

State of Nevada - Profitability Report - TOI 04.0 - Instructions and Example

Template Updated April 2016

- The Profitability Report must consist of historical Nevada experience for the specific book of business only.
- Adjustments, such as on-leveling of premiums, trending of losses, or catastrophe loads may *not* be used in the Profitability Report.
- Expenses should be actual dollar figures incurred in Nevada by coverage and by year, *not* based on an assumed *a priori* expense ratio.

Accident Year Ending	Months of Development	Earned Premium (A)	Incurred Loss, Including All Loss-Adjustment Expenses (LAE) (B)	Anticipated Development of Loss and LAE (C)	Ultimate Loss, Including All LAE (D) = (B) + (C)	Loss Ratio (E) = (D)/(A)	Underwriting Expenses (F)	Expense Ratio (G) = (F)/(A)	Underwriting Gain/Loss (H) = (A) - (D) - (F)	Percent Gain/Loss (I) = (H)/(A)
HO-3										
3/31/2012	51	724,245	442,651	1,317	443,968	61.30%	220,346	30.4%	59,931	8.27%
3/31/2013	39	907,340	765,205	11,551	776,756	85.61%	330,212	36.4%	-199,628	-22.00%
3/31/2014	27	1,302,060	762,411	42,807	805,218	61.84%	514,306	39.5%	-17,464	-1.34%
3/31/2015	15	1,431,547	906,183	66,321	972,504	67.93%	534,598	37.3%	-75,555	-5.28%
3/31/2016	3	1,804,944	946,994	93,612	1,040,606	57.65%	602,985	33.4%	161,353	8.94%
Total		6,170,136	3,823,444	215,608	4,039,052	65.46%	2,202,447	35.7%	-71,363	-1.16%

HO-4										
3/31/2012	51	74,452	42,556	713	43,269	58.12%	25,643	34.4%	5,540	7.44%
3/31/2013	39	107,431	59,427	0	59,427	55.32%	36,587	34.1%	11,417	10.63%
3/31/2014	27	147,601	105,231	16,548	121,779	82.51%	47,489	32.2%	-21,667	-14.68%
3/31/2015	15	241,745	151,202	13,414	164,616	68.09%	73,201	30.3%	3,928	1.62%
3/31/2016	3	348,449	198,442	17,069	215,511	61.85%	97,201	27.9%	35,737	10.26%
Total		919,678	556,858	47,744	604,602	65.74%	280,121	30.5%	34,955	3.80%

HO-6										
3/31/2012	51	27,620	5,631	0	5,631	20.39%	10,945	39.6%	11,044	39.99%
3/31/2013	39	79,043	32,447	0	32,447	41.05%	31,796	40.2%	14,800	18.72%
3/31/2014	27	123,459	71,403	4,600	76,003	61.56%	45,909	37.2%	1,547	1.25%
3/31/2015	15	314,247	56,846	9,456	66,302	21.10%	113,458	36.1%	134,487	42.80%
3/31/2016	3	444,912	37,248	11,325	48,573	10.92%	157,281	35.4%	239,058	53.73%
Total		989,281	203,575	25,381	228,956	23.14%	359,389	36.3%	400,936	40.53%

Accident Year Ending	Months of Development	Earned Premium	Incurred Loss, Including All LAE	Anticipated Development of Loss and LAE	Ultimate Loss, Including All LAE	Loss Ratio	Underwriting Expenses	Expense Ratio	Underwriting Gain/Loss	Percent Gain/Loss
ALL COVERAGES COMBINED										
3/31/2012	51	826,317	490,838	2,030	492,868	59.65%	256,934	31.1%	76,515	9.26%
3/31/2013	39	1,093,814	857,079	11,551	868,630	79.41%	398,595	36.4%	-173,411	-15.85%
3/31/2014	27	1,573,120	939,045	63,955	1,003,000	63.76%	607,704	38.6%	-37,584	-2.39%
3/31/2015	15	1,987,539	1,114,231	89,191	1,203,422	60.55%	721,257	36.3%	62,860	3.16%
3/31/2016	3	2,598,305	1,182,684	122,006	1,304,690	50.21%	857,467	33.0%	436,148	16.79%
Total		8,079,095	4,583,877	288,733	4,872,610	60.31%	2,841,957	35.2%	364,528	4.51%

* The example figures are provided for illustration purposes only. In the example, data are evaluated as of March 31, 2016.

The above information should be provided:

(a) For each coverage form (e.g., forms pertaining to homeowners, tenants, condominium unit owners, etc.) used by the company in this program:

- By year and
- In aggregate, for all the years addressed in the exhibit.

(b) For the company's total book of business in this program:

- By year and
- In aggregate, for all the years addressed in the exhibit.