

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.201: Rulings and determination letters
(Also Part I, Sections 846; 1.846-1.)

Rev. Proc. 99-15

SECTION 1. PURPOSE

This revenue procedure prescribes the loss payment patterns and discount factors for the 1998 accident year. These factors will be used for computing discounted unpaid losses under § 846 of the Internal Revenue Code. See Rev. Proc. 98-11, 1998-4 I.R.B. 9, for background concerning the loss payment patterns and application of the discount factors.

SEC. 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.

SEC. 3. TABLES OF DISCOUNT FACTORS

.01 The following tables present separately for each line of business the discount factors under § 846 for accident year 1998. All the discount factors presented in this section were determined using the applicable interest rate under § 846(c) for 1998, which is 6.31 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 changes, taxpayers must discount the unpaid

losses on the resulting 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. In addition, section V of Notice 88-100, 1988-2 C.B. 439, provides rules concerning the determination of losses for accident years not separately reported on the annual statement.

.03 Tables

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

Discount factor for all years equals 96.9869 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 | 9.7016 | 96.4662 |
| AY+ 1 | 99.3814 | 9.4384 | 0.6186 | 0.5822 | 94.1086 |
| AY+ 2 | N/A | 0.3093 | 0.3093 | 0.3000 | 96.9869 |
| AY+ 3 | N/A | 0.3093 | 0.0000 | 0.0000 | *** |

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 | 64.9208 | 87.5031 |
| AY+ 1 | 49.8793 | 24.0718 | 50.1207 | 44.1976 | 88.1823 |
| AY+ 2 | 67.6592 | 17.7799 | 32.3408 | 28.6542 | 88.6007 |
| AY+ 3 | 79.7711 | 12.1119 | 20.2289 | 17.9741 | 88.8535 |
| AY+ 4 | 88.2132 | 8.4421 | 11.7868 | 10.4038 | 88.2671 |
| AY+ 5 | 93.1778 | 4.9646 | 6.8222 | 5.9415 | 87.0908 |
| AY+ 6 | 95.9623 | 2.7845 | 4.0377 | 3.4454 | 85.3310 |
| AY+ 7 | 97.0091 | 1.0468 | 2.9909 | 2.5835 | 86.3785 |
| AY+ 8 | 97.5719 | 0.5628 | 2.4281 | 2.1662 | 89.2148 |
| AY+ 9 | 98.2191 | 0.6471 | 1.7809 | 1.6357 | 91.8421 |
| AY+10 | N/A | 0.6471 | 1.1338 | 1.0717 | 94.5157 |
| AY+11 | N/A | 0.6471 | 0.4867 | 0.4721 | 96.9869 |
| AY+12 | N/A | 0.4867 | 0.0000 | 0.0000 | *** |

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 | 55.1909 | 85.5157 |
| AY+ 1 | 59.1449 | 23.6838 | 40.8551 | 34.2539 | 83.8423 |
| AY+ 2 | 70.8220 | 11.6771 | 29.1780 | 24.3754 | 83.5404 |
| AY+ 3 | 81.9019 | 11.0799 | 18.0981 | 14.4894 | 80.0603 |
| AY+ 4 | 86.3688 | 4.4669 | 13.6312 | 10.7980 | 79.2152 |
| AY+ 5 | 90.0497 | 3.6809 | 9.9503 | 7.6841 | 77.2246 |
| AY+ 6 | 92.7488 | 2.6991 | 7.2512 | 5.3860 | 74.2771 |
| AY+ 7 | 93.8259 | 1.0771 | 6.1741 | 4.6153 | 74.7524 |
| AY+ 8 | 94.2415 | 0.4156 | 5.7585 | 4.4780 | 77.7634 |
| AY+ 9 | 94.8568 | 0.6153 | 5.1432 | 4.1261 | 80.2252 |
| AY+10 | N/A | 0.6153 | 4.5279 | 3.7520 | 82.8658 |
| AY+11 | N/A | 0.6153 | 3.9125 | 3.3543 | 85.7336 |
| AY+12 | N/A | 0.6153 | 3.2972 | 2.9316 | 88.9107 |
| AY+13 | N/A | 0.6153 | 2.6819 | 2.4821 | 92.5511 |
| AY+14 | N/A | 0.6153 | 2.0665 | 2.0043 | 96.9869 |
| AY+15 | N/A | 2.0665 | 0.0000 | 0.0000 | *** |

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 | 70.0985 | 92.4222 |
| AY+ 1 | 59.0961 | 34.9421 | 40.9039 | 38.4941 | 94.1086 |
| AY+ 2 | N/A | 20.4520 | 20.4520 | 19.8357 | 96.9869 |
| AY+ 3 | N/A | 20.4520 | 0.0000 | 0.0000 | *** |

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 | 83.8302 | 92.3762 |
| AY+ 1 | 50.5659 | 41.3146 | 49.4341 | 46.5217 | 94.1086 |
| AY+ 2 | N/A | 24.7171 | 24.7171 | 23.9723 | 96.9869 |
| AY+ 3 | N/A | 24.7171 | 0.0000 | 0.0000 | *** |

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 | 55.1909 | 85.5157 |
| AY+ 1 | 59.1449 | 23.6838 | 40.8551 | 34.2539 | 83.8423 |
| AY+ 2 | 70.8220 | 11.6771 | 29.1780 | 24.3754 | 83.5404 |
| AY+ 3 | 81.9019 | 11.0799 | 18.0981 | 14.4894 | 80.0603 |
| AY+ 4 | 86.3688 | 4.4669 | 13.6312 | 10.7980 | 79.2152 |
| AY+ 5 | 90.0497 | 3.6809 | 9.9503 | 7.6841 | 77.2246 |
| AY+ 6 | 92.7488 | 2.6991 | 7.2512 | 5.3860 | 74.2771 |
| AY+ 7 | 93.8259 | 1.0771 | 6.1741 | 4.6153 | 74.7524 |
| AY+ 8 | 94.2415 | 0.4156 | 5.7585 | 4.4780 | 77.7634 |
| AY+ 9 | 94.8568 | 0.6153 | 5.1432 | 4.1261 | 80.2252 |
| AY+10 | N/A | 0.6153 | 4.5279 | 3.7520 | 82.8658 |
| AY+11 | N/A | 0.6153 | 3.9125 | 3.3543 | 85.7336 |
| AY+12 | N/A | 0.6153 | 3.2972 | 2.9316 | 88.9107 |
| AY+13 | N/A | 0.6153 | 2.6819 | 2.4821 | 92.5511 |
| AY+14 | N/A | 0.6153 | 2.0665 | 2.0043 | 96.9869 |
| AY+15 | N/A | 2.0665 | 0.0000 | 0.0000 | *** |

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 | 76.7454 | 81.9841 |
| AY+ 1 | 24.0011 | 17.6112 | 75.9989 | 63.4297 | 83.4614 |
| AY+ 2 | 42.6970 | 18.6959 | 57.3030 | 48.1554 | 84.0365 |
| AY+ 3 | 58.0610 | 15.3640 | 41.9390 | 35.3527 | 84.2955 |
| AY+ 4 | 69.6653 | 11.6043 | 30.3347 | 25.6187 | 84.4533 |
| AY+ 5 | 75.6033 | 5.9380 | 24.3967 | 21.1127 | 86.5391 |
| AY+ 6 | 81.8786 | 6.2753 | 18.1214 | 15.9746 | 88.1535 |
| AY+ 7 | 87.8539 | 5.9753 | 12.1461 | 10.8217 | 89.0962 |
| AY+ 8 | 89.5207 | 1.6668 | 10.4793 | 9.7859 | 93.3839 |
| AY+ 9 | 94.3025 | 4.7818 | 5.6975 | 5.4731 | 96.0616 |
| AY+10 | N/A | 4.7818 | 0.9157 | 0.8881 | 96.9869 |
| AY+11 | N/A | 0.9157 | 0.0000 | 0.0000 | *** |

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 | 71.4127 | 72.9623 |
| AY+ 1 | 6.4831 | 4.3592 | 93.5169 | 71.4242 | 76.3757 |
| AY+ 2 | 15.5987 | 9.1156 | 84.4013 | 66.5322 | 78.8284 |
| AY+ 3 | 31.9062 | 16.3075 | 68.0938 | 53.9163 | 79.1794 |
| AY+ 4 | 45.0931 | 13.1868 | 54.9069 | 43.7218 | 79.6290 |
| AY+ 5 | 50.0751 | 4.9821 | 49.9249 | 41.3439 | 82.8121 |
| AY+ 6 | 60.9728 | 10.8976 | 39.0272 | 32.7165 | 83.8298 |
| AY+ 7 | 69.2138 | 8.2411 | 30.7862 | 26.2837 | 85.3752 |
| AY+ 8 | 72.8658 | 3.6519 | 27.1342 | 24.1769 | 89.1010 |
| AY+ 9 | 80.0005 | 7.1347 | 19.9995 | 18.3460 | 91.7325 |
| AY+10 | N/A | 7.1347 | 12.8648 | 12.1473 | 94.4228 |
| AY+11 | N/A | 7.1347 | 5.7300 | 5.5574 | 96.9869 |
| AY+12 | N/A | 5.7300 | 0.0000 | 0.0000 | *** |

Miscellaneous Casualty

| Tax Year | Cumulative Losses Paid (%) | Estimated Losses Paid Each Year (%) | Discounted Unpaid Losses at Year End (%) | Unpaid Losses at Year End (%) | Discount Factors (%) |
|----------|-------------------------------------|--|--|--|----------------------------|
| AY+ 0 | 77.6669 | 77.6669 | 22.3331 | 21.1580 | 94.7384 |
| AY+ 1 | 94.0673 | 16.4004 | 5.9327 | 5.5832 | 94.1086 |
| AY+ 2 | N/A | 2.9664 | 2.9664 | 2.8770 | 96.9869 |
| AY+ 3 | N/A | 2.9664 | 0.0000 | 0.0000 | *** |

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 | 39.0450 | 88.6553 |
| AY+ 1 | 77.8939 | 21.9352 | 22.1061 | 18.8920 | 85.4607 |
| AY+ 2 | 84.0083 | 6.1144 | 15.9917 | 13.7797 | 86.1681 |
| AY+ 3 | 91.3188 | 7.3105 | 8.6812 | 7.1116 | 81.9199 |
| AY+ 4 | 92.1670 | 0.8482 | 7.8330 | 6.6858 | 85.3545 |
| AY+ 5 | 94.3838 | 2.2168 | 5.6162 | 4.8220 | 85.8592 |
| AY+ 6 | 96.4959 | 2.1121 | 3.5041 | 2.9486 | 84.1467 |
| AY+ 7 | 97.3670 | 0.8712 | 2.6330 | 2.2365 | 84.9399 |
| AY+ 8 | 98.0034 | 0.6364 | 1.9966 | 1.7214 | 86.2176 |
| AY+ 9 | 98.4059 | 0.4025 | 1.5941 | 1.4151 | 88.7674 |
| AY+10 | N/A | 0.4025 | 1.1916 | 1.0894 | 91.4173 |
| AY+11 | N/A | 0.4025 | 0.7892 | 0.7431 | 94.1661 |
| AY+12 | N/A | 0.4025 | 0.3867 | 0.3750 | 96.9869 |
| AY+13 | N/A | 0.3867 | 0.0000 | 0.0000 | *** |

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 | 31.3484 | 94.2575 |
| AY+ 1 | 89.2755 | 22.5337 | 10.7245 | 10.0927 | 94.1086 |
| AY+ 2 | N/A | 5.3622 | 5.3622 | 5.2007 | 96.9869 |
| AY+ 3 | N/A | 5.3622 | 0.0000 | 0.0000 | *** |

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 | 73.7589 | 82.1771 |
| AY+ 1 | 29.3763 | 19.1323 | 70.6237 | 58.6864 | 83.0973 |
| AY+ 2 | 44.4111 | 15.0349 | 55.5889 | 46.8875 | 84.3470 |
| AY+ 3 | 67.8197 | 23.4086 | 32.1803 | 25.7103 | 79.8946 |
| AY+ 4 | 73.4753 | 5.6555 | 26.5247 | 21.5014 | 81.0617 |
| AY+ 5 | 78.8604 | 5.3852 | 21.1396 | 17.3057 | 81.8638 |
| AY+ 6 | 83.5027 | 4.6422 | 16.4973 | 13.6112 | 82.5054 |
| AY+ 7 | 84.0676 | 0.5649 | 15.9324 | 13.8876 | 87.1656 |
| AY+ 8 | 85.2129 | 1.1453 | 14.7871 | 13.5830 | 91.8570 |
| AY+ 9 | 90.5992 | 5.3863 | 9.4008 | 8.8865 | 94.5285 |
| AY+10 | N/A | 5.3863 | 4.0145 | 3.8936 | 96.9869 |
| AY+11 | N/A | 4.0145 | 0.0000 | 0.0000 | *** |

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 | 67.7139 | 78.3500 |
| AY+ 1 | 26.3964 | 12.8213 | 73.6036 | 58.7671 | 79.8426 |
| AY+ 2 | 40.2725 | 13.8761 | 59.7275 | 48.1680 | 80.6464 |
| AY+ 3 | 55.4566 | 15.1841 | 44.5434 | 35.5516 | 79.8134 |
| AY+ 4 | 65.3309 | 9.8742 | 34.6691 | 27.6139 | 79.6498 |
| AY+ 5 | 74.0647 | 8.7339 | 25.9353 | 20.3511 | 78.4690 |
| AY+ 6 | 80.9090 | 6.8442 | 19.0910 | 14.5784 | 76.3627 |
| AY+ 7 | 84.3622 | 3.4532 | 15.6378 | 11.9378 | 76.3395 |
| AY+ 8 | 84.6163 | 0.2542 | 15.3837 | 12.4290 | 80.7938 |
| AY+ 9 | 86.7311 | 2.1147 | 13.2689 | 11.0329 | 83.1483 |
| AY+10 | N/A | 2.1147 | 11.1542 | 9.5486 | 85.6057 |
| AY+11 | N/A | 2.1147 | 9.0395 | 7.9707 | 88.1769 |
| AY+12 | N/A | 2.1147 | 6.9247 | 6.2932 | 90.8806 |
| AY+13 | N/A | 2.1147 | 4.8100 | 4.5099 | 93.7612 |
| AY+14 | N/A | 2.1147 | 2.6953 | 2.6140 | 96.9869 |
| AY+15 | N/A | 2.6953 | 0.0000 | 0.0000 | *** |

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 | 56.2567 | 90.6400 |
| AY+ 1 | 67.7044 | 29.7705 | 32.2956 | 29.1111 | 90.1396 |
| AY+ 2 | 81.5316 | 13.8272 | 18.4684 | 16.6913 | 90.3774 |
| AY+ 3 | 89.8898 | 8.3583 | 10.1102 | 9.1266 | 90.2713 |
| AY+ 4 | 94.6531 | 4.7633 | 5.3469 | 4.7912 | 89.6074 |
| AY+ 5 | 97.1265 | 2.4734 | 2.8735 | 2.5433 | 88.5087 |
| AY+ 6 | 98.4587 | 1.3322 | 1.5413 | 1.3302 | 86.3036 |
| AY+ 7 | 98.9811 | 0.5224 | 1.0189 | 0.8755 | 85.9258 |
| AY+ 8 | 99.2330 | 0.2519 | 0.7670 | 0.6710 | 87.4859 |
| AY+ 9 | 99.4067 | 0.1737 | 0.5933 | 0.5343 | 90.0498 |
| AY+10 | N/A | 0.1737 | 0.4196 | 0.3889 | 92.6798 |
| AY+11 | N/A | 0.1737 | 0.2460 | 0.2344 | 95.2948 |
| AY+12 | N/A | 0.1737 | 0.0723 | 0.0701 | 96.9869 |
| AY+13 | N/A | 0.0723 | 0.0000 | 0.0000 | *** |

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 | 75.3503 | 79.2952 |
| AY+ 1 | 15.1072 | 10.1322 | 84.8928 | 69.6580 | 82.0540 |
| AY+ 2 | 30.9560 | 15.8488 | 69.0440 | 57.7122 | 83.5875 |
| AY+ 3 | 38.2420 | 7.2860 | 61.7580 | 53.8414 | 87.1813 |
| AY+ 4 | 68.6101 | 30.3681 | 31.3899 | 25.9272 | 82.5975 |
| AY+ 5 | 78.5966 | 9.9865 | 21.4034 | 17.2665 | 80.6719 |
| AY+ 6 | 88.3971 | 9.8005 | 11.6029 | 8.2511 | 71.1122 |
| AY+ 7 | 93.2957 | 4.8986 | 6.7043 | 3.7210 | 55.5008 |
| AY+ 8 | 88.3815 | -4.9142 | 11.6185 | 9.0226 | 77.6571 |
| AY+ 9 | 89.6105 | 1.2290 | 10.3895 | 8.3247 | 80.1263 |
| AY+10 | N/A | 1.2290 | 9.1604 | 7.5828 | 82.7774 |
| AY+11 | N/A | 1.2290 | 7.9314 | 6.7940 | 85.6598 |
| AY+12 | N/A | 1.2290 | 6.7024 | 5.9555 | 88.8568 |
| AY+13 | N/A | 1.2290 | 5.4733 | 5.0641 | 92.5229 |
| AY+14 | N/A | 1.2290 | 4.2443 | 4.1164 | 96.9869 |
| AY+15 | N/A | 4.2443 | 0.0000 | 0.0000 | *** |

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 | 68.5447 | 75.3780 |
| AY+ 1 | 14.9035 | 5.8382 | 85.0965 | 66.8503 | 78.5583 |
| AY+ 2 | 29.2591 | 14.3555 | 70.7409 | 56.2670 | 79.5396 |
| AY+ 3 | 45.6462 | 16.3871 | 54.3538 | 42.9213 | 78.9665 |
| AY+ 4 | 57.5945 | 11.9483 | 42.4055 | 33.3101 | 78.5514 |
| AY+ 5 | 63.8634 | 6.2689 | 36.1366 | 28.9483 | 80.1080 |
| AY+ 6 | 75.2266 | 11.3632 | 24.7734 | 19.0587 | 76.9322 |
| AY+ 7 | 78.2679 | 3.0413 | 21.7321 | 17.1256 | 78.8030 |
| AY+ 8 | 78.1898 | -0.0781 | 21.8102 | 18.2867 | 83.8447 |
| AY+ 9 | 81.8722 | 3.6825 | 18.1278 | 15.6437 | 86.2972 |
| AY+10 | N/A | 3.6825 | 14.4453 | 12.8340 | 88.8455 |
| AY+11 | N/A | 3.6825 | 10.7628 | 9.8469 | 91.4903 |
| AY+12 | N/A | 3.6825 | 7.0803 | 6.6714 | 94.2243 |
| AY+13 | N/A | 3.6825 | 3.3979 | 3.2955 | 96.9869 |
| AY+14 | N/A | 3.3979 | 0.0000 | 0.0000 | *** |

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 | 64.6044 | 88.7020 |
| AY+ 1 | 68.7008 | 41.5340 | 31.2992 | 25.8566 | 82.6112 |
| AY+ 2 | 70.0362 | 1.3354 | 29.9638 | 26.1113 | 87.1429 |
| AY+ 3 | 87.5338 | 17.4976 | 12.4662 | 9.7178 | 77.9528 |
| AY+ 4 | 90.2132 | 2.6794 | 9.7868 | 7.5683 | 77.3318 |
| AY+ 5 | 91.3751 | 1.1619 | 8.6249 | 6.8479 | 79.3965 |
| AY+ 6 | 94.3845 | 3.0095 | 5.6155 | 4.1770 | 74.3844 |
| AY+ 7 | 93.3293 | -1.0552 | 6.6707 | 5.5286 | 82.8791 |
| AY+ 8 | N/A | 1.0387 | 5.6320 | 4.8065 | 85.3426 |
| AY+ 9 | N/A | 1.0387 | 4.5932 | 4.0387 | 87.9283 |
| AY+10 | N/A | 1.0387 | 3.5545 | 3.2226 | 90.6623 |
| AY+11 | N/A | 1.0387 | 2.5158 | 2.3549 | 93.6071 |
| AY+12 | N/A | 1.0387 | 1.4771 | 1.4325 | 96.9869 |
| AY+13 | N/A | 1.4771 | 0.0000 | 0.0000 | *** |

Reinsurance B (Nonproportional 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 | 68.4920 | 73.4075 |
| AY+ 1 | 22.3944 | 15.6982 | 77.6056 | 56.6279 | 72.9689 |
| AY+ 2 | 32.6486 | 10.2542 | 67.3514 | 49.6284 | 73.6858 |
| AY+ 3 | 50.2234 | 17.5748 | 49.7766 | 34.6391 | 69.5892 |
| AY+ 4 | 53.5839 | 3.3605 | 46.4161 | 33.3600 | 71.8715 |
| AY+ 5 | 55.6838 | 2.0999 | 44.3162 | 33.2998 | 75.1415 |
| AY+ 6 | 63.6144 | 7.9306 | 36.3856 | 27.2240 | 74.8210 |
| AY+ 7 | 66.4211 | 2.8066 | 33.5789 | 26.0480 | 77.5726 |
| AY+ 8 | N/A | 2.8066 | 30.7723 | 24.7978 | 80.5850 |
| AY+ 9 | N/A | 2.8066 | 27.9656 | 23.4687 | 83.9199 |
| AY+10 | N/A | 2.8066 | 25.1590 | 22.0558 | 87.6656 |
| AY+11 | N/A | 2.8066 | 22.3524 | 20.5537 | 91.9531 |
| AY+12 | N/A | 2.8066 | 19.5457 | 18.9568 | 96.9869 |
| AY+13 | N/A | 19.5457 | 0.0000 | 0.0000 | *** |

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 | 76.8712 | 86.8230 |
| AY+ 1 | 44.5791 | 33.1169 | 55.4209 | 47.5760 | 85.8449 |
| AY+ 2 | 63.9134 | 19.3343 | 36.0866 | 30.6431 | 84.9154 |
| AY+ 3 | 65.6185 | 1.7051 | 34.3815 | 30.8186 | 89.6372 |
| AY+ 4 | 79.9778 | 14.3593 | 20.0222 | 17.9578 | 89.6897 |
| AY+ 5 | 88.9152 | 8.9374 | 11.0848 | 9.8759 | 89.0943 |
| AY+ 6 | 91.2490 | 2.3338 | 8.7510 | 8.0928 | 92.4785 |
| AY+ 7 | 94.7645 | 3.5155 | 5.2355 | 4.9788 | 95.0957 |
| AY+ 8 | N/A | 3.5155 | 1.7200 | 1.6682 | 96.9869 |
| AY+ 9 | N/A | 1.7200 | 0.0000 | 0.0000 | *** |

**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 | 40.4271 | 95.0992 |
| AY+ 1 | 90.5193 | 33.0297 | 9.4807 | 8.9222 | 94.1086 |
| AY+ 2 | N/A | 4.7404 | 4.7404 | 4.5975 | 96.9869 |
| AY+ 3 | N/A | 4.7404 | 0.0000 | 0.0000 | *** |

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 | 62.1882 | 81.4474 |
| AY+ 1 | 44.8166 | 21.1705 | 55.1834 | 44.2841 | 80.2490 |
| AY+ 2 | 57.9652 | 13.1486 | 42.0348 | 33.5213 | 79.7466 |
| AY+ 3 | 72.0542 | 14.0889 | 27.9458 | 21.1099 | 75.5385 |
| AY+ 4 | 80.5542 | 8.5000 | 19.4458 | 13.6778 | 70.3380 |
| AY+ 5 | 84.8876 | 4.3334 | 15.1124 | 10.0728 | 66.6527 |
| AY+ 6 | 87.1173 | 2.2297 | 12.8827 | 8.4094 | 65.2770 |
| AY+ 7 | 88.2647 | 1.1473 | 11.7353 | 7.7571 | 66.1001 |
| AY+ 8 | 88.5404 | 0.2757 | 11.4596 | 7.9622 | 69.4810 |
| AY+ 9 | 88.8062 | 0.2658 | 11.1938 | 8.1906 | 73.1708 |
| AY+10 | N/A | 0.2658 | 10.9279 | 8.4333 | 77.1719 |
| AY+11 | N/A | 0.2658 | 10.6621 | 8.6913 | 81.5163 |
| AY+12 | N/A | 0.2658 | 10.3963 | 8.9657 | 86.2394 |
| AY+13 | N/A | 0.2658 | 10.1304 | 9.2573 | 91.3813 |
| AY+14 | N/A | 0.2658 | 9.8646 | 9.5674 | 96.9869 |
| AY+15 | N/A | 9.8646 | 0.0000 | 0.0000 | *** |

DRAFTING INFORMATION

The principal author of this revenue procedure is Katherine A. Hossofsky of the Office of the Assistant Chief Counsel (Financial Institutions and Products). For further information regarding this revenue procedure, contact Ms. Hossofsky on (202) 622-3477 (not a toll-free number).