EXPENSE CONSTANT SUPPLEMENT

CALCULATION OF COMPANY LOSS COST MULTIPLIER
WITH EXPENSE CONSTANTS

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

Selected Provisions

<table>
<thead>
<tr>
<th>Overall</th>
<th>Variable</th>
<th>Fixed</th>
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</thead>
<tbody>
<tr>
<td>A. Total Production Expense</td>
<td></td>
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<tr>
<td>B. General Expense</td>
<td></td>
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<tr>
<td>C. Taxes, Licenses, and Fees</td>
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<tr>
<td>D. Underwriting Profit and Contingencies</td>
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<td>E. Other (explain)</td>
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<tr>
<td>F. TOTAL</td>
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</tbody>
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4. A. Expected Loss Ratio: \( \text{ELR} = 100\% - \text{Overall 3F} \)

B. ELR in decimal form

C. Variable Expected Loss Ratio \( \text{VELR} = 100\% - \text{Variable 3F} \)

D. VELR in decimal form

5. Formula Expense Contract:

\[
\left((1.00 - 4B) - (1.00 - 4D)\right) \times \text{Average Underlying Loss Cost}
\]

Formula Variable Loss Cost Multiplier: \(2B - 4D\)

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

%