

**IDS PROPERTY CASUALTY INSURANCE COMPANY
MASSACHUSETTS PERSONAL AUTO
COSTCO GROUP DISCOUNT SUPPORT**

Non - Costco Group Expenses

General	5.8%
Tax	2.3%
Commission	1.8%
Acq	10.0%
ALAE	<u>3.5%</u>
Total	23.4%

Costco Group Expenses

General	5.8%
Tax	2.3%
Commission	1.8%
Acq	5.2%
ALAE	<u>2.1%</u>
Total	17.2%

Expense Difference 6.2%

Selected Discount 7.0%

* Discount has been rounded up due to expense saving connected with lower commission as well as higher retention rates that have not been accounted for in this analysis

EXPENSE EXHIBIT FOR ALL AUTO & HOME 193R GROUP MARKETING RATE DEVIATIONS

Year Plan Will be Applied

<insert year>

Insurers are required to submit the expense ratios underlying their current rates and the expense ratio or average expense per unit associated with the group marketing rate deviation.

<u>INSURANCE</u> <u>COMPANY</u>	<u>GROUPNAME</u>	(1) Expenses Assumed In Insurer's Rates <u>Currently On File</u>	(2) Expenses Associated With Group Marketing <u>Plan</u>	(3) Reasons for Expensed <u>Difference</u>	(4) Requested Group Rate <u>Deviation</u>
ABC Company	AAA Engineers, Inc.	25.0%	20.0%	Lower Acquisition Costs	5.0%

<insert year below>

2012

Year Plan Will be Applied

Insurers are required to submit a minimum three (3) full years of data, but can at their option submit additional years of data by inserting additional columns.

<u>INSURANCE</u> <u>COMPANY</u>	<u>GROUPNAME</u>	<u>Earned Premium</u>		
		2009	2010	2011
ABC Company	ABC Company Total Group and Non-Group	\$200,000,000	\$200,000,000	\$200,000,000
ABC Company	AAA Engineers, Inc.	\$125,000	\$250,000	\$305,000

<u>Incurring Loss Incl. IBNR</u>			<u>Incurring Loss Ratio</u>			
2009	2010	2011	2009	2010	2011	3 Yr. Total
\$150,000,000	\$175,000,000	\$125,000,000	75.0%	87.5%	62.5%	75.0%
\$92,354	\$67,000	\$200,000	73.9%	26.8%	65.6%	52.8%

EXPENSE EXHIBIT FOR ALL AUTO & HOME 193R GROUP MARKETING RATE DEVIATIONS

Year Plan Will be Applied

<insert year>

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<u>INSURANCE</u> <u>COMPANY</u>	<u>GROUPNAME</u>	(1) Expenses Assumed In Insurer's Rates <u>Currently On File</u>	(2) Expenses Associated With Group Marketing <u>Plan</u>	(3) Reasons for Expensed <u>Difference</u>	(4) Requested Group Rate <u>Deviation</u>
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<insert year below>

2012

Year Plan Will be Applied

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Commission	1.7%
Acq	10.0%
ALAE	<u>3.5%</u>
Total	23.7%

Costco Group Expenses

General	6.3%
Tax	2.2%
Commission	1.7%
Acq	5.2%
ALAE	<u>2.1%</u>
Total	17.5%

Expense Difference 6.2%

Selected Discount 7.0%

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EXPENSE EXHIBIT FOR ALL AUTO & HOME 193R GROUP MARKETING RATE DEVIATIONS

Year Plan Will be Applied

2014

Insurers are required to submit the expense ratios underlying their current rates and the expense ratio or average expense per unit associated with the group marketing rate deviation.

<u>INSURANCE</u> <u>COMPANY</u>	<u>GROUPNAME</u>	(1) Expenses Assumed In Insurer's Rates <u>Currently On File</u>	(2) Expenses Associated With Group Marketing <u>Plan</u>	(3) Reasons for Expensed <u>Difference</u>	(4) Requested Group Rate <u>Deviation</u>
ABC Company	AAA Engineers, Inc.	25.0%	20.0%	Lower Acquisition Costs	5.0%

<insert year below>

2014

Year Plan Will be Applied

Insurers are required to submit a minimum three (3) full years of data, but can at their option submit additional years of data by inserting additional columns.

<u>INSURANCE</u> <u>COMPANY</u>	<u>GROUPNAME</u>	<u>Earned Premium</u>		
		2011	2012	2013
ABC Company	ABC Company Total Group and Non-Group	\$200,000,000	\$200,000,000	\$200,000,000
ABC Company	AAA Engineers, Inc.	\$125,000	\$250,000	\$305,000

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