



Exhibit C

Insurer Name: \_\_\_\_\_

Date: \_\_\_\_\_

NAIC Number: \_\_\_\_\_

Expense Constant Supplement

Calculation of Company Loss Cost Multiplier With Expense Constants

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data, or other supporting information, or both.

	Overall	Selected Provisions Variable	Fixed
A. Total Production Expense	_____	_____	_____
B. General Expense	_____	_____	_____
C. Taxes, License & Fees	_____	_____	_____
D. Underwriting Profit & Contingencies	_____	_____	_____
E. Other (explain)	_____	_____	_____
F. TOTAL	_____	_____	_____

4. A. Expected Loss Ratio: ELR = 100% – Overall 3F = \_\_\_\_\_

B. ELR expressed in decimal form = \_\_\_\_\_

C. Variable Expected Loss Ratio VELR = 100% – Variable 3F = \_\_\_\_\_

D. VELR in decimal form = \_\_\_\_\_

5. Formula Expense Constant:

$[(1.00 \div 4B) - (1.00 \div 4D)] \times \text{Average Underlying Loss Cost}$  = \_\_\_\_\_

Formula Variable Loss Cost Multiplier:  $(2B \div 4D) =$  \_\_\_\_\_

6. Selected Expense Constant = \_\_\_\_\_

Selected Variable Loss Cost Multiplier = \_\_\_\_\_

7. Explain any differences between 5 and 6:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Rate level change for the coverages to which this page applies \_\_\_\_\_%