

Example

Exhibit 2

Appendix A

Company Name: "A" Insurance Company
Group Name: "ABC" Group
Category of Insurance: Personal Vehicles - Private Passenger Automobiles

SUMMARY OF INFORMATION

1. Check all the items that apply to this filing:

- 1. Base rate change, not due to off-balancing differential or discount changes, that is uniform by territory.
 - 2. Base rate change, not due to off-balancing differential or discount changes, that is **not** uniform by territory.
 - 3. Change to classification, limit of liability, deductible or other rate differentials.
 - 4. Change to rating rules.
 - 5. Changes to the amount of, or adding or deleting, discounts or surcharges.
 - 6. Algorithm change.
 - 7. Other (specify)
-

2. Proposed effective date for **new** policies: July 1, 2002

Proposed effective date for **renewal** policies: September 1, 2002

(Insurers should take into consideration the 45 day notice period to brokers and 30 day notice period to insureds required under section 236 of the Act in determining effective dates)

3. Indicate the distribution of risks by policy term:

| | |
|----------|--------------|
| 3 month | 0 % |
| 6 month | 20 % |
| 12 month | 80 % |
| Other | <u>0 %</u> |
| Total | <u>100 %</u> |

Exhibit 2.1

4. Please state the proposed rate level changes and premium weights using direct written premiums that have been adjusted to current rate level. If direct written premiums are not available, please use direct earned premiums.

Please indicate whether the changes by coverage are weighted by written or earned premiums by placing an "x" in the appropriate box, and state the source and date of data.

direct written premium **direct earned premium**

Source and date of data: 2000 direct written premium at current rate level

| <u>Coverage</u> | <u>Proposed Rate Level Change</u> | <u>Weights</u> |
|---------------------------------------|---------------------------------------|----------------|
| Liability - Bodily Injury | -2.3% | 19.1% |
| Liability - Property Damage | -2.3% | 1.2% |
| Accident Benefits | 6.2% | 27.0% |
| Uninsured Automobile | 6.2% | 1.2% |
| Direct Compensation - Property Damage | 5.1% | 18.1% |
| All Compulsory Coverages | 3.3% | 66.5% |
| Specified Perils | 0.0% | 0.0% |
| Comprehensive | -3.0% | 11.5% |
| Collision or Upset | 7.0% | 15.5% |
| All Perils | 3.7% | 5.1% |
| OPCF 44R | -40.0% | 1.4% |
| All Optional Coverages | 1.2% | 33.5% |
| All Coverages Combined | 2.6% | 100.0% |

Exhibit 2.2

5a. State the dates and percentage changes for the last four rate level changes within the past 18 months:

| Effective Date for Renewal Business | Jan 1/02 | Mar 1/01 | June 1/00 | Apr.1/99 |
|--|---------------------|-------------------------|-------------------------|-------------------------|
| <u>Coverage</u> | <u>Prior Change</u> | <u>2nd Prior Change</u> | <u>3rd Prior Change</u> | <u>4th Prior Change</u> |
| Liability - Bodily Injury | -2.0% | -4.0% | -15.0% | 8.5% |
| Liability - Property Damage | -2.0% | -4.0% | -15.0% | 8.5% |
| Accident Benefits | 9.5% | 2.1% | 10.0% | -6.5% |
| Uninsured Automobile | 9.5% | 2.1% | 10.0% | -6.5% |
| Direct Compensation - Property Damage | 10.5% | 6.2% | 2.5% | 9.2% |
| All Compulsory Coverages | 6.3% | 1.4% | 1.4% | 1.7% |
| Specified Perils | -5.0% | 0.0% | 0.0% | 0.0% |
| Comprehensive | -6.0% | 0.0% | -5.0% | -15.0% |
| Collision or Upset | 5.8% | 10.5% | 8.0% | -6.5% |
| All Perils | -2.6% | 5.5% | 5.5% | -8.0% |
| OPCF 44 | 0.0% | 0.0% | -25.0% | 0.0% |
| All Optional Coverages | 0.2% | 5.7% | 2.4% | -9.3% |
| All Coverages Combined | 4.3% | 2.8% | 1.8% | -2.0% |

5b. State the *Average Cumulative Rate Change* for all coverages. It is based on the *All Coverages Combined Proposed Rate Level Change* (as stated in the response to question 4) and the *All Coverages Combined Rate Level Change(s)* (as stated in the response to question 5a), that occurred after January 1 of the year in which the proposed rate change is expected to be effective for renewal business.

The *Average Cumulative Rate Change* for all coverages is: 7.00 %.

Exhibit 2.3

- 6a. Provide the direct written premium, the direct earned premium, the number of earned vehicles, and incurred losses for the most recent **complete** accident year for this category of insurance. (Note: At least one of direct written or direct earned premiums must be provided.)

| <u>Coverage</u> | Year | Direct Written Premium | Direct Earned Premium | Incurred Losses | Number of Earned Vehicles |
|--|------------------|------------------------------|-----------------------------|--------------------|------------------------------------|
| | 2001 | 2001 | 2001 | 2001 | 2001 |
| | 000's | 000's | 000's | 000's | |
| Liability - Bodily Injury | \$ 23,379 | \$22,163 | \$15,558 | 138,250 | |
| Liability - Property Damage | \$1,416 | \$1,367 | \$725 | 138,250 | |
| Accident Benefits | \$33,009 | \$31,689 | \$23,688 | 138,250 | |
| Uninsured Automobile | \$1,434 | \$1,390 | \$1,039 | 138,250 | |
| Direct Compensation - Property Damage | \$22,078 | \$21,041 | \$15,023 | 138,250 | |
| All Compulsory Coverages | \$81,316 | \$77,650 | \$56,033 | | |
| Specified Perils | \$28 | \$26 | \$16 | 460 | |
| Comprehensive | \$1 4,102 | \$13,721 | \$8,274 | 110,146 | |
| Collision or Upset | \$19,002 | \$18,356 | \$14,143 | 95,717 | |
| All Perils | \$ 6,183 | \$5,756 | \$4,088 | 19,015 | |
| OPCF 44R | \$1,652 | \$1,579 | \$667 | 123,301 | |
| All Optional Coverages | \$40,967 | \$39,438 | \$27,188 | | |
| All Coverages Combined | \$122,283 | \$117,088 | \$83,221 | | |

Exhibit 2.4

- 6b. Provide the direct written premium, the direct earned premium, the number of earned vehicles, and incurred losses for the second most recent **complete** accident year for this category of insurance. (Note: At least one of direct written or direct earned premiums must be provided.)

| <u>Coverage</u> | <u>Year</u> | <u>Direct Written Premium</u> | <u>Direct Earned Premium</u> | <u>Incurred Losses</u> | <u>Number of Earned Vehicles</u> |
|--|-------------|---------------------------------------|--------------------------------------|----------------------------|--|
| | 2000 | 2000 | 2000 | 2000 | 2000 |
| | 000's | 000's | 000's | 000's | |
| Liability - Bodily Injury | | \$19,231 | \$18,866 | \$18,677 | 133,550 |
| Liability - Property Damage | | \$1,202 | \$1,212 | \$907 | 133,550 |
| Accident Benefits | | \$35,124 | \$35,545 | \$20,794 | 133,550 |
| Uninsured Automobile | | \$1,469 | \$1,491 | \$872 | 133,550 |
| Direct Compensation - Property Damage | | \$21,902 | \$21,267 | \$16,269 | 133,550 |
| All Compulsory Coverages | | \$78,928 | \$78,381 | \$57,519 | |
| Specified Perils | | \$28 | \$28 | \$18 | 444 |
| Comprehensive | | \$12,981 | \$12,773 | \$6,846 | 106,401 |
| Collision or Upset | | \$19,787 | \$19,668 | \$11,860 | 92,463 |
| All Perils | | \$6,300 | \$6,004 | \$3,419 | 18,368 |
| OPCF 44R | | \$1,191 | \$1,157 | \$587 | 119,109 |
| All Optional Coverages | | \$40,287 | \$39,630 | \$22,730 | |
| All Coverages Combined | | \$119,215 | \$118,011 | \$80,249 | |

- 6.c. Provide the Return on Equity that underlies the proposed rate level change, for this category of insurance, for all coverages combined: 10.0 %
- 6.d. What is the maximum rate change that a risk with compulsory and any physical damage coverages would receive, taking into consideration any previous rate changes effective since January 1 of this year and excluding the impact of CLEAR, if this rate filing was approved:
20 %
- 6.e. What is the minimum rate change that a risk with compulsory and any physical damage coverages would receive, taking into consideration any previous rate changes effective since January 1 of this year and excluding the impact of CLEAR, if this rate filing was approved:
-20 %