INDIANA
COMPENSATION
RATING BUREAU

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9/24/2026

Circular 2026-08

Approved January 1, 2027, Advisory Rate Filing

Summary

On 9/24/2026, the Indiana Department of Insurance (IDOI) approved and filed the 2027 Advisory Rate Filing. The filing consists of:

1. Overall Advisory Loss Cost Level -5.6%
2. Overall Advisory Rate Level -4.7%
3. Overall Assigned Risk Rate Level -4.7%

- The filing is based on premium and loss experience for Policy Years 2023 and 2024 evaluated as of December 31, 2025.
- Indiana's lost time claim frequency continues to show a long-term declining trend.
- The loss cost and rate changes vary by classification code, each of which belongs to one of five industry groups.
- After adjusting to a common wage level, the indemnity and medical average cost per case has shown moderate long-term declines.

Sincerely,

Paul E Keathley

Paul Keathley, CAWC
President & CEO

Indiana

Advisory Rates, Loss Costs, Assigned Risk Rates, and Rating Values Filing

Proposed Effective January 1, 2027

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September 15, 2026
Honorable Holly W. Lambert
Commissioner of Insurance
Indiana Department of Insurance
311 W. Washington St., Suite 300
Indianapolis, IN 46204-2787

Re: Indiana Workers Compensation Advisory Rates, Loss Costs, Assigned Risk Rates, and Rating Values Filing Proposed Effective January 1, 2027

Dear Commissioner Lambert:

In accordance with the applicable statutes and regulations of the state of Indiana, we are filing for your consideration and approval workers compensation advisory rates, loss costs, and rating values for the Indiana voluntary market and assigned risk rates and rating values for the Indiana assigned risk market.

This filing proposes a change of −5.6% to the overall voluntary loss cost level and −4.7% to the overall voluntary and assigned risk rate level to become effective on January 1, 2027, for new and renewal business.

We make this filing on behalf of the members and subscribers of the Indiana Compensation Rating Bureau. All persons on the "Interested Persons List" have been notified of the captioned filing.

Sincerely,

Paul E Keathley

Paul E. Keathley, CAWC
President & CEO, ICRB

Actuarial content prepared by:

Daniel Clayman

Dan Clayman, FCAS, MAAA
Director and Actuary, NCCI

Enclosure

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Indiana

Advisory Rates, Loss Costs, and Assigned Risk Rates Filing – January 1, 2027

Actuarial Certification

I, Dan Clayman, am a Director and Actuary for the National Council on Compensation Insurance, Inc. I am a Fellow of the Casualty Actuarial Society and a member of the American Academy of Actuaries, and I meet the Qualification Standards of the American Academy of Actuaries to provide the actuarial report contained herein.

The information contained in this report has been prepared under my direction in accordance with applicable Actuarial Standards of Practice as promulgated by the Actuarial Standards Board. The Actuarial Standards Board is vested by the U.S.-based actuarial organizations with the responsibility for promulgating Actuarial Standards of Practice for actuaries providing professional services in the United States. Each of these organizations requires its members, through its Code of Professional Conduct, to observe the Actuarial Standards of Practice when practicing in the United States.

Dan Clayman, FCAS, MAAA
Director and Actuary

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Indiana

Advisory Rates, Loss Costs, and Assigned Risk Rates Filing – January 1, 2027

Disclosures

Purpose of the Report

The purpose of this report is to provide the advisory rates, loss costs, and assigned risk rates for workers compensation policies in Indiana, proposed to be effective January 1, 2027. The intended users of this report are:

- The Indiana Department of Insurance
- Affiliated carriers, for their reference in determining workers compensation rates

Scope

The prospective advisory rates are intended to cover the indemnity and medical benefits provided under the system, the expenses associated with providing these benefits (loss-based expenses), and any other costs associated with providing workers compensation insurance (such as commissions, taxes, etc.).

The filing also contains advisory loss costs. The prospective loss costs are intended to cover the indemnity and medical benefits provided under the system, as well as some of the expenses associated with providing these benefits (loss-based expenses). They do not, however, contemplate any other costs associated with providing workers compensation insurance (such as commissions, taxes, etc.).

Carriers offering workers compensation insurance in Indiana may desire to a) adopt the advisory rates which are based on NCCI's compilations of expense data, b) deviate from the advisory rates, or c) adopt the advisory loss costs to which they would apply their own expense provisions. The latter option can be accomplished through a loss cost multiplier that is applied to the approved advisory prospective loss costs in order to compute the final workers compensation rates that a carrier intends to charge. This multiplier is intended to cover the other costs associated with providing workers compensation insurance that are not already part of the advisory prospective loss costs.

Employers unable to secure coverage in the voluntary market can apply for such coverage in the assigned risk market. The proposed rates for the voluntary market are also applicable to assigned risk policies, with a proposed effective date of January 1, 2027. Currently, assigned risk policies with premium greater than $2,750 are assessed a 30% surcharge, with the surcharge being applied to the premium amount above $2,750.

NCCI utilizes widely accepted general ratemaking methodologies in the calculation of advisory rates, loss costs, and assigned risk rates, including (i) experience base determination, (ii) chain ladder development method, (iii) trending procedure, (iv) expense calculation, and (v) application of

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indemnity and medical benefit changes. These ratemaking methodologies are unchanged from the prior filing and continue to remain appropriate for use in this filing.

Data Sources

Key Dates	
Financial Data Valuation Date	December 31, 2025
Financial Call Data Cutoff Date	June 23, 2026
Unit Statistical Plan Data Cutoff Date	June 25, 2026
Filing Preparation Date	August 7, 2026

The overall average advisory rate, loss cost, and assigned risk rate level changes are based on a review of Financial Call Data, which is an aggregation of workers compensation data annually reported to NCCI. In this filing, Financial Call Data submissions received after the Financial Call Data Cutoff Date were not considered for inclusion in the analysis.

Rate and loss cost level changes at the classification code level are based on Unit Statistical Plan Data, which is the audited exposure, premium, and loss information reported to NCCI on a policy level. In this filing, Unit Statistical Data submissions received after the Unit Statistical Plan Data Cutoff Date were not considered for inclusion in the analysis.

In some areas, NCCI’s analysis also relies on other data sources, which are reviewed for reasonableness and are referenced in the filing where applicable. Events that have occurred after the Filing Preparation Date that may have a material impact on workers compensation costs in this jurisdiction have not been considered in the analysis.

Data Exclusions

NCCI maintains several data reporting initiatives and programs to assist carriers to report data and to ensure that the data that is reported to NCCI is complete, accurate, and reported in a timely fashion. Occasionally, a carrier’s data submission is not available for use in an NCCI filing either because the data was not reported prior to the filing, had quality issues, or NCCI determined that the data that was reported should not be included in the filing based on NCCI's actuarial judgment.

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Advisory Rates, Loss Costs, and Assigned Risk Rates Filing – January 1, 2027

Disclosures

In this year's filing, data for all carrier writing at least one-tenth of one percent of the Indiana workers compensation written premium volume have been included in the experience period on which this filing is based.

NCCI categorizes catastrophic events as those that incur aggregate workers compensation losses in excess of $50 million per occurrence. Terrorism, industrial accidents, natural disasters, pandemics, and other perils all have the potential to be catastrophic in terms of the costs they impose on the workers compensation system. NCCI's ratemaking methodology excludes catastrophe-related losses from the calculation of loss costs and rates since these events are not considered to be predictive of future experience. Future catastrophic experience is contemplated through the terrorism and catastrophe provisions. In line with previous filings, NCCI continues to exclude COVID-19 claims with accident dates between December 1, 2019 and June 30, 2023 from Financial Call Data and Unit Statistical Plan Data for use in ratemaking.

Other exclusions are made for the purposes of analysis, but do not have a material impact on the proposed changes in this filing.

Risks and Uncertainty

This filing includes assumptions and projections concerning the future. As with any prospective analysis, there exists estimation uncertainty in these assumptions and projections. Areas of this analysis subject to estimation uncertainty that could have a material impact on the final results include the following:

- Projection of future loss development
- Selection of loss ratio trends
- Unanticipated changes to wage or medical inflation
- Potential impact of changes to laws and/or regulations
- Unforeseen changes in future economic conditions, including any unexpected changes to the labor market

In addition, any future changes to workers compensation law or regulations that apply retroactively to policies or benefit claims on policies in the proposed effective period may have a significant impact on the adequacy of the advisory rates and loss costs proposed in this filing.

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Indiana

Advisory Rates, Loss Costs, and Assigned Risk Rates Filing – January 1, 2027

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Part 3 Supporting Exhibits

- Exhibit I: Determination of the Indicated Rate Level Change
- Exhibit II: Workers Compensation Expense Program
- Appendix A: Factors Underlying the Proposed Rate Level Change
- Appendix B: Calculations Underlying the Rate Change by Classification
- Appendix C: Memoranda for Laws

Part 4 Additional Information

- Definitions
- Key Contacts

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Part 1 Filing Overview

- Executive Summary
- Overview of Methodology
- Summary of Selections

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Indiana

Advisory Rates, Loss Costs, and Assigned Risk Rates Filing – January 1, 2027

Executive Summary

Based on its review of the most recently available data, NCCI has proposed the following overall average workers compensation advisory rate, loss cost, and assigned risk rate level changes in Indiana to become effective January 1, 2027.

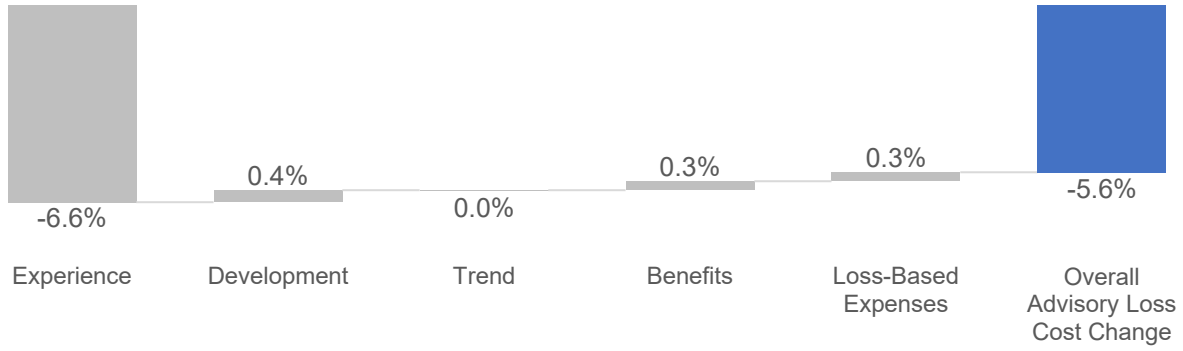
Summary of Overall Indications

Proposed Change in Overall Advisory Loss Cost Level	**– 5.6%**
Proposed Change in Overall Advisory Rate Level	**– 4.7%**
Proposed Change in Overall Assigned Risk Rate Level	**– 4.7%**

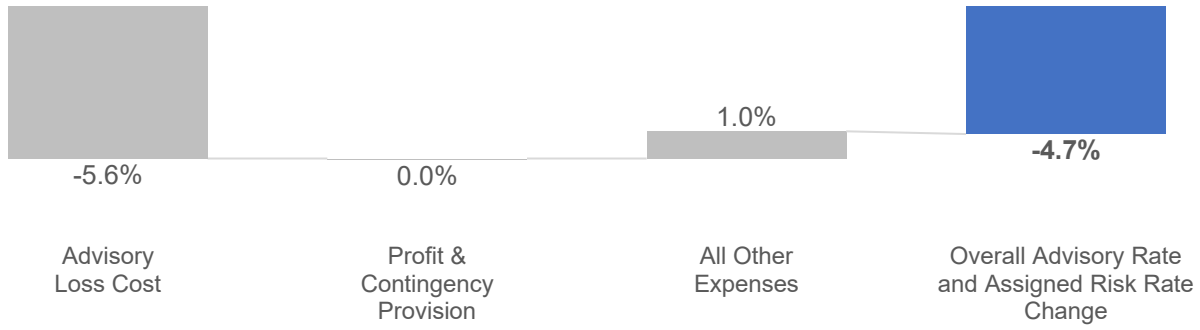
Breakdown of the Change in Key Components

Below are the changes in the key components underlying the overall advisory rate, loss cost, and assigned risk rate level indications. The impact of these components are combined multiplicatively to produce the overall change. The overall change varies by classification code, each of which belongs to one of five Industry Groups.

Advisory Loss Cost



Advisory Rate & Assigned Risk Rate



The key components shown above are described in detail on the following pages.

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Indiana

Advisory Rates, Loss Costs, and Assigned Risk Rates Filing – January 1, 2027

Executive Summary

Key Component Overview

Experience and Development

- The filing is based on premium and loss experience for Policy Years 2023 and 2024 evaluated as of December 31, 2025. This most recent financial data shows continued improvement when compared to the data evaluated as of December 31, 2024. Refer to Exhibit I for the considerations underlying the Experience Period and Loss Base selections.
    - A combination of both paid and paid plus case data was selected to best reflect the conditions likely to prevail in the proposed effective period.
    - Both Policy Years 2023 and 2024 demonstrate favorable experience. The use of the two most recently available full policy years appropriately balances stability and responsiveness. This methodology is consistent with prior filings in Indiana.
- The reported loss amounts are projected to an ultimate basis using a 2-year average of development factors for paid losses and a 3-year average for paid plus case losses. This is a change from the previous filing which relied on a 5-year average for indemnity paid plus case losses and a 3-year average for medical paid plus case losses. A 3-year average of development factors for indemnity paid plus case losses was selected to be more responsive to recent increasing development patterns. Refer to Appendix A-II for considerations underlying the Development selection.

Trend

- Generally, the selected annual loss ratio trends in this year's filing are based on mid- to long-term patterns as well as adjusted exponential fits that temper the changes observed in Policy Years 2014 and 2020 which are impacted by House Enrolled Act 1320 and the pandemic, respectively. Refer to Appendix A-III for considerations underlying the Trend selection.
    - After adjusting to a common wage level, Indiana's lost-time claim frequency has shown a long-term declining trend.
    - After adjusting to a common wage level, the indemnity and medical average cost per case exhibit moderate long-term declines, with both figures displaying year-to-year volatility.
    - A review of the various exponential fits supported maintaining the selected indemnity loss ratio trend of -4.5% and the selected medical loss ratio trend of -5.0%.

Other Items of Note

- The primary driver of the proposed change is attributable to improved experience.
- The benefit change reflects the impact of recent updates to the Indiana medical fee schedule.
- The "All Other Expenses" includes an increase to the production and general expense (+1.0%).
- The assigned risk rates in this filing are equal to the advisory rates. There has been no change in the surcharge applicable to assigned risk policies.

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Overview of Methodology

The following methodologies and assumptions used in this filing may not be applicable to or relevant for another purpose, including but not limited to NCCI filings in other jurisdictions.

Aggregate Ratemaking

NCCI's approach to determining the proposed overall average advisory rate level change utilizes widely accepted ratemaking methodologies. The approach employed in this filing includes the following steps:

- The reported historical premium totals are projected to an ultimate basis and adjusted to the current pure premium level
- The excess loss portion of individual large claims are removed from reported aggregate losses, based on an Indiana-specific large loss threshold
- The reported historical limited indemnity and medical loss totals are projected to an ultimate basis and adjusted to the current benefit level
- Ratios of losses to pure premium are projected to the cost levels expected in the effective period
- Ultimate, trended, limited losses are adjusted to an unlimited basis via a non-catastrophe excess ratio (with excess ratios at limits beyond $50 million set equal to zero)
- Proposed benefit level and/or expense changes are applied to the projected cost ratios

The indicated average advisory rate level change is calculated for the years in the filing's experience period. If the final projected cost ratios are greater (less) than 1.000, then an increase (decrease) in the average advisory rate level is indicated.

Class Ratemaking

Once the proposed overall average advisory rate level change has been determined, NCCI separately determines rates per $100 of payroll for each workers compensation job classification (class); the advisory rates and year-over-year changes vary by class. Three sets of pure premiums are combined as part of each class code's advisory rate calculation based on the volume of available data for that job classification. The three sets of pure premiums are:

- State-specific payroll and loss experience ("indicated")
- Currently-approved pure premium adjusted to the proposed level ("present on rate level")
- Countrywide experience adjusted to state conditions ("national")

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Indiana

Advisory Rates, Loss Costs, and Assigned Risk Rates Filing – January 1, 2027

Summary of Selections

The following is a summary of selections underlying the advisory rates, loss costs, and assigned risk rates proposed to be effective January 1, 2027, along with the selections underlying the currently approved filing effective January 1, 2026.

Advisory Rates and Loss Costs	Currently Approved January 1, 2026	Proposed Effective January 1, 2027
Experience Period	Policy Years 2022 and 2023	Policy Years 2023 and 2024
Premium Development	3-yr avg*	3-yr avg*
Loss Experience Base	Avg Paid and P+C	Avg Paid and P+C
Loss Development - Paid	2-yr avg	2-yr avg
Loss Development - Paid+Case (Indemnity / Medical)	5-yr avg / 3-yr avg	3-yr avg / 3-yr avg
Tail Factor – Indemnity	1.005	1.005
Tail Factor – Medical	1.005	1.005
Trend Factor – Indemnity Loss Ratio	0.955	0.955
Trend Factor – Medical Loss Ratio	0.950	0.950
Base Threshold for Limiting Losses	$6,880,552	$6,900,169
Excess Ratio	1.0%	1.0%
Loss-based Expense Provision	18.7%	19.1%
Production and General Expenses	24.8%	25.5%
Premium Taxes and Assessments	1.7%	1.7%
Profit and Contingencies Provision	0.0%	0.0%
Classification Swing Limits (applied by Industry Group)	+/-25%	+/-25%

* A 5-year average, excluding the maximum and minimum values was used for the 1st:2nd premium development factor.

Assigned Risk Rates	Currently Approved January 1, 2026	Proposed Effective January 1, 2027
Factor to Convert Advisory Rates to Assigned Risk Rates	1.000	1.000
Premium Surcharge	30% on premium excess of $2,750	30% on premium excess of $2,750

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Part 2 Proposed Values

- Proposed Advisory Rates and Loss Costs for Inclusion in the Basic Manual
- Proposed Assigned Risk Rates for Inclusion in the Residual Market Manual
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- Proposed Values for Inclusion in the Retrospective Rating Plan Manual

Please note the following in connection with this filing:

- The minimum premium value for Class Code 0401 is now the standard calculation
- As a result of Item R-1425, the retrospective rating plan parameters have been updated

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Advisory Rates, Loss Costs, and Assigned Risk Rates Filing – January 1, 2027

Proposed Advisory Rates and Loss Costs for Inclusion in the Basic Manual

The following pages include proposed:

- Advisory rates, minimum premiums, and loss costs by class code, along with associated footnotes
- Advisory miscellaneous values, such as:
  - Catastrophe and Terrorism provisions
  - Expense Constant and Minimum Premium parameters
  - Maximum and minimum weekly payroll applicable for select class codes
  - Premium determination for Partners and Sole Proprietors
  - United States Longshore and Harbor Workers' Compensation Coverage Percentage

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Effective January 1, 2027

CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
0005	1.139	519	2070	2.724	1018	2836	1.232	548	3383	0.647	364	4239	1.167	528
0008	1.228	547	2081	1.173	529	2841	1.346	584	3385	0.647	364	4240	1.017	480
0016	1.920	765	2089	1.274	561	2881	1.139	519	3400	1.562	652	4243	0.947	458
0034	1.289	566	2095	1.295	568	2883	0.975	467	3507	1.147	521	4244	1.290	566
0035	1.035	486	2105	1.645	678	2915	1.240	551	3515	0.850	428	4250	0.858	430
0036	1.679	689	2110	1.859	746	2916	1.484	627	3548	0.618	355	4251	1.047	490
0037	1.819	733	2111	1.168	528	2923	1.030	484	3559	1.282	564	4263	1.638	676
0042	1.987	786	2112	1.560	651	2960	2.171	844	3574	0.512	321	4273	1.204	539
0050	2.371	907	2114	0.980	469	3004	0.475	310	3581	0.418	292	4279	1.311	573
0059	–	–	2121	0.635	360	3018	1.139	519	3612	0.887	439	4283	0.850	428
0065	–	–	2130	0.813	416	3022	1.284	564	3620	0.946	458	4299	0.794	410
0066	–	–	2131	0.868	433	3027	1.053	492	3629	0.769	402	4304	1.960	777
0067	–	–	2143	0.804	413	3028	1.443	615	3632	0.884	438	4307	0.686	376
0079	1.076	499	2157	1.794	725	3030	1.802	728	3634	0.780	406	4351	0.538	329
0083	2.269	875	2172	0.730	390	3040	1.801	727	3635	0.887	439	4352	0.566	338
0106	3.236	1179	2174	1.238	550	3041	1.402	602	3638	0.775	404	4361	0.377	279
0113	1.267	559	2211	4.995	1500	3042	1.056	493	3642	0.540	330	4410	1.170	529
0170	1.037	487	2220	1.243	552	3064	1.518	638	3643	0.951	460	4420	1.311	573
0251	1.517	638	2288	2.527	956	3076	1.295	568	3647	1.232	548	4431	0.676	373
0401	4.315	1500	2302	0.848	427	3081	1.781	721	3648	0.522	324	4432	0.621	356
0766N	0.210	–	2305	1.243	552	3082	1.984	785	3681	0.307	257	4452	1.053	492
0771N	0.164	–	2361	0.882	438	3085	2.140	834	3685	0.455	303	4459	1.246	552
0908P	75.000	235	2362	1.040	488	3110	1.372	592	3719	0.384	281	4470	1.079	500
0913P	221.000	381	2380	1.050	491	3111	1.077	499	3724	1.552	649	4484	1.017	480
1005*	2.043	804	2388	0.683	375	3113	0.609	352	3726	1.057	493	4493	1.032	485
1016*	6.645	1500	2402	0.847	427	3114	1.047	490	3803	1.480	626	4511	0.302	255
1164	1.235	549	2413	0.808	415	3118	0.757	398	3807	0.640	362	4557	1.133	517
1165	0.976	467	2416	0.808	415	3119	0.506	319	3808	1.376	593	4558	0.852	428
1320	1.057	493	2417	0.577	342	3122	0.673	372	3821	2.460	935	4568	0.972	466
1322	2.860	1061	2501	1.170	529	3126	0.811	415	3822	1.622	671	4581	0.393	284
1430	1.259	557	2503	0.465	306	3131	0.626	357	3824	1.173	529	4583	1.575	656
1438	1.505	634	2570	1.451	617	3132	0.986	471	3826	0.299	254	4611	0.310	258
1452	0.826	420	2585	1.336	581	3145	0.915	448	3827	1.029	484	4635	1.056	493
1463	3.544	1276	2586	1.684	690	3146	0.925	451	3830	0.626	357	4653	0.967	465
1472	1.076	499	2587	1.175	530	3169	0.947	458	3851	0.980	469	4665	2.564	968
1604	1.953	775	2589	0.863	432	3179	0.694	379	3865	1.206	540	4683	1.880	752
1624	1.452	617	2600	2.200	853	3180	0.949	459	3881	1.536	644	4686	1.272	561
1642	1.495	631	2623	2.200	853	3188	0.756	398	4000	2.279	878	4692	0.335	266
1654	1.794	725	2651	0.644	363	3220	0.674	372	4021	1.765	716	4693	0.397	285
1699	1.121	513	2660	1.001	475	3224	1.295	568	4024	2.239	865	4703	0.627	358
1701	1.112	510	2683	–	–	3227	1.014	479	4034	2.600	979	4717	0.986	471
1710	1.778	720	2688	0.908	446	3240	–	–	4036	0.822	419	4720	0.996	474
1747	1.339	582	2701	4.749	1500	3241	1.352	586	4038	0.900	444	4740	0.286	250
1748	2.308	887	2702	6.711	1500	3255	1.172	529	4062	1.415	606	4741	1.170	529
1803	2.057	808	2709	2.938	1085	3257	1.172	529	4101	1.229	547	4751	1.074	498
1924	1.173	529	2710	3.257	1186	3270	0.835	423	4109	0.195	221	4766N	1.542	712
1925	1.162	526	2714	1.934	769	3300	1.557	650	4110	0.426	294	4771N	0.930	505
2002	1.389	598	2731	1.874	750	3303	1.441	614	4111	0.881	438	4777	2.353	901
2003	1.996	789	2735	1.957	776	3307	1.064	495	4114	1.172	529	4825	0.410	289
2014	2.043	804	2759	2.155	839	3315	1.211	541	4130	1.541	645	4828	0.910	447
2016	1.186	534	2790	0.944	457	3334	1.222	545	4131	2.475	940	4829	0.722	387
2021	1.482	627	2797	0.977	468	3336	0.772	403	4133	1.129	516	4902	0.925	451
2039	1.298	569	2799	2.010	793	3365	1.593	662	4149	0.320	261	4923	0.895	442
2041	1.518	638	2802	1.638	676	3372	1.285	565	4206	1.058	493	5020	1.667	685
2065	0.731	390	2835	1.038	487	3373	1.723	703	4207	0.999	475	5022	2.116	827

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES

Refer to the Classification codes section of the ***Basic Manual*** for any state-specific classification phraseology.

* Refer to the Footnotes Page for additional information on this class code.

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Effective January 1, 2027

CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
5037	2.220	859	6236	1.654	681	7380	1.937	770	8058	1.075	499	8814M	0.081	186
5040	2.452	932	6237	0.532	328	7382	1.959	777	8072	0.320	261	8815M	0.161	211
5057	1.064	495	6251	2.487	943	7390	1.942	772	8102	0.672	372	8820	0.049	175
5059	4.210	1486	6252	1.108	509	7394M	1.372	592	8103	1.044	489	8824	0.822	419
5102	2.046	804	6306	1.427	610	7395M	1.524	640	8106	1.719	701	8826	0.894	442
5146	1.445	615	6319	0.922	450	7398M	2.710	1014	8107	1.078	500	8831	0.610	352
5160	0.714	385	6325	1.150	522	7402	0.067	181	8111	0.908	446	8832	0.174	215
5183	0.936	455	6400	1.502	633	7403	1.376	593	8116	0.959	462	8833	0.469	308
5188	1.310	573	6503	0.813	416	7405N	0.435	343	8203	2.488	944	8835	0.834	423
5190	0.822	419	6504	1.246	552	7420	3.562	1282	8204	1.846	741	8842	1.381	595
5191	0.527	326	6702M*	1.408	604	7421	0.267	244	8209	1.701	696	8855	0.056	178
5192	1.507	635	6703M*	2.782	1036	7422	0.391	283	8215	1.335	581	8856	0.211	226
5213	1.581	658	6704M*	1.565	653	7425	0.781	406	8227	1.252	554	8864	0.666	370
5215	1.828	736	6801F	3.007	1107	7431N	0.257	268	8232	1.904	760	8868	0.276	247
5221	1.256	556	6811	2.019	796	7445N	0.145	–	8233	1.521	639	8869	0.551	334
5222	2.318	890	6824F	3.139	1149	7453N	0.086	–	8235	1.722	702	8871	0.017	165
5223	1.304	571	6826F	2.345	899	7502	0.938	455	8263	2.276	877	8901	0.070	182
5348	1.336	581	6834	0.990	472	7515	0.310	258	8264	1.743	709	9012	0.446	300
5402	2.125	829	6836	1.104	508	7520	1.034	486	8265	1.951	775	9014	1.178	531
5403	2.141	834	6843F	3.660	1313	7538	1.359	588	8279	3.474	1254	9015	1.397	600
5437	1.593	662	6845F	3.460	1250	7539	0.681	375	8288	3.040	1118	9016	1.210	541
5443	1.022	482	6854	2.044	804	7540	1.207	540	8291	1.313	574	9019	1.189	535
5445	1.554	650	6872F	3.770	1348	7580	0.974	467	8292	0.997	474	9033	0.870	434
5462	1.914	763	6874F	3.408	1234	7590	1.521	639	8293	2.535	959	9040	1.402	602
5472	1.802	728	6882	1.163	526	7600	1.702	696	8304	2.100	822	9044	0.622	356
5473	2.784	1037	6884	2.016	795	7605	0.852	428	8350	1.938	770	9052	0.678	374
5474	1.895	757	7016M	1.230	547	7610	0.266	244	8380	1.025	483	9058	0.683	375
5478	0.893	441	7024M	1.367	591	7698	1.743	709	8381	0.793	410	9060	0.619	355
5479	1.999	790	7038M	2.303	885	7699	1.141	519	8385	1.116	512	9061	0.578	342
5480	2.167	843	7046M	3.200	1168	7705	2.517	953	8392	0.892	441	9062	0.638	361
5491	0.796	411	7047M	2.431	926	7710	2.702	1011	8393	0.606	351	9063	0.460	305
5506	2.568	969	7050M	4.550	1500	7711	2.702	1011	8500	2.108	824	9077F	3.013	1109
5507	1.445	615	7090M	2.559	966	7720	1.253	555	8601	0.188	219	9082	0.511	321
5535	2.337	896	7098M	3.555	1280	7725	1.085	502	8602	0.743	394	9083	0.529	327
5537	1.247	553	7099M	6.321	1500	7732P	90.000	250	8603	0.040	173	9084	0.515	322
5551	3.600	1294	7133	1.320	576	7855	1.159	525	8606	0.583	344	9088a	a	a
5606	0.381	280	7151M	1.604	665	8001	1.124	514	8709F	1.545	647	9089	0.508	320
5610	1.294	568	7152M	3.168	1158	8002	1.047	490	8719	0.826	420	9093	0.696	379
5645	2.961	1093	7153M	1.782	721	8006	0.857	430	8720	0.488	314	9101	1.558	651
5703	3.080	1130	7219	2.653	996	8008	0.651	365	8721	0.105	193	9102	1.233	548
5705	3.809	1360	7222	2.809	1045	8010	0.837	424	8723	0.043	174	9154	0.689	377
5951	0.260	242	7225	2.392	913	8013	0.117	197	8725	1.281	564	9156	1.262	558
6003	1.936	770	7230	3.391	1228	8015	0.515	322	8726F	0.910	447	9170	3.573	1285
6005	1.306	571	7231	3.777	1350	8017	0.694	379	8734M	0.149	207	9178	3.094	1135
6018	1.306	571	7232	3.076	1129	8018	1.457	619	8737M	0.134	202	9179	5.345	1500
6045	1.306	571	7309F	3.758	1344	8021	0.913	448	8738M	0.264	243	9180	2.188	849
6204	2.057	808	7313F	2.421	923	8031	0.841	425	8742	0.110	195	9182	0.859	431
6206	1.675	688	7317F	2.618	985	8032	1.000	475	8745	1.659	683	9186	3.631	1304
6213	0.749	396	7327F	4.799	1500	8033	1.113	511	8748	0.183	218	9220	2.218	859
6214	0.656	367	7333M	1.292	567	8037	0.840	425	8755	0.130	201	9402	1.573	655
6216	1.551	649	7335M	1.436	612	8039	0.727	389	8799	0.319	260	9403	2.959	1092
6217	1.359	588	7337M	2.553	964	8044	1.016	480	8800	0.986	471	9410	1.024	483
6229	1.232	548	7350F	3.111	1140	8045	0.404	287	8803	0.023	167	9501	1.412	605
6233	0.840	425	7360	1.724	703	8046	1.123	514	8805M	0.090	188	9505	1.251	554
6235	1.834	738	7370	2.379	909	8047	0.423	293	8810	0.067	181	9516	1.000	475

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES

Refer to the Classification codes section of the ***Basic Manual*** for any state-specific classification phraseology.

* Refer to the Footnotes Page for additional information on this class code.

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CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
9519	1.778	720												
9521	1.105	508												
9522	0.938	455												
9534	1.686	691												
9554	2.828	1051												
9586	0.168	213												
9600	0.900	444												
9620	0.670	371												

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APPLICABLE TO ADVISORY RATES ONLY
FOOTNOTES

a Rate for each individual risk must be obtained from NCCI Customer Service or the Indiana Compensation Rating Bureau (ICRB).

F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Rate includes a provision for the USL&HW Assessment.

M Risks are subject to Admiralty Law or Federal Employers Liability Act (FELA). However, the published rate is for risks that voluntarily purchase standard workers compensation and employers liability coverage. A provision for the USL&HW Assessment is included for those classifications under Program II USL Act.

N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.

Class Code	Non-Ratable Element Code
4766	0766
4771	0771
7405	7445
7431	7453

P Classification is computed on a per capita basis.

*** Class Codes with Specific Footnotes**

1005 Rate includes a non-ratable disease element of $0.680. (For coverage written separately for federal benefits only, $0.659. For coverage written separately for state benefits only, $0.021.)

1016 Rate includes a non-ratable disease element of $2.042. (For coverage written separately for federal benefits only, $1.978. For coverage written separately for state benefits only, $0.064.)

6702 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection code rate and elr each x 1.215.

6703 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate x 2.4 and elr x 2.322.

6704 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate and elr each x 1.35.

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MISCELLANEOUS VALUES - ADVISORY RATES

Basis of premium applicable in accordance with the ***Basic Manual*** notes for Code 7370 -- "Taxicab Co.":

Employee operated vehicle	$98,700
Leased or rented vehicle	$65,800

Catastrophe (other than Certified Acts of Terrorism) - (Advisory Rate) 0.010

Expense Constant applicable in accordance with the ***Basic Manual*** rule $160

Maximum Minimum Premium $1,500

Maximum Weekly Payroll applicable in accordance with the ***Basic Manual*** notes for Code 9178 -- "Athletic Sports or Park: Noncontact Sports," and Code 9179 -- "Athletic Sports or Park: Contact Sports" $5,100

Maximum Weekly Payroll for Executive Officers, Partners, Sole Proprietors, and Members or Managers of Limited Liability Companies in accordance with the ***Basic Manual*** rules, Rule for premium determination of executive officers, Rule for premium determination for partners or sole proprietors, and Rule for premium determination of members of LLCs $5,100

Minimum Premium Multiplier 315

Minimum Weekly Payroll for Executive Officers, Partners, Sole Proprietors, and Members or Managers of Limited Liability Companies in accordance with the ***Basic Manual*** rules, Rule for premium determination of executive officers, Rule for premium determination for partners or sole proprietors, and Rule for premium determination of members of LLCs $1,100

Premium Discount Percentages - (See the ***Basic Manual*** rule, Premium discount.) Premium discounts are not mandatory in Indiana. The following premium discounts are applicable to Standard Premiums:

		Type A	Type B
First	$10,000	-	-
Next	190,000	9.1%	5.1%
Next	1,550,000	11.3%	6.5%
Over	1,750,000	12.3%	7.5%

Premium Reduction Percentages - The following percentages are applicable by deductible amount and hazard group for total losses on a per claim basis:

Coinsurance Amount	Coinsurance Program Premium Reduction Percentages HAZARD GROUP						
	A	B	C	D	E	F	G
$21,000	7.2%	6.6%	5.9%	5.3%	4.5%	4.0%	3.1%

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MISCELLANEOUS VALUES - ADVISORY RATES(cont.)

Deductible Amount	Deductible Program With Coinsurance Premium Reduction Percentages HAZARD GROUP						
	A	B	C	D	E	F	G
$500	11.3%	9.9%	8.5%	7.5%	6.2%	5.2%	3.9%
$1,000	13.8%	12.1%	10.4%	9.1%	7.4%	6.1%	4.6%
$1,500	15.7%	13.8%	11.8%	10.2%	8.4%	6.9%	5.1%
$2,000	17.2%	15.1%	12.9%	11.2%	9.2%	7.6%	5.6%
$2,500	18.5%	16.2%	13.9%	12.1%	9.9%	8.3%	6.0%
$3,000	19.6%	17.2%	14.8%	12.9%	10.6%	8.9%	6.4%
$3,500	20.6%	18.1%	15.6%	13.6%	11.2%	9.4%	6.9%
$4,000	21.4%	18.9%	16.3%	14.3%	11.7%	9.9%	7.2%
$4,500	22.2%	19.7%	17.0%	14.8%	12.3%	10.4%	7.6%
$5,000	23.0%	20.3%	17.6%	15.4%	12.7%	10.8%	7.9%

Deductible Amount	Deductible Program Without Coinsurance Premium Reduction Percentages HAZARD GROUP						
	A	B	C	D	E	F	G
$500	5.0%	4.2%	3.3%	2.7%	2.0%	1.5%	1.0%
$1,000	8.3%	6.9%	5.6%	4.7%	3.6%	2.6%	1.8%
$1,500	10.6%	9.0%	7.4%	6.1%	4.8%	3.7%	2.5%
$2,000	12.5%	10.7%	8.8%	7.4%	5.8%	4.5%	3.1%
$2,500	14.1%	12.1%	10.1%	8.5%	6.7%	5.3%	3.7%
$3,000	15.5%	13.3%	11.2%	9.5%	7.6%	6.1%	4.2%
$3,500	16.7%	14.4%	12.2%	10.4%	8.3%	6.7%	4.7%
$4,000	17.7%	15.4%	13.1%	11.2%	9.0%	7.4%	5.1%
$4,500	18.8%	16.4%	14.0%	11.9%	9.6%	8.0%	5.6%
$5,000	19.7%	17.2%	14.7%	12.6%	10.2%	8.5%	6.0%

Terrorism - (Advisory Rate)……...……...……. 0.010

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with the ***Basic Manual*** rule, Federal coverages……..…. 108%

(Multiply a Non-F classification rate by a factor of 2.08 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (2.00) and the adjustment for differences in loss-based expenses (1.042).)

Experience Rating Eligibility

A risk qualifies for experience rating on an intrastate basis when it meets the premium eligibility requirements for the state in which it operates. The eligibility amount varies by rating effective date. The ***Experience Rating Plan Manual*** should be referenced for the latest approved eligibility amounts by state and by effective date.

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CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST
0005	0.829	2070	1.983	2836	0.897	3383	0.471	4239	0.850	5037	1.616	6236	1.204
0008	0.894	2081	0.854	2841	0.980	3385	0.471	4240	0.740	5040	1.785	6237	0.387
0016	1.398	2089	0.927	2881	0.829	3400	1.137	4243	0.689	5057	0.775	6251	1.811
0034	0.938	2095	0.943	2883	0.710	3507	0.835	4244	0.939	5059	3.065	6252	0.807
0035	0.753	2105	1.198	2915	0.903	3515	0.619	4250	0.625	5102	1.489	6306	1.039
0036	1.222	2110	1.353	2916	1.080	3548	0.450	4251	0.762	5146	1.052	6319	0.671
0037	1.324	2111	0.850	2923	0.750	3559	0.933	4263	1.192	5160	0.520	6325	0.837
0042	1.447	2112	1.136	2960	1.580	3574	0.373	4273	0.877	5183	0.681	6400	1.093
0050	1.726	2114	0.713	3004	0.346	3581	0.304	4279	0.954	5188	0.954	6503	0.592
0059	–	2121	0.462	3018	0.829	3612	0.646	4283	0.619	5190	0.598	6504	0.907
0065	–	2130	0.592	3022	0.935	3620	0.689	4299	0.578	5191	0.384	6702M*	1.025
0066	–	2131	0.632	3027	0.767	3629	0.560	4304	1.427	5192	1.097	6703M*	2.025
0067	–	2143	0.585	3028	1.051	3632	0.644	4307	0.499	5213	1.151	6704M*	1.139
0079	0.783	2157	1.306	3030	1.312	3634	0.568	4351	0.392	5215	1.331	6801F	2.189
0083	1.652	2172	0.531	3040	1.311	3635	0.646	4352	0.412	5221	0.914	6811	1.470
0106	2.356	2174	0.901	3041	1.021	3638	0.564	4361	0.274	5222	1.688	6824F	2.285
0113	0.922	2211	3.636	3042	0.769	3642	0.393	4410	0.852	5223	0.949	6826F	1.707
0170	0.755	2220	0.905	3064	1.105	3643	0.692	4420	0.954	5348	0.973	6834	0.721
0251	1.104	2288	1.840	3076	0.943	3647	0.897	4431	0.492	5402	1.547	6836	0.804
0401	3.141	2302	0.617	3081	1.297	3648	0.380	4432	0.452	5403	1.559	6843F	2.664
0766N	0.153	2305	0.905	3082	1.444	3681	0.223	4452	0.767	5437	1.160	6845F	2.519
0771N	0.119	2361	0.642	3085	1.558	3685	0.331	4459	0.907	5443	0.744	6854	1.488
0908P	55.000	2362	0.757	3110	0.999	3719	0.280	4470	0.786	5445	1.131	6872F	2.745
0913P	161.000	2380	0.764	3111	0.784	3724	1.130	4484	0.740	5462	1.393	6874F	2.481
1005*	1.487	2388	0.497	3113	0.443	3726	0.769	4493	0.751	5472	1.312	6882	0.847
1016*	4.838	2402	0.617	3114	0.762	3803	1.077	4511	0.220	5473	2.027	6884	1.468
1164	0.899	2413	0.588	3118	0.551	3807	0.466	4557	0.825	5474	1.380	7016M	0.895
1165	0.711	2416	0.588	3119	0.368	3808	1.002	4558	0.620	5478	0.650	7024M	0.995
1320	0.769	2417	0.420	3122	0.490	3821	1.791	4568	0.708	5479	1.455	7038M	1.677
1322	2.082	2501	0.852	3126	0.590	3822	1.181	4581	0.286	5480	1.578	7046M	2.330
1430	0.917	2503	0.339	3131	0.456	3824	0.854	4583	1.147	5491	0.579	7047M	1.770
1438	1.096	2570	1.056	3132	0.718	3826	0.218	4611	0.226	5506	1.870	7050M	3.312
1452	0.601	2585	0.973	3145	0.666	3827	0.749	4635	0.769	5507	1.052	7090M	1.863
1463	2.580	2586	1.226	3146	0.673	3830	0.456	4653	0.704	5535	1.701	7098M	2.588
1472	0.783	2587	0.855	3169	0.689	3851	0.713	4665	1.867	5537	0.908	7099M	4.602
1604	1.422	2589	0.628	3179	0.505	3865	0.878	4683	1.369	5551	2.621	7133	0.961
1624	1.057	2600	1.602	3180	0.691	3881	1.118	4686	0.926	5606	0.277	7151M	1.168
1642	1.088	2623	1.602	3188	0.550	4000	1.659	4692	0.244	5610	0.942	7152M	2.306
1654	1.306	2651	0.469	3220	0.491	4021	1.285	4693	0.289	5645	2.156	7153M	1.297
1699	0.816	2660	0.729	3224	0.943	4024	1.630	4703	0.456	5703	2.242	7219	1.931
1701	0.810	2683	–	3227	0.738	4034	1.893	4717	0.718	5705	2.773	7222	2.045
1710	1.294	2688	0.661	3240	–	4036	0.598	4720	0.725	5951	0.189	7225	1.741
1747	0.975	2701	3.457	3241	0.984	4038	0.655	4740	0.208	6003	1.409	7230	2.469
1748	1.680	2702	4.886	3255	0.853	4062	1.030	4741	0.852	6005	0.951	7231	2.750
1803	1.497	2709	2.139	3257	0.853	4101	0.895	4751	0.782	6018	0.951	7232	2.239
1924	0.854	2710	2.371	3270	0.608	4109	0.142	4766N	1.123	6045	0.951	7309F	2.736
1925	0.846	2714	1.408	3300	1.133	4110	0.310	4771N	0.677	6204	1.497	7313F	1.762
2002	1.011	2731	1.364	3303	1.049	4111	0.641	4777	1.713	6206	1.219	7317F	1.906
2003	1.453	2735	1.425	3307	0.775	4114	0.853	4825	0.298	6213	0.545	7327F	3.494
2014	1.487	2759	1.569	3315	0.882	4130	1.122	4828	0.662	6214	0.478	7333M	0.941
2016	0.863	2790	0.687	3334	0.890	4131	1.802	4829	0.526	6216	1.129	7335M	1.045
2021	1.079	2797	0.711	3336	0.562	4133	0.822	4902	0.673	6217	0.989	7337M	1.859
2039	0.945	2799	1.463	3365	1.160	4149	0.233	4923	0.652	6229	0.897	7350F	2.265
2041	1.105	2802	1.192	3372	0.935	4206	0.770	5020	1.214	6233	0.612	7360	1.255
2065	0.532	2835	0.756	3373	1.254	4207	0.727	5022	1.540	6235	1.335	7370	1.732

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CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST	CLASS CODE	LOSS COST
7380	1.410	8058	0.783	8814M	0.059	9519	1.294						
7382	1.426	8072	0.233	8815M	0.117	9521	0.804						
7390	1.414	8102	0.489	8820	0.036	9522	0.683						
7394M	0.999	8103	0.760	8824	0.598	9534	1.227						
7395M	1.109	8106	1.251	8826	0.651	9554	2.059						
7398M	1.973	8107	0.785	8831	0.444	9586	0.122						
7402	0.049	8111	0.661	8832	0.127	9600	0.655						
7403	1.002	8116	0.698	8833	0.341	9620	0.488						
7405N	0.317	8203	1.811	8835	0.607								
7420	2.593	8204	1.344	8842	1.005								
7421	0.194	8209	1.238	8855	0.041								
7422	0.285	8215	0.972	8856	0.154								
7425	0.569	8227	0.911	8864	0.485								
7431N	0.187	8232	1.386	8868	0.201								
7445N	0.106	8233	1.107	8869	0.401								
7453N	0.063	8235	1.254	8871	0.012								
7502	0.683	8263	1.657	8901	0.051								
7515	0.226	8264	1.269	9012	0.325								
7520	0.753	8265	1.420	9014	0.858								
7538	0.989	8279	2.529	9015	1.017								
7539	0.496	8288	2.213	9016	0.881								
7540	0.879	8291	0.956	9019	0.866								
7580	0.709	8292	0.726	9033	0.633								
7590	1.107	8293	1.845	9040	1.021								
7600	1.239	8304	1.529	9044	0.453								
7605	0.620	8350	1.411	9052	0.494								
7610	0.194	8380	0.746	9058	0.497								
7698	1.269	8381	0.577	9060	0.451								
7699	0.831	8385	0.812	9061	0.421								
7705	1.832	8392	0.649	9062	0.464								
7710	1.967	8393	0.441	9063	0.335								
7711	1.967	8500	1.535	9077F	2.193								
7720	0.912	8601	0.137	9082	0.372								
7725	0.790	8602	0.541	9083	0.385								
7732P	66.000	8603	0.029	9084	0.375								
7855	0.844	8606	0.424	9088a	a								
8001	0.818	8709F	1.125	9089	0.370								
8002	0.762	8719	0.601	9093	0.507								
8006	0.624	8720	0.355	9101	1.134								
8008	0.474	8721	0.076	9102	0.898								
8010	0.609	8723	0.031	9154	0.502								
8013	0.085	8725	0.933	9156	0.919								
8015	0.375	8726F	0.662	9170	2.601								
8017	0.505	8734M	0.108	9178	2.252								
8018	1.061	8737M	0.098	9179	3.891								
8021	0.665	8738M	0.192	9180	1.593								
8031	0.612	8742	0.080	9182	0.625								
8032	0.728	8745	1.208	9186	2.643								
8033	0.810	8748	0.133	9220	1.615								
8037	0.612	8755	0.095	9402	1.145								
8039	0.529	8799	0.232	9403	2.154								
8044	0.740	8800	0.718	9410	0.745								
8045	0.294	8803	0.017	9501	1.028								
8046	0.818	8805M	0.066	9505	0.911								
8047	0.308	8810	0.049	9516	0.728								

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APPLICABLE TO ADVISORY LOSS COSTS ONLY
FOOTNOTES

a Advisory loss cost for each individual risk must be obtained from NCCI Customer Service or the Indiana Compensation Rating Bureau (ICRB).

F Advisory loss cost provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Loss cost contains a provision for the USL&HW Assessment.

M Risks are subject to Admiralty Law or Federal Employers Liability Act (FELA). However, the published loss cost is for risks that voluntarily purchase standard workers compensation and employers liability coverage. A provision for the USL&HW Assessment is included for those classifications under Program II USL Act.

N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding advisory loss cost are applied in addition to the basic classification when determining premium.

Class Code	Non-Ratable Element Code
4766	0766
4771	0771
7405	7445
7431	7453

P Classification is computed on a per capita basis.

*** Class Codes with Specific Footnotes**

1005 Advisory loss cost includes a non-ratable disease element of $0.495. (For coverage written separately for federal benefits only, $0.480. For coverage written separately for state benefits only, $0.015.)

1016 Advisory loss cost includes a non-ratable disease element of $1.487. (For coverage written separately for federal benefits only, $1.440. For coverage written separately for state benefits only, $0.047.)

6702 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection code loss cost and elr each x 1.215.

6703 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost x 2.4 and elr x 2.322.

6704 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost and elr each x 1.35.

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MISCELLANEOUS VALUES - ADVISORY LOSS COSTS

Advisory Loss Elimination Ratios - The following reduction percentages are applicable for employers electing total deductibles on a per claim basis. They do not include a safety factor.

Coinsurance Amount	Coinsurance Program Loss Elimination Ratios HAZARD GROUP						
	A	B	C	D	E	F	G
$21,000	9.9%	9.0%	8.0%	7.3%	6.2%	5.5%	4.3%

Deductible Amount	Deductible Program With Coinsurance Loss Elimination Ratios HAZARD GROUP						
	A	B	C	D	E	F	G
$500	15.4%	13.6%	11.6%	10.2%	8.5%	7.1%	5.4%
$1,000	18.9%	16.5%	14.2%	12.4%	10.1%	8.4%	6.3%
$1,500	21.5%	18.8%	16.1%	14.0%	11.5%	9.5%	7.0%
$2,000	23.6%	20.7%	17.7%	15.4%	12.6%	10.5%	7.7%
$2,500	25.3%	22.2%	19.1%	16.6%	13.6%	11.3%	8.3%
$3,000	26.9%	23.6%	20.3%	17.7%	14.5%	12.1%	8.8%
$3,500	28.1%	24.8%	21.4%	18.6%	15.3%	12.9%	9.4%
$4,000	29.3%	25.9%	22.4%	19.5%	16.1%	13.6%	9.9%
$4,500	30.5%	26.9%	23.3%	20.3%	16.8%	14.2%	10.3%
$5,000	31.5%	27.8%	24.1%	21.1%	17.4%	14.8%	10.8%

Deductible Amount	Deductible Program Without Coinsurance Loss Elimination Ratios HAZARD GROUP						
	A	B	C	D	E	F	G
$500	6.9%	5.7%	4.5%	3.7%	2.8%	2.0%	1.4%
$1,000	11.3%	9.4%	7.7%	6.4%	4.9%	3.6%	2.5%
$1,500	14.5%	12.3%	10.1%	8.4%	6.6%	5.0%	3.4%
$2,000	17.1%	14.6%	12.1%	10.1%	8.0%	6.2%	4.3%
$2,500	19.3%	16.5%	13.8%	11.6%	9.2%	7.3%	5.0%
$3,000	21.2%	18.2%	15.3%	13.0%	10.4%	8.3%	5.7%
$3,500	22.8%	19.7%	16.7%	14.2%	11.4%	9.2%	6.4%
$4,000	24.3%	21.1%	17.9%	15.3%	12.3%	10.1%	7.0%
$4,500	25.7%	22.4%	19.1%	16.3%	13.2%	10.9%	7.6%
$5,000	27.0%	23.5%	20.1%	17.3%	14.0%	11.6%	8.2%

Basis of premium applicable in accordance with the ***Basic Manual*** notes for Code 7370 -- "Taxicab Co.":

Employee operated vehicle…… $98,700

Leased or rented vehicle…… $65,800

Catastrophe (other than Certified Acts of Terrorism) - (Advisory Loss Cost)…… 0.010

Maximum Weekly Payroll applicable in accordance with the ***Basic Manual*** notes for Code 9178 -- "Athletic Sports or Park: Noncontact Sports," and Code 9179 -- "Athletic Sports or Park: Contact Sports"..... $5,100

Maximum Weekly Payroll for Executive Officers, Partners, Sole Proprietors, and Members or Managers of Limited Liability Companies in accordance with the ***Basic Manual*** rules, Rule for premium determination of executive officers, Rule for premium determination for partners or sole proprietors, and Rule for premium determination of members of LLCs…..... $5,100

Minimum Weekly Payroll for Executive Officers, Partners, Sole Proprietors, and Members or Managers of Limited Liability Companies in accordance with the ***Basic Manual*** rules, Rule for premium determination of executive officers, Rule for premium determination for partners or sole proprietors, and Rule for premium determination of members of LLCs…..... $1,100

Terrorism - (Advisory Loss Cost) …… 0.005

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MISCELLANEOUS VALUES - ADVISORY LOSS COSTS (cont.)

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with the ***Basic Manual*** rule, Federal coverages..... 108%

(Multiply a Non-F classification loss cost by a factor of 2.08 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (2.00) and the adjustment for differences in loss-based expenses (1.042).)

Experience Rating Eligibility

A risk qualifies for experience rating on an intrastate basis when it meets the premium eligibility requirements for the state in which it operates. The eligibility amount varies by rating effective date. The ***Experience Rating Plan Manual*** should be referenced for the latest approved eligibility amounts by state and by effective date.

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Advisory Rates, Loss Costs, and Assigned Risk Rates Filing – January 1, 2027

Proposed Assigned Risk Rates for Inclusion in the Residual Market Manual

The following pages include proposed:

- Assigned risk rates and minimum premiums by class code, along with associated footnotes
- Miscellaneous values, such as:
    - Catastrophe and Terrorism provisions
    - Expense Constant and Minimum Premium parameters
    - Maximum and minimum weekly payroll applicable for select class codes
    - Premium determination for Partners and Sole Proprietors
    - United States Longshore and Harbor Workers' Compensation Coverage Percentage

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Effective January 1, 2027

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
0005	1.139	519	2070	2.724	1018	2836	1.232	548	3383	0.647	364	4239	1.167	528
0008	1.228	547	2081	1.173	529	2841	1.346	584	3385	0.647	364	4240	1.017	480
0016	1.920	765	2089	1.274	561	2881	1.139	519	3400	1.562	652	4243	0.947	458
0034	1.289	566	2095	1.295	568	2883	0.975	467	3507	1.147	521	4244	1.290	566
0035	1.035	486	2105	1.645	678	2915	1.240	551	3515	0.850	428	4250	0.858	430
0036	1.679	689	2110	1.859	746	2916	1.484	627	3548	0.618	355	4251	1.047	490
0037	1.819	733	2111	1.168	528	2923	1.030	484	3559	1.282	564	4263	1.638	676
0042	1.987	786	2112	1.560	651	2960	2.171	844	3574	0.512	321	4273	1.204	539
0050	2.371	907	2114	0.980	469	3004	0.475	310	3581	0.418	292	4279	1.311	573
0059	–	–	2121	0.635	360	3018	1.139	519	3612	0.887	439	4283	0.850	428
0065	–	–	2130	0.813	416	3022	1.284	564	3620	0.946	458	4299	0.794	410
0066	–	–	2131	0.868	433	3027	1.053	492	3629	0.769	402	4304	1.960	777
0067	–	–	2143	0.804	413	3028	1.443	615	3632	0.884	438	4307	0.686	376
0079	1.076	499	2157	1.794	725	3030	1.802	728	3634	0.780	406	4351	0.538	329
0083	2.269	875	2172	0.730	390	3040	1.801	727	3635	0.887	439	4352	0.566	338
0106	3.236	1179	2174	1.238	550	3041	1.402	602	3638	0.775	404	4361	0.377	279
0113	1.267	559	2211	4.995	1500	3042	1.056	493	3642	0.540	330	4410	1.170	529
0170	1.037	487	2220	1.243	552	3064	1.518	638	3643	0.951	460	4420	1.311	573
0251	1.517	638	2288	2.527	956	3076	1.295	568	3647	1.232	548	4431	0.676	373
0401	4.315	1500	2302	0.848	427	3081	1.781	721	3648	0.522	324	4432	0.621	356
0766N	0.210	–	2305	1.243	552	3082	1.984	785	3681	0.307	257	4452	1.053	492
0771N	0.164	–	2361	0.882	438	3085	2.140	834	3685	0.455	303	4459	1.246	552
0908P	75.000	235	2362	1.040	488	3110	1.372	592	3719	0.384	281	4470	1.079	500
0913P	221.000	381	2380	1.050	491	3111	1.077	499	3724	1.552	649	4484	1.017	480
1005*	2.043	804	2388	0.683	375	3113	0.609	352	3726	1.057	493	4493	1.032	485
1016*	6.645	1500	2402	0.847	427	3114	1.047	490	3803	1.480	626	4511	0.302	255
1164	1.235	549	2413	0.808	415	3118	0.757	398	3807	0.640	362	4557	1.133	517
1165	0.976	467	2416	0.808	415	3119	0.506	319	3808	1.376	593	4558	0.852	428
1320	1.057	493	2417	0.577	342	3122	0.673	372	3821	2.460	935	4568	0.972	466
1322	2.860	1061	2501	1.170	529	3126	0.811	415	3822	1.622	671	4581	0.393	284
1430	1.259	557	2503	0.465	306	3131	0.626	357	3824	1.173	529	4583	1.575	656
1438	1.505	634	2570	1.451	617	3132	0.986	471	3826	0.299	254	4611	0.310	258
1452	0.826	420	2585	1.336	581	3145	0.915	448	3827	1.029	484	4635	1.056	493
1463	3.544	1276	2586	1.684	690	3146	0.925	451	3830	0.626	357	4653	0.967	465
1472	1.076	499	2587	1.175	530	3169	0.947	458	3851	0.980	469	4665	2.564	968
1604	1.953	775	2589	0.863	432	3179	0.694	379	3865	1.206	540	4683	1.880	752
1624	1.452	617	2600	2.200	853	3180	0.949	459	3881	1.536	644	4686	1.272	561
1642	1.495	631	2623	2.200	853	3188	0.756	398	4000	2.279	878	4692	0.335	266
1654	1.794	725	2651	0.644	363	3220	0.674	372	4021	1.765	716	4693	0.397	285
1699	1.121	513	2660	1.001	475	3224	1.295	568	4024	2.239	865	4703	0.627	358
1701	1.112	510	2683	–	–	3227	1.014	479	4034	2.600	979	4717	0.986	471
1710	1.778	720	2688	0.908	446	3240	–	–	4036	0.822	419	4720	0.996	474
1747	1.339	582	2701	4.749	1500	3241	1.352	586	4038	0.900	444	4740	0.286	250
1748	2.308	887	2702	6.711	1500	3255	1.172	529	4062	1.415	606	4741	1.170	529
1803	2.057	808	2709	2.938	1085	3257	1.172	529	4101	1.229	547	4751	1.074	498
1924	1.173	529	2710	3.257	1186	3270	0.835	423	4109	0.195	221	4766N	1.542	712
1925	1.162	526	2714	1.934	769	3300	1.557	650	4110	0.426	294	4771N	0.930	505
2002	1.389	598	2731	1.874	750	3303	1.441	614	4111	0.881	438	4777	2.353	901
2003	1.996	789	2735	1.957	776	3307	1.064	495	4114	1.172	529	4825	0.410	289
2014	2.043	804	2759	2.155	839	3315	1.211	541	4130	1.541	645	4828	0.910	447
2016	1.186	534	2790	0.944	457	3334	1.222	545	4131	2.475	940	4829	0.722	387
2021	1.482	627	2797	0.977	468	3336	0.772	403	4133	1.129	516	4902	0.925	451
2039	1.298	569	2799	2.010	793	3365	1.593	662	4149	0.320	261	4923	0.895	442
2041	1.518	638	2802	1.638	676	3372	1.285	565	4206	1.058	493	5020	1.667	685
2065	0.731	390	2835	1.038	487	3373	1.723	703	4207	0.999	475	5022	2.116	827

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5037	2.220	859	6236	1.654	681	7380	1.937	770	8058	1.075	499	8814M	0.081	186
5040	2.452	932	6237	0.532	328	7382	1.959	777	8072	0.320	261	8815M	0.161	211
5057	1.064	495	6251	2.487	943	7390	1.942	772	8102	0.672	372	8820	0.049	175
5059	4.210	1486	6252	1.108	509	7394M	1.372	592	8103	1.044	489	8824	0.822	419
5102	2.046	804	6306	1.427	610	7395M	1.524	640	8106	1.719	701	8826	0.894	442
5146	1.445	615	6319	0.922	450	7398M	2.710	1014	8107	1.078	500	8831	0.610	352
5160	0.714	385	6325	1.150	522	7402	0.067	181	8111	0.908	446	8832	0.174	215
5183	0.936	455	6400	1.502	633	7403	1.376	593	8116	0.959	462	8833	0.469	308
5188	1.310	573	6503	0.813	416	7405N	0.435	343	8203	2.488	944	8835	0.834	423
5190	0.822	419	6504	1.246	552	7420	3.562	1282	8204	1.846	741	8842	1.381	595
5191	0.527	326	6702M*	1.408	604	7421	0.267	244	8209	1.701	696	8855	0.056	178
5192	1.507	635	6703M*	2.782	1036	7422	0.391	283	8215	1.335	581	8856	0.211	226
5213	1.581	658	6704M*	1.565	653	7425	0.781	406	8227	1.252	554	8864	0.666	370
5215	1.828	736	6801F	3.007	1107	7431N	0.257	268	8232	1.904	760	8868	0.276	247
5221	1.256	556	6811	2.019	796	7445N	0.145	–	8233	1.521	639	8869	0.551	334
5222	2.318	890	6824F	3.139	1149	7453N	0.086	–	8235	1.722	702	8871	0.017	165
5223	1.304	571	6826F	2.345	899	7502	0.938	455	8263	2.276	877	8901	0.070	182
5348	1.336	581	6834	0.990	472	7515	0.310	258	8264	1.743	709	9012	0.446	300
5402	2.125	829	6836	1.104	508	7520	1.034	486	8265	1.951	775	9014	1.178	531
5403	2.141	834	6843F	3.660	1313	7538	1.359	588	8279	3.474	1254	9015	1.397	600
5437	1.593	662	6845F	3.460	1250	7539	0.681	375	8288	3.040	1118	9016	1.210	541
5443	1.022	482	6854	2.044	804	7540	1.207	540	8291	1.313	574	9019	1.189	535
5445	1.554	650	6872F	3.770	1348	7580	0.974	467	8292	0.997	474	9033	0.870	434
5462	1.914	763	6874F	3.408	1234	7590	1.521	639	8293	2.535	959	9040	1.402	602
5472	1.802	728	6882	1.163	526	7600	1.702	696	8304	2.100	822	9044	0.622	356
5473	2.784	1037	6884	2.016	795	7605	0.852	428	8350	1.938	770	9052	0.678	374
5474	1.895	757	7016M	1.230	547	7610	0.266	244	8380	1.025	483	9058	0.683	375
5478	0.893	441	7024M	1.367	591	7698	1.743	709	8381	0.793	410	9060	0.619	355
5479	1.999	790	7038M	2.303	885	7699	1.141	519	8385	1.116	512	9061	0.578	342
5480	2.167	843	7046M	3.200	1168	7705	2.517	953	8392	0.892	441	9062	0.638	361
5491	0.796	411	7047M	2.431	926	7710	2.702	1011	8393	0.606	351	9063	0.460	305
5506	2.568	969	7050M	4.550	1500	7711	2.702	1011	8500	2.108	824	9077F	3.013	1109
5507	1.445	615	7090M	2.559	966	7720	1.253	555	8601	0.188	219	9082	0.511	321
5535	2.337	896	7098M	3.555	1280	7725	1.085	502	8602	0.743	394	9083	0.529	327
5537	1.247	553	7099M	6.321	1500	7732P	90.000	250	8603	0.040	173	9084	0.515	322
5551	3.600	1294	7133	1.320	576	7855	1.159	525	8606	0.583	344	9088a	a	a
5606	0.381	280	7151M	1.604	665	8001	1.124	514	8709F	1.545	647	9089	0.508	320
5610	1.294	568	7152M	3.168	1158	8002	1.047	490	8719	0.826	420	9093	0.696	379
5645	2.961	1093	7153M	1.782	721	8006	0.857	430	8720	0.488	314	9101	1.558	651
5703	3.080	1130	7219	2.653	996	8008	0.651	365	8721	0.105	193	9102	1.233	548
5705	3.809	1360	7222	2.809	1045	8010	0.837	424	8723	0.043	174	9154	0.689	377
5951	0.260	242	7225	2.392	913	8013	0.117	197	8725	1.281	564	9156	1.262	558
6003	1.936	770	7230	3.391	1228	8015	0.515	322	8726F	0.910	447	9170	3.573	1285
6005	1.306	571	7231	3.777	1350	8017	0.694	379	8734M	0.149	207	9178	3.094	1135
6018	1.306	571	7232	3.076	1129	8018	1.457	619	8737M	0.134	202	9179	5.345	1500
6045	1.306	571	7309F	3.758	1344	8021	0.913	448	8738M	0.264	243	9180	2.188	849
6204	2.057	808	7313F	2.421	923	8031	0.841	425	8742	0.110	195	9182	0.859	431
6206	1.675	688	7317F	2.618	985	8032	1.000	475	8745	1.659	683	9186	3.631	1304
6213	0.749	396	7327F	4.799	1500	8033	1.113	511	8748	0.183	218	9220	2.218	859
6214	0.656	367	7333M	1.292	567	8037	0.840	425	8755	0.130	201	9402	1.573	655
6216	1.551	649	7335M	1.436	612	8039	0.727	389	8799	0.319	260	9403	2.959	1092
6217	1.359	588	7337M	2.553	964	8044	1.016	480	8800	0.986	471	9410	1.024	483
6229	1.232	548	7350F	3.111	1140	8045	0.404	287	8803	0.023	167	9501	1.412	605
6233	0.840	425	7360	1.724	703	8046	1.123	514	8805M	0.090	188	9505	1.251	554
6235	1.834	738	7370	2.379	909	8047	0.423	293	8810	0.067	181	9516	1.000	475

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES

Refer to the Classification codes section of the ***Basic Manual*** for any state-specific classification phraseology.

* Refer to the Footnotes Page for additional information on this class code.

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Effective January 1, 2027

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM	CLASS CODE	RATE	MIN PREM
9519	1.778	720												
9521	1.105	508												
9522	0.938	455												
9534	1.686	691												
9554	2.828	1051												
9586	0.168	213												
9600	0.900	444												
9620	0.670	371												

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Refer to the Classification codes section of the ***Basic Manual*** for any state-specific classification phraseology.

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FOOTNOTES

a Rate for each individual risk must be obtained from NCCI Customer Service or the Indiana Compensation Rating Bureau (ICRB).

F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Rate includes a provision for the USL&HW Assessment.

M Risks are subject to Admiralty Law or Federal Employers Liability Act (FELA). However, the published rate is for risks that voluntarily purchase standard workers compensation and employers liability coverage. A provision for the USL&HW Assessment is included for those classifications under Program II USL Act. The listed codes of 6702, 6703, 6704, 7151, 7152, 7153, 8734, 8737, 8738, 8805, 8814, and 8815 under the Federal Employers' Liability Act (FELA) for employees of interstate railroads are not applicable in the residual market.

N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.

Class Code	Non-Ratable Element Code
4766	0766
4771	0771
7405	7445
7431	7453

P Classification is computed on a per capita basis.

*** Class Codes with Specific Footnotes**

1005 Rate includes a non-ratable disease element of $0.680. (For coverage written separately for federal benefits only, $0.659. For coverage written separately for state benefits only, $0.021.)

1016 Rate includes a non-ratable disease element of $2.042. (For coverage written separately for federal benefits only, $1.978. For coverage written separately for state benefits only, $0.064.)

6702 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection code rate and elr each x 1.215.

6703 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate x 2.4 and elr x 2.322.

6704 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate and elr each x 1.35.

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APPLICABLE TO ASSIGNED RISK POLICIES ONLY

MISCELLANEOUS VALUES

Basis of premium applicable in accordance with the ***Basic Manual*** notes for Code 7370 -- "Taxicab Co.":

Employee operated vehicle..... $98,700
Leased or rented vehicle..... $65,800

Catastrophe (other than Certified Acts of Terrorism) - (Assigned Risk)..... 0.010

Expense Constant applicable in accordance with the ***Basic Manual*** rule..... $160

Loss Sensitive Rating Plan (LSRP) - The factors which are used in the calculation of the LSRP are as follows:

Basic Premium Factor	0.40	Loss Development Factors	
Minimum Premium Factor	0.75	1st Adjustment	0.04
Maximum Premium Factor	1.75	2nd Adjustment	0.01
Loss Conversion Factor	1.19	3rd Adjustment	0.00
Tax Multiplier	1.018	4th Adjustment	0

Maximum Minimum Premium..... $1,500

Maximum Weekly Payroll applicable in accordance with the ***Basic Manual*** notes for Code 9178 -- "Athletic Sports or Park: Noncontact Sports," and Code 9179 -- "Athletic Sports or Park: Contact Sports"..... $5,100

Maximum Weekly Payroll for Executive Officers, Partners, Sole Proprietors, and Members or Managers of Limited Liability Companies in accordance with the ***Basic Manual*** rules, Rule for premium determination of executive officers, Rule for premium determination for partners or sole proprietors, and Rule for premium determination of members of LLCs..... $5,100

Minimum Premium Multiplier..... 315

Minimum Weekly Payroll for Executive Officers, Partners, Sole Proprietors, and Members or Managers of Limited Liability Companies in accordance with the ***Basic Manual*** rules, Rule for premium determination of executive officers, Rule for premium determination for partners or sole proprietors, and Rule for premium determination of members of LLCs..... $1,100

Premium Reduction Percentages - The following percentages are applicable by deductible amount and hazard group for total losses on a per claim basis:

Deductible Amount	Deductible Program With Coinsurance Premium Reduction Percentages HAZARD GROUP						
	A	B	C	D	E	F	G
$500	11.3%	9.9%	8.5%	7.5%	6.2%	5.2%	3.9%
$1,000	13.8%	12.1%	10.4%	9.1%	7.4%	6.1%	4.6%
$1,500	15.7%	13.8%	11.8%	10.2%	8.4%	6.9%	5.1%
$2,000	17.2%	15.1%	12.9%	11.2%	9.2%	7.6%	5.6%
$2,500	18.5%	16.2%	13.9%	12.1%	9.9%	8.3%	6.0%
$3,000	19.6%	17.2%	14.8%	12.9%	10.6%	8.9%	6.4%
$3,500	20.6%	18.1%	15.6%	13.6%	11.2%	9.4%	6.9%
$4,000	21.4%	18.9%	16.3%	14.3%	11.7%	9.9%	7.2%
$4,500	22.2%	19.7%	17.0%	14.8%	12.3%	10.4%	7.6%
$5,000	23.0%	20.3%	17.6%	15.4%	12.7%	10.8%	7.9%

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MISCELLANEOUS VALUES (cont.)

Deductible Amount	Deductible Program Without Coinsurance Premium Reduction Percentages HAZARD GROUP						
	A	B	C	D	E	F	G
$500	5.0%	4.2%	3.3%	2.7%	2.0%	1.5%	1.0%
$1,000	8.3%	6.9%	5.6%	4.7%	3.6%	2.6%	1.8%
$1,500	10.6%	9.0%	7.4%	6.1%	4.8%	3.7%	2.5%
$2,000	12.5%	10.7%	8.8%	7.4%	5.8%	4.5%	3.1%
$2,500	14.1%	12.1%	10.1%	8.5%	6.7%	5.3%	3.7%
$3,000	15.5%	13.3%	11.2%	9.5%	7.6%	6.1%	4.2%
$3,500	16.7%	14.4%	12.2%	10.4%	8.3%	6.7%	4.7%
$4,000	17.7%	15.4%	13.1%	11.2%	9.0%	7.4%	5.1%
$4,500	18.8%	16.4%	14.0%	11.9%	9.6%	8.0%	5.6%
$5,000	19.7%	17.2%	14.7%	12.6%	10.2%	8.5%	6.0%

Terrorism - (Assigned Risk)…… 0.010

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with the ***Basic Manual*** rule, Federal coverages…… 108%

(Multiply a Non-F classification rate by a factor of 2.08 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (2.00) and the adjustment for differences in loss-based expenses (1.042).)

Experience Rating Eligibility

A risk qualifies for experience rating on an intrastate basis when it meets the premium eligibility requirements for the state in which it operates. The eligibility amount varies by rating effective date. The ***Experience Rating Plan Manual*** should be referenced for the latest approved eligibility amounts by state and by effective date.

A 30% residual market surcharge is applicable to the premium in excess of $2,750 of the standard premium, subject to audit.

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Proposed Values for Inclusion in the Experience Rating Plan Manual

The following pages include proposed values for inclusion in the Experience Rating Plan Manual:

- Description of Expected Loss Rates and D-ratios
- Description of the Weighting and Ballast values
- Expected Loss Rates and D-ratios by class code
- Table of Weighting Values
- Table of Ballast Values
- Experience Rating Premium Eligibility Amounts

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Proposed Rating Values

Description of Expected Loss Rates and D-ratios

An expected loss rate for a classification is used to estimate the expected losses per $100 of payroll during the experience rating period for risks within that classification. These expected losses are then compared with the actual losses of a risk during the experience rating period to determine the experience modification (mod).

The actual losses reflect the loss data during the experience rating period. Expected losses and actual losses must be at the same level to enable an appropriate comparison for purposes of the experience mod calculation. As such, the proposed rates are adjusted to reflect the average loss levels of the experience rating period. This is accomplished through the application of ELR factors to the proposed underlying pure premiums. These ELR factors, calculated by hazard group (HG), remove the effects of the following: loss development, expected losses in excess of the State Accident Limit, a portion of medical-only losses, benefit changes, trend, loss-based expenses, experience, and assigned risk programs.

In experience rating, losses are divided into primary and excess portions. For each claim, losses below the split point are primary losses, while losses above the split point are excess losses. The D-ratio represents the estimated ratio of expected primary losses to expected total losses for a classification. The split point is based on the average claim costs in the state, promoting an equitable determination of primary and excess losses. To reflect changes in claim costs and preserve alignment with other experience rating parameters, the split point is reviewed annually and may be adjusted to maintain an average D-ratio of approximately 40%, the average D-ratio utilized when the credibility parameters underlying the weight and ballast values were last recalibrated. Utilizing a consistent average D-ratio promotes similar experience rating plan performance across states with varying cost levels.

The D-ratio is used to determine the expected excess losses to be used in the experience mod calculation. D-ratios are calculated by hazard group and are based on the latest three years of Unit Statistical Data trended to the midpoint of the proposed experience rating period. A comparison of the resulting D-ratios across hazard groups is done to ensure that they monotonically decrease from hazard group A to hazard group G. If they do not, an adjustment is made by averaging the D-ratios over adjacent hazard groups. The final D-ratio for each classification is the hazard group D-ratio.

An adjustment to the ELR factors is necessary so that the resulting ELRs produce an expected intrastate experience rating off-balance that equals the targeted intrastate experience rating off-balance used in the calculation of the overall rate level change for the state. Preliminary ELR factors are calculated by class code utilizing the appropriate hazard group factors and underlying pure premiums. Intrastate experience rating modifications for the most recent year of rating effective dates available at the time of the production of the filing are calculated based on the preliminary ELRs and D-ratios, and the losses underlying the mod calculations are adjusted for trend and to the appropriate benefit level of the data that will be used for experience ratings in the proposed effective period. The trend is applied separately by frequency and severity using selected values that are appropriate for the time period covered. It should be noted that the loss ratio trends used in other parts of the filing may not match the ELR trends due to possible differences between the experience rating trend periods and the ratemaking trend periods. An average of these intrastate experience modifications is calculated, and an iterative process follows where the ELR factors are adjusted up or down, class ELRs are recalculated, and experience rating modifications are restated until the target average intrastate experience mod is achieved.

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Proposed Rating Values

The final ELR for each classification is calculated as follows:

ELR = {(HG indemnity ELR factor) x (indemnity pure premium) + (HG medical ELR factor) x (medical pure premium)} x Manual/Standard Ratio

Description of the Weighting and Ballast Values

The weighting value (W) and ballast value (B) influence the degree to which an employer's actual losses impact the experience rating modification for employers of various sizes - generally described as excess loss credibility - and are governed by the formulas in Item E-1409.

One element of these formulas is the G-value, which represents the state average claim severity in thousands of dollars and reflects the state accident limitation and the reduction of medical only losses. The state accident limit is used to curtail the impact of large claims on the experience modification and is based on a state-level 95th percentile of lost-time claims so that the limitation is expected to impact the largest 5% of lost-time claims.

The values for W and B are such that larger employers receive higher excess loss credibility in their experience modification calculation than smaller employers.

The ballast value is a stabilizing value designed to control the effect of actual loss experience on the experience rating modification. It is added to both the numerator and denominator in the experience modification calculation and increases as expected losses increase.

The weighting value for various levels of expected losses is provided in the Table of Weighting Values.

The ballast value for various levels of expected losses is provided in the Table of Ballast Values.

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Effective January 1, 2027

TABLE OF EXPECTED LOSS RATES AND DISCOUNT RATIOS
APPLICABLE TO ALL POLICIES

CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO
0005	0.635	0.43	2070	1.473	0.42	2836	0.718	0.45	3383	0.361	0.43	4239	0.550	0.35
0008	0.684	0.43	2081	0.684	0.45	2841	0.749	0.43	3385	0.361	0.43	4240	0.592	0.45
0016	0.960	0.39	2089	0.710	0.43	2881	0.664	0.45	3400	0.870	0.43	4243	0.511	0.42
0034	0.696	0.42	2095	0.699	0.42	2883	0.544	0.43	3507	0.619	0.42	4244	0.645	0.39
0035	0.558	0.42	2105	0.959	0.45	2915	0.620	0.39	3515	0.458	0.42	4250	0.463	0.42
0036	0.937	0.43	2110	1.035	0.43	2916	0.742	0.39	3548	0.344	0.43	4251	0.584	0.43
0037	0.910	0.39	2111	0.652	0.43	2923	0.600	0.45	3559	0.692	0.42	4263	0.884	0.42
0042	1.073	0.42	2112	0.870	0.43	2960	1.172	0.42	3574	0.285	0.43	4273	0.650	0.42
0050	1.186	0.39	2114	0.571	0.45	3004	0.224	0.35	3581	0.233	0.43	4279	0.656	0.39
0059	–	–	2121	0.371	0.45	3018	0.537	0.35	3612	0.479	0.42	4283	0.474	0.43
0065	–	–	2130	0.439	0.42	3022	0.716	0.43	3620	0.473	0.39	4299	0.429	0.42
0066	–	–	2131	0.484	0.43	3027	0.527	0.39	3629	0.415	0.42	4304	1.058	0.42
0067	–	–	2143	0.469	0.45	3028	0.722	0.39	3632	0.477	0.42	4307	0.400	0.45
0079	0.581	0.42	2157	1.001	0.43	3030	0.902	0.39	3634	0.421	0.42	4351	0.300	0.43
0083	1.225	0.42	2172	0.366	0.39	3040	0.972	0.42	3635	0.478	0.42	4352	0.315	0.43
0106	1.527	0.35	2174	0.689	0.43	3041	0.757	0.42	3638	0.432	0.43	4361	0.210	0.43
0113	0.707	0.43	2211	2.499	0.39	3042	0.571	0.42	3642	0.301	0.43	4410	0.652	0.43
0170	0.579	0.43	2220	0.672	0.42	3064	0.819	0.42	3643	0.476	0.39	4420	0.618	0.35
0251	0.819	0.42	2288	1.406	0.43	3076	0.722	0.43	3647	0.666	0.42	4431	0.394	0.45
0401	2.031	0.35	2302	0.457	0.42	3081	0.961	0.42	3648	0.304	0.45	4432	0.362	0.45
0766	–	–	2305	0.621	0.39	3082	0.992	0.39	3681	0.171	0.43	4452	0.568	0.42
0771	–	–	2361	0.476	0.42	3085	1.156	0.42	3685	0.253	0.43	4459	0.624	0.39
0908	40.382	0.42	2362	0.580	0.43	3110	0.740	0.42	3719	0.164	0.32	4470	0.583	0.42
0913	119.325	0.42	2380	0.585	0.43	3111	0.600	0.43	3724	0.660	0.32	4484	0.567	0.43
1005	0.581	0.32	2388	0.398	0.45	3113	0.329	0.42	3726	0.449	0.32	4493	0.557	0.42
1016	1.961	0.32	2402	0.424	0.39	3114	0.564	0.42	3803	0.825	0.43	4511	0.163	0.42
1164	0.525	0.32	2413	0.436	0.42	3118	0.441	0.45	3807	0.357	0.43	4557	0.567	0.39
1165	0.415	0.32	2416	0.450	0.43	3119	0.305	0.45	3808	0.744	0.42	4558	0.460	0.42
1320	0.499	0.35	2417	0.321	0.43	3122	0.393	0.45	3821	1.231	0.39	4568	0.487	0.39
1322	1.216	0.32	2501	0.652	0.43	3126	0.438	0.42	3822	0.903	0.43	4581	0.185	0.35
1430	0.630	0.39	2503	0.259	0.43	3131	0.338	0.42	3824	0.654	0.43	4583	0.742	0.35
1438	0.753	0.39	2570	0.811	0.43	3132	0.549	0.43	3826	0.162	0.42	4611	0.173	0.43
1452	0.413	0.39	2585	0.721	0.42	3145	0.493	0.42	3827	0.575	0.43	4635	0.498	0.35
1463	1.506	0.32	2586	0.938	0.43	3146	0.499	0.42	3830	0.338	0.42	4653	0.540	0.43
1472	0.539	0.39	2587	0.656	0.43	3169	0.528	0.43	3851	0.545	0.43	4665	1.284	0.39
1604	0.981	0.39	2589	0.466	0.42	3179	0.387	0.43	3865	0.703	0.45	4683	1.014	0.42
1624	0.685	0.35	2600	1.226	0.43	3180	0.528	0.43	3881	0.830	0.42	4686	0.638	0.39
1642	0.749	0.39	2623	1.100	0.39	3188	0.408	0.42	4000	1.076	0.35	4692	0.187	0.43
1654	0.898	0.39	2651	0.359	0.43	3220	0.364	0.42	4021	0.952	0.42	4693	0.221	0.43
1699	0.561	0.39	2660	0.584	0.45	3224	0.755	0.45	4024	1.121	0.39	4703	0.339	0.42
1701	0.524	0.35	2683	0.652	0.43	3227	0.566	0.43	4034	1.302	0.39	4717	0.576	0.45
1710	0.889	0.39	2688	0.505	0.43	3240	0.653	0.43	4036	0.411	0.39	4720	0.538	0.42
1747	0.670	0.39	2701	2.242	0.35	3241	0.754	0.43	4038	0.525	0.45	4740	0.121	0.32
1748	1.152	0.39	2702	2.852	0.32	3255	0.683	0.45	4062	0.763	0.42	4741	0.632	0.42
1803	1.030	0.39	2709	1.388	0.35	3257	0.653	0.43	4101	0.663	0.42	4751	0.537	0.39
1924	0.655	0.43	2710	1.628	0.39	3270	0.466	0.43	4109	0.109	0.43	4766	0.728	0.35
1925	0.627	0.42	2714	1.076	0.43	3300	0.907	0.45	4110	0.238	0.43	4771	0.438	0.35
2002	0.775	0.43	2731	1.044	0.43	3303	0.803	0.43	4111	0.492	0.43	4777	1.107	0.35
2003	1.078	0.42	2735	1.091	0.43	3307	0.574	0.42	4114	0.633	0.42	4825	0.205	0.39
2014	1.023	0.39	2759	1.201	0.43	3315	0.675	0.43	4130	0.859	0.43	4828	0.429	0.35
2016	0.663	0.43	2790	0.550	0.45	3334	0.662	0.42	4131	1.380	0.43	4829	0.340	0.35
2021	0.800	0.42	2797	0.570	0.45	3336	0.417	0.42	4133	0.658	0.45	4902	0.515	0.43
2039	0.724	0.43	2799	1.086	0.42	3365	0.752	0.35	4149	0.187	0.45	4923	0.482	0.42
2041	0.845	0.43	2802	0.884	0.42	3372	0.694	0.42	4206	0.590	0.43	5020	0.787	0.35
2065	0.395	0.42	2835	0.605	0.45	3373	0.961	0.43	4207	0.472	0.35	5022	0.900	0.32

REFER TO UPDATE PAGE FOR ALL SUBSEQUENT REVISIONS TO ALL CLASS CODES

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Effective January 1, 2027

TABLE OF EXPECTED LOSS RATES AND DISCOUNT RATIOS
APPLICABLE TO ALL POLICIES

CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO
5037	0.945	0.32	6236	0.829	0.39	7380	0.971	0.39	8058	0.599	0.43	8814	0.045	0.43
5040	1.042	0.32	6237	0.251	0.35	7382	1.058	0.42	8072	0.186	0.45	8815	0.086	0.43
5057	0.452	0.32	6251	1.173	0.35	7390	1.084	0.43	8102	0.375	0.43	8820	0.024	0.39
5059	1.787	0.32	6252	0.471	0.32	7394	0.585	0.32	8103	0.564	0.42	8824	0.496	0.45
5102	0.965	0.35	6306	0.674	0.35	7395	0.650	0.32	8106	0.861	0.39	8826	0.521	0.45
5146	0.724	0.39	6319	0.392	0.32	7398	1.118	0.32	8107	0.508	0.35	8831	0.367	0.45
5160	0.304	0.32	6325	0.488	0.32	7402	0.037	0.43	8111	0.491	0.42	8832	0.097	0.43
5183	0.442	0.35	6400	0.751	0.39	7403	0.768	0.43	8116	0.518	0.42	8833	0.261	0.43
5188	0.619	0.35	6503	0.454	0.43	7405	0.243	0.43	8203	1.344	0.42	8835	0.466	0.43
5190	0.388	0.35	6504	0.695	0.43	7420	1.514	0.32	8204	0.997	0.42	8842	0.833	0.45
5191	0.264	0.39	6702	0.704	0.39	7421	0.134	0.39	8209	0.949	0.43	8855	0.031	0.43
5192	0.814	0.42	6703	1.347	0.39	7422	0.185	0.35	8215	0.668	0.39	8856	0.118	0.43
5213	0.673	0.32	6704	0.783	0.39	7425	0.370	0.35	8227	0.591	0.35	8864	0.388	0.45
5215	0.916	0.39	6801F	1.170	0.36	7431	0.122	0.35	8232	0.953	0.39	8868	0.161	0.45
5221	0.593	0.35	6811	1.009	0.39	7445	–	–	8233	0.765	0.39	8869	0.321	0.45
5222	0.985	0.32	6824F	1.221	0.36	7453	–	–	8235	0.931	0.42	8871	0.009	0.43
5223	0.653	0.39	6826F	0.912	0.36	7502	0.470	0.39	8263	1.229	0.42	8901	0.035	0.39
5348	0.669	0.39	6834	0.552	0.43	7515	0.132	0.32	8264	0.872	0.39	9012	0.223	0.39
5402	1.185	0.43	6836	0.596	0.42	7520	0.558	0.42	8265	0.920	0.35	9014	0.657	0.43
5403	1.010	0.35	6843F	1.235	0.28	7538	0.577	0.32	8279	1.635	0.35	9015	0.755	0.42
5437	0.752	0.35	6845F	1.168	0.28	7539	0.322	0.35	8288	1.639	0.42	9016	0.674	0.43
5443	0.552	0.42	6854	0.964	0.35	7540	0.512	0.32	8291	0.710	0.42	9019	0.595	0.39
5445	0.661	0.32	6872F	1.273	0.28	7580	0.487	0.39	8292	0.557	0.43	9033	0.470	0.42
5462	0.958	0.39	6874F	1.151	0.28	7590	0.762	0.39	8293	1.415	0.43	9040	0.817	0.45
5472	0.767	0.32	6882	0.549	0.35	7600	0.854	0.39	8304	0.990	0.35	9044	0.363	0.45
5473	1.182	0.32	6884	0.957	0.35	7605	0.402	0.35	8350	0.915	0.35	9052	0.395	0.45
5474	0.805	0.32	7016	0.525	0.32	7610	0.133	0.39	8380	0.554	0.42	9058	0.412	0.45
5478	0.422	0.35	7024	0.583	0.32	7698	0.734	0.32	8381	0.428	0.42	9060	0.361	0.45
5479	1.000	0.39	7038	0.974	0.32	7699	0.533	0.35	8385	0.603	0.42	9061	0.337	0.45
5480	1.023	0.35	7046	1.361	0.32	7705	1.360	0.42	8392	0.520	0.45	9062	0.372	0.45
5491	0.376	0.35	7047	1.003	0.32	7710	1.271	0.35	8393	0.304	0.39	9063	0.268	0.45
5506	1.210	0.35	7050	1.863	0.32	7711	1.271	0.35	8500	1.054	0.39	9077F	1.327	0.40
5507	0.682	0.35	7090	1.083	0.32	7720	0.625	0.39	8601	0.089	0.35	9082	0.308	0.45
5535	0.992	0.32	7098	1.512	0.32	7725	0.507	0.35	8602	0.372	0.39	9083	0.319	0.45
5537	0.625	0.39	7099	2.601	0.32	7732	42.316	0.35	8603	0.022	0.43	9084	0.301	0.45
5551	1.529	0.32	7133	0.623	0.35	7855	0.580	0.39	8606	0.275	0.35	9088	a	a
5606	0.162	0.32	7151	0.756	0.35	8001	0.626	0.43	8709F	0.522	0.28	9089	0.296	0.45
5610	0.648	0.39	7152	1.447	0.35	8002	0.583	0.43	8719	0.389	0.35	9093	0.406	0.45
5645	1.259	0.32	7153	0.841	0.35	8006	0.500	0.45	8720	0.230	0.35	9101	0.907	0.45
5703	1.540	0.39	7219	1.256	0.35	8008	0.379	0.45	8721	0.053	0.39	9102	0.666	0.42
5705	1.906	0.39	7222	1.328	0.35	8010	0.467	0.43	8723	0.023	0.42	9154	0.384	0.43
5951	0.145	0.43	7225	1.201	0.39	8013	0.063	0.42	8725	0.639	0.39	9156	0.736	0.45
6003	0.913	0.35	7230	1.835	0.42	8015	0.278	0.42	8726F	0.354	0.36	9170	1.685	0.35
6005	0.654	0.39	7231	2.045	0.42	8017	0.404	0.45	8734	0.074	0.39	9178	1.857	0.45
6018	0.654	0.39	7232	1.456	0.35	8018	0.813	0.43	8737	0.067	0.39	9179	3.219	0.45
6045	0.654	0.39	7309F	1.269	0.28	8021	0.509	0.43	8738	0.128	0.39	9180	1.177	0.42
6204	0.971	0.35	7313F	0.817	0.28	8031	0.469	0.43	8742	0.055	0.39	9182	0.477	0.43
6206	0.713	0.32	7317F	0.884	0.28	8032	0.558	0.43	8745	0.896	0.42	9186	1.705	0.35
6213	0.318	0.32	7327F	1.620	0.28	8033	0.648	0.45	8748	0.086	0.35	9220	1.197	0.42
6214	0.310	0.35	7333	0.550	0.32	8037	0.506	0.45	8755	0.065	0.39	9402	0.743	0.35
6216	0.659	0.32	7335	0.612	0.32	8039	0.424	0.45	8799	0.178	0.43	9403	1.398	0.35
6217	0.578	0.32	7337	1.053	0.32	8044	0.567	0.43	8800	0.550	0.43	9410	0.570	0.43
6229	0.616	0.39	7350F	1.136	0.32	8045	0.226	0.43	8803	0.011	0.39	9501	0.706	0.39
6233	0.357	0.32	7360	0.863	0.39	8046	0.626	0.43	8805	0.050	0.43	9505	0.675	0.42
6235	0.781	0.32	7370	1.327	0.43	8047	0.236	0.43	8810	0.037	0.43	9516	0.541	0.42

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Effective January 1, 2027

TABLE OF EXPECTED LOSS RATES AND DISCOUNT RATIOS
APPLICABLE TO ALL POLICIES

CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO	CLASS CODE	ELR	D RATIO
9519	0.892	0.39												
9521	0.553	0.39												
9522	0.547	0.45												
9534	0.717	0.32												
9554	1.333	0.35												
9586	0.098	0.45												
9600	0.502	0.43												
9620	0.335	0.39												

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Effective January 1, 2027

TABLE OF WEIGHTING VALUES
APPLICABLE TO ALL POLICIES

Expected Losses			Weighting Values	Expected Losses			Weighting Values
0	--	1,633	0.14	920,787	--	967,101	0.49
1,634	--	4,601	0.15	967,102	--	1,015,908	0.50
4,602	--	7,640	0.16	1,015,909	--	1,067,413	0.51
7,641	--	10,752	0.17	1,067,414	--	1,121,847	0.52
10,753	--	11,839	0.18	1,121,848	--	1,179,468	0.53
11,840	--	13,390	0.17	1,179,469	--	1,240,563	0.54
13,391	--	15,508	0.16	1,240,564	--	1,305,457	0.55
15,509	--	18,697	0.15	1,305,458	--	1,374,519	0.56
18,698	--	24,763	0.14	1,374,520	--	1,448,161	0.57
24,764	--	56,906	0.13	1,448,162	--	1,526,855	0.58
56,907	--	76,469	0.14	1,526,856	--	1,611,141	0.59
76,470	--	93,554	0.15	1,611,142	--	1,701,638	0.60
93,555	--	109,988	0.16	1,701,639	--	1,799,057	0.61
109,989	--	126,291	0.17	1,799,058	--	1,904,225	0.62
126,292	--	142,700	0.18	1,904,226	--	2,018,106	0.63
142,701	--	159,351	0.19	2,018,107	--	2,141,831	0.64
159,352	--	176,335	0.20	2,141,832	--	2,276,732	0.65
176,336	--	193,718	0.21	2,276,733	--	2,424,396	0.66
193,719	--	211,558	0.22	2,424,397	--	2,586,726	0.67
211,559	--	229,901	0.23	2,586,727	--	2,766,020	0.68
229,902	--	247,989	0.24	2,766,021	--	2,965,085	0.69
247,990	--	265,766	0.25	2,965,086	--	3,187,383	0.70
265,767	--	284,102	0.26	3,187,384	--	3,437,235	0.71
284,103	--	303,028	0.27	3,437,236	--	3,720,100	0.72
303,029	--	322,577	0.28	3,720,101	--	4,042,986	0.73
322,578	--	342,785	0.29	4,042,987	--	4,415,035	0.74
342,786	--	363,686	0.30	4,415,036	--	4,848,401	0.75
363,687	--	385,319	0.31	4,848,402	--	5,359,603	0.76
385,320	--	407,727	0.32	5,359,604	--	5,971,682	0.77
407,728	--	430,952	0.33	5,971,683	--	6,717,768	0.78
430,953	--	455,043	0.34	6,717,769	--	7,647,279	0.79
455,044	--	480,050	0.35	7,647,280	--	8,837,343	0.80
480,051	--	506,027	0.36	8,837,344	--	10,415,371	0.81
506,028	--	533,034	0.37	10,415,372	--	12,608,028	0.82
533,035	--	561,132	0.38	12,608,029	--	15,861,252	0.83
561,133	--	590,393	0.39	15,861,253	--	21,189,987	0.84
590,394	--	620,891	0.40	21,189,988	--	31,510,841	0.85
620,892	--	652,704	0.41	31,510,842	--	60,020,533	0.86
652,705	--	685,923	0.42	60,020,534	--	511,350,740	0.87
685,924	--	720,641	0.43	511,350,741	--	AND OVER	0.88
720,642	--	756,966	0.44				
756,967	--	795,010	0.45				
795,011	--	834,901	0.46				
834,902	--	876,775	0.47				
876,776	--	920,786	0.48				

(a) G	7.55
(b) State Per Claim Accident Limitation	$154,500
(c) State Multiple Claim Accident Limitation	$309,000
(d) USL&HW Per Claim Accident Limitation	$257,000
(e) USL&HW Multiple Claim Accident Limitation	$514,000
(f) Employers Liability Accident Limitation	$55,000
(g) Primary/Excess Loss Split Point	$19,000
(h) USL&HW Act—Expected Loss Factor—Non-F Classes	2.00

(Multiply a Non-F classification ELR by the USL&HW Act—Expected Loss Factor of 2.00.)

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Effective January 1, 2027

TABLE OF BALLAST VALUES
APPLICABLE TO ALL POLICIES

Expected Losses			Ballast Values	Expected Losses			Ballast Values	Expected Losses			Ballast Values
0	--	272,426	34,730	2,558,734	--	2,626,126	166,855	4,917,780	--	4,985,185	298,980
272,427	--	338,613	38,505	2,626,127	--	2,693,520	170,630	4,985,186	--	5,052,591	302,755
338,614	--	405,192	42,280	2,693,521	--	2,760,915	174,405	5,052,592	--	5,119,997	306,530
405,193	--	472,002	46,055	2,760,916	--	2,828,310	178,180	5,119,998	--	5,187,404	310,305
472,003	--	538,958	49,830	2,828,311	--	2,895,707	181,955	5,187,405	--	5,254,810	314,080
538,959	--	606,014	53,605	2,895,708	--	2,963,104	185,730	5,254,811	--	5,322,216	317,855
606,015	--	673,140	57,380	2,963,105	--	3,030,501	189,505	5,322,217	--	5,389,623	321,630
673,141	--	740,317	61,155	3,030,502	--	3,097,899	193,280	5,389,624	--	5,457,030	325,405
740,318	--	807,532	64,930	3,097,900	--	3,165,298	197,055	5,457,031	--	5,524,437	329,180
807,533	--	874,777	68,705	3,165,299	--	3,232,697	200,830	5,524,438	--	5,591,843	332,955
874,778	--	942,046	72,480	3,232,698	--	3,300,097	204,605	5,591,844	--	5,659,250	336,730
942,047	--	1,009,334	76,255	3,300,098	--	3,367,497	208,380	5,659,251	--	5,726,657	340,505
1,009,335	--	1,076,636	80,030	3,367,498	--	3,434,897	212,155	5,726,658	--	5,794,065	344,280
1,076,637	--	1,143,952	83,805	3,434,898	--	3,502,298	215,930	5,794,066	--	5,861,472	348,055
1,143,953	--	1,211,278	87,580	3,502,299	--	3,569,700	219,705	5,861,473	--	5,928,879	351,830
1,211,279	--	1,278,613	91,355	3,569,701	--	3,637,101	223,480	5,928,880	--	5,996,287	355,605
1,278,614	--	1,345,955	95,130	3,637,102	--	3,704,503	227,255	5,996,288	--	6,063,694	359,380
1,345,956	--	1,413,304	98,905	3,704,504	--	3,771,905	231,030	6,063,695	--	6,131,102	363,155
1,413,305	--	1,480,659	102,680	3,771,906	--	3,839,308	234,805	6,131,103	--	6,198,509	366,930
1,480,660	--	1,548,018	106,455	3,839,309	--	3,906,711	238,580	6,198,510	--	6,265,917	370,705
1,548,019	--	1,615,382	110,230	3,906,712	--	3,974,114	242,355	6,265,918	--	6,333,325	374,480
1,615,383	--	1,682,749	114,005	3,974,115	--	4,041,517	246,130	6,333,326	--	6,400,732	378,255
1,682,750	--	1,750,120	117,780	4,041,518	--	4,108,921	249,905	6,400,733	--	6,468,140	382,030
1,750,121	--	1,817,494	121,555	4,108,922	--	4,176,325	253,680	6,468,141	--	6,535,548	385,805
1,817,495	--	1,884,870	125,330	4,176,326	--	4,243,729	257,455	6,535,549	--	6,602,956	389,580
1,884,871	--	1,952,249	129,105	4,243,730	--	4,311,133	261,230	6,602,957	--	6,669,670	393,355
1,952,250	--	2,019,630	132,880	4,311,134	--	4,378,537	265,005				
2,019,631	--	2,087,012	136,655	4,378,538	--	4,445,942	268,780				
2,087,013	--	2,154,397	140,430	4,445,943	--	4,513,347	272,555				
2,154,398	--	2,221,783	144,205	4,513,348	--	4,580,752	276,330				
2,221,784	--	2,289,170	147,980	4,580,753	--	4,648,157	280,105				
2,289,171	--	2,356,559	151,755	4,648,158	--	4,715,562	283,880				
2,356,560	--	2,423,949	155,530	4,715,563	--	4,782,968	287,655				
2,423,950	--	2,491,340	159,305	4,782,969	--	4,850,373	291,430				
2,491,341	--	2,558,733	163,080	4,850,374	--	4,917,779	295,205				

For Expected Losses greater than $6,669,670, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

Ballast = (0.056)(Expected Losses) + 2876.4(Expected Losses)(7.55) / (Expected Losses + (600)(7.55))

G = 7.55

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INDIANA—UPDATE TO EXPERIENCE RATING SUBJECT PREMIUM ELIGIBILITY AMOUNTS

Experience Rating Plan Manual

Subject premium eligibility amounts

Rule ID: ER-ELIT-SEE7E

Effective Date: July 1, 2027

A risk's rating effective date determines the applicable minimum subject premium eligibility amount to qualify for experience rating based on (a) subject premium from the most recent 24 months of the experience period, or (b) average annual subject premium if using more than 24 months of experience in the experience period.

Subject premium eligibility amounts table for Indiana

Rating effective date	Minimum subject premium eligibility amount based on subject premium from the most recent 24 months of the experience period ($)	Minimum subject premium eligibility amount based on average annual subject premium if using more than 24 months of experience in the experience period ($)
07/01/2027 and after	7,500	3,750
07/01/2026 to 06/30/2027	7,000	3,500
07/01/2025 to 06/30/2026	7,000	3,500

Note: This exhibit revises the Indiana experience rating subject premium eligibility amounts shown in the Subject premium eligibility amounts table for Indiana in NCCI's ***Experience Rating Plan Manual*** for Indiana. The subject premium eligibility amounts are applicable to all policies.

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Advisory Rates, Loss Costs, and Assigned Risk Rates Filing – January 1, 2027

Proposed Values for Inclusion in the Retrospective Rating Plan Manual

The following pages include proposed values for inclusion in the Retrospective Rating Plan Manual, such as:

- Average Cost Per Case
- Excess Loss Factors
- Excess Loss Pure Premium Factors
- Expected Loss Ratios
- Retrospective Development Factors
- Retrospective Pure Premium Development Factors
- Tables of Expense Ratios
- Tax Multipliers

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1. Average Cost per Case by Hazard Group

A	B	C	D	E	F	G
5,884	7,291	9,394	11,512	15,370	23,364	33,785

Average Cost per Case including ALAE by Hazard Group

A	B	C	D	E	F	G
6,456	7,993	10,292	12,605	16,805	25,531	36,887

2. Tax Multipliers

a. State (non-F Classes) 1.018
b. Federal Classes, or non-F classes where rate is increased by the USL&HW Act Percentage 1.042

3.

Countrywide Expected Loss Ratio	Countrywide Expected Loss and Allocated Expense Ratio
0.592	0.657

4. Table of Expense Ratios

Type A: 2026-01
Type B: 2026-01

5. Excess Loss Factors

(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups A	B	C	D	E	F	G
$10,000	0.389	0.413	0.438	0.459	0.485	0.502	0.531
$15,000	0.348	0.374	0.402	0.424	0.453	0.473	0.507
$20,000	0.317	0.343	0.372	0.395	0.427	0.448	0.485
$25,000	0.290	0.317	0.347	0.371	0.404	0.427	0.466
$30,000	0.268	0.295	0.325	0.349	0.384	0.408	0.449
$35,000	0.249	0.276	0.306	0.330	0.366	0.391	0.433
$40,000	0.233	0.259	0.290	0.313	0.350	0.375	0.419
$50,000	0.206	0.231	0.261	0.284	0.322	0.348	0.393
$75,000	0.161	0.183	0.211	0.232	0.269	0.296	0.341
$100,000	0.132	0.152	0.178	0.197	0.233	0.259	0.302
$125,000	0.111	0.130	0.154	0.171	0.206	0.231	0.272
$150,000	0.096	0.113	0.136	0.152	0.185	0.209	0.248
$175,000	0.084	0.100	0.122	0.136	0.169	0.191	0.229
$200,000	0.075	0.090	0.110	0.124	0.155	0.177	0.212
$225,000	0.067	0.081	0.100	0.113	0.143	0.164	0.198
$250,000	0.061	0.074	0.092	0.104	0.133	0.154	0.186
$275,000	0.056	0.068	0.085	0.097	0.125	0.144	0.175
$300,000	0.051	0.063	0.079	0.090	0.117	0.136	0.166
$325,000	0.047	0.058	0.074	0.084	0.111	0.129	0.157
$350,000	0.044	0.054	0.070	0.079	0.105	0.122	0.150
$375,000	0.041	0.051	0.066	0.075	0.100	0.117	0.143
$400,000	0.038	0.048	0.062	0.071	0.095	0.111	0.137
$425,000	0.036	0.045	0.059	0.067	0.091	0.107	0.131
$450,000	0.034	0.043	0.056	0.064	0.087	0.102	0.126
$475,000	0.032	0.041	0.053	0.061	0.084	0.098	0.121
$500,000	0.031	0.039	0.051	0.058	0.080	0.095	0.117
$600,000	0.025	0.032	0.044	0.050	0.070	0.083	0.102
$700,000	0.022	0.028	0.038	0.043	0.062	0.074	0.091
$800,000	0.019	0.025	0.034	0.038	0.056	0.067	0.082
$900,000	0.017	0.022	0.031	0.035	0.051	0.061	0.075
$1,000,000	0.015	0.020	0.028	0.032	0.047	0.056	0.069
$2,000,000	0.008	0.011	0.016	0.018	0.028	0.034	0.040
$3,000,000	0.005	0.007	0.011	0.013	0.021	0.025	0.029
$4,000,000	0.004	0.006	0.009	0.010	0.016	0.020	0.023
$5,000,000	0.003	0.005	0.007	0.008	0.014	0.017	0.019
$6,000,000	0.002	0.004	0.006	0.007	0.011	0.014	0.016
$7,000,000	0.002	0.003	0.005	0.006	0.010	0.012	0.014
$8,000,000	0.002	0.003	0.004	0.005	0.008	0.011	0.012
$9,000,000	0.001	0.002	0.004	0.004	0.007	0.009	0.011
$10,000,000	0.001	0.002	0.003	0.004	0.006	0.008	0.010

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Excess Loss and
Allocated Expense Factors
(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups A	B	C	D	E	F	G
$10,000	0.433	0.459	0.486	0.508	0.534	0.553	0.583
$15,000	0.390	0.418	0.447	0.471	0.502	0.523	0.558
$20,000	0.356	0.385	0.415	0.440	0.474	0.497	0.536
$25,000	0.328	0.357	0.389	0.414	0.450	0.474	0.516
$30,000	0.304	0.333	0.365	0.391	0.428	0.454	0.498
$35,000	0.283	0.312	0.345	0.370	0.409	0.436	0.481
$40,000	0.265	0.294	0.327	0.352	0.392	0.419	0.466
$50,000	0.236	0.263	0.296	0.321	0.361	0.390	0.438
$75,000	0.185	0.210	0.241	0.263	0.304	0.333	0.382
$100,000	0.153	0.175	0.204	0.224	0.264	0.292	0.340
$125,000	0.130	0.150	0.177	0.196	0.234	0.261	0.307
$150,000	0.113	0.132	0.157	0.174	0.211	0.237	0.281
$175,000	0.099	0.117	0.141	0.157	0.192	0.217	0.259
$200,000	0.089	0.105	0.128	0.143	0.177	0.201	0.241
$225,000	0.080	0.096	0.117	0.131	0.164	0.187	0.225
$250,000	0.073	0.087	0.108	0.121	0.153	0.175	0.211
$275,000	0.067	0.080	0.100	0.112	0.143	0.165	0.200
$300,000	0.061	0.075	0.093	0.105	0.135	0.156	0.189
$325,000	0.057	0.069	0.087	0.098	0.128	0.148	0.180
$350,000	0.053	0.065	0.082	0.093	0.121	0.141	0.171
$375,000	0.050	0.061	0.077	0.087	0.115	0.134	0.163
$400,000	0.047	0.057	0.073	0.083	0.110	0.128	0.156
$425,000	0.044	0.054	0.070	0.079	0.105	0.123	0.150
$450,000	0.041	0.051	0.066	0.075	0.101	0.118	0.144
$475,000	0.039	0.049	0.063	0.072	0.097	0.113	0.139
$500,000	0.037	0.047	0.060	0.069	0.093	0.109	0.134
$600,000	0.031	0.039	0.052	0.058	0.081	0.096	0.117
$700,000	0.027	0.034	0.045	0.051	0.072	0.085	0.105
$800,000	0.023	0.030	0.040	0.045	0.065	0.077	0.094
$900,000	0.021	0.027	0.036	0.041	0.059	0.071	0.086
$1,000,000	0.019	0.024	0.033	0.037	0.055	0.065	0.079
$2,000,000	0.009	0.013	0.018	0.021	0.032	0.039	0.046
$3,000,000	0.006	0.009	0.013	0.015	0.024	0.029	0.033
$4,000,000	0.005	0.007	0.010	0.011	0.019	0.023	0.026
$5,000,000	0.004	0.005	0.008	0.009	0.015	0.019	0.022
$6,000,000	0.003	0.004	0.007	0.008	0.013	0.016	0.019
$7,000,000	0.003	0.004	0.006	0.007	0.011	0.014	0.016
$8,000,000	0.002	0.003	0.005	0.006	0.010	0.012	0.014
$9,000,000	0.002	0.003	0.004	0.005	0.008	0.011	0.012
$10,000,000	0.002	0.002	0.004	0.004	0.007	0.010	0.011

6. **Retrospective Development Factors**

With Loss Limit			Without Loss Limit			
1st Adj.	2nd Adj.	3rd Adj.	1st Adj.	2nd Adj.	3rd Adj.	4th & Subsequent Adjustment
0.01	0.01	0.00	0.04	0.01	0.00	0.00

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1. Average Cost per Case by Hazard Group

A	B	C	D	E	F	G
5,884	7,291	9,394	11,512	15,370	23,364	33,785

Average Cost per Case including ALAE by Hazard Group

A	B	C	D	E	F	G
6,456	7,993	10,292	12,605	16,805	25,531	36,887

2. Excess Loss Pure Premium Factors
(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups A	B	C	D	E	F	G
$10,000	0.536	0.570	0.604	0.633	0.668	0.692	0.732
$15,000	0.480	0.516	0.553	0.584	0.624	0.652	0.698
$20,000	0.436	0.473	0.513	0.545	0.588	0.618	0.669
$25,000	0.400	0.437	0.478	0.511	0.557	0.588	0.642
$30,000	0.370	0.407	0.448	0.481	0.529	0.562	0.619
$35,000	0.344	0.380	0.422	0.455	0.505	0.539	0.597
$40,000	0.321	0.357	0.399	0.431	0.482	0.517	0.577
$50,000	0.284	0.319	0.360	0.392	0.443	0.480	0.541
$75,000	0.221	0.252	0.291	0.319	0.371	0.408	0.470
$100,000	0.181	0.209	0.245	0.271	0.321	0.356	0.416
$125,000	0.153	0.179	0.212	0.236	0.284	0.318	0.375
$150,000	0.132	0.156	0.187	0.209	0.255	0.288	0.342
$175,000	0.116	0.138	0.168	0.188	0.232	0.264	0.315
$200,000	0.103	0.123	0.152	0.170	0.213	0.244	0.292
$225,000	0.092	0.112	0.138	0.156	0.198	0.226	0.273
$250,000	0.084	0.102	0.127	0.144	0.184	0.212	0.256
$275,000	0.076	0.093	0.118	0.133	0.172	0.199	0.242
$300,000	0.070	0.086	0.109	0.124	0.162	0.188	0.228
$325,000	0.065	0.080	0.102	0.116	0.153	0.178	0.217
$350,000	0.060	0.075	0.096	0.109	0.145	0.169	0.206
$375,000	0.056	0.070	0.091	0.103	0.138	0.161	0.197
$400,000	0.053	0.066	0.086	0.097	0.131	0.154	0.188
$425,000	0.050	0.062	0.081	0.092	0.125	0.147	0.181
$450,000	0.047	0.059	0.077	0.088	0.120	0.141	0.173
$475,000	0.044	0.056	0.074	0.084	0.115	0.136	0.167
$500,000	0.042	0.053	0.070	0.080	0.111	0.131	0.161
$600,000	0.035	0.045	0.060	0.068	0.096	0.114	0.140
$700,000	0.030	0.039	0.052	0.060	0.085	0.102	0.125
$800,000	0.026	0.034	0.047	0.053	0.077	0.092	0.113
$900,000	0.023	0.030	0.042	0.048	0.071	0.084	0.103
$1,000,000	0.021	0.028	0.039	0.044	0.065	0.078	0.095
$2,000,000	0.011	0.015	0.022	0.025	0.039	0.047	0.055
$3,000,000	0.007	0.010	0.016	0.018	0.029	0.035	0.040
$4,000,000	0.005	0.008	0.012	0.014	0.023	0.028	0.032
$5,000,000	0.004	0.006	0.010	0.011	0.019	0.023	0.027
$6,000,000	0.003	0.005	0.008	0.009	0.016	0.020	0.023
$7,000,000	0.003	0.004	0.007	0.008	0.013	0.017	0.020
$8,000,000	0.002	0.004	0.006	0.007	0.012	0.015	0.017
$9,000,000	0.002	0.003	0.005	0.006	0.010	0.013	0.015
$10,000,000	0.002	0.003	0.004	0.005	0.009	0.011	0.013

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Excess Loss and Allocated
Expense Pure Premium Factors
(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups A	B	C	D	E	F	G
$10,000	0.598	0.633	0.670	0.700	0.737	0.763	0.804
$15,000	0.538	0.576	0.616	0.649	0.692	0.721	0.769
$20,000	0.491	0.530	0.573	0.607	0.653	0.685	0.739
$25,000	0.452	0.492	0.536	0.571	0.620	0.654	0.711
$30,000	0.419	0.459	0.504	0.539	0.591	0.626	0.686
$35,000	0.390	0.430	0.476	0.511	0.564	0.601	0.663
$40,000	0.366	0.405	0.450	0.486	0.540	0.578	0.642
$50,000	0.325	0.363	0.408	0.442	0.498	0.537	0.604
$75,000	0.255	0.290	0.332	0.363	0.419	0.459	0.527
$100,000	0.211	0.242	0.281	0.310	0.364	0.403	0.469
$125,000	0.179	0.207	0.244	0.270	0.323	0.360	0.423
$150,000	0.155	0.182	0.216	0.240	0.291	0.327	0.387
$175,000	0.137	0.161	0.194	0.217	0.265	0.300	0.357
$200,000	0.122	0.145	0.176	0.197	0.244	0.277	0.332
$225,000	0.110	0.132	0.161	0.181	0.226	0.258	0.310
$250,000	0.100	0.120	0.149	0.167	0.211	0.242	0.292
$275,000	0.092	0.111	0.138	0.155	0.198	0.228	0.275
$300,000	0.085	0.103	0.128	0.145	0.186	0.215	0.261
$325,000	0.079	0.096	0.120	0.136	0.176	0.204	0.248
$350,000	0.073	0.089	0.113	0.128	0.167	0.194	0.236
$375,000	0.068	0.084	0.107	0.121	0.159	0.185	0.225
$400,000	0.064	0.079	0.101	0.114	0.151	0.177	0.216
$425,000	0.061	0.075	0.096	0.109	0.145	0.169	0.207
$450,000	0.057	0.071	0.091	0.103	0.139	0.163	0.199
$475,000	0.054	0.067	0.087	0.099	0.133	0.156	0.192
$500,000	0.051	0.064	0.083	0.094	0.128	0.151	0.185
$600,000	0.043	0.054	0.071	0.081	0.112	0.132	0.162
$700,000	0.037	0.047	0.062	0.070	0.099	0.117	0.144
$800,000	0.032	0.041	0.055	0.063	0.089	0.106	0.130
$900,000	0.028	0.037	0.050	0.056	0.082	0.097	0.119
$1,000,000	0.026	0.033	0.046	0.051	0.075	0.090	0.110
$2,000,000	0.013	0.017	0.025	0.028	0.044	0.053	0.063
$3,000,000	0.009	0.012	0.018	0.020	0.033	0.039	0.046
$4,000,000	0.007	0.009	0.014	0.016	0.026	0.031	0.036
$5,000,000	0.005	0.007	0.011	0.013	0.021	0.026	0.030
$6,000,000	0.004	0.006	0.009	0.011	0.018	0.022	0.026
$7,000,000	0.004	0.005	0.008	0.009	0.015	0.019	0.022
$8,000,000	0.003	0.004	0.007	0.008	0.013	0.017	0.020
$9,000,000	0.003	0.004	0.006	0.007	0.012	0.015	0.017
$10,000,000	0.002	0.003	0.005	0.006	0.010	0.013	0.015

3. **Retrospective Pure Premium Development Factors**

With Loss Limit			Without Loss Limit			
1st Adj.	2nd Adj.	3rd Adj.	1st Adj.	2nd Adj.	3rd Adj.	4th & Subsequent Adjustment
0.02	0.01	0.00	0.05	0.02	0.01	0.00

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Table of Expense Ratios - Excluding Taxes and Including Profit and Contingencies

Type A: 2026-01

WC Premium Range From		To	Expense Ratio
0	-	10,055	0.373
10,056	-	10,167	0.373
10,168	-	10,282	0.372
10,283	-	10,399	0.371
10,400	-	10,520	0.370
10,521	-	10,643	0.369
10,644	-	10,769	0.368
10,770	-	10,898	0.367
10,899	-	11,030	0.366
11,031	-	11,165	0.365
11,166	-	11,304	0.364
11,305	-	11,446	0.363
11,447	-	11,592	0.362
11,593	-	11,741	0.361
11,742	-	11,895	0.360
11,896	-	12,052	0.359
12,053	-	12,214	0.358
12,215	-	12,380	0.357
12,381	-	12,551	0.356
12,552	-	12,727	0.355
12,728	-	12,907	0.354
12,908	-	13,093	0.353
13,094	-	13,284	0.352
13,285	-	13,481	0.351
13,482	-	13,684	0.350
13,685	-	13,893	0.349
13,894	-	14,108	0.348
14,109	-	14,330	0.347
14,331	-	14,559	0.346
14,560	-	14,796	0.345
14,797	-	15,041	0.345
15,042	-	15,294	0.344
15,295	-	15,555	0.343
15,556	-	15,826	0.342
15,827	-	16,106	0.341
16,107	-	16,396	0.340
16,397	-	16,697	0.339
16,698	-	17,009	0.338
17,010	-	17,333	0.337
17,334	-	17,669	0.336
17,670	-	18,019	0.335
18,020	-	18,383	0.334
18,384	-	18,762	0.333
18,763	-	19,157	0.332
19,158	-	19,569	0.331
19,570	-	19,999	0.330
20,000	-	20,449	0.329
20,450	-	20,919	0.328
20,920	-	21,411	0.327
21,412	-	21,927	0.326

WC Premium Range From		To	Expense Ratio
21,928	-	22,469	0.325
22,470	-	23,037	0.324
23,038	-	23,636	0.323
23,637	-	24,266	0.322
24,267	-	24,931	0.321
24,932	-	25,633	0.320
25,634	-	26,376	0.319
26,377	-	27,164	0.318
27,165	-	27,999	0.317
28,000	-	28,888	0.317
28,889	-	29,836	0.316
29,837	-	30,847	0.315
30,848	-	31,929	0.314
31,930	-	33,090	0.313
33,091	-	34,339	0.312
34,340	-	35,686	0.311
35,687	-	37,142	0.310
37,143	-	38,723	0.309
38,724	-	40,444	0.308
40,445	-	42,325	0.307
42,326	-	44,390	0.306
44,391	-	46,666	0.305
46,667	-	49,189	0.304
49,190	-	51,999	0.303
52,000	-	55,151	0.302
55,152	-	58,709	0.301
58,710	-	62,758	0.300
62,759	-	67,407	0.299
67,408	-	72,799	0.298
72,800	-	79,130	0.297
79,131	-	86,666	0.296
86,667	-	95,789	0.295
95,790	-	107,058	0.294
107,059	-	121,333	0.293
121,334	-	139,999	0.292
140,000	-	165,454	0.291
165,455	-	200,377	0.290
200,378	-	208,235	0.290
208,236	-	216,734	0.289
216,735	-	225,957	0.288
225,958	-	235,999	0.287
236,000	-	246,976	0.286
246,977	-	259,024	0.285
259,025	-	272,307	0.284
272,308	-	287,027	0.283
287,028	-	303,428	0.282
303,429	-	321,818	0.281
321,819	-	342,580	0.280
342,581	-	366,206	0.279
366,207	-	393,333	0.278

WC Premium Range From		To	Expense Ratio
393,334	-	424,799	0.277
424,800	-	461,739	0.276
461,740	-	505,714	0.275
505,715	-	558,947	0.274
558,948	-	624,705	0.273
624,706	-	707,999	0.272
708,000	-	816,923	0.271
816,924	-	965,454	0.270
965,455	-	1,179,999	0.269
1,180,000	-	1,517,142	0.268
1,517,143	-	1,824,799	0.267
1,824,800	-	1,983,478	0.266
1,983,479	-	2,172,380	0.265
2,172,381	-	2,401,052	0.264
2,401,053	-	2,683,529	0.263
2,683,530	-	3,041,333	0.262
3,041,334	-	3,509,230	0.262
3,509,231	-	4,147,272	0.261
4,147,273	-	5,068,888	0.260
5,068,889	-	6,517,142	0.259
6,517,143	-	9,123,999	0.258
9,124,000	-	15,206,666	0.257
15,206,667	-	45,619,999	0.256
45,620,000	-	And Above	0.255

First	-	10,000	0.0%
Next	-	190,000	9.1%
Next	-	1,550,000	11.3%
Over	-	1,750,000	12.3%

Expected Loss Ratio:	0.592
Tax Multiplier:	1.036

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Table of Expense Ratios - Excluding Taxes and Including Profit and Contingencies

Type B: 2026-01

WC Premium Range From		To	Expense Ratio
0	-	10,099	0.373
10,100	-	10,303	0.373
10,304	-	10,515	0.372
10,516	-	10,736	0.371
10,737	-	10,967	0.370
10,968	-	11,208	0.369
11,209	-	11,460	0.368
11,461	-	11,724	0.367
11,725	-	11,999	0.366
12,000	-	12,289	0.365
12,290	-	12,592	0.364
12,593	-	12,911	0.363
12,912	-	13,246	0.362
13,247	-	13,599	0.361
13,600	-	13,972	0.360
13,973	-	14,366	0.359
14,367	-	14,782	0.358
14,783	-	15,223	0.357
15,224	-	15,692	0.356
15,693	-	16,190	0.355
16,191	-	16,721	0.354
16,722	-	17,288	0.353
17,289	-	17,894	0.352
17,895	-	18,545	0.351
18,546	-	19,245	0.350

WC Premium Range From		To	Expense Ratio
19,246	-	19,999	0.349
20,000	-	20,816	0.348
20,817	-	21,702	0.347
21,703	-	22,666	0.346
22,667	-	23,720	0.345
23,721	-	24,878	0.345
24,879	-	26,153	0.344
26,154	-	27,567	0.343
27,568	-	29,142	0.342
29,143	-	30,909	0.341
30,910	-	32,903	0.340
32,904	-	35,172	0.339
35,173	-	37,777	0.338
37,778	-	40,799	0.337
40,800	-	44,347	0.336
44,348	-	48,571	0.335
48,572	-	53,684	0.334
53,685	-	59,999	0.333
60,000	-	67,999	0.332
68,000	-	78,461	0.331
78,462	-	92,727	0.330
92,728	-	113,333	0.329
113,334	-	145,714	0.328
145,715	-	200,606	0.327
200,607	-	213,548	0.326

WC Premium Range From		To	Expense Ratio
213,549	-	228,275	0.325
228,276	-	245,185	0.324
245,186	-	264,799	0.323
264,800	-	287,826	0.322
287,827	-	315,238	0.321
315,239	-	348,421	0.320
348,422	-	389,411	0.319
389,412	-	441,333	0.318
441,334	-	509,230	0.317
509,231	-	601,818	0.317
601,819	-	735,555	0.316
735,556	-	945,714	0.315
945,715	-	1,323,999	0.314
1,324,000	-	1,809,565	0.313
1,809,566	-	1,981,904	0.312
1,981,905	-	2,190,526	0.311
2,190,527	-	2,448,235	0.310
2,448,236	-	2,774,666	0.309
2,774,667	-	3,201,538	0.308
3,201,539	-	3,783,636	0.307
3,783,637	-	4,624,444	0.306
4,624,445	-	5,945,714	0.305
5,945,715	-	8,323,999	0.304
8,324,000	-	13,873,333	0.303
13,873,334	-	41,619,999	0.302
41,620,000	-	And Above	0.301
First	-	10,000	0.0%
Next	-	190,000	5.1%
Next	-	1,550,000	6.5%
Over	-	1,750,000	7.5%
Expected Loss Ratio:			0.592
Tax Multiplier:			1.036

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Table of Expense Ratios - Excluding Allocated Loss Adjustment Expense and Taxes and Including Profit and Contingencies

Type A: 2026-01

WC Premium Range From		To	Expense Ratio
0	-	10,055	0.308
10,056	-	10,167	0.307
10,168	-	10,282	0.306
10,283	-	10,399	0.305
10,400	-	10,520	0.304
10,521	-	10,643	0.303
10,644	-	10,769	0.302
10,770	-	10,898	0.301
10,899	-	11,030	0.300
11,031	-	11,165	0.299
11,166	-	11,304	0.298
11,305	-	11,446	0.297
11,447	-	11,592	0.296
11,593	-	11,741	0.295
11,742	-	11,895	0.294
11,896	-	12,052	0.293
12,053	-	12,214	0.292
12,215	-	12,380	0.291
12,381	-	12,551	0.290
12,552	-	12,727	0.289
12,728	-	12,907	0.288
12,908	-	13,093	0.288
13,094	-	13,284	0.287
13,285	-	13,481	0.286
13,482	-	13,684	0.285
13,685	-	13,893	0.284
13,894	-	14,108	0.283
14,109	-	14,330	0.282
14,331	-	14,559	0.281
14,560	-	14,796	0.280
14,797	-	15,041	0.279
15,042	-	15,294	0.278
15,295	-	15,555	0.277
15,556	-	15,826	0.276
15,827	-	16,106	0.275
16,107	-	16,396	0.274
16,397	-	16,697	0.273
16,698	-	17,009	0.272
17,010	-	17,333	0.271
17,334	-	17,669	0.270
17,670	-	18,019	0.269
18,020	-	18,383	0.268
18,384	-	18,762	0.267
18,763	-	19,157	0.266
19,158	-	19,569	0.265
19,570	-	19,999	0.264
20,000	-	20,449	0.263
20,450	-	20,919	0.262
20,920	-	21,411	0.261
21,412	-	21,927	0.260

WC Premium Range From		To	Expense Ratio
21,928	-	22,469	0.260
22,470	-	23,037	0.259
23,038	-	23,636	0.258
23,637	-	24,266	0.257
24,267	-	24,931	0.256
24,932	-	25,633	0.255
25,634	-	26,376	0.254
26,377	-	27,164	0.253
27,165	-	27,999	0.252
28,000	-	28,888	0.251
28,889	-	29,836	0.250
29,837	-	30,847	0.249
30,848	-	31,929	0.248
31,930	-	33,090	0.247
33,091	-	34,339	0.246
34,340	-	35,686	0.245
35,687	-	37,142	0.244
37,143	-	38,723	0.243
38,724	-	40,444	0.242
40,445	-	42,325	0.241
42,326	-	44,390	0.240
44,391	-	46,666	0.239
46,667	-	49,189	0.238
49,190	-	51,999	0.237
52,000	-	55,151	0.236
55,152	-	58,709	0.235
58,710	-	62,758	0.234
62,759	-	67,407	0.233
67,408	-	72,799	0.233
72,800	-	79,130	0.232
79,131	-	86,666	0.231
86,667	-	95,789	0.230
95,790	-	107,058	0.229
107,059	-	121,333	0.228
121,334	-	139,999	0.227
140,000	-	165,454	0.226
165,455	-	200,377	0.225
200,378	-	208,235	0.224
208,236	-	216,734	0.223
216,735	-	225,957	0.222
225,958	-	235,999	0.221
236,000	-	246,976	0.220
246,977	-	259,024	0.219
259,025	-	272,307	0.218
272,308	-	287,027	0.217
287,028	-	303,428	0.216
303,429	-	321,818	0.215
321,819	-	342,580	0.214
342,581	-	366,206	0.213
366,207	-	393,333	0.212

WC Premium Range From		To	Expense Ratio
393,334	-	424,799	0.211
424,800	-	461,739	0.210
461,740	-	505,714	0.209
505,715	-	558,947	0.208
558,948	-	624,705	0.207
624,706	-	707,999	0.206
708,000	-	816,923	0.205
816,924	-	965,454	0.205
965,455	-	1,179,999	0.204
1,180,000	-	1,517,142	0.203
1,517,143	-	1,824,799	0.202
1,824,800	-	1,983,478	0.201
1,983,479	-	2,172,380	0.200
2,172,381	-	2,401,052	0.199
2,401,053	-	2,683,529	0.198
2,683,530	-	3,041,333	0.197
3,041,334	-	3,509,230	0.196
3,509,231	-	4,147,272	0.195
4,147,273	-	5,068,888	0.194
5,068,889	-	6,517,142	0.193
6,517,143	-	9,123,999	0.192
9,124,000	-	15,206,666	0.191
15,206,667	-	45,619,999	0.190
45,620,000	-	And Above	0.189

First	-	10,000	0.0%
Next	-	190,000	9.1%
Next	-	1,550,000	11.3%
Over	-	1,750,000	12.3%

Expected Loss and ALAE Ratio:	0.657
Tax Multiplier:	1.036

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Table of Expense Ratios - Excluding Allocated Loss Adjustment Expense and Taxes and Including Profit and Contingencies

Type B: 2026-01

WC Premium Range From		To	Expense Ratio
0	-	10,099	0.308
10,100	-	10,303	0.307
10,304	-	10,515	0.306
10,516	-	10,736	0.305
10,737	-	10,967	0.304
10,968	-	11,208	0.303
11,209	-	11,460	0.302
11,461	-	11,724	0.301
11,725	-	11,999	0.300
12,000	-	12,289	0.299
12,290	-	12,592	0.298
12,593	-	12,911	0.297
12,912	-	13,246	0.296
13,247	-	13,599	0.295
13,600	-	13,972	0.294
13,973	-	14,366	0.293
14,367	-	14,782	0.292
14,783	-	15,223	0.291
15,224	-	15,692	0.290
15,693	-	16,190	0.289
16,191	-	16,721	0.288
16,722	-	17,288	0.288
17,289	-	17,894	0.287
17,895	-	18,545	0.286
18,546	-	19,245	0.285

WC Premium Range From		To	Expense Ratio
19,246	-	19,999	0.284
20,000	-	20,816	0.283
20,817	-	21,702	0.282
21,703	-	22,666	0.281
22,667	-	23,720	0.280
23,721	-	24,878	0.279
24,879	-	26,153	0.278
26,154	-	27,567	0.277
27,568	-	29,142	0.276
29,143	-	30,909	0.275
30,910	-	32,903	0.274
32,904	-	35,172	0.273
35,173	-	37,777	0.272
37,778	-	40,799	0.271
40,800	-	44,347	0.270
44,348	-	48,571	0.269
48,572	-	53,684	0.268
53,685	-	59,999	0.267
60,000	-	67,999	0.266
68,000	-	78,461	0.265
78,462	-	92,727	0.264
92,728	-	113,333	0.263
113,334	-	145,714	0.262
145,715	-	200,606	0.261
200,607	-	213,548	0.260

WC Premium Range From		To	Expense Ratio
213,549	-	228,275	0.260
228,276	-	245,185	0.259
245,186	-	264,799	0.258
264,800	-	287,826	0.257
287,827	-	315,238	0.256
315,239	-	348,421	0.255
348,422	-	389,411	0.254
389,412	-	441,333	0.253
441,334	-	509,230	0.252
509,231	-	601,818	0.251
601,819	-	735,555	0.250
735,556	-	945,714	0.249
945,715	-	1,323,999	0.248
1,324,000	-	1,809,565	0.247
1,809,566	-	1,981,904	0.246
1,981,905	-	2,190,526	0.245
2,190,527	-	2,448,235	0.244
2,448,236	-	2,774,666	0.243
2,774,667	-	3,201,538	0.242
3,201,539	-	3,783,636	0.241
3,783,637	-	4,624,444	0.240
4,624,445	-	5,945,714	0.239
5,945,715	-	8,323,999	0.238
8,324,000	-	13,873,333	0.237
13,873,334	-	41,619,999	0.236
41,620,000	-	And Above	0.235

First	10,000	0.0%
Next	190,000	5.1%
Next	1,550,000	6.5%
Over	1,750,000	7.5%

Expected Loss and ALAE Ratio:	0.657
Tax Multiplier:	1.036

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Part 3 Supporting Exhibits

- Exhibit I: Determination of Indicated Rate Level Change
- Exhibit II: Workers Compensation Expense Program
- Appendix A: Factors Underlying the Proposed Rate Level Change
- Appendix B: Calculations Underlying the Rate Change by Classification
- Appendix C: Memoranda for Laws

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Advisory Rates, Loss Costs, and Assigned Risk Rates Filing – January 1, 2027

Exhibit I – Determination of Indicated Rate Level Change

NCCI analyzed the emerging experience of Indiana workers compensation policies in recent years. The primary focus of our analysis was on premiums and losses from the proposed experience period, as shown in the exhibits on the next few pages.

Determination of the Loss Base

In analyzing losses for the purpose of Aggregate Ratemaking, NCCI reviews both “paid” and “paid plus case” loss data, which are (i) the benefit amounts already paid by insurers on reported claims and (ii) the benefit amounts already paid by insurers on reported claims plus the amounts set aside to cover future payments on those claims.

During this year’s analysis, which included an assessment of the predictiveness of the experience period years, a combination of both paid and paid plus case data was selected to best reflect the conditions likely to prevail in the proposed effective period. This methodology makes use of the most available financial data information and is consistent with prior filings made in Indiana.

Determination of the Experience Period

This year’s analysis included a review of various experience periods. The most recent five policy year and calendar-accident year projected loss ratios are shown below. Policy year data is given greater consideration by NCCI because policy year data reflects the best match between exposure and losses.

Policy Year	Loss Ratio	Calendar-Accident Year	Loss Ratio
2020	0.959	2021	0.971
2021	0.969	2022	0.949
2022	0.963	2023	0.979
2023	0.940	2024	0.917
2024	0.941	2025	0.944

Note the following regarding the projected loss ratios:

- *Based on NCCI’s Financial Call data reported through 12/31/2025, on-leveled, developed to an ultimate report, and trended to the prospective period. Projected loss ratios do not include the change in expenses and standard earned premium at the Designated Statistical Reporting (DSR) level is adjusted to a pure premium level.*
- *The selected trends for the experience period (i.e., Policy Years 2023 and 2024) underlie the loss ratios shown for all years – these trends may be less appropriate for non-experience period years.*
- *The Calendar-Accident Year analysis was not conducted separately; the displayed loss ratios are trended using the policy year loss ratio selections underlying this filing.*
- *Calendar-Accident Year 2021–2023 loss ratios include a premium audit adjustment due to changes in audit activity.*

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Exhibit I – Determination of Indicated Rate Level Change

The policy year loss ratios, projected to the prospective level, are generally consistent and favorable in this time period, supporting the use of the two most recent policy years in the experience period. These projected loss ratio values are at the pure premium level and reflect the indicated change to indemnity and medical benefit costs, prior to any change to expenses. For example, the projected Policy Year 2023 loss ratio of 0.940 indicates a change of –6.0% for indemnity and medical costs in the system during the prospective period. Policy Years 2023 and 2024 produce similar indicated changes to the voluntary rate level and are comparable to the Policy Year 2022 experience that has fallen outside of the two-year experience period.

Both the recent policy year and calendar-accident year projected loss ratios indicate continued improvement in workers compensation experience, and a decrease to the current rate level. This is mainly influenced by the long-term decline in lost-time claim frequency. Additionally, Indiana's medical fee schedule has effectively controlled costs relative to changes in workers' wages since its implementation in 2014. Generally, the volume of large loss activity in the most recent policy years is consistent with the level observed in historical periods.

Frequency continues to be the primary source of the downward pressure on the rate level. While Indiana's economy has faced challenges recently due to tariff-related uncertainty, especially in its key Logistics sector, the near-term economic outlook remains stable. Despite a minor uptick in 2024, the unemployment rate is expected to remain around 4% during the filing effective period (Source: Moody's Analytics). Additionally, annual wage growth is expected to remain around 3.5%, which is similar to pre-COVID-19 pandemic changes. The stable outlook implies that the historical data can be used as a reliable predictor of future experience. Overall, frequency, severity, and payroll projections suggest declining indemnity and medical costs over time.

Data for the two most recently available full policy years was selected as the most appropriate period on which to base this year's filing. Overall, the experience period of Policy Years 2023 and 2024 indicate a decrease from the current rate level, driven by continued declines in claim frequency and payroll growth. The change due to the latest experience, development, trend, and benefits is –5.9%, prior to the consideration of the other filing components. This approach provides a balance between stability and responsiveness and best reflects the conditions likely to prevail in the proposed effective period. This method is consistent with the previous filing in Indiana.

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Advisory Rates, Loss Costs, and Assigned Risk Rates Filing – January 1, 2027

Exhibit I – Determination of Indicated Rate Level Change

Determination of Indicated Rate Level Change

NCCI uses the following general methodology to determine the indicated change based on experience, trend, and benefits for each of the policy years in the experience period:

1. Standard earned premium at Designated Statistical Reporting (DSR) level is developed to ultimate, on-leveled to the current approved advisory rate level, and adjusted to a pure premium level.
2. Reported indemnity and medical losses are limited by a large loss threshold, developed to ultimate using limited development factors, and on-leveled to a common benefit level to yield adjusted limited losses.
3. Limited indemnity and medical cost ratios excluding trend and benefit changes are calculated as adjusted losses (step 2) divided by premium available for benefit costs (step 1).
4. Trend factors are applied to the indemnity and medical cost ratios to reflect expected differences between the historical experience years and the effective period of the proposed filing.
5. Limited losses are adjusted to an unlimited basis via a non-catastrophe excess ratio (with excess ratios at limits beyond $50 million set equal to zero).
6. A factor is applied to reflect the impact of proposed indemnity and medical benefit changes.
7. The projected unlimited indemnity and medical cost ratios including benefit changes are added to yield the indicated change based on experience, trend, and benefits.

The indicated change based on experience, trend, and benefits for this filing is calculated as the average of the indicated changes for each of the individual policy years in the experience period. Lastly, the impact of the change in expense-related provisions is applied to determine the indicated overall average advisory rate level change.

The detailed calculations can be found on the following pages.

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INDIANA

EXHIBIT I

Determination of Indicated Rate Level Change

Section A - Policy Year 2024 Experience

Premium:

(1)	Standard Earned Premium Developed to Ultimate (Appendix A-II)	$673,598,012
(2)	Premium On-level Factor (Appendix A-I)	0.536
(3)	Pure Premium Available for Benefit Costs = (1) x (2)	$361,048,534

Indemnity Benefit Cost:

(4)	Limited Indemnity Losses Developed to Ultimate (Appendix A-II)	$126,123,070
(5)	Indemnity Loss On-level Factor (Appendix A-I)	1.035
(6)	Adjusted Limited Indemnity Losses = (4) x (5)	$130,537,377
(7)	Adjusted Limited Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.362
(8)	Factor to Reflect Indemnity Trend (Appendix A-III)	0.871
(9)	Projected Limited Indemnity Cost Ratio = (7) x (8)	0.315
(10)	Factor to Adjust Indemnity Cost Ratio to an Unlimited Basis (Appendix A-II)	1.010
(11)	Projected Indemnity Cost Ratio = (9) x (10)	0.318
(12)	Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	1.000
(13)	Projected Indemnity Cost Ratio including Benefit Changes = (11) x (12)	0.318

Medical Benefit Cost:

(14)	Limited Medical Losses Developed to Ultimate (Appendix A-II)	$255,945,911
(15)	Medical Loss On-level Factor (Appendix A-I)	1.012
(16)	Adjusted Limited Medical Losses = (14) x (15)	$259,017,262
(17)	Adjusted Limited Medical Cost Ratio excluding Trend and Benefits = (16) / (3)	0.717
(18)	Factor to Reflect Medical Trend (Appendix A-III)	0.857
(19)	Projected Limited Medical Cost Ratio = (17) x (18)	0.614
(20)	Factor to Adjust Medical Cost Ratio to an Unlimited Basis (Appendix A-II)	1.010
(21)	Projected Medical Cost Ratio = (19) x (20)	0.620
(22)	Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	1.005
(23)	Projected Medical Cost Ratio including Benefit Changes = (21) x (22)	0.623

Total Benefit Cost:

(24)	Indicated Change Based on Experience, Trend and Benefits = (13) + (23)	0.941

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INDIANA

EXHIBIT I

Determination of Indicated Rate Level Change

Section B - Policy Year 2023 Experience

Premium:

(1)	Standard Earned Premium Developed to Ultimate (Appendix A-II)	$709,173,714
(2)	Premium On-level Factor (Appendix A-I)	0.473
(3)	Pure Premium Available for Benefit Costs = (1) x (2)	$335,439,167

Indemnity Benefit Cost:

(4)	Limited Indemnity Losses Developed to Ultimate (Appendix A-II)	$118,363,095
(5)	Indemnity Loss On-level Factor (Appendix A-I)	1.053
(6)	Adjusted Limited Indemnity Losses = (4) x (5)	$124,636,339
(7)	Adjusted Limited Indemnity Cost Ratio excluding Trend and Benefits = (6) / (3)	0.372
(8)	Factor to Reflect Indemnity Trend (Appendix A-III)	0.832
(9)	Projected Limited Indemnity Cost Ratio = (7) x (8)	0.310
(10)	Factor to Adjust Indemnity Cost Ratio to an Unlimited Basis (Appendix A-II)	1.010
(11)	Projected Indemnity Cost Ratio = (9) x (10)	0.313
(12)	Factor to Reflect Proposed Changes in Indemnity Benefits (Appendix C)	1.000
(13)	Projected Indemnity Cost Ratio including Benefit Changes = (11) x (12)	0.313

Medical Benefit Cost:

(14)	Limited Medical Losses Developed to Ultimate (Appendix A-II)	$247,923,508
(15)	Medical Loss On-level Factor (Appendix A-I)	1.026
(16)	Adjusted Limited Medical Losses = (14) x (15)	$254,369,519
(17)	Adjusted Limited Medical Cost Ratio excluding Trend and Benefits = (16) / (3)	0.758
(18)	Factor to Reflect Medical Trend (Appendix A-III)	0.815
(19)	Projected Limited Medical Cost Ratio = (17) x (18)	0.618
(20)	Factor to Adjust Medical Cost Ratio to an Unlimited Basis (Appendix A-II)	1.010
(21)	Projected Medical Cost Ratio = (19) x (20)	0.624
(22)	Factor to Reflect Proposed Changes in Medical Benefits (Appendix C)	1.005
(23)	Projected Medical Cost Ratio including Benefit Changes = (21) x (22)	0.627

Total Benefit Cost:

(24)	Indicated Change Based on Experience, Trend and Benefits = (13) + (23)	0.940

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INDIANA

EXHIBIT I

Determination of Indicated Rate Level Change

Section C - Indicated Change Based on Experience, Trend, and Benefits

(1)	Policy Year 2024 Indicated Change Based on Experience, Trend, and Benefits	0.941
(2)	Policy Year 2023 Indicated Change Based on Experience, Trend, and Benefits	0.940
(3)	Indicated Change Based on Experience, Trend, and Benefits* = [(1) + (2)] / 2	0.941

* The weight applied to each loss ratio in the experience period does not vary by year.

Section D - Application of the Change in Production and General Expenses

(1)	Indicated Rate Level Change	0.941
(2)	Effect of the Change in Production and General Expenses (Exhibit II)	1.010
(3)	Indicated Change Modified to Reflect the Change in Production and General Expenses = (1) x (2)	0.950

Section E - Application of the Change in Taxes

(1)	Indicated Rate Level Change	0.950
(2)	Effect of the Change in Taxes (Exhibit II)	1.000
(3)	Indicated Change Modified to Reflect the Change in Taxes = (1) x (2)	0.950

Section F - Application of the Change in the Profit and Contingency Provision

(1)	Indicated Rate Level Change	0.950
(2)	Effect of the Change in the Profit and Contingency Provision (Exhibit II)	1.000
(3)	Indicated Change Modified to Reflect the Change in the Profit and Contingency Provision = (1) x (2)	0.950

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EXHIBIT I

Determination of Indicated Rate Level Change

Section G - Application of the Change in Loss-based Expenses

(1)	Indicated Rate Level Change	0.950
(2)	Effect of the Change in Loss-based Expenses (Exhibit II)	1.003
(3)	Indicated Change Modified to Reflect the Change in Loss-based Expenses = (1) x (2)	0.953

Section H - Distribution of Overall Rate Level Change to Industry Groups

Industry Group Differentials (Appendix A-IV):

Manufacturing	1.011
Contracting	0.992
Office & Clerical	1.004
Goods & Services	0.989
Miscellaneous	1.012

Applying these industry group differentials to the final overall rate level change produces the changes in rate level proposed for each group as shown:

Industry Group	(1) Final Overall Rate Level Change	(2) Industry Group Differential	(3) = (1) x (2) Final Rate Level Change by Industry Group	
Manufacturing	0.953	1.011	0.963	(-3.7%)
Contracting	0.953	0.992	0.945	(-5.5%)
Office & Clerical	0.953	1.004	0.957	(-4.3%)
Goods & Services	0.953	0.989	0.943	(-5.7%)
Miscellaneous	0.953	1.012	0.964	(-3.6%)
Overall	0.953	1.000	0.953	(-4.7%)

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Advisory Rates, Loss Costs, and Assigned Risk Rates Filing – January 1, 2027

Exhibit II – Workers Compensation Expense Program

The proposed advisory rates include several expense-related provisions as described below. The expense provisions described below are assumed to be the same for both the voluntary and assigned risk market.

Production and General Expenses: Production costs include commissions, costs of preparing the policy, verifying the correct application of rates and rating plans, billing and collecting premium, and the costs of maintaining company branch offices. General expenses are commonly classified into four categories: general administration, audit, boards and bureaus, and inspection expenses.

The Production and General Expense provisions are reviewed on an annual basis using countrywide NAIC data. Countrywide data is reviewed because insurance carriers cannot easily attribute portions of their Production and General expenses to any specific state. The analysis of the Production and General expenses involves creating expense to premium ratios. Since the premium comes from a non-NCCI data source, adjustments are made to the premium to convert the premium to a Designated Statistical Reporting (DSR) level. In addition, the fixed expenses are removed from the numerator and denominator of the ratio to arrive at a purely variable expense ratio. After a review of the underlying data and changes in expense to premium ratios over time, a selection is made for the Production and General expenses considering the balance of stability and responsiveness.

Premium Taxes and Assessments: The proposed rates have a provision for taxes, licenses, and fees (other than Federal Income Tax) including a Premium Tax provision, a miscellaneous tax provision, and a provision for the Insurance Guaranty Association assessment. Where published by the state, the published value is selected. When no value is published by the state, historical values are reviewed, and a selection is made.

Profit and Contingency Provision: By law, Indiana workers compensation rates must be determined so that insurers can be expected to earn a reasonable rate of return. Therefore, advisory rate filings should contemplate the inclusion of a fair and reasonable profit and contingency (P&C) provision.

The proposed P&C provision in this year's filing was selected based on the results of NCCI's Internal Rate of Return (IRR) model, which estimates the time series of expected future cash flows including premium, losses, expenses, investment income and taxes, for a representative insurer underwriting workers compensation coverage. In determining the P&C provision, NCCI reviews three P&C estimates as indicated by the IRR model—Static-Avg, Static-Spot, and Dynamic. The dynamic estimate incorporates projections of future interest rate levels, while both static estimates hold interest rates fixed over time with varying degrees of responsiveness. The static-spot estimate utilizes the latest observed US Treasury Rate, while the static-avg estimate utilizes a rolling 5-year average of US Treasury Rates to emphasize the stability of the results from year to year. Please refer to the Internal Rate of Return Analysis section of Exhibit II for additional information.

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The P&C selection is based on a review of all three estimation approaches, while also considering stability in this filing component. This filing proposes no change to the P&C provision of 0.0% which considers various assumptions related to future interest rates along with other model parameters.

Loss Adjustment Expense Provision: The proposed advisory rates include a provision for loss adjustment expenses (LAE).

LAE is included in the rates by using a ratio of loss adjustment expense dollars to loss dollars (called the LAE provision). These expenses are directly associated with the handling of workers compensation claims. The LAE provision is comprised of two components: Adjusting and Other Expenses (AOE) and Defense and Cost Containment Expenses (DCCE).

Given the nature of AOE, it cannot be allocated to a specific claim, and hence cannot be accurately attributed to specific states. Therefore, the state-specific AOE ratio reflects the latest selected countrywide provision. The countrywide provision was calculated using data obtained from the NCCI Call for Loss Adjustment Expense. The accident year developed AOE ratios are calculated on a countrywide basis using private carrier-only data.

NCCI used the following general methodology to determine the proposed DCCE provision based on Indiana-specific paid DCCE and losses reported on the NCCI Call for Policy Year Data:

- Ratios of reported paid DCCE-to-paid losses by policy year are developed to a 19th report using DCCE ratio development factors.
- A 19th-to-ultimate tail factor is applied to reflect expected development beyond a 19th report.
- The proposed DCCE provision is selected based on the ultimate projected DCCE ratios by policy year.

Loss-Based Assessment: INSafe, a division of the Indiana Department of Labor responsible for ensuring workplace health and safety, periodically levies an assessment on indemnity benefits paid by insurance carriers. The proposed rates include a provision for this assessment based on the historical frequency of these assessments and the estimated indemnity share of workers compensation benefits.

Expense Constant: Insurer expenses as a proportion of premium vary by size of risk. As risk size increases, marginal expenses tend to diminish. An expense constant helps address fixed expense differences by size of risk. The expense constant together with the expense provision included in the manual rate provide the necessary funding for insurer expenses.

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EXHIBIT II

Section A - Comparison of Proposed and Current Expense Provisions

Overhead expense provisions are itemized below. These figures are expressed as percentages of standard premium (excluding expense constant) and are indicative of the expenses of the first $10,000 of policy premium. Taken together these allowances represent that portion of the standard premium dollar necessary to operate the benefit system. The complementary portion corresponds to the portion of the premium dollar available to finance benefits, loss adjustment expenses and loss-based assessments, if applicable. It is referred to as the "target cost ratio".

		Expense Provisions Underlying Current Rates	Expense Provisions Underlying Proposed Rates
(1)	Expense Constant	$160	$160
(2)	Production Expense	18.5%	18.7%
(3)	General Expense	6.3%	6.8%
(4)	Taxes, Licenses and Fees (other than Federal Income Tax)		
	Premium Tax	1.3%	1.3%
	Miscellaneous	0.3%	0.3%
	Insurance Guaranty Association	0.1%	0.1%
	Total	**1.7%**	**1.7%**
(5)	Profit and Contingency Provision	0.0%	0.0%
(6)	Total Overhead Provisions (2)+(3)+(4)+(5)	26.5%	27.2%
(7)	Target Cost Ratio [100% - (6)]	73.5%	72.8%
(8)	Loss Adjustment Expense	18.6%	19.0%
(9)	Loss-based Assessment	0.1%	0.1%
(10)	Permissible Loss Ratio (7) / [1+(8)+(9)]	61.9%	61.1%

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EXHIBIT II

Section B - Calculation of Change in Expense Provisions

		A Current Expenses	B Col. A with Proposed Prod & Gen Exp	C Col. B with Proposed Taxes	D Col. C with Proposed Profit and Contingency
(1)	Production Expense	18.5%	18.7%	18.7%	18.7%
(2)	General Expense	6.3%	6.8%	6.8%	6.8%
(3)	Taxes	1.7%	1.7%	1.7%	1.7%
(4)	Profit and Contingency Provision	0.0%	0.0%	0.0%	0.0%
(5)	Total Provisions (1)+(2)+(3)+(4)	26.5%	27.2%	27.2%	27.2%
(6)	TCR (100%-(5))	73.5%	72.8%	72.8%	72.8%
(7)	Loss Based Expenses	18.7%	19.1%	19.1%	19.1%
(8)	Change in Production and General Expense (6A) / (6B)			1.010	+1.0%
(9)	Change in Taxes and Assessments (6B) / (6C)			1.000	0.0%
(10)	Change in Profit and Contingency Provision (6C) / (6D)			1.000	0.0%
(11)	Change in Loss Based Expenses [1.0 + (7B)] / [1.0 + (7A)]			1.003	+0.3%

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EXHIBIT II

Section C - Countrywide Expense Program

NCCI annually reviews expense provisions underlying workers compensation rates. This review procedure is based on countrywide expense data. Since a significant portion of workers compensation insurance is interstate business, it is not practical to allocate expenses (especially general, other acquisition, and adjusting and other loss adjustment expenses) to particular states.

The NCCI expense program is designed to ensure equity among employers through a percentage provision in manual rates, a schedule of premium discounts for risks with standard premium in excess of $10,000, and the application of an expense constant.

The majority of expenses incurred in workers compensation vary directly by layer of premium and are accordingly termed variable expenses. An equitable apportionment of variable expense is achieved through the application of premium discounts. As the premium for a policy increases, some expenses incurred in handling the insurance coverage become proportionately less in terms of premium. A fair expense program must, therefore, provide that the larger premium policies be charged a lower percentage of premium for these expenses than the smaller policies.

Other expenses such as issuing, recording and auditing are common to all policies regardless of size. These common expenses are called fixed expenses and are addressed by incorporating an expense constant in the program.

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EXHIBIT II

Section D - Derivation of General Expense Provisions

The data below (amounts in thousands) illustrates that the combination of a 6.8% general expense provision in the manual rates, a $160 expense constant, and the premium discount schedule generates general expense premium dollars that are consistent with historical actual general expenses as reported in the Insurance Expense Exhibit. All figures below obtained from the Insurance Expense Exhibit (IEE) include data for stock and mutual companies.

		2023	2024	2025
(1)	Direct Earned Premium *(NAIC Insurance Expense Exhibit Data)*	50,927,960	50,758,098	49,997,269
	(1a) Effect of Premium Discounts	0.931	0.932	0.932
	(1b) Effect of Schedule Rating	0.964	0.970	0.972
	(1c) Effect of Carrier Deviations	1.089	1.111	1.131
	(1d) Effect of Deductibles	0.746	0.760	0.769
	(1e) Expense Constant Offset	0.989	0.988	0.988
(2)	Gross Adjusted Premium *(STD Premium @ NCCI Level Excl. Expense Constant)* {(1) / [(1a) x (1b) x (1c) x (1d)]} x (1e)	69,081,085	65,697,219	62,694,884
(3)	Direct General Expenses Incurred *(NAIC Insurance Expense Exhibit Data)*	3,715,417	3,967,606	4,007,351
	(3a) Proportion of Expense Constant Attributable to General Expenses	0.406	0.406	0.406
(4)	General Expenses Incurred *(Excluding Expense Constant Revenue)* (3) - (2) x [1-(1e)]/(1e) x (3a)	3,403,469	3,643,642	3,698,192
(5)	Ratio of General Expense to Premium *(Excluding Expense Constant Revenue)* (4)/(2)	4.9%	5.5%	5.9%
(6)	General Expense Gradations *(General Expenses in Average Premium Discount)*	1.2%	1.2%	1.2%
(7)	General Expense Provision (5)+(6)	6.1%	6.7%	7.1%
(8)	Selected General Expense Provision			**6.8%**

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EXHIBIT II

Section E - Derivation of Production Expense Provisions

The data below (amounts in thousands) illustrates that the combination of a 18.7% production expense provision in the manual rates, a $160 expense constant, and the premium discount schedule generates production expense premium dollars that are consistent with historical actual production expenses as reported for combined stock and mutual companies' voluntary business. All figures below obtained from the Insurance Expense Exhibit (IEE) include data for stock and mutual companies.

		2023	2024	2025
(1)	Direct Written Premium *(NAIC Insurance Expense Exhibit Data)*	51,240,473	50,777,672	50,138,169
(1a)	Effect of Premium Discounts	0.931	0.932	0.932
(1b)	Effect of Schedule Rating	0.967	0.973	0.971
(1c)	Effect of Carrier Deviations	1.092	1.125	1.135
(1d)	Effect of Deductibles	0.749	0.769	0.769
(1e)	Expense Constant Offset	0.989	0.987	0.987
(2)	Pool Written Premium *(Summary of NCCI Managed Pools - Combined Stock and Mutual Company Data)*	831,752	800,895	778,168
(3)	Adjusted Direct Written Premium *(STD Premium Excl. Pool Written Premium)* [(1)-(2)] / (1a) x (1e)	53,549,114	52,926,050	52,272,877
(4)	Gross Direct Written Premium *(STD Premium @ NCCI Level Incl. Pool Written Premium)* {(1) / [(1a) x (1b) x (1c) x (1d)]} x (1e)	68,822,241	63,882,562	62,651,039
(5)	Direct Commission & Brokerage Incurred *(NAIC Insurance Expense Exhibit Data)*	4,851,822	4,781,094	4,808,262
(6)	Pool Producer Fees *(Summary of NCCI Managed Pools - Combined Stock and Mutual Company Data)*	27,270	25,248	24,996
(7)	Direct Other Acquisition Expenses Incurred *(NAIC Insurance Expense Exhibit Data)*	2,459,816	2,567,003	2,584,915
(7a)	Proportion of Expense Constant Attributable to Production Expenses	0.531	0.531	0.531
(8)	Other Acquisition Expenses Incurred *(Excluding Expense Constant Revenue)* (7) - (4) x [1-(1e)]/(1e) x (7a)	2,053,354	2,120,213	2,146,739
(9)	Ratio of Other Acq. Expenses to Premium *(Excluding Expense Constant Revenue)* (8)/(4)	3.0%	3.3%	3.4%
(10)	Direct Commission & Brokerage Provision [(5)-(6)]/(3)	9.0%	9.0%	9.2%
(11)	Production Expense Gradations *(Production Expenses in Average Premium Discount)*	6.5%	6.4%	6.4%
(12)	Production Expense Provision (9)+(10)+(11)	18.5%	18.7%	19.0%
(13)	Selected Production Expense Provision			**18.7%**

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EXHIBIT II

Section F - Insurance Guaranty Association—Workers Compensation Account Assessment

Historical Insurance Guaranty Association assessments, by calendar year levied, are shown in the table below. NCCI's selection of 0.1% takes into account the history of assessments levied and promotes stability over a longer-term.

Year		Amount		
Levied	Base	Levied	Base	Rate
2025	2024	-	853,511,705	0.00%
2024	2023	-	881,518,238	0.00%
2023	2022	-	854,961,227	0.00%
2022	2021	-	780,266,918	0.00%
2021	2020	-	774,324,871	0.00%
2020	2019	-	815,932,437	0.00%
2019	2018	-	817,456,304	0.00%
2018	2017	-	823,619,704	0.00%
	2016	4,250,000	883,307,548	0.48%
	2013	500,000	832,451,992	0.06%
2017	2016	-	873,665,614	0.00%
	2015	525,000	905,664,149	0.06%
	2013	1,250,000	843,823,715	0.15%
2016	2015	-	905,664,149	0.00%
2015	2014	-	866,367,147	0.00%
			Selected Provision	**0.10%**

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EXHIBIT II

Workers Compensation Loss-based Expense Provision

Section G - (A) - Proposed Change in the Indiana Loss-based Expense Provision

The pure loss component includes the following expense directly related to the payment of claims.

		(1) Current	(2) Proposed
(a)	Loss Adjustment Expense (LAE)	18.6%	19.0%
(b)	INSafe	0.1%	0.1%
	Effect of change in loss-based expenses = [1.000 + (2a) + (2b)] / [1.000 + (1a) + (1b)] - 1		1.003 (+0.3%)

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EXHIBIT II

Workers Compensation Loss-based Expense Provision

Section G - (B) - Proposed Change in Indiana Loss Adjustment Expense Provision

NCCI proposes a 19.0% loss adjustment expense allowance as a percentage of losses.

Indiana Provisions	(1) Current Approved	(2) Proposed
AOE	9.8%	**9.8%**
DCCE	8.8%	**9.2%**
Total LAE	18.6%	**19.0%**

Proposed Change in Indiana LAE Provision	1.003
=[1.0 + (2)] / [1.0 + (1)] - 1	**0.3%**

Section G - (C) - Selection of AOE Provision

The adjusting and other expense data by accident year shown below is based on countrywide data for private carriers. NCCI's countrywide selection for the AOE provision is 9.8%.

Accident Year	Ultimate AOE Ratio
2021	10.0%
2022	9.7%
2023	9.7%
2024	9.8%
2025	10.1%
Countrywide Selected	9.8%
Indiana Selected	**9.8%**

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EXHIBIT II

Workers Compensation Loss-based Expense Provision

Section G - (D) - Selection of DCCE Provision

Policy Year	(1) Reported Ratio of Paid DCCE to Paid Losses	(2) Age to Ultimate Development Factor	(3) Ultimate DCCE Ratio
2020	8.1%	1.007	8.2%
2021	8.4%	1.024	8.6%
2022	8.7%	1.059	9.2%
2023	8.2%	1.141	9.4%
2024	7.1%	1.277	9.1%
		Indiana Selected	**9.2%**

(2) Section G - (E)

(3) = (1) x (2)

Section G - (E) - Summary of Paid DCCE to Paid Loss Ratio Development Factors

Report	(1) DCCE Ratio Development To Next Report	(2) DCCE Ratio Development To Ultimate
1st	1.119	1.277
2nd	1.077	1.141
3rd	1.034	1.059
4th	1.017	1.024
5th	1.006	1.007
6th	0.998	1.001
7th	1.000	1.003
8th	0.999	1.003
9th	1.000	1.004
10th	1.000	1.004
11th	1.000	1.004
12th	1.001	1.004
13th	1.000	1.003
14th	1.002	1.003
15th	1.001	1.001
16th	1.000	1.000
17th	0.999	1.000
18th	1.001	1.001
19th		1.000*

(1) Section G - (F)

(2) = Cumulative upward product of column (1)

*Selection

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EXHIBIT II

Workers Compensation Loss-based Expense Provision

Section G - (F) - Paid DCCE to Paid Loss Ratio Development Factors

Valuation	1st/2nd	2nd/3rd	3rd/4th	4th/5th	5th/6th	6th/7th
12/31/2024	1.093	1.088	1.030	1.017	1.004	0.998
12/31/2025	1.145	1.066	1.038	1.016	1.008	0.997
Average	1.119	1.077	1.034	1.017	1.006	0.998

Valuation	7th/8th	8th/9th	9th/10th	10th/11th	11th/12th	12th/13th
12/31/2024	0.998	1.001	0.999	0.998	0.999	1.000
12/31/2025	1.001	0.997	1.001	1.001	1.000	1.001
Average	1.000	0.999	1.000	1.000	1.000	1.001

Valuation	13th/14th	14th/15th	15th/16th	16th/17th	17th/18th	18th/19th
12/31/2024	1.000	1.002	1.002	0.999	1.000	1.000
12/31/2025	1.000	1.001	0.999	1.001	0.998	1.001
Average	1.000	1.002	1.001	1.000	0.999	1.001

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EXHIBIT II

Workers Compensation Loss-based Expense Provision

Section G - (G) - Selection of INSafe Assessment Provision

Historical INSafe assessments on indemnity losses are shown in the table below.
NCCI's selection of 0.1% represents the provision applicable to both indemnity and medical losses.

Year Levied	Assessment on Indemnity Losses
2012	0.00%
2013	0.00%
2014	0.75%
2015	0.00%
2016	0.00%
2017	0.00%
2018	0.75%
2019	0.00%
2020	0.00%
2021	0.00%
2022	0.75%
2023	0.00%
2024	0.75%
2025	0.00%
2026	0.00%
(1) 10-Year Average	0.23%
(2) Indemnity Share of Losses	33%
(3) Selected INSafe Provision = (1) x (2)	**0.1%**

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EXHIBIT II

Section H - Internal Rate of Return Analysis

Overview

According to actuarial principles, insurance rates should provide for the cost of capital through an underwriting profit and contingency (P&C) provision, after accounting for investment and other income. NCCI considered Actuarial Standard of Practice #30 *Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking* in choosing to employ an Internal Rate of Return (IRR) model to estimate a P&C provision. The cost of capital and investment income assumptions used in the model are estimated using market-based financial methods for investors of securities with a similar risk profile to workers compensation insurance companies. Note that the assumptions used in this IRR model, including the cost of capital and investment income assumptions, may or may not be applicable to any individual insurance company in this state.

The IRR model is based on the principle that the internal rate of return from an investment opportunity equals the investor's cost of capital if the sum of all cash flows from that investment, discounted at the cost of capital, equals zero. In the case of workers compensation insurance, cash flows to the capital providers are comprised of insurance cash flows, investment income, and commitment and release of capital in support of the insurance transaction.

- The insurance cash flows are estimated based on premiums earned less payments for losses and expenses, as included in this rate filing, after recognizing the impact of federal income taxes.
- Investment income on reserves and surplus depends on an after-tax return on investment (RoI), which is estimated using a combination of current financial market data and forecasts.
- The cost of capital used is a weighted average cost of capital (WACC), expressed as a percentage of capital, which takes into account both debt and equity components of a representative insurer's capital structure.

IRR Model Inputs and Results

The model estimates the P&C provision necessary in order for the proposed rates to cover the cost of capital. The P&C provision is estimated using three different assumptions regarding the return on investment and cost of capital:

- The "Static" estimate(s) of the P&C provision assume that the RoI and the WACC do not change over time. The 'Static-Avg' estimate assumes a longer-term average compared to the 'Static-Spot' estimate for certain financial inputs impacting the WACC and RoI. The Static-Spot estimate assumes the current US treasury rate, while the Static-Average assumes a rolling 5-year average. The RoI and the WACC for both static estimates are derived using data through the first quarter of 2026.
- The "Dynamic" estimate uses similar assumptions as the Static-Spot, but assumes that the RoI and WACC vary over time. Dynamic estimates are derived using data through the first quarter of 2026, with forecasts from May of that year. The starting point for the Dynamic estimate is January 1, 2027.

The following table summarizes the inputs and results of the model under each scenario.

TABLE 1: IRR MODEL INPUTS AND RESULTS

Inputs:				
(1)	Expenses and Taxes as a Percentage of Net Premium at NCCI Level			22.10%
(2)	Reserve-to-Surplus Ratio			1.95
(3)	Cash Flow Patterns			See Table 2
		Static - Avg	Static - Spot	Dynamic*
(4)	Return on Investments	3.90%	4.23%	4.17% - 4.31%
(5)	Weighted Average Cost of Capital	9.52%	9.96%	10.06% - 10.20%
Results				
		Static - Avg	Static - Spot	Dynamic
(6)	**Indicated Profit and Contingency Provision**	**0.11%**	**-0.27%**	**-0.14%**
(7)	Loss and Loss Adjustment Expense Provision = [100% - (6) - (1)]	77.79%	78.17%	78.04%

Table Notes:

It is assumed that no policyholders dividends are paid and that there are no rate departures (deviations or schedule rating).

(1) Expense provisions and taxes derived from the filing.

(2) Calculated from Best's 2025 Aggregates & Averages, for Commercial Casualty Composite, as the weighted average of Loss, LAE, and Unearned Premium Reserves to Policyholder Surplus, for years 2020 - 2024.

* See table 3 for details by time period.

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TABLE 2: CASH FLOW PATTERNS (CUMULATIVE)

Time	(1) Policy-Year Collected Premium	(2) Earned Premium	(3) Written Premium	(4) Expenses and Taxes	(5) Paid Losses and LAE
0.00	-	-	-	-	-
0.25	14.65%	3.74%	29.90%	14.58%	1.10%
0.50	31.85%	14.26%	54.30%	31.71%	4.19%
0.75	53.42%	30.65%	76.80%	53.18%	9.01%
1.00	77.30%	52.75%	100.00%	77.40%	15.50%
1.25	89.44%	74.01%		89.49%	26.53%
1.50	97.02%	88.49%		97.03%	37.55%
1.75	100.00%	97.10%		100.00%	48.58%
2.00		100.00%			59.60%
2.25					64.48%
2.50					69.35%
2.75					74.23%
3.00					79.10%
3.25					81.10%
3.50					83.10%
3.75					85.10%
4.00					87.10%
4.25					88.10%
4.50					89.10%
4.75					90.10%
5.00					91.10%
6.00					93.00%
7.00					94.60%
8.00					96.10%
9.00					96.70%
10.00					97.00%
11.00					97.10%
12.00					97.30%
13.00					97.70%
14.00					97.90%
15.00					97.90%
16.00					98.00%
17.00					98.00%
18.00					98.20%
19.00					98.40%
20.00					98.50%
21.00					98.50%
22.00					98.60%
23.00					98.70%
24.00					98.80%
25.00					98.90%
26.00					99.00%
27.00					99.10%
28.00					99.40%
29.00					99.40%
30.00					99.40%
31.00					99.50%
32.00					99.64%
33.00					99.76%
34.00					99.89%
35.00					100.00%

TABLE 3: DYNAMIC ESTIMATE INPUTS

Time	(1) Return on Investments	(2) Weighted Average Cost of Capital
0.00	-	-
0.25	4.31%	10.20%
0.50	4.30%	10.18%
0.75	4.29%	10.18%
1.00	4.29%	10.18%
1.25	4.28%	10.19%
1.50	4.28%	10.18%
1.75	4.28%	10.19%
2.00	4.28%	10.19%
2.25	4.28%	10.18%
2.50	4.28%	10.17%
2.75	4.25%	10.16%
3.00	4.25%	10.14%
3.25	4.24%	10.13%
3.50	4.24%	10.13%
3.75	4.24%	10.13%
4.00	4.24%	10.12%
4.25	4.24%	10.11%
4.50	4.24%	10.10%
4.75	4.23%	10.09%
5.00	4.23%	10.08%
6.00	4.21%	10.07%
7.00	4.20%	10.06%
8.00	4.19%	10.07%
9.00	4.18%	10.07%
10.00	4.18%	10.09%
11.00	4.19%	10.09%
12.00	4.19%	10.09%
13.00	4.19%	10.08%
14.00	4.19%	10.07%
15.00	4.19%	10.07%
16.00	4.18%	10.08%
17.00	4.18%	10.08%
18.00	4.18%	10.08%
19.00	4.18%	10.08%
20.00	4.18%	10.08%
21.00	4.18%	10.08%
22.00	4.18%	10.07%
23.00	4.17%	10.07%
24.00	4.17%	10.07%
25.00	4.17%	10.07%
26.00	4.17%	10.07%
27.00	4.17%	10.07%
28.00	4.17%	10.07%
29.00	4.17%	10.07%
30.00	4.17%	10.07%
31.00	4.17%	10.07%
32.00	4.17%	10.07%
33.00	4.17%	10.07%
34.00	4.17%	10.07%
35.00	4.17%	10.07%

Table 2 Notes:

Table 2 shows cumulative cash flows. For ease of reading no additional numbers are shown after a column reaches 100% cumulative cash flow.

(1) Derived from estimates of premium distribution and payment terms by size of policy.

(2) Based on written premium pattern assuming uniform writings within quarters and standard quarterly earning pattern.

(3) Based on this jurisdiction's premium writings by quarter.

(4) Expenses assumed paid as premium is collected; timing of taxes based on NCCI's Tax and Assessment Directory.

(5) Derived from loss development data underlying this rate filing. Payouts for the first 31 years are based upon the ratio of paid losses to incurred losses from the most recent 31 policy years for which data is available. For the following years, loss payouts are assumed to trail off geometrically, with an adjustment so that the payout will be complete at 35 years.

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Calculation Details

The tables in the following pages show the detailed calculations of the IRR model.

List of Tables

Static-Average (Static-Avg) Estimate
- Table 4: Derivation of Insurance Cash Flows
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Static-Spot Estimate
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Appendices
- Appendix A: Calculation of Weighted Average Cost of Capital and Return on Investments
  - Table A.1: Calculation of Weighted Average Cost of Capital
  - Table A.2: Calculation of Return on Investments
- Appendix B: Federal Income Tax Incurred from Insurance Operations
  - Table B.1: Federal Income Tax Calculation (Static-Avg Estimate)
  - Table B.2: Federal Income Tax Calculation (Static-Spot Estimate)
  - Table B.3: Federal Income Tax Calculation (Dynamic Estimate)
- Appendix C: Reserve-to-Surplus Ratio

Note: Although values are displayed to 4 decimal places in the following tables, the calculations themselves are carried to the full precision of the computer.

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Calculation Details - Static-Avg Estimate

TABLE 4: DERIVATION OF INSURANCE CASH FLOW (STATIC-AVG ESTIMATE)

Time	(1) Collected Premium Factor	(2) Expense and Taxes Factor	(3) Paid Losses and LAE Factor	(4) Federal Income Tax Factor	(5) Insurance Cash flow Factor
0.00	-	-	-	-	-
0.25	0.1465	0.0322	0.0085	0.0051	0.1006
0.50	0.3185	0.0701	0.0326	0.0102	0.2056
0.75	0.5342	0.1175	0.0701	0.0154	0.3313
1.00	0.7730	0.1711	0.1206	0.0205	0.4609
1.25	0.8944	0.1978	0.2063	0.0177	0.4726
1.50	0.9702	0.2144	0.2921	0.0149	0.4488
1.75	1.0000	0.2210	0.3779	0.0121	0.3890
2.00	1.0000	0.2210	0.4636	0.0093	0.3060
2.25	1.0000	0.2210	0.5015	0.0084	0.2691
2.50	1.0000	0.2210	0.5395	0.0074	0.2321
2.75	1.0000	0.2210	0.5774	0.0064	0.1952
3.00	1.0000	0.2210	0.6153	0.0055	0.1582
3.25	1.0000	0.2210	0.6309	0.0050	0.1431
3.50	1.0000	0.2210	0.6464	0.0045	0.1281
3.75	1.0000	0.2210	0.6620	0.0041	0.1130
4.00	1.0000	0.2210	0.6775	0.0036	0.0979
4.25	1.0000	0.2210	0.6853	0.0033	0.0903
4.50	1.0000	0.2210	0.6931	0.0031	0.0828
4.75	1.0000	0.2210	0.7009	0.0028	0.0753
5.00	1.0000	0.2210	0.7087	0.0026	0.0678
6.00	1.0000	0.2210	0.7234	0.0021	0.0535
7.00	1.0000	0.2210	0.7359	0.0017	0.0414
8.00	1.0000	0.2210	0.7475	0.0012	0.0302
9.00	1.0000	0.2210	0.7522	0.0010	0.0258
10.00	1.0000	0.2210	0.7546	0.0008	0.0236
11.00	1.0000	0.2210	0.7553	0.0007	0.0229
12.00	1.0000	0.2210	0.7569	0.0006	0.0215
13.00	1.0000	0.2210	0.7600	0.0005	0.0185
14.00	1.0000	0.2210	0.7616	0.0004	0.0170
15.00	1.0000	0.2210	0.7616	0.0004	0.0171
16.00	1.0000	0.2210	0.7623	0.0003	0.0163
17.00	1.0000	0.2210	0.7623	0.0003	0.0164
18.00	1.0000	0.2210	0.7639	0.0003	0.0148
19.00	1.0000	0.2210	0.7654	0.0003	0.0133
20.00	1.0000	0.2210	0.7662	0.0003	0.0125
21.00	1.0000	0.2210	0.7662	0.0003	0.0125
22.00	1.0000	0.2210	0.7670	0.0003	0.0117
23.00	1.0000	0.2210	0.7678	0.0003	0.0110
24.00	1.0000	0.2210	0.7686	0.0003	0.0102
25.00	1.0000	0.2210	0.7693	0.0003	0.0094
26.00	1.0000	0.2210	0.7701	0.0003	0.0086
27.00	1.0000	0.2210	0.7709	0.0003	0.0079
28.00	1.0000	0.2210	0.7732	0.0003	0.0055
29.00	1.0000	0.2210	0.7732	0.0003	0.0055
30.00	1.0000	0.2210	0.7732	0.0003	0.0055
31.00	1.0000	0.2210	0.7740	0.0002	0.0048
32.00	1.0000	0.2210	0.7751	0.0002	0.0037
33.00	1.0000	0.2210	0.7761	0.0002	0.0027
34.00	1.0000	0.2210	0.7770	0.0002	0.0018
35.00	1.0000	0.2210	0.7779	0.0002	0.0009

Column Notes:
(1) is Collected Premium by time period, expressed as a factor, = Table 2 col (1)
(2) is Expenses and Taxes by time period, expressed as a factor, = Table 1 row (1) x Table 2 col (4)
(3) is Paid Losses and LAE by time period, expressed as a factor, = Table 1 row (7, Static-Avg) x Table 2 col (5)
(4) per the Tax Cuts and Jobs Act of 2017, federal income taxes are computed as the tax rate (21%) times the adjusted underwriting income calculated per IRS rules. See Appendix B for details.
(5) is the Total Insurance Cash Flow by time period, expressed as a factor, = (1) - [(2) + (3) + (4)]

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Calculation Details - Static-Avg Estimate (continued)

TABLE 5: DERIVATION OF CASH FLOWS TO THE CAPITAL PROVIDERS (STATIC-AVG ESTIMATE)

Time	(1) Unearned Premium, Unpaid Loss and Unpaid LAE Reserve Factor	(2) Factor for Surplus Allocated to Reserves	(3) Total Invested Funds Factor	(4) Income from Invested Funds Factor	(5) Capital Provider Equity Factor	(6) Capital Provider Cash Flow Factor	(7) Discounted Capital Provider Cash Flow Factor
0.00	-	-	-	-	-	-	-
0.25	0.2822	0.1447	0.2744	0.0013	(0.1724)	(0.1724)	(0.1705)
0.50	0.4787	0.2455	0.4997	0.0050	(0.2891)	(0.1167)	(0.1127)
0.75	0.6299	0.3230	0.7191	0.0109	(0.3769)	(0.0878)	(0.0830)
1.00	0.7623	0.3909	0.9262	0.0188	(0.4465)	(0.0696)	(0.0642)
1.25	0.6293	0.3227	0.8464	0.0273	(0.3464)	0.1000	0.0903
1.50	0.5114	0.2622	0.7438	0.0350	(0.2601)	0.0864	0.0762
1.75	0.4065	0.2084	0.6149	0.0415	(0.1844)	0.0757	0.0653
2.00	0.3143	0.1612	0.4754	0.0468	(0.1226)	0.0618	0.0521
2.25	0.2763	0.1417	0.4181	0.0511	(0.0979)	0.0247	0.0204
2.50	0.2384	0.1223	0.3607	0.0548	(0.0738)	0.0242	0.0195
2.75	0.2005	0.1028	0.3033	0.0580	(0.0501)	0.0236	0.0186
3.00	0.1626	0.0834	0.2460	0.0606	(0.0271)	0.0231	0.0178
3.25	0.1470	0.0754	0.2224	0.0629	(0.0164)	0.0107	0.0081
3.50	0.1315	0.0674	0.1989	0.0649	(0.0059)	0.0105	0.0077
3.75	0.1159	0.0594	0.1753	0.0667	0.0043	0.0102	0.0074
4.00	0.1003	0.0515	0.1518	0.0683	0.0143	0.0100	0.0070
4.25	0.0926	0.0475	0.1400	0.0697	0.0200	0.0056	0.0039
4.50	0.0848	0.0435	0.1283	0.0710	0.0255	0.0055	0.0037
4.75	0.0770	0.0395	0.1165	0.0722	0.0309	0.0054	0.0036
5.00	0.0692	0.0355	0.1047	0.0732	0.0362	0.0053	0.0034
6.00	0.0545	0.0279	0.0824	0.0769	0.0480	0.0117	0.0071
7.00	0.0420	0.0215	0.0635	0.0797	0.0576	0.0096	0.0053
8.00	0.0303	0.0156	0.0459	0.0818	0.0662	0.0086	0.0043
9.00	0.0257	0.0132	0.0388	0.0835	0.0705	0.0043	0.0020
10.00	0.0233	0.0120	0.0353	0.0849	0.0733	0.0028	0.0012
11.00	0.0226	0.0116	0.0341	0.0863	0.0751	0.0018	0.0007
12.00	0.0210	0.0108	0.0318	0.0876	0.0773	0.0022	0.0008
13.00	0.0179	0.0092	0.0271	0.0887	0.0802	0.0029	0.0009
14.00	0.0163	0.0084	0.0247	0.0897	0.0820	0.0019	0.0006
15.00	0.0163	0.0084	0.0247	0.0907	0.0831	0.0010	0.0003
16.00	0.0156	0.0080	0.0235	0.0917	0.0845	0.0014	0.0003
17.00	0.0156	0.0080	0.0235	0.0926	0.0854	0.0009	0.0002
18.00	0.0140	0.0072	0.0212	0.0934	0.0871	0.0017	0.0003
19.00	0.0124	0.0064	0.0188	0.0942	0.0887	0.0016	0.0003
20.00	0.0117	0.0060	0.0177	0.0949	0.0898	0.0011	0.0002
21.00	0.0117	0.0060	0.0177	0.0956	0.0905	0.0007	0.0001
22.00	0.0109	0.0056	0.0165	0.0963	0.0915	0.0011	0.0002
23.00	0.0101	0.0052	0.0153	0.0969	0.0926	0.0010	0.0001
24.00	0.0093	0.0048	0.0141	0.0975	0.0935	0.0010	0.0001
25.00	0.0086	0.0044	0.0129	0.0980	0.0945	0.0009	0.0001
26.00	0.0078	0.0040	0.0118	0.0985	0.0954	0.0009	0.0001
27.00	0.0070	0.0036	0.0106	0.0989	0.0962	0.0008	0.0001
28.00	0.0047	0.0024	0.0071	0.0993	0.0977	0.0015	0.0001
29.00	0.0047	0.0024	0.0071	0.0996	0.0980	0.0003	0.0000
30.00	0.0047	0.0024	0.0071	0.0998	0.0983	0.0003	0.0000
31.00	0.0039	0.0020	0.0059	0.1001	0.0990	0.0007	0.0000
32.00	0.0028	0.0015	0.0043	0.1003	0.0997	0.0007	0.0000
33.00	0.0018	0.0009	0.0028	0.1004	0.1003	0.0007	0.0000
34.00	0.0009	0.0005	0.0013	0.1005	0.1009	0.0006	0.0000
35.00	-	-	-	0.1005	0.1014	0.0005	0.0000

Column Notes:

(1) is Unearned Premium Reserve (equal to Written Premium minus Earned Premium, per the cashflow pattern) plus Unpaid Loss and LAE Reserve (equal to Incurred minus Paid Losses and LAE) by time period, expressed as a factor,
= [Table 2 col (3) - Table 2 col (2)] + Table 1 row (7, Static-Avg) x [Table 2 col (2) - Table 2 col (5)]

(2) is the Surplus derived from Reserves per the Reserve-to-Surplus Ratio by time period, expressed as a factor, = (1) / Table 1 row (2)

(3) is Reserves plus Surplus minus Agent Balances by time period, expressed as a factor, = (1) + (2) - Agent Balances. Agent Balances exist when Written Premium exceeds Collected Premium, = [Table 2 col (3) - Table 2 col (1)].

(4) is derived by applying the Return on Investments [Table 1 row (4, Static-Avg)] to the average Invested Funds (4) from the previous and current time periods, plus previous Income from Invested Funds, by time period expressed as a factor.

(5) is Insurance Cash Flow plus Income from Invested Funds minus Total Invested Funds by time period, expressed as a factor,
= Table 4 col (5) + (4) - (3)

(6) is the difference between Capital Provider Equity (5) at the current and previous time periods, expressed as a factor

(7) is the Capital Provider Cash Flow (6) discounted by the Weighted Average Cost of Capital [Table 1 row (5, Static-Avg)], expressed as a factor

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INDIANA

EXHIBIT II

Section H - Internal Rate of Return Analysis

Calculation Details - Static-Spot Estimate

TABLE 6: DERIVATION OF INSURANCE CASH FLOW (STATIC-SPOT ESTIMATE)

Time	(1) Collected Premium Factor	(2) Expense and Taxes Factor	(3) Paid Losses and LAE Factor	(4) Federal Income Tax Factor	(5) Insurance Cash flow Factor
0.00	-	-	-	-	-
0.25	0.1465	0.0322	0.0086	0.0050	0.1007
0.50	0.3185	0.0701	0.0328	0.0101	0.2056
0.75	0.5342	0.1175	0.0704	0.0151	0.3312
1.00	0.7730	0.1711	0.1212	0.0201	0.4607
1.25	0.8944	0.1978	0.2073	0.0172	0.4721
1.50	0.9702	0.2144	0.2935	0.0143	0.4479
1.75	1.0000	0.2210	0.3797	0.0115	0.3878
2.00	1.0000	0.2210	0.4659	0.0086	0.3045
2.25	1.0000	0.2210	0.5040	0.0076	0.2674
2.50	1.0000	0.2210	0.5421	0.0066	0.2303
2.75	1.0000	0.2210	0.5802	0.0057	0.1931
3.00	1.0000	0.2210	0.6183	0.0047	0.1560
3.25	1.0000	0.2210	0.6339	0.0042	0.1409
3.50	1.0000	0.2210	0.6496	0.0037	0.1257
3.75	1.0000	0.2210	0.6652	0.0033	0.1105
4.00	1.0000	0.2210	0.6808	0.0028	0.0954
4.25	1.0000	0.2210	0.6886	0.0026	0.0878
4.50	1.0000	0.2210	0.6965	0.0023	0.0802
4.75	1.0000	0.2210	0.7043	0.0020	0.0727
5.00	1.0000	0.2210	0.7121	0.0018	0.0651
6.00	1.0000	0.2210	0.7269	0.0013	0.0507
7.00	1.0000	0.2210	0.7395	0.0009	0.0387
8.00	1.0000	0.2210	0.7512	0.0004	0.0274
9.00	1.0000	0.2210	0.7559	0.0002	0.0230
10.00	1.0000	0.2210	0.7582	0.0000	0.0208
11.00	1.0000	0.2210	0.7590	(0.0000)	0.0201
12.00	1.0000	0.2210	0.7606	(0.0002)	0.0186
13.00	1.0000	0.2210	0.7637	(0.0003)	0.0156
14.00	1.0000	0.2210	0.7653	(0.0004)	0.0141
15.00	1.0000	0.2210	0.7653	(0.0004)	0.0142
16.00	1.0000	0.2210	0.7660	(0.0005)	0.0134
17.00	1.0000	0.2210	0.7660	(0.0005)	0.0135
18.00	1.0000	0.2210	0.7676	(0.0005)	0.0119
19.00	1.0000	0.2210	0.7692	(0.0005)	0.0104
20.00	1.0000	0.2210	0.7699	(0.0005)	0.0096
21.00	1.0000	0.2210	0.7699	(0.0005)	0.0096
22.00	1.0000	0.2210	0.7707	(0.0005)	0.0088
23.00	1.0000	0.2210	0.7715	(0.0005)	0.0080
24.00	1.0000	0.2210	0.7723	(0.0005)	0.0072
25.00	1.0000	0.2210	0.7731	(0.0005)	0.0065
26.00	1.0000	0.2210	0.7738	(0.0005)	0.0057
27.00	1.0000	0.2210	0.7746	(0.0005)	0.0049
28.00	1.0000	0.2210	0.7770	(0.0005)	0.0026
29.00	1.0000	0.2210	0.7770	(0.0005)	0.0026
30.00	1.0000	0.2210	0.7770	(0.0005)	0.0026
31.00	1.0000	0.2210	0.7778	(0.0005)	0.0018
32.00	1.0000	0.2210	0.7788	(0.0005)	0.0007
33.00	1.0000	0.2210	0.7798	(0.0006)	(0.0003)
34.00	1.0000	0.2210	0.7808	(0.0006)	(0.0012)
35.00	1.0000	0.2210	0.7817	(0.0006)	(0.0021)

Column Notes:

(1) is Collected Premium by time period, expressed as a factor, = Table 2 col (1)

(2) is Expenses and Taxes by time period, expressed as a factor, = Table 1 row (1) x Table 2 col (4)

(3) is Paid Losses and LAE by time period, expressed as a factor, = Table 1 row (7, Static-Spot) x Table 2 col (5)

(4) per the Tax Cuts and Jobs Act of 2017, federal income taxes are computed as the tax rate (21%) times the adjusted underwriting income calculated per IRS rules. See Appendix B for details.

(5) is the Total Insurance Cash Flow by time period, expressed as a factor, = (1) - [(2) + (3) + (4)]

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Calculation Details - Static-Spot Estimate (continued)

TABLE 7: DERIVATION OF CASH FLOWS TO THE CAPITAL PROVIDERS (STATIC-SPOT ESTIMATE)

Time	(1) Unearned Premium, Unpaid Loss and Unpaid LAE Reserve Factor	(2) Factor for Surplus Allocated to Reserves	(3) Total Invested Funds Factor	(4) Income from Invested Funds Factor	(5) Capital Provider Equity Factor	(6) Capital Provider Cash Flow Factor	(7) Discounted Capital Provider Cash Flow Factor
0.00	-	-	-	-	-	-	-
0.25	0.2823	0.1447	0.2745	0.0014	(0.1724)	(0.1724)	(0.1704)
0.50	0.4791	0.2457	0.5003	0.0055	(0.2892)	(0.1168)	(0.1127)
0.75	0.6307	0.3234	0.7203	0.0118	(0.3773)	(0.0881)	(0.0830)
1.00	0.7637	0.3916	0.9283	0.0204	(0.4472)	(0.0699)	(0.0643)
1.25	0.6311	0.3236	0.8491	0.0297	(0.3473)	0.0999	0.0897
1.50	0.5133	0.2632	0.7467	0.0380	(0.2608)	0.0865	0.0759
1.75	0.4083	0.2094	0.6177	0.0451	(0.1847)	0.0761	0.0652
2.00	0.3158	0.1619	0.4777	0.0508	(0.1224)	0.0624	0.0522
2.25	0.2777	0.1424	0.4201	0.0555	(0.0972)	0.0252	0.0206
2.50	0.2396	0.1229	0.3624	0.0596	(0.0726)	0.0246	0.0196
2.75	0.2015	0.1033	0.3048	0.0630	(0.0486)	0.0240	0.0187
3.00	0.1634	0.0838	0.2471	0.0659	(0.0252)	0.0234	0.0178
3.25	0.1477	0.0758	0.2235	0.0684	(0.0143)	0.0109	0.0081
3.50	0.1321	0.0677	0.1998	0.0706	(0.0036)	0.0107	0.0078
3.75	0.1165	0.0597	0.1762	0.0725	0.0069	0.0104	0.0074
4.00	0.1008	0.0517	0.1525	0.0742	0.0171	0.0102	0.0071
4.25	0.0930	0.0477	0.1407	0.0758	0.0228	0.0058	0.0039
4.50	0.0852	0.0437	0.1289	0.0772	0.0285	0.0057	0.0037
4.75	0.0774	0.0397	0.1171	0.0785	0.0341	0.0055	0.0036
5.00	0.0696	0.0357	0.1052	0.0796	0.0395	0.0054	0.0034
6.00	0.0547	0.0281	0.0828	0.0836	0.0516	0.0121	0.0072
7.00	0.0422	0.0216	0.0639	0.0867	0.0615	0.0099	0.0054
8.00	0.0305	0.0156	0.0461	0.0890	0.0703	0.0088	0.0043
9.00	0.0258	0.0132	0.0390	0.0908	0.0748	0.0045	0.0020
10.00	0.0234	0.0120	0.0355	0.0924	0.0777	0.0029	0.0012
11.00	0.0227	0.0116	0.0343	0.0939	0.0796	0.0020	0.0007
12.00	0.0211	0.0108	0.0319	0.0953	0.0820	0.0023	0.0008
13.00	0.0180	0.0092	0.0272	0.0965	0.0849	0.0030	0.0009
14.00	0.0164	0.0084	0.0248	0.0976	0.0869	0.0020	0.0006
15.00	0.0164	0.0084	0.0248	0.0987	0.0880	0.0011	0.0003
16.00	0.0156	0.0080	0.0237	0.0997	0.0895	0.0015	0.0003
17.00	0.0156	0.0080	0.0237	0.1007	0.0905	0.0010	0.0002
18.00	0.0141	0.0072	0.0213	0.1017	0.0923	0.0018	0.0003
19.00	0.0125	0.0064	0.0189	0.1025	0.0940	0.0017	0.0003
20.00	0.0117	0.0060	0.0177	0.1033	0.0951	0.0012	0.0002
21.00	0.0117	0.0060	0.0177	0.1041	0.0959	0.0008	0.0001
22.00	0.0109	0.0056	0.0166	0.1048	0.0970	0.0011	0.0001
23.00	0.0102	0.0052	0.0154	0.1055	0.0981	0.0011	0.0001
24.00	0.0094	0.0048	0.0142	0.1061	0.0991	0.0010	0.0001
25.00	0.0086	0.0044	0.0130	0.1067	0.1001	0.0010	0.0001
26.00	0.0078	0.0040	0.0118	0.1072	0.1010	0.0009	0.0001
27.00	0.0070	0.0036	0.0106	0.1077	0.1019	0.0009	0.0001
28.00	0.0047	0.0024	0.0071	0.1080	0.1035	0.0016	0.0001
29.00	0.0047	0.0024	0.0071	0.1083	0.1038	0.0003	0.0000
30.00	0.0047	0.0024	0.0071	0.1086	0.1041	0.0003	0.0000
31.00	0.0039	0.0020	0.0059	0.1089	0.1048	0.0007	0.0000
32.00	0.0028	0.0015	0.0043	0.1091	0.1055	0.0008	0.0000
33.00	0.0018	0.0009	0.0028	0.1093	0.1062	0.0007	0.0000
34.00	0.0009	0.0005	0.0014	0.1094	0.1068	0.0006	0.0000
35.00	-	-	-	0.1094	0.1073	0.0005	0.0000

Column Notes:

(1) is Unearned Premium Reserve (equal to Written Premium minus Earned Premium, per the cashflow pattern) plus Unpaid Loss and LAE Reserve (equal to Incurred minus Paid Losses and LAE) by time period, expressed as a factor,
= [Table 2 col (3) - Table 2 col (2)] + Table 1 row (7, Static-Spot) x [Table 2 col (2) - Table 2 col (5)]

(2) is the Surplus derived from Reserves per the Reserve-to-Surplus Ratio by time period, expressed as a factor, = (1) / Table 1 row (2)

(3) is Reserves plus Surplus minus Agent Balances by time period, expressed as a factor, = (1) + (2) - Agent Balances. Agent Balances exist when Written Premium exceeds Collected Premium, = [Table 2 col (3) - Table 2 col (1)].

(4) is derived by applying the Return on Investments [Table 1 row (4, Static-Spot)] to the average Invested Funds (4) from the previous and current time periods, plus previous Income from Invested Funds, by time period expressed as a factor.

(5) is Insurance Cash Flow plus Income from Invested Funds minus Total Invested Funds by time period, expressed as a factor,
= Table 6 col (5) + (4) - (3)

(6) is the difference between Capital Provider Equity (5) at the current and previous time periods, expressed as a factor

(7) is the Capital Provider Cash Flow (6) discounted by the Weighted Average Cost of Capital [Table 1 row (5, Static-Spot)], expressed as a factor

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INDIANA

EXHIBIT II

Section H - Internal Rate of Return Analysis

Calculation Details - Dynamic Estimate

TABLE 8: DERIVATION OF INSURANCE CASH FLOW (DYNAMIC ESTIMATE)

Time	(1) Collected Premium Factor	(2) Expense and Taxes Factor	(3) Paid Losses and LAE Factor	(4) Federal Income Tax Factor	(5) Insurance Cash flow Factor
0.00	-	-	-	-	-
0.25	0.1465	0.0322	0.0086	0.0051	0.1006
0.50	0.3185	0.0701	0.0327	0.0101	0.2056
0.75	0.5342	0.1175	0.0703	0.0152	0.3312
1.00	0.7730	0.1711	0.1210	0.0202	0.4608
1.25	0.8944	0.1978	0.2070	0.0174	0.4723
1.50	0.9702	0.2144	0.2930	0.0145	0.4482
1.75	1.0000	0.2210	0.3791	0.0117	0.3882
2.00	1.0000	0.2210	0.4651	0.0088	0.3051
2.25	1.0000	0.2210	0.5031	0.0079	0.2680
2.50	1.0000	0.2210	0.5412	0.0069	0.2309
2.75	1.0000	0.2210	0.5792	0.0059	0.1938
3.00	1.0000	0.2210	0.6173	0.0049	0.1568
3.25	1.0000	0.2210	0.6329	0.0045	0.1416
3.50	1.0000	0.2210	0.6485	0.0040	0.1265
3.75	1.0000	0.2210	0.6641	0.0035	0.1114
4.00	1.0000	0.2210	0.6797	0.0031	0.0962
4.25	1.0000	0.2210	0.6875	0.0028	0.0887
4.50	1.0000	0.2210	0.6953	0.0026	0.0811
4.75	1.0000	0.2210	0.7031	0.0023	0.0736
5.00	1.0000	0.2210	0.7109	0.0021	0.0660
6.00	1.0000	0.2210	0.7258	0.0016	0.0517
7.00	1.0000	0.2210	0.7382	0.0012	0.0396
8.00	1.0000	0.2210	0.7499	0.0007	0.0284
9.00	1.0000	0.2210	0.7546	0.0004	0.0239
10.00	1.0000	0.2210	0.7570	0.0003	0.0217
11.00	1.0000	0.2210	0.7577	0.0002	0.0210
12.00	1.0000	0.2210	0.7593	0.0001	0.0196
13.00	1.0000	0.2210	0.7624	0.0000	0.0166
14.00	1.0000	0.2210	0.7640	(0.0001)	0.0151
15.00	1.0000	0.2210	0.7640	(0.0001)	0.0151
16.00	1.0000	0.2210	0.7648	(0.0002)	0.0144
17.00	1.0000	0.2210	0.7648	(0.0002)	0.0145
18.00	1.0000	0.2210	0.7663	(0.0002)	0.0129
19.00	1.0000	0.2210	0.7679	(0.0002)	0.0114
20.00	1.0000	0.2210	0.7687	(0.0002)	0.0106
21.00	1.0000	0.2210	0.7687	(0.0002)	0.0106
22.00	1.0000	0.2210	0.7695	(0.0002)	0.0098
23.00	1.0000	0.2210	0.7702	(0.0003)	0.0090
24.00	1.0000	0.2210	0.7710	(0.0003)	0.0082
25.00	1.0000	0.2210	0.7718	(0.0003)	0.0075
26.00	1.0000	0.2210	0.7726	(0.0003)	0.0067
27.00	1.0000	0.2210	0.7734	(0.0003)	0.0059
28.00	1.0000	0.2210	0.7757	(0.0003)	0.0036
29.00	1.0000	0.2210	0.7757	(0.0003)	0.0036
30.00	1.0000	0.2210	0.7757	(0.0003)	0.0036
31.00	1.0000	0.2210	0.7765	(0.0003)	0.0028
32.00	1.0000	0.2210	0.7775	(0.0003)	0.0017
33.00	1.0000	0.2210	0.7785	(0.0003)	0.0007
34.00	1.0000	0.2210	0.7795	(0.0003)	(0.0002)
35.00	1.0000	0.2210	0.7804	(0.0003)	(0.0011)

Column Notes:

(1) is Collected Premium by time period, expressed as a factor, = Table 2 col (1)

(2) is Expenses and Taxes by time period, expressed as a factor, = Table 1 row (1) x Table 2 col (4)

(3) is Paid Losses and LAE by time period, expressed as a factor, = Table 1 row (7, Dynamic) x Table 2 col (5)

(4) per the Tax Cuts and Jobs Act of 2017, federal income taxes are computed as the tax rate (21%) times the adjusted underwriting income calculated per IRS rules. See Appendix B for details.

(5) is the Total Insurance Cash Flow by time period, expressed as a factor, = (1) - [(2) + (3) + (4)]

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Calculation Details - Dynamic Estimate (continued)

TABLE 9: DERIVATION OF CASH FLOWS TO THE CAPITAL PROVIDERS (DYNAMIC ESTIMATE)

Time	(1) Unearned Premium, Unpaid Loss and Unpaid LAE Reserve Factor	(2) Factor for Surplus Allocated to Reserves	(3) Total Invested Funds Factor	(4) Income from Invested Funds Factor	(5) Capital Provider Equity Factor	(6) Capital Provider Cash Flow Factor	(7) Cumulative Discount Factor	(8) Discounted Capital Provider Cash Flow Factor
0.00	-	-	-	-	-	-	-	-
0.25	0.2822	0.1447	0.2745	0.0015	(0.1724)	(0.1724)	0.9879	(0.1703)
0.50	0.4790	0.2456	0.5001	0.0056	(0.2889)	(0.1166)	0.9643	(0.1124)
0.75	0.6304	0.3233	0.7199	0.0120	(0.3767)	(0.0877)	0.9412	(0.0826)
1.00	0.7632	0.3914	0.9276	0.0207	(0.4461)	(0.0695)	0.9186	(0.0638)
1.25	0.6305	0.3233	0.8482	0.0300	(0.3459)	0.1003	0.8966	0.0899
1.50	0.5126	0.2629	0.7457	0.0384	(0.2591)	0.0868	0.8752	0.0760
1.75	0.4077	0.2091	0.6167	0.0456	(0.1829)	0.0762	0.8542	0.0651
2.00	0.3153	0.1617	0.4770	0.0514	(0.1205)	0.0624	0.8337	0.0520
2.25	0.2772	0.1422	0.4194	0.0561	(0.0953)	0.0252	0.8137	0.0205
2.50	0.2392	0.1227	0.3618	0.0602	(0.0707)	0.0246	0.7943	0.0195
2.75	0.2011	0.1031	0.3043	0.0637	(0.0467)	0.0240	0.7753	0.0186
3.00	0.1631	0.0836	0.2467	0.0666	(0.0234)	0.0234	0.7568	0.0177
3.25	0.1475	0.0756	0.2231	0.0690	(0.0125)	0.0109	0.7387	0.0081
3.50	0.1319	0.0676	0.1995	0.0712	(0.0018)	0.0107	0.7211	0.0077
3.75	0.1163	0.0596	0.1759	0.0732	0.0087	0.0104	0.7040	0.0073
4.00	0.1007	0.0516	0.1523	0.0749	0.0188	0.0102	0.6872	0.0070
4.25	0.0929	0.0476	0.1405	0.0764	0.0246	0.0058	0.6708	0.0039
4.50	0.0851	0.0436	0.1287	0.0778	0.0303	0.0057	0.6549	0.0037
4.75	0.0773	0.0396	0.1169	0.0791	0.0358	0.0055	0.6394	0.0035
5.00	0.0695	0.0356	0.1051	0.0803	0.0412	0.0054	0.6242	0.0034
6.00	0.0546	0.0280	0.0826	0.0842	0.0533	0.0120	0.5879	0.0071
7.00	0.0421	0.0216	0.0638	0.0873	0.0632	0.0099	0.5341	0.0053
8.00	0.0304	0.0156	0.0460	0.0896	0.0719	0.0088	0.4853	0.0043
9.00	0.0258	0.0132	0.0390	0.0914	0.0764	0.0044	0.4409	0.0020
10.00	0.0234	0.0120	0.0354	0.0929	0.0793	0.0029	0.4005	0.0012
11.00	0.0226	0.0116	0.0342	0.0944	0.0812	0.0019	0.3638	0.0007
12.00	0.0211	0.0108	0.0319	0.0958	0.0835	0.0023	0.3304	0.0008
13.00	0.0179	0.0092	0.0272	0.0970	0.0864	0.0030	0.3002	0.0009
14.00	0.0164	0.0084	0.0248	0.0981	0.0884	0.0020	0.2727	0.0005
15.00	0.0164	0.0084	0.0248	0.0991	0.0895	0.0011	0.2477	0.0003
16.00	0.0156	0.0080	0.0236	0.1002	0.0910	0.0015	0.2251	0.0003
17.00	0.0156	0.0080	0.0236	0.1011	0.0920	0.0010	0.2044	0.0002
18.00	0.0140	0.0072	0.0213	0.1021	0.0937	0.0017	0.1857	0.0003
19.00	0.0125	0.0064	0.0189	0.1029	0.0954	0.0016	0.1687	0.0003
20.00	0.0117	0.0060	0.0177	0.1037	0.0966	0.0012	0.1533	0.0002
21.00	0.0117	0.0060	0.0177	0.1044	0.0973	0.0007	0.1392	0.0001
22.00	0.0109	0.0056	0.0165	0.1051	0.0984	0.0011	0.1265	0.0001
23.00	0.0101	0.0052	0.0153	0.1058	0.0995	0.0011	0.1149	0.0001
24.00	0.0094	0.0048	0.0142	0.1064	0.1005	0.0010	0.1044	0.0001
25.00	0.0086	0.0044	0.0130	0.1070	0.1015	0.0010	0.0949	0.0001
26.00	0.0078	0.0040	0.0118	0.1075	0.1024	0.0009	0.0862	0.0001
27.00	0.0070	0.0036	0.0106	0.1080	0.1033	0.0009	0.0783	0.0001
28.00	0.0047	0.0024	0.0071	0.1083	0.1048	0.0016	0.0711	0.0001
29.00	0.0047	0.0024	0.0071	0.1086	0.1051	0.0003	0.0646	0.0000
30.00	0.0047	0.0024	0.0071	0.1089	0.1054	0.0003	0.0587	0.0000
31.00	0.0039	0.0020	0.0059	0.1092	0.1061	0.0007	0.0533	0.0000
32.00	0.0028	0.0015	0.0043	0.1094	0.1069	0.0008	0.0485	0.0000
33.00	0.0018	0.0009	0.0028	0.1096	0.1075	0.0007	0.0440	0.0000
34.00	0.0009	0.0005	0.0014	0.1097	0.1081	0.0006	0.0400	0.0000
35.00	-	-	-	0.1097	0.1086	0.0005	0.0363	0.0000

Column Notes:

(1) is Unearned Premium Reserve (equal to Written Premium minus Earned Premium, per the cashflow pattern) plus Unpaid Loss and LAE Reserve (equal to Incurred minus Paid Losses and LAE) by time period, expressed as a factor,
= [Table 2 col (3) - Table 2 col (2)] + Table 1 row (7, Dynamic) x [Table 2 col (2) - Table 2 col (5)]

(2) is the Surplus derived from Reserves per the Reserve-to-Surplus Ratio by time period, expressed as a factor, = (1) / Table 1 row (2)

(3) is Reserves plus Surplus minus Agent Balances by time period, expressed as a factor, = (1) + (2) - Agent Balances. Agent Balances exist when Written Premium exceeds Collected Premium, = [Table 2 col (3) - Table 2 col (1)].

(4) is derived by applying the Return on Investments [Table 3 col (1)] to the average Invested Funds (4) from the previous and current time periods, plus previous Income from Invested Funds, by time period expressed as a factor.

(5) is Insurance Cash Flow plus Income from Invested Funds minus Total Invested Funds by time period, expressed as a factor,
= Table 8 col (5) + (4) - (3)

(6) is the difference between Capital Provider Equity (5) at the current and previous time periods, expressed as a factor

(7) is derived from the respective Weighted Average Cost of Capital [Table 3 col (2)] for each time period, expressed as a factor

(8) is the Capital Provider Cash Flow (6) discounted by the Cumulative Discount Factor (7), expressed as a factor

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APPENDIX A: CALCULATION OF WEIGHTED AVERAGE COST OF CAPITAL AND RETURN ON INVESTMENTS

The calculation of the Weighted Average Cost of Capital (WACC) is shown in Table A.1, and the calculation of the Return on Investments (RoI) is shown in Table A.2. The calculation for the Static estimates are shown for each. Calculations of the WACC and RoI under the Dynamic estimate for time periods 1, 2, and 5 are also provided for illustrative purposes. Note that the IRR model under the Dynamic estimate includes estimates of the WACC and RoI on a quarterly basis for the first five years and annually thereafter.

TABLE A.1: CALCULATION OF WEIGHTED AVERAGE COST OF CAPITAL

	Static		Dynamic - IRR Model Time (yrs)		
	Avg	**Spot**	**1.00**	**2.00**	**5.00**
(1) 5 year US T-note Yield	3.35%	3.77%	4.01%	4.01%	3.90%
(2) US Equity Market Risk Premium	8.08%	8.08%	8.08%	8.08%	8.08%
(3) Beta for Property/Casualty (P/C) Insurers	0.86	0.86	0.86	0.86	0.86
(4) Equity Cost of Capital for P/C Insurers	10.29%	10.72%	10.96%	10.96%	10.85%
(5) Share of Equity Capital for P/C Insurers	88%	88%	88%	88%	88%
(6) Debt Cost of Capital for P/C Insurers	3.85%	4.38%	4.49%	4.50%	4.41%
(7) Weighted Average Cost of Capital (WACC)	9.52%	9.96%	10.18%	10.19%	10.08%

Row Notes:

(1) The Static-Avg estimate utilizes a rolling 5-year average, while the Static-Spot estimate utilizes the current US treasury yield. Forward estimates of US Treasury yields are from Moody's forecasts and apply only to the Dynamic estimate of the WACC. Time periods provided are illustrative; the full model includes estimates on a quarterly basis for the first five years and annually thereafter.

(3) & (5) P/C beta and share of equity capital are estimated from historical data for a collection of insurers with publicly traded equity and debt.

(4) = (1) + (2) x (3)

(6) P/C debt cost of capital is the sum of the 10-year US T-note yield plus the historical corporate spread, net of income tax.

(7) = (4) x (5) + (6) x [1 - (5)]

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APPENDIX A: CALCULATION OF WEIGHTED AVERAGE COST OF CAPITAL AND RETURN ON INVESTMENTS (CONTINUED)

TABLE A.2 CALCULATION OF RETURN ON INVESTMENTS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Security Description	Investment Portfolio	Yield Curve, Maturity and Spread	Roll-over Period	Income Tax Rate	Post-tax Return				
Bonds, of which	73.8%				Static		Dynamic - IRR Model Time (yrs)		
Government Direct Obligations	8.5%				Avg	Spot	1.00	2.00	5.00
< 1yr	2.6%	6 mo US T-bill	0.50 yrs	21.00%	2.92%	2.90%	2.54%	2.51%	2.42%
1 – 5 yrs	3.7%	2.5 yr US T-note	2.50 yrs	21.00%	2.65%	2.85%	2.97%	2.97%	2.90%
5 – 10 yrs	1.6%	7.5 yr US T-note	7.50 yrs	21.00%	2.73%	3.17%	3.34%	3.34%	3.34%
10 – 20 yrs	0.3%	15 yr US T-note	15.00 yrs	21.00%	2.93%	3.54%	3.61%	3.61%	3.61%
> 20 yrs	0.4%	20 yr US T-note	20.00 yrs	21.00%	3.08%	3.77%	3.82%	3.82%	3.82%
Collateralized Securities	9.3%								
< 1yr	0.9%	6 mo US T-bill + 50 basis points	0.50 yrs	21.00%	3.31%	3.29%	2.93%	2.91%	2.81%
1 – 5 yrs	2.9%	2.5 yr US T-note + 50 basis points	2.50 yrs	21.00%	3.04%	3.24%	3.36%	3.36%	3.29%
5 – 10 yrs	2.4%	7.5 yr US T-note + 50 basis points	7.50 yrs	21.00%	3.12%	3.57%	3.73%	3.73%	3.73%
10 – 20 yrs	2.2%	15 yr US T-note + 50 basis points	15.00 yrs	21.00%	3.32%	3.94%	4.01%	4.01%	4.01%
> 20 yrs	0.9%	20 yr US T-note + 50 basis points	20.00 yrs	21.00%	3.48%	4.17%	4.21%	4.21%	4.21%
Tax-exempt Bonds	13.3%								
< 1yr	0.9%	6 mo US T-bill + Tax-exempt spread	0.50 yrs	5.25%	3.44%	3.41%	2.98%	2.95%	2.84%
1 – 5 yrs	2.9%	2.5 yr US T-note + Tax-exempt spread	2.50 yrs	5.25%	3.19%	3.43%	3.58%	3.58%	3.49%
5 – 10 yrs	3.1%	7.5 yr US T-note + Tax-exempt spread	7.50 yrs	5.25%	3.31%	3.84%	4.04%	4.04%	4.04%
10 – 20 yrs	5.1%	15 yr US T-note + Tax-exempt spread	15.00 yrs	5.25%	3.69%	4.43%	4.51%	4.51%	4.51%
> 20 yrs	1.3%	20 yr US T-note + Tax-exempt spread	20.00 yrs	5.25%	4.00%	4.81%	4.86%	4.86%	4.86%
Industrial and Hybrid Securities (unaffiliated)	42.7%								
< 1yr	3.8%	6 mo US T-bill + Corp spread	0.50 yrs	21.00%	3.40%	3.38%	3.02%	3.00%	2.90%
1 – 5 yrs	19.7%	2.5 yr US T-note + Corp spread	2.50 yrs	21.00%	3.35%	3.55%	3.67%	3.67%	3.60%
5 – 10 yrs	14.1%	7.5 yr US T-note + Corp spread	7.50 yrs	21.00%	3.74%	4.18%	4.34%	4.34%	4.34%
10 – 20 yrs	2.9%	15 yr US T-note + Corp spread	15.00 yrs	21.00%	4.05%	4.65%	4.72%	4.72%	4.72%
> 20 yrs	2.2%	20 yr US T-note + Corp spread	20.00 yrs	21.00%	4.21%	4.87%	4.92%	4.92%	4.92%
Industrial and Hybrid Securities (affiliated)	0.1%								
< 1yr	0.0%	6 mo US T-bill + Corp spread	0.50 yrs	5.25%	4.08%	4.05%	3.62%	3.59%	3.48%
1 – 5 yrs	0.0%	2.5 yr US T-note + Corp spread	2.50 yrs	5.25%	4.02%	4.26%	4.41%	4.41%	4.32%
5 – 10 yrs	0.0%	7.5 yr US T-note + Corp spread	7.50 yrs	5.25%	4.48%	5.01%	5.21%	5.21%	5.21%
10 – 20 yrs	0.0%	15 yr US T-note + Corp spread	15.00 yrs	5.25%	4.85%	5.57%	5.66%	5.66%	5.66%
> 20 yrs	0.0%	20 yr US T-note + Corp spread	20.00 yrs	5.25%	5.05%	5.84%	5.90%	5.90%	5.90%
Stocks, of which	10.8%								
Preferred Stock	0.4%	5 year US T-note + 404 basis points	0.25 yrs	13.13%	6.42%	6.79%	6.99%	7.00%	6.90%
Common Stock	10.4%	5 year US T-note + 808 basis points	0.25 yrs	18.53%	9.31%	9.66%	9.85%	9.85%	9.76%
Mortgage Loans	2.5%								
Real Estate	0.4%								
Cash & Short-Term Investment	5.3%	3 month US T-bill	0.25 yrs	21.00%	2.90%	2.94%	2.42%	2.41%	2.31%
All Other Assets*	7.1%								
				Post-Tax Return on Invested Funds, pre-Expense:	4.09%	4.42%	4.47%	4.47%	4.42%
				Investment Expense**:	-0.19%	-0.19%	-0.19%	-0.19%	-0.19%
				Post-Tax Return on Invested Funds:	**3.90%**	**4.23%**	**4.29%**	**4.28%**	**4.23%**

Table Notes:

(1) Government Direct Obligations include US Government Issuer Obligations and Non-US Government Issuer Obligations.
Collateralized Securities include Mortgage Backed, Loan Backed, or Structured Securities.
Tax-exempt Bonds include Issuer Obligations of US States, Territories, and Possessions, US Political Subdivisions of States, Territories, and Possessions, and US Special Revenue and Special Assessment Obligations.
Industrial and Hybrid Securities (unaffiliated) include Industrial and Miscellaneous and Hybrid Securities.
Industrial and Hybrid Securities (affiliated) include Parents, Subsidiaries, and Affiliates.

(2) Bond and total portfolio distributions are 3-year averages for 2022-2024, calculated from annual editions of Best's Aggregates & Averages (Property-Casualty), Assets for Commercial Casualty Composite, page number varies by edition, Column 3, Net Admitted Assets.
For each year 2022-2024, the maturity distribution pertains to all bonds owned as of December 31 at book/adjusted carrying value for Commercial Casualty Composite, Schedule D, Part 1A, Section 2.

(3) Spread to US treasury yields are either constant or varying by maturity (tax-exempt or corporate) as applicable.
The tax-exempt spread is a term structure of average historical spreads in forward rates at different maturities between US municipal bonds and US Treasuries.
Data on historical yields to US municipal bonds are from Bloomberg.
The corporate spread is a term structure of average historical spreads in forward rates at different maturities between US corporate bonds and US Treasuries.
Historical data on yields to US corporate bonds are from the US Department of Treasury.

(4) Applies only to the Dynamic estimate of the return on invested funds.
The roll-over period is the time interval at which the estimated yield is updated for the given security in the investment portfolio.
For bonds, the roll-over period is the bond's term to maturity. Forward yields for common and preferred stocks are updated quarterly.

(5) It is assumed that investment returns, except dividends and tax exempt municipal bond income, are taxed at 21%.
It is assumed that 50% of dividends received are tax exempt. In accordance with the "pro-ration" provision, it is assumed that 25% of otherwise exempt municipal bond income and dividends are taxed at 21%. For common stock, the portion of income attributable to capital appreciation is assumed to equal 68.6% while the income portion is 31.4%. The percentages are obtained from the SBBI Summary Statistics of Annual Returns: large cap stocks, arithmetic mean.

(6)-(7) Static estimates of US Treasury yields are constant maturity yields from the first quarter of 2026.

(8)-(10) Applies only to the dynamic estimate of the return on invested funds. Forward estimates of US Treasury yields at various maturities are from Moody's.

* Yields to mortgage loans, real estate, and all other assets are not directly estimated, but are assumed to equal the weighted average portfolio yield net of these categories.

** Investment expense calculated from Annual Statement data for the Commercial Casualty Composite by dividing Total Investment Expense by Cash and Invested Assets.
Total investment expense for 2024 is from the Annual Statement, Exhibit of Net Investment Income.
Average cash and invested assets for 2023 and 2024 are from Best's Aggregates and Averages (Property-Casualty), Assets for Commercial Casualty Composite.

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APPENDIX B: FEDERAL INCOME TAX INCURRED FROM INSURANCE OPERATIONS

Federal taxes on underwriting income, based on the Tax Cuts and Jobs Act of 2017, are calculated in the following tables on an annual basis. Columns (1) through (4) are the same under both Static and the Dynamic Estimates; the paid losses and LAE factors (col (5)) vary by Estimate. Note that investment taxes are accounted for in Appendix A. Annual tax is prorated when quarterly amounts are required.

TABLE B.1: FEDERAL INCOME TAX CALCULATION (STATIC-AVG ESTIMATE)

Time	(1) Written Premium Factor	(2) Unearned Premium Factor	(3) Expense and Taxes Factor	(4) Discount Factor	(5) Paid Losses and LAE Factor	(6) AY1 Paid Losses and LAE Factor	(7) AY2 Paid Losses and LAE Factor	(8) Discounted AY1 Unpaid Losses & LAE Factor	(9) Discounted AY2 Unpaid Losses & LAE Factor	(10) Federal Income Tax Factor
0.00	-	-	-	-	-	-	-	-	-	-
1.00	1.0000	0.4725	0.1711	0.8678	0.1206	0.1206	-	0.2329	-	0.0205
2.00	1.0000	-	0.2210	0.8502	0.4636	0.2874	0.1762	0.0863	0.1846	0.0093
3.00	1.0000	-	0.2210	0.8431	0.6153	0.3178	0.2975	0.0600	0.0777	0.0055
4.00	1.0000	-	0.2210	0.8373	0.6775	0.3493	0.3283	0.0332	0.0512	0.0036
5.00	1.0000	-	0.2210	0.8406	0.7087	0.3569	0.3518	0.0270	0.0311	0.0026
6.00	1.0000	-	0.2210	0.8332	0.7234	0.3641	0.3593	0.0207	0.0249	0.0021
7.00	1.0000	-	0.2210	0.8399	0.7359	0.3698	0.3660	0.0160	0.0191	0.0017
8.00	1.0000	-	0.2210	0.8575	0.7475	0.3757	0.3718	0.0113	0.0144	0.0012
9.00	1.0000	-	0.2210	0.8742	0.7522	0.3763	0.3759	0.0111	0.0112	0.0010
10.00	1.0000	-	0.2210	0.8851	0.7546	0.3778	0.3768	0.0099	0.0106	0.0008
11.00	1.0000	-	0.2210	0.9003	0.7553	0.3776	0.3777	0.0102	0.0099	0.0007
12.00	1.0000	-	0.2210	0.9158	0.7569	0.3789	0.3780	0.0092	0.0098	0.0006
13.00	1.0000	-	0.2210	0.9317	0.7600	0.3806	0.3794	0.0078	0.0087	0.0005
14.00	1.0000	-	0.2210	0.9479	0.7616	0.3809	0.3807	0.0076	0.0077	0.0004
15.00	1.0000	-	0.2210	0.9645	0.7616	0.3807	0.3808	0.0079	0.0077	0.0004
16.00	1.0000	-	0.2210	0.9812	0.7623	0.3814	0.3809	0.0074	0.0077	0.0003
17.00	1.0000	-	0.2210	0.9825	0.7623	0.3811	0.3813	0.0078	0.0075	0.0003
18.00	1.0000	-	0.2210	0.9825	0.7639	0.3824	0.3815	0.0064	0.0073	0.0003
19.00	1.0000	-	0.2210	0.9825	0.7654	0.3829	0.3826	0.0059	0.0063	0.0003
20.00	1.0000	-	0.2210	0.9825	0.7662	0.3832	0.3830	0.0056	0.0058	0.0003
21.00	1.0000	-	0.2210	0.9825	0.7662	0.3831	0.3832	0.0058	0.0057	0.0003
22.00	1.0000	-	0.2210	0.9825	0.7670	0.3837	0.3833	0.0051	0.0056	0.0003
23.00	1.0000	-	0.2210	0.9825	0.7678	0.3840	0.3838	0.0049	0.0050	0.0003
24.00	1.0000	-	0.2210	0.9825	0.7686	0.3844	0.3841	0.0044	0.0047	0.0003
25.00	1.0000	-	0.2210	0.9825	0.7693	0.3848	0.3845	0.0041	0.0043	0.0003
26.00	1.0000	-	0.2210	0.9825	0.7701	0.3852	0.3849	0.0037	0.0040	0.0003
27.00	1.0000	-	0.2210	0.9825	0.7709	0.3856	0.3853	0.0033	0.0036	0.0003
28.00	1.0000	-	0.2210	0.9825	0.7732	0.3871	0.3861	0.0018	0.0028	0.0003
29.00	1.0000	-	0.2210	0.9825	0.7732	0.3863	0.3869	0.0025	0.0020	0.0003
30.00	1.0000	-	0.2210	0.9825	0.7732	0.3867	0.3865	0.0022	0.0024	0.0003
31.00	1.0000	-	0.2210	0.9825	0.7740	0.3871	0.3869	0.0018	0.0020	0.0002
32.00	1.0000	-	0.2210	0.9825	0.7751	0.3877	0.3873	0.0012	0.0016	0.0002
33.00	1.0000	-	0.2210	0.9825	0.7761	0.3882	0.3879	0.0008	0.0010	0.0002
34.00	1.0000	-	0.2210	0.9825	0.7770	0.3887	0.3883	0.0003	0.0006	0.0002
35.00	1.0000	-	0.2210	0.9825	0.7779	0.3889	0.3889	-	-	0.0002

Column Notes:

(1) is Written Premium by time period, expressed as a factor, = Table 2 col (3)

(2) is Written Premium minus Earned Premium by time period, expressed as a factor, = Table 2 col (3) - Table 2 col (2)

(3) is Expenses and Taxes by time period, expressed as a factor, = Table 1 row (1) x Table 2 col (4)

(4) is from Internal Revenue Bulletin, 2026-9, Rev. Proc. 2026-13, dated February 23, 2026

(5) is Paid Losses and LAE by time period, expressed as a factor, = Table 1 row (7, Static-Avg) x Table 2 col (5)

(6) and (7) split the payments between the accident year coincident with the policy year ("AY1"), and the following accident year ("AY2"). Assuming that the payout pattern is linear between integer times, and that the average accident date for AY2 is two-thirds of a year later than the average accident date for AY1 , columns (6) and (7) are determined by solving these two equations simultaneously:

Col (6) + Col (7) = Col (5)

Col (7) = (2/3) * Col (6, previous row) + (1/3) * Col (6)

with Col (6, Time 1) = Col (5, Time 1) and Col (6, Time 35) = Col (7, Time 35)

(8) is the discounted difference between AY1 Losses and LAE that will ultimately be paid, and the amount already paid, = [col (6, Time 35) - (6)] x (4)

(9) is the discounted difference between AY2 Losses and LAE that will ultimately be paid, and the amount already paid, = [col (7, Time 35) - (7)] x col (4, previous row)

(10) Per IRS rules, federal income tax equals the tax rate (21%) times the adjusted underwriting income = 21% * { (1) - 0.8 * (2) - [(3) + (5) + (8) + (9)]}

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APPENDIX B: FEDERAL INCOME TAX INCURRED FROM INSURANCE OPERATIONS (CONTINUED)

TABLE B.2: FEDERAL INCOME TAX CALCULATION (STATIC-SPOT ESTIMATE)

Time	(1) Written Premium Factor	(2) Unearned Premium Factor	(3) Expense and Taxes Factor	(4) Discount Factor	(5) Paid Losses and LAE Factor	(6) AY1 Paid Losses and LAE Factor	(7) AY2 Paid Losses and LAE Factor	(8) Discounted AY1 Unpaid Losses & LAE Factor	(9) Discounted AY2 Unpaid Losses & LAE Factor	(10) Federal Income Tax Factor
0.00	-	-	-	-	-	-	-	-	-	-
1.00	1.0000	0.4725	0.1711	0.8678	0.1212	0.1212	-	0.2340	-	0.0201
2.00	1.0000	-	0.2210	0.8502	0.4659	0.2888	0.1770	0.0867	0.1855	0.0086
3.00	1.0000	-	0.2210	0.8431	0.6183	0.3193	0.2990	0.0603	0.0781	0.0047
4.00	1.0000	-	0.2210	0.8373	0.6808	0.3510	0.3299	0.0334	0.0514	0.0028
5.00	1.0000	-	0.2210	0.8406	0.7121	0.3586	0.3535	0.0271	0.0313	0.0018
6.00	1.0000	-	0.2210	0.8332	0.7269	0.3659	0.3610	0.0208	0.0251	0.0013
7.00	1.0000	-	0.2210	0.8399	0.7395	0.3716	0.3678	0.0161	0.0192	0.0009
8.00	1.0000	-	0.2210	0.8575	0.7512	0.3776	0.3736	0.0114	0.0145	0.0004
9.00	1.0000	-	0.2210	0.8742	0.7559	0.3781	0.3778	0.0111	0.0112	0.0002
10.00	1.0000	-	0.2210	0.8851	0.7582	0.3796	0.3786	0.0099	0.0107	0.0000
11.00	1.0000	-	0.2210	0.9003	0.7590	0.3794	0.3796	0.0103	0.0100	(0.0000)
12.00	1.0000	-	0.2210	0.9158	0.7606	0.3807	0.3799	0.0093	0.0099	(0.0002)
13.00	1.0000	-	0.2210	0.9317	0.7637	0.3824	0.3813	0.0078	0.0088	(0.0003)
14.00	1.0000	-	0.2210	0.9479	0.7653	0.3827	0.3825	0.0077	0.0077	(0.0004)
15.00	1.0000	-	0.2210	0.9645	0.7653	0.3826	0.3827	0.0080	0.0077	(0.0004)
16.00	1.0000	-	0.2210	0.9812	0.7660	0.3832	0.3828	0.0075	0.0078	(0.0005)
17.00	1.0000	-	0.2210	0.9825	0.7660	0.3829	0.3831	0.0078	0.0076	(0.0005)
18.00	1.0000	-	0.2210	0.9825	0.7676	0.3842	0.3834	0.0065	0.0073	(0.0005)
19.00	1.0000	-	0.2210	0.9825	0.7692	0.3847	0.3844	0.0060	0.0063	(0.0005)
20.00	1.0000	-	0.2210	0.9825	0.7699	0.3851	0.3849	0.0057	0.0059	(0.0005)
21.00	1.0000	-	0.2210	0.9825	0.7699	0.3849	0.3850	0.0058	0.0057	(0.0005)
22.00	1.0000	-	0.2210	0.9825	0.7707	0.3856	0.3851	0.0052	0.0056	(0.0005)
23.00	1.0000	-	0.2210	0.9825	0.7715	0.3858	0.3857	0.0049	0.0051	(0.0005)
24.00	1.0000	-	0.2210	0.9825	0.7723	0.3863	0.3860	0.0045	0.0048	(0.0005)
25.00	1.0000	-	0.2210	0.9825	0.7731	0.3867	0.3864	0.0041	0.0043	(0.0005)
26.00	1.0000	-	0.2210	0.9825	0.7738	0.3871	0.3868	0.0037	0.0040	(0.0005)
27.00	1.0000	-	0.2210	0.9825	0.7746	0.3874	0.3872	0.0033	0.0036	(0.0005)
28.00	1.0000	-	0.2210	0.9825	0.7770	0.3890	0.3880	0.0018	0.0028	(0.0005)
29.00	1.0000	-	0.2210	0.9825	0.7770	0.3882	0.3887	0.0026	0.0020	(0.0005)
30.00	1.0000	-	0.2210	0.9825	0.7770	0.3886	0.3884	0.0022	0.0024	(0.0005)
31.00	1.0000	-	0.2210	0.9825	0.7778	0.3890	0.3887	0.0018	0.0020	(0.0005)
32.00	1.0000	-	0.2210	0.9825	0.7788	0.3896	0.3892	0.0012	0.0016	(0.0005)
33.00	1.0000	-	0.2210	0.9825	0.7798	0.3901	0.3898	0.0008	0.0011	(0.0006)
34.00	1.0000	-	0.2210	0.9825	0.7808	0.3905	0.3902	0.0003	0.0006	(0.0006)
35.00	1.0000	-	0.2210	0.9825	0.7817	0.3908	0.3908	-	-	(0.0006)

Column Notes:

(1) is Written Premium by time period, expressed as a factor, = Table 2 col (3)

(2) is Written Premium minus Earned Premium by time period, expressed as a factor, = Table 2 col (3) - Table 2 col (2)

(3) is Expenses and Taxes by time period, expressed as a factor, = Table 1 row (1) x Table 2 col (4)

(4) is from Internal Revenue Bulletin, 2026-9, Rev. Proc. 2026-13, dated February 23, 2026

(5) is Paid Losses and LAE by time period, expressed as a factor, = Table 1 row (7, Static-Spot) x Table 2 col (5)

(6) and (7) split the payments between the accident year coincident with the policy year ("AY1"), and the following accident year ("AY2"). Assuming that the payout pattern is linear between integer times, and that the average accident date for AY2 is two-thirds of a year later than the average accident date for AY1 , columns (6) and (7) are determined by solving these two equations simultaneously:

Col (6) + Col (7) = Col (5)

Col (7) = (2/3) * Col (6, previous row) + (1/3) * Col (6)

with Col (6, Time 1) = Col (5, Time 1) and Col (6, Time 35) = Col (7, Time 35)

(8) is the discounted difference between AY1 Losses and LAE that will ultimately be paid, and the amount already paid, = [col (6, Time 35) - (6)] x (4)

(9) is the discounted difference between AY2 Losses and LAE that will ultimately be paid, and the amount already paid, = [col (7, Time 35) - (7)] x col (4, previous row)

(10) Per IRS rules, federal income tax equals the tax rate (21%) times the adjusted underwriting income = 21% * { (1) - 0.8 * (2) - [(3) + (5) + (8) + (9)]}

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APPENDIX B: FEDERAL INCOME TAX INCURRED FROM INSURANCE OPERATIONS (CONTINUED)

TABLE B.3: FEDERAL INCOME TAX CALCULATION (DYNAMIC ESTIMATE)

Time	(1) Written Premium Factor	(2) Unearned Premium Factor	(3) Expense and Taxes Factor	(4) Discount Factor	(5) Paid Losses and LAE Factor	(6) AY1 Paid Losses and LAE Factor	(7) AY2 Paid Losses and LAE Factor	(8) Discounted AY1 Unpaid Losses & LAE Factor	(9) Discounted AY2 Unpaid Losses & LAE Factor	(10) Federal Income Tax Factor
0.00	-	-	-	-	-	-	-	-	-	-
1.00	1.0000	0.4725	0.1711	0.8678	0.1210	0.1210	-	0.2336	-	0.0202
2.00	1.0000	-	0.2210	0.8502	0.4651	0.2883	0.1768	0.0866	0.1852	0.0088
3.00	1.0000	-	0.2210	0.8431	0.6173	0.3188	0.2985	0.0602	0.0780	0.0049
4.00	1.0000	-	0.2210	0.8373	0.6797	0.3504	0.3293	0.0333	0.0513	0.0031
5.00	1.0000	-	0.2210	0.8406	0.7109	0.3580	0.3529	0.0271	0.0312	0.0021
6.00	1.0000	-	0.2210	0.8332	0.7258	0.3653	0.3604	0.0207	0.0250	0.0016
7.00	1.0000	-	0.2210	0.8399	0.7382	0.3710	0.3672	0.0161	0.0191	0.0012
8.00	1.0000	-	0.2210	0.8575	0.7499	0.3769	0.3730	0.0114	0.0144	0.0007
9.00	1.0000	-	0.2210	0.8742	0.7546	0.3775	0.3771	0.0111	0.0112	0.0004
10.00	1.0000	-	0.2210	0.8851	0.7570	0.3790	0.3780	0.0099	0.0107	0.0003
11.00	1.0000	-	0.2210	0.9003	0.7577	0.3788	0.3789	0.0102	0.0100	0.0002
12.00	1.0000	-	0.2210	0.9158	0.7593	0.3801	0.3792	0.0093	0.0099	0.0001
13.00	1.0000	-	0.2210	0.9317	0.7624	0.3818	0.3806	0.0078	0.0087	0.0000
14.00	1.0000	-	0.2210	0.9479	0.7640	0.3821	0.3819	0.0077	0.0077	(0.0001)
15.00	1.0000	-	0.2210	0.9645	0.7640	0.3819	0.3820	0.0080	0.0077	(0.0001)
16.00	1.0000	-	0.2210	0.9812	0.7648	0.3826	0.3822	0.0074	0.0077	(0.0002)
17.00	1.0000	-	0.2210	0.9825	0.7648	0.3823	0.3825	0.0078	0.0075	(0.0002)
18.00	1.0000	-	0.2210	0.9825	0.7663	0.3836	0.3827	0.0065	0.0073	(0.0002)
19.00	1.0000	-	0.2210	0.9825	0.7679	0.3841	0.3838	0.0060	0.0063	(0.0002)
20.00	1.0000	-	0.2210	0.9825	0.7687	0.3844	0.3842	0.0056	0.0059	(0.0002)
21.00	1.0000	-	0.2210	0.9825	0.7687	0.3843	0.3844	0.0058	0.0057	(0.0002)
22.00	1.0000	-	0.2210	0.9825	0.7695	0.3849	0.3845	0.0051	0.0056	(0.0002)
23.00	1.0000	-	0.2210	0.9825	0.7702	0.3852	0.3850	0.0049	0.0051	(0.0003)
24.00	1.0000	-	0.2210	0.9825	0.7710	0.3857	0.3854	0.0044	0.0048	(0.0003)
25.00	1.0000	-	0.2210	0.9825	0.7718	0.3860	0.3858	0.0041	0.0043	(0.0003)
26.00	1.0000	-	0.2210	0.9825	0.7726	0.3864	0.3862	0.0037	0.0040	(0.0003)
27.00	1.0000	-	0.2210	0.9825	0.7734	0.3868	0.3866	0.0033	0.0036	(0.0003)
28.00	1.0000	-	0.2210	0.9825	0.7757	0.3884	0.3873	0.0018	0.0028	(0.0003)
29.00	1.0000	-	0.2210	0.9825	0.7757	0.3876	0.3881	0.0026	0.0020	(0.0003)
30.00	1.0000	-	0.2210	0.9825	0.7757	0.3880	0.3877	0.0022	0.0024	(0.0003)
31.00	1.0000	-	0.2210	0.9825	0.7765	0.3884	0.3881	0.0018	0.0020	(0.0003)
32.00	1.0000	-	0.2210	0.9825	0.7775	0.3890	0.3886	0.0012	0.0016	(0.0003)
33.00	1.0000	-	0.2210	0.9825	0.7785	0.3894	0.3891	0.0008	0.0011	(0.0003)
34.00	1.0000	-	0.2210	0.9825	0.7795	0.3899	0.3896	0.0003	0.0006	(0.0003)
35.00	1.0000	-	0.2210	0.9825	0.7804	0.3902	0.3902	-	-	(0.0003)

Column Notes:

(1) is Written Premium by time period, expressed as a factor, = Table 2 col (3)

(2) is Written Premium minus Earned Premium by time period, expressed as a factor, = Table 2 col (3) - Table 2 col (2)

(3) is Expenses and Taxes by time period, expressed as a factor, = Table 1 row (1) x Table 2 col (4)

(4) is from Internal Revenue Bulletin, 2026-9, Rev. Proc. 2026-13, dated February 23, 2026

(5) is Paid Losses and LAE by time period, expressed as a factor, = Table 1 row (7, Dynamic) x Table 2 col (5)

(6) and (7) split the payments between the accident year coincident with the policy year ("AY1"), and the following accident year ("AY2"). Assuming that the payout pattern is linear between integer times, and that the average accident date for AY2 is two-thirds of a year later than the average accident date for AY1 , columns (6) and (7) are determined by solving these two equations simultaneously:

Col (6) + Col (7) = Col (5)

Col (7) = (2/3) * Col (6, previous row) + (1/3) * Col (6)

with Col (6, Time 1) = Col (5, Time 1) and Col (6, Time 35) = Col (7, Time 35)

(8) is the discounted difference between AY1 Losses and LAE that will ultimately be paid, and the amount already paid, = [col (6, Time 35) - (6)] x (4)

(9) is the discounted difference between AY2 Losses and LAE that will ultimately be paid, and the amount already paid, = [col (7, Time 35) - (7)] x col (4, previous row)

(10) Per IRS rules, federal income tax equals the tax rate (21%) times the adjusted underwriting income = 21% * { (1) - 0.8 * (2) - [(3) + (5) + (8) + (9)]}

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EXHIBIT II

Section H - Internal Rate of Return Analysis

APPENDIX C: RESERVE-TO-SURPLUS RATIO

in 000's

Year End	(1) Unpaid Losses	(2) Unpaid Loss Adjustment Expense	(3) Unearned Premium	(4) Policyholder Surplus	(5) Ratio excl. Unearned Premium {(1)+(2)} /(4)	(6) Ratio incl. Unearned Premium {(1)+(2) +(3)}/(4)
2024	281,685,316	59,628,687	115,755,706	229,009,169	1.49	2.00
2023	256,372,016	54,377,852	105,513,788	210,558,344	1.48	1.98
2022	244,078,630	51,321,882	96,322,738	200,124,833	1.48	1.96
2021	228,459,570	48,775,145	98,954,979	199,495,575	1.39	1.89
2020	213,654,262	47,148,359	91,285,583	184,607,060	1.41	1.91
2020 - 2024	1,224,249,794	261,251,925	507,832,794	1,023,794,981	1.45	1.95

Selected Ratio including Unearned Premium: 1.95

Source: Columns (1) - (4) for the latest year are taken from Liabilities, Surplus and Other Funds in Best's 2025 Aggregates & Averages, for Commercial Casualty Composite.

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EXHIBIT II

Section I - Table of Premium Discounts

Division of Standard Premium		Type A Discounts	Type B Discounts
First	$10,000	---	---
Next	$190,000	9.1%	5.1%
Next	$1,550,000	11.3%	6.5%
Over	$1,750,000	12.3%	7.5%

Application of the appropriate discount schedule to the standard premium produces a dollar discount that is subtracted from the standard premium.

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EXHIBIT II

Section J - Average Expense Provisions

Reproduced below are the gradated expense provisions by policy size.

Gradation of Standard Premium

Division of Premium		Expense Gradations Production*	General	Discounts
First	$10,000	18.7%	6.8%	---
Next	$190,000	11.2%	5.8%	9.1%
Next	$1,550,000	9.7%	5.2%	11.3%
Over	$1,750,000	9.7%	4.3%	12.3%
Proposed Average:		12.3%	5.6%	
Proposed Average Expense Gradation: *(Expense for 1st $10,000 - Avg Expense)*		6.4%	1.2%	

Average Premium Discount:
[Avg Exp Grad] / [1-Taxes-P&C] = [6.4%+1.2%] / [1-1.7% - 0.0%] = 7.7%

Composition of Standard Premium:

Benefit & Loss Adj. Cost	Production (18.7%)	General (6.8%)	Profit (0.0%)	Taxes (1.7%)	
72.8%	12.3%	5.6%	0.0%	1.6%	-- Premium After Discounts (92.3%) -- Standard Premium Excluding Expense Constant (100.0%)
	6.4%	1.2%	0.0%	0.1%	-- Discount (7.7%)
	0.7%	0.5%	0.0%	0.0%	-- Premium from $160 expense constant. (1.2% = 1/0.988 - 1)^

Notes

** The production expense gradations shown are based on Type A gradations.*
^ The 0.988 offset is for the $160 expense constant.

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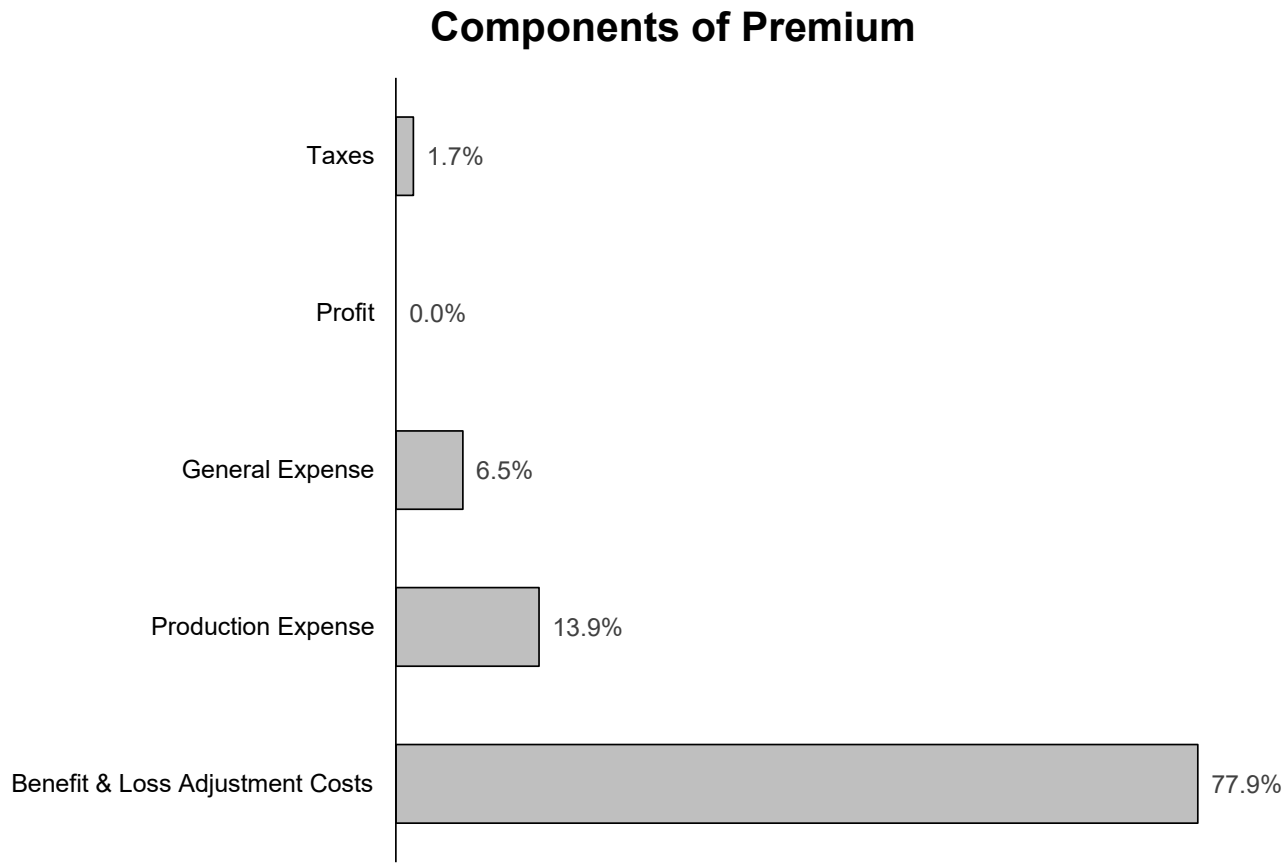
EXHIBIT II

Section K - Indiana Expense Provisions as a Percentage of Net Premium at NCCI Level

The exhibit below illustrates the allocation of the final premium dollar after the application of premium discounts and expense constants based on Indiana expense provisions.



Notes

Benefit & Loss Adjustment Costs	77.9%	=	(72.8%) / 93.5%
Production Expense	13.9%	=	(12.3% + 0.7%) / 93.5%
General Expense	6.5%	=	(5.6% + 0.5%) / 93.5%
Profit	0.0%	=	(0.0% + 0.0%) / 93.5%
Taxes	1.7%	=	(1.6% + 0.0%) / 93.5%
Total	**100.0%**		

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Appendix A – Factors Underlying the Proposed Rate Level Change

Appendix A-I Determination of Policy Year On-level Factors

NCCI uses premium and loss on-level factors to adjust historical policy year experience to current advisory rate and benefit levels, respectively.

Premium on-level factors capture the difference between the average premium level for the year being on-leveled and the present premium level. The average premium level for the year being on-leveled is calculated using a weighted average based on a monthly premium distribution derived from Indiana Unit Statistical Plan data. Differences in premium level changes specific to the market are addressed through distinct voluntary and assigned risk on-level factors. These factors are weighted together, using market shares as weights, to arrive at the final statewide on-level factor. The following adjustments are applied as part of the premium on-level factor calculation:

- Adjustment for Expense Constant Removal: This factor removes premium collected via the charged expense constant.
- Adjustment for Expense Removal: This factor is applied to remove expenses from the reported assigned risk and voluntary DSR level premium totals—serving to make the separate market premiums more comparable.
- Experience Rating Off-Balance Adjustment Factor: This factor reflects the relative difference between the average experience rating modification for the historical year being on-leveled and the average experience rating modification expected during the proposed filing effective period. Additional details on this adjustment factor are provided in the sub-section below.
- Current Premium Index (Assigned Risk-To-Voluntary): This factor reflects the cumulative impact of the current assigned risk standard premium programs. In this filing, a market share of 0% was selected in consideration of Indiana's statutes and current workers compensation environment. This selection remains unchanged from the prior filing. Through this factor, the impact of assigned risk programs is removed from the premium to align the assigned risk market premium to the advisory rate level.

  Selecting a market share mitigates possible policy year-to-year distortions that may result due to changes in the volume of business written in the voluntary or assigned risk market. Maintaining a consistent assigned risk market share over an extended period supports a stable benchmark rate level independent of fluctuations in the assigned risk market's size.

Loss on-level factors are adjustment factors that reflect the cumulative impact of all benefit level changes that have occurred during and after the individual year of data being on-leveled.

Note: For NCCI ratemaking purposes, proposed benefit level changes that (i) do not impact the experience period of the filing and (ii) have not yet been approved are included in Exhibit I, rather than in the loss on-level calculation.

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Appendix A – Factors Underlying the Proposed Rate Level Change

Experience Rating Off-Balance Adjustment Factor

The term "off-balance" refers to the average experience rating modification factor (E-mod) across all employers for a given time period. Historical off-balance values are calculated as a weighted average—using expected losses as weights—of the following:

- E-mods for intrastate rated employers
- E-mods for interstate rated employers
- A unity factor for all non-rated employers

NCCI reviews changes in each state's average off-balance annually. The historical data review combined with the experience rating parameters included in the latest approved filing provide all necessary information to adjust historical premiums to reflect any changes in the off-balance values over time. Specifically, the premiums in the financial data experience period are adjusted to the off-balance expected in the proposed filing effective period. This adjustment can be seen in the premium on-level adjustment factors provided in Appendix A-I.

The key components used to estimate the off-balance for the proposed filing include:

- A targeted average E-mod of 0.960 for intrastate rated employers is used to estimate the off-balance. A targeted average intrastate E-mod slightly below unity is desirable because employers who qualify for experience rating typically have better loss experience, on average, than non-rated employers. The impact of NCCI's off-balance adjustment is premium-neutral on a statewide basis while promoting rate adequacy for non-rated employers.
- An average interstate E-mod is used to estimate the off-balance. The average interstate E-mod is estimated based on experience rating data for interstate rated employers compiled within the most recent twelve months. Unlike intrastate rated employers, interstate employers have exposure in multiple states, where each state's data and underlying experience rating parameters are used to determine the employer's interstate E-mod. Because E-mods for interstate employers are influenced by experience rating values for multiple states, NCCI's standard approach is to assume that the average interstate E-mod during the proposed filing period is best approximated by the average interstate E-mod observed over the most recent twelve months of E-mod data available at the time of the analysis.

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APPENDIX A-I

Determination of Policy Year On-level Factors

Section A - Factor Adjusting 2024 Policy Year Assigned Risk Premium to Present Assigned Risk Level

	Date	(1) Rate Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)	(6) Adj. For Expense Constant Removal @	(7) Adj. For Expense Removal	(8) Premium Adjustment Factor (5)x(6)x(7)
NR	01/01/24	Base	1.000	1.000	1.000	0.874	0.964	0.619	0.522
NR	01/01/25	0.928	0.928						
NR	01/01/26	0.942	0.874						
					1.000				

Section B - Factor Adjusting 2024 Policy Year Voluntary Premium to Present Voluntary Level

	Date	(1) Rate Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)	(6) Adj. For Expense Constant Removal @	(7) Adj. For Expense Removal	(8) Premium Adjustment Factor (5)x(6)x(7)
NR	01/01/24	Base	1.000	1.000	1.000	0.874	0.982	0.619	0.531
NR	01/01/25	0.928	0.928						
NR	01/01/26	0.942	0.874						
					1.000				

Section C - Factor Adjusting 2024 Policy Year Assigned Risk Premium and Voluntary Premium to Present Statewide Level

(1)	Assigned Risk Market Share PY 2024	0.057
(2)	Voluntary Market Share PY 2024	0.943
(3)	Assigned Risk Standard Premium Adjustment Factor (See Sec. A)	0.522
(4)	Voluntary Standard Premium Adjustment Factor (See Sec. B)	0.531
(5)	Premium Adjustment Factor = [(1)x(3)]/1.167+(2)x(4) #	0.527
(6)	Experience Rating Off-balance Adjustment Factor*	1.017
(7)	Final Premium Adjustment Factor = (5)x(6)	0.536

NR New and renewal business.
@ Eliminates premium derived from expense constants.
# Current premium index (assigned risk-to-voluntary) = 1.167
* = 1.017 = 0.957 / 0.941 = (Targeted Off-balance) / (Off-balance for Policy Year 2024)

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APPENDIX A-I

Determination of Policy Year On-level Factors

Section D - Factor Adjusting 2024 Policy Year Indemnity Losses to Present Benefit Level

Date	(1) Benefit Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)
01/01/24	Base	1.000	0.171	0.171	1.035
07/01/24	1.017	1.017	0.176	0.179	
10/01/24	1.000	1.017	0.232	0.236	
01/01/25	1.000	1.017	0.328	0.334	
07/01/25	1.017	1.034	0.093	0.096	
07/01/26	1.017	1.052			
				1.016	

Section E - Factor Adjusting 2024 Policy Year Medical Losses to Present Benefit Level

Date	(1) Benefit Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)
01/01/24	Base	1.000	0.171	0.171	1.012
07/01/24	1.000	1.000	0.176	0.176	
10/01/24	1.004	1.004	0.232	0.233	
01/01/25	1.018	1.022	0.328	0.335	
07/01/25	1.000	1.022	0.093	0.095	
07/01/26	1.000	1.022			
				1.010	

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APPENDIX A-I

Determination of Policy Year On-level Factors

Section F - Factor Adjusting 2023 Policy Year Assigned Risk Premium to Present Assigned Risk Level

	Date	(1) Rate Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)	(6) Adj. For Expense Constant Removal @	(7) Adj. For Expense Removal	(8) Premium Adjustment Factor (5)x(6)x(7)
NR	01/01/23	Base	1.000	1.000	1.000	0.771	0.966	0.619	0.461
NR	01/01/24	0.882	0.882						
NR	01/01/25	0.928	0.818						
NR	01/01/26	0.942	0.771						
					1.000				

Section G - Factor Adjusting 2023 Policy Year Voluntary Premium to Present Voluntary Level

	Date	(1) Rate Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)	(6) Adj. For Expense Constant Removal @	(7) Adj. For Expense Removal	(8) Premium Adjustment Factor (5)x(6)x(7)
NR	01/01/23	Base	1.000	1.000	1.000	0.771	0.982	0.619	0.469
NR	01/01/24	0.882	0.882						
NR	01/01/25	0.928	0.818						
NR	01/01/26	0.942	0.771						
					1.000				

Section H - Factor Adjusting 2023 Policy Year Assigned Risk Premium and Voluntary Premium to Present Statewide Level

(1)	Assigned Risk Market Share PY 2023	0.059
(2)	Voluntary Market Share PY 2023	0.941
(3)	Assigned Risk Standard Premium Adjustment Factor (See Sec. F)	0.461
(4)	Voluntary Standard Premium Adjustment Factor (See Sec. G)	0.469
(5)	Premium Adjustment Factor = [(1)x(3)]/1.167+(2)x(4) #	0.464
(6)	Experience Rating Off-balance Adjustment Factor*	1.019
(7)	Final Premium Adjustment Factor = (5)x(6)	0.473

NR New and renewal business.
@ Eliminates premium derived from expense constants.
# Current premium index (assigned risk-to-voluntary) = 1.167
* = 1.019 = 0.957 / 0.939 = (Targeted Off-balance) / (Off-balance for Policy Year 2023)

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APPENDIX A-I

Determination of Policy Year On-level Factors

Section I - Factor Adjusting 2023 Policy Year Indemnity Losses to Present Benefit Level

Date	(1) Benefit Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)
01/01/23	Base	1.000	0.171	0.171	1.053
07/01/23	1.016	1.016	0.176	0.179	
10/01/23	1.000	1.016	0.232	0.236	
01/01/24	1.000	1.016	0.328	0.333	
07/01/24	1.017	1.033	0.075	0.077	
10/01/24	1.000	1.033	0.018	0.019	
01/01/25	1.000	1.033			
07/01/25	1.017	1.051			
07/01/26	1.017	1.069			
				1.015	

Section J - Factor Adjusting 2023 Policy Year Medical Losses to Present Benefit Level

Date	(1) Benefit Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/ Sum Column (4)
01/01/23	Base	1.000	0.171	0.171	1.026
07/01/23	1.000	1.000	0.176	0.176	
10/01/23	1.001	1.001	0.232	0.232	
01/01/24	1.007	1.008	0.328	0.331	
07/01/24	1.000	1.008	0.075	0.076	
10/01/24	1.004	1.012	0.018	0.018	
01/01/25	1.018	1.030			
07/01/25	1.000	1.030			
07/01/26	1.000	1.030			
				1.004	

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Appendix A-II Determination of Premium and Losses Developed to an Ultimate Report

Development factors are used to project premium and limited losses to an ultimate report. In general, the ultimate development factors are based on a chain-ladder approach that utilizes average link ratios for several maturities and the application of a tail factor, as shown on the following pages.

Limited Large Loss Methodology

In order to limit volatility on the indications due to the impact of extraordinary large losses, a limited large loss methodology is used in Indiana. A base threshold for the large loss limitation is determined by the volume of premium in the state as well as the number of years used in the experience period. It is calculated as one percent of the total volume of premium from the experience period underlying the currently approved filing. The base threshold is then detrended by policy year to reflect the inflationary impact on claim costs due to wage inflation. The wage index used as a basis for these calculations is the Indiana average weekly wages from the Quarterly Census of Employment and Wages (QCEW). Detrended thresholds are used in the experience period, trend period, and loss development period. Indemnity and medical losses are limited at the detrended large loss threshold corresponding to their Policy Year.

After developing limited indemnity and medical losses to an ultimate report, a statewide, non-catastrophe excess ratio at the base threshold is used to adjust the limited losses to an unlimited basis. The excess ratios are non-catastrophe because excess ratios at limits beyond $50 million are set equal to zero. The excess ratio is derived from Indiana's Retrospective Rating Plan Parameters.

Premium Development

Premium at an ultimate report is estimated by incorporating a review of historical patterns of premium development over time–primarily due to payroll audits. For premium development, link ratios are used from 1st report through 5th report. It is assumed that no further development occurs after the 5th report.

In this year's filing, NCCI selected a five-year average excluding the highest and lowest values for the 1st to 2nd premium development factor to mitigate the impact of a large factor in valuation 2023 that is not expected to be predictive of prospective premium development. A three-year development average was selected for all other premium development age-to-age factors. These selections were made in order to strike a balance between responsiveness to recently observed changes and maintaining stability in the selected development factors from one filing to the next.

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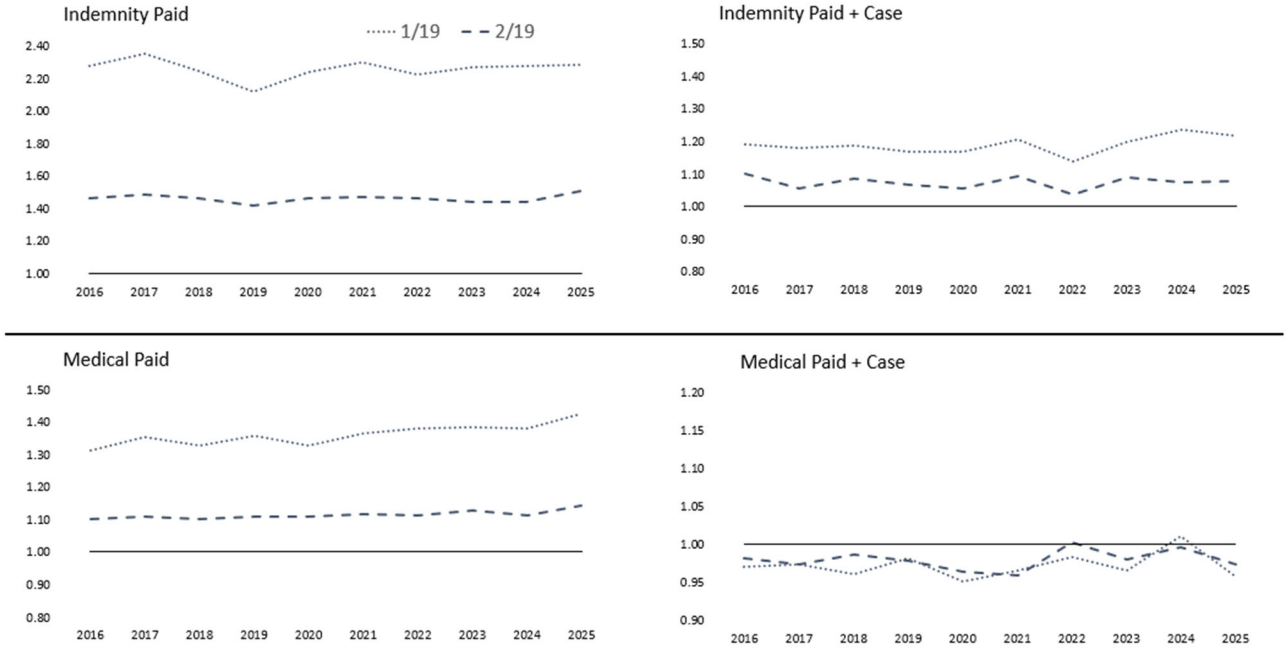
Appendix A – Factors Underlying the Proposed Rate Level Change

Loss Development

Loss development factors are needed since total paid losses and case reserve estimates on a given claim change over time until the claim is finally closed. For indemnity and medical loss development, link ratios calculated from limited losses are used from 1st report through the 19th report. For indemnity and medical loss development past the 19th report, a 19th-to-ultimate "tail" factor is used to reflect all future expected loss emergence. The loss development factors are calculated based on how paid losses and case reserve estimates change over time for claims in older years.

The graphs below display the age-to-19th cumulative loss development factors over the last ten valuations.



The specific loss development link ratio selections underlying this filing are shown below:

- A two-year average of historical paid loss development factors through a 19th report
- A three-year average of historical paid plus case loss development factors through a 19th report

The development factor selections were made to strike a balance between responsiveness to recently observed changes and maintaining stability in the selected development factors from one

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filing to the next. A shorter-term average was maintained for paid losses as it captures more recent changes in paid development patterns over time. As can be seen in the graphs above, the latest valuation of indemnity paid development factors is consistent with those from historical periods, and the latest valuation of medical paid development factors increased slightly compared to historical periods.

For indemnity paid plus case losses, the development factors in the most recent three valuations increased compared to older valuations. In this year's filing, a three-year average was selected to be more responsive to this increasing pattern. This is a change from the five-year development average selected in last year's filing. For medical paid plus case development, the latest valuation was relatively consistent with the prior 3 valuations, which resulted in a minimal change to the 3-year average of development factors. As a result, there was no change to the selected medical paid plus case development average.

19th-to-Ultimate Tail Factor

Tail factors are calculated separately for indemnity and medical unlimited losses by comparing the changes in the volume of policy year losses that occur on policy years reported after a nineteenth report to the volume of policy year losses at the nineteenth report. To adjust for these differences in the volume of losses between policy years, a growth adjustment factor is applied. The tail factors are brought from an unlimited basis to a limited basis through the application of a tail adjustment factor, which is based on countrywide data and the state specific large loss threshold.

The 19th-to-ultimate tail factor in Indiana is calculated on a paid plus case basis. Both the indemnity and medical tail factors utilize all available experience for the years prior to the tail attachment point and are calculated for the most recent ten available policy years. The paid plus case tail factors from a nineteenth report to ultimate were judgmentally selected in this filing based on a review of the ten most recently available factors.

Paid plus case data is used in the calculation of 19th-to-ultimate loss development factors since it is most reflective of the expected ultimate losses. Since this filing utilizes both paid and paid plus case data, the selected paid plus case tail factors are converted to a paid basis using paid-to-paid plus case conversion ratios. Both the indemnity and medical paid-to-paid plus case conversion ratios were selected based on a review of historical conversion ratios.

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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

Section A - Premium and Loss Summary Valued as of 12/31/2025

Policy Year 2024

(1)	Standard Earned Premium	$662,990,169
(2)	Factor to Develop Premium to Ultimate	1.016
(3)	Standard Earned Premium Developed to Ultimate = (1)x(2)	$673,598,012
(4)	Limited Indemnity Paid Losses	$54,716,630
(5)	Limited Indemnity Paid Development Factor to Ultimate	2.297
(6)	Limited Indemnity Paid Losses Developed to Ultimate = (4)x(5)	$125,684,099
(7)	Limited Indemnity Paid+Case Losses	$103,484,907
(8)	Limited Indemnity Paid+Case Development Factor to Ultimate	1.223
(9)	Limited Indemnity Paid+Case Losses Developed to Ultimate = (7)x(8)	$126,562,041
(10)	Policy Year 2024 Limited Indemnity Losses Developed to Ultimate = [(6)+(9)]/2	$126,123,070
(11)	Limited Medical Paid Losses	$177,727,164
(12)	Limited Medical Paid Development Factor to Ultimate	1.424
(13)	Limited Medical Paid Losses Developed to Ultimate = (11)x(12)	$253,083,482
(14)	Limited Medical Paid+Case Losses	$264,359,897
(15)	Limited Medical Paid+Case Development Factor to Ultimate	0.979
(16)	Limited Medical Paid+Case Losses Developed to Ultimate = (14)x(15)	$258,808,339
(17)	Policy Year 2024 Limited Medical Losses Developed to Ultimate = [(13)+(16)]/2	$255,945,911

Policy Year 2023

(1)	Standard Earned Premium	$709,173,714
(2)	Factor to Develop Premium to Ultimate	1.000
(3)	Standard Earned Premium Developed to Ultimate = (1)x(2)	$709,173,714
(4)	Limited Indemnity Paid Losses	$80,361,575
(5)	Limited Indemnity Paid Development Factor to Ultimate	1.486
(6)	Limited Indemnity Paid Losses Developed to Ultimate = (4)x(5)	$119,417,300
(7)	Limited Indemnity Paid+Case Losses	$108,218,532
(8)	Limited Indemnity Paid+Case Development Factor to Ultimate	1.084
(9)	Limited Indemnity Paid+Case Losses Developed to Ultimate = (7)x(8)	$117,308,889
(10)	Policy Year 2023 Limited Indemnity Losses Developed to Ultimate = [(6)+(9)]/2	$118,363,095
(11)	Limited Medical Paid Losses	$215,303,912
(12)	Limited Medical Paid Development Factor to Ultimate	1.146
(13)	Limited Medical Paid Losses Developed to Ultimate = (11)x(12)	$246,738,283
(14)	Limited Medical Paid+Case Losses	$252,902,267
(15)	Limited Medical Paid+Case Development Factor to Ultimate	0.985
(16)	Limited Medical Paid+Case Losses Developed to Ultimate = (14)x(15)	$249,108,733
(17)	Policy Year 2023 Limited Medical Losses Developed to Ultimate = [(13)+(16)]/2	$247,923,508

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Determination of Premium and Losses Developed to an Ultimate Report

Section B - Premium Development Factors

Policy Year	1st/2nd	Policy Year	2nd/3rd	Policy Year	3rd/4th	Policy Year	4th/5th
2019	0.999						
2020	1.015						
2021	1.023	2020	0.998	2019	1.000	2018	1.000
2022	1.019	2021	1.002	2020	1.000	2019	1.000
2023	1.013	2022	1.000	2021	1.000	2020	1.000
Average*	1.016	Average	1.000	Average	1.000	Average	1.000

* Excludes the years with the lowest and highest factors.

Summary of Premium Development Factors

1st/5th	2nd/5th	3rd/5th	4th/5th
1.016	1.000	1.000	1.000

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Determination of Premium and Losses Developed to an Ultimate Report

Section C - Limited Indemnity Paid Loss Development Factors

Policy Year	1st/2nd	Policy Year	2nd/3rd	Policy Year	3rd/4th	Policy Year	4th/5th
2022	1.577	2021	1.190	2020	1.093	2019	1.035
2023	1.514	2022	1.224	2021	1.097	2020	1.041
Average	1.546	Average	1.207	Average	1.095	Average	1.038

Policy Year	5th/6th	Policy Year	6th/7th	Policy Year	7th/8th	Policy Year	8th/9th
2018	1.023	2017	1.025	2016	1.009	2015	1.005
2019	1.029	2018	1.021	2017	1.011	2016	1.004
Average	1.026	Average	1.023	Average	1.010	Average	1.005

Policy Year	9th/10th	Policy Year	10th/11th	Policy Year	11th/12th	Policy Year	12th/13th
2014	1.003	2013	1.004	2012	1.001	2011	1.000
2015	1.004	2014	1.001	2013	1.000	2012	1.001
Average	1.004	Average	1.003	Average	1.001	Average	1.001

Policy Year	13th/14th	Policy Year	14th/15th	Policy Year	15th/16th	Policy Year	16th/17th
2010	1.000	2009	1.000	2008	1.000	2007	1.000
2011	1.003	2010	1.000	2009	1.000	2008	1.000
Average	1.002	Average	1.000	Average	1.000	Average	1.000

Policy Year	17th/18th	Policy Year	18th/19th
2006	1.000	2005	1.000
2007	1.002	2006	1.000
Average	1.001	Average	1.000

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Determination of Premium and Losses Developed to an Ultimate Report

Section D - Limited Medical Paid Loss Development Factors

Policy Year	1st/2nd	Policy Year	2nd/3rd	Policy Year	3rd/4th	Policy Year	4th/5th
2022	1.241	2021	1.043	2020	1.020	2019	1.013
2023	1.245	2022	1.066	2021	1.024	2020	1.012
Average	1.243	Average	1.055	Average	1.022	Average	1.013

Policy Year	5th/6th	Policy Year	6th/7th	Policy Year	7th/8th	Policy Year	8th/9th
2018	1.008	2017	1.005	2016	1.006	2015	1.000
2019	1.010	2018	1.008	2017	1.004	2016	1.003
Average	1.009	Average	1.007	Average	1.005	Average	1.002

Policy Year	9th/10th	Policy Year	10th/11th	Policy Year	11th/12th	Policy Year	12th/13th
2014	1.001	2013	1.004	2012	1.002	2011	1.001
2015	1.001	2014	1.001	2013	1.001	2012	1.001
Average	1.001	Average	1.003	Average	1.002	Average	1.001

Policy Year	13th/14th	Policy Year	14th/15th	Policy Year	15th/16th	Policy Year	16th/17th
2010	1.001	2009	1.001	2008	1.000	2007	1.000
2011	1.001	2010	1.000	2009	1.002	2008	1.001
Average	1.001	Average	1.001	Average	1.001	Average	1.001

Policy Year	17th/18th	Policy Year	18th/19th
2006	1.001	2005	1.001
2007	1.001	2006	1.001
Average	1.001	Average	1.001

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Section E - Limited Indemnity Paid + Case Loss Development Factors

Policy Year	1st/2nd	Policy Year	2nd/3rd	Policy Year	3rd/4th	Policy Year	4th/5th
2021	1.100	2020	1.059	2019	1.018	2018	1.014
2022	1.152	2021	1.037	2020	1.019	2019	1.003
2023	1.131	2022	1.059	2021	1.022	2020	0.999
Average	1.128	Average	1.052	Average	1.020	Average	1.005

Policy Year	5th/6th	Policy Year	6th/7th	Policy Year	7th/8th	Policy Year	8th/9th
2017	1.000	2016	0.998	2015	1.000	2014	0.999
2018	1.004	2017	1.007	2016	0.999	2015	1.002
2019	0.995	2018	1.003	2017	0.999	2016	0.999
Average	1.000	Average	1.003	Average	0.999	Average	1.000

Policy Year	9th/10th	Policy Year	10th/11th	Policy Year	11th/12th	Policy Year	12th/13th
2013	1.000	2012	1.000	2011	1.000	2010	0.999
2014	1.000	2013	1.005	2012	1.000	2011	1.000
2015	1.000	2014	1.000	2013	0.997	2012	1.001
Average	1.000	Average	1.002	Average	0.999	Average	1.000

Policy Year	13th/14th	Policy Year	14th/15th	Policy Year	15th/16th	Policy Year	16th/17th
2009	1.000	2008	1.000	2007	1.000	2006	1.000
2010	1.000	2009	1.000	2008	1.000	2007	0.997
2011	1.001	2010	1.000	2009	1.000	2008	1.000
Average	1.000	Average	1.000	Average	1.000	Average	0.999

Policy Year	17th/18th	Policy Year	18th/19th
2005	1.000	2004	1.000
2006	1.000	2005	1.000
2007	1.001	2006	1.000
Average	1.000	Average	1.000

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Determination of Premium and Losses Developed to an Ultimate Report

Section F - Limited Medical Paid + Case Loss Development Factors

Policy Year	1st/2nd	Policy Year	2nd/3rd	Policy Year	3rd/4th	Policy Year	4th/5th
2021	0.986	2020	0.985	2019	0.986	2018	1.009
2022	1.013	2021	0.994	2020	1.001	2019	1.004
2023	0.984	2022	0.978	2021	0.992	2020	0.994
Average	0.994	Average	0.986	Average	0.993	Average	1.002

Policy Year	5th/6th	Policy Year	6th/7th	Policy Year	7th/8th	Policy Year	8th/9th
2017	1.005	2016	1.004	2015	0.994	2014	1.000
2018	1.001	2017	1.000	2016	1.002	2015	0.999
2019	1.010	2018	1.004	2017	1.002	2016	1.002
Average	1.005	Average	1.003	Average	0.999	Average	1.000

Policy Year	9th/10th	Policy Year	10th/11th	Policy Year	11th/12th	Policy Year	12th/13th
2013	1.000	2012	0.999	2011	0.999	2010	0.999
2014	1.000	2013	1.001	2012	1.000	2011	1.003
2015	0.998	2014	0.999	2013	0.998	2012	1.000
Average	0.999	Average	1.000	Average	0.999	Average	1.001

Policy Year	13th/14th	Policy Year	14th/15th	Policy Year	15th/16th	Policy Year	16th/17th
2009	1.000	2008	0.999	2007	0.999	2006	0.998
2010	0.998	2009	0.999	2008	1.000	2007	1.000
2011	0.998	2010	1.000	2009	0.999	2008	1.000
Average	0.999	Average	0.999	Average	0.999	Average	0.999

Policy Year	17th/18th	Policy Year	18th/19th
2005	1.001	2004	1.003
2006	1.000	2005	0.995
2007	0.999	2006	1.000
Average	1.000	Average	0.999

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Determination of Premium and Losses Developed to an Ultimate Report

Section G - Determination of Policy Year Loss Development Factors (19th-to-Ultimate Report)

Indemnity Paid+Case Data for Matching Companies

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Policy Year	Losses for Policy Year 19th Report	Losses for Policy Year 20th Report	Losses for All Prior Policy Years Previous	Losses for All Prior Policy Years Current	Factor to Adjust Losses for Prior Policy Years	Indicated 19th-to-Ult Development for Policy Year
1996	79,977,918	80,346,429	1,605,331,308	1,605,193,268	1.164	1.003
1997	86,110,748	86,110,749	1,683,973,787	1,684,206,979	1.100	1.002
1998	98,688,815	98,688,413	1,770,287,820	1,770,592,014	0.968	1.003
1999	97,604,079	97,604,079	1,762,343,194	1,762,383,035	0.941	1.000
2000	100,489,307	100,547,978	1,808,451,240	1,808,838,664	0.883	1.005
2001	106,755,437	106,736,447	1,942,771,847	1,942,844,237	0.819	1.001
2002	107,739,331	107,739,331	2,052,572,333	2,052,964,096	0.813	1.004
2003	108,918,578	108,918,657	2,160,703,427	2,160,836,272	0.815	1.001
2004	107,359,296	107,356,896	2,269,754,929	2,269,832,974	0.817	1.001
2005	109,130,878	109,130,878	2,377,590,935	2,377,519,178	0.840	0.999
			Selected Indemnity 19th-to-Ultimate Loss Development Factor			1.005

Medical Paid+Case Data for Matching Companies

(8)	(9)	(10)	(11)	(12)	(13)	(14)
Policy Year	Losses for Policy Year 19th Report	Losses for Policy Year 20th Report	Losses for All Prior Policy Years Previous	Losses for All Prior Policy Years Current	Factor to Adjust Losses for Prior Policy Years	Indicated 19th-to-Ult Development for Policy Year
1996	168,666,780	168,766,720	2,225,688,786	2,231,153,132	0.934	1.035
1997	170,605,427	170,611,111	2,398,078,045	2,399,015,810	0.969	1.006
1998	190,873,606	190,768,779	2,569,547,582	2,569,640,250	0.895	1.000
1999	167,972,475	168,042,434	2,652,389,715	2,652,352,028	1.016	1.000
2000	178,783,088	179,386,206	2,741,400,022	2,742,074,146	0.935	1.007
2001	189,323,591	189,656,311	2,986,237,340	2,986,281,493	0.869	1.002
2002	215,657,958	215,672,522	3,181,614,630	3,181,887,519	0.786	1.002
2003	223,933,075	224,001,983	3,397,560,041	3,397,473,190	0.755	1.000
2004	230,238,173	230,114,624	3,621,475,173	3,622,377,120	0.762	1.005
2005	259,948,378	260,103,666	3,853,006,744	3,851,853,930	0.702	0.994
			Selected Medical 19th-to-Ultimate Loss Development Factor			1.005

(7) = 1 + [(3) - (2) + ((5) - (4)) / (6)] / (2)

(14) = 1 + [(10) - (9) + ((12) - (11)) / (13)] / (9)

Columns (4) and (11) are valued as of the date at which the given policy year is at a 19th report.

Columns (5) and (12) are valued as of the date at which the given policy year is at a 20th report.

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APPENDIX A-II

Determination of Premium and Losses Developed to an Ultimate Report

Section H - Derivation of Policy Year Limited 19th-to-Ultimate Loss Development Factors

Policy Year	Indemnity Paid-to-Paid + Case Ratio 19th Report	Medical Paid-to-Paid + Case Ratio 19th Report
2002	1.000	0.995
2003	1.000	0.993
2004	1.000	0.984
2005	0.997	0.990
2006	1.000	0.992
Selected	0.998	0.990

Indemnity Tail

(1)	Paid+Case 19th-to-Ultimate Loss Development Factor (Section G)	1.005
(2)	Factor to Adjust 19th-to-Ultimate Development Factor to a Limited Basis	0.546
(3)	Limited Paid+Case 19th-to-Ultimate Loss Development Factor = [(1) - 1] x (2) + 1	1.003
(4)	Limited Paid-to-Paid+Case Ratio	0.998
(5)	Limited Paid 19th-to-Ultimate Loss Development Factor = (3) / (4)	1.005

Medical Tail

(1)	Paid+Case 19th-to-Ultimate Loss Development Factor (Section G)	1.005
(2)	Factor to Adjust 19th-to-Ultimate Development Factor to a Limited Basis	0.546
(3)	Limited Paid+Case 19th-to-Ultimate Loss Development Factor = [(1) - 1] x (2) + 1	1.003
(4)	Limited Paid-to-Paid+Case Ratio	0.990
(5)	Limited Paid 19th-to-Ultimate Loss Development Factor = (3) / (4)	1.013

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Determination of Premium and Losses Developed to an Ultimate Report

Section I - Summary of Limited Paid Loss Development Factors

	(1)	(2)	
	Indemnity Paid Loss Development		
Report	to Next Report	to Ultimate	
1st	1.546	2.297	
2nd	1.207	1.486	
3rd	1.095	1.231	
4th	1.038	1.124	
5th	1.026	1.083	
6th	1.023	1.056	
7th	1.010	1.032	
8th	1.005	1.022	
9th	1.004	1.017	
10th	1.003	1.013	
11th	1.001	1.010	
12th	1.001	1.009	
13th	1.002	1.008	
14th	1.000	1.006	
15th	1.000	1.006	
16th	1.000	1.006	
17th	1.001	1.006	
18th	1.000	1.005	
19th		1.005	Section H

	(3)	(4)	
	Medical Paid Loss Development		
Report	to Next Report	to Ultimate	
1st	1.243	1.424	
2nd	1.055	1.146	
3rd	1.022	1.086	
4th	1.013	1.063	
5th	1.009	1.049	
6th	1.007	1.040	
7th	1.005	1.033	
8th	1.002	1.028	
9th	1.001	1.026	
10th	1.003	1.025	
11th	1.002	1.022	
12th	1.001	1.020	
13th	1.001	1.019	
14th	1.001	1.018	
15th	1.001	1.017	
16th	1.001	1.016	
17th	1.001	1.015	
18th	1.001	1.014	
19th		1.013	Section H

(2) = Cumulative upward product of column (1).
(4) = Cumulative upward product of column (3).

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Determination of Premium and Losses Developed to an Ultimate Report

Section J - Summary of Limited Paid+Case Loss Development Factors

	(1)	(2)	
	Indemnity Paid+Case Loss Development		
Report	to Next Report	to Ultimate	
1st	1.128	1.223	
2nd	1.052	1.084	
3rd	1.020	1.030	
4th	1.005	1.010	
5th	1.000	1.005	
6th	1.003	1.005	
7th	0.999	1.002	
8th	1.000	1.003	
9th	1.000	1.003	
10th	1.002	1.003	
11th	0.999	1.001	
12th	1.000	1.002	
13th	1.000	1.002	
14th	1.000	1.002	
15th	1.000	1.002	
16th	0.999	1.002	
17th	1.000	1.003	
18th	1.000	1.003	
19th		1.003	Section H

	(3)	(4)	
	Medical Paid+Case Loss Development		
Report	to Next Report	to Ultimate	
1st	0.994	0.979	
2nd	0.986	0.985	
3rd	0.993	0.999	
4th	1.002	1.006	
5th	1.005	1.004	
6th	1.003	0.999	
7th	0.999	0.996	
8th	1.000	0.997	
9th	0.999	0.997	
10th	1.000	0.998	
11th	0.999	0.998	
12th	1.001	0.999	
13th	0.999	0.998	
14th	0.999	0.999	
15th	0.999	1.000	
16th	0.999	1.001	
17th	1.000	1.002	
18th	0.999	1.002	
19th		1.003	Section H

(2) = Cumulative upward product of column (1).
(4) = Cumulative upward product of column (3).

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Determination of Premium and Losses Developed to an Ultimate Report

Section K - Factor to Adjust Limited Losses to an Unlimited Basis

(1)	Threshold at the Midpoint of the Rate Effective Period*	6,900,169
(2)	Statewide Excess Ratio for (1)	0.010
(3)	Market Share for Carriers Missing from Large Loss and Catastrophe Call	0.000
(4)	Factor to Adjust Limited Losses to an Unlimited Basis = 1.0 / {1.0 - [(2) x (1.0 - (3))]}	1.010

Section L - Policy Year Large Loss Limits

Experience Year	Policy Year Detrended Limit
2024	6,206,519
2023	5,925,209
2022	5,708,340
2021	5,447,201
2020	5,117,446
2019	4,835,312
2018	4,663,536
2017	4,536,541
2016	4,385,611
2015	4,281,301
2014	4,178,122
2013	4,071,160
2012	4,008,344
2011	3,929,195
2010	3,825,896
2009	3,721,175
2008	3,695,483
2007	3,659,319
2006	3,567,580
2005	3,464,170
2004	3,377,378
2003	3,273,289
2002	3,171,804

* December 2, 2027 is the midpoint of the effective period for which the revised rates are being proposed.

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Appendix A-III Trend Factors

The proposed advisory rates, loss costs, and assigned risk rates are intended for use with policies with effective dates in the proposed effective period. However, the data underlying this filing is based on the years in the experience period. Thus, it is necessary to use trend factors that forecast how much future Indiana workers compensation experience will differ from historical experience.

Trend factors measure anticipated changes in the amount of indemnity and medical benefits as compared with anticipated changes in the amount of workers' wages. For example, if benefit costs are expected to grow faster than wages, then a trend factor greater than zero is indicated. Conversely, if wages are expected to grow faster than benefit costs, then a trend factor less than zero is indicated.

Overview of Methodology

NCCI separately analyzes a measure of the number of workplace injuries (claim frequency) and the average indemnity and medical costs of each of these injuries (claim severity). Adjustments are made to the premium, losses, and claim counts underlying the trend analysis. Premium is adjusted to the current rate/loss cost level excluding expense-related premium, developed to ultimate, and adjusted for changes in the level of workers' wages over time using the United States Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW) for Indiana. Similarly, losses are developed to ultimate and adjusted to the current benefit level and a common wage level. Indemnity lost-time claims are developed to ultimate and used in the frequency and severity calculations. Medical-only claim counts are excluded from the trend analysis, but the losses associated with medical-only claims are included. The claim severities and loss ratios in the trend analysis are based on an average of paid and paid plus case losses.

While claim frequency and severity are reviewed separately, NCCI selects annual indemnity and medical loss ratio trend factors in Indiana. Loss ratios do not require an adjustment to a common wage level since the wage adjustment to frequency and severities cancels out. Loss ratios are relied upon as they are less impacted by shifts in the industry mix since these impacts to frequency and severity tend to offset one another. In order to estimate the average annual percentage changes in the loss ratios, exponential curves are fit to the historical data points. Considerations in the trend factor selections include a review of loss ratio patterns observed over an extended period of time, along with other pertinent considerations including, but not limited to, changes in system benefits and administration, economic environment, credibility of state data, experience period, and prior trend approach and selection.

The trend lengths displayed on the following exhibits are calculated by comparing the average accident date, or midpoint, for the effective period of the proposed rates and loss costs to each average accident date of the policy years in the experience period. The average accident dates are

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based on an Indiana distribution of policy writings by month and assume a uniform probability of loss over the coverage period.

Considerations Underlying Trend Selections in this Filing

The trend factors selected in this filing are meant to recognize the impact the changes in benefits and inflation will have on loss ratios between the midpoints of the experience period years on which the filing is based and the midpoint of the proposed rate and loss cost effective period. Trends based on the most recent 15 policy years are typically reviewed to allow one to evaluate changes over an extended period of time, including both economic and non-economic factors, and to mitigate short-term anomalous year-to-year changes. In addition to the indicated exponential indemnity and medical loss ratio trend fits, these exhibits also show the exponential trend fits for the underlying frequency and severity components for periods ranging from 5 to 15 years. Note that frequency and severity trends were reviewed but not selected.

A pattern of improving indemnity and medical loss ratios has been observed over the most recent 15 years in Indiana, driven by a reduction in claim frequency and safer workplaces. The experience in Policy Year 2024 shows continued improvement, which is expected to continue.

Of special note, NCCI trend selections incorporate considerations for the following:

- Smoothing large changes in PY 2014 loss ratios, potentially related to the effects of enacted House Enrolled Act (HEA) 1320 that have emerged in experience above and beyond what is incorporated in the loss on-level factors
- The impact of the COVID-19 pandemic-related influences on Policy Year 2020, including the observed 14% decrease in medical severity

The decreases in the indemnity and medical severities in Policy Year 2014 coincide with the enactment of HEA 1320. Most notably, this bill significantly increased certain indemnity benefits (over three years) and implemented hospital inpatient and outpatient medical fee schedules. Despite an explicit quantification of the changes, the on-leveled Policy Year 2014 severity changes for both indemnity and medical decreased by more than 10%. It appears that the savings realized from the fee schedule change was greater than originally estimated, and that indirect effects from the legislation may have also emerged. Consistent with prior filings, NCCI considered alternative trend fits that reduced the effect of these loss ratio changes in its trend analysis. Specifically, the Policy Year 2014 indemnity and medical loss ratio changes were both reduced by 50% (e.g., the medical change was tempered from -17.7% to -8.8%). As more data has become available since the enactment of HEA 1320, NCCI has begun to consider unadjusted medium-term exponential fits

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(i.e., loss ratio changes after 2014); these fits may be more representative of the prospective trends in the state.

Note that similar adjustments as described above were evaluated for the indemnity and medical loss ratio changes from Policy Year 2019 to Policy Year 2020 since pandemic-related effects may be partially influencing the observed changes. Similar to past filings, alternative exponential trend fits that reduced the effect of the loss ratio changes from Policy Year 2013 to 2014 and 2019 to 2020 by 50% were reviewed. However, indemnity and medical loss ratios are continuing to decline at a marked rate in the most recent data, so other non-pandemic influences may be contributing to the observed changes in loss ratios from Policy Year 2019 to Policy Year 2020 and could continue into the proposed effective period. The exponential trend fits on an unadjusted basis and with the adjustments to temper the changes observed in Policy Year 2014 and 2020 are displayed on the following pages.

The trend selections underlying this filing are positioned between the long-term alternative trend fits and the unadjusted medium-term exponential trend fits to balance stability and responsiveness to the most recent data. The consistent favorable policy year and calendar-accident year experience suggests that the loss ratio improvements are predictive of future loss ratio experience.

Indemnity Loss Ratio Considerations

The indemnity loss ratio trend displays a long-term pattern of decline despite the notable volatility referenced above in Policy Years 2014 and 2020. Several other instances of near double-digit changes can be observed in the last 15 policy years. To account for this volatility, mid- to long-term exponential trend fits were generally relied upon to smooth out year-to-year fluctuations in addition to the alternative trend fits previously mentioned. The continued favorable experience in the most recent data suggests the long-term trend is likely to be predictive of future experience and persist into the filing effective period.

Additionally, in Indiana, wage growth accelerated between 2020 and 2024, increasing by more than 5% annually on average over that period according to the US BLS QCEW. Wage inflation places upward pressure on premiums, since they are a function of worker wages. However, amounts payable for indemnity benefits in Indiana are not automatically increased each year with changes in the state average weekly wage. Most notably, the award amount per degree of permanent partial impairment was fixed between July 2016 and July 2023. This will place downward pressure on the indemnity loss ratio over time. The acceleration of the growth in average wages may be contributing to the pronounced drop in the indemnity loss ratio in recent years.

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In light of the above information, the selected annual indemnity loss ratio trend considers both the mid-term unadjusted exponential fits and the long-term alternative exponential fits. The unadjusted exponential fits range from −4.4% to −5.8% and the alternative exponential fits range from −3.7% to −5.0%. **The currently approved annual indemnity loss ratio trend factor of −4.5% was maintained for this filing since it remains between the long-term alternative exponential trend fits and the unadjusted medium-term exponential trend fits.**

Medical Loss Ratio Considerations

The above-mentioned acceleration in wage growth can also be expected to impact recent changes in medical loss ratios as wage growth has outpaced medical inflation, as measured by the Chain-Weighted Personal Healthcare (PHC[1]) index. From 2008 to 2019, wages in Indiana grew at an average annual rate of about 2.5% according to the US BLS QCEW. In contrast, wages grew at a rate of more than 5% per year from 2020 to 2024. Forecasts suggest that wage growth in Indiana will moderate, with an average annual change of approximately 3.5% to 4% between 2025 and 2027 (Moody's Analytics).

In contrast, annual medical inflation rates, as measured by the countrywide PHC index, have fluctuated—dropping from just under 3% in 2008, 2009, and 2010 to below 1% in 2015, and then gradually increasing to approximately 2.5% in 2025. Projections from the Centers for Medicare & Medicaid Services indicate that the PHC Index will experience annual increases of around 2.5% from 2025 through the prospective effective period.

Since historical patterns of wage growth and medical inflation differ from future expectations, NCCI also analyzed medical loss ratio changes adjusted to reflect prospective estimates for wage growth and medical inflation. Specifically, for 2019 and beyond, the historically observed annual changes in medical loss ratios were restated to align with projected estimates of annual wage growth (3.5%) and medical inflation (2.5%), rather than relying on the actual historical values as measured by the QCEW and PHC.

Displayed below are the unadjusted policy year medical loss ratios, the associated year-over-year changes, and the adjusted policy year medical loss ratios which reflect these adjustments.

Scenario A: Unadjusted medical loss ratios

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Loss ratio	1.583	1.515	1.465	1.510	1.243	1.202	1.191	1.135	1.163	1.043	0.905	0.877	0.808	0.758	0.717
% Change		-4.3%	-3.3%	+3.1%	-17.7%	-3.3%	-0.9%	-4.7%	+2.5%	-10.3%	-13.2%	-3.1%	-7.9%	-6.2%	-5.4%

[1] The PHC Chain-Weighted Price Index, produced by the Centers for Medicare & Medicaid Services, is a proxy for medical care price inflation that responds to changes in the blend of different medical services over time.

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Scenario B: Adjusted medical loss ratio changes for 2019 and subsequent to reflect the prospective expectations of wage growth and medical inflation:

% Change	2019	2020	2021	2022	2023	2024
PY PHC Index	+1.7%	+2.0%	+2.1%	+2.4%	+2.8%	+2.8%
PY QCEW AWW+	+3.7%	+5.9%	+6.5%	+4.8%	+3.8%	+4.7%
Adjusted Med L/R Change*	-9.4%	-10.8%	+0.1%	-6.6%	-6.2%	-4.6%
Adjusted Loss Ratio^	1.054	0.940	0.941	0.879	0.825	0.787

+ Calendar-Accident Years 2020 and 2021 QCEW AWW values have been adjusted for industry cross sector mix changes as a result of COVID-19-related shifts in employment.

* = (1+ Unadjusted Med L/R % Change) x [(1 + QCEW AWW % Change) / (1 + 3.5%)] x [(1 + 2.5%) / (1 + PHC Index % Change)] -1, where 3.5% and 2.5% are the prospective wage and medical inflation expectations, respectively.

^ 2009 - 2018 loss ratios are unadjusted. For 2019 and subsequent, Adjusted Loss Ratio = (Adjusted Med L/R % Change) x (prior year's Adjusted Loss Ratio).

The inflation-adjusted exponential fit analysis is particularly relevant when considering how loss ratios are expected to change prospectively in Policy Years 2025 through 2027. Therefore, both inflation-adjusted and unadjusted exponential fits were considered when selecting the applicable medical loss ratio trend.

The selected annual medical loss ratio trend reflects the considerations outlined above and is based on a combination of the various exponential fits. Overall, long-term patterns indicate improving loss ratios, with the unadjusted fits ranging from -7.6% to -5.6%, the alternative fits ranging from -6.3% to -4.2%, and the inflation-adjusted fits ranging from -6.0% to -4.7%. **The currently approved annual medical loss ratio trend factor of −5.0% was maintained for this filing.** This selection is positioned between the unadjusted and various alternative trend analyses fits, balancing stability and responsiveness to the most recent data.

Frequency and Severity Trends

Lost-time claim frequency has shown a long-term decline, and the latest full policy year, Policy Year 2024, declined by almost 2% relative to the prior policy year. The indemnity and medical severities exhibit minor to moderate long-term declines. Overall, the trends in claim frequency and severity suggest improving workers compensation experience in Indiana.

On the following pages, NCCI displays exponential trend fits on an unadjusted basis and with the various aforementioned adjustments. See Appendix A-III for additional trend information.

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APPENDIX A-III

Policy Year Trend Factors

Section A - Calculation of Annual Loss Ratio Trend Factors

	Indemnity	Medical
(1) Selected Annual Loss Ratio Trends:	**–4.5%**	**–5.0%**

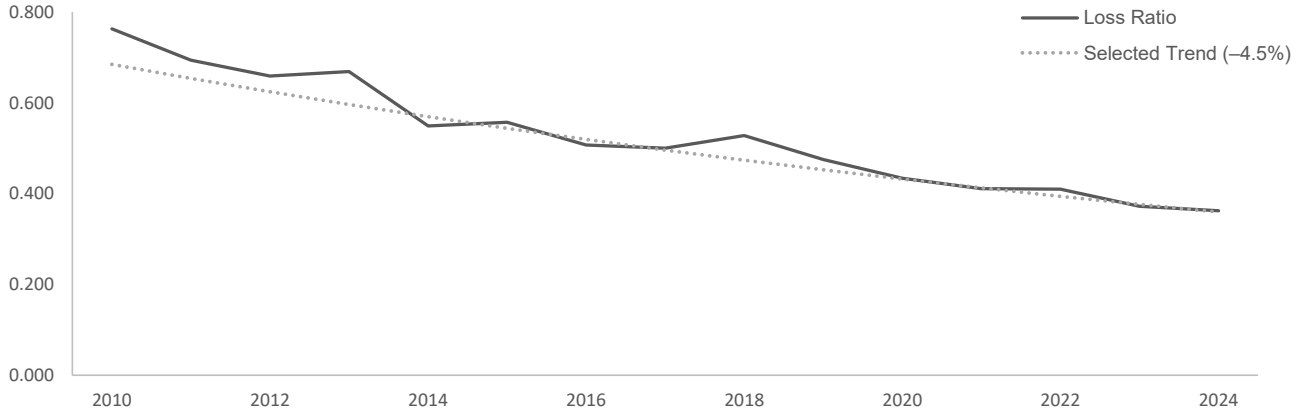
(2) Length of Trend Period from Midpoint of Policy Year to Midpoint of Effective Period:

	PY 2024	PY 2023
Trend Length:	2.998	3.998

(3) Trend Factors Applied to Experience Year Loss Ratios = [1 + (1)] ^ (2)

	PY 2024	PY 2023
Indemnity:	0.871	0.832
Medical:	0.857	0.815

Section B - Indemnity Loss Ratio Trend Data



Policy Year	Indemnity Loss Ratio^	Annual Percent Change
2010	0.763	-
2011	0.694	-9.0%
2012	0.659	-5.0%
2013	0.669	1.5%
2014	0.549	-17.9%
2015	0.557	1.5%
2016	0.507	-9.0%
2017	0.500	-1.4%
2018	0.528	5.6%
2019	0.475	-10.0%
2020	0.434	-8.6%
2021	0.411	-5.3%
2022	0.410	-0.2%
2023	0.372	-9.3%
2024	0.362	-2.7%

# of Years in Fit	Exponential Fits	Adjusted Fits*
15	-5.0%	-3.8%
14	-4.8%	-3.7%
13	-4.8%	-3.7%
12	-4.8%	-3.9%
11	-4.4%	-3.8%
10	-4.7%	-4.0%
9	-4.7%	-4.0%
8	-5.2%	-4.4%
7	-5.8%	-5.0%
6	-5.1%	-4.5%
5	-4.5%	-4.5%

^Based on an average of paid and paid+case losses
*Adjusted fits halve the PY 2013 to 2014 and 2019 to 2020 loss ratio changes

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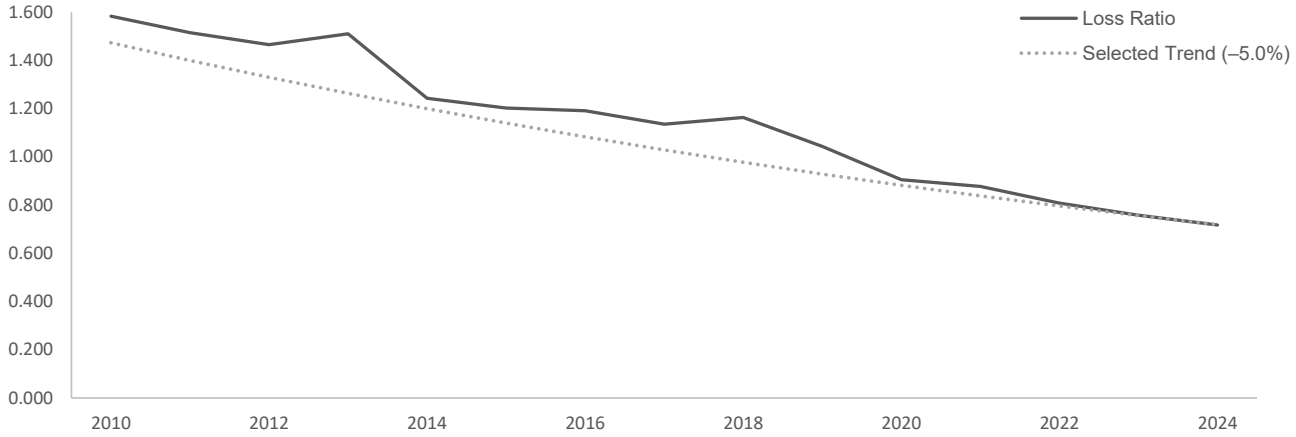
APPENDIX A-III

Policy Year Trend Factors

Section C - Medical Loss Ratio Trend Data



Policy Year	Medical Loss Ratio^	Annual Percent Change
2010	1.583	-
2011	1.515	-4.3%
2012	1.465	-3.3%
2013	1.510	3.1%
2014	1.243	-17.7%
2015	1.202	-3.3%
2016	1.191	-0.9%
2017	1.135	-4.7%
2018	1.163	2.5%
2019	1.043	-10.3%
2020	0.905	-13.2%
2021	0.877	-3.1%
2022	0.808	-7.9%
2023	0.758	-6.2%
2024	0.717	-5.4%

# of Years in Fit	Exponential Fits	Adjusted Fits*	Inflation-Adjusted Fits†
15	-5.6%	-4.2%	-4.9%
14	-5.7%	-4.3%	-5.0%
13	-5.9%	-4.5%	-5.0%
12	-6.0%	-4.8%	-5.1%
11	-5.8%	-4.8%	-4.7%
10	-6.2%	-5.1%	-5.0%
9	-6.7%	-5.5%	-5.3%
8	-7.1%	-5.8%	-5.6%
7	-7.6%	-6.3%	-6.0%
6	-6.9%	-5.9%	-5.3%
5	-5.9%	-5.9%	-4.8%

^Based on an average of paid and paid+case losses

*Adjusted fits halve the PY 2013 to 2014 and 2019 to 2020 loss ratio changes

† Exponential fits adjusted for medical loss ratio changes for PY 2019 and subsequent to reflect the prospective expectations of wage growth and medical inflation

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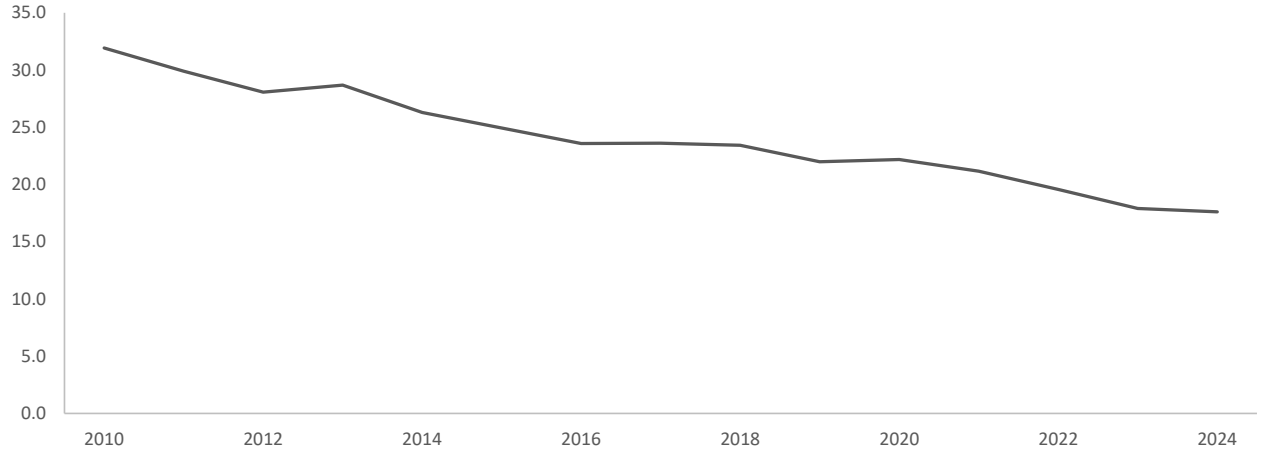
APPENDIX A-III

Policy Year Trend Factors

Section D - Frequency Trend Data



Policy Year	Claim Frequency^	Annual Percent Change
2010	31.929	-
2011	29.898	-6.4%
2012	28.063	-6.1%
2013	28.685	2.2%
2014	26.293	-8.3%
2015	24.939	-5.1%
2016	23.576	-5.5%
2017	23.611	0.1%
2018	23.422	-0.8%
2019	21.986	-6.1%
2020	22.179	0.9%
2021	21.168	-4.6%
2022	19.566	-7.6%
2023	17.904	-8.5%
2024	17.607	-1.7%

# of Years in Fit	Exponential Fits
15	-3.9%
14	-3.8%
13	-3.8%
12	-3.9%
11	-3.7%
10	-3.7%
9	-3.9%
8	-4.4%
7	-4.9%
6	-5.1%
5	-6.1%

^Per million of on-leveled, wage-adjusted premium

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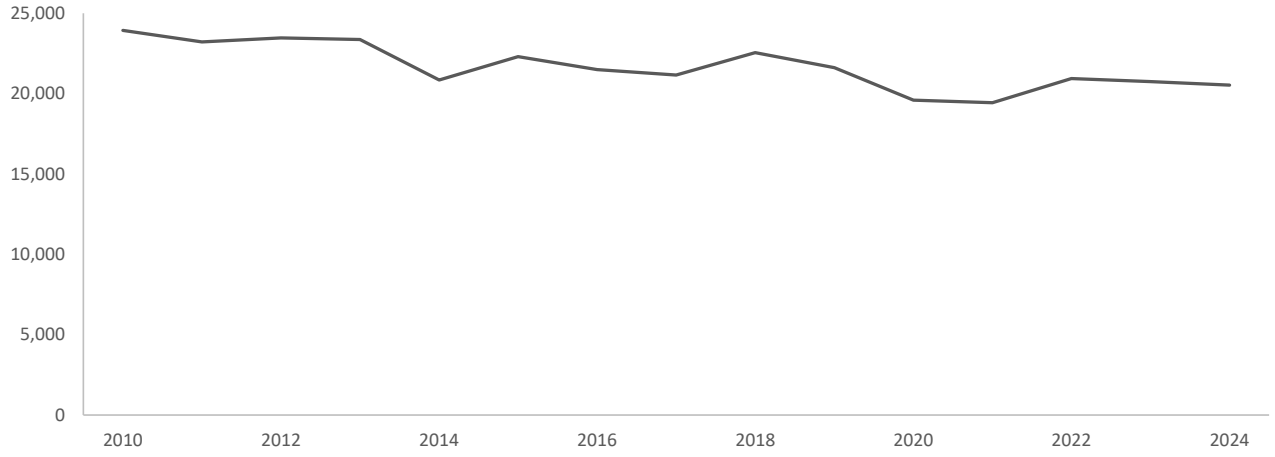
APPENDIX A-III

Policy Year Trend Factors

Section E - Indemnity Severity Trend Data



Policy Year	Indemnity Severity^	Annual Percent Change
2010	23,933	-
2011	23,214	-3.0%
2012	23,464	1.1%
2013	23,362	-0.4%
2014	20,852	-10.7%
2015	22,302	7.0%
2016	21,491	-3.6%
2017	21,157	-1.6%
2018	22,546	6.6%
2019	21,619	-4.1%
2020	19,594	-9.4%
2021	19,437	-0.8%
2022	20,937	7.7%
2023	20,754	-0.9%
2024	20,534	-1.1%

# of Years in Fit	Exponential Fits
15	-1.2%
14	-1.1%
13	-1.1%
12	-0.9%
11	-0.7%
10	-1.0%
9	-0.8%
8	-0.9%
7	-1.1%
6	0.0%
5	1.6%

^Adjusted to a common wage level, based on an average of paid and paid+case losses

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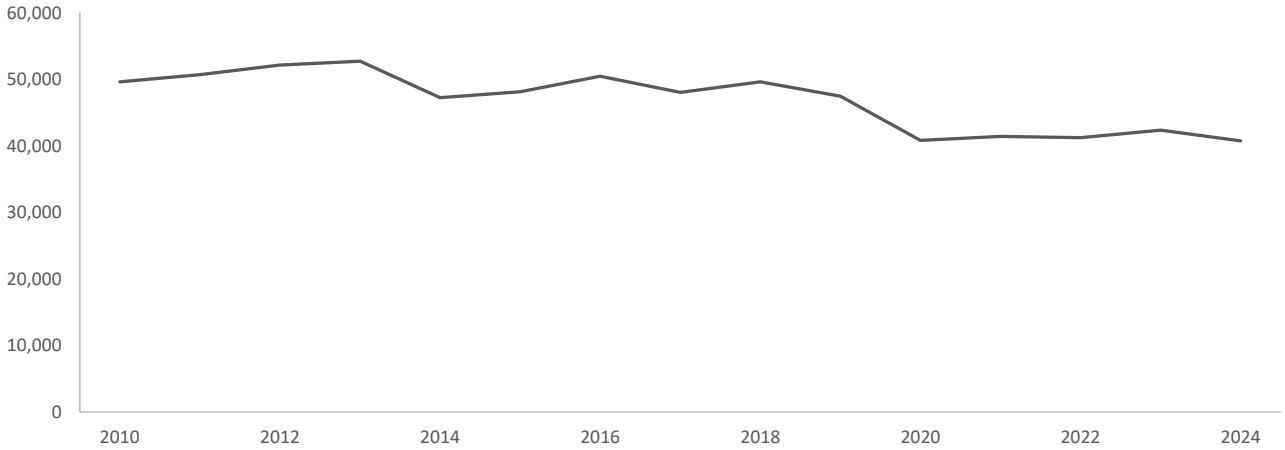
APPENDIX A-III

Policy Year Trend Factors

Section F - Medical Severity Trend Data



Policy Year	Medical Severity^	Annual Percent Change
2010	49,629	-
2011	50,694	2.1%
2012	52,154	2.9%
2013	52,715	1.1%
2014	47,246	-10.4%
2015	48,143	1.9%
2016	50,459	4.8%
2017	48,044	-4.8%
2018	49,614	3.3%
2019	47,467	-4.3%
2020	40,828	-14.0%
2021	41,431	1.5%
2022	41,232	-0.5%
2023	42,366	2.8%
2024	40,745	-3.8%

# of Years in Fit	Exponential Fits
15	-1.8%
14	-2.0%
13	-2.2%
12	-2.2%
11	-2.1%
10	-2.5%
9	-2.9%
8	-2.8%
7	-2.8%
6	-1.9%
5	0.2%

^Adjusted to a common wage level, based on an average of paid and paid+case losses

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APPENDIX A-IV

Derivation of Industry Group Differentials

Industry group differentials are used to more equitably distribute the overall rate level change based on the individual experience of each industry group. The payroll, losses and claim counts used in the calculations below are from NCCI's Workers Compensation Statistical Plan (WCSP) data.

I. Expected Losses

The current expected losses (columns (1) and (2)) are the payroll extended by the pure premiums underlying the latest approved rates. The proposed expected losses (3) are the current expected losses adjusted to the proposed level. These adjustments include the proposed experience, trend, benefit and, if applicable, loss-based expense changes as well as any miscellaneous premium adjustments.

Industry Group	(1) Latest Year Current Expected Losses Prior to Adjustment for Change in Off-Balance	(2) Five Year Current Expected Losses Prior to Adjustment for Change in Off-Balance	(3) Five Year Proposed Expected Losses Prior to Adjustment for Change in Off-Balance	(4) Current Ratio of Manual to Standard Premium	(5) Proposed Ratio of Manual to Standard Premium
Manufacturing	171,186,212	776,731,891	734,069,171	1.181	1.183
Contracting	120,652,875	485,794,254	459,057,226	1.113	1.110
Office & Clerical	65,118,479	289,456,831	273,576,869	1.112	1.111
Goods & Services	219,589,237	947,460,873	895,426,003	1.065	1.063
Miscellaneous	127,235,395	564,293,829	533,183,842	1.072	1.069
Statewide	703,782,198	3,063,737,678	2,895,313,110		

Industry Group	(6) Latest Year Current Expected Losses Adjusted for Change in Off-Balance (1)x(4)/(5)	(7) Five Year Current Expected Losses Adjusted for Change in Off-Balance (2)x(4)/(5)	(8) Five Year Proposed Expected Losses Adjusted for Change in Off-Balance (3)x(4)/(5)	(9) Current/ Proposed (7)/(8)	(10) Adjustment to Proposed for Current Relativity (9)IG/(9)SW
Manufacturing	170,896,802	775,418,735	732,828,141	1.058	1.000
Contracting	120,978,964	487,107,211	460,297,921	1.058	1.000
Office & Clerical	65,177,092	289,717,368	273,823,113	1.058	1.000
Goods & Services	220,002,387	949,243,490	897,110,718	1.058	1.000
Miscellaneous	127,592,463	565,877,442	534,680,148	1.058	1.000
Statewide	704,647,708	3,067,364,246	2,898,740,041	1.058	1.000

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APPENDIX A-IV

II. Industry Group Differentials

To calculate the converted indicated balanced losses (11) the reported losses are limited to $500,000 for a single claim occurrence and $1,500,000 for each multiple claim occurrence. After the application of limited development, trend and benefit factors, the limited losses are brought to an unlimited level through the application of the expected excess provision. The expected excess loss provisions are non-catastrophe and the excess ratios at a loss limit of $50 million are set equal to zero. The proposed experience change, applicable loss-based expenses and any miscellaneous premium adjustments are applied to calculate the indicated losses. These indicated losses are then balanced to the expected losses using the factors shown in Appendix B-I, Section A-3.

Industry Group	(11) Converted Indicated Balanced Losses	(12) Indicated/ Expected Ratio (11)/[(8)x(10)]	(13) Indicated Differential (12)IG/(12)SW	(14) Lost-Time Claim Counts
Manufacturing	740,554,430	1.011	1.011	16,040
Contracting	455,461,660	0.989	0.989	6,966
Office & Clerical	275,060,160	1.005	1.005	5,816
Goods & Services	887,269,378	0.989	0.989	21,609
Miscellaneous	541,533,151	1.013	1.013	10,831
Statewide	2,899,878,779	1.000		

Industry Group	(15) Full Credibility Standard for Lost-Time Claim Counts	(16) Credibility Minimum of 1.000 and ((14)/(15))^0.5	(17) Credibility Weighted Indicated/Expected Ratio [(16)IGx(12)IG] + [1-(16)IG]x(12)SW*	(18) Final Industry Group Differential (17)IG/(17)SW
Manufacturing	12,000	1.00	1.011	1.011
Contracting	12,000	0.76	0.992	0.992
Office & Clerical	12,000	0.70	1.004	1.004
Goods & Services	12,000	1.00	0.989	0.989
Miscellaneous	12,000	0.95	1.012	1.012
Statewide			1.000	1.000

*Statewide ratio (column 17) = Σ_{IG}[(6)x(17)] ÷ Σ_{IG}(6)

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III. Description of Industry Group Differentials

Column (2) reflects the indemnity and medical combined expected losses calculated as five years of payroll (in hundreds) extended separately by indemnity and medical pure premiums underlying the latest approved rates. Column (3) adjusts the current expected losses to the proposed level by applying the components of the proposed rate level change. These components are applied separately for indemnity and medical, where possible. These adjustments are reflected in Appendix B-I, Section B.

Column (4) shows the current manual premium to standard premium ratios that were calculated using the latest five years of WCSP data used in the currently approved Indiana filing. Column (5) shows the proposed manual premium to standard premium ratios calculated using the latest five years of manual premium and experience modification factors reported in the WCSP data used in the proposed Indiana filing. “Proposed” ratio refers to the fact that these ratios are based on the latest available WCSP data in the proposed filing, and they are used to adjust the proposed industry group differentials to reflect the latest available impact of experience rating by industry group. The differences between columns (4) and (5) relate to the different periods of data being used, which are rolling 5-year periods.

Columns (6), (7), and (8) are based on columns (1), (2), and (3), respectively, and include an adjustment for the change in the average experience rating off-balance by Industry Group (IG). The adjustment for the change in the average experience rating off-balance by IG is reflected by multiplying columns (1), (2), and (3) by the ratio of column (4) to column (5). The ratio of column (4) to column (5) adjusts the current and proposed expected losses (and therefore the IG differentials) to reflect the latest available impact of experience rating by industry group.

The expected losses in column (6) are used as the IG weights when determining the statewide average Credibility Weighted Indicated-to-Expected Ratio in column (17).

The expected losses in columns (7) and (8) are used to determine the relative IG changes from the prior filing to the proposed filing in column (9). Since the indicated IG relativities in column (9) reflect a statewide average that differs from 1.000, the calculation in column (10) ensures that the indicated changes by IG balance to the overall proposed statewide rate level change.

Column (13) normalizes the indicated to expected ratios determined in column (12) to determine differentials before credibility weighting. The credibilities are calculated for each industry group using actual lost-time cases (column (14)) and the full credibility standard. The full credibility standard (column (15)) is determined based on an analysis of five successive years of five industry group differential fluctuations across 36 states. In column (16), the credibility is 1.00 when lost-time claims exceed 12,000. The final differentials reflected in column (18) are the normalized credibility weighted industry group differentials calculated in column (17).

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Appendix B – Calculations Underlying the Advisory Rate Change by Classification

NCCI separately determines rates for each workers compensation classification. The proposed change from the current rate will vary depending on the classification. The following are the general steps utilized to determine the industrial classification rates:

1. Calculate industry group differentials, which are used to more equitably distribute the proposed overall average advisory rate level change based on the individual experience of each industry group
2. For each classification, determine the indicated pure premiums based on the most recently-available five policy periods of Indiana payroll and loss experience
3. Indicated pure premiums are credibility-weighted with present on rate level pure premiums and national pure premiums to generate derived by formula pure premiums
4. Final adjustments include the application of a test correction factor, the ratio of manual-to-standard premium, swing limits, and where applicable, an expense allowance and any additional loads

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APPENDIX B-I

Distribution of Rate Level Change to Occupational Classification

After determining the required changes in the overall rate level for the state and by industry group, the next step in the ratemaking procedure is to distribute these changes among the various occupational classifications. In order to do this, the pure premiums by classification must be adjusted, by policy period, industry group, or on an overall basis, to incorporate the changes proposed in the filing. There are three sets of pure premiums for each classification: indicated, present on rate level, and national pure premiums.

Section A – Calculation of Indicated Pure Premiums

The indicated pure premiums are calculated from the payroll and loss data reported, by class code and policy period, in the Workers Compensation Statistical Plan (WCSP) for the latest available five policy periods. Various adjustments are made to these pure premiums to put them at the level proposed in this filing (Sections A-1 to A-3).

Section A-1 – Calculation of Primary Conversion Factors

1. Limited Loss Development Factors*

The following factors are applied to develop the losses from first through fifth report to an ultimate basis.

Policy Period	Indemnity		Medical	
	Likely-to-Develop	Not-Likely-to-Develop	Likely-to-Develop	Not-Likely-to-Develop
7/19-6/20	1.017	1.003	0.992	0.998
7/20-6/21	1.036	1.010	0.991	0.997
7/21-6/22	1.070	1.032	0.988	0.996
7/22-6/23	1.180	1.083	0.978	0.993
7/23-6/24	1.520	1.208	1.000	0.988

*The likely/not-likely development factors reflect a 60% likely / 40% not-likely distribution of the total tail development.

2. Factors to Adjust to the Proposed Trend Level

The proposed trend factors are applied to adjust the losses to the proposed level.

Policy Period	Indemnity	Medical
7/19-6/20	0.709	0.682
7/20-6/21	0.742	0.718
7/21-6/22	0.777	0.755
7/22-6/23	0.814	0.795
7/23-6/24	0.852	0.837

3. Factors to Adjust to the Proposed Benefit Level

The following factors are applied to adjust the losses to the proposed benefit level.

Policy Period	Fatal	Permanent Total (P.T.)	Permanent Partial (P.P.)	Temporary Total (T.T.)	Medical
7/19-6/20	1.038	1.111	1.096	1.042	0.995
7/20-6/21	1.038	1.111	1.096	1.042	0.988
7/21-6/22	1.038	1.111	1.096	1.042	0.990
7/22-6/23	1.033	1.099	1.085	1.037	1.027
7/23-6/24	1.024	1.068	1.060	1.026	1.025

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4. Primary Conversion Factors: Indicated Pure Premiums

The factors above, contained within Section A-1, are combined multiplicatively, resulting in the following factors for the Likely-to-Develop (L) and Not-Likely-to-Develop (NL) groupings.

Policy Period	Fatal (L)	Fatal (NL)	P.T.*	P.P. (L)	P.P. (NL)	T.T. (L)	T.T. (NL)	Medical (L)	Medical (NL)
7/19-6/20	0.748	0.738	0.801	0.790	0.779	0.751	0.741	0.673	0.677
7/20-6/21	0.798	0.778	0.854	0.843	0.821	0.801	0.781	0.703	0.707
7/21-6/22	0.863	0.832	0.924	0.911	0.879	0.866	0.836	0.738	0.744
7/22-6/23	0.992	0.911	1.056	1.042	0.956	0.996	0.914	0.799	0.811
7/23-6/24	1.326	1.054	1.383	1.373	1.091	1.329	1.056	0.858	0.848

* Permanent total losses are always assigned to the Likely-to-Develop grouping.

Section A-2 – Expected Excess Provision and Redistribution

After the application of the primary conversion factors, the limited losses are brought to an expected unlimited level through the application of excess loss factors by hazard group. The expected excess loss provisions are non-catastrophe and the excess ratios at a loss limit of $50 million are set equal to zero. These factors are shown below.

Hazard Group	A	B	C	D	E	F	G
(1) Excess Ratios	0.045	0.058	0.077	0.089	0.125	0.148	0.184
(2) Excess Factors 1/(1-(1))	1.047	1.062	1.083	1.098	1.143	1.174	1.225

As the excess loss factors are on a combined (indemnity and medical) basis, a portion (40%) of the indemnity expected excess losses are redistributed to medical in order to more accurately allocate expected excess losses. Since a portion of the expected excess losses are redistributed in an additive manner, the expected excess factors shown above cannot be combined multiplicatively with either the primary or secondary loss conversion factors.

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APPENDIX B-I

Section A-3 – Calculation of Secondary Conversion Factors

1. Factors to Adjust for Proposed Industry Group Differentials

The following factors are applied to adjust the indicated industry group differentials for the effects of credibility weighting the industry group differentials and weighting the differentials by the latest year expected losses.

	Manufacturing	Contracting	Office and Clerical	Goods and Services	Miscellaneous
(1) Indicated Differentials*	1.011	0.989	1.005	0.989	1.013
(2) Final Differentials**	1.011	0.992	1.004	0.989	1.012
(3) Adjustment (2)/(1)	1.000	1.003	0.999	1.000	0.999

*See Appendix A-IV, column (13).
**See Appendix A-IV, column (18).

2. Factors to Balance Indicated to Expected Losses

The expected losses are calculated as the pure premium underlying the current rates, adjusted to the proposed level and adjusted for the Experience Rating Plan off-balance. The indicated losses are balanced to the expected losses by applying the following factors.

Policy Period	(1) Adjustment of Indicated Losses to Pure Premium at Proposed Level	(2) Current Ratio of Manual to Standard Premium	(3) Proposed Ratio of Manual to Standard Premium	(4) Off-balance Adjustment (2)/(3)	(5) Balancing Indicated to Expected Losses (1)x(4)
7/19-6/20	0.958	1.108	1.105	1.003	0.961
7/20-6/21	0.943	1.108	1.102	1.005	0.948
7/21-6/22	0.986	1.109	1.114	0.996	0.982
7/22-6/23	0.960	1.108	1.105	1.003	0.963
7/23-6/24	0.993	1.107	1.106	1.001	0.994

3. Adjustment for Experience Change

A factor of 0.938 is applied to adjust for the experience change in the proposed rate level.

4. Factor to Reflect the Proposed Loss-Based Expense Provisions

The following factors are applied to include the proposed loss-based expense provisions. These combined (indemnity and medical) factors are based on an indemnity and medical loss-weighted average by policy period and industry group of the proposed loss-based expense provisions.

Policy Period	Manufacturing	Contracting	Office and Clerical	Goods and Services	Miscellaneous
7/19-6/20	1.191	1.191	1.191	1.191	1.191
7/20-6/21	1.191	1.191	1.191	1.191	1.191
7/21-6/22	1.191	1.191	1.191	1.191	1.191
7/22-6/23	1.191	1.191	1.191	1.191	1.191
7/23-6/24	1.191	1.191	1.191	1.191	1.191

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5. Secondary Conversion Factors: Indicated Pure Premiums

The factors above, contained within section A-3, are combined multiplicatively, resulting in the following factors:

Policy Period	Manufacturing	Contracting	Office and Clerical	Goods and Services	Miscellaneous
7/19-6/20	1.074	1.077	1.073	1.074	1.073
7/20-6/21	1.059	1.062	1.058	1.059	1.058
7/21-6/22	1.097	1.100	1.096	1.097	1.096
7/22-6/23	1.076	1.079	1.075	1.076	1.075
7/23-6/24	1.110	1.114	1.109	1.110	1.109

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APPENDIX B-I

Section B – Calculation of Present on Rate Level Pure Premiums

The present on rate level pure premiums are the pure premiums underlying the current rates, adjusted to the proposed level. The data sources for the above-captioned pure premiums are the partial pure premiums underlying the current rates.

1. Adjustment for Experience Change

A factor of 0.938 is applied to adjust for the experience change in the proposed rate level.

2. Factors to Adjust to the Proposed Trend Level

The pure premiums underlying the current rates contain the current trend. The change in trend factors, 1.000 and 1.001, for indemnity and medical, respectively, are applied to adjust to the proposed trend level.

3. Factors to Adjust to the Proposed Benefit Level

The following factors are applied to adjust the pure premiums underlying the current rates to the proposed benefit level.

Effective Date	Indemnity	Medical
10/01/2025	1.000	1.001
01/01/2026	1.000	1.004
07/01/2026 (Relativity adjustment to reflect full effects)	1.002	0.999
Combined Benefit Adjustment	1.002	1.004

4. Factors to Include the Proposed Loss-Based Expense Provisions

The pure premiums underlying the current rates include the current loss-based expense provisions and must be adjusted to the proposed level.

	(a) Current		(b) Proposed	
	Indemnity	Medical	Indemnity	Medical
(1) Loss Adjustment Expense	1.186	1.186	1.190	1.190
(2) Loss-based Assessment	1.002	1.000	1.002	1.000
(3) = (1) + (2) – 1.000	1.188	1.186	1.192	1.190
(4) Overall Change (3b)/(3a)			1.003	1.003

5. Adjustment to Obtain Expected Losses

The pure premiums underlying the current rates reflect the current Experience Rating Plan off-balance. The change in off-balance must be applied.

Industry Group	(1) Current Ratio of Manual to Standard Premium	(2) Proposed Ratio of Manual to Standard Premium	(3) Off-balance Adjustment (1)/(2)
Manufacturing	1.181	1.183	0.998
Contracting	1.113	1.110	1.003
Office & Clerical	1.112	1.111	1.001
Goods & Services	1.065	1.063	1.002
Miscellaneous	1.072	1.069	1.003

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6. Factors to Adjust for Proposed Industry Group Differentials

The pure premiums underlying the current rates are adjusted by the proposed industry group differentials.

Industry Group	(1) Final Differential*	(2) Adjustment to Proposed for Current Relativities**	(3) Adjusted Differential (1)x(2)
Manufacturing	1.011	1.000	1.011
Contracting	0.992	1.000	0.992
Office & Clerical	1.004	1.000	1.004
Goods & Services	0.989	1.000	0.989
Miscellaneous	1.012	1.000	1.012

*See Appendix A-IV, column (18).
**See Appendix A-IV, column (10).

7. Combined Conversion Factors

The factors above, contained within Section B, are combined multiplicatively, resulting in the following factors.

Industry Group	Indemnity	Medical
Manufacturing	0.951	0.954
Contracting	0.938	0.941
Office & Clerical	0.948	0.951
Goods & Services	0.934	0.937
Miscellaneous	0.957	0.960

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Section C – Calculation of National Pure Premiums

Finally, there are the national pure premiums, which reflect the countrywide experience for each classification adjusted to state conditions. These pure premiums reflect the countrywide experience for each classification as indicated by the latest available individual classification experience for all states for which the National Council on Compensation Insurance compiles workers compensation data.

Countrywide data is adjusted to Indiana conditions in four steps. First, statewide indicated pure premiums are determined for Indiana. Second, using Indiana payrolls as weights, corresponding statewide-average pure premiums are computed for each remaining state. Third, the ratios of Indiana statewide pure premiums to those for other states are used as adjustment factors to convert losses for other states to a basis that is consistent with the Indiana indicated pure premiums. The quotient of the countrywide total of such adjusted losses divided by the total countrywide payroll for the classification is the initial pure premium indicated by national relativity. Finally, national pure premiums are balanced to the level of the state indicated pure premiums to ensure unbiased derived by formula pure premiums. Indemnity and medical pure premiums are computed separately.

Section D – Calculation of Derived by Formula Pure Premiums

The indicated, present on rate level and national pure premiums are credibility weighted, and the resulting derived by formula pure premiums are used to determine the final class rates.

As for the preceding pure premiums, separate computations are performed for each partial pure premium: indemnity and medical. Each partial formula pure premium is derived by the weighting of the indicated, present on rate level and national partial pure premiums. The weight assigned to the policy year indicated pure premium varies in one-percent intervals from zero percent to one hundred percent, depending upon the volume of expected losses (i.e. the product of the underlying pure premiums and the payroll in hundreds). To achieve full state credibility, a classification must have expected losses of at least: $26,829,575 for indemnity and $25,180,046 for medical.

The partial credibilities formula is:

$$z = [\ (\text{expected losses}) / (\text{full credibility standard})\ ]^{0.5}$$

For the national pure premiums, credibility is determined from the number of lost-time claims. Full credibility standards are: 2,300 lost-time claims for indemnity and 2,000 lost-time claims for medical.

Partial credibilities are assigned using a credibility formula similar to that used for indicated pure premiums but based on the number of national cases. In no case is the national credibility permitted to exceed 50% of the complement of the state credibility.

National Credibility equals the smaller of:

$$[\ (\text{national cases})/(\text{full credibility standard})\ ]^{0.5} \text{ and } [\ (1 - \text{state credibility})/2\ ]$$

The residual credibility (100% minus the sum of the state and national credibilities) is assigned to the present on rate level pure premium.

For example, if the state credibility is 40%, the national pure premium is assigned a maximum credibility of 30% ((100-40) / 2). The remainder is assigned to the present on rate level pure premium.

The total pure premium shown on the attached Appendix B-III is obtained by adding the indemnity and medical partial pure premiums obtained above and rounding the sum to three decimal places.

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APPENDIX B-II

Adjustments to Obtain Rates

The following items are combined with the derived by formula pure premium to obtain the proposed rate:

1. Test Correction Factor

The payrolls are now extended by the rates presently in effect and by the indicated rates to determine if the required change in manual premium level as calculated in Exhibit I has been achieved. Since at first this calculation may not yield the required results, an iterative process is initiated which continuously tests the proposed rates including tentative test correction factors until the required change in manual premium level is obtained. The test correction factor is applied to the derived by formula pure premiums.

The factors referred to above are set out as follows:

	Test Correction Factor
Manufacturing	1.0142
Contracting	1.0024
Office & Clerical	0.9852
Goods & Services	0.9974
Miscellaneous	1.0087

2. Ratios of Manual to Standard Premiums

The ratios of manual to standard premiums by industry group have also been excluded from the classification experience, and it is necessary to apply these factors to the derived by formula pure premiums.

	Ratio of Manual to Standard Premiums
Manufacturing	1.183
Contracting	1.110
Office & Clerical	1.111
Goods & Services	1.063
Miscellaneous	1.069

3. Expense Allowance

The expense allowance is introduced into the rate by dividing the product of the proposed pure premium and the appropriate factors above by the proposed target cost ratio of 0.728 (see Exhibit II-A for derivation of this factor). This operation produces the proposed rate prior to the addition of a disease loading, if any.

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4. Swing Limits

As a further step, a test is made to make certain that the proposed rates fall within the following departures from the present rates:

Manufacturing	from 21% above to 29% below
Contracting	from 20% above to 30% below
Office & Clerical	from 21% above to 29% below
Goods & Services	from 19% above to 31% below
Miscellaneous	from 21% above to 29% below

These limits have been calculated in accordance with the following formula:

Max. Deviation = Effect of the final change in rate level by industry group plus or minus 25% rounded to the nearest 1%.

The product of the swing limits and the present rate sets bounds for the proposed rate. If the calculated rate falls outside of the bounds, the closest bound is chosen as the proposed rate. When a code is limited, the underlying pure premiums are adjusted to reflect the limited rate. The classifications which have been so limited are shown below. Note that classifications that are subject to special handling may fall outside of the swing limits.

An illustrative example showing the calculation of a proposed manual class rate is attached as Appendix B-III. This example demonstrates the manner in which the partial pure premiums are combined to produce a total pure premium, and shows the steps in the calculation at which the rounding takes place. The rates for other classifications are calculated in the same manner.

* A code listed below with an asterisk indicates the code's swing limit was adjusted by 0.001 before being applied; this is only performed when the upper and lower bounds calculated by the swing limit are equal.

List of Classifications Limited by the Upper Swing	List of Classifications Limited by the Lower Swing
5951 6206 7711	None

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APPENDIX B-III

Derivation of Proposed Rate - Code 8742

As previously explained in Appendix B-I, the indicated pure premiums are developed by adjusting the limited losses by a set of conversion factors. The converted losses are then summarized into indemnity and medical and then divided by payroll (in hundreds). The derivation of the indicated pure premium for the above-captioned classification follows:

LIMITED LOSSES (Workers Compensation Statistical Plan)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
07/01/19 - 06/30/20	0	0	0	378,609	566,974	406,334	378,114	1,544,277	2,741,447
07/01/20 - 06/30/21	0	274,878	0	320,087	435,919	184,262	255,981	625,090	2,410,909
07/01/21 - 06/30/22	0	134,064	0	353,246	302,570	350,559	449,678	1,428,224	2,209,562
07/01/22 - 06/30/23	0	0	0	133,839	615,529	119,859	415,641	316,889	2,532,895
07/01/23 - 06/30/24	0	306,194	0	459,371	261,763	500,265	622,112	1,610,076	3,182,410

PRIMARY CONVERSION FACTORS (Appendix B-I, Section A-1)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
07/01/19 - 06/30/20	0.748	0.738	0.801	0.790	0.779	0.751	0.741	0.673	0.677
07/01/20 - 06/30/21	0.798	0.778	0.854	0.843	0.821	0.801	0.781	0.703	0.707
07/01/21 - 06/30/22	0.863	0.832	0.924	0.911	0.879	0.866	0.836	0.738	0.744
07/01/22 - 06/30/23	0.992	0.911	1.056	1.042	0.956	0.996	0.914	0.799	0.811
07/01/23 - 06/30/24	1.326	1.054	1.383	1.373	1.091	1.329	1.056	0.858	0.848

EXPECTED EXCESS PROVISION AND REDISTRIBUTION (Appendix B-I, Section A-2)

After the application of the primary conversion factors, the limited losses are brought to an expected unlimited level through the application of a hazard group-specific excess loss factor. The factor is shown below:

	HAZARD GROUP: E
Excess Factor	1.143

As the excess loss factor is on a combined (indemnity and medical) basis, the following portion of the indemnity expected excess losses are redistributed to medical in order to more accurately allocate expected excess losses:

Redistribution %	40%

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APPENDIX B-III

Derivation of Proposed Rate - Code 8742

EXPECTED UNLIMITED LOSSES (Limited Losses x Primary Conversion Factors, then adjusted for the Excess Provision and Redistribution)

Policy Period	Fatal Likely	Fatal Not-Likely	Permanent Total	Permanent Partial Likely	Permanent Partial Not-Likely	Temporary Total Likely	Temporary Total Not-Likely	Medical Likely	Medical Not-Likely
07/01/19 - 06/30/20	0	0	0	324,738	479,531	331,313	304,198	1,222,298	2,162,346
07/01/20 - 06/30/21	0	232,186	0	292,962	388,565	160,245	217,057	526,068	1,992,110
07/01/21 - 06/30/22	0	121,101	0	349,390	288,755	329,605	408,153	1,240,341	1,921,812
07/01/22 - 06/30/23	0	0	0	151,414	638,884	129,612	412,459	304,156	2,402,966
07/01/23 - 06/30/24	0	350,390	0	684,777	310,062	721,839	713,260	1,652,826	3,156,511

SECONDARY CONVERSION FACTORS (Appendix B-I, Section A-3)

Policy Period	INDUSTRY GROUP: Office and Clerical
07/01/19 - 06/30/20	1.073
07/01/20 - 06/30/21	1.058
07/01/21 - 06/30/22	1.096
07/01/22 - 06/30/23	1.075
07/01/23 - 06/30/24	1.109

PAYROLL, FINAL CONVERTED LOSSES (Expected Unlimited Losses x Secondary Conversion Factors)

Policy Period	Payroll	Indemnity Likely	Indemnity Not-Likely	Medical Likely	Medical Not-Likely	Total Indemnity	Total Medical	Total
07/01/19 - 06/30/20	6,658,728,766	703,943	840,941	1,311,526	2,320,197	1,544,884	3,631,723	5,176,607
07/01/20 - 06/30/21	7,123,139,094	479,493	886,401	556,580	2,107,652	1,365,894	2,664,232	4,030,126
07/01/21 - 06/30/22	7,638,683,676	744,179	896,538	1,359,414	2,106,306	1,640,717	3,465,720	5,106,437
07/01/22 - 06/30/23	8,074,018,250	302,103	1,130,194	326,968	2,583,188	1,432,297	2,910,156	4,342,453
07/01/23 - 06/30/24	8,201,073,347	1,559,937	1,523,447	1,832,984	3,500,571	3,083,384	5,333,555	8,416,939
Total	37,695,643,133	3,789,655	5,277,521	5,387,472	12,617,914	9,067,176	18,005,386	27,072,562
		INDICATED PURE PREMIUM				**0.0241**	**0.0478**	**0.072**

The pure premiums shown were calculated using unrounded losses, while the converted losses have been rounded for display purposes.

The present on rate level pure premiums are developed by adjusting the pure premiums underlying the current rate by the conversion factors calculated in Appendix B-I. The derivation of the present on rate level pure premiums for the above-captioned classification follows:

	Indemnity	Medical	Total
Pure Premiums Underlying Current Rate	0.0243	0.0487	0.073
Conversion Factors (App. B-I, Section B)	0.948	0.951	xxx
PURE PREMIUMS PRESENT ON RATE LEVEL (Underlying Pure Premiums) x (Conversion Factor)	0.0230	0.0463	0.069

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APPENDIX B-III

Derivation of Proposed Rate - Code 8742
Industry Group - Office and Clerical, Hazard Group - E

The rate for the above-captioned classification is derived as follows:

		Indemnity	Medical	Total
1.	Indicated Pure Premium	0.0241	0.0478	0.072
2.	Pure Premium Indicated by National Relativity	0.0273	0.0568	0.084
3.	Pure Premium Present on Rate Level	0.0230	0.0463	0.069
4.	State Credibilities	57%	83%	xxx
5.	National Credibilities	21%	8%	xxx
6.	Residual Credibilities = 100% - (4) - (5)	22%	9%	xxx
7.	Derived by Formula Pure Premiums = (1) x (4) + (2) x (5) + (3) x (6)	0.0245	0.0484	0.073
8.	Test Correction Factor	0.9852	0.9852	xxx
9.	Underlying Pure Premiums = (7) x (8) *	0.0243	0.0477	0.072
10.	Ratio of Manual to Standard Premium			1.111
11.	Target Cost Ratio			0.728
12.	Rate = (9) x (10) / (11)			0.110
13.	Rate Within Swing Limits			0.110
	Current Rate x Swing Limits a) Lower bound = 0.110 x 0.710 = 0.079 b) Upper bound = 0.110 x 1.210 = 0.133			
14.	Pure Premiums Underlying Proposed Rate* = ((14TOT) / (9TOT)) x (9) ; (14TOT) = (13) x (11) / (10)	0.0243	0.0477	0.072
15.	Miscellaneous Loadings			0.000
16.	Final Loaded Rate			0.110

* Indemnity pure premium is adjusted for the rounded total pure premium:
Indemnity Pure Premium = Total Pure Premium - Medical Pure Premium

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APPENDIX B-IV

WCSP data is used to determine the F-Classification (F-Class) rates. The latest year of WCSP payroll is extended by both the current and proposed rates. Based on $6,232,660 of payroll, the overall rate level change in Indiana is -7.7%.

I. Overview of Methodology

- Ten years of F-Class losses* across all states for which the National Council on Compensation Insurance compiles workers compensation ratemaking data are converted and adjusted to a countrywide level and used with ten years of F-Class countrywide payroll to determine the F-class countrywide pure premiums at both an overall and individual classification level.

- F-class countrywide pure premiums are calculated by class and then credibility-weighted with the overall countrywide F-class pure premium, using a full-credibility standard of three billion dollars in class payroll. Credibility-weighted class pure premiums are compared to the overall F-class pure premium to produce countrywide relativities, which are then normalized to obtain final relativities. The resulting values appear in the table in Section II.

- A single state primary base pure premium is calculated by applying a countrywide to state relativity factor to bring the F-class overall countrywide pure premium to the Indiana proposed level.

- A final base rate is calculated by bringing the primary base pure premium to the proposed Indiana trend and benefit levels and applying any applicable expenses and/or offsets.

- Final F-Class rates are calculated by applying the countrywide relativity by class code to the final base rate and applying swing limits.

*Losses are limited to $500,000 for a single claim occurrence and $1,500,000 for each multiple claim occurrence.

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APPENDIX B-IV

II. The F-class code countrywide relativities:

Class Code	(1) Countrywide Payroll*	(2) Countrywide Converted Losses*	(3) Countrywide Pure Premium	(4) Indicated Relativity	(5) Class Code Credibility	(6) Credibility Weighted Pure Premium	(7) Unbalanced Relativity	(8) Final Relativity
6006	533,370,198	16,045,288	3.008	1.448	0.42	2.468	1.188	1.175
6801	28,185,079	540,689	1.918	0.923	0.10	2.061	0.992	0.981
6824	458,063,048	10,368,436	2.264	1.090	0.39	2.150	1.035	1.024
6825	257,834,669	1,839,420	0.713	0.343	0.29	1.681	0.809	0.800
6826	173,710,178	1,833,734	1.056	0.508	0.24	1.832	0.882	0.872
6828	31,548,307	909,990	2.884	1.389	0.10	2.158	1.039	1.028
6829	0	0	0.000	0.000	0.00	2.077	1.000	0.989
6843	707,171,396	20,880,470	2.953	1.422	0.49	2.506	1.207	1.194
6845	270,211,558	8,255,014	3.055	1.471	0.30	2.370	1.141	1.129
6872	1,625,319,796	44,893,917	2.762	1.330	0.74	2.584	1.244	1.230
6873	27,582,623	73,699	0.267	0.129	0.10	1.896	0.913	0.903
6874	195,188,270	5,565,305	2.851	1.373	0.26	2.278	1.097	1.085
7309	1,042,323,296	30,433,106	2.920	1.406	0.59	2.574	1.239	1.226
7313	702,958,724	8,486,765	1.207	0.581	0.48	1.659	0.799	0.790
7317	1,574,339,142	26,475,118	1.682	0.810	0.72	1.793	0.863	0.854
7327	34,929,028	1,943,544	5.564	2.679	0.11	2.461	1.185	1.172
7350	746,960,584	16,336,673	2.187	1.053	0.50	2.132	1.026	1.015
8709	462,132,725	2,668,261	0.577	0.278	0.39	1.492	0.718	0.710
8726	787,796,471	3,112,158	0.395	0.190	0.51	1.219	0.587	0.581
9077	560,682	4,482	0.799	0.385	0.01	2.064	0.994	0.983
Overall	9,660,185,774	200,666,069	2.077				1.011	1.000

*10 years of data
Column (3) = (2) / ((1) / 100)
Column (4) = (3) / (3 Overall)
Column (5) = min(sqrt[(1)/3,000,000,000],1.00)
Column (6) = (3) x (5) + (3 Overall) x (1.00 – (5))
Column (7) = (6)/(3 Overall)
Column (7) Overall = $\sum_{Class}$ [(1) x (7)] / $\sum_{Class}$ (1)
Column (8) = (7)/(7 Overall)

III. Swing Limits

The proposed rates are limited to the swing limits based on 25% above and 25% below the current rates.

Classifications Limited by the Upper Swing
6826 8709 8726

Classifications Limited by the Lower Swing
6874 7327

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INDIANA

APPENDIX B-IV

Derivation of State Base Rate

	Indemnity	Medical	Total
1. Overall Countrywide Pure Premium			2.077
2. State Act Pure Premium Relativity Factor			0.714
3. Countrywide State Act Weight			28%
4. **Primary Base Pure Premium** =[(1) x (2) x (3)] + [(1) x (1 - (3))]			**1.911**
5. Countrywide Weights	53%	47%	100%
6. Trend Factors	0.958	0.954	xx
7. Weighted Benefits	1.001	1.001	xx
8. Weighted Loss-Based Expenses	1.246	1.190	xx
9. **Secondary Base Pure Premium*** = (4tot) x (5) x (6) x (7) x (8)	1.2103	1.0207	**2.231**
10. Additional Offsets			1.000
11. Expense Allowance			0.728
12. **Final Base Rate** = (9) x (10) / (11)			**3.065**

* Indemnity pure premium is adjusted for the rounded total pure premium:
Indemnity Pure Premium = Total Pure Premium - Medical Pure Premium

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INDIANA

APPENDIX B-IV

Derivation of Proposed Rate - Code 6872
Industry Group - F-Class, Hazard Group - G

The rate for the above-captioned classification is derived as follows:

1. Indiana's Final Base Rate	3.065
2. Countrywide Class Code 6872 Relativity (Section II)	1.230
3. Rate = (1) x (2)	3.770
4. Rate Within Swing Limits	3.770
Current Rate x Swing Limits a) Lower bound = 4.520 x 0.75 = 3.390 b) Upper bound = 4.520 x 1.25 = 5.650	
5. Miscellaneous Loadings	0.000
6. Final Loaded Rate	3.770

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INDIANA

APPENDIX B-IV

U.S. Longshore and Harbor Workers' Compensation Act Assessment

The F-class and Program II, Option II maritime class advisory loss costs, advisory rates, and assigned risk rates include the following provision for the federal assessment:

1.)	Assessment Rate on Indemnity Losses *	7.7%
2.)	Assessment Rate on Total Losses #	5.1%

* Calculated using data provided by the U.S. Department of Labor

\# Calculated using U.S. Department of Labor data and on-leveled and developed USL&HW losses - statistical plan data

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Indiana

APPENDIX B-V

Table of Payroll-Weighted Class Codes

This exhibit is included to describe the methodology underlying the calculation of the payroll-weighted rates for the class code groupings shown below.

Rates for these groups are calculated by payroll-weighting the indicated rates of the class codes using the latest policy period of payroll included in this filing. Prior to payroll-weighting, standard class ratemaking procedures are performed for all class codes listed below, and traditional swing limits are applied if necessary. Class codes that are limited are listed in Appendix B-II.

The class codes below also have a footnote indicating a non-standard calculation in the Individual Classification Exhibit that accompanies this filing.

Additional information regarding the newly identified low-credibility codes is found on the next page.

Payroll-Weighted Class Codes		
2413	2416	
2417	4299	4351
2600	2623	
3076	3224	
3119	3122	
3255	3257	
3383	3385	
4038	9600	
6005	6018	6045
6206	6214	
7402	8810	
7710	7711	
9089	9093	

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Indiana

APPENDIX B-V

Newly Identified Low-Credibility Class Codes

NCCI's use of the term "low-credibility class code" refers to class codes that generate an insufficient amount of premium to develop meaningful data for ratemaking purposes. Without the benefit of credible indicated or national data, the rate for a low-credibility class code is determined primarily by updating the current rate to the proposed level and not related to any actual experience for the class code. By mapping these class codes to larger, more credible class codes with similar operations, we can address this issue and increase the degree to which rates are informed by appropriate historical data.

The experience of these class codes is combined with the displayed class codes through the payroll-weighting process in order to improve their predictive accuracy. These class codes are combined in such a manner that the final rates for both classes do not exceed swing limits.

The following objective criteria were employed in order to determine which low-credibility class codes should be payroll-weighted:

- Average indicated medical credibility of 5% or less
- Average national medical credibility of 10% or less
- The class code is multistate and a mapped code with similar operations exists

The determination of how a low-credibility class code is mapped to a more credible class code is based on finding an alternative multistate class code that has a description of business operations that is most similar to the low-credibility class code identified. These codes are first evaluated to identify the industry type, operational characteristics, work exposures, and other identifying attributes of the operations they describe. These characteristics are then compared to those of other classifications with similar defining attributes to determine, by analogy, the most appropriate classification that would apply if the low-credibility code were eliminated.

The mappings displayed are consistent with the purpose and application of NCCI's classification system, as outlined in NCCI's ***Basic Manual*** rule, Classification system purpose and application.

Low-Credibility Multistate Class Code	Mapped Multistate Class Code
2416—Yarn Dyeing or Finishing	2413—Textile—Bleaching, Dyeing, Mercerizing, Finishing
2417—Cloth Printing 4351—Photoengraving	4299—Printing
2600—Fur Processing—Preparing Skins	2623—Leather Mfg.—Including Tanning, Leather Embossing, and Wool Pulling
3119—Needle Mfg.	3122—Cutlery Mfg. NOC
3224—Enamel Ware Mfg.	3076—Sheet Metal Products Mfg.
3255—Wire Cloth Mfg.	3257—Wire Goods Mfg. NOC
3385—Watch Mfg.	3383—Jewelry Mfg.
6005—Jetty or Breakwater Construction—All Operations to Completion & Drivers 6018—Dam or Lock Construction: Earth Moving or Placing—All Operations & Drivers	6045—Levee Construction—All Operations to Completion & Drivers
6214—Oil Or Gas Well: Perforating of Casing—All Employees & Drivers	6206—Oil or Gas Well: Cementing & Drivers
7402—Aviation—Air Traffic Controllers Under Contract with the FAA	8810—Clerical Office Employees NOC
9089—Billiard Hall	9093—Bowling Lane
9600—Taxidermist	4038—Plaster Statuary or Ornament Mfg.

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Indiana

APPENDIX B-V

Percent-Rated Class Codes

This exhibit is included to describe the methodology used in calculating percent-rated codes, which are class codes that take a percentage of the rate of another code.

Employers Liability Insurance for Admiralty Law (Maritime) and Federal Employers' Liability Act (FELA) class code calculations are displayed, along with any other percent-rated class codes if applicable. The USL&HW factor used below is adjusted to account for Maritime and FELA losses being split between state and federal benefits.

The Maritime and FELA rates are based on three types of coverage:
Program 1, which covers employers liability claims only
Program 2, Option 1, which covers voluntary compensation of state benefits as well as employers liability claims
Program 2, Option 2, which covers voluntary compensation of USL&HW benefits as well as employers liability claims

The Maritime class codes shown below also have a footnote indicating a non-standard calculation in the Individual Classification Exhibit that accompanies this filing.

CODE	CALCULATION OF THE RATE
Maritime	
7016	90% of Code 7024
7038	90% of Code 7090
7046	90% of Code 7098
7047	100% of Code 7024 x USL&HW factor
7050	100% of Code 7090 x USL&HW factor
7099	100% of Code 7098 x USL&HW factor
7333	90% of Code 7335
7337	100% of Code 7335 x USL&HW factor
7394	90% of Code 7395
7398	100% of Code 7395 x USL&HW factor
FELA	
6702	100% of Code 7855 x 1.35 x 0.9
6703	100% of Code 7855 x 1.35 x USL&HW factor
6704	100% of Code 7855 x 1.35
7151	100% of Code 7133 x 1.35 x 0.9
7152	100% of Code 7133 x 1.35 x USL&HW factor
7153	100% of Code 7133 x 1.35
8734	100% of Code 8742 x 1.35
8737	100% of Code 8742 x 1.35 x 0.9
8738	100% of Code 8742 x 1.35 x USL&HW factor
8805	100% of Code 8810 x 1.35
8814	100% of Code 8810 x 1.35 x 0.9
8815	100% of Code 8810 x 1.35 x USL&HW factor

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Indiana

APPENDIX B-VI

Calculation of Coal Mine Traumatic and Disease

Coal mine experience is reflected in the following class codes:

- Surface Coal Mine – Class Code 1005
- Underground Coal Mine – Class Code 1016

The traumatic rate for Surface Coal Mine Class Code 1005 is calculated based on WCSP data as explained in Appendices B-I through B-III. Class Code 1005 is in the Miscellaneous industry group.

The traumatic rate for Underground Coal Mine Class Code 1016 is calculated using WCSP data. Pure premiums are calculated and adjusted for trend, benefits, and any applicable offsets or expense provisions. Swing limits for Class Code 1016 are applied around the currently approved rate.

The disease portion of class codes 1005 and 1016 is calculated by weighting state and federal disease pure premium components. Expense provisions, where applicable, are applied as a final step in the calculation of the disease rate.

The state and federal disease pure premium components are updated in this filing.

For benefits provided under the Federal Coal Mine Health & Safety Act (federal benefits), the expected number of claims is based on data from the U.S. Department of Labor's Federal Black Lung Database. Estimating the expected number of claims entitled to federal benefits for an individual jurisdiction is difficult due to the scarcity of historical data. Therefore, data pooled across multiple states is relied upon to develop a credible level of experience.

The rates for class codes 1005 and 1016 are a combination of the traumatic and state and federal disease portions.

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INDIANA

APPENDIX B-VI

Coal Mine Occupational Disease
Proposed Underground and Surface Rates

Part A - State Occupational Disease (OD) Pure Premium*

1. Estimated Number of Claims per Year	1.2
2. Estimated Average Cost per Claim	$200,000
3. Estimated Cost of State Act Disease Claims per Year = (1) x (2)	$240,000
4. Estimated Coal Miner Payroll	$802,744,386
5. State OD Pure Premium per $100 of Payroll = (3) / (4) x 100	0.030

Part B - Federal Occupational Disease (OD) Pure Premium**

6. Estimated Entitlements for Claims Filed by Living Miners	10
7. Average Cost per Case for Living Miners	$644,123
8. Cost of Claims Filed by Living Miners = (6) x (7)	$6,441,230
9. Estimated Entitlements for Claims Filed by Living Widows	1.0
10. Average Cost per Case for Living Widows	$420,713
11. Cost of Claims Filed by Living Widows = (9) x (10)	$420,713
12. Total Cost of Federal Claims (8) + (11)	$6,861,943
13. Estimated Coal Miner Payroll	$758,072,489
14. Federal OD Pure Premium per $100 of Payroll = (12) / (13) x 100	0.905

Part C - Split Total Occupational Disease (OD) Pure Premium by Class Code

15. Code 1016 OD Costs Relative to Code 1005 Costs	3.000
16. Distribution of Coal Mining Payroll***	
a) 1005 Payroll as % of Total Coal Mining Payroll	37.8%
b) 1016 Payroll as % of Total Coal Mining Payroll	62.2%
17. Proposed State OD Pure Premiums	
a) 1005 State OD Pure Premium = (5) / [(16a) + (16b) x (15)]	0.013
b) 1016 State OD Pure Premium = (17a) x (15)	0.039
18. Proposed Federal OD Pure Premiums	
a) 1005 Federal OD Pure Premium = (14) / [(16a) + (16b) x (15)]	0.403
b) 1016 Federal OD Pure Premium = (18a) x (15)	1.209
19. Loss-Based Expense Provision	1.191
20. Target Cost Ratio	0.728
21. Proposed State OD Rates	
a) 1005 State OD Rate = (17a) x (19) / (20)	0.021
b) 1016 State OD Rate = (17b) x (19) / (20)	0.064
22. Proposed Federal OD Rates	
a) 1005 Federal OD Rate = (18a) x (19) / (20)	0.659
b) 1016 Federal OD Rate = (18b) x (19) / (20)	1.978

* Based on a review of data for all NCCI states excluding IL, KY, TN, VA, and WV
** Based on a review of data for all NCCI states excluding AL, KY, TN, VA, and WV
*** Based on a review of data for all NCCI states excluding KY, TN, VA, and WV

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INDIANA

APPENDIX B-VII

I. Factor to Convert Advisory Rates to Assigned Risk Rates

A factor of 1.000 is applied to the advisory rates in order to convert to assigned risk rates.

II. Factor to Convert Advisory Rates to Advisory Loss Costs

A factor of 0.728 is applied to the advisory rates in order to convert to advisory loss costs. This factor is the proposed target cost ratio for advisory rates.

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Advisory Rates, Loss Costs, and Assigned Risk Rates Filing – January 1, 2027

Appendix C – Memoranda for Laws

The purpose of this appendix is to provide details on changes affecting workers compensation benefit costs that are not yet reflected in the on-level factors shown in Appendix A-I. Such changes may result from legislative changes to the maximum weekly wage used for calculating benefits along with changes to the awards per degree of permanent partial impairment, changes to medical reimbursement levels, or other changes that directly affect worker compensation benefit levels. In addition, changes to the administration of the workers compensation system, including benefit levels, may result from specific regulatory, legislative, or judicial action. The overall effect of benefit changes displayed within this appendix is calculated as of the benefit effective date, which may differ from the overall impact on the filing as shown in the Executive Summary.

The following changes affecting Indiana benefit levels are detailed in this section of the filing:

- Annual Update to the Medical Fee Schedule

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APPENDIX C-I

ANALYSIS OF INDIANA MEDICAL FEE SCHEDULE CHANGES EFFECTIVE OCTOBER 1, 2025 AND JANUARY 1, 2026

NCCI estimates that the changes to the medical fee schedule in Indiana, effective October 1, 2025, will result in an impact of +0.1% on overall workers compensation system costs.

NCCI estimates that the changes to the medical fee schedule in Indiana, effective January 1, 2026, will result in an impact of +0.3% on overall workers compensation system costs.

SUMMARY OF QUANTIFIED CHANGES

The following fee schedule is effective October 1, 2025, revising the prior fee schedule which had been in effect since October 1, 2024.

Hospital Inpatient

- Indiana's hospital inpatient fee schedule is being updated to reflect 200% of Medicare's 2026 Inpatient Prospective Payment System (IPPS). The prior hospital inpatient fee schedule was based on 200% of Medicare's 2025 IPPS.

The following fee schedules are effective January 1, 2026, revising the prior fee schedules which had been in effect since January 1, 2025.

Hospital Outpatient

- Indiana's hospital outpatient fee schedule is being updated to reflect 200% of Medicare's 2026 Outpatient Prospective Payment System (OPPS). The prior hospital outpatient fee schedule was based on 200% of Medicare's 2025 OPPS.

Ambulatory Surgical Centers (ASC)

- Indiana's ASC fee schedule is being updated to reflect 200% of Medicare's 2026 ASC Payment System. The prior ASC fee schedule was based on 200% of Medicare's 2025 ASC Payment System.

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APPENDIX C-I

ANALYSIS OF INDIANA MEDICAL FEE SCHEDULE CHANGES EFFECTIVE OCTOBER 1, 2025 AND JANUARY 1, 2026

ACTUARIAL ANALYSIS

NCCI's methodology to evaluate the impact of medical fee schedule changes includes three major steps:

1. Calculate the percentage change in maximum reimbursements
    - Compare the prior and revised maximum reimbursements by procedure code to determine the percentage change by procedure code. For hospital inpatient services, the prior and revised maximum reimbursements are compared by episode.
    - Calculate the weighted-average percentage change in maximum reimbursements for the fee schedule using observed payments by procedure code as weights. For hospital inpatient services, the observed payments by episode are used as weights. For hospital outpatient services, observed payments are aggregated according to packaging rules, where applicable.

2. Determine the share of costs that are subject to the fee schedule
    - The share is based on a combination of fields, such as procedure code, provider type, and place of service, as reported on the NCCI Medical Data Call, to categorize payments that are subject to the fee schedule.
    - Any potential impact from the share of costs not subject to the fee schedule will be realized in future claim experience.

3. Estimate the price level change as a result of the revised fee schedule
    - NCCI research by David Colón and Paul Hendrick, "The Impact of Fee Schedule Updates on Physician Payments" (2018), suggests that approximately 80% of the change in maximum reimbursements for physician fee schedules is realized on payments impacted by the change.
    - For facility fee schedule changes, a price realization factor of 80% is assumed.

Note that the values presented in the document are rounded and may not be displayed to full precision.

In this analysis, NCCI relies primarily on two data sources:

- Detailed medical data underlying the calculations in this analysis are based on NCCI's Medical Data Call for Indiana for Service Year 2024. Reported medical experience for COVID-19 claims with accident dates between December 1, 2019 and June 30, 2023 as reported in NCCI Call 31 for Large Loss and Catastrophe have been excluded from the data on which this analysis is based.
- The share of benefit costs attributed to medical benefits is based on unlimited developed, on-leveled, and trended Financial Call data underlying the NCCI experience filing for Indiana effective January 1, 2026.

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APPENDIX C-I

ANALYSIS OF INDIANA MEDICAL FEE SCHEDULE CHANGES EFFECTIVE OCTOBER 1, 2025 AND JANUARY 1, 2026

SUMMARY OF IMPACTS

The impact from the fee schedule change in Indiana, effective October 1, 2025, is summarized below.

Type of Service	(A) Impact on Type of Service	(B) Share of Medical Costs	(C) = (A) x (B) Impact on Medical Costs	(D) Medical Costs as a Share of Overall Costs	(E) = (C) x (D) Impact on Overall Costs
Hospital Inpatient	+1.4%	9.1%	**+0.1%**	67%	**+0.1%**

The impacts from the fee schedule changes in Indiana, effective January 1, 2026, are summarized below.

Type of Service	(A) Impact on Type of Service	(B) Share of Medical Costs	(C) = (A) x (B) Impact on Medical Costs
Hospital Outpatient	+0.9%	18.6%	+0.2%
ASC	+3.4%	6.3%	+0.2%
Combined Impact on Medical Costs (D) = Total of (C)			**+0.4%**
Medical Costs as a Share of Overall Costs (E)			67%
Combined Impact on Overall Costs (F) = (D) x (E)			**+0.3%**

Refer to the appendix for the share of costs subject to the fee schedule by type of service, and the weighted-average change in maximum allowable reimbursement (MAR) by type of service.

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APPENDIX

Share of Costs Subject to the Fee Schedule (FS) and Weighted-Average Percentage Change in MARs by Type of Service

Type of Service	(A) Change in MARs for Costs Subject to the FS	(B) Share of Costs Subject to the FS	(C) = (A) x (B) Change in MARs by Type of Service	(D) = (C) x 80% Impact after Price Realization
Hospital Inpatient	+2.3%	72.2%	+1.7%	+1.4%
Hospital Outpatient	+1.2%	92.6%	+1.1%	+0.9%
ASC	+4.5%	95.1%	+4.3%	+3.4%

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Part 4 Additional Information

- Definitions
- Key Contacts

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Definitions

Accident Year (AY): A loss accounting definition in which experience is summarized by the calendar year in which an accident occurred.

Calendar Year (CY):

1. The 12-month period beginning January 1 and ending December 31.
2. Method of accounting for all financial transactions occurring during a specific year.

Case Reserves: Reserves that an insurance company establishes for specific (known) claims.

DSR Level Premium: The standard earned premium that would result if business were written at NCCI state-approved loss costs or rates instead of at the company rates. It is the common benchmark level at which carriers report premium on the Financial Calls.

Frequency: The number of lost-time claims per million dollars of on-leveled, wage-adjusted premium.

Incurred Claim Count: The total of all claims reported, whether open or closed, as of a given valuation date. An indemnity claim is associated with a payment or case reserve for an indemnity loss (i.e., lost work time-related benefits) and excludes claims closed without an indemnity payment.

Lost-time Claims: Claims where an injured employee has received wage replacement benefits due to a compensable workplace injury.

Limited Losses: Losses that result after the application of NCCI's large loss procedure—in which individual large claims are limited to jurisdiction and year-specific large loss thresholds.

On-Level Factor: Applied to historical premiums and losses to adjust the historical experience to reflect approved loss cost/rate level changes as well as statutory benefit level changes implemented since that time.

Paid+Case Losses: The sum of paid losses and case reserves. Also known as “case incurred losses.”

Paid Losses: Losses that an insurance company has paid as a result of claim activity.

Policy Year:

- The one-year period beginning with the effective date or anniversary of a policy.

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Definitions

- A premium and loss accounting definition in which experience is summarized for all policies with effective dates in a given calendar year period.

Severity: The average cost per case (claim) calculated as ultimate losses divided by ultimate lost-time claim counts.

Ultimate Development Factor: For an aggregation of data, an estimate of the development that will occur between the data's current valuation date and the time when all claims are closed.

Unlimited Losses: Losses that have not been limited to jurisdiction and year-specific large loss thresholds as part of NCCI's large loss procedure.

Valuation Date: The date that premiums and losses are evaluated for reporting purposes. Premiums and losses may change over time from initial estimates to final values. Therefore, interim snapshots have associated valuation dates.

Wage Level Adjustment Factor: The ratio of the average workers' wages during the most recent time period to the average workers' wages during a historical time period.

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Indiana

Advisory Rates, Loss Costs, and Assigned Risk Rates Filing – January 1, 2027

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