



Deloitte Consulting LLP  
555 W 5th Street  
Los Angeles, CA 90013  
USA

Tel: +1 213 688 0800  
Fax: +1 213 688 0100  
www.deloitte.com

August 30, 2024

Mr. Steve Wendling  
Audit Manager  
Washington State Auditor's Office  
3200 Capitol Way  
P.O. Box 40031  
Olympia, WA 98504

## RE: Department of Labor & Industries' 2025 Experience Rating Plan Changes

Dear Mr. Wendling,

Deloitte Consulting LLP ("Deloitte Consulting") has completed its review of the changes to the State of Washington Department of Labor & Industries' ("the Department") experience rating plan for premium rates effective January 1, 2025. Per the Department's request, we have reviewed changes to the parameters of the 2025 experience rating plan to assess whether the changes made are reasonable and consistent with actuarial standards of practice as issued by the Actuarial Standards Board and whether they attempt to limit unreasonable fluctuations in premium rates.

The Deloitte Consulting team appreciates the time and effort dedicated by the Department to help us understand the changes to the experience rating plans as well as the resources devoted to providing us with the appropriate data needed to perform our review.

### *Summary of Findings*

Based on communications with the Department's actuarial team and our review, we understand that although no process or methodology changes were made to the experience rating plan this year, the following assumption changes have been made to the experience rating plan values:

Changes to Experience Rating Plan Values		
	2025	2024
Maximum Claim Value	\$417,090	\$405,520
Medical Only Claim Deductible	\$3,930	\$3,670
Maximum Primary Loss	\$58,923	\$57,562
Maximum Excess Loss	\$358,167	\$347,958
Load Factor	0.9884	0.9888
<b><u>Primary Actual Loss Assumptions</u></b>		
Numerator constant	\$64,380	\$62,920
Denominator constant	\$38,630	\$37,750
Split point	\$25,750	\$25,170

We note that the general assumptions (maximum values and medical only deductible) and the underlying assumptions used in the calculation of the Primary Actual Losses are updated each year based on averages of the latest data available. Additionally, the expected loss rates ("ELRs") by risk class were revised, along with the 2025 credibility tables. The expected loss ranges in the credibility tables decreased by 1.0% due to the change in the average level of the ELRs over the past year. For reference, these tables can be seen in the Appendix.

Based on our review of the Department's methodology for updating and revising the experience rating plan and subject to the limitations and reliance discussed below in Distribution and Limitations, we believe that the Department's changes to its experience rating plan listed above for premium rates effective January 1, 2025 are reasonable. Further, we believe that the Department's experience rating process and calculations are consistent with actuarial standards of practice as issued by the Actuarial Standards Board and common insurance industry practices with respect to experience rating plans. We note that the assumptions which changed over the past year are primarily the result of empirical loss experience and inflationary factors.

Although it is our opinion that the Department's experience rating plan changes are reasonable, there may be opportunities for the Department to further enhance its plan. Previously, Deloitte Consulting was hired to independently review the claim free discount & experience rating plans. The Department also tested the performance of the Claim Free Discount table. The conclusion from our study was that the programs were balanced overall and that the performances of the programs were as good, if not better, than similar programs in other states. We understand that the Department will continue to review key parameters of the experience rating plan in the future. Those key parameters include the following:

- The split point that divides an employer's losses in the experience period into "primary" and "excess" components (which are now being updated every year);
- The amount of credibility assigned to an employer's actual primary and excess losses in the experience period;
- The expected losses for the employer in the experience period; and
- The targeted average experience modification factor.

As mentioned above, after the Department studied past experience of firms in Washington State, the parameters underlying the primary loss formula were updated to reflect the experience in more recent years and enhance the experience rating plan.

## ***Background – Washington's Two-Tiered Experience Rating Plan***

Washington has two separate experience rating plans that have been effective since 1972. The first is the Compensable-Claim-Free experience rating plan, which provides a discount from an employer's base premium if that employer has no compensable claims during the 3-year experience period used in the experience rating plan. The discounts vary from 10% to 40% depending on the size of the employer as measured by its expected losses. These discounts were determined by the Department in a 2006 study. According to information from the Department, approximately 80% of all employers in Washington qualify for this plan. As these are relatively small employers, they collectively comprise approximately 20% of the premiums paid despite comprising 80% of the employer population. Note that we did not

review the Compensable-Claim-Free experience rating plan this year, as there were no significant changes from 2024.

The second experience rating plan applies to those employers that are not eligible for the Compensable-Claims-Free plan and is referred to hereafter as the “Regular Plan”. The Regular Plan is structured in a manner similar to that typically seen in the workers’ compensation industry as well as that employed in the National Council on Compensation Insurance, Inc.’s (“NCCI”) plan. In this plan, an employer’s actual losses are compared to its expected losses in order to determine if an employer’s loss experience in the upcoming year is likely to be higher or lower than an average employer in its class. The comparison of actual versus expected losses relates to the plan’s experience period, which consists of three years. For premium rates effective January 1, 2025, the experience period includes fiscal years 2021, 2022, and 2023.

The underlying theory of experience rating is employers that have higher actual losses than expected during the historical experience period are likely to continue to have higher losses than other employers in its class in the upcoming policy period. The converse holds as well; employers with lower than expected losses in the historical experience period are likely to have lower losses than other employers in its class in the upcoming policy period. Those in the higher-than-expected group receive an experience modification factor greater than 1.00, which increases their base premium. Those in the lower-than-expected group receive an experience modification factor less than 1.00, which reduces their base premium. If an employer has actual losses equal to expected losses in the experience period, the experience modification factor would be 1.00, and there would be no change to the base premium. In all of these cases, the goal of the plan is to charge premiums that are more consistent with the level of expected losses for the individual employer as compared to their base premium.

Our review of the Regular Plan is discussed below.

## *Review of Key Parameters – Regular Plan*

We reviewed the actuarial process, calculations, and assumptions supporting the key parameter changes in the Department’s Regular Plan for premium rates effective January 1, 2025. We also discussed the Department’s internal plan review process with the Department’s actuarial team. The Department provided us with internal experience rating plan work papers for our review.

Below, we comment on the major parameters used by the Department in the Regular Plan.

### *1. Split point for Primary versus Excess losses*

In the Regular Plan, losses in the experience period are divided into primary and excess components. Primary losses are assigned more credibility than excess losses, as they are more predictable. Experience rating plans that divide losses into primary and excess components are known as “split plans” and are commonly used in the industry. We note that the Department studies the past experience data and updates the primary loss formula parameters in the 2024 rating year. These parameters are expected to be updated each year to account for changes to the average empirical loss experience and inflationary factors.

In the Regular Plan, primary loss split points vary by individual claim size, starting at \$25,750 and going as high as \$58,923 in 2025. The change in the primary loss formula parameters resulted in a 2.3% increase to the minimum primary loss split point (compared to \$25,170 in the prior analysis), and a 2.4% increase to the maximum primary loss split point (compared to \$57,562 in the prior analysis). The maximum primary loss split point changes each year based on the selected maximum claim value. The Department used a three-year weighted average (excluding COVID-19 claims) of fatality cost to derive the maximum claim value, consistent with last year, and as a result, the maximum claim value increased from \$405,520 to \$417,090 (or a 2.9% increase).

## ***2. Primary and Excess Credibility***

Credibility is a key feature of any experience rating plan. Small employers can have fortuitous losses, but larger employers tend to have more predictable loss experience. Credibility recognizes that the larger the employer, the more predictive past loss experience is of future performance. In the Regular Plan, the credibility assigned to primary and excess losses is based on the size of an employer's expected losses. Therefore, the higher the employer's expected losses, the more credibility weight that is assigned to that employer's experience in determining its experience modification factor. The maximum primary credibility is 100% for employers with approximately \$1.5 million of total expected losses or higher during the three-year historical experience period (which is comparable to last year). The maximum excess credibility is 86% for employers with approximately \$2.6 million of total expected losses or higher during the three-year historical experience period (which is comparable to last year).

The Department derived credibility tables as part of its 2006 study ("Report on the Proposed Changes to the 2007 Washington State Fund Experience Rating Plan"). According to that report, the process used by the Department to determine the credibility was based on an optimization analysis that is commonly used for experience rating parameters. The major goal was to minimize the variance in employer loss ratios after the application of experience rating. An additional goal was to reduce the expected rate change when an employer moves from the Compensable-Claims-Free plan into the Regular Plan.

The credibility tables for 2025 are similar to those used in 2024, but the expected loss ranges are adjusted by the change in the average level of the ELRs since last year. The change in the average level of the expected loss rates was calculated by dividing the 2025 expected losses for the three-year experience period of fiscal years 2021-2023 by the 2024 expected losses for the three-year experience period of fiscal years 2020-2022. The expected losses for each individual year in the experience period were calculated as the sum of the expected loss rate multiplied by the exposure corresponding to that year, separately for each risk class. The total expected losses were calculated as the sum of the expected losses for each year in the experience period (fiscal years 2021-2023). Both the calculated and the Department selected change in average level of the ELRs for 2025 was -1.0%. While adjusting the expected loss ranges in the credibility tables in such a manner is reasonable, we recommend that the Department test the new tables in order to conclude whether the variance in employer loss ratios after application of experience modification factors continues to be optimized.

### ***3. Expected Losses***

The expected losses for an employer are based on the exposure for that employer during the historical experience period (usually hours worked) multiplied by an ELR. The ELR depends on the risk class of the employer and is derived from the base rate analysis performed by the Department. ELR's are divided into primary and excess components. This allows the Department to compute primary and excess expected losses for each employer. The ELRs are calculated such that the overall experience modification factor equals the Department target of 0.91. The process entails applying an off-balance factor (which the Department calls a load factor) of 0.9884 (compared to 0.9888 last year), which allows the overall experience modification factor to equal 0.91. The Department's process for computing ELR's is generally consistent with industry practice.

### ***4. Targeted Overall Average Experience Modification Factor***

The Department has historically targeted an overall experience modification factor of 0.91, thereby allowing employers to receive, on average, a 9% discount. It is our understanding that the Department targets this 0.91 experience modification factor for two reasons. First, the Department wants to provide a substantial incentive to employers to remain claim-free. Second, the Department has seen, on average, that employers who are new to the State of Washington workers' compensation system generally have worse than average experience. Since new employers automatically receive an experience modification factor of 1.00, targeting a 0.91 experience modification factor essentially includes a provision that anticipates worse than expected experience. The selection of the 0.91 targeted overall experience modification factor is identical to that selected last year. We recommend that the Department periodically review this policy of targeting an experience modification factor other than 1.00 as part of its overall review of the experience rating plan.

## ***COVID-19 Experience***

The experience rating plan does not consider any potential direct or indirect effects of the COVID-19 pandemic and the Department has made the decision to exclude all COVID-19 claims from an individual policy in the experience rating calculation. We conclude that it is reasonable to exclude the actual COVID-19 claims in the 2025 experience rating plan. We also note that this exclusion is consistent with the approach occurring in the broader insurance industry in other states.

## *Conclusion*

The process followed by the Department's actuarial team for determining any relevant changes to the experience rating plan appears reasonable and consistent with actuarial standards of practice as issued by the Actuarial Standards Board. We have reviewed the process, calculations, and assumption changes to the experience rating plan and find them to be reasonable and generally consistent with typical industry practice and the NCCI's experience rating plan.

## *Distribution & Limitations*

This letter has been prepared for the internal use of the State Auditor's Office and the Department solely for the purpose of evaluating the appropriateness of the 2025 experience rating plan changes developed by the Department actuaries. It is neither intended nor necessarily suitable for any other purpose. We have prepared this letter for use by individuals who have a degree of technical competence in insurance matters. This letter should be studied in its entirety before any judgments are made about the conclusions in the letter. It is our intention that this letter be used in its entirety, as a whole, and not segmented for other purposes. Deloitte Consulting personnel are available to discuss any questions or concerns regarding this letter.

To the extent that this letter is requested and distributed beyond the State of Washington as required by law, we request a listing of those receiving the letter. Deloitte Consulting shall have no liability, regardless of form, to any person or entity other than the State of Washington for any action taken or omitted to be taken by such parties in respect of this letter. Third parties should recognize that the furnishing of this letter is not a substitute for their own due diligence and may not place any reliance on this letter or data contained herein that would result in the creation of any duty or liability by Deloitte Consulting to any third party.

Deloitte Consulting has relied upon data provided by the Department for this analysis. A specific audit to verify the accuracy or completeness of the data is beyond the scope of this letter. While we have reviewed the data with regard to its reasonableness and consistency, we have relied on such data without audit or verification and our conclusions are based on the assumption that it is accurate and complete. In addition, Deloitte Consulting reviewed the process, calculations, and assumptions underlying the experience rating plan prepared by the actuarial team of the Department. If the underlying information provided is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.


The services we performed throughout this engagement do not constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants ("AICPA"). Any use of the word "review" within this letter should be interpreted in the common use of that term, and not in the definition of "review" promulgated by the AICPA.

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Please contact us at the following numbers if you would like to discuss any aspect of this letter or have any questions or comments.

Rod Morris and Matthew Crofts are members of the Casualty Actuarial Society and Members of the American Academy of Actuaries and meet the qualification standards for rendering the opinions in this letter.

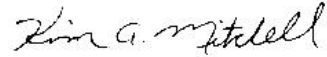
Sincerely,



Matthew Crofts, FCAS, MAAA  
Specialist Leader  
Deloitte Consulting LLP  
(213) 688-1883



Rod Morris, FCAS, FSA, MAAA  
Specialist Leader  
Deloitte Consulting LLP  
(213) 688-3374



Kim A. Mitchell  
Managing Director  
Deloitte Consulting, LLP  
(860) 725-3111

Risk Class	Final ELRs Expected Loss Rates			Final Primary Ratio	Risk Class	Final ELRs Expected Loss Rates			Final Primary Ratio
	2021	2022	2023			2021	2022	2023	
101	0.6527	0.5614	0.5145	0.425	1006	0.2011	0.1717	0.1544	0.532
103	0.8889	0.7754	0.7310	0.423	1007	0.2630	0.2258	0.2060	0.504
104	0.6145	0.5253	0.4767	0.427	1101	0.8987	0.7683	0.6926	0.519
105	0.7462	0.6442	0.5944	0.489	1102	1.1567	0.9882	0.8921	0.405
106	2.1930	1.9206	1.8224	0.392	1103	0.7934	0.6782	0.6117	0.502
107	0.6066	0.5204	0.4757	0.443	1104	0.4797	0.4148	0.3858	0.504
108	0.6145	0.5253	0.4767	0.427	1105	0.5642	0.4830	0.4387	0.491
112	0.5388	0.4653	0.4299	0.444	1106	0.3343	0.2883	0.2654	0.557
201	1.4095	1.2030	1.0878	0.360	1108	0.4672	0.4023	0.3683	0.510
202	1.2094	1.0322	0.9335	0.418	1109	1.5078	1.2938	1.1770	0.430
210	0.6870	0.5902	0.5414	0.387	1301	0.4700	0.4047	0.3717	0.445
212	0.7209	0.6228	0.5750	0.420	1303	0.3193	0.2709	0.2404	0.528
214	1.0346	0.8807	0.7922	0.404	1304	0.0135	0.0117	0.0106	0.474
217	0.6999	0.6011	0.5494	0.460	1305	0.3513	0.3003	0.2708	0.458
219	0.4831	0.4142	0.3774	0.465	1401	0.2929	0.2545	0.2372	0.509
301	0.7027	0.6086	0.5651	0.464	1404	0.6781	0.5857	0.5394	0.534
302	1.2366	1.0595	0.9623	0.429	1405	0.6244	0.5351	0.4860	0.527
303	1.2734	1.0912	0.9903	0.431	1407	0.5817	0.4988	0.4524	0.508
306	0.5370	0.4598	0.4185	0.454	1408	0.2625	0.2282	0.2127	0.497
307	0.5772	0.4956	0.4537	0.476	1501	0.6928	0.5908	0.5306	0.493
308	0.4758	0.4123	0.3839	0.509	1507	0.3659	0.3146	0.2881	0.539
403	1.0183	0.8743	0.7988	0.448	1701	0.5811	0.5024	0.4642	0.415
502	0.6171	0.5295	0.4820	0.462	1702	0.8169	0.6959	0.6285	0.315
504	1.2611	1.0881	1.0043	0.412	1703	0.6631	0.5660	0.5105	0.406
507	1.9572	1.7061	1.6075	0.406	1704	0.5811	0.5024	0.4642	0.415
508	1.0158	0.8660	0.7792	0.399	1801	0.4117	0.3524	0.3196	0.423
509	0.6031	0.5139	0.4652	0.361	1802	0.6586	0.5638	0.5114	0.423
510	1.5652	1.3571	1.2646	0.406	2002	0.5635	0.4842	0.4429	0.479
511	1.0446	0.8931	0.8104	0.459	2004	0.4824	0.4163	0.3857	0.561
512	0.8485	0.7328	0.6789	0.445	2007	0.4990	0.4337	0.4063	0.443
513	0.6296	0.5416	0.4967	0.449	2008	0.2046	0.1764	0.1616	0.511
514	0.9539	0.8201	0.7525	0.487	2009	0.3186	0.2759	0.2573	0.545
516	0.9589	0.8240	0.7539	0.448	2101	0.5097	0.4428	0.4139	0.481
517	1.1112	0.9599	0.8873	0.383	2102	0.5276	0.4570	0.4248	0.496
518	0.7979	0.6838	0.6251	0.414	2103	1.3692	1.1648	1.0361	0.562
519	1.3093	1.1228	1.0230	0.410	2104	0.3246	0.2852	0.2745	0.569
521	0.5350	0.4633	0.4314	0.438	2105	0.6719	0.5736	0.5160	0.520
540	0.0123	0.0106	0.0098	0.469	2106	0.4636	0.4007	0.3708	0.520
541	0.0062	0.0053	0.0049	0.445	2201	0.2978	0.2601	0.2457	0.493
550	0.0284	0.0245	0.0226	0.354	2202	0.6103	0.5230	0.4754	0.506
551	0.0096	0.0083	0.0077	0.361	2203	0.4403	0.3804	0.3525	0.552
601	0.3834	0.3267	0.2948	0.455	2204	0.2978	0.2601	0.2457	0.493
602	0.5257	0.4443	0.3932	0.404	2401	0.3329	0.2860	0.2621	0.464
603	0.5704	0.4879	0.4425	0.389	2903	0.4911	0.4267	0.3995	0.513
604	0.7383	0.6391	0.5948	0.474	2904	0.4675	0.4050	0.3784	0.407
606	0.4554	0.3895	0.3518	0.540	2905	0.4608	0.3994	0.3727	0.526
607	0.5885	0.5032	0.4540	0.501	2906	0.4262	0.3710	0.3496	0.452
608	0.2791	0.2380	0.2144	0.478	2907	0.3601	0.3131	0.2944	0.541
701	0.7460	0.6367	0.5756	0.360	2908	0.6139	0.5343	0.5043	0.514
803	0.4946	0.4218	0.3799	0.500	2909	0.3587	0.3136	0.2960	0.470
901	0.7979	0.6838	0.6251	0.414	3101	0.5933	0.5106	0.4700	0.502
1002	0.5722	0.4917	0.4504	0.457	3102	0.2228	0.1909	0.1741	0.474
1003	0.4276	0.3677	0.3368	0.479	3103	0.2646	0.2291	0.2127	0.423
1004	0.3598	0.3065	0.2752	0.428	3104	0.6167	0.5329	0.4936	0.529
1005	4.2340	3.6386	3.3331	0.457	3105	0.6876	0.6006	0.5692	0.467



Risk Class	Final ELRs Expected Loss Rates			Final Primary Ratio	Risk Class	Final ELRs Expected Loss Rates			Final Primary Ratio
	2021	2022	2023			2021	2022	2023	
3303	0.3298	0.2833	0.2585	0.524	4802	0.4141	0.3594	0.3359	0.487
3304	0.5782	0.5020	0.4702	0.491	4803	0.4236	0.3683	0.3462	0.566
3309	0.3308	0.2842	0.2594	0.507	4804	0.4612	0.4007	0.3745	0.504
3402	0.3515	0.3039	0.2823	0.510	4805	0.3260	0.2840	0.2680	0.555
3403	0.1128	0.0971	0.0894	0.509	4806	0.1421	0.1227	0.1131	0.598
3404	0.4541	0.3908	0.3592	0.498	4808	0.4512	0.3911	0.3639	0.460
3405	0.2150	0.1856	0.1721	0.513	4809	0.2241	0.1944	0.1820	0.538
3406	0.2097	0.1809	0.1665	0.525	4810	0.2159	0.1876	0.1756	0.520
3407	0.6569	0.5620	0.5083	0.451	4811	0.4186	0.3670	0.3505	0.500
3408	0.2209	0.1886	0.1694	0.539	4812	0.3442	0.2981	0.2781	0.479
3409	0.1488	0.1283	0.1181	0.550	4813	0.3084	0.2684	0.2530	0.562
3410	0.1488	0.1283	0.1181	0.550	4814	0.1036	0.0912	0.0881	0.554
3411	0.3689	0.3166	0.2889	0.483	4815	0.2653	0.2323	0.2215	0.560
3412	0.5300	0.4532	0.4104	0.423	4816	0.3219	0.2852	0.2786	0.514
3414	0.6492	0.5557	0.5035	0.504	4900	0.1053	0.0905	0.0833	0.440
3415	1.1492	0.9831	0.8874	0.517	4901	0.0319	0.0273	0.0247	0.476
3501	0.2836	0.2477	0.2347	0.467	4902	0.0557	0.0477	0.0436	0.511
3503	0.2843	0.2450	0.2257	0.525	4903	0.1668	0.1420	0.1270	0.537
3506	0.5615	0.4823	0.4427	0.428	4904	0.0108	0.0093	0.0086	0.534
3509	0.4068	0.3480	0.3138	0.555	4905	0.3523	0.3058	0.2860	0.527
3510	0.3342	0.2902	0.2719	0.544	4906	0.0911	0.0778	0.0702	0.537
3511	0.6813	0.5908	0.5510	0.492	4907	0.0440	0.0385	0.0372	0.604
3512	0.3127	0.2711	0.2528	0.519	4908	0.0818	0.0721	0.0698	0.606
3513	0.3914	0.3367	0.3079	0.490	4909	0.0327	0.0288	0.0279	0.606
3602	0.0736	0.0637	0.0592	0.503	4910	0.3992	0.3434	0.3141	0.488
3603	0.3804	0.3300	0.3076	0.486	4911	0.0545	0.0467	0.0430	0.459
3604	0.7096	0.6145	0.5720	0.483	5001	5.6417	4.8481	4.4349	0.349
3605	0.3515	0.3039	0.2823	0.510	5002	0.4760	0.4073	0.3686	0.520
3701	0.2228	0.1909	0.1741	0.474	5003	2.0318	1.7405	1.5754	0.397
3702	0.2823	0.2435	0.2251	0.545	5004	0.8044	0.7061	0.6717	0.401
3708	0.4904	0.4240	0.3933	0.460	5005	0.7569	0.6488	0.5906	0.394
3802	0.1537	0.1334	0.1249	0.492	5006	0.9124	0.7809	0.7080	0.380
3808	0.3073	0.2648	0.2439	0.477	5101	0.6826	0.5835	0.5268	0.444
3901	0.1153	0.1002	0.0941	0.581	5103	0.7380	0.6391	0.5958	0.512
3902	0.4599	0.3977	0.3694	0.544	5106	0.7380	0.6391	0.5958	0.512
3903	0.6656	0.5755	0.5345	0.544	5108	0.6847	0.5834	0.5212	0.526
3905	0.1183	0.1031	0.0972	0.558	5109	0.3604	0.3081	0.2799	0.494
3906	0.4609	0.3987	0.3701	0.543	5201	0.2323	0.2002	0.1855	0.550
3909	0.2278	0.1971	0.1831	0.574	5204	0.8745	0.7412	0.6539	0.452
4101	0.1633	0.1413	0.1318	0.542	5206	0.2957	0.2552	0.2357	0.434
4103	0.5042	0.4365	0.4054	0.507	5207	0.1462	0.1269	0.1189	0.557
4107	0.1457	0.1246	0.1128	0.487	5208	0.4475	0.3867	0.3595	0.475
4108	0.1794	0.1540	0.1402	0.560	5209	0.4386	0.3783	0.3496	0.490
4109	0.1849	0.1604	0.1494	0.511	5300	0.0677	0.0582	0.0533	0.506
4201	0.6430	0.5437	0.4785	0.452	5301	0.0196	0.0168	0.0155	0.518
4301	0.6938	0.6023	0.5631	0.528	5302	0.0049	0.0042	0.0039	0.462
4302	0.6210	0.5354	0.4936	0.481	5305	0.0431	0.0369	0.0333	0.561
4304	0.6987	0.6130	0.5847	0.476	5306	0.0338	0.0291	0.0267	0.543
4305	0.9799	0.8351	0.7472	0.494	5307	0.5665	0.4839	0.4357	0.493
4401	0.3298	0.2833	0.2585	0.524	5308	0.0772	0.0670	0.0631	0.521
4402	0.5130	0.4395	0.3999	0.508	5551	5.3596	4.6056	4.2131	0.349
4404	0.4831	0.4194	0.3917	0.455	5552	5.0776	4.3633	3.9914	0.349
4501	0.1412	0.1214	0.1108	0.574	5553	4.5134	3.8785	3.5480	0.349
4502	0.0468	0.0403	0.0370	0.476	6103	0.0813	0.0707	0.0665	0.584
4504	0.1160	0.1010	0.0956	0.566	6104	0.3068	0.2643	0.2433	0.519

Risk Class	Final ELRs Expected Loss Rates			Final Primary Ratio	Risk Class	Final ELRs Expected Loss Rates			Final Primary Ratio
	2021	2022	2023			2021	2022	2023	
6105	0.4458	0.3798	0.3409	0.509	6709	0.2242	0.1933	0.1788	0.556
6107	0.1565	0.1366	0.1305	0.646	6801	0.6073	0.5095	0.4368	0.532
6108	0.2241	0.1946	0.1835	0.597	6802	0.8676	0.7404	0.6635	0.529
6109	0.1007	0.0861	0.0778	0.513	6803	0.4345	0.3669	0.3232	0.427
6110	0.3596	0.3064	0.2748	0.518	6804	0.2382	0.2043	0.1862	0.542
6120	0.2688	0.2293	0.2067	0.502	6809	2.7416	2.3850	2.2458	0.525
6121	0.3819	0.3256	0.2924	0.500	6901	0.0198	0.0193	0.0233	0.827
6201	0.4428	0.3791	0.3431	0.535	6902	0.6391	0.5498	0.5034	0.423
6202	0.7457	0.6435	0.5942	0.520	6903	2.7800	2.3910	2.2000	0.316
6203	0.0880	0.0772	0.0745	0.609	6904	1.2461	1.0538	0.9311	0.401
6204	0.1032	0.0898	0.0849	0.522	6905	0.9121	0.7653	0.6706	0.378
6205	0.1701	0.1469	0.1357	0.555	6906	0.3340	0.3091	0.3279	0.556
6206	0.1724	0.1491	0.1388	0.551	6907	0.6911	0.5956	0.5489	0.552
6207	0.7566	0.6566	0.6094	0.457	6908	0.3645	0.3144	0.2896	0.525
6208	0.1939	0.1700	0.1626	0.570	6909	0.0975	0.0841	0.0778	0.515
6209	0.2399	0.2096	0.1997	0.526	6991	1.1839	1.0011	0.8846	0.401
6301	0.1076	0.0928	0.0853	0.423	6992	1.1215	0.9484	0.8380	0.401
6303	0.0390	0.0336	0.0307	0.513	7100	0.0135	0.0116	0.0103	0.516
6305	0.0956	0.0827	0.0770	0.579	7101	0.0208	0.0177	0.0161	0.419
6306	0.3450	0.2961	0.2701	0.546	7103	0.9311	0.7921	0.7065	0.454
6308	0.0692	0.0593	0.0538	0.512	7104	0.0227	0.0196	0.0177	0.507
6309	0.1979	0.1706	0.1573	0.548	7105	0.0159	0.0136	0.0124	0.511
6402	0.2130	0.1847	0.1729	0.587	7106	0.2261	0.1948	0.1791	0.546
6403	0.1446	0.1245	0.1145	0.575	7107	0.3683	0.3152	0.2851	0.548
6404	0.2822	0.2445	0.2276	0.526	7108	0.3086	0.2646	0.2407	0.607
6405	0.5107	0.4385	0.4001	0.510	7109	0.0913	0.0784	0.0715	0.512
6406	0.1478	0.1273	0.1171	0.567	7110	0.3905	0.3360	0.3075	0.459
6407	0.2467	0.2127	0.1961	0.547	7111	0.2860	0.2411	0.2104	0.467
6408	0.5257	0.4546	0.4217	0.487	7112	0.6242	0.5417	0.5072	0.531
6409	0.5815	0.4987	0.4542	0.458	7113	0.4425	0.3788	0.3424	0.565
6410	0.2577	0.2215	0.2030	0.538	7114	0.7039	0.6064	0.5569	0.585
6411	0.0444	0.0387	0.0368	0.511	7115	0.5878	0.5088	0.4718	0.544
6501	0.0781	0.0666	0.0600	0.555	7116	0.5504	0.4717	0.4274	0.510
6502	0.0160	0.0138	0.0128	0.503	7117	0.8665	0.7470	0.6867	0.515
6503	0.0716	0.0605	0.0532	0.515	7118	1.2609	1.0836	0.9898	0.477
6504	0.2329	0.2026	0.1912	0.591	7119	1.5027	1.2845	1.1553	0.489
6505	0.1394	0.1210	0.1139	0.631	7120	4.8995	4.1755	3.7361	0.494
6506	0.1013	0.0871	0.0797	0.533	7121	5.2636	4.5244	4.1468	0.338
6509	0.2165	0.1881	0.1768	0.562	7122	0.3308	0.2880	0.2702	0.526
6510	0.3407	0.2898	0.2586	0.416	7200	2.0507	1.7353	1.5264	0.465
6511	0.2314	0.1996	0.1839	0.571	7201	1.5510	1.3148	1.1609	0.488
6512	0.0814	0.0701	0.0641	0.471	7202	0.0149	0.0128	0.0118	0.494
6601	0.1912	0.1649	0.1510	0.511	7203	0.0819	0.0719	0.0692	0.573
6602	0.5426	0.4708	0.4384	0.485	7204	0.0000	0.0000	0.0000	0.500
6603	0.2424	0.2102	0.1968	0.537	7205	0.0000	0.0000	0.0000	0.500
6604	0.0533	0.0461	0.0427	0.531	7301	0.5954	0.5217	0.4967	0.459
6605	0.2435	0.2097	0.1934	0.570	7302	0.8054	0.7057	0.6696	0.453
6607	0.1094	0.0946	0.0878	0.566	7307	0.3776	0.3264	0.3022	0.529
6608	0.3500	0.2971	0.2658	0.376	7308	0.2592	0.2250	0.2109	0.594
6620	3.1082	2.6294	2.3140	0.583	7309	0.1843	0.1607	0.1525	0.572
6704	0.1133	0.0972	0.0884	0.569	7400	2.3583	1.9955	1.7553	0.465
6705	0.7436	0.6514	0.6233	0.584					
6706	0.2030	0.1771	0.1681	0.519					
6707	8.1554	7.1356	6.8460	0.685					
6708	7.8573	6.9564	6.7760	0.482					

**Experience Rating Credibilities****Rating Year 2025****Regular Plan**

<b>Expected Loss Range:</b>		<b>Primary Credibility</b>	<b>Excess Credibility</b>
<b>From</b>	<b>To:</b>		
0	6,000	12%	7%
6,001	6,406	13%	7%
6,407	6,815	14%	7%
6,816	7,228	15%	7%
7,229	7,649	16%	7%
7,650	8,073	17%	7%
8,074	8,504	18%	7%
8,505	8,939	19%	7%
8,940	9,378	20%	7%
9,379	9,827	21%	7%
9,828	10,279	22%	7%
10,280	10,742	23%	7%
10,743	11,207	24%	7%
11,208	11,682	25%	7%
11,683	12,166	26%	7%
12,167	12,654	27%	7%
12,655	13,153	28%	7%
13,154	13,660	29%	7%
13,661	14,175	30%	7%
14,176	14,702	31%	7%
14,703	15,236	32%	7%
15,237	15,785	33%	7%
15,786	16,345	34%	7%
16,346	16,916	35%	7%
16,917	17,500	36%	7%
17,501	18,099	37%	7%
18,100	18,718	38%	7%
18,719	19,348	39%	7%
19,349	19,998	40%	7%
19,999	20,666	41%	7%
20,667	21,359	42%	7%
21,360	22,075	43%	7%
22,076	22,817	44%	7%
22,818	23,590	45%	7%
23,591	24,398	46%	7%
24,399	25,242	47%	7%
25,243	26,134	48%	7%
26,135	27,080	49%	7%
27,081	28,087	50%	7%
28,088	29,177	51%	7%
29,178	30,370	52%	7%
30,371	31,699	53%	7%
31,700	31,835	54%	7%
31,836	33,232	54%	8%
33,233	35,103	55%	8%

**Experience Rating Credibilities****Rating Year 2025****Regular Plan**

<b>Expected Loss Range:</b>		<b>Primary Credibility</b>	<b>Excess Credibility</b>
<b>From</b>	<b>To:</b>		
35,104	53,128	56%	8%
53,129	58,557	57%	8%
58,558	83,641	57%	9%
83,642	86,147	57%	10%
86,148	108,878	58%	10%
108,879	119,166	58%	11%
119,167	134,274	59%	11%
134,275	152,188	59%	12%
152,189	159,823	60%	12%
159,824	185,209	60%	13%
185,210	185,533	61%	13%
185,534	211,402	61%	14%
211,403	218,228	61%	15%
218,229	237,434	62%	15%
237,435	251,248	62%	16%
251,249	263,629	63%	16%
263,630	284,269	63%	17%
284,270	289,990	64%	17%
289,991	316,516	64%	18%
316,517	317,287	64%	19%
317,288	343,214	65%	19%
343,215	350,307	65%	20%
350,308	370,074	66%	20%
370,075	383,329	66%	21%
383,330	397,109	67%	21%
397,110	416,349	67%	22%
416,350	424,318	68%	22%
424,319	449,366	68%	23%
449,367	451,701	69%	23%
451,702	479,259	69%	24%
479,260	482,386	69%	25%
482,387	506,996	70%	25%
506,997	515,410	70%	26%
515,411	534,912	71%	26%
534,913	548,429	71%	27%
548,430	563,010	72%	27%
563,011	581,450	72%	28%
581,451	591,289	73%	28%
591,290	614,471	73%	29%
614,472	619,756	74%	29%
619,757	647,491	74%	30%
647,492	648,409	75%	30%
648,410	677,249	75%	31%
677,250	680,509	75%	32%
680,510	706,282	76%	32%

**Experience Rating Credibilities****Rating Year 2025****Regular Plan**

<b>Expected Loss Range:</b>		<b>Primary Credibility</b>	<b>Excess Credibility</b>
<b>From</b>	<b>To:</b>		
706,283	713,531	76%	33%
713,532	735,503	77%	33%
735,504	746,551	77%	34%
746,552	764,923	78%	34%
764,924	779,571	78%	35%
779,572	794,536	79%	35%
794,537	812,592	79%	36%
812,593	824,349	80%	36%
824,350	845,609	80%	37%
845,610	854,364	81%	37%
854,365	878,631	81%	38%
878,632	884,579	82%	38%
884,580	911,652	82%	39%
911,653	914,998	83%	39%
914,999	944,673	83%	40%
944,674	945,622	84%	40%
945,623	976,458	84%	41%
976,459	977,689	84%	42%
977,690	1,007,499	85%	42%
1,007,500	1,010,709	85%	43%
1,010,710	1,038,759	86%	43%
1,038,760	1,043,731	86%	44%
1,043,732	1,070,231	87%	44%
1,070,232	1,076,753	87%	45%
1,076,754	1,101,921	88%	45%
1,101,922	1,109,772	88%	46%
1,109,773	1,133,830	89%	46%
1,133,831	1,142,792	89%	47%
1,142,793	1,165,962	90%	47%
1,165,963	1,175,813	90%	48%
1,175,814	1,198,316	91%	48%
1,198,317	1,208,832	91%	49%
1,208,833	1,230,897	92%	49%
1,230,898	1,241,854	92%	50%
1,241,855	1,263,706	93%	50%
1,263,707	1,274,873	93%	51%
1,274,874	1,296,750	94%	51%
1,296,751	1,307,892	94%	52%
1,307,893	1,330,024	95%	52%
1,330,025	1,340,912	95%	53%
1,340,913	1,363,535	96%	53%
1,363,536	1,373,933	96%	54%
1,373,934	1,397,284	97%	54%
1,397,285	1,406,953	97%	55%
1,406,954	1,431,275	98%	55%

**Experience Rating Credibilities****Rating Year 2025****Regular Plan**

<b>Expected Loss Range:</b>		<b>Primary Credibility</b>	<b>Excess Credibility</b>
<b>From</b>	<b>To:</b>		
1,431,276	1,439,974	98%	56%
1,439,975	1,465,509	99%	56%
1,465,510	1,472,993	99%	57%
1,472,994	1,499,990	100%	57%
1,499,991	1,534,720	100%	58%
1,534,721	1,569,703	100%	59%
1,569,704	1,604,939	100%	60%
1,604,940	1,640,434	100%	61%
1,640,435	1,676,188	100%	62%
1,676,189	1,712,206	100%	63%
1,712,207	1,748,488	100%	64%
1,748,489	1,785,040	100%	65%
1,785,041	1,821,863	100%	66%
1,821,864	1,858,965	100%	67%
1,858,966	1,896,339	100%	68%
1,896,340	1,933,998	100%	69%
1,933,999	1,971,941	100%	70%
1,971,942	2,010,172	100%	71%
2,010,173	2,048,694	100%	72%
2,048,695	2,087,510	100%	73%
2,087,511	2,126,624	100%	74%
2,126,625	2,166,037	100%	75%
2,166,038	2,205,756	100%	76%
2,205,757	2,245,781	100%	77%
2,245,782	2,286,120	100%	78%
2,286,121	2,326,774	100%	79%
2,326,775	2,367,747	100%	80%
2,367,748	2,409,046	100%	81%
2,409,047	2,450,666	100%	82%
2,450,667	2,492,621	100%	83%
2,492,622	2,534,906	100%	84%
2,534,907	2,577,533	100%	85%
2,577,534	99,999,999	100%	86%

**Experience Rating Maximum Factors**  
**Rating Year 2025**  
**Claim-Free Plan**

<b>Expected Loss Range</b>		Compensable
<b>From</b>	<b>To</b>	<b>Claim Free Factor</b>
0	5,435	90%
5,436	6,636	89%
6,637	7,319	88%
7,320	8,002	87%
8,003	8,685	86%
8,686	9,368	85%
9,369	10,051	84%
10,052	10,735	83%
10,736	11,418	82%
11,419	12,128	81%
12,129	12,868	80%
12,869	13,636	79%
13,637	14,433	78%
14,434	15,260	77%
15,261	16,115	76%
16,116	17,000	75%
17,001	17,913	74%
17,914	18,856	73%
18,857	19,827	72%
19,828	20,828	71%
20,829	21,858	70%
21,859	22,916	69%
22,917	24,004	68%
24,005	25,120	67%
25,121	26,266	66%
26,267	27,441	65%
27,442	29,202	64%
29,203	31,845	63%
31,846	35,810	62%
35,811	41,756	61%
41,757	99,999,999	60%