

Department of Consumer & Business Services
Oregon Division of Financial Regulation – 5

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**ADOPTION OF RATING ORGANIZATION PROSPECTIVE LOSS COSTS
SUMMARY OF SUPPORTING INFORMATION FORM**

Insurer Name : _____

PART I - CALCULATION OF COMPANY LOSS COST MULTIPLIER

1. Line, Subline, Coverage, Territory, Class, etc. Combination to which this page applies:

2. Loss Cost Modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:
(CHECK ONE)

Without modification. (factor = 1.000)

With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.)

B. Loss Cost Modification Expressed as a Factor: _____
(see examples below)

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED, ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 3-7 BELOW.

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

	Selected Provisions
A. Total Production Expenses	_____ %
B. General Expense	_____ %
C. Taxes, Licenses & Fees	_____ %
D. Underwriting Profit & Contingencies	_____ %
E. Other* (explain)	_____ %
F. TOTAL	_____ %

*Note: including consideration for investment income

4A. Expected Loss Ratio: $ELR=100\% - 3F =$ _____ %

4B. ELR in decimal form = _____

5. Company Formula Loss Cost Multiplier: $(2B \div 4B) =$ _____

6. Company Selected Loss Cost Multiplier = _____
Explain any differences between 5 and 6:

7. Rate level change for the coverages to which this page applies _____ %

Example 1: Loss Cost modification factor: If your company's loss cost modification is -10%, a factor of .90 (1.0 - .100) should be used.

Example 2: Loss Cost modification factor: If your company's loss cost modification is +15%, a factor of 1.15 (1.000 + .150) should be used.

[Only submit if applicable]

PART II - EXPENSE CONSTANT SUPPLEMENT

CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

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

	Selected Provisions		
	Overall	Variable	Fixed
A. Total Production Expense	_____	_____	_____
B. General Expense	_____	_____	_____
C. Taxes, Licenses & Fees	_____	_____	_____
D. Underwriting Profit & Contingencies	_____	_____	_____
E. Other * (explain)	_____	_____	_____
F. TOTAL	_____	_____	_____
*Note: including consideration for investment income			
9. A. Expected Loss Ratio: ELR=100% - Overall 3F =	_____		
B. ELR expressed in decimal form =	_____		
C. Variable Expected Loss Ratio VELR=100% - Variable 3F =		_____	
D. VELR in decimal form =		_____	

10. Formula Expense Constant:
 $[(1.00 \div 9B) - (1.00 \div 9D)] \times \text{Average Underlying Loss Cost} =$ _____

Formula Variable Loss Cost Multiplier: $(2B \div 9D) =$ _____

Selected Expense Constant = _____

Selected Variable Loss Cost Multiplier = _____

Explain any differences between 5 and 6:

Rate level change for the coverages to which this page applies _____ %