

Rev. Proc. 2001-60

SECTION 1. PURPOSE

This revenue procedure prescribes the loss payment patterns and discount factors for the 2001 accident year. These factors will be used for computing discounted unpaid losses under § 846 of the Internal Revenue Code. See Rev. Proc. 98-11 (1998-1 C.B. 358) for background concerning the loss payment patterns and application of the discount factors.

SECTION 2. SCOPE

This revenue procedure applies to any taxpayer that is required to discount its unpaid losses under § 846 for a line of

business using discount factors published by the Secretary.

SECTION 3. TABLES OF DISCOUNT FACTORS

.01 The following tables present separately for each line of business the discount factors under § 846 for accident year 2001. All the discount factors presented in this section were determined using the applicable interest rate under § 846(c) for 2001, which is 6.00 percent, and by assuming all loss payments occur in the middle of the calendar year.

.02 If the groupings of individual lines of business on the annual statement change, taxpayers must discount the unpaid losses on the affected lines of business in accordance with the discounting patterns that would have applied to those unpaid losses based on their classification on the 1995 annual statement. See Rev. Proc. 98-11 (1998-1 C.B. 358)

section 2, for additional background on discounting under section 846 and the use of the Secretary's tables.

.03 Section V of Notice 88-100 (1988-2 C.B. 439) provides a composite discount factor to be used in determining the discounted unpaid losses for accident years that are not separately reported on the annual statement. Taxpayers that do not use the methodology set forth in section V of Notice 88-100 should instead use the discount factor for the appropriate year in the Secretary's table for that line of business. If such taxpayers have unpaid losses relating to an accident year that is older than the last accident year for which a discount factor is presented in the Secretary's table, those unpaid losses should be discounted using the discount factor for the last accident year in the Secretary's table. See section 2.03(3) of Rev. Proc. 98-11.

.04 Tables

**Accident and Health
(Other Than Disability Income or Credit Disability Insurance)**

Discount factor for all years equals 97.1286 percent.

Auto Physical Damage

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+ 0 | 89.9430 | 89.9430 | 10.0570 | 9.7182 | 96.6309 |
| AY+ 1 | 99.3814 | 9.4384 | 0.6186 | 0.5838 | 94.3797 |
| AY+ 2 | N/A | 0.3093 | 0.3093 | 0.3004 | 97.1286 |

Commercial Auto/Truck Liability/Medical

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 25.8075 | 25.8075 | 74.1925 | 65.3144 | 88.0336 |
| AY+1 | 49.8793 | 24.0718 | 50.1207 | 44.4497 | 88.6854 |

Commercial Auto/Truck Liability/Medical—Continued

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+2 | 67.6592 | 17.7799 | 32.3408 | 28.8112 | 89.0862 |
| AY+3 | 79.7711 | 12.1119 | 20.2289 | 18.0699 | 89.3272 |
| AY+4 | 88.2132 | 8.4421 | 11.7868 | 10.4624 | 88.7640 |
| AY+5 | 93.1778 | 4.9646 | 6.8222 | 5.9788 | 87.6375 |
| AY+6 | 95.9623 | 2.7845 | 4.0377 | 3.4707 | 85.9577 |
| AY+7 | 97.0091 | 1.0468 | 2.9909 | 2.6012 | 86.9707 |
| AY+8 | 97.5719 | 0.5628 | 2.4281 | 2.1778 | 89.6931 |
| AY+9 | 98.2191 | 0.6471 | 1.7809 | 1.6422 | 92.2109 |
| AY+10 | N/A | 0.6471 | 1.1338 | 1.0745 | 94.7685 |
| AY+11 | N/A | 0.6471 | 0.4867 | 0.4727 | 97.1286 |

Composite Discount Factors

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 35.4611 | 35.4611 | 64.5389 | 55.5635 | 86.0930 |
| AY+1 | 59.1449 | 23.6838 | 40.8551 | 34.5133 | 84.4773 |
| AY+2 | 70.8220 | 11.6771 | 29.1780 | 24.5618 | 84.1792 |
| AY+3 | 81.9019 | 11.0799 | 18.0981 | 14.6281 | 80.8265 |
| AY+4 | 86.3688 | 4.4669 | 13.6312 | 10.9068 | 80.0133 |
| AY+5 | 90.0497 | 3.6809 | 9.9503 | 7.7715 | 78.1028 |
| AY+6 | 92.7488 | 2.6991 | 7.2512 | 5.4588 | 75.2820 |
| AY+7 | 93.8259 | 1.0771 | 6.1741 | 4.6775 | 75.7592 |
| AY+8 | 94.2415 | 0.4156 | 5.7585 | 4.5302 | 78.6700 |
| AY+9 | 94.8568 | 0.6153 | 5.1432 | 4.1685 | 81.0493 |
| AY+10 | N/A | 0.6153 | 4.5279 | 3.7851 | 83.5960 |
| AY+11 | N/A | 0.6153 | 3.9125 | 3.3787 | 86.3558 |
| AY+12 | N/A | 0.6153 | 3.2972 | 2.9479 | 89.4060 |
| AY+13 | N/A | 0.6153 | 2.6819 | 2.4912 | 92.8922 |
| AY+14 | N/A | 0.6153 | 2.0665 | 2.0072 | 97.1286 |

Fidelity/Surety

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 24.1540 | 24.1540 | 75.8460 | 70.3585 | 92.7650 |
| AY+1 | 59.0961 | 34.9421 | 40.9039 | 38.6050 | 94.3797 |
| AY+2 | N/A | 20.4520 | 20.4520 | 19.8647 | 97.1286 |

Financial Guaranty/Mortgage Guaranty

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 9.2513 | 9.2513 | 90.7487 | 84.1431 | 92.7210 |
| AY+1 | 50.5659 | 41.3146 | 49.4341 | 46.6558 | 94.3797 |
| AY+2 | N/A | 24.7171 | 24.7171 | 24.0073 | 97.1286 |

**International
(Composite)**

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 35.4611 | 35.4611 | 64.5389 | 55.5635 | 86.0930 |
| AY+1 | 59.1449 | 23.6838 | 40.8551 | 34.5133 | 84.4773 |
| AY+2 | 70.8220 | 11.6771 | 29.1780 | 24.5618 | 84.1792 |
| AY+3 | 81.9019 | 11.0799 | 18.0981 | 14.6281 | 80.8265 |
| AY+4 | 86.3688 | 4.4669 | 13.6312 | 10.9068 | 80.0133 |
| AY+5 | 90.0497 | 3.6809 | 9.9503 | 7.7715 | 78.1028 |
| AY+6 | 92.7488 | 2.6991 | 7.2512 | 5.4588 | 75.2820 |
| AY+7 | 93.8259 | 1.0771 | 6.1741 | 4.6775 | 75.7592 |
| AY+8 | 94.2415 | 0.4156 | 5.7585 | 4.5302 | 78.6700 |
| AY+9 | 94.8568 | 0.6153 | 5.1432 | 4.1685 | 81.0493 |
| AY+10 | N/A | 0.6153 | 4.5279 | 3.7851 | 83.5960 |
| AY+11 | N/A | 0.6153 | 3.9125 | 3.3787 | 86.3558 |
| AY+12 | N/A | 0.6153 | 3.2972 | 2.9479 | 89.4060 |
| AY+13 | N/A | 0.6153 | 2.6819 | 2.4912 | 92.8922 |
| AY+14 | N/A | 0.6153 | 2.0665 | 2.0072 | 97.1286 |

Medical Malpractice — Claims-Made

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 6.3899 | 6.3899 | 93.6101 | 77.4322 | 82.7178 |
| AY+1 | 24.0011 | 17.6112 | 75.9989 | 63.9463 | 84.1411 |
| AY+2 | 42.6970 | 18.6959 | 57.3030 | 48.5345 | 84.6980 |
| AY+3 | 58.0610 | 15.3640 | 41.9390 | 35.6284 | 84.9528 |
| AY+4 | 69.6653 | 11.6043 | 30.3347 | 25.8187 | 85.1128 |
| AY+5 | 75.6033 | 5.9380 | 24.3967 | 21.2542 | 87.1194 |
| AY+6 | 81.8786 | 6.2753 | 18.1214 | 16.0687 | 88.6725 |
| AY+7 | 87.8539 | 5.9753 | 12.1461 | 10.8809 | 89.5834 |
| AY+8 | 89.5207 | 1.6668 | 10.4793 | 9.8176 | 93.6862 |
| AY+9 | 94.3025 | 4.7818 | 5.6975 | 5.4836 | 96.2450 |
| AY+10 | N/A | 4.7818 | 0.9157 | 0.8894 | 97.1286 |

Medical Malpractice — Occurrence

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 2.1239 | 2.1239 | 97.8761 | 72.4330 | 74.0048 |
| AY+1 | 6.4831 | 4.3592 | 93.5169 | 72.2909 | 77.3025 |
| AY+2 | 15.5987 | 9.1156 | 84.4013 | 67.2433 | 79.6709 |
| AY+3 | 31.9062 | 16.3075 | 68.0938 | 54.4883 | 80.0194 |
| AY+4 | 45.0931 | 13.1868 | 54.9069 | 44.1809 | 80.4650 |
| AY+5 | 50.0751 | 4.9821 | 49.9249 | 41.7024 | 83.5302 |
| AY+6 | 60.9728 | 10.8976 | 39.0272 | 32.9847 | 84.5171 |
| AY+7 | 69.2138 | 8.2411 | 30.7862 | 26.4791 | 86.0097 |
| AY+8 | 72.8658 | 3.6519 | 27.1342 | 24.3079 | 89.5840 |
| AY+9 | 80.0005 | 7.1347 | 19.9995 | 18.4208 | 92.1061 |
| AY+10 | N/A | 7.1347 | 12.8648 | 12.1803 | 94.6798 |
| AY+11 | N/A | 7.1347 | 5.7300 | 5.5655 | 97.1286 |

Miscellaneous Casualty

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 77.6669 | 77.6669 | 22.3331 | 21.2118 | 94.9792 |
| AY+1 | 94.0673 | 16.4004 | 5.9327 | 5.5993 | 94.3797 |
| AY+2 | N/A | 2.9664 | 2.9664 | 2.8812 | 97.1286 |

**Multiple Peril Lines
(Homeowners/Farmowners Multiple Peril, Commercial Multiple Peril, and Special Liability
(Ocean Marine, Aircraft (All Perils), Boiler, and Machinery))**

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 55.9587 | 55.9587 | 44.0413 | 39.2528 | 89.1272 |
| AY+1 | 77.8939 | 21.9352 | 22.1061 | 19.0243 | 86.0589 |
| AY+2 | 84.0083 | 6.1144 | 15.9917 | 13.8706 | 86.7360 |
| AY+3 | 91.3188 | 7.3105 | 8.6812 | 7.1762 | 82.6633 |
| AY+4 | 92.1670 | 0.8482 | 7.8330 | 6.7334 | 85.9627 |
| AY+5 | 94.3838 | 2.2168 | 5.6162 | 4.8552 | 86.4488 |
| AY+6 | 96.4959 | 2.1121 | 3.5041 | 2.9719 | 84.8124 |
| AY+7 | 97.3670 | 0.8712 | 2.6330 | 2.2533 | 85.5817 |
| AY+8 | 98.0034 | 0.6364 | 1.9966 | 1.7334 | 86.8153 |
| AY+9 | 98.4059 | 0.4025 | 1.5941 | 1.4230 | 89.2642 |
| AY+10 | N/A | 0.4025 | 1.1916 | 1.0940 | 91.8045 |
| AY+11 | N/A | 0.4025 | 0.7892 | 0.7453 | 94.4346 |
| AY+12 | N/A | 0.4025 | 0.3867 | 0.3756 | 97.1286 |

**Other
(Including Credit)**

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 66.7418 | 66.7418 | 33.2582 | 31.4355 | 94.5195 |
| AY+1 | 89.2755 | 22.5337 | 10.7245 | 10.1217 | 94.3797 |
| AY+2 | N/A | 5.3622 | 5.3622 | 5.2083 | 97.1286 |

Other Liability — Claims-Made

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 10.2440 | 10.2440 | 89.7560 | 74.4023 | 82.8940 |
| AY+1 | 29.3763 | 19.1323 | 70.6237 | 59.1686 | 83.7800 |
| AY+2 | 44.4111 | 15.0349 | 55.5889 | 47.2393 | 84.9799 |
| AY+3 | 67.8197 | 23.4086 | 32.1803 | 25.9731 | 80.7112 |
| AY+4 | 73.4753 | 5.6555 | 26.5247 | 21.7087 | 81.8434 |
| AY+5 | 78.8604 | 5.3852 | 21.1396 | 17.4669 | 82.6265 |
| AY+6 | 83.5027 | 4.6422 | 16.4973 | 13.7354 | 83.2585 |
| AY+7 | 84.0676 | 0.5649 | 15.9324 | 13.9779 | 87.7327 |
| AY+8 | 85.2129 | 1.1453 | 14.7871 | 13.6374 | 92.2252 |
| AY+9 | 90.5992 | 5.3863 | 9.4008 | 8.9102 | 94.7808 |
| AY+10 | N/A | 5.3863 | 4.0145 | 3.8993 | 97.1286 |

Other Liability — Occurrence

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 13.5751 | 13.5751 | 86.4249 | 68.4370 | 79.1866 |
| AY+1 | 26.3964 | 12.8213 | 73.6036 | 59.3429 | 80.6249 |
| AY+2 | 40.2725 | 13.8761 | 59.7275 | 48.6171 | 81.3982 |
| AY+3 | 55.4566 | 15.1841 | 44.5434 | 35.9011 | 80.5981 |
| AY+4 | 65.3309 | 9.8742 | 34.6691 | 27.8890 | 80.4434 |
| AY+5 | 74.0647 | 8.7339 | 25.9353 | 20.5703 | 79.3140 |
| AY+6 | 80.9090 | 6.8442 | 19.0910 | 14.7580 | 77.3031 |
| AY+7 | 84.3622 | 3.4532 | 15.6378 | 12.0881 | 77.3006 |
| AY+8 | 84.6163 | 0.2542 | 15.3837 | 12.5517 | 81.5914 |
| AY+9 | 86.7311 | 2.1147 | 13.2689 | 11.1276 | 83.8621 |
| AY+10 | N/A | 2.1147 | 11.1542 | 9.6180 | 86.2277 |
| AY+11 | N/A | 2.1147 | 9.0395 | 8.0178 | 88.6981 |
| AY+12 | N/A | 2.1147 | 6.9247 | 6.3216 | 91.2910 |
| AY+13 | N/A | 2.1147 | 4.8100 | 4.5237 | 94.0479 |
| AY+14 | N/A | 2.1147 | 2.6953 | 2.6179 | 97.1286 |

Private Passenger Auto Liability/Medical

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 37.9339 | 37.9339 | 62.0661 | 56.5092 | 91.0468 |
| AY+1 | 67.7044 | 29.7705 | 32.2956 | 29.2492 | 90.5670 |
| AY+2 | 81.5316 | 13.8272 | 18.4684 | 16.7681 | 90.7936 |
| AY+3 | 89.8898 | 8.3583 | 10.1102 | 9.1689 | 90.6897 |
| AY+4 | 94.6531 | 4.7633 | 5.3469 | 4.8149 | 90.0509 |
| AY+5 | 97.1265 | 2.4734 | 2.8735 | 2.5573 | 88.9961 |
| AY+6 | 98.4587 | 1.3322 | 1.5413 | 1.3392 | 86.8852 |
| AY+7 | 98.9811 | 0.5224 | 1.0189 | 0.8817 | 86.5309 |
| AY+8 | 99.2330 | 0.2519 | 0.7670 | 0.6752 | 88.0336 |
| AY+9 | 99.4067 | 0.1737 | 0.5933 | 0.5369 | 90.4936 |
| AY+10 | N/A | 0.1737 | 0.4196 | 0.3903 | 93.0125 |
| AY+11 | N/A | 0.1737 | 0.2460 | 0.2349 | 95.5126 |
| AY+12 | N/A | 0.1737 | 0.0723 | 0.0702 | 97.1286 |

Products Liability — Claims-Made

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 4.9750 | 4.9750 | 95.0250 | 76.1308 | 80.1166 |
| AY+1 | 15.1072 | 10.1322 | 84.8928 | 70.2670 | 82.7714 |
| AY+2 | 30.9560 | 15.8488 | 69.0440 | 58.1656 | 84.2443 |
| AY+3 | 38.2420 | 7.2860 | 61.7580 | 54.1541 | 87.6876 |
| AY+4 | 68.6101 | 30.3681 | 31.3899 | 26.1375 | 83.2673 |
| AY+5 | 78.5966 | 9.9865 | 21.4034 | 17.4241 | 81.4078 |
| AY+6 | 88.3971 | 9.8005 | 11.6029 | 8.3793 | 72.2169 |
| AY+7 | 93.2957 | 4.8986 | 6.7043 | 3.8386 | 57.2557 |
| AY+8 | 88.3815 | -4.9142 | 11.6185 | 9.1284 | 78.5676 |
| AY+9 | 89.6105 | 1.2290 | 10.3895 | 8.4107 | 80.9542 |
| AY+10 | N/A | 1.2290 | 9.1604 | 7.6500 | 83.5111 |
| AY+11 | N/A | 1.2290 | 7.9314 | 6.8436 | 86.2851 |
| AY+12 | N/A | 1.2290 | 6.7024 | 5.9888 | 89.3544 |
| AY+13 | N/A | 1.2290 | 5.4733 | 5.0828 | 92.8653 |
| AY+14 | N/A | 1.2290 | 4.2443 | 4.1224 | 97.1286 |

Products Liability – Occurrence

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 9.0653 | 9.0653 | 90.9347 | 69.4041 | 76.3230 |
| AY+1 | 14.9035 | 5.8382 | 85.0965 | 67.5575 | 79.3893 |
| AY+2 | 29.2591 | 14.3555 | 70.7409 | 56.8310 | 80.3369 |
| AY+3 | 45.6462 | 16.3871 | 54.3538 | 43.3693 | 79.7908 |
| AY+4 | 57.5945 | 11.9483 | 42.4055 | 33.6700 | 79.4000 |
| AY+5 | 63.8634 | 6.2689 | 36.1366 | 29.2359 | 80.9039 |
| AY+6 | 75.2266 | 11.3632 | 24.7734 | 19.2910 | 77.8696 |
| AY+7 | 78.2679 | 3.0413 | 21.7321 | 17.3172 | 79.6849 |
| AY+8 | 78.1898 | -0.0781 | 21.8102 | 18.4367 | 84.5322 |
| AY+9 | 81.8722 | 3.6825 | 18.1278 | 15.7515 | 86.8918 |
| AY+10 | N/A | 3.6825 | 14.4453 | 12.9053 | 89.3391 |
| AY+11 | N/A | 3.6825 | 10.7628 | 9.8883 | 91.8744 |
| AY+12 | N/A | 3.6825 | 7.0803 | 6.6902 | 94.4902 |
| AY+13 | N/A | 3.6825 | 3.3979 | 3.3003 | 97.1286 |

**Reinsurance A
(Nonproportional Property)**

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 27.1668 | 27.1668 | 72.8332 | 64.9403 | 89.1631 |
| AY+1 | 68.7008 | 41.5340 | 31.2992 | 26.0748 | 83.3084 |
| AY+2 | 70.0362 | 1.3354 | 29.9638 | 26.2645 | 87.6541 |
| AY+3 | 87.5338 | 17.4976 | 12.4662 | 9.8255 | 78.8169 |
| AY+4 | 90.2132 | 2.6794 | 9.7868 | 7.6564 | 78.2320 |
| AY+5 | 91.3751 | 1.1619 | 8.6249 | 6.9196 | 80.2275 |
| AY+6 | 94.3845 | 3.0095 | 5.6155 | 4.2363 | 75.4399 |
| AY+7 | 93.3293 | -1.0552 | 6.6707 | 5.5769 | 83.6030 |
| AY+8 | N/A | 1.0387 | 5.6320 | 4.8421 | 85.9749 |
| AY+9 | N/A | 1.0387 | 4.5932 | 4.0632 | 88.4598 |
| AY+10 | N/A | 1.0387 | 3.5545 | 3.2375 | 91.0821 |
| AY+11 | N/A | 1.0387 | 2.5158 | 2.3623 | 93.9007 |
| AY+12 | N/A | 1.0387 | 1.4771 | 1.4346 | 97.1286 |

**Reinsurance B
(Non-proportional Liability)**

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 6.6962 | 6.6962 | 93.3038 | 69.3996 | 74.3802 |
| AY+1 | 22.3944 | 15.6982 | 77.6056 | 57.4013 | 73.9654 |
| AY+2 | 32.6486 | 10.2542 | 67.3514 | 50.2879 | 74.6651 |
| AY+3 | 50.2234 | 17.5748 | 49.7766 | 35.2109 | 70.7379 |
| AY+4 | 53.5839 | 3.3605 | 46.4161 | 33.8637 | 72.9568 |
| AY+5 | 55.6838 | 2.0999 | 44.3162 | 33.7335 | 76.1201 |
| AY+6 | 63.6144 | 7.9306 | 36.3856 | 27.5925 | 75.8336 |
| AY+7 | 66.4211 | 2.8066 | 33.5789 | 26.3584 | 78.4969 |
| AY+8 | N/A | 2.8066 | 30.7723 | 25.0503 | 81.4054 |
| AY+9 | N/A | 2.8066 | 27.9656 | 23.6637 | 84.6171 |
| AY+10 | N/A | 2.8066 | 25.1590 | 22.1939 | 88.2146 |
| AY+11 | N/A | 2.8066 | 22.3524 | 20.6359 | 92.3211 |
| AY+12 | N/A | 2.8066 | 19.5457 | 18.9845 | 97.1286 |

**Reinsurance C
(Financial Lines)**

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 11.4622 | 11.4622 | 88.5378 | 77.3623 | 87.3777 |
| AY+1 | 44.5791 | 33.1169 | 55.4209 | 47.9081 | 86.4441 |
| AY+2 | 63.9134 | 19.3343 | 36.0866 | 30.8767 | 85.5627 |
| AY+3 | 65.6185 | 1.7051 | 34.3815 | 30.9737 | 90.0885 |
| AY+4 | 79.9778 | 14.3593 | 20.0222 | 18.0484 | 90.1419 |
| AY+5 | 88.9152 | 8.9374 | 11.0848 | 9.9297 | 89.5793 |
| AY+6 | 91.2490 | 2.3338 | 8.7510 | 8.1227 | 92.8199 |
| AY+7 | 94.7645 | 3.5155 | 5.2355 | 4.9906 | 95.3224 |
| AY+8 | N/A | 3.5155 | 1.7200 | 1.6706 | 97.1286 |

**Special Property
(Fire, Allied Lines, Inland Marine, Earthquake, Glass, Burglary and Theft)**

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 57.4895 | 57.4895 | 42.5105 | 40.5227 | 95.3241 |
| AY+1 | 90.5193 | 33.0297 | 9.4807 | 8.9479 | 94.3797 |
| AY+2 | N/A | 4.7404 | 4.7404 | 4.6043 | 97.1286 |

Workers' Compensation

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Unpaid Losses at Year End (%) | Discounted Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|----------------------------------|---|--|--|----------------------------|
| AY+0 | 23.6461 | 23.6461 | 76.3539 | 62.7199 | 82.1437 |
| AY+1 | 44.8166 | 21.1705 | 55.1834 | 44.6867 | 80.9786 |
| AY+2 | 57.9652 | 13.1486 | 42.0348 | 33.8306 | 80.4824 |
| AY+3 | 72.0542 | 14.0889 | 27.9458 | 21.3550 | 76.4156 |
| AY+4 | 80.5542 | 8.5000 | 19.4458 | 13.8850 | 71.4034 |
| AY+5 | 84.8876 | 4.3334 | 15.1124 | 10.2565 | 67.8684 |
| AY+6 | 87.1173 | 2.2297 | 12.8827 | 8.5763 | 66.5723 |
| AY+7 | 88.2647 | 1.1473 | 11.7353 | 7.9096 | 67.4000 |
| AY+8 | 88.5404 | 0.2757 | 11.4596 | 8.1003 | 70.6858 |
| AY+9 | 88.8062 | 0.2658 | 11.1938 | 8.3126 | 74.2613 |
| AY+10 | N/A | 0.2658 | 10.9279 | 8.5377 | 78.1273 |
| AY+11 | N/A | 0.2658 | 10.6621 | 8.7763 | 82.3127 |
| AY+12 | N/A | 0.2658 | 10.3963 | 9.0291 | 86.8499 |
| AY+13 | N/A | 0.2658 | 10.1304 | 9.2972 | 91.7750 |
| AY+14 | N/A | 0.2658 | 9.8646 | 9.5813 | 97.1286 |

DRAFTING INFORMATION

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