

**LOSS COST FILING DOCUMENT  
CALCULATION OF COMPANY LOSS COST MULTIPLIER**

(EFFECTIVE 11/08/2022)

Company Name	
NAIC Company Code	
Line, subline, coverage, territory, etc. combination to which this form applies	
Does this form apply to all class codes? (Yes/No) (If no, list class codes in a specifically identified attachment.)	
Loss Cost Reference Filing (Advisory Org. and Reference Filing #)	
Expense constant(s) (0 if no expense constant is used) (Justify any expense constant(s) in a specifically identified attachment.)	

*Note: For new programs, "Current" and "% Change" values should appear as #N/A.*

**1. Declaration**

The above insurer hereby declares that it is a member, subscriber, or service purchaser of the named advisory organization for this line of insurance and is filing the prospective loss costs shown in the captioned Loss Cost Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants.

**2. Rule of Application**

Check one of the two options below with an "X"

***Current and future loss cost reference filings:***

The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. (Some states prohibit this option.)

***Current loss cost reference filing only:***

The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Loss Cost Reference Filing. (Some states prohibit this option.)

**3. Loss Cost Modification/Deviation**

See examples below. Provide supporting data and/or rationale for the modification(s) in a specifically identified attachment.

Loss Cost Modification Factor examples:

- \* If your loss cost modification is 0%, the Loss Cost Modification Factor is 1.00.
- \* If your loss cost modification is -10%, the Loss Cost Modification Factor is 0.900. The calculation is (1.000 - 0.100).
- \* If your loss cost modification is +15%, the Loss Cost Modification Factor is 1.150. The calculation is (1.000 + 0.150).

		Current	Proposed	% Change
A.	Loss Cost Modification Factor			

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**4. Expense Provisions**

Projected expenses should be relative to charged premium (for non-workers' compensation lines) and standard premium (for workers' compensation) using the company's rates in effect. (Provide an exhibit detailing insurer expense and profit data, investment income, impact of premium discount plans, and/or other supporting information in a specifically identified attachment.)

(If necessary, combine two line item values into one and explain in Section 9.)

		Current	Proposed
A.	Commission and Brokerage		
B.	Other Acquisition		
C.	General Expenses		
D.	Taxes, Licenses & Fees		
E.	Underwriting Profit & Contingencies (with consideration of investment income)		
F.	Average Premium Discount (i.e., for workers' compensation)		
G.	Other 1 (If used, explain in Section 9.)		
H.	Other 2 (If used, explain in Section 9.)		
I.	Total (sum A through H)		

**5. Calculation of Permissible Loss (and Loss Adjustment Expense) Ratio**

		Current	Proposed	% Change
A.	Permissible Loss Ratio (PLR) (100.0% - 4I)			
B.	Expense Multiplier (1.000 / 5A)			

**6. Additional Adjustments**

(Use 1.000 where not applicable.)

		Current	Proposed	% Change
A.	Loading Factor Relative to Loss (when LAE and/or loss-based assessments are not included in loss costs)			
B.	Overall Impact of Expense Constant and Minimum Premiums (e.g., a 2.3% impact would be expressed as 1.023)			

**7. Calculation and Selection of Loss Cost Multiplier**

(Explain any differences, other than rounding, between 7A and 7B in Section 9.)

		Current	Proposed	% Change
A.	Company Formula Loss Cost Multiplier [(3A x 5B) x (6A / 6B)]			
B.	Company Selected Loss Cost Multiplier			

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**8. Percent Change (from Current to Proposed)**

		% Change
A.	Percent Change in Loss Cost Multiplier [(7B Proposed / 7B Current) - 1.000]	
B.	Percent Change in Loss Costs (Weighted on company's own book and not the advisory organization unless company has zero premium volume)	
C.	Percent Change in Other Rating Items (As identified in Section 9)	
D.	Total Percent Change [(1.000 + 8A) x (1.000 + 8B) x (1.000 + 8C) - 1.000]	

**9. Additional Comments**

(If needed, provide a specifically identified attachment.)

Comments can be placed here

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