 Value	92.47
Average PY 2002 Value	96.77
(3) Actual Index Value for (1)	100.00
(4) Fitted Index Value for (1)	98.93
(5) Fitted Index Value for 9/1/06	110.88
(6) Trend Factor = [(5) / (4)] x [(3) / (2)]	
PY 2001 to 9/1/06	1.212
PY 2002 to 9/1/06	1.158

Notes:

- (2),(3) Section VI - G. Index for PY 2001 is computed as average of indices for CY 2001 - 2002.
 PY 2002 is computed as average of indices for CY 2002 - 2003.
- (4),(5) 9/1/06 is the midpoint for policy effective year starting 9/1/05.

VI 019

Section VI - Expenses
Subsection F - Expense Trends
9/1/05

Section VI - F
Exhibit 2

Calculation of Trend for Expense Constant

	<u>Expense Trend Index</u>
(1) Latest Data Period	2003
(2) Average 2001 Index Value	91.39
Average 2002 Index Value	93.54
Average 2003 Index Value	100.00
(3) Actual Index Value for (1)	100.00
(4) Fitted Index Value for (1)	98.93
(5) Fitted Index Value for 3/1/04	101.45
(6) Fitted Index Value for 3/1/06	108.99
(7) Trend Factor from CY to PY 2005 = [(6) / (4)] x [(3) / (2)]	
CY 2001 to 3/1/06	1.205
CY 2002 to 3/1/06	1.178
CY 2003 to 3/1/06	1.102
(8) Trend Factor from last Rate Effective Date to PY 2005 = (6)/(5)	
3/1/04 to 3/1/06	1.074

Notes:

- (2),(3) Section VI - G, Exhibit 1.
(4),(5),(6) 3/1/04 is the date to which the expense constant was trended in the last rate filing. 3/1/06 is the average Policy Effective Date.

VI 020

Section VI - Expenses
 Subsection F- Expense Trends
 9/1/05

Section VI - F
 Exhibit 3

Weights for Expense Trends

Expense Component	Percentage of Net Written Premium ¹	Weight	Corresponding Index	Weight
Salaries	6.01	64.9%	Average Weekly Earnings Covered Employment and Wages; Private Fire, Marine, Casualty Massachusetts	80.2%
Payroll Taxes	0.40	4.3%		
Employee Relations	1.02	11.0%		
Travel & Travel Items	0.39	4.2%	Food Away From Home-CPI-US Private Transportation-CPI-US	2.1% 2.1%
Equipment	0.87	9.4%	Office & Stores Machines & Equipment-PPI	9.4%
Postage & Telephone	0.39	4.2%	Postage-CPI-US Telephone-CPI-US	2.1% 2.1%
Printing & Stationery	0.18	1.9%	Paper-PPI	1.9%
Total	9.26	100.0%		100.0%

¹ 2004 Best's Aggregates and Averages, Property-Casualty, Totals for Predominately Commercial Casualty Companies with Written Premium Net of Reinsurance Ceded over \$15 million.

VI 021

Section VI - Expenses
 Subsection G - Expense Indices
 9/1/05

Section VI - G
 Exhibit 1

Calculation of Expense Trend Index

(1) Economic Indices

Calendar Year	(A) Average Weekly Earnings	(B) Food	(C) Private Transportation	(D) Phone	(E) Postage	(F) Machines & Equipment	(G) Paper
1997	889.00	157.00	141.30	100.00	160.80	112.40	143.90
1998	982.00	161.10	138.00	100.70	160.80	112.30	145.40
1999	1,026.00	165.00	140.70	100.20	165.60	112.30	141.80
2000	1,075.00	169.00	150.10	98.70	165.60	112.70	149.80
2001	1,133.00	173.80	150.80	99.40	172.10	112.70	150.60
2002	1,166.00	178.20	149.00	99.90	182.60	112.50	144.70
2003	1,265.00	182.00	153.50	98.50	191.70	112.30	146.10

(2) Economic Indices, Normalized to Calendar Year 2003 Index of 100

Calendar Year	Average Weekly Earnings	Food	Private Transportation	Phone	Postage	Machines & Equipment	Paper
1997	70.28	86.26	92.05	101.52	83.88	100.09	98.49
1998	77.63	88.52	89.90	102.23	83.88	100.00	99.52
1999	81.11	90.66	91.66	101.73	86.38	100.00	97.06
2000	84.98	92.86	97.79	100.20	86.38	100.36	102.53
2001	89.57	95.49	98.24	100.91	89.78	100.36	103.08
2002	92.17	97.91	97.07	101.42	95.25	100.18	99.04
2003	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(3) Weight 80.2% 2.1% 2.1% 2.1% 2.1% 9.4% 1.9%

Calendar Year	(4) Expense Trend Index
1997	75.37
1998	81.29
1999	84.16
2000	87.55
2001	91.39
2002	93.54
2003	100.00

Notes:

- (1)(A) Average Weekly Earnings, Covered Employment and Wages, Private Fire, Marine, and Casualty Insurers - Massachusetts Unadjusted for Seasonality
 Years 1997 - 2000: Bureau of Labor Statistics, Series IDs EWU250004050H633 (Fire, Marine, and Casualty Insurance Average Weekly Wage) and EWU250004050H635 (Surety Insurance average Weekly wage), weighted by Series IDs EWU250001050H633 (Fire, Marine, and Casualty Insurance Number of Employees) and EWU250001050H635 (Surety Insurance Number of Employees), respectively.
 Years 2001 - 2003: Bureau of Labor Statistics, Series ID ENU25000405524126 (Direct Property and Casualty Insurers Average Weekly Wage.)
- (1)(B) Food Away From Home, Consumer Price Index, Urban Wage Earners and Clerical Workers - U.S.
 Unadjusted for Seasonality, Base: 1982 - 1984 = 100. Bureau of Labor Statistics, Series ID CWUR0000SEFV.
- (1)(C) Private Transportation, Consumer Price Index, Urban Wage Earners and Clerical Workers - U.S.
 Unadjusted for Seasonality, Base: 1982 - 1984 = 100. Bureau of Labor Statistics, Series ID CWUR0000SAT1.
- (1)(D) Telephone Services, Consumer Price Index, Urban Wage Earners and Clerical Workers - U.S.
 Unadjusted for Seasonality, Base: December 1997= 100. Bureau of Labor Statistics, Series ID CWUR0000SEED.
- (1)(E) Postage, Consumer Price Index, Urban Wage Earners and Clerical Workers - U.S.
 Unadjusted for Seasonality, Base: 1982 - 1984 = 100. Bureau of Labor Statistics, Series ID CWUR0000SEEC01.
- (1)(F) Office and Store Machines and Equipment, Producer Price Index
 Unadjusted for Seasonality, Base: 1982 = 100. Bureau of Labor Statistics, Series ID WPU1193.
- (1)(G) Paper, Producer Price Index
 Unadjusted for Seasonality, Base: 1982 - 1984 = 100. Bureau of Labor Statistics, Series ID WPU0913.
- (3) Section VI-F, Exhibit 3.
- (4) = Average of (2) weighted by (3)

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Section VI - Expenses
Subsection H - Exposure Growth
9/1/05

Section VI - H
Exhibit 1

Growth in Worker-Weeks

Composite Policy Years	Annual Change in Worker-Weeks
1997/1998 to 1998/1999	0.5%
1998/1999 to 1999/2000	6.0%
1999/2000 to 2000/2001	3.2%
2000/2001 to 2001/2002	-3.7%
Average of Latest 4 annual changes	1.5%
Average of Latest 3 annual changes	1.8%
Average of Latest 2 annual changes	-0.3%

Selected for overall exposure growth ¹ :	1.0%
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Source:

Worker-weeks data from Section V-E, Exhibit 1

¹ The selected number is the average of the three entries in the "Average" section above for Schedule Z exposure growth rates.

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Section VI - Expenses
Subsection I - Expenses Net of Premium Discount
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Section VI - I
Exhibit 1

Calculation of Average Premium Discount

	<u>Elected Premium Discount Table</u>	
	<u>Type A</u>	<u>Type B</u>
(1) Average Premium Discount	6.5%	3.7%
(2) % of Voluntary Premium using Discount Table	64.4%	35.6%
(3) Weighted Average Premium Discount in Voluntary Market = (1) weighted by (2)	5.5%	
(4) Voluntary Market Share	81.0%	
(5) Average Premium Discount in Total Market = (3) x (4)	4.5%	
(6) Average ARAP Surcharge for Policy Effective Period	6.1%	
(7) Average Premium Discount as a percent of Standard Premium + ARAP = (5) / [1.0 + (6)]	4.2%	

Notes:

- (1) Section VI - I, Exhibit 2.
- (2) Section VI - I, Exhibit 4.
- (4) From Special Bulletin 01-05.
- (6) Section X - L, Exhibit 2, Page 2.

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Section VI - Expenses
Subsection I - Expenses Net of Premium Discount
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Section VI - I
Exhibit 2

Determination of Average Premium Discount for Type A & B Companies Voluntary Market Risks

Layer of Standard Premium (1)	Policy Year Standard Earned Premium (2)	Proportion of Premium in Layer (3)	% Premium Discount	
			Type A Company (4)	Type B Company (5)
First	10,000	202,679,529	0.334	0.0
Next	190,000	284,692,598	0.469	9.1
Next	1,550,000	103,007,670	0.170	11.3
Over	1,750,000	16,661,181	0.027	12.3
TOTALS		607,040,977	1.000	6.5
				3.7

(2) Section VI - I, Exhibit 3, Page 1.

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Section VI - Expenses
 Subsection I - Expenses Net of Premium Discount
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Section VI - I
 Exhibit 3
 Page 1

Standard Premium by Layer

Voluntary Market Risks

01/02 Policy Year Layer of Standard Premium (1)	Standard Premium in Layer		Standard Premium [(2)+(3)] (4)
	Intrastate (2)	Interstate (3)	
0 - 8,333	186,960,013	15,719,516	202,679,529
8,333 - 166,667	212,823,148	71,869,450	284,692,598
166,667 - 1,458,333	44,732,784	58,274,886	103,007,670
1,458,333 & Over	1,341,625	15,319,556	16,661,181
TOTAL	445,857,569	161,183,408	607,040,977

(1) Corresponds to first 10,000, next 190,000, next 1,550,000, and over 1,750,000 with 1.2 premium adjustment. See Section III - G, Exhibit 1.

(2),(3) Section VI - I, Exhibit 3, Page 2.

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Section VI - Expenses
 Subsection I - Expenses Net of Premium Discount
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Section VI - I
 Exhibit 3
 Page 2

Premium by Layer Within Intervals for All Companies Voluntary Market Risks

Intrastate Intervals						
Layer of Standard Premium	Standard Premium Sizes					Total
	0 - 8,333	8,333 - 166,667	166,667 - 1,458,333	1,458,333 & Over		
0 - 8,333	108,118,346	76,575,000	2,241,667	25,000		186,960,013
8,333 - 166,667		169,756,481	42,591,667	475,000		212,823,148
166,667 - 1,458,333			40,857,784	3,875,000		44,732,784
1,458,333 & Over				1,341,625		1,341,625
Total	108,118,346	246,331,481	85,691,117	5,716,625		445,857,569

Interstate Intervals ¹						
Layer of Standard Premium	Standard Premium Sizes					Total
	0 - 3,333	3,333 - 66,667	66,667 - 583,333	583,333 & Over		
0 - 3,333	4,476,183	9,536,667	1,613,333	93,333		15,719,516
3,333 - 66,667		39,442,783	30,653,333	1,773,333		71,869,450
66,667 - 583,333			43,808,219	14,466,667		58,274,886
583,333 & Over				15,319,556		15,319,556
Total	4,476,183	48,979,450	76,074,886	31,652,889		161,183,408

Source: Database Reference Code 09, Voluntary Market Data, Carriers choosing either Type A or Type B Discounts. Layers correspond to the Premium Discount layers (Exhibit 2 Page 1) adjusted by the Premium Adjustment Factor from Section III-G, Exhibit 1.

¹ 40% of premium of Interstate risks is assumed to be in Massachusetts.

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Section VI - Expenses
Subsection I - Expenses Net of Premium Discount
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Section VI - I
Exhibit 4

Calculation of Calendar Year 2003 Voluntary Premium: Type A vs. Type B Table Elected Premium Discount Schedule as of 1/10/05

(1)	Adjusted Voluntary Premium for Companies electing Type A Premium Discount Schedule (\$000)	407,261
(2)	Adjusted Voluntary Premium for Companies electing Type B Premium Discount Schedule (\$000)	225,251
(3)	Percentage of Voluntary Premium electing Type A Discount = (1) / [(1) + (2)]	64.4%
(4)	Percentage of Voluntary Premium electing Type B Discount = (2) / [(1) + (2)]	35.6%

Notes The total market premiums are from the 2003 Annual Statements, Page 15. Ceded and VDAC premium information is from NCCI and VDAC carriers. "Adjusted" Voluntary Premiums that are negative have been set equal to zero under the assumption that there are no negative values after audit.

(1),(2) Section VI - I, Exhibit 5, Page 6.

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Section VI - Expenses
 Subsection I - Expenses Net of Premium Discount
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Section VI - I
 Exhibit 5
 Page 1

Calendar Year 2003 Premiums

Company Number	Company Name	Elected Discount Schedule	Written Premium (\$000)	Residual Market Written Premium (\$000)	Adjusted Voluntary Written Premium			
					Total Written Premium (\$000)	Type A Written Premium (\$000)	Type B Written Premium (\$000)	Type N/A Written Premium Unknown (\$000)
10006	Massachusetts Bay Insurance Co.	A	(237)	0	0	0	0	0
10022	American Automobile Ins Co	A	171	0	171	171	0	0
10049	American Employers Ins Co	A	3	0	3	3	0	0
10065	American Motorist Ins Co	A	52	0	52	52	0	0
10103	Associated Indemnity Corp	B	229	0	229	0	229	0
10111	Republic-Franklin Ins. Co.	A	(2)	0	0	0	0	0
10138	Bituminous Casualty Corp	A	(0)	0	0	0	0	0
10227	Fidelity & Guaranty Insurance Company	A	1,743	0	1,743	1,743	0	0
10324	Fidelity & Guaranty Ins Underwriters Inc	A	242	0	242	242	0	0
10359	OneBeacon Insurance Co	A	10,157	2,894	7,262	7,262	0	0
10391	Globe Indemnity Co	A	1,801	0	1,801	1,801	0	0
10448	Hartford Accident & Indemnity Co.	B	48	0	48	0	48	0
10456	Hartford Underwriters Ins. Co.	B	14,834	8,675	6,159	0	6,159	0
10480	XL Insurance America Inc	A	0	0	0	0	0	0
10510	Fidelity & Deposit Co. of Maryland	A	294	0	294	294	0	0
10545	Maryland Casualty Co.	A	5,283	0	5,283	5,283	0	0
10561	American Economy Insurance Company	A	251	0	251	251	0	0
10642	ACE Indemnity Insurance Co	A	0	0	0	0	0	0
10650	Excelsior Ins Co	A	420	0	420	420	0	0
10677	Pacific Employers Ins Co	A	1,601	0	1,601	1,601	0	0
10685	Pacific Indemnity Co	A	691	0	691	691	0	0
10693	Vigilant Insurance Co	A	1,597	0	1,597	1,597	0	0
10707	Phoenix Assurance Co of NY	A	7	0	7	7	0	0
10723	Royal Indemnity Co	A	1,464	0	1,464	1,464	0	0
10731	Fire & Casualty Ins Co of CT	A	2,813	0	2,813	2,813	0	0
10804	Travelers Insurance Company	A	(719)	0	0	0	0	0
10847	United States Fidelity & Guaranty Co/Discover Re	A	519	0	519	519	0	0
10863	Zurich American Ins. Co.	A	20,076	0	20,076	20,076	0	0
10871	Allianz Ins Co	A	0	0	0	0	0	0
10928	Nationwide Affinity Insurance Co of America	N/A	0	0	0	0	0	0
10960	Middlesex Ins. Co.	A	71	0	71	71	0	0
11002	Citizens Ins Co of America	A	21	0	21	21	0	0
11029	Ins. Co. of Greater New York	A	134	0	134	134	0	0
11037	Great West Casualty Company	A	81	0	81	81	0	0
11061	Regent Ins Co	A	6	0	6	6	0	0
11126	Petroleum Casualty Co	A	27	0	27	27	0	0
11142	Houston General Ins Co	A	0	0	0	0	0	0
11169	Selective Ins. Co. of America	A	0	0	0	0	0	0
11223	Travelers Casualty & Surety Co	B	8,436	0	8,436	0	8,436	0
11266	American Fire & Casualty Co.	A	(80)	0	0	0	0	0
11290	Century Indemnity Company	B	0	0	0	0	0	0
11347	The Travelers Indemnity Company	A	36,706	36,756	0	0	0	0
11355	Peerless Ins Co	A	1,735	0	1,735	1,735	0	0
11363	Ohio Casualty Ins. Co.	A	2,833	0	2,833	2,833	0	0
11452	American Guarantee & Liability Ins. Co.	A	2,070	0	2,070	2,070	0	0
11495	American States Insurance Company	A	677	0	677	677	0	0
11509	Old Republic Insurance Company	A	1,444	0	1,444	1,444	0	0
11525	Amerisure Ins Co	B	5	0	5	0	5	0
11576	West American Ins. Co.	A	(67)	0	0	0	0	0
11614	Harco National Ins Co	B	9	0	9	0	9	0
11673	Zurich American Ins Co of IL	N/A	0	0	0	0	0	0
11746	Carolina Casualty Insurance Company	B	0	0	0	0	0	0
11762	Connecticut Indemnity Co	A	573	0	573	573	0	0
11770	Patriot General Ins. Co.	A	471	0	471	471	0	0

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Calendar Year 2003 Premiums

Company Number	Company Name	Elected Discount Schedule	Written Premium (\$000)	Residual Market Written Premium (\$000)	Adjusted Voluntary Written Premium			
					Written Premium (\$000)	Type A Written Premium (\$000)	Type B Written Premium (\$000)	Type N/A Written Unknown (\$000)
11916	Pennsylvania Manufacturers Assoc Ins. Co.	A	2,481	0	2,481	2,481	0	0
12149	Centennial Ins Co	A	1,746	0	1,746	1,746	0	0
12165	ACE American Insurance Company	A	10,212	0	10,212	10,212	0	0
12173	Assurance Co. of America	A	232	0	232	232	0	0
12246	Wausau General Ins Co	A	9	0	9	9	0	0
12254	ACE Property and Casualty Ins Co	A	72	0	72	72	0	0
12289	American Insurance Company	A	268	0	268	268	0	0
12297	The Universal Underwriters Ins. Co.	A	2,254	0	2,254	2,254	0	0
12300	Employers Fire Ins Co	A	26	0	26	26	0	0
12416	Fireman's Fund Ins Co	A	540	0	540	540	0	0
12432	Travelers Casualty & Surety Co of IL	A	0	0	0	0	0	0
12440	General Casualty Ins Co of WI	A	52	0	52	52	0	0
12572	Security Ins Co of Hartford	A	4,795	0	4,795	4,795	0	0
12602	Bituminous Fire & Marine Ins Co	B	0	0	0	0	0	0
12610	Phoenix Ins Co	A	356	56	299	299	0	0
12629	Electric Ins. Co.	N/A	4,194	0	4,194	0	0	4,194
12637	Travelers Indemnity Co of CT	B	14,116	0	14,116	0	14,116	0
12718	Transport Ins. Co.	A	0	0	0	0	0	0
12742	Argonaut-Midwest Ins Co	A	913	0	913	913	0	0
12750	Westchester Fire Insurance Co	B	0	0	0	0	0	0
12777	United States Fire Insurance Company	A	3,751	0	3,751	3,751	0	0
12793	Automobile Ins Co of Hartford CT	A	0	0	0	0	0	0
12866	National Surety Corp	A	89	0	89	89	0	0
12890	Federal Insurance Co	A	11,992	600	11,392	11,392	0	0
12904	St. Paul Protective Ins Co	N/A	0	0	0	0	0	0
12939	Providence Washington Ins. Co.	A	800	0	800	800	0	0
12963	Maine Bonding & Casualty Co.	A	156	0	156	156	0	0
13129	Federated Service Insurance Company	N/A	0	0	0	0	0	0
13145	Zenith Ins. Co.	A	148	0	148	148	0	0
13188	Gulf Insurance Co	A	1,565	0	1,565	1,565	0	0
13226	Peerless Indemnity Ins Co	A	0	0	0	0	0	0
13269	Hartford Fire Ins. Co.	B	7,855	0	7,855	0	7,855	0
13307	Great American Assurance Co.	A	12	0	12	12	0	0
13390	First National Insurance Company of America	N/A	0	0	0	0	0	0
13404	General Insurance Company of America	A	(56)	0	0	0	0	0
13420	Seneca Ins. Co.	N/A	0	0	0	0	0	0
13439	Travelers Indemnity Co of America	A	1,014	0	1,014	1,014	0	0
13552	Allstate Indemnity Co	N/A	0	0	0	0	0	0
13579	Travelers Property Casualty Co of America	B	51,147	15,849	35,298	0	35,298	0
13595	Safeco Insurance Company of America	N/A	0	0	0	0	0	0
13633	Hanover Ins. Co.	A	6,379	0	6,379	6,379	0	0
13668	Sentry Select Insurance Co.	A	1,169	0	1,169	1,169	0	0
13684	Royal Ins Co of America	A	11,522	7,248	4,274	4,274	0	0
13692	St. Paul Mercury Ins	A	8,602	0	8,602	8,602	0	0
13706	St. Paul Fire & Marine Insurance	A	27,118	8,987	18,131	18,131	0	0
13714	Westport Insurance Corporation	A	306	0	306	306	0	0
13765	Northern Ins. Co. of New York	A	357	0	357	357	0	0
13773	Northern Assurance Co of America	A	0	0	0	0	0	0
13838	All America Ins Co	A	1,006	0	1,006	1,006	0	0
13854	TIG Ins. Co.	A	27	0	27	27	0	0
13897	Great American Ins. Co. of NY	A	393	0	393	393	0	0
13935	Country Casualty Co	B	0	0	0	0	0	0
13986	Safeguard Ins Co	A	190	0	190	190	0	0
14028	Great American Alliance Ins. Co.	A	195	0	195	195	0	0

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Calendar Year 2003 Premiums

Company Number	Company Name	Elected Discount Schedule	Written Premium (\$000)	Residual Market Written Premium (\$000)	Adjusted Voluntary Written Premium			
					Written Premium (\$000)	Type A Written Premium (\$000)	Type B Written Premium (\$000)	Type N/A Written Premium Unknown (\$000)
14060	Indemnity Insurance Co of North America	A	613	0	613	613	0	0
14095	Argonaut Ins Co	A	1,028	0	1,028	1,028	0	0
14176	Great American Ins. Co.	A	82	0	82	82	0	0
14184	The Netherlands Insurance Company	A	443	0	443	443	0	0
14230	St. Paul Guardian Insurance Co	A	153	0	153	153	0	0
14281	Tokio Marine & Fire Ins Co	A	1,137	0	1,137	1,137	0	0
14397	Hartford Casualty Ins. Co.	B	7,382	0	7,382	0	7,382	0
14427	New England Ins. Co.	A	0	0	0	0	0	0
14486	Insurance Co of North America	A	55	0	55	55	0	0
14508	North River Ins Co	A	105	0	105	105	0	0
14540	One Beacon America Ins Co	A	812	0	812	812	0	0
14559	TIG Premier Ins. Co.	A	66	0	66	66	0	0
14567	Great Northern Insurance Co	A	395	0	395	395	0	0
14680	Cumis Ins. Society Inc	B	0	0	0	0	0	0
14699	American & Foreign Ins Co.	A	1,257	0	1,257	1,257	0	0
14710	Ranger Ins Co	A	(4)	0	0	0	0	0
14788	Protective Ins. Co	A	388	0	388	388	0	0
14842	State Farm Fire & Casualty	A	35	0	35	35	0	0
14869	Merchants Ins. Co. of NH Inc	A	5	0	5	5	0	0
14974	Twin City Fire Ins. Co.	B	27,705	0	27,705	0	27,705	0
15016	Northwestern National Ins Co	N/A	0	0	0	0	0	0
15067	Allstate Insurance Co	N/A	0	0	0	0	0	0
15245	Standard Fire Ins Co	A	41	0	41	41	0	0
15318	Charter Oak Fire Ins Co	A	(6)	0	0	0	0	0
15326	Affiliated FM Insurance	N/A	0	0	0	0	0	0
15385	Cincinnati Ins. Co.	A	167	0	167	167	0	0
15407	Pennsylvania General Ins. Co	A	(22)	0	0	0	0	0
15431	ACE Fire Underwriters Ins Co	A	470	0	470	470	0	0
15539	Employers Mutual Casualty Co of IA	A	54	0	54	54	0	0
15555	Employers Ins Co of Wausau	A	11,080	(23)	11,103	11,103	0	0
15571	Sentry Ins. A Mutual Co.	A	4,330	0	4,330	4,330	0	0
15628	Liberty Mutual Ins Company	B	32,866	11,086	21,780	0	21,780	0
15644	Lumbermens Mutual Casualty Ins Co	B	1,195	81	1,115	0	1,115	0
15652	Merchants Mutual Ins. Co.	A	9	0	9	9	0	0
15660	Amerisure Mutual Ins Co	B	48	0	48	0	48	0
15717	Utica Mutual Ins. Co.	A	3,350	0	3,350	3,350	0	0
15741	Selective Ins. Co. New York	A	0	0	0	0	0	0
15822	Graphic Arts Mutual Ins. Co.	A	1,119	0	1,119	1,119	0	0
15849	Pennsylvania National Mutual Casualty Ins Co	B	4	0	4	0	4	0
15997	Nationwide Mutual Fire Ins Co	B	0	0	0	0	0	0
16152	Public Service Mutual Ins Co	A	7,355	0	7,355	7,355	0	0
16195	Nationwide Mutual Insurance Co	B	2	0	2	0	2	0
16284	Country Mutual Ins. Co	B	0	0	0	0	0	0
16322	National Grange Mutual Ins. Co.	A	2,283	0	2,283	2,283	0	0
16349	Safety National Casualty Corp.	A	493	0	493	493	0	0
16357	Preferred Mutual Ins. Co.	N/A	0	0	0	0	0	0
16381	Empire Ins Co	N/A	0	0	0	0	0	0
16411	Pennsylvania Lumbermens Mutual Ins Co	A	0	0	0	0	0	0
16446	Federated Mutual Insurance Company	A	827	0	827	827	0	0
16470	Atlantic Mutual Ins Co	A	3,052	0	3,052	3,052	0	0
16519	American Hardware Mutual Ins. Co.	A	2	0	2	2	0	0
16543	Lumber Mutual Ins. Co.	A	0	0	0	0	0	0
16586	Liberty Mutual Fire Ins Co	B	39,748	1,092	38,656	0	38,656	0
16640	Arrow Mutual Liability Ins. Co.	B	(1,472)	0	0	0	0	0

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Section VI - Expenses
 Subsection I - Expenses Net of Premium Discount
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 Exhibit 5
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Calendar Year 2003 Premiums

Company Number	Company Name	Elected Discount Schedule	Written Premium (\$000)	Residual Market Written Premium (\$000)	Adjusted Voluntary Written Premium			
					Written Premium (\$000)	Type A Written Premium (\$000)	Type B Written Premium (\$000)	Type N/A Written Premium Unknown (\$000)
16721	Farm Family Casualty Ins. Co.	A	4,463	0	4,463	4,463	0	0
16772	Greater New York Mutual Ins. Co.	B	146	0	146	0	146	0
16853	Church Mutual Ins. Co.	B	509	0	509	0	509	0
16888	Covenant Ins Co	N/A	0	0	0	0	0	0
16926	Harleysville Mutual Insurance Co	A	0	0	0	0	0	0
16993	Central Mutual Ins Co	A	5,832	0	5,832	5,832	0	0
17027	Penn Millers Ins. Company	A	212	0	212	212	0	0
17051	American Country Ins Co	A	0	0	0	0	0	0
17108	Holyoke Mutual Ins Co	N/A	0	0	0	0	0	0
17116	American Manufacturers Mutual Ins Co	A	(65)	0	0	0	0	0
17205	Seaton Insurance Co.	N/A	0	0	0	0	0	0
17299	Guide One Mutual Ins. Co.	A	101	0	101	101	0	0
17388	Frankenmuth Mutual Ins. Co.	A	0	0	0	0	0	0
17442	Montgomery Mutual Ins Co	A	0	0	0	0	0	0
17507	Florists Mutual Ins Co	A	1,512	0	1,512	1,512	0	0
17604	Pharmacists Mutual Ins	A	240	0	240	240	0	0
17612	Union Ins Co of Providence	A	0	0	0	0	0	0
17698	Republic Western Ins. Co.	A	0	0	0	0	0	0
17728	Casualty Reciprocal Exchange	A	35	0	35	35	0	0
17906	Citation Ins Co	B	0	0	0	0	0	0
17930	Lexington Ins Co	N/A	0	0	0	0	0	0
17965	American Zurich Ins. Co.	A	12,101	4,797	7,304	7,304	0	0
18198	GE Property & Casualty Insurance Co	N/A	0	0	0	0	0	0
18244	Truck Ins Exchange	A	0	0	0	0	0	0
18376	Lumbermen's Underwriting Alliance	B	385	0	385	0	385	0
18937	Professional Liability Ins Co of America	A	635	0	635	635	0	0
18996	Wausau Underwriters Ins Co	A	650	0	650	650	0	0
19089	Mitsui Sumitomo Co. of America	A	737	0	737	737	0	0
19143	The Commerce Insurance Company	B	0	0	0	0	0	0
19151	Travelers Casualty & Surety Co of America	A	0	0	0	0	0	0
19186	American Protection Ins Co	A	2,601	0	2,601	2,601	0	0
19224	AXA Corporate Solutions Ins Co	B	0	0	0	0	0	0
19283	Nipponkoa Ins Co	A	1	0	1	1	0	0
19291	Ohio Security Ins. Co.	A	(31)	0	0	0	0	0
19321	Sompo Japan Ins Co of America	A	788	0	788	788	0	0
19399	American Alternative Ins Corp	A	(39)	0	0	0	0	0
19518	Fairmont Ins. Co.	A	423	0	423	423	0	0
19607	Landmark Insurance Co	N/A	0	0	0	0	0	0
19666	Trumbull Ins. Co.	A	0	0	0	0	0	0
19879	Virginia Surety Company Inc	A	3,501	0	3,501	3,501	0	0
20052	Trans Pacific Ins Co	A	16	0	16	16	0	0
20117	Massachusetts Homeland Ins Co	A	0	0	0	0	0	0
20206	Bankers Standard Ins Co	A	270	0	270	270	0	0
20273	Coregis Insurance Co	A	0	0	0	0	0	0
20354	TIG Indemnity Co.	A	0	0	0	0	0	0
20575	Harleysville Preferred Insurance Co	B	183	0	183	0	183	0
20583	Selective Ins. Co. of The Southeast	A	0	0	0	0	0	0
20605	Hartford Ins. Co. of the Midwest	B	6,189	0	6,189	0	6,189	0
20656	Fireman's Fund Insurance Co of WI	A	(1)	0	0	0	0	0
20699	Northbrook Indemnity Co	N/A	0	0	0	0	0	0
20702	Discover Property & Casualty Ins Co	A	0	0	0	0	0	0
20907	York Insurance Co.	A	30	0	30	30	0	0
21059	Norfolk & Dedham Mutual Fire Ins. Co.	A	3,193	0	3,193	3,193	0	0
21172	Insurance Corp. of Hanover	N/A	0	0	0	0	0	0

VI 032

Section VI - Expenses
 Subsection I - Expenses Net of Premium Discount
 9/1/05

Section VI - I
 Exhibit 5
 Page 5

Calendar Year 2003 Premiums

Company Number	Company Name	Elected Discount Schedule	Written Premium (\$000)	Residual Market Written Premium (\$000)	Adjusted Voluntary Written Premium			
					Written Premium (\$000)	Type A Written Premium (\$000)	Type B Written Premium (\$000)	Type N/A Written Premium Unknown (\$000)
21407	Potomac Ins Co of Illinois	A	0	0	0	0	0	0
21555	West Newbury Mutual Fire Ins. Co. Co.	A	0	0	0	0	0	0
21644	Harleysville Worcester Insurance Co	B	5,131	0	5,131	0	5,131	0
21733	Liberty Northwest Insurance Company	A	0	0	0	0	0	0
21814	Liberty Ins Corp	B	14,656	0	14,656	0	14,656	0
21830	Fitchburg Mutual Fire Ins. Co. Co.	N/A	0	0	0	0	0	0
21873	AmGuard Insurance Company	A	3,320	0	3,320	3,320	0	0
22012	Athena Assurance Co	A	1	0	1	1	0	0
22047	St. Paul Medical Liability Ins Co	A	0	0	0	0	0	0
22055	Ulico Casualty Co.	A	80	0	80	80	0	0
22063	Vermont Mutual Insurance Company	N/A	0	0	0	0	0	0
22098	Blue Ridge Ins. Co	A	18	0	18	18	0	0
22373	Plymouth Rock Assurance Corp	B	0	0	0	0	0	0
22438	Nationwide Property & Casualty Ins Co	B	0	0	0	0	0	0
22500	North American Lumber Ins. Co.	A	0	0	0	0	0	0
22551	Patrons Mutual Ins Co of CT	N/A	0	0	0	0	0	0
22616	Markel Ins. Co.	B	0	0	0	0	0	0
22640	Farmington Casualty Company	A	0	0	0	0	0	0
22764	Diamond State Ins Co	A	0	0	0	0	0	0
23922	Paramount Ins. Co.	A	1,574	0	1,574	1,574	0	0
23957	Selective Ins. Co. of South Carolina	A	0	0	0	0	0	0
24015	Rampart Insurance Company	A	0	0	0	0	0	0
24023	Vanliner Ins Co	A	555	0	555	555	0	0
24147	North American Specialty Ins. Co.	A	103	0	103	103	0	0
24201	Nipponkoa Ins. Co. of America	A	0	0	0	0	0	0
24252	Colonial American Casualty & Surety Co.	A	0	0	0	0	0	0
24295	Insurance Corp of NY	N/A	0	0	0	0	0	0
24430	BancInsure Inc	A	0	0	0	0	0	0
24562	Star Insurance Co	A	5,205	0	5,205	5,205	0	0
24597	SEACO Ins. Co.	A	0	0	0	0	0	0
24759	American Interstate Ins. Co.	A	1,417	0	1,417	1,417	0	0
24783	DaimlerChrysler Ins Co	A	0	0	0	0	0	0
25038	Lancer Ins Co	N/A	0	0	0	0	0	0
25453	Redland Insurance Co	A	(5)	0	0	0	0	0
25461	Clarendon National Inns Co	A	1,741	0	1,741	1,741	0	0
25585	Merchants and Business Men's Ins Co	N/A	0	0	0	0	0	0
25631	Stonington Insurance Co.	B	0	0	0	0	0	0
25844	NorGuard Insurance Company	A	17,121	0	17,121	17,121	0	0
25992	Midwest Employers Casualty Co	A	20	0	20	20	0	0
26158	AIM Mutual Ins. Co.	A	108,117	36,122	71,995	71,995	0	0
26565	Dorchester Mutual Ins. Co.	A	0	0	0	0	0	0
27103	Main Street American Assurance Co.	A	3,555	0	3,555	3,555	0	0
27154	ACIG Ins. Co.	B	(1)	0	0	0	0	0
27243	LM Ins Corp	B	33,360	29,434	3,925	0	3,925	0
27308	Genesis Insurance Co	A	(4)	0	0	0	0	0
27332	Wausau Business Ins Co	A	574	0	574	574	0	0
27359	First Liberty Ins Corp	B	1,103	0	1,103	0	1,103	0
27391	Travelers Commercial Ins Co	A	0	0	0	0	0	0
27405	Travelers Casualty Co of CT	A	0	0	0	0	0	0
27545	MAPFRE Reinsurance Corp	N/A	0	0	0	0	0	0
27723	Firemen's Ins. Co. of Washington DC	A	10,666	0	10,666	10,666	0	0
27863	California Indemnity Insurance Co	A	0	0	0	0	0	0
27871	Commercial Casualty Ins Co	A	0	0	0	0	0	0
27944	XL Specialty Insurance Co	A	417	0	417	417	0	0

VI 033

Calendar Year 2003 Premiums

Company Number	Company Name	Elected Discount Schedule	Written Premium (\$000)	Residual Market Written Premium (\$000)	Adjusted Voluntary Written Premium			
					Total Written Premium (\$000)	Type A Written Premium (\$000)	Type B Written Premium (\$000)	Type N/A Written Premium (\$000)
28312	Everest National Ins Co	A	0	0	0	0	0	0
28355	Arch Insurance Co.	A	12,100	0	12,100	12,100	0	0
28401	Platte River Ins Co	N/A	0	0	0	0	0	0
29084	AXA Re American Ins Co	B	0	0	0	0	0	0
29211	Atlantic Charter Ins Co	A	27,652	6,313	21,339	21,339	0	0
29386	North American Elite Ins. Co.	A	0	0	0	0	0	0
29432	Pilgrim Ins Co	B	0	0	0	0	0	0
29637	OneBeacon Midwest Insurance Company	N/A	0	0	0	0	0	0
29661	Allmerica Financial Benefit Ins. Co.	A	0	0	0	0	0	0
29734	American Compensation Ins.	A	(157)	0	0	0	0	0
29815	Travelers Commercial Casualty Co	B	0	0	0	0	0	0
29866	Converium Ins Inc	N/A	0	0	0	0	0	0
30147	Property & Casualty Ins. Co. of Hartford	A	0	0	0	0	0	0
30325	Beacon Mutual Insurance Co	B	0	0	0	0	0	0
30406	State National Insurance Company	A	0	0	0	0	0	0
30449	Maine Employers Mutual Ins Co	A	0	0	0	0	0	0
30732	Sirius American Ins. Co	B	0	0	0	0	0	0
30937	Hanover American Ins. Co.	A	(30)	0	0	0	0	0
31720	Chubb Indemnity Insurance Co.	A	13	0	13	13	0	0
31771	Savers Property and Casualty Ins Co	A	7,388	37	7,351	7,351	0	0
31879	Arbella Indemnity Ins Co	A	3,472	0	3,472	3,472	0	0
32239	Preferred Professional Insurance Company	A	0	0	0	0	0	0
32247	Quincy Mutual Fire Ins. Co.	A	0	0	0	0	0	0
32530	Fairfield Ins. Co.	A	2,384	0	2,384	2,384	0	0
33391	Acadia Insurance Company	A	3,881	0	3,881	3,881	0	0
33499	Executive Risk Indemnity Inc	N/A	0	0	0	0	0	0
33669	Atlantic Specialty Ins Co	N/A	0	0	0	0	0	0
33790	Mountain Valley Indemnity Co.	A	186	0	186	186	0	0
33936	EastGuard Insurance Company	A	651	0	651	651	0	0
34681	Great Divide Ins. Co. of N Dakota	A	0	0	0	0	0	0
34738	Allmerica Financial Alliance Ins Co	A	0	0	0	0	0	0
35165	Arbella Protection Ins Co	A	7,150	0	7,150	7,150	0	0
35173	Chubb National Ins Co	A	0	0	0	0	0	0
35718	Endeavour Insurance Co	A	12,989	0	12,989	12,989	0	0
36196	Everest Reinsurance Co	A	6	0	6	6	0	0
36889	MassWest Ins. Co	A	1,439	0	1,439	1,439	0	0
38199	Centre Insurance Company	A	0	0	0	0	0	0
38563	MEMIC Indemnity Co	A	1,682	0	1,682	1,682	0	0
40959	Associated Employers Ins. Co.	B	24,178	0	24,178	0	24,178	0
40991	Safety First Ins. Co.	A	190	0	190	190	0	0
Total			803,661	170,003	636,706	407,261	225,251	4,194

Percentage of Voluntary premium electing Type A Discount: 64%
 Percentage of Voluntary premium electing Type B Discount: 35%
 Percentage of Voluntary premium electing no Discount: 1%

VI 034

Section VI - Expenses
Subsection J - Expense Constant Offset
9/1/05

Section VI - J
Exhibit 1

Calculation of Expense Constant Offset for Policy Effective Period

(1)	Expense Constant Offset for Composite Policy Year 01/02	0.965
(2)	Expense Constant as percent of premium for Composite Policy Year 01/02 = 1.0 - (1)	3.5%
(3)	Expense Constant for Composite Policy Year 01/02	\$199.35
(4)	Factor to bring Composite Policy Year 01/02 premium to premium level of policy effective period	1.20
(5)	Proposed Expense Constant for policy effective period	\$252.19
(6)	Expense Constant as percent of premium for policy effective period = $[(2) \times (5) / (3)] / \{(4) \times (1) + [(2) \times (5) / (3)]\}$	3.7%
(7)	Expense Constant Offset for policy effective period = 1.0 - (6)	0.963

- (1) Section VI - J, Exhibit 5.
- (3) Average of the Expense Constants for Policy Years 2001 and 2002.
- (4) Section III - G, Exhibit 1.
- (5) Section VI - E, Exhibit 1.

VI 035

Section VI - Expenses
Subsection J - Expense Constant Offset
9/1/05

Section VI - J
Exhibit 2

Calculation of Expense Constant Offset for Policy Year 2001

(1)	Expense Constant Offset for Composite Policy Year 01/02	0.965
(2)	Expense Constant as percent of premium for Composite Policy Year 01/02 = 1.0 - (1)	3.5%
(3)	Expense Constant for Composite Policy Year 01/02	\$199.35
(4)	Factor to bring Composite Policy Year 01/02 premium to premium level of Policy Year 2001	1.00
(5)	Expense Constant for Policy Year 2001	\$196.25
(6)	Expense Constant as percent of premium for Policy Year 2001 = $[(2) \times (5)] / (3) / \{(4) \times (1) + [(2) \times (5)] / (3)\}$	3.4%
(7)	Expense Constant Offset for Policy Year 2001 = 1.0 - (6)	0.966

(1) Section VI - J, Exhibit 5.

(3) Average of the Expense Constants for Policy Years 2001 and 2002.

(4) Section III - G, Exhibit 2.

VI 036

Section VI - Expenses
Subsection J - Expense Constant Offset
9/1/05

Section VI - J
Exhibit 3

Calculation of Expense Constant Offset for Policy Year 2002

(1)	Expense Constant Offset for Composite Policy Year 01/02	0.965
(2)	Expense Constant as percent of premium for Composite Policy Year 01/02 = 1.0 - (1)	3.5%
(3)	Expense Constant for Composite Policy Year 01/02	\$199.35
(4)	Factor to bring Composite Policy Year 01/02 premium to premium level of Policy Year 2002	1.00
(5)	Expense Constant for Policy Year 2002	\$202.46
(6)	Expense Constant as percent of premium for Policy Year 2002 = $[(2) \times (5) / (3)] / \{(4) \times (1) + [(2) \times (5) / (3)]\}$	3.5%
(7)	Expense Constant Offset for Policy Year 2002 = 1.0 - (6)	0.965

(1) Section VI - J, Exhibit 5.

(3) Average of the Expense Constants for Policy Years 2001 and 2002.

(4) Section III - G Exhibit 3.

VI 037

Section VI - Expenses
Subsection J - Expense Constant Offset
9/1/05

Section VI - J
Exhibit 4

Calculation of Expense Constant Offset for Calendar Year 2003

(1)	Expense Constant Offset for Composite Policy Year 01/02	0.965
(2)	Expense Constant as percent of premium for Composite Policy Year 01/02 = 1.0 - (1)	3.5%
(3)	Expense Constant for Composite Policy Year 01/02	\$199.35
(4)	Factor to bring Composite Policy Year 01/02 premium to premium level of Calendar Year 2003	1.00
(5)	Expense Constant for Calendar Year 2003	\$204.24
(6)	Expense Constant as percent of premium for Calendar Year 2003 = $\frac{[(2) \times (5)] / (3)}{\{(4) \times (1) + [(2) \times (5)] / (3)\}}$	3.6%
(7)	Expense Constant Offset for Calendar Year 2003 = 1.0 - (6)	0.964

(1) Section VI - J, Exhibit 5.

(3) Average of the Expense Constants for Policy Years 2001 and 2002.

VI 038

Section VI - Expenses
Subsection J - Expense Constant Offset
9/1/05

Section VI - J
Exhibit 5

Expense Constant Offsets

	(1)	(2)	(3)
	Standard Premium Plus ARAP	Expense Constant	(1) / [(1) + (2)] Expense Constant Offset
(1) Policy Year 00/01			
A. First Report	664,650,543	21,068,635	0.969
B. Second Report	668,937,584	21,121,837	0.969
(2) Policy Year 01/02			
A. First Report	747,436,164	27,028,909	0.965

Source: Schedule Z Classification Summaries. Excluding large deductible policies.
(Reference Code 01A)

VI 039

Section VI - Expenses
Subsection K - Acquisition Expenses
9/1/05

Section VI - K
Exhibit 1

MASSACHUSETTS WORKERS' COMPENSATION EXPENSES

Provision for Acquisition Expense including Reinsurer's Expenses

(1) Other Acquisition Expense	2.0%
(2) Average Commission	7.5%
(3) Average Frictional Reinsurance Cost	1.0%
(4) Incidental Income and Earned but Uncollected Premium	0.0%

(5) Acquisition Expense = (1) + (2) + (3) + (4)	10.5%
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- (1) Exhibit 2
- (2) Exhibit 3
- (3) Exhibit 4
- (4) Exhibit 5

VI 040

Section VI - Expenses
 Subsection K - Acquisition Expenses
 9/1/05

Section VI - K
 Exhibit 2

MASSACHUSETTS WORKERS' COMPENSATION EXPENSES

Calculation of Other Acquisition Expense All Companies Combined

	Calendar Year		
	2001	2002	2003
(1) Expense Call Standard Premium	889,832,733	1,015,588,504	905,044,600
(2) Factor to include ARAP	1.038	1.037	1.040
(3) Standard Earned Premium plus ARAP = (1) x (2)	923,761,269	1,053,587,307	941,108,950
(4) Other Acquisition, Field Supervision, Collection Expenses for Home Office and Branch Office, excluding Commissions	30,920,142	38,513,874	36,217,766
(5) Percentage for Other Acquisition Expense = (4) / (3)	3.3%	3.7%	3.8%
(6) Three Year Average		3.6%	
(7) Expense Constant as a percent of Premium		3.7%	
(8) Other Acquisition Portion of Expense Constant		46.7%	
(9) Percent of Premium due to Portion of Expense Constant for Other Acquisition Expense = (7) x (8)		1.7%	
(10) Other Acquisition Expense and Field Supervision exclusive of Expense Constant = [(6) - (9)] / [1.0 - (7)]		2.0%	

Source: Massachusetts Expense Call, Calendar Years 2001 - 2003, Reference Code 04.

- (1) For CY 2001 - 2003, Reported premium excludes ARAP and includes large deductible policies at Standard premium.
- (2) Estimated using Schedule Z data for Composite Policy Years 00/01, 01/02 and 02/03
- (7) Section VI - J, Exhibit 1.
- (8) Section VI - B, Exhibit 4.

VI 041

Section VI - Expenses
Subsection K - Acquisition Expenses
9/1/05

Section VI - K
Exhibit 3

Calculation of Average Commission All Companies Combined

	Calendar Year		
	2001	2002	2003
(1) Expense Call Written Premium	699,771,219	839,999,531	800,042,768
(2) Factor to include ARAP	1.038	1.037	1.040
(3) Written Premium plus ARAP = (1) x (2)	726,452,877	871,428,576	831,922,990
(4) Total Commissions for Agents and Brokers	52,107,584	58,084,487	64,694,343
(5) Percentage for Commissions = (4) / (3)	7.2%	6.7%	7.8%
(6) Three Year Average		7.2%	
(7) Expense Constant as a Percent of Premium		3.7%	
(8) Commission Exclusive of Expense Constant = (6) / [1.0 - (7)]		7.5%	

Source: Massachusetts Expense Calls, Calendar Years 2001 - 2003, Reference Code 04.

(2) Estimated using Schedule Z data for Composite Policy Years 00/01, 01/02 and 02/03

(7) Section VI - J, Exhibit 1.

Reinsurer's Expenses

Year	Percentages of Net Premiums Written ¹					Workers' Compensation Countrywide Written Premiums (In Millions) ²		
	Comm and Brokerage (1)	Other Acq. (2)	General Expenses (3)	Taxes (4)	Total Underwriting Expenses (1) + (2) + (3) + (4) (5)	Ceded (6)	Direct (7)	% Ceded (6) / (7) (8)
1	20.4	3.6	3.0	0.3	27.3	3,750	32,142	11.67
2	20.9	3.6	3.4	0.3	28.2	4,563	35,389	12.89
3	18.7	3.4	3.0	0.3	25.4	5,093	36,086	14.11
4	20.4	3.6	3.1	0.2	27.3	5,318	33,730	15.77
5	19.6	3.4	3.2	0.1	26.3	4,859	33,790	14.38
6	18.3	3.1	2.6	0.1	24.1	4,180	31,123	13.43
7	20.3	3.2	2.4	0.1	26.0	2,599	28,446	9.14
8	22.3	3.8	2.6	0.4	29.1	2,310	27,033	8.55
9	20.7	4.1	2.9	0.2	27.9	1,624	26,275	6.18
10	21.1	4.8	3.3	0.2	29.4	1,686	26,648	6.33
11	18.3	3.8	2.7	0.2	25.0	1,880	26,962	6.97
12	19.3	3.3	2.4	0.8	25.8	2,124	29,265	7.26
13	18.2	3.8	2.5	0.3	24.8	2,491	31,694	7.86
14	20.3	3.7	2.7	0.4	27.0	3,540	42,433	8.34
15	18.7	4.2	2.7	0.6	26.2	3,567	48,307	7.38
Average	19.8	3.7	2.8	0.3	26.7			10.02
Ceding Commissions Offset	0.6							
Adjusted Average	7.9	3.7	2.8	0.3	14.8			10.02
Implied Frictional Reinsurance Costs Relative to Direct Premiums (as a %)					1.47%			
Selected Frictional Reinsurance Costs Relative to Direct Premiums					1.00%			

Source: Best's Aggregates and Averages

¹ Insurance Expense Exhibit database - By Line Underwriting Experience, page 500 (year 2003)

² Underwriting and Investment Exhibit, Part 1B, page 144 (year 2003)

VI 043

Section VI - Expenses
 Subsection K - Acquisition Expenses
 9/1/05

Section VI - K
 Exhibit 5

Effect of Incidental Income and Earned but Uncollected Premium (Premium in \$000)

	Policy Year		
	2000	2001	2002
(1) Standard + ARAP Earned Premium excluding Large Deductible policies	681,632	718,000	789,017
(2) Standard + ARAP Earned Premium for Large Deductible policies	162,550	218,434	224,982
(3) Standard + ARAP Earned Premium for all policies = (1) + (2)	844,182	936,435	1,014,000
(4) Incidental Income	(53)	(39)	(103)
(5) Earned but Uncollected Premium	1,304	2,103	1,800
(6) Net Effect of Incidental Income and Earned but Uncollected Premium = [(4) + (5)] / (3)	0.1%	0.2%	0.2%
(7) Three Year Average		0.2%	
(8) Selected Effect of Incidental Income and Earned but Uncollected Premium		0.0%	

Note:

- (1) Financial Aggregate Data (Reference Code 02A).
- (2) Large Deductible Call (Reference Code 14A).
- (4),(5) From Call #25.

VI 044

Section VI - Expenses
Subsection L - Adjustment for Large Deductible Policies
9/1/05

Section VI - L
Exhibit 1
Page 1

Adjustment to the Adjusting and Other Expense Provision

	Calendar Year		
	2001	2002	2003
(1) Average premium reduction for Large Deductible policies	75.9%	79.9%	84.3%
(2) Loss Elimination Ratio (LER) for Large Deductible policies = (1) x 1.111	84.3%	88.7%	93.6%
(3) Market share (Standard Premium basis) of Large Deductible policies	21.8%	23.2%	22.2%
(4) LER for Full Coverage plus Large Deductible policies = [(2) x (3)] + { 0.0% x [100% - (3)] }	18.4%	20.6%	20.8%
(5) Factor to adjust the Adjusting and Other Expense provision = [1.0 - (4)] / [1.0 - (4) / 2.0]	0.899	0.885	0.884

- (1) Exhibit 2, row (7).
- (2) Section VI - L, Exhibit 1, Page 2.
- (3) Exhibit 2, row (8).
- (5) Assumes 50% of AOE vary directly with losses.

VI 045

Section VI - Expenses
 Subsection L - Adjustment for Large Deductible Policies
 9/1/05

Section VI - L
 Exhibit 1
 Page 2

Loss Elimination Ratio for Large Deductible Policies

Formulas to derive Factor

D = Premium Reduction for Large Deductible Policies

LER = Loss Elimination Ratio

ELARD = (ELAR for Portion of Loss + LAE that varies with deductible)
 assume to be: Loss + DCCE + (1/2 x AOE)

$D = [LER \times ELARD] / [100\% - (Variable\ Expense)]$

$LER = D \times [100\% - (Variable\ Expense)] / ELARD$

Provisions Underlying the Adjustment of the Adjusting and Other Expense Ratio

Expense Provisions: Provisions approved for rates effective 9/1/03, for Voluntary policies.	<u>Percentage of Standard Premium</u>
Variable Expenses (VE):	
Acquisition	10.0%
Premium Discount	4.9%
Premium Taxes	2.2%
Profit	-5.8%
Insolvency Fund Assessment	-0.9%
Residual Market Subsidy	0.6%
	11.0%
Fixed Expenses (FE):	
General + Misc. Tax	5.9%
Fixed Adjusting and Other Expenses	3.5%
Assumes that half of AOE is fixed and half varies with losses = LAE x ELR x 50% x 50% = 20.4% x 69.5% x 50.0% x 50.0%	
	9.4%
Expected Loss and DCCE Ratio (ELARD):	
ELR without LAE	69.5%
Defense and Cost Containment Expense	7.1%
Assumes LAE split into DCCE and AOE evenly = LAE x ELR x 50% = 20.4% x 69.5% x 50.0%	
Variable Adjusting and Other Expense see above note for Fixed AOE	3.5%
	80.1%

100% - Variable Expenses = 89.0%
 ELARD = 80.1%

LER = D x **1.111**

VI 046

Section VI - Expenses
 Subsection L - Adjustment for Large Deductible Policies
 9/1/05

Section VI - L
 Exhibit 2

Average Large Deductible Premium Reduction and Large Deductible Market Share (Premium in \$000)

		Policy Year			
		2000	2001	2002	2003
(1)	Standard Earned Premium excluding Large Deductible policies	658,013	693,021	761,220	416,741
(2)	Earned Premium Net of Deductible for Large Deductible policies	40,622	50,080	37,975	16,829
(3)	Standard Earned Premium for Large Deductible policies	161,934	216,481	222,321	116,772
(4)	Standard Earned Premium for all policies = (1) + (3)	819,947	909,503	983,541	533,513
(5)	Average premium reduction for Large Deductible policies = 1.000 - (2) / (3)	74.9%	76.9%	82.9%	85.6%
(6)	Market share (Standard Premium basis) of Large Deductible policies = (3) / (4)	19.7%	23.8%	22.6%	21.9%

		Calendar Year		
		2001	2002	2003
(7)	Average premium reduction for Large Deductible policies = Average of PY-1 and PY	75.9%	79.9%	84.3%
(8)	Market share (Standard Premium basis) of Large Deductible policies = Average of PY-1 and PY	21.8%	23.2%	22.2%

Note: For Calendar Years 2001 - 2003, premium reported on Expense Call includes large deductible policies at Standard premium.

(1) Financial Aggregate Data (Reference Code 02A).
 (2),(3) Large Deductible Call (Reference Code 14A).

UNDERWRITING PROFIT PROVISION**Background**

For many years prior to 2003, workers' compensation rate filings in Massachusetts utilized the Myers-Cohn (M-C) model to establish underwriting profit provisions. In the 2003 filing, however, the WCRIB relied on a different approach, known as the internal rate of return (IRR) model. The Commissioner approved the use of the IRR in her decision on 2003 rates.¹ The WCRIB continues to rely on the use of an IRR model in this filing.

Fundamental principles of economics imply that the price of insurance should be set to cover the expected value of future costs associated with the risk transfer under consideration.² In addition to losses and expenses, one of these costs is the cost of capital; there must be a provision in the rates that compensates investors for the opportunity cost of the capital committed to the insurance activity. The underwriting profit provision is the component of the rate that, taken along with investment income, should provide insurers a fair total rate of return.

This suggests that to set an underwriting profit provision in insurance rates, one should first establish an estimate of the fair and reasonable rate of return, and then

¹ See, for example, page 40: "For the following reasons, we conclude that use of an IRR model for the underwriting profits provisions will be superior to the M-C model."

² This is simply the insurance specific application of the general proposition that price should equal marginal cost. This is not only a principle of economics; basic precepts of actuarial science require the same thing. See, for example, the CAS Statement of Principles on Property Casualty Insurance Ratemaking, or the Standard of Practice on Rate Of Return in Ratemaking.

VIII 002

select a profit provision that produces that fair return. Such an analysis is consistent with the traditional practice in regulated industries, where rates include allowances for the expected costs of providing the regulated product or service, along with a provision for a fair rate of return on the capital required to produce the regulated product or service. This type of procedure comports with the legal standard under which fair regulation is applied, as articulated in the Hope Natural Gas decision of the U.S. Supreme Court.³ It is also consistent with the procedures relied upon in Massachusetts for the regulation of public utilities.

To that end, the WCRIB requested that David Appel and his colleagues at Milliman, Inc. assist the WCRIB's staff in developing a procedure for setting the profit factor in workers' compensation rates that will yield insurers a fair and reasonable return on the equity invested in support of the insurance transaction. Dr. Appel has performed the following analyses for the WCRIB:

1. He has estimated the cost of capital, or fair rate of return, insurers should be allowed for bearing the risk of underwriting workers' compensation insurance in Massachusetts.
2. He has assisted the WCRIB in developing a discounted cash flow model (the IRR model) to estimate the underwriting profit factor required to yield the previously determined fair rate of return.

³ The Hope decision states, in part, that "...the return to the equity owner should be commensurate with the returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital." Federal Power Commission v. Hope Natural Gas Co., 320 U.S. 591, 603 (1944).

VIII 003

3. He has utilized the WCRIB's IRR model, using assumptions and cash flow patterns specific to Massachusetts workers' compensation insurance, to derive an underwriting profit factor that is consistent with the current cost of capital. This is the underwriting profit factor used in this rate filing.

Dr. Appel's role in preparing the present rate filing has been slightly different than his role in the previous filing. In the 2003 filing, Milliman was engaged by the WCRIB to develop a cost of capital and IRR methodology for the WCRIB's use. At that time, Dr. Appel utilized Milliman's cost of capital methodology and also developed a proprietary IRR model that the WCRIB relied upon in its rate filing. During the course of the hearing, however, questions were raised about the use of proprietary models to develop rates in a public proceeding. To address those concerns, the WCRIB decided this year to develop its own IRR model, which would be available to the public and not subject to the confidentiality requirements of the Milliman models. In developing its model, the WCRIB took advantage of Milliman's substantial experience in developing and testing such models. Dr. Appel assisted the WCRIB's staff in designing its model, reviewed the programming and implementation of the design, and tested the model's output for reasonableness. As in 2003, the WCRIB relied on Dr. Appel to estimate the cost of capital.

Our calculated underwriting profit provision is 0.93%. Section VIII-A, Exhibit 1, summarizes this calculation. The IRR model and the cost of capital calculation are actuarially sound and produce a rate in the statutorily required range of reasonableness. We therefore ask that the Commissioner approve their use.

VIII-B and VIII-C – Internal Rate of Return and Cost of Capital

In Section VIII-B we present the IRR model we have constructed and implemented with Dr. Appel's assistance, along with the exhibits generated by the model. In Section VIII-C we present Dr. Appel's analysis of the cost of capital, with a detailed appendix describing the methods he used.

VIII-D – Leverage Ratio

In the WCRIB's previous filing, the IRR model established the level of surplus under the assumption that the written premium to surplus ratio was 2:1. During the course of the 2003 hearing, arguments were raised that surplus should be allocated to workers' compensation based on the level of reserves, not premium. In this filing, the amount of surplus is estimated using a total reserve to surplus ratio, as was approved in the Commissioner's recent decision on 2005 automobile insurance rates.

In calculating the reserves to surplus ratio, we use data for commercial casualty composite from Best's Aggregates and Averages. We estimate this ratio by using an average of five years of data for loss and LAE reserves, plus unearned premium reserves. The calculation of the ratio is shown in Exhibit 1.

VIII-E - Premium Flow

This year, in an effort to improve the accuracy of the profit model, the Bureau has updated the premium cash flow. In order to construct a new flow, a special premium payment call was made to representative group of carriers. The call obtained a random

sample of fifty complete-year guaranteed cost (non large deductible) policies with policy effective dates in 2001 that include premiums related to Massachusetts' workers' compensation exposures. The premium flow used in the profit model is shown in Exhibit 1.

VIII-F - Expense Flows and Weights

The expense flows used by the WCRB this year are weighted averages of separately determined flows for commissions, premium and other taxes, general expenses, other acquisition expenses, loss and loss adjustment expenses, premium discount and reinsurance expenses. In the current filing, separate policy year 2001 and policy year 2002 weights are calculated for general expense, miscellaneous and other taxes, and loss and loss adjustment expenses. The average of the two policy year weights is used in the IRR model.

The resulting expense flows appear in Table II-A of the IRR display (Section VIII-B, Exhibit 2, page 1). All flows in the IRR model have been converted to a policy year basis from their original form as single policy flows.

General Expense

The results of a study of general expense flow patterns were reported in the July 13, 1977 filing. General expenses were divided into general administration, audit, inspection and Bureau expenses. A time line was constructed to indicate a particular type of expenditure's distance from the effective date of a typical policy. Expenses by cost

center, including home and field office expenses, were analyzed to establish how the pattern of such expenses relates to the effective date of a policy. The combination of all such expense patterns resulted in the overall general expense pattern listed in Exhibit 2.

Other Acquisition Expense

The distribution of other acquisition costs was estimated from the same time pattern study that was used for general expenses. Marketing field offices and services, billing and collection, policy issuance and advertising expenses were examined to see when they arise with relation to the issuance of a policy. The combination of all such expense patterns resulted in the other acquisition expense pattern listed in Exhibit 2.

Premium and Other Taxes

The premium tax liability for any individual policy is assumed to be incurred and paid as the policy is written. The payment pattern for other taxes, which remains unchanged, was estimated from the same time pattern study that was used for general expenses.

Commissions and Premium Discount

We assume that the commission and premium discount flow patterns coincide with the paid premium flow.

Reinsurance Expenses

In this filing we are including a provision to reflect the estimated net cost of reinsurance to insurers. We assume that the reinsurance expense flow pattern coincide with the earned premium flow.

Loss Adjustment Expense

The Direct and Cost Containment Expense (DCCE) flow is assumed to have the same pattern as the loss flow as shown in Section VIII-F, Exhibit 3. This corresponds to an assumption that on average DCCE payments occur at approximately the same time as claim payments.

The pattern of the Adjusting and Other Expense (AOE) flow is assumed to be the same as the average of the loss flow and an earned premium flow. This corresponds to an assumption that on average half of the AOE payments are made as accidents occur over the course of the policy effective period and that the other half of the AOE payments are made as claims are paid.

The weights given to each of these flows have been calculated from data in Section VI-D, Exhibit 1.

Expense Flow Weights

The weights used to combine the various expense flow patterns into final expense flows are calculated using the expense provisions from Section VI.

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Acquisition expenses, premium taxes and premium discounts are treated as varying in proportion to standard premium plus ARAP. Loss adjustment expenses are treated as varying in proportion to losses. General expenses and other taxes are treated as fixed expenses.

Since the total premium amount will vary with the profit provision, and since losses, loss adjustment expense and fixed expense amounts are all treated as not varying with premium levels, the proportion of premium attributable to losses, LAE and fixed expenses depends on the underwriting profit provision. Thus their weights relative to those items that vary in proportion to total premium will change as the profit provision does but their weight relative to each other will not.

VIII-G - Loss Flows

The WCRB has updated both the medical and the indemnity loss flows used in determining the profit provision. The WCRB has used the most recent available financial aggregate data to derive estimates of the patterns of loss payments. The combined loss flow used in the profit model, which reflects a weighted average of the medical and indemnity flows, appears in Table II-A of the IRR display (Section VIII-B, Exhibit 2, page 1). The aggregated flow on a single policy basis is shown in Exhibit 1.

Medical Loss Flow

The flow for medical losses is based on Accident Year Financial Aggregate Data (see Exhibit 2, Page 1). The estimate of ultimate medical losses for each accident year is calculated using a medical tail factor from Section II.

We compute the loss development factors from the averages of the latest two year link ratios for each reporting interval until the 20th report. Beyond that report, the selected percentage of paid to ultimate has been extended geometrically. We calculate the percentage of losses paid by taking one over the loss development factors to ultimate. The resulting medical loss flow is shown in Exhibit 1.

Indemnity Loss Flow

The flow for indemnity losses has been derived from the financial aggregate data using a method identical to the method we used for medical losses except that the indemnity losses have been adjusted for escalation of benefits (see Exhibit 1, column (5)). The indemnity financial aggregate data and loss flows are shown in Exhibit 2, page 2.

Exhibit 1 shows the final combined medical and indemnity loss flow.

VIII-H - Portfolio Rate of Return**Portfolio Composition**

In previous filings, the mix of securities in the insurance industry asset portfolio was based on data compiled by the Federal Reserve Bank (known as the Federal Reserve Flow of Funds data). A more complete (and more reliable) source for this

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information, however, is A.M Best's Aggregates & Averages. Best's is the single most widely recognized source of insurer financial data, and is the source that is routinely relied upon for insurer asset information. Not only are these data compiled directly from insurer annual statements, but they also contain substantially more detail on the mix and maturity of bonds than does the Flow of Funds data. Hence this is a preferred source for estimating the mix of securities in the insurer asset portfolio.

We begin our calculation of the portfolio rate of return by assigning weights to each of nine categories of assets: cash and short-term investments; government securities and other taxable bonds including public utilities and industrials; tax exempt bonds including bonds issued by states and territories and special revenue bonds; common stocks; real estate (the sum of real estate investments, offices and sales); and preferred stocks. We assign weights using data from Best's Aggregates and Averages Property Casualty, 2004 edition for total US Property and Casualty Industry (Exhibit 1, page 2). The weights are shown in the "Proportion" column of Exhibit 1, Page 1.

Investment Yields

In the past the WCRIB has relied on 12-month average yields to estimate expected future investment income. It is more appropriate, however, to rely on more recent data for this purpose, as it is more likely to be predictive of future investment earnings. In the IRR used this year, the WCRIB has relied on yields average over the last 3 months, as opposed to the 12-month averages previously used.

VIII 011

We use the return on 3-month T-bills to estimate the pre-tax return for cash and short-term investments (3-month average from Exhibit 2, page 2). The pre-tax returns on bonds shown in the next column are taken from Exhibit 2, page 1. Using industrywide allocations of bonds by class and maturity from Best's Aggregates and Averages, we calculate (in Exhibit 3) the percentages of bonds in each class. Using yields developed from the data shown on Exhibit 4, we calculate an average yield (based on a 3-month average of yields) for each of the bond categories included in the Best's data (Exhibit 2, page 1). We derive the pre-tax return on common stocks using a three horizon CAPM calculation, assuming that these assets have a beta of 1. The pre-tax return on real estate is the sum of the 3-month treasury rate and the real estate differential of 3.94% taken from Ibbotson and Siegel, "Real Estate Returns: A Comparison with Other Investments". The pre-tax return on preferred stocks is taken from the yield data in Exhibit 2, page 2.

Market Risk Premium

We use market returns from 1926-2004 to calculate the short term, intermediate term and long term market risk premium used to calculate the yield on stocks. The calculation, shown on Exhibit 4, uses data drawn from the 2004 Ibbotson & Associates *Year Book*.

Investment Expenses

The WCRIB has relied on the same data source for this value as for the asset portfolio, A.M Best's Aggregates & Averages. This is appropriate. Since investment

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yields are estimated based on the actual portfolios held by insurers, it is consistent to estimate the reported investment expenses that are associated with those portfolios.

We subtract after-tax investment expenses from after-tax returns in Exhibit 1. In Exhibit 5 we calculate investment expenses using data from Best's Aggregates and Averages. The pre-tax average investment expense carried to Section VIII-H, Exhibit 1, page 1 is 0.47%.

Tax Rate on Common Stocks

We calculate the effective tax rate on common stock in Exhibit 6. The effective tax rate for capital gains on common stocks is shown in Exhibit 6, page 2. That rate is based on a 36% turnover ratio, taken from an AIB study of Massachusetts auto insurers portfolio stock sales.

Combining a tax rate of 14.18% for common stock dividends and of 33.56% on capital gains, we derive an overall average tax rate of 31.04% (Exhibit 6, page 1).

Overall Result

The after-tax portfolio rate of return used in this filing is 3.32%.

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Section VIII - Profit
Subsection A - Summary
9/1/2005

Section VIII - A
Exhibit 1

Summary Exhibit

IRR Profit Provision ¹	0.93%
Cost of Capital ²	
Equity DCF	9.73%
Equity CAPM	10.98%
Debt	5.79%
Debt/Equity Ratios	0.15 / 0.85
Weighted Cost of Capital	9.68%
Portfolio Rate of Return ³	
Investment Expense	0.47%
Pretax Return on Assets	4.44%
Tax Rate	25.35%
After-Tax Return on Assets	3.32%
Leverage Ratio ⁴	
Reserves to Surplus	2.37%

Notes:

¹ From Section VIII-B, Exhibit 1.

² From Section VIII-C, Exhibit 1.

³ From Section VIII-H, Exhibit 1, page 1.

⁴ From Section VIII-D, Exhibit 1.

UNDERWRITING PROFIT PROVISION**INTERNAL RATE OF RETURN MODEL****Internal Rate of Return (IRR) Model: General Considerations**

The objective of this analysis is to estimate the profit provision to be included in Massachusetts workers' compensation rates. Once the fair rate of return has been estimated, one needs to determine the underwriting profit provision that will yield a total return on equity (including both underwriting and investment income) equal to the fair return. The internal rate of return (IRR) methodology, applied to the Massachusetts workers' compensation insurance transaction, is used for this purpose.

In general, the IRR model estimates the cash flows attributable to an investment decision, and then calculates the rate of return embodied in those cash flows. As applied to insurance, the IRR model estimates the cash flows attributable to the sale of insurance coverage, and calculates the rate of return they will produce. Virtually every textbook on modern corporate and managerial finance cites the IRR, along with the net present value method, as the most widely supported investment decision-making rules currently known. Furthermore, many insurers rely on precisely this model to estimate the expected rate of return associated with alternative insurance transactions.

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The IRR methodology has several features that make it particularly appealing for use in rate regulation.

1. An IRR analysis is prospective, and therefore consistent with both actuarial principles and regulatory standards.

Discounted cash flow models, such as the IRR, attempt to estimate the rate of return attributable to the policies sold in the future. From a financial perspective this is the essence of the rate approval process: to set a price that yields a fair rate of return on the insurance contracts sold under the proposed rates. Alternative approaches, such as accounting models, attempt to estimate the rate of return that will be earned by the insurance company next year, assuming a proposed set of rates is approved. While this is no doubt an interesting question, it is not directly related to the primary economic issue in rate regulation – the return to the policies sold under a set of proposed rates.

2. An IRR analysis accounts for all investment income on both policyholder and investor supplied funds.

One crucial aspect of the IRR is its ability to account for investment income in ratemaking. In essence the intention is to credit the investment income insurers expect to earn in the time period between the sale of policies and the payment of

all losses and expenses. This investment income is then used as an offset against premium requirements.

The IRR model accounts for all such income based on the investment yields insurers can expect to earn when the investible funds are received. Moreover, it accounts for all the income that will be earned by the investment of funds provided by, or on behalf of, future policyholders.

3. An IRR analysis accounts for the time value of money.

The cash flows for some lines of insurance can extend for literally decades after the sale of the policy. In such a case the relative value of the income stream that occurs in future years should be discounted to obtain its present value. Only in this fashion can insurers make rational decisions regarding the comparison of alternative investment opportunities.

Virtually every textbook on modern financial theory recommends discounted cash flow techniques for evaluating investments that pay returns over a period of years into the future. This is because such techniques place all investments on a common footing: that is, they evaluate the future cash flows in the context of the present. This is the only sound basis for comparing alternatives.

VIII 017

4. An IRR analysis accounts for federal income taxes.

The impact of taxes on insurance rates of return can be substantial, particularly given the special provisions of the internal revenue code applied to insurers. These provisions generally affect the timing of taxable income, and the only way to correctly account for them is to look at the flow of taxes over time, which can be readily accomplished using the IRR model.

The IRR model focuses solely on the policy or block of policies that will be sold when the approved rates are actually in effect. These are exactly the policies for which the rate of return should be calculated, as they are the ones to which the rates will apply. To calculate the rate of return, the IRR follows these policies through their lifetime, estimating in each time period the actual cash flows that accrue to the insurer. These cash flows include the following:

1. Premiums
2. Losses
3. Loss Adjustment Expenses
4. Other Expenses
5. Taxes
6. Investment Income
7. Surplus

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Section VIII – Profit
Subsection B – IRR Model
9/1/05

Section VIII- B
Page 5

In principle, when an insurer sells a policy it sets into motion a series of events, including the collection of premium, the payment of losses, expenses and taxes, the earning of investment income and the commitment and later release of surplus. Each one of these cash flows is estimated quarterly for the first six years and yearly after that, to calculate the final flow of funds to and from the equity of the insurer. In essence it is an estimate of the "cash in, cash out" attributable to the policies sold at a given rate. Once the final cash flows are known, the internal rate of return is then calculated; it is simply the interest rate that discounts the stream of final investor cash flows to yield a net present value of zero. This can be interpreted as the compound annual rate of return, or the yield to maturity, of the investment.

Although the model may appear complex, the underlying concepts are quite straightforward. Furthermore, the general ideas behind discounted cash flow models are common to a wide range of financial analyses. A very simple example illustrates these concepts.

Consider an investor placing \$120 at risk in support of an insurance policy. This is the initial contribution of equity, from which a series of cash flows will develop. Let us assume that after all the events have taken place this set of policies will pay the investor the following amounts at the end of each indicated time period:

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Section VIII – Profit
Subsection B – IRR Model
9/1/05

Section VIII- B
Page 6

<u>Year</u>	<u>Cash Flow</u>
1	\$55.00
2	\$48.40
3	\$39.90

After year 3 the transaction is over; that is, it produces no further cash flows to the investor. In this case the internal rate of return on the investment is 10%. This is calculated as follows:

<u>Year</u>	<u>Cash Flow</u>	<u>Present Value at 10% interest</u>
0	-\$120.00	-\$120.00
1	\$55.00	\$ 50.00
2	\$48.40	\$ 40.00
3	\$39.90	\$ 30.00
Total	\$23.30	0

Ten percent is the interest rate that discounts the set of cash flows to a net present value of zero. Thus, for the investor who makes a \$120 investment today, with the expectation of future earnings as indicated in the table above, the compound annual return on the equity investment is 10%. While the cash flows that derive from a real insurance transaction are substantially more complicated, the procedure for discounting them to present value is identical.

The IRR for Massachusetts Workers' Compensation Insurance

The implementation of the IRR in this filing is designed to set an appropriate underwriting profit to be included in the rates. The IRR model is used to find the underwriting profit factor that would produce a rate of return equal to the current cost of capital. To the extent that the profit factor is set too high, the estimated IRR will exceed the cost of capital, while if the profit factor is set too low, the IRR will fall short of the cost of capital.

In the context of insurance ratemaking, it is appropriate to use the cost of capital as the “target” rate of return in the IRR. If the allowed rates produce an expected return at least equal to the cost of capital, insurers will “invest”, by providing adequate capacity and offering coverage in the market. However, when the rate of return falls below the cost of capital, insurers have a tendency to restrict underwriting and withdraw capacity from the market. Thus, from the regulatory perspective, setting an underwriting profit that yields a rate of return equal to the cost of capital balances the interests of insurers and policyholders.

This section of the filing contains a series of spreadsheets that portray the cash flows arising from the sale of Massachusetts workers' compensation insurance policies during the coming year, the year the approved rates will be in effect. As can be seen from the first page of the exhibits to this Section VIII-B, the rates are set such that with a model

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underwriting profit of 0.93%, insurers can expect to earn a return of 9.68%, exactly equal to the cost of capital.

The WCRIB estimated the IRR with information available as of January 1, 2005, the most recent available data. The model reflects the cash flows arising from a policy year of activity, which in this context is defined as the financial transactions associated with the block of policies sold during a given calendar year. The policy year is the relevant period of analysis for the insurers subject to the approved rates, because for Massachusetts workers' compensation insurers, all the policies sold during the coming year will be at these rates.

The IRR analysis displayed in the exhibits to this Section VIII-B is composed of six tables, as follows.

Table I identifies the WCRIB's assumptions concerning the net loss and expense provisions, investment income yield, and the operating characteristics of insurers.

Table II provides the cash flow patterns and amounts for premium collection, payment of losses and expenses calculated by the WCRIB. The cash flow patterns for a single policy were converted to a policy year basis by assuming that policies were sold uniformly throughout the year.

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For Tables III through VI, all values are derived from previous calculations in the model, with the exception of the tax credits in Table IV-A, which rely on IRS discount factors and an accident year payment pattern for discounting, as required by law.

Table III presents the flow of premiums available to pay expenses after accounting for loss, loss adjustment expense, and unearned premium reserves.

Table IV-A presents the tax credits and liabilities arising from the insurance operations, with special attention to the implications of the Tax Reform Act of 1986.

Table IV-B presents the funds from the underwriting operation after accounting for reserves, payment of expenses, and income tax liabilities and credits.

Table V derives the amount of funds available for investment. These funds comprise the funds held in loss, loss adjustment expense, and unearned premium reserves less agents' balances, and the surplus that supports the liabilities in this analysis.

Table VI presents the net cash flow to and from the Massachusetts workers' compensation insurance operations. This net cash flow is the sum of the funds from the underwriting operation, income expected from the investment of reserves and surplus, and the flow of surplus to and from this business.

Additional IRR Issues

In the course of the 2003 rate hearing, a number of issues arose relating to the specific implementation of the IRR model for workers' compensation ratemaking in Massachusetts. In addition, the WCRIB has made several changes in the model to make it more internally consistent.

Deferred Tax Assets: Under the new statutory accounting rules applicable to property casualty insurers, insurers may establish a balance sheet asset relating to the tax credits that will emerge in the future as a result of the loss discounting and revenue acceleration provisions of the 1986 Tax Reform Act. The IRR model used in this filing appropriately reflects those deferred tax assets.

Tax Credits on Debt: Because the WCRIB has considered debt in determining the cost of capital, it is appropriate to reflect the tax deductibility of debt interest. The IRR model reflects the tax deductions attributable to the interest payments on debt.

IRR Results

As shown in Table I of this Section, given the assumptions in the filing regarding losses, expenses, investment yields and cash flow patterns, if the model underwriting profit is set to 0.93%, as proposed by the WCRIB, Massachusetts workers' compensation

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insurance would be expected to produce a rate of return on equity equal to the cost of capital of 9.68%. Since the underwriting profit provision is set specifically to yield this fair and reasonable return on equity, if the actuarial projections underlying the rates are reasonable, the rates as filed must be reasonable and satisfy the regulatory requirement that they be neither excessive nor inadequate.

It is notable that this year, for the first time in many years, the WCRIB is proposing a positive underwriting profit for workers' compensation rates in Massachusetts. While this result may appear unusual, it is by no means either unreasonable or unprecedented. There is nothing in the theory of insurance ratemaking that suggests that workers' compensation underwriting profits should always be negative. Such a result frequently arises because workers compensation, being a rather long-tailed line of business, produces sufficient investment income so that the required total return on equity can be achieved from the investment of reserves and surplus alone. However, in today's current interest rate environment, with very low yield rates, the amount of income from investments is not adequate to produce a return equal to the cost of capital. As a consequence, the line must produce a positive underwriting profit to generate a fair and reasonable return on capital.

VIII 025

Section VIII - Profit
 Subsection B - Internal Rate of Return Model
 9/1/2005

Section VIII-B
 Exhibit 1

INTERNAL RATE OF RETURN ANALYSIS WCRIB OF MA		
TABLE I: ASSUMPTIONS AND INTERNAL RATE OF RETURN		
-- ASSUMPTIONS --		
(1)	LOSS AND LAE RATIO	77.20%
(2)	COMMISSIONS	7.48%
(3)	GENERAL EXPENSES	4.34%
(4)	OTHER ACQUISITION EXPENSES	1.97%
(5)	PREMIUM TAXES	2.18%
(6)	MISCELLANEOUS AND OTHER TAXES	0.68%
(7)	REINSURANCE EXPENSES	1.00%
(8)	PREMIUM DISCOUNT	4.21%
(9)	PROFIT	0.93%
(10)	INVESTMENT INCOME	
	(A) PRE-TAX RETURN ON ASSETS	4.44%
	(B) POST-TAX RETURN ON ASSETS	3.32%
(11)	LOSS RESERVE TO SURPLUS RATIO	2.37
(12)	PREMIUMS WRITTEN	1,000
(13)	COLLECTED PREMIUM	1,000
(14)	FEDERAL DISCOUNT RATE FOR TAXES	4.82%
PROFIT PROVISION		0.93%
INTERNAL RATE OF RETURN		9.68%

Notes:

(1) - (8): From Section VIII-F, exhibit 1 (average of the two policy years).

(1), (3), (6) are divided by the rate change

(9)=1.0-[(1)+(2)+(3)+(4)+(5)+(6)+(7)+(8)]

(10): From Section VIII-H, exhibit 1

(11): From Section VIII-D, exhibit 1

(14): Current Rate specified in IRS regulations (Internal Revenue Bulletin: 2004-49)

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INTERNAL RATE OF RETURN ANALYSIS WCRIB OF MA

TABLE II-B: CASH FLOWS

TIME INTERVAL		(1) PREMIUM COLLECTED	(2) LOSS PAYOUT	(3) COMMISS. & BROKER.	(4) GENERAL EXPENSES	(5) OTHER ACQ. EXPENSES	(6) PREMIUM TAXES	(7) MISC. AND OTHER TAXES	(8) REINS. EXPENSES	(9) PREMIUM DISCOUNT
FROM	TO									
1/1/2005	3/31/2005	0.00	0.00	0.00	0.06	0.05	0.00	0.01	0.00	0.00
4/1/2005	6/30/2005	0.00	0.00	0.00	0.16	0.25	0.00	0.03	0.00	0.00
7/1/2005	9/30/2005	0.00	0.00	0.00	1.06	0.70	0.00	0.17	0.00	0.00
10/1/2005	12/31/2005	0.00	0.00	0.00	3.10	2.10	0.00	0.54	0.00	0.00
1/1/2006	3/31/2006	47.20	5.41	3.53	5.38	3.81	2.79	0.96	0.32	1.99
4/1/2006	6/30/2006	118.21	15.78	8.84	6.94	4.39	5.32	1.19	0.93	4.98
7/1/2006	9/30/2006	167.48	26.35	12.53	7.16	4.07	5.42	1.19	1.56	7.06
10/1/2006	12/31/2006	198.44	36.98	14.84	6.09	2.76	5.48	0.95	2.18	8.36
1/1/2007	3/31/2007	173.10	43.06	12.95	4.74	1.01	2.83	0.64	2.18	7.29
4/1/2007	6/30/2007	115.40	44.39	8.63	3.62	0.25	0.00	0.45	1.57	4.86
7/1/2007	9/30/2007	74.63	45.75	5.58	2.66	0.17	0.00	0.33	0.94	3.14
10/1/2007	12/31/2007	47.00	47.13	3.52	1.69	0.12	0.00	0.21	0.32	1.98
1/1/2008	3/31/2008	30.24	45.68	2.26	0.67	0.05	0.00	0.09	0.00	1.27
4/1/2008	6/30/2008	14.70	41.41	1.10	0.06	0.00	0.00	0.01	0.00	0.62
7/1/2008	9/30/2008	6.66	37.12	0.50	0.00	0.00	0.00	0.00	0.00	0.28
10/1/2008	12/31/2008	3.87	32.80	0.29	0.00	0.00	0.00	0.00	0.00	0.16
1/1/2009	3/31/2009	2.21	29.00	0.17	0.00	0.00	0.00	0.00	0.00	0.09
4/1/2009	6/30/2009	0.86	26.00	0.06	0.00	0.00	0.00	0.00	0.00	0.04
7/1/2009	9/30/2009	0.00	22.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10/1/2009	12/31/2009	0.00	19.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2010	3/31/2010	0.00	17.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4/1/2010	6/30/2010	0.00	15.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7/1/2010	9/30/2010	0.00	13.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10/1/2010	12/31/2010	0.00	11.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2011	3/31/2011	0.00	9.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4/1/2011	6/30/2011	0.00	8.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7/1/2011	9/30/2011	0.00	7.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10/1/2011	12/31/2011	0.00	6.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2012	12/31/2012	0.00	19.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2013	12/31/2013	0.00	13.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2014	12/31/2014	0.00	9.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2015	12/31/2015	0.00	7.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2016	12/31/2016	0.00	6.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2017	12/31/2017	0.00	4.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2018	12/31/2018	0.00	4.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2019	12/31/2019	0.00	4.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2020	12/31/2020	0.00	4.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2021	12/31/2021	0.00	3.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2022	12/31/2022	0.00	3.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2023	12/31/2023	0.00	3.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2024	12/31/2024	0.00	2.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2025	12/31/2025	0.00	2.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2026	12/31/2026	0.00	3.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2027	12/31/2027	0.00	4.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2028	12/31/2028	0.00	4.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2029	12/31/2029	0.00	4.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2030	12/31/2030	0.00	4.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2031	12/31/2031	0.00	4.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2032	12/31/2032	0.00	4.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2033	12/31/2033	0.00	4.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2034	12/31/2034	0.00	4.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2035	12/31/2035	0.00	4.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2036	12/31/2036	0.00	5.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2037	12/31/2037	0.00	5.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2038	12/31/2038	0.00	5.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2039	12/31/2039	0.00	5.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2040	12/31/2040	0.00	5.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2041	12/31/2041	0.00	2.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL		1,000.00	772.02	74.80	43.39	19.73	21.84	6.78	10.00	42.14

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INTERNAL RATE OF RETURN ANALYSIS WCRIB OF MA								
TABLE III: CASH FLOW NET OF LOSS, LOSS ADJUSTMENT EXPENSE AND UNEARNED PREMIUM RESERVES								
TIME INTERVAL		(1) CUMULATIVE PREMIUM COLLECTED	(2) PREMIUM BALANCES	(3) NON-CASH ASSETS (incl defer tax)	(4) LOSSES RESERVED	(5) UNEARNED PREMIUMS	(6) TOTAL PREM NET OF RESERVES	(7) PREMIUM NET OF RESERVES
FROM	TO							
1/1/2005	3/31/2005	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4/1/2005	6/30/2005	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7/1/2005	9/30/2005	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10/1/2005	12/31/2005	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2006	3/31/2006	47.20	202.80	211.98	24.66	218.06	16.46	16.46
4/1/2006	6/30/2006	165.40	334.60	352.94	96.58	374.90	46.87	30.41
7/1/2006	9/30/2006	332.89	417.11	444.63	216.67	469.35	91.50	44.63
10/1/2006	12/31/2006	531.33	468.67	505.37	385.20	501.06	150.45	58.94
1/1/2007	3/31/2007	704.44	295.56	324.11	553.57	282.96	192.01	41.57
4/1/2007	6/30/2007	819.83	180.17	200.56	674.64	126.13	219.61	27.60
7/1/2007	9/30/2007	894.47	105.53	117.77	747.55	31.70	232.99	13.37
10/1/2007	12/31/2007	941.46	58.54	62.62	772.02	0.00	232.06	(0.93)
1/1/2008	3/31/2008	971.70	28.30	32.41	772.02	0.00	232.09	0.02
4/1/2008	6/30/2008	986.40	13.60	17.74	772.02	0.00	232.11	0.02
7/1/2008	9/30/2008	993.06	6.94	11.10	772.02	0.00	232.14	0.02
10/1/2008	12/31/2008	996.93	3.07	7.26	772.02	0.00	232.16	0.02
1/1/2009	3/31/2009	999.14	0.86	4.83	772.02	0.00	231.95	(0.22)
4/1/2009	6/30/2009	1,000.00	0.00	3.75	772.02	0.00	231.73	(0.22)
7/1/2009	9/30/2009	1,000.00	0.00	3.53	772.02	0.00	231.51	(0.22)
10/1/2009	12/31/2009	1,000.00	0.00	3.32	772.02	0.00	231.29	(0.22)
1/1/2010	3/31/2010	1,000.00	0.00	3.14	772.02	0.00	231.12	(0.17)
4/1/2010	6/30/2010	1,000.00	0.00	2.97	772.02	0.00	230.95	(0.17)
7/1/2010	9/30/2010	1,000.00	0.00	2.79	772.02	0.00	230.77	(0.17)
10/1/2010	12/31/2010	1,000.00	0.00	2.62	772.02	0.00	230.60	(0.17)
1/1/2011	3/31/2011	1,000.00	0.00	0.49	772.02	0.00	228.46	(2.13)
4/1/2011	6/30/2011	1,000.00	0.00	0.49	772.02	0.00	228.46	0.00
7/1/2011	9/30/2011	1,000.00	0.00	0.49	772.02	0.00	228.46	0.00
10/1/2011	12/31/2011	1,000.00	0.00	0.49	772.02	0.00	228.46	0.00
1/1/2012	12/31/2012	1,000.00	0.00	1.38	772.02	0.00	229.36	0.89
1/1/2013	12/31/2013	1,000.00	0.00	1.48	772.02	0.00	229.46	0.10
1/1/2014	12/31/2014	1,000.00	0.00	1.30	772.02	0.00	229.28	(0.18)
1/1/2015	12/31/2015	1,000.00	0.00	1.00	772.02	0.00	228.98	(0.30)
1/1/2016	12/31/2016	1,000.00	0.00	0.90	772.02	0.00	228.87	(0.11)
1/1/2017	12/31/2017	1,000.00	0.00	0.82	772.02	0.00	228.80	(0.07)
1/1/2018	12/31/2018	1,000.00	0.00	0.46	772.02	0.00	228.44	(0.36)
1/1/2019	12/31/2019	1,000.00	0.00	0.08	772.02	0.00	228.06	(0.38)
1/1/2020	12/31/2020	1,000.00	0.00	0.03	772.02	0.00	228.01	(0.05)
1/1/2021	12/31/2021	1,000.00	0.00	0.03	772.02	0.00	228.01	(0.00)
1/1/2022	12/31/2022	1,000.00	0.00	0.03	772.02	0.00	228.00	(0.00)
1/1/2023	12/31/2023	1,000.00	0.00	0.02	772.02	0.00	228.00	(0.01)
1/1/2024	12/31/2024	1,000.00	0.00	0.02	772.02	0.00	228.00	0.00
1/1/2025	12/31/2025	1,000.00	0.00	0.03	772.02	0.00	228.01	0.01
1/1/2026	12/31/2026	1,000.00	0.00	0.03	772.02	0.00	228.01	0.01
1/1/2027	12/31/2027	1,000.00	0.00	0.03	772.02	0.00	228.01	0.00
1/1/2028	12/31/2028	1,000.00	0.00	0.04	772.02	0.00	228.01	0.00
1/1/2029	12/31/2029	1,000.00	0.00	0.04	772.02	0.00	228.01	0.00
1/1/2030	12/31/2030	1,000.00	0.00	0.04	772.02	0.00	228.02	0.00
1/1/2031	12/31/2031	1,000.00	0.00	0.04	772.02	0.00	228.02	0.00
1/1/2032	12/31/2032	1,000.00	0.00	0.04	772.02	0.00	228.02	0.00
1/1/2033	12/31/2033	1,000.00	0.00	0.04	772.02	0.00	228.02	0.00
1/1/2034	12/31/2034	1,000.00	0.00	0.04	772.02	0.00	228.02	0.00
1/1/2035	12/31/2035	1,000.00	0.00	0.04	772.02	0.00	228.02	0.00
1/1/2036	12/31/2036	1,000.00	0.00	0.04	772.02	0.00	228.02	0.00
1/1/2037	12/31/2037	1,000.00	0.00	0.04	772.02	0.00	228.02	0.00
1/1/2038	12/31/2038	1,000.00	0.00	0.04	772.02	0.00	228.02	0.00
1/1/2039	12/31/2039	1,000.00	0.00	0.05	772.02	0.00	228.02	0.00
1/1/2040	12/31/2040	1,000.00	0.00	0.02	772.02	0.00	228.00	(0.02)
1/1/2041	12/31/2041	1,000.00	0.00	0.00	772.02	0.00	227.98	(0.02)

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INTERNAL RATE OF RETURN ANALYSIS WCRIB OF MA					
TABLE IV-B: NET CASH FLOWS FROM UNDERWRITING					
TIME INTERVAL		(1) PREMIUM FLOWS NET OF RESERVES	(2) TAX CREDITS	(3) EXPENSES	(4) NET CASH FLOW FROM UNDERWRITING
FROM	TO				
1/1/2005	3/31/2005	0.00	0.00	0.11	(0.11)
4/1/2005	6/30/2005	0.00	0.00	0.44	(0.44)
7/1/2005	9/30/2005	0.00	0.00	1.93	(1.93)
10/1/2005	12/31/2005	0.00	2.88	5.74	(2.86)
1/1/2006	3/31/2006	16.46	(10.58)	18.77	(12.89)
4/1/2006	6/30/2006	30.41	(10.58)	32.60	(12.77)
7/1/2006	9/30/2006	44.63	(10.58)	38.98	(4.93)
10/1/2006	12/31/2006	58.94	(10.58)	40.67	7.69
1/1/2007	3/31/2007	41.57	2.62	31.65	12.53
4/1/2007	6/30/2007	27.60	2.62	19.37	10.85
7/1/2007	9/30/2007	13.37	2.62	12.83	3.16
10/1/2007	12/31/2007	(0.93)	2.62	7.84	(6.15)
1/1/2008	3/31/2008	0.02	1.79	4.35	(2.53)
4/1/2008	6/30/2008	0.02	1.79	1.78	0.04
7/1/2008	9/30/2008	0.02	1.79	0.78	1.04
10/1/2008	12/31/2008	0.02	1.79	0.45	1.37
1/1/2009	3/31/2009	(0.22)	1.17	0.26	0.69
4/1/2009	6/30/2009	(0.22)	1.17	0.10	0.85
7/1/2009	9/30/2009	(0.22)	1.17	0.00	0.95
10/1/2009	12/31/2009	(0.22)	1.17	0.00	0.95
1/1/2010	3/31/2010	(0.17)	0.90	0.00	0.72
4/1/2010	6/30/2010	(0.17)	0.90	0.00	0.72
7/1/2010	9/30/2010	(0.17)	0.90	0.00	0.72
10/1/2010	12/31/2010	(0.17)	0.90	0.00	0.72
1/1/2011	3/31/2011	(2.13)	0.71	0.00	(1.42)
4/1/2011	6/30/2011	0.00	0.71	0.00	0.71
7/1/2011	9/30/2011	0.00	0.71	0.00	0.71
10/1/2011	12/31/2011	0.00	0.71	0.00	0.71
1/1/2012	12/31/2012	0.89	2.14	0.00	3.03
1/1/2013	12/31/2013	0.10	1.55	0.00	1.66
1/1/2014	12/31/2014	(0.18)	1.64	0.00	1.46
1/1/2015	12/31/2015	(0.30)	1.45	0.00	1.15
1/1/2016	12/31/2016	(0.11)	1.14	0.00	1.03
1/1/2017	12/31/2017	(0.07)	1.03	0.00	0.95
1/1/2018	12/31/2018	(0.36)	0.95	0.00	0.59
1/1/2019	12/31/2019	(0.38)	0.58	0.00	0.20
1/1/2020	12/31/2020	(0.05)	0.20	0.00	0.15
1/1/2021	12/31/2021	(0.00)	0.14	0.00	0.14
1/1/2022	12/31/2022	(0.00)	0.14	0.00	0.13
1/1/2023	12/31/2023	(0.01)	0.13	0.00	0.12
1/1/2024	12/31/2024	0.00	0.12	0.00	0.12
1/1/2025	12/31/2025	0.01	0.12	0.00	0.12
1/1/2026	12/31/2026	0.01	0.12	0.00	0.12
1/1/2027	12/31/2027	0.00	0.12	0.00	0.12
1/1/2028	12/31/2028	0.00	0.11	0.00	0.12
1/1/2029	12/31/2029	0.00	0.11	0.00	0.11
1/1/2030	12/31/2030	0.00	0.11	0.00	0.11
1/1/2031	12/31/2031	0.00	0.10	0.00	0.10
1/1/2032	12/31/2032	0.00	0.10	0.00	0.10
1/1/2033	12/31/2033	0.00	0.09	0.00	0.09
1/1/2034	12/31/2034	0.00	0.09	0.00	0.09
1/1/2035	12/31/2035	0.00	0.08	0.00	0.08
1/1/2036	12/31/2036	0.00	0.08	0.00	0.08
1/1/2037	12/31/2037	0.00	0.07	0.00	0.07
1/1/2038	12/31/2038	0.00	0.06	0.00	0.07
1/1/2039	12/31/2039	0.00	0.06	0.00	0.06
1/1/2040	12/31/2040	(0.02)	0.05	0.00	0.03
1/1/2041	12/31/2041	(0.02)	0.02	0.00	0.00

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INTERNAL RATE OF RETURN ANALYSIS WCRIB OF MA							
TABLE V: DERIVATION OF INVESTED CASH LEVELS							
TIME INTERVAL		(1) LOSS AND LOSS ADJ. RESERVES	(2) UNEARNED PREMIUM RESERVES	(3) ADMITTED AGENTS BALANCE	(5) INVESTABLE FUND	(6) RESERVE/ SURPLUS RATIO	(7) FUNDS IN SURPLUS ACCOUNT
FROM	TO						
1/1/2005	3/31/2005	0.00	0.00	0.00	0.00	0.00	0.00
4/1/2005	6/30/2005	0.00	0.00	0.00	0.00	0.00	0.00
7/1/2005	9/30/2005	0.00	0.00	0.00	0.00	0.00	0.00
10/1/2005	12/31/2005	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2006	3/31/2006	19.25	218.06	211.98	25.33	2.37	100.04
4/1/2006	6/30/2006	75.39	374.90	352.94	97.34	2.37	189.82
7/1/2006	9/30/2006	169.12	469.35	444.63	193.84	2.37	269.15
10/1/2006	12/31/2006	300.68	501.06	505.37	296.36	2.37	337.97
1/1/2007	3/31/2007	425.99	282.96	324.11	384.84	2.37	298.85
4/1/2007	6/30/2007	502.68	126.13	200.56	428.25	2.37	265.07
7/1/2007	9/30/2007	529.83	31.70	117.77	443.76	2.37	236.71
10/1/2007	12/31/2007	507.17	0.00	62.62	444.55	2.37	213.80
1/1/2008	3/31/2008	461.49	0.00	32.41	429.08	2.37	194.54
4/1/2008	6/30/2008	420.08	0.00	17.74	402.34	2.37	177.08
7/1/2008	9/30/2008	382.96	0.00	11.10	371.86	2.37	161.44
10/1/2008	12/31/2008	350.16	0.00	7.26	342.90	2.37	147.61
1/1/2009	3/31/2009	321.16	0.00	4.83	316.33	2.37	135.38
4/1/2009	6/30/2009	295.16	0.00	3.75	291.41	2.37	124.42
7/1/2009	9/30/2009	272.25	0.00	3.53	268.72	2.37	114.77
10/1/2009	12/31/2009	252.45	0.00	3.32	249.13	2.37	106.42
1/1/2010	3/31/2010	235.26	0.00	3.14	232.12	2.37	99.17
4/1/2010	6/30/2010	220.06	0.00	2.97	217.09	2.37	92.77
7/1/2010	9/30/2010	206.89	0.00	2.79	204.10	2.37	87.21
10/1/2010	12/31/2010	195.77	0.00	2.62	193.15	2.37	82.52
1/1/2011	3/31/2011	186.21	0.00	0.49	185.72	2.37	78.50
4/1/2011	6/30/2011	177.70	0.00	0.49	177.21	2.37	74.91
7/1/2011	9/30/2011	170.24	0.00	0.49	169.76	2.37	71.77
10/1/2011	12/31/2011	163.86	0.00	0.49	163.37	2.37	69.07
1/1/2012	12/31/2012	144.46	0.00	1.38	143.08	2.37	60.90
1/1/2013	12/31/2013	131.08	0.00	1.48	129.59	2.37	55.26
1/1/2014	12/31/2014	121.16	0.00	1.30	119.85	2.37	51.07
1/1/2015	12/31/2015	113.38	0.00	1.00	112.38	2.37	47.80
1/1/2016	12/31/2016	106.82	0.00	0.90	105.93	2.37	45.03
1/1/2017	12/31/2017	101.96	0.00	0.82	101.13	2.37	42.98
1/1/2018	12/31/2018	97.84	0.00	0.46	97.37	2.37	41.24
1/1/2019	12/31/2019	93.55	0.00	0.08	93.46	2.37	39.43
1/1/2020	12/31/2020	89.43	0.00	0.03	89.40	2.37	37.70
1/1/2021	12/31/2021	85.69	0.00	0.03	85.66	2.37	36.12
1/1/2022	12/31/2022	81.95	0.00	0.03	81.92	2.37	34.54
1/1/2023	12/31/2023	78.80	0.00	0.02	78.78	2.37	33.22
1/1/2024	12/31/2024	76.31	0.00	0.02	76.29	2.37	32.17
1/1/2025	12/31/2025	73.75	0.00	0.03	73.73	2.37	31.09
1/1/2026	12/31/2026	70.40	0.00	0.03	70.37	2.37	29.68
1/1/2027	12/31/2027	66.29	0.00	0.03	66.25	2.37	27.94
1/1/2028	12/31/2028	62.07	0.00	0.04	62.03	2.37	26.16
1/1/2029	12/31/2029	57.75	0.00	0.04	57.72	2.37	24.35
1/1/2030	12/31/2030	53.33	0.00	0.04	53.30	2.37	22.48
1/1/2031	12/31/2031	48.81	0.00	0.04	48.77	2.37	20.57
1/1/2032	12/31/2032	44.16	0.00	0.04	44.12	2.37	18.62
1/1/2033	12/31/2033	39.42	0.00	0.04	39.38	2.37	16.62
1/1/2034	12/31/2034	34.56	0.00	0.04	34.52	2.37	14.57
1/1/2035	12/31/2035	29.58	0.00	0.04	29.53	2.37	12.47
1/1/2036	12/31/2036	24.47	0.00	0.04	24.42	2.37	10.31
1/1/2037	12/31/2037	19.25	0.00	0.04	19.21	2.37	8.11
1/1/2038	12/31/2038	13.90	0.00	0.04	13.86	2.37	5.86
1/1/2039	12/31/2039	8.42	0.00	0.05	8.37	2.37	3.55
1/1/2040	12/31/2040	2.80	0.00	0.02	2.78	2.37	1.18
1/1/2041	12/31/2041	(0.00)	0.00	0.00	0.00	2.37	(0.00)

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Section VIII - Profit
 Subsection B - Internal Rate of Return Model
 9/1/2005

Section VIII-B
 Exhibit 6

INTERNAL RATE OF RETURN ANALYSIS WCRIB OF MA						
TABLE VI: NOMINAL CASH FLOWS TO INVESTORS						
TIME INTERVAL		(1) NET CASH FLOW FROM UNDERWRITING	(2) CASH POST-TAX INCOME	(3) NET FLOW FOR SURPLUS ACCOUNT	(4) SURPLUS POST-TAX INCOME	(5) NET CASH FLOW
FROM	TO					
1/1/2005	3/31/2005	(0.11)	0.00	0.00	0.00	(0.11)
4/1/2005	6/30/2005	(0.44)	0.00	0.00	0.00	(0.44)
7/1/2005	9/30/2005	(1.93)	0.00	0.00	0.00	(1.93)
10/1/2005	12/31/2005	(2.86)	0.00	0.00	0.00	(2.86)
1/1/2006	3/31/2006	(12.89)	0.20	(100.04)	0.80	(111.93)
4/1/2006	6/30/2006	(12.77)	0.79	(89.78)	1.53	(100.23)
7/1/2006	9/30/2006	(4.93)	1.58	(79.33)	2.20	(80.47)
10/1/2006	12/31/2006	7.69	2.42	(68.82)	2.76	(55.94)
1/1/2007	3/31/2007	12.53	3.07	39.11	2.39	57.11
4/1/2007	6/30/2007	10.85	3.46	33.78	2.14	50.23
7/1/2007	9/30/2007	3.16	3.62	28.36	1.93	37.08
10/1/2007	12/31/2007	(6.15)	3.63	22.92	1.75	22.14
1/1/2008	3/31/2008	(2.53)	3.46	19.26	1.57	21.75
4/1/2008	6/30/2008	0.04	3.24	17.46	1.43	22.16
7/1/2008	9/30/2008	1.04	3.03	15.65	1.32	21.03
10/1/2008	12/31/2008	1.37	2.79	13.83	1.20	19.19
1/1/2009	3/31/2009	0.69	2.53	12.22	1.08	16.53
4/1/2009	6/30/2009	0.85	2.35	10.96	1.01	15.17
7/1/2009	9/30/2009	0.95	2.20	9.66	0.94	13.74
10/1/2009	12/31/2009	0.95	2.04	8.35	0.87	12.20
1/1/2010	3/31/2010	0.72	1.85	7.25	0.79	10.62
4/1/2010	6/30/2010	0.72	1.75	6.41	0.75	9.63
7/1/2010	9/30/2010	0.72	1.67	5.55	0.71	8.65
10/1/2010	12/31/2010	0.72	1.58	4.69	0.67	7.67
1/1/2011	3/31/2011	(1.42)	1.48	4.03	0.63	4.72
4/1/2011	6/30/2011	0.71	1.43	3.59	0.61	6.33
7/1/2011	9/30/2011	0.71	1.39	3.14	0.59	5.82
10/1/2011	12/31/2011	0.71	1.33	2.69	0.56	5.30
1/1/2012	12/31/2012	3.03	4.73	8.18	2.01	17.95
1/1/2013	12/31/2013	1.66	4.29	5.64	1.83	13.41
1/1/2014	12/31/2014	1.46	3.96	4.18	1.69	11.30
1/1/2015	12/31/2015	1.15	3.72	3.28	1.58	9.73
1/1/2016	12/31/2016	1.03	3.50	2.76	1.49	8.79
1/1/2017	12/31/2017	0.95	3.35	2.05	1.42	7.77
1/1/2018	12/31/2018	0.59	3.22	1.74	1.36	6.91
1/1/2019	12/31/2019	0.20	3.09	1.81	1.30	6.41
1/1/2020	12/31/2020	0.15	2.96	1.73	1.25	6.08
1/1/2021	12/31/2021	0.14	2.83	1.58	1.19	5.75
1/1/2022	12/31/2022	0.13	2.71	1.58	1.14	5.56
1/1/2023	12/31/2023	0.12	2.61	1.33	1.10	5.15
1/1/2024	12/31/2024	0.12	2.52	1.05	1.06	4.75
1/1/2025	12/31/2025	0.12	2.44	1.08	1.03	4.67
1/1/2026	12/31/2026	0.12	2.33	1.41	0.98	4.84
1/1/2027	12/31/2027	0.12	2.19	1.74	0.92	4.97
1/1/2028	12/31/2028	0.12	2.05	1.78	0.87	4.81
1/1/2029	12/31/2029	0.11	1.91	1.82	0.81	4.64
1/1/2030	12/31/2030	0.11	1.76	1.86	0.74	4.48
1/1/2031	12/31/2031	0.10	1.61	1.91	0.68	4.30
1/1/2032	12/31/2032	0.10	1.46	1.96	0.62	4.13
1/1/2033	12/31/2033	0.09	1.30	2.00	0.55	3.94
1/1/2034	12/31/2034	0.09	1.14	2.05	0.48	3.76
1/1/2035	12/31/2035	0.08	0.98	2.10	0.41	3.57
1/1/2036	12/31/2036	0.08	0.81	2.15	0.34	3.38
1/1/2037	12/31/2037	0.07	0.64	2.20	0.27	3.17
1/1/2038	12/31/2038	0.07	0.46	2.26	0.19	2.97
1/1/2039	12/31/2039	0.06	0.28	2.31	0.12	2.76
1/1/2040	12/31/2040	0.03	0.09	2.37	0.04	2.53
1/1/2041	12/31/2041	0.00	0.00	1.18	0.00	1.18

UNDERWRITING PROFIT PROVISION**COST OF CAPITAL**

The first step in setting an underwriting profit factor under a rate of return standard is to determine the fair and reasonable return that should be allowed for bearing the risk of underwriting workers' compensation insurance in Massachusetts. In the context of insurance ratemaking, a "fair and reasonable return" has traditionally been interpreted to mean the cost of the equity capital required to support insurance operations.¹ However, in her Decision on 2003 rates, the Commissioner endorsed the use of a weighted average cost of capital that includes the impact of debt capital at the insurance holding company level.² To narrow the debate this year, the WCRIB has use a weighted average cost of capital in its derivation of the profit provision.

Calculating the weighted average cost of capital is simply a matter of separately calculating the cost of equity capital and the cost of debt capital, and then using appropriate weights to combine the two estimates

Equity. Several methods have been used to estimate the cost of equity capital for a regulated firm or industry. However, it is widely agreed that methods that rely on market

¹ Insurance operating companies typically carry no debt on their balance sheets; that is, the capital of the operating companies is all equity capital.

² See, for example, page 52: "We agree that estimates of the cost of capital should reflect debt/equity financing at the holding company level."

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data are preferred, on both a theoretical and pragmatic basis, to those that are based on accounting data. Indeed, it is market requirements that suggest use of the term "cost of capital," as the phrase refers to the cost to the firm of attracting investment funds in capital markets. Dr. Appel used the two most prominent market based methodologies to estimate the cost of equity capital for the WCRIB: the DCF (discounted cash flow) model and the CAPM (capital asset pricing model) (there is a detailed discussion of these models in the Appendix that follows).

These two methods are widely recognized as the leading approaches for estimating the cost of equity capital in the US economy, and they have explicitly been given equal weight in the estimation process.

To apply these models in the context of insurance regulation, a sample of firms that investors would view as representative of the risks and required returns for property/casualty insurers was selected: a sample of large, publicly traded property/casualty insurers, drawn from the Value Line Investment Survey. This sample included all those insurers contained in the Value Line "Property/Casualty" industry group – numbering 27 in total.

Based on these data, Dr. Appel calculated the cost of equity capital for the full sample of 27 property/casualty insurers covered by Value Line. This calculation provides an estimate of the fair rate of return for the average risk activity in which property/casualty

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insurers are engaged. Dr. Appel determined that investors currently require a return on equity of at least 10.35% for bearing the risk of underwriting property/casualty insurance, based on the average of the DCF and CAPM results shown below.

DCF	9.73%
CAPM	10.98%
Average	10.35%

Given these results, the WCRIB has used a cost of equity capital of 10.35% as the best estimate of the required equity return for the average risk activity in which property/casualty insurers are engaged.

Debt. To conform to the Commissioner's last decision, Dr. Appel also calculated the cost of debt capital for the Value Line sample of insurers, as well as the share of debt in their capital structure. For this group of 27 insurers, the average interest cost on long term debt is 5.79%, and the share of non-equity capital in the corporate capital structure is 15%. Thus, the weighted average cost of capital is 9.68%, as shown below:

$$15\% * 5.79\% + 85\% * 10.35\% = 9.68\%$$

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Since the cost of capital is the required return for the average risk activity in which insurers are engaged, the question naturally arises as to whether workers' compensation insurance in Massachusetts is of average risk when compared to all lines of insurance. To the extent that this line of business is viewed as riskier than average, the cost of capital would be higher than average as well. There are several reasons why workers' compensation might be viewed as riskier than the average activity in which property/casualty insurers are engaged. Among them are these:

1. Workers' compensation is subject to unlimited liability; there are neither per claim, per occurrence or aggregate loss limits under the policy terms. This is in contrast to the typical property/casualty insurance contract, in which all these limits may apply.
2. Workers' compensation is a "long-tailed" line of business, meaning that the payment of losses may extend for many years beyond the sale date of the policy. It is a well-known principle of statistics that the longer the time horizon of a forecast, the greater the expected error in the estimate. Thus the forecast of ultimate losses in this line is subject to greater risk than in many other lines of business.
3. Workers' compensation has a substantial exposure to medical inflation, which has been more rapid and less predictable than general inflation.

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4. Workers' compensation is subject to the risk of occupational disease, which can lead to substantial and inherently unpredictable losses in the future.

5. Workers' compensation is subject to the phenomenon of "benefit utilization," which refers to the observation that as benefits become more generous, workers increase their utilization of the system. While the term has traditionally been applied to indemnity benefits (as benefits increase both claim frequency and duration increase) it is equally applicable to medical benefits. Since medical costs are covered with no deductibles or co-payments, workers' compensation has become an increasingly attractive alternative to health insurance for coverage of any illness or injury.

While these characteristics suggest that workers' compensation is of above-average risk, the WCRIB has made no attempt to quantify the difference in risk, nor has such additional risk been reflected in its estimate of the cost of capital used in deriving the underwriting profit provision, making its provision conservative.

The results of Dr. Appel's analysis for the full sample of Value Line Insurers are contained in exhibits to this section, and a more detailed explanation of the models is contained in the accompanying appendix.

APPENDIX: COST OF CAPITAL**A. INTRODUCTION.**

This appendix is intended to provide a more detailed description of the cost of capital methods used by Dr. Appel to derive the estimated cost of capital used in deriving the underwriting profit provision in this filing.

The generally recognized standards for determining a fair rate of return for a regulated enterprise were articulated in two cases before the U.S. Supreme Court - Bluefield Waterworks and Hope Natural Gas. In Bluefield, the Court stated:

A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties

Bluefield Waterworks & Improvement Company v. Public Service Commission of West Virginia, 262 U.S. 679, 692-693 (1923). In Hope, the Court further stated:

From the investor or company point of view, it is important that there be enough revenue not only for operating expenses, but also for the capital costs of the business. These include service on the debt and dividends on the stock. By that standard the return to the equity owner should be commensurate with the returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital.

Federal Power Commission v. Hope Natural Gas Co., 320 U.S. 591, 603
(1944).

These decisions set forth the two basic standards of fairness under which regulated industries must operate: first, the rate of return to the equity holder should equal that which can be expected to be earned by investors in businesses of similar risk; and second, the rate of return must be sufficient to assure the continued attraction of capital. In essence these criteria, when reasonably applied, balance the interests of consumers of the regulated product or service, and investors, who provide the capital needed to operate the enterprise.

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There are several methods that have been used to estimate the fair rate of return, or cost of capital, for a regulated firm or industry. However, it is widely agreed that methods that rely on market data are preferred, on both a theoretical and pragmatic basis, to those that are based on accounting data. Indeed, it is market requirements that suggest use of the term "cost of capital," as the phrase refers to the cost to the firm of attracting investment funds in capital markets. That cost, of course, is the return that the firm must pay and investors expect to earn as a result of placing their capital at risk in the enterprise. For this reason, Dr. Appel used the two most prominent market-based methodologies to derive the cost of capital estimates for this filing. The first of these is known as the Discounted Cash Flow (DCF) model (sometimes called the Gordon growth model or the dividend valuation model), and the second is a specific form of Risk Premium Analysis known as the Capital Asset Pricing Model (CAPM).

Dr. Appel used DCF and CAPM approaches to obtain independent estimates of the cost of capital, and so as not to place undue reliance on any single methodology. Moreover, he used these two models because economic and financial theory strongly support the use of market data to determine required rates of return, and these are the most prominent market-based methods currently available. Reliance on market data is critical for three reasons.

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First, such information reflects the consensus of all investors regarding the risk and required returns on different securities. Thus, the potential for the biases and perceptions of the analyst to overstate or understate the fair rate of return is minimized.

Second, the alternative to market data is to use historical accounting data to estimate the cost of capital. This procedure is seriously flawed because it is not prospective and does not necessarily reflect the returns that are of ultimate concern to investors – those that can be earned in the market.

Third, the use of market-based models is consistent with the dictates of Hope, in the sense that Hope instructs us to consider investor requirements when determining the fair and reasonable rate of return. (For example, "the return to the equity owner should be commensurate with the returns on investments in other enterprises having corresponding risks.")

In effect, these market based models provide an initial estimate of the "opportunity cost" of placing capital at risk in support of workers' compensation insurance in Massachusetts. Opportunity cost is among the most basic concepts in economics. It refers to the fact that any real resource has a variety of uses, and by using a resource in a particular endeavor an investor forgoes the returns that are available in other, alternative activities. Thus, the opportunity cost of capital (otherwise termed the cost of capital) is the return available from employing that capital in its next best alternative use.

This is, of course, the return that investors have forgone by using their capital in support of Massachusetts workers' compensation insurance activities.

It is entirely appropriate to begin an estimate of Massachusetts workers' compensation insurers' cost of capital by evaluating the cost of capital for comparable insurers in the U.S. economy. To the extent that these firms are viewed by investors as being of equivalent risk, they will provide a reasonable starting point for estimating the appropriate cost of capital in this case. However, it is also necessary to consider the specific characteristics of the insurance coverage at issue in this proceeding, before determining whether the cost of capital for any sample of insurers is a reasonable estimate to be used in the present rate-setting exercise. Should Massachusetts workers' compensation insurance be viewed as differing in risk from the average line of coverage, then the cost of capital may have to be adjusted.

B. METHODOLOGY

The Discounted Cash Flow (DCF) model and a specific form of Risk Premium Analysis (RPA) known as the Capital Asset Pricing Model (CAPM) were used to estimate the cost of capital. These are the most widely recognized methods for estimating the cost of capital in regulatory proceedings. The DCF analysis is the leading model used by practitioners to estimate the required rate of return in regulatory rate proceedings, while RPA analysis is the leading approach used by academics, both for estimating the cost

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of capital and explaining capital market behavior. Each one provides a reasonable basis for estimating the cost of capital, and each should be accorded equal weight in the process.

Turning to the discounted cash flow (DCF) model first, the DCF is based upon the presumption that the cost of an investment, typically the price of a stock, must equal the present value of the cash flows from the investment. The logic of this assumption is as follows: investors are willing to pay the current price for a share of stock only if the present value of the expected cash flows emanating from that investment are equal to that price. If the present value of the cash flows were greater (less) than the current price, investors would bid the price up (down).

The cash flows arising from the purchase of a share of stock are the dividend payments and capital gains the investor expects to receive in the future. If the security is expected to be held in perpetuity, then the stock price can be expressed as the sum of the discounted dividends:

$$P_0 = [D_1/(1+k)] + [D_2/(1+k)^2] + [D_3/(1+k)^3] + \dots$$

where P_0 is the price of the stock, D_i is the dividend in period i , and k is the investor's implicit discount rate, or cost of capital. If dividends are expected to grow at a constant annual rate, g , in the future, then the dividend in time period i is simply the current

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dividend, D_0 , times the growth factor $(1+g)^i$. It can be shown, by suitable mathematical manipulation, that the DCF can be characterized by

$$k = D_1/P_0 + g,$$

where D_1/P_0 is the dividend yield expected in the first year and g is the expected growth rate in dividends. It can also be shown that even if the investor expects to sell the security at some later date, the price at that time will be equal to present value of future dividend flows. Therefore any expected future capital gain will be impounded in the current estimates of future dividends.

Turning to the second model used to calculate the cost of capital, the specific form of risk premium analysis known as the Capital Asset Pricing Model (CAPM), it should be noted that risk premium analysis is a technique which attempts to estimate the cost of capital by calculating the incremental return investors require to hold a particular security, as opposed to another, less risky asset. While the DCF estimates the cost of capital directly, by looking at expected cash flows and market prices, risk premium analysis estimates required returns by evaluating the relative risk of alternative investments. Obviously, those investments with greater risk require greater returns.

The capital asset pricing model (CAPM) is one specific form of risk premium analysis, which begins with the assumption that there is a risk-free asset, which is typically taken

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to be a U.S. Treasury security. It then estimates the relative risk of alternative securities to measure the "risk premium" investors require to hold these risky assets. In the classical application of the CAPM, the relative risk of a particular security is measured by a value known as "beta," which is an estimate of the relative volatility of that security's returns (or price) compared with the volatility of the entire market (usually proxied by the New York Stock Exchange index or the S&P 500). The information on beta is used in the following manner to estimate investors' required rate of return:

$$K = r_f + \beta * r_D$$

where r_f is the risk-free yield, β is the beta coefficient, and r_D is the market risk premium.

As noted above, the beta coefficient is a measure of the relative volatility, or riskiness, of an investment, compared with the market average. If an individual stock has a beta of 1.5, for example, the stock has a tendency to be 50% more volatile than the market as a whole. This implies that if the market as a whole goes up (down) by 10% this stock has a tendency to go up (down) by 15%.

The market risk premium is the average difference between the returns on the market portfolio and the returns on the riskless asset. For example, over the period 1926 - 2004 a diversified portfolio of common stocks earned an annual return which averaged 8.63 percentage points higher than the return on U.S. Treasury bills. Therefore, an individual

security of exactly average risk (i.e., with a beta of 1) would be expected to earn 8.63 percentage points more than a T-bill. In addition to the T-bill, however, it is also reasonable to consider alternative-term securities, and to measure the risk premium relative to them. In fact, this type of procedure is frequently recommended when the time horizon of the investment is relatively long, as is often the case with an investment in insurance.

There are at least two reasons to be concerned about the use of beta to measure risk for present purposes. First, it is important to note that beta, as typically estimated, does not properly account for "interest rate risk" (that is, the risk that an investment will fluctuate with changes in interest rates). Since investments in property/casualty insurance stocks are subject to considerable interest rate risk, this means that the CAPM underestimates the cost of capital for the property/casualty insurance industry. In addition, it is also well known that small stocks tend to earn higher returns than their betas would predict.

C. RESULTS

In estimating the cost of capital Dr. Appel relied on financial data for a sample of publicly traded property/casualty insurers, drawn from the Value Line Investment Survey. The Value Line Investment Survey is an independent investment advisory service that provides weekly reports on approximately 1,700 publicly traded stocks. In addition, it

provides in depth quarterly reports on each of the firms it covers, which contain a wealth of historical and forecast information on each security. In terms of numbers of subscribers and annual revenues Value Line is the largest such service in the world. In addition, Value Line is the data source most widely relied upon by experts estimating the cost of capital in regulatory proceedings.

The data Dr. Appel used were drawn from Value Line's "Insurance-Property/Casualty" group of companies. This is one among nearly 100 groups that are established by Value Line so that they can report simultaneously on a set of companies, which are affected by common economic, social, and financial forces. His estimates are based on the most recent available data, from January 2005.

The DCF model requires an estimate of the current dividend yield and the expected growth rate in dividends. The sum of these is the estimated cost of capital.

To estimate the dividend yield, Dr. Appel utilized estimates for the expected first year dividend yield provided by Value Line. The annual DCF model requires an estimate of the dividends payable during the first year of the investment. Since Value Line's expected first year dividend yield is defined as the estimated dividends payable in the coming year divided by the current share price of the stock, it is precisely that upon which to rely in the DCF model.

VIII 048

To estimate the dividend growth rate Dr. Appel averaged the results from two different techniques, one called the “growth forecast” method, and the other termed “fundamental analysis”. The first, “growth forecast” method, relies on estimates of growth based on historical earnings and dividend data along with analysts’ forecasts of growth in these variables. The second, “fundamental analysis” relies on estimating a firm’s sustainable growth based on the rate at which it retains and reinvests earnings. For each of these approaches, Dr. Appel relied on long term (i.e., ten-year) and short term (five-year) historical information, along with Value Line analysts' forecasts. Thus, when calculating the expected growth rate, Dr. Appel averaged the results based on these three data sources.

It is appropriate to assume that, when evaluating future growth prospects, investors will consider all available information in forming their estimates. This suggests that historical growth in dividends and earnings per share will be of some significance in forming expectations about future growth. At the same time, analysts are an important source of information for investors, and their estimates of future growth are followed closely by the investment community.

As regards fundamental analysis, the premise is that sustainable growth in the future can arise from two sources: retained earnings and issuance of new stock at prices different than book value. In the first case, retained earnings can be reinvested to produce earnings, which will be used to pay higher dividends in the future. In the

VIII 049

second case, the proceeds from the sale of stock at prices above book value can also be used for new investment, and the profits ultimately will be used to pay higher dividends in the future. Thus, the fundamental analysis computes the expected growth rate as the sum of the earnings retained as a percentage of common equity and a stock issuance adjustment factor, as follows:

$$g = b*r + s*v$$

where: b = retention ratio (retained earnings/profit)

r = return on equity

s = fraction of shares to be issued

v = (market/book) - 1.

The results of the DCF analysis for the sample of property/casualty insurers are contained in summary form in section VIII-C, Exhibit 2, page 1 of the filing, with the details of the calculations contained in Exhibit 2, sheets 2-6. These DCF models indicate that the current property/casualty insurance cost of capital averages 9.73%.

To illustrate the calculation, consider the model shown in section VIII-C, Exhibit 2, page 1. In this model, the first-year dividend yield is 1.23%, and the expected growth rate in dividends is 8.50%. Accordingly, the required rate of return (k) in this DCF model is equal to:

VIII 050

$$k = (D_1/P_0) + g , \text{ or}$$

$$9.73\% = 1.23\% + 8.50\%$$

Turning now to the CAPM, the model begins with the assumption that there is a risk-free asset, which is typically taken to be a U.S. Treasury security. It then estimates the relative risk of alternative securities, measured by their “beta,” to measure the “risk premium” investors require to hold the risky assets. This information is used in the following manner to estimate investors' required rate of return:

$$K = r_f + \beta * r_D$$

where r_f is the risk-free yield, β is the beta coefficient, and r_D is the market risk premium. In this case, Dr. Appel relied on an average of three CAPM estimates, where the different estimates arise from the choices of short-, intermediate- or long-term Treasuries as the risk-free rate.

As regards the estimate of the beta coefficient for the representative sample of 27 property/casualty insurers, the beta coefficient for this sample of companies ranges from 0.55 to 1.50, and averages 0.97. This is shown on Section VIII Exhibit 3, page 2.

VIII 051

Dr. Appel relied on three estimates of the risk-free yield, based on the yields on one-month US Treasury bills, 5-year US Treasury notes and 20-year US Treasury bonds, the standard choices for the riskless security used in practical applications of the CAPM. In implementing this model he chose to average the yields on these securities for the period from October through December 2004. This procedure obtains a representative estimate of current interest rates, and avoids any anomalous results that might arise due to unusual interest rate volatility. During this period the yields on one-month Treasury bills averaged 1.84%, while the yields on 5- and 20-year Treasuries averaged 3.49% and 4.87% respectively.

Combining the information concerning the recent yields on U.S. Treasury securities, beta coefficients for the property/casualty insurance industry, and the historical differential between risk-free and equity investments, Dr. Appel's best estimate of investors' required return is 10.98%.

To illustrate this calculation, consider the results for the short term CAPM below:

$$K = r_f + \beta \cdot r_D, \text{ or}$$

$$10.21\% = 1.84\% + (0.97 \cdot 8.63\%)$$

VIII 052

Each of the other calculations (i.e., the intermediate and long horizon CAPM's) is performed identically. The results from these three models are averaged to produce a 10.98% CAPM cost of capital.

Based on all this information, Dr. Appel's single best estimate of the cost of equity capital for property/casualty insurance is 10.35%, which is the average of the results from the DCF and CAPM analyses. However, because traditional estimates of beta fail to account for interest rate risk, the CAPM estimates of the cost of capital will be understated.

Finally, to estimate the overall cost of capital, consistent with the Commissioner's last decision the WCRIB requested that Dr. Appel estimate the share of debt and equity in insurer capital structures, and estimate the cost of debt, so as to create a weighted average cost of capital, even though this is not the traditional way to estimate capital costs for purposes of insurance regulation. The details of these calculations are contained in Section VIII-C, Exhibits 4 and 5. As these exhibits show, debt accounts for approximately 15% of insurer capital, while common equity accounts for 85% of capital. Given the equity cost, as shown above, of 10.35%, and the debt cost estimated in Exhibit 4 of 5.79%, the weighted average cost of capital is 9.68%, as shown below:

$$15\% * 5.79\% + 85\% * 10.35\% = 9.68\%$$

VIII 053

Section VIII - Profit
Subsection C - Cost of Capital
9/1/2005

Section VIII - C
Exhibit 1

Cost of Capital: Summary Exhibit for Property-Casualty Insurance Companies as of December 2004

(1) Discounted Cash Flow (from Exhibit 2, page 1)	9.73
(2) Capital Asset Pricing Model (from Exhibit 3, page 1)	<u>10.98</u>
(3) Cost of Equity ($=[(1)+(2)] / 2.0$)	10.35
(4) Cost of Debt (from Exhibit 4)	5.79
(5) Capital Structure (from Exhibit 5):	
Equity	85%
Debt	15%
(6) Weighted Cost of Capital	9.68

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Section VIII - Profit
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Section VIII - C
Exhibit 2
Page 1

Discounted Cash Flow Analysis: Summary

DCF Cost of Capital: $K = D_1/P_0 + g$

where

K = cost of capital

D_1/P_0 = estimated dividend yield to be declared the next 12 months

g = dividend growth rate

I. Cost of Capital (II + III)	9.73
II. Estimated Dividend Yield (Page 2)	1.23
III. Dividend Growth Rate [(A+B)/2]	8.50
A. Growth Forecast [(1+2)/2]	8.56
1. Dividend Component (Page 3)	8.48
2. Earnings Component (Page 4)	8.65
B. Fundamental Analysis (1+2)	8.44
1. Retention to book (Page 5)	8.49
2. Stock issuance factor (Page 6)	-0.05

VIII 055

Section VIII - Profit
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9/1/2005

Section VIII - C
Exhibit 2
Page 2

Average Dividend Yield

	<u>Estimated Dividend Yield</u>
ACE Limited	2.00
Alleghany Corp.	Nil
Allmerica Finan	Nil
Allstate Corp	2.30
American Finan	1.60
Berkley (W.R.)	0.60
Berkshire Hath. 'A'	Nil
CNA Financial	Nil
Chubb	2.10
Cincinnati Fin	2.50
Everest Re Group	0.50
Fidelity Nat'l Finan	2.20
HCC Ins Hldngs	1.00
Markel Corp.	Nil
Mercury General	2.50
Ohio Casualty	Nil
Old Republic	2.20
PMI Group, Inc.	0.40
Partnerre Ltd.	2.20
Progressive	0.10
RLI Corp	1.30
SAFECO	1.70
St. Paul	2.40
Selective	1.70
Transatlantic	0.70
21st Century	0.60
XL Capital Lmtd	2.50
Average	<u><u>1.23</u></u>

Sources: Value Line Investment Survey, Part 3, The Ratings
& Reports, December 24, 2004.

VIII 056

Section VIII - Profit
 Subsection C - Cost of Capital
 9/1/2005

Section VIII - C
 Exhibit 2
 Page 3

Average Dividend Growth Rate

<u>Company</u>	<u>Annual Rate of Change</u>		<u>Forecast 2007-2009</u>
	<u>Past 10 Years</u>	<u>Past 5 Years</u>	
ACE Limited	26.00	18.50	9.00
Alleghany Corp.	NA	NA	NMF
Allmerica Finan	NA	NA	NMF
Allstate Corp	25.00	11.50	10.00
American Finan	-2.00	-8.00	-4.50
Berkley (W.R.)	8.50	5.50	7.00
Berkshire Hath. 'A'	NA	NA	Nil
CNA Financial	NA	NA	Nil
Chubb	6.00	4.00	3.50
Cincinnati Fin	11.50	10.50	9.00
Everest Re Group	NA	15.00	10.00
Fidelity Nat'l Finan	17.50	22.00	21.50
HCC Ins Hldngs	NA	18.00	11.00
Markel Corp.	NA	NA	Nil
Mercury General	17.00	15.50	8.50
Ohio Casualty	NA	NA	NMF
Old Republic	13.50	14.50	0.50
PMI Group, Inc.	NA	7.00	20.00
Partnerre Ltd.	NA	9.50	5.00
Progressive	4.50	4.00	7.50
RLI Corp	8.00	8.00	12.50
SAFECO	NA	-8.00	3.50
St. Paul	5.50	4.00	-2.00
Selective	1.00	1.50	4.50
Transatlantic	12.50	9.50	7.00
21st Century	-8.50	-5.50	10.50
XL Capital Lmtd	16.00	7.50	3.00
Average	10.13	7.83	7.48
Average Dividend Growth Rate			8.48

Sources: Value Line Investment Survey, Part 3, The Ratings
 & Reports, December 24, 2004.

VIII 057

Section VIII - Profit
 Subsection C - Cost of Capital
 9/1/2005

Section VIII - C
 Exhibit 2
 Page 4

Average Earnings Growth Rate

<u>Company</u>	<u>Annual Rate of Change</u>		
	<u>Past 10 Years</u>	<u>Past 5 Years</u>	<u>Forecast 2007-2009</u>
ACE Limited	NA	-6.50	24.50
Alleghany Corp.	5.50	10.50	NMF
Allmerica Finan	NA	NA	NMF
Allstate Corp	19.50	-3.50	16.50
American Finan	1.00	-13.00	17.00
Berkley (W.R.)	5.00	4.50	NMF
Berkshire Hath. 'A'	19.00	19.50	NMF
CNA Financial	NA	NA	NMF
Chubb	-3.50	-12.00	27.00
Cincinnati Fin	5.50	4.00	13.00
Everest Re Group	NA	12.50	17.50
Fidelity Nat'l Finan	22.00	23.00	5.00
HCC Ins Hldngs	17.50	5.50	15.50
Markel Corp.	NA	NA	NMF
Mercury General	5.00	-2.00	15.50
Ohio Casualty	-5.00	-12.00	18.00
Old Republic	10.00	10.00	7.00
PMI Group, Inc.	NA	15.00	9.50
Partnerre Ltd.	32.50	-15.50	28.50
Progressive	18.00	15.50	13.00
RLI Corp	10.00	7.50	12.50
SAFECO	-6.00	-14.00	26.50
St. Paul	5.50	4.00	NMF
Selective	4.50	-5.00	10.00
Transatlantic	7.50	-4.00	19.50
21st Century	-13.00	-14.50	20.00
XL Capital Lmtd	NMF	NMF	NMF
Average	8.03	1.28	16.63
Average Earnings Growth Rate			8.65

Sources: Value Line Investment Survey, Part 3, The Ratings
 & Reports, December 24, 2004.

VIII 058

Section VIII - Profit
Subsection C - Cost of Capital
9/1/2005

Section VIII - C
Exhibit 2
Page 5

Average Earnings Retention Rates

<u>Year</u>	<u>Retained Earnings as a Percent of Common Equity</u>
1994	7.04
1995	10.39
1996	12.03
1997	12.40
1998	9.69
1999	7.32
2000	6.01
2001	4.54
2002	6.71
2003	9.11
1994-2003 Average	8.52
1999-2003 Average	6.74
2007-2009 Average	10.20
Average	<u><u>8.49</u></u>

Sources: Value Line Investment Survey, Part 3, The Ratings
& Reports, December 24, 2004.

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Section VIII - Profit
 Subsection C - Cost of Capital
 9/1/2005

Section VIII - C
 Exhibit 2
 Page 6

Stock Issuance Adjustment Factor

<u>Company</u>	(1) <u>2004</u> <u>Shares</u>	(2) <u>2007-2009</u> <u>Shares</u>	(3) <u>2007-2009</u> <u>Market/ Book</u>	(4) <u>Stock Issuance</u> <u>Adjustment Factor</u>
ACE Limited	283.00	280.00	1.40	-0.11
Alleghany Corp.	7.70	8.00	1.40	0.38
Allmerica Finan	53.30	50.00	0.80	0.32
Allstate Corp	680.00	600.00	1.55	-1.69
American Finan	74.00	74.00	1.20	0.00
Berkley (W.R.)	83.50	85.00	1.70	0.31
Berkshire Hath. 'A'	1.54	1.55	1.60	0.10
CNA Financial	256.00	256.00	0.75	0.00
Chubb	192.00	182.00	1.65	-0.86
Cincinnati Fin	168.00	165.00	1.40	-0.18
Everest Re Group	56.00	60.00	1.20	0.35
Fidelity Nat'l Finan	175.00	195.00	1.50	1.37
HCC Ins Hldngs	64.75	65.00	1.55	0.05
Markel Corp.	10.00	10.00	1.50	0.00
Mercury General	55.00	55.00	2.05	0.00
Ohio Casualty	61.50	62.00	0.90	-0.02
Old Republic	182.00	182.00	1.20	0.00
PMI Group, Inc.	95.00	90.00	1.30	-0.40
Partnerre Ltd.	53.00	50.00	1.10	-0.14
Progressive	200.00	200.00	2.10	0.00
RLI Corp	25.20	26.00	1.70	0.55
SAFECO	126.75	120.00	1.80	-1.09
St. Paul	669.50	675.00	1.25	0.05
Selective	28.00	27.00	1.40	-0.36
Transatlantic	66.00	66.00	1.75	0.00
21st Century	85.50	85.50	2.00	0.00
XL Capital Lmtd	139.00	140.00	1.40	0.07

Average

-0.05

Sources:

(1)-(3): Value Line Investment Survey, Part 3, The Ratings & Reports, December 24, 2004.

(4) = $[(3) - 1] \times [((2) / (1))^{(t)} - 1] \times 100$,
 where t is 0.25 for 2007 to 2009 forecasts.

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Section VIII - Profit
Subsection C - Cost of Capital
9/1/2005

Section VIII - C
Exhibit 3
Page 1

Capital Asset Pricing Model

$$\text{Cost of Capital: } K = r_f + \beta * r_d$$

	<u>Short-Term</u>	<u>Intermediate-Term</u>	<u>Long-Term</u>	<u>Average</u>
Risk-Free Yield (r_f)	1.84	3.49	4.87	3.40
Market Risk Premium (r_d)	8.63	7.63	7.17	7.81
Beta Coefficient (β)	0.97	0.97	0.97	0.97
Estimated Cost of Capital (K)	10.21	10.90	11.83	10.98

where for β : = average beta coefficient (Page 2).

where for r_f : (from Section VIII-H, Exhibit 2, page 2.)

1.84 = average yield on 1-month U.S. Treasury constant maturities (October 2004 - December 2004)

3.49 = average yield on 5-year U.S. Treasury (October 2004 - December 2004)

4.87 = average yield on 20-year U.S. Treasury (October 2004 - December 2004)

for r_d :

(Market Risk Premium: annual differences between average Stocks, Bonds, Bills and Inflation, December Market Report 2004, Ibbotson Associates, Section VIII-H, Exhibit 4):

8.63 = S&P 500 total returns minus U.S. Treasury bill total returns.

7.63 = S&P 500 total returns minus Intermediate-Term Government Bonds income returns

7.17 = S&P 500 total returns minus Long-Term Government Bonds income returns.

VIII 061

Section VIII - Profit
Subsection C - Cost of Capital
9/1/2005

Section VIII - C
Exhibit 3
Page 2

Capital Asset Pricing Model Beta Coefficients

<u>Company</u>	<u>Beta Coefficients</u>
ACE Limited	1.50
Alleghany Corp.	0.55
Allmerica Finan	1.50
Allstate Corp	0.95
American Finan	1.00
Berkley (W.R.)	0.80
Berkshire Hath. 'A'	0.80
CNA Financial	1.05
Chubb	1.10
Cincinnati Fin	0.85
Everest Re Group	1.10
Fidelity Nat'l Finan	0.90
HCC Ins Hldngs	1.00
Markel Corp.	0.80
Mercury General	0.90
Ohio Casualty	0.85
Old Republic	1.00
PMI Group, Inc.	1.05
Partnerre Ltd.	1.10
Progressive	1.05
RLI Corp	0.75
SAFECO	0.95
St. Paul	1.20
Selective	0.80
Transatlantic	0.80
21st Century	0.90
XL Capital Lmtd	1.05
Average	0.97

Sources: Value Line Investment Survey, Part 3, The Ratings
& Reports, December 24, 2004.

VIII 062

Section VIII - Profit
 Subsection C - Cost of Capital
 9/1/2005

Section VIII - C
 Exhibit 4

Average Cost of Long-Term Debt for Property-Casualty Insurance Companies

Company	Long-Term Interest \$ in millions (1)	Long-Term Debt \$ in millions (2)	Yield (3)=(1)/(2)
ACE Limited			
Alleghany Corp.	5.2	158.7	3.28%
Allmerica Finan	41.0	508.8	8.06%
Allstate Corp			
American Finan			
Berkley (W.R.)	52.0	807.9	6.44%
Berkshire Hath. 'A'			
CNA Financial	75.0	1182.0	6.35%
Chubb			
Cincinnati Fin	29.0	420.0	6.90%
Everest Re Group			
Fidelity Nat'l Finan	45.6	985.4	4.63%
HCC Ins Hldngs			
Markel Corp.			
Mercury General	9.7	124.7	7.78%
Ohio Casualty	20.0	395.3	5.06%
Old Republic	9.0	142.7	6.31%
PMI Group, Inc.	28.0	819.5	3.42%
Partnerre Ltd.	13.0	220.0	5.91%
Progressive	90.0	1290.0	6.98%
RLI Corp			
SAFECO			
St. Paul			
Selective	4.9	115.9	4.23%
Transatlantic			
21st Century			
XL Capital Lmted			
Average			5.79%

Sources: Value Line Investment Survey, Part 3, The Ratings
 & Reports, December 24, 2004.

Capital Structure Ratios of Property-Casualty Insurance Companies
 (in millions)

Company	(1) Total Debt	(2) L-T Debt	(3) = (1) - (2) S-T Debt	(4) Preferred Stock	(5) = (2) + (3) + (4) Total Non-equity Cap	(6) Common Equity
ACE Limited	1995.0	1849.0	146.0	412.0	\$2,407.0	\$12,008.3
Alleghany Corp.	158.7	158.7	0.0	0.0	\$158.7	\$2,147.9
Allmerica Finan	508.8	508.8	0.0	0.0	\$508.8	\$1,705.1
Allstate Corp	5399.0	0.0	5399.0	0.0	\$5,399.0	\$35,000.3
American Finan	1030.9	0.0	1030.9	0.0	\$1,030.9	\$2,296.7
Berkley (W.R.)	807.9	807.9	0.0	0.0	\$807.9	\$3,906.3
Berkshire Hath. 'A'	17050.0	9119.0	7931.0	0.0	\$17,050.0	\$110,023.1
CNA Financial	1713.0	1182.0	531.0	750.0	\$2,463.0	\$6,768.1
Chubb	2811.8	2811.8	0.0	0.0	\$2,811.8	\$14,604.8
Cincinnati Fin	478.0	420.0	58.0	0.0	\$478.0	\$7,440.6
Everest Re Group	1065.7	0.0	1065.7	0.0	\$1,065.7	\$4,967.9
Fidelity Nat'l Finan	995.4	985.4	10.0	0.0	\$995.4	\$7,812.2
HCC Ins Hldngs	322.2	0.0	322.2	0.0	\$322.2	\$2,111.0
Markel Corp.	703.6	0.0	703.6	150.0	\$853.6	\$3,441.4
Mercury General	124.7	124.7	0.0	0.0	\$124.7	\$3,206.8
Ohio Casualty	395.3	395.3	0.0	0.0	\$395.3	\$1,412.3
Old Republic	142.7	142.7	0.0	0.0	\$142.7	\$4,523.5
PMI Group, Inc.	819.5	819.5	0.0	0.0	\$819.5	\$3,914.1
Partnerre Ltd.	220.0	220.0	0.0	417.8	\$637.8	\$3,276.7
Progressive	1290.0	1290.0	0.0	0.0	\$1,290.0	\$17,113.0
RLI Corp	146.6	0.0	146.6	0.0	\$146.6	\$1,038.4
SAFECO	1332.9	0.0	1332.9	0.0	\$1,332.9	\$6,429.4
St. Paul	6467.0	0.0	6467.0	0.0	\$6,467.0	\$24,827.9
Selective	213.4	115.9	97.5	0.0	\$213.4	\$1,239.0
Transatlantic	0.0	0.0	0.0	0.0	\$0.0	\$4,006.6
21st Century	141.2	141.2	0.0	0.0	\$141.2	\$1,152.4
XL Capital Lmtd	2731.0	0.0	2731.0	517.5	\$3,248.5	\$10,768.8
Total	49064.3	21091.9	27972.4	2247.3	\$51,311.6	\$297,142.4
Capital Structure Ratios					0.15	0.85

Sources: Value Line Investment Survey, Part 3, The Ratings & Reports, December 24, 2004

(6) = (outstanding shares) * (one month average share price)

One month (Dec 13, 2004 - Jan 12, 2005) average share price from yahoo finance and outstanding shares from Value Line Investment Survey, Part 3.

Value Line doesn't have debt information for Berkshire Hathaway, so 'Yahoo Finance' used instead.

VIII 064

Section VIII - Profit
Subsection D - Leverage Ratio
9/1/2005

Section VIII - D
Exhibit 1

Losses & LAE and Unearned Premium Reserves to Surplus Ratio (In Millions)

(1) Year	(2) LOSSES & LAE	(3) Unearned Premium *	(4) Year-End Surplus	(5) Ratio [(2)+(3)]/(4)
1999	170,328	40,787	98,989	2.13
2000	163,438	43,780	94,681	2.19
2001	165,243	48,272	87,095	2.45
2002	174,191	56,689	88,641	2.60
2003	192,661	64,613	103,587	2.48
Average				2.37

Source: Best's Aggregates & Averages, 2004 Edition,
Commercial Casualty Composite, page 120.

* Data for Unearned Premium were provided by AM Best after a request from WCRIBMA

**Determination of Selected Premium Flow From Premium Collection Call
 by Duration after Policy Inception**

Quarter (1)	Net Premium Ranges									Weighted Average Selected Collection Pattern (11)
	0 - 9,999			10,000 - 199,999			200,000 +			
	Actual Premium Collection Pattern		Weight (4)	Actual Premium Collection Pattern		Weight (7)	Actual Premium Collection Pattern		Weight (10)	
	Actual (2)	Selected (3)		Actual (5)	Selected (6)		Actual (8)	Selected (9)		
-4	0.1%	0.0%	24.0%	0.0%	0.0%	52.8%	0.0%	0.0%	23.2%	0.0%
-3	0.0%	0.0%	24.0%	0.0%	0.0%	52.8%	0.0%	0.0%	23.2%	0.0%
-2	0.0%	0.0%	24.0%	0.1%	0.0%	52.8%	0.0%	0.0%	23.2%	0.0%
-1	9.9%	0.0%	24.0%	2.8%	0.0%	52.8%	1.0%	0.0%	23.2%	0.0%
0	38.8%	48.8%	24.0%	32.5%	35.4%	52.8%	27.1%	28.1%	23.2%	36.9%
1	17.5%	17.5%	24.0%	23.5%	23.5%	52.8%	22.7%	22.7%	23.2%	21.9%
2	12.1%	12.1%	24.0%	17.7%	17.7%	52.8%	21.7%	21.7%	23.2%	17.3%
3	4.6%	4.6%	24.0%	6.8%	6.8%	52.8%	10.8%	10.8%	23.2%	7.2%
4	10.5%	10.5%	24.0%	7.1%	7.1%	52.8%	6.4%	6.4%	23.2%	7.8%
5	4.8%	4.8%	24.0%	5.9%	5.9%	52.8%	5.8%	5.8%	23.2%	5.6%
6	0.5%	0.5%	24.0%	1.6%	1.6%	52.8%	1.5%	1.5%	23.2%	1.3%
7	0.5%	0.5%	24.0%	0.8%	0.8%	52.8%	1.7%	1.7%	23.2%	0.9%
8	0.1%	0.7%	24.0%	0.4%	0.4%	52.8%	0.3%	0.3%	23.2%	0.4%
9	0.0%	0.0%	24.0%	0.3%	0.8%	52.8%	0.0%	1.1%	23.2%	0.7%
10	0.0%	0.0%	24.0%	0.4%	0.0%	52.8%	0.0%	0.0%	23.2%	0.0%
11	0.0%	0.0%	24.0%	0.0%	0.0%	52.8%	0.7%	0.0%	23.2%	0.0%
12	0.0%	0.0%	24.0%	0.0%	0.0%	52.8%	0.3%	0.0%	23.2%	0.0%
13	0.5%	0.0%	24.0%	0.1%	0.0%	52.8%	0.1%	0.0%	23.2%	0.0%
14	0.1%	0.0%	24.0%	0.0%	0.0%	52.8%	0.0%	0.0%	23.2%	0.0%

Notes:

Net Premium Weights are calculated using Schedule Z data for CPY 01/02.

(2), (5), (8) are from the premium collection call.

(11) = (3) x (4) + (6) x (7) + (9) x (10)

VIII 066

Section VIII - Profit
 Subsection F - Expense Flows and Weights
 9/1/2005

Section VIII - F
 Exhibit 1

Cash Flow Weights

Item of Expense Allowance (% of Standard Premium plus ARAP)	Policy Year 2001	Policy Year 2002
Expected Losses + LAE	80.23%	75.65%
Expected Losses ¹	68.81%	64.88%
Expected Loss Adjustment Expense: ¹	11.42%	10.76%
Defense and Cost Containment Expense ²	5.54%	5.23%
Adjusting and Other Expense ²	5.87%	5.54%
Total Expenses	23.07%	22.76%
Fixed Expenses ³ :	5.22%	4.91%
General Expenses ⁴	4.51%	4.25%
Other Tax ⁴	0.71%	0.66%
Variable Expenses	17.85%	17.85%
Total Acquisition ⁵	10.45%	10.45%
Commissions	7.48%	7.48%
Other Acquisition	1.97%	1.97%
Reinsurance Expenses	1.00%	1.00%
Premium Tax ⁶	2.18%	2.18%
Premium Discount ⁶	4.21%	4.21%

¹ Policy year 2001 basis Expected Losses = 0.69 * 0.997 from Section I-B, Exhibit 1. Policy year 2002 basis Expected Losses = 0.651 * 0.997 from Section I-C, page 4. Expected LAE = Expected Losses * 0.166 where 0.166 is the LAE ratio calculated in VI-D, Exhibit 1.

² Loss Adjustment Expense split between DCCE and AOE is 0.485 = 0.081 / 0.166 and 0.515 = 1 - 0.485 where 0.081 is three year average provision for DCCE from Section VI-D, Exhibit 1, line (4) and LAE ratio = 0.166 from Section VI-D, Exhibit 1.

³ From Section VI-B, Exhibit 1.

⁴ Policy Year 2001 Fixed Expenses split between General Expenses and Other Taxes based on \$25182786 General Expenses and \$3934909 Other Taxes. Policy Year 2002 General Expenses split based on \$26627631 General Expenses and \$4160672 Other Taxes. See VI-B, Exhibit 1, lines 7 & 9.

⁵ From Section VI-K, Exhibit 1.

⁶ From Section VI-I, Exhibit 1, page 1.

VIII 067

Section VIII - Profit
 Subsection F - Expense Flows and Weights
 9/1/2005

Section VIII - F
 Exhibit 2

Percentage Distributions of General, Other Acquisition, and Taxes by Duration from Policy Inception

(1) Time Interval From To		(2) Distribution(%) General Exp.	(3) Distribution(%) Other Acquisition	(4) Distribution(%) Premium Tax	(5) Distribution(%) Other Tax
01/01/05	03/31/05	1	2	0	1
04/01/05	06/30/05	1	6	0	2
07/01/05	09/30/05	15	12	0	14
10/01/05	12/31/05	23	44	0	29
01/01/06	03/31/06	21	30	100	23
04/01/06	06/30/06	10	2	0	8
07/01/06	09/30/06	9	1	0	7
10/01/06	12/31/06	9	1	0	7
01/01/07	03/31/07	10	2	0	8
04/01/07	06/30/07	1	0	0	1
Total		100	100	100	100

Source: (2) from 1977 Filing, Exhibit 20.
 (3) & (5) from 1977 Filing, Exhibit 21.

VIII 068

Section VIII - Profit
 Subsection F - Expense Flows and Weights
 9/1/2005

Section VIII - F
 Exhibit 3

Loss and Loss Adjustment Expense Flow

Time Interval		(1)	(2)	(3)	(4)	(5)
From	To	Earned Premium	Loss Flow	DCCE Flow	AOE Flow	Loss and LAE Flow ²
01/01/05	03/31/05	0.0000	0.0000	0.0000	0.0000	0.0000
04/01/05	06/30/05	0.0000	0.0000	0.0000	0.0000	0.0000
07/01/05	09/30/05	0.0000	0.0000	0.0000	0.0000	0.0000
10/01/05	12/31/05	0.0000	0.0000	0.0000	0.0000	0.0000
01/01/06	03/31/06	0.2500	0.0474	0.0474	0.1487	0.0549
04/01/06	06/30/06	0.2500	0.0474	0.0474	0.1487	0.0549
07/01/06	09/30/06	0.2500	0.0474	0.0474	0.1487	0.0549
10/01/06	12/31/06	0.2500	0.0474	0.0474	0.1487	0.0549
01/01/07	03/31/07	0.0000	0.0643	0.0643	0.0322	0.0620
04/01/07	06/30/07	0.0000	0.0643	0.0643	0.0322	0.0620
07/01/07	09/30/07	0.0000	0.0643	0.0643	0.0322	0.0620
10/01/07	12/31/07	0.0000	0.0643	0.0643	0.0322	0.0620
01/01/08	03/31/08	0.0000	0.0412	0.0412	0.0206	0.0397
04/01/08	06/30/08	0.0000	0.0412	0.0412	0.0206	0.0397
07/01/08	09/30/08	0.0000	0.0412	0.0412	0.0206	0.0397
10/01/08	12/31/08	0.0000	0.0412	0.0412	0.0206	0.0397
01/01/09	03/31/09	0.0000	0.0245	0.0245	0.0123	0.0236
04/01/09	06/30/09	0.0000	0.0245	0.0245	0.0123	0.0236
07/01/09	09/30/09	0.0000	0.0245	0.0245	0.0123	0.0236
10/01/09	12/31/09	0.0000	0.0245	0.0245	0.0123	0.0236
01/01/10	03/31/10	0.0000	0.0136	0.0136	0.0068	0.0131
04/01/10	06/30/10	0.0000	0.0136	0.0136	0.0068	0.0131
07/01/10	09/30/10	0.0000	0.0136	0.0136	0.0068	0.0131
10/01/10	12/31/10	0.0000	0.0136	0.0136	0.0068	0.0131
01/01/11	03/31/11	0.0000	0.0079	0.0079	0.0039	0.0076
04/01/11	06/30/11	0.0000	0.0079	0.0079	0.0039	0.0076
07/01/11	09/30/11	0.0000	0.0079	0.0079	0.0039	0.0076
10/01/11	12/31/11	0.0000	0.0079	0.0079	0.0039	0.0076
01/01/12	12/31/12	0.0000	0.0204	0.0204	0.0102	0.0196
01/01/13	12/31/13	0.0000	0.0157	0.0157	0.0079	0.0152
01/01/14	12/31/14	0.0000	0.0110	0.0110	0.0055	0.0106
01/01/15	12/31/15	0.0000	0.0099	0.0099	0.0050	0.0096
01/01/16	12/31/16	0.0000	0.0077	0.0077	0.0039	0.0074
01/01/17	12/31/17	0.0000	0.0054	0.0054	0.0027	0.0052
01/01/18	12/31/18	0.0000	0.0057	0.0057	0.0028	0.0055
01/01/19	12/31/19	0.0000	0.0059	0.0059	0.0029	0.0057
01/01/20	12/31/20	0.0000	0.0052	0.0052	0.0026	0.0050
01/01/21	12/31/21	0.0000	0.0049	0.0049	0.0024	0.0047
01/01/22	12/31/22	0.0000	0.0052	0.0052	0.0026	0.0050
01/01/23	12/31/23	0.0000	0.0033	0.0033	0.0016	0.0032
01/01/24	12/31/24	0.0000	0.0034	0.0034	0.0017	0.0033
01/01/25	12/31/25	0.0000	0.0035	0.0035	0.0018	0.0034
01/01/26	12/31/26	0.0000	0.0055	0.0055	0.0027	0.0053
01/01/27	12/31/27	0.0000	0.0056	0.0056	0.0028	0.0054
01/01/28	12/31/28	0.0000	0.0057	0.0057	0.0029	0.0055
01/01/29	12/31/29	0.0000	0.0059	0.0059	0.0029	0.0057
01/01/30	12/31/30	0.0000	0.0060	0.0060	0.0030	0.0058
01/01/31	12/31/31	0.0000	0.0062	0.0062	0.0031	0.0059
01/01/32	12/31/32	0.0000	0.0063	0.0063	0.0032	0.0061
01/01/33	12/31/33	0.0000	0.0065	0.0065	0.0032	0.0062
01/01/34	12/31/34	0.0000	0.0066	0.0066	0.0033	0.0064
01/01/35	12/31/35	0.0000	0.0068	0.0068	0.0034	0.0065
01/01/36	12/31/36	0.0000	0.0069	0.0069	0.0035	0.0067
01/01/37	12/31/37	0.0000	0.0071	0.0071	0.0036	0.0068
01/01/38	12/31/38	0.0000	0.0073	0.0073	0.0036	0.0070
01/01/39	12/31/39	0.0000	0.0075	0.0075	0.0037	0.0072
01/01/40	12/31/40	0.0000	0.0076	0.0076	0.0038	0.0074
Relative Weights ¹			1.0000	0.0805	0.0854	

Notes:

¹ DCCE relative weight = 1.000 * 0.166 * 0.485; AOE relative weight = 1.000 * 0.166 * 0.515 where 0.166 is the LAE factor calculated in Section VI-D, Exhibit 1 and 0.485 and 0.515 are the DCCE and AOE split from Section VI-D, Exhibit 1.

² Loss and LAE flow = 1.0000 *(2) + 0.0805 * (3) + 0.0854 * (4)) / (1.000 + 0.0805 + 0.0854)
 Loss Flow from Section VIII-G, Exhibit 1, column (13)

Loss Payment Pattern

Age In Months (1)	Indemnity Unadjusted LDF to Ult (2)	% Paid 1.0 / (2) (3)	Incr. % Paid (3) - 1st Diff (4)	Cola Adj Not Refl in LDFs (5)	Weights for Esc Ben Alloc (4) x (5) (6)	Addt Losses as Result Escalation (7)	Adj Pay Pattern (4) + (7) (8)	Normalized Adj Pay Pat (8) / Tot (8) (9)	Medical LDF to Ult (10)	Medical %Paid 1.0 / (10) (11)	Medical Inc % Paid (11) - 1st Diff (12)	Ind & Med Inc. % Paid (13)
12	6.922	14.45%	14.45%				14.45%	13.98%	3.593	27.83%	27.83%	18.98%
24	2.593	38.56%	24.11%				24.11%	23.33%	1.730	57.79%	29.96%	25.72%
36	1.691	59.14%	20.58%				20.58%	19.91%	1.467	68.17%	10.38%	16.47%
48	1.390	71.96%	12.82%				12.82%	12.40%	1.363	73.37%	5.20%	9.80%
60	1.267	78.94%	6.98%				6.98%	6.75%	1.308	76.46%	3.09%	5.43%
72	1.204	83.02%	4.09%				4.09%	3.95%	1.279	78.17%	1.71%	3.14%
84	1.170	85.50%	2.48%				2.48%	2.40%	1.257	79.57%	1.39%	2.04%
96	1.145	87.32%	1.82%				1.82%	1.76%	1.237	80.81%	1.24%	1.57%
108	1.133	88.28%	0.96%				0.96%	0.93%	1.216	82.21%	1.40%	1.10%
120	1.120	89.29%	1.01%				1.01%	0.98%	1.202	83.23%	1.02%	0.99%
132	1.111	90.04%	0.75%	0.480	0.0036	0.12%	0.87%	0.84%	1.192	83.88%	0.65%	0.77%
144	1.105	90.48%	0.43%	0.960	0.0041	0.13%	0.56%	0.55%	1.185	84.41%	0.53%	0.54%
156	1.101	90.86%	0.38%	0.960	0.0037	0.12%	0.50%	0.48%	1.175	85.13%	0.71%	0.57%
168	1.096	91.27%	0.41%	0.960	0.0039	0.13%	0.54%	0.52%	1.165	85.83%	0.71%	0.59%
180	1.091	91.62%	0.35%	0.960	0.0034	0.11%	0.46%	0.45%	1.156	86.48%	0.65%	0.52%
192	1.088	91.88%	0.26%	0.960	0.0025	0.08%	0.33%	0.32%	1.146	87.26%	0.78%	0.49%
204	1.084	92.26%	0.39%	1.034	0.0040	0.13%	0.52%	0.50%	1.139	87.81%	0.55%	0.52%
216	1.081	92.48%	0.21%	1.034	0.0022	0.07%	0.28%	0.27%	1.133	88.24%	0.43%	0.33%
228	1.078	92.75%	0.27%	1.034	0.0028	0.09%	0.36%	0.35%	1.129	88.56%	0.32%	0.34%
240	1.075	93.06%	0.31%	1.034	0.0032	0.10%	0.41%	0.40%	1.126	88.83%	0.27%	0.35%
252	1.070	93.45%	0.40%	1.034	0.0041	0.13%	0.53%	0.51%	1.118	89.44%	0.61%	0.55%
264	1.065	93.86%	0.40%	1.034	0.0042	0.13%	0.54%	0.52%	1.110	90.07%	0.63%	0.56%
276	1.061	94.27%	0.41%	1.034	0.0043	0.14%	0.55%	0.53%	1.102	90.71%	0.65%	0.57%
288	1.056	94.70%	0.42%	1.034	0.0044	0.14%	0.56%	0.54%	1.094	91.38%	0.66%	0.59%
300	1.051	95.13%	0.43%	1.034	0.0045	0.14%	0.57%	0.56%	1.086	92.06%	0.68%	0.60%
312	1.046	95.57%	0.44%	1.034	0.0046	0.15%	0.59%	0.57%	1.078	92.76%	0.70%	0.62%
324	1.041	96.02%	0.45%	1.034	0.0047	0.15%	0.60%	0.58%	1.070	93.48%	0.72%	0.63%
336	1.036	96.48%	0.46%	1.034	0.0048	0.15%	0.61%	0.59%	1.061	94.22%	0.74%	0.65%
348	1.031	96.95%	0.47%	1.034	0.0049	0.16%	0.63%	0.61%	1.053	94.98%	0.76%	0.66%
360	1.026	97.43%	0.48%	1.034	0.0050	0.16%	0.64%	0.62%	1.044	95.76%	0.78%	0.68%
372	1.021	97.92%	0.49%	1.034	0.0051	0.16%	0.65%	0.63%	1.036	96.56%	0.80%	0.69%
384	1.016	98.42%	0.50%	1.034	0.0052	0.17%	0.67%	0.65%	1.027	97.39%	0.82%	0.71%
396	1.011	98.94%	0.51%	1.034	0.0053	0.17%	0.68%	0.66%	1.018	98.23%	0.85%	0.73%
408	1.005	99.46%	0.52%	1.034	0.0054	0.17%	0.70%	0.67%	1.009	99.11%	0.87%	0.75%
420	1.000	100.00%	0.54%	1.034	0.0055	0.18%	0.71%	0.69%	1.000	100.00%	0.89%	0.76%
Total			100.00%		10.51%	3.37%	103.36%				100.00%	

690 IIIA

(2), (10) from Exhibit 2, Pages 1 and 2.

(5): For months greater than 204 the escalation factor was taken from Section II-D, exhibit 1. For months 144-192 an escalation factor of 0.96 was judgmentally selected.

Month-age=132 is the half of month-age=144.

(13) Medical and Indemnity flows weighted by AY 2003 Paid Losses Developed to Ultimate. See Exhibit 2, pages 1 and 2.

$$\text{Medical flow weight} = (49686 * 3.593) / (49686 * 3.593 + 45681 * 6.922) = 0.36$$

Accident Year Financial Aggregate Data
 Calculation of Medical Paid Loss Development Factors
 Industrywide

Accident Year	Indemnity Paid Losses (\$000) Evaluated at Month:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252
1983	30163	59202	69353	74187	76833	78733	80537	81933	82969	84818	85506	85994	86407	86846	86398	87882	88065	88237	88461	88612	89222
1984	33795	68361	81119	87721	91497	94467	96780	98203	99909	100495	101009	101433	101788	102259	102581	103029	103530	103958	104390	104837	
1985	32800	75710	91586	100446	106864	111525	114182	117326	122306	123570	124480	125404	126157	125824	126398	126732	127930	128588	128978		
1986	42998	92963	111454	123386	130021	134712	138555	140867	142611	143755	144988	145661	146447	146997	147357	148188	148991	149685			
1987	48663	111642	138124	151954	160659	168116	172460	175461	177824	179730	181748	182219	183488	184455	185728	187698	189063				
1988	50746	124485	154807	170758	183064	188870	193234	195773	197753	200217	201015	202014	203340	204736	205850	207380					
1989	61605	145840	179715	199164	209340	214417	218129	220355	222486	223902	225053	226908	228731	230700	232920						
1990	68148	153521	187595	203652	211832	217358	220204	222650	222927	224885	226449	228478	230186	232024							
1991	65666	144603	173301	185288	192222	196391	199519	201328	203734	205966	207732	209468	211448								
1992	53958	113267	130810	140629	144190	146179	148002	149473	151097	152433	153712	154387									
1993	49058	96901	110762	115791	118799	120502	121945	123198	124626	125903	126823										
1994	40754	81414	92042	96627	99315	101227	101988	103191	104716	106242											
1995	37883	73003	82840	87241	90085	90723	92379	93870	95723												
1996	36816	73039	82633	87064	90025	92130	93926	95346													
1997	35358	71745	80843	85882	88607	90423	91887														
1998	40706	82696	95474	101528	105300	107859															
1999	42053	88249	103530	110384	115580																
2000	43824	91511	107374	116635																	
2001	43881	88608	105080																		
2002	43028	91806																			
2003	49686																				

Accident Year	Loss Development Factors From:																			
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252
1983	1.963	1.171	1.070	1.036	1.025	1.023	1.017	1.013	1.022	1.008	1.006	1.005	1.005	0.995	1.017	1.002	1.002	1.003	1.002	1.007
1984	2.023	1.187	1.081	1.043	1.032	1.024	1.015	1.017	1.006	1.005	1.004	1.004	1.005	1.003	1.004	1.005	1.004	1.004	1.004	1.004
1985	2.308	1.210	1.097	1.064	1.044	1.024	1.028	1.042	1.010	1.007	1.007	1.006	0.997	1.005	1.003	1.009	1.005	1.003		
1986	2.162	1.199	1.107	1.054	1.036	1.029	1.017	1.012	1.008	1.009	1.005	1.005	1.004	1.002	1.006	1.005	1.005	1.005		
1987	2.294	1.237	1.100	1.057	1.046	1.026	1.017	1.013	1.011	1.011	1.003	1.007	1.005	1.007	1.011	1.007				
1988	2.453	1.244	1.103	1.072	1.032	1.023	1.013	1.010	1.012	1.004	1.005	1.007	1.007	1.005	1.007					
1989	2.367	1.232	1.108	1.051	1.024	1.017	1.010	1.010	1.006	1.005	1.008	1.008	1.009	1.010						
1990	2.253	1.222	1.086	1.040	1.026	1.013	1.011	1.001	1.009	1.007	1.009	1.007	1.008							
1991	2.202	1.198	1.069	1.037	1.022	1.016	1.009	1.012	1.011	1.009	1.008	1.009								
1992	2.099	1.155	1.075	1.025	1.014	1.012	1.010	1.011	1.009	1.008	1.004									
1993	1.975	1.143	1.045	1.026	1.014	1.012	1.010	1.012	1.010	1.007										
1994	1.998	1.131	1.050	1.028	1.019	1.008	1.012	1.015	1.015											
1995	1.927	1.135	1.053	1.033	1.007	1.018	1.016	1.020												
1996	1.984	1.131	1.054	1.034	1.023	1.019	1.015													
1997	2.029	1.127	1.062	1.032	1.021	1.016														
1998	2.032	1.155	1.063	1.037	1.024															
1999	2.099	1.173	1.066	1.047																
2000	2.088	1.173	1.086																	
2001	2.019	1.186																		
2002	2.134																			

	Tail Factor																				
2 Yr Average	2.076	1.180	1.076	1.042	1.022	1.018	1.016	1.017	1.012	1.008	1.006	1.008	1.008	1.008	1.009	1.006	1.005	1.004	1.003	1.007	1.118
Cumulative	3.593	1.730	1.467	1.363	1.308	1.279	1.257	1.237	1.216	1.202	1.192	1.185	1.175	1.165	1.156	1.146	1.139	1.133	1.129	1.126	1.118

Note: Tail Factor from Section II-A, Exhibit 1, page 1
 (We use policy year tail factor in accident year data because we don't believe that that will change the result significantly)

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Accident Year Financial Aggregate Data
 Calculation of Indemnity Paid Loss Development Factors
 Industrywide

Accident Year	Indemnity Paid Losses (\$000) Evaluated at Month:																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252
1983	52168	135568	195707	234213	256429	272277	286588	298149	305975	310055	314034	317661	320969	322927	324715	325786	327802	329888	331407	332504	333920
1984	60052	154750	230360	274333	303461	328286	346910	358016	365387	372006	375686	379127	381839	384199	385073	387650	389734	390418	391967	393291	
1985	61277	178893	260446	316379	359528	392530	411211	421992	429282	432493	436121	439258	442024	444143	446315	447207	450549	451484	452346		
1986	82535	217005	317244	398963	454301	490144	514944	528015	535005	542059	547911	553155	557246	559076	562424	564195	566925	568350			
1987	105941	283369	416069	508666	569552	613965	640304	653658	664552	670387	675294	681480	685107	689450	692278	693780	696272				
1988	120506	332647	495953	604120	668237	712213	736589	754714	764281	772425	778500	782074	786966	791554	795231	797952					
1989	127882	376290	560370	668228	731551	770380	796570	810949	820451	827996	832191	836339	841972	846275	848903						
1990	127934	378343	560019	668730	726241	771589	798823	813679	825219	832173	837828	840618	843940	847247							
1991	108011	297794	439686	518292	573653	611062	637671	649195	654533	661878	665328	668017	671010								
1992	62884	167125	238082	280625	303352	316661	324618	328828	334088	335143	337167	339035									
1993	50015	133815	197873	232576	252773	261820	267999	272082	275841	279923	282936										
1994	41561	114106	166995	195808	211355	220613	227324	230361	232958	234843											
1995	34038	95852	142084	167328	182880	193553	198685	202491	204677												
1996	34536	91059	134871	162128	179610	188557	194028	198570													
1997	35919	91717	134013	162129	176590	186361	192081														
1998	39039	104887	160241	190165	209344	219435															
1999	43177	112495	168310	204531	223578																
2000	44351	120885	185190	225638																	
2001	44636	117640	180604																		
2002	42990	116200																			
2003	45681																				

Accident Year	Loss Development Factors From:																				Tail Factor
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	
1983	2.599	1.444	1.197	1.095	1.062	1.053	1.040	1.026	1.013	1.013	1.012	1.010	1.006	1.006	1.003	1.006	1.006	1.005	1.003	1.004	
1984	2.577	1.489	1.191	1.106	1.082	1.057	1.032	1.021	1.018	1.010	1.009	1.007	1.006	1.002	1.007	1.005	1.002	1.004	1.003		
1985	2.919	1.456	1.215	1.136	1.092	1.048	1.026	1.017	1.007	1.008	1.007	1.006	1.005	1.005	1.002	1.007	1.002	1.002			
1986	2.629	1.462	1.258	1.139	1.079	1.051	1.025	1.013	1.013	1.011	1.010	1.007	1.003	1.006	1.003	1.005	1.003				
1987	2.675	1.468	1.223	1.120	1.078	1.043	1.021	1.017	1.009	1.007	1.009	1.005	1.006	1.004	1.002	1.004					
1988	2.760	1.491	1.218	1.106	1.066	1.034	1.025	1.013	1.011	1.008	1.005	1.006	1.006	1.005	1.003						
1989	2.942	1.489	1.192	1.095	1.053	1.034	1.018	1.012	1.009	1.005	1.005	1.007	1.005	1.003							
1990	2.957	1.480	1.194	1.086	1.062	1.035	1.019	1.014	1.008	1.007	1.003	1.004	1.004								
1991	2.757	1.476	1.179	1.107	1.065	1.044	1.018	1.008	1.011	1.005	1.004	1.004									
1992	2.658	1.425	1.179	1.081	1.044	1.025	1.013	1.016	1.003	1.006	1.006										
1993	2.675	1.479	1.175	1.087	1.036	1.024	1.015	1.014	1.015	1.011											
1994	2.745	1.463	1.173	1.079	1.044	1.030	1.013	1.011	1.008												
1995	2.816	1.482	1.178	1.093	1.058	1.027	1.019	1.011													
1996	2.637	1.481	1.202	1.108	1.050	1.029	1.023														
1997	2.553	1.461	1.210	1.089	1.055	1.031															
1998	2.687	1.528	1.187	1.101	1.048																
1999	2.605	1.496	1.215	1.093																	
2000	2.726	1.532	1.218																		
2001	2.636	1.535																			
2002	2.703																				
2 Yr Average	2.669	1.534	1.217	1.097	1.052	1.030	1.021	1.011	1.011	1.008	1.005	1.004	1.005	1.004	1.003	1.004	1.002	1.003	1.003	1.004	1.070
Cumulative	6.922	2.593	1.691	1.390	1.267	1.204	1.170	1.145	1.133	1.120	1.111	1.105	1.101	1.096	1.091	1.088	1.084	1.081	1.078	1.075	1.070

Note: Tail Factor from Section II-A, Exhibit 1, page1
 (We use policy year tail factor in accident year data because we don't believe that that will change the result significantly)

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Calculation of Portfolio Rate of Return

Asset Class	Proportion ¹	Pre-tax Return ²	Tax Rate ³	After-tax Return ⁴
Cash and Short-term Investments	9.61%	2.01%	35.00%	1.30%
Governments	13.97%	3.36%	35.00%	2.19%
Public Utilities	1.72%	4.74%	35.00%	3.08%
Industrials	21.58%	3.96%	35.00%	2.57%
States & Territories	10.38%	3.33%	5.25%	3.15%
Special Revenue	21.80%	3.44%	5.25%	3.26%
Stocks	18.27%	11.28%	31.04%	7.78%
Real Estate	1.02%	5.98%	35.00%	3.89%
Preferred	1.65%	6.20%	14.18%	5.32%
Total	100.00%	4.92%	26.28%	3.63%
Investment Expenses ⁵		0.47%	35.00%	0.31%
Portfolio Rate of Return		4.44%	25.35%	3.32%

¹ From page 2, Total US PC Industry.

² Pretax bond returns are from Exhibit 2, page 1.

Cash and short term investments: using short horizon CAPM with beta=0.00

Common stock return: $r_f + b \times \text{MRP}$ with $b=1.00$ and three horizons

Real Estate: 3 month treasury rate, 0.0204 plus the real estate differential, 0.0394

from Ibbotson and Siegel, "Real Estate Returns: A Comparison with Other Investments"

Preferred Stock return: yield on A rated preferred stock from Mergent Bond Record (exhibit 2, page 2).

³ Governments and Other taxable bonds taxed at Federal Tax Rate of 35%.

Tax Exempt Bonds: tax rate = 0.15×0.35

Tax rate for Preferred stock = $(0.30 \times 0.35) + (0.70 \times 0.15 \times 0.35)$

Tax rate for Common Stocks from Exhibit 6, page 1.

⁴ Calculated as the product of the pretax return and the complement of the tax rate.

⁵ From Exhibit 5.

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Asset Distribution

Asset Distribution	(1) 12/31/2003	Total US PC Industry (2) Share	(3)=(2)/(4) Adjusted Share
Bonds	645,253,808	67.12%	69.45%
Preferred Stocks	15,366,758	1.60%	1.65%
Common Stocks	169,722,726	17.66%	18.27%
Cash and Short Term Investments	89,298,453	9.29%	9.61%
Real Estate ¹	9,465,842	0.98%	1.02%
Other Invested Assets	32,170,263	3.35%	
Total ²	961,277,850	100.00%	100.00%
(4) Total excluding Other Invested Assets		96.65%	

Source: Best's Aggregates and Averages Property Casualty, 2004 Edition, page 138.

¹ Real estate is sum of: Real Estate investment, Offices and Sales.

² Total does not include Investments in affiliates.

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Portfolio Rate of Return

	Term to Maturity	Yield Data ¹				
		Governments	States and Territories	Special Revenue	Public Utilities	Industrials
Oct-04	0.5 Year	2.05%	1.54%	1.53%	2.29%	2.27%
	3 Year	2.85%	2.30%	2.34%	3.39%	3.19%
	7 Year	3.75%	3.13%	3.25%	4.78%	4.28%
	15 Year	4.48%	3.90%	3.99%	5.42%	5.06%
	25 Year	4.90%	4.50%	4.43%	5.74%	5.55%
Nov-04	0.5 Year	2.32%	1.77%	1.77%	2.52%	2.47%
	3 Year	3.09%	2.51%	2.55%	3.96%	3.44%
	7 Year	3.88%	3.25%	3.35%	5.82%	4.56%
	15 Year	4.54%	3.97%	4.05%	6.10%	5.23%
	25 Year	4.92%	4.54%	4.47%	6.00%	5.62%
Dec-04	0.5 Year	2.50%	1.86%	1.85%	2.75%	2.70%
	3 Year	3.21%	2.56%	2.58%	4.01%	3.55%
	7 Year	3.93%	3.26%	3.33%	5.61%	4.48%
	15 Year	4.56%	3.98%	4.00%	5.95%	5.15%
	25 Year	4.90%	4.53%	4.41%	5.94%	5.55%

	% of Bonds by Class, by Maturity for P/C Industry Distribution ²				
0.5 Year	3.20%	0.26%	1.14%	0.14%	3.24%
3 Year	9.32%	2.68%	6.46%	0.88%	12.43%
7 Year	4.15%	7.00%	10.70%	1.01%	10.65%
15 Year	2.12%	4.15%	7.87%	0.22%	2.06%
25 Year	1.22%	0.78%	5.05%	0.22%	2.54%
Total	20.01%	14.87%	31.23%	2.46%	30.92%

Month	Weighted Yield ³				
Oct-04	3.21%	3.24%	3.38%	4.29%	3.79%
Nov-04	3.40%	3.36%	3.48%	5.01%	4.02%
Dec-04	3.49%	3.38%	3.46%	4.94%	4.05%
Average	3.36%	3.33%	3.44%	4.74%	3.96%

¹ Monthly yields calculated from data on page 2.

² From Exhibit 3.

³ Example of Weighted Yield calculation: $3.24 = (1.54 \times 0.26 + 2.3 \times 2.68 + 3.13 \times 7 + 3.9 \times 4.15 + 4.5 \times 0.78) / 14.87$

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 Exhibit 2
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	Yield Data		
	October 2004	November 2004	December 2004
FEDERAL RESERVE STATISTICAL RELEASE			
Commercial Paper			
1-month	1.80%	2.03%	2.26%
2-month	1.90%	2.13%	2.32%
3-month	1.97%	2.20%	2.38%
U.S. Govt Securities			
secondary market			
3-month	1.76%	2.07%	2.19%
6-month	2.00%	2.27%	2.43%
Treasury Constant Maturities (TCM)			
1-month	1.63%	1.92%	1.96%
3-month	1.79%	2.11%	2.22%
6-month	2.05%	2.32%	2.50%
1-year	2.23%	2.50%	2.67%
2-year	2.58%	2.85%	3.01%
3-year	2.85%	3.09%	3.21%
5-year	3.35%	3.53%	3.60%
7-year	3.75%	3.88%	3.93%
10-year	4.10%	4.19%	4.23%
20-year	4.85%	4.89%	4.88%
30-year	4.94%	4.95%	4.91%
Corporate Bonds			
Moody's Seasoned			
AAA	5.47%	5.52%	5.47%
BAA	6.21%	6.20%	6.15%
State & Local Bonds			
Conventional Mortgages	4.49%	4.52%	4.48%
	5.72%	5.73%	5.75%
MERGENT BOND RECORD			
Long-Term Corporate Bond Yields (avg maturity at least 20 yrs)			
Average Corporate	5.87%	5.89%	5.84%
Aaa	5.47%	5.52%	5.47%
Aa	5.69%	5.72%	5.69%
A	5.86%	5.88%	5.82%
Baa	6.21%	6.21%	6.15%
Aaa Industrial			
Aa Industrial	5.47%	5.52%	5.47%
Aa Public Utility	5.63%	5.65%	5.60%
Pub Util Pref Stock ("a")	5.74%	5.79%	5.78%
	6.26%	6.19%	6.16%
S&P's Credit Week			
Aa Industrial			
5	3.94%	4.26%	4.18%
10	4.80%	5.01%	4.93%
15	5.11%	5.27%	5.18%
20	5.39%	5.51%	5.42%
Aa Public Utility			
5	4.27%	5.82%	5.57%
10	5.54%	5.83%	5.67%
15	6.09%	5.65%	5.55%
20	6.55%	5.58%	5.51%
VALUE LINE INVESTMENT SURVEY (Part II)			
Municipal Bond Yields			
25/30-yr			
Bond Index (GOs)	4.49%	4.52%	4.46%
25/30-yr Aaa	4.64%	4.67%	4.65%
Aa (Interpolated)	4.74%	4.77%	4.76%
A	4.84%	4.87%	4.86%
10-yr			
Aaa	3.43%	3.52%	3.55%
Aa (Interpolated)	3.56%	3.65%	3.69%
A	3.69%	3.78%	3.83%
1-yr			
Aaa	1.72%	1.95%	2.03%
Corporate Bond Yields - Calculated			
"Aa" Industrial - 7 yrs	4.28%	4.56%	4.48%
- 30 yrs	5.63%	5.65%	5.60%
"Aa" Public Utility - 7 yrs	4.78%	5.82%	5.61%
- 30 yrs	5.74%	5.79%	5.78%

Sources: Various issues of "Federal Reserve Statistical Release," H.15 (519), Mergent Bond Record, S&P Credit Week and Value Line Investment Survey, Part II. As of June 1 2004 the Treasury has ceased publication of its long-term average nominal yield. The Treasury commenced publishing this rate on February 19, 2002, coinciding with the discontinuance of its 30-year constant maturity rate. At that time the Treasury began to publish an "extrapolation factor", to allow users to calculate a proxy for the 30-year constant maturity rate. An extrapolation factor will continue to be published but as of June 1 2004, it will be based on an extrapolation from the 20-year yield curve.

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 Exhibit 3

Bond Distribution by Class, by Maturity for P/C Industry Distribution

2003 Industry Totals

TERM TO MATURITY	GOVERNMENTS	STATES & TERRITORIES	SPECIAL REVENUE	PUBLIC UTILITIES	INDUSTRIAL	OTHER BONDS	TOTAL BONDS
0.5	20,781,079	1,714,027	7,422,645	917,534	21,049,043	59,405	51,943,731
3	60,630,438	17,400,527	41,991,991	5,697,346	80,834,039	1,801,902	208,356,243
7.5	26,994,761	45,500,915	69,591,496	6,589,019	69,239,136	592,284	218,507,611
15	13,781,319	26,978,033	51,195,164	1,404,346	13,397,728	771,626	107,528,216
25	7,943,554	5,062,788	32,864,979	1,417,818	16,511,453	90,702	63,891,294
TOTAL	130,131,151	96,656,290	203,066,275	16,026,063	201,031,399	3,315,919	650,227,095

% of Bonds by Class, by Maturity for P/C Industry Distribution

0.5	3.20%	0.26%	1.14%	0.14%	3.24%	0.01%	7.99%
3	9.32%	2.68%	6.46%	0.88%	12.43%	0.28%	32.04%
7.5	4.15%	7.00%	10.70%	1.01%	10.65%	0.09%	33.60%
15	2.12%	4.15%	7.87%	0.22%	2.06%	0.12%	16.54%
25	1.22%	0.78%	5.05%	0.22%	2.54%	0.01%	9.83%
TOTAL	20.01%	14.87%	31.23%	2.46%	30.92%	0.51%	100.00%

Source: Best's Aggregates and Averages - Property-Casualty, 2004, pp. 153-154.

Note: Bonds less than a year adjusted to remove cash and short term investments using data from One Source.

Market Risk Premium

Year	Large Company Stocks Total Returns (1)	Long-Term Government Bonds Income Returns (2)	Interm.-Term Government Bonds Income Returns (3)	US Treasury Bill Total Returns (4)	Long Term Risk Premium (1) - (2)	Interm. Term Risk Premium (1) - (3)	Short Term Risk Premium (1) - (4)
1926	11.62	3.73	3.78	3.27	7.89	7.84	8.35
1927	37.49	3.41	3.49	3.12	34.08	34.00	34.37
1928	43.61	3.22	3.64	3.56	40.39	39.97	40.05
1929	(8.42)	3.47	4.07	4.75	(11.89)	(12.49)	(13.17)
1930	(24.90)	3.32	3.30	2.41	(28.22)	(28.20)	(27.31)
1931	(43.34)	3.33	3.16	1.07	(46.67)	(46.50)	(44.41)
1932	(8.19)	3.69	3.63	0.96	(11.88)	(11.82)	(9.15)
1933	53.99	3.12	2.83	0.30	50.87	51.16	53.69
1934	(1.44)	3.18	2.93	0.16	(4.62)	(4.37)	(1.60)
1935	47.67	2.81	2.02	0.17	44.86	45.65	47.50
1936	33.92	2.77	1.44	0.18	31.15	32.48	33.74
1937	(35.03)	2.66	1.48	0.31	(37.69)	(36.51)	(35.34)
1938	31.12	2.64	1.82	(0.02)	28.48	29.30	31.14
1939	(0.41)	2.40	1.31	0.02	(2.81)	(1.72)	(0.43)
1940	(9.78)	2.23	0.90	0.00	(12.01)	(10.68)	(9.78)
1941	(11.59)	1.94	0.67	0.06	(13.53)	(12.26)	(11.65)
1942	20.34	2.46	0.76	0.27	17.88	19.58	20.07
1943	25.90	2.44	1.56	0.35	23.46	24.34	25.55
1944	19.75	2.46	1.44	0.33	17.29	18.31	19.42
1945	36.44	2.34	1.19	0.33	34.10	35.25	36.11
1946	(8.07)	2.04	1.08	0.35	(10.11)	(9.15)	(8.42)
1947	5.71	2.13	1.21	0.50	3.58	4.50	5.21
1948	5.50	2.40	1.56	0.81	3.10	3.94	4.69
1949	18.79	2.25	1.36	1.10	16.54	17.43	17.69
1950	31.71	2.12	1.39	1.20	29.59	30.32	30.51
1951	24.02	2.38	1.98	1.49	21.64	22.04	22.53
1952	18.37	2.66	2.19	1.66	15.71	16.18	16.71
1953	(0.99)	2.84	2.55	1.82	(3.83)	(3.54)	(2.81)
1954	52.62	2.79	1.60	0.86	49.83	51.02	51.76
1955	31.56	2.75	2.45	1.57	28.81	29.11	29.99
1956	6.56	2.99	3.05	2.46	3.57	3.51	4.10
1957	(10.78)	3.44	3.59	3.14	(14.22)	(14.37)	(13.92)
1958	43.36	3.27	2.93	1.54	40.09	40.43	41.82
1959	11.96	4.01	4.18	2.95	7.95	7.78	9.01
1960	0.47	4.26	4.15	2.66	(3.79)	(3.68)	(2.19)
1961	26.89	3.83	3.54	2.13	23.06	23.35	24.76
1962	(8.73)	4.00	3.73	2.73	(12.73)	(12.46)	(11.46)
1963	22.80	3.89	3.71	3.12	18.91	19.09	19.68
1964	16.48	4.15	4.00	3.54	12.33	12.48	12.94
1965	12.45	4.19	4.15	3.93	8.26	8.30	8.52
1966	(10.06)	4.49	4.93	4.76	(14.55)	(14.99)	(14.82)
1967	23.98	4.59	4.88	4.21	19.39	19.10	19.77
1968	11.06	5.50	5.49	5.21	5.56	5.57	5.85
1969	(8.50)	5.95	6.65	6.58	(14.45)	(15.15)	(15.08)
1970	4.01	6.74	7.49	6.52	(2.73)	(3.48)	(2.51)
1971	14.31	6.32	5.75	4.39	7.99	8.56	9.92
1972	18.98	5.87	5.75	3.84	13.11	13.23	15.14
1973	(14.66)	6.51	6.58	6.93	(21.17)	(21.24)	(21.59)
1974	(26.47)	7.27	7.24	8.00	(33.74)	(33.71)	(34.47)
1975	37.20	7.99	7.35	5.80	29.21	29.85	31.40
1976	23.84	7.89	7.10	5.08	15.95	16.74	18.76
1977	(7.18)	7.14	6.49	5.12	(14.32)	(13.67)	(12.30)
1978	6.56	7.90	7.83	7.18	(1.34)	(1.27)	(0.62)
1979	18.44	8.86	9.04	10.38	9.58	9.40	8.06
1980	32.42	9.97	10.55	11.24	22.45	21.87	21.18
1981	(4.91)	11.55	12.97	14.71	(16.46)	(17.88)	(19.62)
1982	21.41	13.50	12.81	10.54	7.91	8.60	10.87
1983	22.51	10.38	10.35	8.80	12.13	12.16	13.71
1984	6.27	11.74	11.68	9.85	(5.47)	(5.41)	(3.58)
1985	32.16	11.25	10.29	7.72	20.91	21.87	24.44
1986	18.47	8.98	7.72	6.16	9.49	10.75	12.31
1987	5.23	7.92	7.47	5.47	(2.69)	(2.24)	(0.24)
1988	16.81	8.97	8.24	6.35	7.84	8.57	10.46
1989	31.49	8.81	8.46	8.37	22.68	23.03	23.12
1990	(3.17)	8.19	8.15	7.81	(11.36)	(11.32)	(10.98)
1991	30.55	8.22	7.43	5.60	22.33	23.12	24.95
1992	7.67	7.26	6.27	3.51	0.41	1.40	4.16
1993	9.99	7.17	5.53	2.90	2.82	4.46	7.09
1994	1.31	6.59	6.07	3.90	(5.28)	(4.76)	(2.59)
1995	37.43	7.60	6.69	5.60	29.83	30.74	31.83
1996	23.07	6.18	5.82	5.21	16.89	17.25	17.86
1997	33.36	6.64	6.14	5.26	26.72	27.22	28.10
1998	28.58	5.83	5.29	4.86	22.75	23.29	23.72
1999	21.04	5.57	5.30	4.68	15.47	15.74	16.36
2000	(9.11)	6.50	6.19	5.89	(15.61)	(15.30)	(15.00)
2001	(11.88)	5.53	4.27	3.83	(17.41)	(16.15)	(15.71)
2002	(22.10)	5.59	3.98	1.65	(27.69)	(26.08)	(23.75)
2003	28.70	4.80	2.85	1.02	23.90	25.85	27.68
2004	10.87	5.02	3.28	1.20	5.85	7.59	9.67
Average	12.39	5.23	4.76	3.76	7.17	7.63	8.63

Long-Term Equity Risk Premium 7.17
 Intermediate-Term Equity Risk Premium 7.63
 Short-Term Equity Risk Premium 8.63

Sources: SBBI, 2004 Yearbook from Ibbotson Associates

(1) Table B-1: Large Company Stocks, Total Returns, page 218

(2) Table B-7: Long Term Government stocks, Income Returns, page 230

(3) Table B-11: Intermediate Term Government stocks, Income Returns, page 238

(4) Table B-14: US Treasury Bills, Total Returnsstocks, Income Returns, page 244

2005 values are from Stocks, Bonds, Bills and Inflation, December Market Report 2004, Ibbotson Associates.

Investment Expense to Assets Ratio

Year	Total Investment Expense Incurred ¹ (1)	Interest Expense ¹ (2)	Depreciation of Real Estate ¹ (3)	Aggregate Write-ins ¹ (4)	Total Deductions (5)=(1)+(2)+(3)+(4)	Total Cash and Invested Assets ² (6)	Ratio (5)/(6)
1994	2,187,449		318,050	465,693	2,971,192	609,505,252	0.49%
1995	2,158,840		316,304	565,808	3,040,952	664,008,342	0.46%
1996	2,239,687		319,959	520,338	3,079,984	700,806,046	0.44%
1997	2,372,330	437,438	348,993	400,689	3,559,450	766,061,919	0.46%
1998	2,413,574	518,642	362,308	414,986	3,709,510	796,780,574	0.47%
1999	2,387,349	586,903	331,030	477,017	3,782,299	799,060,669	0.47%
2000	2,326,369	655,946	349,789	483,714	3,815,818	789,330,250	0.48%
2001	2,401,142	975,916	363,182	513,466	4,253,706	800,784,777	0.53%
2002	2,282,667	1,009,027	377,121	667,290	4,336,105	848,344,235	0.51%
2003	2,618,719	650,543	381,157	524,392	4,174,811	967,703,877	0.43%
Average	2,338,813	690,631	346,789	503,339	3,672,383	774,238,594	0.47%

Source: Best's Aggregates and Averages

¹ Exhibit of Net Investment Income, page 148 (year 2003)

² Exhibit of Assets, page 138 (year 2003)

VIII 079

Section VIII - Profit
Subsection H - Portfolio Rate of Return
9/1/2005

Section VIII - H
Exhibit 6
Page 1

Calculation of Common Stock Total Return Tax Rate

<u>Year</u>	<u>Income Returns</u> ¹	<u>Capital Appreciation Returns</u> ²
1995	2.91%	34.11%
1996	2.54%	20.26%
1997	2.11%	31.01%
1998	1.68%	26.67%
1999	1.36%	19.53%
2000	1.10%	-10.14%
2001	1.18%	-13.04%
2002	1.39%	-23.37%
2003	2.00%	26.38%
2004	1.75%	8.99%
Average	1.80%	12.04%
	Dividend	Capital Gains
Weights :	13.02%	86.98%
Tax Rate ³ :	14.18%	33.56%
Common Stock Tax Rate		31.04%

Sources: SBBI, 2004 Yearbook from Ibbotson Associates and Stocks, Bonds, Bills and Inflation, December Market Report 2004, Ibbotson Associates.

¹ Table B-2 - Large Company Stocks: Income Returns, page 221

² Table B-3 - Large Company Stocks: Capital Appreciation Returns, page 223

³ Dividend Tax Rate = $0.3 * 0.35 + 0.7 * 0.35 * 0.15$
Capital Gains Tax Rate is from page 2

Calculation of Capital Gains Tax Rate

(1) <u>Year</u>	(2) Realized <u>Capital Gains</u> ¹	(3)=(2) * (7) Taxes <u>Paid</u>	(4)=(3) * (1.0+ (6)) ^{-((1) - 1.0)} Present Value <u>of the Taxes</u>
1	0.360	0.126	0.126
2	0.230	0.081	0.079
3	0.147	0.052	0.049
4	0.094	0.033	0.031
5	0.060	0.021	0.019
6	0.039	0.014	0.012
7	0.025	0.009	0.007
8	0.016	0.006	0.005
9	0.010	0.004	0.003
10	0.006	0.002	0.002
11	0.004	0.001	0.001
12	0.003	0.001	0.001
13	0.002	0.001	0.000
14	0.001	0.000	0.000
15	0.001	0.000	0.000
16	0.000	0.000	0.000
17	0.000	0.000	0.000
18	0.000	0.000	0.000
19	0.000	0.000	0.000
20	0.000	0.000	0.000
Total	1.000	0.350	0.336
(5)	Turnover Rate ² =		0.360
(6)	Interest Rate used in calculating the present value ³ =		0.025
(7)	Marginal Tax Rate =		0.350

Notes:

¹ Realized Capital Gains: $RCG_t = \text{Turnover Rate} * (1 - \sum(RCG_{t,i}))$

$$RCG_t = 0.36 * (1 - \sum(RCG_{t,i})), i=1,2,\dots,t-1$$

² Turnover Rate is based on AIB Stock Turnover Study of 1998 transactions (2001 AIB Profit Filing, R2000-10, 100H-3, Exhibits 15 and 16)

³ Interest Rate is 3 months average of one year treasury constant maturity



**THE WORKERS' COMPENSATION
RATING AND INSPECTION BUREAU**

WORKERS' COMPENSATION INSURANCE RATE FILING

Volume 2 of 2

- Section IX Retrospective Rating Plans**
- Section X Classification Pricing**
- Section XI Miscellaneous Rating Factors for Experience Rating**

Proposed Effective Date: September 1, 2005
Filing Date: March 1, 2005

MASSACHUSETTS WORKERS' COMPENSATION

INDEX 9/1/05

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RETROSPECTIVE RATING PLANS

Retrospective rating plans adjust the premium of a policy to reflect an insured's loss experience during the effective period of the policy. At the simplest level, an insured's retrospective premium is determined by the formula $R = (B + cL)t$, where:

- R = Retrospective Premium, subject to minimum and maximum amounts
- B = Basic Premium
- c = Loss Conversion Factor, generally reflecting loss adjustment expense
- L = Actual Incurred Loss during the effective policy period
- t = Tax Multiplier

The NCCI's Retrospective Rating Plan has been adopted for use in Massachusetts, and the WCRIB relies in many respects on the NCCI's filing memorandum for its Plan throughout this section of the WCRIB's filing. See NCCI Item R-1388, "Update to Retrospective Rating Plan Parameters." A copy of the NCCI's memorandum is included in the exhibits to this section.

The basic premium provides for the expenses of carriers. It also includes a net insurance charge, which contains a charge to compensate for the possibility that the otherwise-indicated retrospective premium will exceed the maximum permissible

IX 002

premium amount. Similarly, there is a savings resulting from the possibility that the otherwise-indicated retrospective premium will be less than the permissible minimum premium amount. The net insurance charge is the difference between the charge for the maximum and the savings from the minimum.

The calculations in this section are substantially similar to those used by the Commissioner in her 1999 and 2003 decisions and appear in Sections IX-B, IX-C and IX-D. This year, however, we properly include miscellaneous taxes in the Tax Multiplier.

Section IX-B displays the calculation of the parameters needed for retrospective rating. Insureds electing to purchase a retrospectively rated policy may choose one of two options that differ as to their treatment of ALAE. Option one, the traditional approach, is designed so that expected ALAE is primarily recovered through the application of the loss conversion factor to losses. Option two uses the sum of losses and ALAE, as opposed to only losses, in its calculation of retrospective premium and therefore, the loss conversion factor is smaller.

Section IX-C calculates the revised provision for the residual market subsidy.

Section IX-D displays the tables of expense ratios corresponding to the parameters calculated in Section IX-B.

Sections IX-E and IX-F display Expected Loss Ranges and State and Hazard Group Relativities. These factors are revised periodically as they are needed in order to determine the insurance charge for a retrospectively rated policy.

Expected Loss Ranges and State and Hazard Groups

Retrospective premiums are calculated subject to a maximum and minimum premium. If an insured incurs losses high enough to cap its premium at the maximum, the insurer collects insufficient premium for that account. If an insured has unusually low losses, it pays the minimum premium. The net insurance charge is the difference between the charge for the maximum and the savings from the minimum.

The Table of Insurance Charges contains the excess ratios needed to quantify the insurance charge and savings described above. The ratio of actual losses to expected losses, the entry ratio, is used to look up the values in the Table. The charges depend not only on the maximum and minimum subject losses, but also on the size of the insured. The variation in the loss ratios, hence the charges, of the larger employers that expect many losses should be much lower than the variation for smaller employers. Insurance Charges are generally inversely proportional to risk size.

As inflation increases claim size, there is an apparent growth in the size of the insured, measured in expected losses, but no real growth in the size of the insured, measured in the expected number of claims. To correct for the impact of loss size inflation, we updated the Table of Expected Loss Ranges.

Updated Expected Loss Ranges and the State and Hazard Group Relativities are derived in Sections IX-E and IX-F, respectively.

Expected Loss Ranges IX-E

The NCCI's updated Expected Loss Ranges capture countrywide claim severity changes, and represent the first step in maintaining accurate and up-to-date Insurance Charges. (The second step is the updating of State and Hazard Group Relativities). The update is necessary to maintain the aggregate expected balance between the retrospectively rated premium and the guaranteed cost premium.

Expected Loss Ranges were last revised in Massachusetts effective September 1, 2003. The Table of Expected Loss Ranges proposed in this filing is that filed by the NCCI as part of its Item R-1388. It appears as Exhibit 2 of the attached NCCI filing memorandum for Item R-1388 with an effective date of July 1, 2004.

State and Hazard Group Relativities IX-F

State and Hazard Group Relativities capture differences among states in average claim size by hazard group. Relative claim costs vary by state, in large part because of differing benefit structures. The variation in the loss ratios of employers in the lower hazard groups should be smaller than the variation for employers in the higher hazard groups. The State Hazard Group Relativities adjust for this difference by placing lower hazard group employers in a higher Expected Loss Size Range and higher hazard group employers in a lower Expected Loss Size Range than would otherwise be the case. This adjustment affects the column selection in the Table of Insurance Charges, which then impacts the basic premium portion of the retrospective policy premium.

IX 005

The state hazard group relativities should be updated regularly due to changes in the circumstances (changes in benefit levels, inflation, etc.) underlying severity. Retrospective rating should produce premium that is equitably distributed to all insured employers, but on average close to the guaranteed cost in the approved rate. The object of this change is to maintain the aggregate expected balance, although the impact will vary slightly for individual insured employers. Thus, insurance charges and premiums will be higher for some insureds and lower for others. For most of the insured employers electing retrospective rating, the impact on final premium from these changes will be quite small. The State and Hazard Group Relativities are applied to the otherwise applicable expected losses before the retrospectively rated insured is assigned to an Expected Loss Group.

The current State and Hazard Group Relativities in Massachusetts were approved effective September 1, 2003.

IX 006

Section IX - Retrospective Rating
 Subsection B - Expenses
 9/1/05

Section IX - B
 Exhibit 1

RETROSPECTIVE RATING Expense Provisions Underlying the Proposed Retrospective Rating Plans

(1)	Total Expenses	
	Acquisition and Field Supervision ¹	10.5%
	Fixed Expenses ²	4.4%
	Premium Discount ³	5.2%
	Profit and Contingencies	0.9%
	Total Expenses Excluding Taxes and Assessments	21.0%
(2)	Premium Tax Rate	2.3%
(3)	Miscellaneous Taxes ⁴	0.6%
(4)	Residual Market Subsidy ⁵	0.7%
(5)	Insolvency Fund Assessment ⁶	2.3%
(6)	Tax Multiplier	1.063
	$1.0 / (1.0 - [(2) + (3) + (4) + (5)])$	
(7)	Expected Loss and LAE Ratio (adjusted for Residual Market Subsidy) ⁷ $[(1.0/(6)) - (1)]$	73.1%
(8)	Loss Adjustment Expense (as percentage of losses) ⁸	16.6%
(9)	Loss Conversion Factor = 1.0 + (8)	1.166
(10)	Expected Loss without LAE = (7) / [1.0+ (8)]	62.7%
(11)	Expenses excluding Premium Taxes but including LAE $(1) + \{(10) \times [(9) - 1.0]\}$	31.4%

¹ Section VI-A, Exhibit 1, line (1).

² Section VI-A, Exhibit 1, line (7), less the provision for miscellaneous taxes, see line (3).

³ Average Voluntary Premium Discount as a Percent of Standard Premium / (1.0 + Average

IX 007

Section IX - Retrospective Rating
Subsection B - Expenses
9/1/05

Section IX - B
Exhibit 2

RETROSPECTIVE RATING

Expense Provisions Underlying the ALAE Option of the Proposed Retrospective Rating Plans

(1)	Expected Loss without Loss Adjustment Expense ¹	62.7%
(2)	Provision for Allocated ALAE (as percentage of losses) ²	8.1%
(3)	Expected Loss plus Allocated LAE Ratio (1) X [1.0 + (2)]	67.7%
(4)	Loss Adjustment Expense ¹	16.6%
(5)	Loss Conversion Factor [1.0 + (4)] / [1.0 + (2)]	1.079
(6)	Tax Multiplier ¹	1.063
(7)	Expenses excluding Premium Taxes but including LAE ¹	31.4%
(8)	Expenses including all Unallocated LAE but excluding Allocated LAE and Premium Taxes (7) - [(2) X (1)]	26.4%

¹ From Exhibit 1.

² Section VI-D, Exhibit 1, line (4).

IX 008

Section IX - Retrospective Rating
Subsection C - Residual Market Subsidy
9/1/05

Section IX - C

RETROSPECTIVE RATING

Calculation of the Provision for the Residual Market Subsidy

(1)	Expected Loss Ratio ¹ (without loss adjustment expense)	64.2%
(2)	Residual Market Loss Ratio / Full Coverage Voluntary Ratio ²	1.150
(3)	Residual Market Premium / Full Coverage Voluntary Market Premium ³	0.240
(4)	Provision for Premium Discounts ⁴	4.2%
(5)	Residual Market Premium / Voluntary Assessable Premium ⁵	0.185
(6)	Provision for Loss Adjustment Expense ⁶	1.166
(7)	Factor to take into account Basic Premium ⁷	0.80
(8)	Retro Provision for the Residual Market Subsidy ⁸	0.7%

¹ Section VI-A, Exhibit 1, line (11).

² Section I-D, Exhibit 1, page 1.

³ Section I-D, Table 1.

⁴ Section VI-A, Exhibit 1, line (3).

⁵ From Section I-D, based on: \$194 million in residual market premium and \$1,048 million in Voluntary Assessable Premiums, for a ratio of .185.

⁶ Section VI-A, Exhibit 1, line (10).

⁷ From the filing for the provision for the Residual Market Subsidy effective 1/1/89.

⁸ $(5) \times (7) \times \frac{[(1) \times (6) \times [(2) - 1.0]] - (4)}{\{1 + [(2) \times (3)]\}}$

IX 009

RETROSPECTIVE RATING

**Table of Compensation Expense Ratios
 Type A Discount
 Excluding Taxes, but Including Profit and Contingencies**

<u>Standard Premium</u>		<u>Expense Ratio</u>	<u>Standard Premium</u>		<u>Expense Ratio</u>	<u>Standard Premium</u>		<u>Expense Ratio</u>
0	- 10,059	0.314	18,568	- 18,979	0.274	140,184	- 167,634	0.234
10,060	- 10,178	0.313	18,980	- 19,409	0.273	167,635	- 201,400	0.233
10,179	- 10,301	0.312	19,410	- 19,859	0.272	201,401	- 209,861	0.232
10,302	- 10,426	0.311	19,860	- 20,331	0.271	209,862	- 219,064	0.231
10,427	- 10,555	0.310	20,332	- 20,825	0.270	219,065	- 229,111	0.230
10,556	- 10,687	0.309	20,826	- 21,345	0.269	229,112	- 240,125	0.229
10,688	- 10,822	0.308	21,346	- 21,891	0.268	240,126	- 252,251	0.228
10,823	- 10,960	0.307	21,892	- 22,465	0.267	252,252	- 265,666	0.227
10,961	- 11,102	0.306	22,466	- 23,070	0.266	265,667	- 280,589	0.226
11,103	- 11,248	0.305	23,071	- 23,709	0.265	280,590	- 297,287	0.225
11,249	- 11,398	0.304	23,710	- 24,385	0.264	297,288	- 316,100	0.224
11,399	- 11,552	0.303	24,386	- 25,100	0.263	316,101	- 337,454	0.223
11,553	- 11,710	0.302	25,101	- 25,858	0.262	337,455	- 361,902	0.222
11,711	- 11,872	0.301	25,859	- 26,663	0.261	361,903	- 390,169	0.221
11,873	- 12,039	0.300	26,664	- 27,520	0.260	390,170	- 423,226	0.220
12,040	- 12,211	0.299	27,521	- 28,434	0.259	423,227	- 462,403	0.219
12,212	- 12,388	0.298	28,435	- 29,411	0.258	462,404	- 509,572	0.218
12,389	- 12,569	0.297	29,412	- 30,458	0.257	509,573	- 567,459	0.217
12,570	- 12,757	0.296	30,459	- 31,581	0.256	567,460	- 640,183	0.216
12,758	- 12,950	0.295	31,582	- 32,791	0.255	640,184	- 734,287	0.215
12,951	- 13,149	0.294	32,792	- 34,097	0.254	734,288	- 860,825	0.214
13,150	- 13,354	0.293	34,098	- 35,512	0.253	860,826	- 1,040,055	0.213
13,355	- 13,565	0.292	35,513	- 37,048	0.252	1,040,056	- 1,313,544	0.212
13,566	- 13,784	0.291	37,049	- 38,724	0.251	1,313,545	- 1,757,387	0.211
13,785	- 14,009	0.290	38,725	- 40,559	0.250	1,757,388	- 1,914,153	0.210
14,010	- 14,242	0.289	40,560	- 42,576	0.249	1,914,154	- 2,101,626	0.209
14,243	- 14,483	0.288	42,577	- 44,804	0.248	2,101,627	- 2,329,810	0.208
14,484	- 14,733	0.287	44,805	- 47,279	0.247	2,329,811	- 2,613,578	0.207
14,734	- 14,991	0.286	47,280	- 50,043	0.246	2,613,579	- 2,976,058	0.206
14,992	- 15,258	0.285	50,044	- 53,150	0.245	2,976,059	- 3,455,275	0.205
15,259	- 15,535	0.284	53,151	- 56,668	0.244	3,455,276	- 4,118,444	0.204
15,536	- 15,822	0.283	56,669	- 60,685	0.243	4,118,445	- 5,096,637	0.203
15,823	- 16,120	0.282	60,686	- 65,315	0.242	5,096,638	- 6,684,249	0.202
16,121	- 16,429	0.281	65,316	- 70,710	0.241	6,684,250	- 9,708,449	0.201
16,430	- 16,751	0.280	70,711	- 77,076	0.240	9,708,450	- 17,730,276	0.200
16,752	- 17,085	0.279	77,077	- 84,702	0.239	17,730,277	- 102,058,166	0.199
17,086	- 17,433	0.278	84,703	- 94,003	0.238	102,058,167	- and OVER	0.198
17,434	- 17,795	0.277	94,004	- 105,599	0.237			
17,796	- 18,173	0.276	105,600	- 120,458	0.236			
18,174	- 18,567	0.275	120,459	- 140,183	0.235			

Note: Above table based on the following discounts:

First	10,000	0.0%
Next	190,000	9.1%
Next	1,550,000	11.3%
Over	1,750,000	12.3%

Tax Multiplier 1.063

IX 010

RETROSPECTIVE RATING

Table of Compensation Expense Ratios Type B Discount

Excluding Taxes, but Including Profit and Contingencies

<u>Standard Premium</u>	<u>Expense Ratio</u>	<u>Standard Premium</u>	<u>Expense Ratio</u>	<u>Standard Premium</u>	<u>Expense Ratio</u>
0 - 10,105	0.314	20,437 - 21,345	0.289	267,335 - 292,442	0.264
10,106 - 10,323	0.313	21,346 - 22,339	0.288	292,443 - 322,754	0.263
10,324 - 10,550	0.312	22,340 - 23,429	0.287	322,755 - 360,076	0.262
10,551 - 10,787	0.311	23,430 - 24,632	0.286	360,077 - 407,159	0.261
10,788 - 11,035	0.310	24,633 - 25,965	0.285	407,160 - 468,407	0.260
11,036 - 11,295	0.309	25,966 - 27,451	0.284	468,408 - 551,345	0.259
11,296 - 11,567	0.308	27,452 - 29,117	0.283	551,346 - 669,973	0.258
11,568 - 11,853	0.307	29,118 - 30,998	0.282	669,974 - 853,643	0.257
11,854 - 12,153	0.306	30,999 - 33,139	0.281	853,644 - 1,176,053	0.256
12,154 - 12,469	0.305	33,140 - 35,598	0.280	1,176,054 - 1,770,838	0.255
12,470 - 12,802	0.304	35,599 - 38,451	0.279	1,770,839 - 1,946,952	0.254
12,803 - 13,153	0.303	38,452 - 41,802	0.278	1,946,953 - 2,161,966	0.253
13,154 - 13,523	0.302	41,803 - 45,791	0.277	2,161,967 - 2,430,365	0.252
13,524 - 13,916	0.301	45,792 - 50,623	0.276	2,430,366 - 2,774,852	0.251
13,917 - 14,331	0.300	50,624 - 56,594	0.275	2,774,853 - 3,233,124	0.250
14,332 - 14,773	0.299	56,595 - 64,163	0.274	3,233,125 - 3,872,709	0.249
14,774 - 15,242	0.298	64,164 - 74,069	0.273	3,872,710 - 4,827,746	0.248
15,243 - 15,742	0.297	74,070 - 87,591	0.272	4,827,747 - 6,408,006	0.247
15,743 - 16,276	0.296	87,592 - 107,154	0.271	6,408,007 - 9,526,207	0.246
16,277 - 16,848	0.295	107,155 - 137,968	0.270	9,526,208 - 18,555,506	0.245
16,849 - 17,461	0.294	137,969 - 193,659	0.269	18,555,507 - 355,726,496	0.244
17,462 - 18,120	0.293	193,660 - 212,581	0.268	355,726,497 - and OVER	0.243
18,121 - 18,831	0.292	212,582 - 228,158	0.267		
18,832 - 19,601	0.291	228,159 - 246,197	0.266		
19,602 - 20,436	0.290	246,198 - 267,334	0.265		

Note: Above table based on the following discounts:

First	10,000	0.0%
Next	190,000	5.1%
Next	1,550,000	6.5%
Over	1,750,000	7.5%

Tax Multiplier 1.063

IX 011

RETROSPECTIVE RATING

Table of Compensation Expense Ratios Type A Discount

Excluding Taxes, but Including Profit and Contingencies

<u>Standard Premium</u>			<u>Expense Ratio</u>	<u>Standard Premium</u>			<u>Expense Ratio</u>	<u>Standard Premium</u>			<u>Expense Ratio</u>
0	-	10,059	0.264	18,568	-	18,979	0.224	140,184	-	167,634	0.184
10,060	-	10,178	0.263	18,980	-	19,409	0.223	167,635	-	201,400	0.183
10,179	-	10,301	0.262	19,410	-	19,859	0.222	201,401	-	209,861	0.182
10,302	-	10,426	0.261	19,860	-	20,331	0.221	209,862	-	219,064	0.181
10,427	-	10,555	0.260	20,332	-	20,825	0.220	219,065	-	229,111	0.180
10,556	-	10,687	0.259	20,826	-	21,345	0.219	229,112	-	240,125	0.179
10,688	-	10,822	0.258	21,346	-	21,891	0.218	240,126	-	252,251	0.178
10,823	-	10,960	0.257	21,892	-	22,465	0.217	252,252	-	265,666	0.177
10,961	-	11,102	0.256	22,466	-	23,070	0.216	265,667	-	280,589	0.176
11,103	-	11,248	0.255	23,071	-	23,709	0.215	280,590	-	297,287	0.175
11,249	-	11,398	0.254	23,710	-	24,385	0.214	297,288	-	316,100	0.174
11,399	-	11,552	0.253	24,386	-	25,100	0.213	316,101	-	337,454	0.173
11,553	-	11,710	0.252	25,101	-	25,858	0.212	337,455	-	361,902	0.172
11,711	-	11,872	0.251	25,859	-	26,663	0.211	361,903	-	390,169	0.171
11,873	-	12,039	0.250	26,664	-	27,520	0.210	390,170	-	423,226	0.170
12,040	-	12,211	0.249	27,521	-	28,434	0.209	423,227	-	462,403	0.169
12,212	-	12,388	0.248	28,435	-	29,411	0.208	462,404	-	509,572	0.168
12,389	-	12,569	0.247	29,412	-	30,458	0.207	509,573	-	567,459	0.167
12,570	-	12,757	0.246	30,459	-	31,581	0.206	567,460	-	640,183	0.166
12,758	-	12,950	0.245	31,582	-	32,791	0.205	640,184	-	734,287	0.165
12,951	-	13,149	0.244	32,792	-	34,097	0.204	734,288	-	860,825	0.164
13,150	-	13,354	0.243	34,098	-	35,512	0.203	860,826	-	1,040,055	0.163
13,355	-	13,565	0.242	35,513	-	37,048	0.202	1,040,056	-	1,313,544	0.162
13,566	-	13,784	0.241	37,049	-	38,724	0.201	1,313,545	-	1,757,387	0.161
13,785	-	14,009	0.240	38,725	-	40,559	0.200	1,757,388	-	1,914,153	0.160
14,010	-	14,242	0.239	40,560	-	42,576	0.199	1,914,154	-	2,101,626	0.159
14,243	-	14,483	0.238	42,577	-	44,804	0.198	2,101,627	-	2,329,810	0.158
14,484	-	14,733	0.237	44,805	-	47,279	0.197	2,329,811	-	2,613,578	0.157
14,734	-	14,991	0.236	47,280	-	50,043	0.196	2,613,579	-	2,976,058	0.156
14,992	-	15,258	0.235	50,044	-	53,150	0.195	2,976,059	-	3,455,275	0.155
15,259	-	15,535	0.234	53,151	-	56,668	0.194	3,455,276	-	4,118,444	0.154
15,536	-	15,822	0.233	56,669	-	60,685	0.193	4,118,445	-	5,096,637	0.153
15,823	-	16,120	0.232	60,686	-	65,315	0.192	5,096,638	-	6,684,249	0.152
16,121	-	16,429	0.231	65,316	-	70,710	0.191	6,684,250	-	9,708,449	0.151
16,430	-	16,751	0.230	70,711	-	77,076	0.190	9,708,450	-	17,730,276	0.150
16,752	-	17,085	0.229	77,077	-	84,702	0.189	17,730,277	-	102,058,166	0.149
17,086	-	17,433	0.228	84,703	-	94,003	0.188	102,058,167	-	and OVER	0.148
17,434	-	17,795	0.227	94,004	-	105,599	0.187				
17,796	-	18,173	0.226	105,600	-	120,458	0.186				
18,174	-	18,567	0.225	120,459	-	140,183	0.185				

Note: Above table based on the following discounts:

First	10,000	0.0%
Next	190,000	9.1%
Next	1,550,000	11.3%
Over	1,750,000	12.3%

Tax Multiplier 1.063

IX 012

RETROSPECTIVE RATING

Table of Compensation Expense Ratios Type B Discount with ALAE Option

Excluding Allocated LAE and Taxes, but Including Profit and Contingencies

<u>Standard Premium</u>	<u>Expense Ratio</u>	<u>Standard Premium</u>	<u>Expense Ratio</u>	<u>Standard Premium</u>	<u>Expense Ratio</u>
0 - 10,105	0.264	20,437 - 21,345	0.239	267,335 - 292,442	0.214
10,106 - 10,323	0.263	21,346 - 22,339	0.238	292,443 - 322,754	0.213
10,324 - 10,550	0.262	22,340 - 23,429	0.237	322,755 - 360,076	0.212
10,551 - 10,787	0.261	23,430 - 24,632	0.236	360,077 - 407,159	0.211
10,788 - 11,035	0.260	24,633 - 25,965	0.235	407,160 - 468,407	0.210
11,036 - 11,295	0.259	25,966 - 27,451	0.234	468,408 - 551,345	0.209
11,296 - 11,567	0.258	27,452 - 29,117	0.233	551,346 - 669,973	0.208
11,568 - 11,853	0.257	29,118 - 30,998	0.232	669,974 - 853,643	0.207
11,854 - 12,153	0.256	30,999 - 33,139	0.231	853,644 - 1,176,053	0.206
12,154 - 12,469	0.255	33,140 - 35,598	0.230	1,176,054 - 1,770,838	0.205
12,470 - 12,802	0.254	35,599 - 38,451	0.229	1,770,839 - 1,946,952	0.204
12,803 - 13,153	0.253	38,452 - 41,802	0.228	1,946,953 - 2,161,966	0.203
13,154 - 13,523	0.252	41,803 - 45,791	0.227	2,161,967 - 2,430,365	0.202
13,524 - 13,916	0.251	45,792 - 50,623	0.226	2,430,366 - 2,774,852	0.201
13,917 - 14,331	0.250	50,624 - 56,594	0.225	2,774,853 - 3,233,124	0.200
14,332 - 14,773	0.249	56,595 - 64,163	0.224	3,233,125 - 3,872,709	0.199
14,774 - 15,242	0.248	64,164 - 74,069	0.223	3,872,710 - 4,827,746	0.198
15,243 - 15,742	0.247	74,070 - 87,591	0.222	4,827,747 - 6,408,006	0.197
15,743 - 16,276	0.246	87,592 - 107,154	0.221	6,408,007 - 9,526,207	0.196
16,277 - 16,848	0.245	107,155 - 137,968	0.220	9,526,208 - 18,555,506	0.195
16,849 - 17,461	0.244	137,969 - 193,659	0.219	18,555,507 - 355,726,496	0.194
17,462 - 18,120	0.243	193,660 - 212,581	0.218	355,726,497 - and OVER	0.193
18,121 - 18,831	0.242	212,582 - 228,158	0.217		
18,832 - 19,601	0.241	228,159 - 246,197	0.216		
19,602 - 20,436	0.240	246,198 - 267,334	0.215		

Note: Above table based on the following discounts:

First	10,000	0.0%
Next	190,000	5.1%
Next	1,550,000	6.5%
Over	1,750,000	7.5%

Tax Multiplier 1.063



National
Council on
Compensation
Insurance, Inc.

Ken R. Christiansen
State Relations Executive
Regulatory Services Division

January 5, 2004

Mr. Paul Meagher, President
The Workers Compensation Rating & Inspection Bureau of Massachusetts
101 Arch Street, 5th Floor
Boston, Massachusetts 02110-1103

Re: **Item R-1388—2004 Update to Retrospective Rating Plan Parameters**

Dear Mr. Meagher:

We will soon file the above captioned item in a number of jurisdictions. The attached filing memorandum describes the changes proposed to become effective 12:01 a.m., on July 1, 2004, for use by companies affiliated with NCCI for Large Accounts License, Service, and Maintenance, applicable to new and renewal business only. This filing memorandum ("Memorandum") is proprietary and copyrighted by NCCI.

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Please notify NCCI at your earliest convenience whether your organization intends to adopt the Memorandum so that NCCI may complete its Filing Status Circular.

Sincerely,

Ken R. Christiansen
State Relations Executive

KRC:ah

FILING MEMORANDUM

ITEM R-1388—2004 UPDATE TO RETROSPECTIVE RATING PLAN PARAMETERS**(To be effective 12:01 a.m. on July 1, 2004, applicable to new and renewal business only.)****PURPOSE**

The purpose of this item is to update the Expected Loss Ranges and State Hazard Group Relativities in the *Retrospective Rating Plan Manual for Workers Compensation and Employers Liability Insurance*.

BACKGROUND

Retrospective Rating is a plan for adjusting the risk premium of a policy according to the loss experience during the effective period of the policy. At the simplest level, an insured's retrospective premium is determined by the formula $R = (B + cL)t$, where

- R = Retrospective Premium, subject to minimum and maximum amounts
- B = Basic Premium
- c = Loss Conversion Factor, generally reflecting loss adjustment expense
- L = Actual Incurred Loss during the effective policy period
- t = Tax Multiplier

The retrospective premium, R, is not known until after the policy has expired and the actual losses are fully developed.

The basic premium contains provisions for the expenses of the carriers. It also includes a net insurance charge, which contains a charge to compensate for the possibility that R will exceed the maximum premium amount. Similarly, there is a savings resulting from the possibility that R will be less than the minimum premium amount. The net insurance charge is the difference between the charge for the maximum and the savings from the minimum.

Expected Loss Ranges

The Table of Insurance Charges contains the excess ratios needed to quantify the insurance charge and savings described above. The ratio of actual losses to expected losses, the entry ratio, is used to look up the values in the Table. The charges depend not only on the maximum and minimum subject losses, but also on the size of the insured. The variation in the loss ratios, hence the charges, of the larger employers that expect many losses should be much lower than the variation for smaller employers.

As inflation increases claim size, there is an apparent growth in the size of the insured, measured in expected losses, but no *real* growth in the size of the insured, measured in the expected number of claims. To correct for the impact of loss size inflation, NCCI is proposing that the Table of Expected Loss Ranges be updated for the trend in average size of loss. The last time such an update was made was in 2003 (Item R-1385—2003 Update to Retrospective Rating Plan Parameters). The current Table of Expected Loss Ranges is based on a projected annual increase in severity of 5% from January 14, 2000 to December 1, 2004. We have since observed an actual annualized growth in severity of 10.9% from January 14, 2000 to June 22, 2000, and we project an annual growth in severity of 6% from June 22, 2000 to July 1, 2005. The new table incorporates both these observed and projected changes in severity.

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ITEM R-1388—2004 UPDATE TO RETROSPECTIVE RATING PLAN PARAMETERS

State Hazard Group Relativities

The variation in the loss ratios of employers in the lower hazard groups should be smaller than the variation for employers in the higher hazard groups. The State Hazard Group Relativity Factors adjust for this difference by placing lower hazard group employers in a higher Expected Loss Size Range and higher hazard group employers in a lower Expected Loss Size Range than would otherwise be the case. This adjustment affects the column selection in the Table of Insurance Charges, which then impacts the basic premium portion of the retrospective policy premium.

The State Hazard Group Relativities should be updated regularly due to changes in the circumstances (changes in state statutory benefit levels, inflation, etc.) underlying each state's severity.

PROPOSAL

It is proposed that the *Retrospective Rating Plan* be amended as contained in the attached exhibits.

Expected Loss Ranges

This filing updates the Table of Expected Loss Ranges for entry into the Table of Insurance Charges. The proposed ranges are found in Exhibit 2.

State Hazard Group Relativities

This filing also updates the State Hazard Group Relativities of the *Retrospective Rating Plan* for each state. Exhibit 1 provides a description of the development of the relativities. As explained in the exhibit, individual state severities, as well as countrywide severities, are used in the calculation of the relativities.

The proposed relativities are found in Exhibit 3.

IMPACT**Expected Loss Ranges**

The proposed Expected Loss Ranges are necessary to maintain the aggregate expected balance between the retrospectively rated premium and the guaranteed cost premium. If these ranges were not updated, there would be a natural slippage caused by inflation over time because risks would have an apparent growth in size as seen by increasing expected losses, but no real growth in size as seen by their expected number of claims.

State Hazard Group Relativities

Retrospective rating should produce premium that is equitably distributed to all insured employers, but on average close to the guaranteed cost in the approved rate. The object of this change is to maintain the aggregate expected balance, but the impact will vary slightly for individual insured employers. Thus, insurance charges and premiums will be higher for some insureds and lower for others. For most of the insured employers electing retrospective rating, the impact on final premium from these changes will be quite small.

The improved equitability from this change will result in slightly lower average insurance charges for some states, and slightly higher for others. However, the statewide impact will be negligible. The program is designed to be revenue-neutral countrywide.

IMPLEMENTATION

Exhibit 1 displays the development of State Hazard Group Relativities. Exhibits 2 and 3 detail the changes made to the *Retrospective Rating Plan Manual for Workers Compensation and Employers Liability Insurance*.

IX 016

NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, IA, ID, IL, IN, KS, KY, LA, MD, ME, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WI)

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ITEM R-1388—2004 UPDATE TO RETROSPECTIVE RATING PLAN PARAMETERS

EXHIBIT 1

DEVELOPMENT OF STATE HAZARD GROUP RELATIVITIES

Step 1. Individual state severities are calculated for each hazard group.

Step 2. The severities are weighted with the countrywide severities by hazard group using a credibility that varies by state. For this purpose, we regard 155,000 claims as fully credible, and use the square root rule to compute partial credibilities.

Step 3. Credibility weighted severities for each state hazard group are produced. A new countrywide average severity is calculated by taking the weighted average of the formula for state severities using claim counts as weights.

Step 4. The relativities are calculated by dividing the countrywide severity by the individual state hazard group severities.

Example: State X

Step 1	Hazard Group	State X	Countrywide
Severities	1	21,361	25,738
	2	23,085	28,311
	3	33,771	45,018
	4	45,265	65,042

Step 2	Claim Count	59,672	
	Credibility	=	$(59,672 / 155,000)^{0.5} = 0.62$

Step 3	Hazard Group	State X	
Cred. Wtd. Severities	1	23,024	= 0.62 x 21,361 + 0.38 x 25,738
	2	25,071	
	3	38,045	
	4	52,780	

Countrywide Overall 35,289

Step 4	Hazard Group	State X	
Relativities	1	1.53	= 35,289 / 23,024
	2	1.41	
	3	0.93	
	4	0.67	

Note: The underlying data source for the above calculations is the *Workers Compensation Statistical Plan (WCSP)*, excluding medical-only claims. The *WCSP* data for each state is adjusted accordingly, as reflected in the data underlying the Excess Loss Factor (ELF) calculation.

IX 017

NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

R-1388

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, IA, ID, IL, IN, KS, KY, LA, MD, ME, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WI)

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ITEM R-1388—2004 UPDATE TO RETROSPECTIVE RATING PLAN PARAMETERS

EXHIBIT 2

**RETROSPECTIVE RATING PLAN MANUAL
2004 EXPECTED LOSS RANGES
EFFECTIVE 7/1/04**

Expected Loss Group	Range Rounded Values	Expected Loss Group	Range Rounded Values	Expected Loss Group	Range Rounded Values
95	643— 1,003	65	53,905— 58,219	35	672,306— 754,844
94	1,004— 1,486	64	58,220— 62,880	34	754,845— 847,519
93	1,487— 1,962	63	62,881— 67,914	33	847,520— 966,428
92	1,963— 2,594	62	67,915— 73,350	32	966,429— 1,110,847
91	2,595— 3,375	61	73,351— 79,222	31	1,110,848— 1,276,849
90	3,376— 4,075	60	79,223— 85,580	30	1,276,850— 1,467,659
89	4,076— 4,919	59	85,581— 92,534	29	1,467,660— 1,744,627
88	4,920— 5,710	58	92,535— 99,909	28	1,744,628— 2,086,194
87	5,711— 6,628	57	99,910— 107,646	27	2,086,195— 2,494,638
86	6,629— 7,688	56	107,647— 115,984	26	2,494,639— 3,075,371
85	7,689— 8,695	55	115,985— 124,969	25	3,075,372— 3,913,499
84	8,696— 9,829	54	124,970— 135,124	24	3,913,500— 4,980,041
83	9,830— 11,100	53	135,125— 146,146	23	4,980,042— 6,363,618
82	11,101— 12,351	52	146,147— 158,070	22	6,363,619— 8,142,851
81	12,352— 13,742	51	158,071— 170,961	21	8,142,852— 10,419,549
80	13,743— 15,287	50	170,962— 184,485	20	10,419,550— 13,332,799
79	15,288— 17,008	49	184,486— 199,046	19	13,332,800— 17,060,577
78	17,009— 18,769	48	199,047— 214,861	18	17,060,578— 23,402,105
77	18,770— 20,663	47	214,862— 233,758	17	23,402,106— 34,611,525
76	20,664— 22,751	46	233,759— 254,315	16	34,611,526— 51,190,173
75	22,752— 25,001	45	254,316— 276,681	15	51,190,174— 75,709,857
74	25,002— 27,372	44	276,682— 302,352	14	75,709,858— 111,974,276
73	27,373— 29,966	43	302,353— 330,838	13	111,974,277— 165,609,059
72	29,967— 32,811	42	330,839— 362,010	12	165,609,060— 259,241,432
71	32,812— 35,815	41	362,011— 399,071	11	259,241,433— 410,223,772
70	35,816— 39,068	40	399,072— 441,013	10	410,223,773— 649,138,303
69	39,069— 42,611	39	441,014— 487,363	9	649,138,304— & over
68	42,612— 46,201	38	487,364— 538,584		
67	46,202— 49,903	37	538,585— 598,787		
66	49,904— 53,904	36	598,788— 672,305		

IX 018

NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, IA, ID, IL, IN, KS, KY, LA, MD, ME, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WI)

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ITEM R-1388—2004 UPDATE TO RETROSPECTIVE RATING PLAN PARAMETERS

EXHIBIT 3

RETROSPECTIVE RATING PLAN MANUAL STATE HAZARD GROUP RELATIVITIES EFFECTIVE 7/1/04

State	Hazard Group			
	I	II	III	IV
AK	1.23	1.14	0.71	0.48
AL	1.24	1.18	0.74	0.50
AR	1.54	1.40	0.89	0.62
AZ	1.31	1.18	0.72	0.49
CO	1.24	1.13	0.74	0.50
CT	1.54	1.40	0.88	0.59
DC	1.36	1.22	0.75	0.51
FL	1.16	1.03	0.60	0.39
GA	1.20	1.10	0.70	0.48
HI	1.62	1.50	0.96	0.66
IA	1.40	1.30	0.85	0.58
ID	1.38	1.27	0.83	0.58
IL	1.36	1.27	0.89	0.62
IN	1.68	1.57	1.08	0.76
KS	1.56	1.42	0.93	0.64
KY	1.21	1.09	0.68	0.46
LA	1.32	1.25	0.77	0.53
MD	1.33	1.20	0.74	0.50
ME	1.37	1.26	0.80	0.55
MI	1.47	1.38	0.87	0.61
MO	1.52	1.41	0.96	0.66
MS	1.39	1.26	0.81	0.56
MT	1.34	1.21	0.76	0.51
NC	1.05	0.94	0.59	0.40
NE	1.30	1.18	0.75	0.50
NH	1.44	1.30	0.80	0.53
NM	1.41	1.28	0.82	0.57
NV	1.26	1.11	0.67	0.44
OK	1.70	1.54	0.99	0.69
OR	1.41	1.28	0.79	0.52
RI	1.70	1.54	0.95	0.64
SC	1.33	1.20	0.78	0.54
SD	1.44	1.31	0.82	0.56
TN	1.13	1.03	0.67	0.47
UT	1.56	1.42	0.90	0.60
VA	1.24	1.14	0.70	0.48
VT	1.34	1.24	0.79	0.55
WI	1.69	1.56	1.02	0.73

IX 019

Section IX - Retrospective Rating Plans
 Subsection F - State and Hazard Group Differentials
 9/1/05

Section IX-F
 Exhibit 1
 Page 1

Retrospective Rating Plans Development of State and Hazard Group Relativities

<u>Step 1, Severities:</u>	<u>Hazard Group</u>	Massachusetts <u>Severities</u>	Countrywide <u>Severities</u> ³	Massachusetts Overall Severity Split Using CW <u>Severity Relativities</u> ⁴
	1	31,635	25,738	28,956
	2	31,868	28,311	31,851
	3	47,970	45,018	50,647
	4	68,262	65,042	73,175
	Overall	39,701	35,289	39,701

Step 2, Credibility:

Massachusetts Claim Count =	57,001
Requirement for Full Credibility ³ =	155,000
Massachusetts Credibility = (Massachusetts Claims/Requirement for Full Credibility) ³	0.61

Step 3, Credibility Weighted Severities:

<u>Hazard Group</u>	Massachusetts Credibility Weighted <u>Severities</u> ¹
1	29,335
2	30,481
3	46,819
4	67,006

Step 4, Relativities:

<u>Hazard Group</u>	<u>Indicated Relativities</u> ²	<u>Indicated Relativities Based on MA Severity Split Using CW Relativities</u> ⁴	<u>Average of the two Indicated Relativities</u> ⁴	<u>Current Relativities</u>	<u>Selected Relativities</u> ^{4,5}
1	1.20	1.22	1.21	1.70	1.46
2	1.16	1.11	1.13	1.58	1.36
3	0.75	0.70	0.73	0.98	0.85
4	0.53	0.48	0.50	0.62	0.56

¹ Credibility Weighted Severity = MA Severity x MA Credibility + (1-MA Credibility) x CW Severity

² Relativities = Countrywide Overall Severity/ MA Hazard Group Severity

³ NCCI Severities and Full Credibility Standard from NCCI, Item R-1388, January 5, 2004.

⁴ These columns are not part of the NCCI methodology.

⁵ Moving half way from the current relativities to the average of the two methodologies.

CLASSIFICATION PRICING**Background**

One of the primary goals of ratemaking is to determine an appropriate price for each insured based on the losses that the insured is expected to generate in the prospective policy period. Because many risks are too small to generate an accurate rate based on their own individual experience, risks are combined into classifications.

The workers' compensation system assigns similar risks to the same classification codes and calculates a rate separately for each code. In aggregating risks, it is desirable to balance stability and responsiveness and derive groups that are distinctly different from each other. In order to attain stability, we want a group large enough so that its losses do not fluctuate too much, and for responsiveness, we want a group small enough so that its rate adjusts to the changing costs of similar risks.

In the Massachusetts workers' compensation system, insureds are separated into five Industry Groups: Manufacturing, Construction, Office and Clerical, Goods and Services, and Miscellaneous. The assignment of class codes to each industry group is based on products produced, processes involved, and services provided.

Summary

In this section we first calculate the rate change for each Industry Group as it varies around the statewide overall indicated rate change. The calculation of the indicated Industry Group rate change is similar to the process used in developing the overall rate level indication. We update the indicated class relativities within each

Industry Group to reflect the ratio of the pure premium for the individual class to the pure premium for the given Industry Group. Class relativities are updated regularly in order to maintain a fair and accurate classification system.

Estimated pure premium relativities for each class are a credibility-weighted average of three pure premium relativities: (1) recent Massachusetts (MA) experience data, (2) recent "countrywide" (CW) experience data, and (3) relativities underlying the present rate. Average rates are calculated from the updated relativities to derive the proposed rate change by Industry Group. Proposed average rates are capped according to the methodology used in the 9/1/03 rate decision. Finally, proposed manual rates are determined by applying offsets to the proposed average capped rates. Since ARAP, Merit Rating and the Construction Credit program are designed to be revenue neutral an offset is applied to the rate.

Massachusetts Data

The data used for the purpose of classification pricing is the Unit Statistical Plan data from Schedule Z, which shows detailed composite policy year payroll, premium and loss data for each classification in Massachusetts. The data used excludes the experience of both large deductible policies and Self-Insured Groups. In this review, we have utilized the latest available five composite policy years of data, 7/1/97-6/30/98 through 7/1/01-6/30/02.

Adjustment of Massachusetts Data

Because we do not want the indication to be unduly influenced by individual large losses in the historical period, we cap each claim at \$200,000. Capping helps to stabilize rates by reducing the impact of infrequently occurring large losses. An average excess loss amount is loaded back into the rates through the application of excess loss factors (discussed below) to account for the possibility of large losses in the future.

We begin this process by calculating "limited losses." Limited losses are determined by subtracting the calculated excess losses from reported losses. These limited losses are multiplied by conversion factors (Section X-C) in order to adjust each composite policy year's experience to reflect current conditions. Conversion factors include benefit level adjustments, loss development factors, loss adjustment expense loadings, and escalation. Converted limited losses are the product of the limited losses and these conversion factors.

Similarly, we calculate converted "excess losses." These are then used in the derivation of excess loss factors. Excess loss factors more equitably distribute expected excess losses among classifications. Indicated excess loss factors are calculated by adding unity to the quotient of converted excess losses and converted limited losses by hazard group and injury type.

The product of the converted limited losses and the excess loss factors is referred to as the adjusted converted losses.

The adjusted converted losses are then summed by composite policy year and injury type. They are displayed by classification or class combination in Section X-H. Massachusetts indicated pure premiums are calculated by dividing these losses by payroll.

Inclusion of Countrywide Data

Massachusetts relativities are credibility-weighted with countrywide relativities and with the pure premiums underlying present relativities. The countrywide data used in this filing is supplied by NCCI and other independent bureaus.¹ The remainder is assigned to the relativities underlying present rates. Countrywide relativities are based upon the latest available three composite policy years, although the specific years vary by state (see Section X-E, Exhibit 2, Page 2). Before the data can be used for ratemaking purposes, it must be adjusted to reflect the Massachusetts distribution of payroll and loss levels.

Pitch factors are used to adjust the countrywide data to a corresponding Massachusetts level (see Section X-B, Exhibit 2). These pitch factors are calculated as follows:

1. Multiply each state's classification pure premiums by the corresponding Massachusetts payroll to estimate the loss level that would occur if the employers in that state were located in Massachusetts.

The WCRIB has capped the average claim by injury kind by class by state at \$200,000 (Indemnity + Medical).

2. Sum these losses by state, industry group, and injury type to determine the aggregate adjusted losses for each state.
3. Calculate aggregate adjusted losses for Massachusetts in a similar fashion.
4. Divide the aggregate adjusted losses for Massachusetts by the aggregate adjusted losses for each state to determine the pitch factors.

Pitch factors represent the amount by which another state's data must be adjusted to be on the same payroll distribution and loss level as the Massachusetts Schedule Z data (Section X-E, Exhibit 2). Each state's pure premiums are multiplied by its corresponding pitch factor to derive adjusted pure premiums. The sum of the product of the adjusted pure premiums and payroll by state by class is then divided by the total payroll by class to derive countrywide class pure premiums.

Finally, the countrywide adjusted pure premiums are further adjusted to the Massachusetts indicated loss level by applying the conversion and excess loss factors in a manner similar to the adjustment of Massachusetts data. These countrywide pure premiums are now on a comparable basis with the Massachusetts pure premiums.

For each Industry Group and injury type, the countrywide indicated pure premiums are converted to relativities, so that they balance to unity when weighted by Massachusetts exposures.

Underlying Relativities

The relativities underlying present rates are calculated by balancing the pure premium underlying present rate to unity, based on the five most recent years of payroll.

Formula Relativities

Once we have the separate (MA Indicated, Countrywide and Underlying) relativities, we use credibility-weighted averages to calculate Formula Relativities. The indicated Massachusetts relativity is multiplied by its credibility, the indicated countrywide relativity is multiplied by its (limited) credibility and the relativity underlying the present rate is multiplied by the remaining credibility. The total formula relativity is the weighted average of the relativities by injury type, using the Industry Group pure premiums by injury type as weights. The calculated formula relativities are then balanced to unity based on the five most recent years of payroll.

Credibility

Credibility reflects the relative reliability and volume of class data used to determine class relativities. In general, a class with higher expected losses has more weight given to its recent MA indicated relativities, while a class with lower expected

losses has more weight given to the countrywide and underlying relativities. Credibilities are calculated separately for the MA and the CW experience, and the remainder of credibility is assigned to the relativity underlying the present rate.

The general principles are as follows:

1. Larger volumes of data receive more credibility.
2. A given volume of Massachusetts data receives more credibility than the same volume of data from another state.
3. A given volume of data, as measured by expected losses, for serious losses receives less credibility than a similar volume of data for non-serious or medical losses.

This filing follows the 9/1/03 rate's use of the classical credibility method based on the formula

$$Z = (E/F)^{0.4}$$

Where Z= Credibility assigned to MA or Countrywide experience
 E= Expected Losses
 F= Full Credibility Criterion

Massachusetts Credibility

The full credibility criterion is calculated as the product of the claim count standard and the average claim cost. We use the same claim count standards as the 9/1/03 rates:

Serious	Non-Serious	Medical
100	200	200

The average claim costs have been updated in Section X-E, Exhibit 1, Pages 2 & 3 of this filing.

Credibility is determined based on the volume of expected losses by injury type. By class, expected losses are calculated separately for serious indemnity, non-serious indemnity, and medical only losses by multiplying the pure premiums underlying the present rate by payroll. Pure premiums underlying present rates are the product of the adopted relativities from the previous rate revision and pure premium underlying present rate factors. The factors are comprised of the rate level factor implicit in the current rate and an adjustment for benefit level changes since the previous revision (Section X-F).

Practical Credibility Considerations

This method may produce anomalous credibilities for classes with small amounts of data. Therefore, the following constraints apply:

1. Credibilities cannot be negative.
2. Countrywide credibilities are limited so that the sum of the Massachusetts and countrywide credibilities is not more than 100%.

3. Countrywide credibilities cannot be greater than 50% and are limited to $\frac{1}{2}$ of (1-Massachusetts credibility).

Countrywide Credibility

The credibility of adjusted countrywide pure premiums is determined based on claim counts by injury type (Section X-E, Exhibit 1). Payroll cannot be used as a measure of credibility since wage levels vary significantly between states.

Proposed Average Capped Rates

Proposed average rates by class are calculated to achieve the proposed rate change by Industry Group. The uncapped rate for each class is the product of the formula pure premium relativity and the uncapped rate level factor for the Industry Group. This uncapped rate level factor is the product of the present average rate and the average rate level change by industry group.

Proposed average rates are then subject to a maximum and minimum cap (Section X-I). Proposed average uncapped rates are capped by an iterative process using rate levels and the 5 most recent years of payrolls to determine if the required change is achieved. The maximum rate change by industry group is equal to the benefit level change plus $\frac{1}{2}$ the experience change plus or minus 20%. The minimum rate change equals the benefit level change plus $\frac{1}{2}$ Experience Change minus 20%. Setting the caps in this manner provides some rate stability over time, but will also allow those

classes whose movement was capped previously to move towards their indicated relativities.

Manual Rates

Section X-M displays the proposed manual rates and rating values for this filing. Proposed manual rates are determined by applying offsets to the proposed average capped rates. We calculate offsets for the impact of merit and experience rating, ARAP, construction credits, and the recoupment of the Insolvency Fund assessments (calculated in Section I-E), as shown in Section X-L.

All Risk Adjustment Program

The All Risk Adjustment Program (ARAP) surcharges those experience-rated risks, both voluntary and assigned, with a record of losses greater than expected under the Experience Rating Plan. The purpose of this program is to provide a pricing mechanism to reflect the unusually adverse experience of certain experience-rated risks. Because the program allows for surcharges only, it generates additional premium revenue. In order to achieve revenue-neutrality, we apply a corresponding offset to reduce the manual rates to make up for the surcharge premium.

The WCRIB calculates the ARAP adjustment and identifies it as a separate factor on the Experience Rating Calculation sheet. The ARAP factor can range from 1.00 to a maximum of 1.49. The offset factor for ARAP is 1.061,.

Merit Rating Program

The objective of the Merit Rating Program is to provide a pricing mechanism for risks too small to qualify for experience rating to share in the loss experience that they generate.

A risk is eligible for the Merit Rating Program if it has an average annual premium over the last three policy years of \$500. Eligible risks receive the following adjustments to their premium, based on the number of lost-time claims over the most recent three policy years.

Number of Lost-Time Claims	Merit Rating Adjustment
0	5% credit
1	None
2 or more	5% debit

As seen in Section X-L, Exhibit 2, Page 3, the historical average merit rating credit is 4.2%. To make the program revenue neutral, rates should be offset by this amount weighted by the percentage of premium eligible for merit rating. Section X-L, Exhibit 2, Page 1 shows the calculation of the combined offset of 0.997 for Experience and Merit Rating.

Construction Credit Program

The Massachusetts Construction Classification Premium Adjustment Program may reduce an eligible employer's premium if the employer's average weekly wage is

\$18.00 or more per hour per construction employee. Since this is a credit-only program, we have calculated an offset to the eligible classes to assure revenue neutrality. Section X-L, Exhibit 3 shows the derivation our selection of the 2.5% offset to be applied to the eligible classes.

Loading for Recoupment of Insolvency Fund Assessments

Under Massachusetts law, from time to time the Massachusetts Insurers Insolvency Fund ("Fund") makes assessments upon carriers that write policies in Massachusetts on the lines of insurance protected by the Fund, to cover the Fund's costs of providing relief in the event of insurer insolvencies. Beginning in 1988, workers' compensation insurance was covered by the Fund. The loading included in this filing is a recoupment of these recent assessments.

The loading provides for the recoupment of assessments made by the Fund in 2003 and 2004 that have not yet been recouped

The "true up" loading is the difference between the recoupment amounts approved or filed to be collected and the amount actually collected, since the recoupment amount is affected by the loading from 9/1/03 rates. The proposed factor is a loading of 2.3%.

Pricing Example

Section X-B is a sample rate calculation, for Class 3131 - Button or Fastener Manufacturing - Metal. Exhibit 1 shows the calculation of the MA indicated pure premium and relativity. Exhibit 2 shows the calculation of the CW indicated pure premium and

relativity. On Exhibit 3, we calculate the credibilities and formula relativity. The derivation of the proposed manual rate is shown on Exhibit 4.

X 014

Section X - Classification Pricing
 Subsection B - Pricing Example
 9/1/2005

Section X - B
 Exhibit 1

Pricing Example for Class 3131 Button Or Fastener Mfg-Metal

Calculation of MA Indicated Relativity

The Indicated MA Pure Premium Relativities are calculated by first converting the limited losses by injury kind. The converted limited losses are then adjusted for excess losses by serious, non-serious and medical factors. The adjusted converted losses are divided by exposure (payroll in hundreds) to produce MA Indicated Pure Premiums.

LIMITED LOSSES (Schedule Z Data, Excluding Large Deductibles)

	Composite Policy Year	Fatal	Permanent Total	Major Permanent Partial	Minor Permanent Partial	Temporary Total	Medical Only
Indemnity	1997/1998	0	0	0	13,012	7,197	
	1998/1999	0	0	86,220	0	48,109	
	1999/2000	32,610	0	0	1,388	25,698	
	2000/2001	0	0	152,456	0	2,611	
	2001/2002	0	0	0	7,132	183,664	
Medical	1997/1998	0	0	0	8,653	12,676	9,489
	1998/1999	0	0	21,500	0	18,325	11,080
	1999/2000	0	0	0	963	13,978	2,846
	2000/2001	0	0	14,711	0	1,797	3,171
	2001/2002	0	0	0	7,579	31,198	5,908

CONVERSION FACTORS (Section X - C, Exhibit 1, Page 2)

	Composite Policy Year	Fatal	Permanent Total	Major Permanent Partial	Minor Permanent Partial	Temporary Total	Medical Only
Indemnity	1997/1998	0.913	0.794	1.368	1.370	1.187	
	1998/1999	0.894	1.042	1.384	1.369	1.157	
	1999/2000	0.888	1.801	1.445	1.402	1.157	
	2000/2001	0.863	2.646	1.641	1.566	1.161	
	2001/2002	0.858	3.555	2.607	2.486	1.352	
Medical	1997/1998	1.283	1.237	2.051	1.283	1.253	1.283
	1998/1999	1.296	1.678	2.166	1.355	1.233	1.292
	1999/2000	1.053	1.909	2.236	1.399	1.198	1.295
	2000/2001	1.107	2.808	2.540	1.588	1.117	1.299
	2001/2002	1.050	3.686	3.245	2.029	1.135	1.381

EXCESS LOSS FACTORS (Section X - C, Exhibit 4)

Hazard Group	Injury Type		
	Serious	Non-Serious	Medical
2	1.121	1.033	1.122

PAYROLL, ADJUSTED CONVERTED LOSSES

Composite Policy Year	Payroll	Serious	Non-Serious	Medical
1997/1998	7,792,345	0	27,239	43,937
1998/1999	7,752,104	133,767	57,499	93,664
1999/2000	5,998,253	32,462	32,724	24,435
2000/2001	4,318,205	280,452	3,131	48,798
2001/2002	5,404,933	0	274,823	66,138
Total	31,265,840	446,681	395,417	276,972
Indicated Pure Premium		1.429	1.265	0.886
Manufacturing Industry Group Pure Premium		0.672	0.705	0.874
MA Indicated Relativity		2.127	1.795	1.014

Notes

Adjusted Converted Losses = Limited Losses] x [Conversion Factors] x [Excess Loss Factors]
 Industry Group Pure Premium from Section X - D

X 015

Pricing Example for Class 3131
 Button Or Fastener Mfg-Metal

Calculation of Countrywide Relativity

(1) State Code	(2) State	(3) Losses			(4) Lost-Time Claims		(5) Payroll	Total
		Serious	Non-Serious	Medical	Serious	Non-Serious		
4	CA	1,513,289	755,381	1,850,002	30	99	133,171,675	
6	CT	0	78,645	88,071	0	13	10,584,606	
7	DE	0	0	0	0	0	0	
22	MN	0	8,857	8,070	0	6	4,969,683	
28	NH	0	83,713	200,502	0	16	11,021,152	
29	NJ	53,000	473,422	357,200	1	71	18,069,659	
31	NY	0	0	0	0	0	0	
37	PA	0	0	0	0	0	0	
38	RI	213,733	40,025	101,141	2	6	4,999,559	
	Total	1,780,022	1,440,043	2,604,986	33	211	182,816,334	

(6) State Code	(7) State	(8) Manufacturing Pitch Factors			(9) = [100 x (3) / (5)] x (8) Pure Premiums, on MA Level			Total
		Serious	Non-Serious	Medical	Serious	Non-Serious	Medical	
4	CA	0.381	0.795	0.300	0.432	0.451	0.417	
6	CT	1.192	0.900	0.564	0.000	0.669	0.469	
7	DE	1.760	1.278	0.564	0.000	0.000	0.000	
22	MN	1.346	1.403	0.563	0.000	0.250	0.091	
28	NH	0.714	1.307	0.458	0.000	0.993	0.833	
29	NJ	2.084	0.750	0.662	0.611	1.964	1.309	
31	NY	0.541	1.206	0.702	0.000	0.000	0.000	
37	PA	1.136	0.094	0.090	0.000	0.000	0.000	
38	RI	0.574	0.725	0.637	2.453	0.580	1.288	
	(10) Average of (9) weighted by (5)				0.443	0.644	0.548	
	(11) Conversion and Excess Loss Adjustment Factor				1.702	1.305	1.705	
	(12) CW Pure Premium = (10) x (11)				0.753	0.840	0.935	2.528
	(13) CW Manufacturing Pure Premium				0.670	0.670	0.830	2.170
	(14) CW Relativity = (12) / (13)				1.124	1.254	1.126	1.165
	(15) CW Relativity, balanced to unity				1.111	1.247	1.114	

Notes

- (3) Developed Losses from other states is capped at \$200,000 (Indemnity + Medical losses) per claim, by injury kind. Data are total for latest three policy years. See Section X - E, Exhibit 2, Page 2 for years used.
- (4) Used in calculating countrywide credibilities. See Section X - E.
- (8) = (MA Total Manufacturing Limited Losses) / [(Manufacturing Pure Premium by State) x (MA Total Manufacturing Payroll) / 100]. See Section X - E, Exhibit 2, Page 1.
- (11) = (MA Total Manufacturing Adjusted Converted Losses) / (MA Manufacturing Limited Losses). See Section X - D.
- (13) = (12) weighted by MA five year Manufacturing Payroll.
- (15) Relativities balanced to unity (weighted by MA payroll) over Manufacturing Industry Group.

X 016

Pricing Example for Class 3131
 Button Or Fastener Mfg-Metal

Calculation of Credibility and Balanced Formula Relativity

	Injury Type		
	Serious	Non-Serious	Medical
(1) MA Indicated Relativity	2.127	1.795	1.014
(2) Countrywide Indicated Relativity	1.111	1.247	1.114
(3) Relativity to Underlying Present Rate	1.917	1.154	1.056

Calculation of MA Credibility

The MA Credibilities are calculated using the formula $Z=(E / F)^{0.4}$ where E are expected losses for that injury type.

(4) Adopted Relativity	1.934	1.183	1.065
(5) Industry Group Pure Premium Underlying Present Rate Factor	0.787	0.676	0.932
(6) Pure Premium Underlying Present Rate = (4) x (5)	1.522	0.800	0.993
(7) Expected Losses = (6) x [(Total Payroll from Exhibit 1) / 100]	475,884	250,035	310,338
(8) Full Credibility Standards	14,000,000	2,000,000	2,000,000
(9) MA Credibility = Minimum of {100%, [(7) / (8)] ^{0.4} }	26%	44%	47%

Calculation of Countrywide Credibility

The Countrywide Credibilities are calculated using the formula $Z=(E / F)^{0.4}$ where E are the countrywide claim counts for that injury type. The countrywide credibility is limited to no more than half of the complement of the credibility assigned to the Massachusetts data.

(10) Countrywide Lost-Time Claims	33	211	244	
(11) Countrywide Claim Count Standard	450	900	600	
(12) Countrywide Credibility = Minimum of {[(10) / (11)] ^{0.4} , 0.5 x [100% - (9)]}	35%	28%	26%	
(13) Credibility to Underlying = 100% - (9) - (12)	39%	28%	26%	
(14) Formula Relativity = [(1) x (9)] + [(2) x (12)] + [(3) x (13)]	1.688	1.459	1.051	
(15) Off Balance Factor	1.005	1.002	1.001	
(16) Balanced Formula Relativity	1.679	1.456	1.050	1.365

Notes

- (1) From Exhibit 1.
- (2), (10) From Exhibit 2.
- (3) Relativity of (5) to Industry Group average, using 5 year Schedule Z payroll as weights.
- (4) From Section X - G.
- (5) From Section X - F.
- (8), (11) From Section X - E, Exhibit 1.
- (15) Factor to balance Formula relativities across industry group to unity using 5 year Schedule Z payroll by injury kind.
- (16) = (14) / (15) , Total Balanced Formula Relativity is the weighted average of Partial Relativities using the MA Industry Group Pure Premium as weights.

X 017

Section X - Classification Pricing
Subsection B - Pricing Example
9/1/2005

Section X - B
Exhibit 4

Pricing Example for Class 3131 Button Or Fastener Mfg-Metal

Calculation of Proposed Average Rate and Proposed Manual Rate

(1) Total Balanced Formula Relativity	1.365
(2) Capped Rate Level Factor	2.780
(3) Proposed Average Capped Rate = (1) x (2)	3.790
(4) Offset for Merit Rating	0.997
(5) Offset for ARAP	1.061
(6) Offset for Construction Classification Premium Adjustment Program	1.000
(7) Provision for Insolvency Fund Assessment Recoupment	0.023
(8) Proposed Manual Rate = $\{(3) / [(4) \times (5) \times (6)]\} \times [1.000 / 1.000 - (7)]$	3.67
(9) Minimum Premium	260.45
(10) Loss Constant	0.00
(11) Expected Loss Rate	1.63
(12) D-Ratio	0.15

Notes

- (1) From Section X - B, Exhibit 3.
- (2) From Section X - I, Exhibit 1. Proposed average uncapped rates are capped by an iterative process using rate levels to determine if the required change is achieved. Class 3131 is in the Manufacturing Industry Group.
- (4), (5), (6), (7) From Section X - L. Class 3131 is not eligible for the Construction Credit program.
- (9) = Minimum of 500 and $[3500 \times (8) / 100 + (10) + \text{Expense Constant}]$
Where Expense Constant = 142 if $(8) \times 35 + (10) < 200$
= 284 if $(8) \times 35 + (10) \geq 200$
- (10) No loss constant for Manufacturing classes, \$50 for Construction classes, \$20 for all other classes.
- (11) = (3) x Reciprocal, from Section XI - B, Exhibit 1. Class 3131 is in Hazard Group 2.
- (12) From Section XI.

X 018

Section X - Classification Pricing
Subsection C - Conversion/Excess Loss Factors
9/1/2005

Section X - C
Exhibit 1
Page 1

Calculation of Indemnity and Medical Conversion Factors

The MA Indicated Pure Premium Relativities are calculated from payroll and loss data for the latest available 5 composite policy years of Unit Statistical Plan data.

Below are adjustment factors used to put the losses at the level proposed in this filing.

A. Benefit Level Adjustment Factor

The following factors are used to bring MA unit statistical plan losses to the benefit level of the proposed effective policy year period.

	Composite Policy Year				
	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002
<u>Indemnity</u>					
Fatal	1.105	1.082	1.050	1.017	1.011
Permanent Total	1.077	1.064	1.046	1.024	1.015
Major Permanent Partial	1.119	1.099	1.072	1.041	1.025
Minor Permanent Partial	1.175	1.140	1.091	1.042	1.025
Temporary Total	1.042	1.035	1.025	1.013	1.008
<u>Medical</u>					
All Injury Kinds	1.100	1.100	1.088	1.067	1.067

B. Loss Development Factors

The following factors are used to bring MA unit statistical data from first through fifth report to an ultimate basis

	Composite Policy Year				
	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002
<u>Indemnity</u>					
Fatal	1.093	1.093	1.120	1.123	1.123
Permanent Total	1.093	1.451	2.553	3.829	5.189
Major Permanent Partial	1.093	1.125	1.204	1.409	2.273
Minor Permanent Partial	1.000	1.030	1.102	1.289	2.080
Temporary Total	1.000	0.981	0.991	1.006	1.177
<u>Medical</u>					
Fatal	1.000	1.010	0.830	0.889	0.844
Permanent Total	1.666	2.260	2.600	3.899	5.121
Major Permanent Partial	1.666	1.760	1.836	2.126	2.718
Minor Permanent Partial	1.000	1.056	1.102	1.276	1.631
Temporary Total	1.000	0.984	0.966	0.919	0.934
Medical Only	1.000	1.007	1.020	1.044	1.110

Notes

(A) From Section IV - A Exhibit 6.

(B) = Development to 5th report (Section X - C, Exhibit 2, Pages 1 through 5) x Development from 5th to ultimate (Section V-B)

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C. Loss Adjustment Expense Factor

The following factor is applied to include the proposed loss adjustment expense.

	<u>Indemnity</u>	<u>Medical</u>
Loss Adjustment Expense	1.166	1.166

D. Investment Income Offset Factor

The following factor is applied to adjust for investment income.

	<u>Investment Income Offset Factor</u>
<u>Indemnity</u>	
Fatal	0.648
Permanent Total	0.579
Major Permanent Partial	0.960
Minor Permanent Partial	1.000
Temporary Total	0.977
<u>Medical</u>	
Fatal	1.000
Permanent Total	0.579
Major Permanent Partial	0.960
Minor Permanent Partial	1.000
Temporary Total	0.977
Medical Only	1.000

E. Conversion Factors

The factors above are combined multiplicatively, resulting in the following conversion factors.

	<u>Composite Policy Year</u>				
	<u>1997/1998</u>	<u>1998/1999</u>	<u>1999/2000</u>	<u>2000/2001</u>	<u>2001/2002</u>
<u>Indemnity</u>					
Fatal	0.913	0.894	0.888	0.863	0.858
Permanent Total	0.794	1.042	1.801	2.646	3.555
Major Permanent Partial	1.368	1.384	1.445	1.641	2.607
Minor Permanent Partial	1.370	1.369	1.402	1.566	2.486
Temporary Total	1.187	1.157	1.157	1.161	1.352
<u>Medical</u>					
Fatal	1.283	1.296	1.053	1.107	1.050
Permanent Total	1.237	1.678	1.909	2.808	3.686
Major Permanent Partial	2.051	2.166	2.236	2.540	3.245
Minor Permanent Partial	1.283	1.355	1.399	1.588	2.029
Temporary Total	1.253	1.233	1.198	1.117	1.135
Medical Only	1.283	1.292	1.295	1.299	1.381

Notes

(C) From Section VI - D, Exhibit 1.

(D) From Section X - C, Exhibit 3.

(E) = (A) x (B) x (C) x (D)

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Development Factors for Injury Kind 1 - Fatal

Composite Policy Year	Indemnity Losses					On-Level Indemnity Losses developed to Fifth Report
	First	Second	Third	Fourth	Fifth	
1991/1992	11,336,207	12,183,785	11,781,132	9,197,290	8,199,636	
1992/1993	12,672,256	11,666,661	9,827,876	10,885,801	11,262,746	
1993/1994	4,369,637	5,455,536	7,697,291	8,073,344	7,230,734	
1994/1995	11,729,565	14,199,366	13,010,755	11,948,192	8,913,080	
1995/1996	5,761,984	8,280,702	8,601,065	8,085,068	8,577,272	
1996/1997	6,803,507	7,769,302	8,563,069	8,179,956	9,196,824	
1997/1998	6,562,623	7,127,279	6,376,781	7,853,041	7,664,599	
1998/1999	6,462,798	7,158,760	6,362,791	7,130,151		
1999/2000	5,432,859	7,326,544	8,317,104			
2000/2001	17,598,453	11,312,138				
2001/2002	12,630,626					13,043,934

	Development Factors from			
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th
Average	0.992	1.003	1.025	0.943
Selected	1.000	1.003	1.025	1.000
Cumulative	1.028	1.028	1.025	1.000

Composite Policy Year	Medical Losses					On-Level Medical Losses developed to Fifth Report
	First	Second	Third	Fourth	Fifth	
1991/1992	565,356	566,160	552,200	548,563	355,389	
1992/1993	367,910	402,678	400,047	529,295	514,681	
1993/1994	161,838	357,024	437,716	202,050	331,433	
1994/1995	926,798	1,139,366	1,063,861	1,233,409	1,158,985	
1995/1996	192,172	177,988	374,285	329,599	322,968	
1996/1997	472,989	280,179	103,614	89,809	81,309	
1997/1998	154,147	135,324	122,509	130,501	121,392	
1998/1999	434,352	421,937	687,907	309,926		
1999/2000	287,687	393,831	357,106			
2000/2001	200,006	253,319				
2001/2002	441,507					397,622

	Development Factors from			
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th
Average	0.949	1.072	0.821	1.010
Selected	0.949	1.072	0.821	1.010
Cumulative	0.844	0.889	0.830	1.010

Composite Policy Year	Claim Counts					Claims Counts developed to Fifth Report
	First	Second	Third	Fourth	Fifth	
1991/1992	38	43	48	50	51	
1992/1993	37	45	46	49	49	
1993/1994	23	30	35	36	37	
1994/1995	31	41	40	45	44	
1995/1996	30	33	35	32	30	
1996/1997	37	37	37	38	37	
1997/1998	37	39	38	38	37	37
1998/1999	18	23	26	26		26
1999/2000	14	18	23			23
2000/2001	23	29				31
2001/2002	28					33

	Development Factors from			
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th
Average	1.106	1.059	1.017	0.990
Selected	1.106	1.059	1.017	0.990
Cumulative	1.181	1.067	1.007	0.990

Notes

Development factors are a five year weighted average, ignoring diagonal starting with Composite Policy Year 1998/1999. On-Level factors are from Section V - F, Exhibit 2.

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Development Factors for Injury Kind 2 - Permanent Total

Composite Policy Year	Indemnity Losses					On-Level Indemnity Losses developed to Fifth Report
	First	Second	Third	Fourth	Fifth	
1991/1992	3,641,100	3,698,692	3,566,792	5,859,871	7,333,349	
1992/1993	2,872,751	3,577,844	5,038,307	9,424,457	12,681,964	
1993/1994	1,966,532	2,110,713	2,044,995	5,549,495	8,964,258	
1994/1995	2,483,218	2,091,038	3,433,387	11,679,018	12,006,322	
1995/1996	1,177,222	2,194,287	3,179,659	9,245,041	19,285,444	
1996/1997	355,607	1,550,095	1,541,323	6,292,194	12,060,688	
1997/1998	2,361,000	2,336,155	8,127,675	13,712,953	18,309,629	
1998/1999	2,232,684	1,640,169	9,298,371	10,764,769		
1999/2000	2,786,848	4,910,262	7,763,497			
2000/2001	1,134,136	1,943,499				
2001/2002	3,048,480					14,585,503

	Development Factors from			
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th
Average	1.355	1.957	1.759	1.328
Selected	1.355	1.500	1.759	1.328
Cumulative	4.750	3.504	2.336	1.328

Composite Policy Year	Medical Losses					On-Level Medical Losses developed to Fifth Report
	First	Second	Third	Fourth	Fifth	
1991/1992	4,924,423	4,245,113	3,995,589	4,564,650	5,155,866	
1992/1993	5,762,081	6,967,542	5,443,999	6,871,697	8,903,046	
1993/1994	1,745,988	1,795,375	3,345,611	3,801,054	5,165,066	
1994/1995	7,252,084	8,419,247	7,869,777	9,358,685	9,796,381	
1995/1996	3,935,258	4,677,680	5,182,595	6,240,636	13,530,726	
1996/1997	407,744	693,564	1,634,653	2,804,586	5,476,977	
1997/1998	1,404,967	2,646,501	3,087,914	7,943,488	13,457,771	
1998/1999	5,221,229	1,026,027	7,285,508	8,508,572		
1999/2000	4,274,702	6,997,081	9,857,376			
2000/2001	2,165,999	2,253,912				
2001/2002	2,325,905					7,626,439

	Development Factors from			
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th
Average	1.313	1.584	1.370	1.357
Selected	1.313	1.500	1.150	1.357
Cumulative	3.073	2.340	1.560	1.357

Composite Policy Year	Claim Counts					Claims Counts developed to Fifth Report
	First	Second	Third	Fourth	Fifth	
1991/1992	10	7	7	14	18	
1992/1993	6	8	13	23	32	
1993/1994	5	6	5	14	25	
1994/1995	5	6	7	29	30	
1995/1996	3	5	11	24	61	
1996/1997	1	9	8	28	39	
1997/1998	5	6	33	48	50	50
1998/1999	5	8	38	35		42
1999/2000	5	13	19			33
2000/2001	3	8				25
2001/2002	4					23

	Development Factors from			
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th
Average	1.810	1.833	1.440	1.190
Selected	1.810	1.833	1.440	1.190
Cumulative	5.685	3.142	1.714	1.190

Notes

Development factors are a five year weighted average, ignoring diagonals starting with Composite Policy Year 1996/1997 and 1998/1999. On-Level factors are from Section V - F, Exhibit 2.

Development Factors for Injury Kinds 3 and 4 Combined - Partial Disability

Indemnity Losses						Injury Kind 3 Indemnity Losses at First Report	On-Level Injury Kind 3 Indemnity Losses developed to Fifth Report	Injury Kind 4 Indemnity Losses at First Report	On-Level Injury Kind 4 Indemnity Losses developed to Fifth Report
Composite Policy Year	Report								
	First	Second	Third	Fourth	Fifth				
1996/1997	77,196,161	134,457,373	148,317,993	155,109,510	160,138,521				
1997/1998	95,628,688	143,889,177	163,800,672	175,901,973	186,878,142				
1998/1999	87,281,206	138,123,851	166,452,171	181,449,932					
1999/2000	89,043,665	147,977,474	179,599,633						
2000/2001	92,475,741	144,810,518							
2001/2002	92,489,275					71,156,696	149,705,309	21,332,579	44,881,234
Development Factors from									
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th					
Average	1.613	1.210	1.082	1.048					
Selected	1.613	1.170	1.070	1.030					
Cumulative	2.080	1.289	1.102	1.030					
Medical Losses						Injury Kind 3 Medical Losses at First Report	Injury Kind 3 Medical Losses developed to Fifth Report	Injury Kind 4 Medical Losses at First Report	Injury Kind 4 Medical Losses developed to Fifth Report
Composite Policy Year	Report								
	First	Second	Third	Fourth	Fifth				
1996/1997	42,021,424	54,579,760	55,575,614	58,714,754	60,089,208				
1997/1998	45,776,581	58,374,542	64,255,666	66,293,371	71,920,710				
1998/1999	41,662,710	60,089,432	66,300,424	69,953,826					
1999/2000	50,520,403	67,593,303	81,533,467						
2000/2001	47,061,575	57,159,969							
2001/2002	49,165,807					33,002,598	57,443,111	16,163,209	28,133,089
Development Factors from									
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th					
Average	1.278	1.158	1.044	1.056					
Selected	1.278	1.158	1.044	1.056					
Cumulative	1.631	1.276	1.102	1.056					
Claim Counts						Injury Kind 3 Claim Counts at Latest Report	Injury Kind 3 Claim Counts developed to Fifth Report	Injury Kind 4 Claim Counts at First Report	Injury Kind 4 Claim Counts developed to Fifth Report
Composite Policy Year	Report								
	First	Second	Third	Fourth	Fifth				
1996/1997	3,410	4,279	4,629	4,913	4,974				
1997/1998	4,036	5,042	5,254	5,384	5,472	1,805	1,805	3,667	3,667
1998/1999	4,096	4,898	5,117	5,222		1,658	1,682	3,564	3,616
1999/2000	3,967	4,746	4,932			1,653	1,715	3,279	3,402
2000/2001	3,269	3,827				1,414	1,529	2,413	2,609
2001/2002	3,156					1,028	1,317	2,128	2,725
Development Factors from									
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th					
Average	1.185	1.042	1.023	1.014					
Selected	1.185	1.042	1.023	1.014					
Cumulative	1.281	1.081	1.037	1.014					

Notes
 Development factors are a two year weighted average.
 On-Level factors are from Section V - F, Exhibit 2.

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Development Factors for Injury Kind 5 - Temporary Total

Composite Policy Year	Indemnity Losses					On-Level Indemnity Losses developed to Fifth Report
	First	Second	Report Third	Fourth	Fifth	
1996/1997	95,795,454	93,290,561	96,998,711	93,012,630	93,066,961	
1997/1998	100,119,484	109,958,417	108,679,258	111,574,095	107,643,161	
1998/1999	113,938,039	121,448,095	125,485,769	124,879,667		
1999/2000	129,822,584	159,485,626	159,872,761			
2000/2001	159,421,031	178,887,456				
2001/2002	126,590,481					149,594,531
	Development Factors from					
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th		
Average	1.170	1.016	1.010	0.981		
Selected	1.170	1.016	1.010	0.981		
Cumulative	1.177	1.006	0.991	0.981		

Composite Policy Year	Medical Losses					On-Level Medical Losses developed to Fifth Report
	First	Second	Report Third	Fourth	Fifth	
1996/1997	63,119,301	55,157,375	54,099,343	53,482,639	53,809,936	
1997/1998	66,455,588	61,626,964	60,443,000	59,427,895	57,342,292	
1998/1999	73,484,431	69,301,963	67,523,662	66,146,512		
1999/2000	82,518,851	87,768,251	81,869,892			
2000/2001	91,110,032	88,709,028				
2001/2002	84,091,992					83,794,286
	Development Factors from					
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th		
Average	1.016	0.951	0.981	0.984		
Selected	1.016	0.951	0.981	0.984		
Cumulative	0.934	0.919	0.966	0.984		

Composite Policy Year	Claim Counts					Claims Counts developed to Fifth Report
	First	Second	Report Third	Fourth	Fifth	
1996/1997	20,518	20,036	20,105	19,929	19,903	
1997/1998	20,259	20,230	19,676	20,185	19,704	19,704
1998/1999	19,884	19,784	19,686	19,331		19,087
1999/2000	20,670	20,541	20,256			20,078
2000/2001	18,952	18,554				18,216
2001/2002	17,245					16,706
	Development Factors from					
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th		
Average	0.987	0.991	1.004	0.987		
Selected	0.987	0.991	1.004	0.987		
Cumulative	0.969	0.982	0.991	0.987		

Notes

Development factors are a two year weighted average.
 On-Level factors are from Section V - F, Exhibit 2.

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Development Factors for Injury Kind 6 - Medical Only

Medical Losses						On-Level Medical Losses developed to Fifth Report
Composite Policy Year	First	Second	Report Third	Fourth	Fifth	
1996/1997	19,925,993	20,904,672	21,003,976	21,172,045	21,397,388	
1997/1998	21,869,719	22,709,926	23,345,511	23,694,837	23,780,684	
1998/1999	22,384,250	23,796,437	24,080,309	24,354,365		
1999/2000	23,983,467	25,778,286	26,638,400			
2000/2001	24,369,675	25,629,104				
2001/2002	24,556,773					29,075,024
Development Factors from						
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th		
Average	1.063	1.023	1.013	1.007		
Selected	1.063	1.023	1.013	1.007		
Cumulative	1.110	1.044	1.020	1.007		
Claim Counts						
Composite Policy Year	First	Second	Report Third	Fourth	Fifth	Claims Counts developed to Fifth Report
1996/1997	57,087	59,273	59,588	60,103	60,530	
1997/1998	58,517	60,551	61,685	62,650	62,471	62,471
1998/1999	56,944	59,575	60,376	60,839		60,962
1999/2000	57,330	60,592	61,576			62,422
2000/2001	53,425	55,120				56,708
2001/2002	50,324					54,091
Development Factors from						
	1st - 2nd	2nd - 3rd	3rd - 4th	4th - 5th		
Average	1.045	1.015	1.012	1.002		
Selected	1.045	1.015	1.012	1.002		
Cumulative	1.075	1.029	1.014	1.002		

Notes

Development factors are a two year weighted average.
 On-Level factors are from Section V - F, Exhibit 2.

X 025

Section X - Classification Pricing
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Section X - C
Exhibit 3

Calculation of Investment Income Offset Factor

(1) Injury Kind	(2) Loss Flow Discounted at 2.44% Post-Chapter 398	(3) Investment Income Offset Factor
Fatal	0.639	0.648
Permanent Total	0.570	0.579
Major Permanent Partial	0.946	0.960
Minor Permanent Partial	0.985	1.000
Temporary Total	0.962	0.977

Selected Investment Income Offset Factor

Injury Kind	Indemnity	Medical
Fatal	0.648	1.000
Permanent Total	0.579	0.579
Major Permanent Partial	0.960	0.960
Minor Permanent Partial	1.000	1.000
Temporary Total	0.977	0.977
Medical Only		1.000

Notes

(2) Loss Flows are from 8/1/99 Section VIII - E, Exhibits 12 and 16. The discount rate is calculated by multiplying the pre-tax rate of return on governments (Section VIII - H) times the complement of the federal tax rate on investment income (Section VIII - A): $[3.25\% \times (1.000 - 25.05\%)] = 2.44\%$

(3) = (2) / [(2) for Minor Partial Disability]

X 026

Section X - Classification Pricing
 Subsection C - Conversion/Excess Loss Factors
 9/1/2005

Section X - C
 Exhibit 4

Calculation of Excess Loss Factors For Five Composite Policy Years, 1997/1998 through 2001/2002

Hazard Group	Injury Type		
	Serious	Non-Serious	Medical
(1) Excess Losses			
1	98,614	282,290	1,027,650
2	32,380,798	13,309,143	36,114,623
3	80,303,869	22,123,161	75,239,150
4	4,810,943	542,225	3,391,571
Total	117,594,224	36,256,819	115,772,994
(2) Limited Losses			
1	2,753,345	5,812,674	5,977,249
2	240,612,104	384,889,670	385,962,177
3	362,777,455	376,274,602	349,366,171
4	21,603,685	9,866,401	9,765,974
Total	627,746,589	776,843,347	751,071,571
(3) Converted Excess Losses			
1	147,175	366,678	1,458,405
2	44,062,473	15,913,079	69,011,889
3	107,406,090	26,012,147	152,130,388
4	6,734,333	649,464	7,004,569
Total	158,350,071	42,941,368	229,605,251
(4) Converted Limited Losses			
1	4,574,062	7,303,613	8,916,984
2	365,172,999	485,510,136	565,005,306
3	567,190,706	475,152,417	558,696,514
4	33,119,459	12,631,260	17,912,284
Total	970,057,226	980,597,426	1,150,531,088
(5) Excess Loss Factors = 1.000 + [(3) / (4)]			
1	1.032	1.050	1.164
2	1.121	1.033	1.122
3	1.189	1.055	1.272
4	1.203	1.051	1.391
(6) Selected Excess Loss Factors			
1	1.053	1.011	0.972
2	1.121	1.033	1.122
3	1.189	1.055	1.272
4	1.257	1.077	1.422

Notes

- (1) From Schedule Z data. Excess Losses = Losses in excess of \$200,000 for combined indemnity and medical, per claim.
- (2) Reported losses from Schedule Z, less excess losses in (1).
- (3) = (1) x Conversion factors consistent with Section X - C, Exhibit 1, at the claim level.
- (4) = (2) x Conversion factors consistent with Section X - C, Exhibit 1, at the claim level.

Calculation of Adjusted Converted Losses by Serious/Non-Serious/Medical
Manufacturing Industry Group
All Classes

Composite Policy Year	Injury Kind	(1) Limited Losses				(2) Converted Limited Losses			
		Serious	Non-Serious	Medical	Total	Serious	Non-Serious	Medical	Total
1997/1998	1	561,448	0	19,124	580,572	512,602	0	24,537	537,139
	2	1,762,936	0	429,601	2,192,537	1,399,771	0	531,417	1,931,188
	3	28,551,064	0	8,587,306	37,138,370	39,057,857	0	17,612,566	56,670,423
	4	0	7,306,057	4,435,917	11,741,974	0	10,009,300	5,691,283	15,700,583
	5	0	20,798,708	10,194,691	30,993,399	0	24,688,068	12,773,946	37,462,014
	6	0	0	5,173,440	5,173,440	0	0	6,637,517	6,637,517
1998/1999	1	343,206	0	10,512	353,718	306,826	0	13,623	320,449
	2	1,362,847	0	399,976	1,762,823	1,420,087	0	671,159	2,091,246
	3	25,381,600	0	8,078,703	33,460,303	35,128,138	0	17,498,466	52,626,604
	4	0	5,252,494	3,423,226	8,675,720	0	7,190,667	4,638,472	11,829,139
	5	0	23,019,231	12,831,083	35,850,314	0	26,633,253	15,820,726	42,453,979
	6	0	0	5,123,499	5,123,499	0	0	6,619,558	6,619,558
1999/2000	1	189,675	0	42,935	232,610	168,432	0	45,211	213,643
	2	574,717	0	98,605	673,322	1,035,065	0	188,237	1,223,302
	3	19,986,784	0	6,067,319	26,054,103	28,880,899	0	13,566,525	42,447,424
	4	0	5,030,374	3,005,146	8,035,520	0	7,052,583	4,204,204	11,256,787
	5	0	27,729,795	14,784,189	42,513,984	0	32,083,375	17,711,455	49,794,830
	6	0	0	5,848,675	5,848,675	0	0	7,574,037	7,574,037
2000/2001	1	265,426	0	4,175	269,601	229,063	0	4,622	233,685
	2	261,826	0	56,535	318,361	692,792	0	158,750	851,542
	3	18,979,464	0	5,382,608	24,362,072	31,145,301	0	13,671,823	44,817,124
	4	0	3,950,700	2,116,696	6,067,396	0	6,186,796	3,361,311	9,548,107
	5	0	28,052,995	14,467,490	42,520,485	0	32,569,527	16,160,185	48,729,712
	6	0	0	5,059,931	5,059,931	0	0	6,572,853	6,572,853
2001/2002	1	905,840	0	5,711	911,551	777,211	0	5,996	783,207
	2	111,415	0	88,585	200,000	396,080	0	326,524	722,604
	3	7,364,864	0	2,534,348	9,899,212	19,200,199	0	8,223,958	27,424,157
	4	0	3,399,190	2,626,762	6,025,952	0	8,450,384	5,329,703	13,780,087
	5	0	21,350,893	12,925,323	34,276,216	0	28,866,408	14,670,243	43,536,651
	6	0	0	4,644,502	4,644,502	0	0	6,414,059	6,414,059
All Years, All Injury Kinds		106,603,112	145,890,437	138,466,613	390,960,162	160,350,323	183,730,361	206,722,966	550,803,650

Notes

- (1) From Schedule Z Data, Excluding Large Deductibles.
- (2) = (1) x Conversion Factors from Section X - C, Exhibit 1.

X 027

Calculation of Adjusted Converted Losses by Serious/Non-Serious/Medical
 Manufacturing Industry Group
 All Classes

Composite Policy Year	Injury Kind	(1) Adjusted Converted Losses				(2) Claim Count	(3) Payroll
		Serious	Non-Serious	Medical	Total		
1997/1998	1	574,473	0	27,533	602,006	6	5,283,833,674
	2	1,587,426	0	606,921	2,194,347	11	
	3	44,061,628	0	20,113,993	64,175,621	377	
	4	0	10,355,496	6,446,977	16,802,473	1,030	
	5	0	25,575,596	14,587,048	40,162,644	3,926	
	6	0	0	7,546,979	7,546,979	15,098	
1998/1999	1	353,134	0	15,286	368,420	3	5,372,503,444
	2	1,620,473	0	792,925	2,413,398	9	
	3	39,765,383	0	20,099,808	59,865,191	331	
	4	0	7,444,511	5,286,472	12,730,983	801	
	5	0	27,596,039	18,071,219	45,667,258	3,747	
	6	0	0	7,517,662	7,517,662	13,883	
1999/2000	1	198,343	0	57,522	255,865	2	5,885,878,148
	2	1,176,326	0	230,727	1,407,053	4	
	3	32,689,511	0	15,582,527	48,272,038	279	
	4	0	7,296,251	4,757,200	12,053,451	688	
	5	0	33,239,691	20,214,102	53,453,793	4,101	
	6	0	0	8,608,027	8,608,027	14,169	
2000/2001	1	260,748	0	5,186	265,934	3	5,406,079,272
	2	824,006	0	201,978	1,025,984	2	
	3	35,139,618	0	15,532,633	50,672,251	256	
	4	0	6,404,095	3,814,731	10,218,826	482	
	5	0	33,730,908	18,412,302	52,143,210	3,339	
	6	0	0	7,475,247	7,475,247	11,574	
2001/2002	1	892,693	0	6,839	899,532	5	5,062,938,948
	2	443,887	0	366,393	810,280	1	
	3	21,814,558	0	9,483,680	31,298,238	122	
	4	0	8,771,220	6,145,678	14,916,898	406	
	5	0	29,903,405	16,764,041	46,667,446	2,882	
	6	0	0	7,314,612	7,314,612	9,795	
All Years, All Injury Kinds		181,402,207	190,317,212	236,086,248	607,805,667	87,332	27,011,233,486
Pure Premium		0.672	0.705	0.874	2.250		

Notes

(1) = Converted Losses from Page 1 x Excess Loss Factors from Section X - C, Exhibit 4.

(2), (3) From Schedule Z Data, Excluding Large Deductibles.

Pure Premium calculated as the All Years, All Injury Kinds Adjusted Converted Losses (1) divided by the All Years, All Injury Kinds Payroll (3).

Calculation of Adjusted Converted Losses by Serious/Non-Serious/Medical
 Construction Industry Group
 All Classes

Composite Policy Year	Injury Kind	(1) Limited Losses				(2) Converted Limited Losses			
		Serious	Non-Serious	Medical	Total	Serious	Non-Serious	Medical	Total
1997/1998	1	1,320,606	0	29,818	1,350,424	1,205,713	0	38,257	1,243,970
	2	2,244,014	0	729,111	2,973,125	1,781,747	0	901,911	2,683,658
	3	42,289,413	0	11,535,060	53,824,473	57,851,917	0	23,658,406	81,510,323
	4	0	5,469,408	3,359,259	8,828,667	0	7,493,092	4,309,929	11,803,021
	5	0	22,452,915	10,578,984	33,031,899	0	26,651,613	13,255,469	39,907,082
	6	0	0	3,103,449	3,103,449	0	0	3,981,726	3,981,726
1998/1999	1	1,015,905	0	58,431	1,074,336	908,219	0	75,726	983,945
	2	1,109,239	0	432,411	1,541,650	1,155,828	0	725,584	1,881,412
	3	47,485,402	0	12,225,498	59,710,900	65,719,795	0	26,480,429	92,200,224
	4	0	5,726,186	3,690,984	9,417,170	0	7,839,150	5,001,285	12,840,435
	5	0	24,226,810	11,614,670	35,841,480	0	28,030,420	14,320,889	42,351,309
	6	0	0	3,283,547	3,283,547	0	0	4,242,339	4,242,339
1999/2000	1	639,926	0	8,378	648,304	568,254	0	8,822	577,076
	2	623,711	0	576,289	1,200,000	1,123,303	0	1,100,135	2,223,438
	3	54,159,893	0	13,991,914	68,151,807	78,261,049	0	31,285,921	109,546,970
	4	0	6,641,228	3,968,283	10,609,511	0	9,311,002	5,551,629	14,862,631
	5	0	34,691,127	14,403,601	49,094,728	0	40,137,630	17,255,517	57,393,147
	6	0	0	3,717,996	3,717,996	0	0	4,814,806	4,814,806
2000/2001	1	1,358,335	0	49,133	1,407,468	1,172,242	0	54,390	1,226,632
	2	332,170	0	375,854	708,024	878,922	0	1,055,398	1,934,320
	3	48,356,338	0	13,957,323	62,313,661	79,352,752	0	35,451,600	114,804,352
	4	0	5,726,715	3,520,092	9,246,807	0	8,968,031	5,589,908	14,557,939
	5	0	47,977,514	21,136,583	69,114,097	0	55,701,895	23,609,562	79,311,457
	6	0	0	4,022,952	4,022,952	0	0	5,225,814	5,225,814
2001/2002	1	968,681	0	153,475	1,122,156	831,128	0	161,149	992,277
	2	302,214	0	97,786	400,000	1,074,371	0	360,439	1,434,810
	3	28,764,415	0	11,194,509	39,958,924	74,988,830	0	36,326,178	111,315,008
	4	0	5,534,926	3,594,459	9,129,385	0	13,759,824	7,293,156	21,052,980
	5	0	32,561,704	17,252,101	49,813,805	0	44,023,420	19,581,136	63,604,556
	6	0	0	3,742,770	3,742,770	0	0	5,168,765	5,168,765
All Years, All Injury Kinds		230,970,262	191,008,533	176,404,720	598,383,515	366,874,070	241,916,077	296,886,275	905,676,422

Notes

- (1) From Schedule Z Data, Excluding Large Deductibles.
 (2) = (1) x Conversion Factors from Section X - C, Exhibit 1.

X 029

Calculation of Adjusted Converted Losses by Serious/Non-Serious/Medical
 Construction Industry Group
 All Classes

Composite Policy Year	Injury Kind	(1) Adjusted Converted Losses				(2)	(3)
		Serious	Non-Serious	Medical	Total	Claim Count	Payroll
1997/1998	1	1,434,075	0	48,675	1,482,750	11	2,867,358,352
	2	2,158,262	0	1,164,776	3,323,038	16	
	3	69,026,403	0	30,117,242	99,143,645	467	
	4	0	7,904,200	5,484,852	13,389,052	624	
	5	0	28,115,649	16,878,372	44,994,021	2,864	
	6	0	0	5,071,634	5,071,634	7,472	
1998/1999	1	1,080,079	0	91,222	1,171,301	10	3,217,901,826
	2	1,405,886	0	964,434	2,370,320	8	
	3	78,441,710	0	33,827,979	112,269,689	510	
	4	0	8,270,672	6,361,196	14,631,868	706	
	5	0	29,570,262	18,159,553	47,729,815	2,887	
	6	0	0	5,418,188	5,418,188	8,220	
1999/2000	1	688,024	0	11,327	699,351	4	3,710,413,145
	2	1,337,410	0	1,453,729	2,791,139	6	
	3	93,588,900	0	40,102,382	133,691,282	557	
	4	0	9,831,702	7,080,135	16,911,837	760	
	5	0	42,348,121	21,985,733	64,333,854	3,206	
	6	0	0	6,152,207	6,152,207	8,571	
2000/2001	1	1,394,265	0	69,200	1,463,465	7	4,194,579,635
	2	1,045,391	0	1,342,784	2,388,175	4	
	3	94,774,393	0	45,407,090	140,181,483	515	
	4	0	9,470,199	7,142,781	16,612,980	589	
	5	0	58,795,916	30,100,306	88,896,222	3,595	
	6	0	0	6,684,037	6,684,037	8,665	
2001/2002	1	988,544	0	205,030	1,193,574	9	4,248,081,662
	2	1,277,856	0	458,586	1,736,442	2	
	3	89,481,168	0	46,550,058	136,031,226	416	
	4	0	14,521,188	9,293,188	23,814,376	446	
	5	0	46,469,192	24,988,050	71,457,242	3,186	
	6	0	0	6,590,371	6,590,371	7,212	
All Years, All Injury Kinds		438,122,366	255,297,101	379,205,117	1,072,624,584	61,545	18,238,334,620
Pure Premium		2.402	1.400	2.079	5.881		

Notes

(1) = Converted Losses from Page 1 x Excess Loss Factors from Section X - C, Exhibit 4.

(2), (3) From Schedule Z Data, Excluding Large Deductibles.

Pure Premium calculated as the All Years, All Injury Kinds Adjusted Converted Losses (1) divided by the All Years, All Injury Kinds Payroll (3).

Calculation of Adjusted Converted Losses by Serious/Non-Serious/Medical
 Office and Clerical Industry Group
 All Classes

Composite Policy Year	Injury Kind	(1) Limited Losses				(2) Converted Limited Losses			
		Serious	Non-Serious	Medical	Total	Serious	Non-Serious	Medical	Total
1997/1998	1	942,162	0	55,176	997,338	860,194	0	70,791	930,985
	2	612,631	0	376,881	989,512	486,429	0	466,202	952,631
	3	15,818,086	0	5,025,051	20,843,137	21,639,143	0	10,306,380	31,945,523
	4	0	3,364,540	2,226,113	5,590,653	0	4,609,419	2,856,101	7,465,520
	5	0	14,105,328	8,403,976	22,509,304	0	16,743,024	10,530,182	27,273,206
	6	0	0	4,157,691	4,157,691	0	0	5,334,316	5,334,316
1998/1999	1	400,000	0	0	400,000	357,600	0	0	357,600
	2	312,994	0	48,199	361,193	326,140	0	80,878	407,018
	3	15,380,764	0	4,305,426	19,686,190	21,286,977	0	9,325,554	30,612,531
	4	0	2,965,449	2,559,543	5,524,992	0	4,059,699	3,468,181	7,527,880
	5	0	15,033,536	8,865,249	23,898,785	0	17,393,801	10,930,852	28,324,653
	6	0	0	4,183,881	4,183,881	0	0	5,405,575	5,405,575
1999/2000	1	721,034	0	36,709	757,743	640,278	0	38,655	678,933
	2	235,084	0	149,418	384,502	423,386	0	285,239	708,625
	3	15,676,732	0	4,320,433	19,997,165	22,652,878	0	9,660,488	32,313,366
	4	0	3,162,597	2,606,187	5,768,784	0	4,433,962	3,646,055	8,080,017
	5	0	21,314,451	11,484,379	32,798,830	0	24,660,820	13,758,285	38,419,105
	6	0	0	4,987,632	4,987,632	0	0	6,458,984	6,458,984
2000/2001	1	1,032,642	0	20,332	1,052,974	891,170	0	22,507	913,677
	2	0	0	0	0	0	0	0	0
	3	11,311,133	0	3,673,908	14,985,041	18,561,569	0	9,331,728	27,893,297
	4	0	2,274,926	1,471,182	3,746,108	0	3,562,535	2,336,237	5,898,772
	5	0	20,715,044	11,229,738	31,944,782	0	24,050,164	12,543,618	36,593,782
	6	0	0	4,959,386	4,959,386	0	0	6,442,243	6,442,243
2001/2002	1	547,439	0	52,561	600,000	469,703	0	55,189	524,892
	2	0	0	0	0	0	0	0	0
	3	6,685,196	0	2,349,840	9,035,036	17,428,305	0	7,625,230	25,053,535
	4	0	2,779,420	2,406,479	5,185,899	0	6,909,638	4,882,747	11,792,385
	5	0	15,640,295	11,530,903	27,171,198	0	21,145,678	13,087,575	34,233,253
	6	0	0	4,559,058	4,559,058	0	0	6,296,057	6,296,057
All Years, All Injury Kinds		69,675,897	101,355,586	106,045,331	277,076,814	106,023,772	127,568,740	155,245,849	388,838,361

Notes

- (1) From Schedule Z Data, Excluding Large Deductibles.
- (2) = (1) x Conversion Factors from Section X - C, Exhibit 1.

Calculation of Adjusted Converted Losses by Serious/Non-Serious/Medical
 Office and Clerical Industry Group
 All Classes

Composite Policy Year	Injury Kind	(1) Adjusted Converted Losses				(2) Claim Count	(3) Payroll
		Serious	Non-Serious	Medical	Total		
1997/1998	1	1,006,689	0	79,723	1,086,412	9	35,627,228,422
	2	549,050	0	545,021	1,094,071	5	
	3	24,869,561	0	12,146,305	37,015,866	213	
	4	0	4,793,994	3,363,682	8,157,676	395	
	5	0	17,426,520	12,337,719	29,764,239	2,718	
	6	0	0	6,209,298	6,209,298	9,647	
1998/1999	1	413,046	0	0	413,046	2	39,111,804,515
	2	365,505	0	90,753	456,258	3	
	3	24,454,730	0	11,027,165	35,481,895	193	
	4	0	4,219,617	4,078,855	8,298,472	426	
	5	0	18,095,625	12,760,775	30,856,400	2,611	
	6	0	0	6,302,555	6,302,555	8,948	
1999/2000	1	755,126	0	49,181	804,307	5	44,397,569,641
	2	495,851	0	323,465	819,316	2	
	3	25,956,339	0	11,376,031	37,332,370	197	
	4	0	4,608,747	4,317,355	8,926,102	425	
	5	0	25,634,324	15,993,044	41,627,368	2,923	
	6	0	0	7,518,635	7,518,635	9,705	
2000/2001	1	1,022,370	0	25,479	1,047,849	6	47,967,054,240
	2	0	0	0	0	0	
	3	21,272,012	0	10,956,529	32,228,541	151	
	4	0	3,710,025	2,748,853	6,458,878	303	
	5	0	25,001,673	14,623,212	39,624,885	2,686	
	6	0	0	7,506,111	7,506,111	9,468	
2001/2002	1	547,126	0	69,547	616,673	3	45,587,348,390
	2	0	0	0	0	0	
	3	19,999,532	0	8,971,133	28,970,665	101	
	4	0	7,186,810	5,743,812	12,930,622	311	
	5	0	21,960,752	15,159,257	37,120,009	2,497	
	6	0	0	7,320,501	7,320,501	9,016	
All Years, All Injury Kinds		121,706,937	132,638,087	181,643,996	435,989,020	62,969	212,691,005,208
Pure Premium		0.057	0.062	0.085	0.205		

Notes

(1) = Converted Losses from Page 1 x Excess Loss Factors from Section X - C, Exhibit 4.

(2), (3) From Schedule Z Data, Excluding Large Deductibles.

Pure Premium calculated as the All Years, All Injury Kinds Adjusted Converted Losses (1) divided by the All Years, All Injury Kinds Payroll (3).

Calculation of Adjusted Converted Losses by Serious/Non-Serious/Medical
 Goods and Services Industry Group
 All Classes

Composite Policy Year	Injury Kind	(1) Limited Losses				(2) Converted Limited Losses			
		Serious	Non-Serious	Medical	Total	Serious	Non-Serious	Medical	Total
1997/1998	1	892,045	0	2,402	894,447	814,438	0	3,082	817,520
	2	1,887,579	0	636,841	2,524,420	1,498,738	0	787,773	2,286,511
	3	37,434,275	0	12,013,370	49,447,645	51,210,085	0	24,639,427	75,849,512
	4	0	10,046,560	6,198,491	16,245,051	0	13,763,787	7,952,666	21,716,453
	5	0	34,548,891	20,079,778	54,628,669	0	41,009,536	25,159,962	66,169,498
	6	0	0	9,332,342	9,332,342	0	0	11,973,394	11,973,394
1998/1999	1	1,525,603	0	82,016	1,607,619	1,363,890	0	106,292	1,470,182
	2	837,028	0	421,658	1,258,686	872,183	0	707,542	1,579,725
	3	33,534,499	0	10,715,157	44,249,656	46,411,746	0	23,209,031	69,620,777
	4	0	8,190,252	5,783,469	13,973,721	0	11,212,458	7,836,602	19,049,060
	5	0	41,502,219	23,398,273	64,900,492	0	48,018,071	28,850,070	76,868,141
	6	0	0	9,675,884	9,675,884	0	0	12,501,241	12,501,241
1999/2000	1	1,151,538	0	23,191	1,174,729	1,022,565	0	24,420	1,046,985
	2	733,724	0	384,013	1,117,737	1,321,437	0	733,082	2,054,519
	3	31,915,897	0	10,270,350	42,186,247	46,118,468	0	22,964,500	69,082,968
	4	0	7,857,828	5,574,264	13,432,092	0	11,016,672	7,798,396	18,815,068
	5	0	49,376,916	27,418,509	76,795,425	0	57,129,092	32,847,373	89,976,465
	6	0	0	9,759,032	9,759,032	0	0	12,637,944	12,637,944
2000/2001	1	757,346	0	95,097	852,443	653,589	0	105,272	758,861
	2	297,416	0	43,897	341,313	786,963	0	123,263	910,226
	3	22,510,576	0	7,934,269	30,444,845	36,939,856	0	20,153,043	57,092,899
	4	0	6,609,407	4,435,829	11,045,236	0	10,350,333	7,044,098	17,394,431
	5	0	53,610,231	28,862,491	82,472,722	0	62,241,482	32,239,406	94,480,888
	6	0	0	9,358,655	9,358,655	0	0	12,156,894	12,156,894
2001/2002	1	1,380,656	0	81,963	1,462,619	1,184,602	0	86,061	1,270,663
	2	0	0	0	0	0	0	0	0
	3	14,859,669	0	6,464,932	21,324,601	38,739,157	0	20,978,708	59,717,865
	4	0	7,157,758	5,698,995	12,856,753	0	17,794,187	11,563,261	29,357,448
	5	0	39,328,234	29,596,664	68,924,898	0	53,171,766	33,592,216	86,763,982
	6	0	0	9,290,420	9,290,420	0	0	12,830,066	12,830,066
All Years, All Injury Kinds		149,717,851	258,228,296	253,632,252	661,578,399	228,937,717	325,707,384	371,605,085	926,250,186

Notes

(1) From Schedule Z Data, Excluding Large Deductibles. Excluding Per Capita Classes.

(2) = (1) x Conversion Factors from Section X - C, Exhibit 1.

Calculation of Adjusted Converted Losses by Serious/Non-Serious/Medical
 Goods and Services Industry Group
 All Classes

Composite Policy Year	Injury Kind	(1) Adjusted Converted Losses				(2)	(3)
		Serious	Non-Serious	Medical	Total	Claim Count	Payroll
1997/1998	1	930,534	0	3,553	934,087	7	9,101,380,956
	2	1,706,270	0	941,880	2,648,150	13	
	3	58,251,581	0	28,523,183	86,774,764	527	
	4	0	14,271,421	9,214,955	23,486,376	1,269	
	5	0	42,561,637	29,122,402	71,684,039	8,230	
	6	0	0	13,800,979	13,800,979	26,166	
1998/1999	1	1,575,253	0	125,665	1,700,918	9	9,881,146,785
	2	977,456	0	793,933	1,771,389	7	
	3	52,926,134	0	27,077,778	80,003,912	436	
	4	0	11,638,021	9,072,731	20,710,752	1,289	
	5	0	49,843,277	33,319,860	83,163,137	8,041	
	6	0	0	14,379,333	14,379,333	25,712	
1999/2000	1	1,173,893	0	27,817	1,201,710	9	10,678,010,512
	2	1,532,149	0	875,670	2,407,819	6	
	3	52,599,799	0	26,641,481	79,241,280	431	
	4	0	11,429,494	9,027,630	20,457,124	1,039	
	5	0	59,341,883	38,115,158	97,457,041	8,014	
	6	0	0	14,562,701	14,562,701	24,801	
2000/2001	1	737,253	0	118,179	855,432	9	10,973,038,803
	2	936,014	0	156,827	1,092,841	2	
	3	42,355,179	0	23,743,746	66,098,925	332	
	4	0	10,740,906	8,237,313	18,978,219	825	
	5	0	64,699,118	37,505,068	102,204,186	7,165	
	6	0	0	14,063,472	14,063,472	21,969	
2001/2002	1	1,376,385	0	101,408	1,477,793	9	11,626,886,195
	2	0	0	0	0	0	
	3	44,049,288	0	24,127,478	68,176,766	260	
	4	0	18,465,734	13,345,557	31,811,291	753	
	5	0	55,231,433	38,879,784	94,111,217	6,909	
	6	0	0	14,777,004	14,777,004	21,043	
All Years, All Injury Kinds		261,127,188	338,222,924	430,682,545	1,030,032,657	165,282	52,260,463,250
Pure Premium		0.500	0.647	0.824	1.971		

Notes

(1) = Converted Losses from Page 1 x Excess Loss Factors from Section X - C, Exhibit 4.

(2), (3) From Schedule Z Data, Excluding Large Deductibles. Excluding Per Capita Classes

Pure Premium calculated as the All Years, All Injury Kinds Adjusted Converted Losses (1) divided by the All Years, All Injury Kinds Payroll (3).

Calculation of Adjusted Converted Losses by Serious/Non-Serious/Medical
 Miscellaneous Industry Group
 All Classes

Composite Policy Year	Injury Kind	(1) Limited Losses				(2) Converted Limited Losses			
		Serious	Non-Serious	Medical	Total	Serious	Non-Serious	Medical	Total
1997/1998	1	404,000	0	0	404,000	368,852	0	0	368,852
	2	748,052	0	102,679	850,731	593,954	0	127,014	720,968
	3	16,705,181	0	4,717,535	21,422,716	22,852,688	0	9,675,663	32,528,351
	4	0	3,391,333	2,534,241	5,925,574	0	4,646,127	3,251,430	7,897,557
	5	0	11,097,871	5,837,735	16,935,606	0	13,173,171	7,314,684	20,487,855
	6	0	0	1,954,730	1,954,730	0	0	2,507,917	2,507,917
1998/1999	1	319,316	0	5,015	324,331	285,468	0	6,499	291,967
	2	1,190,080	0	323,138	1,513,218	1,240,063	0	542,226	1,782,289
	3	15,905,743	0	4,913,304	20,819,047	22,013,548	0	10,642,216	32,655,764
	4	0	2,809,981	1,753,913	4,563,894	0	3,846,866	2,376,553	6,223,419
	5	0	12,536,746	6,383,176	18,919,922	0	14,505,015	7,870,455	22,375,470
	6	0	0	2,035,099	2,035,099	0	0	2,629,346	2,629,346
1999/2000	1	328,279	0	2,907	331,186	291,511	0	3,061	294,572
	2	166,318	0	33,682	200,000	299,539	0	64,299	363,838
	3	16,083,500	0	5,130,539	21,214,039	23,240,659	0	11,471,888	34,712,547
	4	0	2,865,680	1,755,646	4,621,326	0	4,017,685	2,456,152	6,473,837
	5	0	15,070,149	7,214,475	22,284,624	0	17,436,162	8,642,942	26,079,104
	6	0	0	2,251,867	2,251,867	0	0	2,916,166	2,916,166
2000/2001	1	597,808	0	5,176	602,984	515,909	0	5,730	521,639
	2	0	0	0	0	0	0	0	0
	3	11,419,260	0	3,917,680	15,336,940	18,739,006	0	9,950,906	28,689,912
	4	0	1,753,238	1,214,150	2,967,388	0	2,745,569	1,928,068	4,673,637
	5	0	16,046,695	7,383,169	23,429,864	0	18,630,213	8,246,999	26,877,212
	6	0	0	2,162,182	2,162,182	0	0	2,808,676	2,808,676
2001/2002	1	396,459	0	3,541	400,000	340,162	0	3,718	343,880
	2	109,863	0	90,137	200,000	390,563	0	332,245	722,808
	3	6,405,608	0	2,558,719	8,964,327	16,699,422	0	8,303,043	25,002,465
	4	0	2,362,963	1,720,225	4,083,188	0	5,874,324	3,490,338	9,364,662
	5	0	12,425,839	8,221,050	20,646,889	0	16,799,732	9,330,890	26,130,622
	6	0	0	2,214,424	2,214,424	0	0	3,058,122	3,058,122
All Years, All Injury Kinds		70,779,467	80,360,495	76,440,134	227,580,096	107,871,344	101,674,864	119,957,246	329,503,454

Notes

- (1) From Schedule Z Data, Excluding Large Deductibles.
- (2) = (1) x Conversion Factors from Section X - C, Exhibit 1.

X 035

Calculation of Adjusted Converted Losses by Serious/Non-Serious/Medical
 Miscellaneous Industry Group
 All Classes

Composite Policy Year	Injury Kind	(1) Adjusted Converted Losses				(2) Claim Count	(3) Payroll
		Serious	Non-Serious	Medical	Total		
1997/1998	1	438,712	0	0	438,712	3	1,529,902,453
	2	690,915	0	152,468	843,383	5	
	3	27,133,646	0	12,272,811	39,406,457	207	
	4	0	4,892,758	4,112,172	9,004,930	357	
	5	0	13,882,035	9,255,010	23,137,045	2,347	
	6	0	0	3,090,732	3,090,732	4,375	
1998/1999	1	339,536	0	8,269	347,805	2	1,573,920,984
	2	1,467,698	0	686,280	2,153,978	8	
	3	26,178,961	0	13,598,801	39,777,762	180	
	4	0	4,052,381	3,001,527	7,053,908	344	
	5	0	15,269,299	9,917,737	25,187,036	2,288	
	6	0	0	3,256,250	3,256,250	4,364	
1999/2000	1	346,724	0	3,895	350,619	3	1,786,308,235
	2	356,272	0	81,808	438,080	1	
	3	27,563,805	0	14,468,020	42,031,825	187	
	4	0	4,228,703	3,094,118	7,322,821	351	
	5	0	18,368,443	10,880,823	29,249,266	2,172	
	6	0	0	3,600,577	3,600,577	4,548	
2000/2001	1	613,623	0	7,290	620,913	4	1,623,315,895
	2	0	0	0	0	0	
	3	22,206,814	0	12,619,655	34,826,469	155	
	4	0	2,891,120	2,435,704	5,326,824	204	
	5	0	19,619,207	10,388,539	30,007,746	1,750	
	6	0	0	3,454,205	3,454,205	3,651	
2001/2002	1	404,589	0	4,730	409,319	2	1,652,763,393
	2	464,536	0	422,715	887,251	1	
	3	19,777,676	0	10,471,012	30,248,688	108	
	4	0	6,187,811	4,419,974	10,607,785	203	
	5	0	17,698,865	11,743,341	29,442,206	1,702	
	6	0	0	3,761,684	3,761,684	3,506	
All Years, All Injury Kinds		127,983,507	107,090,622	151,210,147	386,284,276	33,028	8,166,210,960
Pure Premium		1.567	1.311	1.852	4.730		

Notes

(1) = Converted Losses from Page 1 x Excess Loss Factors from Section X - C, Exhibit 4.

(2), (3) From Schedule Z Data, Excluding Large Deductibles.

Pure Premium calculated as the All Years, All Injury Kinds Adjusted Converted Losses (1) divided by the All Years, All Injury Kinds Payroll (3).

Calculation of Adjusted Converted Losses by Serious/Non-Serious/Medical
 All Industry Groups
 All Classes

Composite Policy Year	Injury Kind	(1) Limited Losses				(2) Converted Limited Losses			
		Serious	Non-Serious	Medical	Total	Serious	Non-Serious	Medical	Total
1997/1998	1	4,120,261	0	106,520	4,226,781	3,761,799	0	136,667	3,898,466
	2	7,255,212	0	2,275,113	9,530,325	5,760,639	0	2,814,317	8,574,956
	3	140,798,019	0	41,878,322	182,676,341	192,611,690	0	85,892,442	278,504,132
	4	0	29,577,898	18,754,021	48,331,919	0	40,521,725	24,061,409	64,583,134
	5	0	103,003,713	55,095,164	158,098,877	0	122,265,412	69,034,243	191,299,655
	6	0	0	23,721,652	23,721,652	0	0	30,434,870	30,434,870
1998/1999	1	3,604,030	0	155,974	3,760,004	3,222,003	0	202,140	3,424,143
	2	4,812,188	0	1,625,382	6,437,570	5,014,301	0	2,727,389	7,741,690
	3	137,688,008	0	40,238,088	177,926,096	190,560,204	0	87,155,696	277,715,900
	4	0	24,944,362	17,211,135	42,155,497	0	34,148,840	23,321,093	57,469,933
	5	0	116,318,542	63,092,451	179,410,993	0	134,580,560	77,792,992	212,373,552
	6	0	0	24,301,910	24,301,910	0	0	31,398,059	31,398,059
1999/2000	1	3,030,452	0	114,120	3,144,572	2,691,040	0	120,169	2,811,209
	2	2,333,554	0	1,242,007	3,575,561	4,202,730	0	2,370,992	6,573,722
	3	137,822,806	0	39,780,555	177,603,361	199,153,953	0	88,949,322	288,103,275
	4	0	25,557,707	16,909,526	42,467,233	0	35,831,904	23,656,436	59,488,340
	5	0	148,182,438	75,305,153	223,487,591	0	171,447,079	90,215,572	261,662,651
	6	0	0	26,565,202	26,565,202	0	0	34,401,937	34,401,937
2000/2001	1	4,011,557	0	173,913	4,185,470	3,461,973	0	192,521	3,654,494
	2	891,412	0	476,286	1,367,698	2,358,677	0	1,337,411	3,696,088
	3	112,576,771	0	34,865,788	147,442,559	184,738,484	0	88,559,100	273,297,584
	4	0	20,314,986	12,757,949	33,072,935	0	31,813,264	20,259,622	52,072,886
	5	0	166,402,479	83,079,471	249,481,950	0	193,193,281	92,799,770	285,993,051
	6	0	0	25,563,106	25,563,106	0	0	33,206,480	33,206,480
2001/2002	1	4,199,075	0	297,251	4,496,326	3,602,806	0	312,113	3,914,919
	2	523,492	0	276,508	800,000	1,861,014	0	1,019,208	2,880,222
	3	64,079,752	0	25,102,348	89,182,100	167,055,913	0	81,457,117	248,513,030
	4	0	21,234,257	16,046,920	37,281,177	0	52,788,357	32,559,205	85,347,562
	5	0	121,306,965	79,526,041	200,833,006	0	164,007,004	90,262,060	254,269,064
	6	0	0	24,451,174	24,451,174	0	0	33,767,069	33,767,069
All Years, All Injury Kinds		627,746,589	776,843,347	750,989,050	2,155,578,986	970,057,226	980,597,426	1,150,417,421	3,101,072,073

Notes

- (1) From Schedule Z Data, Excluding Large Deductibles.
- (2) = (1) x Conversion Factors from Section X - C, Exhibit 1.

X 037

Calculation of Adjusted Converted Losses by Serious/Non-Serious/Medical
 All Industry Groups
 All Classes

Composite Policy Year	Injury Kind	(1) Adjusted Converted Losses				(2) Claim Count	(3) Payroll
		Serious	Non-Serious	Medical	Total		
1997/1998	1	4,384,483	0	159,484	4,543,967	36	54,409,703,857
	2	6,691,923	0	3,411,066	10,102,989	50	
	3	223,342,819	0	103,173,534	326,516,353	1,791	
	4	0	42,217,869	28,622,638	70,840,507	3,675	
	5	0	127,561,437	82,180,551	209,741,988	20,085	
	6	0	0	35,719,622	35,719,622	62,758	
1998/1999	1	3,761,048	0	240,442	4,001,490	26	59,157,277,554
	2	5,837,018	0	3,328,325	9,165,343	35	
	3	221,766,918	0	105,631,531	327,398,449	1,650	
	4	0	35,625,202	27,800,781	63,425,983	3,566	
	5	0	140,374,502	92,229,144	232,603,646	19,574	
	6	0	0	36,873,988	36,873,988	61,127	
1999/2000	1	3,162,110	0	149,742	3,311,852	23	66,458,179,681
	2	4,898,008	0	2,965,399	7,863,407	19	
	3	232,398,354	0	108,170,441	340,568,795	1,651	
	4	0	37,394,897	28,276,438	65,671,335	3,263	
	5	0	178,932,462	107,188,860	286,121,322	20,416	
	6	0	0	40,442,147	40,442,147	61,794	
2000/2001	1	4,028,259	0	225,334	4,253,593	29	70,164,067,845
	2	2,805,411	0	1,701,589	4,507,000	8	
	3	215,748,016	0	108,259,653	324,007,669	1,409	
	4	0	33,216,345	24,379,382	57,595,727	2,403	
	5	0	201,846,822	111,029,427	312,876,249	18,535	
	6	0	0	39,183,072	39,183,072	55,327	
2001/2002	1	4,209,337	0	387,554	4,596,891	28	68,178,018,588
	2	2,186,279	0	1,247,694	3,433,973	4	
	3	195,122,222	0	99,603,361	294,725,583	1,007	
	4	0	55,132,763	38,948,209	94,080,972	2,119	
	5	0	171,263,647	107,534,473	278,798,120	17,176	
	6	0	0	39,764,172	39,764,172	50,572	
All Years, All Injury Kinds		1,130,342,205	1,023,565,946	1,378,828,053	3,532,736,204	410,156	318,367,247,524
Pure Premium		0.355	0.322	0.433	1.110		

Notes

(1) = Converted Losses from Page 1 x Excess Loss Factors from Section X - C, Exhibit 4.

(2), (3) From Schedule Z Data, Excluding Large Deductibles.

Pure Premium calculated as the All Years, All Injury Kinds Adjusted Converted Losses (1) divided by the All Years, All Injury Kinds Payroll (3).

X 039

Section X - Classification Pricing
Subsection E - Credibility/Countrywide Data
9/1/2005

Section X - E
Exhibit 1
Page 1

MA Full Credibility Standard and Partial Credibility

		Injury Type		
		Serious	Non-Serious	Medical
(1)	Average Claim Cost (See Pages 2 and 3)	140,000	10,000	10,000
(2)	Claims (See Section X - E, Exhibit 1, Page 4 of 9/1/01 Filing)	100	200	200
(3)	Full Credibility Standard =(1) x (2)	14,000,000	2,000,000	2,000,000

Partial Credibility Z is given in terms of E, the expected losses and F, the criterion for full credibility by the formula:

$$Z=(E / F)^{0.4}$$

Credibility of Countrywide Data

		Injury Type		
		Serious	Non-Serious	Medical
(4)	Number of Countrywide Claims	450	900	600

Partial Credibility is determined from the full credibility standard and the observed number of countrywide claims using the same formula as is done for the Massachusetts data.

X 040

Section X - Classification Pricing
Subsection E - Credibility/Countrywide Data
9/1/2005

Section X - E
Exhibit 1
Page 2

Selection of Average Massachusetts Indemnity Claim Costs

Composite Policy Year 2001/2002 Indemnity Losses

	<u>Injury Kind 1</u>	<u>Injury Kind 2</u>	<u>Injury Kind 3</u>	<u>Injury Kind 4</u>	<u>Injury Kind 5</u>
(1) On-Level Losses Developed to Fifth Report	13,043,934	14,585,503	149,705,309	44,881,234	149,594,531
(2) Loss Development from Fifth Report to Ultimate	1.093	1.093	1.093	1.000	1.000
(3) On-Level Ultimate Losses = (1) x (2) x (3)	14,252,125	15,936,482	163,571,730	44,881,234	149,594,531
(4) Claim Count Developed to Fifth Report	33	23	1,317	2,725	16,706
(5) Summary		<u>Serious</u>		<u>Non-Serious</u>	
(a) Ultimate Losses		193,760,338		194,475,765	
(b) Ultimate Claim Count		1,372		19,432	
(c) Average Claim Cost = (a) / (b)		141,181		10,008	
(d) Previous Selected Average Claim Cost		100,000		7,500	
(e) Selected Average Claim Cost		140,000		10,000	

Notes

- (1) From Section X - C, Exhibit 2.
- (2) From Section V-B.
- (4) From Section X - C, Exhibit 2.
- (5) (a) Sum of (3); Injury Kinds 1, 2, 3 for Serious, and Injury Kinds 4, 5 for Non-Serious
(b) Sum of (4); Injury Kinds 1, 2, 3 for Serious, and Injury Kinds 4, 5 for Non-Serious
(d) From Section X - E, Exhibit 1, Page 1 of 9/1/03 rate filing.

X 041

Section X - Classification Pricing
Subsection E - Credibility/Countrywide Data
9/1/2005

Section X - E
Exhibit 1
Page 3

Selection of Average Massachusetts Medical Claim Costs

Composite Policy Year 2001/2002 Medical Losses

	<u>Injury Kind 1</u>	<u>Injury Kind 2</u>	<u>Injury Kind 3</u>	<u>Injury Kind 4</u>	<u>Injury Kind 5</u>
(1) On-Level Losses Developed to Fifth Report	397,622	7,626,439	57,443,111	28,133,089	83,794,286
(2) Loss Development from Fifth Report to Ultimate	1.000	1.666	1.666	1.000	1.000
(3) On-Level Ultimate Losses = (1) x (2)	397,622	12,708,213	95,719,542	28,133,089	83,794,286
(4) Claim Count Developed to Fifth Report	33	23	1,317	2,725	16,706
(5) Summary			<u>Medical</u>		
(a) Ultimate Losses			220,752,751		
(b) Ultimate Claim Count			20,804		
(c) Average Claim Cost = (a) / (b)			10,611		
(d) Previous Selected Average Claim Cost			7,500		
(e) Selected Average Claim Cost			10,000		

Notes

- (1) From Section X - C, Exhibit 2.
- (2) From Section V-B.
- (4) From Section X - C, Exhibit 2.
- (5) (a) Sum of (3); Injury Kinds 1, 2, 3 for Serious, and Injury Kinds 4, 5 for Non-Serious
(b) Sum of (4); Injury Kinds 1, 2, 3 for Serious, and Injury Kinds 4, 5 for Non-Serious
(d) From Section X - E, Exhibit 1, Page 1 of 9/1/03 rate filing.

X 042

Section X - Classification Pricing
 Subsection E - Credibility/Countrywide Data
 9/1/2005

Section X - E
 Exhibit 2
 Page 1

Countrywide Classification Experience: Pitch Factors

State	Industry Group	Serious	Non-Serious	Medical
California	Manufacturing	0.381	0.795	0.300
	Construction	0.610	0.921	0.351
	Office and Clerical	0.205	0.379	0.173
	Goods and Services	0.275	0.683	0.280
	Miscellaneous	0.448	0.814	0.319
Connecticut	Manufacturing	1.192	0.900	0.564
	Construction	1.210	0.964	0.628
	Office and Clerical	1.065	0.795	0.561
	Goods and Services	1.101	0.977	0.607
	Miscellaneous	1.659	0.970	0.683
Delaware	Manufacturing	1.760	1.278	0.565
	Construction	1.537	0.303	0.209
	Office and Clerical	0.785	0.210	0.151
	Goods and Services	1.622	0.151	0.106
	Miscellaneous	1.511	0.142	0.175
Minnesota	Manufacturing	1.346	1.403	0.563
	Construction	1.724	1.108	0.629
	Office and Clerical	1.340	1.083	0.514
	Goods and Services	1.465	1.336	0.605
	Miscellaneous	1.463	1.366	0.716
New Hampshire	Manufacturing	0.714	1.307	0.458
	Construction	0.918	1.510	0.491
	Office and Clerical	0.561	1.098	0.401
	Goods and Services	0.846	1.486	0.553
	Miscellaneous	1.156	1.671	0.709
New Jersey	Manufacturing	2.084	0.750	0.662
	Construction	2.038	0.899	0.648
	Office and Clerical	1.673	0.672	0.608
	Goods and Services	1.704	0.760	0.620
	Miscellaneous	1.784	0.664	0.584
New York	Manufacturing	0.541	1.206	0.702
	Construction	0.736	1.937	0.861
	Office and Clerical	0.525	1.318	0.787
	Goods and Services	0.486	1.513	0.856
	Miscellaneous	0.708	1.712	0.902
Pennsylvania	Manufacturing	1.136	0.094	0.090
	Construction	1.178	0.114	0.106
	Office and Clerical	0.647	0.068	0.064
	Goods and Services	0.898	0.078	0.073
	Miscellaneous	1.010	0.097	0.096
Rhode Island	Manufacturing	0.574	0.725	0.637
	Construction	0.970	1.139	0.776
	Office and Clerical	0.464	0.977	0.712
	Goods and Services	0.323	1.027	0.618
	Miscellaneous	0.592	1.170	0.821

Notes

Factor to adjust statewide data to the same payroll distribution and loss level as MA.
 Pitch Factor = (MA Limited Losses) / [(Countrywide State Pure Premium) x (MA Payroll) / 100]
 For a sample countrywide pure premium calculation, see Section X - B, Page 2.

Countrywide Classification Experience: Database

State	State Code	Experience Data					
		First Report		Second Report		Third Report	
California	4	1/1/2001	- 12/31/2001	1/1/2000	- 12/31/2000	1/1/1999	- 1/1/2000
Connecticut	6	8/1/2001	- 7/31/2002	8/1/2000	- 7/31/2001	8/1/1999	- 7/31/2000
Delaware	7	1/1/2001	- 12/31/2001	1/1/2000	- 12/31/2000	1/1/1999	- 1/1/2000
Minnesota	22	1/1/2001	- 12/31/2001	1/1/2000	- 12/31/2000	1/1/1999	- 1/1/2000
New Hampshire	28	4/1/2001	- 3/31/2002	4/1/2000	- 3/31/2001	4/1/1999	- 3/31/2000
New Jersey	29	1/1/2001	- 12/31/2001	1/1/2000	- 12/31/2000	1/1/1999	- 1/1/2000
New York	31	1/1/2001	- 12/31/2001	1/1/2000	- 12/31/2000	1/1/1999	- 1/1/2000
Pennsylvania	37	1/1/2001	- 12/31/2001	1/1/2000	- 12/31/2000	1/1/1999	- 1/1/2000
Rhode Island	38	1/1/2001	- 12/31/2002	1/1/2000	- 12/31/2001	1/1/1999	- 12/31/2000

Calculation of Pure Premium Underlying Present Rate Factor

(1) Industry Group	(2) Injury Type	(3) Uncapped Rate Level Factor	(4) Industry Group Pure Premium From Previous Revision	(5) =(4) / [Total of (4)] Percent of Pure Premium	(6) Expected Loss and LAE Ratio	(7) Benefit Level Change Factor	(8) = (3) x (5) x (6) x (7) Pure Premium Underlying Present Rate Factor
Manufacturing	Serious	2.828	0.772	0.326	0.837	1.020	0.787
	Non-Serious	2.828	0.669	0.283	0.837	1.010	0.676
	Medical	2.828	0.925	0.391	0.837	1.007	0.932
	Total		2.366				
Construction	Serious	7.189	2.757	0.458	0.837	1.020	2.811
	Non-Serious	7.189	1.280	0.213	0.837	1.010	1.292
	Medical	7.189	1.981	0.329	0.837	1.007	1.995
	Total		6.018				
Office and Clerical	Serious	0.268	0.072	0.320	0.837	1.020	0.073
	Non-Serious	0.268	0.062	0.276	0.837	1.010	0.062
	Medical	0.268	0.091	0.404	0.837	1.007	0.091
	Total		0.225				
Goods and Services	Serious	2.572	0.646	0.300	0.837	1.020	0.658
	Non-Serious	2.572	0.637	0.296	0.837	1.010	0.643
	Medical	2.572	0.870	0.404	0.837	1.007	0.876
	Total		2.153				
Miscellaneous	Serious	5.621	1.859	0.395	0.837	1.020	1.896
	Non-Serious	5.621	1.158	0.246	0.837	1.010	1.169
	Medical	5.621	1.687	0.359	0.837	1.007	1.699
	Total		4.704				

Notes

- (3) Uncapped rate level factors from Section X - I, Exhibit 1 of 9/1/03 decision.
- (4) Industry Group Pure Premiums from Section X - L of 9/1/03 decision.
- (6) Expected Loss and Loss Adjustment Expense Ratio from Section VI - A of 9/1/03 decision.
- (7) From Section IV - A, Exhibit 7.

X 045

Section X - Classification Pricing
 Subsection G - Underlying Pure Premiums
 9/1/2005

Section X - G
 Exhibit 1

Calculation of Pure Premiums Underlying Present Rate Manufacturing Industry Group

Class	(1) Adopted Relativities			(2) Pure Premiums Underlying Present Rate			
	Serious	Non-Serious	Medical	Serious	Non-Serious	Medical	Total
1430	5.552	28.679	3.157	4.37	19.39	2.94	26.70
1438	1.271	1.507	1.269	1.00	1.02	1.18	3.20
1463	2.949	2.468	1.985	2.32	1.67	1.85	5.84
1701	1.467	3.680	1.605	1.15	2.49	1.50	5.14
1747	1.139	1.737	1.221	0.90	1.17	1.14	3.21
1748	0.845	1.784	1.341	0.67	1.21	1.25	3.13
1852	8.428	1.599	1.846	6.63	1.08	1.72	9.43
1853	1.529	1.086	1.267	1.20	0.73	1.18	3.11
1860	0.778	0.829	0.575	0.61	0.56	0.54	1.71
1924	1.074	1.387	0.975	0.85	0.94	0.91	2.70
1925	1.931	2.053	1.420	1.52	1.39	1.32	4.23
2001	1.666	1.385	1.767	1.31	0.94	1.65	3.90
2002	3.868	1.827	2.354	3.04	1.24	2.19	6.47
2003	1.666	1.385	1.767	1.31	0.94	1.65	3.90
2014	1.939	1.721	1.618	1.53	1.16	1.51	4.20
2021	1.416	0.664	0.730	1.11	0.45	0.68	2.24
2039	1.408	1.127	1.064	1.11	0.76	0.99	2.86
2041	1.003	0.718	1.584	0.79	0.49	1.48	2.76
2070	3.015	1.747	2.200	2.37	1.18	2.05	5.60
2081	1.821	1.864	1.792	1.43	1.26	1.67	4.36
2089	1.267	1.826	1.618	1.00	1.23	1.51	3.74
2095	2.370	2.204	2.188	1.87	1.49	2.04	5.40
2101	1.267	1.826	1.618	1.00	1.23	1.51	3.74
2111	1.196	1.355	1.329	0.94	0.92	1.24	3.10
2114	1.267	1.826	1.618	1.00	1.23	1.51	3.74
2115	1.601	1.529	1.470	1.26	1.03	1.37	3.66
2121	0.827	0.603	0.502	0.65	0.41	0.47	1.53
2130	1.721	1.317	1.416	1.35	0.89	1.32	3.56
2131	1.406	1.294	1.464	1.11	0.87	1.36	3.34
2143	0.573	1.159	0.977	0.45	0.78	0.91	2.14
2150	3.631	1.811	1.874	2.86	1.22	1.75	5.83
2156	2.347	2.079	3.038	1.85	1.41	2.83	6.09
2157	2.929	1.679	1.997	2.31	1.14	1.86	5.31
2172	0.408	0.473	0.423	0.32	0.32	0.39	1.03
2174	4.466	2.804	3.365	3.51	1.90	3.14	8.55
2211	3.630	2.187	2.049	2.86	1.48	1.91	6.25
2220	1.451	1.200	1.475	1.14	0.81	1.37	3.32
2260	5.551	1.020	2.080	4.37	0.69	1.94	7.00
2286	1.451	1.200	1.475	1.14	0.81	1.37	3.32
2288	1.549	1.358	1.085	1.22	0.92	1.01	3.15
2302	1.451	1.200	1.475	1.14	0.81	1.37	3.32
2305	1.357	1.436	1.919	1.07	0.97	1.79	3.83
2362	1.947	0.686	1.282	1.53	0.46	1.19	3.18

X 046

Section X - Classification Pricing
Subsection G - Underlying Pure Premiums
9/1/2005

Section X - G
Exhibit 1

Calculation of Pure Premiums Underlying Present Rate Manufacturing Industry Group

Class	(1) Adopted Relativities			(2) Pure Premiums Underlying Present Rate			
	Serious	Non-Serious	Medical	Serious	Non-Serious	Medical	Total
2380	1.162	1.117	1.194	0.91	0.76	1.11	2.78
2402	1.328	1.049	1.217	1.05	0.71	1.13	2.89
2413	3.082	1.187	1.881	2.43	0.80	1.75	4.98
2416	1.770	2.105	1.658	1.39	1.42	1.55	4.36
2417	0.880	0.922	0.818	0.69	0.62	0.76	2.07
2501	1.552	1.181	1.140	1.22	0.80	1.06	3.08
2503	0.386	0.380	0.295	0.30	0.26	0.27	0.83
2534	1.552	1.181	1.140	1.22	0.80	1.06	3.08
2570	2.036	2.931	1.986	1.60	1.98	1.85	5.43
2576	1.040	1.098	1.074	0.82	0.74	1.00	2.56
2578	1.040	1.098	1.074	0.82	0.74	1.00	2.56
2585	1.663	1.448	1.664	1.31	0.98	1.55	3.84
2586	0.718	0.561	0.602	0.57	0.38	0.56	1.51
2623	2.125	2.040	0.923	1.67	1.38	0.86	3.91
2640	1.117	1.480	1.336	0.88	1.00	1.25	3.13
2651	1.117	1.480	1.336	0.88	1.00	1.25	3.13
2660	0.837	0.496	0.887	0.66	0.34	0.83	1.83
2683	0.903	0.791	0.764	0.71	0.53	0.71	1.95
2688	1.147	1.613	1.379	0.90	1.09	1.29	3.28
2710	2.792	2.564	4.498	2.20	1.73	4.19	8.12
2731	1.756	1.773	1.505	1.38	1.20	1.40	3.98
2741	2.925	5.002	2.706	2.30	3.38	2.52	8.20
2747	4.449	2.529	2.516	3.50	1.71	2.34	7.55
2790	0.393	1.045	0.630	0.31	0.71	0.59	1.61
2802	1.813	2.345	2.405	1.43	1.59	2.24	5.26
2835	1.504	2.461	2.679	1.18	1.66	2.50	5.34
2836	2.289	1.601	1.876	1.80	1.08	1.75	4.63
2841	0.890	1.105	1.390	0.70	0.75	1.30	2.75
2883	1.340	1.416	1.527	1.05	0.96	1.42	3.43
2923	1.106	0.958	1.004	0.87	0.65	0.94	2.46
2942	0.709	0.393	1.094	0.56	0.27	1.02	1.85
3018	2.425	1.855	1.687	1.91	1.25	1.57	4.73
3022	1.375	1.760	2.026	1.08	1.19	1.89	4.16
3027	1.450	1.829	1.933	1.14	1.24	1.80	4.18
3028	1.316	2.387	1.532	1.04	1.61	1.43	4.08
3030	4.336	4.482	2.907	3.41	3.03	2.71	9.15
3040	4.839	6.580	5.448	3.81	4.45	5.08	13.34
3041	2.191	1.214	1.293	1.72	0.82	1.21	3.75
3042	2.123	0.937	1.279	1.67	0.63	1.19	3.49
3064	1.273	1.243	1.345	1.00	0.84	1.25	3.09
3066	1.273	1.243	1.345	1.00	0.84	1.25	3.09
3076	0.829	1.624	1.236	0.65	1.10	1.15	2.90
3081	2.744	2.412	2.634	2.16	1.63	2.45	6.24

X 047

Section X - Classification Pricing
Subsection G - Underlying Pure Premiums
9/1/2005

Section X - G
Exhibit 1

Calculation of Pure Premiums Underlying Present Rate Manufacturing Industry Group

Class	(1) Adopted Relativities			(2) Pure Premiums Underlying Present Rate			
	Serious	Non-Serious	Medical	Serious	Non-Serious	Medical	Total
3082	2.744	2.412	2.634	2.16	1.63	2.45	6.24
3085	1.904	0.995	1.453	1.50	0.67	1.35	3.52
3110	3.788	5.120	3.883	2.98	3.46	3.62	10.06
3111	1.196	1.191	1.325	0.94	0.81	1.23	2.98
3113	0.707	0.802	0.695	0.56	0.54	0.65	1.75
3114	1.598	1.117	1.279	1.26	0.76	1.19	3.21
3118	0.707	0.802	0.695	0.56	0.54	0.65	1.75
3119	0.552	0.410	0.387	0.43	0.28	0.36	1.07
3120	0.557	0.969	0.498	0.44	0.66	0.46	1.56
3122	1.173	1.145	1.297	0.92	0.77	1.21	2.90
3127	0.219	0.299	0.302	0.17	0.20	0.28	0.65
3131	1.934	1.183	1.065	1.52	0.80	0.99	3.31
3132	0.773	1.573	1.080	0.61	1.06	1.01	2.68
3145	0.724	0.611	0.800	0.57	0.41	0.75	1.73
3146	1.506	0.988	1.286	1.19	0.67	1.20	3.06
3169	1.670	1.637	1.710	1.31	1.11	1.59	4.01
3179	0.754	0.725	0.889	0.59	0.49	0.83	1.91
3180	1.354	1.478	1.459	1.07	1.00	1.36	3.43
3188	0.829	1.730	1.752	0.65	1.17	1.63	3.45
3200	1.355	0.801	1.200	1.07	0.54	1.12	2.73
3220	1.918	0.759	1.255	1.51	0.51	1.17	3.19
3227	1.670	1.637	1.710	1.31	1.11	1.59	4.01
3241	1.074	1.387	0.975	0.85	0.94	0.91	2.70
3255	2.384	1.357	5.231	1.88	0.92	4.88	7.68
3257	1.357	2.065	2.035	1.07	1.40	1.90	4.37
3270	1.253	1.213	0.978	0.99	0.82	0.91	2.72
3300	4.287	3.167	3.520	3.37	2.14	3.28	8.79
3315	0.948	0.831	0.870	0.75	0.56	0.81	2.12
3336	0.871	0.904	0.731	0.69	0.61	0.68	1.98
3372	1.537	1.157	1.185	1.21	0.78	1.10	3.09
3373	3.832	2.532	2.585	3.02	1.71	2.41	7.14
3381	1.786	0.892	1.317	1.41	0.60	1.23	3.24
3383	0.592	0.444	0.570	0.47	0.30	0.53	1.30
3385	0.388	0.378	0.390	0.31	0.26	0.36	0.93
3400	1.670	1.637	1.710	1.31	1.11	1.59	4.01
3507	1.944	1.595	1.826	1.53	1.08	1.70	4.31
3515	1.664	0.793	1.415	1.31	0.54	1.32	3.17
3548	0.994	0.881	0.798	0.78	0.60	0.74	2.12
3558	0.286	0.229	0.327	0.23	0.15	0.30	0.68
3559	0.994	0.881	0.798	0.78	0.60	0.74	2.12
3571	0.875	0.663	0.687	0.69	0.45	0.64	1.78
3574	0.994	0.881	0.798	0.78	0.60	0.74	2.12
3612	1.003	1.428	0.961	0.79	0.97	0.90	2.66

X 048

Section X - Classification Pricing
Subsection G - Underlying Pure Premiums
9/1/2005

Section X - G
Exhibit 1

Calculation of Pure Premiums Underlying Present Rate Manufacturing Industry Group

Class	(1) Adopted Relativities			(2) Pure Premiums Underlying Present Rate			
	Serious	Non-Serious	Medical	Serious	Non-Serious	Medical	Total
3620	1.953	2.860	2.239	1.54	1.93	2.09	5.56
3629	0.994	0.881	0.798	0.78	0.60	0.74	2.12
3632	0.994	0.881	0.798	0.78	0.60	0.74	2.12
3634	1.118	0.740	1.187	0.88	0.50	1.11	2.49
3635	0.721	1.130	1.143	0.57	0.76	1.07	2.40
3638	0.994	0.881	0.798	0.78	0.60	0.74	2.12
3642	0.573	1.367	0.603	0.45	0.92	0.56	1.93
3643	0.754	0.725	0.889	0.59	0.49	0.83	1.91
3647	1.029	0.989	0.765	0.81	0.67	0.71	2.19
3648	0.864	0.953	1.173	0.68	0.64	1.09	2.41
3681	0.395	0.362	0.399	0.31	0.24	0.37	0.92
3685	0.395	0.362	0.399	0.31	0.24	0.37	0.92
3807	1.670	1.637	1.710	1.31	1.11	1.59	4.01
3808	0.755	0.922	1.072	0.59	0.62	1.00	2.21
3826	1.198	1.584	0.595	0.94	1.07	0.55	2.56
3830	0.994	0.881	0.798	0.78	0.60	0.74	2.12
3841	1.026	1.272	1.049	0.81	0.86	0.98	2.65
4021	1.970	1.092	1.081	1.55	0.74	1.01	3.30
4024	2.676	2.029	2.050	2.11	1.37	1.91	5.39
4034	3.256	2.582	3.305	2.56	1.75	3.08	7.39
4036	1.802	0.766	0.921	1.42	0.52	0.86	2.80
4038	0.935	0.931	0.830	0.74	0.63	0.77	2.14
4053	0.842	0.730	0.786	0.66	0.49	0.73	1.88
4061	1.596	0.932	1.507	1.26	0.63	1.40	3.29
4062	1.596	0.932	1.507	1.26	0.63	1.40	3.29
4112	0.408	0.414	0.355	0.32	0.28	0.33	0.93
4113	0.842	0.730	0.786	0.66	0.49	0.73	1.88
4114	2.331	1.041	1.522	1.83	0.70	1.42	3.95
4130	2.513	1.649	2.283	1.98	1.11	2.13	5.22
4133	0.944	0.889	1.236	0.74	0.60	1.15	2.49
4150	0.416	0.362	0.410	0.33	0.24	0.38	0.95
4239	1.713	2.534	2.040	1.35	1.71	1.90	4.96
4243	1.164	1.423	1.516	0.92	0.96	1.41	3.29
4244	1.355	2.455	1.279	1.07	1.66	1.19	3.92
4250	0.960	1.212	1.014	0.76	0.82	0.95	2.53
4251	1.449	1.115	1.554	1.14	0.75	1.45	3.34
4273	0.753	1.215	1.043	0.59	0.82	0.97	2.38
4279	1.797	2.062	2.428	1.41	1.39	2.26	5.06
4282	0.185	0.254	0.216	0.15	0.17	0.20	0.52
4283	1.871	1.090	1.512	1.47	0.74	1.41	3.62
4299	0.842	1.055	0.843	0.66	0.71	0.79	2.16
4301	2.425	1.026	2.327	1.91	0.69	2.17	4.77
4304	1.013	1.036	1.341	0.80	0.70	1.25	2.75

X 049

Section X - Classification Pricing
 Subsection G - Underlying Pure Premiums
 9/1/2005

Section X - G
 Exhibit 1

Calculation of Pure Premiums Underlying Present Rate Manufacturing Industry Group

Class	(1) Adopted Relativities			(2) Pure Premiums Underlying Present Rate			
	Serious	Non-Serious	Medical	Serious	Non-Serious	Medical	Total
4307	0.631	1.518	0.782	0.50	1.03	0.73	2.26
4308	0.333	0.441	0.402	0.26	0.30	0.37	0.93
4350	0.258	0.424	0.259	0.20	0.29	0.24	0.73
4351	0.573	0.434	0.456	0.45	0.29	0.42	1.16
4352	0.790	0.341	0.596	0.62	0.23	0.56	1.41
4360	0.501	0.327	0.302	0.39	0.22	0.28	0.89
4410	0.939	1.826	1.470	0.74	1.23	1.37	3.34
4417	1.362	1.912	1.839	1.07	1.29	1.71	4.07
4432	0.753	1.170	0.936	0.59	0.79	0.87	2.25
4439	1.268	0.865	1.251	1.00	0.58	1.17	2.75
4452	1.623	1.338	2.109	1.28	0.90	1.97	4.15
4459	1.484	1.574	1.379	1.17	1.06	1.29	3.52
4470	1.122	0.693	0.923	0.88	0.47	0.86	2.21
4484	0.656	1.228	1.083	0.52	0.83	1.01	2.36
4493	1.545	1.747	1.801	1.22	1.18	1.68	4.08
4557	0.942	0.660	0.946	0.74	0.45	0.88	2.07
4558	0.968	1.019	1.165	0.76	0.69	1.09	2.54
4561	1.268	0.865	1.251	1.00	0.58	1.17	2.75
4583	2.661	0.992	1.213	2.09	0.67	1.13	3.89
4611	0.593	0.618	0.608	0.47	0.42	0.57	1.46
4635	1.321	1.229	1.035	1.04	0.83	0.96	2.83
4653	1.233	6.764	2.368	0.97	4.57	2.21	7.75
4665	2.449	2.290	2.107	1.93	1.55	1.96	5.44
4692	0.294	0.231	0.239	0.23	0.16	0.22	0.61
4693	0.501	0.482	0.473	0.39	0.33	0.44	1.16
4720	1.612	1.091	1.829	1.27	0.74	1.70	3.71
4740	1.133	0.543	0.874	0.89	0.37	0.81	2.07
4741	1.640	2.876	1.130	1.29	1.94	1.05	4.28
4770	12.450	2.232	1.296	9.80	1.51	1.21	12.52
4773	25.634	4.075	2.440	20.17	2.75	2.27	25.19
4774	20.521	4.120	2.266	16.15	2.79	2.11	21.05
4775	11.365	2.108	2.325	8.94	1.43	2.17	12.54
4776	19.255	2.482	1.245	15.15	1.68	1.16	17.99
4777	2.661	0.992	1.213	2.09	0.67	1.13	3.89
4779	15.189	2.654	2.745	11.95	1.79	2.56	16.30
4799	45.809	8.305	4.790	36.05	5.61	4.46	46.12
4825	0.337	0.355	0.267	0.27	0.24	0.25	0.76
4828	0.574	0.268	0.279	0.45	0.18	0.26	0.89
4829	0.574	0.268	0.279	0.45	0.18	0.26	0.89
4902	0.709	0.393	1.094	0.56	0.27	1.02	1.85
4923	0.501	0.327	0.302	0.39	0.22	0.28	0.89
6504	1.267	1.826	1.618	1.00	1.23	1.51	3.74
9501	1.130	1.353	0.991	0.89	0.91	0.92	2.72

X 050

Section X - Classification Pricing
Subsection G - Underlying Pure Premiums
9/1/2005

Section X - G
Exhibit 1

Calculation of Pure Premiums Underlying Present Rate Manufacturing Industry Group

Class	(1) Adopted Relativities			(2) Pure Premiums Underlying Present Rate			
	Serious	Non-Serious	Medical	Serious	Non-Serious	Medical	Total
9505	1.130	1.353	0.991	0.89	0.91	0.92	2.72
9521	2.133	3.621	1.567	1.68	2.45	1.46	5.59
9522	0.852	0.923	0.951	0.67	0.62	0.89	2.18

Notes

(1) From Section X - J of 9/1/03 decision.

(2) (1) x Pure Premium Underlying Present Rate Factors from Section X - F
(Serious = 0.787, Non-Serious = 0.676, Medical = 0.932).

X 051

Section X - Classification Pricing
 Subsection G - Underlying Pure Premiums
 9/1/2005

Section X - G
 Exhibit 2

Calculation of Pure Premiums Underlying Present Rate Construction Industry Group

Class	(1) Adopted Relativities			(2) Pure Premiums Underlying Present Rate			
	Serious	Non-Serious	Medical	Serious	Non-Serious	Medical	Total
0050	0.701	0.742	0.710	1.970	0.960	1.420	4.350
3365	1.708	1.813	2.623	4.800	2.340	5.230	12.370
3724	0.789	0.871	0.871	2.220	1.130	1.740	5.090
3726	1.957	1.050	1.431	5.500	1.360	2.850	9.710
5020	0.462	0.817	0.452	1.300	1.060	0.900	3.260
5022	1.961	2.322	1.497	5.510	3.000	2.990	11.500
5037	7.907	4.900	4.956	22.230	6.330	9.890	38.450
5040	6.499	3.531	4.099	18.270	4.560	8.180	31.010
5057	4.429	3.499	3.604	12.450	4.520	7.190	24.160
5059	4.429	3.499	3.604	12.450	4.520	7.190	24.160
5069	4.429	3.499	3.604	12.450	4.520	7.190	24.160
5102	1.442	2.725	1.653	4.050	3.520	3.300	10.870
5146	0.624	1.081	0.641	1.750	1.400	1.280	4.430
5160	0.404	0.568	0.425	1.140	0.730	0.850	2.720
5183	0.571	0.855	0.652	1.610	1.100	1.300	4.010
5188	0.643	0.879	0.787	1.810	1.140	1.570	4.520
5190	0.451	0.596	0.605	1.270	0.770	1.210	3.250
5213	3.512	1.669	1.914	9.870	2.160	3.820	15.850
5215	1.065	1.169	1.565	2.990	1.510	3.120	7.620
5221	1.157	1.226	1.153	3.250	1.580	2.300	7.130
5222	1.479	0.624	0.891	4.160	0.810	1.780	6.750
5223	1.065	1.169	1.565	2.990	1.510	3.120	7.620
5348	1.567	1.198	1.101	4.400	1.550	2.200	8.150
5402	2.229	1.077	7.945	6.270	1.390	15.850	23.510
5403	2.344	2.346	2.284	6.590	3.030	4.560	14.180
5437	0.695	1.249	0.891	1.950	1.610	1.780	5.340
5443	0.875	0.855	0.760	2.460	1.100	1.520	5.080
5445	1.210	1.402	1.001	3.400	1.810	2.000	7.210
5462	1.012	1.163	1.153	2.840	1.500	2.300	6.640
5472	1.342	1.370	1.721	3.770	1.770	3.430	8.970
5473	2.878	1.281	1.844	8.090	1.660	3.680	13.430
5474	1.086	0.951	1.184	3.050	1.230	2.360	6.640
5479	1.978	1.706	2.064	5.560	2.200	4.120	11.880
5480	0.870	0.724	0.667	2.450	0.940	1.330	4.720
5506	1.263	0.739	0.917	3.550	0.950	1.830	6.330
5507	1.385	1.167	1.025	3.890	1.510	2.040	7.440
5508	0.701	0.742	0.710	1.970	0.960	1.420	4.350
5509	0.395	0.956	0.860	1.110	1.240	1.720	4.070
5538	1.060	1.097	1.096	2.980	1.420	2.190	6.590
5545	6.406	4.876	9.511	18.010	6.300	18.970	43.280
5547	3.175	2.032	3.938	8.920	2.630	7.860	19.410
5606	0.316	0.427	0.365	0.890	0.550	0.730	2.170
5610	1.289	0.395	0.942	3.620	0.510	1.880	6.010
5645	1.161	1.427	1.820	3.260	1.840	3.630	8.730
5651	1.161	1.427	1.820	3.260	1.840	3.630	8.730
5701	4.327	2.972	3.637	12.160	3.840	7.260	23.260
5703	4.325	1.552	3.820	12.160	2.010	7.620	21.790
5705	2.987	1.149	1.621	8.400	1.480	3.230	13.110
6003	2.742	1.284	1.635	7.710	1.660	3.260	12.630

X 052

Section X - Classification Pricing
Subsection G - Underlying Pure Premiums
9/1/2005

Section X - G
Exhibit 2

Calculation of Pure Premiums Underlying Present Rate Construction Industry Group

Class	(1) Adopted Relativities			(2) Pure Premiums Underlying Present Rate			
	Serious	Non-Serious	Medical	Serious	Non-Serious	Medical	Total
6005	0.701	0.742	0.710	1.970	0.960	1.420	4.350
6204	2.297	1.273	1.706	6.460	1.640	3.400	11.500
6217	1.021	0.806	0.907	2.870	1.040	1.810	5.720
6229	1.021	0.806	0.907	2.870	1.040	1.810	5.720
6233	1.663	1.435	0.833	4.670	1.850	1.660	8.180
6251	2.085	0.927	0.923	5.860	1.200	1.840	8.900
6252	1.668	0.746	0.792	4.690	0.960	1.580	7.230
6306	1.680	1.073	1.169	4.720	1.390	2.330	8.440
6319	1.044	0.810	0.709	2.930	1.050	1.410	5.390
6325	0.541	0.422	0.366	1.520	0.550	0.730	2.800
6400	1.171	1.302	1.096	3.290	1.680	2.190	7.160
7538	0.816	0.543	0.774	2.290	0.700	1.540	4.530
7601	0.816	0.543	0.774	2.290	0.700	1.540	4.530
7855	1.011	1.425	0.846	2.840	1.840	1.690	6.370
8227	0.604	0.580	0.683	1.700	0.750	1.360	3.810
9534	0.818	0.611	0.858	2.300	0.790	1.710	4.800
9545	1.033	1.555	1.332	2.900	2.010	2.660	7.570
9549	1.099	0.690	0.879	3.090	0.890	1.750	5.730
9552	0.778	0.872	0.845	2.190	1.130	1.690	5.010
9553	0.778	0.872	0.845	2.190	1.130	1.690	5.010

Notes

(1) From Section X - J of 9/1/03 decision.

(2) (1) x Pure Premium Underlying Present Rate Factors from Section X - F
(Serious = 2.811, Non-Serious = 1.292, Medical = 1.995).

X 053

Section X - Classification Pricing
Subsection G - Underlying Pure Premiums
9/1/2005

Section X - G
Exhibit 3

Calculation of Pure Premiums Underlying Present Rate Office and Clerical Industry Group

Class	(1) Adopted Relativities			(2) Pure Premiums Underlying Present Rate			
	Serious	Non-Serious	Medical	Serious	Non-Serious	Medical	Total
4361	2.335	1.830	2.319	0.170	0.110	0.210	0.490
7610	0.903	0.861	1.113	0.070	0.050	0.100	0.220
8601	2.468	1.000	1.893	0.180	0.060	0.170	0.410
8742	1.124	1.000	1.113	0.080	0.060	0.100	0.240
8748	2.442	6.001	3.897	0.180	0.370	0.350	0.900
8800	2.966	2.860	3.685	0.220	0.180	0.340	0.740
8803	0.408	0.168	0.223	0.030	0.010	0.020	0.060
8810	0.703	0.667	0.668	0.050	0.040	0.060	0.150
8820	0.855	0.667	0.445	0.060	0.040	0.040	0.140
8832	1.827	1.333	1.336	0.130	0.080	0.120	0.330
8833	4.358	7.501	5.345	0.320	0.470	0.490	1.280
8868	1.968	2.667	3.230	0.140	0.170	0.290	0.600
8901	0.703	0.667	0.668	0.050	0.040	0.060	0.150
9156	4.749	6.108	5.585	0.350	0.380	0.510	1.240

Notes

(1) From Section X - J of 9/1/03 decision.

(2) (1) x Pure Premium Underlying Present Rate Factors from Section X - F
(Serious = 0.073, Non-Serious = 0.062, Medical = 0.091).

X 054

Section X - Classification Pricing
 Subsection G - Underlying Pure Premiums
 9/1/2005

Section X - G
 Exhibit 4

Calculation of Pure Premiums Underlying Present Rate Goods and Services Industry Group

Class	(1) Adopted Relativities			(2) Pure Premiums Underlying Present Rate			
	Serious	Non-Serious	Medical	Serious	Non-Serious	Medical	Total
0005	1.336	1.626	1.989	0.880	1.050	1.740	3.670
0008	0.639	0.985	1.137	0.420	0.630	1.000	2.050
0016	1.984	1.042	2.183	1.310	0.670	1.910	3.890
0034	1.999	2.007	2.033	1.320	1.290	1.780	4.390
0035	0.733	1.229	1.119	0.480	0.790	0.980	2.250
0036	1.999	2.007	2.033	1.320	1.290	1.780	4.390
0037	0.639	0.985	1.137	0.420	0.630	1.000	2.050
0042	2.666	2.177	2.304	1.750	1.400	2.020	5.170
0079	2.244	2.442	3.029	1.480	1.570	2.650	5.700
0083	2.242	2.035	1.864	1.480	1.310	1.630	4.420
0113	1.999	2.007	2.033	1.320	1.290	1.780	4.390
0170	1.999	2.007	2.033	1.320	1.290	1.780	4.390
0908	51.635	27.911	38.004	33.980	17.950	33.290	85.220
0909	28.963	46.892	53.928	19.060	30.150	47.240	96.450
0912	57.927	93.785	107.855	38.120	60.300	94.480	192.900
0913	103.270	55.823	76.007	67.950	35.890	66.580	170.420
0917	1.438	1.778	1.809	0.950	1.140	1.580	3.670
2587	1.190	1.100	0.964	0.780	0.710	0.840	2.330
3821	2.319	1.486	1.536	1.530	0.960	1.350	3.840
4362	0.266	0.222	0.256	0.180	0.140	0.220	0.540
4511	0.227	0.143	0.192	0.150	0.090	0.170	0.410
4512	0.099	0.072	0.105	0.070	0.050	0.090	0.210
5191	0.511	0.442	0.480	0.340	0.280	0.420	1.040
5192	2.388	1.541	1.770	1.570	0.990	1.550	4.110
8001	0.452	0.636	0.529	0.300	0.410	0.460	1.170
8002	1.511	1.125	1.900	0.990	0.720	1.660	3.370
8006	0.853	0.474	0.732	0.560	0.300	0.640	1.500
8008	0.557	0.507	0.563	0.370	0.330	0.490	1.190
8010	0.697	0.704	0.695	0.460	0.450	0.610	1.520
8013	0.260	0.186	0.268	0.170	0.120	0.230	0.520
8017	0.550	0.442	0.599	0.360	0.280	0.520	1.160
8018	1.600	1.621	1.667	1.050	1.040	1.460	3.550
8021	3.075	1.964	2.724	2.020	1.260	2.390	5.670
8031	1.346	0.925	1.150	0.890	0.590	1.010	2.490
8032	1.031	0.851	0.972	0.680	0.550	0.850	2.080
8033	0.924	0.933	1.020	0.610	0.600	0.890	2.100
8034	2.884	3.437	2.265	1.900	2.210	1.980	6.090
8039	0.818	1.105	1.212	0.540	0.710	1.060	2.310
8044	1.413	1.473	1.524	0.930	0.950	1.340	3.220
8046	0.721	0.976	0.828	0.470	0.630	0.730	1.830
8048	2.257	1.577	1.321	1.490	1.010	1.160	3.660
8050	0.653	0.539	0.520	0.430	0.350	0.460	1.240
8058	0.985	1.092	1.147	0.650	0.700	1.000	2.350
8103	1.391	1.692	1.366	0.920	1.090	1.200	3.210
8105	1.953	1.503	2.555	1.290	0.970	2.240	4.500
8106	3.024	2.206	2.387	1.990	1.420	2.090	5.500

X 055

Section X - Classification Pricing
 Subsection G - Underlying Pure Premiums
 9/1/2005

Section X - G
 Exhibit 4

Calculation of Pure Premiums Underlying Present Rate Goods and Services Industry Group

Class	(1) Adopted Relativities			(2) Pure Premiums Underlying Present Rate			
	Serious	Non-Serious	Medical	Serious	Non-Serious	Medical	Total
8107	1.267	0.769	1.308	0.830	0.490	1.150	2.470
8111	1.337	1.180	1.020	0.880	0.760	0.890	2.530
8116	1.267	0.769	1.308	0.830	0.490	1.150	2.470
8203	1.929	2.786	1.574	1.270	1.790	1.380	4.440
8204	9.410	3.022	3.148	6.190	1.940	2.760	10.890
8215	2.193	1.758	2.371	1.440	1.130	2.080	4.650
8232	2.070	2.554	2.148	1.360	1.640	1.880	4.880
8233	3.653	1.909	2.878	2.400	1.230	2.520	6.150
8235	2.099	1.854	1.807	1.380	1.190	1.580	4.150
8263	4.479	2.469	3.312	2.950	1.590	2.900	7.440
8264	2.774	2.593	2.383	1.830	1.670	2.090	5.590
8265	3.653	1.909	2.878	2.400	1.230	2.520	6.150
8279	1.717	1.904	2.450	1.130	1.220	2.150	4.500
8291	1.710	1.902	1.442	1.130	1.220	1.260	3.610
8292	1.821	1.522	1.799	1.200	0.980	1.580	3.760
8293	4.945	2.832	3.852	3.250	1.820	3.370	8.440
8350	3.199	1.817	1.715	2.100	1.170	1.500	4.770
8380	1.212	1.260	1.188	0.800	0.810	1.040	2.650
8381	0.792	0.589	0.769	0.520	0.380	0.670	1.570
8385	2.108	1.974	2.003	1.390	1.270	1.750	4.410
8392	1.234	0.604	0.622	0.810	0.390	0.540	1.740
8393	0.910	1.081	0.972	0.600	0.700	0.850	2.150
8500	3.653	1.909	2.878	2.400	1.230	2.520	6.150
8710	1.299	0.956	1.138	0.850	0.610	1.000	2.460
8719	1.299	0.956	1.138	0.850	0.610	1.000	2.460
8720	0.588	0.406	0.414	0.390	0.260	0.360	1.010
8745	2.036	2.580	1.773	1.340	1.660	1.550	4.550
8829	0.678	1.833	1.224	0.450	1.180	1.070	2.700
8831	0.408	0.311	0.695	0.270	0.200	0.610	1.080
8835	0.824	1.817	1.188	0.540	1.170	1.040	2.750
9014	1.616	1.178	1.248	1.060	0.760	1.090	2.910
9015	1.729	1.081	1.296	1.140	0.700	1.140	2.980
9016	1.102	0.774	1.416	0.730	0.500	1.240	2.470
9033	2.973	1.604	1.260	1.960	1.030	1.100	4.090
9040	2.052	2.472	2.292	1.350	1.590	2.010	4.950
9052	0.905	0.802	0.864	0.600	0.520	0.760	1.880
9058	0.905	0.802	0.864	0.600	0.520	0.760	1.880
9060	0.625	0.474	0.611	0.410	0.300	0.540	1.250
9061	0.925	0.387	0.651	0.610	0.250	0.570	1.430
9063	0.264	0.507	0.420	0.170	0.330	0.370	0.870
9079	0.759	0.687	0.828	0.500	0.440	0.730	1.670
9089	0.532	0.490	0.437	0.350	0.320	0.380	1.050
9093	0.508	0.535	0.926	0.330	0.340	0.810	1.480
9101	0.947	1.227	1.524	0.620	0.790	1.340	2.750
9220	1.383	2.152	1.297	0.910	1.380	1.140	3.430
9410	1.574	1.023	1.239	1.040	0.660	1.090	2.790

X 056

Section X - Classification Pricing
Subsection G - Underlying Pure Premiums
9/1/2005

Section X - G
Exhibit 4

Calculation of Pure Premiums Underlying Present Rate Goods and Services Industry Group

Class	(1) Adopted Relativities			(2) Pure Premiums Underlying Present Rate			
	Serious	Non-Serious	Medical	Serious	Non-Serious	Medical	Total
9519	1.416	0.815	1.103	0.930	0.520	0.970	2.420
9586	0.352	0.164	0.276	0.230	0.110	0.240	0.580
9620	0.367	0.194	0.268	0.240	0.120	0.230	0.590

Notes

(1) From Section X - J of 9/1/03 decision.

(2) (1) x Pure Premium Underlying Present Rate Factors from Section X - F
(Serious = 0.658, Non-Serious = 0.643, Medical = 0.876).

X 057

Section X - Classification Pricing
Subsection G - Underlying Pure Premiums
9/1/2005

Section X - G
Exhibit 5

Calculation of Pure Premiums Underlying Present Rate Miscellaneous Industry Group

Class	(1) Adopted Relativities			(2) Pure Premiums Underlying Present Rate			
	Serious	Non-Serious	Medical	Serious	Non-Serious	Medical	Total
0106	2.527	1.847	3.283	4.790	2.160	5.580	12.530
0251	0.530	0.779	0.645	1.000	0.910	1.100	3.010
1624	0.879	0.763	1.140	1.670	0.890	1.940	4.500
1655	0.975	0.476	0.799	1.850	0.560	1.360	3.770
1710	0.879	0.763	1.140	1.670	0.890	1.940	4.500
2702	2.422	1.808	2.303	4.590	2.110	3.910	10.610
4000	1.032	0.743	0.894	1.960	0.870	1.520	4.350
6834	0.541	0.947	0.758	1.030	1.110	1.290	3.430
6836	0.377	0.459	0.421	0.710	0.540	0.720	1.970
7219	1.597	1.388	1.281	3.030	1.620	2.180	6.830
7230	2.161	2.171	3.232	4.100	2.540	5.490	12.130
7231	1.069	1.513	1.200	2.030	1.770	2.040	5.840
7360	1.754	1.572	1.408	3.330	1.840	2.390	7.560
7370	0.747	0.725	0.856	1.420	0.850	1.450	3.720
7380	1.191	1.469	1.336	2.260	1.720	2.270	6.250
7382	0.774	0.842	0.850	1.470	0.980	1.440	3.890
7403	0.651	0.607	0.494	1.230	0.710	0.840	2.780
7405	0.256	0.228	0.257	0.490	0.270	0.440	1.200
7409	3.681	0.514	0.791	6.980	0.600	1.340	8.920
7418	3.681	0.514	0.791	6.980	0.600	1.340	8.920
7420	3.681	0.514	0.791	6.980	0.600	1.340	8.920
7421	0.246	0.200	0.552	0.470	0.230	0.940	1.640
7422	0.246	0.200	0.552	0.470	0.230	0.940	1.640
7423	0.501	0.446	0.467	0.950	0.520	0.790	2.260
7431	0.246	0.200	0.552	0.470	0.230	0.940	1.640
7502	0.650	0.508	0.630	1.230	0.590	1.070	2.890
7515	0.346	0.240	0.237	0.660	0.280	0.400	1.340
7520	0.530	0.779	0.645	1.000	0.910	1.100	3.010
7539	0.382	0.390	0.334	0.720	0.460	0.570	1.750
7580	0.613	0.424	0.560	1.160	0.500	0.950	2.610
7590	1.521	1.559	1.231	2.880	1.820	2.090	6.790
7600	0.567	0.582	0.609	1.080	0.680	1.030	2.790
7704	0.351	0.348	0.603	0.670	0.410	1.020	2.100
7720	0.302	0.448	0.432	0.570	0.520	0.730	1.820
9019	1.342	0.739	1.160	2.540	0.860	1.970	5.370
9102	0.335	0.589	0.461	0.640	0.690	0.780	2.110
9154	0.254	0.443	0.302	0.480	0.520	0.510	1.510
9178	0.856	3.220	9.377	1.620	3.760	15.930	21.310
9179	4.071	5.353	4.862	7.720	6.260	8.260	22.240
9180	0.601	0.714	0.778	1.140	0.830	1.320	3.290
9182	0.739	0.356	0.612	1.400	0.420	1.040	2.860
9186	0.601	0.714	0.778	1.140	0.830	1.320	3.290
9402	1.228	0.689	1.035	2.330	0.810	1.760	4.900
9403	1.324	1.191	1.546	2.510	1.390	2.630	6.530

Notes

(1) From Section X - J of 9/1/03 decision.

(2) (1) x Pure Premium Underlying Present Rate Factors from Section X - F
(Serious = 1.896, Non-Serious = 1.169, Medical = 1.699).

X 058

Section X - Classification Pricing
 Subsection H - Class Relativities
 9/1/2005

Section X - H
 Exhibit 1

Calculation of Class Relativities

Class(es):		Schedule: 10		Effective: 9/1/2005		Goods & Services		
0005 FARM-NURSERY-ALL EMP-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	12,003,676	2	30	216,953	173,756	225,370	616,079	
1998/1999	12,207,622	1	20	50,994	104,938	388,307	544,239	
1999/2000	12,753,061	1	16	55,064	116,601	132,944	304,609	
2000/2001	14,932,027	1	35	80,790	336,924	320,655	738,369	
2001/2002	14,885,879	0	12	0	14,365	56,503	70,868	
MA Total	66,782,265	5	113	403,801	746,584	1,123,779	2,274,164	
				MA Indicated Pure Premiums				
				1997/1998	1.807	1.448	1.878	5.132
				1998/1999	0.418	0.860	3.181	4.458
				1999/2000	0.432	0.914	1.042	2.389
				2000/2001	0.541	2.256	2.147	4.945
				2001/2002	0.000	0.097	0.380	0.476
MA Total Pure Premium:				0.600	1.120	1.680	3.405	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				1.204	1.736	2.045		
Massachusetts Credibility:				0.28	0.66	0.80		
Countrywide Pure Premium:				0.560	0.660	1.060	2.280	
Countrywide Indicated Relativity:				1.138	1.024	1.287		
Countrywide Credibility:				0.36	0.17	0.10		
Countrywide Lost-time Claims:				432	2,583			
Pure Premium Underlying Present Rate:				0.880	1.050	1.740	3.670	
Relativity to Underlying Present Rate:				1.345	1.657	2.007		
Credibility to Underlying Relativity:				0.36	0.17	0.10		
Industry Group Adjusted Converted Pure Premium:				0.498	0.645	0.821	1.965	
Formula Relativity:				1.231	1.602	1.965		
Balanced Formula Relativity:				1.237	1.602	1.964	1.661	

Class(es):		Schedule: 10		Effective: 9/1/2005		Goods & Services		
0008 FARM-GARDENING-MARKET OR TRUCK-DR 0037 FARM-FIELD CROPS AND FARM NOC-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	17,521,621	0	18	0	92,980	82,671	175,651	
1998/1999	18,126,236	0	26	0	181,146	180,618	361,764	
1999/2000	16,848,642	0	12	0	20,417	48,156	68,573	
2000/2001	19,488,725	2	14	187,542	284,133	356,949	828,624	
2001/2002	19,325,202	0	19	0	152,090	151,957	304,047	
MA Total	91,310,426	2	89	187,542	730,766	820,351	1,738,659	
				MA Indicated Pure Premiums				
				1997/1998	0.000	0.531	0.472	1.002
				1998/1999	0.000	0.999	0.996	1.996
				1999/2000	0.000	0.121	0.286	0.407
				2000/2001	0.962	1.458	1.832	4.252
				2001/2002	0.000	0.787	0.786	1.573
MA Total Pure Premium:				0.210	0.800	0.900	1.904	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.422	1.240	1.096		
Massachusetts Credibility:				0.24	0.61	0.73		
Countrywide Pure Premium:				0.440	0.560	0.850	1.850	
Countrywide Indicated Relativity:				0.894	0.869	1.032		
Countrywide Credibility:				0.25	0.20	0.14		
Countrywide Lost-time Claims:				14	476			
Pure Premium Underlying Present Rate:				0.420	0.630	1.000	2.050	
Relativity to Underlying Present Rate:				0.642	0.994	1.153		
Credibility to Underlying Relativity:				0.51	0.19	0.13		
Industry Group Adjusted Converted Pure Premium:				0.498	0.645	0.821	1.965	
Formula Relativity:				0.652	1.119	1.094		
Balanced Formula Relativity:				0.655	1.120	1.094	0.991	

X 059

Section X - Classification Pricing
 Subsection H - Class Relativities
 9/1/2005

Section X - H
 Exhibit 2

Calculation of Class Relativities

Class(es): 0016 FARM-ORCHARDS-DR		Schedule: 10		Effective: 9/1/2005		Goods & Services	
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	4,909,194	1	3	186,891	4,329	30,423	221,643
1998/1999	5,168,983	0	5	0	36,815	28,052	64,867
1999/2000	5,174,277	0	7	0	76,463	34,777	111,240
2000/2001	4,926,965	0	4	0	12,490	24,791	37,281
2001/2002	4,696,347	0	3	0	3,599	37,705	41,304
MA Total	24,875,766	1	22	186,891	133,696	155,748	476,335
MA Indicated Pure Premiums							
		1997/1998		3.807	0.088	0.620	4.515
		1998/1999		0.000	0.712	0.543	1.255
		1999/2000		0.000	1.478	0.672	2.150
		2000/2001		0.000	0.254	0.503	0.757
		2001/2002		0.000	0.077	0.803	0.879
		MA Total Pure Premium:		0.750	0.540	0.630	1.915
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.506	0.837	0.767	
		Massachusetts Credibility:		0.22	0.37	0.56	
		Countrywide Pure Premium:		0.980	0.800	1.260	3.040
		Countrywide Indicated Relativity:		1.992	1.241	1.530	
		Countrywide Credibility:		0.39	0.32	0.22	
		Countrywide Lost-time Claims:		812	3,358		
		Pure Premium Underlying Present Rate:		1.310	0.670	1.910	3.890
		Relativity to Underlying Present Rate:		2.002	1.058	2.203	
		Credibility to Underlying Relativity:		0.39	0.31	0.22	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		1.889	1.035	1.251	
		Balanced Formula Relativity:		1.898	1.035	1.250	1.344

Class(es): 0034 FARM-POULTRY OR EGG PRODUCERS-DR 0036 FARM-DAIRY-DR 0113 FARM-FISH HATCHERY-DR 0170 FARM-ANIMAL RAISING-FUR BEARING-DR		Schedule: 10		Effective: 9/1/2005		Goods & Services	
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	10,299,425	4	15	283,319	121,423	227,669	632,411
1998/1999	10,033,069	2	12	183,531	56,254	182,189	421,974
1999/2000	9,865,301	0	9	0	30,590	58,943	89,533
2000/2001	10,206,955	2	13	123,597	27,028	64,268	214,893
2001/2002	9,908,690	0	14	0	153,104	132,719	285,823
MA Total	50,313,440	8	63	590,447	388,399	665,788	1,644,634
MA Indicated Pure Premiums							
		1997/1998		2.751	1.179	2.211	6.140
		1998/1999		1.829	0.561	1.816	4.206
		1999/2000		0.000	0.310	0.597	0.908
		2000/2001		1.211	0.265	0.630	2.105
		2001/2002		0.000	1.545	1.339	2.885
		MA Total Pure Premium:		1.170	0.770	1.320	3.269
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		2.349	1.193	1.607	
		Massachusetts Credibility:		0.30	0.64	0.73	
		Countrywide Pure Premium:		0.820	1.030	1.370	3.220
		Countrywide Indicated Relativity:		1.667	1.598	1.663	
		Countrywide Credibility:		0.35	0.18	0.14	
		Countrywide Lost-time Claims:		416	3,270		
		Pure Premium Underlying Present Rate:		1.320	1.290	1.780	4.390
		Relativity to Underlying Present Rate:		2.018	2.036	2.053	
		Credibility to Underlying Relativity:		0.35	0.18	0.13	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		1.994	1.418	1.673	
		Balanced Formula Relativity:		2.004	1.418	1.672	1.673

X 060

Section X - Classification Pricing
 Subsection H - Class Relativities
 9/1/2005

Section X - H
 Exhibit 3

Calculation of Class Relativities

Class(es):		Schedule: 10		Effective: 9/1/2005		Goods & Services	
0035 FARM-FLORIST-CULTIVATE OR GARDEN-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	28,431,853	1	35	172,370	84,621	295,017	552,008
1998/1999	31,664,990	0	37	0	534,594	403,701	938,295
1999/2000	34,342,944	1	38	83,335	192,177	306,200	581,712
2000/2001	38,459,227	0	27	0	216,064	150,135	366,199
2001/2002	37,238,676	0	20	0	54,621	122,904	177,525
MA Total	170,137,690	2	157	255,705	1,082,077	1,277,957	2,615,739
		MA Indicated Pure Premiums					
		1997/1998		0.606	0.298	1.038	1.942
		1998/1999		0.000	1.688	1.275	2.963
		1999/2000		0.243	0.560	0.892	1.694
		2000/2001		0.000	0.562	0.390	0.952
		2001/2002		0.000	0.147	0.330	0.477
		MA Total Pure Premium:		0.150	0.640	0.750	1.537
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.301	0.992	0.913	
		Massachusetts Credibility:		0.32	0.85	0.93	
		Countrywide Pure Premium:		0.620	0.750	1.280	2.650
		Countrywide Indicated Relativity:		1.260	1.164	1.554	
		Countrywide Credibility:		0.34	0.08	0.04	
		Countrywide Lost-time Claims:		255	1,301		
		Pure Premium Underlying Present Rate:		0.480	0.790	0.980	2.250
		Relativity to Underlying Present Rate:		0.734	1.247	1.130	
		Credibility to Underlying Relativity:		0.34	0.07	0.03	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.774	1.024	0.945	
		Balanced Formula Relativity:		0.778	1.024	0.944	0.928

Class(es):		Schedule: 264		Effective: 9/1/2005		Goods & Services	
0042 LANDSCAPE GARDENING-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	159,531,084	31	359	4,085,401	2,215,944	3,371,213	9,672,558
1998/1999	176,798,260	24	337	2,550,724	2,024,652	3,075,083	7,650,459
1999/2000	192,226,501	16	303	2,004,815	3,237,540	3,239,406	8,481,761
2000/2001	222,877,719	13	313	1,368,804	2,241,635	2,376,115	5,986,554
2001/2002	238,121,920	13	367	2,340,783	3,140,958	4,424,040	9,905,781
MA Total	989,555,484	97	1,679	12,350,527	12,860,729	16,485,857	41,697,113
		MA Indicated Pure Premiums					
		1997/1998		2.561	1.389	2.113	6.063
		1998/1999		1.443	1.145	1.739	4.327
		1999/2000		1.043	1.684	1.685	4.412
		2000/2001		0.614	1.006	1.066	2.686
		2001/2002		0.983	1.319	1.858	4.160
		MA Total Pure Premium:		1.250	1.300	1.670	4.214
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		2.509	2.015	2.033	
		Massachusetts Credibility:		1.00	1.00	1.00	
		Countrywide Pure Premium:		1.000	1.120	1.610	3.730
		Countrywide Indicated Relativity:		2.032	1.738	1.955	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		1,322	7,817		
		Pure Premium Underlying Present Rate:		1.750	1.400	2.020	5.170
		Relativity to Underlying Present Rate:		2.675	2.210	2.330	
		Credibility to Underlying Relativity:		0.00	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		2.509	2.015	2.033	
		Balanced Formula Relativity:		2.521	2.016	2.032	2.150

X 061

Section X - Classification Pricing
 Subsection H - Class Relativities
 9/1/2005

Section X - H
 Exhibit 4

Calculation of Class Relativities

Class(es):		Schedule: 264		Effective: 9/1/2005		Construction	
0050 FARM MACHINERY OPERATION-DR 5508 STREET OR ROAD CONSTRUCT-ROCK EXCAV-DR 6005 JETTY OR BREAKWATER CONSTRUCTION-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	231,310	0	0	0	0	0	0
1998/1999	156,714	0	0	0	0	0	0
1999/2000	1,159,063	0	0	0	0	779	779
2000/2001	416,567	0	0	0	0	0	0
2001/2002	378,123	0	0	0	0	223	223
MA Total	2,341,777	0	0	0	0	1,002	1,002
		MA Indicated Pure Premiums					
		1997/1998	0.000	0.000	0.000	0.000	0.000
		1998/1999	0.000	0.000	0.000	0.000	0.000
		1999/2000	0.000	0.000	0.067	0.067	0.067
		2000/2001	0.000	0.000	0.000	0.000	0.000
		2001/2002	0.000	0.000	0.059	0.059	0.059
		MA Total Pure Premium:	0.000	0.000	0.040	0.043	0.043
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:	0.000	0.000	0.019	0.019	
		Massachusetts Credibility:	0.10	0.17	0.19		
		Countrywide Pure Premium:	2.220	1.100	2.110	5.430	
		Countrywide Indicated Relativity:	0.963	0.805	1.027		
		Countrywide Credibility:	0.45	0.42	0.40		
		Countrywide Lost-time Claims:	144	672			
		Pure Premium Underlying Present Rate:	1.970	0.960	1.420	4.350	
		Relativity to Underlying Present Rate:	0.682	0.732	0.698		
		Credibility to Underlying Relativity:	0.45	0.41	0.41		
		Industry Group Adjusted Converted Pure Premium:	2.402	1.400	2.079	5.881	
		Formula Relativity:	0.740	0.638	0.701		
		Balanced Formula Relativity:	0.741	0.637	0.699	0.702	

Class(es):		Schedule: 10		Effective: 9/1/2005		Goods & Services	
0079 FARM-BERRY OR VINEYARDS-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	19,461,378	5	36	697,173	146,089	1,027,457	1,870,719
1998/1999	17,121,911	2	18	300,529	149,243	385,214	834,986
1999/2000	12,751,061	1	12	80,933	172,848	220,867	474,648
2000/2001	10,997,542	1	10	63,707	84,097	102,244	250,048
2001/2002	11,546,200	1	14	203,876	286,658	138,934	629,468
MA Total	71,878,092	10	90	1,346,218	838,935	1,874,716	4,059,869
		MA Indicated Pure Premiums					
		1997/1998	3.582	0.751	5.279	9.612	
		1998/1999	1.755	0.872	2.250	4.877	
		1999/2000	0.635	1.356	1.732	3.722	
		2000/2001	0.579	0.765	0.930	2.274	
		2001/2002	1.766	2.483	1.203	5.452	
		MA Total Pure Premium:	1.870	1.170	2.610	5.648	
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:	3.754	1.813	3.177		
		Massachusetts Credibility:	0.36	0.80	0.98		
		Countrywide Pure Premium:	0.520	0.540	0.730	1.790	
		Countrywide Indicated Relativity:	1.057	0.838	0.886		
		Countrywide Credibility:	0.32	0.10	0.01		
		Countrywide Lost-time Claims:	245	693			
		Pure Premium Underlying Present Rate:	1.480	1.570	2.650	5.700	
		Relativity to Underlying Present Rate:	2.262	2.478	3.056		
		Credibility to Underlying Relativity:	0.32	0.10	0.01		
		Industry Group Adjusted Converted Pure Premium:	0.498	0.645	0.821	1.965	
		Formula Relativity:	2.414	1.782	3.153		
		Balanced Formula Relativity:	2.425	1.783	3.151	2.517	

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Section X - Classification Pricing
 Subsection H - Class Relativities
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Section X - H
 Exhibit 5

Calculation of Class Relativities

Class(es):		Schedule: 10		Effective: 9/1/2005		Goods & Services	
0083 FARM-CATTLE OR LIVESTOCK RAISING-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	2,479,976	0	3	0	41,515	9,932	51,447
1998/1999	2,274,972	0	1	0	31	10,018	10,049
1999/2000	2,371,762	1	4	179,581	52,972	92,497	325,050
2000/2001	2,304,784	0	0	0	0	6,673	6,673
2001/2002	3,890,425	0	3	0	14,514	40,881	55,395
MA Total	13,321,919	1	11	179,581	109,032	160,001	448,614
MA Indicated Pure Premiums							
		1997/1998		0.000	1.674	0.400	2.074
		1998/1999		0.000	0.001	0.440	0.442
		1999/2000		7.572	2.233	3.900	13.705
		2000/2001		0.000	0.000	0.290	0.290
		2001/2002		0.000	0.373	1.051	1.424
		MA Total Pure Premium:		1.350	0.820	1.200	3.367
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		2.710	1.271	1.461	
		Massachusetts Credibility:		0.18	0.38	0.41	
		Countrywide Pure Premium:		0.420	0.300	0.370	1.090
		Countrywide Indicated Relativity:		0.854	0.465	0.449	
		Countrywide Credibility:		0.09	0.30	0.30	
		Countrywide Lost-time Claims:		1	43		
		Pure Premium Underlying Present Rate:		1.480	1.310	1.630	4.420
		Relativity to Underlying Present Rate:		2.262	2.068	1.880	
		Credibility to Underlying Relativity:		0.73	0.32	0.29	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		2.216	1.284	1.279	
		Balanced Formula Relativity:		2.226	1.285	1.278	1.521

Class(es):		Schedule: 10		Effective: 9/1/2005		Miscellaneous	
0106 TREE PRUNING,SPRAYING-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	14,963,758	8	39	903,050	265,220	892,382	2,060,652
1998/1999	13,465,742	2	38	173,020	594,274	640,748	1,408,042
1999/2000	16,941,795	2	48	175,653	599,907	693,349	1,468,909
2000/2001	15,543,545	7	44	790,337	277,664	1,402,305	2,470,306
2001/2002	15,047,446	5	29	1,269,699	254,879	1,395,993	2,920,571
MA Total	75,962,286	24	198	3,311,759	1,991,944	5,024,777	10,328,480
MA Indicated Pure Premiums							
		1997/1998		6.035	1.772	5.964	13.771
		1998/1999		1.285	4.413	4.758	10.456
		1999/2000		1.037	3.541	4.093	8.670
		2000/2001		5.085	1.786	9.022	15.893
		2001/2002		8.438	1.694	9.277	19.409
		MA Total Pure Premium:		4.360	2.620	6.610	13.597
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		2.782	1.998	3.570	
		Massachusetts Credibility:		0.58	0.92	1.00	
		Countrywide Pure Premium:		4.710	2.580	5.020	12.310
		Countrywide Indicated Relativity:		2.995	2.005	2.723	
		Countrywide Credibility:		0.21	0.04	0.00	
		Countrywide Lost-time Claims:		331	1,696		
		Pure Premium Underlying Present Rate:		4.790	2.160	5.580	12.530
		Relativity to Underlying Present Rate:		2.540	1.840	3.243	
		Credibility to Underlying Relativity:		0.21	0.04	0.00	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		2.776	1.992	3.570	
		Balanced Formula Relativity:		2.806	1.984	3.586	2.883

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 Exhibit 6

Calculation of Class Relativities

Class(es):		Schedule: 331		Effective: 9/1/2005		Miscellaneous	
0251 IRRIGATION WORKS OPERATION-DR 7520 WATERWORKS OPERATION-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	10,754,428	0	10	0	79,635	73,505	153,140
1998/1999	11,620,600	2	19	301,355	79,013	85,232	465,600
1999/2000	11,694,025	1	14	239,268	88,391	190,241	517,900
2000/2001	21,133,550	1	19	289,059	223,195	243,716	755,970
2001/2002	21,904,601	0	14	0	135,703	123,676	259,379
MA Total	77,107,204	4	76	829,682	605,937	716,370	2,151,989
MA Indicated Pure Premiums							
		1997/1998		0.000	0.740	0.683	1.424
		1998/1999		2.593	0.680	0.733	4.007
		1999/2000		2.046	0.756	1.627	4.429
		2000/2001		1.368	1.056	1.153	3.577
		2001/2002		0.000	0.620	0.565	1.184
		MA Total Pure Premium:		1.080	0.790	0.930	2.791
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.689	0.602	0.502	
		Massachusetts Credibility:		0.31	0.66	0.71	
		Countrywide Pure Premium:		1.020	0.890	1.250	3.160
		Countrywide Indicated Relativity:		0.649	0.692	0.678	
		Countrywide Credibility:		0.34	0.17	0.14	
		Countrywide Lost-time Claims:		212	1,792		
		Pure Premium Underlying Present Rate:		1.000	0.910	1.100	3.010
		Relativity to Underlying Present Rate:		0.530	0.775	0.639	
		Credibility to Underlying Relativity:		0.35	0.17	0.15	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.620	0.647	0.547	
		Balanced Formula Relativity:		0.626	0.644	0.550	0.601

Class(es):		Schedule: 360		Effective: 9/1/2005		Goods & Services	
0917 DOMESTIC SERVICE CONTRACTOR-INSIDE							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	7,738,504	0	15	0	211,543	120,489	332,032
1998/1999	9,359,737	0	20	0	82,541	51,636	134,177
1999/2000	8,882,387	0	17	0	98,598	95,717	194,315
2000/2001	11,154,678	2	12	125,623	65,903	81,296	272,822
2001/2002	11,068,100	0	10	0	76,063	74,984	151,047
MA Total	48,203,406	2	74	125,623	534,648	424,122	1,084,393
MA Indicated Pure Premiums							
		1997/1998		0.000	2.734	1.557	4.291
		1998/1999		0.000	0.882	0.552	1.434
		1999/2000		0.000	1.110	1.078	2.188
		2000/2001		1.126	0.591	0.729	2.446
		2001/2002		0.000	0.687	0.677	1.365
		MA Total Pure Premium:		0.260	1.110	0.880	2.250
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.522	1.720	1.071	
		Massachusetts Credibility:		0.25	0.60	0.68	
		Countrywide Pure Premium:		0.340	1.170	1.470	2.980
		Countrywide Indicated Relativity:		0.691	1.815	1.785	
		Countrywide Credibility:		0.28	0.20	0.16	
		Countrywide Lost-time Claims:		18	279		
		Pure Premium Underlying Present Rate:		0.950	1.140	1.580	3.670
		Relativity to Underlying Present Rate:		1.452	1.800	1.822	
		Credibility to Underlying Relativity:		0.47	0.20	0.16	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		1.006	1.755	1.305	
		Balanced Formula Relativity:		1.011	1.756	1.304	1.378

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 Exhibit 7

Calculation of Class Relativities

Class(es):		Schedule: 160		Effective: 9/1/2005		Manufacturing	
1430 SMELTING,SINTERING OR REFINING-LEAD-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	0	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0
MA Total	0	0	0	0	0	0	0
		MA Indicated Pure Premiums					
	1997/1998	0.000	0.000	0.000	0.000	0.000	0.000
	1998/1999	0.000	0.000	0.000	0.000	0.000	0.000
	1999/2000	0.000	0.000	0.000	0.000	0.000	0.000
	2000/2001	0.000	0.000	0.000	0.000	0.000	0.000
	2001/2002	0.000	0.000	0.000	0.000	0.000	0.000
	MA Total Pure Premium:	0.000	0.000	0.000	0.000	0.000	0.000
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.000	0.000	0.000	0.000	0.000	
	Massachusetts Credibility:	0.00	0.00	0.00	0.00	0.00	
	Countrywide Pure Premium:	1.710	0.920	1.450	1.450	4.080	
	Countrywide Indicated Relativity:	2.533	1.366	1.718	1.718		
	Countrywide Credibility:	0.18	0.26	0.32	0.32		
	Countrywide Lost-time Claims:	6	30				
	Pure Premium Underlying Present Rate:	4.370	19.390	2.940	2.940	26.700	
	Relativity to Underlying Present Rate:	5.512	27.971	3.135	3.135		
	Credibility to Underlying Relativity:	0.82	0.74	0.68	0.68		
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	0.874	2.250	
	Formula Relativity:	4.976	21.054	2.682	2.682		
	Balanced Formula Relativity:	4.945	21.008	2.673	2.673	9.092	

Class(es):		Schedule: 160		Effective: 9/1/2005		Manufacturing	
1438 SMELTING,SINTERING,REFINE-MTLS NOC-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	8,368,812	0	10	0	60,169	41,636	101,805
1998/1999	10,815,809	2	7	356,048	10,359	539,984	906,391
1999/2000	8,558,432	0	7	0	67,864	27,135	94,999
2000/2001	8,161,063	0	3	0	35,981	28,650	64,631
2001/2002	7,946,933	0	1	0	3,618	10,844	14,462
MA Total	43,851,049	2	28	356,048	177,991	648,249	1,182,288
		MA Indicated Pure Premiums					
	1997/1998	0.000	0.719	0.498	0.498	1.216	
	1998/1999	3.292	0.096	4.993	4.993	8.380	
	1999/2000	0.000	0.793	0.317	0.317	1.110	
	2000/2001	0.000	0.441	0.351	0.351	0.792	
	2001/2002	0.000	0.046	0.136	0.136	0.182	
	MA Total Pure Premium:	0.810	0.410	1.480	1.480	2.696	
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	1.206	0.582	1.693	1.693		
	Massachusetts Credibility:	0.25	0.55	0.58	0.58		
	Countrywide Pure Premium:	1.500	0.960	1.300	1.300	3.760	
	Countrywide Indicated Relativity:	2.222	1.425	1.539	1.539		
	Countrywide Credibility:	0.38	0.22	0.21	0.21		
	Countrywide Lost-time Claims:	69	540				
	Pure Premium Underlying Present Rate:	1.000	1.020	1.180	1.180	3.200	
	Relativity to Underlying Present Rate:	1.261	1.471	1.258	1.258		
	Credibility to Underlying Relativity:	0.37	0.23	0.21	0.21		
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	0.874	2.250	
	Formula Relativity:	1.612	0.972	1.569	1.569		
	Balanced Formula Relativity:	1.602	0.970	1.565	1.565	1.390	

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 Exhibit 8

Calculation of Class Relativities

Class(es):		Schedule: 245		Effective: 9/1/2005		Manufacturing	
1463 ASPHALT WORKS-GRINDING,ETC-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	7,136,027	1	8	95,859	35,411	56,916	188,186
1998/1999	7,935,406	0	14	0	200,635	85,879	286,514
1999/2000	7,750,932	1	9	124,245	195,130	192,502	511,877
2000/2001	8,199,709	1	13	141,094	125,362	168,814	435,270
2001/2002	7,949,568	0	5	0	16,107	35,733	51,840
MA Total	38,971,642	3	49	361,198	572,645	539,844	1,473,687
		MA Indicated Pure Premiums					
		1997/1998		1.343	0.496	0.798	2.637
		1998/1999		0.000	2.528	1.082	3.611
		1999/2000		1.603	2.518	2.484	6.604
		2000/2001		1.721	1.529	2.059	5.308
		2001/2002		0.000	0.203	0.449	0.652
		MA Total Pure Premium:		0.930	1.470	1.390	3.781
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.385	2.086	1.590	
		Massachusetts Credibility:		0.33	0.64	0.66	
		Countrywide Pure Premium:		2.600	2.010	2.530	7.140
		Countrywide Indicated Relativity:		3.852	2.985	2.997	
		Countrywide Credibility:		0.34	0.18	0.17	
		Countrywide Lost-time Claims:		113	535		
		Pure Premium Underlying Present Rate:		2.320	1.670	1.850	5.840
		Relativity to Underlying Present Rate:		2.926	2.409	1.973	
		Credibility to Underlying Relativity:		0.33	0.18	0.17	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		2.732	2.306	1.894	
		Balanced Formula Relativity:		2.715	2.301	1.889	2.264

Class(es):		Schedule: 40		Effective: 9/1/2005		Miscellaneous	
1624 QUARRY-NOC-DR 1710 STONE CRUSHING-NO QUARRYING-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	23,108,000	0	18	0	91,845	123,697	215,542
1998/1999	24,980,876	2	32	272,846	199,101	327,651	799,598
1999/2000	30,549,634	4	30	563,283	322,027	588,373	1,473,683
2000/2001	32,711,608	4	16	762,483	374,480	453,925	1,590,888
2001/2002	37,497,791	1	32	401,698	201,343	620,852	1,223,893
MA Total	148,847,909	11	128	2,000,310	1,188,796	2,114,498	5,303,604
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.397	0.535	0.933
		1998/1999		1.092	0.797	1.312	3.201
		1999/2000		1.844	1.054	1.926	4.824
		2000/2001		2.331	1.145	1.388	4.863
		2001/2002		1.071	0.537	1.656	3.264
		MA Total Pure Premium:		1.340	0.800	1.420	3.563
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.855	0.610	0.767	
		Massachusetts Credibility:		0.50	0.85	1.00	
		Countrywide Pure Premium:		1.140	0.810	1.260	3.210
		Countrywide Indicated Relativity:		0.725	0.630	0.684	
		Countrywide Credibility:		0.25	0.08	0.00	
		Countrywide Lost-time Claims:		158	1,037		
		Pure Premium Underlying Present Rate:		1.670	0.890	1.940	4.500
		Relativity to Underlying Present Rate:		0.886	0.758	1.128	
		Credibility to Underlying Relativity:		0.25	0.07	0.00	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.830	0.622	0.767	
		Balanced Formula Relativity:		0.839	0.620	0.770	0.751

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 Exhibit 9

Calculation of Class Relativities

Class(es):		Schedule: 40		Effective: 9/1/2005			Miscellaneous	
1655 LIME MFG-QUARRY-SURFACE-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	0	0	0	0	0	0	0	
1998/1999	0	0	0	0	0	0	0	
1999/2000	7,817,612	1	2	137,917	30,513	199,695	368,125	
2000/2001	0	0	0	0	0	0	0	
2001/2002	33,515	0	0	0	0	0	0	
MA Total	7,851,127	1	2	137,917	30,513	199,695	368,125	
		MA Indicated Pure Premiums						
				0.000	0.000	0.000	0.000	
				0.000	0.000	0.000	0.000	
				1.764	0.390	2.554	4.709	
				0.000	0.000	0.000	0.000	
				0.000	0.000	0.000	0.000	
				1.760	0.390	2.540	4.689	
		Pure Premium Relativities						
				1.123	0.297	1.372		
				0.16	0.22	0.31		
				0.000	0.130	0.120	0.250	
				0.000	0.101	0.065		
				0.00	0.13	0.16		
				0	6			
				1.850	0.560	1.360	3.770	
				0.981	0.477	0.790		
				0.84	0.65	0.53		
				1.567	1.311	1.852	4.730	
				1.004	0.389	0.854		
				1.015	0.387	0.858	0.779	

Class(es):		Schedule: 210		Effective: 9/1/2005			Manufacturing	
1701 CEMENT MFG								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	1,172,515	0	6	0	106,151	28,846	134,997	
1998/1999	596,947	0	1	0	4,075	2,734	6,809	
1999/2000	294,910	0	0	0	0	0	0	
2000/2001	221,378	0	0	0	0	0	0	
2001/2002	691,610	0	0	0	0	0	0	
MA Total	2,977,360	0	7	0	110,226	31,580	141,806	
		MA Indicated Pure Premiums						
				0.000	9.053	2.460	11.513	
				0.000	0.683	0.458	1.141	
				0.000	0.000	0.000	0.000	
				0.000	0.000	0.000	0.000	
				0.000	0.000	0.000	0.000	
				0.000	3.700	1.060	4.763	
		Pure Premium Relativities						
				0.000	5.251	1.213		
				0.09	0.27	0.22		
				0.970	0.970	1.310	3.250	
				1.437	1.440	1.551		
				0.46	0.36	0.39		
				135	599			
				1.150	2.490	1.500	5.140	
				1.450	3.592	1.600		
				0.45	0.37	0.39		
				0.672	0.705	0.874	2.250	
				1.314	3.265	1.496		
				1.305	3.258	1.491	1.989	

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Section X - Classification Pricing
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Section X - H
 Exhibit 10

Calculation of Class Relativities

Class(es): 1747 EMERY WORKS-DR		Schedule: 212		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	4,664,953	0	9	0	85,259	60,617	145,876
1998/1999	4,240,033	0	7	0	57,725	24,969	82,694
1999/2000	4,624,151	0	14	0	62,155	74,786	136,941
2000/2001	3,897,871	0	3	0	63,200	28,626	91,826
2001/2002	4,052,621	0	2	0	455	12,038	12,493
MA Total	21,479,629	0	35	0	268,794	201,036	469,830
		MA Indicated Pure Premiums					
	1997/1998	0.000	1.828	1.299	3.127		
	1998/1999	0.000	1.361	0.589	1.950		
	1999/2000	0.000	1.344	1.617	2.961		
	2000/2001	0.000	1.621	0.734	2.356		
	2001/2002	0.000	0.011	0.297	0.308		
	MA Total Pure Premium:	0.000	1.250	0.940	2.187		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.000	1.774	1.075			
	Massachusetts Credibility:	0.18	0.44	0.43			
	Countrywide Pure Premium:	1.750	0.790	0.860	3.400		
	Countrywide Indicated Relativity:	2.592	1.174	1.019			
	Countrywide Credibility:	0.23	0.28	0.28			
	Countrywide Lost-time Claims:	11	125				
	Pure Premium Underlying Present Rate:	0.900	1.170	1.140	3.210		
	Relativity to Underlying Present Rate:	1.135	1.688	1.216			
	Credibility to Underlying Relativity:	0.59	0.28	0.29			
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250		
	Formula Relativity:	1.266	1.582	1.100			
	Balanced Formula Relativity:	1.258	1.579	1.097	1.296		

Class(es): 1748 ABRASIVE WHEEL MFG-DR		Schedule: 213		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	17,740,596	2	15	222,418	442,623	425,472	1,090,513
1998/1999	16,294,098	1	15	100,271	158,357	172,007	430,635
1999/2000	17,180,616	0	15	0	125,297	109,789	235,086
2000/2001	12,520,634	1	12	131,339	343,072	121,457	595,868
2001/2002	9,496,921	1	10	304,722	100,308	121,535	526,565
MA Total	73,232,865	5	67	758,750	1,169,657	950,260	2,878,667
		MA Indicated Pure Premiums					
	1997/1998	1.254	2.495	2.398	6.147		
	1998/1999	0.615	0.972	1.056	2.643		
	1999/2000	0.000	0.729	0.639	1.368		
	2000/2001	1.049	2.740	0.970	4.759		
	2001/2002	3.209	1.056	1.280	5.545		
	MA Total Pure Premium:	1.040	1.600	1.300	3.931		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	1.549	2.271	1.487			
	Massachusetts Credibility:	0.26	0.72	0.73			
	Countrywide Pure Premium:	3.140	3.360	2.640	9.140		
	Countrywide Indicated Relativity:	4.651	4.990	3.127			
	Countrywide Credibility:	0.11	0.14	0.14			
	Countrywide Lost-time Claims:	2	30				
	Pure Premium Underlying Present Rate:	0.670	1.210	1.250	3.130		
	Relativity to Underlying Present Rate:	0.845	1.745	1.333			
	Credibility to Underlying Relativity:	0.63	0.14	0.13			
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250		
	Formula Relativity:	1.447	2.578	1.697			
	Balanced Formula Relativity:	1.438	2.572	1.691	1.892		

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 Exhibit 11

Calculation of Class Relativities

Class(es):		Schedule: 213		Effective: 9/1/2005		Manufacturing	
1852 ASBESTOS GOODS MFG-SPINNING,WEAVING							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	0	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0
MA Total	0	0	0	0	0	0	0
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.000	0.000	0.000
		1998/1999		0.000	0.000	0.000	0.000
		1999/2000		0.000	0.000	0.000	0.000
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	0.000	0.000	0.000
		MA Total Pure Premium:		0.000	0.000	0.000	0.000
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	0.000	0.000	
		Massachusetts Credibility:		0.00	0.00	0.00	
		Countrywide Pure Premium:		0.000	0.030	0.040	0.070
		Countrywide Indicated Relativity:		0.000	0.045	0.048	
		Countrywide Credibility:		0.00	0.10	0.12	
		Countrywide Lost-time Claims:		0	3		
		Pure Premium Underlying Present Rate:		6.630	1.080	1.720	9.430
		Relativity to Underlying Present Rate:		8.362	1.558	1.834	
		Credibility to Underlying Relativity:		1.00	0.90	0.88	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		8.362	1.407	1.620	
		Balanced Formula Relativity:		8.310	1.404	1.615	3.547

Class(es):		Schedule: 213		Effective: 9/1/2005		Manufacturing	
1853 MICA GOODS MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	156,052	0	0	0	0	568	568
1998/1999	79,998	0	0	0	0	0	0
1999/2000	83,575	0	0	0	0	0	0
2000/2001	108,871	0	0	0	0	0	0
2001/2002	84,760	0	0	0	0	0	0
MA Total	513,256	0	0	0	0	568	568
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.000	0.364	0.364
		1998/1999		0.000	0.000	0.000	0.000
		1999/2000		0.000	0.000	0.000	0.000
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	0.000	0.000	0.000
		MA Total Pure Premium:		0.000	0.000	0.110	0.111
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	0.000	0.126	
		Massachusetts Credibility:		0.05	0.08	0.10	
		Countrywide Pure Premium:		0.000	0.500	0.290	0.790
		Countrywide Indicated Relativity:		0.000	0.743	0.344	
		Countrywide Credibility:		0.00	0.09	0.10	
		Countrywide Lost-time Claims:		0	2		
		Pure Premium Underlying Present Rate:		1.200	0.730	1.180	3.110
		Relativity to Underlying Present Rate:		1.513	1.053	1.258	
		Credibility to Underlying Relativity:		0.95	0.83	0.80	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.437	0.941	1.053	
		Balanced Formula Relativity:		1.428	0.939	1.050	1.128

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Calculation of Class Relativities

Class(es):		Schedule: 122		Effective: 9/1/2005		Manufacturing	
1860 ABRASIVE PAPER OR CLOTH PREPARATION							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	2,289,564	0	0	0	0	1,881	1,881
1998/1999	2,665,620	0	1	0	29,109	2,894	32,003
1999/2000	2,586,595	0	1	0	1,721	4,857	6,578
2000/2001	2,408,270	0	0	0	0	799	799
2001/2002	1,978,004	0	0	0	0	2,142	2,142
MA Total	11,928,053	0	2	0	30,830	12,573	43,403
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.000	0.082	0.082
		1998/1999		0.000	1.092	0.109	1.201
		1999/2000		0.000	0.067	0.188	0.254
		2000/2001		0.000	0.000	0.033	0.033
		2001/2002		0.000	0.000	0.108	0.108
		MA Total Pure Premium:		0.000	0.260	0.110	0.364
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	0.369	0.126	
		Massachusetts Credibility:		0.12	0.26	0.25	
		Countrywide Pure Premium:		2.530	0.530	1.110	4.170
		Countrywide Indicated Relativity:		3.748	0.787	1.315	
		Countrywide Credibility:		0.44	0.37	0.38	
		Countrywide Lost-time Claims:		72	169		
		Pure Premium Underlying Present Rate:		0.610	0.560	0.540	1.710
		Relativity to Underlying Present Rate:		0.769	0.808	0.576	
		Credibility to Underlying Relativity:		0.44	0.37	0.37	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.987	0.686	0.744	
		Balanced Formula Relativity:		1.975	0.685	0.742	1.092

Class(es):		Schedule: 170		Effective: 9/1/2005		Manufacturing	
1924 WIRE DRAWING-CABLE MFG-NOT IRON,STEEL 3241 WIRE DRAWING-IRON OR STEEL							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	9,841,806	1	16	60,000	34,234	72,253	166,487
1998/1999	8,986,581	1	6	79,107	14,122	17,898	111,127
1999/2000	14,338,819	2	22	175,633	158,022	142,915	476,570
2000/2001	10,433,768	1	11	77,502	26,383	108,582	212,467
2001/2002	8,337,861	1	7	120,261	65,167	94,140	279,568
MA Total	51,938,835	6	62	512,503	297,928	435,788	1,246,219
		MA Indicated Pure Premiums					
		1997/1998		0.610	0.348	0.734	1.692
		1998/1999		0.880	0.157	0.199	1.237
		1999/2000		1.225	1.102	0.997	3.324
		2000/2001		0.743	0.253	1.041	2.036
		2001/2002		1.442	0.782	1.129	3.353
		MA Total Pure Premium:		0.990	0.570	0.840	2.399
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.474	0.809	0.961	
		Massachusetts Credibility:		0.25	0.57	0.56	
		Countrywide Pure Premium:		0.830	0.940	1.420	3.190
		Countrywide Indicated Relativity:		1.230	1.395	1.682	
		Countrywide Credibility:		0.38	0.22	0.22	
		Countrywide Lost-time Claims:		81	1,124		
		Pure Premium Underlying Present Rate:		0.850	0.940	0.910	2.700
		Relativity to Underlying Present Rate:		1.072	1.356	0.970	
		Credibility to Underlying Relativity:		0.37	0.21	0.22	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.233	1.053	1.122	
		Balanced Formula Relativity:		1.225	1.051	1.118	1.129

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 Exhibit 13

Calculation of Class Relativities

Class(es): 1925 DIE CASTING MFG		Schedule: 171		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	2,766,587	0	7	0	52,362	17,316	69,678
1998/1999	2,695,264	0	5	0	40,927	1,596	42,523
1999/2000	2,777,300	1	0	81,590	0	19,048	100,638
2000/2001	2,982,564	2	2	163,568	1,256	52,647	217,471
2001/2002	2,987,091	0	2	0	1,143	2,342	3,485
MA Total	14,208,806	3	16	245,158	95,688	92,949	433,795
		MA Indicated Pure Premiums					
		1997/1998		0.000	1.893	0.626	2.519
		1998/1999		0.000	1.518	0.059	1.578
		1999/2000		2.938	0.000	0.686	3.624
		2000/2001		5.484	0.042	1.765	7.291
		2001/2002		0.000	0.038	0.078	0.117
		MA Total Pure Premium:		1.730	0.670	0.650	3.053
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		2.576	0.951	0.744	
		Massachusetts Credibility:		0.19	0.40	0.39	
		Countrywide Pure Premium:		1.660	1.370	1.950	4.980
		Countrywide Indicated Relativity:		2.459	2.034	2.310	
		Countrywide Credibility:		0.40	0.30	0.30	
		Countrywide Lost-time Claims:		87	747		
		Pure Premium Underlying Present Rate:		1.520	1.390	1.320	4.230
		Relativity to Underlying Present Rate:		1.917	2.005	1.408	
		Credibility to Underlying Relativity:		0.41	0.30	0.31	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		2.259	1.592	1.420	
		Balanced Formula Relativity:		2.245	1.589	1.415	1.717

Class(es): 2001 CRACKER MFG 2003 BAKERY-RTE SPVSR-DR		Schedule: 50		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	80,141,200	10	118	1,113,798	600,914	1,166,368	2,881,080
1998/1999	83,412,929	6	145	851,734	1,098,885	1,559,217	3,509,836
1999/2000	87,272,029	4	155	397,739	829,890	1,051,593	2,279,222
2000/2001	97,131,466	4	107	564,520	742,811	826,736	2,134,067
2001/2002	117,714,711	6	129	970,304	1,236,224	1,815,203	4,021,731
MA Total	465,672,335	30	654	3,898,095	4,508,724	6,419,117	14,825,936
		MA Indicated Pure Premiums					
		1997/1998		1.390	0.750	1.455	3.595
		1998/1999		1.021	1.317	1.869	4.208
		1999/2000		0.456	0.951	1.205	2.612
		2000/2001		0.581	0.765	0.851	2.197
		2001/2002		0.824	1.050	1.542	3.417
		MA Total Pure Premium:		0.840	0.970	1.380	3.184
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.251	1.377	1.579	
		Massachusetts Credibility:		0.72	1.00	1.00	
		Countrywide Pure Premium:		0.920	1.020	1.220	3.160
		Countrywide Indicated Relativity:		1.362	1.514	1.445	
		Countrywide Credibility:		0.14	0.00	0.00	
		Countrywide Lost-time Claims:		1,066	7,269		
		Pure Premium Underlying Present Rate:		1.310	0.940	1.650	3.900
		Relativity to Underlying Present Rate:		1.652	1.356	1.759	
		Credibility to Underlying Relativity:		0.14	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.323	1.377	1.579	
		Balanced Formula Relativity:		1.314	1.374	1.574	1.434

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Calculation of Class Relativities

Class(es): 2002 MACARONI MFG		Schedule: 50		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	1,538,771	1	1	72,033	1,808	11,211	85,052	
1998/1999	644,731	0	1	0	1,986	3,229	5,215	
1999/2000	659,262	0	1	0	8,194	6,441	14,635	
2000/2001	942,023	0	0	0	0	0	0	
2001/2002	828,407	0	0	0	0	755	755	
MA Total	4,613,194	1	3	72,033	11,988	21,636	105,657	
		MA Indicated Pure Premiums						
	1997/1998			4.681	0.117	0.729	5.527	
	1998/1999			0.000	0.308	0.501	0.809	
	1999/2000			0.000	1.243	0.977	2.220	
	2000/2001			0.000	0.000	0.000	0.000	
	2001/2002			0.000	0.000	0.091	0.091	
	MA Total Pure Premium:			1.560	0.260	0.470	2.290	
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:			2.323	0.369	0.538		
	Massachusetts Credibility:			0.16	0.24	0.30		
	Countrywide Pure Premium:			0.960	1.390	1.560	3.910	
	Countrywide Indicated Relativity:			1.422	2.064	1.847		
	Countrywide Credibility:			0.41	0.38	0.35		
	Countrywide Lost-time Claims:			49	328			
	Pure Premium Underlying Present Rate:			3.040	1.240	2.190	6.470	
	Relativity to Underlying Present Rate:			3.834	1.789	2.335		
	Credibility to Underlying Relativity:			0.43	0.38	0.35		
	Industry Group Adjusted Converted Pure Premium:			0.672	0.705	0.874	2.250	
	Formula Relativity:			2.603	1.553	1.625		
	Balanced Formula Relativity:			2.587	1.549	1.620	1.887	

Class(es): 2014 GRAIN MILLING		Schedule: 51		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	2,787,172	0	1	0	526	16,409	16,935	
1998/1999	2,389,726	0	2	0	30,419	19,924	50,343	
1999/2000	2,694,596	1	1	120,363	188	7,594	128,145	
2000/2001	2,798,431	0	2	0	45,827	28,747	74,574	
2001/2002	2,875,956	0	3	0	1,932	8,138	10,070	
MA Total	13,545,881	1	9	120,363	78,892	80,812	280,067	
		MA Indicated Pure Premiums						
	1997/1998			0.000	0.019	0.589	0.608	
	1998/1999			0.000	1.273	0.834	2.107	
	1999/2000			4.467	0.007	0.282	4.756	
	2000/2001			0.000	1.638	1.027	2.665	
	2001/2002			0.000	0.067	0.283	0.350	
	MA Total Pure Premium:			0.890	0.580	0.600	2.068	
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:			1.325	0.823	0.686		
	Massachusetts Credibility:			0.19	0.36	0.40		
	Countrywide Pure Premium:			1.250	0.790	1.100	3.140	
	Countrywide Indicated Relativity:			1.851	1.174	1.303		
	Countrywide Credibility:			0.40	0.32	0.30		
	Countrywide Lost-time Claims:			128	752			
	Pure Premium Underlying Present Rate:			1.530	1.160	1.510	4.200	
	Relativity to Underlying Present Rate:			1.930	1.673	1.610		
	Credibility to Underlying Relativity:			0.41	0.32	0.30		
	Industry Group Adjusted Converted Pure Premium:			0.672	0.705	0.874	2.250	
	Formula Relativity:			1.783	1.207	1.148		
	Balanced Formula Relativity:			1.772	1.205	1.145	1.351	

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 Exhibit 15

Calculation of Class Relativities

Class(es): 2021 SUGAR REFINING		Schedule: 51		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	85,560	0	0	0	0	0	0	
1998/1999	585,637	0	1	0	2,124	2,302	4,426	
1999/2000	829,384	0	0	0	0	0	0	
2000/2001	345,910	0	0	0	0	403	403	
2001/2002	209,289	0	0	0	0	0	0	
MA Total	2,055,780	0	1	0	2,124	2,705	4,829	
		MA Indicated Pure Premiums						
				1997/1998	0.000	0.000	0.000	
				1998/1999	0.000	0.363	0.393	
				1999/2000	0.000	0.000	0.000	
				2000/2001	0.000	0.000	0.117	
				2001/2002	0.000	0.000	0.000	
				MA Total Pure Premium:	0.000	0.100	0.130	
		Pure Premium Relativities						
				Massachusetts Indicated Relativity:	0.000	0.142	0.149	
				Massachusetts Credibility:	0.08	0.12	0.14	
				Countrywide Pure Premium:	0.090	0.530	0.510	
				Countrywide Indicated Relativity:	0.134	0.787	0.604	
				Countrywide Credibility:	0.11	0.26	0.32	
				Countrywide Lost-time Claims:	2	32		
				Pure Premium Underlying Present Rate:	1.110	0.450	0.680	
				Relativity to Underlying Present Rate:	1.400	0.649	0.725	
				Credibility to Underlying Relativity:	0.81	0.62	0.54	
				Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	
				Formula Relativity:	1.149	0.624	0.606	
				Balanced Formula Relativity:	1.142	0.623	0.604	
							2.250	
							0.770	

Class(es): 2039 ICE CREAM MFG-DR		Schedule: 53		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	8,532,078	2	30	369,784	194,791	184,556	749,131	
1998/1999	4,570,077	1	11	81,619	68,871	50,222	200,712	
1999/2000	17,069,071	0	14	0	50,039	150,784	200,823	
2000/2001	3,205,177	1	4	107,407	50,588	95,372	253,367	
2001/2002	4,779,189	0	3	0	31,632	31,912	63,544	
MA Total	38,155,592	4	62	558,810	395,921	512,846	1,467,577	
		MA Indicated Pure Premiums						
				1997/1998	4.334	2.283	2.163	
				1998/1999	1.786	1.507	1.099	
				1999/2000	0.000	0.293	0.883	
				2000/2001	3.351	1.578	2.976	
				2001/2002	0.000	0.662	0.668	
				MA Total Pure Premium:	1.460	1.040	1.340	
		Pure Premium Relativities						
				Massachusetts Indicated Relativity:	2.174	1.476	1.533	
				Massachusetts Credibility:	0.25	0.46	0.51	
				Countrywide Pure Premium:	1.500	0.900	1.100	
				Countrywide Indicated Relativity:	2.222	1.336	1.303	
				Countrywide Credibility:	0.33	0.27	0.24	
				Countrywide Lost-time Claims:	29	321		
				Pure Premium Underlying Present Rate:	1.110	0.760	0.990	
				Relativity to Underlying Present Rate:	1.400	1.096	1.056	
				Credibility to Underlying Relativity:	0.42	0.27	0.25	
				Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	
				Formula Relativity:	1.865	1.336	1.359	
				Balanced Formula Relativity:	1.853	1.333	1.354	
							2.250	
							1.496	

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Calculation of Class Relativities

Class(es): 2041 CONFECTION MFG		Schedule: 52		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	8,549,917	1	4	128,777	20,519	48,148	197,444	
1998/1999	5,697,348	0	4	0	40,185	35,622	75,807	
1999/2000	7,330,502	1	10	105,505	65,615	211,061	382,181	
2000/2001	7,563,476	0	5	0	27,875	23,968	51,843	
2001/2002	9,005,112	0	8	0	14,828	34,114	48,942	
MA Total	38,146,355	2	31	234,282	169,022	352,913	756,217	
		MA Indicated Pure Premiums						
	1997/1998	1.506	0.240	0.563	2.309			
	1998/1999	0.000	0.705	0.625	1.331			
	1999/2000	1.439	0.895	2.879	5.214			
	2000/2001	0.000	0.369	0.317	0.685			
	2001/2002	0.000	0.165	0.379	0.543			
	MA Total Pure Premium:	0.610	0.440	0.930	1.982			
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:	0.908	0.624	1.064				
	Massachusetts Credibility:	0.22	0.39	0.60				
	Countrywide Pure Premium:	0.660	0.820	0.960	2.440			
	Countrywide Indicated Relativity:	0.978	1.217	1.138				
	Countrywide Credibility:	0.32	0.30	0.20				
	Countrywide Lost-time Claims:	26	588					
	Pure Premium Underlying Present Rate:	0.790	0.490	1.480	2.760			
	Relativity to Underlying Present Rate:	0.996	0.707	1.578				
	Credibility to Underlying Relativity:	0.46	0.31	0.20				
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250			
	Formula Relativity:	0.971	0.828	1.182				
	Balanced Formula Relativity:	0.965	0.826	1.178	1.004			

Class(es): 2070 CREAMERY-RTE SPVSR-DR		Schedule: 53		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	46,437,477	8	116	1,105,390	502,251	866,435	2,474,076	
1998/1999	20,126,880	1	37	218,387	177,628	242,807	638,822	
1999/2000	22,068,265	1	49	111,710	211,480	209,355	532,545	
2000/2001	24,813,131	3	43	414,973	321,139	376,040	1,112,152	
2001/2002	24,513,170	1	38	244,569	342,100	387,510	974,179	
MA Total	137,958,923	14	283	2,095,029	1,554,598	2,082,147	5,731,774	
		MA Indicated Pure Premiums						
	1997/1998	2.380	1.082	1.866	5.328			
	1998/1999	1.085	0.883	1.206	3.174			
	1999/2000	0.506	0.958	0.949	2.413			
	2000/2001	1.672	1.294	1.515	4.482			
	2001/2002	0.998	1.396	1.581	3.974			
	MA Total Pure Premium:	1.520	1.130	1.510	4.155			
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:	2.263	1.604	1.727				
	Massachusetts Credibility:	0.56	0.92	1.00				
	Countrywide Pure Premium:	1.700	1.180	1.680	4.560			
	Countrywide Indicated Relativity:	2.518	1.752	1.990				
	Countrywide Credibility:	0.22	0.04	0.00				
	Countrywide Lost-time Claims:	182	1,998					
	Pure Premium Underlying Present Rate:	2.370	1.180	2.050	5.600			
	Relativity to Underlying Present Rate:	2.989	1.702	2.186				
	Credibility to Underlying Relativity:	0.22	0.04	0.00				
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250			
	Formula Relativity:	2.479	1.614	1.727				
	Balanced Formula Relativity:	2.463	1.610	1.722	1.908			

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Calculation of Class Relativities

Class(es): 2081 BUTCHERING		Schedule: 54		Effective: 9/1/2005		Manufacturing	
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	591,632	0	1	0	1,955	554	2,509
1998/1999	561,525	0	1	0	14,341	25,388	39,729
1999/2000	626,943	0	3	0	6,593	10,095	16,688
2000/2001	506,316	0	2	0	28,003	17,136	45,139
2001/2002	560,323	0	1	0	342	634	976
MA Total	2,846,739	0	8	0	51,234	53,807	105,041
MA Indicated Pure Premiums							
		1997/1998		0.000	0.330	0.094	0.424
		1998/1999		0.000	2.554	4.521	7.075
		1999/2000		0.000	1.052	1.610	2.662
		2000/2001		0.000	5.531	3.384	8.915
		2001/2002		0.000	0.061	0.113	0.174
		MA Total Pure Premium:		0.000	1.800	1.890	3.690
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.000	2.555	2.162	
		Massachusetts Credibility:		0.10	0.20	0.22	
		Countrywide Pure Premium:		1.510	1.600	2.110	5.220
		Countrywide Indicated Relativity:		2.237	2.376	2.499	
		Countrywide Credibility:		0.45	0.40	0.39	
		Countrywide Lost-time Claims:		125	982		
		Pure Premium Underlying Present Rate:		1.430	1.260	1.670	4.360
		Relativity to Underlying Present Rate:		1.804	1.818	1.781	
		Credibility to Underlying Relativity:		0.45	0.40	0.39	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.818	2.189	2.145	
		Balanced Formula Relativity:		1.807	2.184	2.138	2.054

Class(es): 2089 PACKING HOUSE-ALL OPERATIONS 2101 FISH CURING 2114 OYSTERMEN-SHORE OR DOCK WORK ONLY 6504 FOOD SUNDRIES MFG-NOC-NO CEREAL MILLING		Schedule: 54		Effective: 9/1/2005		Manufacturing	
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	53,619,182	6	94	657,818	623,660	951,092	2,232,570
1998/1999	56,463,952	6	89	348,857	566,083	708,777	1,623,717
1999/2000	67,664,134	4	108	268,496	741,977	534,968	1,545,441
2000/2001	62,498,762	8	82	920,767	552,123	702,975	2,175,865
2001/2002	65,357,478	6	57	1,030,989	602,191	1,168,350	2,801,530
MA Total	305,603,508	30	430	3,226,927	3,086,034	4,066,162	10,379,123
MA Indicated Pure Premiums							
		1997/1998		1.227	1.163	1.774	4.164
		1998/1999		0.618	1.003	1.255	2.876
		1999/2000		0.397	1.097	0.791	2.284
		2000/2001		1.473	0.883	1.125	3.481
		2001/2002		1.577	0.921	1.788	4.286
		MA Total Pure Premium:		1.060	1.010	1.330	3.396
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.578	1.433	1.521	
		Massachusetts Credibility:		0.54	1.00	1.00	
		Countrywide Pure Premium:		0.970	1.050	1.250	3.270
		Countrywide Indicated Relativity:		1.437	1.559	1.481	
		Countrywide Credibility:		0.23	0.00	0.00	
		Countrywide Lost-time Claims:		956	5,991		
		Pure Premium Underlying Present Rate:		1.000	1.230	1.510	3.740
		Relativity to Underlying Present Rate:		1.261	1.774	1.610	
		Credibility to Underlying Relativity:		0.23	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.473	1.433	1.521	
		Balanced Formula Relativity:		1.463	1.430	1.516	1.474

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Calculation of Class Relativities

Class(es): 2095 MEAT PRODUCTS MFG-NOC		Schedule: 54		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	22,224,531	4	25	933,765	86,573	376,205	1,396,543
1998/1999	23,533,931	4	41	626,963	481,605	337,094	1,445,662
1999/2000	24,279,122	2	44	103,457	221,749	198,271	523,477
2000/2001	23,963,567	1	69	126,790	792,861	409,030	1,328,681
2001/2002	28,510,824	0	74	0	450,948	301,703	752,651
MA Total	122,511,975	11	253	1,790,975	2,033,736	1,622,303	5,447,014
		MA Indicated Pure Premiums					
		1997/1998		4.202	0.390	1.693	6.284
		1998/1999		2.664	2.046	1.432	6.143
		1999/2000		0.426	0.913	0.817	2.156
		2000/2001		0.529	3.309	1.707	5.545
		2001/2002		0.000	1.582	1.058	2.640
		MA Total Pure Premium:		1.460	1.660	1.320	4.446
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		2.174	2.356	1.510	
		Massachusetts Credibility:		0.48	0.96	1.00	
		Countrywide Pure Premium:		0.960	1.300	1.440	3.700
		Countrywide Indicated Relativity:		1.422	1.930	1.706	
		Countrywide Credibility:		0.26	0.02	0.00	
		Countrywide Lost-time Claims:		239	1,705		
		Pure Premium Underlying Present Rate:		1.870	1.490	2.040	5.400
		Relativity to Underlying Present Rate:		2.358	2.149	2.175	
		Credibility to Underlying Relativity:		0.26	0.02	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		2.026	2.343	1.510	
		Balanced Formula Relativity:		2.014	2.338	1.505	1.918

Class(es): 2111 CANNERY NOC		Schedule: 55		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	9,096	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0
1999/2000	244,208	0	0	0	0	0	0
2000/2001	77,642	0	0	0	0	0	0
2001/2002	43,001	0	0	0	0	0	0
MA Total	373,947	0	0	0	0	0	0
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.000	0.000	0.000
		1998/1999		0.000	0.000	0.000	0.000
		1999/2000		0.000	0.000	0.000	0.000
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	0.000	0.000	0.000
		MA Total Pure Premium:		0.000	0.000	0.000	0.000
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	0.000	0.000	
		Massachusetts Credibility:		0.04	0.08	0.09	
		Countrywide Pure Premium:		0.940	1.080	1.300	3.320
		Countrywide Indicated Relativity:		1.392	1.603	1.539	
		Countrywide Credibility:		0.48	0.46	0.46	
		Countrywide Lost-time Claims:		351	2,127		
		Pure Premium Underlying Present Rate:		0.940	0.920	1.240	3.100
		Relativity to Underlying Present Rate:		1.186	1.327	1.322	
		Credibility to Underlying Relativity:		0.48	0.46	0.45	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.237	1.348	1.303	
		Balanced Formula Relativity:		1.230	1.345	1.299	1.293

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Calculation of Class Relativities

Class(es):		Schedule: 55		Effective: 9/1/2005		Manufacturing	
2115 SEAFOOD PRODUCTS MFG-NOC							
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	5,041,232	0	12	0	259,210	221,618	480,828
1998/1999	18,307,445	0	19	0	93,211	123,362	216,573
1999/2000	23,701,704	1	17	78,999	293,871	261,197	634,067
2000/2001	20,164,552	0	11	0	148,442	88,113	236,555
2001/2002	22,088,629	0	12	0	186,403	91,276	277,679
MA Total	89,303,562	1	71	78,999	981,137	785,566	1,845,702
MA Indicated Pure Premiums							
		1997/1998		0.000	5.142	4.396	9.538
		1998/1999		0.000	0.509	0.674	1.183
		1999/2000		0.333	1.240	1.102	2.675
		2000/2001		0.000	0.736	0.437	1.173
		2001/2002		0.000	0.844	0.413	1.257
		MA Total Pure Premium:		0.090	1.100	0.880	2.067
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.134	1.561	1.007	
		Massachusetts Credibility:		0.36	0.73	0.82	
		Countrywide Pure Premium:		0.000	0.000	0.000	0.000
		Countrywide Indicated Relativity:		1.572	1.472	1.446	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		0	0		
		Pure Premium Underlying Present Rate:		1.260	1.030	1.370	3.660
		Relativity to Underlying Present Rate:		1.589	1.486	1.461	
		Credibility to Underlying Relativity:		0.64	0.27	0.18	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.065	1.541	1.089	
		Balanced Formula Relativity:		1.059	1.537	1.085	1.219

Class(es):		Schedule: 56		Effective: 9/1/2005		Manufacturing	
2121 BREWERY-DR							
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	11,259,086	0	2	0	5,309	7,504	12,813
1998/1999	6,998,911	0	1	0	104	963	1,067
1999/2000	2,203,441	0	1	0	307	757	1,064
2000/2001	2,750,610	0	2	0	18,911	19,287	38,198
2001/2002	2,856,625	1	0	162,570	0	121,390	283,960
MA Total	26,068,673	1	6	162,570	24,631	149,901	337,102
MA Indicated Pure Premiums							
		1997/1998		0.000	0.047	0.067	0.114
		1998/1999		0.000	0.001	0.014	0.015
		1999/2000		0.000	0.014	0.034	0.048
		2000/2001		0.000	0.688	0.701	1.389
		2001/2002		5.691	0.000	4.249	9.940
		MA Total Pure Premium:		0.620	0.090	0.580	1.293
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.923	0.128	0.663	
		Massachusetts Credibility:		0.17	0.31	0.33	
		Countrywide Pure Premium:		0.840	0.770	0.980	2.590
		Countrywide Indicated Relativity:		1.245	1.144	1.160	
		Countrywide Credibility:		0.39	0.34	0.34	
		Countrywide Lost-time Claims:		42	449		
		Pure Premium Underlying Present Rate:		0.650	0.410	0.470	1.530
		Relativity to Underlying Present Rate:		0.820	0.591	0.501	
		Credibility to Underlying Relativity:		0.44	0.35	0.33	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.003	0.635	0.779	
		Balanced Formula Relativity:		0.997	0.634	0.776	0.798

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Calculation of Class Relativities

Class(es):		Schedule: 245		Effective: 9/1/2005		Manufacturing	
2130 SPIRITUOUS LIQUORS MFG-DISTILLERY							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	0	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0
MA Total	0	0	0	0	0	0	0
		MA Indicated Pure Premiums					
		1997/1998	0.000	0.000	0.000	0.000	0.000
		1998/1999	0.000	0.000	0.000	0.000	0.000
		1999/2000	0.000	0.000	0.000	0.000	0.000
		2000/2001	0.000	0.000	0.000	0.000	0.000
		2001/2002	0.000	0.000	0.000	0.000	0.000
		MA Total Pure Premium:	0.000	0.000	0.000	0.000	0.000
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:	0.000	0.000	0.000	0.000	
		Massachusetts Credibility:	0.00	0.00	0.00	0.00	
		Countrywide Pure Premium:	1.890	1.090	1.500	4.480	
		Countrywide Indicated Relativity:	2.800	1.618	1.777		
		Countrywide Credibility:	0.13	0.18	0.23		
		Countrywide Lost-time Claims:	3	12			
		Pure Premium Underlying Present Rate:	1.350	0.890	1.320	3.560	
		Relativity to Underlying Present Rate:	1.703	1.284	1.408		
		Credibility to Underlying Relativity:	0.87	0.82	0.77		
		Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250	
		Formula Relativity:	1.846	1.344	1.493		
		Balanced Formula Relativity:	1.834	1.341	1.488	1.545	

Class(es):		Schedule: 56		Effective: 9/1/2005		Manufacturing	
2131 SPIRITUOUS LIQUOR MFG-BOTTLING							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	2,664,019	0	5	0	16,772	34,504	51,276
1998/1999	2,705,230	0	1	0	270	4,464	4,734
1999/2000	2,788,485	0	0	0	0	6,615	6,615
2000/2001	2,972,755	0	0	0	0	4,106	4,106
2001/2002	3,171,852	0	3	0	59,066	25,550	84,616
MA Total	14,302,341	0	9	0	76,108	75,239	151,347
		MA Indicated Pure Premiums					
		1997/1998	0.000	0.630	1.295	1.925	
		1998/1999	0.000	0.010	0.165	0.175	
		1999/2000	0.000	0.000	0.237	0.237	
		2000/2001	0.000	0.000	0.138	0.138	
		2001/2002	0.000	1.862	0.806	2.668	
		MA Total Pure Premium:	0.000	0.530	0.530	1.058	
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:	0.000	0.752	0.606		
		Massachusetts Credibility:	0.17	0.33	0.39		
		Countrywide Pure Premium:	0.140	1.230	1.170	2.540	
		Countrywide Indicated Relativity:	0.208	1.826	1.386		
		Countrywide Credibility:	0.09	0.22	0.27		
		Countrywide Lost-time Claims:	1	21			
		Pure Premium Underlying Present Rate:	1.110	0.870	1.360	3.340	
		Relativity to Underlying Present Rate:	1.400	1.255	1.450		
		Credibility to Underlying Relativity:	0.74	0.45	0.34		
		Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250	
		Formula Relativity:	1.055	1.215	1.104		
		Balanced Formula Relativity:	1.048	1.212	1.100	1.120	

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Calculation of Class Relativities

Class(es): 2143 FRUIT JUICE MFG		Schedule: 56		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	4,288,939	0	4	0	23,681	38,277	61,958	
1998/1999	5,508,338	0	3	0	28,278	27,608	55,886	
1999/2000	13,663,123	0	12	0	109,007	82,894	191,901	
2000/2001	15,657,164	1	8	66,516	18,323	133,877	218,716	
2001/2002	16,646,427	0	23	0	211,958	284,184	496,142	
MA Total	55,763,991	1	50	66,516	391,247	566,840	1,024,603	
		MA Indicated Pure Premiums						
	1997/1998	0.000	0.552	0.892	1.445			
	1998/1999	0.000	0.513	0.501	1.015			
	1999/2000	0.000	0.798	0.607	1.405			
	2000/2001	0.425	0.117	0.855	1.397			
	2001/2002	0.000	1.273	1.707	2.980			
	MA Total Pure Premium:	0.120	0.700	1.020	1.837			
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:	0.179	0.993	1.167				
	Massachusetts Credibility:	0.20	0.54	0.58				
	Countrywide Pure Premium:	1.610	1.130	1.870	4.610			
	Countrywide Indicated Relativity:	2.385	1.678	2.215				
	Countrywide Credibility:	0.13	0.23	0.21				
	Countrywide Lost-time Claims:	3	83					
	Pure Premium Underlying Present Rate:	0.450	0.780	0.910	2.140			
	Relativity to Underlying Present Rate:	0.568	1.125	0.970				
	Credibility to Underlying Relativity:	0.67	0.23	0.21				
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250			
	Formula Relativity:	0.726	1.181	1.346				
	Balanced Formula Relativity:	0.722	1.178	1.342	1.106			

Class(es): 2150 ICE MFG		Schedule: 253		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	341,170	0	1	0	88	459	547	
1998/1999	396,582	0	2	0	13,545	13,566	27,111	
1999/2000	442,468	0	0	0	0	0	0	
2000/2001	562,295	0	0	0	0	2,553	2,553	
2001/2002	573,784	0	2	0	50,466	7,999	58,465	
MA Total	2,316,299	0	5	0	64,099	24,577	88,676	
		MA Indicated Pure Premiums						
	1997/1998	0.000	0.026	0.135	0.160			
	1998/1999	0.000	3.415	3.421	6.836			
	1999/2000	0.000	0.000	0.000	0.000			
	2000/2001	0.000	0.000	0.454	0.454			
	2001/2002	0.000	8.795	1.394	10.189			
	MA Total Pure Premium:	0.000	2.770	1.060	3.828			
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:	0.000	3.931	1.213				
	Massachusetts Credibility:	0.12	0.18	0.21				
	Countrywide Pure Premium:	1.050	1.200	1.330	3.580			
	Countrywide Indicated Relativity:	1.555	1.782	1.575				
	Countrywide Credibility:	0.28	0.41	0.40				
	Countrywide Lost-time Claims:	19	113					
	Pure Premium Underlying Present Rate:	2.860	1.220	1.750	5.830			
	Relativity to Underlying Present Rate:	3.607	1.760	1.866				
	Credibility to Underlying Relativity:	0.60	0.41	0.39				
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250			
	Formula Relativity:	2.600	2.160	1.612				
	Balanced Formula Relativity:	2.583	2.155	1.608	2.070			

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 Exhibit 22

Calculation of Class Relativities

Class(es):		Schedule: 56		Effective: 9/1/2005		Manufacturing	
2156 BOTTLING-NON CARBONATED-RTE SPVSR-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	4,336,804	0	6	0	45,928	41,957	87,885
1998/1999	4,621,816	0	5	0	91,609	55,351	146,960
1999/2000	4,419,197	0	10	0	143,317	97,490	240,807
2000/2001	5,347,033	0	7	0	171,884	147,555	319,439
2001/2002	5,116,123	1	12	273,704	212,376	181,570	667,650
MA Total	23,840,973	1	40	273,704	665,114	523,923	1,462,741
MA Indicated Pure Premiums							
		1997/1998		0.000	1.059	0.967	2.026
		1998/1999		0.000	1.982	1.198	3.180
		1999/2000		0.000	3.243	2.206	5.449
		2000/2001		0.000	3.215	2.760	5.974
		2001/2002		5.350	4.151	3.549	13.050
		MA Total Pure Premium:		1.150	2.790	2.200	6.135
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.712	3.960	2.517	
		Massachusetts Credibility:		0.25	0.49	0.65	
		Countrywide Pure Premium:		1.290	1.390	1.790	4.470
		Countrywide Indicated Relativity:		1.911	2.064	2.121	
		Countrywide Credibility:		0.23	0.26	0.18	
		Countrywide Lost-time Claims:		11	270		
		Pure Premium Underlying Present Rate:		1.850	1.410	2.830	6.090
		Relativity to Underlying Present Rate:		2.333	2.034	3.018	
		Credibility to Underlying Relativity:		0.52	0.25	0.17	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		2.081	2.986	2.531	
		Balanced Formula Relativity:		2.068	2.979	2.523	2.530

Class(es):		Schedule: 56		Effective: 9/1/2005		Manufacturing	
2157 BOTTLING NOC-RTE SPVSR-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	14,921,539	3	23	242,604	94,950	194,548	532,102
1998/1999	17,815,898	1	23	53,786	157,547	344,803	556,136
1999/2000	10,564,495	1	12	52,690	137,965	126,547	317,202
2000/2001	8,682,310	0	10	0	77,134	64,551	141,685
2001/2002	9,193,128	0	8	0	19,053	42,315	61,368
MA Total	61,177,370	5	76	349,080	486,649	772,764	1,608,493
MA Indicated Pure Premiums							
		1997/1998		1.626	0.636	1.304	3.566
		1998/1999		0.302	0.884	1.935	3.122
		1999/2000		0.499	1.306	1.198	3.003
		2000/2001		0.000	0.888	0.743	1.632
		2001/2002		0.000	0.207	0.460	0.668
		MA Total Pure Premium:		0.570	0.800	1.260	2.629
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.849	1.135	1.441	
		Massachusetts Credibility:		0.40	0.66	0.80	
		Countrywide Pure Premium:		3.910	2.620	3.770	10.300
		Countrywide Indicated Relativity:		5.792	3.890	4.466	
		Countrywide Credibility:		0.30	0.17	0.10	
		Countrywide Lost-time Claims:		234	3,166		
		Pure Premium Underlying Present Rate:		2.310	1.140	1.860	5.310
		Relativity to Underlying Present Rate:		2.913	1.645	1.983	
		Credibility to Underlying Relativity:		0.30	0.17	0.10	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		2.951	1.690	1.798	
		Balanced Formula Relativity:		2.933	1.686	1.792	2.099

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 Exhibit 23

Calculation of Class Relativities

Class(es):		Schedule: 57		Effective: 9/1/2005		Manufacturing	
2172 CIGARETTE MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			Total
		Serious	Non-Serious	Serious	Non-Serious	Medical	
1997/1998	0	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0
MA Total	0	0	0	0	0	0	0
		MA Indicated Pure Premiums					
		1997/1998	0.000	0.000	0.000	0.000	0.000
		1998/1999	0.000	0.000	0.000	0.000	0.000
		1999/2000	0.000	0.000	0.000	0.000	0.000
		2000/2001	0.000	0.000	0.000	0.000	0.000
		2001/2002	0.000	0.000	0.000	0.000	0.000
		MA Total Pure Premium:	0.000	0.000	0.000	0.000	0.000
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:	0.000	0.000	0.000	0.000	0.000
		Massachusetts Credibility:	0.00	0.00	0.00	0.00	0.00
		Countrywide Pure Premium:	0.690	0.160	0.200	1.050	1.050
		Countrywide Indicated Relativity:	1.022	0.238	0.237	0.237	0.237
		Countrywide Credibility:	0.13	0.31	0.38	0.38	0.38
		Countrywide Lost-time Claims:	3	49	49	49	49
		Pure Premium Underlying Present Rate:	0.320	0.320	0.390	1.030	1.030
		Relativity to Underlying Present Rate:	0.404	0.462	0.416	0.416	0.416
		Credibility to Underlying Relativity:	0.87	0.69	0.62	0.62	0.62
		Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250	2.250
		Formula Relativity:	0.484	0.393	0.348	0.348	0.348
		Balanced Formula Relativity:	0.481	0.392	0.347	0.347	0.401

Class(es):		Schedule: 57		Effective: 9/1/2005		Manufacturing	
2174 TOBACCO REHANDLING OR WAREHOUSING							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			Total
		Serious	Non-Serious	Serious	Non-Serious	Medical	
1997/1998	165,820	0	0	0	0	0	0
1998/1999	58,054	0	0	0	0	0	0
1999/2000	5,135	0	0	0	0	0	0
2000/2001	92,066	0	0	0	0	0	0
2001/2002	1,214	0	0	0	0	0	0
MA Total	322,289	0	0	0	0	0	0
		MA Indicated Pure Premiums					
		1997/1998	0.000	0.000	0.000	0.000	0.000
		1998/1999	0.000	0.000	0.000	0.000	0.000
		1999/2000	0.000	0.000	0.000	0.000	0.000
		2000/2001	0.000	0.000	0.000	0.000	0.000
		2001/2002	0.000	0.000	0.000	0.000	0.000
		MA Total Pure Premium:	0.000	0.000	0.000	0.000	0.000
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:	0.000	0.000	0.000	0.000	0.000
		Massachusetts Credibility:	0.06	0.10	0.12	0.12	0.12
		Countrywide Pure Premium:	0.000	3.810	8.030	11.840	11.840
		Countrywide Indicated Relativity:	0.000	5.658	9.511	9.511	9.511
		Countrywide Credibility:	0.00	0.10	0.12	0.12	0.12
		Countrywide Lost-time Claims:	0	3	3	3	3
		Pure Premium Underlying Present Rate:	3.510	1.900	3.140	8.550	8.550
		Relativity to Underlying Present Rate:	4.427	2.741	3.348	3.348	3.348
		Credibility to Underlying Relativity:	0.94	0.80	0.76	0.76	0.76
		Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250	2.250
		Formula Relativity:	4.161	2.759	3.686	3.686	3.686
		Balanced Formula Relativity:	4.135	2.753	3.675	3.675	3.523

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Calculation of Class Relativities

Class(es):		Schedule: 60		Effective: 9/1/2005		Manufacturing	
2211 COTTON BATTING,WADDING OR WASTE MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	210,203	0	0	0	0	204	204
1998/1999	198,118	0	2	0	18,066	7,890	25,956
1999/2000	170,799	0	1	0	1,952	90	2,042
2000/2001	319,875	0	0	0	0	0	0
2001/2002	151,811	0	1	0	285	518	803
MA Total	1,050,806	0	4	0	20,303	8,702	29,005
MA Indicated Pure Premiums							
		1997/1998		0.000	0.000	0.097	0.097
		1998/1999		0.000	9.119	3.982	13.101
		1999/2000		0.000	1.143	0.053	1.196
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	0.188	0.341	0.529
		MA Total Pure Premium:		0.000	1.930	0.830	2.760
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.000	2.739	0.949	
		Massachusetts Credibility:		0.09	0.14	0.16	
		Countrywide Pure Premium:		1.560	0.980	1.600	4.140
		Countrywide Indicated Relativity:		2.311	1.455	1.895	
		Countrywide Credibility:		0.28	0.41	0.42	
		Countrywide Lost-time Claims:		19	96		
		Pure Premium Underlying Present Rate:		2.860	1.480	1.910	6.250
		Relativity to Underlying Present Rate:		3.607	2.135	2.037	
		Credibility to Underlying Relativity:		0.63	0.45	0.42	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		2.919	1.941	1.803	
		Balanced Formula Relativity:		2.901	1.937	1.798	2.171

Class(es):		Schedule: 60		Effective: 9/1/2005		Manufacturing	
2220 YARN OR THREAD MFG-COTTON 2286 WOOL SPINNING AND WEAVING 2302 SILK THREAD OR YARN MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	20,099,384	2	29	411,594	191,411	278,456	881,461
1998/1999	15,864,372	0	15	0	178,194	191,676	369,870
1999/2000	17,104,650	3	20	204,406	183,483	413,123	801,012
2000/2001	13,560,808	3	11	248,707	34,585	126,056	409,348
2001/2002	12,717,018	0	10	0	37,213	116,202	153,415
MA Total	79,346,232	8	85	864,707	624,886	1,125,513	2,615,106
MA Indicated Pure Premiums							
		1997/1998		2.048	0.952	1.385	4.386
		1998/1999		0.000	1.123	1.208	2.331
		1999/2000		1.195	1.073	2.415	4.683
		2000/2001		1.834	0.255	0.930	3.019
		2001/2002		0.000	0.293	0.914	1.206
		MA Total Pure Premium:		1.090	0.790	1.420	3.296
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.623	1.121	1.624	
		Massachusetts Credibility:		0.33	0.64	0.78	
		Countrywide Pure Premium:		0.420	0.760	0.980	2.160
		Countrywide Indicated Relativity:		0.622	1.129	1.160	
		Countrywide Credibility:		0.31	0.18	0.11	
		Countrywide Lost-time Claims:		24	609		
		Pure Premium Underlying Present Rate:		1.140	0.810	1.370	3.320
		Relativity to Underlying Present Rate:		1.438	1.168	1.461	
		Credibility to Underlying Relativity:		0.36	0.18	0.11	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.246	1.131	1.555	
		Balanced Formula Relativity:		1.238	1.128	1.550	1.325

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 Exhibit 25

Calculation of Class Relativities

Class(es):		Schedule: 61		Effective: 9/1/2005		Manufacturing	
2260 WOOL COMBING OR SCOURING							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	443,028	0	1	0	142	575	717
1998/1999	333,064	0	1	0	4,619	344	4,963
1999/2000	265,197	0	1	0	29,574	1,132	30,706
2000/2001	351,245	0	0	0	0	0	0
2001/2002	310,760	0	0	0	0	2,466	2,466
MA Total	1,703,294	0	3	0	34,335	4,517	38,852
MA Indicated Pure Premiums							
		1997/1998		0.000	0.032	0.130	0.162
		1998/1999		0.000	1.387	0.103	1.490
		1999/2000		0.000	11.152	0.427	11.579
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	0.000	0.794	0.794
		MA Total Pure Premium:		0.000	2.020	0.270	2.281
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.000	2.867	0.309	
		Massachusetts Credibility:		0.12	0.13	0.19	
		Countrywide Pure Premium:		0.000	0.000	0.000	0.000
		Countrywide Indicated Relativity:		5.454	0.985	2.048	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		0	0		
		Pure Premium Underlying Present Rate:		4.370	0.690	1.940	7.000
		Relativity to Underlying Present Rate:		5.512	0.995	2.069	
		Credibility to Underlying Relativity:		0.88	0.87	0.81	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		4.851	1.238	1.735	
		Balanced Formula Relativity:		4.820	1.236	1.729	2.497

Class(es):		Schedule: 61		Effective: 9/1/2005		Manufacturing	
2288 FELTING MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	8,793,972	0	6	0	14,531	67,385	81,916
1998/1999	10,806,677	1	10	99,220	19,150	28,364	146,734
1999/2000	11,423,517	0	15	0	236,444	125,312	361,756
2000/2001	9,497,656	1	8	93,110	60,268	77,452	230,830
2001/2002	11,463,664	0	6	0	74,478	54,224	128,702
MA Total	51,985,486	2	45	192,330	404,871	352,737	949,938
MA Indicated Pure Premiums							
		1997/1998		0.000	0.165	0.766	0.932
		1998/1999		0.918	0.177	0.262	1.358
		1999/2000		0.000	2.070	1.097	3.167
		2000/2001		0.980	0.635	0.815	2.430
		2001/2002		0.000	0.650	0.473	1.123
		MA Total Pure Premium:		0.370	0.780	0.680	1.827
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.551	1.107	0.778	
		Massachusetts Credibility:		0.29	0.56	0.59	
		Countrywide Pure Premium:		0.000	0.810	0.930	1.740
		Countrywide Indicated Relativity:		0.000	1.202	1.102	
		Countrywide Credibility:		0.00	0.18	0.20	
		Countrywide Lost-time Claims:		0	13		
		Pure Premium Underlying Present Rate:		1.220	0.920	1.010	3.150
		Relativity to Underlying Present Rate:		1.539	1.327	1.077	
		Credibility to Underlying Relativity:		0.71	0.26	0.21	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.252	1.181	0.906	
		Balanced Formula Relativity:		1.245	1.179	0.903	1.091

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 9/1/2005

Section X - H
 Exhibit 26

Calculation of Class Relativities

Class(es):		Schedule: 63		Effective: 9/1/2005		Manufacturing	
2305 TEXTILE FIBER MFG-SYNTHETIC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	608,559	0	1	0	896	2,145	3,041
1998/1999	669,585	0	3	0	69,606	10,855	80,461
1999/2000	610,306	0	0	0	0	567	567
2000/2001	2,460,261	0	0	0	0	2,131	2,131
2001/2002	480,778	0	1	0	2,048	1,548	3,596
MA Total	4,829,489	0	5	0	72,550	17,246	89,796
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.147	0.352	0.500
		1998/1999		0.000	10.395	1.621	12.017
		1999/2000		0.000	0.000	0.093	0.093
		2000/2001		0.000	0.000	0.087	0.087
		2001/2002		0.000	0.426	0.322	0.748
		MA Total Pure Premium:		0.000	1.500	0.360	1.859
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	2.129	0.412	
		Massachusetts Credibility:		0.11	0.22	0.28	
		Countrywide Pure Premium:		0.780	0.530	0.860	2.170
		Countrywide Indicated Relativity:		1.156	0.787	1.019	
		Countrywide Credibility:		0.17	0.34	0.36	
		Countrywide Lost-time Claims:		5	60		
		Pure Premium Underlying Present Rate:		1.070	0.970	1.790	3.830
		Relativity to Underlying Present Rate:		1.350	1.399	1.909	
		Credibility to Underlying Relativity:		0.72	0.44	0.36	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.169	1.352	1.169	
		Balanced Formula Relativity:		1.161	1.349	1.166	1.222

Class(es):		Schedule: 63		Effective: 9/1/2005		Manufacturing	
2362 KNIT GOODS MFG-NOC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	8,773,119	2	9	252,337	16,717	69,445	338,499
1998/1999	7,848,185	0	6	0	21,915	41,615	63,530
1999/2000	7,682,596	1	6	82,590	4,688	52,328	139,606
2000/2001	6,457,385	0	5	0	138,619	77,957	216,576
2001/2002	6,145,799	0	7	0	67,892	29,653	97,545
MA Total	36,907,084	3	33	334,927	249,831	270,998	855,756
		MA Indicated Pure Premiums					
		1997/1998		2.876	0.191	0.792	3.858
		1998/1999		0.000	0.279	0.530	0.809
		1999/2000		1.075	0.061	0.681	1.817
		2000/2001		0.000	2.147	1.207	3.354
		2001/2002		0.000	1.105	0.482	1.587
		MA Total Pure Premium:		0.910	0.680	0.730	2.319
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.355	0.965	0.835	
		Massachusetts Credibility:		0.28	0.37	0.55	
		Countrywide Pure Premium:		0.720	0.730	0.800	2.250
		Countrywide Indicated Relativity:		1.067	1.084	0.947	
		Countrywide Credibility:		0.36	0.32	0.22	
		Countrywide Lost-time Claims:		87	470		
		Pure Premium Underlying Present Rate:		1.530	0.460	1.190	3.180
		Relativity to Underlying Present Rate:		1.930	0.664	1.269	
		Credibility to Underlying Relativity:		0.36	0.31	0.23	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.458	0.910	0.959	
		Balanced Formula Relativity:		1.449	0.908	0.957	1.088

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Calculation of Class Relativities

Class(es): 2380 WEBBING MFG		Schedule: 63		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	9,277,053	1	12	63,525	73,158	91,712	228,395
1998/1999	8,983,804	0	9	0	90,413	71,642	162,055
1999/2000	11,430,737	0	18	0	92,420	106,344	198,764
2000/2001	10,362,996	0	13	0	92,075	73,285	165,360
2001/2002	10,285,439	0	19	0	121,598	113,080	234,678
MA Total	50,340,029	1	71	63,525	469,664	456,063	989,252
		MA Indicated Pure Premiums					
		1997/1998		0.685	0.789	0.989	2.462
		1998/1999		0.000	1.006	0.797	1.804
		1999/2000		0.000	0.809	0.930	1.739
		2000/2001		0.000	0.888	0.707	1.596
		2001/2002		0.000	1.182	1.099	2.282
		MA Total Pure Premium:		0.130	0.930	0.910	1.965
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.194	1.320	1.041	
		Massachusetts Credibility:		0.25	0.52	0.60	
		Countrywide Pure Premium:		0.590	0.680	0.850	2.120
		Countrywide Indicated Relativity:		0.874	1.010	1.007	
		Countrywide Credibility:		0.28	0.24	0.20	
		Countrywide Lost-time Claims:		19	305		
		Pure Premium Underlying Present Rate:		0.910	0.760	1.110	2.780
		Relativity to Underlying Present Rate:		1.148	1.096	1.184	
		Credibility to Underlying Relativity:		0.47	0.24	0.20	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.833	1.192	1.063	
		Balanced Formula Relativity:		0.828	1.189	1.060	1.031

Class(es): 2402 CARPET OR RUG MFG-NOC		Schedule: 63		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	272,693	0	0	0	0	179	179
1998/1999	501,093	0	1	0	1,693	344	2,037
1999/2000	801,500	0	0	0	0	8,500	8,500
2000/2001	596,004	0	1	0	4,562	4,455	9,017
2001/2002	513,647	0	1	0	5,384	12,275	17,659
MA Total	2,684,937	0	3	0	11,639	25,753	37,392
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.000	0.066	0.066
		1998/1999		0.000	0.338	0.069	0.407
		1999/2000		0.000	0.000	1.061	1.061
		2000/2001		0.000	0.765	0.747	1.513
		2001/2002		0.000	1.048	2.390	3.438
		MA Total Pure Premium:		0.000	0.430	0.960	1.393
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	0.610	1.098	
		Massachusetts Credibility:		0.08	0.16	0.19	
		Countrywide Pure Premium:		0.970	0.610	1.130	2.710
		Countrywide Indicated Relativity:		1.437	0.906	1.339	
		Countrywide Credibility:		0.44	0.42	0.40	
		Countrywide Lost-time Claims:		58	163		
		Pure Premium Underlying Present Rate:		1.050	0.710	1.130	2.890
		Relativity to Underlying Present Rate:		1.324	1.024	1.205	
		Credibility to Underlying Relativity:		0.48	0.42	0.41	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.268	0.908	1.238	
		Balanced Formula Relativity:		1.260	0.906	1.235	1.139

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Calculation of Class Relativities

Class(es):		Schedule: 65		Effective: 9/1/2005		Manufacturing	
2413 TEXTILE-BLEACHING,DYEING,ETC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	32,768,061	12	52	1,546,303	252,449	678,300	2,477,052
1998/1999	29,719,478	5	60	678,911	230,911	686,969	1,596,791
1999/2000	25,703,470	3	16	486,965	116,891	451,712	1,055,568
2000/2001	25,073,386	1	33	192,295	682,053	219,324	1,093,672
2001/2002	21,275,105	1	16	211,832	100,647	120,403	432,882
MA Total	134,539,500	22	177	3,116,306	1,382,951	2,156,708	6,655,965
				MA Indicated Pure Premiums			
		1997/1998		4.719	0.770	2.070	7.559
		1998/1999		2.284	0.777	2.312	5.373
		1999/2000		1.895	0.455	1.757	4.107
		2000/2001		0.767	2.720	0.875	4.362
		2001/2002		0.996	0.473	0.566	2.035
		MA Total Pure Premium:		2.320	1.030	1.600	4.947
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		3.455	1.462	1.830	
		Massachusetts Credibility:		0.56	0.78	1.00	
		Countrywide Pure Premium:		1.260	1.050	1.250	3.560
		Countrywide Indicated Relativity:		1.866	1.559	1.481	
		Countrywide Credibility:		0.22	0.11	0.00	
		Countrywide Lost-time Claims:		123	631		
		Pure Premium Underlying Present Rate:		2.430	0.800	1.750	4.980
		Relativity to Underlying Present Rate:		3.065	1.154	1.866	
		Credibility to Underlying Relativity:		0.22	0.11	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		3.020	1.439	1.830	
		Balanced Formula Relativity:		3.001	1.436	1.824	2.054

Class(es):		Schedule: 65		Effective: 9/1/2005		Manufacturing	
2416 YARN OR THREAD DYEING OR FINISHING							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	6,437,046	2	14	126,811	162,404	92,909	382,124
1998/1999	6,887,431	0	11	0	23,041	72,026	95,067
1999/2000	5,399,590	1	14	48,608	380,771	150,659	580,038
2000/2001	3,626,730	0	6	0	94,978	48,290	143,268
2001/2002	3,262,702	0	3	0	68,860	36,875	105,735
MA Total	25,613,499	3	48	175,419	730,054	400,759	1,306,232
				MA Indicated Pure Premiums			
		1997/1998		1.970	2.523	1.443	5.936
		1998/1999		0.000	0.335	1.046	1.380
		1999/2000		0.900	7.052	2.790	10.742
		2000/2001		0.000	2.619	1.332	3.950
		2001/2002		0.000	2.111	1.130	3.241
		MA Total Pure Premium:		0.680	2.850	1.560	5.100
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		1.013	4.045	1.785	
		Massachusetts Credibility:		0.23	0.51	0.52	
		Countrywide Pure Premium:		0.000	0.220	0.260	0.480
		Countrywide Indicated Relativity:		0.000	0.327	0.308	
		Countrywide Credibility:		0.00	0.14	0.17	
		Countrywide Lost-time Claims:		0	7		
		Pure Premium Underlying Present Rate:		1.390	1.420	1.550	4.360
		Relativity to Underlying Present Rate:		1.753	2.048	1.653	
		Credibility to Underlying Relativity:		0.77	0.35	0.31	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.583	2.826	1.493	
		Balanced Formula Relativity:		1.573	2.819	1.488	1.930

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Calculation of Class Relativities

Class(es): 2417 CLOTH PRINTING		Schedule: 65		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	6,132,228	0	2	0	5,975	3,165	9,140	
1998/1999	16,276,814	1	15	85,340	60,594	41,462	187,396	
1999/2000	15,786,235	2	24	323,660	70,444	223,844	617,948	
2000/2001	15,192,062	3	14	270,980	123,758	200,792	595,530	
2001/2002	12,314,295	3	16	351,991	79,893	297,827	729,711	
MA Total	65,701,634	9	71	1,031,971	340,664	767,090	2,139,725	
		MA Indicated Pure Premiums						
		1997/1998		0.000	0.097	0.052	0.149	
		1998/1999		0.524	0.372	0.255	1.151	
		1999/2000		2.050	0.446	1.418	3.914	
		2000/2001		1.784	0.815	1.322	3.920	
		2001/2002		2.858	0.649	2.419	5.926	
		MA Total Pure Premium:		1.570	0.520	1.170	3.257	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:		2.338	0.738	1.338		
		Massachusetts Credibility:		0.25	0.53	0.57		
		Countrywide Pure Premium:		1.520	0.770	1.720	4.010	
		Countrywide Indicated Relativity:		2.252	1.144	2.037		
		Countrywide Credibility:		0.13	0.20	0.22		
		Countrywide Lost-time Claims:		3	16			
		Pure Premium Underlying Present Rate:		0.690	0.620	0.760	2.070	
		Relativity to Underlying Present Rate:		0.870	0.894	0.810		
		Credibility to Underlying Relativity:		0.62	0.27	0.21		
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250	
		Formula Relativity:		1.417	0.861	1.381		
		Balanced Formula Relativity:		1.408	0.859	1.377	1.224	

Class(es): 2501 CLOTHING MFG 2534 FEATHER OR FLOWER MFG-ARTIFICIAL		Schedule: 70		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	211,873,291	22	218	2,497,640	1,881,638	1,664,121	6,043,399	
1998/1999	199,358,354	24	160	2,244,281	1,720,746	2,423,393	6,388,420	
1999/2000	180,437,818	20	117	1,979,500	1,465,460	1,717,750	5,162,710	
2000/2001	151,821,922	7	100	824,706	959,572	1,063,394	2,847,672	
2001/2002	134,584,981	4	96	486,542	1,293,709	1,167,900	2,948,151	
MA Total	878,076,366	77	691	8,032,669	7,321,125	8,036,558	23,390,352	
		MA Indicated Pure Premiums						
		1997/1998		1.179	0.888	0.785	2.852	
		1998/1999		1.126	0.863	1.216	3.204	
		1999/2000		1.097	0.812	0.952	2.861	
		2000/2001		0.543	0.632	0.700	1.876	
		2001/2002		0.362	0.961	0.868	2.191	
		MA Total Pure Premium:		0.910	0.830	0.920	2.664	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:		1.355	1.178	1.052		
		Massachusetts Credibility:		0.90	1.00	1.00		
		Countrywide Pure Premium:		0.470	0.580	0.720	1.770	
		Countrywide Indicated Relativity:		0.697	0.862	0.852		
		Countrywide Credibility:		0.05	0.00	0.00		
		Countrywide Lost-time Claims:		1,144	6,451			
		Pure Premium Underlying Present Rate:		1.220	0.800	1.060	3.080	
		Relativity to Underlying Present Rate:		1.539	1.154	1.130		
		Credibility to Underlying Relativity:		0.05	0.00	0.00		
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250	
		Formula Relativity:		1.331	1.178	1.052		
		Balanced Formula Relativity:		1.323	1.175	1.049	1.170	

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Calculation of Class Relativities

Class(es):		Schedule: 70		Effective: 9/1/2005		Manufacturing	
2503 DRESSMAKING OR TAILORING							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	5,964,437	1	5	107,318	23,932	27,488	158,738
1998/1999	6,305,859	0	3	0	21,480	25,114	46,594
1999/2000	6,000,687	0	4	0	29,814	19,475	49,289
2000/2001	5,825,114	0	2	0	76,480	23,190	99,670
2001/2002	6,276,313	0	1	0	5,027	9,362	14,389
MA Total	30,372,410	1	15	107,318	156,733	104,629	368,680
				MA Indicated Pure Premiums			
				1997/1998	1.799	0.401	2.661
				1998/1999	0.000	0.341	0.739
				1999/2000	0.000	0.497	0.821
				2000/2001	0.000	1.313	1.711
				2001/2002	0.000	0.080	0.229
MA Total Pure Premium:				0.350	0.520	0.340	1.214
				Pure Premium Relativities			
Massachusetts Indicated Relativity:				0.521	0.738	0.389	
Massachusetts Credibility:				0.13	0.27	0.28	
Countrywide Pure Premium:				0.390	0.240	0.220	0.850
Countrywide Indicated Relativity:				0.578	0.357	0.260	
Countrywide Credibility:				0.15	0.25	0.31	
Countrywide Lost-time Claims:				4	27		
Pure Premium Underlying Present Rate:				0.300	0.260	0.270	0.830
Relativity to Underlying Present Rate:				0.378	0.375	0.288	
Credibility to Underlying Relativity:				0.72	0.48	0.41	
Industry Group Adjusted Converted Pure Premium:				0.672	0.705	0.874	2.250
Formula Relativity:				0.427	0.469	0.308	
Balanced Formula Relativity:				0.424	0.468	0.307	0.392

Class(es):		Schedule: 72		Effective: 9/1/2005		Manufacturing	
2570 MATTRESS OR BOX SPRING MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	7,392,301	2	31	186,183	166,666	157,664	510,513
1998/1999	7,409,796	0	32	0	397,838	164,350	562,188
1999/2000	7,350,600	0	19	0	164,963	103,871	268,834
2000/2001	5,848,345	3	4	357,875	3,077	81,104	442,056
2001/2002	7,325,223	2	15	268,370	134,268	231,333	633,971
MA Total	35,326,265	7	101	812,428	866,812	738,322	2,417,562
				MA Indicated Pure Premiums			
				1997/1998	2.519	2.255	6.906
				1998/1999	0.000	5.369	7.587
				1999/2000	0.000	2.244	3.657
				2000/2001	6.119	0.053	7.559
				2001/2002	3.664	1.833	8.655
MA Total Pure Premium:				2.300	2.450	2.090	6.844
				Pure Premium Relativities			
Massachusetts Indicated Relativity:				3.425	3.477	2.391	
Massachusetts Credibility:				0.28	0.66	0.64	
Countrywide Pure Premium:				1.640	1.250	1.510	4.400
Countrywide Indicated Relativity:				2.429	1.856	1.789	
Countrywide Credibility:				0.36	0.17	0.18	
Countrywide Lost-time Claims:				93	655		
Pure Premium Underlying Present Rate:				1.600	1.980	1.850	5.430
Relativity to Underlying Present Rate:				2.018	2.856	1.973	
Credibility to Underlying Relativity:				0.36	0.17	0.18	
Industry Group Adjusted Converted Pure Premium:				0.672	0.705	0.874	2.250
Formula Relativity:				2.560	3.096	2.207	
Balanced Formula Relativity:				2.544	3.089	2.201	2.581

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Calculation of Class Relativities

Class(es):		Schedule: 73		Effective: 9/1/2005		Manufacturing	
2576 AWNING OR TENT MFG-SHOP ONLY							
2578 BAG OR SACK MFG-COTTON,BURLAP OR GUNNY							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	6,348,609	0	3	0	7,270	17,629	24,899
1998/1999	6,255,364	0	7	0	16,717	24,590	41,307
1999/2000	7,078,665	0	15	0	28,871	86,804	115,675
2000/2001	6,964,517	0	9	0	165,821	132,079	297,900
2001/2002	6,820,127	1	4	118,594	10,603	80,926	210,123
MA Total	33,467,282	1	38	118,594	229,282	342,028	689,904
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.115	0.278	0.392
		1998/1999		0.000	0.267	0.393	0.660
		1999/2000		0.000	0.408	1.226	1.634
		2000/2001		0.000	2.381	1.896	4.277
		2001/2002		1.739	0.155	1.187	3.081
		MA Total Pure Premium:		0.350	0.690	1.020	2.061
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.521	0.979	1.167	
		Massachusetts Credibility:		0.21	0.43	0.49	
		Countrywide Pure Premium:		0.740	1.070	1.220	3.030
		Countrywide Indicated Relativity:		1.096	1.589	1.445	
		Countrywide Credibility:		0.36	0.28	0.26	
		Countrywide Lost-time Claims:		36	398		
		Pure Premium Underlying Present Rate:		0.820	0.740	1.000	2.560
		Relativity to Underlying Present Rate:		1.034	1.067	1.066	
		Credibility to Underlying Relativity:		0.43	0.29	0.25	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.949	1.175	1.214	
		Balanced Formula Relativity:		0.943	1.173	1.210	1.119

Class(es):		Schedule: 80		Effective: 9/1/2005		Manufacturing	
2585 LAUNDRY-NOC-RTE SPVSR-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	49,150,411	10	69	1,044,579	593,246	775,402	2,413,227
1998/1999	48,322,182	5	58	539,356	591,569	976,597	2,107,522
1999/2000	55,281,729	0	82	0	748,309	638,061	1,386,370
2000/2001	60,153,619	5	63	650,209	385,021	751,408	1,786,638
2001/2002	60,750,608	6	68	1,138,797	356,033	902,255	2,397,085
MA Total	273,658,549	26	340	3,372,941	2,674,178	4,043,723	10,090,842
		MA Indicated Pure Premiums					
		1997/1998		2.125	1.207	1.578	4.910
		1998/1999		1.116	1.224	2.021	4.361
		1999/2000		0.000	1.354	1.154	2.508
		2000/2001		1.081	0.640	1.249	2.970
		2001/2002		1.875	0.586	1.485	3.946
		MA Total Pure Premium:		1.230	0.980	1.480	3.687
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.832	1.391	1.693	
		Massachusetts Credibility:		0.58	1.00	1.00	
		Countrywide Pure Premium:		1.210	1.260	1.430	3.900
		Countrywide Indicated Relativity:		1.793	1.871	1.694	
		Countrywide Credibility:		0.21	0.00	0.00	
		Countrywide Lost-time Claims:		328	2,219		
		Pure Premium Underlying Present Rate:		1.310	0.980	1.550	3.840
		Relativity to Underlying Present Rate:		1.652	1.414	1.653	
		Credibility to Underlying Relativity:		0.21	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.786	1.391	1.693	
		Balanced Formula Relativity:		1.775	1.388	1.688	1.620

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Calculation of Class Relativities

Class(es):		Schedule: 80		Effective: 9/1/2005		Manufacturing	
2586 DRY CLEANING OR DYEING-RTE SPVSR-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	67,376,900	3	15	324,055	204,525	272,750	801,330
1998/1999	48,092,612	8	17	787,168	169,324	750,795	1,707,287
1999/2000	48,239,298	1	12	110,572	90,989	118,260	319,821
2000/2001	49,301,498	1	15	147,481	200,884	138,641	487,006
2001/2002	48,866,683	2	17	248,429	275,974	264,204	788,607
MA Total	261,876,991	15	76	1,617,705	941,696	1,544,650	4,104,051
MA Indicated Pure Premiums							
		1997/1998		0.481	0.304	0.405	1.189
		1998/1999		1.637	0.352	1.561	3.550
		1999/2000		0.229	0.189	0.245	0.663
		2000/2001		0.299	0.407	0.281	0.988
		2001/2002		0.508	0.565	0.541	1.614
		MA Total Pure Premium:		0.620	0.360	0.590	1.567
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.923	0.511	0.675	
		Massachusetts Credibility:		0.41	0.76	0.88	
		Countrywide Pure Premium:		0.620	0.600	0.670	1.890
		Countrywide Indicated Relativity:		0.918	0.891	0.794	
		Countrywide Credibility:		0.30	0.12	0.06	
		Countrywide Lost-time Claims:		59	400		
		Pure Premium Underlying Present Rate:		0.570	0.380	0.560	1.510
		Relativity to Underlying Present Rate:		0.719	0.548	0.597	
		Credibility to Underlying Relativity:		0.29	0.12	0.06	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.862	0.561	0.677	
		Balanced Formula Relativity:		0.857	0.560	0.675	0.693

Class(es):		Schedule: 343		Effective: 9/1/2005		Goods & Services	
2587 TOWEL/TOILET SUPPLY CO-RTE SPVSR-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	712,228	0	0	0	0	0	0
1998/1999	872,399	0	0	0	0	2,810	2,810
1999/2000	820,847	0	1	0	135	361	496
2000/2001	910,293	0	1	0	5,235	11,071	16,306
2001/2002	1,357,179	0	0	0	0	370	370
MA Total	4,672,946	0	2	0	5,370	14,612	19,982
MA Indicated Pure Premiums							
		1997/1998		0.000	0.000	0.000	0.000
		1998/1999		0.000	0.000	0.322	0.322
		1999/2000		0.000	0.016	0.044	0.060
		2000/2001		0.000	0.575	1.216	1.791
		2001/2002		0.000	0.000	0.027	0.027
		MA Total Pure Premium:		0.000	0.110	0.310	0.428
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.000	0.170	0.377	
		Massachusetts Credibility:		0.09	0.19	0.21	
		Countrywide Pure Premium:		0.090	0.690	0.790	1.570
		Countrywide Indicated Relativity:		0.183	1.070	0.959	
		Countrywide Credibility:		0.09	0.19	0.23	
		Countrywide Lost-time Claims:		1	15		
		Pure Premium Underlying Present Rate:		0.780	0.710	0.840	2.330
		Relativity to Underlying Present Rate:		1.192	1.121	0.969	
		Credibility to Underlying Relativity:		0.82	0.62	0.56	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.994	0.931	0.842	
		Balanced Formula Relativity:		0.999	0.931	0.842	0.911

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Calculation of Class Relativities

Class(es): 2623 TANNING		Schedule: 90		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	2,249,484	1	0	96,127	0	4,281	100,408
1998/1999	1,668,537	0	2	0	3,302	886	4,188
1999/2000	1,411,514	0	0	0	0	422	422
2000/2001	1,056,660	0	0	0	0	653	653
2001/2002	855,798	0	0	0	0	3,000	3,000
MA Total	7,241,993	1	2	96,127	3,302	9,242	108,671
		MA Indicated Pure Premiums					
		1997/1998		4.273	0.000	0.190	4.464
		1998/1999		0.000	0.198	0.053	0.251
		1999/2000		0.000	0.000	0.030	0.030
		2000/2001		0.000	0.000	0.062	0.062
		2001/2002		0.000	0.000	0.351	0.351
		MA Total Pure Premium:		1.330	0.050	0.130	1.501
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.980	0.071	0.149	
		Massachusetts Credibility:		0.15	0.30	0.25	
		Countrywide Pure Premium:		0.620	0.850	0.740	2.210
		Countrywide Indicated Relativity:		0.918	1.262	0.876	
		Countrywide Credibility:		0.23	0.35	0.38	
		Countrywide Lost-time Claims:		11	228		
		Pure Premium Underlying Present Rate:		1.670	1.380	0.860	3.910
		Relativity to Underlying Present Rate:		2.106	1.991	0.917	
		Credibility to Underlying Relativity:		0.62	0.35	0.37	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.814	1.160	0.709	
		Balanced Formula Relativity:		1.802	1.157	0.707	1.175

Class(es): 2640 LEATHER EMBOSSING 2651 SHOE STOCK MFG		Schedule: 90		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	6,424,284	1	14	64,377	51,689	51,862	167,928
1998/1999	5,887,477	1	6	78,016	33,587	213,087	324,690
1999/2000	8,301,212	1	15	172,906	198,551	187,312	558,769
2000/2001	7,196,884	1	5	221,635	63,446	69,654	354,735
2001/2002	6,500,851	0	4	0	25,324	51,944	77,268
MA Total	34,310,708	4	44	536,934	372,597	573,859	1,483,390
		MA Indicated Pure Premiums					
		1997/1998		1.002	0.805	0.807	2.614
		1998/1999		1.325	0.570	3.619	5.515
		1999/2000		2.083	2.392	2.256	6.731
		2000/2001		3.080	0.882	0.968	4.929
		2001/2002		0.000	0.390	0.799	1.189
		MA Total Pure Premium:		1.560	1.090	1.670	4.323
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		2.323	1.547	1.910	
		Massachusetts Credibility:		0.22	0.49	0.54	
		Countrywide Pure Premium:		0.000	0.030	0.190	0.220
		Countrywide Indicated Relativity:		0.000	0.045	0.225	
		Countrywide Credibility:		0.00	0.11	0.13	
		Countrywide Lost-time Claims:		0	4		
		Pure Premium Underlying Present Rate:		0.880	1.000	1.250	3.130
		Relativity to Underlying Present Rate:		1.110	1.443	1.333	
		Credibility to Underlying Relativity:		0.78	0.40	0.33	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.377	1.340	1.501	
		Balanced Formula Relativity:		1.368	1.337	1.496	1.408

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Calculation of Class Relativities

Class(es):		Schedule: 91		Effective: 9/1/2005		Manufacturing	
2660 BOOT OR SHOE MFG-NOC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	30,554,164	0	10	0	64,997	63,071	128,068
1998/1999	31,079,885	0	17	0	135,007	262,283	397,290
1999/2000	41,079,518	1	18	71,155	66,753	267,569	405,477
2000/2001	21,309,952	0	28	0	256,216	443,986	700,202
2001/2002	16,070,137	0	12	0	121,401	121,775	243,176
MA Total	140,093,656	1	85	71,155	644,374	1,158,684	1,874,213
MA Indicated Pure Premiums							
		1997/1998		0.000	0.213	0.206	0.419
		1998/1999		0.000	0.434	0.844	1.278
		1999/2000		0.173	0.162	0.651	0.987
		2000/2001		0.000	1.202	2.083	3.286
		2001/2002		0.000	0.755	0.758	1.513
		MA Total Pure Premium:		0.050	0.460	0.830	1.338
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.074	0.653	0.949	
		Massachusetts Credibility:		0.34	0.56	0.80	
		Countrywide Pure Premium:		0.320	0.680	0.680	1.680
		Countrywide Indicated Relativity:		0.474	1.010	0.806	
		Countrywide Credibility:		0.28	0.22	0.10	
		Countrywide Lost-time Claims:		18	192		
		Pure Premium Underlying Present Rate:		0.660	0.340	0.830	1.830
		Relativity to Underlying Present Rate:		0.832	0.490	0.885	
		Credibility to Underlying Relativity:		0.38	0.22	0.10	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.474	0.696	0.928	
		Balanced Formula Relativity:		0.471	0.694	0.926	0.717

Class(es):		Schedule: 91		Effective: 9/1/2005		Manufacturing	
2683 BAG MFG-TRAVELING BAGS OR HAND LUGGAGE							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	632,281	0	0	0	0	880	880
1998/1999	606,566	0	0	0	0	1,699	1,699
1999/2000	630,790	0	0	0	0	0	0
2000/2001	587,520	0	0	0	0	0	0
2001/2002	524,527	0	0	0	0	0	0
MA Total	2,981,684	0	0	0	0	2,579	2,579
MA Indicated Pure Premiums							
		1997/1998		0.000	0.000	0.139	0.139
		1998/1999		0.000	0.000	0.280	0.280
		1999/2000		0.000	0.000	0.000	0.000
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	0.000	0.000	0.000
		MA Total Pure Premium:		0.000	0.000	0.090	0.086
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.000	0.000	0.103	
		Massachusetts Credibility:		0.07	0.14	0.16	
		Countrywide Pure Premium:		0.990	0.690	1.210	2.890
		Countrywide Indicated Relativity:		1.466	1.025	1.434	
		Countrywide Credibility:		0.26	0.34	0.42	
		Countrywide Lost-time Claims:		15	59		
		Pure Premium Underlying Present Rate:		0.710	0.530	0.710	1.950
		Relativity to Underlying Present Rate:		0.895	0.765	0.757	
		Credibility to Underlying Relativity:		0.67	0.52	0.42	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.981	0.746	0.937	
		Balanced Formula Relativity:		0.975	0.745	0.934	0.887

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Calculation of Class Relativities

Class(es):		Schedule: 91		Effective: 9/1/2005		Manufacturing	
2688 LEATHER GOODS MFG-NOC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	21,211,314	2	25	256,640	207,960	260,981	725,581
1998/1999	21,619,598	5	19	524,376	115,559	278,105	918,040
1999/2000	20,013,494	3	17	173,528	31,859	130,084	335,471
2000/2001	18,175,155	2	21	203,052	219,281	303,091	725,424
2001/2002	15,776,978	0	11	0	137,585	203,553	341,138
MA Total	96,796,539	12	93	1,157,596	712,244	1,175,814	3,045,654
MA Indicated Pure Premiums							
		1997/1998		1.210	0.980	1.230	3.421
		1998/1999		2.425	0.535	1.286	4.246
		1999/2000		0.867	0.159	0.650	1.676
		2000/2001		1.117	1.206	1.668	3.991
		2001/2002		0.000	0.872	1.290	2.162
		MA Total Pure Premium:		1.200	0.740	1.210	3.146
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.787	1.050	1.384	
		Massachusetts Credibility:		0.33	0.77	0.83	
		Countrywide Pure Premium:		0.870	0.870	1.130	2.870
		Countrywide Indicated Relativity:		1.289	1.291	1.339	
		Countrywide Credibility:		0.34	0.12	0.08	
		Countrywide Lost-time Claims:		85	573		
		Pure Premium Underlying Present Rate:		0.900	1.090	1.290	3.280
		Relativity to Underlying Present Rate:		1.135	1.572	1.376	
		Credibility to Underlying Relativity:		0.33	0.11	0.09	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.403	1.136	1.380	
		Balanced Formula Relativity:		1.394	1.134	1.376	1.305

Class(es):		Schedule: 10		Effective: 9/1/2005		Miscellaneous	
2702 LOGGING OR LUMBERING-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,148,121	0	1	0	107	1,110	1,217
1998/1999	1,298,418	0	2	0	21,983	71,726	93,709
1999/2000	1,513,650	0	0	0	0	2,956	2,956
2000/2001	1,954,569	1	6	115,293	187,078	578,081	880,452
2001/2002	2,009,025	1	2	215,072	1,596	46,965	263,633
MA Total	7,923,783	2	11	330,365	210,764	700,838	1,241,967
MA Indicated Pure Premiums							
		1997/1998		0.000	0.009	0.097	0.106
		1998/1999		0.000	1.693	5.524	7.217
		1999/2000		0.000	0.000	0.195	0.195
		2000/2001		5.899	9.571	29.576	45.046
		2001/2002		10.705	0.079	2.338	13.122
		MA Total Pure Premium:		4.170	2.660	8.840	15.674
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		2.661	2.028	4.774	
		Massachusetts Credibility:		0.23	0.37	0.47	
		Countrywide Pure Premium:		4.540	2.910	4.530	11.980
		Countrywide Indicated Relativity:		2.887	2.262	2.457	
		Countrywide Credibility:		0.38	0.32	0.26	
		Countrywide Lost-time Claims:		180	1,021		
		Pure Premium Underlying Present Rate:		4.590	2.110	3.910	10.610
		Relativity to Underlying Present Rate:		2.434	1.798	2.273	
		Credibility to Underlying Relativity:		0.39	0.31	0.27	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		2.658	2.032	3.496	
		Balanced Formula Relativity:		2.687	2.024	3.512	2.826

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Calculation of Class Relativities

Class(es): 2710 SAW MILL		Schedule: 140		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	3,280,218	1	5	119,274	57,768	324,150	501,192	
1998/1999	3,261,970	0	14	0	155,899	114,383	270,282	
1999/2000	2,833,553	0	3	0	81,418	52,015	133,433	
2000/2001	2,943,458	0	9	0	45,026	41,708	86,734	
2001/2002	2,899,891	1	4	157,996	56,468	187,608	402,072	
MA Total	15,219,090	2	35	277,270	396,579	719,864	1,393,713	
		MA Indicated Pure Premiums						
	1997/1998			3.636	1.761	9.882	15.279	
	1998/1999			0.000	4.779	3.507	8.286	
	1999/2000			0.000	2.873	1.836	4.709	
	2000/2001			0.000	1.530	1.417	2.947	
	2001/2002			5.448	1.947	6.469	13.865	
	MA Total Pure Premium:			1.820	2.610	4.730	9.158	
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:			2.710	3.704	5.411		
	Massachusetts Credibility:			0.22	0.44	0.63		
	Countrywide Pure Premium:			1.020	1.950	2.460	5.430	
	Countrywide Indicated Relativity:			1.511	2.896	2.914		
	Countrywide Credibility:			0.39	0.28	0.18		
	Countrywide Lost-time Claims:			86	1,088			
	Pure Premium Underlying Present Rate:			2.200	1.730	4.190	8.120	
	Relativity to Underlying Present Rate:			2.775	2.496	4.468		
	Credibility to Underlying Relativity:			0.39	0.28	0.19		
	Industry Group Adjusted Converted Pure Premium:			0.672	0.705	0.874	2.250	
	Formula Relativity:			2.268	3.140	4.782		
	Balanced Formula Relativity:			2.254	3.133	4.768	3.506	

Class(es): 2731 PLANING OR MOULDING MILL-WOOD		Schedule: 140		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	2,152,911	0	2	0	1,119	1,229	2,348	
1998/1999	2,094,409	0	2	0	12,404	16,388	28,792	
1999/2000	2,751,512	1	7	72,509	86,568	79,403	238,480	
2000/2001	3,377,317	0	9	0	17,661	18,317	35,978	
2001/2002	4,778,148	1	15	116,627	226,437	210,984	554,048	
MA Total	15,154,297	2	35	189,136	344,189	326,321	859,646	
		MA Indicated Pure Premiums						
	1997/1998			0.000	0.052	0.057	0.109	
	1998/1999			0.000	0.592	0.782	1.375	
	1999/2000			2.635	3.146	2.886	8.667	
	2000/2001			0.000	0.523	0.542	1.065	
	2001/2002			2.441	4.739	4.416	11.595	
	MA Total Pure Premium:			1.250	2.270	2.150	5.673	
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:			1.861	3.222	2.460		
	Massachusetts Credibility:			0.19	0.38	0.41		
	Countrywide Pure Premium:			1.450	1.140	1.450	4.040	
	Countrywide Indicated Relativity:			2.148	1.693	1.718		
	Countrywide Credibility:			0.40	0.31	0.30		
	Countrywide Lost-time Claims:			131	601			
	Pure Premium Underlying Present Rate:			1.380	1.200	1.400	3.980	
	Relativity to Underlying Present Rate:			1.740	1.731	1.493		
	Credibility to Underlying Relativity:			0.41	0.31	0.29		
	Industry Group Adjusted Converted Pure Premium:			0.672	0.705	0.874	2.250	
	Formula Relativity:			1.926	2.286	1.957		
	Balanced Formula Relativity:			1.914	2.281	1.951	2.043	

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Calculation of Class Relativities

Class(es):		Schedule: 140		Effective: 9/1/2005		Manufacturing	
2741 COOPERAGE STOCK MFG-HEADS,HOOPS,STAVE							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	117,490	0	0	0	0	0	0
1998/1999	224,260	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0
MA Total	341,750	0	0	0	0	0	0
MA Indicated Pure Premiums							
		1997/1998		0.000	0.000	0.000	0.000
		1998/1999		0.000	0.000	0.000	0.000
		1999/2000		0.000	0.000	0.000	0.000
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	0.000	0.000	0.000
		MA Total Pure Premium:		0.000	0.000	0.000	0.000
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.000	0.000	0.000	
		Massachusetts Credibility:		0.05	0.13	0.11	
		Countrywide Pure Premium:		0.000	0.000	0.000	0.000
		Countrywide Indicated Relativity:		2.870	4.829	2.660	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		0	0		
		Pure Premium Underlying Present Rate:		2.300	3.380	2.520	8.200
		Relativity to Underlying Present Rate:		2.901	4.876	2.687	
		Credibility to Underlying Relativity:		0.95	0.87	0.89	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		2.756	4.242	2.391	
		Balanced Formula Relativity:		2.739	4.233	2.384	3.069

Class(es):		Schedule: 141		Effective: 9/1/2005		Manufacturing	
2747 COOPERAGE ASSEMBLING							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	0	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0
MA Total	0	0	0	0	0	0	0
MA Indicated Pure Premiums							
		1997/1998		0.000	0.000	0.000	0.000
		1998/1999		0.000	0.000	0.000	0.000
		1999/2000		0.000	0.000	0.000	0.000
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	0.000	0.000	0.000
		MA Total Pure Premium:		0.000	0.000	0.000	0.000
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.000	0.000	0.000	
		Massachusetts Credibility:		0.00	0.00	0.00	
		Countrywide Pure Premium:		0.000	0.000	0.000	0.000
		Countrywide Indicated Relativity:		4.367	2.443	2.470	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		0	0		
		Pure Premium Underlying Present Rate:		3.500	1.710	2.340	7.550
		Relativity to Underlying Present Rate:		4.414	2.467	2.495	
		Credibility to Underlying Relativity:		1.00	1.00	1.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		4.414	2.467	2.495	
		Balanced Formula Relativity:		4.386	2.462	2.487	3.046

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Calculation of Class Relativities

Class(es): 2790 PATTERN MAKING-NOC		Schedule: 142		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	8,420,403	2	9	122,337	37,745	72,993	233,075	
1998/1999	8,587,690	0	8	0	71,586	113,036	184,622	
1999/2000	8,661,465	1	10	57,554	34,793	35,537	127,884	
2000/2001	8,474,788	0	7	0	36,477	32,974	69,451	
2001/2002	7,269,782	1	9	181,787	107,035	120,713	409,535	
MA Total	41,414,128	4	43	361,678	287,636	375,253	1,024,567	
		MA Indicated Pure Premiums						
	1997/1998			1.453	0.448	0.867	2.768	
	1998/1999			0.000	0.834	1.316	2.150	
	1999/2000			0.664	0.402	0.410	1.476	
	2000/2001			0.000	0.430	0.389	0.820	
	2001/2002			2.501	1.472	1.660	5.633	
	MA Total Pure Premium:			0.870	0.690	0.910	2.474	
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:			1.295	0.979	1.041		
	Massachusetts Credibility:			0.15	0.46	0.43		
	Countrywide Pure Premium:			0.570	0.550	0.820	1.940	
	Countrywide Indicated Relativity:			0.844	0.817	0.971		
	Countrywide Credibility:			0.42	0.27	0.28		
	Countrywide Lost-time Claims:			63	278			
	Pure Premium Underlying Present Rate:			0.310	0.710	0.590	1.610	
	Relativity to Underlying Present Rate:			0.391	1.024	0.629		
	Credibility to Underlying Relativity:			0.43	0.27	0.29		
	Industry Group Adjusted Converted Pure Premium:			0.672	0.705	0.874	2.250	
	Formula Relativity:			0.717	0.947	0.902		
	Balanced Formula Relativity:			0.712	0.945	0.899	0.858	

Class(es): 2802 CARPENTRY-SHOP ONLY-DR		Schedule: 140		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	90,786,338	13	166	1,737,725	738,386	1,594,465	4,070,576	
1998/1999	100,513,286	20	207	2,450,020	1,514,617	2,675,398	6,640,035	
1999/2000	110,989,378	14	183	1,522,897	1,475,360	2,570,066	5,568,323	
2000/2001	108,474,813	11	163	1,660,659	1,477,534	2,530,328	5,668,521	
2001/2002	110,915,135	5	139	1,211,885	1,523,133	2,112,482	4,847,500	
MA Total	521,678,950	63	858	8,583,186	6,729,030	11,482,739	26,794,955	
		MA Indicated Pure Premiums						
	1997/1998			1.914	0.813	1.756	4.484	
	1998/1999			2.438	1.507	2.662	6.606	
	1999/2000			1.372	1.329	2.316	5.017	
	2000/2001			1.531	1.362	2.333	5.226	
	2001/2002			1.093	1.373	1.905	4.370	
	MA Total Pure Premium:			1.650	1.290	2.200	5.136	
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:			2.457	1.831	2.517		
	Massachusetts Credibility:			0.78	1.00	1.00		
	Countrywide Pure Premium:			1.030	1.250	1.670	3.950	
	Countrywide Indicated Relativity:			1.526	1.856	1.978		
	Countrywide Credibility:			0.11	0.00	0.00		
	Countrywide Lost-time Claims:			192	3,564			
	Pure Premium Underlying Present Rate:			1.430	1.590	2.240	5.260	
	Relativity to Underlying Present Rate:			1.804	2.294	2.389		
	Credibility to Underlying Relativity:			0.11	0.00	0.00		
	Industry Group Adjusted Converted Pure Premium:			0.672	0.705	0.874	2.250	
	Formula Relativity:			2.283	1.831	2.517		
	Balanced Formula Relativity:			2.268	1.827	2.509	2.224	

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Calculation of Class Relativities

Class(es):		Schedule: 145		Effective: 9/1/2005		Manufacturing	
2835 BRUSH OR BROOM MFG-ASSEMBLING ONLY							
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	5,284,000	0	11	0	220,964	105,298	326,262
1998/1999	4,870,239	1	6	58,372	20,816	69,867	149,055
1999/2000	4,437,178	0	1	0	654	7,587	8,241
2000/2001	3,898,708	0	0	0	0	5,936	5,936
2001/2002	4,816,955	0	0	0	0	899	899
MA Total	23,307,080	1	18	58,372	242,434	189,587	490,393
MA Indicated Pure Premiums							
		1997/1998		0.000	4.182	1.993	6.175
		1998/1999		1.199	0.427	1.435	3.061
		1999/2000		0.000	0.015	0.171	0.186
		2000/2001		0.000	0.000	0.152	0.152
		2001/2002		0.000	0.000	0.019	0.019
		MA Total Pure Premium:		0.250	1.040	0.810	2.104
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.372	1.476	0.927	
		Massachusetts Credibility:		0.21	0.52	0.61	
		Countrywide Pure Premium:		0.200	1.440	1.620	3.260
		Countrywide Indicated Relativity:		0.296	2.138	1.919	
		Countrywide Credibility:		0.09	0.24	0.20	
		Countrywide Lost-time Claims:		1	48		
		Pure Premium Underlying Present Rate:		1.180	1.660	2.500	5.340
		Relativity to Underlying Present Rate:		1.488	2.395	2.666	
		Credibility to Underlying Relativity:		0.70	0.24	0.19	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.146	1.855	1.456	
		Balanced Formula Relativity:		1.139	1.851	1.451	1.483

Class(es):		Schedule: 145		Effective: 9/1/2005		Manufacturing	
2836 BRUSH OR BROOM MFG-INCL ASSEMBLY							
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	3,092,402	2	9	196,013	13,575	122,628	332,216
1998/1999	2,412,427	1	2	57,163	4,163	21,805	83,131
1999/2000	2,115,611	1	3	123,100	9,731	67,538	200,369
2000/2001	2,045,267	0	4	0	16,718	27,477	44,195
2001/2002	1,264,165	0	9	0	21,783	31,046	52,829
MA Total	10,929,872	4	27	376,276	65,970	270,494	712,740
MA Indicated Pure Premiums							
		1997/1998		6.339	0.439	3.965	10.743
		1998/1999		2.370	0.173	0.904	3.446
		1999/2000		5.819	0.460	3.192	9.471
		2000/2001		0.000	0.817	1.343	2.161
		2001/2002		0.000	1.723	2.456	4.179
		MA Total Pure Premium:		3.440	0.600	2.470	6.521
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		5.122	0.852	2.826	
		Massachusetts Credibility:		0.18	0.32	0.39	
		Countrywide Pure Premium:		0.000	0.580	0.680	1.260
		Countrywide Indicated Relativity:		0.000	0.862	0.806	
		Countrywide Credibility:		0.00	0.13	0.15	
		Countrywide Lost-time Claims:		0	5		
		Pure Premium Underlying Present Rate:		1.800	1.080	1.750	4.630
		Relativity to Underlying Present Rate:		2.270	1.558	1.866	
		Credibility to Underlying Relativity:		0.82	0.55	0.46	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		2.783	1.242	2.081	
		Balanced Formula Relativity:		2.766	1.239	2.075	2.019

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Calculation of Class Relativities

Class(es): 2841 WOODENWARE MFG-NOC		Schedule: 142		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	2,001,195	0	1	0	30,523	20,359	50,882	
1998/1999	2,639,978	1	3	13,532	2,359	19,164	35,055	
1999/2000	1,627,140	0	1	0	244	4,456	4,700	
2000/2001	1,359,643	0	1	0	36,571	28,952	65,523	
2001/2002	1,432,487	0	1	0	3,943	2,359	6,302	
MA Total	9,060,443	1	7	13,532	73,640	75,290	162,462	
		MA Indicated Pure Premiums						
	1997/1998	0.000		1.525		1.017	2.543	
	1998/1999	0.513		0.089		0.726	1.328	
	1999/2000	0.000		0.015		0.274	0.289	
	2000/2001	0.000		2.690		2.129	4.819	
	2001/2002	0.000		0.275		0.165	0.440	
	MA Total Pure Premium:	0.150		0.810		0.830	1.793	
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:	0.223		1.150		0.949		
	Massachusetts Credibility:	0.12		0.26		0.32		
	Countrywide Pure Premium:	0.480		0.240		0.440	1.160	
	Countrywide Indicated Relativity:	0.711		0.357		0.521		
	Countrywide Credibility:	0.17		0.37		0.34		
	Countrywide Lost-time Claims:	5		118				
	Pure Premium Underlying Present Rate:	0.700		0.750		1.300	2.750	
	Relativity to Underlying Present Rate:	0.883		1.082		1.386		
	Credibility to Underlying Relativity:	0.71		0.37		0.34		
	Industry Group Adjusted Converted Pure Premium:	0.672		0.705		0.874	2.250	
	Formula Relativity:	0.775		0.831		0.952		
	Balanced Formula Relativity:	0.770		0.830		0.949	0.858	

Class(es): 2883 FURNITURE MFG-WOOD-NOC-ASSEMBLE,FINISH		Schedule: 143		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	48,531,477	6	79	483,528	399,686	783,908	1,667,122	
1998/1999	53,431,378	3	90	274,236	584,483	586,311	1,445,030	
1999/2000	53,359,276	1	75	55,026	353,234	377,905	786,165	
2000/2001	54,156,147	8	66	869,191	459,217	738,828	2,067,236	
2001/2002	54,050,555	3	62	497,385	723,786	813,713	2,034,884	
MA Total	263,528,833	21	372	2,179,366	2,520,406	3,300,665	8,000,437	
		MA Indicated Pure Premiums						
	1997/1998	0.996		0.824		1.615	3.435	
	1998/1999	0.513		1.094		1.097	2.704	
	1999/2000	0.103		0.662		0.708	1.473	
	2000/2001	1.605		0.848		1.364	3.817	
	2001/2002	0.920		1.339		1.505	3.765	
	MA Total Pure Premium:	0.830		0.960		1.250	3.036	
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:	1.236		1.363		1.430		
	Massachusetts Credibility:	0.52		1.00		1.00		
	Countrywide Pure Premium:	1.040		1.280		1.620	3.940	
	Countrywide Indicated Relativity:	1.541		1.901		1.919		
	Countrywide Credibility:	0.24		0.00		0.00		
	Countrywide Lost-time Claims:	441		2,665				
	Pure Premium Underlying Present Rate:	1.050		0.960		1.420	3.430	
	Relativity to Underlying Present Rate:	1.324		1.385		1.514		
	Credibility to Underlying Relativity:	0.24		0.00		0.00		
	Industry Group Adjusted Converted Pure Premium:	0.672		0.705		0.874	2.250	
	Formula Relativity:	1.330		1.363		1.430		
	Balanced Formula Relativity:	1.322		1.360		1.426	1.374	

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Calculation of Class Relativities

Class(es): 2923 PIANO MFG		Schedule: 144		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	4,380,236	0	2	0	43,015	8,781	51,796
1998/1999	5,761,546	1	8	65,442	23,863	91,812	181,117
1999/2000	5,471,509	0	5	0	4,900	11,510	16,410
2000/2001	5,389,697	0	5	0	55,985	67,200	123,185
2001/2002	6,210,791	0	3	0	26,907	39,214	66,121
MA Total	27,213,779	1	23	65,442	154,670	218,517	438,629
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.982	0.200	1.182
		1998/1999		1.136	0.414	1.594	3.144
		1999/2000		0.000	0.090	0.210	0.300
		2000/2001		0.000	1.039	1.247	2.286
		2001/2002		0.000	0.433	0.631	1.065
		MA Total Pure Premium:		0.240	0.570	0.800	1.612
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.357	0.809	0.915	
		Massachusetts Credibility:		0.20	0.38	0.44	
		Countrywide Pure Premium:		0.600	0.670	0.870	2.140
		Countrywide Indicated Relativity:		0.889	0.995	1.031	
		Countrywide Credibility:		0.37	0.31	0.28	
		Countrywide Lost-time Claims:		38	220		
		Pure Premium Underlying Present Rate:		0.870	0.650	0.940	2.460
		Relativity to Underlying Present Rate:		1.097	0.938	1.002	
		Credibility to Underlying Relativity:		0.43	0.31	0.28	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.872	0.907	0.972	
		Balanced Formula Relativity:		0.867	0.905	0.969	0.918

Class(es): 2942 PENCIL,PENHOLDER OR CRAYON MFG 4902 SPORTING GOODS MFG-NOC		Schedule: 253		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	78,588,399	6	52	617,784	343,178	1,113,853	2,074,815
1998/1999	79,916,005	5	15	361,527	62,911	720,922	1,145,360
1999/2000	82,255,261	4	36	348,831	128,069	628,408	1,105,308
2000/2001	84,883,520	0	28	0	248,629	402,353	650,982
2001/2002	25,092,918	1	19	402,279	138,267	429,553	970,099
MA Total	350,736,103	16	150	1,730,421	921,054	3,295,089	5,946,564
		MA Indicated Pure Premiums					
		1997/1998		0.786	0.437	1.417	2.640
		1998/1999		0.452	0.079	0.902	1.433
		1999/2000		0.424	0.156	0.764	1.344
		2000/2001		0.000	0.293	0.474	0.767
		2001/2002		1.603	0.551	1.712	3.866
		MA Total Pure Premium:		0.490	0.260	0.940	1.695
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.730	0.369	1.075	
		Massachusetts Credibility:		0.46	0.74	1.00	
		Countrywide Pure Premium:		0.730	0.690	0.980	2.400
		Countrywide Indicated Relativity:		1.081	1.025	1.160	
		Countrywide Credibility:		0.24	0.13	0.00	
		Countrywide Lost-time Claims:		13	168		
		Pure Premium Underlying Present Rate:		0.560	0.270	1.020	1.850
		Relativity to Underlying Present Rate:		0.706	0.389	1.088	
		Credibility to Underlying Relativity:		0.30	0.13	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.807	0.457	1.075	
		Balanced Formula Relativity:		0.802	0.456	1.072	0.798

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Calculation of Class Relativities

Class(es): 3018 ROLLING MILL-DR		Schedule: 170		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	237,228	0	2	0	4,121	3,301	7,422
1998/1999	107,386	0	1	0	124	295	419
1999/2000	1,342,661	0	4	0	4,256	3,523	7,779
2000/2001	16,341,730	0	17	0	429,780	179,759	609,539
2001/2002	13,773,674	0	6	0	91,059	63,892	154,951
MA Total	31,802,679	0	30	0	529,340	250,770	780,110
		MA Indicated Pure Premiums					
		1997/1998	0.000	1.737	1.391	3.129	
		1998/1999	0.000	0.115	0.275	0.390	
		1999/2000	0.000	0.317	0.262	0.579	
		2000/2001	0.000	2.630	1.100	3.730	
		2001/2002	0.000	0.661	0.464	1.125	
		MA Total Pure Premium:	0.000	1.660	0.790	2.453	
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:	0.000	2.356	0.904		
		Massachusetts Credibility:	0.29	0.52	0.57		
		Countrywide Pure Premium:	0.920	1.040	1.230	3.190	
		Countrywide Indicated Relativity:	1.362	1.544	1.457		
		Countrywide Credibility:	0.36	0.24	0.22		
		Countrywide Lost-time Claims:	88	791			
		Pure Premium Underlying Present Rate:	1.910	1.250	1.570	4.730	
		Relativity to Underlying Present Rate:	2.409	1.803	1.674		
		Credibility to Underlying Relativity:	0.35	0.24	0.21		
		Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250	
		Formula Relativity:	1.333	2.028	1.187		
		Balanced Formula Relativity:	1.325	2.024	1.184	1.489	

Class(es): 3022 PIPE OR TUBE MFG-NO IRON,STEEL,LEAD-DR		Schedule: 170		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	485,987	0	0	0	0	904	904
1998/1999	649,647	0	0	0	0	4,832	4,832
1999/2000	591,776	0	0	0	0	7,280	7,280
2000/2001	0	0	0	0	0	0	0
2001/2002	568,662	0	3	0	55,516	81,794	137,310
MA Total	2,296,072	0	3	0	55,516	94,810	150,326
		MA Indicated Pure Premiums					
		1997/1998	0.000	0.000	0.186	0.186	
		1998/1999	0.000	0.000	0.744	0.744	
		1999/2000	0.000	0.000	1.230	1.230	
		2000/2001	0.000	0.000	0.000	0.000	
		2001/2002	0.000	9.763	14.384	24.146	
		MA Total Pure Premium:	0.000	2.420	4.130	6.547	
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:	0.000	3.435	4.725		
		Massachusetts Credibility:	0.08	0.18	0.22		
		Countrywide Pure Premium:	0.960	0.990	1.330	3.280	
		Countrywide Indicated Relativity:	1.422	1.470	1.575		
		Countrywide Credibility:	0.46	0.41	0.39		
		Countrywide Lost-time Claims:	76	406			
		Pure Premium Underlying Present Rate:	1.080	1.190	1.890	4.160	
		Relativity to Underlying Present Rate:	1.362	1.717	2.015		
		Credibility to Underlying Relativity:	0.46	0.41	0.39		
		Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250	
		Formula Relativity:	1.281	1.925	2.440		
		Balanced Formula Relativity:	1.273	1.921	2.432	1.926	

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Calculation of Class Relativities

Class(es):		Schedule: 170		Effective: 9/1/2005		Manufacturing	
3027 ROLLING MILL-NOC-SOFT METALS-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	6,197,384	0	5	0	21,718	46,684	68,402
1998/1999	4,124,931	0	5	0	34,439	73,862	108,301
1999/2000	7,880,749	0	11	0	50,020	95,916	145,936
2000/2001	5,209,756	4	6	540,505	185,925	419,957	1,146,387
2001/2002	5,403,230	1	11	114,225	10,516	69,862	194,603
MA Total	28,816,050	5	38	654,730	302,618	706,281	1,663,629
MA Indicated Pure Premiums							
		1997/1998		0.000	0.350	0.753	1.104
		1998/1999		0.000	0.835	1.791	2.626
		1999/2000		0.000	0.635	1.217	1.852
		2000/2001		10.375	3.569	8.061	22.005
		2001/2002		2.114	0.195	1.293	3.602
		MA Total Pure Premium:		2.270	1.050	2.450	5.773
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		3.380	1.490	2.803	
		Massachusetts Credibility:		0.22	0.50	0.58	
		Countrywide Pure Premium:		0.750	0.790	0.800	2.340
		Countrywide Indicated Relativity:		1.111	1.174	0.947	
		Countrywide Credibility:		0.23	0.25	0.21	
		Countrywide Lost-time Claims:		12	220		
		Pure Premium Underlying Present Rate:		1.140	1.240	1.800	4.180
		Relativity to Underlying Present Rate:		1.438	1.789	1.919	
		Credibility to Underlying Relativity:		0.55	0.25	0.21	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.790	1.486	2.228	
		Balanced Formula Relativity:		1.779	1.483	2.221	1.858

Class(es):		Schedule: 170		Effective: 9/1/2005		Manufacturing	
3028 PIPE OR TUBE MFG-IRON OR STEEL-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,112,415	0	6	0	2,803	1,909	4,712
1998/1999	1,150,190	0	8	0	102,550	45,604	148,154
1999/2000	1,288,889	0	7	0	9,248	18,720	27,968
2000/2001	948,659	0	6	0	5,861	5,408	11,269
2001/2002	880,239	0	3	0	40,447	21,778	62,225
MA Total	5,380,392	0	30	0	160,909	93,419	254,328
MA Indicated Pure Premiums							
		1997/1998		0.000	0.252	0.172	0.424
		1998/1999		0.000	8.916	3.965	12.881
		1999/2000		0.000	0.718	1.452	2.170
		2000/2001		0.000	0.618	0.570	1.188
		2001/2002		0.000	4.595	2.474	7.069
		MA Total Pure Premium:		0.000	2.990	1.740	4.727
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.000	4.244	1.990	
		Massachusetts Credibility:		0.11	0.28	0.27	
		Countrywide Pure Premium:		0.750	0.980	1.260	2.990
		Countrywide Indicated Relativity:		1.111	1.455	1.492	
		Countrywide Credibility:		0.33	0.36	0.36	
		Countrywide Lost-time Claims:		29	687		
		Pure Premium Underlying Present Rate:		1.040	1.610	1.430	4.080
		Relativity to Underlying Present Rate:		1.312	2.323	1.525	
		Credibility to Underlying Relativity:		0.56	0.36	0.37	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.101	2.548	1.639	
		Balanced Formula Relativity:		1.094	2.543	1.634	1.757

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Calculation of Class Relativities

Class(es):		Schedule: 173		Effective: 9/1/2005			Manufacturing	
3030 IRON OR STEEL WORKS-SHOP-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	5,605,517	3	20	448,601	156,868	282,086	887,555	
1998/1999	5,264,450	0	11	0	29,936	38,458	68,394	
1999/2000	8,359,978	0	13	0	71,030	95,776	166,806	
2000/2001	9,101,622	2	13	391,220	332,246	328,410	1,051,876	
2001/2002	9,171,670	0	15	0	294,254	143,402	437,656	
MA Total	37,503,237	5	72	839,821	884,334	888,132	2,612,287	
				MA Indicated Pure Premiums				
				1997/1998	8.003	2.798	5.032	15.834
				1998/1999	0.000	0.569	0.731	1.299
				1999/2000	0.000	0.850	1.146	1.995
				2000/2001	4.298	3.650	3.608	11.557
				2001/2002	0.000	3.208	1.564	4.772
MA Total Pure Premium:				2.240	2.360	2.370	6.965	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				3.335	3.349	2.711		
Massachusetts Credibility:				0.38	0.80	0.76		
Countrywide Pure Premium:				2.530	1.620	2.300	6.450	
Countrywide Indicated Relativity:				3.748	2.406	2.725		
Countrywide Credibility:				0.31	0.10	0.12		
Countrywide Lost-time Claims:				206	1,567			
Pure Premium Underlying Present Rate:				3.410	3.030	2.710	9.150	
Relativity to Underlying Present Rate:				4.301	4.371	2.890		
Credibility to Underlying Relativity:				0.31	0.10	0.12		
Industry Group Adjusted Converted Pure Premium:				0.672	0.705	0.874	2.250	
Formula Relativity:				3.762	3.357	2.734		
Balanced Formula Relativity:				3.739	3.350	2.726	3.224	

Class(es):		Schedule: 173		Effective: 9/1/2005			Manufacturing	
3040 IRON WORKS-SHOP-ORNAMENTAL-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	11,364,925	2	35	278,657	590,567	402,976	1,272,200	
1998/1999	12,347,527	5	32	760,746	361,256	373,546	1,495,548	
1999/2000	12,963,167	4	36	601,999	599,201	906,830	2,108,030	
2000/2001	14,372,730	5	36	1,022,619	514,921	792,774	2,330,314	
2001/2002	16,208,223	3	26	443,605	483,123	481,179	1,407,907	
MA Total	67,256,572	19	165	3,107,626	2,549,068	2,957,305	8,613,999	
				MA Indicated Pure Premiums				
				1997/1998	2.452	5.196	3.546	11.194
				1998/1999	6.161	2.926	3.025	12.112
				1999/2000	4.644	4.622	6.995	16.262
				2000/2001	7.115	3.583	5.516	16.213
				2001/2002	2.737	2.981	2.969	8.686
MA Total Pure Premium:				4.620	3.790	4.400	12.808	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				6.879	5.379	5.033		
Massachusetts Credibility:				0.51	1.00	1.00		
Countrywide Pure Premium:				1.880	1.590	1.960	5.430	
Countrywide Indicated Relativity:				2.785	2.361	2.322		
Countrywide Credibility:				0.24	0.00	0.00		
Countrywide Lost-time Claims:				221	1,650			
Pure Premium Underlying Present Rate:				3.810	4.450	5.080	13.340	
Relativity to Underlying Present Rate:				4.805	6.419	5.417		
Credibility to Underlying Relativity:				0.25	0.00	0.00		
Industry Group Adjusted Converted Pure Premium:				0.672	0.705	0.874	2.250	
Formula Relativity:				5.378	5.379	5.033		
Balanced Formula Relativity:				5.344	5.367	5.018	5.225	

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Calculation of Class Relativities

Class(es):		Schedule: 173		Effective: 9/1/2005		Manufacturing	
3041 IRON WORKS-SHOP-DECORATIVE-FOUNDRY-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,730,994	0	3	0	21,769	19,380	41,149
1998/1999	1,919,869	0	1	0	1,627	5,775	7,402
1999/2000	2,089,600	0	1	0	65,124	46,500	111,624
2000/2001	2,600,384	0	3	0	2,792	11,459	14,251
2001/2002	2,958,218	0	7	0	151,209	143,954	295,163
MA Total	11,299,065	0	15	0	242,521	227,068	469,589
MA Indicated Pure Premiums							
			1997/1998	0.000	1.258	1.120	2.377
			1998/1999	0.000	0.085	0.301	0.386
			1999/2000	0.000	3.117	2.225	5.342
			2000/2001	0.000	0.107	0.441	0.548
			2001/2002	0.000	5.111	4.866	9.978
			MA Total Pure Premium:	0.000	2.150	2.010	4.156
Pure Premium Relativities							
			Massachusetts Indicated Relativity:	0.000	3.051	2.299	
			Massachusetts Credibility:	0.18	0.29	0.34	
			Countrywide Pure Premium:	2.490	0.730	1.200	4.420
			Countrywide Indicated Relativity:	3.689	1.084	1.422	
			Countrywide Credibility:	0.09	0.21	0.26	
			Countrywide Lost-time Claims:	1	19		
			Pure Premium Underlying Present Rate:	1.720	0.820	1.210	3.750
			Relativity to Underlying Present Rate:	2.169	1.183	1.290	
			Credibility to Underlying Relativity:	0.73	0.50	0.40	
			Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250
			Formula Relativity:	1.915	1.704	1.667	
			Balanced Formula Relativity:	1.903	1.700	1.662	1.746

Class(es):		Schedule: 180		Effective: 9/1/2005		Manufacturing	
3042 ELEVATOR OR ESCALATOR MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	534,113	0	0	0	0	981	981
1998/1999	729,318	0	1	0	6,500	2,187	8,687
1999/2000	716,651	0	0	0	0	535	535
2000/2001	831,243	0	1	0	481	5,107	5,588
2001/2002	709,200	0	0	0	0	1,252	1,252
MA Total	3,520,525	0	2	0	6,981	10,062	17,043
MA Indicated Pure Premiums							
			1997/1998	0.000	0.000	0.184	0.184
			1998/1999	0.000	0.891	0.300	1.191
			1999/2000	0.000	0.000	0.075	0.075
			2000/2001	0.000	0.058	0.614	0.672
			2001/2002	0.000	0.000	0.177	0.177
			MA Total Pure Premium:	0.000	0.200	0.290	0.484
Pure Premium Relativities							
			Massachusetts Indicated Relativity:	0.000	0.284	0.332	
			Massachusetts Credibility:	0.11	0.17	0.21	
			Countrywide Pure Premium:	0.950	0.860	0.900	2.710
			Countrywide Indicated Relativity:	1.407	1.277	1.066	
			Countrywide Credibility:	0.24	0.42	0.40	
			Countrywide Lost-time Claims:	13	230		
			Pure Premium Underlying Present Rate:	1.670	0.630	1.190	3.490
			Relativity to Underlying Present Rate:	2.106	0.909	1.269	
			Credibility to Underlying Relativity:	0.65	0.41	0.39	
			Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250
			Formula Relativity:	1.707	0.957	0.991	
			Balanced Formula Relativity:	1.696	0.955	0.988	1.189

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Calculation of Class Relativities

Class(es):		Schedule: 176		Effective: 9/1/2005		Manufacturing	
3064 SIGN MFG-METAL							
3066 SHEET METAL WORK-SHOP							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	117,206,930	14	151	1,211,047	1,041,503	1,462,477	3,715,027
1998/1999	124,296,699	14	154	1,485,526	1,287,095	1,605,262	4,377,883
1999/2000	133,566,739	13	174	1,497,087	1,075,866	1,839,721	4,412,674
2000/2001	124,576,390	9	123	1,369,615	976,226	1,440,275	3,786,116
2001/2002	111,068,761	1	95	230,423	1,225,971	857,634	2,314,028
MA Total	610,715,519	51	697	5,793,698	5,606,661	7,205,369	18,605,728
		MA Indicated Pure Premiums					
		1997/1998		1.033	0.889	1.248	3.170
		1998/1999		1.195	1.036	1.291	3.522
		1999/2000		1.121	0.805	1.377	3.304
		2000/2001		1.099	0.784	1.156	3.039
		2001/2002		0.207	1.104	0.772	2.083
		MA Total Pure Premium:		0.950	0.920	1.180	3.047
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.415	1.306	1.350	
		Massachusetts Credibility:		0.72	1.00	1.00	
		Countrywide Pure Premium:		0.960	0.960	1.210	3.130
		Countrywide Indicated Relativity:		1.422	1.425	1.434	
		Countrywide Credibility:		0.14	0.00	0.00	
		Countrywide Lost-time Claims:		594	4,563		
		Pure Premium Underlying Present Rate:		1.000	0.840	1.250	3.090
		Relativity to Underlying Present Rate:		1.261	1.212	1.333	
		Credibility to Underlying Relativity:		0.14	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.394	1.306	1.350	
		Balanced Formula Relativity:		1.386	1.303	1.346	1.344

Class(es):		Schedule: 176		Effective: 9/1/2005		Manufacturing	
3076 FIREPROOF EQUIPMENT MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	20,278,253	0	24	0	338,796	241,606	580,402
1998/1999	21,714,092	2	20	213,157	290,897	273,235	777,289
1999/2000	24,022,680	0	24	0	189,165	256,536	445,701
2000/2001	27,449,192	5	30	659,867	171,900	353,002	1,184,769
2001/2002	34,052,096	1	25	168,711	203,828	219,671	592,210
MA Total	127,516,313	8	123	1,041,735	1,194,586	1,344,050	3,580,371
		MA Indicated Pure Premiums					
		1997/1998		0.000	1.671	1.191	2.862
		1998/1999		0.982	1.340	1.258	3.580
		1999/2000		0.000	0.787	1.068	1.855
		2000/2001		2.404	0.626	1.286	4.316
		2001/2002		0.495	0.599	0.645	1.739
		MA Total Pure Premium:		0.820	0.940	1.050	2.808
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.221	1.334	1.201	
		Massachusetts Credibility:		0.32	0.87	0.88	
		Countrywide Pure Premium:		0.820	1.080	1.200	3.100
		Countrywide Indicated Relativity:		1.215	1.603	1.422	
		Countrywide Credibility:		0.34	0.06	0.06	
		Countrywide Lost-time Claims:		456	2,820		
		Pure Premium Underlying Present Rate:		0.650	1.100	1.150	2.900
		Relativity to Underlying Present Rate:		0.820	1.587	1.226	
		Credibility to Underlying Relativity:		0.34	0.07	0.06	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.083	1.368	1.216	
		Balanced Formula Relativity:		1.076	1.365	1.212	1.219

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Calculation of Class Relativities

Class(es):		Schedule: 171		Effective: 9/1/2005		Manufacturing	
3081 FOUNDRY-FERROUS-NOC							
3082 FOUNDRY-STEEL CASTINGS							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	14,079,626	2	33	337,251	164,044	479,230	980,525
1998/1999	12,960,624	3	33	579,651	154,086	405,001	1,138,738
1999/2000	14,223,580	5	43	627,752	169,642	588,617	1,386,011
2000/2001	14,477,839	3	38	363,303	312,296	441,247	1,116,846
2001/2002	14,449,957	2	46	347,980	457,833	494,888	1,300,701
MA Total	70,191,626	15	193	2,255,937	1,257,901	2,408,983	5,922,821
MA Indicated Pure Premiums							
			1997/1998	2.395	1.165	3.404	6.964
			1998/1999	4.472	1.189	3.125	8.786
			1999/2000	4.413	1.193	4.138	9.744
			2000/2001	2.509	2.157	3.048	7.714
			2001/2002	2.408	3.168	3.425	9.001
			MA Total Pure Premium:	3.210	1.790	3.430	8.438
Pure Premium Relativities							
			Massachusetts Indicated Relativity:	4.780	2.541	3.924	
			Massachusetts Credibility:	0.41	0.80	0.94	
			Countrywide Pure Premium:	1.840	1.800	2.050	5.690
			Countrywide Indicated Relativity:	2.726	2.673	2.429	
			Countrywide Credibility:	0.30	0.10	0.03	
			Countrywide Lost-time Claims:	120	1,175		
			Pure Premium Underlying Present Rate:	2.160	1.630	2.450	6.240
			Relativity to Underlying Present Rate:	2.724	2.351	2.613	
			Credibility to Underlying Relativity:	0.29	0.10	0.03	
			Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250
			Formula Relativity:	3.568	2.535	3.840	
			Balanced Formula Relativity:	3.545	2.530	3.828	3.337

Class(es):		Schedule: 171		Effective: 9/1/2005		Manufacturing	
3085 FOUNDRY-NON FERROUS METALS-NOC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	15,539,690	3	20	361,540	101,456	202,416	665,412
1998/1999	15,934,992	0	20	0	128,160	117,075	245,235
1999/2000	16,970,123	4	21	470,197	57,427	261,102	788,726
2000/2001	13,730,011	2	17	383,074	125,198	375,786	884,058
2001/2002	11,883,858	2	16	228,483	465,491	501,758	1,195,732
MA Total	74,058,674	11	94	1,443,294	877,732	1,458,137	3,779,163
MA Indicated Pure Premiums							
			1997/1998	2.327	0.653	1.303	4.282
			1998/1999	0.000	0.804	0.735	1.539
			1999/2000	2.771	0.338	1.539	4.648
			2000/2001	2.790	0.912	2.737	6.439
			2001/2002	1.923	3.917	4.222	10.062
			MA Total Pure Premium:	1.950	1.190	1.970	5.103
Pure Premium Relativities							
			Massachusetts Indicated Relativity:	2.904	1.689	2.254	
			Massachusetts Credibility:	0.36	0.57	0.76	
			Countrywide Pure Premium:	1.320	1.170	1.780	4.270
			Countrywide Indicated Relativity:	1.955	1.737	2.109	
			Countrywide Credibility:	0.32	0.22	0.12	
			Countrywide Lost-time Claims:	141	992		
			Pure Premium Underlying Present Rate:	1.500	0.670	1.350	3.520
			Relativity to Underlying Present Rate:	1.892	0.967	1.440	
			Credibility to Underlying Relativity:	0.32	0.21	0.12	
			Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250
			Formula Relativity:	2.276	1.548	2.139	
			Balanced Formula Relativity:	2.262	1.545	2.132	1.987

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Calculation of Class Relativities

Class(es): 3110 FORGING WORK-DROP OR MACHINE		Schedule: 172		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	11,781,583	4	115	789,134	389,845	400,237	1,579,216
1998/1999	4,219,798	0	4	0	34,269	25,802	60,071
1999/2000	4,237,889	0	5	0	25,500	18,501	44,001
2000/2001	3,054,501	1	6	162,783	20,074	42,472	225,329
2001/2002	8,815,225	0	29	0	621,851	303,545	925,396
MA Total	32,108,996	5	159	951,917	1,091,539	790,557	2,834,013
		MA Indicated Pure Premiums					
		1997/1998		6.698	3.309	3.397	13.404
		1998/1999		0.000	0.812	0.611	1.424
		1999/2000		0.000	0.602	0.437	1.038
		2000/2001		5.329	0.657	1.390	7.377
		2001/2002		0.000	7.054	3.443	10.498
		MA Total Pure Premium:		2.960	3.400	2.460	8.826
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		4.408	4.826	2.814	
		Massachusetts Credibility:		0.34	0.79	0.80	
		Countrywide Pure Premium:		2.090	1.390	2.000	5.480
		Countrywide Indicated Relativity:		3.096	2.064	2.369	
		Countrywide Credibility:		0.33	0.10	0.10	
		Countrywide Lost-time Claims:		138	788		
		Pure Premium Underlying Present Rate:		2.980	3.460	3.620	10.060
		Relativity to Underlying Present Rate:		3.758	4.991	3.860	
		Credibility to Underlying Relativity:		0.33	0.11	0.10	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		3.761	4.568	2.874	
		Balanced Formula Relativity:		3.737	4.558	2.865	3.656

Class(es): 3111 BLACKSMITH		Schedule: 172		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	4,601,623	0	3	0	14,927	8,400	23,327
1998/1999	5,002,396	0	1	0	989	4,273	5,262
1999/2000	5,355,751	0	5	0	37,271	65,231	102,502
2000/2001	3,892,776	0	2	0	8,056	18,010	26,066
2001/2002	3,234,925	0	0	0	0	7,728	7,728
MA Total	22,087,471	0	11	0	61,243	103,642	164,885
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.324	0.183	0.507
		1998/1999		0.000	0.020	0.085	0.105
		1999/2000		0.000	0.696	1.218	1.914
		2000/2001		0.000	0.207	0.463	0.670
		2001/2002		0.000	0.000	0.239	0.239
		MA Total Pure Premium:		0.000	0.280	0.470	0.747
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	0.397	0.538	
		Massachusetts Credibility:		0.19	0.38	0.45	
		Countrywide Pure Premium:		1.100	1.040	1.580	3.720
		Countrywide Indicated Relativity:		1.630	1.544	1.871	
		Countrywide Credibility:		0.21	0.31	0.28	
		Countrywide Lost-time Claims:		9	109		
		Pure Premium Underlying Present Rate:		0.940	0.810	1.230	2.980
		Relativity to Underlying Present Rate:		1.186	1.168	1.312	
		Credibility to Underlying Relativity:		0.60	0.31	0.27	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.054	0.992	1.120	
		Balanced Formula Relativity:		1.047	0.989	1.117	1.056

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Calculation of Class Relativities

Class(es):		Schedule: 174		Effective: 9/1/2005		Manufacturing		
3113 TOOL MFG-NOC-NOT DROP OR MACHINE								
3118 SAW MFG								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	144,752,735	4	99	521,642	500,696	670,013	1,692,351	
1998/1999	153,075,263	6	88	784,276	517,698	770,358	2,072,332	
1999/2000	162,815,084	8	105	1,220,580	841,099	918,545	2,980,224	
2000/2001	138,047,188	4	85	689,726	1,048,932	965,019	2,703,677	
2001/2002	106,284,874	0	76	0	946,708	620,180	1,566,888	
MA Total	704,975,144	22	453	3,216,224	3,855,133	3,944,115	11,015,472	
				MA Indicated Pure Premiums				
				1997/1998	0.360	0.346	0.463	1.169
				1998/1999	0.512	0.338	0.503	1.354
				1999/2000	0.750	0.517	0.564	1.830
				2000/2001	0.500	0.760	0.699	1.959
				2001/2002	0.000	0.891	0.584	1.474
MA Total Pure Premium:				0.460	0.550	0.560	1.563	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.685	0.781	0.641		
Massachusetts Credibility:				0.60	1.00	1.00		
Countrywide Pure Premium:				0.480	0.580	0.680	1.740	
Countrywide Indicated Relativity:				0.711	0.862	0.806		
Countrywide Credibility:				0.20	0.00	0.00		
Countrywide Lost-time Claims:				132	1,983			
Pure Premium Underlying Present Rate:				0.560	0.540	0.650	1.750	
Relativity to Underlying Present Rate:				0.706	0.779	0.693		
Credibility to Underlying Relativity:				0.20	0.00	0.00		
Industry Group Adjusted Converted Pure Premium:				0.672	0.705	0.874	2.250	
Formula Relativity:				0.694	0.781	0.641		
Balanced Formula Relativity:				0.690	0.779	0.639	0.698	

Class(es):		Schedule: 174		Effective: 9/1/2005		Manufacturing		
3114 TOOL MFG-NOC-MACHINING OR FINISHING								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	5,992,746	0	5	0	35,608	33,660	69,268	
1998/1999	6,477,775	2	3	285,135	2,664	128,486	416,285	
1999/2000	5,493,552	2	6	220,095	16,720	109,967	346,782	
2000/2001	4,024,747	0	5	0	124,006	65,580	189,586	
2001/2002	4,191,052	0	3	0	129,623	64,532	194,155	
MA Total	26,179,872	4	22	505,230	308,621	402,225	1,216,076	
				MA Indicated Pure Premiums				
				1997/1998	0.000	0.594	0.562	1.156
				1998/1999	4.402	0.041	1.983	6.426
				1999/2000	4.006	0.304	2.002	6.313
				2000/2001	0.000	3.081	1.629	4.711
				2001/2002	0.000	3.093	1.540	4.633
MA Total Pure Premium:				1.930	1.180	1.540	4.645	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				2.874	1.675	1.762		
Massachusetts Credibility:				0.22	0.40	0.48		
Countrywide Pure Premium:				0.410	1.160	1.720	3.290	
Countrywide Indicated Relativity:				0.608	1.722	2.037		
Countrywide Credibility:				0.21	0.30	0.26		
Countrywide Lost-time Claims:				9	292			
Pure Premium Underlying Present Rate:				1.260	0.760	1.190	3.210	
Relativity to Underlying Present Rate:				1.589	1.096	1.269		
Credibility to Underlying Relativity:				0.57	0.30	0.26		
Industry Group Adjusted Converted Pure Premium:				0.672	0.705	0.874	2.250	
Formula Relativity:				1.666	1.515	1.705		
Balanced Formula Relativity:				1.655	1.512	1.700	1.628	

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Calculation of Class Relativities

Class(es): 3119 NEEDLE MFG		Schedule: 177		Effective: 9/1/2005			Manufacturing
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,093,677	0	0	0	0	410	410
1998/1999	1,256,610	0	0	0	0	1,169	1,169
1999/2000	1,383,330	0	0	0	0	1,104	1,104
2000/2001	1,499,724	0	1	0	5,541	574	6,115
2001/2002	1,567,217	0	2	0	406	6,095	6,501
MA Total	6,800,558	0	3	0	5,947	9,352	15,299
		MA Indicated Pure Premiums					
		1997/1998	0.000	0.000	0.037	0.037	
		1998/1999	0.000	0.000	0.093	0.093	
		1999/2000	0.000	0.000	0.080	0.080	
		2000/2001	0.000	0.369	0.038	0.408	
		2001/2002	0.000	0.026	0.389	0.415	
		MA Total Pure Premium:	0.000	0.090	0.140	0.225	
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:	0.000	0.128	0.160		
		Massachusetts Credibility:	0.08	0.16	0.17		
		Countrywide Pure Premium:	0.000	0.000	0.000	0.000	
		Countrywide Indicated Relativity:	0.536	0.400	0.380		
		Countrywide Credibility:	0.00	0.00	0.00		
		Countrywide Lost-time Claims:	0	0			
		Pure Premium Underlying Present Rate:	0.430	0.280	0.360	1.070	
		Relativity to Underlying Present Rate:	0.542	0.404	0.384		
		Credibility to Underlying Relativity:	0.92	0.84	0.83		
		Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250	
		Formula Relativity:	0.499	0.360	0.346		
		Balanced Formula Relativity:	0.496	0.359	0.345	0.394	

Class(es): 3120 RAZOR MFG-SAFETY		Schedule: 174		Effective: 9/1/2005			Manufacturing
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	491,388	0	2	0	3,322	0	3,322
1998/1999	86,891	0	5	0	40,749	11,483	52,232
1999/2000	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0
MA Total	578,279	0	7	0	44,071	11,483	55,554
		MA Indicated Pure Premiums					
		1997/1998	0.000	0.676	0.000	0.676	
		1998/1999	0.000	46.897	13.215	60.112	
		1999/2000	0.000	0.000	0.000	0.000	
		2000/2001	0.000	0.000	0.000	0.000	
		2001/2002	0.000	0.000	0.000	0.000	
		MA Total Pure Premium:	0.000	7.620	1.990	9.607	
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:	0.000	10.815	2.276		
		Massachusetts Credibility:	0.03	0.08	0.07		
		Countrywide Pure Premium:	0.300	0.250	0.400	0.950	
		Countrywide Indicated Relativity:	0.444	0.371	0.474		
		Countrywide Credibility:	0.11	0.22	0.27		
		Countrywide Lost-time Claims:	2	21			
		Pure Premium Underlying Present Rate:	0.440	0.660	0.460	1.560	
		Relativity to Underlying Present Rate:	0.555	0.952	0.491		
		Credibility to Underlying Relativity:	0.86	0.70	0.66		
		Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250	
		Formula Relativity:	0.526	1.613	0.611		
		Balanced Formula Relativity:	0.523	1.610	0.610	0.897	

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Calculation of Class Relativities

Class(es): 3122 CUTLERY MFG-NOC		Schedule: 174		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	7,510,856	1	1	180,166	396	19,652	200,214	
1998/1999	7,776,250	0	6	0	47,843	52,822	100,665	
1999/2000	7,981,171	1	6	92,277	28,473	277,396	398,146	
2000/2001	7,485,784	1	6	215,061	28,025	106,823	349,909	
2001/2002	7,299,953	0	1	0	4,746	4,173	8,919	
MA Total	38,054,014	3	20	487,504	109,483	460,866	1,057,853	
		MA Indicated Pure Premiums						
	1997/1998			2.399	0.005	0.262	2.666	
	1998/1999			0.000	0.615	0.679	1.295	
	1999/2000			1.156	0.357	3.476	4.989	
	2000/2001			2.873	0.374	1.427	4.674	
	2001/2002			0.000	0.065	0.057	0.122	
	MA Total Pure Premium:			1.280	0.290	1.210	2.780	
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:			1.906	0.412	1.384		
	Massachusetts Credibility:			0.23	0.46	0.56		
	Countrywide Pure Premium:			1.150	0.330	0.710	2.190	
	Countrywide Indicated Relativity:			1.704	0.490	0.841		
	Countrywide Credibility:			0.11	0.22	0.22		
	Countrywide Lost-time Claims:			2	21			
	Pure Premium Underlying Present Rate:			0.920	0.770	1.210	2.900	
	Relativity to Underlying Present Rate:			1.160	1.111	1.290		
	Credibility to Underlying Relativity:			0.66	0.32	0.22		
	Industry Group Adjusted Converted Pure Premium:			0.672	0.705	0.874	2.250	
	Formula Relativity:			1.391	0.653	1.244		
	Balanced Formula Relativity:			1.383	0.651	1.240	1.098	

Class(es): 3127 PRECISION MEASURING TOOL MFG-NOC		Schedule: 174		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	27,367,480	0	22	0	86,971	64,447	151,418	
1998/1999	26,100,024	1	12	87,650	23,560	30,380	141,590	
1999/2000	24,048,772	0	14	0	66,469	50,108	116,577	
2000/2001	22,118,659	1	9	157,225	71,201	85,261	313,687	
2001/2002	18,034,107	0	4	0	4,730	9,128	13,858	
MA Total	117,669,042	2	61	244,875	252,931	239,324	737,130	
		MA Indicated Pure Premiums						
	1997/1998			0.000	0.318	0.235	0.553	
	1998/1999			0.336	0.090	0.116	0.542	
	1999/2000			0.000	0.276	0.208	0.485	
	2000/2001			0.711	0.322	0.385	1.418	
	2001/2002			0.000	0.026	0.051	0.077	
	MA Total Pure Premium:			0.210	0.210	0.200	0.626	
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:			0.313	0.298	0.229		
	Massachusetts Credibility:			0.18	0.42	0.49		
	Countrywide Pure Premium:			0.000	0.000	0.000	0.000	
	Countrywide Indicated Relativity:			0.212	0.286	0.296		
	Countrywide Credibility:			0.00	0.00	0.00		
	Countrywide Lost-time Claims:			0	0			
	Pure Premium Underlying Present Rate:			0.170	0.200	0.280	0.650	
	Relativity to Underlying Present Rate:			0.214	0.289	0.299		
	Credibility to Underlying Relativity:			0.82	0.58	0.51		
	Industry Group Adjusted Converted Pure Premium:			0.672	0.705	0.874	2.250	
	Formula Relativity:			0.232	0.293	0.265		
	Balanced Formula Relativity:			0.230	0.292	0.264	0.263	

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Calculation of Class Relativities

Class(es):		Schedule: 176		Effective: 9/1/2005		Manufacturing	
3131 BUTTON OR FASTENER MFG-METAL							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	7,792,345	0	6	0	27,234	43,940	71,174
1998/1999	7,752,104	2	8	133,731	57,488	93,672	284,891
1999/2000	5,998,253	1	4	32,453	32,718	24,438	89,609
2000/2001	4,318,205	1	3	280,377	3,130	48,802	332,309
2001/2002	5,404,933	0	8	0	274,771	66,145	340,916
MA Total	31,265,840	4	29	446,561	395,341	276,997	1,118,899
MA Indicated Pure Premiums							
		1997/1998		0.000	0.349	0.564	0.913
		1998/1999		1.725	0.742	1.208	3.675
		1999/2000		0.541	0.545	0.407	1.494
		2000/2001		6.493	0.072	1.130	7.696
		2001/2002		0.000	5.084	1.224	6.307
		MA Total Pure Premium:		1.430	1.260	0.890	3.579
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		2.129	1.788	1.018	
		Massachusetts Credibility:		0.26	0.44	0.47	
		Countrywide Pure Premium:		0.750	0.840	0.940	2.530
		Countrywide Indicated Relativity:		1.111	1.247	1.114	
		Countrywide Credibility:		0.35	0.28	0.26	
		Countrywide Lost-time Claims:		33	211		
		Pure Premium Underlying Present Rate:		1.520	0.800	0.990	3.310
		Relativity to Underlying Present Rate:		1.917	1.154	1.056	
		Credibility to Underlying Relativity:		0.39	0.28	0.27	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.690	1.459	1.053	
		Balanced Formula Relativity:		1.679	1.456	1.050	1.365

Class(es):		Schedule: 175		Effective: 9/1/2005		Manufacturing	
3132 NUT OR BOLT MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,580,296	0	0	0	0	2,660	2,660
1998/1999	1,930,138	0	2	0	15,991	16,447	32,438
1999/2000	4,686,578	0	7	0	39,396	42,992	82,388
2000/2001	1,025,291	0	1	0	3,722	1,843	5,565
2001/2002	2,778,668	0	1	0	342	2,836	3,178
MA Total	12,000,971	0	11	0	59,451	66,778	126,229
MA Indicated Pure Premiums							
		1997/1998		0.000	0.000	0.168	0.168
		1998/1999		0.000	0.828	0.852	1.681
		1999/2000		0.000	0.841	0.917	1.758
		2000/2001		0.000	0.363	0.180	0.543
		2001/2002		0.000	0.012	0.102	0.114
		MA Total Pure Premium:		0.000	0.500	0.560	1.052
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.000	0.710	0.641	
		Massachusetts Credibility:		0.12	0.33	0.33	
		Countrywide Pure Premium:		0.540	0.770	0.790	2.100
		Countrywide Indicated Relativity:		0.799	1.144	0.936	
		Countrywide Credibility:		0.17	0.34	0.34	
		Countrywide Lost-time Claims:		5	61		
		Pure Premium Underlying Present Rate:		0.610	1.060	1.010	2.680
		Relativity to Underlying Present Rate:		0.769	1.529	1.077	
		Credibility to Underlying Relativity:		0.71	0.33	0.33	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.682	1.128	0.885	
		Balanced Formula Relativity:		0.678	1.125	0.883	0.897

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Calculation of Class Relativities

Class(es): 3145 SCREW MFG		Schedule: 177		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	32,185,958	1	18	73,886	100,305	145,822	320,013	
1998/1999	27,278,887	3	14	385,901	28,623	245,398	659,922	
1999/2000	30,520,618	0	17	0	201,345	213,061	414,406	
2000/2001	26,875,038	0	9	0	60,040	81,642	141,682	
2001/2002	22,346,034	0	11	0	61,561	79,087	140,648	
MA Total	139,206,535	4	69	459,787	451,874	765,010	1,676,671	
		MA Indicated Pure Premiums						
		1997/1998		0.230	0.312	0.453	0.994	
		1998/1999		1.415	0.105	0.900	2.419	
		1999/2000		0.000	0.660	0.698	1.358	
		2000/2001		0.000	0.223	0.304	0.527	
		2001/2002		0.000	0.275	0.354	0.629	
		MA Total Pure Premium:		0.330	0.320	0.550	1.204	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:		0.491	0.454	0.629		
		Massachusetts Credibility:		0.32	0.61	0.77		
		Countrywide Pure Premium:		0.440	0.510	0.630	1.580	
		Countrywide Indicated Relativity:		0.652	0.758	0.746		
		Countrywide Credibility:		0.34	0.20	0.12		
		Countrywide Lost-time Claims:		31	401			
		Pure Premium Underlying Present Rate:		0.570	0.410	0.750	1.730	
		Relativity to Underlying Present Rate:		0.719	0.591	0.800		
		Credibility to Underlying Relativity:		0.34	0.19	0.11		
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250	
		Formula Relativity:		0.623	0.541	0.662		
		Balanced Formula Relativity:		0.619	0.540	0.660	0.610	

Class(es): 3146 HARDWARE MFG-NOC		Schedule: 175		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	25,077,555	5	35	633,947	153,929	279,593	1,067,469	
1998/1999	30,624,813	5	35	691,684	136,178	445,991	1,273,853	
1999/2000	29,185,300	1	27	89,013	104,714	156,118	349,845	
2000/2001	20,467,497	3	22	485,974	169,922	208,569	864,465	
2001/2002	21,770,935	0	13	0	81,119	97,099	178,218	
MA Total	127,126,100	14	132	1,900,618	645,862	1,187,370	3,733,850	
		MA Indicated Pure Premiums						
		1997/1998		2.528	0.614	1.115	4.257	
		1998/1999		2.259	0.445	1.456	4.160	
		1999/2000		0.305	0.359	0.535	1.199	
		2000/2001		2.374	0.830	1.019	4.224	
		2001/2002		0.000	0.373	0.446	0.819	
		MA Total Pure Premium:		1.500	0.510	0.930	2.937	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:		2.234	0.724	1.064		
		Massachusetts Credibility:		0.41	0.71	0.90		
		Countrywide Pure Premium:		0.710	0.780	1.100	2.590	
		Countrywide Indicated Relativity:		1.052	1.159	1.303		
		Countrywide Credibility:		0.30	0.14	0.05		
		Countrywide Lost-time Claims:		270	2,668			
		Pure Premium Underlying Present Rate:		1.190	0.670	1.200	3.060	
		Relativity to Underlying Present Rate:		1.501	0.967	1.280		
		Credibility to Underlying Relativity:		0.29	0.15	0.05		
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250	
		Formula Relativity:		1.667	0.821	1.087		
		Balanced Formula Relativity:		1.656	0.820	1.083	1.172	

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Calculation of Class Relativities

Class(es):		Schedule: 176		Effective: 9/1/2005			Manufacturing	
3169 STOVE MFG 3227 ALUMINUM WARE MFG-FROM SHEET ALUMINUM 3400 METAL GOODS MFG-NOC 3807 AUTO RADIATOR MFG								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	39,798,082	6	82	624,153	603,337	850,353	2,077,843	
1998/1999	43,968,957	8	96	951,010	727,899	1,071,202	2,750,111	
1999/2000	44,742,733	3	86	254,551	598,781	612,653	1,465,985	
2000/2001	46,822,244	3	75	224,246	648,358	762,639	1,635,243	
2001/2002	39,827,391	4	37	761,126	406,800	929,516	2,097,442	
MA Total	215,159,407	24	376	2,815,086	2,985,175	4,226,363	10,026,624	
		MA Indicated Pure Premiums						
		1997/1998		1.568	1.516	2.137	5.221	
		1998/1999		2.163	1.655	2.436	6.255	
		1999/2000		0.569	1.338	1.369	3.276	
		2000/2001		0.479	1.385	1.629	3.492	
		2001/2002		1.911	1.021	2.334	5.266	
		MA Total Pure Premium:		1.310	1.390	1.960	4.660	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:		1.951	1.973	2.242		
		Massachusetts Credibility:		0.53	1.00	1.00		
		Countrywide Pure Premium:		1.010	0.950	1.250	3.210	
		Countrywide Indicated Relativity:		1.496	1.410	1.481		
		Countrywide Credibility:		0.24	0.00	0.00		
		Countrywide Lost-time Claims:		468	3,266			
		Pure Premium Underlying Present Rate:		1.310	1.110	1.590	4.010	
		Relativity to Underlying Present Rate:		1.652	1.601	1.696		
		Credibility to Underlying Relativity:		0.23	0.00	0.00		
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250	
		Formula Relativity:		1.773	1.973	2.242		
		Balanced Formula Relativity:		1.762	1.969	2.235	2.011	

Class(es):		Schedule: 184		Effective: 9/1/2005			Manufacturing	
3179 ELECTRICAL APPARATUS MFG-NOC 3643 ELEC POWER OR TRANSMISSION EQUIP MFG								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	123,488,737	8	102	769,956	595,076	1,165,450	2,530,482	
1998/1999	113,915,502	11	90	1,499,290	455,263	1,106,040	3,060,593	
1999/2000	159,383,501	9	145	972,419	1,397,448	1,165,383	3,535,250	
2000/2001	131,784,037	4	92	392,562	888,485	1,069,835	2,350,882	
2001/2002	127,919,641	3	72	481,022	637,797	1,066,157	2,184,976	
MA Total	656,491,418	35	501	4,115,249	3,974,069	5,572,865	13,662,183	
		MA Indicated Pure Premiums						
		1997/1998		0.624	0.482	0.944	2.049	
		1998/1999		1.316	0.400	0.971	2.687	
		1999/2000		0.610	0.877	0.731	2.218	
		2000/2001		0.298	0.674	0.812	1.784	
		2001/2002		0.376	0.499	0.833	1.708	
		MA Total Pure Premium:		0.630	0.610	0.850	2.081	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:		0.938	0.866	0.972		
		Massachusetts Credibility:		0.60	1.00	1.00		
		Countrywide Pure Premium:		0.540	0.530	0.680	1.750	
		Countrywide Indicated Relativity:		0.799	0.787	0.806		
		Countrywide Credibility:		0.20	0.00	0.00		
		Countrywide Lost-time Claims:		477	3,951			
		Pure Premium Underlying Present Rate:		0.590	0.490	0.830	1.910	
		Relativity to Underlying Present Rate:		0.744	0.707	0.885		
		Credibility to Underlying Relativity:		0.20	0.00	0.00		
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250	
		Formula Relativity:		0.871	0.866	0.972		
		Balanced Formula Relativity:		0.866	0.864	0.969	0.905	

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Calculation of Class Relativities

Class(es):		Schedule: 176		Effective: 9/1/2005		Manufacturing	
3180 ELECTRIC OR GAS LIGHTING FIXTURES MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	11,318,420	1	25	54,134	64,265	91,334	209,733
1998/1999	12,273,370	0	19	0	140,995	109,497	250,492
1999/2000	13,278,485	1	29	59,362	236,592	330,958	626,912
2000/2001	11,989,587	1	16	149,761	270,329	237,831	657,921
2001/2002	11,367,966	0	10	0	425,056	133,897	558,953
MA Total	60,227,828	3	99	263,257	1,137,237	903,517	2,304,011
MA Indicated Pure Premiums							
		1997/1998		0.478	0.568	0.807	1.853
		1998/1999		0.000	1.149	0.892	2.041
		1999/2000		0.447	1.782	2.492	4.721
		2000/2001		1.249	2.255	1.984	5.487
		2001/2002		0.000	3.739	1.178	4.917
		MA Total Pure Premium:		0.440	1.890	1.500	3.825
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.655	2.682	1.716	
		Massachusetts Credibility:		0.29	0.62	0.70	
		Countrywide Pure Premium:		0.870	0.720	1.090	2.680
		Countrywide Indicated Relativity:		1.289	1.070	1.291	
		Countrywide Credibility:		0.36	0.19	0.15	
		Countrywide Lost-time Claims:		105	375		
		Pure Premium Underlying Present Rate:		1.070	1.000	1.360	3.430
		Relativity to Underlying Present Rate:		1.350	1.443	1.450	
		Credibility to Underlying Relativity:		0.35	0.19	0.15	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.126	2.140	1.612	
		Balanced Formula Relativity:		1.119	2.136	1.607	1.627

Class(es):		Schedule: 182		Effective: 9/1/2005		Manufacturing	
3188 PLUMBERS SUPPLIES MFG-NOC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	892,302	0	1	0	7,797	19,149	26,946
1998/1999	670,392	0	0	0	0	4,395	4,395
1999/2000	3,683,642	0	3	0	103,067	161,778	264,845
2000/2001	3,096,580	0	1	0	1,042	7,559	8,601
2001/2002	1,370,963	0	0	0	0	2,143	2,143
MA Total	9,713,879	0	5	0	111,906	195,024	306,930
MA Indicated Pure Premiums							
		1997/1998		0.000	0.874	2.146	3.020
		1998/1999		0.000	0.000	0.656	0.656
		1999/2000		0.000	2.798	4.392	7.190
		2000/2001		0.000	0.034	0.244	0.278
		2001/2002		0.000	0.000	0.156	0.156
		MA Total Pure Premium:		0.000	1.150	2.010	3.160
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.000	1.632	2.299	
		Massachusetts Credibility:		0.12	0.32	0.36	
		Countrywide Pure Premium:		0.860	1.030	1.050	2.940
		Countrywide Indicated Relativity:		1.274	1.529	1.243	
		Countrywide Credibility:		0.34	0.34	0.32	
		Countrywide Lost-time Claims:		30	407		
		Pure Premium Underlying Present Rate:		0.650	1.170	1.630	3.450
		Relativity to Underlying Present Rate:		0.820	1.688	1.738	
		Credibility to Underlying Relativity:		0.54	0.34	0.32	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.876	1.616	1.782	
		Balanced Formula Relativity:		0.870	1.613	1.776	1.455

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Calculation of Class Relativities

Class(es):		Schedule: 182		Effective: 9/1/2005		Manufacturing	
3200 ARMS MFG-SMALL-.50 CALIBER OR LESS							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	13,402,565	1	17	88,984	273,255	318,219	680,458
1998/1999	11,451,350	1	2	180,567	9,206	59,549	249,322
1999/2000	10,511,766	0	5	0	11,111	63,461	74,572
2000/2001	9,703,658	0	6	0	12,897	66,684	79,581
2001/2002	8,086,299	0	6	0	69,440	129,033	198,473
MA Total	53,155,638	2	36	269,551	375,909	636,946	1,282,406
MA Indicated Pure Premiums							
		1997/1998		0.664	2.039	2.374	5.077
		1998/1999		1.577	0.080	0.520	2.177
		1999/2000		0.000	0.106	0.604	0.709
		2000/2001		0.000	0.133	0.687	0.820
		2001/2002		0.000	0.859	1.596	2.454
		MA Total Pure Premium:		0.510	0.710	1.200	2.413
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.759	1.008	1.373	
		Massachusetts Credibility:		0.28	0.46	0.62	
		Countrywide Pure Premium:		0.000	0.000	0.000	0.000
		Countrywide Indicated Relativity:		1.336	0.772	1.182	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		0	0		
		Pure Premium Underlying Present Rate:		1.070	0.540	1.120	2.730
		Relativity to Underlying Present Rate:		1.350	0.779	1.194	
		Credibility to Underlying Relativity:		0.72	0.54	0.38	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.185	0.884	1.305	
		Balanced Formula Relativity:		1.177	0.882	1.301	1.133

Class(es):		Schedule: 176		Effective: 9/1/2005		Manufacturing	
3220 CAN MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	8,786,815	0	3	0	3,310	17,402	20,712
1998/1999	5,244,918	0	1	0	1,555	6,778	8,333
1999/2000	6,251,172	0	0	0	0	6,602	6,602
2000/2001	5,994,447	0	4	0	23,934	41,951	65,885
2001/2002	0	0	0	0	0	0	0
MA Total	26,277,352	0	8	0	28,799	72,733	101,532
MA Indicated Pure Premiums							
		1997/1998		0.000	0.038	0.198	0.236
		1998/1999		0.000	0.030	0.129	0.159
		1999/2000		0.000	0.000	0.106	0.106
		2000/2001		0.000	0.399	0.700	1.099
		2001/2002		0.000	0.000	0.000	0.000
		MA Total Pure Premium:		0.000	0.110	0.280	0.386
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.000	0.156	0.320	
		Massachusetts Credibility:		0.24	0.34	0.47	
		Countrywide Pure Premium:		0.900	0.940	0.960	2.800
		Countrywide Indicated Relativity:		1.333	1.395	1.138	
		Countrywide Credibility:		0.38	0.33	0.26	
		Countrywide Lost-time Claims:		92	399		
		Pure Premium Underlying Present Rate:		1.510	0.510	1.170	3.190
		Relativity to Underlying Present Rate:		1.904	0.736	1.248	
		Credibility to Underlying Relativity:		0.38	0.33	0.27	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.230	0.756	0.783	
		Balanced Formula Relativity:		1.222	0.755	0.781	0.904

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Calculation of Class Relativities

Class(es): 3255 WIRE CLOTH MFG		Schedule: 177		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	3,412,354	0	6	0	37,635	46,407	84,042
1998/1999	4,098,286	0	5	0	17,595	83,294	100,889
1999/2000	3,843,808	0	3	0	75,335	25,823	101,158
2000/2001	3,183,967	0	0	0	0	1,162	1,162
2001/2002	2,475,337	0	3	0	2,318	3,266	5,584
MA Total	17,013,752	0	17	0	132,883	159,952	292,835
		MA Indicated Pure Premiums					
	1997/1998	0.000	1.103	1.360	2.463		
	1998/1999	0.000	0.429	2.032	2.462		
	1999/2000	0.000	1.960	0.672	2.632		
	2000/2001	0.000	0.000	0.036	0.036		
	2001/2002	0.000	0.094	0.132	0.226		
	MA Total Pure Premium:	0.000	0.780	0.940	1.721		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.000	1.107	1.075			
	Massachusetts Credibility:	0.22	0.36	0.70			
	Countrywide Pure Premium:	0.570	1.340	1.160	3.070		
	Countrywide Indicated Relativity:	0.844	1.990	1.374			
	Countrywide Credibility:	0.11	0.32	0.15			
	Countrywide Lost-time Claims:	2	64				
	Pure Premium Underlying Present Rate:	1.880	0.920	4.880	7.680		
	Relativity to Underlying Present Rate:	2.371	1.327	5.204			
	Credibility to Underlying Relativity:	0.67	0.32	0.15			
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250		
	Formula Relativity:	1.681	1.460	1.739			
	Balanced Formula Relativity:	1.671	1.457	1.734	1.628		

Class(es): 3257 WIRE GOODS MFG-NOC		Schedule: 177		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	17,549,016	2	33	187,666	273,451	236,334	697,451
1998/1999	18,977,698	3	19	308,642	64,210	388,927	761,779
1999/2000	15,936,026	0	14	0	128,399	102,929	231,328
2000/2001	17,799,013	2	23	437,457	144,009	126,398	707,864
2001/2002	11,419,807	0	10	0	93,987	76,744	170,731
MA Total	81,681,560	7	99	933,765	704,056	931,332	2,569,153
		MA Indicated Pure Premiums					
	1997/1998	1.069	1.558	1.347	3.974		
	1998/1999	1.626	0.338	2.049	4.014		
	1999/2000	0.000	0.806	0.646	1.452		
	2000/2001	2.458	0.809	0.710	3.977		
	2001/2002	0.000	0.823	0.672	1.495		
	MA Total Pure Premium:	1.140	0.860	1.140	3.145		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	1.697	1.221	1.304			
	Massachusetts Credibility:	0.33	0.80	0.90			
	Countrywide Pure Premium:	0.630	0.940	1.230	2.800		
	Countrywide Indicated Relativity:	0.933	1.395	1.457			
	Countrywide Credibility:	0.34	0.10	0.05			
	Countrywide Lost-time Claims:	119	1,305				
	Pure Premium Underlying Present Rate:	1.070	1.400	1.900	4.370		
	Relativity to Underlying Present Rate:	1.350	2.020	2.026			
	Credibility to Underlying Relativity:	0.33	0.10	0.05			
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250		
	Formula Relativity:	1.323	1.318	1.348			
	Balanced Formula Relativity:	1.314	1.315	1.344	1.326		

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Calculation of Class Relativities

Class(es): 3270 EYELET MFG		Schedule: 177		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	3,642,315	1	5	241,552	126,487	128,530	496,569	
1998/1999	3,671,631	0	5	0	8,786	12,896	21,682	
1999/2000	2,417,123	0	1	0	717	1,906	2,623	
2000/2001	1,995,818	0	0	0	0	4,182	4,182	
2001/2002	2,419,111	0	1	0	17,457	37,369	54,826	
MA Total	14,145,998	1	12	241,552	153,447	184,883	579,882	
		MA Indicated Pure Premiums						
		1997/1998		6.632	3.473	3.529	13.633	
		1998/1999		0.000	0.239	0.351	0.591	
		1999/2000		0.000	0.030	0.079	0.109	
		2000/2001		0.000	0.000	0.210	0.210	
		2001/2002		0.000	0.722	1.545	2.266	
		MA Total Pure Premium:		1.710	1.080	1.310	4.099	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:		2.546	1.533	1.499		
		Massachusetts Credibility:		0.16	0.32	0.33		
		Countrywide Pure Premium:		0.600	0.370	0.490	1.460	
		Countrywide Indicated Relativity:		0.889	0.550	0.580		
		Countrywide Credibility:		0.30	0.34	0.34		
		Countrywide Lost-time Claims:		23	417			
		Pure Premium Underlying Present Rate:		0.990	0.820	0.910	2.720	
		Relativity to Underlying Present Rate:		1.249	1.183	0.970		
		Credibility to Underlying Relativity:		0.54	0.34	0.33		
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250	
		Formula Relativity:		1.349	1.080	1.012		
		Balanced Formula Relativity:		1.340	1.077	1.009	1.129	

Class(es): 3300 BED SPRING OR WIRE MATTRESS MFG		Schedule: 177		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	0	0	0	0	0	0	0	
1998/1999	0	0	0	0	0	0	0	
1999/2000	0	0	0	0	0	0	0	
2000/2001	0	0	0	0	0	0	0	
2001/2002	0	0	0	0	0	0	0	
MA Total	0	0	0	0	0	0	0	
		MA Indicated Pure Premiums						
		1997/1998		0.000	0.000	0.000	0.000	
		1998/1999		0.000	0.000	0.000	0.000	
		1999/2000		0.000	0.000	0.000	0.000	
		2000/2001		0.000	0.000	0.000	0.000	
		2001/2002		0.000	0.000	0.000	0.000	
		MA Total Pure Premium:		0.000	0.000	0.000	0.000	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:		0.000	0.000	0.000		
		Massachusetts Credibility:		0.00	0.00	0.00		
		Countrywide Pure Premium:		1.790	1.270	2.720	5.780	
		Countrywide Indicated Relativity:		2.652	1.886	3.222		
		Countrywide Credibility:		0.25	0.35	0.44		
		Countrywide Lost-time Claims:		14	64			
		Pure Premium Underlying Present Rate:		3.370	2.140	3.280	8.790	
		Relativity to Underlying Present Rate:		4.250	3.087	3.498		
		Credibility to Underlying Relativity:		0.75	0.65	0.56		
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250	
		Formula Relativity:		3.851	2.667	3.377		
		Balanced Formula Relativity:		3.826	2.661	3.366	3.283	

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Calculation of Class Relativities

Class(es): 3315 BRASS OR COPPER GOODS MFG		Schedule: 183		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	18,986,964	0	11	0	107,279	57,243	164,522
1998/1999	19,187,986	0	21	0	131,446	132,972	264,418
1999/2000	20,933,808	1	15	72,022	66,679	156,183	294,884
2000/2001	20,400,058	0	20	0	169,231	147,050	316,281
2001/2002	19,714,442	0	9	0	135,211	99,744	234,955
MA Total	99,223,258	1	76	72,022	609,846	593,192	1,275,060
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.565	0.301	0.866
		1998/1999		0.000	0.685	0.693	1.378
		1999/2000		0.344	0.319	0.746	1.409
		2000/2001		0.000	0.830	0.721	1.550
		2001/2002		0.000	0.686	0.506	1.192
		MA Total Pure Premium:		0.070	0.610	0.600	1.285
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.104	0.866	0.686	
		Massachusetts Credibility:		0.31	0.60	0.69	
		Countrywide Pure Premium:		0.540	0.560	0.600	1.700
		Countrywide Indicated Relativity:		0.799	0.832	0.711	
		Countrywide Credibility:		0.09	0.20	0.16	
		Countrywide Lost-time Claims:		1	37		
		Pure Premium Underlying Present Rate:		0.750	0.560	0.810	2.120
		Relativity to Underlying Present Rate:		0.946	0.808	0.864	
		Credibility to Underlying Relativity:		0.60	0.20	0.15	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.672	0.848	0.717	
		Balanced Formula Relativity:		0.668	0.846	0.715	0.742

Class(es): 3336 TYPE FOUNDRY		Schedule: 171		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	547,634	0	0	0	0	756	756
1998/1999	378,020	0	0	0	0	642	642
1999/2000	430,634	0	2	0	5,616	4,285	9,901
2000/2001	450,816	0	0	0	0	5,308	5,308
2001/2002	526,639	0	3	0	100,271	83,729	184,000
MA Total	2,333,743	0	5	0	105,887	94,720	200,607
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.000	0.138	0.138
		1998/1999		0.000	0.000	0.170	0.170
		1999/2000		0.000	1.304	0.995	2.299
		2000/2001		0.000	0.000	1.177	1.177
		2001/2002		0.000	19.040	15.899	34.939
		MA Total Pure Premium:		0.000	4.540	4.060	8.596
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	6.444	4.644	
		Massachusetts Credibility:		0.07	0.14	0.14	
		Countrywide Pure Premium:		0.500	0.860	0.870	2.230
		Countrywide Indicated Relativity:		0.741	1.277	1.031	
		Countrywide Credibility:		0.22	0.43	0.43	
		Countrywide Lost-time Claims:		10	186		
		Pure Premium Underlying Present Rate:		0.690	0.610	0.680	1.980
		Relativity to Underlying Present Rate:		0.870	0.880	0.725	
		Credibility to Underlying Relativity:		0.71	0.43	0.43	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.781	1.830	1.405	
		Balanced Formula Relativity:		0.776	1.826	1.401	1.347

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Calculation of Class Relativities

Class(es):		Schedule: 268		Effective: 9/1/2005		Construction	
3365 WELDING OR CUTTING-NOC-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	9,487,939	6	22	913,939	396,483	1,237,310	2,547,732
1998/1999	11,257,758	4	16	635,599	255,819	519,189	1,410,607
1999/2000	10,528,422	2	31	307,119	350,089	472,861	1,130,069
2000/2001	12,723,211	5	14	797,455	271,264	634,061	1,702,780
2001/2002	13,913,765	2	15	294,064	287,163	477,999	1,059,226
MA Total	57,911,095	19	98	2,948,176	1,560,818	3,341,420	7,850,414
				MA Indicated Pure Premiums			
		1997/1998		9.633	4.179	13.041	26.852
		1998/1999		5.646	2.272	4.612	12.530
		1999/2000		2.917	3.325	4.491	10.734
		2000/2001		6.268	2.132	4.983	13.383
		2001/2002		2.113	2.064	3.435	7.613
		MA Total Pure Premium:		5.090	2.700	5.770	13.556
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		2.119	1.929	2.775	
		Massachusetts Credibility:		0.52	0.86	1.00	
		Countrywide Pure Premium:		3.500	1.420	2.900	7.820
		Countrywide Indicated Relativity:		1.519	1.039	1.412	
		Countrywide Credibility:		0.24	0.07	0.00	
		Countrywide Lost-time Claims:		96	466		
		Pure Premium Underlying Present Rate:		4.800	2.340	5.230	12.370
		Relativity to Underlying Present Rate:		1.662	1.783	2.569	
		Credibility to Underlying Relativity:		0.24	0.07	0.00	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		1.865	1.856	2.775	
		Balanced Formula Relativity:		1.867	1.854	2.771	2.183

Class(es):		Schedule: 179		Effective: 9/1/2005		Manufacturing	
3372 ELECTROPLATING							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	47,295,746	6	49	709,339	273,686	622,191	1,605,216
1998/1999	44,171,723	3	49	475,346	229,590	466,931	1,171,867
1999/2000	48,513,578	4	40	514,652	502,474	651,913	1,669,039
2000/2001	45,094,199	2	33	276,456	270,586	331,027	878,069
2001/2002	38,382,559	0	21	0	198,163	262,904	461,067
MA Total	223,457,805	15	192	1,975,793	1,474,499	2,334,966	5,785,258
				MA Indicated Pure Premiums			
		1997/1998		1.500	0.579	1.316	3.394
		1998/1999		1.076	0.520	1.057	2.653
		1999/2000		1.061	1.036	1.344	3.440
		2000/2001		0.613	0.600	0.734	1.947
		2001/2002		0.000	0.516	0.685	1.201
		MA Total Pure Premium:		0.880	0.660	1.040	2.589
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		1.310	0.937	1.190	
		Massachusetts Credibility:		0.52	0.95	1.00	
		Countrywide Pure Premium:		0.840	0.760	1.090	2.690
		Countrywide Indicated Relativity:		1.245	1.129	1.291	
		Countrywide Credibility:		0.24	0.02	0.00	
		Countrywide Lost-time Claims:		275	1,573		
		Pure Premium Underlying Present Rate:		1.210	0.780	1.100	3.090
		Relativity to Underlying Present Rate:		1.526	1.125	1.173	
		Credibility to Underlying Relativity:		0.24	0.03	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.346	0.946	1.190	
		Balanced Formula Relativity:		1.338	0.944	1.186	1.156

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Calculation of Class Relativities

Class(es):		Schedule: 179		Effective: 9/1/2005		Manufacturing	
3373 GALVANIZING OR TINNING-NOT ELECTROLYTIC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			Total
		Serious	Non-Serious	Serious	Non-Serious	Medical	
1997/1998	191,928	0	0	0	0	0	0
1998/1999	208,235	0	0	0	0	0	0
1999/2000	249,927	0	1	0	207	686	893
2000/2001	275,114	0	0	0	0	0	0
2001/2002	262,256	0	0	0	0	0	0
MA Total	1,187,460	0	1	0	207	686	893
MA Indicated Pure Premiums							
	1997/1998	0.000	0.000	0.000	0.000	0.000	0.000
	1998/1999	0.000	0.000	0.000	0.000	0.000	0.000
	1999/2000	0.000	0.083	0.274	0.357	0.000	0.000
	2000/2001	0.000	0.000	0.000	0.000	0.000	0.000
	2001/2002	0.000	0.000	0.000	0.000	0.000	0.000
	MA Total Pure Premium:	0.000	0.020	0.060	0.075		
Pure Premium Relativities							
	Massachusetts Indicated Relativity:	0.000	0.028	0.069			
	Massachusetts Credibility:	0.09	0.16	0.18			
	Countrywide Pure Premium:	2.570	0.960	2.060	5.590		
	Countrywide Indicated Relativity:	3.807	1.425	2.440			
	Countrywide Credibility:	0.13	0.29	0.35			
	Countrywide Lost-time Claims:	3	42				
	Pure Premium Underlying Present Rate:	3.020	1.710	2.410	7.140		
	Relativity to Underlying Present Rate:	3.809	2.467	2.570			
	Credibility to Underlying Relativity:	0.78	0.55	0.47			
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250		
	Formula Relativity:	3.466	1.775	2.074			
	Balanced Formula Relativity:	3.444	1.771	2.068	2.386		

Class(es):		Schedule: 186		Effective: 9/1/2005		Manufacturing	
3381 SILVERWARE MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			Total
		Serious	Non-Serious	Serious	Non-Serious	Medical	
1997/1998	9,710,278	0	15	0	106,960	91,324	198,284
1998/1999	10,298,511	0	8	0	43,379	93,085	136,464
1999/2000	11,077,556	0	19	0	82,995	102,948	185,943
2000/2001	10,851,350	0	6	0	28,970	75,587	104,557
2001/2002	6,097,867	0	10	0	126,833	161,510	288,343
MA Total	48,035,562	0	58	0	389,137	524,454	913,591
MA Indicated Pure Premiums							
	1997/1998	0.000	1.102	0.940	2.042		
	1998/1999	0.000	0.421	0.904	1.325		
	1999/2000	0.000	0.749	0.929	1.679		
	2000/2001	0.000	0.267	0.697	0.964		
	2001/2002	0.000	2.080	2.649	4.729		
	MA Total Pure Premium:	0.000	0.810	1.090	1.902		
Pure Premium Relativities							
	Massachusetts Indicated Relativity:	0.000	1.150	1.247			
	Massachusetts Credibility:	0.30	0.46	0.61			
	Countrywide Pure Premium:	1.380	1.320	1.490	4.190		
	Countrywide Indicated Relativity:	2.044	1.960	1.765			
	Countrywide Credibility:	0.09	0.24	0.20			
	Countrywide Lost-time Claims:	1	26				
	Pure Premium Underlying Present Rate:	1.410	0.600	1.230	3.240		
	Relativity to Underlying Present Rate:	1.778	0.866	1.312			
	Credibility to Underlying Relativity:	0.61	0.30	0.19			
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250		
	Formula Relativity:	1.269	1.259	1.363			
	Balanced Formula Relativity:	1.261	1.256	1.359	1.297		

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Calculation of Class Relativities

Class(es): 3383 JEWELRY MFG		Schedule: 186		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	104,168,652	8	57	895,546	438,787	1,097,605	2,431,938	
1998/1999	86,800,437	5	52	449,428	470,146	706,624	1,626,198	
1999/2000	78,298,748	5	34	356,019	494,626	492,836	1,343,481	
2000/2001	65,870,725	1	29	67,965	394,454	280,303	742,722	
2001/2002	69,653,411	1	29	108,312	289,333	318,639	716,284	
MA Total	404,791,973	20	201	1,877,270	2,087,346	2,896,007	6,860,623	
		MA Indicated Pure Premiums						
		1997/1998		0.860	0.421	1.054	2.335	
		1998/1999		0.518	0.542	0.814	1.873	
		1999/2000		0.455	0.632	0.629	1.716	
		2000/2001		0.103	0.599	0.426	1.128	
		2001/2002		0.156	0.415	0.457	1.028	
		MA Total Pure Premium:		0.460	0.520	0.720	1.695	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:		0.685	0.738	0.824		
		Massachusetts Credibility:		0.45	0.82	1.00		
		Countrywide Pure Premium:		0.340	0.340	0.430	1.110	
		Countrywide Indicated Relativity:		0.504	0.505	0.509		
		Countrywide Credibility:		0.28	0.09	0.00		
		Countrywide Lost-time Claims:		117	985			
		Pure Premium Underlying Present Rate:		0.470	0.300	0.530	1.300	
		Relativity to Underlying Present Rate:		0.593	0.433	0.565		
		Credibility to Underlying Relativity:		0.27	0.09	0.00		
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250	
		Formula Relativity:		0.609	0.690	0.824		
		Balanced Formula Relativity:		0.606	0.688	0.822	0.715	

Class(es): 3385 WATCH MFG		Schedule: 185		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	2,982,293	0	0	0	0	621	621	
1998/1999	3,448,112	0	0	0	0	0	0	
1999/2000	3,729,095	0	1	0	70	2,376	2,446	
2000/2001	3,801,694	0	2	0	20,653	3,860	24,513	
2001/2002	3,712,046	0	0	0	0	397	397	
MA Total	17,673,240	0	3	0	20,723	7,254	27,977	
		MA Indicated Pure Premiums						
		1997/1998		0.000	0.000	0.021	0.021	
		1998/1999		0.000	0.000	0.000	0.000	
		1999/2000		0.000	0.002	0.064	0.066	
		2000/2001		0.000	0.543	0.102	0.645	
		2001/2002		0.000	0.000	0.011	0.011	
		MA Total Pure Premium:		0.000	0.120	0.040	0.158	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:		0.000	0.170	0.046		
		Massachusetts Credibility:		0.11	0.22	0.25		
		Countrywide Pure Premium:		0.650	0.380	0.450	1.480	
		Countrywide Indicated Relativity:		0.963	0.565	0.533		
		Countrywide Credibility:		0.18	0.26	0.33		
		Countrywide Lost-time Claims:		6	32			
		Pure Premium Underlying Present Rate:		0.310	0.260	0.360	0.930	
		Relativity to Underlying Present Rate:		0.391	0.375	0.384		
		Credibility to Underlying Relativity:		0.71	0.52	0.42		
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250	
		Formula Relativity:		0.451	0.379	0.349		
		Balanced Formula Relativity:		0.448	0.378	0.348	0.387	

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Calculation of Class Relativities

Class(es): 3507 AGRICULTURAL MACHINERY MFG		Schedule: 180		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	6,726,889	2	16	280,241	169,210	242,603	692,054
1998/1999	9,986,514	0	16	0	121,098	125,699	246,797
1999/2000	4,514,348	0	10	0	24,589	33,011	57,600
2000/2001	3,741,865	0	5	0	133,436	31,383	164,819
2001/2002	5,799,859	0	4	0	19,175	30,328	49,503
MA Total	30,769,475	2	51	280,241	467,508	463,024	1,210,773
		MA Indicated Pure Premiums					
		1997/1998		4.166	2.515	3.606	10.288
		1998/1999		0.000	1.213	1.259	2.471
		1999/2000		0.000	0.545	0.731	1.276
		2000/2001		0.000	3.566	0.839	4.405
		2001/2002		0.000	0.331	0.523	0.854
		MA Total Pure Premium:		0.910	1.520	1.500	3.935
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.355	2.157	1.716	
		Massachusetts Credibility:		0.26	0.49	0.58	
		Countrywide Pure Premium:		1.100	0.820	1.290	3.210
		Countrywide Indicated Relativity:		1.630	1.217	1.528	
		Countrywide Credibility:		0.37	0.26	0.21	
		Countrywide Lost-time Claims:		174	1,302		
		Pure Premium Underlying Present Rate:		1.530	1.080	1.700	4.310
		Relativity to Underlying Present Rate:		1.930	1.558	1.813	
		Credibility to Underlying Relativity:		0.37	0.25	0.21	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.670	1.763	1.697	
		Balanced Formula Relativity:		1.659	1.759	1.692	1.703

Class(es): 3515 TEXTILE MACHINERY MFG		Schedule: 180		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	2,897,947	0	3	0	4,751	9,735	14,486
1998/1999	3,107,280	0	8	0	18,950	20,961	39,911
1999/2000	2,922,077	0	7	0	26,737	17,001	43,738
2000/2001	2,296,391	0	5	0	62,485	43,490	105,975
2001/2002	2,128,660	0	3	0	28,050	41,811	69,861
MA Total	13,352,355	0	26	0	140,973	132,998	273,971
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.164	0.336	0.500
		1998/1999		0.000	0.610	0.675	1.284
		1999/2000		0.000	0.915	0.582	1.497
		2000/2001		0.000	2.721	1.894	4.615
		2001/2002		0.000	1.318	1.964	3.282
		MA Total Pure Premium:		0.000	1.060	1.000	2.052
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	1.504	1.144	
		Massachusetts Credibility:		0.17	0.26	0.38	
		Countrywide Pure Premium:		2.000	0.490	1.390	3.880
		Countrywide Indicated Relativity:		2.962	0.728	1.646	
		Countrywide Credibility:		0.19	0.27	0.31	
		Countrywide Lost-time Claims:		7	34		
		Pure Premium Underlying Present Rate:		1.310	0.540	1.320	3.170
		Relativity to Underlying Present Rate:		1.652	0.779	1.408	
		Credibility to Underlying Relativity:		0.64	0.47	0.31	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.620	0.954	1.381	
		Balanced Formula Relativity:		1.610	0.952	1.377	1.313

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Calculation of Class Relativities

Class(es):		Schedule: 180		Effective: 9/1/2005		Manufacturing	
3548 PRINTING OR BOOKBINDING MACHINE MFG				3632 MACHINE SHOPS-NOC			
3559 CONFECTION MACHINE MFG				3638 BALL OR ROLLER BEARING MFG			
3574 ADDING MACHINE MFG-NOC				3830 AIRPLANE MFG			
3629 PRECISION MACHINED PARTS MFG-NOC							
Adjusted Converted Loss and Loss Adjustment Expense							
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	495,937,951	38	450	4,866,976	3,974,290	4,389,434	13,230,700
1998/1999	484,565,438	26	369	3,180,855	3,052,101	3,867,305	10,100,261
1999/2000	549,608,688	22	375	3,042,237	3,462,791	3,423,314	9,928,342
2000/2001	508,393,280	24	308	3,895,654	3,251,308	4,015,727	11,162,689
2001/2002	471,789,524	9	275	1,372,752	3,529,676	3,216,234	8,118,662
MA Total	2,510,294,881	119	1,777	16,358,474	17,270,166	18,912,014	52,540,654
MA Indicated Pure Premiums							
		1997/1998		0.981	0.801	0.885	2.668
		1998/1999		0.656	0.630	0.798	2.084
		1999/2000		0.554	0.630	0.623	1.806
		2000/2001		0.766	0.640	0.790	2.196
		2001/2002		0.291	0.748	0.682	1.721
		MA Total Pure Premium:		0.650	0.690	0.750	2.093
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.968	0.979	0.858	
		Massachusetts Credibility:		1.00	1.00	1.00	
		Countrywide Pure Premium:		0.690	0.670	0.790	2.150
		Countrywide Indicated Relativity:		1.022	0.995	0.936	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		2,749	19,903		
		Pure Premium Underlying Present Rate:		0.780	0.600	0.740	2.120
		Relativity to Underlying Present Rate:		0.984	0.866	0.789	
		Credibility to Underlying Relativity:		0.00	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.968	0.979	0.858	
		Balanced Formula Relativity:		0.962	0.977	0.855	0.925

Class(es):		Schedule: 180		Effective: 9/1/2005		Manufacturing	
3558 BOOT OR SHOE MACHINERY MFG							
Adjusted Converted Loss and Loss Adjustment Expense							
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	2,278,515	0	1	0	3,305	12,585	15,890
1998/1999	1,688,281	0	0	0	0	396	396
1999/2000	1,337,153	0	0	0	0	1,260	1,260
2000/2001	377,943	0	0	0	0	0	0
2001/2002	383,074	0	0	0	0	293	293
MA Total	6,064,966	0	1	0	3,305	14,534	17,839
MA Indicated Pure Premiums							
		1997/1998		0.000	0.145	0.552	0.697
		1998/1999		0.000	0.000	0.023	0.023
		1999/2000		0.000	0.000	0.094	0.094
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	0.000	0.076	0.076
		MA Total Pure Premium:		0.000	0.050	0.240	0.294
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.000	0.071	0.275	
		Massachusetts Credibility:		0.06	0.12	0.15	
		Countrywide Pure Premium:		0.000	0.000	0.000	0.000
		Countrywide Indicated Relativity:		0.287	0.214	0.317	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		0	0		
		Pure Premium Underlying Present Rate:		0.230	0.150	0.300	0.680
		Relativity to Underlying Present Rate:		0.290	0.216	0.320	
		Credibility to Underlying Relativity:		0.94	0.88	0.85	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.273	0.199	0.313	
		Balanced Formula Relativity:		0.271	0.198	0.312	0.264

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Calculation of Class Relativities

Class(es):		Schedule: 185		Effective: 9/1/2005		Manufacturing	
3571 AIR PRESSURE/STEAM GAUGE MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,951,656	0	1	0	1,382	4,293	5,675
1998/1999	1,240,639	0	0	0	0	189	189
1999/2000	1,340,670	0	0	0	0	1,309	1,309
2000/2001	993,368	0	0	0	0	0	0
2001/2002	726,194	0	0	0	0	0	0
MA Total	6,252,527	0	1	0	1,382	5,791	7,173
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.071	0.220	0.291
		1998/1999		0.000	0.000	0.015	0.015
		1999/2000		0.000	0.000	0.098	0.098
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	0.000	0.000	0.000
		MA Total Pure Premium:		0.000	0.020	0.090	0.115
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	0.028	0.103	
		Massachusetts Credibility:		0.10	0.18	0.21	
		Countrywide Pure Premium:		0.000	0.040	0.070	0.110
		Countrywide Indicated Relativity:		0.000	0.059	0.083	
		Countrywide Credibility:		0.00	0.09	0.10	
		Countrywide Lost-time Claims:		0	2		
		Pure Premium Underlying Present Rate:		0.690	0.450	0.640	1.780
		Relativity to Underlying Present Rate:		0.870	0.649	0.682	
		Credibility to Underlying Relativity:		0.90	0.73	0.69	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.783	0.484	0.501	
		Balanced Formula Relativity:		0.778	0.483	0.499	0.577

Class(es):		Schedule: 180		Effective: 9/1/2005		Manufacturing	
3612 PUMP MFG-EXCLUDING FOUNDRY							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	15,912,769	1	15	102,923	102,482	140,140	345,545
1998/1999	15,387,074	2	18	321,362	67,169	257,135	645,666
1999/2000	16,542,491	0	17	0	108,974	85,467	194,441
2000/2001	14,840,150	0	14	0	69,075	67,016	136,091
2001/2002	15,800,189	0	6	0	172,062	57,949	230,011
MA Total	78,482,673	3	70	424,285	519,762	607,707	1,551,754
		MA Indicated Pure Premiums					
		1997/1998		0.647	0.644	0.881	2.171
		1998/1999		2.089	0.437	1.671	4.196
		1999/2000		0.000	0.659	0.517	1.175
		2000/2001		0.000	0.465	0.452	0.917
		2001/2002		0.000	1.089	0.367	1.456
		MA Total Pure Premium:		0.540	0.660	0.770	1.977
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.804	0.937	0.881	
		Massachusetts Credibility:		0.29	0.68	0.66	
		Countrywide Pure Premium:		0.700	0.690	0.810	2.200
		Countrywide Indicated Relativity:		1.037	1.025	0.959	
		Countrywide Credibility:		0.36	0.16	0.17	
		Countrywide Lost-time Claims:		88	561		
		Pure Premium Underlying Present Rate:		0.790	0.970	0.900	2.660
		Relativity to Underlying Present Rate:		0.996	1.399	0.960	
		Credibility to Underlying Relativity:		0.35	0.16	0.17	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.955	1.025	0.908	
		Balanced Formula Relativity:		0.949	1.023	0.905	0.955

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Calculation of Class Relativities

Class(es): 3620 BOILERMAKING		Schedule: 173		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	14,897,574	3	35	330,929	344,179	517,709	1,192,817	
1998/1999	13,536,920	0	31	0	332,381	369,783	702,164	
1999/2000	15,513,561	2	28	174,753	193,683	169,853	538,289	
2000/2001	15,895,690	3	19	380,836	138,895	332,672	852,403	
2001/2002	15,079,054	1	9	165,931	256,179	373,707	795,817	
MA Total	74,922,799	9	122	1,052,449	1,265,317	1,763,724	4,081,490	
				MA Indicated Pure Premiums				
				1997/1998	2.221	2.310	3.475	8.007
				1998/1999	0.000	2.455	2.732	5.187
				1999/2000	1.126	1.248	1.095	3.470
				2000/2001	2.396	0.874	2.093	5.362
				2001/2002	1.100	1.699	2.478	5.278
MA Total Pure Premium:				1.400	1.690	2.350	5.448	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				2.085	2.399	2.688		
Massachusetts Credibility:				0.37	0.88	0.91		
Countrywide Pure Premium:				1.240	1.010	1.280	3.530	
Countrywide Indicated Relativity:				1.836	1.499	1.516		
Countrywide Credibility:				0.32	0.06	0.04		
Countrywide Lost-time Claims:				136	1,117			
Pure Premium Underlying Present Rate:				1.540	1.930	2.090	5.560	
Relativity to Underlying Present Rate:				1.942	2.784	2.229		
Credibility to Underlying Relativity:				0.31	0.06	0.05		
Industry Group Adjusted Converted Pure Premium:				0.672	0.705	0.874	2.250	
Formula Relativity:				1.961	2.368	2.618		
Balanced Formula Relativity:				1.949	2.363	2.610	2.335	

Class(es): 3634 VALVE MFG		Schedule: 182		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	23,106,130	2	19	240,275	119,488	196,266	556,029	
1998/1999	18,810,770	1	16	171,337	79,348	240,570	491,255	
1999/2000	31,407,732	3	36	440,433	141,765	334,197	916,395	
2000/2001	19,609,279	2	14	368,450	253,765	234,897	857,112	
2001/2002	18,413,649	2	7	219,563	74,825	347,788	642,176	
MA Total	111,347,560	10	92	1,440,058	669,191	1,353,718	3,462,967	
				MA Indicated Pure Premiums				
				1997/1998	1.040	0.517	0.849	2.406
				1998/1999	0.911	0.422	1.279	2.612
				1999/2000	1.402	0.451	1.064	2.918
				2000/2001	1.879	1.294	1.198	4.371
				2001/2002	1.192	0.406	1.889	3.487
MA Total Pure Premium:				1.290	0.600	1.220	3.110	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				1.921	0.852	1.396		
Massachusetts Credibility:				0.35	0.60	0.82		
Countrywide Pure Premium:				0.710	0.570	0.720	2.000	
Countrywide Indicated Relativity:				1.052	0.847	0.852		
Countrywide Credibility:				0.32	0.20	0.09		
Countrywide Lost-time Claims:				91	501			
Pure Premium Underlying Present Rate:				0.880	0.500	1.110	2.490	
Relativity to Underlying Present Rate:				1.110	0.721	1.184		
Credibility to Underlying Relativity:				0.33	0.20	0.09		
Industry Group Adjusted Converted Pure Premium:				0.672	0.705	0.874	2.250	
Formula Relativity:				1.375	0.825	1.328		
Balanced Formula Relativity:				1.367	0.823	1.324	1.180	

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Calculation of Class Relativities

Class(es):		Schedule: 182		Effective: 9/1/2005		Manufacturing	
3635 GEAR MFG OR GRINDING							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	16,122,643	0	14	0	247,465	75,015	322,480
1998/1999	15,668,521	4	22	620,262	103,034	365,479	1,088,775
1999/2000	14,643,455	2	17	202,423	160,345	303,822	666,590
2000/2001	14,221,279	1	13	287,169	213,211	210,008	710,388
2001/2002	8,980,156	0	14	0	283,645	167,027	450,672
MA Total	69,636,054	7	80	1,109,854	1,007,700	1,121,351	3,238,905
		MA Indicated Pure Premiums					
		1997/1998		0.000	1.535	0.465	2.000
		1998/1999		3.959	0.658	2.333	6.949
		1999/2000		1.382	1.095	2.075	4.552
		2000/2001		2.019	1.499	1.477	4.995
		2001/2002		0.000	3.159	1.860	5.019
		MA Total Pure Premium:		1.590	1.450	1.610	4.651
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		2.368	2.058	1.842	
		Massachusetts Credibility:		0.24	0.59	0.67	
		Countrywide Pure Premium:		0.440	0.700	0.860	2.000
		Countrywide Indicated Relativity:		0.652	1.040	1.019	
		Countrywide Credibility:		0.21	0.20	0.16	
		Countrywide Lost-time Claims:		9	107		
		Pure Premium Underlying Present Rate:		0.570	0.760	1.070	2.400
		Relativity to Underlying Present Rate:		0.719	1.096	1.141	
		Credibility to Underlying Relativity:		0.55	0.21	0.17	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.101	1.652	1.591	
		Balanced Formula Relativity:		1.094	1.649	1.586	1.459

Class(es):		Schedule: 178		Effective: 9/1/2005		Manufacturing	
3642 BATTERY MFG-DRY							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	2,065,630	0	0	0	0	325	325
1998/1999	1,874,922	0	1	0	1,006	2,049	3,055
1999/2000	1,884,150	0	0	0	0	5,423	5,423
2000/2001	2,884,492	0	0	0	0	0	0
2001/2002	2,779,348	0	2	0	12,609	637	13,246
MA Total	11,488,542	0	3	0	13,615	8,434	22,049
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.000	0.016	0.016
		1998/1999		0.000	0.054	0.109	0.163
		1999/2000		0.000	0.000	0.288	0.288
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	0.454	0.023	0.477
		MA Total Pure Premium:		0.000	0.120	0.070	0.192
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	0.170	0.080	
		Massachusetts Credibility:		0.11	0.31	0.25	
		Countrywide Pure Premium:		0.180	0.490	0.380	1.050
		Countrywide Indicated Relativity:		0.266	0.728	0.450	
		Countrywide Credibility:		0.13	0.25	0.31	
		Countrywide Lost-time Claims:		3	28		
		Pure Premium Underlying Present Rate:		0.450	0.920	0.560	1.930
		Relativity to Underlying Present Rate:		0.568	1.327	0.597	
		Credibility to Underlying Relativity:		0.76	0.44	0.44	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.466	0.819	0.422	
		Balanced Formula Relativity:		0.463	0.817	0.421	0.558

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Calculation of Class Relativities

Class(es):		Schedule: 178		Effective: 9/1/2005			Manufacturing	
3647 BATTERY MFG-STORAGE								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	339,333	0	0	0	0	0	0	0
1998/1999	120,208	0	0	0	0	0	0	0
1999/2000	22,977	0	2	0	1,650	5,308	6,958	0
2000/2001	2,461	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0	0
MA Total	484,979	0	2	0	1,650	5,308	6,958	
		MA Indicated Pure Premiums						
	1997/1998	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	1998/1999	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	1999/2000	0.000	7.181	23.101	30.282			
	2000/2001	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	2001/2002	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	MA Total Pure Premium:	0.000	0.340	1.090	1.435			
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:	0.000	0.483	1.247				
	Massachusetts Credibility:	0.04	0.08	0.08				
	Countrywide Pure Premium:	0.510	1.280	1.220	3.010			
	Countrywide Indicated Relativity:	0.756	1.901	1.445				
	Countrywide Credibility:	0.38	0.46	0.46				
	Countrywide Lost-time Claims:	39	645					
	Pure Premium Underlying Present Rate:	0.810	0.670	0.710	2.190			
	Relativity to Underlying Present Rate:	1.022	0.967	0.757				
	Credibility to Underlying Relativity:	0.58	0.46	0.46				
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250			
	Formula Relativity:	0.880	1.358	1.113				
	Balanced Formula Relativity:	0.875	1.355	1.109	1.116			

Class(es):		Schedule: 184		Effective: 9/1/2005			Manufacturing	
3648 AUTO LIGHTING MFG-NOC								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	2,111,505	1	1	52,034	6,230	78,708	136,972	
1998/1999	1,978,535	0	1	0	2,110	726	2,836	
1999/2000	294,584	0	3	0	260	3,639	3,899	
2000/2001	172,527	0	0	0	0	0	0	
2001/2002	160,948	0	0	0	0	883	883	
MA Total	4,718,099	1	5	52,034	8,600	83,956	144,590	
		MA Indicated Pure Premiums						
	1997/1998	2.464	0.295	3.728	6.487			
	1998/1999	0.000	0.107	0.037	0.143			
	1999/2000	0.000	0.088	1.235	1.324			
	2000/2001	0.000	0.000	0.000	0.000			
	2001/2002	0.000	0.000	0.549	0.549			
	MA Total Pure Premium:	1.100	0.180	1.780	3.065			
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:	1.638	0.255	2.036				
	Massachusetts Credibility:	0.09	0.19	0.23				
	Countrywide Pure Premium:	0.190	0.630	0.600	1.420			
	Countrywide Indicated Relativity:	0.281	0.936	0.711				
	Countrywide Credibility:	0.24	0.40	0.38				
	Countrywide Lost-time Claims:	13	201					
	Pure Premium Underlying Present Rate:	0.680	0.640	1.090	2.410			
	Relativity to Underlying Present Rate:	0.858	0.923	1.162				
	Credibility to Underlying Relativity:	0.67	0.41	0.39				
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250			
	Formula Relativity:	0.790	0.801	1.192				
	Balanced Formula Relativity:	0.785	0.800	1.188	0.946			

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Calculation of Class Relativities

Class(es):		Schedule: 184		Effective: 9/1/2005		Manufacturing	
3681 RADIO APPARATUS MFG OR ASSEMBLING-NOC							
3685 INSTRUMENT MFG-NOC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,153,538,884	43	403	4,417,531	3,152,393	4,295,347	11,865,271
1998/1999	1,171,132,201	23	366	3,066,886	2,269,885	3,904,817	9,241,588
1999/2000	1,327,162,748	21	428	2,676,978	3,199,091	4,543,081	10,419,150
2000/2001	1,114,807,875	23	269	2,777,597	3,110,408	3,817,299	9,705,304
2001/2002	896,773,575	5	187	808,888	2,285,195	2,207,438	5,301,521
MA Total	5,663,415,283	115	1,653	13,747,880	14,016,972	18,767,982	46,532,834
				MA Indicated Pure Premiums			
		1997/1998		0.383	0.273	0.372	1.029
		1998/1999		0.262	0.194	0.333	0.789
		1999/2000		0.202	0.241	0.342	0.785
		2000/2001		0.249	0.279	0.342	0.871
		2001/2002		0.090	0.255	0.246	0.591
		MA Total Pure Premium:		0.240	0.250	0.330	0.822
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		0.357	0.355	0.378	
		Massachusetts Credibility:		1.00	1.00	1.00	
		Countrywide Pure Premium:		0.330	0.370	0.470	1.170
		Countrywide Indicated Relativity:		0.489	0.550	0.556	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		1.410	9.176		
		Pure Premium Underlying Present Rate:		0.310	0.240	0.370	0.920
		Relativity to Underlying Present Rate:		0.391	0.346	0.395	
		Credibility to Underlying Relativity:		0.00	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.357	0.355	0.378	
		Balanced Formula Relativity:		0.355	0.354	0.377	0.363

Class(es):		Schedule: 272		Effective: 9/1/2005		Construction	
3724 MILLWRIGHT WORK-NOC-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	125,625,797	15	152	2,047,380	1,468,060	2,354,598	5,870,038
1998/1999	145,876,656	21	160	3,998,797	1,258,162	2,952,797	8,209,756
1999/2000	157,297,509	18	161	2,799,195	2,320,921	3,286,271	8,406,387
2000/2001	168,591,479	23	166	3,512,506	2,729,530	3,812,385	10,054,421
2001/2002	189,646,202	18	151	3,467,639	2,792,597	4,303,223	10,563,459
MA Total	787,037,643	95	790	15,825,517	10,569,270	16,709,274	43,104,061
				MA Indicated Pure Premiums			
		1997/1998		1.630	1.169	1.874	4.673
		1998/1999		2.741	0.862	2.024	5.628
		1999/2000		1.780	1.475	2.089	5.344
		2000/2001		2.083	1.619	2.261	5.964
		2001/2002		1.828	1.473	2.269	5.570
		MA Total Pure Premium:		2.010	1.340	2.120	5.477
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		0.837	0.957	1.020	
		Massachusetts Credibility:		1.00	1.00	1.00	
		Countrywide Pure Premium:		2.040	1.230	1.780	5.050
		Countrywide Indicated Relativity:		0.886	0.899	0.866	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		859	5,712		
		Pure Premium Underlying Present Rate:		2.220	1.130	1.740	5.090
		Relativity to Underlying Present Rate:		0.769	0.861	0.855	
		Credibility to Underlying Relativity:		0.00	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		0.837	0.957	1.020	
		Balanced Formula Relativity:		0.838	0.956	1.018	0.930

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Calculation of Class Relativities

Class(es):		Schedule: 272		Effective: 9/1/2005		Construction	
3726 BOILER INSTALLATION OR REPAIR-STEAM							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	3,056,748	2	5	190,680	17,844	48,828	257,352
1998/1999	3,021,753	2	6	274,622	32,557	203,895	511,074
1999/2000	3,663,622	2	6	631,722	108,382	243,827	983,931
2000/2001	4,600,751	0	0	0	0	17,380	17,380
2001/2002	4,253,775	1	4	130,715	109,805	106,836	347,356
MA Total	18,596,649	7	21	1,227,739	268,588	620,766	2,117,093
				MA Indicated Pure Premiums			
				1997/1998	6.238	0.584	8.419
				1998/1999	9.088	1.077	16.913
				1999/2000	17.243	2.958	26.857
				2000/2001	0.000	0.000	0.378
				2001/2002	3.073	2.581	8.166
				MA Total Pure Premium:	6.600	1.440	11.384
				Pure Premium Relativities			
				Massachusetts Indicated Relativity:	2.747	1.029	1.606
				Massachusetts Credibility:	0.35	0.44	0.59
				Countrywide Pure Premium:	3.190	1.250	6.070
				Countrywide Indicated Relativity:	1.384	0.914	0.794
				Countrywide Credibility:	0.32	0.28	0.20
				Countrywide Lost-time Claims:	105	446	
				Pure Premium Underlying Present Rate:	5.500	1.360	9.710
				Relativity to Underlying Present Rate:	1.904	1.037	1.400
				Credibility to Underlying Relativity:	0.33	0.28	0.21
				Industry Group Adjusted Converted Pure Premium:	2.402	1.400	5.881
				Formula Relativity:	2.033	0.999	1.400
				Balanced Formula Relativity:	2.034	0.998	1.563

Class(es):		Schedule: 200		Effective: 9/1/2005		Manufacturing	
3808 AUTO MFG OR ASSEMBY							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	4,125,997	0	12	0	22,643	65,469	88,112
1998/1999	5,950,914	0	10	0	17,528	28,789	46,317
1999/2000	5,040,405	0	10	0	174,312	102,614	276,926
2000/2001	5,384,275	0	11	0	27,186	35,541	62,727
2001/2002	5,836,903	0	5	0	155,655	108,195	263,850
MA Total	26,338,494	0	48	0	397,324	340,608	737,932
				MA Indicated Pure Premiums			
				1997/1998	0.000	0.549	2.136
				1998/1999	0.000	0.295	0.778
				1999/2000	0.000	3.458	5.494
				2000/2001	0.000	0.505	1.165
				2001/2002	0.000	2.667	4.520
				MA Total Pure Premium:	0.000	1.510	2.802
				Pure Premium Relativities			
				Massachusetts Indicated Relativity:	0.000	2.143	1.476
				Massachusetts Credibility:	0.17	0.37	0.44
				Countrywide Pure Premium:	0.590	0.570	2.090
				Countrywide Indicated Relativity:	0.874	0.847	1.102
				Countrywide Credibility:	0.42	0.32	0.28
				Countrywide Lost-time Claims:	65	879	
				Pure Premium Underlying Present Rate:	0.590	0.620	2.210
				Relativity to Underlying Present Rate:	0.744	0.894	1.066
				Credibility to Underlying Relativity:	0.41	0.31	0.28
				Industry Group Adjusted Converted Pure Premium:	0.672	0.705	2.250
				Formula Relativity:	0.672	1.341	1.256
				Balanced Formula Relativity:	0.668	1.338	1.105

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Calculation of Class Relativities

Class(es): 3821 AUTO DISMANTLING-DR		Schedule: 346		Effective: 9/1/2005		Goods & Services	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	15,989,795	3	26	282,925	354,345	314,097	951,367
1998/1999	15,660,119	1	31	101,103	154,329	283,386	538,818
1999/2000	14,825,231	2	21	109,537	92,405	176,811	378,753
2000/2001	13,902,906	3	19	213,808	132,839	699,047	1,045,694
2001/2002	15,977,408	0	14	0	297,402	207,344	504,746
MA Total	76,355,459	9	111	707,373	1,031,320	1,680,685	3,419,378
		MA Indicated Pure Premiums					
		1997/1998		1.769	2.216	1.964	5.950
		1998/1999		0.646	0.985	1.810	3.441
		1999/2000		0.739	0.623	1.193	2.555
		2000/2001		1.538	0.955	5.028	7.521
		2001/2002		0.000	1.861	1.298	3.159
		MA Total Pure Premium:		0.930	1.350	2.200	4.478
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.867	2.092	2.678	
		Massachusetts Credibility:		0.37	0.67	0.77	
		Countrywide Pure Premium:		1.660	0.950	2.070	4.680
		Countrywide Indicated Relativity:		3.374	1.474	2.513	
		Countrywide Credibility:		0.32	0.16	0.12	
		Countrywide Lost-time Claims:		143	685		
		Pure Premium Underlying Present Rate:		1.530	0.960	1.350	3.840
		Relativity to Underlying Present Rate:		2.339	1.515	1.557	
		Credibility to Underlying Relativity:		0.31	0.17	0.11	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		2.496	1.895	2.535	
		Balanced Formula Relativity:		2.507	1.896	2.533	2.317

Class(es): 3826 AIRCRAFT ENGINE MFG		Schedule: 180		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	466,607	0	1	0	968	6,327	7,295
1998/1999	564,978	0	0	0	0	189	189
1999/2000	157,848,224	2	142	615,543	1,487,421	1,042,564	3,145,528
2000/2001	177,689,939	5	104	1,500,468	2,004,315	1,097,154	4,601,937
2001/2002	177,540,932	2	79	676,421	1,860,143	608,772	3,145,336
MA Total	514,110,680	9	326	2,792,432	5,352,847	2,755,006	10,900,285
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.207	1.356	1.563
		1998/1999		0.000	0.000	0.033	0.033
		1999/2000		0.390	0.942	0.660	1.993
		2000/2001		0.844	1.128	0.617	2.590
		2001/2002		0.381	1.048	0.343	1.772
		MA Total Pure Premium:		0.540	1.040	0.540	2.120
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.804	1.476	0.618	
		Massachusetts Credibility:		0.65	1.00	1.00	
		Countrywide Pure Premium:		0.810	0.640	0.920	2.370
		Countrywide Indicated Relativity:		1.200	0.951	1.090	
		Countrywide Credibility:		0.18	0.00	0.00	
		Countrywide Lost-time Claims:		7	101		
		Pure Premium Underlying Present Rate:		0.940	1.070	0.550	2.560
		Relativity to Underlying Present Rate:		1.186	1.544	0.586	
		Credibility to Underlying Relativity:		0.17	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.940	1.476	0.618	
		Balanced Formula Relativity:		0.934	1.473	0.616	0.979

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Calculation of Class Relativities

Class(es):		Schedule: 200		Effective: 9/1/2005		Manufacturing	
3841 BICYCLE MFG OR ASSEMBLY							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	8,043,318	0	10	0	34,450	48,513	82,963
1998/1999	5,964,954	0	4	0	4,982	33,082	38,064
1999/2000	6,245,549	0	10	0	141,132	103,312	244,444
2000/2001	6,374,403	0	1	0	1,714	14,353	16,067
2001/2002	7,168,635	0	4	0	5,989	15,938	21,927
MA Total	33,796,859	0	29	0	188,267	215,198	403,465
		MA Indicated Pure Premiums					
	1997/1998	0.000	0.428	0.603	1.031		
	1998/1999	0.000	0.084	0.555	0.638		
	1999/2000	0.000	2.260	1.654	3.914		
	2000/2001	0.000	0.027	0.225	0.252		
	2001/2002	0.000	0.084	0.222	0.306		
	MA Total Pure Premium:	0.000	0.560	0.640	1.194		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.000	0.795	0.732			
	Massachusetts Credibility:	0.21	0.46	0.49			
	Countrywide Pure Premium:	0.000	0.000	0.000	0.000		
	Countrywide Indicated Relativity:	1.011	1.229	1.035			
	Countrywide Credibility:	0.00	0.00	0.00			
	Countrywide Lost-time Claims:	0	0				
	Pure Premium Underlying Present Rate:	0.810	0.860	0.980	2.650		
	Relativity to Underlying Present Rate:	1.022	1.241	1.045			
	Credibility to Underlying Relativity:	0.79	0.54	0.51			
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250		
	Formula Relativity:	0.807	1.036	0.892			
	Balanced Formula Relativity:	0.802	1.034	0.889	0.908		

Class(es):		Schedule: 40		Effective: 9/1/2005		Miscellaneous	
4000 SAND OR GRAVEL DIGGING-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	38,837,630	8	44	992,406	441,968	668,852	2,103,226
1998/1999	38,987,016	3	51	520,060	298,689	478,999	1,297,748
1999/2000	59,880,782	4	30	599,550	144,621	613,421	1,357,592
2000/2001	38,385,553	5	52	736,372	674,625	1,128,356	2,539,353
2001/2002	37,341,949	0	36	0	744,952	573,909	1,318,861
MA Total	213,432,930	20	213	2,848,388	2,304,855	3,463,537	8,616,780
		MA Indicated Pure Premiums					
	1997/1998	2.555	1.138	1.722	5.415		
	1998/1999	1.334	0.766	1.229	3.329		
	1999/2000	1.001	0.242	1.024	2.267		
	2000/2001	1.918	1.757	2.940	6.615		
	2001/2002	0.000	1.995	1.537	3.532		
	MA Total Pure Premium:	1.330	1.080	1.620	4.037		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.849	0.824	0.875			
	Massachusetts Credibility:	0.62	0.97	1.00			
	Countrywide Pure Premium:	1.570	1.390	1.600	4.560		
	Countrywide Indicated Relativity:	0.998	1.080	0.868			
	Countrywide Credibility:	0.19	0.02	0.00			
	Countrywide Lost-time Claims:	115	990				
	Pure Premium Underlying Present Rate:	1.960	0.870	1.520	4.350		
	Relativity to Underlying Present Rate:	1.039	0.741	0.883			
	Credibility to Underlying Relativity:	0.19	0.01	0.00			
	Industry Group Adjusted Converted Pure Premium:	1.567	1.311	1.852	4.730		
	Formula Relativity:	0.913	0.828	0.875			
	Balanced Formula Relativity:	0.923	0.825	0.879	0.879		

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Calculation of Class Relativities

Class(es):		Schedule: 220		Effective: 9/1/2005		Manufacturing	
4021 BRICK OR CLAY PRODUCTS MFG-NOC-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,136,893	0	0	0	0	3,145	3,145
1998/1999	1,241,697	0	1	0	336	5,500	5,836
1999/2000	1,267,073	0	1	0	555	2,310	2,865
2000/2001	1,271,661	0	2	0	2,560	4,856	7,416
2001/2002	1,525,132	0	2	0	18,490	41,233	59,723
MA Total	6,442,456	0	6	0	21,941	57,044	78,985
MA Indicated Pure Premiums							
	1997/1998	0.000	0.000	0.277	0.277		
	1998/1999	0.000	0.027	0.443	0.470		
	1999/2000	0.000	0.044	0.182	0.226		
	2000/2001	0.000	0.201	0.382	0.583		
	2001/2002	0.000	1.212	2.704	3.916		
	MA Total Pure Premium:	0.000	0.340	0.890	1.226		
Pure Premium Relativities							
	Massachusetts Indicated Relativity:	0.000	0.483	1.018			
	Massachusetts Credibility:	0.14	0.22	0.25			
	Countrywide Pure Premium:	1.510	1.200	1.360	4.070		
	Countrywide Indicated Relativity:	2.237	1.782	1.611			
	Countrywide Credibility:	0.19	0.39	0.38			
	Countrywide Lost-time Claims:	7	146				
	Pure Premium Underlying Present Rate:	1.550	0.740	1.010	3.300		
	Relativity to Underlying Present Rate:	1.955	1.067	1.077			
	Credibility to Underlying Relativity:	0.67	0.39	0.37			
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250		
	Formula Relativity:	1.735	1.217	1.265			
	Balanced Formula Relativity:	1.724	1.215	1.261	1.385		

Class(es):		Schedule: 220		Effective: 9/1/2005		Manufacturing	
4024 REFRACTORY PRODUCTS MFG-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	27,726	0	0	0	0	0	0
1998/1999	28,416	0	0	0	0	0	0
1999/2000	21,451	0	0	0	0	0	0
2000/2001	32,231	0	0	0	0	0	0
2001/2002	35,644	0	0	0	0	0	0
MA Total	145,468	0	0	0	0	0	0
MA Indicated Pure Premiums							
	1997/1998	0.000	0.000	0.000	0.000		
	1998/1999	0.000	0.000	0.000	0.000		
	1999/2000	0.000	0.000	0.000	0.000		
	2000/2001	0.000	0.000	0.000	0.000		
	2001/2002	0.000	0.000	0.000	0.000		
	MA Total Pure Premium:	0.000	0.000	0.000	0.000		
Pure Premium Relativities							
	Massachusetts Indicated Relativity:	0.000	0.000	0.000			
	Massachusetts Credibility:	0.03	0.06	0.07			
	Countrywide Pure Premium:	1.580	1.310	1.490	4.380		
	Countrywide Indicated Relativity:	2.341	1.945	1.765			
	Countrywide Credibility:	0.31	0.47	0.46			
	Countrywide Lost-time Claims:	24	257				
	Pure Premium Underlying Present Rate:	2.110	1.370	1.910	5.390		
	Relativity to Underlying Present Rate:	2.661	1.976	2.037			
	Credibility to Underlying Relativity:	0.66	0.47	0.47			
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250		
	Formula Relativity:	2.482	1.843	1.769			
	Balanced Formula Relativity:	2.466	1.839	1.764	1.997		

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Calculation of Class Relativities

Class(es):		Schedule: 211		Effective: 9/1/2005		Manufacturing		
4034 BURIAL VAULTS MFG-CONCRETE-INSTALL-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	23,523,819	4	66	419,253	607,865	621,201	1,648,319	
1998/1999	29,580,293	10	73	1,407,207	310,809	1,311,289	3,029,305	
1999/2000	30,512,231	5	60	679,115	420,629	838,567	1,938,311	
2000/2001	27,005,737	4	35	338,413	291,750	306,215	936,378	
2001/2002	28,336,978	6	57	1,336,058	708,328	1,014,084	3,058,470	
MA Total	138,959,058	29	291	4,180,046	2,339,381	4,091,356	10,610,783	
				MA Indicated Pure Premiums				
				1997/1998	1.782	2.584	2.641	7.007
				1998/1999	4.757	1.051	4.433	10.241
				1999/2000	2.226	1.379	2.748	6.353
				2000/2001	1.253	1.080	1.134	3.467
				2001/2002	4.715	2.500	3.579	10.793
				MA Total Pure Premium:	3.010	1.680	2.940	7.636
				Pure Premium Relativities				
				Massachusetts Indicated Relativity:	4.482	2.384	3.363	
				Massachusetts Credibility:	0.58	1.00	1.00	
				Countrywide Pure Premium:	1.760	1.380	1.950	5.090
				Countrywide Indicated Relativity:	2.607	2.049	2.310	
				Countrywide Credibility:	0.21	0.00	0.00	
				Countrywide Lost-time Claims:	322	2,150		
				Pure Premium Underlying Present Rate:	2.560	1.750	3.080	7.390
				Relativity to Underlying Present Rate:	3.229	2.524	3.284	
				Credibility to Underlying Relativity:	0.21	0.00	0.00	
				Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250
				Formula Relativity:	3.825	2.384	3.363	
				Balanced Formula Relativity:	3.801	2.379	3.353	3.182

Class(es):		Schedule: 211		Effective: 9/1/2005		Manufacturing		
4036 PLASTER BOARD OR PLASTER BLOCK MFG-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	1,157,474	0	0	0	0	0	0	
1998/1999	1,125,822	0	1	0	4,867	2,934	7,801	
1999/2000	1,106,361	0	0	0	0	0	0	
2000/2001	893,283	0	2	0	4,098	3,682	7,780	
2001/2002	1,601,704	0	3	0	69,214	39,384	108,598	
MA Total	5,884,644	0	6	0	78,179	46,000	124,179	
				MA Indicated Pure Premiums				
				1997/1998	0.000	0.000	0.000	0.000
				1998/1999	0.000	0.432	0.261	0.693
				1999/2000	0.000	0.000	0.000	0.000
				2000/2001	0.000	0.459	0.412	0.871
				2001/2002	0.000	4.321	2.459	6.780
				MA Total Pure Premium:	0.000	1.330	0.780	2.110
				Pure Premium Relativities				
				Massachusetts Indicated Relativity:	0.000	1.888	0.892	
				Massachusetts Credibility:	0.13	0.19	0.23	
				Countrywide Pure Premium:	0.350	0.640	0.840	1.830
				Countrywide Indicated Relativity:	0.518	0.951	0.995	
				Countrywide Credibility:	0.18	0.34	0.38	
				Countrywide Lost-time Claims:	6	60		
				Pure Premium Underlying Present Rate:	1.420	0.520	0.860	2.800
				Relativity to Underlying Present Rate:	1.791	0.750	0.917	
				Credibility to Underlying Relativity:	0.69	0.47	0.39	
				Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250
				Formula Relativity:	1.329	1.035	0.941	
				Balanced Formula Relativity:	1.321	1.032	0.938	1.082

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Calculation of Class Relativities

Class(es):		Schedule: 211		Effective: 9/1/2005		Manufacturing	
4038 PLASTER STATUARY MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,185,655	0	0	0	0	493	493
1998/1999	2,142,103	0	4	0	54,403	35,386	89,789
1999/2000	3,442,308	0	0	0	0	520	520
2000/2001	3,444,977	0	0	0	0	0	0
2001/2002	3,059,779	0	1	0	67,370	17,834	85,204
MA Total	13,274,822	0	5	0	121,773	54,233	176,006
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.000	0.042	0.042
		1998/1999		0.000	2.540	1.652	4.192
		1999/2000		0.000	0.000	0.015	0.015
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	2.202	0.583	2.785
		MA Total Pure Premium:		0.000	0.920	0.410	1.326
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	1.306	0.469	
		Massachusetts Credibility:		0.14	0.28	0.30	
		Countrywide Pure Premium:		0.800	0.810	0.990	2.600
		Countrywide Indicated Relativity:		1.185	1.202	1.172	
		Countrywide Credibility:		0.41	0.36	0.35	
		Countrywide Lost-time Claims:		49	210		
		Pure Premium Underlying Present Rate:		0.740	0.630	0.770	2.140
		Relativity to Underlying Present Rate:		0.933	0.909	0.821	
		Credibility to Underlying Relativity:		0.45	0.36	0.35	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.906	1.126	0.838	
		Balanced Formula Relativity:		0.900	1.123	0.836	0.945

Class(es):		Schedule: 221		Effective: 9/1/2005		Manufacturing	
4053 POTTERY-CHINA OR TABLEWARE MFG 4113 GLASS MFG-CUT							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	5,102,132	0	1	0	29,170	13,324	42,494
1998/1999	4,843,012	0	4	0	3,684	29,872	33,556
1999/2000	4,312,875	0	0	0	0	2,874	2,874
2000/2001	4,172,620	0	4	0	12,720	7,817	20,537
2001/2002	3,249,503	0	2	0	10,301	22,939	33,240
MA Total	21,680,142	0	11	0	55,875	76,826	132,701
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.572	0.261	0.833
		1998/1999		0.000	0.076	0.617	0.693
		1999/2000		0.000	0.000	0.067	0.067
		2000/2001		0.000	0.305	0.187	0.492
		2001/2002		0.000	0.317	0.706	1.023
		MA Total Pure Premium:		0.000	0.260	0.350	0.612
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	0.369	0.400	
		Massachusetts Credibility:		0.16	0.31	0.36	
		Countrywide Pure Premium:		0.220	0.420	0.400	1.040
		Countrywide Indicated Relativity:		0.326	0.624	0.474	
		Countrywide Credibility:		0.13	0.34	0.32	
		Countrywide Lost-time Claims:		3	139		
		Pure Premium Underlying Present Rate:		0.660	0.490	0.730	1.880
		Relativity to Underlying Present Rate:		0.832	0.707	0.778	
		Credibility to Underlying Relativity:		0.71	0.35	0.32	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.633	0.574	0.545	
		Balanced Formula Relativity:		0.629	0.573	0.543	0.578

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Calculation of Class Relativities

Class(es):		Schedule: 221		Effective: 9/1/2005		Manufacturing	
4061 POTTERY-GLAZED OR PORCELAIN MFG							
4062 POTTERY-MFG BY MECHANICAL PRESS FORMING							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,870,202	0	7	0	2,681	12,385	15,066
1998/1999	2,525,684	0	1	0	0	2,333	2,333
1999/2000	2,509,040	0	1	0	1,875	10,224	12,099
2000/2001	2,644,656	0	3	0	3,276	5,835	9,111
2001/2002	1,489,126	0	2	0	2,643	1,772	4,415
MA Total	11,038,708	0	14	0	10,475	32,549	43,024
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.143	0.662	0.806
		1998/1999		0.000	0.000	0.092	0.092
		1999/2000		0.000	0.075	0.407	0.482
		2000/2001		0.000	0.124	0.221	0.345
		2001/2002		0.000	0.177	0.119	0.296
		MA Total Pure Premium:		0.000	0.090	0.290	0.390
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	0.128	0.332	
		Massachusetts Credibility:		0.16	0.26	0.36	
		Countrywide Pure Premium:		0.580	0.720	0.830	2.130
		Countrywide Indicated Relativity:		0.859	1.070	0.983	
		Countrywide Credibility:		0.30	0.37	0.32	
		Countrywide Lost-time Claims:		23	183		
		Pure Premium Underlying Present Rate:		1.260	0.630	1.400	3.290
		Relativity to Underlying Present Rate:		1.589	0.909	1.493	
		Credibility to Underlying Relativity:		0.54	0.37	0.32	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.116	0.766	0.912	
		Balanced Formula Relativity:		1.109	0.764	0.909	0.923

Class(es):		Schedule: 231		Effective: 9/1/2005		Manufacturing	
4112 INCANDESCENT LAMP MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	10,435,175	0	4	0	13,408	18,456	31,864
1998/1999	25,029,360	1	15	115,925	257,807	175,435	549,167
1999/2000	26,412,627	0	4	0	48,157	43,728	91,885
2000/2001	17,386,914	0	8	0	77,715	42,633	120,348
2001/2002	13,778,490	0	2	0	5,168	9,992	15,160
MA Total	93,042,566	1	33	115,925	402,255	290,244	808,424
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.128	0.177	0.305
		1998/1999		0.463	1.030	0.701	2.194
		1999/2000		0.000	0.182	0.166	0.348
		2000/2001		0.000	0.447	0.245	0.692
		2001/2002		0.000	0.038	0.073	0.110
		MA Total Pure Premium:		0.120	0.430	0.310	0.869
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.179	0.610	0.355	
		Massachusetts Credibility:		0.21	0.44	0.47	
		Countrywide Pure Premium:		0.160	0.210	0.230	0.600
		Countrywide Indicated Relativity:		0.237	0.312	0.272	
		Countrywide Credibility:		0.40	0.28	0.26	
		Countrywide Lost-time Claims:		194	1,115		
		Pure Premium Underlying Present Rate:		0.320	0.280	0.330	0.930
		Relativity to Underlying Present Rate:		0.404	0.404	0.352	
		Credibility to Underlying Relativity:		0.39	0.28	0.27	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.290	0.469	0.333	
		Balanced Formula Relativity:		0.288	0.468	0.332	0.361

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Class(es): 4114 GLASSWARE MFG-NOC		Schedule: 231		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	11,006,560	0	8	0	87,156	61,591	148,747
1998/1999	1,245,514	0	0	0	0	2,334	2,334
1999/2000	1,028,922	0	0	0	0	3,093	3,093
2000/2001	1,838,698	0	0	0	0	1,814	1,814
2001/2002	971,712	0	0	0	0	922	922
MA Total	16,091,406	0	8	0	87,156	69,754	156,910
		MA Indicated Pure Premiums					
		1997/1998	0.000	0.792	0.560	1.351	
		1998/1999	0.000	0.000	0.187	0.187	
		1999/2000	0.000	0.000	0.301	0.301	
		2000/2001	0.000	0.000	0.099	0.099	
		2001/2002	0.000	0.000	0.095	0.095	
		MA Total Pure Premium:	0.000	0.540	0.430	0.975	
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:	0.000	0.766	0.492		
		Massachusetts Credibility:	0.21	0.32	0.42		
		Countrywide Pure Premium:	0.590	0.710	0.940	2.240	
		Countrywide Indicated Relativity:	0.874	1.055	1.114		
		Countrywide Credibility:	0.40	0.34	0.29		
		Countrywide Lost-time Claims:	71	850			
		Pure Premium Underlying Present Rate:	1.830	0.700	1.420	3.950	
		Relativity to Underlying Present Rate:	2.308	1.010	1.514		
		Credibility to Underlying Relativity:	0.39	0.34	0.29		
		Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250	
		Formula Relativity:	1.250	0.947	0.969		
		Balanced Formula Relativity:	1.242	0.945	0.966	1.042	

Class(es): 4130 GLASS MERCHANT		Schedule: 231		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	12,899,998	3	15	440,480	35,863	486,128	962,471
1998/1999	13,589,023	1	21	249,553	44,269	160,655	454,477
1999/2000	15,620,197	2	23	306,383	326,400	315,868	948,651
2000/2001	16,993,719	0	17	0	123,426	102,080	225,506
2001/2002	17,287,736	1	22	523,931	258,456	300,668	1,083,055
MA Total	76,390,673	7	98	1,520,347	788,414	1,365,399	3,674,160
		MA Indicated Pure Premiums					
		1997/1998	3.415	0.278	3.768	7.461	
		1998/1999	1.836	0.326	1.182	3.344	
		1999/2000	1.961	2.090	2.022	6.073	
		2000/2001	0.000	0.726	0.601	1.327	
		2001/2002	3.031	1.495	1.739	6.265	
		MA Total Pure Premium:	1.990	1.030	1.790	4.810	
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:	2.963	1.462	2.048		
		Massachusetts Credibility:	0.41	0.71	0.92		
		Countrywide Pure Premium:	1.070	0.960	1.350	3.380	
		Countrywide Indicated Relativity:	1.585	1.425	1.599		
		Countrywide Credibility:	0.30	0.14	0.04		
		Countrywide Lost-time Claims:	137	806			
		Pure Premium Underlying Present Rate:	1.980	1.110	2.130	5.220	
		Relativity to Underlying Present Rate:	2.497	1.601	2.271		
		Credibility to Underlying Relativity:	0.29	0.15	0.04		
		Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250	
		Formula Relativity:	2.414	1.478	2.039		
		Balanced Formula Relativity:	2.399	1.474	2.033	1.967	

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Calculation of Class Relativities

Class(es):		Schedule: 231		Effective: 9/1/2005		Manufacturing	
4133 CATHEDRAL OR ART GLASS WINDOW MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,274,088	0	1	0	12,814	14,317	27,131
1998/1999	1,302,854	0	0	0	0	922	922
1999/2000	1,326,097	0	3	0	16,915	46,282	63,197
2000/2001	1,759,661	0	0	0	0	1,497	1,497
2001/2002	1,853,788	0	0	0	0	2,574	2,574
MA Total	7,516,488	0	4	0	29,729	65,592	95,321
		MA Indicated Pure Premiums					
	1997/1998	0.000	1.006	1.124	2.129		
	1998/1999	0.000	0.000	0.071	0.071		
	1999/2000	0.000	1.276	3.490	4.766		
	2000/2001	0.000	0.000	0.085	0.085		
	2001/2002	0.000	0.000	0.139	0.139		
	MA Total Pure Premium:	0.000	0.400	0.870	1.268		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.000	0.568	0.995			
	Massachusetts Credibility:	0.11	0.22	0.28			
	Countrywide Pure Premium:	2.360	0.350	0.820	3.530		
	Countrywide Indicated Relativity:	3.496	0.520	0.971			
	Countrywide Credibility:	0.13	0.23	0.29			
	Countrywide Lost-time Claims:	3	24				
	Pure Premium Underlying Present Rate:	0.740	0.600	1.150	2.490		
	Relativity to Underlying Present Rate:	0.933	0.866	1.226			
	Credibility to Underlying Relativity:	0.76	0.55	0.43			
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250		
	Formula Relativity:	1.164	0.721	1.087			
	Balanced Formula Relativity:	1.156	0.719	1.084	0.991		

Class(es):		Schedule: 185		Effective: 9/1/2005		Manufacturing	
4150 OPTICAL GOODS MFG-NOC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	115,849,859	4	54	443,281	280,918	401,662	1,125,861
1998/1999	167,124,515	2	35	132,391	433,924	454,329	1,020,644
1999/2000	131,436,819	1	51	110,119	205,811	224,903	540,833
2000/2001	126,148,745	3	54	247,570	594,361	491,642	1,333,573
2001/2002	118,209,110	1	39	114,387	569,830	345,254	1,029,471
MA Total	658,769,048	11	233	1,047,748	2,084,844	1,917,790	5,050,382
		MA Indicated Pure Premiums					
	1997/1998	0.383	0.242	0.347	0.972		
	1998/1999	0.079	0.260	0.272	0.611		
	1999/2000	0.084	0.157	0.171	0.411		
	2000/2001	0.196	0.471	0.390	1.057		
	2001/2002	0.097	0.482	0.292	0.871		
	MA Total Pure Premium:	0.160	0.320	0.290	0.767		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.238	0.454	0.332			
	Massachusetts Credibility:	0.47	0.91	1.00			
	Countrywide Pure Premium:	0.490	0.510	0.600	1.600		
	Countrywide Indicated Relativity:	0.726	0.758	0.711			
	Countrywide Credibility:	0.26	0.04	0.00			
	Countrywide Lost-time Claims:	177	908				
	Pure Premium Underlying Present Rate:	0.330	0.240	0.380	0.950		
	Relativity to Underlying Present Rate:	0.416	0.346	0.405			
	Credibility to Underlying Relativity:	0.27	0.05	0.00			
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250		
	Formula Relativity:	0.413	0.461	0.332			
	Balanced Formula Relativity:	0.410	0.460	0.331	0.395		

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Calculation of Class Relativities

Class(es): 4239 PAPER MFG		Schedule: 120		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	39,730,824	6	61	918,700	538,992	968,332	2,426,024	
1998/1999	47,641,196	5	65	858,057	813,073	1,563,353	3,234,483	
1999/2000	48,668,564	6	59	1,215,677	1,082,028	1,217,427	3,515,132	
2000/2001	71,456,511	3	66	362,499	752,223	1,066,711	2,181,433	
2001/2002	72,469,000	2	82	339,239	894,466	747,486	1,981,191	
MA Total	279,966,095	22	333	3,694,172	4,080,782	5,563,309	13,338,263	
		MA Indicated Pure Premiums						
		1997/1998		2.312	1.357	2.437	6.106	
		1998/1999		1.801	1.707	3.282	6.789	
		1999/2000		2.498	2.223	2.501	7.223	
		2000/2001		0.507	1.053	1.493	3.053	
		2001/2002		0.468	1.234	1.031	2.734	
		MA Total Pure Premium:		1.320	1.460	1.990	4.764	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:		1.966	2.072	2.276		
		Massachusetts Credibility:		0.59	1.00	1.00		
		Countrywide Pure Premium:		0.780	0.780	0.890	2.450	
		Countrywide Indicated Relativity:		1.156	1.159	1.054		
		Countrywide Credibility:		0.20	0.00	0.00		
		Countrywide Lost-time Claims:		135	1,037			
		Pure Premium Underlying Present Rate:		1.350	1.710	1.900	4.960	
		Relativity to Underlying Present Rate:		1.703	2.467	2.026		
		Credibility to Underlying Relativity:		0.21	0.00	0.00		
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250	
		Formula Relativity:		1.749	2.072	2.276		
		Balanced Formula Relativity:		1.738	2.068	2.269	2.047	

Class(es): 4243 BOX MFG-FOLDING PAPER BOXES-NOC		Schedule: 121		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	31,076,664	2	43	100,774	221,789	324,799	647,362	
1998/1999	31,874,632	2	40	179,598	293,558	410,918	884,074	
1999/2000	30,447,972	2	45	234,434	549,748	575,449	1,359,631	
2000/2001	27,966,785	5	35	805,879	256,654	812,440	1,874,973	
2001/2002	25,202,597	0	30	0	355,700	289,894	645,594	
MA Total	146,568,650	11	193	1,320,685	1,677,449	2,413,500	5,411,634	
		MA Indicated Pure Premiums						
		1997/1998		0.324	0.714	1.045	2.083	
		1998/1999		0.563	0.921	1.289	2.774	
		1999/2000		0.770	1.806	1.890	4.465	
		2000/2001		2.882	0.918	2.905	6.704	
		2001/2002		0.000	1.411	1.150	2.562	
		MA Total Pure Premium:		0.900	1.140	1.650	3.692	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:		1.340	1.618	1.888		
		Massachusetts Credibility:		0.39	0.87	1.00		
		Countrywide Pure Premium:		0.890	0.910	1.010	2.810	
		Countrywide Indicated Relativity:		1.318	1.351	1.196		
		Countrywide Credibility:		0.30	0.06	0.00		
		Countrywide Lost-time Claims:		105	802			
		Pure Premium Underlying Present Rate:		0.920	0.960	1.410	3.290	
		Relativity to Underlying Present Rate:		1.160	1.385	1.504		
		Credibility to Underlying Relativity:		0.31	0.07	0.00		
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250	
		Formula Relativity:		1.278	1.586	1.888		
		Balanced Formula Relativity:		1.270	1.582	1.882	1.606	

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Calculation of Class Relativities

Class(es):		Schedule: 121		Effective: 9/1/2005		Manufacturing	
4244 CORRUGATED OR FIBER BOARD CONTAINER MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	23,661,147	4	33	293,287	514,263	280,092	1,087,642
1998/1999	29,691,746	2	43	158,454	540,106	264,102	962,662
1999/2000	32,785,398	4	52	565,319	506,503	443,045	1,514,867
2000/2001	36,730,402	4	40	558,819	311,176	580,776	1,450,771
2001/2002	30,483,606	0	25	0	426,268	288,494	714,762
MA Total	153,352,299	14	193	1,575,879	2,298,316	1,856,509	5,730,704
MA Indicated Pure Premiums							
		1997/1998		1.240	2.173	1.184	4.597
		1998/1999		0.534	1.819	0.889	3.242
		1999/2000		1.724	1.545	1.351	4.621
		2000/2001		1.521	0.847	1.581	3.950
		2001/2002		0.000	1.398	0.946	2.345
		MA Total Pure Premium:		1.030	1.500	1.210	3.737
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.534	2.129	1.384	
		Massachusetts Credibility:		0.42	1.00	0.96	
		Countrywide Pure Premium:		1.140	0.900	1.140	3.180
		Countrywide Indicated Relativity:		1.689	1.336	1.350	
		Countrywide Credibility:		0.29	0.00	0.02	
		Countrywide Lost-time Claims:		236	1,316		
		Pure Premium Underlying Present Rate:		1.070	1.660	1.190	3.920
		Relativity to Underlying Present Rate:		1.350	2.395	1.269	
		Credibility to Underlying Relativity:		0.29	0.00	0.02	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.526	2.129	1.381	
		Balanced Formula Relativity:		1.516	2.124	1.377	1.652

Class(es):		Schedule: 122		Effective: 9/1/2005		Manufacturing	
4250 PAPER COATING							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	81,698,165	2	86	227,361	429,740	611,511	1,268,612
1998/1999	86,347,235	4	88	405,745	501,597	656,957	1,564,299
1999/2000	68,407,420	5	73	546,593	856,044	748,307	2,150,944
2000/2001	85,179,514	10	64	1,280,902	869,168	731,271	2,881,341
2001/2002	85,131,018	4	58	1,076,678	736,876	1,065,870	2,879,424
MA Total	406,763,352	25	369	3,537,279	3,393,425	3,813,916	10,744,620
MA Indicated Pure Premiums							
		1997/1998		0.278	0.526	0.749	1.553
		1998/1999		0.470	0.581	0.761	1.812
		1999/2000		0.799	1.251	1.094	3.144
		2000/2001		1.504	1.020	0.859	3.383
		2001/2002		1.265	0.866	1.252	3.382
		MA Total Pure Premium:		0.870	0.830	0.940	2.641
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.295	1.178	1.075	
		Massachusetts Credibility:		0.55	1.00	1.00	
		Countrywide Pure Premium:		0.670	0.460	0.660	1.790
		Countrywide Indicated Relativity:		0.992	0.683	0.782	
		Countrywide Credibility:		0.22	0.00	0.00	
		Countrywide Lost-time Claims:		87	663		
		Pure Premium Underlying Present Rate:		0.760	0.820	0.950	2.530
		Relativity to Underlying Present Rate:		0.959	1.183	1.013	
		Credibility to Underlying Relativity:		0.23	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.151	1.178	1.075	
		Balanced Formula Relativity:		1.144	1.175	1.072	1.126

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Calculation of Class Relativities

Class(es): 4251 STATIONERY MFG		Schedule: 121		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	18,083,000	4	22	465,676	69,275	394,445	929,396
1998/1999	28,929,853	2	38	270,689	345,817	380,650	997,156
1999/2000	25,232,872	2	25	184,311	97,856	158,884	441,051
2000/2001	16,115,165	2	10	261,151	34,002	191,832	486,985
2001/2002	20,768,976	1	14	101,177	157,307	174,844	433,328
MA Total	109,129,866	11	109	1,283,004	704,257	1,300,655	3,287,916
		MA Indicated Pure Premiums					
		1997/1998		2.575	0.383	2.181	5.140
		1998/1999		0.936	1.195	1.316	3.447
		1999/2000		0.730	0.388	0.630	1.748
		2000/2001		1.621	0.211	1.190	3.022
		2001/2002		0.487	0.757	0.842	2.086
		MA Total Pure Premium:		1.180	0.650	1.190	3.013
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.757	0.923	1.361	
		Massachusetts Credibility:		0.38	0.70	0.91	
		Countrywide Pure Premium:		0.570	0.710	0.810	2.090
		Countrywide Indicated Relativity:		0.844	1.055	0.959	
		Countrywide Credibility:		0.31	0.15	0.04	
		Countrywide Lost-time Claims:		53	427		
		Pure Premium Underlying Present Rate:		1.140	0.750	1.450	3.340
		Relativity to Underlying Present Rate:		1.438	1.082	1.546	
		Credibility to Underlying Relativity:		0.31	0.15	0.05	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.375	0.967	1.354	
		Balanced Formula Relativity:		1.366	0.965	1.350	1.234

Class(es): 4273 BAG MFG-PAPER ONLY		Schedule: 121		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	7,640,265	1	14	160,753	73,416	304,856	539,025
1998/1999	8,514,450	0	9	0	14,931	21,893	36,824
1999/2000	8,746,976	0	10	0	33,431	62,506	95,937
2000/2001	7,876,258	1	15	104,343	488,572	360,115	953,030
2001/2002	9,284,844	0	7	0	155,153	101,230	256,383
MA Total	42,062,793	2	55	265,096	765,503	850,600	1,881,199
		MA Indicated Pure Premiums					
		1997/1998		2.104	0.961	3.990	7.055
		1998/1999		0.000	0.175	0.257	0.432
		1999/2000		0.000	0.382	0.715	1.097
		2000/2001		1.325	6.203	4.572	12.100
		2001/2002		0.000	1.671	1.090	2.761
		MA Total Pure Premium:		0.630	1.820	2.020	4.472
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.938	2.583	2.311	
		Massachusetts Credibility:		0.20	0.50	0.53	
		Countrywide Pure Premium:		0.990	0.930	0.950	2.870
		Countrywide Indicated Relativity:		1.466	1.381	1.126	
		Countrywide Credibility:		0.37	0.25	0.24	
		Countrywide Lost-time Claims:		37	498		
		Pure Premium Underlying Present Rate:		0.590	0.820	0.970	2.380
		Relativity to Underlying Present Rate:		0.744	1.183	1.034	
		Credibility to Underlying Relativity:		0.43	0.25	0.23	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.050	1.933	1.733	
		Balanced Formula Relativity:		1.043	1.928	1.728	1.586

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Calculation of Class Relativities

Class(es):		Schedule: 121		Effective: 9/1/2005		Manufacturing		
4279 PAPER GOODS MFG-NOC								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	39,525,284	4	71	459,735	618,284	601,874	1,679,893	
1998/1999	47,476,309	4	69	291,625	631,945	807,525	1,731,095	
1999/2000	46,803,064	9	67	1,040,132	429,300	1,162,002	2,631,434	
2000/2001	44,541,455	1	65	97,109	463,796	525,041	1,085,946	
2001/2002	38,174,751	1	36	96,433	359,375	301,088	756,896	
MA Total	216,520,863	19	308	1,985,034	2,502,700	3,397,530	7,885,264	
				MA Indicated Pure Premiums				
				1997/1998	1.163	1.564	1.523	4.250
				1998/1999	0.614	1.331	1.701	3.646
				1999/2000	2.222	0.917	2.483	5.622
				2000/2001	0.218	1.041	1.179	2.438
				2001/2002	0.253	0.941	0.789	1.983
MA Total Pure Premium:				0.920	1.160	1.570	3.642	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				1.370	1.646	1.796		
Massachusetts Credibility:				0.54	1.00	1.00		
Countrywide Pure Premium:				0.890	0.870	1.060	2.820	
Countrywide Indicated Relativity:				1.318	1.291	1.255		
Countrywide Credibility:				0.23	0.00	0.00		
Countrywide Lost-time Claims:				185	1,512			
Pure Premium Underlying Present Rate:				1.410	1.390	2.260	5.060	
Relativity to Underlying Present Rate:				1.778	2.005	2.410		
Credibility to Underlying Relativity:				0.23	0.00	0.00		
Industry Group Adjusted Converted Pure Premium:				0.672	0.705	0.874	2.250	
Formula Relativity:				1.452	1.646	1.796		
Balanced Formula Relativity:				1.443	1.642	1.791	1.640	

Class(es):		Schedule: 121		Effective: 9/1/2005		Manufacturing		
4282 DRESS PATTERN MFG-PAPER								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	27,382	0	0	0	0	0	0	
1998/1999	47,142	0	0	0	0	0	0	
1999/2000	42,143	0	0	0	0	0	0	
2000/2001	54,120	0	0	0	0	0	0	
2001/2002	128,700	0	0	0	0	0	0	
MA Total	299,487	0	0	0	0	0	0	
				MA Indicated Pure Premiums				
				1997/1998	0.000	0.000	0.000	0.000
				1998/1999	0.000	0.000	0.000	0.000
				1999/2000	0.000	0.000	0.000	0.000
				2000/2001	0.000	0.000	0.000	0.000
				2001/2002	0.000	0.000	0.000	0.000
MA Total Pure Premium:				0.000	0.000	0.000	0.000	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.000	0.000	0.000		
Massachusetts Credibility:				0.02	0.04	0.04		
Countrywide Pure Premium:				0.000	0.000	0.000	0.000	
Countrywide Indicated Relativity:				0.187	0.243	0.211		
Countrywide Credibility:				0.00	0.00	0.00		
Countrywide Lost-time Claims:				0	0			
Pure Premium Underlying Present Rate:				0.150	0.170	0.200	0.520	
Relativity to Underlying Present Rate:				0.189	0.245	0.213		
Credibility to Underlying Relativity:				0.98	0.96	0.96		
Industry Group Adjusted Converted Pure Premium:				0.672	0.705	0.874	2.250	
Formula Relativity:				0.185	0.235	0.204		
Balanced Formula Relativity:				0.184	0.235	0.204	0.208	

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Calculation of Class Relativities

Class(es):		Schedule: 122		Effective: 9/1/2005		Manufacturing	
4283 BUILDING OR ROOF PAPER OR FELT MFG,PREP							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	117,311	0	0	0	0	0	0
1998/1999	117,575	0	0	0	0	0	0
1999/2000	179,664	0	1	0	18,616	0	18,616
2000/2001	150,059	0	0	0	0	743	743
2001/2002	107,414	0	0	0	0	0	0
MA Total	672,023	0	1	0	18,616	743	19,359
MA Indicated Pure Premiums							
		1997/1998		0.000	0.000	0.000	0.000
		1998/1999		0.000	0.000	0.000	0.000
		1999/2000		0.000	10.362	0.000	10.362
		2000/2001		0.000	0.000	0.495	0.495
		2001/2002		0.000	0.000	0.000	0.000
		MA Total Pure Premium:		0.000	2.770	0.110	2.881
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.000	3.931	0.126	
		Massachusetts Credibility:		0.05	0.09	0.12	
		Countrywide Pure Premium:		1.010	0.490	0.790	2.290
		Countrywide Indicated Relativity:		1.496	0.728	0.936	
		Countrywide Credibility:		0.31	0.39	0.44	
		Countrywide Lost-time Claims:		25	85		
		Pure Premium Underlying Present Rate:		1.470	0.740	1.410	3.620
		Relativity to Underlying Present Rate:		1.854	1.067	1.504	
		Credibility to Underlying Relativity:		0.64	0.52	0.44	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.650	1.193	1.089	
		Balanced Formula Relativity:		1.640	1.190	1.085	1.284

Class(es):		Schedule: 123		Effective: 9/1/2005		Manufacturing	
4299 PRINTING							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	221,369,616	19	189	2,703,695	1,287,191	2,135,681	6,126,567
1998/1999	227,347,874	13	164	1,887,755	1,228,445	2,045,211	5,161,411
1999/2000	239,272,831	7	193	990,950	1,830,772	1,831,857	4,653,579
2000/2001	243,835,796	10	183	1,231,711	1,632,367	1,906,342	4,770,420
2001/2002	258,090,152	4	148	760,751	1,174,941	1,566,890	3,502,582
MA Total	1,189,916,269	53	877	7,574,862	7,153,716	9,485,981	24,214,559
MA Indicated Pure Premiums							
		1997/1998		1.221	0.581	0.965	2.768
		1998/1999		0.830	0.540	0.900	2.270
		1999/2000		0.414	0.765	0.766	1.945
		2000/2001		0.505	0.669	0.782	1.956
		2001/2002		0.295	0.455	0.607	1.357
		MA Total Pure Premium:		0.640	0.600	0.800	2.035
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.953	0.852	0.915	
		Massachusetts Credibility:		0.79	1.00	1.00	
		Countrywide Pure Premium:		0.620	0.660	0.800	2.080
		Countrywide Indicated Relativity:		0.918	0.980	0.947	
		Countrywide Credibility:		0.10	0.00	0.00	
		Countrywide Lost-time Claims:		930	7,534		
		Pure Premium Underlying Present Rate:		0.660	0.710	0.790	2.160
		Relativity to Underlying Present Rate:		0.832	1.024	0.842	
		Credibility to Underlying Relativity:		0.11	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.936	0.852	0.915	
		Balanced Formula Relativity:		0.930	0.850	0.912	0.898

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Calculation of Class Relativities

Class(es): 4301 WALL PAPER MFG		Schedule: 122		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	2,280,606	1	4	48,080	10,139	86,713	144,932	
1998/1999	3,586,353	0	4	0	15,844	22,543	38,387	
1999/2000	2,925,157	0	1	0	4,341	7,316	11,657	
2000/2001	0	0	0	0	0	0	0	
2001/2002	0	0	0	0	0	0	0	
MA Total	8,792,116	1	9	48,080	30,324	116,572	194,976	
		MA Indicated Pure Premiums						
		1997/1998		2.108	0.445	3.802	6.355	
		1998/1999		0.000	0.442	0.629	1.070	
		1999/2000		0.000	0.148	0.250	0.399	
		2000/2001		0.000	0.000	0.000	0.000	
		2001/2002		0.000	0.000	0.000	0.000	
		MA Total Pure Premium:		0.550	0.340	1.330	2.218	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:		0.819	0.483	1.521		
		Massachusetts Credibility:		0.17	0.25	0.39		
		Countrywide Pure Premium:		1.650	0.710	1.490	3.850	
		Countrywide Indicated Relativity:		2.444	1.055	1.765		
		Countrywide Credibility:		0.18	0.35	0.30		
		Countrywide Lost-time Claims:		6	66			
		Pure Premium Underlying Present Rate:		1.910	0.690	2.170	4.770	
		Relativity to Underlying Present Rate:		2.409	0.995	2.314		
		Credibility to Underlying Relativity:		0.65	0.40	0.31		
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250	
		Formula Relativity:		2.145	0.888	1.840		
		Balanced Formula Relativity:		2.132	0.886	1.834	1.626	

Class(es): 4304 NEWSPAPER PUBLISHING		Schedule: 123		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	20,081,171	1	23	69,687	177,903	190,867	438,457	
1998/1999	11,565,769	1	24	63,750	87,926	181,081	332,757	
1999/2000	19,924,398	0	34	0	217,300	248,803	466,103	
2000/2001	13,528,599	1	13	116,781	116,740	327,013	560,534	
2001/2002	15,619,523	1	20	238,084	271,955	323,056	833,095	
MA Total	80,719,460	4	114	488,302	871,824	1,270,820	2,630,946	
		MA Indicated Pure Premiums						
		1997/1998		0.347	0.886	0.950	2.183	
		1998/1999		0.551	0.760	1.566	2.877	
		1999/2000		0.000	1.091	1.249	2.339	
		2000/2001		0.863	0.863	2.417	4.143	
		2001/2002		1.524	1.741	2.068	5.334	
		MA Total Pure Premium:		0.600	1.080	1.570	3.259	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:		0.893	1.533	1.796		
		Massachusetts Credibility:		0.29	0.60	0.76		
		Countrywide Pure Premium:		1.160	1.260	1.570	3.990	
		Countrywide Indicated Relativity:		1.719	1.871	1.859		
		Countrywide Credibility:		0.36	0.20	0.12		
		Countrywide Lost-time Claims:		319	2,734			
		Pure Premium Underlying Present Rate:		0.800	0.700	1.250	2.750	
		Relativity to Underlying Present Rate:		1.009	1.010	1.333		
		Credibility to Underlying Relativity:		0.35	0.20	0.12		
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250	
		Formula Relativity:		1.231	1.496	1.748		
		Balanced Formula Relativity:		1.223	1.493	1.743	1.509	

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Calculation of Class Relativities

Class(es): 4307 BOOKBINDING		Schedule: 123		Effective: 9/1/2005			Manufacturing
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	15,258,582	1	22	56,736	257,882	122,907	437,525
1998/1999	16,381,493	1	8	122,301	92,077	98,520	312,898
1999/2000	16,271,003	2	21	188,693	274,962	151,683	615,338
2000/2001	17,852,285	1	13	84,987	110,559	181,823	377,369
2001/2002	25,600,940	1	14	97,301	100,226	132,160	329,687
MA Total	91,364,303	6	78	550,018	835,706	687,093	2,072,817
				MA Indicated Pure Premiums			
		1997/1998		0.372	1.690	0.805	2.867
		1998/1999		0.747	0.562	0.601	1.910
		1999/2000		1.160	1.690	0.932	3.782
		2000/2001		0.476	0.619	1.018	2.114
		2001/2002		0.380	0.391	0.516	1.288
		MA Total Pure Premium:		0.600	0.910	0.750	2.269
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		0.893	1.292	0.858	
		Massachusetts Credibility:		0.25	0.74	0.64	
		Countrywide Pure Premium:		0.870	0.690	0.800	2.360
		Countrywide Indicated Relativity:		1.289	1.025	0.947	
		Countrywide Credibility:		0.37	0.13	0.18	
		Countrywide Lost-time Claims:		38	475		
		Pure Premium Underlying Present Rate:		0.500	1.030	0.730	2.260
		Relativity to Underlying Present Rate:		0.631	1.486	0.778	
		Credibility to Underlying Relativity:		0.38	0.13	0.18	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.940	1.283	0.860	
		Balanced Formula Relativity:		0.934	1.280	0.857	1.012

Class(es): 4308 LINOTYPE OR HAND COMPOSITION		Schedule: 123		Effective: 9/1/2005			Manufacturing
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	17,505	0	0	0	0	0	0
1998/1999	18,000	0	0	0	0	0	0
1999/2000	40,000	0	0	0	0	0	0
2000/2001	27,517	0	0	0	0	0	0
2001/2002	17,680	0	0	0	0	259	259
MA Total	120,702	0	0	0	0	259	259
				MA Indicated Pure Premiums			
		1997/1998		0.000	0.000	0.000	0.000
		1998/1999		0.000	0.000	0.000	0.000
		1999/2000		0.000	0.000	0.000	0.000
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	0.000	1.465	1.465
		MA Total Pure Premium:		0.000	0.000	0.210	0.215
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		0.000	0.000	0.240	
		Massachusetts Credibility:		0.01	0.03	0.03	
		Countrywide Pure Premium:		0.000	0.000	0.040	0.040
		Countrywide Indicated Relativity:		0.000	0.000	0.048	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		0	0		
		Pure Premium Underlying Present Rate:		0.260	0.300	0.370	0.930
		Relativity to Underlying Present Rate:		0.328	0.433	0.395	
		Credibility to Underlying Relativity:		0.99	0.97	0.97	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.325	0.420	0.390	
		Balanced Formula Relativity:		0.323	0.419	0.389	0.379

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Calculation of Class Relativities

Class(es): 4350 ELECTROTYPING		Schedule: 123		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	87,378	0	0	0	0	0	0	
1998/1999	0	0	0	0	0	0	0	
1999/2000	1,396	0	0	0	0	0	0	
2000/2001	0	0	0	0	0	0	0	
2001/2002	0	0	0	0	0	0	0	
MA Total	88,774	0	0	0	0	0	0	
		MA Indicated Pure Premiums						
		1997/1998	0.000	0.000	0.000	0.000	0.000	
		1998/1999	0.000	0.000	0.000	0.000	0.000	
		1999/2000	0.000	0.000	0.000	0.000	0.000	
		2000/2001	0.000	0.000	0.000	0.000	0.000	
		2001/2002	0.000	0.000	0.000	0.000	0.000	
		MA Total Pure Premium:	0.000	0.000	0.000	0.000	0.000	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:	0.000	0.000	0.000	0.000	0.000	
		Massachusetts Credibility:	0.01	0.03	0.03	0.03	0.03	
		Countrywide Pure Premium:	0.000	0.000	0.000	0.000	0.000	
		Countrywide Indicated Relativity:	0.249	0.414	0.253	0.253	0.253	
		Countrywide Credibility:	0.00	0.00	0.00	0.00	0.00	
		Countrywide Lost-time Claims:	0	0	0	0	0	
		Pure Premium Underlying Present Rate:	0.200	0.290	0.240	0.240	0.730	
		Relativity to Underlying Present Rate:	0.252	0.418	0.256	0.256	0.256	
		Credibility to Underlying Relativity:	0.99	0.97	0.97	0.97	0.97	
		Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	0.874	2.250	
		Formula Relativity:	0.249	0.405	0.248	0.248	0.248	
		Balanced Formula Relativity:	0.248	0.405	0.248	0.248	0.297	

Class(es): 4351 PHOTOENGRAVING		Schedule: 123		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	68,013,798	4	35	416,878	267,221	324,431	1,008,530	
1998/1999	62,719,681	0	28	0	160,784	153,999	314,783	
1999/2000	75,558,673	1	24	266,218	235,609	113,056	614,883	
2000/2001	45,725,001	0	12	0	119,970	72,914	192,884	
2001/2002	37,329,471	1	9	135,127	39,688	97,681	272,496	
MA Total	289,346,624	6	108	818,223	823,272	762,081	2,403,576	
		MA Indicated Pure Premiums						
		1997/1998	0.613	0.393	0.477	0.477	1.483	
		1998/1999	0.000	0.256	0.246	0.246	0.502	
		1999/2000	0.352	0.312	0.150	0.150	0.814	
		2000/2001	0.000	0.262	0.159	0.159	0.422	
		2001/2002	0.362	0.106	0.262	0.262	0.730	
		MA Total Pure Premium:	0.280	0.280	0.260	0.260	0.831	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:	0.417	0.397	0.297	0.297	0.297	
		Massachusetts Credibility:	0.39	0.71	0.82	0.82	0.82	
		Countrywide Pure Premium:	0.360	0.330	0.470	0.470	1.160	
		Countrywide Indicated Relativity:	0.533	0.490	0.556	0.556	0.556	
		Countrywide Credibility:	0.30	0.14	0.09	0.09	0.09	
		Countrywide Lost-time Claims:	32	152	0	0	0	
		Pure Premium Underlying Present Rate:	0.450	0.290	0.420	0.420	1.160	
		Relativity to Underlying Present Rate:	0.568	0.418	0.448	0.448	0.448	
		Credibility to Underlying Relativity:	0.31	0.15	0.09	0.09	0.09	
		Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	0.874	2.250	
		Formula Relativity:	0.499	0.413	0.334	0.334	0.334	
		Balanced Formula Relativity:	0.495	0.412	0.333	0.333	0.406	

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Calculation of Class Relativities

Class(es): 4352 ENGRAVING		Schedule: 123		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	7,285,430	1	1	57,750	29,966	80,296	168,012	
1998/1999	7,082,237	1	1	71,683	70	91,715	163,468	
1999/2000	7,743,626	0	3	0	5,584	17,123	22,707	
2000/2001	7,498,616	0	5	0	16,110	16,516	32,626	
2001/2002	7,048,140	0	2	0	8,243	7,782	16,025	
MA Total	36,658,049	2	12	129,433	59,973	213,432	402,838	
		MA Indicated Pure Premiums						
		1997/1998		0.793	0.411	1.102	2.306	
		1998/1999		1.012	0.001	1.295	2.308	
		1999/2000		0.000	0.072	0.221	0.293	
		2000/2001		0.000	0.215	0.220	0.435	
		2001/2002		0.000	0.117	0.110	0.227	
		MA Total Pure Premium:		0.350	0.160	0.580	1.099	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:		0.521	0.227	0.663		
		Massachusetts Credibility:		0.19	0.28	0.40		
		Countrywide Pure Premium:		0.120	0.210	0.280	0.610	
		Countrywide Indicated Relativity:		0.178	0.312	0.332		
		Countrywide Credibility:		0.15	0.36	0.30		
		Countrywide Lost-time Claims:		4	69			
		Pure Premium Underlying Present Rate:		0.620	0.230	0.560	1.410	
		Relativity to Underlying Present Rate:		0.782	0.332	0.597		
		Credibility to Underlying Relativity:		0.66	0.36	0.30		
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250	
		Formula Relativity:		0.642	0.295	0.544		
		Balanced Formula Relativity:		0.638	0.295	0.542	0.493	

Class(es): 4360 MOTION PICTURE-DEVELOPMENT,PRINTING,ETC 4923 PHOTOGRAPHIC SUPPLIES MFG		Schedule: 250		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	33,480,387	2	10	297,704	71,490	156,925	526,119	
1998/1999	16,077,734	0	4	0	4,814	10,620	15,434	
1999/2000	25,074,979	0	8	0	40,216	55,132	95,348	
2000/2001	18,364,742	0	4	0	72,406	63,359	135,765	
2001/2002	15,683,600	0	3	0	7,914	13,341	21,255	
MA Total	108,681,442	2	29	297,704	196,840	299,377	793,921	
		MA Indicated Pure Premiums						
		1997/1998		0.889	0.214	0.469	1.571	
		1998/1999		0.000	0.030	0.066	0.096	
		1999/2000		0.000	0.160	0.220	0.380	
		2000/2001		0.000	0.394	0.345	0.739	
		2001/2002		0.000	0.050	0.085	0.136	
		MA Total Pure Premium:		0.270	0.180	0.280	0.731	
		Pure Premium Relativities						
		Massachusetts Indicated Relativity:		0.402	0.255	0.320		
		Massachusetts Credibility:		0.25	0.43	0.47		
		Countrywide Pure Premium:		0.390	0.310	0.380	1.080	
		Countrywide Indicated Relativity:		0.578	0.461	0.450		
		Countrywide Credibility:		0.38	0.28	0.26		
		Countrywide Lost-time Claims:		110	784			
		Pure Premium Underlying Present Rate:		0.390	0.220	0.280	0.890	
		Relativity to Underlying Present Rate:		0.492	0.317	0.299		
		Credibility to Underlying Relativity:		0.37	0.29	0.27		
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250	
		Formula Relativity:		0.502	0.331	0.348		
		Balanced Formula Relativity:		0.499	0.330	0.347	0.387	

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Calculation of Class Relativities

Class(es):		Schedule: 352		Effective: 9/1/2005		Office & Clerical		
4361 PHOTOGRAPHER-ALL EMP-CLERICAL,SALES-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	73,201,084	1	21	140,662	58,352	192,455	391,469	
1998/1999	77,108,254	1	10	71,687	65,704	131,780	269,171	
1999/2000	77,455,138	0	11	0	54,434	70,073	124,507	
2000/2001	76,672,409	2	6	215,392	9,841	165,062	390,295	
2001/2002	76,541,238	0	8	0	153,893	110,781	264,674	
MA Total	380,978,123	4	56	427,741	342,224	670,151	1,440,116	
				MA Indicated Pure Premiums				
				1997/1998	0.192	0.080	0.263	0.535
				1998/1999	0.093	0.085	0.171	0.349
				1999/2000	0.000	0.070	0.090	0.161
				2000/2001	0.281	0.013	0.215	0.509
				2001/2002	0.000	0.201	0.145	0.346
MA Total Pure Premium:				0.110	0.090	0.180	0.378	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				1.922	1.443	2.107		
Massachusetts Credibility:				0.29	0.54	0.69		
Countrywide Pure Premium:				0.190	0.230	0.320	0.740	
Countrywide Indicated Relativity:				3.533	3.810	3.827		
Countrywide Credibility:				0.36	0.23	0.16		
Countrywide Lost-time Claims:				176	1,154			
Pure Premium Underlying Present Rate:				0.170	0.110	0.210	0.490	
Relativity to Underlying Present Rate:				2.383	1.811	2.336		
Credibility to Underlying Relativity:				0.35	0.23	0.15		
Industry Group Adjusted Converted Pure Premium:				0.057	0.062	0.085	0.205	
Formula Relativity:				2.663	2.072	2.417		
Balanced Formula Relativity:				2.572	2.123	2.516	2.412	

Class(es):		Schedule: 343		Effective: 9/1/2005		Goods & Services		
4362 MOTION PICTURE-FILM EXCHANGE-CLERICAL								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	643,320	0	0	0	0	0	0	
1998/1999	596,134	0	0	0	0	0	0	
1999/2000	640,738	0	0	0	0	0	0	
2000/2001	854,548	0	0	0	0	0	0	
2001/2002	522,130	0	0	0	0	0	0	
MA Total	3,256,870	0	0	0	0	0	0	
				MA Indicated Pure Premiums				
				1997/1998	0.000	0.000	0.000	0.000
				1998/1999	0.000	0.000	0.000	0.000
				1999/2000	0.000	0.000	0.000	0.000
				2000/2001	0.000	0.000	0.000	0.000
				2001/2002	0.000	0.000	0.000	0.000
MA Total Pure Premium:				0.000	0.000	0.000	0.000	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.000	0.000	0.000		
Massachusetts Credibility:				0.04	0.09	0.11		
Countrywide Pure Premium:				0.290	0.170	0.540	1.000	
Countrywide Indicated Relativity:				0.589	0.264	0.656		
Countrywide Credibility:				0.18	0.21	0.28		
Countrywide Lost-time Claims:				6	18			
Pure Premium Underlying Present Rate:				0.180	0.140	0.220	0.540	
Relativity to Underlying Present Rate:				0.275	0.221	0.254		
Credibility to Underlying Relativity:				0.78	0.70	0.61		
Industry Group Adjusted Converted Pure Premium:				0.498	0.645	0.821	1.965	
Formula Relativity:				0.321	0.210	0.339		
Balanced Formula Relativity:				0.322	0.210	0.338	0.292	

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Calculation of Class Relativities

Class(es):		Schedule: 100		Effective: 9/1/2005		Manufacturing		
4410 RUBBER GOODS MFG-NOC								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	50,647,995	2	92	250,415	593,807	500,191	1,344,413	
1998/1999	54,690,605	6	110	712,288	431,734	971,603	2,115,625	
1999/2000	47,174,486	2	91	143,510	867,425	776,987	1,787,922	
2000/2001	59,311,301	3	104	216,399	1,120,361	874,878	2,211,638	
2001/2002	53,131,371	3	72	459,005	1,079,959	617,229	2,156,193	
MA Total	264,955,758	16	469	1,781,617	4,093,286	3,740,888	9,615,791	
				MA Indicated Pure Premiums				
				1997/1998	0.494	1.172	0.988	2.654
				1998/1999	1.302	0.789	1.777	3.868
				1999/2000	0.304	1.839	1.647	3.790
				2000/2001	0.365	1.889	1.475	3.729
				2001/2002	0.864	2.033	1.162	4.058
MA Total Pure Premium:				0.670	1.540	1.410	3.629	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.998	2.186	1.613		
Massachusetts Credibility:				0.46	1.00	1.00		
Countrywide Pure Premium:				0.850	0.970	1.270	3.090	
Countrywide Indicated Relativity:				1.260	1.440	1.504		
Countrywide Credibility:				0.27	0.00	0.00		
Countrywide Lost-time Claims:				206	1,569			
Pure Premium Underlying Present Rate:				0.740	1.230	1.370	3.340	
Relativity to Underlying Present Rate:				0.933	1.774	1.461		
Credibility to Underlying Relativity:				0.27	0.00	0.00		
Industry Group Adjusted Converted Pure Premium:				0.672	0.705	0.874	2.250	
Formula Relativity:				1.051	2.186	1.613		
Balanced Formula Relativity:				1.045	2.181	1.608	1.619	

Class(es):		Schedule: 100		Effective: 9/1/2005		Manufacturing		
4417 BOOT OR SHOE MFG-RUBBER								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	0	0	0	0	0	0	0	
1998/1999	65,817	0	0	0	0	431	431	
1999/2000	200,000	0	0	0	0	1,477	1,477	
2000/2001	75,001	0	0	0	0	356	356	
2001/2002	5,400	0	0	0	0	0	0	
MA Total	346,218	0	0	0	0	2,264	2,264	
				MA Indicated Pure Premiums				
				1997/1998	0.000	0.000	0.000	0.000
				1998/1999	0.000	0.000	0.655	0.655
				1999/2000	0.000	0.000	0.739	0.739
				2000/2001	0.000	0.000	0.475	0.475
				2001/2002	0.000	0.000	0.000	0.000
MA Total Pure Premium:				0.000	0.000	0.650	0.654	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.000	0.000	0.744		
Massachusetts Credibility:				0.04	0.09	0.10		
Countrywide Pure Premium:				0.840	0.990	1.570	3.400	
Countrywide Indicated Relativity:				1.245	1.470	1.859		
Countrywide Credibility:				0.11	0.24	0.29		
Countrywide Lost-time Claims:				2	25			
Pure Premium Underlying Present Rate:				1.070	1.290	1.710	4.070	
Relativity to Underlying Present Rate:				1.350	1.861	1.823		
Credibility to Underlying Relativity:				0.85	0.67	0.61		
Industry Group Adjusted Converted Pure Premium:				0.672	0.705	0.874	2.250	
Formula Relativity:				1.284	1.600	1.726		
Balanced Formula Relativity:				1.276	1.596	1.720	1.549	

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Calculation of Class Relativities

Class(es): 4432 FOUNTAIN PEN MFG		Schedule: 101		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	976,052	0	2	0	70,130	47,568	117,698
1998/1999	700,372	0	1	0	2,382	8,757	11,139
1999/2000	2,744,791	0	1	0	101	1,651	1,752
2000/2001	2,480,013	0	2	0	13,097	9,287	22,384
2001/2002	2,679,995	0	3	0	27,597	14,959	42,556
MA Total	9,581,223	0	9	0	113,307	82,222	195,529
		MA Indicated Pure Premiums					
		1997/1998		0.000	7.185	4.874	12.059
		1998/1999		0.000	0.340	1.250	1.590
		1999/2000		0.000	0.004	0.060	0.064
		2000/2001		0.000	0.528	0.374	0.903
		2001/2002		0.000	1.030	0.558	1.588
		MA Total Pure Premium:		0.000	1.180	0.860	2.041
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	1.675	0.984	
		Massachusetts Credibility:		0.11	0.27	0.28	
		Countrywide Pure Premium:		0.220	0.270	0.470	0.960
		Countrywide Indicated Relativity:		0.326	0.401	0.556	
		Countrywide Credibility:		0.21	0.35	0.36	
		Countrywide Lost-time Claims:		9	67		
		Pure Premium Underlying Present Rate:		0.590	0.790	0.870	2.250
		Relativity to Underlying Present Rate:		0.744	1.140	0.928	
		Credibility to Underlying Relativity:		0.68	0.38	0.36	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.574	1.026	0.810	
		Balanced Formula Relativity:		0.571	1.024	0.807	0.804

Class(es): 4439 LACQUER OR SPIRIT VARNISH MFG 4561 VARNISH MFG-OLEO RESINOUS		Schedule: 243		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	4,647,320	1	1	78,406	36,123	233,637	348,166
1998/1999	4,516,269	0	1	0	50,306	15,118	65,424
1999/2000	4,398,250	0	2	0	2,851	7,132	9,983
2000/2001	4,131,419	0	1	0	1,809	18,163	19,972
2001/2002	3,359,658	0	5	0	14,303	11,640	25,943
MA Total	21,052,916	1	10	78,406	105,392	285,690	469,488
		MA Indicated Pure Premiums					
		1997/1998		1.687	0.777	5.027	7.492
		1998/1999		0.000	1.114	0.335	1.449
		1999/2000		0.000	0.065	0.162	0.227
		2000/2001		0.000	0.044	0.440	0.483
		2001/2002		0.000	0.426	0.346	0.772
		MA Total Pure Premium:		0.370	0.500	1.360	2.230
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.551	0.710	1.556	
		Massachusetts Credibility:		0.19	0.33	0.43	
		Countrywide Pure Premium:		0.000	1.230	1.090	2.320
		Countrywide Indicated Relativity:		0.000	1.826	1.291	
		Countrywide Credibility:		0.00	0.25	0.28	
		Countrywide Lost-time Claims:		0	29		
		Pure Premium Underlying Present Rate:		1.000	0.580	1.170	2.750
		Relativity to Underlying Present Rate:		1.261	0.837	1.248	
		Credibility to Underlying Relativity:		0.81	0.42	0.29	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.126	1.042	1.392	
		Balanced Formula Relativity:		1.119	1.040	1.388	1.199

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Calculation of Class Relativities

Class(es):		Schedule: 101		Effective: 9/1/2005		Manufacturing	
4452 PLASTICS-FABRICATED PRODUCTS MFG-NOC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	59,354,231	3	106	367,141	479,960	1,084,924	1,932,025
1998/1999	57,645,418	5	82	727,242	703,914	701,245	2,132,401
1999/2000	66,112,419	7	98	657,488	832,183	1,403,452	2,893,123
2000/2001	63,606,886	3	56	321,324	545,740	691,599	1,558,663
2001/2002	51,709,935	2	34	253,133	233,161	475,168	961,462
MA Total	298,428,889	20	376	2,326,328	2,794,958	4,356,388	9,477,674
MA Indicated Pure Premiums							
		1997/1998		0.619	0.809	1.828	3.255
		1998/1999		1.262	1.221	1.216	3.699
		1999/2000		0.994	1.259	2.123	4.376
		2000/2001		0.505	0.858	1.087	2.450
		2001/2002		0.490	0.451	0.919	1.859
		MA Total Pure Premium:		0.780	0.940	1.460	3.176
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.161	1.334	1.670	
		Massachusetts Credibility:		0.59	1.00	1.00	
		Countrywide Pure Premium:		0.860	0.900	1.130	2.890
		Countrywide Indicated Relativity:		1.274	1.336	1.339	
		Countrywide Credibility:		0.20	0.00	0.00	
		Countrywide Lost-time Claims:		138	2,509		
		Pure Premium Underlying Present Rate:		1.280	0.900	1.970	4.150
		Relativity to Underlying Present Rate:		1.614	1.298	2.101	
		Credibility to Underlying Relativity:		0.21	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.279	1.334	1.670	
		Balanced Formula Relativity:		1.271	1.331	1.665	1.443

Class(es):		Schedule: 101		Effective: 9/1/2005		Manufacturing	
4459 PLASTICS-MFG OF SHEETS,RODS,TUBES,ETC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	92,180,529	7	138	857,057	943,458	1,149,194	2,949,709
1998/1999	92,402,579	6	136	770,451	1,696,573	1,204,773	3,671,797
1999/2000	82,362,868	2	94	267,904	586,919	711,682	1,566,505
2000/2001	76,437,847	4	74	491,783	655,915	617,514	1,765,212
2001/2002	65,132,362	2	55	617,506	463,753	641,460	1,722,719
MA Total	408,516,185	21	497	3,004,701	4,346,618	4,324,623	11,675,942
MA Indicated Pure Premiums							
		1997/1998		0.930	1.023	1.247	3.200
		1998/1999		0.834	1.836	1.304	3.974
		1999/2000		0.325	0.713	0.864	1.902
		2000/2001		0.643	0.858	0.808	2.309
		2001/2002		0.948	0.712	0.985	2.645
		MA Total Pure Premium:		0.740	1.060	1.060	2.858
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.102	1.504	1.213	
		Massachusetts Credibility:		0.65	1.00	1.00	
		Countrywide Pure Premium:		0.880	0.760	1.040	2.680
		Countrywide Indicated Relativity:		1.304	1.129	1.232	
		Countrywide Credibility:		0.18	0.00	0.00	
		Countrywide Lost-time Claims:		83	1,191		
		Pure Premium Underlying Present Rate:		1.170	1.060	1.290	3.520
		Relativity to Underlying Present Rate:		1.476	1.529	1.376	
		Credibility to Underlying Relativity:		0.17	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.202	1.504	1.213	
		Balanced Formula Relativity:		1.194	1.501	1.209	1.296

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Calculation of Class Relativities

Class(es):		Schedule: 100		Effective: 9/1/2005		Manufacturing		
4470 CABLE MFG-INSULATED ELECTRICAL CABLE								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	53,721,655	1	44	146,885	235,122	519,329	901,336	
1998/1999	54,919,805	5	36	722,963	176,976	520,753	1,420,692	
1999/2000	39,280,570	3	30	286,058	568,057	347,049	1,201,164	
2000/2001	40,175,056	1	18	500,976	390,560	325,214	1,216,750	
2001/2002	30,077,517	0	31	0	484,299	317,036	801,335	
MA Total	218,174,603	10	159	1,656,882	1,855,014	2,029,381	5,541,277	
MA Indicated Pure Premiums								
				1997/1998	0.273	0.438	0.967	1.678
				1998/1999	1.316	0.322	0.948	2.587
				1999/2000	0.728	1.446	0.884	3.058
				2000/2001	1.247	0.972	0.809	3.029
				2001/2002	0.000	1.610	1.054	2.664
				MA Total Pure Premium:	0.760	0.850	0.930	2.540
Pure Premium Relativities								
				Massachusetts Indicated Relativity:	1.132	1.206	1.064	
				Massachusetts Credibility:	0.45	0.77	0.97	
				Countrywide Pure Premium:	1.240	0.790	1.160	3.190
				Countrywide Indicated Relativity:	1.836	1.174	1.374	
				Countrywide Credibility:	0.28	0.12	0.02	
				Countrywide Lost-time Claims:	75	584		
				Pure Premium Underlying Present Rate:	0.880	0.470	0.860	2.210
				Relativity to Underlying Present Rate:	1.110	0.678	0.917	
				Credibility to Underlying Relativity:	0.27	0.11	0.01	
				Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250
				Formula Relativity:	1.323	1.144	1.069	
				Balanced Formula Relativity:	1.315	1.142	1.066	1.164

Class(es):		Schedule: 101		Effective: 9/1/2005		Manufacturing		
4484 PLASTICS-MOLDED PRODUCTS MFG-NOC								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	204,955,389	8	202	645,001	1,525,391	1,503,047	3,673,439	
1998/1999	220,673,975	14	246	1,635,704	2,174,172	2,540,633	6,350,509	
1999/2000	244,819,705	14	224	1,975,857	2,018,638	2,637,339	6,631,834	
2000/2001	204,138,704	10	167	1,426,507	2,098,941	2,089,587	5,615,035	
2001/2002	187,819,497	2	136	453,811	1,519,388	1,412,781	3,385,980	
MA Total	1,062,407,270	48	975	6,136,880	9,336,530	10,183,387	25,656,797	
MA Indicated Pure Premiums								
				1997/1998	0.315	0.744	0.733	1.792
				1998/1999	0.741	0.985	1.151	2.878
				1999/2000	0.807	0.825	1.077	2.709
				2000/2001	0.699	1.028	1.024	2.751
				2001/2002	0.242	0.809	0.752	1.803
				MA Total Pure Premium:	0.580	0.880	0.960	2.415
Pure Premium Relativities								
				Massachusetts Indicated Relativity:	0.864	1.249	1.098	
				Massachusetts Credibility:	0.69	1.00	1.00	
				Countrywide Pure Premium:	0.560	0.740	0.910	2.210
				Countrywide Indicated Relativity:	0.829	1.099	1.078	
				Countrywide Credibility:	0.16	0.00	0.00	
				Countrywide Lost-time Claims:	154	3,431		
				Pure Premium Underlying Present Rate:	0.520	0.830	1.010	2.360
				Relativity to Underlying Present Rate:	0.656	1.197	1.077	
				Credibility to Underlying Relativity:	0.15	0.00	0.00	
				Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250
				Formula Relativity:	0.827	1.249	1.098	
				Balanced Formula Relativity:	0.822	1.246	1.095	1.061

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Calculation of Class Relativities

Class(es):		Schedule: 102		Effective: 9/1/2005		Manufacturing	
4493 FABRIC COATING OR IMPREGNATING-NOC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	34,282,735	4	44	648,101	399,293	1,196,875	2,244,269
1998/1999	34,436,017	2	35	127,545	218,284	249,385	595,214
1999/2000	34,154,216	2	32	213,602	430,966	450,902	1,095,470
2000/2001	36,290,079	4	39	519,053	641,740	719,072	1,879,865
2001/2002	34,599,855	1	27	107,622	189,971	272,196	569,789
MA Total	173,762,902	13	177	1,615,923	1,880,254	2,888,430	6,384,607
MA Indicated Pure Premiums							
			1997/1998	1.890	1.165	3.491	6.546
			1998/1999	0.370	0.634	0.724	1.728
			1999/2000	0.625	1.262	1.320	3.207
			2000/2001	1.430	1.768	1.981	5.180
			2001/2002	0.311	0.549	0.787	1.647
			MA Total Pure Premium:	0.930	1.080	1.660	3.674
Pure Premium Relativities							
			Massachusetts Indicated Relativity:	1.385	1.533	1.899	
			Massachusetts Credibility:	0.47	1.00	1.00	
			Countrywide Pure Premium:	1.680	0.710	0.830	3.220
			Countrywide Indicated Relativity:	2.488	1.055	0.983	
			Countrywide Credibility:	0.26	0.00	0.00	
			Countrywide Lost-time Claims:	36	357		
			Pure Premium Underlying Present Rate:	1.220	1.180	1.680	4.080
			Relativity to Underlying Present Rate:	1.539	1.702	1.791	
			Credibility to Underlying Relativity:	0.27	0.00	0.00	
			Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250
			Formula Relativity:	1.713	1.533	1.899	
			Balanced Formula Relativity:	1.703	1.530	1.893	1.723

Class(es):		Schedule: 353		Effective: 9/1/2005		Goods & Services	
4511 ANALYTICAL CHEMIST-LABORATORY-OUTSIDE							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	188,766,999	1	27	81,237	187,579	315,184	584,000
1998/1999	267,219,694	5	42	824,953	205,512	548,897	1,579,362
1999/2000	266,295,614	3	18	373,093	297,706	402,097	1,072,896
2000/2001	251,049,234	3	25	363,375	264,786	403,457	1,031,618
2001/2002	233,989,801	2	27	587,187	402,313	739,157	1,728,657
MA Total	1,207,321,342	14	139	2,229,845	1,357,896	2,408,792	5,996,533
MA Indicated Pure Premiums							
			1997/1998	0.043	0.099	0.167	0.309
			1998/1999	0.309	0.077	0.205	0.591
			1999/2000	0.140	0.112	0.151	0.403
			2000/2001	0.145	0.105	0.161	0.411
			2001/2002	0.251	0.172	0.316	0.739
			MA Total Pure Premium:	0.180	0.110	0.200	0.497
Pure Premium Relativities							
			Massachusetts Indicated Relativity:	0.361	0.170	0.243	
			Massachusetts Credibility:	0.44	0.78	1.00	
			Countrywide Pure Premium:	0.150	0.160	0.230	0.540
			Countrywide Indicated Relativity:	0.305	0.248	0.279	
			Countrywide Credibility:	0.28	0.11	0.00	
			Countrywide Lost-time Claims:	216	1,174		
			Pure Premium Underlying Present Rate:	0.150	0.090	0.170	0.410
			Relativity to Underlying Present Rate:	0.229	0.142	0.196	
			Credibility to Underlying Relativity:	0.28	0.11	0.00	
			Industry Group Adjusted Converted Pure Premium:	0.498	0.645	0.821	1.965
			Formula Relativity:	0.308	0.176	0.243	
			Balanced Formula Relativity:	0.310	0.176	0.243	0.238

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Class(es):		Schedule: 353		Effective: 9/1/2005		Goods & Services	
4512 BIOMEDICAL RESEARCH LABORATORIES							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	138,305,999	3	8	244,945	30,556	205,227	480,728
1998/1999	225,632,379	0	8	0	29,882	82,200	112,082
1999/2000	248,921,998	0	11	0	208,704	118,543	327,247
2000/2001	348,453,951	0	23	0	95,334	202,992	298,326
2001/2002	419,909,173	0	21	0	199,345	319,514	518,859
MA Total	1,381,223,500	3	71	244,945	563,821	928,476	1,737,242
				MA Indicated Pure Premiums			
		1997/1998		0.177	0.022	0.148	0.348
		1998/1999		0.000	0.013	0.036	0.050
		1999/2000		0.000	0.084	0.048	0.131
		2000/2001		0.000	0.027	0.058	0.086
		2001/2002		0.000	0.047	0.076	0.124
		MA Total Pure Premium:		0.020	0.040	0.070	0.126
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		0.040	0.062	0.085	
		Massachusetts Credibility:		0.34	0.65	0.83	
		Countrywide Pure Premium:		0.050	0.060	0.100	0.210
		Countrywide Indicated Relativity:		0.102	0.093	0.121	
		Countrywide Credibility:		0.33	0.18	0.08	
		Countrywide Lost-time Claims:		70	381		
		Pure Premium Underlying Present Rate:		0.070	0.050	0.090	0.210
		Relativity to Underlying Present Rate:		0.107	0.079	0.104	
		Credibility to Underlying Relativity:		0.33	0.17	0.09	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.083	0.070	0.090	
		Balanced Formula Relativity:		0.083	0.071	0.090	0.082

Class(es):		Schedule: 243		Effective: 9/1/2005		Manufacturing	
4557 INK MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	24,613,835	1	19	235,684	122,369	199,747	557,800
1998/1999	29,921,565	1	14	123,435	62,930	356,110	542,475
1999/2000	51,624,592	6	29	834,410	98,368	286,078	1,218,856
2000/2001	54,996,147	1	32	63,873	336,690	315,304	715,867
2001/2002	54,021,530	2	37	353,525	340,850	428,193	1,122,568
MA Total	215,177,669	11	131	1,610,927	961,207	1,585,432	4,157,566
				MA Indicated Pure Premiums			
		1997/1998		0.958	0.497	0.812	2.266
		1998/1999		0.413	0.210	1.190	1.813
		1999/2000		1.616	0.191	0.554	2.361
		2000/2001		0.116	0.612	0.573	1.302
		2001/2002		0.654	0.631	0.793	2.078
		MA Total Pure Premium:		0.750	0.450	0.740	1.932
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		1.117	0.639	0.847	
		Massachusetts Credibility:		0.42	0.75	0.98	
		Countrywide Pure Premium:		0.470	0.620	0.680	1.770
		Countrywide Indicated Relativity:		0.697	0.921	0.806	
		Countrywide Credibility:		0.29	0.12	0.01	
		Countrywide Lost-time Claims:		55	413		
		Pure Premium Underlying Present Rate:		0.740	0.450	0.880	2.070
		Relativity to Underlying Present Rate:		0.933	0.649	0.938	
		Credibility to Underlying Relativity:		0.29	0.13	0.01	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.942	0.674	0.848	
		Balanced Formula Relativity:		0.936	0.673	0.845	0.818

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Calculation of Class Relativities

Class(es): 4558 PAINT MFG		Schedule: 243		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	16,942,981	1	14	115,475	74,127	136,459	326,061	
1998/1999	17,533,619	0	14	0	74,936	82,773	157,709	
1999/2000	16,058,142	0	9	0	418,993	151,779	570,772	
2000/2001	15,599,849	0	6	0	168,683	171,690	340,373	
2001/2002	11,582,382	0	7	0	193,477	149,718	343,195	
MA Total	77,716,973	1	50	115,475	930,216	692,419	1,738,110	
		MA Indicated Pure Premiums						
	1997/1998			0.682	0.438	0.805	1.924	
	1998/1999			0.000	0.427	0.472	0.899	
	1999/2000			0.000	2.609	0.945	3.554	
	2000/2001			0.000	1.081	1.101	2.182	
	2001/2002			0.000	1.670	1.293	2.963	
	MA Total Pure Premium:			0.150	1.200	0.890	2.236	
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:			0.223	1.703	1.018		
	Massachusetts Credibility:			0.28	0.59	0.71		
	Countrywide Pure Premium:			0.680	0.580	0.800	2.060	
	Countrywide Indicated Relativity:			1.007	0.862	0.947		
	Countrywide Credibility:			0.36	0.20	0.14		
	Countrywide Lost-time Claims:			105	869			
	Pure Premium Underlying Present Rate:			0.760	0.690	1.090	2.540	
	Relativity to Underlying Present Rate:			0.959	0.995	1.162		
	Credibility to Underlying Relativity:			0.36	0.21	0.15		
	Industry Group Adjusted Converted Pure Premium:			0.672	0.705	0.874	2.250	
	Formula Relativity:			0.770	1.386	1.030		
	Balanced Formula Relativity:			0.765	1.383	1.027	1.060	

Class(es): 4583 FERTILIZER MFG-DR 4777 EXPLOSIVES DISTRIBUTION-DR		Schedule: 244		Effective: 9/1/2005			Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	2,728,260	0	0	0	0	5,611	5,611	
1998/1999	4,216,107	1	2	181,656	1,053	41,338	224,047	
1999/2000	4,195,175	0	3	0	3,817	5,040	8,857	
2000/2001	2,765,706	0	0	0	0	1,609	1,609	
2001/2002	3,633,552	1	2	106,511	16,470	55,796	178,777	
MA Total	17,538,800	2	7	288,167	21,340	109,394	418,901	
		MA Indicated Pure Premiums						
	1997/1998			0.000	0.000	0.206	0.206	
	1998/1999			4.309	0.025	0.980	5.314	
	1999/2000			0.000	0.091	0.120	0.211	
	2000/2001			0.000	0.000	0.058	0.058	
	2001/2002			2.931	0.453	1.536	4.920	
	MA Total Pure Premium:			1.640	0.120	0.620	2.388	
		Pure Premium Relativities						
	Massachusetts Indicated Relativity:			2.442	0.170	0.709		
	Massachusetts Credibility:			0.23	0.32	0.40		
	Countrywide Pure Premium:			1.020	0.490	0.930	2.440	
	Countrywide Indicated Relativity:			1.511	0.728	1.102		
	Countrywide Credibility:			0.26	0.34	0.30		
	Countrywide Lost-time Claims:			16	159			
	Pure Premium Underlying Present Rate:			2.090	0.670	1.130	3.890	
	Relativity to Underlying Present Rate:			2.636	0.967	1.205		
	Credibility to Underlying Relativity:			0.51	0.34	0.30		
	Industry Group Adjusted Converted Pure Premium:			0.672	0.705	0.874	2.250	
	Formula Relativity:			2.299	0.631	0.976		
	Balanced Formula Relativity:			2.284	0.629	0.973	1.257	

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Calculation of Class Relativities

Class(es):		Schedule: 242		Effective: 9/1/2005		Manufacturing	
4611 DRUG,MEDICINE,PHARM PREP NO MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	58,296,859	5	26	425,592	247,414	283,392	956,398
1998/1999	38,385,981	2	27	115,958	405,011	264,543	785,512
1999/2000	37,813,940	0	21	0	97,502	171,575	269,077
2000/2001	35,370,668	2	17	272,165	165,115	277,930	715,210
2001/2002	65,798,101	0	26	0	270,483	244,917	515,400
MA Total	235,665,549	9	117	813,715	1,185,525	1,242,357	3,241,597
				MA Indicated Pure Premiums			
		1997/1998		0.730	0.424	0.486	1.641
		1998/1999		0.302	1.055	0.689	2.046
		1999/2000		0.000	0.258	0.454	0.712
		2000/2001		0.769	0.467	0.786	2.022
		2001/2002		0.000	0.411	0.372	0.783
		MA Total Pure Premium:		0.350	0.500	0.530	1.376
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		0.521	0.710	0.606	
		Massachusetts Credibility:		0.36	0.75	0.85	
		Countrywide Pure Premium:		0.300	0.360	0.460	1.120
		Countrywide Indicated Relativity:		0.444	0.535	0.545	
		Countrywide Credibility:		0.32	0.12	0.08	
		Countrywide Lost-time Claims:		259	2,370		
		Pure Premium Underlying Present Rate:		0.470	0.420	0.570	1.460
		Relativity to Underlying Present Rate:		0.593	0.606	0.608	
		Credibility to Underlying Relativity:		0.32	0.13	0.07	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.519	0.675	0.601	
		Balanced Formula Relativity:		0.516	0.674	0.599	0.598

Class(es):		Schedule: 241		Effective: 9/1/2005		Manufacturing	
4635 OXYGEN OR HYDROGEN MFG-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	10,272,799	0	4	0	9,743	43,208	52,951
1998/1999	8,754,639	0	7	0	147,929	105,912	253,841
1999/2000	11,868,794	0	9	0	29,833	34,991	64,824
2000/2001	18,621,807	0	7	0	237,434	89,635	327,069
2001/2002	9,994,783	0	7	0	177,613	111,783	289,396
MA Total	59,512,822	0	34	0	602,552	385,529	988,081
				MA Indicated Pure Premiums			
		1997/1998		0.000	0.095	0.421	0.515
		1998/1999		0.000	1.690	1.210	2.900
		1999/2000		0.000	0.251	0.295	0.546
		2000/2001		0.000	1.275	0.481	1.756
		2001/2002		0.000	1.777	1.118	2.895
		MA Total Pure Premium:		0.000	1.010	0.650	1.660
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		0.000	1.433	0.744	
		Massachusetts Credibility:		0.29	0.57	0.61	
		Countrywide Pure Premium:		0.890	0.400	0.550	1.840
		Countrywide Indicated Relativity:		1.318	0.594	0.651	
		Countrywide Credibility:		0.36	0.22	0.20	
		Countrywide Lost-time Claims:		57	376		
		Pure Premium Underlying Present Rate:		1.040	0.830	0.960	2.830
		Relativity to Underlying Present Rate:		1.312	1.197	1.024	
		Credibility to Underlying Relativity:		0.35	0.21	0.19	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.934	1.199	0.779	
		Balanced Formula Relativity:		0.928	1.196	0.776	0.953

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Calculation of Class Relativities

Class(es): 4653 GLUE MFG-DR		Schedule: 244		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	2,240,086	0	11	0	260,697	179,229	439,926
1998/1999	1,108,315	0	0	0	0	235	235
1999/2000	1,656,892	0	3	0	48,584	15,400	63,984
2000/2001	2,607,995	0	2	0	11,814	4,367	16,181
2001/2002	1,255,751	0	0	0	0	0	0
MA Total	8,869,039	0	16	0	321,095	199,231	520,326
		MA Indicated Pure Premiums					
		1997/1998		0.000	11.638	8.001	19.639
		1998/1999		0.000	0.000	0.021	0.021
		1999/2000		0.000	2.932	0.929	3.862
		2000/2001		0.000	0.453	0.167	0.620
		2001/2002		0.000	0.000	0.000	0.000
		MA Total Pure Premium:		0.000	3.620	2.250	5.867
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	5.138	2.574	
		Massachusetts Credibility:		0.13	0.53	0.39	
		Countrywide Pure Premium:		0.480	0.570	0.830	1.880
		Countrywide Indicated Relativity:		0.711	0.847	0.983	
		Countrywide Credibility:		0.11	0.24	0.30	
		Countrywide Lost-time Claims:		2	32		
		Pure Premium Underlying Present Rate:		0.970	4.570	2.210	7.750
		Relativity to Underlying Present Rate:		1.223	6.592	2.357	
		Credibility to Underlying Relativity:		0.76	0.23	0.31	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.008	4.443	2.029	
		Balanced Formula Relativity:		1.001	4.433	2.023	2.473

Class(es): 4665 RENDERING WORKS-NOC-DR		Schedule: 244		Effective: 9/1/2005		Manufacturing	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	3,164,025	0	5	0	33,936	27,887	61,823
1998/1999	2,968,964	1	3	180,907	4,428	149,789	335,124
1999/2000	3,014,023	1	9	129,433	53,614	144,297	327,344
2000/2001	756,122	0	1	0	15,832	5,159	20,991
2001/2002	3,058,790	0	11	0	94,524	85,202	179,726
MA Total	12,961,924	2	29	310,340	202,334	412,334	925,008
		MA Indicated Pure Premiums					
		1997/1998		0.000	1.073	0.881	1.954
		1998/1999		6.093	0.149	5.045	11.288
		1999/2000		4.294	1.779	4.788	10.861
		2000/2001		0.000	2.094	0.682	2.776
		2001/2002		0.000	3.090	2.785	5.876
		MA Total Pure Premium:		2.390	1.560	3.180	7.136
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		3.559	2.214	3.638	
		Massachusetts Credibility:		0.20	0.40	0.44	
		Countrywide Pure Premium:		1.450	0.840	1.390	3.680
		Countrywide Indicated Relativity:		2.148	1.247	1.646	
		Countrywide Credibility:		0.40	0.30	0.28	
		Countrywide Lost-time Claims:		57	300		
		Pure Premium Underlying Present Rate:		1.930	1.550	1.960	5.440
		Relativity to Underlying Present Rate:		2.434	2.236	2.090	
		Credibility to Underlying Relativity:		0.40	0.30	0.28	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		2.545	1.931	2.647	
		Balanced Formula Relativity:		2.529	1.926	2.639	2.383

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Calculation of Class Relativities

Class(es):		Schedule: 251		Effective: 9/1/2005		Manufacturing	
4692 DENTAL LABORATORY							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	15,966,096	0	3	0	5,548	2,195	7,743
1998/1999	16,616,508	0	1	0	3,785	6,152	9,937
1999/2000	18,617,671	0	3	0	14,512	41,598	56,110
2000/2001	18,838,451	0	5	0	60,129	44,635	104,764
2001/2002	18,947,141	0	5	0	7,700	15,759	23,459
MA Total	88,985,867	0	17	0	91,674	110,339	202,013
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.035	0.014	0.048
		1998/1999		0.000	0.023	0.037	0.060
		1999/2000		0.000	0.078	0.223	0.301
		2000/2001		0.000	0.319	0.237	0.556
		2001/2002		0.000	0.041	0.083	0.124
		MA Total Pure Premium:		0.000	0.100	0.120	0.227
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	0.142	0.137	
		Massachusetts Credibility:		0.18	0.35	0.39	
		Countrywide Pure Premium:		0.250	0.250	0.270	0.770
		Countrywide Indicated Relativity:		0.370	0.371	0.320	
		Countrywide Credibility:		0.41	0.32	0.30	
		Countrywide Lost-time Claims:		50	308		
		Pure Premium Underlying Present Rate:		0.230	0.160	0.220	0.610
		Relativity to Underlying Present Rate:		0.290	0.231	0.235	
		Credibility to Underlying Relativity:		0.41	0.33	0.31	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.271	0.245	0.222	
		Balanced Formula Relativity:		0.269	0.244	0.222	0.243

Class(es):		Schedule: 251		Effective: 9/1/2005		Manufacturing	
4693 PHARMACEUTICAL,SURGICAL GOODS MFG-NO							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	27,323,521	0	14	0	25,326	72,630	97,956
1998/1999	43,697,350	2	11	167,121	115,172	76,248	358,541
1999/2000	20,152,400	1	18	55,525	190,575	272,607	518,707
2000/2001	17,391,288	0	4	0	58,261	30,517	88,778
2001/2002	17,178,926	0	5	0	23,781	32,467	56,248
MA Total	125,743,485	3	52	222,646	413,115	484,469	1,120,230
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.093	0.266	0.359
		1998/1999		0.382	0.264	0.174	0.821
		1999/2000		0.276	0.946	1.353	2.574
		2000/2001		0.000	0.335	0.175	0.510
		2001/2002		0.000	0.138	0.189	0.327
		MA Total Pure Premium:		0.180	0.330	0.390	0.891
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.268	0.468	0.446	
		Massachusetts Credibility:		0.26	0.53	0.60	
		Countrywide Pure Premium:		0.280	0.310	0.420	1.010
		Countrywide Indicated Relativity:		0.415	0.461	0.497	
		Countrywide Credibility:		0.36	0.24	0.20	
		Countrywide Lost-time Claims:		35	449		
		Pure Premium Underlying Present Rate:		0.390	0.330	0.440	1.160
		Relativity to Underlying Present Rate:		0.492	0.476	0.469	
		Credibility to Underlying Relativity:		0.38	0.23	0.20	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		0.406	0.468	0.461	
		Balanced Formula Relativity:		0.403	0.467	0.459	0.445

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Calculation of Class Relativities

Class(es):		Schedule: 244		Effective: 9/1/2005		Manufacturing	
4720 SOAP OR SYNTHETIC DETERGENT MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	7,307,166	0	11	0	115,272	93,841	209,113
1998/1999	16,711,702	4	26	668,239	191,158	734,216	1,593,613
1999/2000	10,475,792	1	12	86,998	77,568	86,407	250,973
2000/2001	9,691,033	0	5	0	25,433	24,449	49,882
2001/2002	10,785,151	0	3	0	4,774	29,277	34,051
MA Total	54,970,844	5	57	755,237	414,205	968,190	2,137,632
		MA Indicated Pure Premiums					
	1997/1998	0.000	1.578	1.284	2.862		
	1998/1999	3.999	1.144	4.393	9.536		
	1999/2000	0.830	0.740	0.825	2.396		
	2000/2001	0.000	0.262	0.252	0.515		
	2001/2002	0.000	0.044	0.271	0.316		
	MA Total Pure Premium:	1.370	0.750	1.760	3.889		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	2.040	1.064	2.013			
	Massachusetts Credibility:	0.30	0.53	0.74			
	Countrywide Pure Premium:	0.440	0.710	0.790	1.940		
	Countrywide Indicated Relativity:	0.652	1.055	0.936			
	Countrywide Credibility:	0.35	0.24	0.13			
	Countrywide Lost-time Claims:	33	558				
	Pure Premium Underlying Present Rate:	1.270	0.740	1.700	3.710		
	Relativity to Underlying Present Rate:	1.602	1.067	1.813			
	Credibility to Underlying Relativity:	0.35	0.23	0.13			
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250		
	Formula Relativity:	1.401	1.063	1.847			
	Balanced Formula Relativity:	1.392	1.060	1.841	1.463		

Class(es):		Schedule: 245		Effective: 9/1/2005		Manufacturing	
4740 OIL REFINING-PETROLEUM-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	51,864	0	0	0	0	0	0
1998/1999	391,416	0	0	0	0	0	0
1999/2000	807,451	0	0	0	0	1,817	1,817
2000/2001	1,304,757	0	1	0	6,449	5,406	11,855
2001/2002	927,107	0	0	0	0	1,242	1,242
MA Total	3,482,595	0	1	0	6,449	8,465	14,914
		MA Indicated Pure Premiums					
	1997/1998	0.000	0.000	0.000	0.000		
	1998/1999	0.000	0.000	0.000	0.000		
	1999/2000	0.000	0.000	0.225	0.225		
	2000/2001	0.000	0.494	0.414	0.909		
	2001/2002	0.000	0.000	0.134	0.134		
	MA Total Pure Premium:	0.000	0.190	0.240	0.428		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.000	0.270	0.275			
	Massachusetts Credibility:	0.09	0.13	0.18			
	Countrywide Pure Premium:	0.530	0.360	0.500	1.390		
	Countrywide Indicated Relativity:	0.785	0.535	0.592			
	Countrywide Credibility:	0.46	0.44	0.41			
	Countrywide Lost-time Claims:	141	898				
	Pure Premium Underlying Present Rate:	0.890	0.370	0.810	2.070		
	Relativity to Underlying Present Rate:	1.122	0.534	0.864			
	Credibility to Underlying Relativity:	0.45	0.43	0.41			
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250		
	Formula Relativity:	0.866	0.500	0.646			
	Balanced Formula Relativity:	0.861	0.499	0.645	0.663		

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Calculation of Class Relativities

Class(es):		Schedule: 245		Effective: 9/1/2005		Manufacturing	
4741 ASPHALT DISTILLING OR REFINING-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			Total
		Serious	Non-Serious	Serious	Non-Serious	Medical	
1997/1998	49,311	0	0	0	0	0	0
1998/1999	5,622,171	0	5	0	59,460	46,423	105,883
1999/2000	4,914	0	0	0	0	0	0
2000/2001	4,957	0	0	0	0	0	0
2001/2002	3,902,528	0	7	0	41,322	12,605	53,927
MA Total	9,583,881	0	12	0	100,782	59,028	159,810
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.000	0.000	0.000
		1998/1999		0.000	1.058	0.826	1.883
		1999/2000		0.000	0.000	0.000	0.000
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	1.059	0.323	1.382
		MA Total Pure Premium:		0.000	1.050	0.620	1.667
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	1.490	0.709	
		Massachusetts Credibility:		0.15	0.39	0.30	
		Countrywide Pure Premium:		1.060	0.300	0.440	1.800
		Countrywide Indicated Relativity:		1.570	0.446	0.521	
		Countrywide Credibility:		0.09	0.21	0.25	
		Countrywide Lost-time Claims:		1	18		
		Pure Premium Underlying Present Rate:		1.290	1.940	1.050	4.280
		Relativity to Underlying Present Rate:		1.627	2.799	1.120	
		Credibility to Underlying Relativity:		0.76	0.40	0.45	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		1.378	1.794	0.847	
		Balanced Formula Relativity:		1.369	1.791	0.844	1.297

Class(es):		Schedule: 246		Effective: 9/1/2005		Manufacturing	
4770 BAG LOADING EXPLOSIVES OR AMMO MFG-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			Total
		Serious	Non-Serious	Serious	Non-Serious	Medical	
1997/1998	0	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0
MA Total	0	0	0	0	0	0	0
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.000	0.000	0.000
		1998/1999		0.000	0.000	0.000	0.000
		1999/2000		0.000	0.000	0.000	0.000
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	0.000	0.000	0.000
		MA Total Pure Premium:		0.000	0.000	0.000	0.000
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	0.000	0.000	
		Massachusetts Credibility:		0.00	0.00	0.00	
		Countrywide Pure Premium:		0.000	0.000	0.000	0.000
		Countrywide Indicated Relativity:		12.229	2.157	1.277	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		0	0		
		Pure Premium Underlying Present Rate:		9.800	1.510	1.210	12.520
		Relativity to Underlying Present Rate:		12.360	2.178	1.290	
		Credibility to Underlying Relativity:		1.00	1.00	1.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		12.360	2.178	1.290	
		Balanced Formula Relativity:		12.282	2.173	1.286	4.846

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Calculation of Class Relativities

Class(es):		Schedule: 246		Effective: 9/1/2005		Manufacturing	
4773 HIGH EXPLOSIVES MFG-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	0	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0
MA Total	0	0	0	0	0	0	0
		MA Indicated Pure Premiums					
	1997/1998	0.000	0.000	0.000	0.000	0.000	0.000
	1998/1999	0.000	0.000	0.000	0.000	0.000	0.000
	1999/2000	0.000	0.000	0.000	0.000	0.000	0.000
	2000/2001	0.000	0.000	0.000	0.000	0.000	0.000
	2001/2002	0.000	0.000	0.000	0.000	0.000	0.000
	MA Total Pure Premium:	0.000	0.000	0.000	0.000	0.000	0.000
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.000	0.000	0.000	0.000		
	Massachusetts Credibility:	0.00	0.00	0.00	0.00		
	Countrywide Pure Premium:	0.000	0.000	0.000	0.000		0.000
	Countrywide Indicated Relativity:	25.170	3.929	2.397	2.397		
	Countrywide Credibility:	0.00	0.00	0.00	0.00		
	Countrywide Lost-time Claims:	0	0				
	Pure Premium Underlying Present Rate:	20.170	2.750	2.270	2.270		25.190
	Relativity to Underlying Present Rate:	25.439	3.967	2.421	2.421		
	Credibility to Underlying Relativity:	1.00	1.00	1.00	1.00		
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	0.874		2.250
	Formula Relativity:	25.439	3.967	2.421	2.421		
	Balanced Formula Relativity:	25.279	3.958	2.414	2.414		9.721

Class(es):		Schedule: 246		Effective: 9/1/2005		Manufacturing	
4774 SMOKELESS POWDER MFG-SINGLE CASE-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	0	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0
MA Total	0	0	0	0	0	0	0
		MA Indicated Pure Premiums					
	1997/1998	0.000	0.000	0.000	0.000	0.000	0.000
	1998/1999	0.000	0.000	0.000	0.000	0.000	0.000
	1999/2000	0.000	0.000	0.000	0.000	0.000	0.000
	2000/2001	0.000	0.000	0.000	0.000	0.000	0.000
	2001/2002	0.000	0.000	0.000	0.000	0.000	0.000
	MA Total Pure Premium:	0.000	0.000	0.000	0.000	0.000	0.000
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.000	0.000	0.000	0.000		
	Massachusetts Credibility:	0.00	0.00	0.00	0.00		
	Countrywide Pure Premium:	0.000	0.000	0.000	0.000		0.000
	Countrywide Indicated Relativity:	20.154	3.986	2.228	2.228		
	Countrywide Credibility:	0.00	0.00	0.00	0.00		
	Countrywide Lost-time Claims:	0	0				
	Pure Premium Underlying Present Rate:	16.150	2.790	2.110	2.110		21.050
	Relativity to Underlying Present Rate:	20.369	4.025	2.250	2.250		
	Credibility to Underlying Relativity:	1.00	1.00	1.00	1.00		
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	0.874		2.250
	Formula Relativity:	20.369	4.025	2.250	2.250		
	Balanced Formula Relativity:	20.241	4.016	2.243	2.243		8.170

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Calculation of Class Relativities

Class(es):		Schedule: 246		Effective: 9/1/2005		Manufacturing	
4775 EXPLOSIVES OR AMMO CASE LOADING-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	0	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0
MA Total	0	0	0	0	0	0	0
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.000	0.000	0.000
		1998/1999		0.000	0.000	0.000	0.000
		1999/2000		0.000	0.000	0.000	0.000
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	0.000	0.000	0.000
		MA Total Pure Premium:		0.000	0.000	0.000	0.000
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	0.000	0.000	
		Massachusetts Credibility:		0.00	0.00	0.00	
		Countrywide Pure Premium:		0.000	0.000	0.000	0.000
		Countrywide Indicated Relativity:		11.156	2.043	2.291	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		0	0		
		Pure Premium Underlying Present Rate:		8.940	1.430	2.170	12.540
		Relativity to Underlying Present Rate:		11.275	2.063	2.314	
		Credibility to Underlying Relativity:		1.00	1.00	1.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		11.275	2.063	2.314	
		Balanced Formula Relativity:		11.204	2.059	2.307	4.885

Class(es):		Schedule: 246		Effective: 9/1/2005		Manufacturing	
4776 PROJECTILE,BOMB,ETC LOADING-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	0	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0
MA Total	0	0	0	0	0	0	0
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.000	0.000	0.000
		1998/1999		0.000	0.000	0.000	0.000
		1999/2000		0.000	0.000	0.000	0.000
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	0.000	0.000	0.000
		MA Total Pure Premium:		0.000	0.000	0.000	0.000
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	0.000	0.000	
		Massachusetts Credibility:		0.00	0.00	0.00	
		Countrywide Pure Premium:		0.000	0.000	0.000	0.000
		Countrywide Indicated Relativity:		18.906	2.400	1.225	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		0	0		
		Pure Premium Underlying Present Rate:		15.150	1.680	1.160	17.990
		Relativity to Underlying Present Rate:		19.108	2.423	1.237	
		Credibility to Underlying Relativity:		1.00	1.00	1.00	
		Industry Group Adjusted Converted Pure Premium:		0.672	0.705	0.874	2.250
		Formula Relativity:		19.108	2.423	1.237	
		Balanced Formula Relativity:		18.988	2.418	1.233	6.903

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Calculation of Class Relativities

Class(es):		Schedule: 246		Effective: 9/1/2005		Manufacturing	
4779 CAP,FUSE,ETC EXPLOSIVES OR AMMO MFG-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	0	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0
MA Total	0	0	0	0	0	0	0
		MA Indicated Pure Premiums					
	1997/1998	0.000	0.000	0.000	0.000	0.000	0.000
	1998/1999	0.000	0.000	0.000	0.000	0.000	0.000
	1999/2000	0.000	0.000	0.000	0.000	0.000	0.000
	2000/2001	0.000	0.000	0.000	0.000	0.000	0.000
	2001/2002	0.000	0.000	0.000	0.000	0.000	0.000
	MA Total Pure Premium:	0.000	0.000	0.000	0.000	0.000	0.000
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.000	0.000	0.000	0.000		
	Massachusetts Credibility:	0.00	0.00	0.00	0.00		
	Countrywide Pure Premium:	0.000	0.000	0.000	0.000	0.000	0.000
	Countrywide Indicated Relativity:	14.913	2.557	2.703	2.703		
	Countrywide Credibility:	0.00	0.00	0.00	0.00		
	Countrywide Lost-time Claims:	0	0				
	Pure Premium Underlying Present Rate:	11.950	1.790	2.560	2.560	16.300	16.300
	Relativity to Underlying Present Rate:	15.072	2.582	2.730	2.730		
	Credibility to Underlying Relativity:	1.00	1.00	1.00	1.00		
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	0.874	2.250	2.250
	Formula Relativity:	15.072	2.582	2.730	2.730		
	Balanced Formula Relativity:	14.977	2.576	2.722	2.722	6.334	6.334

Class(es):		Schedule: 246		Effective: 9/1/2005		Manufacturing	
4799 BLACK POWDER MFG-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	0	0	0	0	0	0	0
1998/1999	0	0	0	0	0	0	0
1999/2000	0	0	0	0	0	0	0
2000/2001	0	0	0	0	0	0	0
2001/2002	0	0	0	0	0	0	0
MA Total	0	0	0	0	0	0	0
		MA Indicated Pure Premiums					
	1997/1998	0.000	0.000	0.000	0.000	0.000	0.000
	1998/1999	0.000	0.000	0.000	0.000	0.000	0.000
	1999/2000	0.000	0.000	0.000	0.000	0.000	0.000
	2000/2001	0.000	0.000	0.000	0.000	0.000	0.000
	2001/2002	0.000	0.000	0.000	0.000	0.000	0.000
	MA Total Pure Premium:	0.000	0.000	0.000	0.000	0.000	0.000
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.000	0.000	0.000	0.000		
	Massachusetts Credibility:	0.00	0.00	0.00	0.00		
	Countrywide Pure Premium:	0.000	0.000	0.000	0.000	0.000	0.000
	Countrywide Indicated Relativity:	44.986	8.015	4.709	4.709		
	Countrywide Credibility:	0.00	0.00	0.00	0.00		
	Countrywide Lost-time Claims:	0	0				
	Pure Premium Underlying Present Rate:	36.050	5.610	4.460	4.460	46.120	46.120
	Relativity to Underlying Present Rate:	45.467	8.093	4.756	4.756		
	Credibility to Underlying Relativity:	1.00	1.00	1.00	1.00		
	Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	0.874	2.250	2.250
	Formula Relativity:	45.467	8.093	4.756	4.756		
	Balanced Formula Relativity:	45.182	8.076	4.742	4.742	17.854	17.854

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Calculation of Class Relativities

Class(es):		Schedule: 242		Effective: 9/1/2005		Manufacturing	
4825 DRUG, MEDICINE OR PHARMACEUTICAL MFG							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	19,865,360	1	7	90,643	45,056	42,504	178,203
1998/1999	20,734,096	0	7	0	89,356	153,652	243,008
1999/2000	31,289,967	1	5	212,426	3,217	235,659	451,302
2000/2001	26,949,372	1	2	81,336	577	21,877	103,790
2001/2002	109,821,600	0	6	0	89,653	226,014	315,667
MA Total	208,660,395	3	27	384,405	227,859	679,706	1,291,970
MA Indicated Pure Premiums							
			1997/1998	0.456	0.227	0.214	0.897
			1998/1999	0.000	0.431	0.741	1.172
			1999/2000	0.679	0.010	0.753	1.442
			2000/2001	0.302	0.002	0.081	0.385
			2001/2002	0.000	0.082	0.206	0.287
			MA Total Pure Premium:	0.180	0.110	0.330	0.619
Pure Premium Relativities							
			Massachusetts Indicated Relativity:	0.268	0.156	0.378	
			Massachusetts Credibility:	0.28	0.57	0.58	
			Countrywide Pure Premium:	0.160	0.110	0.240	0.510
			Countrywide Indicated Relativity:	0.237	0.163	0.284	
			Countrywide Credibility:	0.30	0.22	0.21	
			Countrywide Lost-time Claims:	23	341		
			Pure Premium Underlying Present Rate:	0.270	0.240	0.250	0.760
			Relativity to Underlying Present Rate:	0.341	0.346	0.267	
			Credibility to Underlying Relativity:	0.42	0.21	0.21	
			Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250
			Formula Relativity:	0.289	0.197	0.335	
			Balanced Formula Relativity:	0.288	0.197	0.334	0.277

Class(es):		Schedule: 240		Effective: 9/1/2005		Manufacturing	
4828 CHEMICAL BLENDING OR MIXING NOC-A/O-DR 4829 CHEMICAL MFG NOC-ALL OPERATIONS							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	33,700,188	1	11	183,102	57,804	78,341	319,247
1998/1999	41,852,979	0	5	0	8,390	54,678	63,068
1999/2000	57,240,448	0	5	0	5,218	31,048	36,266
2000/2001	47,392,245	1	19	79,126	132,847	131,046	343,019
2001/2002	65,650,543	2	12	333,074	75,288	106,248	514,610
MA Total	245,836,403	4	52	595,302	279,547	401,361	1,276,210
MA Indicated Pure Premiums							
			1997/1998	0.543	0.172	0.232	0.947
			1998/1999	0.000	0.020	0.131	0.151
			1999/2000	0.000	0.009	0.054	0.063
			2000/2001	0.167	0.280	0.277	0.724
			2001/2002	0.507	0.115	0.162	0.784
			MA Total Pure Premium:	0.240	0.110	0.160	0.519
Pure Premium Relativities							
			Massachusetts Indicated Relativity:	0.357	0.156	0.183	
			Massachusetts Credibility:	0.36	0.55	0.63	
			Countrywide Pure Premium:	0.450	0.400	0.520	1.370
			Countrywide Indicated Relativity:	0.667	0.594	0.616	
			Countrywide Credibility:	0.32	0.22	0.18	
			Countrywide Lost-time Claims:	201	1,463		
			Pure Premium Underlying Present Rate:	0.450	0.180	0.260	0.890
			Relativity to Underlying Present Rate:	0.568	0.260	0.277	
			Credibility to Underlying Relativity:	0.32	0.23	0.19	
			Industry Group Adjusted Converted Pure Premium:	0.672	0.705	0.874	2.250
			Formula Relativity:	0.524	0.276	0.279	
			Balanced Formula Relativity:	0.520	0.276	0.278	0.350

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Calculation of Class Relativities

Class(es):		Schedule: 274		Effective: 9/1/2005			Construction	
5020 CEILING INSTALLATION-SUSPENDED ACOUST								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	12,366,978	0	6	0	151,389	57,497	208,886	
1998/1999	15,435,970	0	15	0	132,806	68,497	201,303	
1999/2000	17,808,786	2	35	189,160	406,679	183,244	779,083	
2000/2001	20,900,900	4	14	1,000,231	129,175	501,544	1,630,950	
2001/2002	20,092,081	2	19	525,199	226,932	376,014	1,128,145	
MA Total	86,604,715	8	89	1,714,590	1,046,981	1,186,796	3,948,367	
				MA Indicated Pure Premiums				
		1997/1998		0.000	1.224	0.465	1.689	
		1998/1999		0.000	0.860	0.444	1.304	
		1999/2000		1.062	2.284	1.029	4.375	
		2000/2001		4.786	0.618	2.400	7.803	
		2001/2002		2.614	1.129	1.871	5.615	
		MA Total Pure Premium:		1.980	1.210	1.370	4.559	
				Pure Premium Relativities				
		Massachusetts Indicated Relativity:		0.824	0.864	0.659		
		Massachusetts Credibility:		0.36	0.73	0.69		
		Countrywide Pure Premium:		1.940	0.970	1.460	4.370	
		Countrywide Indicated Relativity:		0.842	0.709	0.711		
		Countrywide Credibility:		0.32	0.14	0.16		
		Countrywide Lost-time Claims:		117	696			
		Pure Premium Underlying Present Rate:		1.300	1.060	0.900	3.260	
		Relativity to Underlying Present Rate:		0.450	0.808	0.442		
		Credibility to Underlying Relativity:		0.32	0.13	0.15		
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881	
		Formula Relativity:		0.710	0.835	0.635		
		Balanced Formula Relativity:		0.711	0.834	0.634	0.713	

Class(es):		Schedule: 276		Effective: 9/1/2005			Construction	
5022 MASONRY-NOC								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	74,793,551	25	128	3,364,155	1,694,056	1,779,085	6,837,296	
1998/1999	72,882,983	26	139	4,451,893	2,859,436	3,082,381	10,393,710	
1999/2000	80,654,619	25	148	4,780,904	2,419,055	2,377,043	9,577,002	
2000/2001	96,121,687	20	184	3,392,704	3,847,475	4,249,200	11,489,379	
2001/2002	101,163,796	24	153	5,742,693	3,910,556	5,036,038	14,689,287	
MA Total	425,616,636	120	752	21,732,349	14,730,578	16,523,747	52,986,674	
				MA Indicated Pure Premiums				
		1997/1998		4.498	2.265	2.379	9.142	
		1998/1999		6.108	3.923	4.229	14.261	
		1999/2000		5.928	2.999	2.947	11.874	
		2000/2001		3.530	4.003	4.421	11.953	
		2001/2002		5.677	3.866	4.978	14.520	
		MA Total Pure Premium:		5.110	3.460	3.880	12.449	
				Pure Premium Relativities				
		Massachusetts Indicated Relativity:		2.127	2.472	1.866		
		Massachusetts Credibility:		1.00	1.00	1.00		
		Countrywide Pure Premium:		3.540	2.280	3.180	9.000	
		Countrywide Indicated Relativity:		1.536	1.669	1.548		
		Countrywide Credibility:		0.00	0.00	0.00		
		Countrywide Lost-time Claims:		550	4,211			
		Pure Premium Underlying Present Rate:		5.510	3.000	2.990	11.500	
		Relativity to Underlying Present Rate:		1.908	2.286	1.469		
		Credibility to Underlying Relativity:		0.00	0.00	0.00		
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881	
		Formula Relativity:		2.127	2.472	1.866		
		Balanced Formula Relativity:		2.129	2.469	1.863	2.116	

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Calculation of Class Relativities

Class(es):		Schedule: 270		Effective: 9/1/2005			Construction	
5037 STRUCTURES-METAL-PAINTING								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	1,092,047	3	1	466,746	11,669	123,802	602,217	
1998/1999	1,547,905	0	1	0	4,605	803	5,408	
1999/2000	686,613	0	1	0	747	3,424	4,171	
2000/2001	1,301,859	1	1	224,002	9,944	129,441	363,387	
2001/2002	1,491,687	0	3	0	115,909	109,177	225,086	
MA Total	6,120,111	4	7	690,748	142,874	366,647	1,200,269	
				MA Indicated Pure Premiums				
		1997/1998		42.740	1.069	11.337	55.146	
		1998/1999		0.000	0.297	0.052	0.349	
		1999/2000		0.000	0.109	0.499	0.607	
		2000/2001		17.206	0.764	9.943	27.913	
		2001/2002		0.000	7.770	7.319	15.089	
		MA Total Pure Premium:		11.290	2.330	5.990	19.612	
				Pure Premium Relativities				
		Massachusetts Indicated Relativity:		4.700	1.665	2.881		
		Massachusetts Credibility:		0.39	0.52	0.62		
		Countrywide Pure Premium:		3.240	1.920	2.640	7.800	
		Countrywide Indicated Relativity:		1.406	1.405	1.285		
		Countrywide Credibility:		0.26	0.24	0.19		
		Countrywide Lost-time Claims:		15	57			
		Pure Premium Underlying Present Rate:		22.230	6.330	9.890	38.450	
		Relativity to Underlying Present Rate:		7.698	4.824	4.859		
		Credibility to Underlying Relativity:		0.35	0.24	0.19		
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881	
		Formula Relativity:		4.893	2.361	2.954		
		Balanced Formula Relativity:		4.897	2.358	2.949	3.604	

Class(es):		Schedule: 270		Effective: 9/1/2005			Construction	
5040 IRON OR STEEL ERECTION-STRUCTURES								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	6,879,433	13	28	2,175,082	156,396	562,546	2,894,024	
1998/1999	9,655,961	10	26	2,123,135	553,297	733,283	3,409,715	
1999/2000	16,616,797	11	51	2,115,762	1,151,063	1,838,730	5,105,555	
2000/2001	25,687,146	16	82	3,720,104	2,472,484	2,476,188	8,668,776	
2001/2002	13,986,266	11	64	2,416,531	1,328,737	2,941,914	6,687,182	
MA Total	72,825,603	61	251	12,550,614	5,661,977	8,552,661	26,765,252	
				MA Indicated Pure Premiums				
		1997/1998		31.617	2.273	8.177	42.068	
		1998/1999		21.988	5.730	7.594	35.312	
		1999/2000		12.733	6.927	11.065	30.725	
		2000/2001		14.482	9.625	9.640	33.748	
		2001/2002		17.278	9.500	21.034	47.812	
		MA Total Pure Premium:		17.230	7.770	11.740	36.753	
				Pure Premium Relativities				
		Massachusetts Indicated Relativity:		7.173	5.551	5.646		
		Massachusetts Credibility:		0.98	1.00	1.00		
		Countrywide Pure Premium:		5.260	2.480	4.020	11.760	
		Countrywide Indicated Relativity:		2.282	1.815	1.957		
		Countrywide Credibility:		0.01	0.00	0.00		
		Countrywide Lost-time Claims:		246	1,008			
		Pure Premium Underlying Present Rate:		18.270	4.560	8.180	31.010	
		Relativity to Underlying Present Rate:		6.326	3.475	4.019		
		Credibility to Underlying Relativity:		0.01	0.00	0.00		
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881	
		Formula Relativity:		7.116	5.551	5.646		
		Balanced Formula Relativity:		7.121	5.544	5.637	6.221	

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Calculation of Class Relativities

Class(es):		Schedule: 270		Effective: 9/1/2005		Construction	
5057 IRON OR STEEL ERECTION-NOC 5059 IRON OR STEEL ERECTION-FRAME 5069 IRON OR STEEL ERECTION-DWELLINGS							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	12,737,343	6	29	972,148	324,981	402,235	1,699,364
1998/1999	7,834,834	10	17	1,942,006	394,684	889,263	3,225,953
1999/2000	14,105,167	12	39	2,746,359	491,838	1,286,994	4,525,191
2000/2001	9,162,935	12	39	2,416,667	1,121,143	1,646,385	5,184,195
2001/2002	7,986,979	8	22	2,435,370	1,042,017	1,401,734	4,879,121
MA Total	51,827,258	48	146	10,512,550	3,374,663	5,626,611	19,513,824
		MA Indicated Pure Premiums					
		1997/1998		7.632	2.551	3.158	13.342
		1998/1999		24.787	5.038	11.350	41.174
		1999/2000		19.471	3.487	9.124	32.082
		2000/2001		26.374	12.236	17.968	56.578
		2001/2002		30.492	13.046	17.550	61.088
		MA Total Pure Premium:		20.280	6.510	10.860	37.652
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		8.442	4.651	5.223	
		Massachusetts Credibility:		0.73	1.00	1.00	
		Countrywide Pure Premium:		5.720	2.220	3.760	11.700
		Countrywide Indicated Relativity:		2.482	1.625	1.830	
		Countrywide Credibility:		0.14	0.00	0.00	
		Countrywide Lost-time Claims:		263	1,024		
		Pure Premium Underlying Present Rate:		12.450	4.520	7.190	24.160
		Relativity to Underlying Present Rate:		4.311	3.445	3.532	
		Credibility to Underlying Relativity:		0.13	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		7.071	4.651	5.223	
		Balanced Formula Relativity:		7.076	4.645	5.215	5.840

Class(es):		Schedule: 270		Effective: 9/1/2005		Construction	
5102 AWNING ERECTION							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	20,444,365	11	42	1,981,732	1,074,752	1,397,351	4,453,835
1998/1999	23,973,712	3	37	196,752	749,642	364,148	1,310,542
1999/2000	31,378,930	5	53	527,469	1,078,150	724,063	2,329,682
2000/2001	32,944,511	6	34	972,934	577,933	808,957	2,359,824
2001/2002	35,863,026	5	32	1,050,812	658,781	590,823	2,300,416
MA Total	144,604,544	30	198	4,729,699	4,139,258	3,885,342	12,754,299
		MA Indicated Pure Premiums					
		1997/1998		9.693	5.257	6.835	21.785
		1998/1999		0.821	3.127	1.519	5.467
		1999/2000		1.681	3.436	2.307	7.424
		2000/2001		2.953	1.754	2.456	7.163
		2001/2002		2.930	1.837	1.647	6.414
		MA Total Pure Premium:		3.270	2.860	2.690	8.820
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.361	2.043	1.294	
		Massachusetts Credibility:		0.71	1.00	1.00	
		Countrywide Pure Premium:		2.680	1.320	2.450	6.450
		Countrywide Indicated Relativity:		1.163	0.966	1.193	
		Countrywide Credibility:		0.14	0.00	0.00	
		Countrywide Lost-time Claims:		225	959		
		Pure Premium Underlying Present Rate:		4.050	3.520	3.300	10.870
		Relativity to Underlying Present Rate:		1.402	2.683	1.621	
		Credibility to Underlying Relativity:		0.15	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		1.339	2.043	1.294	
		Balanced Formula Relativity:		1.341	2.040	1.292	1.490

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Calculation of Class Relativities

Class(es):		Schedule: 271		Effective: 9/1/2005			Construction	
5146 FURNITURE INSTALL-STORES,OFFICE-NOC								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	25,099,434	4	43	564,595	226,960	305,645	1,097,200	
1998/1999	25,551,115	2	42	282,561	389,811	319,706	992,078	
1999/2000	36,656,186	4	42	362,974	645,834	689,508	1,698,316	
2000/2001	33,184,166	2	41	286,711	413,474	658,048	1,358,233	
2001/2002	40,710,078	3	46	946,006	765,998	1,332,321	3,044,325	
MA Total	161,200,979	15	214	2,442,847	2,442,077	3,305,228	8,190,152	
				MA Indicated Pure Premiums				
		1997/1998		2.249	0.904	1.218	4.371	
		1998/1999		1.106	1.526	1.251	3.883	
		1999/2000		0.990	1.762	1.881	4.633	
		2000/2001		0.864	1.246	1.983	4.093	
		2001/2002		2.324	1.882	3.273	7.478	
		MA Total Pure Premium:		1.520	1.510	2.050	5.081	
				Pure Premium Relativities				
		Massachusetts Indicated Relativity:		0.633	1.079	0.986		
		Massachusetts Credibility:		0.53	1.00	1.00		
		Countrywide Pure Premium:		2.170	1.290	1.660	5.120	
		Countrywide Indicated Relativity:		0.942	0.944	0.808		
		Countrywide Credibility:		0.24	0.00	0.00		
		Countrywide Lost-time Claims:		544	3,029			
		Pure Premium Underlying Present Rate:		1.750	1.400	1.280	4.430	
		Relativity to Underlying Present Rate:		0.606	1.067	0.629		
		Credibility to Underlying Relativity:		0.23	0.00	0.00		
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881	
		Formula Relativity:		0.701	1.079	0.986		
		Balanced Formula Relativity:		0.702	1.078	0.984	0.891	

Class(es):		Schedule: 272		Effective: 9/1/2005			Construction	
5160 ELEVATOR ERECTION OR REPAIR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	25,585,144	2	15	283,844	345,723	398,565	1,028,132	
1998/1999	24,770,327	1	17	164,476	268,761	197,675	630,912	
1999/2000	24,093,291	1	19	157,959	313,874	262,735	734,568	
2000/2001	34,559,371	1	12	114,256	204,898	169,848	489,002	
2001/2002	44,637,874	3	17	911,488	300,323	280,586	1,492,397	
MA Total	153,646,007	8	80	1,632,023	1,433,579	1,309,409	4,375,011	
				MA Indicated Pure Premiums				
		1997/1998		1.109	1.351	1.558	4.018	
		1998/1999		0.664	1.085	0.798	2.547	
		1999/2000		0.656	1.303	1.090	3.049	
		2000/2001		0.331	0.593	0.491	1.415	
		2001/2002		2.042	0.673	0.629	3.343	
		MA Total Pure Premium:		1.060	0.930	0.850	2.847	
				Pure Premium Relativities				
		Massachusetts Indicated Relativity:		0.441	0.664	0.409		
		Massachusetts Credibility:		0.44	0.79	0.84		
		Countrywide Pure Premium:		1.160	0.990	1.200	3.350	
		Countrywide Indicated Relativity:		0.503	0.724	0.585		
		Countrywide Credibility:		0.28	0.10	0.08		
		Countrywide Lost-time Claims:		114	805			
		Pure Premium Underlying Present Rate:		1.140	0.730	0.850	2.720	
		Relativity to Underlying Present Rate:		0.395	0.556	0.418		
		Credibility to Underlying Relativity:		0.28	0.11	0.08		
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881	
		Formula Relativity:		0.445	0.658	0.424		
		Balanced Formula Relativity:		0.446	0.657	0.423	0.488	

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Calculation of Class Relativities

Class(es):		Schedule: 271		Effective: 9/1/2005		Construction	
5183 PLUMBING-NOC-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	288,993,810	25	300	3,643,994	2,921,180	4,149,332	10,714,506
1998/1999	318,444,790	25	319	3,776,868	2,795,509	3,967,392	10,539,769
1999/2000	361,023,038	36	360	7,458,080	4,868,764	5,741,689	18,068,533
2000/2001	406,089,446	18	365	3,458,836	6,216,508	5,105,229	14,780,573
2001/2002	433,814,856	18	330	4,351,912	4,752,794	5,741,937	14,846,643
MA Total	1,808,365,940	122	1,674	22,689,690	21,554,755	24,705,579	68,950,024
MA Indicated Pure Premiums							
		1997/1998		1.261	1.011	1.436	3.708
		1998/1999		1.186	0.878	1.246	3.310
		1999/2000		2.066	1.349	1.590	5.005
		2000/2001		0.852	1.531	1.257	3.640
		2001/2002		1.003	1.096	1.324	3.422
		MA Total Pure Premium:		1.250	1.190	1.370	3.813
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.520	0.850	0.659	
		Massachusetts Credibility:		1.00	1.00	1.00	
		Countrywide Pure Premium:		1.990	1.150	1.640	4.780
		Countrywide Indicated Relativity:		0.864	0.842	0.799	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		1,539	11,247		
		Pure Premium Underlying Present Rate:		1.610	1.100	1.300	4.010
		Relativity to Underlying Present Rate:		0.557	0.838	0.639	
		Credibility to Underlying Relativity:		0.00	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		0.520	0.850	0.659	
		Balanced Formula Relativity:		0.520	0.849	0.658	0.647

Class(es):		Schedule: 271		Effective: 9/1/2005		Construction	
5188 AUTOMATIC SPRINKLER INSTALLATION-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	30,810,767	3	43	676,878	393,220	438,364	1,508,462
1998/1999	35,821,092	4	49	571,120	470,871	1,003,310	2,045,301
1999/2000	45,276,843	4	43	451,287	441,920	332,312	1,225,519
2000/2001	50,808,619	5	59	1,012,816	967,065	1,113,031	3,092,912
2001/2002	53,720,612	3	51	564,175	536,087	595,689	1,695,951
MA Total	216,437,933	19	245	3,276,276	2,809,163	3,482,706	9,568,145
MA Indicated Pure Premiums							
		1997/1998		2.197	1.276	1.423	4.896
		1998/1999		1.594	1.315	2.801	5.710
		1999/2000		0.997	0.976	0.734	2.707
		2000/2001		1.993	1.903	2.191	6.087
		2001/2002		1.050	0.998	1.109	3.157
		MA Total Pure Premium:		1.510	1.300	1.610	4.421
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.629	0.929	0.774	
		Massachusetts Credibility:		0.60	1.00	1.00	
		Countrywide Pure Premium:		1.010	0.900	1.140	3.050
		Countrywide Indicated Relativity:		0.439	0.658	0.555	
		Countrywide Credibility:		0.20	0.00	0.00	
		Countrywide Lost-time Claims:		56	489		
		Pure Premium Underlying Present Rate:		1.810	1.140	1.570	4.520
		Relativity to Underlying Present Rate:		0.627	0.869	0.771	
		Credibility to Underlying Relativity:		0.20	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		0.591	0.929	0.774	
		Balanced Formula Relativity:		0.591	0.928	0.773	0.735

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Calculation of Class Relativities

Class(es):		Schedule: 272		Effective: 9/1/2005		Construction	
5190 ELECTRICAL WIRING-WITHIN BUILDINGS-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	364,668,145	30	386	4,564,817	2,164,327	3,901,009	10,630,153
1998/1999	416,020,668	34	384	5,573,496	3,812,490	5,513,379	14,899,365
1999/2000	487,966,567	37	395	6,777,911	5,163,129	6,054,961	17,996,001
2000/2001	536,866,426	30	396	6,059,859	4,894,272	6,084,816	17,038,947
2001/2002	538,201,705	25	368	5,419,097	5,654,485	6,058,535	17,132,117
MA Total	2,343,723,511	156	1,929	28,395,180	21,688,703	27,612,700	77,696,583
MA Indicated Pure Premiums							
		1997/1998		1.252	0.594	1.070	2.915
		1998/1999		1.340	0.916	1.325	3.581
		1999/2000		1.389	1.058	1.241	3.688
		2000/2001		1.129	0.912	1.133	3.174
		2001/2002		1.007	1.051	1.126	3.183
		MA Total Pure Premium:		1.210	0.930	1.180	3.315
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.504	0.664	0.568	
		Massachusetts Credibility:		1.00	1.00	1.00	
		Countrywide Pure Premium:		1.400	0.970	1.510	3.880
		Countrywide Indicated Relativity:		0.608	0.709	0.735	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		1,305	10,795		
		Pure Premium Underlying Present Rate:		1.270	0.770	1.210	3.250
		Relativity to Underlying Present Rate:		0.440	0.587	0.594	
		Credibility to Underlying Relativity:		0.00	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		0.504	0.664	0.568	
		Balanced Formula Relativity:		0.504	0.663	0.567	0.564

Class(es):		Schedule: 353		Effective: 9/1/2005		Goods & Services	
5191 OFF MACH INSTALL,INSPCT,ADJST,RPR-NOC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	288,201,968	11	101	957,255	830,618	1,530,425	3,318,298
1998/1999	317,670,990	9	82	1,267,511	596,777	1,211,033	3,075,321
1999/2000	396,093,122	9	121	1,212,452	1,712,943	2,193,827	5,119,222
2000/2001	362,501,631	9	79	1,634,721	841,134	1,930,146	4,406,001
2001/2002	353,642,424	4	66	923,052	801,812	1,145,800	2,870,664
MA Total	1,718,110,135	42	449	5,994,991	4,783,284	8,011,231	18,789,506
MA Indicated Pure Premiums							
		1997/1998		0.332	0.288	0.531	1.151
		1998/1999		0.399	0.188	0.381	0.968
		1999/2000		0.306	0.432	0.554	1.292
		2000/2001		0.451	0.232	0.532	1.215
		2001/2002		0.261	0.227	0.324	0.812
		MA Total Pure Premium:		0.350	0.280	0.470	1.094
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.703	0.434	0.572	
		Massachusetts Credibility:		0.70	1.00	1.00	
		Countrywide Pure Premium:		0.250	0.290	0.380	0.920
		Countrywide Indicated Relativity:		0.508	0.450	0.461	
		Countrywide Credibility:		0.15	0.00	0.00	
		Countrywide Lost-time Claims:		811	5,159		
		Pure Premium Underlying Present Rate:		0.340	0.280	0.420	1.040
		Relativity to Underlying Present Rate:		0.520	0.442	0.484	
		Credibility to Underlying Relativity:		0.15	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.646	0.434	0.572	
		Balanced Formula Relativity:		0.649	0.434	0.572	0.546

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Calculation of Class Relativities

Class(es):		Schedule: 353		Effective: 9/1/2005		Goods & Services	
5192 VENDING MACH INSTLL,SERV,RPR-SALES,DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	28,843,474	3	48	239,534	175,588	220,713	635,835
1998/1999	25,634,960	7	41	861,153	430,752	657,569	1,949,474
1999/2000	26,724,016	4	51	355,197	377,497	374,873	1,107,567
2000/2001	28,644,187	3	56	337,136	856,422	526,553	1,720,111
2001/2002	30,624,439	1	36	99,047	520,582	287,569	907,198
MA Total	140,471,076	18	232	1,892,067	2,360,841	2,067,277	6,320,185
MA Indicated Pure Premiums							
		1997/1998		0.830	0.609	0.765	2.204
		1998/1999		3.359	1.680	2.565	7.605
		1999/2000		1.329	1.413	1.403	4.144
		2000/2001		1.177	2.990	1.838	6.005
		2001/2002		0.323	1.700	0.939	2.962
		MA Total Pure Premium:		1.350	1.680	1.470	4.499
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		2.710	2.604	1.789	
		Massachusetts Credibility:		0.48	0.86	1.00	
		Countrywide Pure Premium:		1.140	1.120	1.410	3.670
		Countrywide Indicated Relativity:		2.317	1.738	1.712	
		Countrywide Credibility:		0.26	0.07	0.00	
		Countrywide Lost-time Claims:		243	1,601		
		Pure Premium Underlying Present Rate:		1.570	0.990	1.550	4.110
		Relativity to Underlying Present Rate:		2.400	1.563	1.788	
		Credibility to Underlying Relativity:		0.26	0.07	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		2.527	2.471	1.789	
		Balanced Formula Relativity:		2.539	2.472	1.788	2.203

Class(es):		Schedule: 273		Effective: 9/1/2005		Construction	
5213 CONCRETE CONSTRUCTION-NOC-INCL FOUND							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	70,282,676	38	93	6,801,855	1,289,892	2,470,499	10,562,246
1998/1999	85,656,370	40	133	7,102,236	1,021,471	3,049,772	11,173,479
1999/2000	109,330,173	67	223	12,108,521	2,380,756	6,078,426	20,567,703
2000/2001	147,600,253	91	275	19,327,742	3,589,457	9,884,694	32,801,893
2001/2002	101,174,374	59	181	12,255,978	4,243,491	8,098,311	24,597,780
MA Total	514,043,846	295	905	57,596,332	12,525,067	29,581,702	99,703,101
MA Indicated Pure Premiums							
		1997/1998		9.678	1.835	3.515	15.028
		1998/1999		8.292	1.193	3.560	13.045
		1999/2000		11.075	2.178	5.560	18.812
		2000/2001		13.095	2.432	6.697	22.223
		2001/2002		12.114	4.194	8.004	24.312
		MA Total Pure Premium:		11.200	2.440	5.750	19.396
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		4.662	1.743	2.766	
		Massachusetts Credibility:		1.00	1.00	1.00	
		Countrywide Pure Premium:		3.160	1.640	2.420	7.220
		Countrywide Indicated Relativity:		1.371	1.200	1.178	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		825	3,937		
		Pure Premium Underlying Present Rate:		9.870	2.160	3.820	15.850
		Relativity to Underlying Present Rate:		3.418	1.646	1.877	
		Credibility to Underlying Relativity:		0.00	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		4.662	1.743	2.766	
		Balanced Formula Relativity:		4.666	1.741	2.762	3.296

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Calculation of Class Relativities

Class(es):		Schedule: 273		Effective: 9/1/2005		Construction	
5215 CONCRETE WORK-CONST OF PRIV RESIDENCE							
5223 SWIMMING POOL CONSTRUCTION-ALL OPER-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	32,164,511	4	59	435,027	345,741	555,958	1,336,726
1998/1999	39,003,860	7	72	755,383	594,240	1,245,267	2,594,890
1999/2000	40,491,186	7	65	1,001,452	566,452	1,111,975	2,679,879
2000/2001	47,051,283	3	81	530,400	1,211,501	1,104,421	2,846,322
2001/2002	51,364,420	2	55	383,109	676,372	864,798	1,924,279
MA Total	210,075,260	23	332	3,105,371	3,394,306	4,882,419	11,382,096
				MA Indicated Pure Premiums			
1997/1998				1.353	1.075	1.728	4.156
1998/1999				1.937	1.524	3.193	6.653
1999/2000				2.473	1.399	2.746	6.618
2000/2001				1.127	2.575	2.347	6.049
2001/2002				0.746	1.317	1.684	3.746
MA Total Pure Premium:				1.480	1.620	2.320	5.418
				Pure Premium Relativities			
Massachusetts Indicated Relativity:				0.616	1.157	1.116	
Massachusetts Credibility:				0.73	1.00	1.00	
Countrywide Pure Premium:				2.140	1.600	1.980	5.720
Countrywide Indicated Relativity:				0.928	1.170	0.964	
Countrywide Credibility:				0.14	0.00	0.00	
Countrywide Lost-time Claims:				26	446		
Pure Premium Underlying Present Rate:				2.990	1.510	3.120	7.620
Relativity to Underlying Present Rate:				1.035	1.151	1.533	
Credibility to Underlying Relativity:				0.13	0.00	0.00	
Industry Group Adjusted Converted Pure Premium:				2.402	1.400	2.079	5.881
Formula Relativity:				0.714	1.157	1.116	
Balanced Formula Relativity:				0.715	1.156	1.114	0.961

Class(es):		Schedule: 273		Effective: 9/1/2005		Construction	
5221 CONCRETE OR CEMENT WORK-FLOORS-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	73,257,694	24	90	3,421,362	997,656	1,803,248	6,222,266
1998/1999	80,100,509	18	93	3,097,282	668,127	1,866,910	5,632,319
1999/2000	83,719,229	15	108	2,803,892	998,246	2,115,271	5,917,409
2000/2001	95,812,142	15	123	2,883,883	2,269,276	2,945,969	8,099,128
2001/2002	93,065,224	10	88	2,171,042	1,520,827	1,447,070	5,138,939
MA Total	425,954,798	82	502	14,377,461	6,454,132	10,178,468	31,010,061
				MA Indicated Pure Premiums			
1997/1998				4.670	1.362	2.462	8.494
1998/1999				3.867	0.834	2.331	7.032
1999/2000				3.349	1.192	2.527	7.068
2000/2001				3.010	2.368	3.075	8.453
2001/2002				2.333	1.634	1.555	5.522
MA Total Pure Premium:				3.380	1.520	2.390	7.280
				Pure Premium Relativities			
Massachusetts Indicated Relativity:				1.407	1.086	1.149	
Massachusetts Credibility:				1.00	1.00	1.00	
Countrywide Pure Premium:				2.680	1.650	2.380	6.710
Countrywide Indicated Relativity:				1.163	1.207	1.159	
Countrywide Credibility:				0.00	0.00	0.00	
Countrywide Lost-time Claims:				405	3,077		
Pure Premium Underlying Present Rate:				3.250	1.580	2.300	7.130
Relativity to Underlying Present Rate:				1.125	1.204	1.130	
Credibility to Underlying Relativity:				0.00	0.00	0.00	
Industry Group Adjusted Converted Pure Premium:				2.402	1.400	2.079	5.881
Formula Relativity:				1.407	1.086	1.149	
Balanced Formula Relativity:				1.408	1.085	1.147	1.239

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Class(es):		Schedule: 273		Effective: 9/1/2005			Construction	
5222 CONCRETE CONSTRUCTION-BRIDGES,CULVERTS								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	15,903,656	4	8	543,275	80,801	308,921	932,997	
1998/1999	34,579,080	6	24	986,897	181,438	527,903	1,696,238	
1999/2000	23,833,308	9	20	1,914,554	201,522	864,943	2,981,019	
2000/2001	33,423,680	11	23	1,951,749	213,633	1,266,028	3,431,410	
2001/2002	30,762,874	1	7	98,533	221,302	150,997	470,832	
MA Total	138,502,598	31	82	5,495,008	898,696	3,118,792	9,512,496	
				MA Indicated Pure Premiums				
				1997/1998	3.416	0.508	1.942	5.867
				1998/1999	2.854	0.525	1.527	4.905
				1999/2000	8.033	0.846	3.629	12.508
				2000/2001	5.839	0.639	3.788	10.266
				2001/2002	0.320	0.719	0.491	1.531
MA Total Pure Premium:				3.970	0.650	2.250	6.868	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				1.653	0.464	1.082		
Massachusetts Credibility:				0.70	0.79	1.00		
Countrywide Pure Premium:				3.130	1.870	2.450	7.450	
Countrywide Indicated Relativity:				1.358	1.369	1.193		
Countrywide Credibility:				0.15	0.10	0.00		
Countrywide Lost-time Claims:				133	639			
Pure Premium Underlying Present Rate:				4.160	0.810	1.780	6.750	
Relativity to Underlying Present Rate:				1.440	0.617	0.875		
Credibility to Underlying Relativity:				0.15	0.11	0.00		
Industry Group Adjusted Converted Pure Premium:				2.402	1.400	2.079	5.881	
Formula Relativity:				1.577	0.571	1.082		
Balanced Formula Relativity:				1.578	0.571	1.080	1.162	

Class(es):		Schedule: 276		Effective: 9/1/2005			Construction	
5348 TILE,STONE,MOSAIC,TERRAZZO WORK-INSIDE								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	14,136,993	4	28	1,026,628	464,297	474,085	1,965,010	
1998/1999	17,833,195	3	29	457,346	560,124	493,436	1,510,906	
1999/2000	19,336,317	0	14	0	315,736	177,941	493,677	
2000/2001	30,083,358	4	23	646,020	693,690	419,314	1,759,024	
2001/2002	29,329,618	1	38	485,065	954,626	478,814	1,918,505	
MA Total	110,719,481	12	132	2,615,059	2,988,473	2,043,590	7,647,122	
				MA Indicated Pure Premiums				
				1997/1998	7.262	3.284	3.354	13.900
				1998/1999	2.565	3.141	2.767	8.472
				1999/2000	0.000	1.633	0.920	2.553
				2000/2001	2.147	2.306	1.394	5.847
				2001/2002	1.654	3.255	1.633	6.541
MA Total Pure Premium:				2.360	2.700	1.850	6.907	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.982	1.929	0.890		
Massachusetts Credibility:				0.66	0.94	1.00		
Countrywide Pure Premium:				1.800	1.240	1.590	4.630	
Countrywide Indicated Relativity:				0.781	0.907	0.774		
Countrywide Credibility:				0.17	0.03	0.00		
Countrywide Lost-time Claims:				388	2,310			
Pure Premium Underlying Present Rate:				4.400	1.550	2.200	8.150	
Relativity to Underlying Present Rate:				1.524	1.181	1.081		
Credibility to Underlying Relativity:				0.17	0.03	0.00		
Industry Group Adjusted Converted Pure Premium:				2.402	1.400	2.079	5.881	
Formula Relativity:				1.040	1.876	0.890		
Balanced Formula Relativity:				1.041	1.874	0.889	1.185	

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Class(es):		Schedule: 279		Effective: 9/1/2005		Construction	
5402 HOT HOUSE ERECTION-ALL OPERATIONS							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	104,013	0	1	0	2,249	1,016	3,265
1998/1999	291,812	0	0	0	0	0	0
1999/2000	512,348	0	2	0	58,403	205,299	263,702
2000/2001	478,819	0	1	0	5,906	5,212	11,118
2001/2002	574,525	0	2	0	10,195	9,573	19,768
MA Total	1,961,517	0	6	0	76,753	221,100	297,853
		MA Indicated Pure Premiums					
	1997/1998	0.000	2.162	0.977	3.139		
	1998/1999	0.000	0.000	0.000	0.000		
	1999/2000	0.000	11.399	40.070	51.469		
	2000/2001	0.000	1.233	1.089	2.322		
	2001/2002	0.000	1.775	1.666	3.441		
	MA Total Pure Premium:	0.000	3.910	11.270	15.185		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.000	2.793	5.420			
	Massachusetts Credibility:	0.15	0.18	0.47			
	Countrywide Pure Premium:	0.000	0.820	6.530	7.350		
	Countrywide Indicated Relativity:	0.000	0.600	3.179			
	Countrywide Credibility:	0.00	0.13	0.16			
	Countrywide Lost-time Claims:	0	6				
	Pure Premium Underlying Present Rate:	6.270	1.390	15.850	23.510		
	Relativity to Underlying Present Rate:	2.171	1.059	7.787			
	Credibility to Underlying Relativity:	0.85	0.69	0.37			
	Industry Group Adjusted Converted Pure Premium:	2.402	1.400	2.079	5.881		
	Formula Relativity:	1.845	1.311	5.937			
	Balanced Formula Relativity:	1.847	1.310	5.928	3.162		

Class(es):		Schedule: 274		Effective: 9/1/2005		Construction	
5403 CARPENTRY-NOC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	37,931,610	19	107	2,736,190	1,482,324	2,469,046	6,687,560
1998/1999	41,009,117	16	75	2,441,483	774,882	1,245,520	4,461,885
1999/2000	53,641,539	21	123	3,278,451	1,518,432	2,387,517	7,184,400
2000/2001	66,863,296	20	129	3,909,601	2,331,388	3,591,182	9,832,171
2001/2002	70,262,226	13	119	2,672,108	2,049,650	2,404,705	7,126,463
MA Total	269,707,788	89	553	15,037,833	8,156,676	12,097,970	35,292,479
		MA Indicated Pure Premiums					
	1997/1998	7.213	3.908	6.509	17.631		
	1998/1999	5.954	1.890	3.037	10.880		
	1999/2000	6.112	2.831	4.451	13.393		
	2000/2001	5.847	3.487	5.371	14.705		
	2001/2002	3.803	2.917	3.422	10.143		
	MA Total Pure Premium:	5.580	3.020	4.490	13.085		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	2.323	2.157	2.160			
	Massachusetts Credibility:	1.00	1.00	1.00			
	Countrywide Pure Premium:	3.820	2.110	3.300	9.230		
	Countrywide Indicated Relativity:	1.658	1.544	1.607			
	Countrywide Credibility:	0.00	0.00	0.00			
	Countrywide Lost-time Claims:	1,152	7,683				
	Pure Premium Underlying Present Rate:	6.590	3.030	4.560	14.180		
	Relativity to Underlying Present Rate:	2.282	2.309	2.240			
	Credibility to Underlying Relativity:	0.00	0.00	0.00			
	Industry Group Adjusted Converted Pure Premium:	2.402	1.400	2.079	5.881		
	Formula Relativity:	2.323	2.157	2.160			
	Balanced Formula Relativity:	2.325	2.154	2.157	2.225		

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Calculation of Class Relativities

Class(es):		Schedule: 274		Effective: 9/1/2005		Construction		
5437 CARPENTRY-INSTALL CABINET,INSIDE TRIM								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	170,524,827	15	235	2,257,416	3,309,367	3,262,737	8,829,520	
1998/1999	183,553,827	27	221	3,840,254	2,105,111	3,675,643	9,621,008	
1999/2000	209,006,160	32	218	4,605,348	3,152,239	3,592,106	11,349,693	
2000/2001	228,599,962	25	233	4,728,014	4,261,326	4,281,618	13,270,958	
2001/2002	235,423,533	17	220	3,556,651	4,217,876	5,272,844	13,047,371	
MA Total	1,027,108,309	116	1,127	18,987,683	17,045,919	20,084,948	56,118,550	
				MA Indicated Pure Premiums				
				1997/1998	1.324	1.941	1.913	5.178
				1998/1999	2.092	1.147	2.002	5.242
				1999/2000	2.203	1.508	1.719	5.430
				2000/2001	2.068	1.864	1.873	5.805
				2001/2002	1.511	1.792	2.240	5.542
MA Total Pure Premium:				1.850	1.660	1.960	5.464	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.770	1.186	0.943		
Massachusetts Credibility:				1.00	1.00	1.00		
Countrywide Pure Premium:				2.600	1.820	2.450	6.870	
Countrywide Indicated Relativity:				1.128	1.332	1.193		
Countrywide Credibility:				0.00	0.00	0.00		
Countrywide Lost-time Claims:				111	1,488			
Pure Premium Underlying Present Rate:				1.950	1.610	1.780	5.340	
Relativity to Underlying Present Rate:				0.675	1.227	0.875		
Credibility to Underlying Relativity:				0.00	0.00	0.00		
Industry Group Adjusted Converted Pure Premium:				2.402	1.400	2.079	5.881	
Formula Relativity:				0.770	1.186	0.943		
Balanced Formula Relativity:				0.771	1.185	0.941	0.930	

Class(es):		Schedule: 276		Effective: 9/1/2005		Construction		
5443 LATHING-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	145,695	0	0	0	0	0	0	
1998/1999	42,890	0	0	0	0	0	0	
1999/2000	62,107	0	0	0	0	0	0	
2000/2001	245,046	0	0	0	0	0	0	
2001/2002	85,872	0	0	0	0	0	0	
MA Total	581,610	0	0	0	0	0	0	
				MA Indicated Pure Premiums				
				1997/1998	0.000	0.000	0.000	0.000
				1998/1999	0.000	0.000	0.000	0.000
				1999/2000	0.000	0.000	0.000	0.000
				2000/2001	0.000	0.000	0.000	0.000
				2001/2002	0.000	0.000	0.000	0.000
MA Total Pure Premium:				0.000	0.000	0.000	0.000	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.000	0.000	0.000		
Massachusetts Credibility:				0.06	0.10	0.11		
Countrywide Pure Premium:				2.110	1.400	1.830	5.340	
Countrywide Indicated Relativity:				0.915	1.024	0.891		
Countrywide Credibility:				0.47	0.45	0.44		
Countrywide Lost-time Claims:				197	939			
Pure Premium Underlying Present Rate:				2.460	1.100	1.520	5.080	
Relativity to Underlying Present Rate:				0.852	0.838	0.747		
Credibility to Underlying Relativity:				0.47	0.45	0.45		
Industry Group Adjusted Converted Pure Premium:				2.402	1.400	2.079	5.881	
Formula Relativity:				0.830	0.838	0.728		
Balanced Formula Relativity:				0.831	0.837	0.727	0.796	

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Calculation of Class Relativities

Class(es):		Schedule: 274		Effective: 9/1/2005			Construction	
5445 WALLBOARD INSTALLATION-INSIDE-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	76,976,171	16	128	2,092,046	967,584	1,697,319	4,756,949	
1998/1999	85,923,027	13	126	1,968,797	1,517,630	1,415,713	4,902,140	
1999/2000	145,749,806	27	182	4,240,871	3,058,428	3,314,859	10,614,158	
2000/2001	150,652,183	27	176	4,909,260	2,959,240	3,365,161	11,233,661	
2001/2002	135,609,683	25	156	5,683,295	1,681,659	3,178,092	10,543,046	
MA Total	594,910,870	108	768	18,894,269	10,184,541	12,971,144	42,049,954	
				MA Indicated Pure Premiums				
		1997/1998		2.718	1.257	2.205	6.180	
		1998/1999		2.291	1.766	1.648	5.705	
		1999/2000		2.910	2.098	2.274	7.282	
		2000/2001		3.259	1.964	2.234	7.457	
		2001/2002		4.191	1.240	2.344	7.775	
		MA Total Pure Premium:		3.180	1.710	2.180	7.068	
				Pure Premium Relativities				
		Massachusetts Indicated Relativity:		1.324	1.222	1.048		
		Massachusetts Credibility:		1.00	1.00	1.00		
		Countrywide Pure Premium:		2.450	1.370	1.760	5.580	
		Countrywide Indicated Relativity:		1.064	1.002	0.857		
		Countrywide Credibility:		0.00	0.00	0.00		
		Countrywide Lost-time Claims:		411	2,931			
		Pure Premium Underlying Present Rate:		3.400	1.810	2.000	7.210	
		Relativity to Underlying Present Rate:		1.177	1.379	0.983		
		Credibility to Underlying Relativity:		0.00	0.00	0.00		
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881	
		Formula Relativity:		1.324	1.222	1.048		
		Balanced Formula Relativity:		1.325	1.220	1.046	1.202	

Class(es):		Schedule: 275		Effective: 9/1/2005			Construction	
5462 GLAZIER-AWAY FROM SHOP-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	15,233,477	2	28	263,851	148,428	565,726	978,005	
1998/1999	19,160,582	2	35	344,740	241,069	316,347	902,156	
1999/2000	21,160,296	2	42	184,535	434,058	493,644	1,112,237	
2000/2001	25,020,468	5	35	1,181,878	663,962	786,305	2,632,145	
2001/2002	31,192,933	5	40	1,179,296	567,554	1,057,037	2,803,887	
MA Total	111,767,756	16	180	3,154,300	2,055,071	3,219,059	8,428,430	
				MA Indicated Pure Premiums				
		1997/1998		1.732	0.974	3.714	6.420	
		1998/1999		1.799	1.258	1.651	4.708	
		1999/2000		0.872	2.051	2.333	5.256	
		2000/2001		4.724	2.654	3.143	10.520	
		2001/2002		3.781	1.819	3.389	8.989	
		MA Total Pure Premium:		2.820	1.840	2.880	7.541	
				Pure Premium Relativities				
		Massachusetts Indicated Relativity:		1.174	1.314	1.385		
		Massachusetts Credibility:		0.55	0.93	1.00		
		Countrywide Pure Premium:		2.410	1.560	2.670	6.640	
		Countrywide Indicated Relativity:		1.046	1.142	1.300		
		Countrywide Credibility:		0.22	0.04	0.00		
		Countrywide Lost-time Claims:		67	621			
		Pure Premium Underlying Present Rate:		2.840	1.500	2.300	6.640	
		Relativity to Underlying Present Rate:		0.983	1.143	1.130		
		Credibility to Underlying Relativity:		0.23	0.03	0.00		
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881	
		Formula Relativity:		1.102	1.302	1.385		
		Balanced Formula Relativity:		1.103	1.300	1.383	1.249	

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Calculation of Class Relativities

Class(es):		Schedule: 279		Effective: 9/1/2005			Construction	
5472 ASBESTOS CONTR-PIPE-BOILER WORK-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	17,320,764	4	28	405,949	132,866	403,899	942,714	
1998/1999	19,504,821	5	20	604,486	130,459	504,622	1,239,567	
1999/2000	18,021,494	3	23	359,127	462,457	315,690	1,137,274	
2000/2001	15,915,407	4	29	535,312	475,340	346,975	1,357,627	
2001/2002	17,878,769	4	15	872,255	356,682	342,790	1,571,727	
MA Total	88,641,255	20	115	2,777,129	1,557,804	1,913,976	6,248,909	
				MA Indicated Pure Premiums				
		1997/1998		2.344	0.767	2.332	5.443	
		1998/1999		3.099	0.669	2.587	6.355	
		1999/2000		1.993	2.566	1.752	6.311	
		2000/2001		3.363	2.987	2.180	8.530	
		2001/2002		4.879	1.995	1.917	8.791	
		MA Total Pure Premium:		3.130	1.760	2.160	7.050	
				Pure Premium Relativities				
		Massachusetts Indicated Relativity:		1.303	1.257	1.039		
		Massachusetts Credibility:		0.56	0.91	1.00		
		Countrywide Pure Premium:		1.870	2.000	2.090	5.960	
		Countrywide Indicated Relativity:		0.812	1.463	1.017		
		Countrywide Credibility:		0.17	0.04	0.00		
		Countrywide Lost-time Claims:		5	45			
		Pure Premium Underlying Present Rate:		3.770	1.770	3.430	8.970	
		Relativity to Underlying Present Rate:		1.305	1.349	1.685		
		Credibility to Underlying Relativity:		0.27	0.05	0.00		
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881	
		Formula Relativity:		1.220	1.270	1.039		
		Balanced Formula Relativity:		1.221	1.268	1.037	1.167	

Class(es):		Schedule: 279		Effective: 9/1/2005			Construction	
5473 ASBESTOS CONTRACTOR NOC-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	3,035,390	1	9	120,479	45,141	124,452	290,072	
1998/1999	8,510,960	3	13	410,507	129,321	428,733	968,561	
1999/2000	4,937,027	2	5	162,710	27,210	143,873	333,793	
2000/2001	7,623,266	2	3	179,873	47,761	153,294	380,928	
2001/2002	8,764,873	8	13	1,628,228	366,116	1,321,126	3,315,470	
MA Total	32,871,516	16	43	2,501,797	615,549	2,171,478	5,288,824	
				MA Indicated Pure Premiums				
		1997/1998		3.969	1.487	4.100	9.556	
		1998/1999		4.823	1.519	5.037	11.380	
		1999/2000		3.296	0.551	2.914	6.761	
		2000/2001		2.360	0.627	2.011	4.997	
		2001/2002		18.577	4.177	15.073	37.827	
		MA Total Pure Premium:		7.610	1.870	6.610	16.089	
				Pure Premium Relativities				
		Massachusetts Indicated Relativity:		3.168	1.336	3.179		
		Massachusetts Credibility:		0.51	0.59	0.82		
		Countrywide Pure Premium:		4.390	2.570	4.320	11.280	
		Countrywide Indicated Relativity:		1.905	1.881	2.103		
		Countrywide Credibility:		0.24	0.20	0.09		
		Countrywide Lost-time Claims:		234	641			
		Pure Premium Underlying Present Rate:		8.090	1.660	3.680	13.430	
		Relativity to Underlying Present Rate:		2.801	1.265	1.808		
		Credibility to Underlying Relativity:		0.25	0.21	0.09		
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881	
		Formula Relativity:		2.773	1.430	2.959		
		Balanced Formula Relativity:		2.775	1.428	2.954	2.518	

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Calculation of Class Relativities

Class(es):		Schedule: 275		Effective: 9/1/2005		Construction	
5474 PAINTING OR PAPER HANGING-NOC-SHOP-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	95,325,597	18	124	2,265,930	1,400,044	2,192,092	5,858,066
1998/1999	105,809,128	23	112	3,002,626	1,274,424	2,289,128	6,566,178
1999/2000	120,256,189	13	104	2,261,142	1,746,624	2,003,702	6,011,468
2000/2001	151,959,856	17	129	2,826,242	1,956,767	3,962,119	8,745,128
2001/2002	153,993,170	14	121	2,423,828	1,635,699	2,911,052	6,970,579
MA Total	627,343,940	85	590	12,779,768	8,013,558	13,358,093	34,151,419
MA Indicated Pure Premiums							
		1997/1998		2.377	1.469	2.300	6.145
		1998/1999		2.838	1.204	2.163	6.206
		1999/2000		1.880	1.452	1.666	4.999
		2000/2001		1.860	1.288	2.607	5.755
		2001/2002		1.574	1.062	1.890	4.527
		MA Total Pure Premium:		2.040	1.280	2.130	5.444
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.849	0.914	1.024	
		Massachusetts Credibility:		1.00	1.00	1.00	
		Countrywide Pure Premium:		3.000	1.550	2.530	7.080
		Countrywide Indicated Relativity:		1.302	1.135	1.232	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		963	4,275		
		Pure Premium Underlying Present Rate:		3.050	1.230	2.360	6.640
		Relativity to Underlying Present Rate:		1.056	0.937	1.159	
		Credibility to Underlying Relativity:		0.00	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		0.849	0.914	1.024	
		Balanced Formula Relativity:		0.850	0.913	1.022	0.926

Class(es):		Schedule: 274		Effective: 9/1/2005		Construction	
5479 INSULATION WORK-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	7,579,010	5	31	812,884	126,258	438,302	1,377,444
1998/1999	9,307,956	4	20	419,407	96,268	396,224	911,899
1999/2000	10,358,483	4	34	471,853	324,273	545,514	1,341,640
2000/2001	13,539,769	2	24	212,692	326,953	379,793	919,438
2001/2002	14,232,587	4	31	551,388	446,104	1,066,771	2,064,263
MA Total	55,017,805	19	140	2,468,224	1,319,856	2,826,604	6,614,684
MA Indicated Pure Premiums							
		1997/1998		10.725	1.666	5.783	18.174
		1998/1999		4.506	1.034	4.257	9.797
		1999/2000		4.555	3.131	5.266	12.952
		2000/2001		1.571	2.415	2.805	6.791
		2001/2002		3.874	3.134	7.495	14.504
		MA Total Pure Premium:		4.490	2.400	5.140	12.023
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.869	1.715	2.472	
		Massachusetts Credibility:		0.54	0.82	1.00	
		Countrywide Pure Premium:		2.660	1.550	2.400	6.610
		Countrywide Indicated Relativity:		1.154	1.135	1.168	
		Countrywide Credibility:		0.23	0.09	0.00	
		Countrywide Lost-time Claims:		145	884		
		Pure Premium Underlying Present Rate:		5.560	2.200	4.120	11.880
		Relativity to Underlying Present Rate:		1.925	1.677	2.024	
		Credibility to Underlying Relativity:		0.23	0.09	0.00	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		1.717	1.659	2.472	
		Balanced Formula Relativity:		1.719	1.657	2.468	1.969

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Calculation of Class Relativities

Class(es):		Schedule: 276		Effective: 9/1/2005			Construction	
5480 PLASTERING-NOC-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	17,125,799	3	13	430,386	72,195	321,329	823,910	
1998/1999	19,763,215	2	27	253,724	205,911	139,854	599,489	
1999/2000	23,711,367	2	24	283,597	493,149	279,749	1,056,495	
2000/2001	33,159,555	7	25	1,512,564	437,804	990,913	2,941,281	
2001/2002	32,388,709	0	26	0	587,870	302,228	890,098	
MA Total	126,148,645	14	115	2,480,271	1,796,929	2,034,073	6,311,273	
				MA Indicated Pure Premiums				
				1997/1998	2.513	0.422	1.876	4.811
				1998/1999	1.284	1.042	0.708	3.033
				1999/2000	1.196	2.080	1.180	4.456
				2000/2001	4.561	1.320	2.988	8.870
				2001/2002	0.000	1.815	0.933	2.748
MA Total Pure Premium:				1.970	1.420	1.610	5.003	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.820	1.014	0.774		
Massachusetts Credibility:				0.55	0.81	0.93		
Countrywide Pure Premium:				3.060	1.340	2.410	6.810	
Countrywide Indicated Relativity:				1.328	0.980	1.173		
Countrywide Credibility:				0.22	0.10	0.04		
Countrywide Lost-time Claims:				32	183			
Pure Premium Underlying Present Rate:				2.450	0.940	1.330	4.720	
Relativity to Underlying Present Rate:				0.848	0.716	0.653		
Credibility to Underlying Relativity:				0.23	0.09	0.03		
Industry Group Adjusted Converted Pure Premium:				2.402	1.400	2.079	5.881	
Formula Relativity:				0.938	0.984	0.786		
Balanced Formula Relativity:				0.939	0.983	0.785	0.895	

Class(es):		Schedule: 261		Effective: 9/1/2005			Construction	
5506 STREET OR ROAD CONSTRUCT-ALL KINDS-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	17,413,160	3	23	546,231	179,207	295,555	1,020,993	
1998/1999	18,174,822	2	15	142,879	162,007	194,162	499,048	
1999/2000	20,959,712	1	25	166,323	122,524	124,108	412,955	
2000/2001	25,544,493	3	44	805,420	739,961	904,633	2,450,014	
2001/2002	25,511,779	3	20	563,068	296,207	569,347	1,428,622	
MA Total	107,603,966	12	127	2,223,921	1,499,906	2,087,805	5,811,632	
				MA Indicated Pure Premiums				
				1997/1998	3.137	1.029	1.697	5.863
				1998/1999	0.786	0.891	1.068	2.746
				1999/2000	0.794	0.585	0.592	1.970
				2000/2001	3.153	2.897	3.541	9.591
				2001/2002	2.207	1.161	2.232	5.600
MA Total Pure Premium:				2.070	1.390	1.940	5.401	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.862	0.993	0.933		
Massachusetts Credibility:				0.59	0.76	0.99		
Countrywide Pure Premium:				3.090	1.390	2.240	6.720	
Countrywide Indicated Relativity:				1.341	1.017	1.091		
Countrywide Credibility:				0.20	0.12	0.00		
Countrywide Lost-time Claims:				483	2,341			
Pure Premium Underlying Present Rate:				3.550	0.950	1.830	6.330	
Relativity to Underlying Present Rate:				1.229	0.724	0.899		
Credibility to Underlying Relativity:				0.21	0.12	0.01		
Industry Group Adjusted Converted Pure Premium:				2.402	1.400	2.079	5.881	
Formula Relativity:				1.035	0.964	0.933		
Balanced Formula Relativity:				1.036	0.962	0.931	0.981	

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Calculation of Class Relativities

Class(es):		Schedule: 261		Effective: 9/1/2005		Construction		
5507 STREET OR ROAD CONSTRUCT-CLEARING-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	17,283,208	6	9	1,146,605	90,274	292,889	1,529,768	
1998/1999	16,982,319	4	11	658,498	388,074	363,259	1,409,831	
1999/2000	15,302,395	5	20	1,193,735	518,464	336,048	2,048,247	
2000/2001	18,001,021	2	14	406,579	335,931	243,794	986,304	
2001/2002	23,439,521	1	12	129,296	27,721	121,083	278,100	
MA Total	91,008,464	18	66	3,534,713	1,360,464	1,357,073	6,252,250	
				MA Indicated Pure Premiums				
				1997/1998	6.634	0.522	1.695	8.851
				1998/1999	3.878	2.285	2.139	8.302
				1999/2000	7.801	3.388	2.196	13.385
				2000/2001	2.259	1.866	1.354	5.479
				2001/2002	0.552	0.118	0.517	1.186
MA Total Pure Premium:				3.880	1.490	1.490	6.870	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				1.615	1.064	0.717		
Massachusetts Credibility:				0.58	0.86	0.97		
Countrywide Pure Premium:				1.760	0.990	1.430	4.180	
Countrywide Indicated Relativity:				0.764	0.724	0.696		
Countrywide Credibility:				0.21	0.07	0.02		
Countrywide Lost-time Claims:				202	1,133			
Pure Premium Underlying Present Rate:				3.890	1.510	2.040	7.440	
Relativity to Underlying Present Rate:				1.347	1.151	1.002		
Credibility to Underlying Relativity:				0.21	0.07	0.01		
Industry Group Adjusted Converted Pure Premium:				2.402	1.400	2.079	5.881	
Formula Relativity:				1.380	1.046	0.719		
Balanced Formula Relativity:				1.381	1.045	0.718	1.067	

Class(es):		Schedule: 261		Effective: 9/1/2005		Construction		
5509 STREET OR ROAD MAINTENANCE-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	348,440	0	1	0	1,827	296	2,123	
1998/1999	438,591	0	0	0	0	0	0	
1999/2000	409,732	0	0	0	0	1,274	1,274	
2000/2001	343,589	0	3	0	4,508	9,434	13,942	
2001/2002	328,149	0	1	0	362	976	1,338	
MA Total	1,868,501	0	5	0	6,697	11,980	18,677	
				MA Indicated Pure Premiums				
				1997/1998	0.000	0.524	0.085	0.609
				1998/1999	0.000	0.000	0.000	0.000
				1999/2000	0.000	0.000	0.311	0.311
				2000/2001	0.000	1.312	2.746	4.058
				2001/2002	0.000	0.110	0.297	0.408
MA Total Pure Premium:				0.000	0.360	0.640	1.000	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.000	0.257	0.308		
Massachusetts Credibility:				0.07	0.17	0.19		
Countrywide Pure Premium:				2.070	1.620	2.450	6.140	
Countrywide Indicated Relativity:				0.898	1.185	1.193		
Countrywide Credibility:				0.21	0.42	0.40		
Countrywide Lost-time Claims:				9	178			
Pure Premium Underlying Present Rate:				1.110	1.240	1.720	4.070	
Relativity to Underlying Present Rate:				0.384	0.945	0.845		
Credibility to Underlying Relativity:				0.72	0.41	0.41		
Industry Group Adjusted Converted Pure Premium:				2.402	1.400	2.079	5.881	
Formula Relativity:				0.465	0.929	0.882		
Balanced Formula Relativity:				0.465	0.928	0.881	0.722	

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Class(es):		Schedule: 271		Effective: 9/1/2005			Construction	
5538 SHEET METAL WORK-DR NOC								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	88,181,527	13	127	1,520,850	1,509,354	1,989,577	5,019,781	
1998/1999	95,766,116	11	129	1,943,622	1,261,407	1,891,011	5,096,040	
1999/2000	117,770,944	11	145	1,400,680	2,036,010	1,905,461	5,342,151	
2000/2001	124,488,357	15	172	2,282,436	2,490,153	3,211,315	7,983,904	
2001/2002	136,265,461	10	138	2,265,832	1,956,253	2,359,734	6,581,819	
MA Total	562,472,405	60	711	9,413,420	9,253,177	11,357,098	30,023,695	
				MA Indicated Pure Premiums				
		1997/1998		1.725	1.712	2.256	5.693	
		1998/1999		2.030	1.317	1.975	5.321	
		1999/2000		1.189	1.729	1.618	4.536	
		2000/2001		1.833	2.000	2.580	6.413	
		2001/2002		1.663	1.436	1.732	4.830	
		MA Total Pure Premium:		1.670	1.650	2.020	5.338	
				Pure Premium Relativities				
		Massachusetts Indicated Relativity:		0.695	1.179	0.972		
		Massachusetts Credibility:		1.00	1.00	1.00		
		Countrywide Pure Premium:		2.380	1.330	2.000	5.710	
		Countrywide Indicated Relativity:		1.033	0.973	0.974		
		Countrywide Credibility:		0.00	0.00	0.00		
		Countrywide Lost-time Claims:		534	4,079			
		Pure Premium Underlying Present Rate:		2.980	1.420	2.190	6.590	
		Relativity to Underlying Present Rate:		1.032	1.082	1.076		
		Credibility to Underlying Relativity:		0.00	0.00	0.00		
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881	
		Formula Relativity:		0.695	1.179	0.972		
		Balanced Formula Relativity:		0.696	1.178	0.970	0.907	

Class(es):		Schedule: 277		Effective: 9/1/2005			Construction	
5545 ROOFING-NOC-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	1,196,228	2	11	250,082	201,567	295,597	747,246	
1998/1999	2,407,481	8	25	855,731	116,724	1,092,535	2,064,990	
1999/2000	1,791,577	5	9	620,123	43,829	490,429	1,154,381	
2000/2001	3,604,771	2	13	277,344	87,030	445,451	809,825	
2001/2002	5,671,479	4	13	939,972	135,010	961,845	2,036,827	
MA Total	14,671,536	21	71	2,943,252	584,160	3,285,857	6,813,269	
				MA Indicated Pure Premiums				
		1997/1998		20.906	16.850	24.711	62.467	
		1998/1999		35.545	4.848	45.381	85.774	
		1999/2000		34.613	2.446	27.374	64.434	
		2000/2001		7.694	2.414	12.357	22.465	
		2001/2002		16.574	2.381	16.959	35.914	
		MA Total Pure Premium:		20.060	3.980	22.400	46.439	
				Pure Premium Relativities				
		Massachusetts Indicated Relativity:		8.351	2.843	10.774		
		Massachusetts Credibility:		0.51	0.73	1.00		
		Countrywide Pure Premium:		0.000	0.000	0.000	0.000	
		Countrywide Indicated Relativity:		6.205	4.783	9.250		
		Countrywide Credibility:		0.00	0.00	0.00		
		Countrywide Lost-time Claims:		0	0			
		Pure Premium Underlying Present Rate:		18.010	6.300	18.970	43.280	
		Relativity to Underlying Present Rate:		6.236	4.802	9.320		
		Credibility to Underlying Relativity:		0.49	0.27	0.00		
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881	
		Formula Relativity:		7.315	3.372	10.774		
		Balanced Formula Relativity:		7.321	3.368	10.757	7.595	

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Calculation of Class Relativities

Class(es):		Schedule: 277		Effective: 9/1/2005			Construction	
5547 ROOFING-BUILT UP-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	24,229,834	15	88	1,937,283	804,739	2,408,953	5,150,975	
1998/1999	27,899,173	16	71	2,066,699	556,463	2,032,544	4,655,706	
1999/2000	34,271,303	14	89	2,268,349	662,984	1,491,436	4,422,769	
2000/2001	32,272,588	8	89	1,431,745	1,082,018	1,384,839	3,898,602	
2001/2002	33,324,601	11	62	2,620,447	1,106,421	1,945,409	5,672,277	
MA Total	151,997,499	64	399	10,324,523	4,212,625	9,263,181	23,800,329	
				MA Indicated Pure Premiums				
		1997/1998		7.995	3.321	9.942	21.259	
		1998/1999		7.408	1.995	7.285	16.688	
		1999/2000		6.619	1.935	4.352	12.905	
		2000/2001		4.436	3.353	4.291	12.080	
		2001/2002		7.863	3.320	5.838	17.021	
		MA Total Pure Premium:		6.790	2.770	6.090	15.658	
				Pure Premium Relativities				
		Massachusetts Indicated Relativity:		2.827	1.979	2.929		
		Massachusetts Credibility:		0.99	1.00	1.00		
		Countrywide Pure Premium:		6.490	2.980	6.670	16.140	
		Countrywide Indicated Relativity:		2.817	2.181	3.248		
		Countrywide Credibility:		0.00	0.00	0.00		
		Countrywide Lost-time Claims:		88	765			
		Pure Premium Underlying Present Rate:		8.920	2.630	7.860	19.410	
		Relativity to Underlying Present Rate:		3.089	2.004	3.862		
		Credibility to Underlying Relativity:		0.01	0.00	0.00		
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881	
		Formula Relativity:		2.830	1.979	2.929		
		Balanced Formula Relativity:		2.832	1.977	2.924	2.661	

Class(es):		Schedule: 279		Effective: 9/1/2005			Construction	
5606 CONTRACTOR-EXECUTIVE SUPERVISOR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	323,036,205	19	122	2,294,109	1,533,516	1,736,026	5,563,651	
1998/1999	357,488,863	20	126	3,372,148	1,887,034	2,715,636	7,974,818	
1999/2000	407,698,248	19	125	3,513,827	1,835,262	3,251,436	8,600,525	
2000/2001	465,796,000	16	142	2,957,671	2,992,863	3,419,253	9,369,787	
2001/2002	473,124,244	17	107	2,723,945	2,024,680	2,592,777	7,341,402	
MA Total	2,027,143,560	91	622	14,861,700	10,273,355	13,715,128	38,850,183	
				MA Indicated Pure Premiums				
		1997/1998		0.710	0.475	0.537	1.722	
		1998/1999		0.943	0.528	0.760	2.231	
		1999/2000		0.862	0.450	0.798	2.110	
		2000/2001		0.635	0.643	0.734	2.012	
		2001/2002		0.576	0.428	0.548	1.552	
		MA Total Pure Premium:		0.730	0.510	0.680	1.916	
				Pure Premium Relativities				
		Massachusetts Indicated Relativity:		0.304	0.364	0.327		
		Massachusetts Credibility:		1.00	1.00	1.00		
		Countrywide Pure Premium:		0.750	0.450	0.700	1.900	
		Countrywide Indicated Relativity:		0.325	0.330	0.340		
		Countrywide Credibility:		0.00	0.00	0.00		
		Countrywide Lost-time Claims:		449	2,433			
		Pure Premium Underlying Present Rate:		0.890	0.550	0.730	2.170	
		Relativity to Underlying Present Rate:		0.308	0.419	0.359		
		Credibility to Underlying Relativity:		0.00	0.00	0.00		
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881	
		Formula Relativity:		0.304	0.364	0.327		
		Balanced Formula Relativity:		0.304	0.364	0.326	0.326	

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Calculation of Class Relativities

Class(es):		Schedule: 279		Effective: 9/1/2005		Construction	
5610 CLEANERS-ENGAGED IN REMOVAL OF DEBRIS							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	15,902,061	5	11	555,697	86,953	229,885	872,535
1998/1999	21,523,392	3	16	201,875	60,816	131,479	394,170
1999/2000	28,254,303	2	23	258,855	174,591	281,708	715,154
2000/2001	21,454,905	2	14	322,483	331,673	380,042	1,034,198
2001/2002	22,288,207	1	20	188,328	443,273	186,509	818,110
MA Total	109,422,868	13	84	1,527,238	1,097,306	1,209,623	3,834,167
				MA Indicated Pure Premiums			
		1997/1998		3.494	0.547	1.446	5.487
		1998/1999		0.938	0.283	0.611	1.831
		1999/2000		0.916	0.618	0.997	2.531
		2000/2001		1.503	1.546	1.771	4.820
		2001/2002		0.845	1.989	0.837	3.671
		MA Total Pure Premium:		1.400	1.000	1.110	3.504
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		0.583	0.714	0.534	
		Massachusetts Credibility:		0.60	0.60	1.00	
		Countrywide Pure Premium:		1.480	1.170	1.620	4.270
		Countrywide Indicated Relativity:		0.643	0.856	0.789	
		Countrywide Credibility:		0.20	0.20	0.00	
		Countrywide Lost-time Claims:		13	145		
		Pure Premium Underlying Present Rate:		3.620	0.510	1.880	6.010
		Relativity to Underlying Present Rate:		1.253	0.389	0.924	
		Credibility to Underlying Relativity:		0.20	0.20	0.00	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		0.729	0.677	0.534	
		Balanced Formula Relativity:		0.730	0.677	0.533	0.648

Class(es):		Schedule: 274		Effective: 9/1/2005		Construction	
5645 CARPENTRY-DETACHED PRIVATE RESIDENCES 5651 CARPENTRY-DWELLINGS-3 STORIES OR LESS							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	218,091,200	39	411	4,487,856	4,563,354	6,956,060	16,007,270
1998/1999	258,601,008	48	438	5,849,766	4,905,511	8,211,856	18,967,133
1999/2000	285,112,394	56	425	7,074,676	4,248,966	10,357,394	21,681,036
2000/2001	341,444,681	41	485	5,575,293	7,688,931	10,428,635	23,692,859
2001/2002	385,634,399	45	468	8,750,760	6,364,170	11,185,717	26,300,647
MA Total	1,488,883,682	229	2,227	31,738,351	27,770,932	47,139,662	106,648,945
				MA Indicated Pure Premiums			
		1997/1998		2.058	2.092	3.190	7.340
		1998/1999		2.262	1.897	3.175	7.335
		1999/2000		2.481	1.490	3.633	7.604
		2000/2001		1.633	2.252	3.054	6.939
		2001/2002		2.269	1.650	2.901	6.820
		MA Total Pure Premium:		2.130	1.870	3.170	7.163
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		0.887	1.336	1.525	
		Massachusetts Credibility:		1.00	1.00	1.00	
		Countrywide Pure Premium:		3.510	2.460	3.900	9.870
		Countrywide Indicated Relativity:		1.523	1.800	1.899	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		2,046	14,434		
		Pure Premium Underlying Present Rate:		3.260	1.840	3.630	8.730
		Relativity to Underlying Present Rate:		1.129	1.402	1.783	
		Credibility to Underlying Relativity:		0.00	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		0.887	1.336	1.525	
		Balanced Formula Relativity:		0.888	1.334	1.523	1.218

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Class(es):		Schedule: 278		Effective: 9/1/2005		Construction	
5701 WRECKING-BUILDING/STRUCTURE-NOT MARINE							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	2,629,322	1	6	312,916	40,721	146,950	500,587
1998/1999	2,419,843	2	1	143,030	1,994	42,520	187,544
1999/2000	1,825,892	2	8	270,784	42,031	378,479	691,294
2000/2001	3,170,488	2	2	196,469	1,269	111,087	308,825
2001/2002	2,255,058	0	1	0	4,890	1,981	6,871
MA Total	12,300,603	7	18	923,199	90,905	681,017	1,695,121
		MA Indicated Pure Premiums					
	1997/1998			11.901	1.549	5.589	19.039
	1998/1999			5.911	0.082	1.757	7.750
	1999/2000			14.830	2.302	20.728	37.861
	2000/2001			6.197	0.040	3.504	9.741
	2001/2002			0.000	0.217	0.088	0.305
	MA Total Pure Premium:			7.510	0.740	5.540	13.781
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:			3.126	0.529	2.665	
	Massachusetts Credibility:			0.41	0.56	0.72	
	Countrywide Pure Premium:			16.680	3.310	7.830	27.820
	Countrywide Indicated Relativity:			7.239	2.422	3.812	
	Countrywide Credibility:			0.21	0.22	0.14	
	Countrywide Lost-time Claims:			9	28		
	Pure Premium Underlying Present Rate:			12.160	3.840	7.260	23.260
	Relativity to Underlying Present Rate:			4.211	2.927	3.567	
	Credibility to Underlying Relativity:			0.38	0.22	0.14	
	Industry Group Adjusted Converted Pure Premium:			2.402	1.400	2.079	5.881
	Formula Relativity:			4.402	1.473	2.952	
	Balanced Formula Relativity:			4.406	1.471	2.947	3.192

Class(es):		Schedule: 278		Effective: 9/1/2005		Construction	
5703 BUILDING RAISING OR MOVING-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,332,496	1	5	120,332	95,260	128,626	344,218
1998/1999	839,545	0	1	0	3,427	3,690	7,117
1999/2000	867,601	0	3	0	9,831	31,870	41,701
2000/2001	1,339,700	0	1	0	17,294	3,873	21,167
2001/2002	3,714,127	1	2	298,393	43,238	282,453	624,084
MA Total	8,093,469	2	12	418,725	169,050	450,512	1,038,287
		MA Indicated Pure Premiums					
	1997/1998			9.031	7.149	9.653	25.833
	1998/1999			0.000	0.408	0.440	0.848
	1999/2000			0.000	1.133	3.673	4.806
	2000/2001			0.000	1.291	0.289	1.580
	2001/2002			8.034	1.164	7.605	16.803
	MA Total Pure Premium:			5.170	2.090	5.570	12.829
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:			2.152	1.493	2.679	
	Massachusetts Credibility:			0.35	0.37	0.62	
	Countrywide Pure Premium:			2.790	1.810	3.710	8.310
	Countrywide Indicated Relativity:			1.211	1.325	1.806	
	Countrywide Credibility:			0.20	0.25	0.19	
	Countrywide Lost-time Claims:			8	28		
	Pure Premium Underlying Present Rate:			12.160	2.010	7.620	21.790
	Relativity to Underlying Present Rate:			4.211	1.532	3.744	
	Credibility to Underlying Relativity:			0.45	0.38	0.19	
	Industry Group Adjusted Converted Pure Premium:			2.402	1.400	2.079	5.881
	Formula Relativity:			2.890	1.466	2.715	
	Balanced Formula Relativity:			2.893	1.464	2.711	2.488

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Calculation of Class Relativities

Class(es): 6204 DRILLING NOC-DR		Schedule: 263		Effective: 9/1/2005			Construction	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	23,692,532	5	32	776,656	293,814	467,834	1,538,304	
1998/1999	27,099,438	10	33	1,571,416	265,075	666,416	2,502,907	
1999/2000	26,063,595	10	43	1,674,260	837,504	1,317,376	3,829,140	
2000/2001	20,161,920	3	24	877,466	273,188	467,726	1,618,380	
2001/2002	19,778,395	3	31	1,053,494	443,795	355,028	1,852,317	
MA Total	116,795,880	31	163	5,953,292	2,113,376	3,274,380	11,341,048	
				MA Indicated Pure Premiums				
				1997/1998	3.278	1.240	1.975	6.493
				1998/1999	5.799	0.978	2.459	9.236
				1999/2000	6.424	3.213	5.054	14.692
				2000/2001	4.352	1.355	2.320	8.027
				2001/2002	5.326	2.244	1.795	9.365
MA Total Pure Premium:				5.100	1.810	2.800	9.710	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				2.123	1.293	1.347		
Massachusetts Credibility:				0.78	0.98	1.00		
Countrywide Pure Premium:				3.790	2.470	3.140	9.400	
Countrywide Indicated Relativity:				1.645	1.807	1.528		
Countrywide Credibility:				0.11	0.01	0.00		
Countrywide Lost-time Claims:				100	841			
Pure Premium Underlying Present Rate:				6.460	1.640	3.400	11.500	
Relativity to Underlying Present Rate:				2.237	1.250	1.670		
Credibility to Underlying Relativity:				0.11	0.01	0.00		
Industry Group Adjusted Converted Pure Premium:				2.402	1.400	2.079	5.881	
Formula Relativity:				2.083	1.298	1.347		
Balanced Formula Relativity:				2.085	1.296	1.345	1.635	

Class(es): 6217 EXCAVATION-DR 6229 IRRIGATION OR DRAINAGE SYSTEM CONST-DR		Schedule: 264		Effective: 9/1/2005			Construction	
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	238,721,990	48	239	7,370,446	2,506,334	5,263,948	15,140,728	
1998/1999	254,304,469	53	257	7,763,441	2,372,037	5,943,090	16,078,568	
1999/2000	283,692,337	34	237	6,142,311	3,540,103	4,319,914	14,002,328	
2000/2001	313,691,873	26	205	3,851,261	2,983,556	3,777,677	10,612,494	
2001/2002	301,388,533	17	179	3,979,284	2,916,014	4,428,681	11,323,979	
MA Total	1,391,799,202	178	1,117	29,106,743	14,318,044	23,733,310	67,158,097	
				MA Indicated Pure Premiums				
				1997/1998	3.087	1.050	2.205	6.342
				1998/1999	3.053	0.933	2.337	6.323
				1999/2000	2.165	1.248	1.523	4.936
				2000/2001	1.228	0.951	1.204	3.383
				2001/2002	1.320	0.968	1.469	3.757
MA Total Pure Premium:				2.090	1.030	1.710	4.825	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.870	0.736	0.822		
Massachusetts Credibility:				1.00	1.00	1.00		
Countrywide Pure Premium:				2.190	1.250	1.840	5.280	
Countrywide Indicated Relativity:				0.950	0.914	0.896		
Countrywide Credibility:				0.00	0.00	0.00		
Countrywide Lost-time Claims:				389	3,184			
Pure Premium Underlying Present Rate:				2.870	1.040	1.810	5.720	
Relativity to Underlying Present Rate:				0.994	0.793	0.889		
Credibility to Underlying Relativity:				0.00	0.00	0.00		
Industry Group Adjusted Converted Pure Premium:				2.402	1.400	2.079	5.881	
Formula Relativity:				0.870	0.736	0.822		
Balanced Formula Relativity:				0.871	0.735	0.821	0.821	

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Class(es):		Schedule: 266		Effective: 9/1/2005			Construction	
6233 OIL OR GAS PIPE LINE CONSTRUCTION-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	2,950,896	1	0	164,568	0	38,604	203,172	
1998/1999	1,893,730	0	3	0	205,949	42,453	248,402	
1999/2000	845,825	0	3	0	32,551	12,349	44,900	
2000/2001	5,885,554	0	0	0	0	2,564	2,564	
2001/2002	273,357	0	0	0	0	0	0	
MA Total	11,849,362	1	6	164,568	238,500	95,970	499,038	
MA Indicated Pure Premiums								
		1997/1998		5.577	0.000	1.308	6.885	
		1998/1999		0.000	10.875	2.242	13.117	
		1999/2000		0.000	3.848	1.460	5.308	
		2000/2001		0.000	0.000	0.044	0.044	
		2001/2002		0.000	0.000	0.000	0.000	
		MA Total Pure Premium:		1.390	2.010	0.810	4.212	
Pure Premium Relativities								
		Massachusetts Indicated Relativity:		0.579	1.436	0.390		
		Massachusetts Credibility:		0.27	0.41	0.40		
		Countrywide Pure Premium:		3.590	0.960	1.280	5.830	
		Countrywide Indicated Relativity:		1.558	0.702	0.623		
		Countrywide Credibility:		0.36	0.30	0.30		
		Countrywide Lost-time Claims:		40	137			
		Pure Premium Underlying Present Rate:		4.670	1.850	1.660	8.180	
		Relativity to Underlying Present Rate:		1.617	1.410	0.816		
		Credibility to Underlying Relativity:		0.37	0.29	0.30		
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881	
		Formula Relativity:		1.316	1.208	0.588		
		Balanced Formula Relativity:		1.317	1.207	0.587	1.032	

Class(es):		Schedule: 267		Effective: 9/1/2005			Construction	
6251 TUNNELING-NOT PNEUMATIC-ALL OPERATIONS								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	38,544,787	12	38	2,181,086	308,864	800,536	3,290,486	
1998/1999	47,917,946	10	27	1,943,665	317,466	718,832	2,979,963	
1999/2000	77,118,026	13	43	2,865,959	342,364	1,388,898	4,597,221	
2000/2001	69,699,897	4	25	673,487	485,508	536,592	1,695,587	
2001/2002	69,113,893	6	12	1,084,372	363,460	786,914	2,234,746	
MA Total	302,394,549	45	145	8,748,569	1,817,662	4,231,772	14,798,003	
MA Indicated Pure Premiums								
		1997/1998		5.659	0.801	2.077	8.537	
		1998/1999		4.056	0.663	1.500	6.219	
		1999/2000		3.716	0.444	1.801	5.961	
		2000/2001		0.966	0.697	0.770	2.433	
		2001/2002		1.569	0.526	1.139	3.233	
		MA Total Pure Premium:		2.890	0.600	1.400	4.894	
Pure Premium Relativities								
		Massachusetts Indicated Relativity:		1.203	0.429	0.673		
		Massachusetts Credibility:		1.00	1.00	1.00		
		Countrywide Pure Premium:		4.230	1.790	2.220	8.240	
		Countrywide Indicated Relativity:		1.836	1.310	1.081		
		Countrywide Credibility:		0.00	0.00	0.00		
		Countrywide Lost-time Claims:		37	106			
		Pure Premium Underlying Present Rate:		5.860	1.200	1.840	8.900	
		Relativity to Underlying Present Rate:		2.029	0.915	0.904		
		Credibility to Underlying Relativity:		0.00	0.00	0.00		
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881	
		Formula Relativity:		1.203	0.429	0.673		
		Balanced Formula Relativity:		1.204	0.428	0.672	0.831	

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Class(es):		Schedule: 267		Effective: 9/1/2005		Construction	
6252 CAISSON WORK-ALL OPERATIONS							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	4,832,393	1	2	93,964	19,265	74,041	187,270
1998/1999	4,427,313	2	2	281,582	7,102	77,600	366,284
1999/2000	5,588,742	2	1	482,230	7,607	90,929	580,766
2000/2001	7,191,888	0	1	0	482	0	482
2001/2002	3,092,672	0	0	0	0	10,015	10,015
MA Total	25,133,008	5	6	857,776	34,456	252,585	1,144,817
		MA Indicated Pure Premiums					
		1997/1998		1.944	0.399	1.532	3.875
		1998/1999		6.360	0.160	1.753	8.273
		1999/2000		8.629	0.136	1.627	10.392
		2000/2001		0.000	0.007	0.000	0.007
		2001/2002		0.000	0.000	0.324	0.324
		MA Total Pure Premium:		3.410	0.140	1.000	4.555
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.420	0.100	0.481	
		Massachusetts Credibility:		0.37	0.43	0.52	
		Countrywide Pure Premium:		0.860	1.370	2.710	4.940
		Countrywide Indicated Relativity:		0.373	1.002	1.319	
		Countrywide Credibility:		0.15	0.18	0.24	
		Countrywide Lost-time Claims:		4	13		
		Pure Premium Underlying Present Rate:		4.690	0.960	1.580	7.230
		Relativity to Underlying Present Rate:		1.624	0.732	0.776	
		Credibility to Underlying Relativity:		0.48	0.39	0.24	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		1.361	0.509	0.753	
		Balanced Formula Relativity:		1.362	0.508	0.752	0.943

Class(es):		Schedule: 266		Effective: 9/1/2005		Construction	
6306 SEWER CONSTRUCTION-ALL OPERATIONS-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	28,208,699	6	20	954,848	201,709	962,821	2,119,378
1998/1999	27,348,700	9	25	1,646,850	351,102	682,194	2,680,146
1999/2000	23,811,867	2	20	334,769	156,373	185,441	676,583
2000/2001	25,875,600	1	24	340,863	654,089	373,563	1,368,515
2001/2002	25,399,921	4	16	684,642	219,422	470,396	1,374,460
MA Total	130,644,787	22	105	3,961,972	1,582,695	2,674,415	8,219,082
		MA Indicated Pure Premiums					
		1997/1998		3.385	0.715	3.413	7.513
		1998/1999		6.022	1.284	2.494	9.800
		1999/2000		1.406	0.657	0.779	2.841
		2000/2001		1.317	2.528	1.444	5.289
		2001/2002		2.695	0.864	1.852	5.411
		MA Total Pure Premium:		3.030	1.210	2.050	6.291
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.261	0.864	0.986	
		Massachusetts Credibility:		0.72	0.96	1.00	
		Countrywide Pure Premium:		2.730	1.100	1.930	5.760
		Countrywide Indicated Relativity:		1.185	0.805	0.940	
		Countrywide Credibility:		0.14	0.02	0.00	
		Countrywide Lost-time Claims:		55	393		
		Pure Premium Underlying Present Rate:		4.720	1.390	2.330	8.440
		Relativity to Underlying Present Rate:		1.634	1.059	1.145	
		Credibility to Underlying Relativity:		0.14	0.02	0.00	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		1.303	0.867	0.986	
		Balanced Formula Relativity:		1.304	0.866	0.984	1.087

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Class(es):		Schedule: 266		Effective: 9/1/2005		Construction	
6319 GAS MAINS OR CONNECTIONS CONSTRUCT-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	33,004,672	2	22	474,517	233,236	419,711	1,127,464
1998/1999	38,989,192	4	38	482,054	226,775	480,715	1,189,544
1999/2000	40,757,969	9	44	939,084	561,171	747,887	2,248,142
2000/2001	43,569,398	6	43	1,343,908	385,655	1,037,282	2,766,845
2001/2002	42,771,518	6	34	1,177,550	796,773	1,077,507	3,051,830
MA Total	199,092,749	27	181	4,417,113	2,203,610	3,763,102	10,383,825
		MA Indicated Pure Premiums					
		1997/1998		1.438	0.707	1.272	3.416
		1998/1999		1.236	0.582	1.233	3.051
		1999/2000		2.304	1.377	1.835	5.516
		2000/2001		3.085	0.885	2.381	6.350
		2001/2002		2.753	1.863	2.519	7.135
		MA Total Pure Premium:		2.220	1.110	1.890	5.216
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.924	0.793	0.909	
		Massachusetts Credibility:		0.70	1.00	1.00	
		Countrywide Pure Premium:		2.910	0.950	1.520	5.380
		Countrywide Indicated Relativity:		1.263	0.695	0.740	
		Countrywide Credibility:		0.15	0.00	0.00	
		Countrywide Lost-time Claims:		90	599		
		Pure Premium Underlying Present Rate:		2.930	1.050	1.410	5.390
		Relativity to Underlying Present Rate:		1.015	0.800	0.693	
		Credibility to Underlying Relativity:		0.15	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		0.989	0.793	0.909	
		Balanced Formula Relativity:		0.989	0.792	0.908	0.913

Class(es):		Schedule: 266		Effective: 9/1/2005		Construction	
6325 CONDUIT CONSTRUCTION-CABLE OR WIRES-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	11,197,848	0	7	0	25,386	43,158	68,544
1998/1999	9,842,161	0	11	0	67,255	38,961	106,216
1999/2000	17,887,449	0	12	0	307,536	227,870	535,406
2000/2001	31,548,689	3	11	487,215	89,929	285,935	863,079
2001/2002	13,977,830	0	8	0	40,978	23,194	64,172
MA Total	84,453,977	3	49	487,215	531,084	619,118	1,637,417
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.227	0.385	0.612
		1998/1999		0.000	0.683	0.396	1.079
		1999/2000		0.000	1.719	1.274	2.993
		2000/2001		1.544	0.285	0.906	2.736
		2001/2002		0.000	0.293	0.166	0.459
		MA Total Pure Premium:		0.580	0.630	0.730	1.939
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.241	0.450	0.351	
		Massachusetts Credibility:		0.38	0.56	0.62	
		Countrywide Pure Premium:		1.680	1.050	1.380	4.110
		Countrywide Indicated Relativity:		0.729	0.768	0.672	
		Countrywide Credibility:		0.31	0.22	0.19	
		Countrywide Lost-time Claims:		269	1,337		
		Pure Premium Underlying Present Rate:		1.520	0.550	0.730	2.800
		Relativity to Underlying Present Rate:		0.526	0.419	0.359	
		Credibility to Underlying Relativity:		0.31	0.22	0.19	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		0.481	0.513	0.414	
		Balanced Formula Relativity:		0.481	0.513	0.413	0.464

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Class(es):		Schedule: 279		Effective: 9/1/2005		Construction	
6400 FENCE CONSTRUCTION-METAL							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	9,937,397	1	24	136,177	98,769	215,181	450,127
1998/1999	13,365,602	4	25	462,637	251,922	287,919	1,002,478
1999/2000	14,385,592	1	19	167,036	114,564	125,642	407,242
2000/2001	17,645,468	4	26	882,325	169,924	526,252	1,578,501
2001/2002	20,581,169	2	19	457,132	101,064	276,168	834,364
MA Total	75,915,228	12	113	2,105,307	736,243	1,431,162	4,272,712
				MA Indicated Pure Premiums			
		1997/1998		1.370	0.994	2.165	4.530
		1998/1999		3.461	1.885	2.154	7.500
		1999/2000		1.161	0.796	0.873	2.831
		2000/2001		5.000	0.963	2.982	8.946
		2001/2002		2.221	0.491	1.342	4.054
		MA Total Pure Premium:		2.770	0.970	1.890	5.628
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		1.153	0.693	0.909	
		Massachusetts Credibility:		0.50	0.84	0.93	
		Countrywide Pure Premium:		3.580	1.730	2.730	8.040
		Countrywide Indicated Relativity:		1.554	1.266	1.329	
		Countrywide Credibility:		0.25	0.08	0.04	
		Countrywide Lost-time Claims:		203	1,168		
		Pure Premium Underlying Present Rate:		3.290	1.680	2.190	7.160
		Relativity to Underlying Present Rate:		1.139	1.280	1.076	
		Credibility to Underlying Relativity:		0.25	0.08	0.03	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		1.250	0.786	0.931	
		Balanced Formula Relativity:		1.251	0.785	0.929	1.026

Class(es):		Schedule: 280		Effective: 9/1/2005		Miscellaneous	
6834 BOAT BUILDING OR REPAIRING-ST COV							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	8,571,400	1	11	57,058	30,332	60,309	147,699
1998/1999	10,380,519	1	6	163,609	22,425	312,092	498,126
1999/2000	11,552,989	2	5	176,320	54,398	155,846	386,564
2000/2001	13,619,165	1	10	170,888	52,623	327,142	550,653
2001/2002	14,347,252	1	13	138,537	78,683	239,874	457,094
MA Total	58,471,325	6	45	706,412	238,461	1,095,263	2,040,136
				MA Indicated Pure Premiums			
		1997/1998		0.666	0.354	0.704	1.723
		1998/1999		1.576	0.216	3.007	4.799
		1999/2000		1.526	0.471	1.349	3.346
		2000/2001		1.255	0.386	2.402	4.043
		2001/2002		0.966	0.548	1.672	3.186
		MA Total Pure Premium:		1.210	0.410	1.870	3.489
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		0.772	0.313	1.010	
		Massachusetts Credibility:		0.28	0.64	0.68	
		Countrywide Pure Premium:		1.120	0.890	1.560	3.570
		Countrywide Indicated Relativity:		0.712	0.692	0.846	
		Countrywide Credibility:		0.36	0.18	0.16	
		Countrywide Lost-time Claims:		98	617		
		Pure Premium Underlying Present Rate:		1.030	1.110	1.290	3.430
		Relativity to Underlying Present Rate:		0.546	0.946	0.750	
		Credibility to Underlying Relativity:		0.36	0.18	0.16	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.669	0.495	0.942	
		Balanced Formula Relativity:		0.676	0.493	0.946	0.731

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Class(es):		Schedule: 280		Effective: 9/1/2005		Miscellaneous	
6836 MARINA AND DR-ST COV							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	22,104,518	1	28	63,421	272,316	201,854	537,591
1998/1999	23,571,238	1	18	213,705	173,763	283,418	670,886
1999/2000	27,835,465	0	17	0	41,306	92,288	133,594
2000/2001	30,072,838	1	27	202,730	101,917	187,153	491,800
2001/2002	31,794,390	3	19	457,933	98,633	408,740	965,306
MA Total	135,378,449	6	109	937,789	687,935	1,173,453	2,799,177
		MA Indicated Pure Premiums					
		1997/1998		0.287	1.232	0.913	2.432
		1998/1999		0.907	0.737	1.202	2.846
		1999/2000		0.000	0.148	0.332	0.480
		2000/2001		0.674	0.339	0.622	1.635
		2001/2002		1.440	0.310	1.286	3.036
		MA Total Pure Premium:		0.690	0.510	0.870	2.068
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.440	0.389	0.470	
		Massachusetts Credibility:		0.34	0.67	0.75	
		Countrywide Pure Premium:		1.580	1.010	1.580	4.170
		Countrywide Indicated Relativity:		1.005	0.785	0.857	
		Countrywide Credibility:		0.32	0.16	0.12	
		Countrywide Lost-time Claims:		26	286		
		Pure Premium Underlying Present Rate:		0.710	0.540	0.720	1.970
		Relativity to Underlying Present Rate:		0.377	0.460	0.418	
		Credibility to Underlying Relativity:		0.34	0.17	0.13	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.599	0.464	0.510	
		Balanced Formula Relativity:		0.606	0.463	0.512	0.529

Class(es):		Schedule: 320		Effective: 9/1/2005		Miscellaneous	
7219 TRUCKING-NOC-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	364,359,808	82	1,035	11,287,767	6,339,336	9,059,100	26,686,203
1998/1999	380,868,636	67	946	10,152,626	6,761,027	8,700,238	25,613,891
1999/2000	506,369,248	82	832	12,764,997	7,422,668	10,315,441	30,503,106
2000/2001	232,360,314	34	351	5,677,532	5,989,619	5,685,091	17,352,242
2001/2002	229,229,667	25	317	4,836,682	5,705,598	5,989,496	16,531,776
MA Total	1,713,187,673	290	3,481	44,719,604	32,218,248	39,749,366	116,687,218
		MA Indicated Pure Premiums					
		1997/1998		3.098	1.740	2.486	7.324
		1998/1999		2.666	1.775	2.284	6.725
		1999/2000		2.521	1.466	2.037	6.024
		2000/2001		2.443	2.578	2.447	7.468
		2001/2002		2.110	2.489	2.613	7.212
		MA Total Pure Premium:		2.610	1.880	2.320	6.811
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.665	1.434	1.253	
		Massachusetts Credibility:		1.00	1.00	1.00	
		Countrywide Pure Premium:		2.370	1.640	2.170	6.180
		Countrywide Indicated Relativity:		1.507	1.275	1.177	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		3,760	22,213		
		Pure Premium Underlying Present Rate:		3.030	1.620	2.180	6.830
		Relativity to Underlying Present Rate:		1.607	1.380	1.267	
		Credibility to Underlying Relativity:		0.00	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		1.665	1.434	1.253	
		Balanced Formula Relativity:		1.683	1.429	1.259	1.446

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Calculation of Class Relativities

Class(es):		Schedule: 320		Effective: 9/1/2005		Miscellaneous	
7230 PARCEL OR PACKAGE DELIVERY-ALL EMP-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,945,259	1	6	54,654	29,178	30,206	114,038
1998/1999	3,252,050	1	12	61,374	35,542	177,898	274,814
1999/2000	4,439,726	2	16	197,745	30,147	230,031	457,923
2000/2001	3,930,590	0	3	0	41,345	13,839	55,184
2001/2002	3,513,091	0	4	0	7,943	12,493	20,436
MA Total	17,080,716	4	41	313,773	144,155	464,467	922,395
MA Indicated Pure Premiums							
			1997/1998	2.810	1.500	1.553	5.862
			1998/1999	1.887	1.093	5.470	8.450
			1999/2000	4.454	0.679	5.181	10.314
			2000/2001	0.000	1.052	0.352	1.404
			2001/2002	0.000	0.226	0.356	0.582
			MA Total Pure Premium:	1.840	0.840	2.720	5.400
Pure Premium Relativities							
			Massachusetts Indicated Relativity:	1.174	0.641	1.469	
			Massachusetts Credibility:	0.30	0.54	0.74	
			Countrywide Pure Premium:	2.280	1.670	1.930	5.880
			Countrywide Indicated Relativity:	1.450	1.298	1.047	
			Countrywide Credibility:	0.35	0.23	0.13	
			Countrywide Lost-time Claims:	175	3,234		
			Pure Premium Underlying Present Rate:	4.100	2.540	5.490	12.130
			Relativity to Underlying Present Rate:	2.174	2.164	3.191	
			Credibility to Underlying Relativity:	0.35	0.23	0.13	
			Industry Group Adjusted Converted Pure Premium:	1.567	1.311	1.852	4.730
			Formula Relativity:	1.621	1.142	1.638	
			Balanced Formula Relativity:	1.638	1.138	1.645	1.502

Class(es):		Schedule: 320		Effective: 9/1/2005		Miscellaneous	
7231 TRUCKING-MAIL,ETC DELIVERY-ALL EMP-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	15,476,046	5	37	712,305	94,341	352,780	1,159,426
1998/1999	15,849,971	0	34	0	283,337	302,549	585,886
1999/2000	16,493,087	3	29	500,994	462,424	483,187	1,446,605
2000/2001	18,680,118	1	13	113,025	207,867	328,898	649,790
2001/2002	18,393,420	0	20	0	174,178	139,885	314,063
MA Total	84,892,642	9	133	1,326,324	1,222,147	1,607,299	4,155,770
MA Indicated Pure Premiums							
			1997/1998	4.603	0.610	2.280	7.492
			1998/1999	0.000	1.788	1.909	3.696
			1999/2000	3.038	2.804	2.930	8.771
			2000/2001	0.605	1.113	1.761	3.479
			2001/2002	0.000	0.947	0.761	1.707
			MA Total Pure Premium:	1.560	1.440	1.890	4.895
Pure Premium Relativities							
			Massachusetts Indicated Relativity:	0.995	1.098	1.021	
			Massachusetts Credibility:	0.43	0.89	0.94	
			Countrywide Pure Premium:	2.470	2.560	3.550	8.580
			Countrywide Indicated Relativity:	1.571	1.990	1.926	
			Countrywide Credibility:	0.28	0.06	0.03	
			Countrywide Lost-time Claims:	287	5,503		
			Pure Premium Underlying Present Rate:	2.030	1.770	2.040	5.840
			Relativity to Underlying Present Rate:	1.077	1.508	1.186	
			Credibility to Underlying Relativity:	0.29	0.05	0.03	
			Industry Group Adjusted Converted Pure Premium:	1.567	1.311	1.852	4.730
			Formula Relativity:	1.180	1.172	1.053	
			Balanced Formula Relativity:	1.193	1.168	1.058	1.133

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Calculation of Class Relativities

Class(es):		Schedule: 300		Effective: 9/1/2005		Miscellaneous	
7360 FREIGHT HANDLERS PACKING							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	5,323,346	0	14	0	79,055	93,924	172,979
1998/1999	6,510,214	0	14	0	82,813	61,221	144,034
1999/2000	7,255,226	2	13	210,768	141,232	130,868	482,868
2000/2001	7,381,304	0	13	0	155,135	85,836	240,971
2001/2002	5,431,836	0	6	0	72,208	59,783	131,991
MA Total	31,901,926	2	60	210,768	530,443	431,632	1,172,843
		MA Indicated Pure Premiums					
		1997/1998		0.000	1.485	1.764	3.249
		1998/1999		0.000	1.272	0.940	2.212
		1999/2000		2.905	1.947	1.804	6.655
		2000/2001		0.000	2.102	1.163	3.265
		2001/2002		0.000	1.329	1.101	2.430
		MA Total Pure Premium:		0.660	1.660	1.350	3.676
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.421	1.266	0.729	
		Massachusetts Credibility:		0.36	0.61	0.68	
		Countrywide Pure Premium:		1.630	1.300	1.810	4.740
		Countrywide Indicated Relativity:		1.036	1.010	0.982	
		Countrywide Credibility:		0.32	0.20	0.16	
		Countrywide Lost-time Claims:		145	709		
		Pure Premium Underlying Present Rate:		3.330	1.840	2.390	7.560
		Relativity to Underlying Present Rate:		1.766	1.568	1.389	
		Credibility to Underlying Relativity:		0.32	0.19	0.16	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		1.048	1.272	0.875	
		Balanced Formula Relativity:		1.059	1.267	0.879	1.046

Class(es):		Schedule: 320		Effective: 9/1/2005		Miscellaneous	
7370 TAXICAB CO-ALL OTHER EMPLOYEES-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	46,513,737	5	75	500,945	213,425	513,840	1,228,210
1998/1999	54,361,527	1	93	93,818	510,733	522,177	1,126,728
1999/2000	51,559,889	4	103	534,775	498,139	1,140,195	2,173,109
2000/2001	63,796,454	3	131	578,054	918,074	750,542	2,246,670
2001/2002	69,138,612	3	140	325,454	668,074	990,663	1,984,191
MA Total	285,370,219	16	542	2,033,046	2,808,445	3,917,417	8,758,908
		MA Indicated Pure Premiums					
		1997/1998		1.077	0.459	1.105	2.641
		1998/1999		0.173	0.940	0.961	2.073
		1999/2000		1.037	0.966	2.211	4.215
		2000/2001		0.906	1.439	1.176	3.522
		2001/2002		0.471	0.966	1.433	2.870
		MA Total Pure Premium:		0.710	0.980	1.370	3.069
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.453	0.747	0.740	
		Massachusetts Credibility:		0.61	1.00	1.00	
		Countrywide Pure Premium:		1.200	1.960	2.770	5.930
		Countrywide Indicated Relativity:		0.763	1.523	1.503	
		Countrywide Credibility:		0.20	0.00	0.00	
		Countrywide Lost-time Claims:		30	973		
		Pure Premium Underlying Present Rate:		1.420	0.850	1.450	3.720
		Relativity to Underlying Present Rate:		0.753	0.724	0.843	
		Credibility to Underlying Relativity:		0.19	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.572	0.747	0.740	
		Balanced Formula Relativity:		0.578	0.744	0.743	0.689

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Class(es):		Schedule: 320		Effective: 9/1/2005		Miscellaneous	
7380 DRIVERS AND HELPERS-NOC-COMMERCIAL							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	288,965,623	44	624	6,018,016	4,669,850	7,228,576	17,916,442
1998/1999	302,434,533	53	632	7,193,241	3,996,143	8,234,398	19,423,782
1999/2000	315,614,416	36	725	4,893,986	7,673,602	7,867,149	20,434,737
2000/2001	336,247,463	31	600	4,618,481	7,090,811	6,669,315	18,378,607
2001/2002	327,429,857	19	559	3,486,279	6,822,003	6,292,431	16,600,713
MA Total	1,570,691,892	183	3,140	26,210,003	30,252,409	36,291,869	92,754,281
MA Indicated Pure Premiums							
		1997/1998		2.083	1.616	2.502	6.200
		1998/1999		2.378	1.321	2.723	6.422
		1999/2000		1.551	2.431	2.493	6.475
		2000/2001		1.374	2.109	1.983	5.466
		2001/2002		1.065	2.084	1.922	5.070
		MA Total Pure Premium:		1.670	1.930	2.310	5.905
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.066	1.472	1.247	
		Massachusetts Credibility:		1.00	1.00	1.00	
		Countrywide Pure Premium:		1.830	1.500	2.160	5.490
		Countrywide Indicated Relativity:		1.164	1.166	1.172	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		776	8,831		
		Pure Premium Underlying Present Rate:		2.260	1.720	2.270	6.250
		Relativity to Underlying Present Rate:		1.199	1.466	1.319	
		Credibility to Underlying Relativity:		0.00	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		1.066	1.472	1.247	
		Balanced Formula Relativity:		1.077	1.466	1.253	1.254

Class(es):		Schedule: 320		Effective: 9/1/2005		Miscellaneous	
7382 BUS CO-A/O EMPLOYEES-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	161,048,583	19	294	2,316,305	1,616,693	2,650,914	6,583,912
1998/1999	149,619,373	15	218	1,875,859	1,693,936	2,384,936	5,954,731
1999/2000	173,193,746	14	228	1,921,797	1,291,214	2,886,810	6,099,821
2000/2001	181,475,646	13	204	1,602,803	1,649,900	2,168,476	5,421,179
2001/2002	182,989,329	7	247	1,292,645	2,906,558	3,854,509	8,053,712
MA Total	848,326,677	68	1,191	9,009,409	9,158,301	13,945,645	32,113,355
MA Indicated Pure Premiums							
		1997/1998		1.438	1.004	1.646	4.088
		1998/1999		1.254	1.132	1.594	3.980
		1999/2000		1.110	0.746	1.667	3.522
		2000/2001		0.883	0.909	1.195	2.987
		2001/2002		0.706	1.588	2.106	4.401
		MA Total Pure Premium:		1.060	1.080	1.640	3.785
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.676	0.824	0.886	
		Massachusetts Credibility:		0.95	1.00	1.00	
		Countrywide Pure Premium:		1.580	1.440	2.250	5.270
		Countrywide Indicated Relativity:		1.005	1.119	1.221	
		Countrywide Credibility:		0.02	0.00	0.00	
		Countrywide Lost-time Claims:		1,021	6,191		
		Pure Premium Underlying Present Rate:		1.470	0.980	1.440	3.890
		Relativity to Underlying Present Rate:		0.780	0.835	0.837	
		Credibility to Underlying Relativity:		0.03	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.686	0.824	0.886	
		Balanced Formula Relativity:		0.693	0.821	0.890	0.806

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Class(es):		Schedule: 373		Effective: 9/1/2005		Miscellaneous	
7403 AIR CARRIER-SCHDLR OR SUPPL-A/O EMP-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	34,248,524	4	32	386,715	158,576	290,786	836,077
1998/1999	14,977,245	0	33	0	320,968	164,652	485,620
1999/2000	12,824,497	0	18	0	105,556	124,849	230,405
2000/2001	13,129,580	0	6	0	62,303	50,564	112,867
2001/2002	12,876,955	3	17	444,578	100,548	571,907	1,117,033
MA Total	88,056,801	7	106	831,293	747,951	1,202,758	2,782,002
		MA Indicated Pure Premiums					
		1997/1998		1.129	0.463	0.849	2.441
		1998/1999		0.000	2.143	1.099	3.242
		1999/2000		0.000	0.823	0.974	1.797
		2000/2001		0.000	0.475	0.385	0.860
		2001/2002		3.453	0.781	4.441	8.675
		MA Total Pure Premium:		0.940	0.850	1.370	3.159
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.600	0.648	0.740	
		Massachusetts Credibility:		0.36	0.63	0.67	
		Countrywide Pure Premium:		0.930	0.780	1.380	3.090
		Countrywide Indicated Relativity:		0.591	0.606	0.749	
		Countrywide Credibility:		0.32	0.18	0.16	
		Countrywide Lost-time Claims:		527	4,669		
		Pure Premium Underlying Present Rate:		1.230	0.710	0.840	2.780
		Relativity to Underlying Present Rate:		0.652	0.605	0.488	
		Credibility to Underlying Relativity:		0.32	0.19	0.17	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.614	0.632	0.699	
		Balanced Formula Relativity:		0.620	0.630	0.702	0.655

Class(es):		Schedule: 373		Effective: 9/1/2005		Miscellaneous	
7405 AIR CARRIER-OTHER FLYING CREW							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	26,491,762	2	20	213,258	69,811	158,589	441,658
1998/1999	6,906,307	0	12	0	235,283	108,015	343,298
1999/2000	2,168,134	0	0	0	0	0	0
2000/2001	7,466,252	0	1	0	664	1,460	2,124
2001/2002	11,507,632	0	0	0	0	1,254	1,254
MA Total	54,540,087	2	33	213,258	305,758	269,318	788,334
		MA Indicated Pure Premiums					
		1997/1998		0.805	0.264	0.599	1.667
		1998/1999		0.000	3.407	1.564	4.971
		1999/2000		0.000	0.000	0.000	0.000
		2000/2001		0.000	0.009	0.020	0.028
		2001/2002		0.000	0.000	0.011	0.011
		MA Total Pure Premium:		0.390	0.560	0.490	1.445
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.249	0.427	0.265	
		Massachusetts Credibility:		0.21	0.35	0.43	
		Countrywide Pure Premium:		0.260	0.270	0.440	0.970
		Countrywide Indicated Relativity:		0.165	0.210	0.239	
		Countrywide Credibility:		0.40	0.32	0.28	
		Countrywide Lost-time Claims:		218	2,117		
		Pure Premium Underlying Present Rate:		0.490	0.270	0.440	1.200
		Relativity to Underlying Present Rate:		0.260	0.230	0.256	
		Credibility to Underlying Relativity:		0.39	0.33	0.29	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.220	0.293	0.255	
		Balanced Formula Relativity:		0.222	0.291	0.256	0.255

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Calculation of Class Relativities

Class(es):		Schedule: 373		Effective: 9/1/2005		Miscellaneous	
7409 HELICOPTER OPERATION-AERIAL FLYING CREW							
7418 PATROL,PHOTO-NOT MAP OR SURVEY-FLY CREW							
7420 STUNT FLY,RACING,PARA JUMP-FLY CREW							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	116,793	0	0	0	0	0	0
1998/1999	95,159	0	0	0	0	0	0
1999/2000	140,157	0	0	0	0	0	0
2000/2001	295,169	0	0	0	0	0	0
2001/2002	196,917	0	0	0	0	3,143	3,143
MA Total	844,195	0	0	0	0	3,143	3,143
		MA Indicated Pure Premiums					
		1997/1998	0.000	0.000	0.000	0.000	0.000
		1998/1999	0.000	0.000	0.000	0.000	0.000
		1999/2000	0.000	0.000	0.000	0.000	0.000
		2000/2001	0.000	0.000	0.000	0.000	0.000
		2001/2002	0.000	0.000	1.596	1.596	1.596
		MA Total Pure Premium:	0.000	0.000	0.370	0.372	0.372
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:	0.000	0.000	0.200		
		Massachusetts Credibility:	0.11	0.09	0.13		
		Countrywide Pure Premium:	1.820	0.800	1.340	3.960	
		Countrywide Indicated Relativity:	1.157	0.622	0.727		
		Countrywide Credibility:	0.20	0.19	0.27		
		Countrywide Lost-time Claims:	8	15			
		Pure Premium Underlying Present Rate:	6.980	0.600	1.340	8.920	
		Relativity to Underlying Present Rate:	3.702	0.511	0.779		
		Credibility to Underlying Relativity:	0.69	0.72	0.60		
		Industry Group Adjusted Converted Pure Premium:	1.567	1.311	1.852	4.730	
		Formula Relativity:	2.786	0.486	0.690		
		Balanced Formula Relativity:	2.816	0.484	0.693	1.338	

Class(es):		Schedule: 373		Effective: 9/1/2005		Miscellaneous	
7421 AIRCRAFT-TRANSPORT EMPL-BUS-FLY CREW							
7422 AIRCRAFT-FLIGHT TESTING BY MFR-FLY CREW							
7431 AIR CARRIER-COMMUTER-FLYING CREW							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	11,170,321	0	2	0	430	6,323	6,753
1998/1999	15,588,895	1	1	32,982	1,699	569,739	604,420
1999/2000	15,286,272	1	7	139,812	30,610	159,816	330,238
2000/2001	15,174,420	1	1	218,572	65	33,878	252,515
2001/2002	18,408,532	2	4	304,416	15,969	317,575	637,960
MA Total	75,628,440	5	15	695,782	48,773	1,087,331	1,831,886
		MA Indicated Pure Premiums					
		1997/1998	0.000	0.004	0.057	0.060	
		1998/1999	0.212	0.011	3.655	3.877	
		1999/2000	0.915	0.200	1.045	2.160	
		2000/2001	1.440	0.000	0.223	1.664	
		2001/2002	1.654	0.087	1.725	3.466	
		MA Total Pure Premium:	0.920	0.060	1.440	2.422	
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:	0.587	0.046	0.778		
		Massachusetts Credibility:	0.23	0.38	0.66		
		Countrywide Pure Premium:	0.470	0.340	0.680	1.490	
		Countrywide Indicated Relativity:	0.299	0.264	0.369		
		Countrywide Credibility:	0.38	0.31	0.17		
		Countrywide Lost-time Claims:	45	210			
		Pure Premium Underlying Present Rate:	0.470	0.230	0.940	1.640	
		Relativity to Underlying Present Rate:	0.249	0.196	0.546		
		Credibility to Underlying Relativity:	0.39	0.31	0.17		
		Industry Group Adjusted Converted Pure Premium:	1.567	1.311	1.852	4.730	
		Formula Relativity:	0.346	0.160	0.669		
		Balanced Formula Relativity:	0.349	0.159	0.672	0.423	

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Calculation of Class Relativities

Class(es):		Schedule: 373		Effective: 9/1/2005		Miscellaneous	
7423 AIR CARRIER-COMMUTER-A/O EMP-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	15,460,392	1	9	4,344	51,310	68,647	124,301
1998/1999	19,919,668	5	25	645,087	151,706	317,780	1,114,573
1999/2000	24,099,565	6	20	821,257	76,077	478,622	1,375,956
2000/2001	23,655,390	4	23	277,129	247,313	914,639	1,439,081
2001/2002	27,035,972	1	13	147,330	181,061	359,677	688,068
MA Total	110,170,987	17	90	1,895,147	707,467	2,139,365	4,741,979
				MA Indicated Pure Premiums			
		1997/1998		0.028	0.332	0.444	0.804
		1998/1999		3.238	0.762	1.595	5.595
		1999/2000		3.408	0.316	1.986	5.709
		2000/2001		1.172	1.045	3.867	6.084
		2001/2002		0.545	0.670	1.330	2.545
		MA Total Pure Premium:		1.720	0.640	1.940	4.304
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		1.097	0.488	1.048	
		Massachusetts Credibility:		0.35	0.61	0.72	
		Countrywide Pure Premium:		0.800	1.060	1.650	3.510
		Countrywide Indicated Relativity:		0.509	0.824	0.895	
		Countrywide Credibility:		0.32	0.20	0.14	
		Countrywide Lost-time Claims:		65	862		
		Pure Premium Underlying Present Rate:		0.950	0.520	0.790	2.260
		Relativity to Underlying Present Rate:		0.504	0.443	0.459	
		Credibility to Underlying Relativity:		0.33	0.19	0.14	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.713	0.547	0.944	
		Balanced Formula Relativity:		0.721	0.545	0.948	0.761

Class(es):		Schedule: 330		Effective: 9/1/2005		Miscellaneous	
7502 GAS DISTRIBUTING-LPG-PUB UTIL-LOCAL-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	25,321,096	1	33	296,247	230,608	227,602	754,457
1998/1999	48,476,152	9	52	1,634,083	383,883	837,565	2,855,531
1999/2000	33,526,208	2	31	480,332	156,790	447,732	1,084,854
2000/2001	34,882,847	6	25	876,860	166,128	740,025	1,783,013
2001/2002	31,310,922	3	34	440,554	538,440	792,685	1,771,679
MA Total	173,517,225	21	175	3,728,076	1,475,849	3,045,609	8,249,534
				MA Indicated Pure Premiums			
		1997/1998		1.170	0.911	0.899	2.980
		1998/1999		3.371	0.792	1.728	5.891
		1999/2000		1.433	0.468	1.335	3.236
		2000/2001		2.514	0.476	2.121	5.111
		2001/2002		1.407	1.720	2.532	5.658
		MA Total Pure Premium:		2.150	0.850	1.760	4.754
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		1.372	0.648	0.950	
		Massachusetts Credibility:		0.47	0.77	0.97	
		Countrywide Pure Premium:		0.630	0.710	0.910	2.250
		Countrywide Indicated Relativity:		0.401	0.552	0.494	
		Countrywide Credibility:		0.26	0.12	0.02	
		Countrywide Lost-time Claims:		21	523		
		Pure Premium Underlying Present Rate:		1.230	0.590	1.070	2.890
		Relativity to Underlying Present Rate:		0.652	0.503	0.622	
		Credibility to Underlying Relativity:		0.27	0.11	0.01	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.925	0.621	0.938	
		Balanced Formula Relativity:		0.935	0.618	0.942	0.850

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Class(es):		Schedule: 331		Effective: 9/1/2005		Miscellaneous	
7515 OIL OR GAS PIPE LINE OPERATION-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,466,560	0	1	0	3,212	18,815	22,027
1998/1999	1,349,166	0	0	0	0	926	926
1999/2000	1,577,329	0	0	0	0	3,016	3,016
2000/2001	1,904,038	0	1	0	28,808	14,319	43,127
2001/2002	2,269,282	0	1	0	1,293	6,740	8,033
MA Total	8,566,375	0	3	0	33,313	43,816	77,129
		MA Indicated Pure Premiums					
	1997/1998	0.000	0.219	1.283	1.502		
	1998/1999	0.000	0.000	0.069	0.069		
	1999/2000	0.000	0.000	0.191	0.191		
	2000/2001	0.000	1.513	0.752	2.265		
	2001/2002	0.000	0.057	0.297	0.354		
	MA Total Pure Premium:	0.000	0.390	0.510	0.900		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.000	0.297	0.275			
	Massachusetts Credibility:	0.11	0.17	0.20			
	Countrywide Pure Premium:	0.410	0.160	0.270	0.840		
	Countrywide Indicated Relativity:	0.261	0.124	0.146			
	Countrywide Credibility:	0.21	0.39	0.40			
	Countrywide Lost-time Claims:	9	88				
	Pure Premium Underlying Present Rate:	0.660	0.280	0.400	1.340		
	Relativity to Underlying Present Rate:	0.350	0.239	0.232			
	Credibility to Underlying Relativity:	0.68	0.44	0.40			
	Industry Group Adjusted Converted Pure Premium:	1.567	1.311	1.852	4.730		
	Formula Relativity:	0.293	0.204	0.206			
	Balanced Formula Relativity:	0.296	0.203	0.207	0.235		

Class(es):		Schedule: 269		Effective: 9/1/2005		Construction	
7538 ELECTRIC LIGHT OR POWER LINE CONST-DR 7601 TELEPHONE,TELEGRAPH,ALARM LINE CNST-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	20,804,180	0	14	0	35,894	80,835	116,729
1998/1999	21,785,423	4	20	729,161	192,830	840,651	1,762,642
1999/2000	20,763,338	0	17	0	213,875	278,311	492,186
2000/2001	18,466,132	1	12	173,078	198,675	209,403	581,156
2001/2002	18,374,892	0	23	0	515,480	211,307	726,787
MA Total	100,193,965	5	86	902,239	1,156,754	1,620,507	3,679,500
		MA Indicated Pure Premiums					
	1997/1998	0.000	0.173	0.389	0.561		
	1998/1999	3.347	0.885	3.859	8.091		
	1999/2000	0.000	1.030	1.340	2.370		
	2000/2001	0.937	1.076	1.134	3.147		
	2001/2002	0.000	2.805	1.150	3.955		
	MA Total Pure Premium:	0.900	1.150	1.620	3.672		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.375	0.822	0.779			
	Massachusetts Credibility:	0.49	0.66	0.90			
	Countrywide Pure Premium:	1.740	0.830	1.330	3.900		
	Countrywide Indicated Relativity:	0.755	0.608	0.647			
	Countrywide Credibility:	0.26	0.17	0.05			
	Countrywide Lost-time Claims:	135	932				
	Pure Premium Underlying Present Rate:	2.290	0.700	1.540	4.530		
	Relativity to Underlying Present Rate:	0.793	0.534	0.757			
	Credibility to Underlying Relativity:	0.25	0.17	0.05			
	Industry Group Adjusted Converted Pure Premium:	2.402	1.400	2.079	5.881		
	Formula Relativity:	0.578	0.737	0.771			
	Balanced Formula Relativity:	0.579	0.736	0.770	0.684		

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Class(es):		Schedule: 330		Effective: 9/1/2005		Miscellaneous	
7539 ELECTRIC LIGHT/POWER CO-NOC-ALL EMP-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	24,903,644	1	13	65,996	216,061	186,464	468,521
1998/1999	49,387,375	5	24	937,074	364,761	892,679	2,194,514
1999/2000	49,363,059	1	20	174,931	79,753	92,280	346,964
2000/2001	44,380,965	0	14	0	70,641	113,274	183,915
2001/2002	27,825,131	0	10	0	288,178	220,836	509,014
MA Total	195,860,174	7	81	1,178,001	1,019,394	1,505,533	3,702,928
MA Indicated Pure Premiums							
		1997/1998		0.265	0.868	0.749	1.881
		1998/1999		1.897	0.739	1.808	4.443
		1999/2000		0.354	0.162	0.187	0.703
		2000/2001		0.000	0.159	0.255	0.414
		2001/2002		0.000	1.036	0.794	1.829
		MA Total Pure Premium:		0.600	0.520	0.770	1.891
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.383	0.397	0.416	
		Massachusetts Credibility:		0.40	0.73	0.79	
		Countrywide Pure Premium:		0.330	0.750	0.520	1.600
		Countrywide Indicated Relativity:		0.210	0.583	0.282	
		Countrywide Credibility:		0.30	0.14	0.10	
		Countrywide Lost-time Claims:		117	1,354		
		Pure Premium Underlying Present Rate:		0.720	0.460	0.570	1.750
		Relativity to Underlying Present Rate:		0.382	0.392	0.331	
		Credibility to Underlying Relativity:		0.30	0.13	0.11	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.331	0.422	0.393	
		Balanced Formula Relativity:		0.334	0.421	0.395	0.382

Class(es):		Schedule: 331		Effective: 9/1/2005		Miscellaneous	
7580 SEWAGE DISPOSAL PLANT OPERATION-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	12,100,622	0	7	0	30,467	38,818	69,285
1998/1999	9,289,653	3	13	657,505	36,375	435,737	1,129,617
1999/2000	10,346,770	0	7	0	38,522	50,925	89,447
2000/2001	11,416,349	0	8	0	50,166	65,593	115,759
2001/2002	10,333,950	1	6	122,794	35,840	188,617	347,251
MA Total	53,487,344	4	41	780,299	191,370	779,690	1,751,359
MA Indicated Pure Premiums							
		1997/1998		0.000	0.252	0.321	0.573
		1998/1999		7.078	0.392	4.691	12.160
		1999/2000		0.000	0.372	0.492	0.864
		2000/2001		0.000	0.439	0.575	1.014
		2001/2002		1.188	0.347	1.825	3.360
		MA Total Pure Premium:		1.460	0.360	1.460	3.274
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.932	0.275	0.788	
		Massachusetts Credibility:		0.29	0.45	0.58	
		Countrywide Pure Premium:		0.810	0.750	1.120	2.680
		Countrywide Indicated Relativity:		0.515	0.583	0.608	
		Countrywide Credibility:		0.36	0.28	0.21	
		Countrywide Lost-time Claims:		36	366		
		Pure Premium Underlying Present Rate:		1.160	0.500	0.950	2.610
		Relativity to Underlying Present Rate:		0.615	0.426	0.552	
		Credibility to Underlying Relativity:		0.35	0.27	0.21	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.671	0.402	0.701	
		Balanced Formula Relativity:		0.678	0.400	0.704	0.611

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Class(es):		Schedule: 331		Effective: 9/1/2005		Miscellaneous	
7590 GARBAGE WORKS-REDUCTION OR INCINERATION							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,994,720	0	4	0	5,657	20,741	26,398
1998/1999	3,367,864	1	12	118,000	44,568	69,229	231,797
1999/2000	4,133,094	1	8	120,909	257,301	456,615	834,825
2000/2001	4,501,493	1	2	180,427	79,093	52,622	312,142
2001/2002	3,367,733	0	3	0	24,672	12,603	37,275
MA Total	17,364,904	3	29	419,336	411,291	611,810	1,442,437
		MA Indicated Pure Premiums					
	1997/1998	0.000	0.284	1.040	1.323		
	1998/1999	3.504	1.323	2.056	6.883		
	1999/2000	2.925	6.225	11.048	20.199		
	2000/2001	4.008	1.757	1.169	6.934		
	2001/2002	0.000	0.733	0.374	1.107		
	MA Total Pure Premium:	2.410	2.370	3.520	8.307		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	1.538	1.807	1.901			
	Massachusetts Credibility:	0.26	0.48	0.51			
	Countrywide Pure Premium:	2.300	1.720	2.940	6.960		
	Countrywide Indicated Relativity:	1.463	1.337	1.595			
	Countrywide Credibility:	0.37	0.26	0.24			
	Countrywide Lost-time Claims:	90	1,278				
	Pure Premium Underlying Present Rate:	2.880	1.820	2.090	6.790		
	Relativity to Underlying Present Rate:	1.527	1.551	1.215			
	Credibility to Underlying Relativity:	0.37	0.26	0.25			
	Industry Group Adjusted Converted Pure Premium:	1.567	1.311	1.852	4.730		
	Formula Relativity:	1.506	1.618	1.656			
	Balanced Formula Relativity:	1.522	1.612	1.663	1.602		

Class(es):		Schedule: 330		Effective: 9/1/2005		Miscellaneous	
7600 TELEPHONE/TELEGRAPH CO-A/O EMP-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	98,414,969	8	64	936,620	779,147	917,703	2,633,470
1998/1999	106,142,771	4	75	665,260	1,056,315	1,056,923	2,778,498
1999/2000	123,657,168	3	106	436,253	832,322	822,126	2,090,701
2000/2001	125,360,831	6	71	831,298	1,146,434	1,098,823	3,076,555
2001/2002	123,909,890	8	64	1,860,429	655,102	1,451,311	3,966,842
MA Total	577,485,629	29	380	4,729,860	4,469,320	5,346,886	14,546,066
		MA Indicated Pure Premiums					
	1997/1998	0.952	0.792	0.932	2.676		
	1998/1999	0.627	0.995	0.996	2.618		
	1999/2000	0.353	0.673	0.665	1.691		
	2000/2001	0.663	0.915	0.877	2.454		
	2001/2002	1.501	0.529	1.171	3.201		
	MA Total Pure Premium:	0.820	0.770	0.930	2.519		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.523	0.587	0.502			
	Massachusetts Credibility:	0.72	1.00	1.00			
	Countrywide Pure Premium:	0.770	0.710	1.010	2.490		
	Countrywide Indicated Relativity:	0.490	0.552	0.548			
	Countrywide Credibility:	0.14	0.00	0.00			
	Countrywide Lost-time Claims:	556	4,300				
	Pure Premium Underlying Present Rate:	1.080	0.680	1.030	2.790		
	Relativity to Underlying Present Rate:	0.573	0.579	0.599			
	Credibility to Underlying Relativity:	0.14	0.00	0.00			
	Industry Group Adjusted Converted Pure Premium:	1.567	1.311	1.852	4.730		
	Formula Relativity:	0.525	0.587	0.502			
	Balanced Formula Relativity:	0.531	0.585	0.504	0.535		

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Class(es):		Schedule: 330		Effective: 9/1/2005		Office & Clerical	
7610 RADIO OR TV BROADCAST-ALL EMP,CLER-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	326,843,970	4	13	326,208	224,625	383,333	934,166
1998/1999	355,375,666	1	21	91,252	378,975	296,116	766,343
1999/2000	445,572,684	1	15	132,770	63,294	205,209	401,273
2000/2001	334,865,615	1	21	82,710	192,253	294,972	569,935
2001/2002	287,549,941	0	11	0	178,775	204,153	382,928
MA Total	1,750,207,876	7	81	632,940	1,037,922	1,383,783	3,054,645
MA Indicated Pure Premiums							
		1997/1998		0.100	0.069	0.117	0.286
		1998/1999		0.026	0.107	0.083	0.216
		1999/2000		0.030	0.014	0.046	0.090
		2000/2001		0.025	0.057	0.088	0.170
		2001/2002		0.000	0.062	0.071	0.133
		MA Total Pure Premium:		0.040	0.060	0.080	0.175
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.699	0.962	0.936	
		Massachusetts Credibility:		0.38	0.72	0.95	
		Countrywide Pure Premium:		0.070	0.070	0.110	0.250
		Countrywide Indicated Relativity:		1.301	1.159	1.316	
		Countrywide Credibility:		0.31	0.14	0.02	
		Countrywide Lost-time Claims:		350	1,964		
		Pure Premium Underlying Present Rate:		0.070	0.050	0.100	0.220
		Relativity to Underlying Present Rate:		0.981	0.823	1.112	
		Credibility to Underlying Relativity:		0.31	0.14	0.03	
		Industry Group Adjusted Converted Pure Premium:		0.057	0.062	0.085	0.205
		Formula Relativity:		0.973	0.970	0.949	
		Balanced Formula Relativity:		0.940	0.994	0.988	0.976

Class(es):		Schedule: 372		Effective: 9/1/2005		Miscellaneous	
7704 FIREFIGHTERS-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,155,756	0	2	0	4,340	40,528	44,868
1998/1999	897,287	0	0	0	0	545	545
1999/2000	770,449	0	4	0	14,664	15,499	30,163
2000/2001	1,957,125	0	1	0	70	5,648	5,718
2001/2002	4,839,645	0	3	0	6,148	7,082	13,230
MA Total	9,620,262	0	10	0	25,222	69,302	94,524
MA Indicated Pure Premiums							
		1997/1998		0.000	0.376	3.507	3.882
		1998/1999		0.000	0.000	0.061	0.061
		1999/2000		0.000	1.903	2.012	3.915
		2000/2001		0.000	0.004	0.289	0.292
		2001/2002		0.000	0.127	0.146	0.273
		MA Total Pure Premium:		0.000	0.260	0.720	0.983
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.000	0.198	0.389	
		Massachusetts Credibility:		0.12	0.21	0.30	
		Countrywide Pure Premium:		0.100	0.080	0.130	0.310
		Countrywide Indicated Relativity:		0.064	0.062	0.071	
		Countrywide Credibility:		0.44	0.40	0.35	
		Countrywide Lost-time Claims:		82	1,410		
		Pure Premium Underlying Present Rate:		0.670	0.410	1.020	2.100
		Relativity to Underlying Present Rate:		0.355	0.349	0.593	
		Credibility to Underlying Relativity:		0.44	0.39	0.35	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.184	0.202	0.349	
		Balanced Formula Relativity:		0.186	0.202	0.351	0.255

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Calculation of Class Relativities

Class(es):		Schedule: 372		Effective: 9/1/2005		Miscellaneous	
7720 DETECTIVE AGENCY-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	110,168,244	7	105	628,016	696,090	1,264,601	2,588,707
1998/1999	94,622,279	2	81	201,480	481,905	566,128	1,249,513
1999/2000	104,496,359	3	61	555,667	481,195	746,946	1,783,808
2000/2001	122,619,332	7	61	819,022	208,042	573,869	1,600,933
2001/2002	151,109,613	2	77	340,986	616,847	838,967	1,796,800
MA Total	583,015,827	21	385	2,545,171	2,484,079	3,990,511	9,019,761
MA Indicated Pure Premiums							
		1997/1998		0.570	0.632	1.148	2.350
		1998/1999		0.213	0.509	0.598	1.321
		1999/2000		0.532	0.460	0.715	1.707
		2000/2001		0.668	0.170	0.468	1.306
		2001/2002		0.226	0.408	0.555	1.189
		MA Total Pure Premium:		0.440	0.430	0.680	1.547
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.281	0.328	0.367	
		Massachusetts Credibility:		0.56	1.00	1.00	
		Countrywide Pure Premium:		0.790	0.780	1.140	2.710
		Countrywide Indicated Relativity:		0.502	0.606	0.618	
		Countrywide Credibility:		0.22	0.00	0.00	
		Countrywide Lost-time Claims:		363	3,069		
		Pure Premium Underlying Present Rate:		0.570	0.520	0.730	1.820
		Relativity to Underlying Present Rate:		0.302	0.443	0.424	
		Credibility to Underlying Relativity:		0.22	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.334	0.328	0.367	
		Balanced Formula Relativity:		0.338	0.327	0.369	0.347

Class(es):		Schedule: 262		Effective: 9/1/2005		Construction	
7855 RAILROAD CONSTRUCTION-MAINTENANCE-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,376,836	0	2	0	46,651	20,406	67,057
1998/1999	1,159,153	0	1	0	11,623	19,292	30,915
1999/2000	1,693,431	1	1	88,997	2,414	65,383	156,794
2000/2001	816,858	0	3	0	76,785	23,651	100,436
2001/2002	635,769	0	0	0	0	0	0
MA Total	5,682,047	1	7	88,997	137,473	128,732	355,202
MA Indicated Pure Premiums							
		1997/1998		0.000	3.388	1.482	4.870
		1998/1999		0.000	1.003	1.664	2.667
		1999/2000		5.255	0.143	3.861	9.259
		2000/2001		0.000	9.400	2.895	12.295
		2001/2002		0.000	0.000	0.000	0.000
		MA Total Pure Premium:		1.570	2.420	2.270	6.251
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.654	1.729	1.092	
		Massachusetts Credibility:		0.17	0.31	0.30	
		Countrywide Pure Premium:		2.270	1.560	1.140	4.970
		Countrywide Indicated Relativity:		0.985	1.142	0.555	
		Countrywide Credibility:		0.31	0.34	0.35	
		Countrywide Lost-time Claims:		25	167		
		Pure Premium Underlying Present Rate:		2.840	1.840	1.690	6.370
		Relativity to Underlying Present Rate:		0.983	1.402	0.830	
		Credibility to Underlying Relativity:		0.52	0.35	0.35	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		0.928	1.415	0.812	
		Balanced Formula Relativity:		0.928	1.413	0.811	1.002

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Calculation of Class Relativities

Class(es):		Schedule: 341		Effective: 9/1/2005		Goods & Services	
8001 FLORISTS-STORE-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	58,485,439	2	33	128,776	182,160	199,053	509,989
1998/1999	58,844,303	0	26	0	185,528	190,370	375,898
1999/2000	67,748,146	0	31	0	478,021	387,770	865,791
2000/2001	73,566,758	1	39	3,632	348,059	306,501	658,192
2001/2002	74,279,255	0	37	0	299,611	408,546	708,157
MA Total	332,923,901	3	166	132,408	1,493,379	1,492,240	3,118,027
		MA Indicated Pure Premiums					
		1997/1998		0.220	0.311	0.340	0.872
		1998/1999		0.000	0.315	0.324	0.639
		1999/2000		0.000	0.706	0.572	1.278
		2000/2001		0.005	0.473	0.417	0.895
		2001/2002		0.000	0.403	0.550	0.953
		MA Total Pure Premium:		0.040	0.450	0.450	0.937
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.080	0.697	0.548	
		Massachusetts Credibility:		0.35	0.86	0.90	
		Countrywide Pure Premium:		0.320	0.630	0.760	1.710
		Countrywide Indicated Relativity:		0.650	0.977	0.923	
		Countrywide Credibility:		0.32	0.07	0.05	
		Countrywide Lost-time Claims:		124	1,264		
		Pure Premium Underlying Present Rate:		0.300	0.410	0.460	1.170
		Relativity to Underlying Present Rate:		0.459	0.647	0.531	
		Credibility to Underlying Relativity:		0.33	0.07	0.05	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.387	0.713	0.566	
		Balanced Formula Relativity:		0.389	0.713	0.565	0.569

Class(es):		Schedule: 347		Effective: 9/1/2005		Goods & Services	
8002 AUTO RENTAL CO-A/O EMPL,COUNTER PERS-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	12,585,761	0	22	0	107,470	114,438	221,908
1998/1999	14,253,183	3	18	301,105	99,769	162,506	563,380
1999/2000	16,928,224	5	14	482,376	99,681	550,979	1,133,036
2000/2001	15,823,951	1	13	126,600	207,578	104,723	438,901
2001/2002	14,712,158	0	8	0	93,226	58,290	151,516
MA Total	74,303,277	9	75	910,081	607,724	990,936	2,508,741
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.854	0.909	1.763
		1998/1999		2.113	0.700	1.140	3.953
		1999/2000		2.850	0.589	3.255	6.693
		2000/2001		0.800	1.312	0.662	2.774
		2001/2002		0.000	0.634	0.396	1.030
		MA Total Pure Premium:		1.220	0.820	1.330	3.376
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		2.449	1.271	1.619	
		Massachusetts Credibility:		0.31	0.59	0.82	
		Countrywide Pure Premium:		0.240	0.530	0.730	1.500
		Countrywide Indicated Relativity:		0.488	0.822	0.886	
		Countrywide Credibility:		0.17	0.20	0.09	
		Countrywide Lost-time Claims:		5	170		
		Pure Premium Underlying Present Rate:		0.990	0.720	1.660	3.370
		Relativity to Underlying Present Rate:		1.513	1.137	1.915	
		Credibility to Underlying Relativity:		0.52	0.21	0.09	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		1.629	1.153	1.580	
		Balanced Formula Relativity:		1.637	1.154	1.579	1.454

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Class(es):		Schedule: 340		Effective: 9/1/2005		Goods & Services	
8006 GROCERY STORE-RETAIL							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	116,883,234	4	84	392,368	308,660	733,971	1,434,999
1998/1999	123,483,730	4	101	340,609	385,701	854,123	1,580,433
1999/2000	116,959,671	10	70	1,016,692	467,858	897,494	2,382,044
2000/2001	148,583,544	2	79	235,044	498,727	688,436	1,422,207
2001/2002	164,745,086	4	97	397,730	680,102	852,373	1,930,205
MA Total	670,655,265	24	431	2,382,443	2,341,048	4,026,397	8,749,888
MA Indicated Pure Premiums							
		1997/1998		0.336	0.264	0.628	1.228
		1998/1999		0.276	0.312	0.692	1.280
		1999/2000		0.869	0.400	0.767	2.037
		2000/2001		0.158	0.336	0.463	0.957
		2001/2002		0.241	0.413	0.517	1.172
		MA Total Pure Premium:		0.360	0.350	0.600	1.305
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.723	0.542	0.730	
		Massachusetts Credibility:		0.59	1.00	1.00	
		Countrywide Pure Premium:		0.440	0.670	0.890	2.000
		Countrywide Indicated Relativity:		0.894	1.039	1.080	
		Countrywide Credibility:		0.20	0.00	0.00	
		Countrywide Lost-time Claims:		1,070	10,593		
		Pure Premium Underlying Present Rate:		0.560	0.300	0.640	1.500
		Relativity to Underlying Present Rate:		0.856	0.474	0.738	
		Credibility to Underlying Relativity:		0.21	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.785	0.542	0.730	
		Balanced Formula Relativity:		0.789	0.542	0.729	0.683

Class(es):		Schedule: 341		Effective: 9/1/2005		Goods & Services	
8008 CLOTHING, APPAREL, DRY GOODS STORE-RETAIL							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	227,252,084	11	119	879,664	655,060	1,004,210	2,538,934
1998/1999	264,982,142	8	114	958,887	766,854	1,010,161	2,735,902
1999/2000	276,588,124	10	116	1,064,740	749,446	1,035,714	2,849,900
2000/2001	269,225,364	4	82	577,752	789,837	980,680	2,348,269
2001/2002	247,067,411	2	77	265,555	629,026	713,002	1,607,583
MA Total	1,285,115,125	35	508	3,746,598	3,590,223	4,743,767	12,080,588
MA Indicated Pure Premiums							
		1997/1998		0.387	0.288	0.442	1.117
		1998/1999		0.362	0.289	0.381	1.032
		1999/2000		0.385	0.271	0.374	1.030
		2000/2001		0.215	0.293	0.364	0.872
		2001/2002		0.107	0.255	0.289	0.651
		MA Total Pure Premium:		0.290	0.280	0.370	0.940
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.582	0.434	0.450	
		Massachusetts Credibility:		0.65	1.00	1.00	
		Countrywide Pure Premium:		0.280	0.380	0.520	1.180
		Countrywide Indicated Relativity:		0.569	0.590	0.631	
		Countrywide Credibility:		0.18	0.00	0.00	
		Countrywide Lost-time Claims:		1,103	8,470		
		Pure Premium Underlying Present Rate:		0.370	0.330	0.490	1.190
		Relativity to Underlying Present Rate:		0.566	0.521	0.565	
		Credibility to Underlying Relativity:		0.17	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.577	0.434	0.450	
		Balanced Formula Relativity:		0.580	0.434	0.450	0.478

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Calculation of Class Relativities

Class(es):		Schedule: 342		Effective: 9/1/2005		Goods & Services	
8010 HARDWARE STORE-WHOLESALE OR RETAIL							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	169,093,727	7	101	739,417	453,937	1,093,495	2,286,849
1998/1999	176,655,903	5	109	542,608	778,965	864,969	2,186,542
1999/2000	187,141,244	12	102	1,093,950	1,296,311	1,283,103	3,673,364
2000/2001	182,158,522	3	119	333,951	1,043,577	1,325,688	2,703,216
2001/2002	181,838,063	5	94	907,422	553,863	1,330,919	2,792,204
MA Total	896,887,459	32	525	3,617,348	4,126,653	5,898,174	13,642,175
MA Indicated Pure Premiums							
		1997/1998		0.437	0.268	0.647	1.352
		1998/1999		0.307	0.441	0.490	1.238
		1999/2000		0.585	0.693	0.686	1.963
		2000/2001		0.183	0.573	0.728	1.484
		2001/2002		0.499	0.305	0.732	1.536
		MA Total Pure Premium:		0.400	0.460	0.660	1.521
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.803	0.713	0.803	
		Massachusetts Credibility:		0.61	1.00	1.00	
		Countrywide Pure Premium:		0.550	0.530	0.790	1.870
		Countrywide Indicated Relativity:		1.118	0.822	0.959	
		Countrywide Credibility:		0.20	0.00	0.00	
		Countrywide Lost-time Claims:		144	2,630		
		Pure Premium Underlying Present Rate:		0.460	0.450	0.610	1.520
		Relativity to Underlying Present Rate:		0.703	0.710	0.704	
		Credibility to Underlying Relativity:		0.19	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.847	0.713	0.803	
		Balanced Formula Relativity:		0.851	0.713	0.802	0.785

Class(es):		Schedule: 341		Effective: 9/1/2005		Goods & Services	
8013 JEWELRY STORES-WHOLESALE OR RETAIL							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	84,555,670	0	20	0	53,252	59,386	112,638
1998/1999	91,498,719	2	15	141,094	195,415	152,772	489,281
1999/2000	94,462,783	2	17	191,295	94,615	324,400	610,310
2000/2001	100,344,633	1	11	172,941	115,355	54,393	342,689
2001/2002	94,987,833	2	10	887,228	131,017	313,314	1,331,559
MA Total	465,849,638	7	73	1,392,558	589,654	904,265	2,886,477
MA Indicated Pure Premiums							
		1997/1998		0.000	0.063	0.070	0.133
		1998/1999		0.154	0.214	0.167	0.535
		1999/2000		0.203	0.100	0.343	0.646
		2000/2001		0.172	0.115	0.054	0.342
		2001/2002		0.934	0.138	0.330	1.402
		MA Total Pure Premium:		0.300	0.130	0.190	0.620
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.602	0.201	0.231	
		Massachusetts Credibility:		0.32	0.60	0.78	
		Countrywide Pure Premium:		0.100	0.150	0.160	0.410
		Countrywide Indicated Relativity:		0.203	0.233	0.194	
		Countrywide Credibility:		0.34	0.20	0.11	
		Countrywide Lost-time Claims:		136	881		
		Pure Premium Underlying Present Rate:		0.170	0.120	0.230	0.520
		Relativity to Underlying Present Rate:		0.260	0.189	0.265	
		Credibility to Underlying Relativity:		0.34	0.20	0.11	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.350	0.205	0.231	
		Balanced Formula Relativity:		0.352	0.205	0.231	0.253

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Calculation of Class Relativities

Class(es): 8017 RETAIL STORE-NOC		Schedule: 343		Effective: 9/1/2005		Goods & Services	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	738,448,111	21	400	2,504,047	1,874,205	3,634,815	8,013,067
1998/1999	900,218,147	39	501	4,449,163	2,243,777	5,876,965	12,569,905
1999/2000	1,050,115,561	32	539	3,329,023	3,554,026	6,667,976	13,551,025
2000/2001	1,007,105,634	26	456	2,779,876	4,188,416	5,466,531	12,434,823
2001/2002	1,075,902,536	20	487	3,045,856	4,070,306	6,309,071	13,425,233
MA Total	4,771,789,989	138	2,383	16,107,965	15,930,730	27,955,358	59,994,053
		MA Indicated Pure Premiums					
	1997/1998			0.339	0.254	0.492	1.085
	1998/1999			0.494	0.249	0.653	1.396
	1999/2000			0.317	0.338	0.635	1.290
	2000/2001			0.276	0.416	0.543	1.235
	2001/2002			0.283	0.378	0.586	1.248
	MA Total Pure Premium:			0.340	0.330	0.590	1.257
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:			0.683	0.511	0.718	
	Massachusetts Credibility:			1.00	1.00	1.00	
	Countrywide Pure Premium:			0.290	0.430	0.590	1.310
	Countrywide Indicated Relativity:			0.589	0.667	0.716	
	Countrywide Credibility:			0.00	0.00	0.00	
	Countrywide Lost-time Claims:			3,694	28,084		
	Pure Premium Underlying Present Rate:			0.360	0.280	0.520	1.160
	Relativity to Underlying Present Rate:			0.550	0.442	0.600	
	Credibility to Underlying Relativity:			0.00	0.00	0.00	
	Industry Group Adjusted Converted Pure Premium:			0.498	0.645	0.821	1.965
	Formula Relativity:			0.683	0.511	0.718	
	Balanced Formula Relativity:			0.686	0.511	0.717	0.642

Class(es): 8018 WHOLESALE STORE-NOC		Schedule: 343		Effective: 9/1/2005		Goods & Services	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	326,956,983	27	528	2,529,157	3,044,779	4,281,469	9,855,405
1998/1999	321,047,048	23	601	3,032,393	3,673,939	4,404,259	11,110,591
1999/2000	316,410,323	24	612	2,779,177	3,675,596	4,848,803	11,303,576
2000/2001	296,471,045	22	382	2,543,721	3,253,918	3,766,078	9,563,717
2001/2002	272,322,345	19	458	3,530,989	3,920,085	6,545,520	13,996,594
MA Total	1,533,207,744	115	2,581	14,415,437	17,568,317	23,846,129	55,829,883
		MA Indicated Pure Premiums					
	1997/1998			0.774	0.931	1.309	3.014
	1998/1999			0.945	1.144	1.372	3.461
	1999/2000			0.878	1.162	1.532	3.572
	2000/2001			0.858	1.098	1.270	3.226
	2001/2002			1.297	1.440	2.404	5.140
	MA Total Pure Premium:			0.940	1.150	1.560	3.641
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:			1.887	1.782	1.899	
	Massachusetts Credibility:			1.00	1.00	1.00	
	Countrywide Pure Premium:			0.840	0.920	1.130	2.890
	Countrywide Indicated Relativity:			1.707	1.427	1.372	
	Countrywide Credibility:			0.00	0.00	0.00	
	Countrywide Lost-time Claims:			3,606	23,656		
	Pure Premium Underlying Present Rate:			1.050	1.040	1.460	3.550
	Relativity to Underlying Present Rate:			1.605	1.642	1.684	
	Credibility to Underlying Relativity:			0.00	0.00	0.00	
	Industry Group Adjusted Converted Pure Premium:			0.498	0.645	0.821	1.965
	Formula Relativity:			1.887	1.782	1.899	
	Balanced Formula Relativity:			1.896	1.783	1.898	1.859

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Calculation of Class Relativities

Class(es):		Schedule: 340		Effective: 9/1/2005		Goods & Services	
8021 MEAT,FISH OR POULTRY DEALER-WHOLESALE							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	44,331,307	10	78	983,094	615,146	926,909	2,525,149
1998/1999	48,068,081	7	70	753,122	976,800	1,424,276	3,154,198
1999/2000	48,515,880	8	52	1,434,933	296,978	898,203	2,630,114
2000/2001	58,327,179	6	65	830,954	1,254,837	758,080	2,843,871
2001/2002	62,608,542	2	51	329,719	766,452	596,251	1,692,422
MA Total	261,850,989	33	316	4,331,822	3,910,213	4,603,719	12,845,754
				MA Indicated Pure Premiums			
		1997/1998		2.218	1.388	2.091	5.696
		1998/1999		1.567	2.032	2.963	6.562
		1999/2000		2.958	0.612	1.851	5.421
		2000/2001		1.425	2.151	1.300	4.876
		2001/2002		0.527	1.224	0.952	2.703
		MA Total Pure Premium:		1.650	1.490	1.760	4.906
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		3.312	2.309	2.142	
		Massachusetts Credibility:		0.68	1.00	1.00	
		Countrywide Pure Premium:		0.910	1.120	1.280	3.310
		Countrywide Indicated Relativity:		1.849	1.738	1.554	
		Countrywide Credibility:		0.16	0.00	0.00	
		Countrywide Lost-time Claims:		335	2,476		
		Pure Premium Underlying Present Rate:		2.020	1.260	2.390	5.670
		Relativity to Underlying Present Rate:		3.088	1.989	2.756	
		Credibility to Underlying Relativity:		0.16	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		3.042	2.309	2.142	
		Balanced Formula Relativity:		3.056	2.310	2.140	2.428

Class(es):		Schedule: 340		Effective: 9/1/2005		Goods & Services	
8031 MEAT,FISH OR POULTRY STORE-RETAIL							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	19,074,164	3	22	283,997	202,909	175,502	662,408
1998/1999	19,701,946	1	11	110,229	58,121	93,714	262,064
1999/2000	20,171,441	1	17	102,193	103,640	156,165	361,998
2000/2001	22,120,765	0	24	0	213,670	123,643	337,313
2001/2002	22,725,548	2	12	521,567	183,453	174,452	879,472
MA Total	103,793,864	7	86	1,017,986	761,793	723,476	2,503,255
				MA Indicated Pure Premiums			
		1997/1998		1.489	1.064	0.920	3.473
		1998/1999		0.559	0.295	0.476	1.330
		1999/2000		0.507	0.514	0.774	1.795
		2000/2001		0.000	0.966	0.559	1.525
		2001/2002		2.295	0.807	0.768	3.870
		MA Total Pure Premium:		0.980	0.730	0.700	2.412
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		1.967	1.131	0.852	
		Massachusetts Credibility:		0.34	0.62	0.77	
		Countrywide Pure Premium:		0.790	1.200	1.450	3.440
		Countrywide Indicated Relativity:		1.606	1.862	1.760	
		Countrywide Credibility:		0.33	0.19	0.12	
		Countrywide Lost-time Claims:		426	2,969		
		Pure Premium Underlying Present Rate:		0.890	0.590	1.010	2.490
		Relativity to Underlying Present Rate:		1.360	0.931	1.165	
		Credibility to Underlying Relativity:		0.33	0.19	0.11	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		1.648	1.232	0.995	
		Balanced Formula Relativity:		1.655	1.232	0.995	1.240

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Calculation of Class Relativities

Class(es):		Schedule: 341		Effective: 9/1/2005		Goods & Services	
8032 CLOTHES,APPAREL,DRYGOOD STORE-WHOLESALE							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	68,052,440	4	89	408,422	465,426	519,978	1,393,826
1998/1999	70,270,028	3	81	424,815	282,809	681,199	1,388,823
1999/2000	67,449,837	3	66	520,218	505,929	724,333	1,750,480
2000/2001	40,585,538	1	24	87,742	137,976	145,804	371,522
2001/2002	29,852,284	0	12	0	244,620	146,873	391,493
MA Total	276,210,127	11	272	1,441,197	1,636,760	2,218,187	5,296,144
MA Indicated Pure Premiums							
		1997/1998		0.600	0.684	0.764	2.048
		1998/1999		0.605	0.402	0.969	1.976
		1999/2000		0.771	0.750	1.074	2.595
		2000/2001		0.216	0.340	0.359	0.915
		2001/2002		0.000	0.819	0.492	1.311
		MA Total Pure Premium:		0.520	0.590	0.800	1.917
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.044	0.914	0.974	
		Massachusetts Credibility:		0.45	0.90	1.00	
		Countrywide Pure Premium:		0.380	0.610	0.710	1.700
		Countrywide Indicated Relativity:		0.772	0.946	0.862	
		Countrywide Credibility:		0.28	0.05	0.00	
		Countrywide Lost-time Claims:		179	1,529		
		Pure Premium Underlying Present Rate:		0.680	0.550	0.850	2.080
		Relativity to Underlying Present Rate:		1.039	0.868	0.980	
		Credibility to Underlying Relativity:		0.27	0.05	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.966	0.913	0.974	
		Balanced Formula Relativity:		0.971	0.914	0.973	0.953

Class(es):		Schedule: 340		Effective: 9/1/2005		Goods & Services	
8033 MEAT,GROC-PROV STORE(COMB)-RETAIL NOC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	160,960,586	9	185	905,899	811,405	1,580,635	3,297,939
1998/1999	164,660,012	5	200	652,637	1,434,898	1,716,923	3,804,458
1999/2000	178,408,776	5	164	456,844	1,348,467	1,434,909	3,240,220
2000/2001	174,208,262	5	169	827,730	1,278,672	1,148,647	3,255,049
2001/2002	104,757,368	0	103	0	1,207,868	815,264	2,023,132
MA Total	782,995,004	24	821	2,843,110	6,081,310	6,696,378	15,620,798
MA Indicated Pure Premiums							
		1997/1998		0.563	0.504	0.982	2.049
		1998/1999		0.396	0.871	1.043	2.310
		1999/2000		0.256	0.756	0.804	1.816
		2000/2001		0.475	0.734	0.659	1.868
		2001/2002		0.000	1.153	0.778	1.931
		MA Total Pure Premium:		0.360	0.780	0.860	1.995
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.723	1.209	1.047	
		Massachusetts Credibility:		0.65	1.00	1.00	
		Countrywide Pure Premium:		0.550	0.710	0.920	2.180
		Countrywide Indicated Relativity:		1.118	1.101	1.117	
		Countrywide Credibility:		0.18	0.00	0.00	
		Countrywide Lost-time Claims:		320	6,578		
		Pure Premium Underlying Present Rate:		0.610	0.600	0.890	2.100
		Relativity to Underlying Present Rate:		0.932	0.947	1.026	
		Credibility to Underlying Relativity:		0.17	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.830	1.209	1.047	
		Balanced Formula Relativity:		0.834	1.210	1.046	1.046

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Calculation of Class Relativities

Class(es):		Schedule: 340		Effective: 9/1/2005		Goods & Services		
8034 GROCERY STORES-WHOLESALE								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	19,126,341	6	57	564,871	402,731	602,974	1,570,576	
1998/1999	15,812,310	1	50	159,611	431,426	287,844	878,881	
1999/2000	17,108,779	3	59	601,718	302,572	452,007	1,356,297	
2000/2001	16,887,403	1	35	59,769	195,453	138,956	394,178	
2001/2002	16,511,328	0	17	0	144,712	108,854	253,566	
MA Total	85,446,161	11	218	1,385,969	1,476,894	1,590,635	4,453,498	
				MA Indicated Pure Premiums				
				1997/1998	2.953	2.106	3.153	8.212
				1998/1999	1.009	2.728	1.820	5.558
				1999/2000	3.517	1.769	2.642	7.927
				2000/2001	0.354	1.157	0.823	2.334
				2001/2002	0.000	0.876	0.659	1.536
MA Total Pure Premium:				1.620	1.730	1.860	5.212	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				3.252	2.681	2.264		
Massachusetts Credibility:				0.42	0.98	0.94		
Countrywide Pure Premium:				1.540	2.080	2.500	6.120	
Countrywide Indicated Relativity:				3.130	3.227	3.035		
Countrywide Credibility:				0.29	0.01	0.03		
Countrywide Lost-time Claims:				130	2,542			
Pure Premium Underlying Present Rate:				1.900	2.210	1.980	6.090	
Relativity to Underlying Present Rate:				2.904	3.489	2.284		
Credibility to Underlying Relativity:				0.29	0.01	0.03		
Industry Group Adjusted Converted Pure Premium:				0.498	0.645	0.821	1.965	
Formula Relativity:				3.116	2.695	2.288		
Balanced Formula Relativity:				3.130	2.696	2.286	2.635	

Class(es):		Schedule: 341		Effective: 9/1/2005		Goods & Services		
8039 DEPARTMENT STORE-RTL-ALL EMP,SALES,CLER								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	1,817,923	0	3	0	527	1,208	1,735	
1998/1999	66,134,819	1	100	48,560	447,444	417,637	913,641	
1999/2000	54,459,866	4	147	351,143	517,649	762,098	1,630,890	
2000/2001	57,937,429	1	101	57,034	436,909	452,812	946,755	
2001/2002	61,323,847	1	81	104,882	473,072	515,379	1,093,333	
MA Total	241,673,884	7	432	561,619	1,875,601	2,149,134	4,586,354	
				MA Indicated Pure Premiums				
				1997/1998	0.000	0.029	0.066	0.095
				1998/1999	0.073	0.677	0.631	1.381
				1999/2000	0.645	0.951	1.399	2.995
				2000/2001	0.098	0.754	0.782	1.634
				2001/2002	0.171	0.771	0.840	1.783
MA Total Pure Premium:				0.230	0.780	0.890	1.898	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.462	1.209	1.083		
Massachusetts Credibility:				0.39	0.94	1.00		
Countrywide Pure Premium:				0.490	0.620	0.910	2.020	
Countrywide Indicated Relativity:				0.996	0.962	1.105		
Countrywide Credibility:				0.30	0.03	0.00		
Countrywide Lost-time Claims:				721	6,104			
Pure Premium Underlying Present Rate:				0.540	0.710	1.060	2.310	
Relativity to Underlying Present Rate:				0.825	1.121	1.223		
Credibility to Underlying Relativity:				0.31	0.03	0.00		
Industry Group Adjusted Converted Pure Premium:				0.498	0.645	0.821	1.965	
Formula Relativity:				0.735	1.199	1.083		
Balanced Formula Relativity:				0.738	1.199	1.082	1.034	

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Calculation of Class Relativities

Class(es):		Schedule: 343		Effective: 9/1/2005		Goods & Services	
8044 FURNITURE STORE-WHOLESALE OR RETAIL-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	84,237,092	6	128	406,190	730,276	1,171,800	2,308,266
1998/1999	100,064,214	7	149	805,630	897,552	1,842,846	3,546,028
1999/2000	122,933,084	7	192	1,137,703	1,207,822	1,563,099	3,908,624
2000/2001	128,049,736	8	157	1,019,262	1,246,889	1,528,928	3,795,079
2001/2002	130,015,275	9	189	1,559,162	1,789,965	2,228,487	5,577,614
MA Total	565,299,401	37	815	4,927,947	5,872,504	8,335,160	19,135,611
		MA Indicated Pure Premiums					
		1997/1998		0.482	0.867	1.391	2.740
		1998/1999		0.805	0.897	1.842	3.544
		1999/2000		0.925	0.983	1.272	3.179
		2000/2001		0.796	0.974	1.194	2.964
		2001/2002		1.199	1.377	1.714	4.290
		MA Total Pure Premium:		0.870	1.040	1.470	3.385
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.747	1.612	1.789	
		Massachusetts Credibility:		0.68	1.00	1.00	
		Countrywide Pure Premium:		0.910	0.970	1.090	2.970
		Countrywide Indicated Relativity:		1.849	1.505	1.323	
		Countrywide Credibility:		0.16	0.00	0.00	
		Countrywide Lost-time Claims:		220	3,670		
		Pure Premium Underlying Present Rate:		0.930	0.950	1.340	3.220
		Relativity to Underlying Present Rate:		1.422	1.500	1.545	
		Credibility to Underlying Relativity:		0.16	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		1.711	1.612	1.789	
		Balanced Formula Relativity:		1.719	1.613	1.788	1.713

Class(es):		Schedule: 342		Effective: 9/1/2005		Goods & Services	
8046 AUTO ACCESSORY STORE-RETAIL-NOC-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	29,852,154	1	36	71,232	360,706	294,922	726,860
1998/1999	32,798,142	5	31	475,897	123,817	359,921	959,635
1999/2000	33,712,077	1	37	199,036	443,122	244,938	887,096
2000/2001	34,890,100	1	26	72,739	256,768	193,173	522,680
2001/2002	35,372,371	0	38	0	388,880	428,041	816,921
MA Total	166,624,844	8	168	818,904	1,573,293	1,520,995	3,913,192
		MA Indicated Pure Premiums					
		1997/1998		0.239	1.208	0.988	2.435
		1998/1999		1.451	0.378	1.097	2.926
		1999/2000		0.590	1.314	0.727	2.631
		2000/2001		0.208	0.736	0.554	1.498
		2001/2002		0.000	1.099	1.210	2.309
		MA Total Pure Premium:		0.490	0.940	0.910	2.349
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.984	1.457	1.108	
		Massachusetts Credibility:		0.32	0.77	0.82	
		Countrywide Pure Premium:		0.560	0.700	0.920	2.180
		Countrywide Indicated Relativity:		1.138	1.086	1.117	
		Countrywide Credibility:		0.34	0.12	0.09	
		Countrywide Lost-time Claims:		505	3,138		
		Pure Premium Underlying Present Rate:		0.470	0.630	0.730	1.830
		Relativity to Underlying Present Rate:		0.718	0.994	0.842	
		Credibility to Underlying Relativity:		0.34	0.11	0.09	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.946	1.362	1.085	
		Balanced Formula Relativity:		0.950	1.362	1.084	1.142

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Calculation of Class Relativities

Class(es):		Schedule: 340		Effective: 9/1/2005		Goods & Services	
8048 FRUIT OR VEG STORES-WHOLESALE							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	17,419,406	0	19	0	65,419	44,590	110,009
1998/1999	18,204,946	0	19	0	60,742	116,998	177,740
1999/2000	19,522,018	3	37	523,792	310,330	272,647	1,106,769
2000/2001	23,057,698	0	27	0	210,350	117,939	328,289
2001/2002	25,119,045	3	13	399,125	64,098	333,476	796,699
MA Total	103,323,113	6	115	922,917	710,939	885,650	2,519,506
MA Indicated Pure Premiums							
		1997/1998		0.000	0.376	0.256	0.632
		1998/1999		0.000	0.334	0.643	0.976
		1999/2000		2.683	1.590	1.397	5.669
		2000/2001		0.000	0.912	0.511	1.424
		2001/2002		1.589	0.255	1.328	3.172
		MA Total Pure Premium:		0.890	0.690	0.860	2.438
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.787	1.069	1.047	
		Massachusetts Credibility:		0.41	0.77	0.81	
		Countrywide Pure Premium:		1.090	1.300	1.410	3.800
		Countrywide Indicated Relativity:		2.215	2.017	1.712	
		Countrywide Credibility:		0.30	0.12	0.10	
		Countrywide Lost-time Claims:		41	458		
		Pure Premium Underlying Present Rate:		1.490	1.010	1.160	3.660
		Relativity to Underlying Present Rate:		2.278	1.594	1.338	
		Credibility to Underlying Relativity:		0.29	0.11	0.09	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		2.058	1.241	1.140	
		Balanced Formula Relativity:		2.068	1.241	1.139	1.408

Class(es):		Schedule: 341		Effective: 9/1/2005		Goods & Services	
8050 FIVE AND TEN CENT STORES							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	257,587	0	0	0	0	0	0
1998/1999	474,616	0	0	0	0	0	0
1999/2000	553,187	0	0	0	0	309	309
2000/2001	312,698	0	1	0	1,280	842	2,122
2001/2002	353,697	0	0	0	0	0	0
MA Total	1,951,785	0	1	0	1,280	1,151	2,431
MA Indicated Pure Premiums							
		1997/1998		0.000	0.000	0.000	0.000
		1998/1999		0.000	0.000	0.000	0.000
		1999/2000		0.000	0.000	0.056	0.056
		2000/2001		0.000	0.409	0.269	0.679
		2001/2002		0.000	0.000	0.000	0.000
		MA Total Pure Premium:		0.000	0.070	0.060	0.125
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.000	0.108	0.073	
		Massachusetts Credibility:		0.05	0.10	0.12	
		Countrywide Pure Premium:		0.040	0.200	0.380	0.620
		Countrywide Indicated Relativity:		0.081	0.310	0.461	
		Countrywide Credibility:		0.09	0.18	0.22	
		Countrywide Lost-time Claims:		1	12		
		Pure Premium Underlying Present Rate:		0.430	0.350	0.460	1.240
		Relativity to Underlying Present Rate:		0.657	0.552	0.531	
		Credibility to Underlying Relativity:		0.86	0.72	0.66	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.572	0.464	0.461	
		Balanced Formula Relativity:		0.575	0.464	0.460	0.491

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Calculation of Class Relativities

Class(es):		Schedule: 342		Effective: 9/1/2005		Goods & Services	
8058 BUILD MATERIAL DLR-NEW ONLY-STORE EMP							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	16,752,035	4	17	661,170	65,308	365,916	1,092,394
1998/1999	18,747,291	2	23	462,256	147,826	218,395	828,477
1999/2000	18,651,486	0	20	0	183,195	198,978	382,173
2000/2001	22,083,118	2	35	225,526	248,133	262,595	736,254
2001/2002	26,151,422	0	23	0	351,128	351,424	702,552
MA Total	102,385,352	8	118	1,348,952	995,590	1,397,308	3,741,850
MA Indicated Pure Premiums							
			1997/1998	3.947	0.390	2.184	6.521
			1998/1999	2.466	0.789	1.165	4.419
			1999/2000	0.000	0.982	1.067	2.049
			2000/2001	1.021	1.124	1.189	3.334
			2001/2002	0.000	1.343	1.344	2.686
			MA Total Pure Premium:	1.320	0.970	1.360	3.655
Pure Premium Relativities							
			Massachusetts Indicated Relativity:	2.650	1.503	1.656	
			Massachusetts Credibility:	0.30	0.66	0.77	
			Countrywide Pure Premium:	0.360	0.540	0.830	1.730
			Countrywide Indicated Relativity:	0.732	0.838	1.008	
			Countrywide Credibility:	0.35	0.17	0.12	
			Countrywide Lost-time Claims:	33	889		
			Pure Premium Underlying Present Rate:	0.650	0.700	1.000	2.350
			Relativity to Underlying Present Rate:	0.994	1.105	1.153	
			Credibility to Underlying Relativity:	0.35	0.17	0.11	
			Industry Group Adjusted Converted Pure Premium:	0.498	0.645	0.821	1.965
			Formula Relativity:	1.399	1.322	1.523	
			Balanced Formula Relativity:	1.406	1.323	1.522	1.427

Class(es):		Schedule: 343		Effective: 9/1/2005		Goods & Services	
8103 WOOL MERCHANT-INCLUDING WAREHOUSE							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	342,963	0	0	0	0	668	668
1998/1999	3,329,227	0	2	0	68,023	26,870	94,893
1999/2000	3,586,043	0	1	0	2,676	15,483	18,159
2000/2001	3,226,218	0	0	0	0	4,153	4,153
2001/2002	2,688,571	0	3	0	6,227	13,086	19,313
MA Total	13,173,022	0	6	0	76,926	60,260	137,186
MA Indicated Pure Premiums							
			1997/1998	0.000	0.000	0.195	0.195
			1998/1999	0.000	2.043	0.807	2.850
			1999/2000	0.000	0.075	0.432	0.506
			2000/2001	0.000	0.000	0.129	0.129
			2001/2002	0.000	0.232	0.487	0.718
			MA Total Pure Premium:	0.000	0.580	0.460	1.041
Pure Premium Relativities							
			Massachusetts Indicated Relativity:	0.000	0.899	0.560	
			Massachusetts Credibility:	0.15	0.35	0.36	
			Countrywide Pure Premium:	1.290	1.410	2.020	4.720
			Countrywide Indicated Relativity:	2.622	2.187	2.452	
			Countrywide Credibility:	0.35	0.32	0.32	
			Countrywide Lost-time Claims:	33	136		
			Pure Premium Underlying Present Rate:	0.920	1.090	1.200	3.210
			Relativity to Underlying Present Rate:	1.406	1.721	1.384	
			Credibility to Underlying Relativity:	0.50	0.33	0.32	
			Industry Group Adjusted Converted Pure Premium:	0.498	0.645	0.821	1.965
			Formula Relativity:	1.621	1.582	1.429	
			Balanced Formula Relativity:	1.628	1.583	1.428	1.530

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Calculation of Class Relativities

Class(es):		Schedule: 343		Effective: 9/1/2005		Goods & Services	
8105 HIDE OR LEATHER DEALER OR STORE							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	907,452	1	0	83,442	0	15,737	99,179
1998/1999	935,058	0	0	0	0	0	0
1999/2000	887,581	0	0	0	0	1,103	1,103
2000/2001	887,941	1	0	179,752	0	23,399	203,151
2001/2002	856,461	0	1	0	733	4,789	5,522
MA Total	4,474,493	2	1	263,194	733	45,028	308,955
		MA Indicated Pure Premiums					
		1997/1998		9.195	0.000	1.734	10.929
		1998/1999		0.000	0.000	0.000	0.000
		1999/2000		0.000	0.000	0.124	0.124
		2000/2001		20.244	0.000	2.635	22.879
		2001/2002		0.000	0.086	0.559	0.645
		MA Total Pure Premium:		5.880	0.020	1.010	6.905
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		11.804	0.031	1.229	
		Massachusetts Credibility:		0.11	0.22	0.30	
		Countrywide Pure Premium:		0.000	0.050	0.380	0.430
		Countrywide Indicated Relativity:		0.000	0.078	0.461	
		Countrywide Credibility:		0.00	0.07	0.08	
		Countrywide Lost-time Claims:		0	1		
		Pure Premium Underlying Present Rate:		1.290	0.970	2.240	4.500
		Relativity to Underlying Present Rate:		1.972	1.531	2.583	
		Credibility to Underlying Relativity:		0.89	0.71	0.62	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		3.054	1.099	2.007	
		Balanced Formula Relativity:		3.068	1.100	2.006	1.977

Class(es):		Schedule: 342		Effective: 9/1/2005		Goods & Services	
8106 IRON OR STEEL MERCHANT-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	16,436,122	1	53	56,070	235,730	248,729	540,529
1998/1999	17,286,945	3	51	484,174	188,291	347,917	1,020,382
1999/2000	17,903,182	5	51	650,508	481,296	657,725	1,789,529
2000/2001	17,122,151	3	43	460,702	687,193	605,470	1,753,365
2001/2002	15,277,911	0	33	0	485,251	309,224	794,475
MA Total	84,026,311	12	231	1,651,454	2,077,761	2,169,065	5,898,280
		MA Indicated Pure Premiums					
		1997/1998		0.341	1.434	1.513	3.289
		1998/1999		2.801	1.089	2.013	5.903
		1999/2000		3.633	2.688	3.674	9.996
		2000/2001		2.691	4.013	3.536	10.240
		2001/2002		0.000	3.176	2.024	5.200
		MA Total Pure Premium:		1.970	2.470	2.580	7.020
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		3.955	3.828	3.141	
		Massachusetts Credibility:		0.43	0.81	0.95	
		Countrywide Pure Premium:		1.350	1.230	1.650	4.230
		Countrywide Indicated Relativity:		2.744	1.908	2.003	
		Countrywide Credibility:		0.28	0.10	0.02	
		Countrywide Lost-time Claims:		212	1,764		
		Pure Premium Underlying Present Rate:		1.990	1.420	2.090	5.500
		Relativity to Underlying Present Rate:		3.042	2.242	2.410	
		Credibility to Underlying Relativity:		0.29	0.09	0.03	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		3.351	3.493	3.096	
		Balanced Formula Relativity:		3.367	3.495	3.094	3.295

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Calculation of Class Relativities

Class(es):		Schedule: 342		Effective: 9/1/2005		Goods & Services	
8107 MACHINERY DEALER-NOC-STORE OR YARD-DR							
8116 FARM MACHINERY DEALER-ALL OPERATION-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	46,539,658	5	38	680,450	212,724	546,929	1,440,103
1998/1999	50,471,970	3	33	292,286	204,948	466,312	963,546
1999/2000	58,324,897	4	44	371,726	402,923	707,965	1,482,614
2000/2001	63,457,906	1	49	65,723	543,864	612,703	1,222,290
2001/2002	57,283,187	0	35	0	578,728	461,394	1,040,122
MA Total	276,077,618	13	199	1,410,185	1,943,187	2,795,303	6,148,675
MA Indicated Pure Premiums							
		1997/1998		1.462	0.457	1.175	3.094
		1998/1999		0.579	0.406	0.924	1.909
		1999/2000		0.637	0.691	1.214	2.542
		2000/2001		0.104	0.857	0.966	1.926
		2001/2002		0.000	1.010	0.805	1.816
		MA Total Pure Premium:		0.510	0.700	1.010	2.227
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.024	1.085	1.229	
		Massachusetts Credibility:		0.48	0.86	1.00	
		Countrywide Pure Premium:		0.810	0.760	1.040	2.610
		Countrywide Indicated Relativity:		1.646	1.179	1.263	
		Countrywide Credibility:		0.26	0.07	0.00	
		Countrywide Lost-time Claims:		238	2,250		
		Pure Premium Underlying Present Rate:		0.830	0.490	1.150	2.470
		Relativity to Underlying Present Rate:		1.269	0.773	1.326	
		Credibility to Underlying Relativity:		0.26	0.07	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		1.249	1.070	1.229	
		Balanced Formula Relativity:		1.255	1.070	1.228	1.183

Class(es):		Schedule: 342		Effective: 9/1/2005		Goods & Services	
8111 PLUMBERS SUPPLIES DLR-WHOLESALE/RET-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	34,270,976	4	37	331,230	140,800	384,194	856,224
1998/1999	35,586,587	1	50	50,685	469,994	273,172	793,851
1999/2000	39,014,349	3	37	387,258	240,755	394,121	1,022,134
2000/2001	38,630,368	1	40	183,786	863,965	469,251	1,517,002
2001/2002	37,237,877	0	47	0	638,216	519,035	1,157,251
MA Total	184,740,157	9	211	952,959	2,353,730	2,039,773	5,346,462
MA Indicated Pure Premiums							
		1997/1998		0.967	0.411	1.121	2.498
		1998/1999		0.142	1.321	0.768	2.231
		1999/2000		0.993	0.617	1.010	2.620
		2000/2001		0.476	2.236	1.215	3.927
		2001/2002		0.000	1.714	1.394	3.108
		MA Total Pure Premium:		0.520	1.270	1.100	2.894
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.044	1.968	1.339	
		Massachusetts Credibility:		0.42	0.87	0.92	
		Countrywide Pure Premium:		0.890	0.830	1.170	2.890
		Countrywide Indicated Relativity:		1.809	1.288	1.420	
		Countrywide Credibility:		0.29	0.06	0.04	
		Countrywide Lost-time Claims:		182	1,383		
		Pure Premium Underlying Present Rate:		0.880	0.760	0.890	2.530
		Relativity to Underlying Present Rate:		1.345	1.200	1.026	
		Credibility to Underlying Relativity:		0.29	0.07	0.04	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		1.353	1.873	1.330	
		Balanced Formula Relativity:		1.360	1.874	1.329	1.516

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Calculation of Class Relativities

Class(es):		Schedule: 344		Effective: 9/1/2005		Goods & Services	
8203 ICE DEALER-NATURAL OR ARTIFICIAL-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	2,267,450	0	3	0	54,667	22,363	77,030
1998/1999	1,769,276	0	2	0	1,722	4,365	6,087
1999/2000	2,575,560	0	5	0	43,690	11,464	55,154
2000/2001	2,767,780	0	5	0	49,236	38,385	87,621
2001/2002	2,343,041	0	5	0	67,914	32,307	100,221
MA Total	11,723,107	0	20	0	217,229	108,884	326,113
MA Indicated Pure Premiums							
		1997/1998	0.000	2.411	0.986	3.397	
		1998/1999	0.000	0.097	0.247	0.344	
		1999/2000	0.000	1.696	0.445	2.141	
		2000/2001	0.000	1.779	1.387	3.166	
		2001/2002	0.000	2.899	1.379	4.277	
		MA Total Pure Premium:	0.000	1.850	0.930	2.782	
Pure Premium Relativities							
		Massachusetts Indicated Relativity:	0.000	2.867	1.132		
		Massachusetts Credibility:	0.16	0.41	0.37		
		Countrywide Pure Premium:	1.660	1.310	1.460	4.430	
		Countrywide Indicated Relativity:	3.374	2.032	1.772		
		Countrywide Credibility:	0.11	0.25	0.30		
		Countrywide Lost-time Claims:	2	28			
		Pure Premium Underlying Present Rate:	1.270	1.790	1.380	4.440	
		Relativity to Underlying Present Rate:	1.941	2.826	1.592		
		Credibility to Underlying Relativity:	0.73	0.34	0.33		
		Industry Group Adjusted Converted Pure Premium:	0.498	0.645	0.821	1.965	
		Formula Relativity:	1.788	2.644	1.476		
		Balanced Formula Relativity:	1.797	2.645	1.475	1.941	

Class(es):		Schedule: 346		Effective: 9/1/2005		Goods & Services	
8204 BUILDING MATERIAL YARD-USED-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,089,490	0	6	0	13,903	3,819	17,722
1998/1999	995,352	0	2	0	3,387	9,806	13,193
1999/2000	1,093,806	0	3	0	22,193	27,611	49,804
2000/2001	1,229,521	1	2	224,563	279	75,025	299,867
2001/2002	868,915	0	3	0	1,972	4,054	6,026
MA Total	5,277,084	1	16	224,563	41,734	120,315	386,612
MA Indicated Pure Premiums							
		1997/1998	0.000	1.276	0.351	1.627	
		1998/1999	0.000	0.340	0.985	1.325	
		1999/2000	0.000	2.029	2.524	4.553	
		2000/2001	18.264	0.023	6.102	24.389	
		2001/2002	0.000	0.227	0.467	0.694	
		MA Total Pure Premium:	4.260	0.790	2.280	7.326	
Pure Premium Relativities							
		Massachusetts Indicated Relativity:	8.552	1.224	2.776		
		Massachusetts Credibility:	0.22	0.30	0.35		
		Countrywide Pure Premium:	0.200	1.430	1.180	2.810	
		Countrywide Indicated Relativity:	0.406	2.218	1.433		
		Countrywide Credibility:	0.15	0.35	0.32		
		Countrywide Lost-time Claims:	4	64			
		Pure Premium Underlying Present Rate:	6.190	1.940	2.760	10.890	
		Relativity to Underlying Present Rate:	9.462	3.062	3.183		
		Credibility to Underlying Relativity:	0.63	0.35	0.33		
		Industry Group Adjusted Converted Pure Premium:	0.498	0.645	0.821	1.965	
		Formula Relativity:	7.903	2.215	2.481		
		Balanced Formula Relativity:	7.941	2.216	2.479	3.777	

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Calculation of Class Relativities

Class(es):		Schedule: 344		Effective: 9/1/2005		Goods & Services	
8215 HAY, GRAIN OR FEED DLRS-LOCAL MGRS-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	3,516,569	0	5	0	17,145	14,589	31,734
1998/1999	3,655,989	1	5	62,112	4,764	65,425	132,301
1999/2000	4,869,451	0	8	0	78,857	67,217	146,074
2000/2001	7,725,883	0	7	0	113,731	339,864	453,595
2001/2002	5,266,790	0	3	0	23,831	19,577	43,408
MA Total	25,034,682	1	28	62,112	238,328	506,672	807,112
MA Indicated Pure Premiums							
		1997/1998		0.000	0.488	0.415	0.902
		1998/1999		1.699	0.130	1.790	3.619
		1999/2000		0.000	1.619	1.380	3.000
		2000/2001		0.000	1.472	4.399	5.871
		2001/2002		0.000	0.452	0.372	0.824
		MA Total Pure Premium:		0.250	0.950	2.020	3.224
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.502	1.472	2.459	
		Massachusetts Credibility:		0.23	0.46	0.58	
		Countrywide Pure Premium:		0.890	1.200	1.540	3.630
		Countrywide Indicated Relativity:		1.809	1.862	1.870	
		Countrywide Credibility:		0.38	0.27	0.21	
		Countrywide Lost-time Claims:		50	296		
		Pure Premium Underlying Present Rate:		1.440	1.130	2.080	4.650
		Relativity to Underlying Present Rate:		2.201	1.784	2.399	
		Credibility to Underlying Relativity:		0.39	0.27	0.21	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		1.661	1.662	2.323	
		Balanced Formula Relativity:		1.669	1.662	2.321	1.939

Class(es):		Schedule: 279		Effective: 9/1/2005		Construction	
8227 CONTRACTORS PERMANENT YARD							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	62,617,306	6	52	846,718	635,936	1,274,746	2,757,400
1998/1999	69,819,117	1	54	90,030	450,997	418,001	959,028
1999/2000	73,776,132	11	38	1,920,035	215,995	1,242,010	3,378,040
2000/2001	78,549,032	3	61	335,059	587,084	716,171	1,638,314
2001/2002	77,233,461	0	37	0	540,384	347,919	888,303
MA Total	361,995,048	21	242	3,191,842	2,430,396	3,998,847	9,621,085
MA Indicated Pure Premiums							
		1997/1998		1.352	1.016	2.036	4.404
		1998/1999		0.129	0.646	0.599	1.374
		1999/2000		2.603	0.293	1.683	4.579
		2000/2001		0.427	0.747	0.912	2.086
		2001/2002		0.000	0.700	0.450	1.150
		MA Total Pure Premium:		0.880	0.670	1.100	2.658
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.366	0.479	0.529	
		Massachusetts Credibility:		0.72	1.00	1.00	
		Countrywide Pure Premium:		1.950	1.090	1.760	4.800
		Countrywide Indicated Relativity:		0.847	0.798	0.857	
		Countrywide Credibility:		0.14	0.00	0.00	
		Countrywide Lost-time Claims:		396	2,134		
		Pure Premium Underlying Present Rate:		1.700	0.750	1.360	3.810
		Relativity to Underlying Present Rate:		0.589	0.572	0.668	
		Credibility to Underlying Relativity:		0.14	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		2.402	1.400	2.079	5.881
		Formula Relativity:		0.465	0.479	0.529	
		Balanced Formula Relativity:		0.465	0.478	0.528	0.490

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Calculation of Class Relativities

Class(es):		Schedule: 344		Effective: 9/1/2005		Goods & Services	
8232 BUILDING MATERIAL DLR-NEW-A/O EMP-DR							
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	83,640,379	7	135	875,066	806,466	1,814,615	3,496,147
1998/1999	92,442,736	8	149	1,257,635	1,494,438	1,867,542	4,619,615
1999/2000	102,081,936	7	188	1,174,931	1,989,941	2,250,339	5,415,211
2000/2001	116,706,462	13	193	2,257,207	1,942,691	2,993,043	7,192,941
2001/2002	105,312,421	4	132	678,578	1,633,640	1,829,482	4,141,700
MA Total	500,183,934	39	797	6,243,417	7,867,176	10,755,021	24,865,614
MA Indicated Pure Premiums							
		1997/1998		1.046	0.964	2.170	4.180
		1998/1999		1.360	1.617	2.020	4.997
		1999/2000		1.151	1.949	2.204	5.305
		2000/2001		1.934	1.665	2.565	6.163
		2001/2002		0.644	1.551	1.737	3.933
		MA Total Pure Premium:		1.250	1.570	2.150	4.971
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		2.509	2.433	2.617	
		Massachusetts Credibility:		0.75	1.00	1.00	
		Countrywide Pure Premium:		1.090	1.090	1.430	3.610
		Countrywide Indicated Relativity:		2.215	1.691	1.736	
		Countrywide Credibility:		0.12	0.00	0.00	
		Countrywide Lost-time Claims:		1.332	9.544		
		Pure Premium Underlying Present Rate:		1.360	1.640	1.880	4.880
		Relativity to Underlying Present Rate:		2.079	2.589	2.168	
		Credibility to Underlying Relativity:		0.13	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		2.418	2.433	2.617	
		Balanced Formula Relativity:		2.429	2.434	2.615	2.509

Class(es):		Schedule: 344		Effective: 9/1/2005		Goods & Services	
8233 COAL MERCHANT-LOCAL MGR-DR 8265 IRON OR STEEL SCRAP DEALERS-DR 8500 METAL SCRAP DEALER-NON FERROUS-DR							
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	16,041,675	3	21	284,479	72,974	215,001	572,454
1998/1999	12,663,210	3	35	359,293	170,983	489,955	1,020,231
1999/2000	12,468,022	1	36	124,549	267,330	261,921	653,800
2000/2001	12,232,139	4	22	550,981	259,320	1,363,402	2,173,703
2001/2002	15,736,018	2	16	612,343	440,752	525,651	1,578,746
MA Total	69,141,064	13	130	1,931,645	1,211,359	2,855,930	5,998,934
MA Indicated Pure Premiums							
		1997/1998		1.773	0.455	1.340	3.569
		1998/1999		2.837	1.350	3.869	8.057
		1999/2000		0.999	2.144	2.101	5.244
		2000/2001		4.504	2.120	11.146	17.770
		2001/2002		3.891	2.801	3.340	10.033
		MA Total Pure Premium:		2.790	1.750	4.130	8.676
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		5.601	2.712	5.028	
		Massachusetts Credibility:		0.43	0.71	0.95	
		Countrywide Pure Premium:		1.330	1.130	1.940	4.400
		Countrywide Indicated Relativity:		2.703	1.753	2.355	
		Countrywide Credibility:		0.28	0.14	0.02	
		Countrywide Lost-time Claims:		161	1,125		
		Pure Premium Underlying Present Rate:		2.400	1.230	2.520	6.150
		Relativity to Underlying Present Rate:		3.669	1.942	2.906	
		Credibility to Underlying Relativity:		0.29	0.15	0.03	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		4.229	2.462	4.911	
		Balanced Formula Relativity:		4.249	2.463	4.907	3.938

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Calculation of Class Relativities

Class(es):		Schedule: 344		Effective: 9/1/2005		Goods & Services		
8235 SASH,DOOR OR FINISHED MILLWORK DLR-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	15,683,244	3	29	184,919	105,525	190,598	481,042	
1998/1999	18,080,262	1	40	239,343	332,969	354,029	926,341	
1999/2000	18,820,158	0	31	0	189,699	247,873	437,572	
2000/2001	19,996,354	1	30	59,232	441,142	544,851	1,045,225	
2001/2002	16,141,603	2	20	280,089	369,856	404,410	1,054,355	
MA Total	88,721,621	7	150	763,583	1,439,191	1,741,761	3,944,535	
				MA Indicated Pure Premiums				
				1997/1998	1.179	0.673	1.215	3.067
				1998/1999	1.324	1.842	1.958	5.123
				1999/2000	0.000	1.008	1.317	2.325
				2000/2001	0.296	2.206	2.725	5.227
				2001/2002	1.735	2.291	2.505	6.532
MA Total Pure Premium:				0.860	1.620	1.960	4.446	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				1.726	2.511	2.386		
Massachusetts Credibility:				0.38	0.77	0.87		
Countrywide Pure Premium:				1.390	1.300	1.810	4.500	
Countrywide Indicated Relativity:				2.825	2.017	2.197		
Countrywide Credibility:				0.31	0.12	0.06		
Countrywide Lost-time Claims:				27	307			
Pure Premium Underlying Present Rate:				1.380	1.190	1.580	4.150	
Relativity to Underlying Present Rate:				2.109	1.878	1.822		
Credibility to Underlying Relativity:				0.31	0.11	0.07		
Industry Group Adjusted Converted Pure Premium:				0.498	0.645	0.821	1.965	
Formula Relativity:				2.185	2.382	2.335		
Balanced Formula Relativity:				2.196	2.383	2.334	2.315	

Class(es):		Schedule: 345		Effective: 9/1/2005		Goods & Services		
8263 JUNK DEALERS-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	1,052,292	0	4	0	12,808	11,677	24,485	
1998/1999	1,071,631	0	1	0	865	6,176	7,041	
1999/2000	1,616,373	0	1	0	15,770	21,892	37,662	
2000/2001	1,660,799	1	2	65,986	6,509	58,202	130,697	
2001/2002	2,221,653	0	3	0	5,396	23,393	28,789	
MA Total	7,622,748	1	11	65,986	41,348	121,340	228,674	
				MA Indicated Pure Premiums				
				1997/1998	0.000	1.217	1.110	2.327
				1998/1999	0.000	0.081	0.576	0.657
				1999/2000	0.000	0.976	1.354	2.330
				2000/2001	3.973	0.392	3.504	7.870
				2001/2002	0.000	0.243	1.053	1.296
MA Total Pure Premium:				0.870	0.540	1.590	3.000	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				1.747	0.837	1.936		
Massachusetts Credibility:				0.19	0.33	0.41		
Countrywide Pure Premium:				1.640	1.280	2.460	5.380	
Countrywide Indicated Relativity:				3.333	1.986	2.986		
Countrywide Credibility:				0.24	0.34	0.30		
Countrywide Lost-time Claims:				13	89			
Pure Premium Underlying Present Rate:				2.950	1.590	2.900	7.440	
Relativity to Underlying Present Rate:				4.509	2.510	3.345		
Credibility to Underlying Relativity:				0.57	0.33	0.29		
Industry Group Adjusted Converted Pure Premium:				0.498	0.645	0.821	1.965	
Formula Relativity:				3.702	1.780	2.660		
Balanced Formula Relativity:				3.719	1.781	2.658	2.639	

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Calculation of Class Relativities

Class(es):		Schedule: 346		Effective: 9/1/2005		Goods & Services	
8264 BOTTLE DEALER-USED-NO COLLECTING-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	11,827,027	2	20	190,214	227,662	313,220	731,096
1998/1999	13,257,364	2	26	148,098	170,511	198,397	517,006
1999/2000	13,310,752	0	19	0	345,613	340,396	686,009
2000/2001	14,380,485	4	24	530,621	543,669	308,406	1,382,696
2001/2002	14,268,398	0	12	0	164,624	79,122	243,746
MA Total	67,044,026	8	101	868,933	1,452,079	1,239,541	3,560,553
		MA Indicated Pure Premiums					
		1997/1998		1.608	1.925	2.648	6.182
		1998/1999		1.117	1.286	1.497	3.900
		1999/2000		0.000	2.596	2.557	5.154
		2000/2001		3.690	3.781	2.145	9.615
		2001/2002		0.000	1.154	0.555	1.708
		MA Total Pure Premium:		1.300	2.170	1.850	5.311
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		2.610	3.363	2.252	
		Massachusetts Credibility:		0.38	0.79	0.87	
		Countrywide Pure Premium:		1.340	1.070	1.460	3.870
		Countrywide Indicated Relativity:		2.723	1.660	1.772	
		Countrywide Credibility:		0.31	0.10	0.06	
		Countrywide Lost-time Claims:		133	839		
		Pure Premium Underlying Present Rate:		1.830	1.670	2.090	5.590
		Relativity to Underlying Present Rate:		2.797	2.636	2.410	
		Credibility to Underlying Relativity:		0.31	0.11	0.07	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		2.703	3.113	2.234	
		Balanced Formula Relativity:		2.716	3.114	2.233	2.645

Class(es):		Schedule: 348		Effective: 9/1/2005		Goods & Services	
8279 STABLE/BREEDING FARM-JOCKEY, TRAIN-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	4,546,552	0	8	0	12,648	29,422	42,070
1998/1999	6,212,117	2	10	108,668	12,131	42,189	162,988
1999/2000	7,664,855	1	20	54,492	100,473	165,934	320,899
2000/2001	8,862,819	1	10	283,549	52,013	226,462	562,024
2001/2002	10,833,077	2	16	389,581	87,670	640,534	1,117,785
MA Total	38,119,420	6	64	836,290	264,935	1,104,541	2,205,766
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.278	0.647	0.925
		1998/1999		1.749	0.195	0.679	2.624
		1999/2000		0.711	1.311	2.165	4.187
		2000/2001		3.199	0.587	2.555	6.341
		2001/2002		3.596	0.809	5.913	10.318
		MA Total Pure Premium:		2.190	0.700	2.900	5.786
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		4.396	1.085	3.530	
		Massachusetts Credibility:		0.25	0.56	0.70	
		Countrywide Pure Premium:		0.990	0.990	2.010	3.990
		Countrywide Indicated Relativity:		2.012	1.536	2.440	
		Countrywide Credibility:		0.23	0.22	0.15	
		Countrywide Lost-time Claims:		11	234		
		Pure Premium Underlying Present Rate:		1.130	1.220	2.150	4.500
		Relativity to Underlying Present Rate:		1.727	1.926	2.480	
		Credibility to Underlying Relativity:		0.52	0.22	0.15	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		2.460	1.369	3.209	
		Balanced Formula Relativity:		2.471	1.370	3.207	2.417

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Calculation of Class Relativities

Class(es):		Schedule: 349		Effective: 9/1/2005		Goods & Services	
8291 STORAGE WAREHOUSES-COLD							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	9,328,307	0	16	0	42,022	67,406	109,428
1998/1999	8,582,219	1	15	130,894	50,067	100,169	281,130
1999/2000	10,038,705	0	20	0	183,577	81,457	265,034
2000/2001	11,380,107	1	12	172,746	77,346	177,765	427,857
2001/2002	12,908,247	1	12	103,927	116,262	298,041	518,230
MA Total	52,237,585	3	75	407,567	469,274	724,838	1,601,679
MA Indicated Pure Premiums							
		1997/1998		0.000	0.450	0.723	1.173
		1998/1999		1.525	0.583	1.167	3.276
		1999/2000		0.000	1.829	0.811	2.640
		2000/2001		1.518	0.680	1.562	3.760
		2001/2002		0.805	0.901	2.309	4.015
		MA Total Pure Premium:		0.780	0.900	1.390	3.066
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.566	1.395	1.692	
		Massachusetts Credibility:		0.28	0.63	0.64	
		Countrywide Pure Premium:		0.780	1.220	1.300	3.300
		Countrywide Indicated Relativity:		1.585	1.893	1.578	
		Countrywide Credibility:		0.36	0.18	0.18	
		Countrywide Lost-time Claims:		157	1,176		
		Pure Premium Underlying Present Rate:		1.130	1.220	1.260	3.610
		Relativity to Underlying Present Rate:		1.727	1.926	1.453	
		Credibility to Underlying Relativity:		0.36	0.19	0.18	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		1.631	1.586	1.628	
		Balanced Formula Relativity:		1.639	1.586	1.627	1.617

Class(es):		Schedule: 349		Effective: 9/1/2005		Goods & Services	
8292 STORAGE WAREHOUSES GEN MERCHANDISE-NOC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	42,128,875	4	80	525,521	403,967	630,614	1,560,102
1998/1999	57,819,536	2	80	110,204	276,842	307,155	694,201
1999/2000	47,103,621	6	66	981,706	418,413	698,528	2,098,647
2000/2001	47,740,632	5	62	384,535	508,601	638,357	1,531,493
2001/2002	47,712,565	3	72	447,868	894,260	778,374	2,120,502
MA Total	242,505,229	20	360	2,449,834	2,502,083	3,053,028	8,004,945
MA Indicated Pure Premiums							
		1997/1998		1.247	0.959	1.497	3.703
		1998/1999		0.191	0.479	0.531	1.201
		1999/2000		2.084	0.888	1.483	4.455
		2000/2001		0.805	1.065	1.337	3.208
		2001/2002		0.939	1.874	1.631	4.444
		MA Total Pure Premium:		1.010	1.030	1.260	3.301
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		2.028	1.596	1.534	
		Massachusetts Credibility:		0.53	1.00	1.00	
		Countrywide Pure Premium:		1.040	1.200	1.480	3.720
		Countrywide Indicated Relativity:		2.114	1.862	1.797	
		Countrywide Credibility:		0.24	0.00	0.00	
		Countrywide Lost-time Claims:		782	5,953		
		Pure Premium Underlying Present Rate:		1.200	0.980	1.580	3.760
		Relativity to Underlying Present Rate:		1.834	1.547	1.822	
		Credibility to Underlying Relativity:		0.23	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		2.004	1.596	1.534	
		Balanced Formula Relativity:		2.014	1.597	1.533	1.676

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Calculation of Class Relativities

Class(es):		Schedule: 349		Effective: 9/1/2005		Goods & Services	
8293 FURNITURE MOVING AND STORAGE-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	27,972,528	10	100	1,196,206	635,288	977,014	2,808,508
1998/1999	32,589,405	11	89	1,370,315	601,774	949,238	2,921,327
1999/2000	37,053,158	9	89	1,212,727	499,269	1,047,990	2,759,986
2000/2001	40,097,524	4	79	316,202	640,673	807,224	1,764,099
2001/2002	41,456,502	9	80	1,676,636	1,019,487	1,506,787	4,202,910
MA Total	179,169,117	43	437	5,772,086	3,396,491	5,288,253	14,456,830
		MA Indicated Pure Premiums					
		1997/1998		4.276	2.271	3.493	10.040
		1998/1999		4.205	1.847	2.913	8.964
		1999/2000		3.273	1.347	2.828	7.449
		2000/2001		0.789	1.598	2.013	4.400
		2001/2002		4.044	2.459	3.635	10.138
		MA Total Pure Premium:		3.220	1.900	2.950	8.069
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		6.464	2.945	3.591	
		Massachusetts Credibility:		0.70	1.00	1.00	
		Countrywide Pure Premium:		2.400	2.120	2.650	7.170
		Countrywide Indicated Relativity:		4.878	3.289	3.217	
		Countrywide Credibility:		0.15	0.00	0.00	
		Countrywide Lost-time Claims:		508	3,451		
		Pure Premium Underlying Present Rate:		3.250	1.820	3.370	8.440
		Relativity to Underlying Present Rate:		4.968	2.873	3.887	
		Credibility to Underlying Relativity:		0.15	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		6.002	2.945	3.591	
		Balanced Formula Relativity:		6.030	2.946	3.588	3.997

Class(es):		Schedule: 344		Effective: 9/1/2005		Goods & Services	
8350 GASOLINE OR OIL DEALER-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	118,879,883	13	151	2,049,396	1,400,504	2,021,116	5,471,016
1998/1999	124,282,045	14	163	2,971,078	1,654,571	2,191,630	6,817,279
1999/2000	120,070,509	15	172	2,756,568	2,350,151	2,300,049	7,406,768
2000/2001	134,351,966	8	170	1,466,097	2,212,789	2,460,304	6,139,190
2001/2002	147,918,389	6	162	855,792	2,228,471	2,038,908	5,123,171
MA Total	645,502,792	56	818	10,098,931	9,846,486	11,012,007	30,957,424
		MA Indicated Pure Premiums					
		1997/1998		1.724	1.178	1.700	4.602
		1998/1999		2.391	1.331	1.763	5.485
		1999/2000		2.296	1.957	1.916	6.169
		2000/2001		1.091	1.647	1.831	4.569
		2001/2002		0.579	1.507	1.378	3.464
		MA Total Pure Premium:		1.560	1.530	1.710	4.796
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		3.132	2.371	2.082	
		Massachusetts Credibility:		0.99	1.00	1.00	
		Countrywide Pure Premium:		1.140	0.980	1.240	3.360
		Countrywide Indicated Relativity:		2.317	1.520	1.505	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		300	2,485		
		Pure Premium Underlying Present Rate:		2.100	1.170	1.500	4.770
		Relativity to Underlying Present Rate:		3.210	1.847	1.730	
		Credibility to Underlying Relativity:		0.01	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		3.133	2.371	2.082	
		Balanced Formula Relativity:		3.148	2.372	2.081	2.447

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Calculation of Class Relativities

Class(es):		Schedule: 347		Effective: 9/1/2005		Goods & Services	
8380 AUTO SERVICE OR REPAIR CENTER-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	732,424,227	41	670	5,513,519	5,751,946	7,974,143	19,239,608
1998/1999	778,483,018	39	675	5,456,455	5,976,791	8,405,009	19,838,255
1999/2000	872,556,773	39	730	5,331,943	7,985,363	9,689,704	23,007,010
2000/2001	942,855,479	33	741	5,232,544	9,957,242	9,684,860	24,874,646
2001/2002	972,071,513	28	679	4,425,360	8,319,067	9,702,663	22,447,090
MA Total	4,298,391,010	180	3,495	25,959,821	37,990,409	45,456,379	109,406,609
MA Indicated Pure Premiums							
		1997/1998		0.753	0.785	1.089	2.627
		1998/1999		0.701	0.768	1.080	2.548
		1999/2000		0.611	0.915	1.110	2.637
		2000/2001		0.555	1.056	1.027	2.638
		2001/2002		0.455	0.856	0.998	2.309
		MA Total Pure Premium:		0.600	0.880	1.060	2.545
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.204	1.364	1.290	
		Massachusetts Credibility:		1.00	1.00	1.00	
		Countrywide Pure Premium:		0.640	0.760	0.980	2.380
		Countrywide Indicated Relativity:		1.301	1.179	1.190	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		405	8,394		
		Pure Premium Underlying Present Rate:		0.800	0.810	1.040	2.650
		Relativity to Underlying Present Rate:		1.223	1.279	1.199	
		Credibility to Underlying Relativity:		0.00	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		1.204	1.364	1.290	
		Balanced Formula Relativity:		1.210	1.365	1.289	1.294

Class(es):		Schedule: 347		Effective: 9/1/2005		Goods & Services	
8381 GAS STATION-RETAIL-SELF SERVICE							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	28,310,924	3	16	210,126	109,854	113,252	433,232
1998/1999	32,584,669	0	19	0	154,332	114,156	268,488
1999/2000	35,405,001	1	16	92,284	98,049	336,419	526,752
2000/2001	24,699,917	0	14	0	165,272	111,212	276,484
2001/2002	28,088,585	2	18	179,171	149,464	306,815	635,450
MA Total	149,089,096	6	83	481,581	676,971	981,854	2,140,406
MA Indicated Pure Premiums							
		1997/1998		0.742	0.388	0.400	1.530
		1998/1999		0.000	0.474	0.350	0.824
		1999/2000		0.261	0.277	0.950	1.488
		2000/2001		0.000	0.669	0.450	1.119
		2001/2002		0.638	0.532	1.092	2.262
		MA Total Pure Premium:		0.320	0.450	0.660	1.436
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.642	0.697	0.803	
		Massachusetts Credibility:		0.31	0.60	0.76	
		Countrywide Pure Premium:		0.120	0.430	0.490	1.040
		Countrywide Indicated Relativity:		0.244	0.667	0.595	
		Countrywide Credibility:		0.28	0.20	0.12	
		Countrywide Lost-time Claims:		18	651		
		Pure Premium Underlying Present Rate:		0.520	0.380	0.670	1.570
		Relativity to Underlying Present Rate:		0.795	0.600	0.773	
		Credibility to Underlying Relativity:		0.41	0.20	0.12	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.593	0.672	0.774	
		Balanced Formula Relativity:		0.596	0.672	0.774	0.695

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Calculation of Class Relativities

Class(es):		Schedule: 347		Effective: 9/1/2005		Goods & Services	
8385 BUS CO-GARAGE EMPLOYEES							
Policy Period	Payroll	Adjusted Converted Loss and Loss Adjustment Expense					
		Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	26,267,733	0	45	0	357,899	243,434	601,333
1998/1999	27,228,546	1	38	109,887	157,959	212,209	480,055
1999/2000	28,892,058	3	34	422,490	152,331	334,039	908,860
2000/2001	31,091,047	6	33	1,164,497	357,298	561,217	2,083,012
2001/2002	28,592,699	1	20	298,787	288,838	255,987	843,612
MA Total	142,072,083	11	170	1,995,661	1,314,325	1,606,886	4,916,872
MA Indicated Pure Premiums							
		1997/1998		0.000	1.363	0.927	2.289
		1998/1999		0.404	0.580	0.779	1.763
		1999/2000		1.462	0.527	1.156	3.146
		2000/2001		3.745	1.149	1.805	6.700
		2001/2002		1.045	1.010	0.895	2.950
		MA Total Pure Premium:		1.400	0.930	1.130	3.461
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		2.810	1.441	1.376	
		Massachusetts Credibility:		0.46	0.96	1.00	
		Countrywide Pure Premium:		0.820	1.270	1.460	3.550
		Countrywide Indicated Relativity:		1.667	1.970	1.772	
		Countrywide Credibility:		0.27	0.02	0.00	
		Countrywide Lost-time Claims:		69	979		
		Pure Premium Underlying Present Rate:		1.390	1.270	1.750	4.410
		Relativity to Underlying Present Rate:		2.125	2.005	2.018	
		Credibility to Underlying Relativity:		0.27	0.02	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		2.316	1.463	1.376	
		Balanced Formula Relativity:		2.327	1.464	1.375	1.646

Class(es):		Schedule: 347		Effective: 9/1/2005		Goods & Services	
8392 AUTO STORAGE GARAGE OR PARK STATION-DR							
Policy Period	Payroll	Adjusted Converted Loss and Loss Adjustment Expense					
		Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	33,371,042	2	27	148,352	186,437	134,408	469,197
1998/1999	39,875,441	0	23	0	77,391	137,671	215,062
1999/2000	48,272,787	2	29	382,239	222,111	544,404	1,148,754
2000/2001	57,305,190	1	33	93,554	475,743	269,976	839,273
2001/2002	60,270,663	0	19	0	67,629	131,375	199,004
MA Total	239,095,123	5	131	624,145	1,029,311	1,217,834	2,871,290
MA Indicated Pure Premiums							
		1997/1998		0.445	0.559	0.403	1.406
		1998/1999		0.000	0.194	0.345	0.539
		1999/2000		0.792	0.460	1.128	2.380
		2000/2001		0.163	0.830	0.471	1.465
		2001/2002		0.000	0.112	0.218	0.330
		MA Total Pure Premium:		0.260	0.430	0.510	1.201
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.522	0.666	0.621	
		Massachusetts Credibility:		0.45	0.74	0.84	
		Countrywide Pure Premium:		0.610	0.820	1.060	2.490
		Countrywide Indicated Relativity:		1.240	1.272	1.287	
		Countrywide Credibility:		0.28	0.13	0.08	
		Countrywide Lost-time Claims:		333	2,136		
		Pure Premium Underlying Present Rate:		0.810	0.390	0.540	1.740
		Relativity to Underlying Present Rate:		1.238	0.616	0.623	
		Credibility to Underlying Relativity:		0.27	0.13	0.08	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.916	0.738	0.674	
		Balanced Formula Relativity:		0.921	0.739	0.674	0.758

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Calculation of Class Relativities

Class(es):		Schedule: 347		Effective: 9/1/2005		Goods & Services	
8393 AUTO BODY REPAIR-METAL-INCL UPHOL-PNT							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	117,447,781	8	79	637,271	707,746	983,609	2,328,626
1998/1999	127,326,876	5	87	457,743	1,156,930	1,108,122	2,722,795
1999/2000	132,402,235	6	66	792,309	988,635	869,075	2,650,019
2000/2001	141,627,784	5	64	984,231	1,484,847	1,027,670	3,496,748
2001/2002	150,262,797	2	78	252,200	885,415	899,104	2,036,719
MA Total	669,067,473	26	374	3,123,754	5,223,573	4,887,580	13,234,907
MA Indicated Pure Premiums							
		1997/1998		0.543	0.603	0.837	1.983
		1998/1999		0.360	0.909	0.870	2.138
		1999/2000		0.598	0.747	0.656	2.001
		2000/2001		0.695	1.048	0.726	2.469
		2001/2002		0.168	0.589	0.598	1.355
		MA Total Pure Premium:		0.470	0.780	0.730	1.978
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.944	1.209	0.889	
		Massachusetts Credibility:		0.61	1.00	1.00	
		Countrywide Pure Premium:		0.510	0.590	0.670	1.770
		Countrywide Indicated Relativity:		1.036	0.915	0.813	
		Countrywide Credibility:		0.20	0.00	0.00	
		Countrywide Lost-time Claims:		400	2,183		
		Pure Premium Underlying Present Rate:		0.600	0.700	0.850	2.150
		Relativity to Underlying Present Rate:		0.917	1.105	0.980	
		Credibility to Underlying Relativity:		0.19	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.957	1.209	0.889	
		Balanced Formula Relativity:		0.962	1.210	0.888	1.012

Class(es):		Schedule: 353		Effective: 9/1/2005		Office & Clerical	
8601 ENGINEER OR ARCHITECT-CONSULTING							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	541,840,228	9	49	1,235,577	261,797	1,352,018	2,849,392
1998/1999	577,981,271	9	58	1,354,851	348,947	1,024,510	2,728,308
1999/2000	701,643,373	3	78	428,158	656,783	1,095,340	2,180,281
2000/2001	717,407,910	5	59	737,989	504,051	1,087,573	2,329,613
2001/2002	766,993,996	2	48	352,538	736,998	1,014,073	2,103,609
MA Total	3,305,866,778	28	292	4,109,113	2,508,576	5,573,514	12,191,203
MA Indicated Pure Premiums							
		1997/1998		0.228	0.048	0.250	0.526
		1998/1999		0.234	0.060	0.177	0.472
		1999/2000		0.061	0.094	0.156	0.311
		2000/2001		0.103	0.070	0.152	0.325
		2001/2002		0.046	0.096	0.132	0.274
		MA Total Pure Premium:		0.120	0.080	0.170	0.369
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		2.097	1.283	1.990	
		Massachusetts Credibility:		0.71	1.00	1.00	
		Countrywide Pure Premium:		0.090	0.080	0.120	0.290
		Countrywide Indicated Relativity:		1.673	1.325	1.435	
		Countrywide Credibility:		0.14	0.00	0.00	
		Countrywide Lost-time Claims:		370	2,466		
		Pure Premium Underlying Present Rate:		0.180	0.060	0.170	0.410
		Relativity to Underlying Present Rate:		2.523	0.988	1.891	
		Credibility to Underlying Relativity:		0.15	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.057	0.062	0.085	0.205
		Formula Relativity:		2.102	1.283	1.990	
		Balanced Formula Relativity:		2.029	1.314	2.072	1.829

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Calculation of Class Relativities

Class(es):		Schedule: 349		Effective: 9/1/2005		Goods & Services	
8710 FIELD BONDED WAREHOUSING							
8719 STEVEDORING-TALLIERS,CLERKS-ST COV							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	114,343	0	0	0	0	0	0
1998/1999	366,001	0	0	0	0	0	0
1999/2000	23,294	0	0	0	0	0	0
2000/2001	4,100	0	0	0	0	0	0
2001/2002	431,930	0	1	0	4,335	2,081	6,416
MA Total	939,668	0	1	0	4,335	2,081	6,416
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.000	0.000	0.000
		1998/1999		0.000	0.000	0.000	0.000
		1999/2000		0.000	0.000	0.000	0.000
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		0.000	1.004	0.482	1.485
		MA Total Pure Premium:		0.000	0.460	0.220	0.683
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	0.713	0.268	
		Massachusetts Credibility:		0.05	0.10	0.12	
		Countrywide Pure Premium:		0.000	0.060	0.010	0.070
		Countrywide Indicated Relativity:		0.000	0.093	0.012	
		Countrywide Credibility:		0.00	0.07	0.08	
		Countrywide Lost-time Claims:		0	1		
		Pure Premium Underlying Present Rate:		0.850	0.610	1.000	2.460
		Relativity to Underlying Present Rate:		1.299	0.963	1.153	
		Credibility to Underlying Relativity:		0.95	0.83	0.80	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		1.234	0.877	0.956	
		Balanced Formula Relativity:		1.240	0.877	0.955	1.002

Class(es):		Schedule: 353		Effective: 9/1/2005		Goods & Services	
8720 INSPECTION-MERCANT,MFG OR MAR RISK-NO							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	98,806,734	1	17	224,428	79,139	259,725	563,292
1998/1999	99,497,834	1	47	140,187	330,713	376,140	847,040
1999/2000	90,351,840	1	24	168,253	81,051	475,363	724,667
2000/2001	106,214,358	1	21	149,835	223,965	206,246	580,046
2001/2002	106,007,152	3	19	521,139	223,186	357,767	1,102,092
MA Total	500,877,918	7	128	1,203,842	938,054	1,675,241	3,817,137
		MA Indicated Pure Premiums					
		1997/1998		0.227	0.080	0.263	0.570
		1998/1999		0.141	0.332	0.378	0.851
		1999/2000		0.186	0.090	0.526	0.802
		2000/2001		0.141	0.211	0.194	0.546
		2001/2002		0.492	0.211	0.337	1.040
		MA Total Pure Premium:		0.240	0.190	0.330	0.762
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.482	0.294	0.402	
		Massachusetts Credibility:		0.45	0.84	0.96	
		Countrywide Pure Premium:		0.400	0.460	0.630	1.490
		Countrywide Indicated Relativity:		0.813	0.714	0.765	
		Countrywide Credibility:		0.28	0.08	0.02	
		Countrywide Lost-time Claims:		107	655		
		Pure Premium Underlying Present Rate:		0.390	0.260	0.360	1.010
		Relativity to Underlying Present Rate:		0.596	0.410	0.415	
		Credibility to Underlying Relativity:		0.27	0.08	0.02	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.605	0.337	0.410	
		Balanced Formula Relativity:		0.608	0.337	0.409	0.436

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Class(es):		Schedule: 354		Effective: 9/1/2005		Office & Clerical	
8742 SALESPERSON, COLLECTOR, MESSENGER-OUTSIDE							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	4,785,886,507	29	400	3,242,547	2,763,121	5,382,360	11,388,028
1998/1999	5,535,138,445	29	372	3,262,534	3,605,786	5,549,539	12,417,859
1999/2000	5,923,003,720	37	393	4,946,485	4,274,289	6,551,384	15,772,158
2000/2001	6,215,756,653	20	336	3,512,647	4,882,438	5,545,266	13,940,351
2001/2002	5,912,929,491	22	312	4,420,711	3,657,733	6,284,834	14,363,278
MA Total	28,372,714,816	137	1,813	19,384,924	19,183,367	29,313,383	67,881,674
MA Indicated Pure Premiums							
		1997/1998		0.068	0.058	0.112	0.238
		1998/1999		0.059	0.065	0.100	0.224
		1999/2000		0.084	0.072	0.111	0.266
		2000/2001		0.057	0.079	0.089	0.224
		2001/2002		0.075	0.062	0.106	0.243
		MA Total Pure Premium:		0.070	0.070	0.100	0.239
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.223	1.122	1.171	
		Massachusetts Credibility:		1.00	1.00	1.00	
		Countrywide Pure Premium:		0.080	0.070	0.100	0.250
		Countrywide Indicated Relativity:		1.487	1.159	1.196	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		2,997	19,487		
		Pure Premium Underlying Present Rate:		0.080	0.060	0.100	0.240
		Relativity to Underlying Present Rate:		1.121	0.988	1.112	
		Credibility to Underlying Relativity:		0.00	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.057	0.062	0.085	0.205
		Formula Relativity:		1.223	1.122	1.171	
		Balanced Formula Relativity:		1.181	1.149	1.219	1.187

Class(es):		Schedule: 343		Effective: 9/1/2005		Goods & Services	
8745 NEWS AGENT OR DISTRIBUTOR-SALES, DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	7,893,906	3	13	327,738	133,801	97,665	559,204
1998/1999	7,231,484	1	11	115,169	33,351	103,701	252,221
1999/2000	12,565,317	1	14	76,663	207,771	184,690	469,124
2000/2001	9,917,287	0	17	0	90,284	116,961	207,245
2001/2002	14,967,018	4	119	433,645	1,120,135	2,027,864	3,581,644
MA Total	52,575,012	9	174	953,215	1,585,342	2,530,881	5,069,438
MA Indicated Pure Premiums							
		1997/1998		4.152	1.695	1.237	7.084
		1998/1999		1.593	0.461	1.434	3.488
		1999/2000		0.610	1.654	1.470	3.733
		2000/2001		0.000	0.910	1.179	2.090
		2001/2002		2.897	7.484	13.549	23.930
		MA Total Pure Premium:		1.810	3.020	4.810	9.642
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		3.634	4.681	5.855	
		Massachusetts Credibility:		0.30	0.72	0.70	
		Countrywide Pure Premium:		0.490	1.250	1.280	3.020
		Countrywide Indicated Relativity:		0.996	1.939	1.554	
		Countrywide Credibility:		0.35	0.14	0.15	
		Countrywide Lost-time Claims:		60	523		
		Pure Premium Underlying Present Rate:		1.340	1.660	1.550	4.550
		Relativity to Underlying Present Rate:		2.048	2.620	1.788	
		Credibility to Underlying Relativity:		0.35	0.14	0.15	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		2.156	4.009	4.600	
		Balanced Formula Relativity:		2.166	4.010	4.596	3.788

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Calculation of Class Relativities

Class(es):		Schedule: 354		Effective: 9/1/2005		Office & Clerical	
8748 AUTO SALES OR SERVICE AGCY-SALESPERSON							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	265,364,576	5	82	1,217,913	1,633,448	1,409,768	4,261,129
1998/1999	304,835,784	5	55	978,203	734,179	1,252,307	2,964,689
1999/2000	341,515,970	1	42	23,047	750,846	958,175	1,732,068
2000/2001	364,289,335	6	61	848,125	717,166	753,734	2,319,025
2001/2002	368,932,510	4	47	623,319	585,477	882,481	2,091,277
MA Total	1,644,938,175	21	287	3,690,607	4,421,116	5,256,465	13,368,188
		MA Indicated Pure Premiums					
		1997/1998		0.459	0.616	0.531	1.606
		1998/1999		0.321	0.241	0.411	0.973
		1999/2000		0.007	0.220	0.281	0.507
		2000/2001		0.233	0.197	0.207	0.637
		2001/2002		0.169	0.159	0.239	0.567
		MA Total Pure Premium:		0.220	0.270	0.320	0.813
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		3.845	4.330	3.746	
		Massachusetts Credibility:		0.54	1.00	1.00	
		Countrywide Pure Premium:		0.080	0.090	0.110	0.280
		Countrywide Indicated Relativity:		1.487	1.491	1.316	
		Countrywide Credibility:		0.23	0.00	0.00	
		Countrywide Lost-time Claims:		303	1,782		
		Pure Premium Underlying Present Rate:		0.180	0.370	0.350	0.900
		Relativity to Underlying Present Rate:		2.523	6.090	3.894	
		Credibility to Underlying Relativity:		0.23	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.057	0.062	0.085	0.205
		Formula Relativity:		2.999	4.330	3.746	
		Balanced Formula Relativity:		2.895	4.436	3.900	3.782

Class(es):		Schedule: 352		Effective: 9/1/2005		Office & Clerical	
8800 MAILING OR ADDRESSING CO-CLERICAL							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	66,620,978	1	15	59,481	62,563	191,541	313,585
1998/1999	69,676,680	0	18	0	56,382	99,228	155,610
1999/2000	90,365,460	1	24	52,477	138,005	157,494	347,976
2000/2001	123,066,707	2	18	214,272	174,214	201,301	589,787
2001/2002	73,093,064	3	23	520,833	149,085	288,219	958,137
MA Total	422,822,889	7	98	847,063	580,249	937,783	2,365,095
		MA Indicated Pure Premiums					
		1997/1998		0.089	0.094	0.288	0.471
		1998/1999		0.000	0.081	0.142	0.223
		1999/2000		0.058	0.153	0.174	0.385
		2000/2001		0.174	0.142	0.164	0.479
		2001/2002		0.713	0.204	0.394	1.311
		MA Total Pure Premium:		0.200	0.140	0.220	0.559
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		3.495	2.245	2.575	
		Massachusetts Credibility:		0.34	0.68	0.88	
		Countrywide Pure Premium:		0.320	0.340	0.460	1.120
		Countrywide Indicated Relativity:		5.949	5.632	5.502	
		Countrywide Credibility:		0.33	0.16	0.06	
		Countrywide Lost-time Claims:		190	1,289		
		Pure Premium Underlying Present Rate:		0.220	0.180	0.340	0.740
		Relativity to Underlying Present Rate:		3.084	2.963	3.782	
		Credibility to Underlying Relativity:		0.33	0.16	0.06	
		Industry Group Adjusted Converted Pure Premium:		0.057	0.062	0.085	0.205
		Formula Relativity:		4.169	2.902	2.823	
		Balanced Formula Relativity:		4.026	2.973	2.939	3.252

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Calculation of Class Relativities

Class(es):		Schedule: 350		Effective: 9/1/2005		Office & Clerical	
8803 AUDITOR,ACCOUNTANT,ETC-TRAVELING							
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,370,082,289	5	27	901,556	446,805	470,725	1,819,086
1998/1999	1,811,149,689	2	30	423,305	326,388	311,675	1,061,368
1999/2000	2,282,390,153	2	21	408,174	239,227	495,644	1,143,045
2000/2001	2,253,265,965	4	23	588,571	290,847	515,623	1,395,041
2001/2002	2,149,752,876	1	24	148,139	497,631	515,857	1,161,627
MA Total	9,866,640,972	14	125	2,469,745	1,800,898	2,309,524	6,580,167
MA Indicated Pure Premiums							
		1997/1998		0.066	0.033	0.034	0.133
		1998/1999		0.023	0.018	0.017	0.059
		1999/2000		0.018	0.010	0.022	0.050
		2000/2001		0.026	0.013	0.023	0.062
		2001/2002		0.007	0.023	0.024	0.054
		MA Total Pure Premium:		0.030	0.020	0.020	0.067
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.524	0.321	0.234	
		Massachusetts Credibility:		0.54	0.75	0.99	
		Countrywide Pure Premium:		0.030	0.020	0.030	0.080
		Countrywide Indicated Relativity:		0.558	0.331	0.359	
		Countrywide Credibility:		0.23	0.12	0.00	
		Countrywide Lost-time Claims:		240	1,276		
		Pure Premium Underlying Present Rate:		0.030	0.010	0.020	0.060
		Relativity to Underlying Present Rate:		0.421	0.165	0.222	
		Credibility to Underlying Relativity:		0.23	0.13	0.01	
		Industry Group Adjusted Converted Pure Premium:		0.057	0.062	0.085	0.205
		Formula Relativity:		0.508	0.302	0.234	
		Balanced Formula Relativity:		0.491	0.309	0.243	0.332

Class(es):		Schedule: 350		Effective: 9/1/2005		Office & Clerical	
8810 CLERICAL OFFICE EMPLOYEES NOC 8901 TELEPHONE/TELEGRAPH CO-OFFICE EMP-CL							
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	22,150,793,962	103	1,212	10,649,265	8,591,105	13,266,570	32,506,940
1998/1999	23,935,568,893	81	1,157	10,195,246	9,225,365	12,549,306	31,969,917
1999/2000	27,496,818,652	93	1,459	11,734,039	13,900,690	15,942,692	41,577,421
2000/2001	30,200,835,210	64	1,149	8,906,732	12,936,899	14,901,193	36,744,824
2001/2002	27,725,133,586	35	1,018	7,102,153	12,429,361	15,626,237	35,157,751
MA Total	131,509,150,303	376	5,995	48,587,435	57,083,420	72,285,998	177,956,853
MA Indicated Pure Premiums							
		1997/1998		0.048	0.039	0.060	0.147
		1998/1999		0.043	0.039	0.052	0.134
		1999/2000		0.043	0.051	0.058	0.151
		2000/2001		0.029	0.043	0.049	0.122
		2001/2002		0.026	0.045	0.056	0.127
		MA Total Pure Premium:		0.040	0.040	0.050	0.135
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.699	0.641	0.585	
		Massachusetts Credibility:		1.00	1.00	1.00	
		Countrywide Pure Premium:		0.040	0.050	0.070	0.160
		Countrywide Indicated Relativity:		0.744	0.828	0.837	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		10,042	68,049		
		Pure Premium Underlying Present Rate:		0.050	0.040	0.060	0.150
		Relativity to Underlying Present Rate:		0.701	0.658	0.667	
		Credibility to Underlying Relativity:		0.00	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.057	0.062	0.085	0.205
		Formula Relativity:		0.699	0.641	0.585	
		Balanced Formula Relativity:		0.675	0.657	0.609	0.642

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Calculation of Class Relativities

Class(es):		Schedule: 350		Effective: 9/1/2005		Office & Clerical	
8820 ATTORNEY-ALL EMP-CLERICAL, MESSENGER-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,274,678,350	5	58	663,080	586,653	577,120	1,826,853
1998/1999	1,570,132,646	5	40	689,759	400,767	766,465	1,856,991
1999/2000	1,711,023,957	3	43	571,236	573,017	457,256	1,601,509
2000/2001	1,784,680,229	5	47	771,890	547,357	712,142	2,031,389
2001/2002	1,830,315,626	4	37	979,718	437,835	700,941	2,118,494
MA Total	8,170,830,808	22	225	3,675,683	2,545,629	3,213,924	9,435,236
MA Indicated Pure Premiums							
		1997/1998		0.052	0.046	0.045	0.143
		1998/1999		0.044	0.026	0.049	0.118
		1999/2000		0.033	0.033	0.027	0.094
		2000/2001		0.043	0.031	0.040	0.114
		2001/2002		0.054	0.024	0.038	0.116
		MA Total Pure Premium:		0.040	0.030	0.040	0.115
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.699	0.481	0.468	
		Massachusetts Credibility:		0.66	1.00	1.00	
		Countrywide Pure Premium:		0.040	0.040	0.050	0.130
		Countrywide Indicated Relativity:		0.744	0.662	0.598	
		Countrywide Credibility:		0.17	0.00	0.00	
		Countrywide Lost-time Claims:		708	3,377		
		Pure Premium Underlying Present Rate:		0.060	0.040	0.040	0.140
		Relativity to Underlying Present Rate:		0.841	0.658	0.445	
		Credibility to Underlying Relativity:		0.17	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.057	0.062	0.085	0.205
		Formula Relativity:		0.731	0.481	0.468	
		Balanced Formula Relativity:		0.706	0.493	0.487	0.550

Class(es):		Schedule: 351		Effective: 9/1/2005		Goods & Services	
8829 NURSING HOME-ALL EMPLOYEES							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	822,188,387	52	1,392	5,527,476	8,987,327	9,235,195	23,749,998
1998/1999	819,508,196	24	1,265	2,034,390	9,519,532	9,056,982	20,610,904
1999/2000	855,829,032	24	1,174	2,743,784	10,119,093	9,431,117	22,293,994
2000/2001	816,874,445	8	937	983,484	7,802,778	6,994,626	15,780,888
2001/2002	988,398,579	16	915	3,179,408	7,651,909	6,786,531	17,617,848
MA Total	4,302,798,639	124	5,683	14,468,542	44,080,639	41,504,451	100,053,632
MA Indicated Pure Premiums							
		1997/1998		0.672	1.093	1.123	2.889
		1998/1999		0.248	1.162	1.105	2.515
		1999/2000		0.321	1.182	1.102	2.605
		2000/2001		0.120	0.955	0.856	1.932
		2001/2002		0.322	0.774	0.687	1.782
		MA Total Pure Premium:		0.340	1.020	0.960	2.325
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.683	1.581	1.169	
		Massachusetts Credibility:		1.00	1.00	1.00	
		Countrywide Pure Premium:		0.580	0.880	1.000	2.460
		Countrywide Indicated Relativity:		1.179	1.365	1.214	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		2,616	27,008		
		Pure Premium Underlying Present Rate:		0.450	1.180	1.070	2.700
		Relativity to Underlying Present Rate:		0.688	1.863	1.234	
		Credibility to Underlying Relativity:		0.00	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.683	1.581	1.169	
		Balanced Formula Relativity:		0.686	1.582	1.168	1.182

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Calculation of Class Relativities

Class(es):		Schedule: 351		Effective: 9/1/2005		Goods & Services		
8831 HOSPITAL-VETERINARY-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	92,796,284	3	51	394,679	104,505	541,065	1,040,249	
1998/1999	100,458,959	1	65	194,588	275,394	750,355	1,220,337	
1999/2000	116,109,595	1	62	54,151	236,401	615,758	906,310	
2000/2001	125,448,603	1	57	87,985	239,596	781,632	1,109,213	
2001/2002	141,305,364	0	72	0	667,168	771,027	1,438,195	
MA Total	576,118,805	6	307	731,403	1,523,064	3,459,837	5,714,304	
MA Indicated Pure Premiums								
				0.425	0.113	0.583	1.121	
				0.194	0.274	0.747	1.215	
				0.047	0.204	0.530	0.781	
				0.070	0.191	0.623	0.884	
				0.000	0.472	0.546	1.018	
				MA Total Pure Premium:	0.130	0.260	0.600	0.992
Pure Premium Relativities								
				0.261	0.403	0.730		
				0.42	0.80	1.00		
				0.220	0.380	0.690	1.290	
				0.447	0.590	0.838		
				0.29	0.10	0.00		
				266	2,170			
				Pure Premium Underlying Present Rate:	0.270	0.200	0.610	1.080
				Relativity to Underlying Present Rate:	0.413	0.316	0.704	
				Credibility to Underlying Relativity:	0.29	0.10	0.00	
				Industry Group Adjusted Converted Pure Premium:	0.498	0.645	0.821	1.965
				Formula Relativity:	0.359	0.413	0.730	
				Balanced Formula Relativity:	0.361	0.413	0.729	0.532

Class(es):		Schedule: 351		Effective: 9/1/2005		Office & Clerical		
8832 PHYSICIAN-CLERICAL								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	2,516,276,079	29	290	3,901,919	1,941,406	3,195,133	9,038,458	
1998/1999	2,549,611,283	28	317	3,773,110	1,755,001	3,393,715	8,921,826	
1999/2000	2,747,319,180	25	257	4,425,214	2,910,910	3,957,592	11,293,716	
2000/2001	2,886,539,516	13	226	2,247,678	2,331,646	3,496,363	8,075,687	
2001/2002	3,070,884,212	10	206	2,519,366	2,245,628	2,742,741	7,507,735	
MA Total	13,770,630,270	105	1,296	16,867,287	11,184,591	16,785,544	44,837,422	
MA Indicated Pure Premiums								
				0.155	0.077	0.127	0.359	
				0.148	0.069	0.133	0.350	
				0.161	0.106	0.144	0.411	
				0.078	0.081	0.121	0.280	
				0.082	0.073	0.089	0.244	
				MA Total Pure Premium:	0.120	0.080	0.120	0.326
Pure Premium Relativities								
				2.097	1.283	1.405		
				1.00	1.00	1.00		
				0.070	0.070	0.090	0.230	
				1.301	1.159	1.076		
				0.00	0.00	0.00		
				447	4,359			
				Pure Premium Underlying Present Rate:	0.130	0.080	0.120	0.330
				Relativity to Underlying Present Rate:	1.822	1.317	1.335	
				Credibility to Underlying Relativity:	0.00	0.00	0.00	
				Industry Group Adjusted Converted Pure Premium:	0.057	0.062	0.085	0.205
				Formula Relativity:	2.097	1.283	1.405	
				Balanced Formula Relativity:	2.025	1.314	1.463	1.574

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Calculation of Class Relativities

Class(es):		Schedule: 351		Effective: 9/1/2005		Office & Clerical	
8833 HOSPITAL-PROFESSIONAL EMPLOYEES							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	622,245,716	19	367	2,338,155	2,687,096	3,435,547	8,460,798
1998/1999	562,959,339	18	396	2,197,308	2,658,572	3,096,244	7,952,124
1999/2000	606,013,766	17	385	2,212,266	3,387,996	4,452,218	10,052,480
2000/2001	803,015,122	10	486	1,132,238	3,431,009	3,023,802	7,587,049
2001/2002	1,028,831,568	13	535	2,529,566	4,885,950	4,383,291	11,798,807
MA Total	3,623,065,511	77	2,169	10,409,533	17,050,623	18,391,102	45,851,258
MA Indicated Pure Premiums							
		1997/1998		0.376	0.432	0.552	1.360
		1998/1999		0.390	0.472	0.550	1.413
		1999/2000		0.365	0.559	0.735	1.659
		2000/2001		0.141	0.427	0.377	0.945
		2001/2002		0.246	0.475	0.426	1.147
		MA Total Pure Premium:		0.290	0.470	0.510	1.266
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		5.068	7.537	5.970	
		Massachusetts Credibility:		0.93	1.00	1.00	
		Countrywide Pure Premium:		0.210	0.240	0.260	0.710
		Countrywide Indicated Relativity:		3.904	3.976	3.110	
		Countrywide Credibility:		0.04	0.00	0.00	
		Countrywide Lost-time Claims:		600	7,083		
		Pure Premium Underlying Present Rate:		0.320	0.470	0.490	1.280
		Relativity to Underlying Present Rate:		4.486	7.736	5.451	
		Credibility to Underlying Relativity:		0.03	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.057	0.062	0.085	0.205
		Formula Relativity:		5.004	7.537	5.970	
		Balanced Formula Relativity:		4.832	7.721	6.215	6.287

Class(es):		Schedule: 351		Effective: 9/1/2005		Goods & Services	
8835 PUBLIC HEALTH NURSING ASSOC-ALL EMP							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	301,670,898	23	511	2,299,493	2,959,041	3,137,717	8,396,251
1998/1999	254,812,058	14	357	2,112,816	3,272,367	3,118,221	8,503,404
1999/2000	272,096,362	7	365	737,713	2,178,137	2,225,986	5,141,836
2000/2001	263,652,586	13	284	1,335,322	2,077,452	2,042,471	5,455,245
2001/2002	265,061,650	6	276	932,044	3,086,893	1,895,604	5,914,541
MA Total	1,357,293,554	63	1,793	7,417,388	13,573,890	12,419,999	33,411,277
MA Indicated Pure Premiums							
		1997/1998		0.762	0.981	1.040	2.783
		1998/1999		0.829	1.284	1.224	3.337
		1999/2000		0.271	0.801	0.818	1.890
		2000/2001		0.506	0.788	0.775	2.069
		2001/2002		0.352	1.165	0.715	2.231
		MA Total Pure Premium:		0.550	1.000	0.920	2.462
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.104	1.550	1.120	
		Massachusetts Credibility:		0.77	1.00	1.00	
		Countrywide Pure Premium:		0.560	0.890	0.970	2.420
		Countrywide Indicated Relativity:		1.138	1.381	1.178	
		Countrywide Credibility:		0.12	0.00	0.00	
		Countrywide Lost-time Claims:		90	2,121		
		Pure Premium Underlying Present Rate:		0.540	1.170	1.040	2.750
		Relativity to Underlying Present Rate:		0.825	1.847	1.199	
		Credibility to Underlying Relativity:		0.11	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		1.077	1.550	1.120	
		Balanced Formula Relativity:		1.082	1.551	1.119	1.252

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Calculation of Class Relativities

Class(es):		Schedule: 351		Effective: 9/1/2005		Office & Clerical		
8868 SCHOOL-PROFESSIONAL EMP-CLERICAL								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	1,607,132,112	16	566	1,519,141	2,898,046	4,597,542	9,014,729	
1998/1999	1,730,513,225	19	547	2,196,026	2,633,140	5,697,530	10,526,696	
1999/2000	1,935,188,290	21	607	2,273,450	3,011,643	5,006,600	10,291,693	
2000/2001	2,164,905,579	24	546	2,936,288	2,502,929	4,951,199	10,390,416	
2001/2002	2,254,889,332	10	534	1,350,315	3,126,707	4,517,339	8,994,361	
MA Total	9,692,628,538	90	2,800	10,275,220	14,172,465	24,770,210	49,217,895	
				MA Indicated Pure Premiums				
				1997/1998	0.095	0.180	0.286	0.561
				1998/1999	0.127	0.152	0.329	0.608
				1999/2000	0.117	0.156	0.259	0.532
				2000/2001	0.136	0.116	0.229	0.480
				2001/2002	0.060	0.139	0.200	0.399
MA Total Pure Premium:				0.110	0.150	0.260	0.508	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				1.922	2.405	3.043		
Massachusetts Credibility:				0.99	1.00	1.00		
Countrywide Pure Premium:				0.080	0.110	0.170	0.360	
Countrywide Indicated Relativity:				1.487	1.822	2.033		
Countrywide Credibility:				0.00	0.00	0.00		
Countrywide Lost-time Claims:				1,520	15,067			
Pure Premium Underlying Present Rate:				0.140	0.170	0.290	0.600	
Relativity to Underlying Present Rate:				1.963	2.798	3.226		
Credibility to Underlying Relativity:				0.01	0.00	0.00		
Industry Group Adjusted Converted Pure Premium:				0.057	0.062	0.085	0.205	
Formula Relativity:				1.922	2.405	3.043		
Balanced Formula Relativity:				1.856	2.464	3.168	2.588	

Class(es):		Schedule: 360		Effective: 9/1/2005		Goods & Services		
9014 BUILDINGS-OPERATION BY CONTRACTORS								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	261,586,329	28	276	2,775,724	2,739,412	2,878,369	8,393,505	
1998/1999	236,149,419	16	211	1,478,211	1,688,674	2,201,188	5,368,073	
1999/2000	252,651,620	12	168	1,344,495	1,721,917	1,657,701	4,724,113	
2000/2001	268,032,600	18	150	1,949,739	1,357,286	2,483,808	5,790,833	
2001/2002	394,463,319	9	235	1,327,265	1,940,410	2,818,328	6,086,003	
MA Total	1,412,883,287	83	1,040	8,875,434	9,447,699	12,039,394	30,362,527	
				MA Indicated Pure Premiums				
				1997/1998	1.061	1.047	1.100	3.209
				1998/1999	0.626	0.715	0.932	2.273
				1999/2000	0.532	0.682	0.656	1.870
				2000/2001	0.727	0.506	0.927	2.160
				2001/2002	0.336	0.492	0.714	1.543
MA Total Pure Premium:				0.630	0.670	0.850	2.149	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				1.265	1.038	1.035		
Massachusetts Credibility:				1.00	1.00	1.00		
Countrywide Pure Premium:				0.750	0.790	1.020	2.560	
Countrywide Indicated Relativity:				1.524	1.226	1.238		
Countrywide Credibility:				0.00	0.00	0.00		
Countrywide Lost-time Claims:				233	3,413			
Pure Premium Underlying Present Rate:				1.060	0.760	1.090	2.910	
Relativity to Underlying Present Rate:				1.620	1.200	1.257		
Credibility to Underlying Relativity:				0.00	0.00	0.00		
Industry Group Adjusted Converted Pure Premium:				0.498	0.645	0.821	1.965	
Formula Relativity:				1.265	1.038	1.035		
Balanced Formula Relativity:				1.271	1.038	1.034	1.096	

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Calculation of Class Relativities

Class(es):		Schedule: 360		Effective: 9/1/2005		Goods & Services	
9015 BUILDINGS-NOC-OPERATION BY OWNER/LESSEE							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	309,230,490	26	285	3,706,653	1,494,972	3,182,899	8,384,524
1998/1999	321,431,678	30	302	3,528,360	1,979,064	3,850,527	9,357,951
1999/2000	337,575,181	25	251	3,078,991	2,224,937	3,999,895	9,303,823
2000/2001	364,730,217	16	277	2,233,158	3,565,233	4,012,643	9,811,034
2001/2002	375,503,471	14	254	2,844,081	2,565,040	3,933,054	9,342,175
MA Total	1,708,471,037	111	1,369	15,391,243	11,829,246	18,979,018	46,199,507
MA Indicated Pure Premiums							
		1997/1998		1.199	0.483	1.029	2.711
		1998/1999		1.098	0.616	1.198	2.911
		1999/2000		0.912	0.659	1.185	2.756
		2000/2001		0.612	0.977	1.100	2.690
		2001/2002		0.757	0.683	1.047	2.488
		MA Total Pure Premium:		0.900	0.690	1.110	2.704
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		1.807	1.069	1.351	
		Massachusetts Credibility:		1.00	1.00	1.00	
		Countrywide Pure Premium:		0.800	0.880	1.110	2.790
		Countrywide Indicated Relativity:		1.626	1.365	1.348	
		Countrywide Credibility:		0.00	0.00	0.00	
		Countrywide Lost-time Claims:		981	8,862		
		Pure Premium Underlying Present Rate:		1.140	0.700	1.140	2.980
		Relativity to Underlying Present Rate:		1.743	1.105	1.315	
		Credibility to Underlying Relativity:		0.00	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		1.807	1.069	1.351	
		Balanced Formula Relativity:		1.816	1.069	1.350	1.376

Class(es):		Schedule: 363		Effective: 9/1/2005		Goods & Services	
9016 AMUSEMENT PARKS OR EXHIBITION-OP-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	29,707,595	0	44	0	135,296	219,435	354,731
1998/1999	33,702,276	1	43	107,988	377,363	334,356	819,707
1999/2000	36,482,781	1	31	53,470	55,138	233,638	342,246
2000/2001	38,168,013	0	41	0	164,292	325,888	490,180
2001/2002	37,101,559	1	26	3,846	263,608	271,729	539,183
MA Total	175,162,224	3	185	165,304	995,697	1,385,046	2,546,047
MA Indicated Pure Premiums							
		1997/1998		0.000	0.455	0.739	1.194
		1998/1999		0.320	1.120	0.992	2.432
		1999/2000		0.147	0.151	0.640	0.938
		2000/2001		0.000	0.430	0.854	1.284
		2001/2002		0.010	0.711	0.732	1.453
		MA Total Pure Premium:		0.090	0.570	0.790	1.454
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.181	0.883	0.962	
		Massachusetts Credibility:		0.38	0.72	1.00	
		Countrywide Pure Premium:		0.510	0.860	1.160	2.530
		Countrywide Indicated Relativity:		1.036	1.334	1.408	
		Countrywide Credibility:		0.31	0.14	0.00	
		Countrywide Lost-time Claims:		232	2,476		
		Pure Premium Underlying Present Rate:		0.730	0.500	1.240	2.470
		Relativity to Underlying Present Rate:		1.116	0.789	1.430	
		Credibility to Underlying Relativity:		0.31	0.14	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.736	0.933	0.962	
		Balanced Formula Relativity:		0.739	0.933	0.961	0.896

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Class(es):		Schedule: 363		Effective: 9/1/2005		Miscellaneous	
9019 BRIDGE OR VEHICULAR TUNNEL OP-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			Total
		Serious	Non-Serious	Serious	Non-Serious	Medical	
1997/1998	277,934	0	0	0	0	0	0
1998/1999	180,134	0	0	0	0	0	0
1999/2000	529,025	0	0	0	0	0	0
2000/2001	727,842	0	0	0	0	0	0
2001/2002	787,499	1	0	147,522	0	53,139	200,661
MA Total	2,502,434	1	0	147,522	0	53,139	200,661
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.000	0.000	0.000
		1998/1999		0.000	0.000	0.000	0.000
		1999/2000		0.000	0.000	0.000	0.000
		2000/2001		0.000	0.000	0.000	0.000
		2001/2002		18.733	0.000	6.748	25.481
		MA Total Pure Premium:		5.900	0.000	2.120	8.019
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		3.765	0.000	1.145	
		Massachusetts Credibility:		0.12	0.16	0.23	
		Countrywide Pure Premium:		0.000	2.610	1.920	4.530
		Countrywide Indicated Relativity:		0.000	2.029	1.042	
		Countrywide Credibility:		0.00	0.17	0.20	
		Countrywide Lost-time Claims:		0	11		
		Pure Premium Underlying Present Rate:		2.540	0.860	1.970	5.370
		Relativity to Underlying Present Rate:		1.347	0.733	1.145	
		Credibility to Underlying Relativity:		0.88	0.67	0.57	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		1.637	0.836	1.124	
		Balanced Formula Relativity:		1.655	0.833	1.129	1.221

Class(es):		Schedule: 360		Effective: 9/1/2005		Goods & Services	
9033 HOUSING AUTHORITY-CLERICAL,SALES,DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			Total
		Serious	Non-Serious	Serious	Non-Serious	Medical	
1997/1998	108,728,747	12	136	1,765,285	1,306,743	1,313,418	4,385,446
1998/1999	108,318,250	12	164	2,083,617	1,141,035	961,822	4,186,474
1999/2000	153,664,252	12	150	1,808,758	1,689,443	1,227,696	4,725,897
2000/2001	100,693,322	3	90	329,609	1,080,475	699,787	2,109,871
2001/2002	141,053,511	11	141	2,197,735	1,766,773	1,406,000	5,370,508
MA Total	612,458,082	50	681	8,185,004	6,984,469	5,608,723	20,778,196
		MA Indicated Pure Premiums					
		1997/1998		1.624	1.202	1.208	4.033
		1998/1999		1.924	1.053	0.888	3.865
		1999/2000		1.177	1.099	0.799	3.075
		2000/2001		0.327	1.073	0.695	2.095
		2001/2002		1.558	1.253	0.997	3.807
		MA Total Pure Premium:		1.340	1.140	0.920	3.393
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		2.690	1.767	1.120	
		Massachusetts Credibility:		0.94	1.00	1.00	
		Countrywide Pure Premium:		0.530	1.000	0.960	2.490
		Countrywide Indicated Relativity:		1.077	1.551	1.165	
		Countrywide Credibility:		0.03	0.00	0.00	
		Countrywide Lost-time Claims:		34	683		
		Pure Premium Underlying Present Rate:		1.960	1.030	1.100	4.090
		Relativity to Underlying Present Rate:		2.996	1.626	1.269	
		Credibility to Underlying Relativity:		0.03	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		2.651	1.767	1.120	
		Balanced Formula Relativity:		2.663	1.768	1.119	1.724

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Calculation of Class Relativities

Class(es):		Schedule: 360		Effective: 9/1/2005		Goods & Services	
9040 HOSPITAL-A/O EMPLOYEES							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	60,347,461	14	181	1,628,942	835,117	1,527,878	3,991,937
1998/1999	57,966,505	8	180	896,183	1,288,501	1,458,340	3,643,024
1999/2000	65,041,726	2	158	176,192	766,847	977,627	1,920,666
2000/2001	84,291,031	3	120	265,422	1,288,599	995,969	2,549,990
2001/2002	101,266,173	1	111	120,723	981,555	906,140	2,008,418
MA Total	368,912,896	28	750	3,087,462	5,160,619	5,865,954	14,114,035
				MA Indicated Pure Premiums			
		1997/1998		2.699	1.384	2.532	6.615
		1998/1999		1.546	2.223	2.516	6.285
		1999/2000		0.271	1.179	1.503	2.953
		2000/2001		0.315	1.529	1.182	3.025
		2001/2002		0.119	0.969	0.895	1.983
		MA Total Pure Premium:		0.840	1.400	1.590	3.826
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		1.686	2.170	1.936	
		Massachusetts Credibility:		0.66	1.00	1.00	
		Countrywide Pure Premium:		0.350	0.510	0.580	1.440
		Countrywide Indicated Relativity:		0.711	0.791	0.704	
		Countrywide Credibility:		0.17	0.00	0.00	
		Countrywide Lost-time Claims:		542	9,138		
		Pure Premium Underlying Present Rate:		1.350	1.590	2.010	4.950
		Relativity to Underlying Present Rate:		2.064	2.510	2.318	
		Credibility to Underlying Relativity:		0.17	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		1.585	2.170	1.936	
		Balanced Formula Relativity:		1.592	2.171	1.935	1.925

Class(es):		Schedule: 361		Effective: 9/1/2005		Goods & Services	
9052 HOTEL-A/O EMPLOYEES, SALESPERSONS-DR 9058 HOTEL-RESTAURANT EMPLOYEES							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	346,306,781	14	345	1,518,923	2,325,360	2,859,869	6,704,152
1998/1999	361,341,405	17	307	1,658,630	1,653,558	2,549,151	5,861,339
1999/2000	389,772,792	13	313	1,488,262	2,054,825	2,606,397	6,149,484
2000/2001	389,618,829	8	330	1,093,759	3,037,747	2,987,042	7,118,548
2001/2002	471,444,899	6	278	907,878	2,299,061	3,251,129	6,458,068
MA Total	1,958,484,706	58	1,573	6,667,452	11,370,551	14,253,588	32,291,591
				MA Indicated Pure Premiums			
		1997/1998		0.439	0.671	0.826	1.936
		1998/1999		0.459	0.458	0.705	1.622
		1999/2000		0.382	0.527	0.669	1.578
		2000/2001		0.281	0.780	0.767	1.827
		2001/2002		0.193	0.488	0.690	1.370
		MA Total Pure Premium:		0.340	0.580	0.730	1.649
				Pure Premium Relativities			
		Massachusetts Indicated Relativity:		0.683	0.899	0.889	
		Massachusetts Credibility:		0.93	1.00	1.00	
		Countrywide Pure Premium:		0.410	0.760	0.900	2.070
		Countrywide Indicated Relativity:		0.833	1.179	1.093	
		Countrywide Credibility:		0.04	0.00	0.00	
		Countrywide Lost-time Claims:		399	7,428		
		Pure Premium Underlying Present Rate:		0.600	0.520	0.760	1.880
		Relativity to Underlying Present Rate:		0.917	0.821	0.877	
		Credibility to Underlying Relativity:		0.03	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.696	0.899	0.889	
		Balanced Formula Relativity:		0.699	0.899	0.888	0.844

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Calculation of Class Relativities

Class(es):		Schedule: 361		Effective: 9/1/2005		Goods & Services	
9060 CLUBS-COUNTRY,GOLF,ETC-CLERICAL							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	165,033,494	6	93	862,125	300,834	1,068,994	2,231,953
1998/1999	181,655,661	4	79	853,764	308,424	810,965	1,973,153
1999/2000	189,083,977	4	106	463,879	1,065,176	873,765	2,402,820
2000/2001	203,347,362	2	121	195,168	1,056,899	1,116,946	2,369,013
2001/2002	221,757,554	5	96	932,671	689,688	1,692,349	3,314,708
MA Total	960,878,048	21	495	3,307,607	3,421,021	5,563,019	12,291,647
MA Indicated Pure Premiums							
		1997/1998		0.522	0.182	0.648	1.352
		1998/1999		0.470	0.170	0.446	1.086
		1999/2000		0.245	0.563	0.462	1.271
		2000/2001		0.096	0.520	0.549	1.165
		2001/2002		0.421	0.311	0.763	1.495
		MA Total Pure Premium:		0.340	0.360	0.580	1.279
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.683	0.558	0.706	
		Massachusetts Credibility:		0.60	1.00	1.00	
		Countrywide Pure Premium:		0.430	0.460	0.700	1.590
		Countrywide Indicated Relativity:		0.874	0.714	0.850	
		Countrywide Credibility:		0.20	0.00	0.00	
		Countrywide Lost-time Claims:		501	3,851		
		Pure Premium Underlying Present Rate:		0.410	0.300	0.540	1.250
		Relativity to Underlying Present Rate:		0.627	0.474	0.623	
		Credibility to Underlying Relativity:		0.20	0.00	0.00	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.710	0.558	0.706	
		Balanced Formula Relativity:		0.713	0.558	0.705	0.659

Class(es):		Schedule: 361		Effective: 9/1/2005		Goods & Services	
9061 CLUBS-NOC-CLERICAL							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	49,813,605	5	29	674,913	199,534	407,209	1,281,656
1998/1999	51,990,327	2	16	181,162	23,525	298,326	503,013
1999/2000	52,868,785	1	21	98,785	175,125	187,586	461,496
2000/2001	54,899,296	0	17	0	263,669	185,228	448,897
2001/2002	55,676,401	0	13	0	105,966	108,651	214,617
MA Total	265,248,414	8	96	954,860	767,819	1,187,000	2,909,679
MA Indicated Pure Premiums							
		1997/1998		1.355	0.401	0.817	2.573
		1998/1999		0.348	0.045	0.574	0.968
		1999/2000		0.187	0.331	0.355	0.873
		2000/2001		0.000	0.480	0.337	0.818
		2001/2002		0.000	0.190	0.195	0.385
		MA Total Pure Premium:		0.360	0.290	0.450	1.097
Pure Premium Relativities							
		Massachusetts Indicated Relativity:		0.723	0.449	0.548	
		Massachusetts Credibility:		0.42	0.64	0.89	
		Countrywide Pure Premium:		0.330	0.450	0.600	1.380
		Countrywide Indicated Relativity:		0.671	0.698	0.728	
		Countrywide Credibility:		0.29	0.18	0.06	
		Countrywide Lost-time Claims:		142	1,152		
		Pure Premium Underlying Present Rate:		0.610	0.250	0.570	1.430
		Relativity to Underlying Present Rate:		0.932	0.395	0.657	
		Credibility to Underlying Relativity:		0.29	0.18	0.05	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.769	0.484	0.564	
		Balanced Formula Relativity:		0.772	0.484	0.564	0.591

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Calculation of Class Relativities

Class(es):		Schedule: 361		Effective: 9/1/2005		Goods & Services	
9063 EXERCISE OR HEALTH INSTITUTE-CLERICAL							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	190,737,902	1	71	58,904	325,276	574,230	958,410
1998/1999	227,070,222	2	102	144,410	773,584	1,339,624	2,257,618
1999/2000	261,095,698	4	96	498,006	483,559	796,667	1,778,232
2000/2001	279,031,485	4	92	312,088	605,096	1,015,143	1,932,327
2001/2002	311,219,105	5	84	482,043	675,355	1,120,290	2,277,688
MA Total	1,269,154,412	16	445	1,495,451	2,862,870	4,845,954	9,204,275
MA Indicated Pure Premiums							
			1997/1998	0.031	0.171	0.301	0.502
			1998/1999	0.064	0.341	0.590	0.994
			1999/2000	0.191	0.185	0.305	0.681
			2000/2001	0.112	0.217	0.364	0.693
			2001/2002	0.155	0.217	0.360	0.732
			MA Total Pure Premium:	0.120	0.230	0.380	0.725
Pure Premium Relativities							
			Massachusetts Indicated Relativity:	0.241	0.356	0.463	
			Massachusetts Credibility:	0.47	1.00	1.00	
			Countrywide Pure Premium:	0.090	0.250	0.350	0.690
			Countrywide Indicated Relativity:	0.183	0.388	0.425	
			Countrywide Credibility:	0.26	0.00	0.00	
			Countrywide Lost-time Claims:	33	1,099		
			Pure Premium Underlying Present Rate:	0.170	0.330	0.370	0.870
			Relativity to Underlying Present Rate:	0.260	0.521	0.427	
			Credibility to Underlying Relativity:	0.27	0.00	0.00	
			Industry Group Adjusted Converted Pure Premium:	0.498	0.645	0.821	1.965
			Formula Relativity:	0.231	0.356	0.463	
			Balanced Formula Relativity:	0.232	0.356	0.463	0.369

Class(es):		Schedule: 361		Effective: 9/1/2005		Goods & Services	
9079 RESTAURANT-NOC							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,398,224,916	61	1,555	6,283,355	6,947,981	10,240,938	23,472,274
1998/1999	1,500,804,249	42	1,359	5,114,294	5,890,330	9,298,233	20,302,857
1999/2000	1,585,102,088	53	1,243	6,052,411	6,248,608	9,008,499	21,309,518
2000/2001	1,641,238,865	37	1,067	4,244,961	7,804,042	9,182,214	21,231,217
2001/2002	1,692,965,338	20	904	2,864,374	7,291,077	9,652,347	19,807,798
MA Total	7,818,335,456	213	6,128	24,559,395	34,182,038	47,382,231	106,123,664
MA Indicated Pure Premiums							
			1997/1998	0.449	0.497	0.732	1.679
			1998/1999	0.341	0.392	0.620	1.353
			1999/2000	0.382	0.394	0.568	1.344
			2000/2001	0.259	0.475	0.559	1.294
			2001/2002	0.169	0.431	0.570	1.170
			MA Total Pure Premium:	0.310	0.440	0.610	1.357
Pure Premium Relativities							
			Massachusetts Indicated Relativity:	0.622	0.682	0.743	
			Massachusetts Credibility:	1.00	1.00	1.00	
			Countrywide Pure Premium:	0.330	0.560	0.750	1.640
			Countrywide Indicated Relativity:	0.671	0.869	0.911	
			Countrywide Credibility:	0.00	0.00	0.00	
			Countrywide Lost-time Claims:	4,699	40,889		
			Pure Premium Underlying Present Rate:	0.500	0.440	0.730	1.670
			Relativity to Underlying Present Rate:	0.764	0.695	0.842	
			Credibility to Underlying Relativity:	0.00	0.00	0.00	
			Industry Group Adjusted Converted Pure Premium:	0.498	0.645	0.821	1.965
			Formula Relativity:	0.622	0.682	0.743	
			Balanced Formula Relativity:	0.625	0.682	0.742	0.693

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Calculation of Class Relativities

Class(es):		Schedule: 362		Effective: 9/1/2005		Goods & Services	
9089 BILLIARD HALL-NO BOWLING LANES							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	4,190,916	0	2	0	5,338	4,551	9,889
1998/1999	3,961,961	0	2	0	11,037	5,544	16,581
1999/2000	3,633,005	0	2	0	518	5,819	6,337
2000/2001	4,141,317	0	4	0	29,206	52,911	82,117
2001/2002	3,772,112	0	1	0	1,197	7,492	8,689
MA Total	19,699,311	0	11	0	47,296	76,317	123,613
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.127	0.109	0.236
		1998/1999		0.000	0.279	0.140	0.419
		1999/2000		0.000	0.014	0.160	0.174
		2000/2001		0.000	0.705	1.278	1.983
		2001/2002		0.000	0.032	0.199	0.230
		MA Total Pure Premium:		0.000	0.240	0.390	0.627
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.000	0.372	0.475	
		Massachusetts Credibility:		0.12	0.25	0.27	
		Countrywide Pure Premium:		0.220	0.150	0.180	0.550
		Countrywide Indicated Relativity:		0.447	0.233	0.219	
		Countrywide Credibility:		0.13	0.38	0.36	
		Countrywide Lost-time Claims:		3	123		
		Pure Premium Underlying Present Rate:		0.350	0.320	0.380	1.050
		Relativity to Underlying Present Rate:		0.535	0.505	0.438	
		Credibility to Underlying Relativity:		0.75	0.37	0.37	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.459	0.368	0.369	
		Balanced Formula Relativity:		0.462	0.369	0.369	0.392

Class(es):		Schedule: 362		Effective: 9/1/2005		Goods & Services	
9093 BOWLING LANE							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	8,911,447	0	8	0	9,200	48,363	57,563
1998/1999	9,364,978	0	3	0	6,622	8,891	15,513
1999/2000	9,987,393	1	12	58,513	55,110	392,033	505,656
2000/2001	8,872,127	0	2	0	1,362	13,775	15,137
2001/2002	10,377,591	0	2	0	102,105	170,404	272,509
MA Total	47,513,536	1	27	58,513	174,399	633,466	866,378
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.103	0.543	0.646
		1998/1999		0.000	0.071	0.095	0.166
		1999/2000		0.586	0.552	3.925	5.063
		2000/2001		0.000	0.015	0.155	0.171
		2001/2002		0.000	0.984	1.642	2.626
		MA Total Pure Premium:		0.120	0.370	1.330	1.823
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.241	0.573	1.619	
		Massachusetts Credibility:		0.17	0.37	0.52	
		Countrywide Pure Premium:		0.150	0.380	0.530	1.060
		Countrywide Indicated Relativity:		0.305	0.590	0.643	
		Countrywide Credibility:		0.22	0.32	0.24	
		Countrywide Lost-time Claims:		10	187		
		Pure Premium Underlying Present Rate:		0.330	0.340	0.810	1.480
		Relativity to Underlying Present Rate:		0.504	0.537	0.934	
		Credibility to Underlying Relativity:		0.61	0.31	0.24	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		0.416	0.567	1.220	
		Balanced Formula Relativity:		0.417	0.568	1.219	0.802

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Calculation of Class Relativities

Class(es):		Schedule: 360		Effective: 9/1/2005		Goods & Services		
9101 SCHOOL-A/O EMPLOYEES								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	91,237,254	5	173	486,686	677,703	950,316	2,114,705	
1998/1999	90,789,283	5	162	559,112	557,223	1,276,473	2,392,808	
1999/2000	100,620,078	3	154	380,711	749,182	1,173,433	2,303,326	
2000/2001	115,476,164	5	137	841,157	842,472	1,352,252	3,035,881	
2001/2002	113,646,246	5	119	837,936	787,086	1,461,216	3,086,238	
MA Total	511,769,025	23	745	3,105,602	3,613,666	6,213,690	12,932,958	
				MA Indicated Pure Premiums				
				1997/1998	0.533	0.743	1.042	2.318
				1998/1999	0.616	0.614	1.406	2.636
				1999/2000	0.378	0.745	1.166	2.289
				2000/2001	0.728	0.730	1.171	2.629
				2001/2002	0.737	0.693	1.286	2.716
MA Total Pure Premium:				0.610	0.710	1.210	2.527	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				1.225	1.100	1.473		
Massachusetts Credibility:				0.55	1.00	1.00		
Countrywide Pure Premium:				0.370	0.590	0.820	1.780	
Countrywide Indicated Relativity:				0.752	0.915	0.995		
Countrywide Credibility:				0.22	0.00	0.00		
Countrywide Lost-time Claims:				511	5,349			
Pure Premium Underlying Present Rate:				0.620	0.790	1.340	2.750	
Relativity to Underlying Present Rate:				0.948	1.247	1.545		
Credibility to Underlying Relativity:				0.23	0.00	0.00		
Industry Group Adjusted Converted Pure Premium:				0.498	0.645	0.821	1.965	
Formula Relativity:				1.057	1.100	1.473		
Balanced Formula Relativity:				1.062	1.100	1.472	1.246	

Class(es):		Schedule: 363		Effective: 9/1/2005		Miscellaneous		
9102 PARKS-NOC-ALL EMP-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	11,739,895	0	12	0	197,704	74,091	271,795	
1998/1999	10,717,678	0	9	0	26,197	43,431	69,628	
1999/2000	9,355,879	1	8	94,137	143,396	157,566	395,099	
2000/2001	10,426,327	0	6	0	19,746	27,905	47,651	
2001/2002	12,903,558	0	8	0	6,184	25,350	31,534	
MA Total	55,143,337	1	43	94,137	393,227	328,343	815,707	
				MA Indicated Pure Premiums				
				1997/1998	0.000	1.684	0.631	2.315
				1998/1999	0.000	0.244	0.405	0.650
				1999/2000	1.006	1.533	1.684	4.223
				2000/2001	0.000	0.189	0.268	0.457
				2001/2002	0.000	0.048	0.196	0.244
MA Total Pure Premium:				0.170	0.710	0.600	1.479	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.108	0.541	0.324		
Massachusetts Credibility:				0.23	0.51	0.54		
Countrywide Pure Premium:				0.750	0.820	1.270	2.840	
Countrywide Indicated Relativity:				0.477	0.637	0.689		
Countrywide Credibility:				0.38	0.24	0.23		
Countrywide Lost-time Claims:				67	1,330			
Pure Premium Underlying Present Rate:				0.640	0.690	0.780	2.110	
Relativity to Underlying Present Rate:				0.339	0.588	0.453		
Credibility to Underlying Relativity:				0.39	0.25	0.23		
Industry Group Adjusted Converted Pure Premium:				1.567	1.311	1.852	4.730	
Formula Relativity:				0.338	0.576	0.438		
Balanced Formula Relativity:				0.342	0.574	0.440	0.444	

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Calculation of Class Relativities

Class(es):		Schedule: 352		Effective: 9/1/2005		Miscellaneous	
9154 THEATRE-A/O EMPLOYEES							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	59,174,375	2	15	259,164	230,848	239,119	729,131
1998/1999	52,621,380	0	36	0	173,846	199,411	373,257
1999/2000	56,192,404	1	23	241,190	380,026	260,821	882,037
2000/2001	60,276,827	1	28	106,003	191,891	277,647	575,541
2001/2002	61,397,586	1	19	181,699	136,080	298,629	616,408
MA Total	289,662,572	5	121	788,056	1,112,691	1,275,627	3,176,374
		MA Indicated Pure Premiums					
		1997/1998		0.438	0.390	0.404	1.232
		1998/1999		0.000	0.330	0.379	0.709
		1999/2000		0.429	0.676	0.464	1.570
		2000/2001		0.176	0.318	0.461	0.955
		2001/2002		0.296	0.222	0.486	1.004
		MA Total Pure Premium:		0.270	0.380	0.440	1.097
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.172	0.290	0.238	
		Massachusetts Credibility:		0.40	0.89	0.89	
		Countrywide Pure Premium:		0.360	0.490	0.660	1.510
		Countrywide Indicated Relativity:		0.229	0.381	0.358	
		Countrywide Credibility:		0.30	0.06	0.06	
		Countrywide Lost-time Claims:		110	1,000		
		Pure Premium Underlying Present Rate:		0.480	0.520	0.510	1.510
		Relativity to Underlying Present Rate:		0.255	0.443	0.296	
		Credibility to Underlying Relativity:		0.30	0.05	0.05	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.214	0.303	0.248	
		Balanced Formula Relativity:		0.216	0.302	0.249	0.253

Class(es):		Schedule: 352		Effective: 9/1/2005		Office & Clerical	
9156 THEATRE-PLAYERS,ENTERTAINERS,MUSICIANS							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	26,262,571	1	13	229,796	65,497	227,636	522,929
1998/1999	31,753,340	0	16	0	126,036	91,688	217,724
1999/2000	39,259,298	0	13	0	281,937	228,034	509,971
2000/2001	41,753,990	1	11	99,850	191,048	211,954	502,852
2001/2002	41,500,950	0	5	0	62,489	51,594	114,083
MA Total	180,530,149	2	58	329,646	727,007	810,906	1,867,559
		MA Indicated Pure Premiums					
		1997/1998		0.875	0.249	0.867	1.991
		1998/1999		0.000	0.397	0.289	0.686
		1999/2000		0.000	0.718	0.581	1.299
		2000/2001		0.239	0.458	0.508	1.204
		2001/2002		0.000	0.151	0.124	0.275
		MA Total Pure Premium:		0.180	0.400	0.450	1.034
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		3.146	6.414	5.267	
		Massachusetts Credibility:		0.29	0.65	0.73	
		Countrywide Pure Premium:		0.150	0.500	0.670	1.320
		Countrywide Indicated Relativity:		2.789	8.282	8.014	
		Countrywide Credibility:		0.33	0.18	0.14	
		Countrywide Lost-time Claims:		28	504		
		Pure Premium Underlying Present Rate:		0.350	0.380	0.510	1.240
		Relativity to Underlying Present Rate:		4.906	6.255	5.673	
		Credibility to Underlying Relativity:		0.38	0.17	0.13	
		Industry Group Adjusted Converted Pure Premium:		0.057	0.062	0.085	0.205
		Formula Relativity:		3.697	6.723	5.704	
		Balanced Formula Relativity:		3.570	6.887	5.938	5.566

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 Exhibit 181

Calculation of Class Relativities

Class(es):		Schedule: 363		Effective: 9/1/2005		Miscellaneous	
9178 ATHLETIC TEAM/PARK-NON CONTACT SPORTS							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	2,438,685	0	12	0	84,733	565,219	649,952
1998/1999	2,464,194	0	6	0	220,857	565,477	786,334
1999/2000	3,012,644	0	14	0	220,597	601,259	821,856
2000/2001	3,018,092	0	20	0	183,539	659,339	842,878
2001/2002	2,646,012	0	18	0	347,160	763,874	1,111,034
MA Total	13,579,627	0	70	0	1,056,886	3,155,168	4,212,054
		MA Indicated Pure Premiums					
	1997/1998	0.000	3.475	23.177	26.652		
	1998/1999	0.000	8.963	22.948	31.910		
	1999/2000	0.000	7.322	19.958	27.280		
	2000/2001	0.000	6.081	21.846	27.928		
	2001/2002	0.000	13.120	28.869	41.989		
	MA Total Pure Premium:	0.000	7.780	23.230	31.017		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.000	5.933	12.545			
	Massachusetts Credibility:	0.19	0.58	1.00			
	Countrywide Pure Premium:	1.560	1.570	3.210	6.340		
	Countrywide Indicated Relativity:	0.992	1.220	1.741			
	Countrywide Credibility:	0.32	0.21	0.00			
	Countrywide Lost-time Claims:	26	464				
	Pure Premium Underlying Present Rate:	1.620	3.760	15.930	21.310		
	Relativity to Underlying Present Rate:	0.859	3.204	9.259			
	Credibility to Underlying Relativity:	0.49	0.21	0.00			
	Industry Group Adjusted Converted Pure Premium:	1.567	1.311	1.852	4.730		
	Formula Relativity:	0.738	4.370	12.545			
	Balanced Formula Relativity:	0.746	4.354	12.601	6.387		

Class(es):		Schedule: 363		Effective: 9/1/2005		Miscellaneous	
9179 ATHLETIC TEAM/PARK-CONTACT SPORTS							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	2,793,626	1	5	137,982	166,348	146,173	450,503
1998/1999	3,330,051	0	16	0	423,462	108,401	531,863
1999/2000	3,110,364	4	18	532,949	139,769	313,884	986,602
2000/2001	3,167,174	4	14	473,163	259,204	237,617	969,984
2001/2002	4,937,947	4	12	632,509	68,655	510,909	1,212,073
MA Total	17,339,162	13	65	1,776,603	1,057,438	1,316,984	4,151,025
		MA Indicated Pure Premiums					
	1997/1998	4.939	5.955	5.232	16.126		
	1998/1999	0.000	12.716	3.255	15.972		
	1999/2000	17.135	4.494	10.092	31.720		
	2000/2001	14.940	8.184	7.502	30.626		
	2001/2002	12.809	1.390	10.347	24.546		
	MA Total Pure Premium:	10.250	6.100	7.600	23.940		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	6.540	4.652	4.104			
	Massachusetts Credibility:	0.39	0.78	0.87			
	Countrywide Pure Premium:	2.870	2.450	2.960	8.280		
	Countrywide Indicated Relativity:	1.825	1.904	1.606			
	Countrywide Credibility:	0.30	0.11	0.06			
	Countrywide Lost-time Claims:	37	343				
	Pure Premium Underlying Present Rate:	7.720	6.260	8.260	22.240		
	Relativity to Underlying Present Rate:	4.094	5.334	4.801			
	Credibility to Underlying Relativity:	0.31	0.11	0.07			
	Industry Group Adjusted Converted Pure Premium:	1.567	1.311	1.852	4.730		
	Formula Relativity:	4.367	4.425	4.003			
	Balanced Formula Relativity:	4.414	4.408	4.021	4.258		

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Calculation of Class Relativities

Class(es):		Schedule: 363		Effective: 9/1/2005		Miscellaneous	
9180 AMUSEMENT DEVICE OP-NOC-NOT TRAVEL-DR							
9186 CARNIVAL OPERATOR-TRAVEL-ALL EMP-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	5,973,576	0	11	0	98,225	76,284	174,509
1998/1999	8,306,712	0	4	0	25,056	33,400	58,456
1999/2000	8,780,944	0	8	0	74,440	78,958	153,398
2000/2001	11,272,613	1	14	200,952	96,573	208,668	506,193
2001/2002	7,612,596	0	6	0	136,365	157,292	293,657
MA Total	41,946,441	1	43	200,952	430,659	554,602	1,186,213
		MA Indicated Pure Premiums					
		1997/1998		0.000	1.644	1.277	2.921
		1998/1999		0.000	0.302	0.402	0.704
		1999/2000		0.000	0.848	0.899	1.747
		2000/2001		1.783	0.857	1.851	4.490
		2001/2002		0.000	1.791	2.066	3.858
		MA Total Pure Premium:		0.480	1.030	1.320	2.828
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		0.306	0.785	0.713	
		Massachusetts Credibility:		0.26	0.50	0.60	
		Countrywide Pure Premium:		0.590	0.870	1.860	3.320
		Countrywide Indicated Relativity:		0.375	0.676	1.009	
		Countrywide Credibility:		0.37	0.25	0.20	
		Countrywide Lost-time Claims:		56	535		
		Pure Premium Underlying Present Rate:		1.140	0.830	1.320	3.290
		Relativity to Underlying Present Rate:		0.605	0.707	0.767	
		Credibility to Underlying Relativity:		0.37	0.25	0.20	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.442	0.738	0.783	
		Balanced Formula Relativity:		0.447	0.735	0.786	0.660

Class(es):		Schedule: 363		Effective: 9/1/2005		Miscellaneous	
9182 ATHLETIC TEAM/PARK OPERATION-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	2,977,466	0	1	0	1,185	2,548	3,733
1998/1999	3,179,956	0	3	0	33,955	71,356	105,311
1999/2000	3,691,667	0	2	0	6,738	10,150	16,888
2000/2001	7,720,347	2	9	290,023	53,382	231,814	575,219
2001/2002	9,567,924	1	6	248,634	28,783	66,853	344,270
MA Total	27,137,360	3	21	538,657	124,043	382,721	1,045,421
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.040	0.086	0.125
		1998/1999		0.000	1.068	2.244	3.312
		1999/2000		0.000	0.183	0.275	0.457
		2000/2001		3.757	0.691	3.003	7.451
		2001/2002		2.599	0.301	0.699	3.598
		MA Total Pure Premium:		1.980	0.460	1.410	3.852
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.263	0.351	0.761	
		Massachusetts Credibility:		0.24	0.32	0.46	
		Countrywide Pure Premium:		0.180	0.420	0.630	1.230
		Countrywide Indicated Relativity:		0.114	0.326	0.342	
		Countrywide Credibility:		0.30	0.34	0.27	
		Countrywide Lost-time Claims:		23	309		
		Pure Premium Underlying Present Rate:		1.400	0.420	1.040	2.860
		Relativity to Underlying Present Rate:		0.742	0.358	0.604	
		Credibility to Underlying Relativity:		0.46	0.34	0.27	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		0.679	0.345	0.605	
		Balanced Formula Relativity:		0.686	0.344	0.608	0.561

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Calculation of Class Relativities

Class(es):		Schedule: 374		Effective: 9/1/2005		Goods & Services	
9220 CEMETERY OPERATION-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	14,041,198	0	25	0	81,249	89,052	170,301
1998/1999	15,206,912	1	18	48,804	306,243	148,130	503,177
1999/2000	15,508,739	1	16	218,567	473,358	316,203	1,008,128
2000/2001	16,503,729	1	23	84,248	259,411	160,520	504,179
2001/2002	16,244,640	1	19	178,362	151,163	190,545	520,070
MA Total	77,505,218	4	101	529,981	1,271,424	904,450	2,705,855
		MA Indicated Pure Premiums					
		1997/1998		0.000	0.579	0.634	1.213
		1998/1999		0.321	2.014	0.974	3.309
		1999/2000		1.409	3.052	2.039	6.500
		2000/2001		0.510	1.572	0.973	3.055
		2001/2002		1.098	0.931	1.173	3.201
		MA Total Pure Premium:		0.680	1.640	1.170	3.491
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.365	2.542	1.424	
		Massachusetts Credibility:		0.30	0.78	0.72	
		Countrywide Pure Premium:		1.330	1.050	1.290	3.670
		Countrywide Indicated Relativity:		2.703	1.629	1.566	
		Countrywide Credibility:		0.35	0.11	0.14	
		Countrywide Lost-time Claims:		102	709		
		Pure Premium Underlying Present Rate:		0.910	1.380	1.140	3.430
		Relativity to Underlying Present Rate:		1.391	2.178	1.315	
		Credibility to Underlying Relativity:		0.35	0.11	0.14	
		Industry Group Adjusted Converted Pure Premium:		0.498	0.645	0.821	1.965
		Formula Relativity:		1.842	2.402	1.429	
		Balanced Formula Relativity:		1.851	2.403	1.428	1.855

Class(es):		Schedule: 371		Effective: 9/1/2005		Miscellaneous	
9402 STREET CLEANING-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	35,973,959	6	43	1,267,164	501,121	868,552	2,636,837
1998/1999	39,252,831	5	60	840,782	294,548	815,933	1,951,263
1999/2000	41,395,183	2	25	395,203	122,814	305,473	823,490
2000/2001	44,471,238	12	44	1,732,045	899,067	1,575,105	4,206,217
2001/2002	45,195,610	5	55	1,047,565	1,155,872	817,271	3,020,708
MA Total	206,288,821	30	227	5,282,759	2,973,422	4,382,334	12,638,515
		MA Indicated Pure Premiums					
		1997/1998		3.522	1.393	2.414	7.330
		1998/1999		2.142	0.750	2.079	4.971
		1999/2000		0.955	0.297	0.738	1.989
		2000/2001		3.895	2.022	3.542	9.458
		2001/2002		2.318	2.557	1.808	6.684
		MA Total Pure Premium:		2.560	1.440	2.120	6.127
		Pure Premium Relativities					
		Massachusetts Indicated Relativity:		1.633	1.098	1.145	
		Massachusetts Credibility:		0.65	0.93	1.00	
		Countrywide Pure Premium:		1.560	0.880	1.490	3.930
		Countrywide Indicated Relativity:		0.992	0.684	0.808	
		Countrywide Credibility:		0.18	0.04	0.00	
		Countrywide Lost-time Claims:		106	707		
		Pure Premium Underlying Present Rate:		2.330	0.810	1.760	4.900
		Relativity to Underlying Present Rate:		1.236	0.690	1.023	
		Credibility to Underlying Relativity:		0.17	0.03	0.00	
		Industry Group Adjusted Converted Pure Premium:		1.567	1.311	1.852	4.730
		Formula Relativity:		1.450	1.069	1.145	
		Balanced Formula Relativity:		1.466	1.065	1.150	1.231

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Class(es):		Schedule: 371		Effective: 9/1/2005		Miscellaneous		
9403 GARBAGE,ASH,REFUSE COLLECTION-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	42,419,277	8	77	1,161,840	1,025,619	1,720,541	3,908,000	
1998/1999	45,647,514	7	55	1,232,429	293,517	1,028,254	2,554,200	
1999/2000	35,139,774	9	51	1,357,108	635,987	1,412,854	3,405,949	
2000/2001	78,198,927	12	116	1,157,886	802,865	2,000,505	3,961,256	
2001/2002	86,620,706	14	111	2,303,786	1,671,128	2,614,775	6,589,689	
MA Total	288,026,198	50	410	7,213,049	4,429,116	8,776,929	20,419,094	
				MA Indicated Pure Premiums				
				1997/1998	2.739	2.418	4.056	9.213
				1998/1999	2.700	0.643	2.253	5.595
				1999/2000	3.862	1.810	4.021	9.693
				2000/2001	1.481	1.027	2.558	5.066
				2001/2002	2.660	1.929	3.019	7.608
MA Total Pure Premium:				2.500	1.540	3.050	7.089	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				1.595	1.174	1.647		
Massachusetts Credibility:				0.77	1.00	1.00		
Countrywide Pure Premium:				2.470	1.590	2.560	6.620	
Countrywide Indicated Relativity:				1.571	1.236	1.389		
Countrywide Credibility:				0.12	0.00	0.00		
Countrywide Lost-time Claims:				809	5,698			
Pure Premium Underlying Present Rate:				2.510	1.390	2.630	6.530	
Relativity to Underlying Present Rate:				1.331	1.184	1.529		
Credibility to Underlying Relativity:				0.11	0.00	0.00		
Industry Group Adjusted Converted Pure Premium:				1.567	1.311	1.852	4.730	
Formula Relativity:				1.563	1.174	1.647		
Balanced Formula Relativity:				1.580	1.170	1.654	1.495	

Class(es):		Schedule: 353		Effective: 9/1/2005		Goods & Services		
9410 MUNICIPAL,TOWN,COUNTY,STATE EMP-NOC								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	778,377	0	0	0	0	0	0	
1998/1999	949,871	0	0	0	0	398	398	
1999/2000	954,673	0	1	0	1,233	1,566	2,799	
2000/2001	1,105,285	0	0	0	0	2,085	2,085	
2001/2002	999,257	0	0	0	0	1,791	1,791	
MA Total	4,787,463	0	1	0	1,233	5,840	7,073	
				MA Indicated Pure Premiums				
				1997/1998	0.000	0.000	0.000	0.000
				1998/1999	0.000	0.000	0.042	0.042
				1999/2000	0.000	0.129	0.164	0.293
				2000/2001	0.000	0.000	0.189	0.189
				2001/2002	0.000	0.000	0.179	0.179
MA Total Pure Premium:				0.000	0.030	0.120	0.148	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.000	0.046	0.146		
Massachusetts Credibility:				0.10	0.19	0.23		
Countrywide Pure Premium:				0.690	0.720	1.120	2.530	
Countrywide Indicated Relativity:				1.402	1.117	1.360		
Countrywide Credibility:				0.45	0.40	0.38		
Countrywide Lost-time Claims:				184	2,410			
Pure Premium Underlying Present Rate:				1.040	0.660	1.090	2.790	
Relativity to Underlying Present Rate:				1.590	1.042	1.257		
Credibility to Underlying Relativity:				0.45	0.41	0.39		
Industry Group Adjusted Converted Pure Premium:				0.498	0.645	0.821	1.965	
Formula Relativity:				1.346	0.883	1.041		
Balanced Formula Relativity:				1.353	0.883	1.040	1.068	

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Class(es):		Schedule: 252		Effective: 9/1/2005		Manufacturing	
9501 SIGN PAINTING OR LETTERING-INSIDE-DR							
9505 PAINTING-AUTO OR CARRIAGE BODIES							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	20,709,187	2	14	377,762	298,316	167,074	843,152
1998/1999	21,115,074	2	14	240,228	37,730	165,738	443,696
1999/2000	22,715,264	1	18	148,223	114,156	273,437	535,816
2000/2001	24,606,002	4	20	504,290	71,574	495,483	1,071,347
2001/2002	20,508,755	0	13	0	71,949	60,313	132,262
MA Total	109,654,282	9	79	1,270,503	593,725	1,162,045	3,026,273
				MA Indicated Pure Premiums			
1997/1998				1.824	1.441	0.807	4.071
1998/1999				1.138	0.179	0.785	2.101
1999/2000				0.653	0.503	1.204	2.359
2000/2001				2.049	0.291	2.014	4.354
2001/2002				0.000	0.351	0.294	0.645
MA Total Pure Premium:				1.160	0.540	1.060	2.760
				Pure Premium Relativities			
Massachusetts Indicated Relativity:				1.727	0.766	1.213	
Massachusetts Credibility:				0.34	0.76	0.76	
Countrywide Pure Premium:				0.680	0.610	0.810	2.100
Countrywide Indicated Relativity:				1.007	0.906	0.959	
Countrywide Credibility:				0.33	0.12	0.12	
Countrywide Lost-time Claims:				133	736		
Pure Premium Underlying Present Rate:				0.890	0.910	0.920	2.720
Relativity to Underlying Present Rate:				1.122	1.313	0.981	
Credibility to Underlying Relativity:				0.33	0.12	0.12	
Industry Group Adjusted Converted Pure Premium:				0.672	0.705	0.874	2.250
Formula Relativity:				1.290	0.848	1.155	
Balanced Formula Relativity:				1.282	0.847	1.151	1.095

Class(es):		Schedule: 353		Effective: 9/1/2005		Goods & Services	
9519 HOUSEHOLD APPLIANCES-ELECTRICAL-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	40,752,488	1	23	93,726	252,729	334,308	680,763
1998/1999	42,721,513	1	28	79,202	287,582	223,160	589,944
1999/2000	49,300,213	5	37	757,002	236,630	521,862	1,515,494
2000/2001	48,709,423	3	35	505,200	258,928	388,687	1,152,815
2001/2002	48,687,810	3	27	545,772	311,679	409,307	1,266,758
MA Total	230,171,447	13	150	1,980,902	1,347,548	1,877,324	5,205,774
				MA Indicated Pure Premiums			
1997/1998				0.230	0.620	0.820	1.670
1998/1999				0.185	0.673	0.522	1.381
1999/2000				1.535	0.480	1.059	3.074
2000/2001				1.037	0.532	0.798	2.367
2001/2002				1.121	0.640	0.841	2.602
MA Total Pure Premium:				0.860	0.590	0.820	2.262
				Pure Premium Relativities			
Massachusetts Indicated Relativity:				1.726	0.914	0.998	
Massachusetts Credibility:				0.47	0.81	1.00	
Countrywide Pure Premium:				0.780	0.770	0.940	2.490
Countrywide Indicated Relativity:				1.585	1.195	1.141	
Countrywide Credibility:				0.26	0.10	0.00	
Countrywide Lost-time Claims:				286	2,065		
Pure Premium Underlying Present Rate:				0.930	0.520	0.970	2.420
Relativity to Underlying Present Rate:				1.422	0.821	1.119	
Credibility to Underlying Relativity:				0.27	0.09	0.00	
Industry Group Adjusted Converted Pure Premium:				0.498	0.645	0.821	1.965
Formula Relativity:				1.607	0.934	0.998	
Balanced Formula Relativity:				1.615	0.934	0.997	1.133

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Calculation of Class Relativities

Class(es):		Schedule: 252		Effective: 9/1/2005		Manufacturing		
9521 HOUSE FURNISHINGS INSTALLATION-NOC								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	36,484,224	2	46	267,927	673,019	250,756	1,191,702	
1998/1999	41,876,753	8	62	1,484,346	1,022,591	1,018,223	3,525,160	
1999/2000	33,371,587	6	34	878,927	709,881	664,342	2,253,150	
2000/2001	34,527,767	1	44	323,030	628,977	353,380	1,305,387	
2001/2002	32,075,909	5	25	1,020,710	706,832	496,051	2,223,593	
MA Total	178,336,240	22	211	3,974,940	3,741,300	2,782,752	10,498,992	
				MA Indicated Pure Premiums				
				1997/1998	0.734	1.845	0.687	3.266
				1998/1999	3.545	2.442	2.431	8.418
				1999/2000	2.634	2.127	1.991	6.752
				2000/2001	0.936	1.822	1.023	3.781
				2001/2002	3.182	2.204	1.546	6.932
MA Total Pure Premium:				2.230	2.100	1.560	5.887	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				3.321	2.980	1.785		
Massachusetts Credibility:				0.54	1.00	1.00		
Countrywide Pure Premium:				1.360	1.100	1.160	3.620	
Countrywide Indicated Relativity:				2.014	1.633	1.374		
Countrywide Credibility:				0.23	0.00	0.00		
Countrywide Lost-time Claims:				397	2,433			
Pure Premium Underlying Present Rate:				1.680	2.450	1.460	5.590	
Relativity to Underlying Present Rate:				2.119	3.534	1.557		
Credibility to Underlying Relativity:				0.23	0.00	0.00		
Industry Group Adjusted Converted Pure Premium:				0.672	0.705	0.874	2.250	
Formula Relativity:				2.744	2.980	1.785		
Balanced Formula Relativity:				2.727	2.974	1.780	2.436	

Class(es):		Schedule: 252		Effective: 9/1/2005		Manufacturing		
9522 UPHOLSTERING								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	15,849,129	0	14	0	89,607	63,592	153,199	
1998/1999	15,507,020	0	19	0	90,378	88,681	179,059	
1999/2000	17,841,650	1	24	158,796	101,173	195,008	454,977	
2000/2001	18,513,817	0	10	0	108,666	99,219	207,885	
2001/2002	17,714,867	0	5	0	6,295	14,536	20,831	
MA Total	85,426,483	1	72	158,796	396,119	461,036	1,015,951	
				MA Indicated Pure Premiums				
				1997/1998	0.000	0.565	0.401	0.967
				1998/1999	0.000	0.583	0.572	1.155
				1999/2000	0.890	0.567	1.093	2.550
				2000/2001	0.000	0.587	0.536	1.123
				2001/2002	0.000	0.036	0.082	0.118
MA Total Pure Premium:				0.190	0.460	0.540	1.189	
				Pure Premium Relativities				
Massachusetts Indicated Relativity:				0.283	0.653	0.618		
Massachusetts Credibility:				0.28	0.59	0.68		
Countrywide Pure Premium:				0.860	0.660	0.940	2.460	
Countrywide Indicated Relativity:				1.274	0.980	1.114		
Countrywide Credibility:				0.36	0.20	0.16		
Countrywide Lost-time Claims:				206	787			
Pure Premium Underlying Present Rate:				0.670	0.620	0.890	2.180	
Relativity to Underlying Present Rate:				0.845	0.894	0.949		
Credibility to Underlying Relativity:				0.36	0.21	0.16		
Industry Group Adjusted Converted Pure Premium:				0.672	0.705	0.874	2.250	
Formula Relativity:				0.842	0.769	0.750		
Balanced Formula Relativity:				0.837	0.767	0.748	0.781	

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Calculation of Class Relativities

Class(es):		Schedule: 270		Effective: 9/1/2005		Construction	
9534 MOBILE CRANE-HOIST SRV CONT-NOC-ALL OP							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	10,008,554	1	7	97,413	60,187	26,905	184,505
1998/1999	10,899,355	1	7	104,991	12,341	52,792	170,124
1999/2000	13,108,869	1	12	157,968	185,570	329,400	672,938
2000/2001	18,822,758	2	19	487,793	592,625	412,240	1,492,658
2001/2002	18,145,939	4	10	1,139,168	161,040	800,178	2,100,386
MA Total	70,985,475	9	55	1,987,333	1,011,763	1,621,515	4,620,611
				MA Indicated Pure Premiums			
				1997/1998	0.973	0.601	1.843
				1998/1999	0.963	0.113	1.561
				1999/2000	1.205	1.416	5.133
				2000/2001	2.592	3.148	7.930
				2001/2002	6.278	0.887	11.575
MA Total Pure Premium:				2.800	1.430	2.280	6.509
				Pure Premium Relativities			
Massachusetts Indicated Relativity:				1.166	1.022	1.097	
Massachusetts Credibility:				0.42	0.60	0.82	
Countrywide Pure Premium:				2.230	0.970	1.740	4.940
Countrywide Indicated Relativity:				0.968	0.709	0.848	
Countrywide Credibility:				0.23	0.20	0.09	
Countrywide Lost-time Claims:				12	82		
Pure Premium Underlying Present Rate:				2.300	0.790	1.710	4.800
Relativity to Underlying Present Rate:				0.796	0.602	0.840	
Credibility to Underlying Relativity:				0.35	0.20	0.09	
Industry Group Adjusted Converted Pure Premium:				2.402	1.400	2.079	5.881
Formula Relativity:				0.991	0.875	1.051	
Balanced Formula Relativity:				0.992	0.874	1.050	0.984

Class(es):		Schedule: 279		Effective: 9/1/2005		Construction	
9545 BILL POSTING-DR							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	1,134,721	0	4	0	31,566	10,412	41,978
1998/1999	1,216,864	0	2	0	41,885	42,673	84,558
1999/2000	311,453	0	1	0	661	1,729	2,390
2000/2001	208,655	0	1	0	1,364	1,271	2,635
2001/2002	131,618	0	0	0	0	0	0
MA Total	3,003,311	0	8	0	75,476	56,085	131,561
				MA Indicated Pure Premiums			
				1997/1998	0.000	2.782	3.699
				1998/1999	0.000	3.442	6.949
				1999/2000	0.000	0.212	0.767
				2000/2001	0.000	0.654	1.263
				2001/2002	0.000	0.000	0.000
MA Total Pure Premium:				0.000	2.510	1.870	4.381
				Pure Premium Relativities			
Massachusetts Indicated Relativity:				0.000	1.793	0.899	
Massachusetts Credibility:				0.13	0.25	0.28	
Countrywide Pure Premium:				0.840	0.390	1.420	2.650
Countrywide Indicated Relativity:				0.364	0.285	0.692	
Countrywide Credibility:				0.17	0.30	0.36	
Countrywide Lost-time Claims:				5	44		
Pure Premium Underlying Present Rate:				2.900	2.010	2.660	7.570
Relativity to Underlying Present Rate:				1.004	1.532	1.307	
Credibility to Underlying Relativity:				0.70	0.45	0.36	
Industry Group Adjusted Converted Pure Premium:				2.402	1.400	2.079	5.881
Formula Relativity:				0.765	1.223	0.971	
Balanced Formula Relativity:				0.765	1.222	0.970	0.946

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 Exhibit 188

Calculation of Class Relativities

Class(es):		Schedule: 279		Effective: 9/1/2005			Construction	
9549 ADVERTISING CO-OUTDOOR-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	1,984,901	0	0	0	0	2,036	2,036	
1998/1999	1,939,258	0	0	0	0	635	635	
1999/2000	148,327	0	0	0	0	0	0	
2000/2001	33,571	0	0	0	0	0	0	
2001/2002	41,917	0	0	0	0	0	0	
MA Total	4,147,974	0	0	0	0	2,671	2,671	
MA Indicated Pure Premiums								
		1997/1998	0.000	0.000	0.103	0.103	0.103	
		1998/1999	0.000	0.000	0.033	0.033	0.033	
		1999/2000	0.000	0.000	0.000	0.000	0.000	
		2000/2001	0.000	0.000	0.000	0.000	0.000	
		2001/2002	0.000	0.000	0.000	0.000	0.000	
		MA Total Pure Premium:	0.000	0.000	0.060	0.064	0.064	
Pure Premium Relativities								
		Massachusetts Indicated Relativity:	0.000	0.000	0.029	0.029	0.029	
		Massachusetts Credibility:	0.15	0.20	0.27	0.27	0.27	
		Countrywide Pure Premium:	1.580	0.910	1.220	3.710	3.710	
		Countrywide Indicated Relativity:	0.686	0.665	0.594	0.594	0.594	
		Countrywide Credibility:	0.23	0.35	0.36	0.36	0.36	
		Countrywide Lost-time Claims:	12	63				
		Pure Premium Underlying Present Rate:	3.090	0.890	1.750	5.730	5.730	
		Relativity to Underlying Present Rate:	1.070	0.678	0.860	0.860	0.860	
		Credibility to Underlying Relativity:	0.62	0.45	0.37	0.37	0.37	
		Industry Group Adjusted Converted Pure Premium:	2.402	1.400	2.079	5.881	5.881	
		Formula Relativity:	0.821	0.538	0.540	0.540	0.540	
		Balanced Formula Relativity:	0.822	0.537	0.539	0.654	0.654	

Class(es):		Schedule: 176		Effective: 9/1/2005			Construction	
9552 SIGN MFG-ERECT,REPAIR,MAINTAIN-DR								
9553 SIGN PAINTING OR LETTERING-OUTSIDE-DR								
		Adjusted Converted Loss and Loss Adjustment Expense						
Policy Period	Payroll	Claim Count		Amount				
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total	
1997/1998	7,554,939	1	12	143,362	38,781	129,416	311,559	
1998/1999	8,442,935	0	9	0	43,938	41,687	85,625	
1999/2000	9,020,412	1	10	171,494	92,433	104,689	368,616	
2000/2001	8,705,283	2	5	263,016	8,207	153,780	425,003	
2001/2002	9,988,686	1	14	457,846	318,021	321,819	1,097,686	
MA Total	43,712,255	5	50	1,035,718	501,380	751,391	2,288,489	
MA Indicated Pure Premiums								
		1997/1998	1.898	0.513	1.713	4.124	4.124	
		1998/1999	0.000	0.520	0.494	1.014	1.014	
		1999/2000	1.901	1.025	1.161	4.086	4.086	
		2000/2001	3.021	0.094	1.767	4.882	4.882	
		2001/2002	4.584	3.184	3.222	10.989	10.989	
		MA Total Pure Premium:	2.370	1.150	1.720	5.235	5.235	
Pure Premium Relativities								
		Massachusetts Indicated Relativity:	0.987	0.822	0.827	0.827	0.827	
		Massachusetts Credibility:	0.34	0.57	0.67	0.67	0.67	
		Countrywide Pure Premium:	3.920	1.400	2.160	7.480	7.480	
		Countrywide Indicated Relativity:	1.701	1.024	1.052	1.052	1.052	
		Countrywide Credibility:	0.33	0.22	0.16	0.16	0.16	
		Countrywide Lost-time Claims:	40	211				
		Pure Premium Underlying Present Rate:	2.190	1.130	1.690	5.010	5.010	
		Relativity to Underlying Present Rate:	0.758	0.861	0.830	0.830	0.830	
		Credibility to Underlying Relativity:	0.33	0.21	0.17	0.17	0.17	
		Industry Group Adjusted Converted Pure Premium:	2.402	1.400	2.079	5.881	5.881	
		Formula Relativity:	1.147	0.875	0.864	0.864	0.864	
		Balanced Formula Relativity:	1.148	0.874	0.862	0.982	0.982	

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Calculation of Class Relativities

Class(es): 9586 BEAUTY PARLORS		Schedule: 370		Effective: 9/1/2005		Goods & Services	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	168,960,529	3	35	270,491	221,302	261,383	753,176
1998/1999	191,525,833	3	47	358,013	253,261	316,182	927,456
1999/2000	214,524,903	2	39	287,450	377,053	413,184	1,077,687
2000/2001	236,852,995	1	41	103,580	392,486	252,435	748,501
2001/2002	248,109,540	6	37	721,980	243,505	972,640	1,938,125
MA Total	1,059,973,800	15	199	1,741,514	1,487,607	2,215,824	5,444,945
		MA Indicated Pure Premiums					
	1997/1998	0.160	0.131	0.155	0.446		
	1998/1999	0.187	0.132	0.165	0.484		
	1999/2000	0.134	0.176	0.193	0.502		
	2000/2001	0.044	0.166	0.107	0.316		
	2001/2002	0.291	0.098	0.392	0.781		
	MA Total Pure Premium:	0.160	0.140	0.210	0.514		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.321	0.217	0.256			
	Massachusetts Credibility:	0.50	0.81	1.00			
	Countrywide Pure Premium:	0.170	0.310	0.340	0.820		
	Countrywide Indicated Relativity:	0.345	0.481	0.413			
	Countrywide Credibility:	0.25	0.10	0.00			
	Countrywide Lost-time Claims:	275	1,852				
	Pure Premium Underlying Present Rate:	0.230	0.110	0.240	0.580		
	Relativity to Underlying Present Rate:	0.352	0.174	0.277			
	Credibility to Underlying Relativity:	0.25	0.09	0.00			
	Industry Group Adjusted Converted Pure Premium:	0.498	0.645	0.821	1.965		
	Formula Relativity:	0.335	0.240	0.256			
	Balanced Formula Relativity:	0.336	0.240	0.256	0.271		

Class(es): 9620 FUNERAL DIRECTOR-DR		Schedule: 374		Effective: 9/1/2005		Goods & Services	
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Payroll	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	35,041,135	0	7	0	42,839	390,545	433,384
1998/1999	35,825,394	0	3	0	12,155	31,860	44,015
1999/2000	39,773,479	1	3	69,164	25,733	89,630	184,527
2000/2001	41,770,284	1	3	183,847	18,700	80,017	282,564
2001/2002	43,453,388	0	3	0	52,438	99,290	151,728
MA Total	195,863,680	2	19	253,011	151,865	691,342	1,096,218
		MA Indicated Pure Premiums					
	1997/1998	0.000	0.122	1.115	1.237		
	1998/1999	0.000	0.034	0.089	0.123		
	1999/2000	0.174	0.065	0.225	0.464		
	2000/2001	0.440	0.045	0.192	0.676		
	2001/2002	0.000	0.121	0.228	0.349		
	MA Total Pure Premium:	0.130	0.080	0.350	0.560		
		Pure Premium Relativities					
	Massachusetts Indicated Relativity:	0.261	0.124	0.426			
	Massachusetts Credibility:	0.26	0.42	0.55			
	Countrywide Pure Premium:	0.300	0.270	0.420	0.990		
	Countrywide Indicated Relativity:	0.610	0.419	0.510			
	Countrywide Credibility:	0.37	0.29	0.22			
	Countrywide Lost-time Claims:	74	266				
	Pure Premium Underlying Present Rate:	0.240	0.120	0.230	0.590		
	Relativity to Underlying Present Rate:	0.367	0.189	0.265			
	Credibility to Underlying Relativity:	0.37	0.29	0.23			
	Industry Group Adjusted Converted Pure Premium:	0.498	0.645	0.821	1.965		
	Formula Relativity:	0.429	0.228	0.407			
	Balanced Formula Relativity:	0.431	0.228	0.407	0.355		

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Section X - Classification Pricing
 Subsection H - Class Relativities
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Section X - H
 Exhibit 190

Calculation of Class Relativities

Class(es):		Schedule: 11		Effective: 9/1/2005		Goods & Services	
0908 PRIVATE RESIDENCE-OCCASIONAL INSERVANT (50% OF EXPOSURE)							
0913 PRIVATE RESIDENCE-INSERVANTS							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Per Capita	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	3,517.9	2	11	116,276	32,548	157,234	306,058
1998/1999	4,497.4	3	57	381,959	374,662	347,715	1,104,336
1999/2000	3,356.6	1	12	86,498	136,568	251,251	474,317
2000/2001	3,384.0	0	11	0	180,933	140,662	321,595
2001/2002	4,825.4	1	8	91,259	133,222	53,081	277,562
MA Total	19,581.2	7	99	675,992	857,933	949,943	2,483,868
				MA Indicated Pure Premiums			
1997/1998				33.053	9.252	44.696	87.001
1998/1999				84.929	83.306	77.315	245.550
1999/2000				25.770	40.687	74.854	141.311
2000/2001				0.000	53.467	41.567	95.034
2001/2002				18.912	27.609	11.000	57.522
MA Total Pure Premium:				34.520	43.810	48.510	126.850
				Pure Premium Relativities			
Massachusetts Indicated Relativity:				69.298	67.903	59.052	
Massachusetts Credibility:				0.390	0.660	0.840	
Pure Premium Underlying Present Rate:				67.960	35.900	66.580	170.440
Relativity to Underlying Present Rate:				103.884	56.669	76.789	
Credibility to Underlying Relativity:				0.610	0.340	0.160	
Industry Group Adjusted Converted Pure Premium:				0.498	0.645	0.821	1.965
Formula Relativity:				90.393	64.083	61.889	
Balanced Formula Relativity:				90.821	64.111	61.845	69.935

Class(es):		Schedule: 11		Effective: 9/1/2005		Goods & Services	
0909 PRIVATE RESIDENCE-OCCASIONAL OUTSERVANT (50% OF EXPOSURE)							
0912 PRIVATE RESIDENCE-OUTSERVANTS-INC CHAUF							
		Adjusted Converted Loss and Loss Adjustment Expense					
Policy Period	Per Capita	Claim Count		Amount			
		Serious	Non-Serious	Serious	Non-Serious	Medical	Total
1997/1998	535.1	0	8	0	56,835	88,879	145,714
1998/1999	504.6	0	8	0	108,566	60,665	169,231
1999/2000	511.1	1	2	129,553	5,995	310,855	446,403
2000/2001	475.4	0	2	0	25,262	13,038	38,300
2001/2002	472.2	0	0	0	0	562	562
MA Total	2,498.3	1	20	129,553	196,658	473,999	800,210
				MA Indicated Pure Premiums			
1997/1998				0.000	106.224	166.113	272.337
1998/1999				0.000	215.153	120.224	335.377
1999/2000				253.504	11.731	608.267	873.502
2000/2001				0.000	53.138	27.425	80.564
2001/2002				0.000	0.000	1.190	1.190
MA Total Pure Premium:				51.860	78.720	189.730	320.302
				Pure Premium Relativities			
Massachusetts Indicated Relativity:				104.108	122.011	230.963	
Massachusetts Credibility:				0.140	0.360	0.430	
Pure Premium Underlying Present Rate:				38.120	60.300	94.480	192.900
Relativity to Underlying Present Rate:				58.270	95.185	108.967	
Credibility to Underlying Relativity:				0.860	0.640	0.570	
Industry Group Adjusted Converted Pure Premium:				0.498	0.645	0.821	1.965
Formula Relativity:				64.686	104.840	161.422	
Balanced Formula Relativity:				64.992	104.886	161.306	118.361

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Section X - Classification Pricing
 Subsection I - Industry Group Rate Change and Rate Level Factors
 9/1/2005

Section X - I
 Exhibit 1

Calculation of Industry Group Rate Change and Limits

	Industry Group				
	Manufacturing	Construction	Office and Clerical	Goods and Services	Miscellaneous
(1) Industry Group Differential	0.960	1.042	0.971	0.968	1.066
(2) Experience and Benefit Level Change - Overall	1.0%	1.0%	1.0%	1.0%	1.0%
(3) Target Rate Change = (1) x [1.000 + (2)] - 1.000	-3.1%	5.2%	-1.9%	-2.2%	7.6%
(4) Benefit Level Change - Overall	1.5%	1.5%	1.5%	1.5%	1.5%
(5) Experience Change - Overall = {[1.000 + (2)] / [1.000 + (4)]} - 1.000	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%
(6) Experience Change - by Group = {(1) x [1.000 + (5)]} - 1.000	-4.5%	3.7%	-3.3%	-3.7%	6.0%
(7) 1/2 Experience Change - by Group = (6) / 2.000	-2.3%	1.8%	-1.7%	-1.8%	3.0%
(8) Maximum Rate Change = (4) + (7) + 20.0%	19.2%	23.3%	19.8%	19.7%	24.5%
(9) Minimum Rate Change = (4) + (7) - 20.0%	-20.8%	-16.7%	-20.2%	-20.3%	-15.5%
(10) Present Average Rate	2.870	7.348	0.268	2.545	5.619
(11) Uncapped Rate Level Factor = [1.000 + (3)] x (10)	2.781	7.730	0.263	2.489	6.046
(12) Capped Rate Level Factor	2.780	7.805	0.261	2.489	6.126

In addition, the Bureau is limiting the increase in average rates for any class to \$15.00 and no average rate shall exceed \$90.00 per \$100.00 of payroll.

Notes

- (1) From Section X - I, Exhibit 2.
- (2) Indicated Rate Change, from Section I.
- (4) From Section IV - A, Exhibit 8.
- (10) Rates by class consistent with the 9/1/03 decision, weighted by five years of payroll.
- (12) Proposed average uncapped rates are capped by an iterative process using rate levels to determine if the required change is achieved.

Calculation of Massachusetts Industry Group Differentials
 Excluding Large Deductibles
 For Three Latest Composite Policy Years, 1999/2000 through 2001/2002

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Industry Group	Injury Type	Three Year Expected Losses	Three Year Limited Losses	Three Year Converted Limited Losses	= (5) / (4) Implied Conversion Factor	Three Year Adjusted Converted Losses	= (7) / (5) Implied Excess Loss Factor	Industry Group Differential	= (9) / 0.909 Balanced Industry Group Differential
Manufacturing	Serious	130,095,613	48,640,011	82,525,042	1.697	93,439,690	1.132	0.718	
	Non-Serious	115,138,354	89,513,947	115,209,073	1.287	119,345,570	1.036	1.037	
	Medical	153,427,384	79,780,027	118,217,976	1.482	135,006,792	1.142	0.880	
	Total	398,661,351	217,933,985	315,952,091	1.450	347,792,052	1.101	0.872	0.960
Construction	Serious	353,131,929	135,505,683	238,250,851	1.758	284,575,951	1.194	0.806	
	Non-Serious	160,213,928	133,133,214	171,901,802	1.291	181,436,318	1.055	1.132	
	Medical	248,417,806	115,763,498	199,894,325	1.727	255,616,994	1.279	1.029	
	Total	761,763,663	384,402,395	610,046,978	1.587	721,629,263	1.183	0.947	1.042
Office and Clerical	Serious	98,436,570	36,209,260	61,067,289	1.687	70,048,356	1.147	0.712	
	Non-Serious	84,081,473	65,886,733	84,762,797	1.286	88,102,331	1.039	1.048	
	Medical	124,222,772	65,874,075	96,520,457	1.465	112,760,436	1.168	0.908	
	Total	306,740,815	167,970,068	242,350,543	1.443	270,911,123	1.118	0.883	0.971
Goods and Services	Serious	217,569,751	73,606,822	126,766,637	1.722	144,759,960	1.142	0.665	
	Non-Serious	209,472,125	163,940,374	211,703,532	1.291	219,908,568	1.039	1.050	
	Medical	287,631,443	155,312,161	227,905,007	1.467	264,337,150	1.160	0.919	
	Total	714,673,319	392,859,357	566,375,176	1.442	629,005,678	1.111	0.880	0.968
Miscellaneous	Serious	94,293,471	35,507,095	60,516,771	1.704	71,734,039	1.185	0.761	
	Non-Serious	58,934,495	50,524,564	65,503,685	1.296	68,994,149	1.053	1.171	
	Medical	86,876,602	45,883,930	73,019,232	1.591	91,864,988	1.258	1.057	
	Total	240,104,568	131,915,589	199,039,688	1.509	232,593,176	1.169	0.969	1.066
	Serious	893,527,334	329,468,871	569,126,590	1.727	664,557,996	1.168	0.744	
	Non-Serious	627,840,375	502,998,832	649,080,889	1.290	677,786,936	1.044	1.080	
	Medical	900,576,007	462,613,691	715,556,997	1.547	859,586,360	1.201	0.954	
	Total	2,421,943,716	1,295,081,394	1,933,764,476	1.493	2,201,931,292	1.139	0.909	1.000

Notes

(3) Three Year Payrolls x Pure Premium Underlying Present Rate from Section X - G.
 (4), (5), (7) From Section X - D. Goods and Services including Per Capita classes.

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Section X - Classification Pricing
 Subsection J - Average Uncapped Rates
 9/1/2005

Section X - J
 Exhibit 1

Calculation of Average Uncapped Rates All Industry Groups

Class	(1) Balanced Formula Relativity				(2) Uncapped Rate	(3) Proposed Average
	Serious	Non-Serious	Medical	Total	Level Factor	Uncapped Rate
0005	1.237	1.602	1.964	1.661	2.489	4.13
0008	0.655	1.120	1.094	0.991	2.489	2.47
0016	1.898	1.035	1.250	1.344	2.489	3.34
0034	2.004	1.418	1.672	1.673	2.489	4.16
0035	0.778	1.024	0.944	0.928	2.489	2.31
0036	2.004	1.418	1.672	1.673	2.489	4.16
0037	0.655	1.120	1.094	0.991	2.489	2.47
0042	2.521	2.016	2.032	2.150	2.489	5.35
0050	0.741	0.637	0.699	0.702	7.730	5.42
0079	2.425	1.783	3.151	2.517	2.489	6.27
0083	2.226	1.285	1.278	1.521	2.489	3.78
0106	2.806	1.984	3.586	2.883	6.046	17.43
0113	2.004	1.418	1.672	1.673	2.489	4.16
0170	2.004	1.418	1.672	1.673	2.489	4.16
0251	0.626	0.644	0.550	0.601	6.046	3.64
0908	45.411	32.055	30.922	34.968	2.489	87.02
0909	32.496	52.443	80.653	59.180	2.489	147.28
0912	64.992	104.886	161.306	118.361	2.489	294.56
0913	90.821	64.111	61.845	69.935	2.489	174.05
0917	1.011	1.756	1.304	1.378	2.489	3.43
1430	4.945	21.008	2.673	9.092	2.781	25.28
1438	1.602	0.970	1.565	1.390	2.781	3.86
1463	2.715	2.301	1.889	2.264	2.781	6.30
1624	0.839	0.620	0.770	0.751	6.046	4.54
1655	1.015	0.387	0.858	0.779	6.046	4.71
1701	1.305	3.258	1.491	1.989	2.781	5.53
1710	0.839	0.620	0.770	0.751	6.046	4.54
1747	1.258	1.579	1.097	1.296	2.781	3.60
1748	1.438	2.572	1.691	1.892	2.781	5.26
1852	8.310	1.404	1.615	3.547	2.781	9.86
1853	1.428	0.939	1.050	1.128	2.781	3.14
1860	1.975	0.685	0.742	1.092	2.781	3.04
1924	1.225	1.051	1.118	1.129	2.781	3.14
1925	2.245	1.589	1.415	1.717	2.781	4.78
2001	1.314	1.374	1.574	1.434	2.781	3.99
2002	2.587	1.549	1.620	1.887	2.781	5.25
2003	1.314	1.374	1.574	1.434	2.781	3.99
2014	1.772	1.205	1.145	1.351	2.781	3.76
2021	1.142	0.623	0.604	0.770	2.781	2.14
2039	1.853	1.333	1.354	1.496	2.781	4.16
2041	0.965	0.826	1.178	1.004	2.781	2.79
2070	2.463	1.610	1.722	1.908	2.781	5.31
2081	1.807	2.184	2.138	2.054	2.781	5.71

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Calculation of Average Uncapped Rates All Industry Groups

Class	(1) Balanced Formula Relativity				(2) Uncapped Rate Level Factor	(3) Proposed Average Uncapped Rate
	Serious	Non-Serious	Medical	Total		
2089	1.463	1.430	1.516	1.474	2.781	4.10
2095	2.014	2.338	1.505	1.918	2.781	5.33
2101	1.463	1.430	1.516	1.474	2.781	4.10
2111	1.230	1.345	1.299	1.293	2.781	3.59
2114	1.463	1.430	1.516	1.474	2.781	4.10
2115	1.059	1.537	1.085	1.219	2.781	3.39
2121	0.997	0.634	0.776	0.798	2.781	2.22
2130	1.834	1.341	1.488	1.545	2.781	4.30
2131	1.048	1.212	1.100	1.120	2.781	3.11
2143	0.722	1.178	1.342	1.106	2.781	3.07
2150	2.583	2.155	1.608	2.070	2.781	5.76
2156	2.068	2.979	2.523	2.530	2.781	7.04
2157	2.933	1.686	1.792	2.099	2.781	5.84
2172	0.481	0.392	0.347	0.401	2.781	1.12
2174	4.135	2.753	3.675	3.523	2.781	9.80
2211	2.901	1.937	1.798	2.171	2.781	6.04
2220	1.238	1.128	1.550	1.325	2.781	3.68
2260	4.820	1.236	1.729	2.497	2.781	6.94
2286	1.238	1.128	1.550	1.325	2.781	3.68
2288	1.245	1.179	0.903	1.091	2.781	3.03
2302	1.238	1.128	1.550	1.325	2.781	3.68
2305	1.161	1.349	1.166	1.222	2.781	3.40
2362	1.449	0.908	0.957	1.088	2.781	3.03
2380	0.828	1.189	1.060	1.031	2.781	2.87
2402	1.260	0.906	1.235	1.139	2.781	3.17
2413	3.001	1.436	1.824	2.054	2.781	5.71
2416	1.573	2.819	1.488	1.930	2.781	5.37
2417	1.408	0.859	1.377	1.224	2.781	3.40
2501	1.323	1.175	1.049	1.170	2.781	3.25
2503	0.424	0.468	0.307	0.392	2.781	1.09
2534	1.323	1.175	1.049	1.170	2.781	3.25
2570	2.544	3.089	2.201	2.581	2.781	7.18
2576	0.943	1.173	1.210	1.119	2.781	3.11
2578	0.943	1.173	1.210	1.119	2.781	3.11
2585	1.775	1.388	1.688	1.620	2.781	4.50
2586	0.857	0.560	0.675	0.693	2.781	1.93
2587	0.999	0.931	0.842	0.911	2.489	2.27
2623	1.802	1.157	0.707	1.175	2.781	3.27
2640	1.368	1.337	1.496	1.408	2.781	3.92
2651	1.368	1.337	1.496	1.408	2.781	3.92
2660	0.471	0.694	0.926	0.717	2.781	2.00
2683	0.975	0.745	0.934	0.887	2.781	2.47
2688	1.394	1.134	1.376	1.305	2.781	3.63

Calculation of Average Uncapped Rates
All Industry Groups

Class	(1) Balanced Formula Relativity				(2) Uncapped Rate Level Factor	(3) Proposed Average Uncapped Rate
	Serious	Non-Serious	Medical	Total		
2702	2.687	2.024	3.512	2.826	6.046	17.09
2710	2.254	3.133	4.768	3.506	2.781	9.75
2731	1.914	2.281	1.951	2.043	2.781	5.68
2741	2.739	4.233	2.384	3.069	2.781	8.53
2747	4.386	2.462	2.487	3.046	2.781	8.47
2790	0.712	0.945	0.899	0.858	2.781	2.39
2802	2.268	1.827	2.509	2.224	2.781	6.18
2835	1.139	1.851	1.451	1.483	2.781	4.13
2836	2.766	1.239	2.075	2.019	2.781	5.62
2841	0.770	0.830	0.949	0.858	2.781	2.39
2883	1.322	1.360	1.426	1.374	2.781	3.82
2923	0.867	0.905	0.969	0.918	2.781	2.55
2942	0.802	0.456	1.072	0.798	2.781	2.22
3018	1.325	2.024	1.184	1.489	2.781	4.14
3022	1.273	1.921	2.432	1.926	2.781	5.36
3027	1.779	1.483	2.221	1.858	2.781	5.17
3028	1.094	2.543	1.634	1.757	2.781	4.89
3030	3.739	3.350	2.726	3.224	2.781	8.96
3040	5.344	5.367	5.018	5.225	2.781	14.53
3041	1.903	1.700	1.662	1.746	2.781	4.86
3042	1.696	0.955	0.988	1.189	2.781	3.31
3064	1.386	1.303	1.346	1.344	2.781	3.74
3066	1.386	1.303	1.346	1.344	2.781	3.74
3076	1.076	1.365	1.212	1.219	2.781	3.39
3081	3.545	2.530	3.828	3.337	2.781	9.28
3082	3.545	2.530	3.828	3.337	2.781	9.28
3085	2.262	1.545	2.132	1.987	2.781	5.53
3110	3.737	4.558	2.865	3.656	2.781	10.17
3111	1.047	0.989	1.117	1.056	2.781	2.94
3113	0.690	0.779	0.639	0.698	2.781	1.94
3114	1.655	1.512	1.700	1.628	2.781	4.53
3118	0.690	0.779	0.639	0.698	2.781	1.94
3119	0.496	0.359	0.345	0.394	2.781	1.10
3120	0.523	1.610	0.610	0.897	2.781	2.49
3122	1.383	0.651	1.240	1.098	2.781	3.05
3127	0.230	0.292	0.264	0.263	2.781	0.73
3131	1.679	1.456	1.050	1.365	2.781	3.80
3132	0.678	1.125	0.883	0.897	2.781	2.50
3145	0.619	0.540	0.660	0.610	2.781	1.70
3146	1.656	0.820	1.083	1.172	2.781	3.26
3169	1.762	1.969	2.235	2.011	2.781	5.59
3179	0.866	0.864	0.969	0.905	2.781	2.52
3180	1.119	2.136	1.607	1.627	2.781	4.52

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Calculation of Average Uncapped Rates All Industry Groups

Class	(1) Balanced Formula Relativity				(2) Uncapped Rate Level Factor	(3) Proposed Average Uncapped Rate
	Serious	Non-Serious	Medical	Total		
3188	0.870	1.613	1.776	1.455	2.781	4.05
3200	1.177	0.882	1.301	1.133	2.781	3.15
3220	1.222	0.755	0.781	0.904	2.781	2.51
3227	1.762	1.969	2.235	2.011	2.781	5.59
3241	1.225	1.051	1.118	1.129	2.781	3.14
3255	1.671	1.457	1.734	1.628	2.781	4.53
3257	1.314	1.315	1.344	1.326	2.781	3.69
3270	1.340	1.077	1.009	1.129	2.781	3.14
3300	3.826	2.661	3.366	3.283	2.781	9.13
3315	0.668	0.846	0.715	0.742	2.781	2.06
3336	0.776	1.826	1.401	1.347	2.781	3.75
3365	1.867	1.854	2.771	2.183	7.730	16.88
3372	1.338	0.944	1.186	1.156	2.781	3.21
3373	3.444	1.771	2.068	2.386	2.781	6.63
3381	1.261	1.256	1.359	1.297	2.781	3.61
3383	0.606	0.688	0.822	0.715	2.781	1.99
3385	0.448	0.378	0.348	0.387	2.781	1.08
3400	1.762	1.969	2.235	2.011	2.781	5.59
3507	1.659	1.759	1.692	1.703	2.781	4.74
3515	1.610	0.952	1.377	1.313	2.781	3.65
3548	0.962	0.977	0.855	0.925	2.781	2.57
3558	0.271	0.198	0.312	0.264	2.781	0.73
3559	0.962	0.977	0.855	0.925	2.781	2.57
3571	0.778	0.483	0.499	0.577	2.781	1.61
3574	0.962	0.977	0.855	0.925	2.781	2.57
3612	0.949	1.023	0.905	0.955	2.781	2.66
3620	1.949	2.363	2.610	2.335	2.781	6.49
3629	0.962	0.977	0.855	0.925	2.781	2.57
3632	0.962	0.977	0.855	0.925	2.781	2.57
3634	1.367	0.823	1.324	1.180	2.781	3.28
3635	1.094	1.649	1.586	1.459	2.781	4.06
3638	0.962	0.977	0.855	0.925	2.781	2.57
3642	0.463	0.817	0.421	0.558	2.781	1.55
3643	0.866	0.864	0.969	0.905	2.781	2.52
3647	0.875	1.355	1.109	1.116	2.781	3.10
3648	0.785	0.800	1.188	0.946	2.781	2.63
3681	0.355	0.354	0.377	0.363	2.781	1.01
3685	0.355	0.354	0.377	0.363	2.781	1.01
3724	0.838	0.956	1.018	0.930	7.730	7.19
3726	2.034	0.998	1.398	1.563	7.730	12.08
3807	1.762	1.969	2.235	2.011	2.781	5.59
3808	0.668	1.338	1.253	1.105	2.781	3.07
3821	2.507	1.896	2.533	2.317	2.489	5.77

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Calculation of Average Uncapped Rates All Industry Groups

Class	(1) Balanced Formula Relativity				(2)	(3)
	Serious	Non-Serious	Medical	Total	Uncapped Rate Level Factor	Proposed Average Uncapped Rate
3826	0.934	1.473	0.616	0.979	2.781	2.72
3830	0.962	0.977	0.855	0.925	2.781	2.57
3841	0.802	1.034	0.889	0.908	2.781	2.53
4000	0.923	0.825	0.879	0.879	6.046	5.31
4021	1.724	1.215	1.261	1.385	2.781	3.85
4024	2.466	1.839	1.764	1.997	2.781	5.55
4034	3.801	2.379	3.353	3.182	2.781	8.85
4036	1.321	1.032	0.938	1.082	2.781	3.01
4038	0.900	1.123	0.836	0.945	2.781	2.63
4053	0.629	0.573	0.543	0.578	2.781	1.61
4061	1.109	0.764	0.909	0.923	2.781	2.57
4062	1.109	0.764	0.909	0.923	2.781	2.57
4112	0.288	0.468	0.332	0.361	2.781	1.00
4113	0.629	0.573	0.543	0.578	2.781	1.61
4114	1.242	0.945	0.966	1.042	2.781	2.90
4130	2.399	1.474	2.033	1.967	2.781	5.47
4133	1.156	0.719	1.084	0.991	2.781	2.76
4150	0.410	0.460	0.331	0.395	2.781	1.10
4239	1.738	2.068	2.269	2.047	2.781	5.69
4243	1.270	1.582	1.882	1.606	2.781	4.46
4244	1.516	2.124	1.377	1.652	2.781	4.60
4250	1.144	1.175	1.072	1.126	2.781	3.13
4251	1.366	0.965	1.350	1.234	2.781	3.43
4273	1.043	1.928	1.728	1.586	2.781	4.41
4279	1.443	1.642	1.791	1.640	2.781	4.56
4282	0.184	0.235	0.204	0.208	2.781	0.58
4283	1.640	1.190	1.085	1.284	2.781	3.57
4299	0.930	0.850	0.912	0.898	2.781	2.50
4301	2.132	0.886	1.834	1.626	2.781	4.52
4304	1.223	1.493	1.743	1.509	2.781	4.20
4307	0.934	1.280	0.857	1.012	2.781	2.82
4308	0.323	0.419	0.389	0.379	2.781	1.05
4350	0.248	0.405	0.248	0.297	2.781	0.83
4351	0.495	0.412	0.333	0.406	2.781	1.13
4352	0.638	0.295	0.542	0.493	2.781	1.37
4360	0.499	0.330	0.347	0.387	2.781	1.08
4361	2.572	2.123	2.516	2.412	0.263	0.63
4362	0.322	0.210	0.338	0.292	2.489	0.73
4410	1.045	2.181	1.608	1.619	2.781	4.50
4417	1.276	1.596	1.720	1.549	2.781	4.31
4432	0.571	1.024	0.807	0.804	2.781	2.24
4439	1.119	1.040	1.388	1.199	2.781	3.33
4452	1.271	1.331	1.665	1.443	2.781	4.01

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Calculation of Average Uncapped Rates All Industry Groups

Class	(1) Balanced Formula Relativity				(2)	(3)
	Serious	Non-Serious	Medical	Total	Uncapped Rate Level Factor	Proposed Average Uncapped Rate
4459	1.194	1.501	1.209	1.296	2.781	3.60
4470	1.315	1.142	1.066	1.164	2.781	3.24
4484	0.822	1.246	1.095	1.061	2.781	2.95
4493	1.703	1.530	1.893	1.723	2.781	4.79
4511	0.310	0.176	0.243	0.238	2.489	0.59
4512	0.083	0.071	0.090	0.082	2.489	0.20
4557	0.936	0.673	0.845	0.818	2.781	2.28
4558	0.765	1.383	1.027	1.060	2.781	2.95
4561	1.119	1.040	1.388	1.199	2.781	3.33
4583	2.284	0.629	0.973	1.257	2.781	3.49
4611	0.516	0.674	0.599	0.598	2.781	1.66
4635	0.928	1.196	0.776	0.953	2.781	2.65
4653	1.001	4.433	2.023	2.473	2.781	6.88
4665	2.529	1.926	2.639	2.383	2.781	6.63
4692	0.269	0.244	0.222	0.243	2.781	0.68
4693	0.403	0.467	0.459	0.445	2.781	1.24
4720	1.392	1.060	1.841	1.463	2.781	4.07
4740	0.861	0.499	0.645	0.663	2.781	1.84
4741	1.369	1.791	0.844	1.297	2.781	3.61
4770	12.282	2.173	1.286	4.846	2.781	13.47
4773	25.279	3.958	2.414	9.721	2.781	27.03
4774	20.241	4.016	2.243	8.170	2.781	22.72
4775	11.204	2.059	2.307	4.885	2.781	13.58
4776	18.988	2.418	1.233	6.903	2.781	19.20
4777	2.284	0.629	0.973	1.257	2.781	3.49
4779	14.977	2.576	2.722	6.334	2.781	17.61
4799	45.182	8.076	4.742	17.854	2.781	49.65
4825	0.288	0.197	0.334	0.277	2.781	0.77
4828	0.520	0.276	0.278	0.350	2.781	0.97
4829	0.520	0.276	0.278	0.350	2.781	0.97
4902	0.802	0.456	1.072	0.798	2.781	2.22
4923	0.499	0.330	0.347	0.387	2.781	1.08
5020	0.711	0.834	0.634	0.713	7.730	5.51
5022	2.129	2.469	1.863	2.116	7.730	16.36
5037	4.897	2.358	2.949	3.604	7.730	27.86
5040	7.121	5.544	5.637	6.221	7.730	48.09
5057	7.076	4.645	5.215	5.840	7.730	45.14
5059	7.076	4.645	5.215	5.840	7.730	45.14
5069	7.076	4.645	5.215	5.840	7.730	45.14
5102	1.341	2.040	1.292	1.490	7.730	11.52
5146	0.702	1.078	0.984	0.891	7.730	6.89
5160	0.446	0.657	0.423	0.488	7.730	3.77
5183	0.520	0.849	0.658	0.647	7.730	5.00

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Calculation of Average Uncapped Rates All Industry Groups

Class	(1) Balanced Formula Relativity				(2)	(3)
	Serious	Non-Serious	Medical	Total	Uncapped Rate Level Factor	Proposed Average Uncapped Rate
5188	0.591	0.928	0.773	0.735	7.730	5.69
5190	0.504	0.663	0.567	0.564	7.730	4.36
5191	0.649	0.434	0.572	0.546	2.489	1.36
5192	2.539	2.472	1.788	2.203	2.489	5.48
5213	4.666	1.741	2.762	3.296	7.730	25.48
5215	0.715	1.156	1.114	0.961	7.730	7.43
5221	1.408	1.085	1.147	1.239	7.730	9.58
5222	1.578	0.571	1.080	1.162	7.730	8.99
5223	0.715	1.156	1.114	0.961	7.730	7.43
5348	1.041	1.874	0.889	1.185	7.730	9.16
5402	1.847	1.310	5.928	3.162	7.730	24.44
5403	2.325	2.154	2.157	2.225	7.730	17.20
5437	0.771	1.185	0.941	0.930	7.730	7.19
5443	0.831	0.837	0.727	0.796	7.730	6.15
5445	1.325	1.220	1.046	1.202	7.730	9.29
5462	1.103	1.300	1.383	1.249	7.730	9.65
5472	1.221	1.268	1.037	1.167	7.730	9.02
5473	2.775	1.428	2.954	2.518	7.730	19.46
5474	0.850	0.913	1.022	0.926	7.730	7.16
5479	1.719	1.657	2.468	1.969	7.730	15.22
5480	0.939	0.983	0.785	0.895	7.730	6.92
5506	1.036	0.962	0.931	0.981	7.730	7.59
5507	1.381	1.045	0.718	1.067	7.730	8.25
5508	0.741	0.637	0.699	0.702	7.730	5.42
5509	0.465	0.928	0.881	0.722	7.730	5.58
5538	0.696	1.178	0.970	0.907	7.730	7.02
5545	7.321	3.368	10.757	7.595	7.730	58.71
5547	2.832	1.977	2.924	2.661	7.730	20.57
5606	0.304	0.364	0.326	0.326	7.730	2.52
5610	0.730	0.677	0.533	0.648	7.730	5.01
5645	0.888	1.334	1.523	1.218	7.730	9.42
5651	0.888	1.334	1.523	1.218	7.730	9.42
5701	4.406	1.471	2.947	3.192	7.730	24.67
5703	2.893	1.464	2.711	2.488	7.730	19.24
5705	2.678	1.051	1.316	1.809	7.730	13.99
6003	2.652	1.674	1.887	2.149	7.730	16.61
6005	0.741	0.637	0.699	0.702	7.730	5.42
6204	2.085	1.296	1.345	1.635	7.730	12.64
6217	0.871	0.735	0.821	0.821	7.730	6.34
6229	0.871	0.735	0.821	0.821	7.730	6.34
6233	1.317	1.207	0.587	1.032	7.730	7.98
6251	1.204	0.428	0.672	0.831	7.730	6.43
6252	1.362	0.508	0.752	0.943	7.730	7.29

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Calculation of Average Uncapped Rates All Industry Groups

Class	(1) Balanced Formula Relativity				(2) Uncapped Rate Level Factor	(3) Proposed Average Uncapped Rate
	Serious	Non-Serious	Medical	Total		
6306	1.304	0.866	0.984	1.087	7.730	8.40
6319	0.989	0.792	0.908	0.913	7.730	7.06
6325	0.481	0.513	0.413	0.464	7.730	3.59
6400	1.251	0.785	0.929	1.026	7.730	7.93
6504	1.463	1.430	1.516	1.474	2.781	4.10
6834	0.676	0.493	0.946	0.731	6.046	4.42
6836	0.606	0.463	0.512	0.529	6.046	3.20
7219	1.683	1.429	1.259	1.446	6.046	8.74
7230	1.638	1.138	1.645	1.502	6.046	9.08
7231	1.193	1.168	1.058	1.133	6.046	6.85
7360	1.059	1.267	0.879	1.046	6.046	6.33
7370	0.578	0.744	0.743	0.689	6.046	4.16
7380	1.077	1.466	1.253	1.254	6.046	7.58
7382	0.693	0.821	0.890	0.806	6.046	4.87
7403	0.620	0.630	0.702	0.655	6.046	3.96
7405	0.222	0.291	0.256	0.255	6.046	1.54
7409	2.816	0.484	0.693	1.338	6.046	8.09
7418	2.816	0.484	0.693	1.338	6.046	8.09
7420	2.816	0.484	0.693	1.338	6.046	8.09
7421	0.349	0.159	0.672	0.423	6.046	2.56
7422	0.349	0.159	0.672	0.423	6.046	2.56
7423	0.721	0.545	0.948	0.761	6.046	4.60
7431	0.349	0.159	0.672	0.423	6.046	2.56
7502	0.935	0.618	0.942	0.850	6.046	5.14
7515	0.296	0.203	0.207	0.235	6.046	1.42
7520	0.626	0.644	0.550	0.601	6.046	3.64
7538	0.579	0.736	0.770	0.684	7.730	5.29
7539	0.334	0.421	0.395	0.382	6.046	2.31
7580	0.678	0.400	0.704	0.611	6.046	3.70
7590	1.522	1.612	1.663	1.602	6.046	9.69
7600	0.531	0.585	0.504	0.535	6.046	3.24
7601	0.579	0.736	0.770	0.684	7.730	5.29
7610	0.940	0.994	0.988	0.976	0.263	0.26
7704	0.186	0.202	0.351	0.255	6.046	1.54
7720	0.338	0.327	0.369	0.347	6.046	2.10
7855	0.928	1.413	0.811	1.002	7.730	7.75
8001	0.389	0.713	0.565	0.569	2.489	1.42
8002	1.637	1.154	1.579	1.454	2.489	3.62
8006	0.789	0.542	0.729	0.683	2.489	1.70
8008	0.580	0.434	0.450	0.478	2.489	1.19
8010	0.851	0.713	0.802	0.785	2.489	1.95
8013	0.352	0.205	0.231	0.253	2.489	0.63
8017	0.686	0.511	0.717	0.642	2.489	1.60

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Calculation of Average Uncapped Rates All Industry Groups

Class	(1) Balanced Formula Relativity				(2) Uncapped Rate Level Factor	(3) Proposed Average Uncapped Rate
	Serious	Non-Serious	Medical	Total		
8018	1.896	1.783	1.898	1.859	2.489	4.63
8021	3.056	2.310	2.140	2.428	2.489	6.04
8031	1.655	1.232	0.995	1.240	2.489	3.09
8032	0.971	0.914	0.973	0.953	2.489	2.37
8033	0.834	1.210	1.046	1.046	2.489	2.60
8034	3.130	2.696	2.286	2.635	2.489	6.56
8039	0.738	1.199	1.082	1.034	2.489	2.57
8044	1.719	1.613	1.788	1.713	2.489	4.26
8046	0.950	1.362	1.084	1.142	2.489	2.84
8048	2.068	1.241	1.139	1.408	2.489	3.50
8050	0.575	0.464	0.460	0.491	2.489	1.22
8058	1.406	1.323	1.522	1.427	2.489	3.55
8103	1.628	1.583	1.428	1.530	2.489	3.81
8105	3.068	1.100	2.006	1.977	2.489	4.92
8106	3.367	3.495	3.094	3.295	2.489	8.20
8107	1.255	1.070	1.228	1.183	2.489	2.94
8111	1.360	1.874	1.329	1.516	2.489	3.77
8116	1.255	1.070	1.228	1.183	2.489	2.94
8203	1.797	2.645	1.475	1.941	2.489	4.83
8204	7.941	2.216	2.479	3.777	2.489	9.40
8215	1.669	1.662	2.321	1.939	2.489	4.83
8227	0.465	0.478	0.528	0.490	7.730	3.79
8232	2.429	2.434	2.615	2.509	2.489	6.24
8233	4.249	2.463	4.907	3.938	2.489	9.80
8235	2.196	2.383	2.334	2.315	2.489	5.76
8263	3.719	1.781	2.658	2.639	2.489	6.57
8264	2.716	3.114	2.233	2.645	2.489	6.58
8265	4.249	2.463	4.907	3.938	2.489	9.80
8279	2.471	1.370	3.207	2.417	2.489	6.02
8291	1.639	1.586	1.627	1.617	2.489	4.02
8292	2.014	1.597	1.533	1.676	2.489	4.17
8293	6.030	2.946	3.588	3.997	2.489	9.95
8350	3.148	2.372	2.081	2.447	2.489	6.09
8380	1.210	1.365	1.289	1.294	2.489	3.22
8381	0.596	0.672	0.774	0.695	2.489	1.73
8385	2.327	1.464	1.375	1.646	2.489	4.10
8392	0.921	0.739	0.674	0.758	2.489	1.89
8393	0.962	1.210	0.888	1.012	2.489	2.52
8500	4.249	2.463	4.907	3.938	2.489	9.80
8601	2.029	1.314	2.072	1.829	0.263	0.48
8710	1.240	0.877	0.955	1.002	2.489	2.49
8719	1.240	0.877	0.955	1.002	2.489	2.49
8720	0.608	0.337	0.409	0.436	2.489	1.09

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Calculation of Average Uncapped Rates All Industry Groups

Class	(1) Balanced Formula Relativity				(2) Uncapped Rate Level Factor	(3) Proposed Average Uncapped Rate
	Serious	Non-Serious	Medical	Total		
8742	1.181	1.149	1.219	1.187	0.263	0.31
8745	2.166	4.010	4.596	3.788	2.489	9.43
8748	2.895	4.436	3.900	3.782	0.263	0.99
8800	4.026	2.973	2.939	3.252	0.263	0.85
8803	0.491	0.309	0.243	0.332	0.263	0.09
8810	0.675	0.657	0.609	0.642	0.263	0.17
8820	0.706	0.493	0.487	0.550	0.263	0.14
8829	0.686	1.582	1.168	1.182	2.489	2.94
8831	0.361	0.413	0.729	0.532	2.489	1.32
8832	2.025	1.314	1.463	1.574	0.263	0.41
8833	4.832	7.721	6.215	6.287	0.263	1.65
8835	1.082	1.551	1.119	1.252	2.489	3.11
8868	1.856	2.464	3.168	2.588	0.263	0.68
8901	0.675	0.657	0.609	0.642	0.263	0.17
9014	1.271	1.038	1.034	1.096	2.489	2.73
9015	1.816	1.069	1.350	1.376	2.489	3.42
9016	0.739	0.933	0.961	0.896	2.489	2.23
9019	1.655	0.833	1.129	1.221	6.046	7.38
9033	2.663	1.768	1.119	1.724	2.489	4.29
9040	1.592	2.171	1.935	1.925	2.489	4.79
9052	0.699	0.899	0.888	0.844	2.489	2.10
9058	0.699	0.899	0.888	0.844	2.489	2.10
9060	0.713	0.558	0.705	0.659	2.489	1.64
9061	0.772	0.484	0.564	0.591	2.489	1.47
9063	0.232	0.356	0.463	0.369	2.489	0.92
9079	0.625	0.682	0.742	0.693	2.489	1.72
9089	0.462	0.369	0.369	0.392	2.489	0.98
9093	0.417	0.568	1.219	0.802	2.489	2.00
9101	1.062	1.100	1.472	1.246	2.489	3.10
9102	0.342	0.574	0.440	0.444	6.046	2.69
9154	0.216	0.302	0.249	0.253	6.046	1.53
9156	3.570	6.887	5.938	5.566	0.263	1.46
9178	0.746	4.354	12.601	6.387	6.046	38.61
9179	4.414	4.408	4.021	4.258	6.046	25.74
9180	0.447	0.735	0.786	0.660	6.046	3.99
9182	0.686	0.344	0.608	0.561	6.046	3.39
9186	0.447	0.735	0.786	0.660	6.046	3.99
9220	1.851	2.403	1.428	1.855	2.489	4.62
9402	1.466	1.065	1.150	1.231	6.046	7.44
9403	1.580	1.170	1.654	1.495	6.046	9.04
9410	1.353	0.883	1.040	1.068	2.489	2.66
9501	1.282	0.847	1.151	1.095	2.781	3.04
9505	1.282	0.847	1.151	1.095	2.781	3.04

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Exhibit 1

Calculation of Average Uncapped Rates All Industry Groups

Class	(1) Balanced Formula Relativity				(2) Uncapped Rate	(3) Proposed Average
	Serious	Non-Serious	Medical	Total	Level Factor	Uncapped Rate
9519	1.615	0.934	0.997	1.133	2.489	2.82
9521	2.727	2.974	1.780	2.436	2.781	6.77
9522	0.837	0.767	0.748	0.781	2.781	2.17
9534	0.992	0.874	1.050	0.984	7.730	7.61
9545	0.765	1.222	0.970	0.946	7.730	7.31
9549	0.822	0.537	0.539	0.654	7.730	5.06
9552	1.148	0.874	0.862	0.982	7.730	7.59
9553	1.148	0.874	0.862	0.982	7.730	7.59
9586	0.336	0.240	0.256	0.271	2.489	0.67
9620	0.431	0.228	0.407	0.355	2.489	0.88

Notes

- (1) From Section X - H.
- (2) From Section X - I, Exhibit 1.
- (3) = (1) Total x (2)

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Comparison of Average Rates All Industry Groups

<u>Class</u>	<u>Hazard Group</u>	(1) <u>Present Average Capped Rate</u>	(2) <u>Proposed Average Uncapped Rate</u>	(3) <u>Proposed Average Capped Rate</u>
0005	2	4.32	4.13	4.13
0008	2	2.42	2.47	2.47
0016	2	4.58	3.34	3.65
0034	2	5.17	4.16	4.16
0035	2	2.66	2.31	2.31
0036	2	5.17	4.16	4.16
0037	2	2.42	2.47	2.47
0042	2	6.09	5.35	5.35
0050	2	5.77	5.42	5.48
0079	3	5.86	6.27	6.27
0083	2	5.20	3.78	4.15
0106	3	14.61	17.43	17.66
0113	2	5.17	4.16	4.16
0170	2	5.17	4.16	4.16
0251	2	3.52	3.64	3.68
0908	2	100.29	87.02	87.04
0909	2	113.18	147.28	135.43
0912	2	226.37	294.56	270.87
0913	2	200.59	174.05	174.07
0917	2	4.33	3.43	3.45
1430	3	29.37	25.28	25.28
1438	3	3.76	3.86	3.86
1463	3	6.89	6.30	6.30
1624	3	5.24	4.54	4.60
1655	3	3.87	4.71	4.77
1701	3	4.73	5.53	5.53
1710	3	5.24	4.54	4.60
1747	3	3.79	3.60	3.60
1748	3	3.69	5.26	4.39
1852	3	11.10	9.86	9.86
1853	2	3.68	3.14	3.14
1860	2	2.11	3.04	2.51
1924	2	3.29	3.14	3.14
1925	2	5.69	4.78	4.77
2001	2	4.60	3.99	3.99
2002	2	6.76	5.25	5.36
2003	3	4.60	3.99	3.99
2014	3	4.98	3.76	3.95
2021	2	2.82	2.14	2.24
2039	2	3.38	4.16	4.03
2041	2	3.25	2.79	2.79
2070	2	6.61	5.31	5.30
2081	2	5.15	5.71	5.71
2089	2	4.42	4.10	4.10
2095	2	6.37	5.33	5.33
2101	2	4.42	4.10	4.10
2111	2	3.66	3.59	3.59

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Section X - Classification Pricing
Subsection K - Average Rates and Proposed Premium Change
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Section X - K
Exhibit 1

Comparison of Average Rates All Industry Groups

<u>Class</u>	<u>Hazard Group</u>	(1) <u>Present Average Capped Rate</u>	(2) <u>Proposed Average Uncapped Rate</u>	(3) <u>Proposed Average Capped Rate</u>
2114	2	4.42	4.10	4.10
2115	3	4.88	3.39	3.87
2121	2	2.37	2.22	2.22
2130	2	4.21	4.30	4.30
2131	2	3.95	3.11	3.13
2143	2	2.54	3.07	3.02
2150	2	9.41	5.76	7.46
2156	2	7.19	7.04	7.03
2157	2	6.25	5.84	5.84
2172	2	1.22	1.12	1.11
2174	1	9.25	9.80	9.80
2211	3	7.36	6.04	6.03
2220	2	3.93	3.68	3.68
2260	3	8.34	6.94	6.94
2286	2	3.93	3.68	3.68
2288	2	4.01	3.03	3.18
2302	2	3.93	3.68	3.68
2305	2	4.52	3.40	3.59
2362	2	3.76	3.03	3.03
2380	2	3.29	2.87	2.87
2402	3	3.41	3.17	3.17
2413	2	5.87	5.71	5.71
2416	2	5.15	5.37	5.37
2417	2	2.45	3.40	2.92
2501	2	3.64	3.25	3.25
2503	2	0.99	1.09	1.09
2534	2	3.64	3.25	3.25
2570	2	6.42	7.18	7.18
2576	2	3.03	3.11	3.11
2578	2	3.03	3.11	3.11
2585	2	4.53	4.50	4.50
2586	2	1.78	1.93	1.93
2587	2	2.75	2.27	2.27
2623	2	5.06	3.27	4.01
2640	2	3.52	3.92	3.91
2651	2	3.52	3.92	3.91
2660	2	2.15	2.00	1.99
2683	2	2.31	2.47	2.47
2688	2	3.43	3.63	3.63
2702	3	14.33	17.09	17.31
2710	3	9.60	9.75	9.75
2731	2	4.70	5.68	5.60
2741	1	9.69	8.53	8.53
2747	1	8.91	8.47	8.47
2790	2	1.68	2.39	2.00
2802	2	6.21	6.18	6.18
2835	1	5.56	4.13	4.41

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Comparison of Average Rates All Industry Groups

<u>Class</u>	<u>Hazard Group</u>	(1) <u>Present Average Capped Rate</u>	(2) <u>Proposed Average Uncapped Rate</u>	(3) <u>Proposed Average Capped Rate</u>
2836	1	5.47	5.62	5.61
2841	2	3.24	2.39	2.57
2883	2	4.06	3.82	3.82
2923	2	2.90	2.55	2.55
2942	1	2.18	2.22	2.22
3018	2	5.59	4.14	4.43
3022	2	4.92	5.36	5.35
3027	2	4.94	5.17	5.16
3028	2	4.82	4.89	4.89
3030	3	10.80	8.96	8.96
3040	3	15.75	14.53	14.52
3041	2	4.42	4.86	4.85
3042	2	4.31	3.31	3.42
3064	2	3.64	3.74	3.74
3066	2	3.64	3.74	3.74
3076	2	3.43	3.39	3.39
3081	3	7.37	9.28	8.78
3082	3	7.37	9.28	8.78
3085	3	4.16	5.53	4.96
3110	2	11.29	10.17	10.16
3111	2	3.52	2.94	2.94
3113	2	2.06	1.94	1.94
3114	2	3.78	4.53	4.50
3118	2	2.06	1.94	1.94
3119	1	1.27	1.10	1.10
3120	1	1.69	2.49	2.01
3122	2	3.11	3.05	3.05
3127	2	0.78	0.73	0.73
3131	2	3.91	3.80	3.79
3132	3	3.21	2.50	2.55
3145	2	2.04	1.70	1.70
3146	2	3.60	3.26	3.26
3169	2	4.74	5.59	5.59
3179	2	2.26	2.52	2.52
3180	2	4.04	4.52	4.52
3188	2	4.09	4.05	4.04
3200	2	3.20	3.15	3.15
3220	2	3.77	2.51	2.99
3227	2	4.74	5.59	5.59
3241	2	3.29	3.14	3.14
3255	1	6.53	4.53	5.18
3257	2	4.77	3.69	3.78
3270	2	3.21	3.14	3.14
3300	1	10.38	9.13	9.13
3315	2	2.51	2.06	2.06
3336	2	2.39	3.75	2.84
3365	3	11.73	16.88	14.46

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Exhibit 1

Comparison of Average Rates All Industry Groups

<u>Class</u>	<u>Hazard Group</u>	(1) <u>Present Average Capped Rate</u>	(2) <u>Proposed Average Uncapped Rate</u>	(3) <u>Proposed Average Capped Rate</u>
3372	3	3.65	3.21	3.21
3373	2	8.57	6.63	6.80
3381	2	3.82	3.61	3.61
3383	2	1.53	1.99	1.82
3385	2	1.09	1.08	1.08
3400	2	4.74	5.59	5.59
3507	2	5.09	4.74	4.73
3515	2	3.58	3.65	3.65
3548	2	2.50	2.57	2.57
3558	2	0.81	0.73	0.73
3559	2	2.50	2.57	2.57
3571	1	2.10	1.61	1.67
3574	2	2.50	2.57	2.57
3612	2	3.13	2.66	2.65
3620	3	6.57	6.49	6.49
3629	2	2.50	2.57	2.57
3632	2	2.50	2.57	2.57
3634	2	2.94	3.28	3.28
3635	2	2.23	4.06	2.65
3638	2	2.50	2.57	2.57
3642	2	2.39	1.55	1.90
3643	2	2.26	2.52	2.52
3647	2	3.40	3.10	3.10
3648	2	2.86	2.63	2.63
3681	2	1.10	1.01	1.01
3685	2	1.10	1.01	1.01
3724	3	5.95	7.19	7.26
3726	4	11.36	12.08	12.20
3807	2	4.74	5.59	5.59
3808	2	2.62	3.07	3.07
3821	3	4.50	5.77	5.38
3826	2	3.03	2.72	2.72
3830	3	2.50	2.57	2.57
3841	2	3.46	2.53	2.75
4000	3	5.68	5.31	5.38
4021	2	4.29	3.85	3.85
4024	3	6.36	5.55	5.55
4034	3	8.17	8.85	8.85
4036	3	3.29	3.01	3.01
4038	1	2.53	2.63	2.63
4053	2	2.23	1.61	1.77
4061	2	4.05	2.57	3.21
4062	2	4.05	2.57	3.21
4112	2	1.10	1.00	1.00
4113	2	2.23	1.61	1.77
4114	2	4.67	2.90	3.71
4130	2	6.16	5.47	5.47

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Comparison of Average Rates All Industry Groups

<u>Class</u>	<u>Hazard Group</u>	(1) <u>Present Average Capped Rate</u>	(2) <u>Proposed Average Uncapped Rate</u>	(3) <u>Proposed Average Capped Rate</u>
4133	2	2.95	2.76	2.76
4150	1	1.13	1.10	1.10
4239	3	5.86	5.69	5.69
4243	2	3.89	4.46	4.46
4244	2	4.63	4.60	4.59
4250	2	2.98	3.13	3.13
4251	2	3.95	3.43	3.43
4273	2	2.97	4.41	3.54
4279	2	4.95	4.56	4.56
4282	2	0.61	0.58	0.58
4283	2	4.27	3.57	3.57
4299	2	2.55	2.50	2.50
4301	2	5.63	4.52	4.52
4304	2	3.25	4.20	3.87
4307	1	2.66	2.82	2.81
4308	2	1.10	1.05	1.05
4350	2	0.86	0.83	0.83
4351	2	1.38	1.13	1.13
4352	2	1.66	1.37	1.37
4360	2	1.06	1.08	1.08
4361	2	0.62	0.63	0.63
4362	3	0.64	0.73	0.73
4410	2	3.95	4.50	4.50
4417	2	4.82	4.31	4.31
4432	1	2.67	2.24	2.24
4439	3	3.25	3.33	3.33
4452	2	4.90	4.01	4.01
4459	2	4.15	3.60	3.60
4470	3	2.61	3.24	3.11
4484	2	2.78	2.95	2.95
4493	2	4.81	4.79	4.79
4511	2	0.48	0.59	0.57
4512	2	0.36	0.20	0.29
4557	2	2.49	2.28	2.27
4558	2	3.00	2.95	2.95
4561	2	3.25	3.33	3.33
4583	3	4.59	3.49	3.64
4611	2	1.71	1.66	1.66
4635	4	3.37	2.65	2.68
4653	2	6.17	6.88	6.87
4665	3	6.42	6.63	6.62
4692	2	0.72	0.68	0.67
4693	2	1.37	1.24	1.24
4720	2	3.90	4.07	4.07
4740	3	3.40	1.84	2.70
4741	2	5.06	3.61	4.01
4770	4	14.71	13.47	13.47

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Comparison of Average Rates All Industry Groups

<u>Class</u>	<u>Hazard Group</u>	(1) <u>Present Average Capped Rate</u>	(2) <u>Proposed Average Uncapped Rate</u>	(3) <u>Proposed Average Capped Rate</u>
4773	4	29.61	27.03	27.03
4774	4	24.74	22.72	22.71
4775	4	14.74	13.58	13.58
4776	4	21.13	19.20	19.19
4777	3	4.59	3.49	3.64
4779	4	19.17	17.61	17.61
4799	4	54.21	49.65	49.64
4825	3	0.89	0.77	0.77
4828	3	3.46	0.97	2.75
4829	3	3.46	0.97	2.75
4902	2	2.18	2.22	2.22
4923	2	1.06	1.08	1.08
5020	3	3.82	5.51	4.71
5022	3	13.46	16.36	16.51
5037	4	55.58	27.86	46.32
5040	4	36.27	48.09	44.73
5057	4	28.28	45.14	34.88
5059	4	28.28	45.14	34.88
5069	3	28.28	45.14	34.88
5102	3	12.75	11.52	11.63
5146	3	5.19	6.89	6.40
5160	3	3.18	3.77	3.81
5183	3	4.70	5.00	5.05
5188	3	5.29	5.69	5.74
5190	3	3.81	4.36	4.41
5191	3	1.23	1.36	1.36
5192	2	4.76	5.48	5.48
5213	3	18.53	25.48	22.85
5215	2	8.94	7.43	7.50
5221	3	8.36	9.58	9.67
5222	4	7.88	8.99	9.07
5223	3	8.94	7.43	7.50
5348	3	9.54	9.16	9.25
5402	2	15.51	24.44	19.12
5403	3	16.61	17.20	17.37
5437	3	6.27	7.19	7.26
5443	2	5.95	6.15	6.21
5445	3	8.45	9.29	9.38
5462	3	7.79	9.65	9.60
5472	3	10.52	9.02	9.11
5473	3	16.08	19.46	19.65
5474	3	7.78	7.16	7.23
5479	3	13.92	15.22	15.37
5480	3	5.51	6.92	6.79
5506	3	7.41	7.59	7.66
5507	3	8.72	8.25	8.33
5508	3	5.77	5.42	5.48

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Comparison of Average Rates All Industry Groups

<u>Class</u>	<u>Hazard Group</u>	(1) <u>Present Average Capped Rate</u>	(2) <u>Proposed Average Uncapped Rate</u>	(3) <u>Proposed Average Capped Rate</u>
5509	3	4.77	5.58	5.64
5538	3	7.71	7.02	7.08
5545	3	39.49	58.71	48.70
5547	3	22.74	20.57	20.77
5606	3	2.54	2.52	2.55
5610	2	7.29	5.01	6.08
5645	3	10.25	9.42	9.51
5651	3	10.25	9.42	9.51
5701	4	29.75	24.67	24.91
5703	3	25.50	19.24	21.26
5705	3	15.33	13.99	14.12
6003	3	14.77	16.61	16.77
6005	3	5.77	5.42	5.48
6204	3	13.46	12.64	12.77
6217	3	6.70	6.34	6.41
6229	2	6.70	6.34	6.41
6233	3	9.58	7.98	8.06
6251	4	12.96	6.43	10.81
6252	4	9.43	7.29	7.86
6306	3	9.88	8.40	8.48
6319	3	6.32	7.06	7.13
6325	3	4.29	3.59	3.62
6400	2	8.39	7.93	8.01
6504	2	4.42	4.10	4.10
6834	3	3.99	4.42	4.48
6836	3	2.57	3.20	3.19
7219	3	7.96	8.74	8.86
7230	3	12.40	9.08	10.48
7231	3	6.81	6.85	6.94
7360	3	8.81	6.33	7.45
7370	2	4.34	4.16	4.22
7380	3	7.29	7.58	7.68
7382	3	4.54	4.87	4.93
7403	2	3.24	3.96	4.01
7405	3	1.26	1.54	1.56
7409	4	13.81	8.09	11.68
7418	4	13.81	8.09	11.68
7420	4	13.81	8.09	11.68
7421	3	1.91	2.56	2.37
7422	4	1.91	2.56	2.37
7423	3	2.89	4.60	3.59
7431	4	1.91	2.56	2.37
7502	3	3.13	5.14	3.89
7515	4	2.02	1.42	1.71
7520	3	3.52	3.64	3.68
7538	4	6.33	5.29	5.34
7539	3	2.04	2.31	2.34

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Comparison of Average Rates All Industry Groups

<u>Class</u>	<u>Hazard Group</u>	(1) <u>Present Average Capped Rate</u>	(2) <u>Proposed Average Uncapped Rate</u>	(3) <u>Proposed Average Capped Rate</u>
7580	3	3.04	3.70	3.74
7590	2	7.92	9.69	9.82
7600	3	3.25	3.24	3.28
7601	3	6.33	5.29	5.34
7610	3	0.26	0.26	0.25
7704	3	3.14	1.54	2.66
7720	3	2.14	2.10	2.12
7855	3	10.07	7.75	8.40
8001	1	1.38	1.42	1.42
8002	2	2.67	3.62	3.19
8006	2	1.78	1.70	1.70
8008	2	1.40	1.19	1.19
8010	2	1.79	1.95	1.96
8013	2	0.62	0.63	0.63
8017	2	1.38	1.60	1.60
8018	2	4.19	4.63	4.63
8021	2	6.68	6.04	6.04
8031	2	2.93	3.09	3.09
8032	2	2.45	2.37	2.37
8033	2	2.48	2.60	2.60
8034	2	7.18	6.56	6.56
8039	2	2.72	2.57	2.57
8044	2	3.78	4.26	4.26
8046	2	2.15	2.84	2.57
8048	2	4.30	3.50	3.50
8050	2	1.45	1.22	1.22
8058	2	2.78	3.55	3.32
8103	2	3.77	3.81	3.81
8105	2	4.97	4.92	4.92
8106	3	6.18	8.20	7.39
8107	3	2.91	2.94	2.94
8111	2	3.04	3.77	3.63
8116	2	2.91	2.94	2.94
8203	2	5.23	4.83	4.83
8204	3	14.77	9.40	11.77
8215	3	4.87	4.83	4.83
8227	3	4.47	3.79	3.83
8232	3	5.76	6.24	6.24
8233	3	7.24	9.80	8.66
8235	2	4.89	5.76	5.76
8263	2	8.75	6.57	6.98
8264	2	6.57	6.58	6.58
8265	3	7.24	9.80	8.66
8279	2	5.31	6.02	6.02
8291	2	4.25	4.02	4.02
8292	2	4.42	4.17	4.17
8293	2	9.95	9.95	9.95

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Comparison of Average Rates All Industry Groups

<u>Class</u>	<u>Hazard Group</u>	(1) <u>Present Average Capped Rate</u>	(2) <u>Proposed Average Uncapped Rate</u>	(3) <u>Proposed Average Capped Rate</u>
8350	3	5.62	6.09	6.09
8380	3	3.12	3.22	3.22
8381	2	1.85	1.73	1.73
8385	3	5.19	4.10	4.14
8392	2	2.05	1.89	1.89
8393	3	2.53	2.52	2.52
8500	3	7.24	9.80	8.66
8601	3	0.49	0.48	0.48
8710	3	2.91	2.49	2.49
8719	3	2.91	2.49	2.49
8720	3	1.14	1.09	1.09
8742	3	0.29	0.31	0.31
8745	2	5.36	9.43	6.41
8748	3	1.01	0.99	0.99
8800	1	1.04	0.85	0.85
8803	3	0.10	0.09	0.09
8810	2	0.18	0.17	0.17
8820	3	0.17	0.14	0.14
8829	2	3.18	2.94	2.94
8831	2	1.27	1.32	1.32
8832	3	0.40	0.41	0.41
8833	2	1.51	1.65	1.64
8835	2	3.24	3.11	3.12
8868	2	0.72	0.68	0.68
8901	3	0.18	0.17	0.17
9014	2	3.43	2.73	2.74
9015	3	3.49	3.42	3.42
9016	2	2.90	2.23	2.32
9019	3	5.23	7.38	6.51
9033	2	4.81	4.29	4.29
9040	2	5.83	4.79	4.79
9052	2	2.20	2.10	2.10
9058	2	2.20	2.10	2.10
9060	2	1.47	1.64	1.64
9061	2	1.68	1.47	1.47
9063	3	1.02	0.92	0.92
9079	2	1.96	1.72	1.72
9089	2	1.42	0.98	1.14
9093	1	1.73	2.00	2.00
9101	2	3.24	3.10	3.10
9102	2	2.46	2.69	2.72
9154	3	1.76	1.53	1.55
9156	2	1.57	1.46	1.45
9178	2	17.42	38.61	21.68
9179	2	25.94	25.74	26.09
9180	2	4.25	3.99	4.04
9182	2	3.34	3.39	3.43

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Comparison of Average Rates All Industry Groups

<u>Class</u>	<u>Hazard Group</u>	(1) <u>Present Average Capped Rate</u>	(2) <u>Proposed Average Uncapped Rate</u>	(3) <u>Proposed Average Capped Rate</u>
9186	3	4.25	3.99	4.04
9220	2	4.04	4.62	4.62
9402	3	5.70	7.44	7.09
9403	3	8.69	9.04	9.16
9410	2	3.27	2.66	2.66
9501	2	3.22	3.04	3.04
9505	2	3.22	3.04	3.04
9519	3	2.85	2.82	2.82
9521	3	6.59	6.77	6.77
9522	2	2.58	2.17	2.17
9534	3	5.62	7.61	6.93
9545	3	8.87	7.31	7.40
9549	3	7.31	5.06	6.10
9552	3	5.86	7.59	7.22
9553	3	5.86	7.59	7.22
9586	1	0.68	0.67	0.67
9620	3	0.71	0.88	0.84

Notes

(1) = Column (3) from Section X - K of 9/1/2003 decision.

(2) From Section X - J.

(3) = Total Balanced Formula Relativity (from Section X - J) x Capped Rate Level Factors and subject to maximum and minimum caps (from Section X - I, Exhibit 1.)

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Section X - K
 Exhibit 2

Summary of Proposed Premium Change All Industry Groups

Industry Group	(1) Composite Policy Year	(2) Payroll	(3) Present Premium	(4) Proposed Premium	(5) Proposed Change
Manufacturing	1997/1998	5,283,833,674	150,052,319	145,795,259	
	1998/1999	5,372,503,444	152,398,933	148,264,401	
	1999/2000	5,885,878,148	164,998,435	160,176,938	
	2000/2001	5,406,079,272	157,115,171	152,288,244	
	2001/2002	5,062,938,948	150,583,055	145,689,820	
	All Years	27,011,233,486	775,147,913	752,214,662	-3.0%
Construction	1997/1998	2,867,358,352	207,930,791	218,330,503	
	1998/1999	3,217,901,826	234,511,348	246,248,729	
	1999/2000	3,710,413,145	274,178,838	288,628,484	
	2000/2001	4,194,579,635	313,526,009	331,622,633	
	2001/2002	4,248,081,662	310,053,359	325,614,339	
	All Years	18,238,334,620	1,340,200,345	1,410,444,688	5.2%
Office and Clerical	1997/1998	35,627,228,422	96,063,920	94,413,586	
	1998/1999	39,111,804,515	103,311,287	101,350,126	
	1999/2000	44,397,569,641	116,017,803	113,605,565	
	2000/2001	47,967,054,240	127,409,499	124,884,097	
	2001/2002	45,587,348,390	126,486,532	124,514,882	
	All Years	212,691,005,208	569,289,041	558,768,256	-1.8%
Goods and Services	1997/1998	9,101,382,263	237,634,284	232,581,510	
	1998/1999	9,881,147,768	250,793,865	245,858,631	
	1999/2000	10,678,011,332	269,414,327	264,296,936	
	2000/2001	10,973,039,432	276,905,196	271,198,321	
	2001/2002	11,626,886,818	295,102,955	287,416,655	
	All Years	52,260,467,612	1,329,850,627	1,301,352,053	-2.1%
Miscellaneous	1997/1998	1,529,902,453	86,371,793	93,278,001	
	1998/1999	1,573,920,984	89,897,190	97,050,971	
	1999/2000	1,786,308,235	104,261,635	112,680,160	
	2000/2001	1,623,315,895	88,734,172	95,037,432	
	2001/2002	1,652,763,393	89,562,704	95,786,252	
	All Years	8,166,210,960	458,827,494	493,832,816	7.6%
All Groups	1997/1998	54,409,705,164	778,053,107	784,398,859	
	1998/1999	59,157,278,537	830,912,623	838,772,858	
	1999/2000	66,458,180,501	928,871,038	939,388,083	
	2000/2001	70,164,068,474	963,690,047	975,030,727	
	2001/2002	68,178,019,211	971,788,605	979,021,948	
	All Years	318,367,251,886	4,473,315,420	4,516,612,475	1.0%

	Manufacturing	Construction	Office and Clerical	Goods and Services	Miscellaneous
(6) Proposed Change	-3.0%	5.2%	-1.8%	-2.1%	7.6%
(7) Target Change	-3.1%	5.2%	-1.9%	-2.2%	7.6%
(8) Capped Rate Level Factor	2.780	7.805	0.261	2.489	6.126

Notes

- (2) From Section X - H.
- (3), (4) = [Payroll / 100] x Average Rates from Section X - L, Exhibit 1.
- (5) = [(4) - (3)] / (3)
- (6) From (5).
- (7) From Section X - I, Exhibit 1.
- (8) From Section X - I, Exhibit 1. Proposed average uncapped rates are capped by an iterative process using rate levels to determine if the required change is achieved.

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Calculation of Proposed Manual Rates

The proposed manual rates in Section X-M are derived from the proposed average capped rates in Section X-K as follows:

$$\text{Proposed Manual Rate} = \frac{\text{Proposed Average Rate}}{(\text{Factor 1} \times \text{Factor 2} \times \text{Factor 3})} \times \frac{1.000}{(1.000 - \text{Factor 4})}$$

Factor 1 =	0.997	The offset for Merit Rating and Average Experience Modification (See Exhibit 2)
Factor 2 =	1.061	The offset for ARAP (See Exhibit 3)
Factor 3 =	0.975	For eligible classes, the offset for the Construction Classification Premium Adjustment Program (See Exhibit 4)
Factor 4 =	0.023	The loading from the filing of recoupment of amounts paid to the Insolvency Fund (See Section I)

Offset for Merit Rating

Composite Policy Year	Rating Category	(1) Number of Policies	(2) % of Policies	(3) Manual Premium	(4) % of Manual	(5) Standard Premium	(6) Historical Average Mod	(7) Selected Average Mod
1997/1998	Non Rated	46,451	34%	10,077,973	1%	10,057,840	0.998	
	Merit Rated	58,689	42%	116,168,331	12%	113,182,253	0.974	
	Intrastate Rated	22,202	16%	578,341,100	59%	557,609,829	0.964	
	Interstate Rated	10,964	8%	273,668,592	28%	248,976,782	0.910	
	Total	138,306	100%	978,255,996	100%	929,826,704	0.950	
1998/1999	Non Rated	57,544	38%	12,488,244	1%	12,463,213	0.998	
	Merit Rated	60,235	40%	118,135,008	13%	115,026,590	0.974	
	Intrastate Rated	21,268	14%	536,095,924	60%	527,420,510	0.984	
	Interstate Rated	11,192	7%	234,018,822	26%	216,197,796	0.924	
	Total	150,239	100%	900,737,998	100%	871,108,109	0.967	
1999/2000	Non Rated	63,823	41%	13,260,566	1%	13,241,663	0.999	
	Merit Rated	59,354	38%	113,743,672	12%	110,663,164	0.973	
	Intrastate Rated	20,159	13%	548,307,674	60%	540,442,233	0.986	
	Interstate Rated	12,693	8%	235,030,083	26%	218,010,965	0.928	
	Total	156,029	100%	910,341,995	100%	882,358,025	0.969	
2000/2001	Non Rated	65,031	40%	13,372,894	1%	13,351,039	0.998	
	Merit Rated	60,713	38%	116,423,626	12%	113,191,870	0.972	
	Intrastate Rated	21,644	13%	558,054,754	59%	543,667,541	0.974	
	Interstate Rated	13,225	8%	254,942,406	27%	234,759,108	0.921	
	Total	160,613	100%	942,793,680	100%	904,969,558	0.960	
2001/2002	Non Rated	65,817	41%	12,601,234	1%	12,582,384	0.999	
	Merit Rated	60,885	38%	118,524,774	12%	115,209,269	0.972	
	Intrastate Rated	22,870	14%	593,175,538	61%	578,794,142	0.976	
	Interstate Rated	12,696	8%	249,934,919	26%	231,879,613	0.928	
	Total	162,268	100%	974,236,465	100%	938,465,408	0.963	
Total	Non Rated	298,666	39%	61,800,911	1%	61,696,139	0.998	1.000
	Merit Rated	299,876	39%	582,995,411	12%	567,273,146	0.973	0.973
	Intrastate Rated	108,143	14%	2,813,974,990	60%	2,747,934,255	0.977	1.000
	Interstate Rated	60,770	8%	1,247,594,822	27%	1,149,824,264	0.922	1.000
	Total	767,455	100%	4,706,366,134	100%	4,526,727,804	0.962	0.997

Notes

Data from Schedule Z data at most recent report.

Excludes large deductibles and SIGs.

Non Rated, Merit Rated and Intrastate Rated categories are estimated based on manual premium.

(6) = (5) / (3)

(7) Set to 1.000 for Non Rated, Intrastate Rated, and Interstate Rated risks. Calculated Total of (7) calculated as weighted average of (7) using (3).

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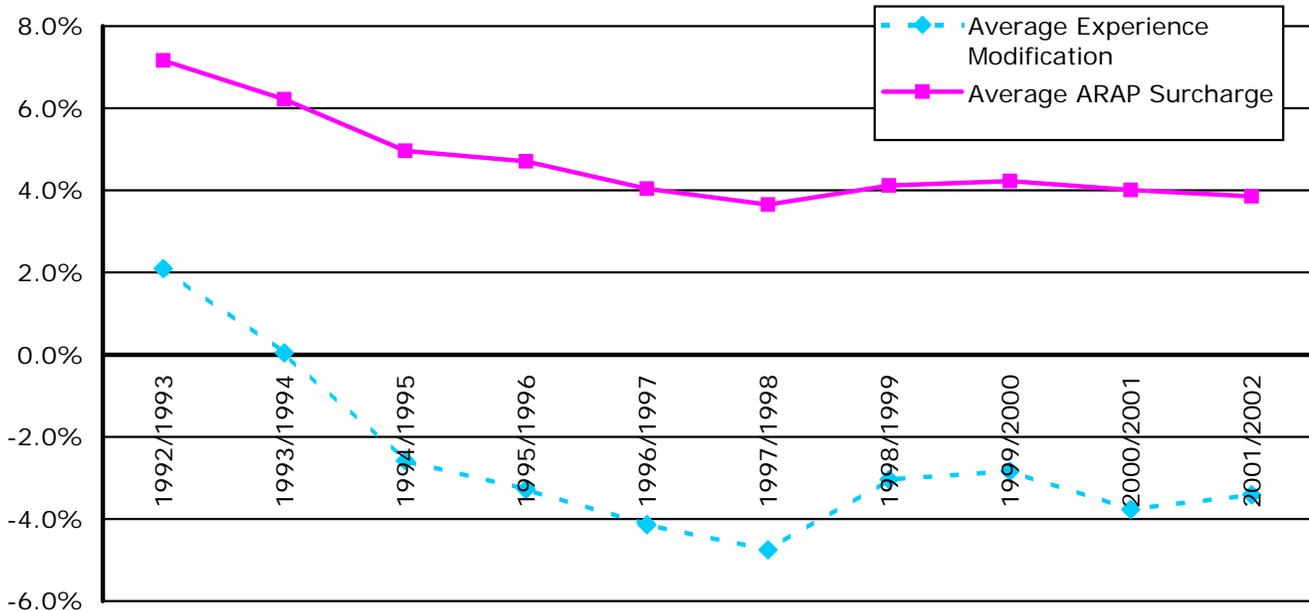
Offset for Merit Rating and ARAP Estimate of Average ARAP Surcharge for Policy Effective Period

Historical Average Experience Modification and ARAP Surcharge

Composite Policy Year	(1) Manual Premium	(2) Standard Premium	(3) ARAP Premium	(4)=(2)/(1) Average Experience Modification	(5)=(3)/(2) Average ARAP Surcharge
1992/1993	1,195,522,890	1,220,542,840	87,405,131	2.1%	7.2%
1993/1994	1,181,116,288	1,181,640,393	73,445,415	0.0%	6.2%
1994/1995	1,144,475,690	1,114,903,252	55,296,301	-2.6%	5.0%
1995/1996	1,117,603,765	1,080,967,689	50,901,379	-3.3%	4.7%
1996/1997	982,450,390	941,796,600	38,088,481	-4.1%	4.0%
1997/1998	976,190,652	929,826,704	33,947,683	-4.7%	3.7%
1998/1999	898,452,871	871,108,109	35,870,860	-3.0%	4.1%
1999/2000	908,169,242	882,358,025	37,324,844	-2.8%	4.2%
2000/2001	940,431,225	904,969,558	36,268,437	-3.8%	4.0%
2001/2002	971,650,043	938,465,408	36,151,459	-3.4%	3.9%

Regression of Average ARAP Surcharge on Average Experience Modification

(a) R-Squared	0.944
(b) Slope	0.534
(c) Intercept	0.061
(d) Projected Average ARAP Surcharge = (b)	0.061



Notes

Data from Schedule Z data at most recent report.
 Excludes large deductibles and SIGs.

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Construction Class Premium Adjustment Program

Composite Policy Year	Manual Premium for Eligible Class Codes (\$000)	Construction Credit (\$000)	Percent
1997/1998	308,431	5,095	1.7%
1998/1999	295,231	6,012	2.0%
1999/2000	300,822	6,961	2.3%
2000/2001	340,299	8,221	2.4%
2001/2002	332,223	8,405	2.5%

Average Credit for Eligible Class Codes in Policy Effective Period	
Selected	2.5%

Notes

Data from Schedule Z data at most recent report.
Excludes large deductibles and SIGs.

CLASSIFICATION PRICING

The proposed manual rates displayed in this section reflect recently approved classification changes in Massachusetts:

6811, 6854, 6882, 6884 : State Act Classes comparable to F-Class Codes

- Established 1/1/90.
- Assigned 84.1% of the rates and rating values of F-Class Codes 6801 [Boat Building Wood NOC-US Act], 6843 [Ship Building Iron or Steel-NOC-US Act], 6872 [Ship Repair or Conversion-US Act] and 6874 [Painting Ship Hulls-US Act], respectively.
- See Circular Letter No. 1519.

8721 : Real Estate Appraisal Co – Outside Employees

- Established 4/15/95
- Assigned the rates and rating values of 8742 [Salesperson, Collector, Messenger –Outside]
- See Circular Letter No. 1717.

4800-4823, 4860-4883, 4828, 4829: Elimination of Chemical and Dyestuff Rating Plan

- 4800-4823, and 4860-4883 were discontinued 2/1/97 along with the Chemical and Dyestuffs Rating Plan.
- 4828 [Chemical Blend/Mix NOC-All Operations and Drivers] and 4829 [Chemical Manufacturing NOC- All Operations and Drivers] were established 2/1/97 and were initially assigned the rates and rating values of 4823.
- Since 9/1/99, 4828 and 4829 have been grouped for ratemaking, and experience from the discontinued classes assigned to the new classes.
- See Circular Letter No. 1775.

0046 : Fertilizer or Pesticide Application – Commercial or Domestic & Drivers

- Established 8/15/97.
- Assigned the weighted average rates and rating values of class codes 0042 [Landscape Gardening- and Drivers] and 9102 [Parks-NOC-All Employees and Drivers] using weights of 1/3 and 2/3, respectively.
- See Circular Letter No. 1783.

0918 : Domestic Workers – Inside – Physical Assistance

- Established 7/15/99.

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- Received initial rate and rating values. Class has same percentage change in manual rate, ELR, D-Ratio as Class 0913 [Private Residence-Inservants].
- See Circular Letter No. 1824.

5478 : Carpet, Linoleum, Vinyl, Asphalt or Rubber Floor Tile Installation

- Established 4/1/99.
- Assigned the rate and rating values of Class 9521 [House Furnishings Installation-NOC].
- See Circular Letter No. 1813.

9529, 9533 : Elimination of A-Rated Code 9529 – Scaffolding, etc. & Drivers

- Code 9529 was discontinued 6/1/02.
- The a/b, f and g operational subsets are assigned to their analogous manually rated classifications, Codes 9534, 5403 and 7219, respectively.
- Code 9533 [Scaffold Installation, Repair or Removal–NOC–All Operations] was established 6/1/02 for those classifications within the c/d/e subset.
- The rates and rating values for 9533 are calculated as the mean of Codes 5057 [Iron or Steel Erection-NOC] and 5403 [Carpentry-NOC].
- See Circular Letter No. 1892.

8747: Display Showroom

- Established 7/1/04.
- Assigned the rate and rating values of Class 8017 [Store: Retail NOC].
- See Circular Letter No. 1961.

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Class	Manual Rate	Minimum Premium	Loss Constant	Expected Loss Rate	D-Ratio
0005	4.00	302	20	1.77	0.16
0008	2.39	246	20	1.06	0.17
0016	3.53	286	20	1.57	0.13
0034	4.03	303	20	1.78	0.14
0035	2.24	240	20	0.99	0.17
0036	4.03	303	20	1.78	0.14
0037	2.39	246	20	1.06	0.17
0042	5.18	485	20	2.30	0.15
0046	3.48	274	20	1.55	0.16
0050	5.31	500	50	2.35	0.12
0059	0.37	-	-	-	-
0065	0.16	-	-	-	-
0066	0.12	-	-	-	-
0067	0.12	-	-	-	-
0079	6.07	500	20	2.39	0.13
0083	4.02	303	20	1.78	0.14
0106	17.10	500	20	6.73	0.12
0113	4.03	303	20	1.78	0.14
0170	4.03	303	20	1.78	0.14
0251	3.56	287	20	1.58	0.14
0400	(a)	(a)	(a)	(a)	(a)
0401	(a)	(a)	(a)	(a)	(a)
0770	1.70	-	-	-	-
0773	4.45	-	-	-	-
0774	3.30	-	-	-	-
0775	1.84	-	-	-	-
0776	2.97	-	-	-	-
0779	2.56	-	-	-	-
0799	10.09	-	-	-	-
0908	84.00	141	0	37.34	0.15
0909	131.00	188	0	58.10	0.16
0912	262.00	319	0	116.20	0.16
0913	169.00	226	0	74.68	0.15
0917	3.34	279	20	1.48	0.18
0918	0.79	180	20	0.34	0.16
1005	z	z	z	z	z
1164	z	z	z	z	z
1165	z	z	z	z	z
1430	24.48	500	0	9.63	0.21
1438	3.74	273	0	1.47	0.12
1452	z	z	z	z	z
1463	6.10	498	0	2.40	0.13
1624	4.45	318	20	1.75	0.12
1655	4.62	324	20	1.82	0.10
1701	5.35	329	0	2.11	0.18
1710	4.45	318	20	1.75	0.12
1741	z	z	z	z	z
1747	3.49	264	0	1.37	0.15
1748	4.25	291	0	1.67	0.16
1852	9.55	500	0	3.76	0.08

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Class	Manual Rate	Minimum Premium	Loss Constant	Expected Loss Rate	D-Ratio
1853	3.04	248	0	1.35	0.13
1860	2.43	227	0	1.08	0.11
1924	3.04	248	0	1.35	0.14
1925	4.62	304	0	2.05	0.14
2001	3.86	277	0	1.71	0.15
2002	5.19	324	0	2.30	0.13
2003	3.86	277	0	1.52	0.14
2014	3.82	276	0	1.50	0.12
2016	z	z	z	z	z
2021	2.17	218	0	0.96	0.13
2030	z	z	z	z	z
2039	3.90	278	0	1.73	0.14
2041	2.70	236	0	1.20	0.14
2065	z	z	z	z	z
2070	5.13	322	0	2.27	0.13
2081	5.53	336	0	2.45	0.16
2089	3.97	281	0	1.76	0.15
2095	5.16	323	0	2.29	0.16
2101	3.97	281	0	1.76	0.15
2105	(a)	(a)	(a)	(a)	(a)
2111	3.48	264	0	1.54	0.15
2114	3.97	281	0	1.76	0.15
2115	3.75	273	0	1.47	0.15
2121	2.15	217	0	0.95	0.13
2130	4.16	288	0	1.84	0.14
2131	3.03	248	0	1.34	0.16
2143	2.92	244	0	1.30	0.16
2150	7.22	500	0	3.20	0.15
2156	6.81	500	0	3.02	0.16
2157	5.66	340	0	2.51	0.13
2172	1.07	179	0	0.48	0.14
2174	9.49	500	0	4.23	0.14
2177	z	z	z	z	z
2211	5.84	488	0	2.30	0.12
2220	3.56	267	0	1.58	0.14
2260	6.72	500	0	2.64	0.09
2286	3.56	267	0	1.58	0.14
2288	3.08	250	0	1.36	0.15
2300	z	z	z	z	z
2302	3.56	267	0	1.58	0.14
2305	3.48	264	0	1.54	0.16
2362	2.93	245	0	1.30	0.13
2380	2.78	239	0	1.23	0.16
2402	3.07	249	0	1.21	0.12
2413	5.53	336	0	2.45	0.12
2416	5.20	324	0	2.30	0.18
2417	2.83	241	0	1.25	0.13
2501	3.15	252	0	1.39	0.15
2503	1.06	179	0	0.47	0.16
2534	3.15	252	0	1.39	0.15

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Class	Manual Rate	Minimum Premium	Loss Constant	Expected Loss Rate	D-Ratio
2570	6.95	500	0	3.08	0.16
2576	3.01	247	0	1.33	0.16
2578	3.01	247	0	1.33	0.16
2585	4.36	295	0	1.93	0.14
2586	1.87	207	0	0.83	0.13
2587	2.20	239	20	0.97	0.16
2600	z	z	z	z	z
2623	3.88	278	0	1.72	0.14
2640	3.79	275	0	1.68	0.15
2651	3.79	275	0	1.68	0.15
2660	1.93	210	0	0.85	0.16
2683	2.39	226	0	1.06	0.14
2688	3.52	265	0	1.56	0.14
2702	16.76	500	20	6.60	0.12
2710	9.44	500	0	3.71	0.14
2714	z	z	z	z	z
2731	5.42	332	0	2.40	0.16
2741	8.26	500	0	3.68	0.18
2747	8.20	500	0	3.66	0.13
2790	1.94	210	0	0.86	0.16
2802	5.98	493	0	2.65	0.14
2835	4.27	291	0	1.91	0.17
2836	5.43	332	0	2.42	0.12
2841	2.49	229	0	1.10	0.15
2883	3.70	272	0	1.64	0.15
2915	z	z	z	z	z
2916	z	z	z	z	z
2923	2.47	228	0	1.09	0.15
2942	2.15	217	0	0.96	0.13
2960	z	z	z	z	z
3004	z	z	z	z	z
3018	4.29	292	0	1.90	0.17
3022	5.18	323	0	2.30	0.16
3027	5.00	317	0	2.21	0.14
3028	4.74	308	0	2.10	0.18
3030	8.68	500	0	3.41	0.13
3040	14.06	500	0	5.53	0.14
3041	4.70	306	0	2.08	0.15
3042	3.31	258	0	1.47	0.13
3064	3.62	269	0	1.60	0.15
3066	3.62	269	0	1.60	0.15
3076	3.28	257	0	1.45	0.16
3081	8.50	500	0	3.35	0.12
3082	8.50	500	0	3.35	0.12
3085	4.80	310	0	1.89	0.12
3110	9.84	500	0	4.36	0.16
3111	2.85	242	0	1.26	0.15
3113	1.88	208	0	0.83	0.16
3114	4.36	295	0	1.93	0.15
3118	1.88	208	0	0.83	0.16

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Class	Manual Rate	Minimum Premium	Loss Constant	Expected Loss Rate	D-Ratio
3119	1.07	179	0	0.48	0.14
3120	1.95	210	0	0.87	0.21
3122	2.95	245	0	1.31	0.12
3126	z	z	z	z	z
3127	0.71	167	0	0.31	0.16
3131	3.67	270	0	1.63	0.15
3132	2.47	228	0	0.97	0.15
3145	1.65	200	0	0.73	0.14
3146	3.16	253	0	1.40	0.12
3169	5.41	331	0	2.40	0.15
3175	z	z	z	z	z
3179	2.44	227	0	1.08	0.15
3180	4.38	295	0	1.94	0.17
3188	3.91	279	0	1.73	0.17
3200	3.05	249	0	1.35	0.14
3220	2.90	244	0	1.28	0.13
3223	(a)	(a)	(a)	(a)	(a)
3227	5.41	331	0	2.40	0.15
3241	3.04	248	0	1.35	0.14
3255	5.02	318	0	2.24	0.15
3257	3.66	270	0	1.62	0.15
3270	3.04	248	0	1.35	0.14
3300	8.84	500	0	3.94	0.14
3303	z	z	z	z	z
3305	(a)	(a)	(a)	(a)	(a)
3315	1.99	212	0	0.88	0.16
3334	(a)	(a)	(a)	(a)	(a)
3336	2.75	238	0	1.22	0.18
3365	14.36	500	50	5.51	0.11
3372	3.11	251	0	1.22	0.12
3373	6.58	500	0	2.92	0.13
3381	3.50	264	0	1.55	0.15
3383	1.76	204	0	0.78	0.15
3385	1.05	179	0	0.46	0.14
3400	5.41	331	0	2.40	0.15
3507	4.58	302	0	2.03	0.15
3515	3.53	266	0	1.57	0.13
3548	2.49	229	0	1.10	0.15
3558	0.71	167	0	0.31	0.14
3559	2.49	229	0	1.10	0.15
3565	z	z	z	z	z
3571	1.62	199	0	0.72	0.13
3574	2.49	229	0	1.10	0.15
3580	z	z	z	z	z
3581	z	z	z	z	z
3612	2.57	232	0	1.14	0.15
3620	6.28	500	0	2.47	0.14
3629	2.49	229	0	1.10	0.15
3632	2.49	229	0	1.10	0.15
3634	3.18	253	0	1.41	0.13

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Class	Manual Rate	Minimum Premium	Loss Constant	Expected Loss Rate	D-Ratio
3635	2.57	232	0	1.14	0.16
3638	2.49	229	0	1.10	0.15
3639	z	z	z	z	z
3642	1.84	206	0	0.82	0.18
3643	2.44	227	0	1.08	0.15
3647	3.00	247	0	1.33	0.17
3648	2.55	231	0	1.13	0.15
3681	0.98	176	0	0.43	0.15
3685	0.98	176	0	0.43	0.15
3724	7.21	500	50	2.77	0.12
3726	12.12	500	50	3.96	0.09
3803	z	z	z	z	z
3807	5.41	331	0	2.40	0.15
3808	2.97	246	0	1.32	0.17
3821	5.21	486	20	2.05	0.13
3822	z	z	z	z	z
3826	2.63	234	0	1.17	0.18
3827	z	z	z	z	z
3830	2.49	229	0	0.98	0.14
3841	2.66	235	0	1.18	0.16
3851	z	z	z	z	z
3881	z	z	z	z	z
4000	5.21	486	20	2.05	0.12
4021	3.73	273	0	1.65	0.14
4024	5.37	330	0	2.11	0.13
4034	8.57	500	0	3.37	0.12
4036	2.91	244	0	1.15	0.13
4038	2.55	231	0	1.14	0.16
4053	1.71	202	0	0.76	0.15
4054	z	z	z	z	z
4061	3.11	251	0	1.38	0.14
4062	3.11	251	0	1.38	0.14
4101	z	z	z	z	z
4112	0.97	176	0	0.43	0.17
4113	1.71	202	0	0.76	0.15
4114	3.59	268	0	1.59	0.14
4130	5.30	328	0	2.35	0.13
4133	2.67	235	0	1.18	0.13
4150	1.07	179	0	0.48	0.16
4206	z	z	z	z	z
4207	z	z	z	z	z
4239	5.51	335	0	2.17	0.14
4243	4.32	293	0	1.91	0.15
4244	4.44	297	0	1.97	0.17
4250	3.03	248	0	1.34	0.15
4251	3.32	258	0	1.47	0.14
4273	3.43	262	0	1.52	0.17
4279	4.42	297	0	1.96	0.15
4282	0.56	162	0	0.25	0.16
4283	3.46	263	0	1.53	0.14

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Class	Manual Rate	Minimum Premium	Loss Constant	Expected Loss Rate	D-Ratio
4299	2.42	227	0	1.07	0.15
4301	4.38	295	0	1.94	0.12
4304	3.75	273	0	1.66	0.15
4307	2.72	237	0	1.21	0.17
4308	1.02	178	0	0.45	0.16
4350	0.80	170	0	0.36	0.17
4351	1.09	180	0	0.48	0.15
4352	1.33	189	0	0.59	0.12
4360	1.05	179	0	0.46	0.13
4361	0.61	183	20	0.27	0.14
4362	0.71	187	20	0.28	0.13
4410	4.36	295	0	1.93	0.18
4417	4.17	288	0	1.85	0.16
4420	z	z	z	z	z
4431	z	z	z	z	z
4432	2.17	218	0	0.97	0.17
4439	3.22	255	0	1.27	0.13
4452	3.88	278	0	1.72	0.15
4459	3.49	264	0	1.54	0.16
4470	3.01	247	0	1.18	0.13
4484	2.86	242	0	1.27	0.17
4493	4.64	304	0	2.05	0.14
4511	0.55	181	20	0.24	0.14
4512	0.28	172	20	0.12	0.15
4557	2.20	219	0	0.97	0.14
4558	2.86	242	0	1.27	0.17
4561	3.22	255	0	1.43	0.14
4568	z	z	z	z	z
4581	z	z	z	z	z
4583	3.52	265	0	1.39	0.09
4611	1.61	198	0	0.71	0.16
4635	2.60	233	0	0.87	0.14
4653	6.65	500	0	2.95	0.21
4665	6.41	500	0	2.52	0.13
4670	z	z	z	z	z
4673	z	z	z	z	z
4683	z	z	z	z	z
4686	z	z	z	z	z
4692	0.65	165	0	0.29	0.15
4693	1.20	184	0	0.53	0.15
4703	z	z	z	z	z
4716	z	z	z	z	z
4717	z	z	z	z	z
4720	3.94	280	0	1.75	0.14
4740	2.61	233	0	1.03	0.12
4741	3.88	278	0	1.72	0.17
4770	11.34	500	0	4.38	0.07
4773	21.72	500	0	8.78	0.07
4774	18.69	500	0	7.38	0.07
4775	11.31	500	0	4.41	0.07

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4776	15.61	500	0	6.24	0.06
4777	3.52	265	0	1.39	0.09
4779	14.49	500	0	5.72	0.07
4799	37.98	500	0	16.13	0.07
4825	0.75	168	0	0.29	0.12
4828	2.66	235	0	1.05	0.11
4829	2.66	235	0	1.05	0.11
4902	2.15	217	0	0.95	0.13
4923	1.05	179	0	0.46	0.13
5020	4.68	498	50	1.79	0.12
5022	16.40	500	50	6.29	0.12
5037	46.00	500	50	15.05	0.08
5040	44.42	500	50	14.54	0.10
5057	34.64	500	50	11.34	0.09
5059	34.64	500	50	11.34	0.09
5069	34.64	500	50	13.29	0.10
5102	11.55	500	50	4.43	0.13
5146	6.36	500	50	2.44	0.13
5160	3.78	324	50	1.45	0.13
5183	5.02	500	50	1.92	0.13
5188	5.70	500	50	2.19	0.13
5190	4.38	487	50	1.68	0.13
5191	1.32	208	20	0.52	0.13
5192	5.31	490	20	2.35	0.16
5213	22.69	500	50	8.71	0.09
5215	7.45	500	50	3.22	0.14
5221	9.60	500	50	3.68	0.11
5222	9.01	500	50	2.95	0.08
5223	7.45	500	50	2.86	0.13
5348	9.19	500	50	3.52	0.14
5402	18.99	500	50	8.20	0.12
5403	17.25	500	50	6.62	0.11
5437	7.21	500	50	2.77	0.13
5443	6.17	500	50	2.66	0.13
5445	9.32	500	50	3.57	0.11
5462	9.53	500	50	3.66	0.12
5472	9.05	500	50	3.47	0.12
5473	19.52	500	50	7.49	0.10
5474	7.18	500	50	2.75	0.12
5478	6.56	500	0	2.58	0.14
5479	15.27	500	50	5.86	0.11
5480	6.74	500	50	2.59	0.12
5506	7.61	500	50	2.92	0.11
5507	8.27	500	50	3.17	0.11
5508	5.44	500	50	2.09	0.11
5509	5.60	500	50	2.15	0.14
5538	7.03	500	50	2.70	0.13
5545	48.37	500	50	18.55	0.10
5547	20.63	500	50	7.91	0.10
5606	2.53	281	50	0.97	0.12

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Class	Manual Rate	Minimum Premium	Loss Constant	Expected Loss Rate	D-Ratio
5610	6.04	500	50	2.61	0.13
5645	9.45	500	50	3.62	0.13
5651	9.45	500	50	3.62	0.13
5701	24.74	500	50	8.10	0.08
5703	21.11	500	50	8.10	0.10
5705	14.02	500	50	5.38	0.09
5951	z	z	z	z	z
6003	16.66	500	50	6.39	0.10
6005	5.44	500	50	2.09	0.11
6017	z	z	z	z	z
6018	z	z	z	z	z
6204	12.68	500	50	4.87	0.10
6217	6.37	500	50	2.44	0.11
6229	6.37	500	50	2.75	0.12
6233	8.00	500	50	3.07	0.11
6251	10.74	500	50	3.51	0.08
6252	7.81	500	50	2.55	0.08
6257	z	z	z	z	z
6260	z	z	z	z	z
6306	8.42	500	50	3.23	0.10
6319	7.08	500	50	2.72	0.11
6325	3.60	318	50	1.38	0.12
6400	7.96	500	50	3.44	0.11
6504	3.97	281	0	1.76	0.15
6811	7.91	500	20	3.71	0.15
6834	4.34	314	20	1.71	0.12
6836	3.09	270	20	1.22	0.12
6854	8.97	500	20	4.07	0.16
6882	18.31	500	20	8.31	0.17
6884	26.06	500	20	12.22	0.15
7133	(a)	(a)	(a)	(a)	(a)
7219	8.58	500	20	3.38	0.12
7230	10.15	500	20	3.99	0.12
7231	6.72	500	20	2.64	0.13
7360	7.21	500	20	2.84	0.14
7370	4.09	305	20	1.81	0.15
7380	7.44	500	20	2.93	0.14
7382	4.77	329	20	1.88	0.13
7403	3.88	298	20	1.72	0.14
7405	1.13	215	20	0.59	0.14
7409	11.31	500	20	3.80	0.07
7418	11.31	500	20	3.80	0.07
7420	11.31	500	20	3.80	0.07
7421	2.29	242	20	0.90	0.10
7422	2.29	242	20	0.77	0.10
7423	3.48	284	20	1.37	0.12
7425	(a)	(a)	(a)	(a)	(a)
7430	z	z	z	z	z
7431	1.72	242	20	0.77	0.10
7445	0.38	-	-	-	-

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Class	Manual Rate	Minimum Premium	Loss Constant	Expected Loss Rate	D-Ratio
7453	0.57	-	-	-	-
7502	3.77	294	20	1.48	0.11
7515	1.66	220	20	0.56	0.11
7520	3.56	287	20	1.40	0.13
7538	5.30	500	50	1.74	0.11
7539	2.27	241	20	0.89	0.14
7540	z	z	z	z	z
7580	3.62	289	20	1.42	0.11
7590	9.51	500	20	4.21	0.14
7600	3.18	273	20	1.25	0.13
7601	5.30	500	50	2.03	0.12
7610	0.24	170	20	0.10	0.14
7704	2.58	252	20	1.01	0.13
7720	2.05	234	20	0.81	0.13
7855	8.34	500	50	3.20	0.13
8001	1.38	210	20	0.61	0.18
8002	3.09	270	20	1.37	0.14
8006	1.65	220	20	0.73	0.14
8008	1.15	202	20	0.51	0.15
8010	1.90	228	20	0.84	0.15
8013	0.61	183	20	0.27	0.14
8017	1.55	216	20	0.69	0.14
8018	4.48	319	20	1.99	0.15
8021	5.85	500	20	2.59	0.15
8031	2.99	267	20	1.33	0.15
8032	2.29	242	20	1.02	0.15
8033	2.52	250	20	1.12	0.17
8034	6.35	500	20	2.81	0.15
8039	2.49	249	20	1.10	0.17
8044	4.13	307	20	1.83	0.15
8046	2.49	249	20	1.10	0.17
8048	3.39	281	20	1.50	0.14
8050	1.18	203	20	0.52	0.15
8058	3.21	274	20	1.42	0.15
8103	3.69	291	20	1.63	0.16
8105	4.76	329	20	2.11	0.12
8106	7.16	500	20	2.82	0.14
8107	2.85	262	20	1.12	0.14
8111	3.52	285	20	1.56	0.17
8116	2.85	262	20	1.26	0.15
8203	4.68	326	20	2.07	0.18
8204	11.40	500	20	4.48	0.10
8215	4.68	326	20	1.84	0.14
8227	3.80	325	50	1.46	0.12
8232	6.04	500	20	2.38	0.14
8233	8.39	500	20	3.30	0.12
8235	5.58	499	20	2.47	0.16
8263	6.76	500	20	2.99	0.13
8264	6.37	500	20	2.82	0.17
8265	8.39	500	20	3.30	0.12

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Class	Manual Rate	Minimum Premium	Loss Constant	Expected Loss Rate	D-Ratio
8279	5.83	500	20	2.58	0.13
8291	3.89	298	20	1.72	0.15
8292	4.04	303	20	1.79	0.15
8293	9.64	500	20	4.27	0.13
8304	z	z	z	z	z
8350	5.90	500	20	2.32	0.14
8380	3.12	271	20	1.23	0.15
8381	1.68	221	20	0.74	0.16
8385	4.01	302	20	1.58	0.13
8392	1.83	226	20	0.81	0.15
8393	2.44	247	20	0.96	0.15
8500	8.39	500	20	3.30	0.12
8601	0.46	178	20	0.18	0.12
8606	z	z	z	z	z
8710	2.41	246	20	0.95	0.13
8719	2.41	246	20	0.95	0.13
8720	1.06	199	20	0.42	0.12
8721	0.30	172	20	0.12	0.13
8742	0.30	172	20	0.12	0.13
8745	6.21	500	20	2.75	0.17
8748	0.96	196	20	0.38	0.15
8800	0.82	191	20	0.37	0.14
8803	0.09	165	20	0.03	0.12
8810	0.16	168	20	0.07	0.15
8820	0.14	167	20	0.05	0.13
8829	2.85	262	20	1.26	0.18
8831	1.28	207	20	0.57	0.15
8832	0.40	176	20	0.16	0.12
8833	1.59	218	20	0.70	0.17
8835	3.02	268	20	1.34	0.17
8837	(a)	(a)	(a)	(a)	(a)
8868	0.66	185	20	0.29	0.15
8901	0.16	168	20	0.06	0.14
9014	2.72	257	20	1.18	0.15
9015	3.31	278	20	1.30	0.12
9016	2.25	241	20	1.00	0.16
9019	6.30	500	20	2.48	0.11
9033	4.15	307	20	1.84	0.15
9040	4.64	324	20	2.05	0.17
9052	2.03	233	20	0.90	0.16
9058	2.03	233	20	0.90	0.16
9060	1.59	218	20	0.70	0.15
9061	1.42	212	20	0.63	0.14
9063	0.89	193	20	0.35	0.15
9079	1.67	220	20	0.74	0.16
9088	(a)	(a)	(a)	(a)	(a)
9089	1.10	200	20	0.49	0.15
9093	1.94	230	20	0.86	0.15
9101	3.00	267	20	1.33	0.15
9102	2.63	254	20	1.17	0.16

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<u>Class</u>	<u>Manual Rate</u>	<u>Minimum Premium</u>	<u>Loss Constant</u>	<u>Expected Loss Rate</u>	<u>D-Ratio</u>
9154	1.50	214	20	0.59	0.14
9156	1.40	211	20	0.62	0.17
9178	20.99	500	20	9.30	0.15
9179	25.26	500	20	11.19	0.14
9180	3.91	299	20	1.73	0.16
9182	3.32	278	20	1.47	0.12
9186	3.91	299	20	1.54	0.14
9220	4.47	318	20	1.98	0.17
9402	6.87	500	20	2.70	0.12
9403	8.87	500	20	3.49	0.12
9410	2.58	252	20	1.14	0.14
9501	2.94	245	0	1.30	0.13
9505	2.94	245	0	1.30	0.13
9519	2.73	258	20	1.07	0.12
9521	6.56	500	0	2.58	0.14
9522	2.10	216	0	0.93	0.15
9533	25.95	500	50	8.98	0.10
9534	6.88	500	50	2.64	0.11
9545	7.17	500	50	2.82	0.13
9549	5.91	500	50	2.32	0.10
9552	6.99	500	50	2.75	0.11
9553	6.99	500	50	2.75	0.11
9586	0.65	185	20	0.29	0.15
9620	0.81	190	20	0.32	0.12

- (a) Rate for each individual risk must be obtained by Home Office from the WCRIB.
z Classification potentially available. If needed, Home Office should contact the WCRIB.

Calculation of Pure Premium Underlying Proposed Rate Factor

(1) Industry Group	(2) Injury Type	(3) Uncapped Rate Level Factor	(4) Industry Group Pure Premium	(5) =(4) / [Total of (4)] Percent of Pure Premium	(6) Expected Loss Ratio	(7) = (3) x (5) x (6) Pure Premium Underlying Proposed Rate Factor
Manufacturing	Serious	2.781	0.672	0.298	0.749	0.622
	Non-Serious	2.781	0.705	0.313	0.749	0.652
	Medical	2.781	0.874	0.388	0.749	0.809
	Total		2.250			
Construction	Serious	7.730	2.402	0.408	0.749	2.365
	Non-Serious	7.730	1.400	0.238	0.749	1.378
	Medical	7.730	2.079	0.354	0.749	2.047
	Total		5.881			
Office and Clerical	Serious	0.263	0.057	0.279	0.749	0.055
	Non-Serious	0.263	0.062	0.304	0.749	0.060
	Medical	0.263	0.085	0.417	0.749	0.082
	Total		0.205			
Goods and Services	Serious	2.489	0.500	0.254	0.749	0.473
	Non-Serious	2.489	0.647	0.328	0.749	0.612
	Medical	2.489	0.824	0.418	0.749	0.779
	Total		1.971			
Miscellaneous	Serious	6.046	1.567	0.331	0.749	1.500
	Non-Serious	6.046	1.311	0.277	0.749	1.255
	Medical	6.046	1.852	0.391	0.749	1.773
	Total		4.730			

Notes

- (3) Uncapped rate level factors from Section X - I, Exhibit 1
- (4) Industry Group Pure Premiums from Section X - D.
- (6) Expected Loss and Loss Adjustment Expense Ratio from Section VI - A, Exhibit 1.

**MISCELLANEOUS RATING FACTORS
FOR EXPERIENCE RATING**

Experience rating is a procedure that uses past insurance experience for individual policyholders to predict their future losses. In this procedure, the manual rate for the risk is adjusted by an experience rating modification that serves to increase or decrease the rate depending on whether its past experience has been worse or better than expected.

The experience rating modification for an insured is determined by comparing actual past losses to expected losses. This section of the filing develops some of the miscellaneous rating factors that are needed to compare the past experience of a risk to its expected experience.

Expected Loss Rates, XI-B

An experience rating modification is based on the three latest available completed policies for an insured. For the purpose of experience rating we must derive expected losses on a comparable basis to those three policy periods. These are the calculations of Sections X-K, X-M, and XI-B,

Expected Losses for an insured are derived by multiplying Expected Loss Rates by class by the reported exposure (typically payroll in hundreds) by class. The proposed Expected Loss Rates are displayed in Section X-M. The Expected Loss Rate for each class is the product of the proposed average capped rate for that class (as shown in

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Section X-K) and the Ratio of Experience Rating ELR to Average Rate (as calculated in Section XI-B) for the hazard group containing the classification. The Ratio of Experience Rating ELR to Average Rate puts the capped rate on the same level as those losses entering the experience rating calculation itself. The ratio accounts for expenses (Exhibit 1), trend (Exhibit 1), loss limitations (Exhibit 2), benefit level differences (Exhibit 3), development (Exhibit 4 & 5) and investment income (Exhibit 6).

Calculation of D Ratios, XI-C

The second task of Section XI is to determine the portion of the expected loss that is considered primary. Primary losses are defined as the first \$5,000 of loss per claim. The experience rating formula splits losses into primary losses and excess losses, the loss amount above the primary loss subject to a maximum. Primary losses are given more weight in determining the experience rating modification than are excess losses.

The portion of estimated losses that is expected to be primary is the “D-Ratio.” In experience rating, multiplication of a risk’s expected losses by the appropriate D-Ratio gives the expected primary losses to which the risk’s actual primary losses are compared. D-Ratios vary by class and are listed in the manual rates section of the Basic Manual for Workers’ Compensation.

The procedure used here for the calculation of D-ratios is the same as the methodology used in the filings for 9/1/01 and 9/1/03 rates. The general methodology is as follows: first, we calculate partial D-Ratios for serious, non-serious and medical-only

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losses from detailed loss information (Section XI-C). The loss information is taken from the Schedule Z data base for the three most recent composite policy years, and is adjusted for law amendment changes and severity trend to the level corresponding with the losses that will be used in experience rating.

Partial D-Ratios are defined as follows:

$$D (\text{Serious}) = \frac{\text{Primary Serious Losses (Indemnity \& Medical)}}{\text{Serious Indemnity Losses}}$$

$$D (\text{Non-Serious}) = \frac{\text{Primary Non-Serious Losses (Indemnity \& Medical)}}{\text{Non-Serious Indemnity Losses}}$$

$$D (\text{Medical}) = \frac{\text{Primary Medical Only Losses}}{\text{Total Medical Losses}}$$

We calculate these partial D-Ratios on XI-C Exhibit 1, page 1.

As in previous filings, we calculate final D-Ratios by class as a weighted average of the partial D-Ratios using the formula:

$$"D" \text{ Ratio} = \frac{[(P_s)(D_s) + (P_n)(D_n) + (P_m)(D_m)] \times LER}{[P_s + P_n + P_m]}$$

where P_s , P_n , and P_m are the adopted partial pure premiums for serious, non-serious, and medical, the D terms are the partial D-ratios, and the LER is the appropriate loss

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elimination ratio for the hazard group for the class in question. The resulting D-Ratios by classification are shown in Section X.

Calculation of ELR Factors

Unit Report / Policy Effective Date (1)	Hazard Group (2)	Permissible Loss Ratio (3)	Exp Rating LER by Hazard Group (4)	Law Factor (5)	Loss Trend / Payroll Trend (6)	Loss Development to 5th Report (7)	Loss Development from 5th Report to Ult (8)	Investment Income Offset (9)	Ratio of Exp Rating ELR to Average Rate (10)
1st Report 3/1/2004	I	0.642	0.070	1.013	1.021	1.489	1.071	0.974	0.372
	II	0.642	0.081	1.013	1.021	1.491	1.075	0.960	0.371
	III	0.642	0.143	1.013	1.021	1.511	1.112	0.939	0.337
	IV	0.642	0.198	1.013	1.021	1.592	1.144	0.945	0.290
2nd Report 3/1/2003	I	0.642	0.090	1.018	1.032	1.172	1.071	0.974	0.455
	II	0.642	0.104	1.018	1.032	1.173	1.075	0.960	0.452
	III	0.642	0.184	1.018	1.032	1.180	1.112	0.939	0.405
	IV	0.642	0.254	1.018	1.032	1.208	1.144	0.945	0.349
3rd Report 3/1/2002	I	0.642	0.119	1.033	1.042	1.075	1.071	0.974	0.469
	II	0.642	0.139	1.033	1.042	1.076	1.075	0.960	0.463
	III	0.642	0.244	1.033	1.042	1.079	1.112	0.939	0.400
	IV	0.642	0.337	1.033	1.042	1.091	1.144	0.945	0.335
1st - 3rd Report Average	I								0.432
	II								0.429
	III								0.381
	IV								0.325

Notes:

- (1) Unit Stat Reports used to experience rate a policy taking effect 6 months after effective date of the proposed rates.
- (3) Section VI-A, Ex 1, (11)
- (4) Sec XI - B, Ex 2, Page 1, Col (11)-(13)
- (5) Sec IV - A, Ex 9, Col (4)-(6)
- (6) Sec V-A - Net Trend applied from USR policy effective date to average policy effective date of the proposed rates.
- (7) Sec XI-B, Ex 4, Pg 1, Col (8)
- (8) Sec XI-B, Ex 5, Pg 1, Col (7)
- (9) Sec XI-B, Ex 6, Col (7)
- (10) $\{ (3) \times [1.0 - (4)] \} / [(5) \times (6) \times (7) \times (8) \times (9)]$

**Loss Elimination Ratios for Losses in Excess of Experience Rating Caps
 By Hazard Group**

Hazard Group	Adjusted Schedule Z Losses	Adjusted Excess Losses	Implied Loss Elimination Ratio (3) / (2)	Expected Losses	Expected Losses Wgtd LER	Balanced LER Differential	Selected LER Differential
(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)
I	13,007,330	2,249,316	0.173	19,793,188	0.173	1.09	0.60
II	793,261,067	85,287,882	0.108	1,080,973,470	0.108	0.68	0.70
III	966,172,626	187,952,054	0.195	1,261,734,328	0.195	1.23	1.23
IV	47,843,443	14,197,056	0.297	59,442,721	0.297	1.88	1.70
Total	1,820,284,466	289,686,308	0.159	2,421,943,707	0.158	1.00	1.00

**Expected Loss Limitation Adjustment Factor by Hazard Group
 = [Page 2, (5)] x (9)**

Hazard Group	First Report	Second Report	Third Report	Average
(10)	(11)	(12)	(13)	(14)
I	0.070	0.090	0.119	0.093
II	0.081	0.104	0.139	0.108
III	0.143	0.184	0.244	0.190
IV	0.198	0.254	0.337	0.263
I, II, III, IV	0.116	0.149	0.198	

Notes:

(6): Most recent three composite policy years' data, payroll x pure premium underlying rates.

(7) Total = (7) Weighted by (6)

(8) = (7) / [(7) for Total]

XI 007

Section XI - Miscellaneous Rating Factors
Subsection B - Expected Loss Rates
09/01/2005

Section XI-B
Exhibit 3

Loss Elimination Ratio
Factor to Reflect the State Accident Limitation of \$175,000
(Losses in Thousands)

Report (1)	Injury Kind (2)	Adjusted Schedule Z Losses (3)	Adjusted Excess Losses (4)	Loss Elimination Ratio (4) / (3) (5)
1st	1	15,802	11,769	0.745
1st	2	6,679	5,979	0.895
1st	3	128,567	22,717	0.177
1st	4	46,627	149	0.003
1st	5	261,007	16,428	0.063
1st	6	31,663	0	0.000
1st	Total	490,346	57,042	0.116
2nd	1	14,029	10,248	0.731
2nd	2	5,272	3,903	0.740
2nd	3	209,125	42,873	0.205
2nd	4	41,517	0	0.000
2nd	5	330,797	37,552	0.114
2nd	6	33,115	0	0.000
2nd	Total	633,855	94,576	0.149
3rd	1	10,849	7,743	0.714
3rd	2	22,129	18,857	0.852
3rd	3	275,541	76,908	0.279
3rd	4	54,599	227	0.004
3rd	5	299,472	34,333	0.115
3rd	6	33,789	0	0.000
3rd	Total	696,380	138,068	0.198

Note: Schedule Z losses have been adjusted by multiplying with law amendment changes and severity trend factors.
Column (3) are the adjusted Schedule Z total losses, and Column (4) are the Adjusted Schedule Z losses above \$175,000.

XI 008

Hazard Group Development Factors to Fifth Report

Development to Fifth Report (1)	Hazard Group (2)	Review Year 2004 Losses at Latest Report (3)	Review Year 2004 Losses at 5th Report (4)	Develop. Factor to 5th Report (4) / (3) (5)	Selected Relativity (6)	Balanced Relativity (6) / TT(6) (7)	Selected Dev. Factor to 5th Report (8)
1st to 5th	I	3,966,304	5,057,341	1.275	0.970	0.969	1.489
1st to 5th	II	176,020,692	237,507,884	1.349	0.975	0.974	1.491
1st to 5th	III	205,717,510	303,982,883	1.478	1.015	1.014	1.511
1st to 5th	IV	9,542,103	15,591,448	1.634	1.175	1.174	1.592
1st to 5th	All	395,246,609	562,139,556	1.422	1.001	1.000	1.504
2nd to 5th	I	2,852,099	3,053,451	1.071	0.970	0.968	1.172
2nd to 5th	II	212,185,289	230,176,759	1.085	0.975	0.973	1.173
2nd to 5th	III	282,184,956	322,438,474	1.143	1.015	1.013	1.180
2nd to 5th	IV	13,708,996	16,151,830	1.178	1.175	1.172	1.208
2nd to 5th	All	510,931,340	571,820,515	1.119	1.002	1.000	1.178
3rd to 5th	I	3,591,162	3,692,674	1.028	0.970	0.969	1.075
3rd to 5th	II	248,025,112	262,584,010	1.059	0.975	0.974	1.076
3rd to 5th	III	288,892,259	311,524,784	1.078	1.015	1.014	1.079
3rd to 5th	IV	15,267,019	16,927,134	1.109	1.175	1.174	1.091
3rd to 5th	All	555,775,552	594,728,602	1.070	1.001	1.000	1.078

(3),(4) See Exhibit 4 Pages 4-6 for Review Year 2004

(6) See Page 3 for selection. The entry in the "All" row is the weighted average using incurred losses at latest report in column (3) as the weights.

(7) The entry in the "All" row is the weighted average using incurred losses at latest report in column (3) as the weights.

(8) has been balanced to the development factors calculated on Page 2

where selected development factors = $1.0 + (7) \times (\text{"Overall Development to be balanced to"} - 1.000)$.

XI 009

Section XI - Miscellaneous Rating Factors
 Subsection B - Expected Loss Rates
 09/01/2005

Section XI-B
 Exhibit 4
 Page 2

Loss Development Factors For Use in Calculation of Reciprocals

Report (1)	Benefit Type (2)	Injury Kind (3)	Distribution of Reported Loss @ 5th Report (4)	Loss Development Factor (5)	Adjusted Distribution (4) / (5) (6)	LDF to 5th Report to Derive E.L.R. TT(4) / TT(6) (7)
1st	Indemnity	Death	1.9%	1.028	1.9%	
1st	Indemnity	Permanent Total	3.2%	4.750	0.7%	
1st	Indemnity	Permanent Partial	41.0%	2.080	19.7%	
1st	Indemnity	Temporary Total	20.7%	1.177	17.6%	
1st	Medical	Death	0.1%	0.844	0.1%	
1st	Medical	Permanent Total	2.2%	3.073	0.7%	
1st	Medical	Permanent Partial	14.2%	1.631	8.7%	
1st	Medical	Temporary Total	11.9%	0.934	12.8%	
1st	Medical	Medical Only	4.8%	1.110	4.3%	
1st	Total		100.0%		66.5%	1.504
2nd	Indemnity	Death	1.9%	1.028	1.9%	
2nd	Indemnity	Permanent Total	3.2%	3.504	0.9%	
2nd	Indemnity	Permanent Partial	41.0%	1.289	31.8%	
2nd	Indemnity	Temporary Total	20.7%	1.006	20.6%	
2nd	Medical	Death	0.1%	0.889	0.1%	
2nd	Medical	Permanent Total	2.2%	2.340	0.9%	
2nd	Medical	Permanent Partial	14.2%	1.276	11.1%	
2nd	Medical	Temporary Total	11.9%	0.919	13.0%	
2nd	Medical	Medical Only	4.8%	1.044	4.6%	
2nd	Total		100.0%		84.9%	1.178
3rd	Indemnity	Death	1.9%	1.025	1.9%	
3rd	Indemnity	Permanent Total	3.2%	2.336	1.4%	
3rd	Indemnity	Permanent Partial	41.0%	1.102	37.2%	
3rd	Indemnity	Temporary Total	20.7%	0.991	20.9%	
3rd	Medical	Death	0.1%	0.830	0.1%	
3rd	Medical	Permanent Total	2.2%	1.560	1.4%	
3rd	Medical	Permanent Partial	14.2%	1.102	12.9%	
3rd	Medical	Temporary Total	11.9%	0.966	12.3%	
3rd	Medical	Medical Only	4.8%	1.020	4.7%	
3rd	Total	All	100.0%		92.8%	1.078

(4) Section V-H, Exhibits 1 and 2

(5) Section X-C, Exhibit 2, Pages 1-5.

Hazard Group Reported Loss Development Relativities to Fifth Report

Development	3-5	3-5	3-5	2-5	2-5	2-5	1-5	1-5	1-5	
Review Year	2004	2003	2002	2004	2003	2002	2004	2003	2002	Selected
H.G. I	0.961	0.962	0.976	0.957	0.970	0.974	0.897	0.881	0.896	0.970
H.G. II	0.989	0.983	0.983	0.969	0.979	0.976	0.949	0.956	0.947	0.975
H.G. III	1.008	1.010	1.009	1.021	1.005	1.015	1.039	1.026	1.031	1.015
H.G. IV	1.036	1.139	1.207	1.053	1.281	1.178	1.149	1.178	1.401	1.175

From Exhibit 4, Pages 4 through 12

XI 011

Loss Development of Schedule Z to Fifth Report by Hazard Group

*Review Year 2004
 First Report to Fifth Report*

Hazard Group	Injury Kind	Indemnity Losses			Medical Losses			Total Losses		
		Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (3) x (4)	Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (6) x (7)	Total Reported Losses	Total Developed Losses	Develop. Factor (10) / (9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
I	1	0	1.028	0	0	0.844	0			
I	2	0	4.750	0	0	3.073	0			
I	3	537,043	2.080	1,116,982	358,207	1.631	584,328			
I	4	103,929	2.080	216,159	71,465	1.631	116,578			
I	5	1,170,742	1.177	1,378,149	1,529,923	0.934	1,428,770			
I	6	0	1.000	0	194,995	1.110	216,374			
I	Total	1,811,714		2,711,290	2,154,590		2,346,051	3,966,304	5,057,341	1.275
II	1	1,736,648	1.028	1,784,425	70,495	0.844	59,501			
II	2	753,197	4.750	3,577,324	598,855	3.073	1,840,283			
II	3	22,711,317	2.080	47,236,682	11,319,882	1.631	18,465,659			
II	4	10,183,748	2.080	21,180,915	8,212,385	1.631	13,396,527			
II	5	60,866,423	1.177	71,649,442	44,275,063	0.934	41,347,765			
II	6	0	1.000	0	15,292,679	1.110	16,969,360			
II	Total	96,251,333		145,428,788	79,769,359		92,079,096	176,020,692	237,507,884	1.349
III	1	10,893,978	1.028	11,193,684	371,012	0.844	313,151			
III	2	2,295,283	4.750	10,901,493	1,727,050	3.073	5,307,229			
III	3	43,896,093	2.080	91,298,350	19,786,893	1.631	32,277,547			
III	4	10,701,061	2.080	22,256,860	7,731,606	1.631	12,612,252			
III	5	62,077,951	1.177	73,075,603	37,320,136	0.934	34,852,672			
III	6	0	1.000	0	8,916,447	1.110	9,894,041			
III	Total	129,864,366		208,725,991	75,853,144		95,256,892	205,717,510	303,982,883	1.478
IV	1	0	1.028	0	0	0.844	0			
IV	2	0	4.750	0	0	3.073	0			
IV	3	3,942,639	2.080	8,200,193	1,480,816	1.631	2,415,594			
IV	4	342,038	2.080	711,396	146,124	1.631	238,366			
IV	5	2,468,850	1.177	2,906,228	963,423	0.934	899,725			
IV	6	0	1.000	0	198,213	1.110	219,945			
IV	Total	6,753,527		11,817,817	2,788,576		3,773,631	9,542,103	15,591,448	1.634
I, II, III, IV	Grand Total	234,680,940		368,683,887	160,565,669		193,455,669	395,246,609	562,139,556	1.422

(3), (6) Sum of Unit Statistical Plan Data Underlying Schedule Z.
 (4), (7) Section X-C, Exhibit 2, Pages 1-5.

XI 012

Loss Development of Schedule Z to Fifth Report by Hazard Group

*Review Year 2004
 Second Report to Fifth Report*

Hazard Group	Injury Kind	Indemnity Losses			Medical Losses			Total Losses		
		Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (3) x (4) (5)	Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (6) x (7) (8)	Total Reported Losses	Total Developed Losses	Develop. Factor (10) / (9) (11)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
I	1	4,000	1.028	4,110	1,889	0.889	1,680			
I	2	0	3.504	0	0	2.340	0			
I	3	376,758	1.289	485,813	159,903	1.276	204,031			
I	4	162,692	1.289	209,784	124,507	1.276	158,867			
I	5	1,217,962	1.006	1,225,566	608,082	0.919	558,712			
I	6	0	1.000	0	196,306	1.044	204,887			
I	Total	1,761,412		1,925,274	1,090,687		1,128,178	2,852,099	3,053,451	1.071
II	1	2,688,624	1.028	2,762,591	119,747	0.889	106,478			
II	2	0	3.504	0	0	2.340	0			
II	3	40,662,587	1.289	52,432,657	14,604,496	1.276	18,634,904			
II	4	9,945,451	1.289	12,824,231	5,801,598	1.276	7,402,667			
II	5	79,292,064	1.006	79,787,109	43,448,006	0.919	39,920,491			
II	6	0	1.000	0	15,622,716	1.044	16,305,629			
II	Total	132,588,726		147,806,589	79,596,563		82,370,170	212,185,289	230,176,759	1.085
III	1	8,619,514	1.028	8,856,647	131,683	0.889	117,091			
III	2	1,943,499	3.504	6,810,670	2,253,912	2.340	5,274,294			
III	3	77,041,650	1.289	99,341,895	27,762,590	1.276	35,424,242			
III	4	9,893,859	1.289	12,757,706	6,678,678	1.276	8,521,795			
III	5	94,807,359	1.006	95,399,271	43,525,358	0.919	39,991,563			
III	6	0	1.000	0	9,526,854	1.044	9,943,300			
III	Total	192,305,881		223,166,188	89,879,075		99,272,286	282,184,956	322,438,474	1.143
IV	1	0	1.028	0	0	0.889	0			
IV	2	0	3.504	0	0	2.340	0			
IV	3	6,282,762	1.289	8,101,351	1,831,898	1.276	2,337,448			
IV	4	420,873	1.289	542,698	194,463	1.276	248,129			
IV	5	3,569,944	1.006	3,592,232	1,126,306	0.919	1,034,862			
IV	6	0	1.000	0	282,750	1.044	295,110			
IV	Total	10,273,579		12,236,281	3,435,417		3,915,548	13,708,996	16,151,830	1.178
I, II, III, IV	Grand Total	336,929,598		385,134,332	174,001,742		186,686,182	510,931,340	571,820,515	1.119

(3), (6) Sum of Unit Statistical Plan Data Underlying Schedule Z.
 (4), (7) Section X-C, Exhibit 2, Pages 1-5.

XI 013

Loss Development of Schedule Z to Fifth Report by Hazard Group

Review Year 2004
Third Report to Fifth Report

Hazard Group	Injury Kind	Indemnity Losses			Medical Losses			Total Losses		
		Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (3) x (4)	Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (6) x (7)	Total Reported Losses	Total Developed Losses	Develop. Factor (10) / (9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
I	1	0	1.025	0	0	0.830	0			
I	2	0	2.336	0	0	1.560	0			
I	3	581,462	1.102	640,829	430,409	1.102	474,329			
I	4	188,089	1.102	207,293	139,640	1.102	153,889			
I	5	1,193,782	0.991	1,182,609	838,320	0.966	809,837			
I	6	0	1.000	0	219,460	1.020	223,887			
I	Total	1,963,333		2,030,731	1,627,829		1,661,943	3,591,162	3,692,674	1.028
II	1	1,295,855	1.025	1,327,940	44,037	0.830	36,531			
II	2	3,215,658	2.336	7,512,493	3,628,587	1.560	5,660,745			
II	3	55,745,531	1.102	61,437,150	21,950,994	1.102	24,190,952			
II	4	13,012,227	1.102	14,340,775	8,617,458	1.102	9,496,814			
II	5	78,097,916	0.991	77,366,948	45,472,754	0.966	43,927,781			
II	6	0	1.000	0	16,944,095	1.020	17,285,881			
II	Total	151,367,187		161,985,306	96,657,925		100,598,704	248,025,112	262,584,010	1.059
III	1	6,815,021	1.025	6,983,759	312,395	0.830	259,151			
III	2	4,475,446	2.336	10,455,638	4,978,789	1.560	7,767,116			
III	3	90,697,253	1.102	99,957,443	40,544,105	1.102	44,681,370			
III	4	11,984,041	1.102	13,207,612	8,170,741	1.102	9,004,513			
III	5	77,341,784	0.991	76,617,893	34,375,109	0.966	33,207,187			
III	6	0	1.000	0	9,197,575	1.020	9,383,103			
III	Total	191,313,545		207,222,344	97,578,714		104,302,439	288,892,259	311,524,784	1.078
IV	1	206,228	1.025	211,334	674	0.830	559			
IV	2	72,393	2.336	169,126	1,250,000	1.560	1,950,052			
IV	3	6,910,206	1.102	7,615,738	1,490,836	1.102	1,642,966			
IV	4	469,252	1.102	517,163	173,633	1.102	191,351			
IV	5	3,238,037	0.991	3,207,730	1,182,142	0.966	1,141,978			
IV	6	0	1.000	0	273,618	1.020	279,137			
IV	Total	10,896,116		11,721,091	4,370,903		5,206,043	15,267,019	16,927,134	1.109
I, II, III, IV	Grand Total	355,540,181		382,959,473	200,235,371		211,769,130	555,775,552	594,728,602	1.070

(3), (6) Sum of Unit Statistical Plan Data Underlying Schedule Z.
 (4), (7) Section X-C, Exhibit 2, Pages 1-5.

XI 014

Loss Development of Schedule Z to Fifth Report by Hazard Group

Review Year 2003
First Report to Fifth Report

Hazard Group	Injury Kind	Indemnity Losses			Medical Losses			Total Losses		
		Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (3) x (4) (5)	Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (6) x (7) (8)	Total Reported Losses	Total Developed Losses	Develop. Factor (10) / (9) (11)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
I	1	4,000	1.028	4,110	1,506	0.844	1,271			
I	2	0	4.750	0	0	3.073	0			
I	3	66,880	2.080	139,102	31,532	1.631	51,437			
I	4	154,687	2.080	321,729	123,662	1.631	201,725			
I	5	1,145,350	1.177	1,348,259	706,634	0.934	659,914			
I	6	0	1.000	0	204,950	1.110	227,421			
I	Total	1,370,917		1,813,200	1,068,284		1,141,767	2,439,201	2,954,968	1.211
II	1	773,151	1.028	794,421	49,478	0.844	41,762			
II	2	0	4.750	0	0	3.073	0			
II	3	26,082,673	2.080	54,248,678	12,285,756	1.631	20,041,250			
II	4	6,258,822	2.080	13,017,562	4,812,093	1.631	7,849,770			
II	5	71,182,951	1.177	83,793,633	44,507,440	0.934	41,564,779			
II	6	0	1.000	0	14,949,733	1.110	16,588,813			
II	Total	104,297,597		151,854,295	76,604,500		86,086,374	180,902,097	237,940,669	1.315
III	1	16,821,302	1.028	17,284,075	149,022	0.844	125,781			
III	2	1,134,136	4.750	5,386,602	2,165,999	3.073	6,656,121			
III	3	49,431,203	2.080	102,810,683	23,743,402	1.631	38,731,638			
III	4	5,750,281	2.080	11,959,861	4,378,531	1.631	7,142,518			
III	5	84,213,932	1.177	99,133,167	44,788,304	0.934	41,827,073			
III	6	0	1.000	0	8,943,324	1.110	9,923,865			
III	Total	157,350,854		236,574,387	84,168,582		104,406,996	241,519,436	340,981,384	1.412
IV	1	0	1.028	0	0	0.844	0			
IV	2	0	4.750	0	0	3.073	0			
IV	3	4,447,206	2.080	9,249,629	1,574,415	1.631	2,568,279			
IV	4	260,103	2.080	540,982	110,348	1.631	180,006			
IV	5	2,878,683	1.177	3,388,667	1,107,245	0.934	1,034,038			
IV	6	0	1.000	0	270,947	1.110	300,653			
IV	Total	7,585,992		13,179,277	3,062,955		4,082,976	10,648,947	17,262,254	1.621
I, II, III, IV	Grand Total	270,605,360		403,421,160	164,904,321		195,718,114	435,509,681	599,139,274	1.376

(3), (6) Sum of Unit Statistical Plan Data Underlying Schedule Z.
 (4), (7) Section X-C, Exhibit 2, Pages 1-5.

XI 015

Loss Development of Schedule Z to Fifth Report by Hazard Group

Review Year 2003
Second Report to Fifth Report

Hazard Group	Injury Kind	Indemnity Losses			Medical Losses			Total Losses		
		Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (3) x (4)	Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (6) x (7)	Total Reported Losses	Total Developed Losses	Develop. Factor (10) / (9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
I	1	0	1.028	0	0	0.889	0			
I	2	0	3.504	0	0	2.340	0			
I	3	588,443	1.289	758,772	718,403	1.276	916,661			
I	4	92,561	1.289	119,353	77,083	1.276	98,356			
I	5	1,076,409	1.006	1,083,129	516,699	0.919	474,749			
I	6	0	1.000	0	217,098	1.044	226,588			
I	Total	1,757,413		1,961,255	1,529,283		1,716,353	3,286,696	3,677,608	1.119
II	1	982,545	1.028	1,009,576	46,036	0.889	40,935			
II	2	1,915,445	3.504	6,712,359	3,391,808	2.340	7,937,041			
II	3	48,763,725	1.289	62,878,727	18,865,108	1.276	24,071,319			
II	4	7,854,480	1.289	10,128,014	6,076,815	1.276	7,753,836			
II	5	76,516,693	1.006	76,994,411	49,511,897	0.919	45,492,059			
II	6	0	1.000	0	16,336,047	1.044	17,050,142			
II	Total	136,032,888		157,723,086	94,227,711		102,345,332	230,260,599	260,068,418	1.129
III	1	6,038,095	1.028	6,204,210	346,796	0.889	308,368			
III	2	1,965,306	3.504	6,887,089	2,214,467	2.340	5,181,990			
III	3	77,691,093	1.289	100,179,324	34,594,945	1.276	44,142,125			
III	4	7,847,700	1.289	10,119,272	6,018,294	1.276	7,679,165			
III	5	79,176,840	1.006	79,671,166	36,787,623	0.919	33,800,860			
III	6	0	1.000	0	8,955,593	1.044	9,347,067			
III	Total	172,719,034		203,061,060	88,917,718		100,459,576	261,636,752	303,520,636	1.160
IV	1	305,904	1.028	314,320	999	0.889	888			
IV	2	1,029,511	3.504	3,607,750	1,390,806	2.340	3,254,572			
IV	3	4,945,816	1.289	6,377,417	1,088,359	1.276	1,388,714			
IV	4	179,053	1.289	230,881	133,932	1.276	170,893			
IV	5	2,714,442	1.006	2,731,389	950,465	0.919	873,297			
IV	6	0	1.000	0	266,032	1.044	277,661			
IV	Total	9,174,726		13,261,757	3,830,593		5,966,026	13,005,319	19,227,783	1.478
I, II, III, IV	Grand Total	319,684,061		376,007,158	188,505,305		210,487,287	508,189,366	586,494,445	1.154

(3), (6) Sum of Unit Statistical Plan Data Underlying Schedule Z.
 (4), (7) Section X-C, Exhibit 2, Pages 1-5.

XI 016

Loss Development of Schedule Z to Fifth Report by Hazard Group

Review Year 2003
Third Report to Fifth Report

Hazard Group	Injury Kind	Indemnity Losses			Medical Losses			Total Losses		
		Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (3) x (4)	Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (6) x (7)	Total Reported Losses	Total Developed Losses	Develop. Factor (10) / (9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
I	1	0	1.025	0	0	0.830	0			
I	2	0	2.336	0	0	1.560	0			
I	3	580,073	1.102	639,298	254,520	1.102	280,492			
I	4	134,252	1.102	147,959	116,716	1.102	128,626			
I	5	690,233	0.991	683,773	483,437	0.966	467,012			
I	6	0	1.000	0	182,142	1.020	185,816			
I	Total	1,404,558		1,471,030	1,036,815		1,061,946	2,441,373	2,532,976	1.038
II	1	1,355,870	1.025	1,389,441	93,697	0.830	77,727			
II	2	2,109,725	2.336	4,928,787	3,767,457	1.560	5,877,388			
II	3	60,264,312	1.102	66,417,298	20,531,657	1.102	22,626,780			
II	4	8,306,666	1.102	9,154,777	7,234,301	1.102	7,972,515			
II	5	63,520,329	0.991	62,925,802	36,791,438	0.966	35,541,419			
II	6	0	1.000	0	15,398,100	1.020	15,708,701			
II	Total	135,556,902		144,816,105	83,816,650		87,804,531	219,373,552	232,620,636	1.060
III	1	5,005,485	1.025	5,129,419	592,726	0.830	491,703			
III	2	5,945,365	2.336	13,889,696	3,278,379	1.560	5,114,407			
III	3	83,891,586	1.102	92,456,917	30,380,284	1.102	33,480,396			
III	4	7,793,103	1.102	8,588,779	6,141,009	1.102	6,767,659			
III	5	59,644,634	0.991	59,086,382	29,751,227	0.966	28,740,405			
III	6	0	1.000	0	8,298,049	1.020	8,465,432			
III	Total	162,280,173		179,151,193	78,441,674		83,060,002	240,721,847	262,211,196	1.089
IV	1	1,436	1.025	1,472	1,484	0.830	1,231			
IV	2	1,243,281	2.336	2,904,581	239,672	1.560	373,898			
IV	3	5,336,479	1.102	5,881,334	1,574,428	1.102	1,735,088			
IV	4	139,805	1.102	154,079	58,223	1.102	64,164			
IV	5	1,614,567	0.991	1,599,455	481,647	0.966	465,283			
IV	6	0	1.000	0	203,378	1.020	207,480			
IV	Total	8,335,568		10,540,921	2,558,832		2,847,145	10,894,400	13,388,066	1.229
I, II, III, IV	Grand Total	307,577,201		335,979,249	165,853,971		174,773,625	473,431,172	510,752,874	1.079

(3), (6) Sum of Unit Statistical Plan Data Underlying Schedule Z.
 (4), (7) Section X-C, Exhibit 2, Pages 1-5.

XI 017

Loss Development of Schedule Z to Fifth Report by Hazard Group

*Review Year 2002
 First Report to Fifth Report*

Hazard Group	Injury Kind	Indemnity Losses			Medical Losses			Total Losses		
		Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (3) x (4) (5)	Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (6) x (7) (8)	Total Reported Losses	Total Developed Losses	Develop. Factor (10) / (9) (11)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
I	1	0	1.028	0	0	0.844	0			
I	2	0	4.750	0	0	3.073	0			
I	3	226,676	2.080	471,458	262,093	1.631	427,542			
I	4	73,422	2.080	152,709	80,076	1.631	130,625			
I	5	812,447	1.177	956,379	687,775	0.934	642,302			
I	6	0	1.000	0	197,876	1.110	219,571			
I	Total	1,112,545		1,580,545	1,227,820		1,420,039	2,340,365	3,000,584	1.282
II	1	1,358,846	1.028	1,396,229	27,500	0.844	23,211			
II	2	1,078,212	4.750	5,120,990	1,655,015	3.073	5,085,866			
II	3	24,876,651	2.080	51,740,304	11,867,548	1.631	19,359,044			
II	4	7,622,202	2.080	15,853,221	6,926,307	1.631	11,298,601			
II	5	64,739,001	1.177	76,208,081	46,037,490	0.934	42,993,668			
II	6	0	1.000	0	15,224,657	1.110	16,893,880			
II	Total	99,674,912		150,318,826	81,738,517		95,654,269	181,413,429	245,973,095	1.356
III	1	3,386,952	1.028	3,480,131	257,687	0.844	217,500			
III	2	925,610	4.750	4,396,204	1,345,279	3.073	4,134,046			
III	3	45,826,443	2.080	95,313,236	24,060,571	1.631	39,249,023			
III	4	7,879,299	2.080	16,387,951	6,287,450	1.631	10,256,459			
III	5	62,478,931	1.177	73,547,620	34,887,390	0.934	32,580,769			
III	6	0	1.000	0	8,343,007	1.110	9,257,730			
III	Total	120,497,235		193,125,141	75,181,384		95,695,527	195,678,619	288,820,668	1.476
IV	1	687,061	1.028	705,963	2,500	0.844	2,110			
IV	2	783,026	4.750	3,718,998	1,274,408	3.073	3,916,259			
IV	3	2,204,546	2.080	4,585,178	816,528	1.631	1,331,969			
IV	4	324,607	2.080	675,142	204,334	1.631	333,322			
IV	5	1,790,963	1.177	2,108,248	904,665	0.934	844,852			
IV	6	0	1.000	0	214,406	1.110	237,913			
IV	Total	5,790,203		11,793,529	3,416,841		6,666,425	9,207,044	18,459,954	2.005
I, II, III, IV	Grand Total	227,074,895		356,818,040	161,564,562		199,436,261	388,639,457	556,254,301	1.431

(3), (6) Sum of Unit Statistical Plan Data Underlying Schedule Z.

(4), (7) Section X-C, Exhibit 2, Pages 1-5.

XI 018

Loss Development of Schedule Z to Fifth Report by Hazard Group

Review Year 2002
Second Report to Fifth Report

Hazard Group	Injury Kind	Indemnity Losses			Medical Losses			Total Losses		
		Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (3) x (4)	Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (6) x (7)	Total Reported Losses	Total Developed Losses	Develop. Factor (10) / (9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
I	1	0	1.028	0	0	0.889	0			
I	2	0	3.504	0	0	2.340	0			
I	3	493,708	1.289	636,615	177,972	1.276	227,087			
I	4	153,231	1.289	197,585	153,554	1.276	195,930			
I	5	669,813	1.006	673,995	488,325	0.919	448,678			
I	6	0	1.000	0	192,418	1.044	200,829			
I	Total	1,316,752		1,508,195	1,012,269		1,072,525	2,329,021	2,580,720	1.108
II	1	1,373,980	1.028	1,411,780	122,596	0.889	109,011			
II	2	115,902	3.504	406,159	51,105	2.340	119,589			
II	3	48,213,039	1.289	62,168,641	18,309,346	1.276	23,362,183			
II	4	8,256,362	1.289	10,646,224	7,158,024	1.276	9,133,427			
II	5	60,953,743	1.006	61,334,296	37,070,782	0.919	34,061,030			
II	6	0	1.000	0	15,345,709	1.044	16,016,514			
II	Total	118,913,026		135,967,100	78,057,562		82,801,754	196,970,588	218,768,853	1.111
III	1	5,784,780	1.028	5,943,926	299,341	0.889	266,172			
III	2	1,041,013	3.504	3,648,057	859,643	2.340	2,011,618			
III	3	69,646,475	1.289	89,806,135	26,896,649	1.276	34,319,327			
III	4	7,287,966	1.289	9,397,519	5,801,150	1.276	7,402,096			
III	5	58,174,646	1.006	58,537,849	31,143,455	0.919	28,614,939			
III	6	0	1.000	0	8,063,913	1.044	8,416,410			
III	Total	141,934,880		167,333,485	73,064,151		81,030,561	214,999,031	248,364,046	1.155
IV	1	0	1.028	0	0	0.889	0			
IV	2	483,254	3.504	1,693,483	115,279	2.340	269,760			
IV	3	3,927,668	1.289	5,064,559	1,535,396	1.276	1,959,120			
IV	4	144,507	1.289	186,336	53,055	1.276	67,697			
IV	5	1,633,887	1.006	1,644,088	583,488	0.919	536,115			
IV	6	0	1.000	0	195,830	1.044	204,390			
IV	Total	6,189,316		8,588,466	2,483,048		3,037,082	8,672,364	11,625,548	1.341
I, II, III, IV	Grand Total	268,353,974		313,397,246	154,617,030		167,941,921	422,971,004	481,339,166	1.138

(3), (6) Sum of Unit Statistical Plan Data Underlying Schedule Z.

(4), (7) Section X-C, Exhibit 2, Pages 1-5.

XI 019

Loss Development of Schedule Z to Fifth Report by Hazard Group

Review Year 2002
Third Report to Fifth Report

Hazard Group	Injury Kind	Indemnity Losses			Medical Losses			Total Losses		
		Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (3) x (4)	Reported Losses	Develop. Factor to 5th Report	Losses Developed to 5th Report (6) x (7)	Total Reported Losses	Total Developed Losses	Develop. Factor (10) / (9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
I	1	0	1.025	0	0	0.830	0			
I	2	0	2.336	0	0	1.560	0			
I	3	824,250	1.102	908,406	311,086	1.102	342,830			
I	4	251,533	1.102	277,215	215,298	1.102	237,268			
I	5	690,045	0.991	683,586	394,123	0.966	380,732			
I	6	0	1.000	0	224,034	1.020	228,553			
I	Total	1,765,828		1,869,207	1,144,541		1,189,384	2,910,369	3,058,590	1.051
II	1	1,464,619	1.025	1,500,883	60,021	0.830	49,791			
II	2	1,961,783	2.336	4,583,162	636,190	1.560	992,483			
II	3	65,567,373	1.102	72,261,802	22,508,030	1.102	24,804,830			
II	4	10,155,208	1.102	11,192,055	7,474,765	1.102	8,237,517			
II	5	57,050,863	0.991	56,516,888	31,752,117	0.966	30,673,313			
II	6	0	1.000	0	15,283,175	1.020	15,591,458			
II	Total	136,199,846		146,054,789	77,714,298		80,349,391	213,914,144	226,404,180	1.058
III	1	4,802,162	1.025	4,921,062	62,488	0.830	51,838			
III	2	4,710,907	2.336	11,005,728	2,281,637	1.560	3,559,448			
III	3	75,392,236	1.102	83,089,783	26,921,166	1.102	29,668,298			
III	4	7,535,524	1.102	8,304,901	6,149,438	1.102	6,776,949			
III	5	49,431,338	0.991	48,968,679	27,761,558	0.966	26,818,337			
III	6	0	1.000	0	7,640,336	1.020	7,794,452			
III	Total	141,872,167		156,290,153	70,816,623		74,669,321	212,688,790	230,959,473	1.086
IV	1	0	1.025	0	0	0.830	0			
IV	2	1,454,985	2.336	3,399,169	170,087	1.560	265,343			
IV	3	3,962,121	1.102	4,366,654	621,173	1.102	684,560			
IV	4	112,427	1.102	123,906	54,710	1.102	60,293			
IV	5	1,316,748	0.991	1,304,424	473,493	0.966	457,406			
IV	6	0	1.000	0	186,330	1.020	190,089			
IV	Total	6,846,281		9,194,152	1,505,793		1,657,689	8,352,074	10,851,841	1.299
I, II, III, IV	Grand Total	286,684,122		313,408,300	151,181,255		157,865,785	437,865,377	471,274,085	1.076

(3), (6) Sum of Unit Statistical Plan Data Underlying Schedule Z.

(4), (7) Section X-C, Exhibit 2, Pages 1-5.

Loss Development Factors From 5th to Ultimate

Hazard Group	Losses Developed to 5th Report				Indicated Factor to Financial Agg. Level	Balanced Selected Factor
	Indemnity		Medical			
	Serious	Non-serious	Serious	Non-Serious		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
I	2,247,734	4,419,560	1,264,369	3,871,803	1.071	1.071
II	178,071,263	277,149,421	68,995,054	206,052,916	1.075	1.075
III	345,799,578	293,314,945	131,421,192	167,410,426	1.112	1.112
IV	24,297,743	11,477,447	8,346,619	4,548,603	1.144	1.144
	550,416,318	586,361,373	210,027,234	381,883,747	1.097	1.097

(2) - (5) From Exhibit 4, Pages 4-6.

(6) Weighted Average of Adjustment Factors from Page 2.

(Serious Indemnity 1.155, Non-Serious Indemnity 1.000,
 Serious Medical 1.391, Non-Serious Medical 1.000)

(7) Factors are balanced to the overall factor to Financial Aggregate level from page 2.

XI 021

Section XI - Miscellaneous Rating Factors
 Subsection B - Expected Loss Rates
 09/01/2005

Section XI-B
 Exhibit 5
 Page 2

Determination of Factor to Financial Aggregate Level

Composite Policy Year (1)	Schedule Z Losses Developed to 5th Rept. (2)	Financial Aggregate Develop. Factor 5th to Ult. (3)	Differential in Loss Development (4)	Schedule Z Losses Adjusted to Financial Agg. Ult. Loss Level (2) x (3) x (4) (5)	Adjustment Factor (5) / (2) (6)
Indemnity					
01/02	368,840,073	1.051	1.023	396,438,165	1.075
00/01	385,165,260	1.051	1.023	413,984,867	1.075
99/00	382,973,456	1.051	1.023	411,629,064	1.075
Total	1,136,978,790			1,222,052,096	1.075
Medical					
01/02	193,503,645	1.139	1.000	220,383,812	1.139
00/01	186,690,196	1.139	1.000	212,623,887	1.139
99/00	211,791,617	1.139	1.000	241,212,220	1.139
Total	591,985,459			674,219,919	1.139
Ind.+Med.					
01/02	562,343,718			616,821,977	1.097
00/01	571,855,456			626,608,754	1.096
99/00	594,765,074			652,841,285	1.098
Total	1,728,964,248			1,896,272,015	1.097

(7)	Schedule Z Indem. Losses Developed to 5th Report (8)	Adjustment Factor (9)	Schedule Z Med. Losses Developed to 5th Report (10)	Adjustment Factor (11)
a. Serious	550,561,086	1.155	210,119,890	1.391
b. Non-Ser.	586,417,704	1.000	381,865,569	1.000
c. Total	1,136,978,790	1.075	591,985,459	1.139

(2) From Page 4

(3) From Page 3

(4) From Page 5

(8),(10) From Page 4

(9),(11) Serious Adjustment Factor = 1 + (Total Losses/Serious Losses) x ("Appropriate Column 6 Factor" - 1)

XI 022

Section XI - Miscellaneous Rating Factors
Subsection B - Expected Loss Rates
09/01/2005

Section XI-B
Exhibit 5
Page 3

Determination of Factor to Financial Aggregate Level

	<u>Indemnity</u>	<u>Medical</u>
(1) Development Factor based on Paid+Case (Section II): 72 Months to Ult.	1.056	1.270
(2) Est. Ultimate Losses (Prior to Escalation Adj.) based on Paid + Case Develop. Method		
(a) PY2001 (Section II)	295,469,531	193,811,110
(b) PY2002 (Section II)	308,672,338	209,681,159
(c) Average	302,070,935	201,746,134
(3) Est. Ultimate Losses (Prior to Escalation Adj.) based on Paid Develop. Method		
(a) PY2001 (Section II)	302,024,612	154,012,512
(b) PY2002 (Section II)	295,838,565	166,385,744
(c) Average	298,931,588	160,199,128
(4) = [(2c) + (3c)] / [2 x (2c)] Ratio of Est. Ultimate Losses based on average of Paid and Paid + Case indications to Est. Ultimate Losses based on Paid + Case	0.995	0.897
(5) = (1) x (4) Development Factor to bring Schedule Z 5th report data to Financial Aggregate Ultimate Level	1.051	1.139

Notes:

- (1) Indemnity: Section II-B, Exhibit 2, Page 1 & Section II-C, Exhibit 2, Page 1
 Medical: Section II-B, Exhibit 2, Page 2 & Section II-C, Exhibit 2, Page 1
(2),(3) Section II-A, Exhibit 1, Page 1

All Classifications

Composite Policy Year	Injury Kind	Schedule Z Data		Development Factors to 5th Report			
		Paid + Case		Paid + Case		Paid + Case	
		Indemnity	Medical	Indemnity	Medical	Indemnity (3) x (5)	Medical (4) x (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
01/02	1	12,630,626	441,507	1.028	0.844	12,978,109	372,652
01/02	2	3,048,480	2,325,905	4.750	3.073	14,478,818	7,147,513
01/02	3	71,156,696	33,002,598	2.080	1.631	147,996,975	53,835,785
01/02	4	21,332,579	16,163,209	2.080	1.631	44,369,080	26,366,380
01/02	5	126,590,481	84,091,992	1.177	0.934	149,017,092	78,532,152
01/02	6	0	24,556,773	1.000	1.110	0	27,249,164
01/02	TOTALS	234,758,862	160,581,984			368,840,073	193,503,645
00/01	1	11,312,138	253,319	1.028	0.889	11,623,348	225,249
00/01	2	1,943,499	2,253,912	3.504	2.340	6,810,670	5,274,294
00/01	3	124,363,757	44,358,887	1.289	1.276	160,361,717	56,600,626
00/01	4	20,446,761	12,801,082	1.289	1.276	26,365,219	16,333,801
00/01	5	178,887,456	88,709,028	1.006	0.919	180,004,306	81,506,801
00/01	6	0	25,629,104	1.000	1.044	0	26,749,425
00/01	TOTALS	336,953,611	174,005,332			385,165,260	186,690,196
99/00	1	8,317,104	357,106	1.025	0.830	8,523,033	296,241
99/00	2	7,763,497	9,857,376	2.336	1.560	18,137,258	15,377,913
99/00	3	153,934,452	64,416,344	1.102	1.102	169,651,160	70,989,617
99/00	4	25,665,181	17,117,123	1.102	1.102	28,285,596	18,863,815
99/00	5	159,872,761	81,869,892	0.991	0.966	158,376,410	79,088,297
99/00	6	0	26,638,400	1.000	1.020	0	27,175,733
99/00	TOTALS	355,552,995	200,256,241			382,973,456	211,791,617

(3)-(6) From Section X-C, Exhibit 2, Pages 1-5.

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Section XI - Miscellaneous Rating Factors
Subsection B - Expected Loss Rates
09/01/2005

Section XI-B
Exhibit 5
Page 5

Escalation Adjustment for Indemnity Losses Only

Loss Development Method	Composite Policy Year	Differential in Loss Development	Adjustment Factors
(1)	(2)	(3)	(4)
Paid+Case	01/02	1.012	1.012
Paid+Case	00/01	1.012	1.012
Paid+Case	99/00	1.012	1.012
Paid	01/02	1.034	1.034
Paid	00/01	1.034	1.034
Paid	99/00	1.034	1.034
Avg of Pd and Pd + Case	01/02		1.023
	00/01		1.023
	99/00		1.023

Notes:

(3): From Section II-D, Exhibit 1, Page 1 and Exhibit 2, Page 1

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Section XI - Miscellaneous Rating Factors
 Subsection B - Expected Loss Rates
 09/01/2005

Section XI - B
 Exhibit 6

Investment Income Offset

(1) Hazard Code	(2) Injury Kind	Indemnity		Medical		(7) Total Investment Income Offset
		(3) Developed Losses at Ultimate	(4) Investment Income Offset	(5) Developed Losses at Ultimate	(6) Investment Income Offset	
I	1	4,745	0.6481	2,337	1.0000	
I	2	0	0.5786	0	0.5786	
I	3	2,590,312	0.9596	1,756,867	0.9596	
I	4	633,236	1.0000	429,335	1.0000	
I	5	3,786,324	0.9768	2,797,320	0.9768	
I	6			645,148	1.0000	
		7,014,617	0.9723	5,631,007	0.9759	0.974
II	1	6,782,761	0.6481	281,767	1.0000	
II	2	12,803,428	0.5786	10,436,700	0.5786	
II	3	186,000,841	0.9596	85,279,129	0.9596	
II	4	48,345,921	1.0000	30,296,008	1.0000	
II	5	228,803,499	0.9768	125,196,038	0.9768	
II	6			50,560,870	1.0000	
		482,736,451	0.9573	302,050,511	0.9644	0.960
III	1	31,211,426	0.6481	959,201	1.0000	
III	2	32,520,321	0.5786	25,529,732	0.5786	
III	3	335,501,163	0.9596	156,366,471	0.9596	
III	4	48,222,178	1.0000	30,138,560	1.0000	
III	5	245,092,767	0.9768	108,051,422	0.9768	
III	6			29,220,444	1.0000	
		692,547,856	0.9366	350,265,829	0.9441	0.939
IV	1	243,990	0.6481	778	1.0000	
IV	2	195,260	0.5786	2,713,242	0.5786	
IV	3	27,613,007	0.9596	8,899,209	0.9596	
IV	4	1,771,256	1.0000	677,846	1.0000	
IV	5	9,706,191	0.9768	3,076,565	0.9768	
IV	6			794,192	1.0000	
		39,529,704	0.9618	16,161,832	0.9026	0.945

Notes:

- (3) 2004 Review Books 1-3. From Section XI-B Exhibit 4, Pages 4-6 Col. (5) x Exhibit 5, Page 2 Col. (9)
- (4),(6) From Section X-C Exhibit 3
- (5) 2004 Review Books 1-3. From Section XI-B Exhibit 4, Pages 4-6 Col. (8) x Exhibit 5, Page 2 Col. (11)
- (7) = Average of (4) and (6) weighted by (3) and (5)

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Section XI - Miscellaneous Rating Factors
Subsection C - Calculation of "D" Ratios
09/01/2005

Section XI-C
Exhibit 1
Page 1

Calculation of Statewide Partial "D" Ratios by Injury Type

Lost Time Injuries (1)	Adjusted Primary Losses (Indemnity and Medical) (2)	Adjusted Total Indemnity Losses (3)	Partial D-Ratio (2) / (3) (4)
SERIOUS	21,025,425	486,652,667	0.043
NON-SERIOUS	213,944,165	648,035,047	0.330

Medical Only Injuries (5)	Adjusted Primary Medical Only Losses (6)	Adjusted Total Medical Losses (7)	Partial D-Ratio (6) / (7) (8)
MEDICAL	92,129,987	685,892,371	0.134

Source: Data at the individual claim level has been adjusted by the factors shown on Exhibit 1, page 2, where the individual claim data is for the three most recent composite policy years, Schedule Z.

Severity Trend and Law Amendment Factors

Composite Policy Year	<i>Indemnity By Injury Kind</i>					<i>Medical by Injury Kind</i>					
	1	2	3	4	5	1	2	3	4	5	6

A. Severity Trend Factors (Exhibit 2)

99/00	1.204	1.204	1.204	1.204	1.204	1.228	1.228	1.228	1.228	1.228	1.228
00/01	1.204	1.204	1.204	1.204	1.204	1.228	1.228	1.228	1.228	1.228	1.228
01/02	1.204	1.204	1.204	1.204	1.204	1.228	1.228	1.228	1.228	1.228	1.228

B. Law Amendment Factors (Section IV-A, Exhibit 10, Pages 1 & 2)

99/00	1.039	1.030	1.046	1.065	1.017	1.033	1.033	1.033	1.033	1.033	1.033
00/01	1.006	1.009	1.014	1.015	1.004	1.052	1.052	1.052	1.052	1.052	1.052
01/02	1.002	1.003	1.004	1.004	1.001	1.050	1.050	1.050	1.050	1.050	1.050

C. Combined Severity Trend and Law Amendment Factors (A x B)

99/00	1.250	1.240	1.259	1.281	1.224	1.268	1.268	1.268	1.268	1.268	1.268
00/01	1.211	1.214	1.221	1.222	1.208	1.292	1.292	1.292	1.292	1.292	1.292
01/02	1.206	1.207	1.209	1.209	1.205	1.289	1.289	1.289	1.289	1.289	1.289

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Section XI - Miscellaneous Rating Factors
Subsection C - Calculation of "D" Ratios
09/01/2005

Section XI-C
Exhibit 2

Severity Trend Factors

Schedule Z Composite Policy Year (1)
07/01/1999 - 06/30/2000
07/01/2000 - 06/30/2001
07/01/2001 - 06/30/2002

Average Policy Period (2)
03/01/2002 - 02/28/2003
03/01/2003 - 02/29/2004
03/01/2004 - 02/28/2005

Avg Acc Date
06/30/2001

Avg Acc Date
08/30/2003

(3) Indemnity Severity Trend	8.9%
(4) Medical Severity Trend	9.9%
(5) Trend Period Length = Years between (1) and (2)	2.167
(9) Indemnity Trend Factor = [1.000 + (3)] ^ (5)	1.204
(10) Medical Trend Factor = [1.000 + (4)] ^ (5)	1.228

Notes:

(3),(4) From Section V-A Exhibit 1

(9),(10) Severity Trend Factors adjust 99/00 to 9/1/02, 00/01 to 9/1/03,
and 01/02 to 9/1/04.