

INSURER NAME _____ DATE _____

NAIC NUMBER _____

VERMONT 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		
	Overall	Variable	Fixed
Fixed			
A. Total Production Expense	_____	_____	_____
B. General Expense	_____	_____	_____
C. Taxes, Licenses and Fees	_____	_____	_____
D. Underwriting Profit and Contingencies	_____	_____	_____
E. Other (explain)	_____	_____	_____
F. TOTAL	_____	_____	_____
4. A. Expected Loss Ratio: $ELR = 100\% - \text{Overall } 3F =$	_____		
B. ELR expressed in decimal form =	_____		
C. Variable Expected Loss Ratio: $VELR = 100\% - \text{Variable } 3F =$		_____	
D. VELR in decimal form =		_____	
5. Formula Expense Constant: $[(1.00 - 4B) \div (1.00 - 4D)] \times \text{Average Underlying Loss Cost} =$			_____
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 _____			