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Renewal Analysis Module

Introduction

The Renewal Analysis Module, which can also be used to do rate projections analysis, proposes basic to very elaborate services.

In the ADVANCED version, which combines simplicity and economy, the module allows for manual input of information, utilize the sophisticated calculation facilities as well as generate various basic reports.

The XPRO version optimizes information input by allowing selective data importation from the "Rating and Experience History" modules. The analysis can cover global history for a given period or only specific divisions/classes or modules. This deluxe version optimizes the processes, ensures for each benefit up to 3 drilled down levels for premiums and claims segmentation as well as allows the integration of notes and recommendation within the generated reports.

For documentation purposes, we will describe all functionalities. The user should evaluate with an MDI professional the service level that will respond to his specific needs and budgets.

For documentation purposes, we will describe all functionalities. The user should evaluate with an MDI professional the service level that will respond to his specific needs and budgets.

A. Input of historical information

A.1- "Experience History" module

For the Claim history input, ALL the required fields for the analysis can be selected the option that is accessible

on the top command bar.

Visible fields 🔰 💈	<
From:	•
✓ Date to	1
Location	
Gross Premium	
Expenses (\$)	
Net premium	
Benefits paid	
Reserve	
Benefits incurred	
Ratio method	
✓ Ratio %	
✓ Status	
🗌 YEAR	
No_client	
🗌 Benefit Nbr	
🗌 Benefit	
🗌 Index Nbr	
Inflation factor	-1
A Deellen ermenenen	귀
🗸 OK 🛛 💢 Cancel	

The operator can simply check the relevant elements and then place them in the order of his choice to facilitate the input of information to fit the source format.

The expenses in \$ or % of the gross premium are calculated automatically from the input of the equivalent % and \$.

Should the enterprise "Claim History" data be available by divisions/classes or modules and that specific analysis of those locations be required you should insure input the information accordingly. You will then be in a position to easily generate specific analysis.

Cla	im hi	story -	ААА	- data d	emo																×
i	<u>></u> ×	< 🗸	Ø	a (🍇 🌢	4	Mode	Divisio	n/Class		•	Order	Par da	ate	•	[<u></u>	٠
LI	F	ADD	DEP	DDD	STD	LTD	OLT	EHC	PD	EC	DC	EAP	OLM	OLS	ODM	ODD	OLD	CTS			
	From:			Date to		Location			Gross Pr	emium	Adjusted	premium	Expens	es (%)	Expenses	(\$)	Net premiu	m Be	nefits incurred	Ratio	n 🛋
►	2002/	02/24	•	2003/02/2	23	[DIV *,*][D	XV 001,01]	\$4,500	,000.00	\$45	6,789.00					\$234,134	.00		Paid	be
	2003/	02/24		2004/02/2	23	[DIV *,*][D	NV 001,01]	\$50,000	,000.00	\$4,56	0,000.00					32,552,520	.00		Paid	be
	2004/	02/24		2005/02/2	23	[DIV *,*][D	NV 001,01]	\$2,502	221.00			0.	.999 %	\$25,0	00.00	\$345,437	.00		Paid	be
	2005/	02/24		2006/02/2	23	[DIV *,*][D	NV 001,01]	\$25,000	025.00										Paid	be

Cla	aim h	isto	ry -	AAA -	data	demo																				×
J	8)	ĸ	∢	0	≞	8	М		Mode	Div	isior	n/Class		•	Order	Paro	date		•					4	•	>
L	F	AD	D	DEP	DD	o ∣si	D	LTD	OLT	EF	łC	PD	EC	DC DC	EAP	OLM	OLS	ODM	ODD	OL	.D	CTS				
	Ratio	meth	hod					Pooling	expense	s	Ben	efits pai	d	Pooling clair	ns		Reserve	Va	riation		Rat	io %	Status			
▶	Paid I	bene	fits /	gross	premiu	ıms					\$2	2,512,50	0.00									55.833 %	F			
	Paid I	bene	fits /	gross	premiu	ıms					\$52	2,140,00	0.00									104.28 %	F			
	Paid I	oene	fits /	gross	premiu	ıms						\$25,05	5.00									1.001 %	F			
	Paid I	oene	fits /	gross	premiu	ıms					\$25	5,514,25	5.00								1	02.057 %	F			

A.2- "Rating History" module

Ra	ating history	/ - AAA -	dat	a den:	no																×
	🗟 🗙 🦂	0	8	8	•	N	lode	Divis	ion/Cla	ass		•	Order	Par da	ate	•]			2	>
(Ľ	IF ADD	DEP		D I :	std	LTD	OLT	EH	c	PD	EC	DC	EAP	OLM	OLS	ODM	ODD	OLD	CTS		
	Start date	End date		Locati	ion				Individ	lual	Couple		Single parent	Familly		Reason					
	2003/02/24	2004/02/	23	[DIV *,	*]											Contract e	mission				
	2004/02/24	2005/02/	23	[DIV *,	.*]											Contract re	enewal				
	2005/02/24	2006/02/	23	[DIV *,	*]											Contract re	enewal				

B. Lists of renewal analysis module

After selecting the List - Renewal analysis option on your left menu you can either create a

new analysis by clicking on the button or access an existing analysis by double clicking on one of the available list.

💟 C	ompany - (CSR88CLI41) AAA -	data demo									×
	Management Listings	A Renew	al analysis		Ser	arch field Extended search	Search value	_			
2	List - project List - Employee	<mark>⊳ b</mark> ₽	☆								
2	List - project analysis List - consultant	Analysis id	Client #	From:	To:	Title		Company	y-name		1
ø	List - Renewal analysis	CSR88REN3 CSR88REN5	CSR88CLI41 CSR88CLI41	2002/05/01	2006/05/31	Data for display	only	AAA - d AAA - d	ata demo ata demo		
		CSR88REN7	CSR88CLI41	2002/04/01	2006/09/01	Documentation		AAA - d	ata demo		
											-
		<u> </u>								▶	
					3.6	lecord(s)					

The analysis module is rich in options and potential in order to provide you with all the needed tools to analyse you information and provide professional reporting. We invite you to very carefully explore the various possibilities in order to maximize its potential.

Company - (CSR88CLI41) AAA -	data demo					_ 🗆 🗙
Management Listings	🊧 ^{Renew}	al analysis		Sea ©	rch field Search value	ch
List - Employee	<mark>⊳ <u>ĭ</u> ≞</mark>	a 🖾				
List - project analysis List - consultant	Analysis id	Client #	From:	To:	Title	Company-name
List - Renewal analysis	CSR88REN3 CSR88REN5 CSR88REN7	CSR88CLI41 CSR88CLI41 CSR88CLI41	2002/04/01	2006/09/01	Documentation	AAA - data demo AAA - data demo AAA - data demo
	•			ЗR	ecord(s)	► ►

When creating a new analysis, it will be important to properly define the claim and rating period of your analysis.

Experience period	2002/05/01	Ŧ	to	2006/05/31	¥
Actual tarification	2002/04/09	•	to	2005/05/31	•
New tarification	2005/05/09	•	to	2006/05/09	•

These periods will define the data that will be imported from both history tables.

You will be able to link your analysis (method #2) to a specific contract or request for proposal. In order to do so, you can click on the "+"and choose the contract or the project from a list.



# Contrat /	Nom entreprise	Assureur	Туре	# Police	Titre projet		•
CSR88ASC14:4	AAA - data demo	Basic project	Р		Projet de base : compl	let _	
CSR88ASC14IA	AAA - data demo	Great-West	Р		Copie de Projet de bas	se : cor	
CSR88ASC14:A	AAA - data demo	Basic project	Р		OPTION 1 : complet et l	Imposa	
CSR88ASC14'A	AAA - data demo	La Capitale	Р		Copie de Projet de bas	se : cor	
CSR88ASC14(A	AAA - data demo	Basic project	Р		Copie de Projet de bas	se : cor	
CSR88ASC211A	AAA - data demo	Basic project	Р		Projet de base : nouve	eau	
CSR88ASC25 ⁻ A	AAA - data demo	Basic project	Р		OPTION 1 : Ass. salair	re impo	
							•
					OK An	nuler	



Your left menu will give you an access to relevant information as well as allow you to generate a professional report of your analysis.

The first 2 choices give you an access to the same history modules as your main menu.

The "Technical Results" option will enable you to process your analysis. The "Notes and Recommendations" section will make it possible to Notes Recommendation

add your professional comments which will document the technical analysis. The recommendations will become and integrated part of your report. Lastly, the "Analyse Report" option will generate your reports which could be saved in a format of your choice. (See "Report samples" in appendix)

B.1- Technical Results

This module makes it possible to input the information manually or to import them from the history tables.

Information can be inputted for each benefit.



B.1.a Information input for analysis

B.1.a.i Manual input

For the manual input, you first must select the "+" in order to add a benefit to be analyzed, then you insure proper document by filling the relevant information starting with "Table Title".

List of tab	les	+	$\boldsymbol{\times}$	•
Benefit	Location			
1				

Table title		
Benefit		•
Location		
Table date	 Blending period 	• 🗙 📶 -
Method 1 Meth	nod 2 Notes Configuration	

To define the benefits, you can simply pick and then click on the needed service to analyse.

Lastly, for the location section you can define the various divisions/classes or modules that will be analysed. A contextual list will be provided from the Division/Class and Module that where set up previously.

For both the benefits and locations option, you will be provided with drop-down menu or a list of multiple choices.

Tec	hnical analysis
Table title	Rating evolution
Benefit	Dental care 🗸 🗸
Location	Policy holder life insurance
Table date	Employee's accidental death and dismemberment Life insurance of dependants
Method 1 Meth	Dependant optional ADM
Blending period	Short term disability
-> From:	Optional long term disability
→ To:	Extended health care
	Drug insurance
A - Premiums	Eye care —
🔶 1. Gross Prem	Dental care
-> 2. Adjusted p	Employee assistance programs
🔶 3. Administrat	Policy holder optional life insurance
🔶 4. Administrat	Spouse optional life insurance
- 5. Poolina exc	Policy holder optional ADM
Σ 7. Total	Dependant optional ADM
. And	Children Optional life insurance
B - Incurred cla	Union contribution
Lo incarred cie	

B.1.a.ii Data Import from the history tables

List of tab	les	+	\times	•
Benefit	Location			
1				

The Importation function is automatic. Starting from the 📸 icon, the system will propose a series of choice to you.

Within each stage, the "technical results data importation assistant" will guide the process and allow you to either validate your previous choices or make selections.

Experience period	2002/05/01	•	to	2006/05/31	•
Actual tarification	2002/04/09	•	to	2005/05/31	•
New tarification	2005/05/09	•	to	2006/05/09	•

Data import assistant for tecl	hnical results	×
	Data for display only	
	Experience period 2002/05/01 to 2006/05/31	
	Actual tarification 2002/04/09 to 2005/05/31	
	New tarification 2005/05/09 to 2006/05/09	
	Technical results table title	
E	Rating evolution	
	Data are imported from claim history	
	< <previous next="">> Ca</previous>	ancel

Data import assistant for techn	ical re	esults Benef	īts to import			×
		Benefit	1	Blending period	1	
			From	To	Nbr years	
	V	LIF	2002/05/01	2006/05/31	1	
TEN	V	EHC	2002/05/01	2006/05/31	1	
Law II	Þ	PD	2002/05/01	2006/05/31	1	
						•
			< <previou< td=""><td>is Next ></td><td>> Car</td><td>ncel</td></previou<>	is Next >	> Car	ncel

If need be, you will be able to adjust your processing dates by revisiting your main data screen.

The second screen provides you the list of the benefit that contains data within the referred period.

Select (Check/Uncheck) the benefit to be processed and, if needed, adjust the terms and # of years of analyses that are to be analysed.

Data import assistant for tec	hnical results	×
	Actual data © Keep © Delete Import Process Progress	
	< <previous next="">> Ca</previous>	ncel

Lastly, you will be prompted to either add existing results or replace all existing data before you confirm "Running" the importation.

B.1.b Methods and Configuration

The analysis module offers 2 analysis methods, a personal notes section and a configuration option.

Method 1 is based on historical experiences and trends and is aimed at defining the fair and negotiated adjustment ratio. The Method 2 will apply the previous historical trends ratio to current rates or premium as set in the selected contract or Request for proposal. The "Configuration" tab makes it possible to define the process parameters to be used in method 1.

The Note tab enables you to document your analysis.

Table date 2	005/05/09 🗨	Blen	ding period	+	\times	*
Method 1 Method	d 2 Notes C	onfiguratio	on			
Blending period						
- From:				2002/05/31		
🔶 То:						
A - Premiums						
🗭 1. Gross Premiu	ms			800,000 \$		
🔶 2. Adjusted pre	miums					
🔶 3. Administrativ	e expenses of t	he peri		106,700 \$		
🔶 4. Administrativ	e expenses (po	t)		22 %		
🔶 5. Pooling expe	nses			25,000 \$		
\sum 7. Total				353,300 \$		
B - Incurred clair	າາຣ					
🗭 1. Paid claims du	uring the period			0\$		
🔶 2. Incurred clair	ns			450,000 \$		
🗭 3. Variation of I	BNR reserve			2,000 \$		
✤ 4. Pooled claims				35,000 \$		
∑ 5. Total				417,000 \$		

B.1.b.i Method 1

Based on the selected configuration, you will be able to input all the needed information to make the analysis based on your past history.

The period in input mode is identified in blue.

You can choose to set your analysis on 1, 2 or 3 time periods. To adjust the number of periods,

Blending period 🛛 🕂 🗙 🎽

you can add or delete blending periods by using either the + or the X.

The 3rd button makes it possible to select specific divisions/classes or modules within the analysis period that you wish to process. Following this selection, an importation of the specific data to these locations will be carried out for the period referred to.

Selection of	claim history	items						×
Drug insura	ince					Press "CTI	RL" to select r	ecords
2004/05/31	- 2005/02/23	[DIV *	*][DIV 001,01]					
Date from	Date to	Gross Premium	Adjusted premium	Expense (\$)	Expenses (%)	Net Premium	Paid claims	Incurred claim 🔺
2004/05/31	2005/02/23	650000	640000	169000	26 %	600000	500000	52100
								-
•								Þ
0 item(s) se	elected					Γ	ок	Cancel

Link of the	un a sz 📩	Table title Évolution de la tarification			
LIST OF (a)	uies 🕈 🗡 🖽	able we colduon de la tamication			
Benefit	Location	Benefit Drug insurance		•	
PD	[DIV *,*][DIV 001,01]	Location [DIV *,*][DIV 001,01]			
		Table date 2005/05/09 💌 Blend	ding period 🛛 🕂	× 🖬	
		Method 1 Method 2 Notes Configuratio	n		
		Blending period			
		-> From:	2002/05/31	2003/05/31	2004/05/31
		To:	2003/02/23	2004/02/23	2005/02/23
		A - Premiums			
		→ 1. Gross Premiums	800,000 \$	700,000 \$	650,000 \$
		-> 2. Adjusted premiums	485,000 \$	486,000 \$	640,000 \$
		-> 3. Administrative expenses of the peri	106,700 \$	131,220 \$	160,000 \$
		+ 4. Administrative expenses (pct)	22 %	27 %	25 %
		→ 5. Pooling expenses	25,000 \$	28,000 \$	26,000 \$
		∑ 7. Total	353,300 \$	326,780 \$	454,000 \$
		B - Incurred claims			
		→ 1. Paid claims during the period	0\$	0\$	0 \$
		→ 2. Incurred claims	450,000 \$	425,252 \$	521,000 \$
		- 3. Variation of IBNR reserve	2,000 \$	18,000 \$	12,000 \$
		→ 4. Pooled claims	35,000 \$	32,000 \$	31,500 \$
		\sum 5. Total	417,000 \$	411,252 \$	501,500 \$
		C - Net experience Ratio			
		\sum 1. For period	118 %	125.8 %	110.5 %

The "electronic assistant" will insure automatic calculations based on your

configurations preference or the evolution of your data input. The fields in light grey, as those identified with a \sum , are calculated automatically.

The gross premiums field hides a unique function that makes it possible for the operator to segment the gross premiums as well as the paid or incurred claims.

Method 1 Method 2 Notes Configu	ration
Blending period	
- From:	2002/05/31
-> То:	2003/02/23
A - Premiums	
- 1. Gross Premiums	800,000 \$
- 2. Adjusted premiums	485,000 \$

Clicking on the "gross premiums" field ^{800,000} will split the contained information into 2 distinct elements: an amount and a (...) box.

Add	itional informatio	onDrug insuranc	e							X	
ŧ	🗙 Total pre	emium : 80	10,000 \$	Total clair	ns :		0\$				
	Ite	ems	Primiu	ms	Claim	s	Ratio	Infl	ation		
	Desc. french	Desc. english	\$ 💈	% 😨	\$ 🕄	% 🕄	Inflation 😮	Real 💈	Blended 💈		
ΙE	Medicaments 💌	Drugs	300,000 \$	37.5 %	245,025\$	61.3%	61.3 %	0%	0%		
Œ	Hopitaux									4	•
Ē	Hors Province										
	Hors du pays										
	Marijuana									_	
	Medicaments									-	-
	Médicament										
	Original										
	Origine										•

By clicking on the (...) box, a new screen will provide you with the option of splitting up the premiums as well as claims by category of services. By defining the projected rates of inflation for each element, the module will calculate the blended inflation rates to be used in further calculation.

The use of these tables is supervised by the electronic assistant. Each new element added (+), will automatically inherit both premiums and claims balances. You can select (from) or create your list of preset descriptions in both French and/or English. New descriptions are created on the fly. Whenever a new description is typed in it will automatically be added to your preset list. These descriptions will allow for the generation of either French or English reports.

	It	ems	Primiur	ms	Claim	s	Ratio	Infla	ition
	Desc. french	Desc. english	\$ 🕄	% 😨	\$ 🔹	% 🔹	Inflation 🔹	Real 🔹	Blended (
÷	Hopitaux	Hospital	300,000 \$	37.5 %	245,025\$	61.3 %	61.3 %	0%	0 *
Ŧ	Autres	Others	200,000 \$	25 %	110,987 \$	27.7 %	27.7 %	0%	0 *
ŧ	Professionnel	Professional	100,000 \$	100 %	8,988\$	2.3 %	2.3 %	0%	0,

Primiums				Claims			Ratio		Infla	ition	
\$	3	%		\$	- 😮	%	3	Inflation 🔹	Real	- 😮	Blended 🔹

The operator will be able to view graphic of \$ or % distribution by clicking on any of the buttons. To return to the data entry form, the operator can click anywhere in the table grey zone.





You can segment further the premiums and claims information for each of these elements. You will be able to drill down your information up to 3 levels.

To do so simply	Addi	tional informati	ionDrug insurand	e							×
click on \pm on the	+	🗙 🛛 Total pr	remium : 80	00,000 \$	Total clair	ns :		0\$			
		I It	ems	l Primiu	ms	Claim	s	Ratio	Infk	ation	
left beside the		Desc. french	Desc. english	\$ 🔹	% 🔹	\$ 😨	% 😨	Inflation 🗟	Real 🔹	Blended 🔹	
element e.g.	Ĩ	Medicaments 💌	Drugs	300,000 \$	37.5 %	245,025\$	61.3 %	61.3 %	0%	0%	
E Medicaments	Addit	ional informati:	onDrug insuranc	e / Medican	ients						×
which you wish to	+	🗙 🛛 Primes t	otale : 25	0,000 \$	Prestation	is totale :	250	,000 \$			
which you wish to		Ite	ems	Prime	s	Prestatio	ons		Inflation		
segment further		Desc. français	Desc. anglais	\$ 😨	-% 🔹	\$ 🔹	% 😨	Ratio 🔹	Réelle 🔹	Pondérée 🔹	
-		Prescription	Prescription	50,000 \$	20 %	25,000 \$	10 %	10 %	11 %	1.1 %	
V	Ð	Génériques	Generic	50,000 \$	20 %	35,000 \$	14 %	14 %	12 %	1.7 %	
You can drill down	Ð	Exception	Life style	75,000 \$	30 %	45,000 \$	18 %	18 %	13 %	2.3 %	
your information up	Addi	tional informati	ionDrug insuranc	e / Medican	nents / E	xception					×
to 3 levels.	+	🗙 Primes t	totale : 7	75,000 \$	Prestation	ns totale :	45	;,000 \$			
		It	ems	Prime	s	Prestati	ons		Inflation		
		Desc. français	Desc. anglais	\$ 🔹	% 🔹	\$ 🔹	% 😨	Ratio 🔹	Réelle 🔹	Pondérée 😨	
	*	▼									

E - Calculation of needed adjustmen				gross premium,
\sum 1. Adjustment based on net experience	27.6 %	27.6 %	27.6 %	an access to a
	24.6 %	24.6 %	24.6 %	() box is
\sum 3. Balance of credibility	75.4 %	75.4 %	75.4 %	
				avallable.

Another assistant is available to help you define the credibility factors. Same as with

You will simply need to fill the relevant information that reflects the file being analysed.

Credibility rate calcul	ator assist	ant	×
Number of insured	6	Net experience rate	71.7
Number of insured years	3	Net experience rate (maximum 100)	71.7
Number of life-years (maximum 100)	18	Credibility rate	44.85
·····,		ОК	Cancel

Other assistants within this analysis management module will become available to facilitate the operator tasks. We invite the operator to explore each one of these new opportunities by seeking for and exploring the various fields allowing for (...) boxes.

B.1.b.ii Method 2

	😂 Renewal analy	sis - CSR8	B8REN3							
Method 2	Company	AAA - data	a demo	Experience period	Analys	is general informatio	ons UContract	or project to b	e analyzed	±×.
provides an	Analysis title Working structure	Data for di Division/D	splay only Jass	Actual tarification	2002/04/09 -	to 2005/05/31	▼ Type	Description		
additional tools	Menu	_			_	Tech	nical analysis			
to calculate the	Claim history		List of tab Benefit	oles + 🗙 h	Table title Benefit	Évolution de la tar Drug insurance	ification		•	
impact of	🔢 Technical analy	sis	PD	[DIV *,*][DIV 001,01]	Location	[DIV *,*][DIV 001,0	01]			
Method 1	Notes recomme	endations			Method 1 Meth	2005/05/09 👻	Status tabl	e	+ × 📶	
analysis to					Status table Monoparenti	l	Current rate	Adju 10 \$	ustment factor 107.9 %	
selected										
premiums or					Status					
rates.					Monoparen	tal	• • •			
					Current	Net experience	Credibility	Projected	Blended rate	
					10	\$ 71.7 %	24.6 %	1.16	2.05 \$	
					10	\$ 100 %	75.4 %	1.16	8.75 \$	
						Total	100 %		10.8 \$	
							Adjus	tment factor	107.9 %	

The blending period's option will be replaced by a choice of status: Individual, couple, family or single-parent. You can select analyse one or many status.

Status table $+ \times 2$ To define the required status, you can add or remove by using the + or X.

The 3rd button makes it possible to select specific divisions/classes or modules within the analysis period that you wish to process. Following this selection, an importation of the specific data to these locations will be carried out for the period referred to.

The "current rate" will be imported based on the benefit, status and location from the contract or project that was previously defined in the "contract or project to be analyzed" section.

	8		Current rate	: Adju	ustment factor
lonoparer	ital			10\$	107.
Status					
Monopare	intal				
Curren	t r	Vet experience	 Credibility	Projected	Blended rate
10	3	71.7 %	24.6 %	1.16	2.05 \$
10	3	100 %	75.4 %	1.16	8.75 \$
		Total	100 %		10.8 \$
					107.0.0/



These fields will be automatically imported from table Method 1: - experience (C.4 and 100%)

- credibility ratio (E.2 and E.3),
- credibility ratio (E.2 and E.3),

- inflation (D.1 \ast D.2 /12) and (1 + D.1)

- blended rates or premium becomes the results.

Information can be inputted manually to replace the automatic imports.

Whenever you click on method 1 then return to method 2, all the method 1 values will be automatically imported.

∑ 5. Total	417,000 \$	411,252 \$	501,500 \$
C - Net experience Ratio			
$\sum 1$. For period	118 %	125.8 %	110.5 %
-> 2. Blended rate for the period	10 %	30 %	20 %
\sum 3. Net blended experience Ratio	11.8 %	37.8 %	22.1 %
∑ 4. Total group	71.7 %	71.7 %	71.7 %
D - Projected Net experience Ratio			
1. Annual factor of inflation and usage	2.2 %	68.4 %	16 %
\sum 2. Number of months for projection	36	24	1:
∑ 3. Total	12.6 %	89.4 %	25.6 %
∑ 4. Total group	127.6 %	127.6 %	127.6 %
E - Calculation of needed adjustmen			
\sum 1. Adjustment based on net experience	27.6 %	27.6 %	27.6 %
→ 2. Credibility based on history	24.6 %	24.6 %	24.6 %
\sum 3. Balance of credibility	75.4 %	75.4 %	75.4 %
\sum 4. Theoretical adjustment	86.6 %	86.6 %	86.6 %
∑ 5. Adjustment Factor	172.1 %	172.1 %	172.1 %
Suggested carrier factor	12 %	12 %	12 %
Negotiated factor	8%	8%	8%

B.1.b.iii Notes

Corresponds to personal notes of the operator. This information will be printed in the analysis report.

B.1.b.iv Configuration

The "Configuration" tab provides with the means to define the process parameters which will be used in method Method 1 Method 2 Notes Configuration

 You will be able to determine for your analysis the usage of:
 Gross or Net premiums,

-			
S	Premium usage	Gross	-
	Claim usage	Paid	•
	Ratio calculation method	Paid benefits / net premiums	•
1	Expense calculation method	%	•

- Paid or Incurred claims,
 Calculation ratio method and finally
- Define if administration expenses are based on fixed amounts or % of the gross or adjusted premium.

The last configuration setup will be used as default configuration for the following new analysis.

B.2- Notes and recommendations

These notes and recommendations will be printed on your analysis report.

B.3- Analysis Report

See report samples as generated that are available in appendix.



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Technical	analysis	(method	1)
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Title Évolution de la tarification **Extended Health** Benefit

Date 2005/05/09 Location [DIV *,*][DIV 001,01]

Blending period

From:	2002/05/31	2003/05/31	2004/05/31
To:	2003/02/23	2004/02/23	2005/02/23
A - Premiums			
1. Gross Premiums	800000 \$	700000 \$	650000 \$
2. Adjusted premiums	485000 \$	486000 \$	640000 \$
3. Administrative expenses of the period	106700 \$	131220 \$	160000 \$
4. Administrative expenses (pct)	22 %	27 %	25 %
5. Pooling expenses	25000 \$	28000 \$	26000 \$
7. Total	353300 \$	326780 \$	454000 \$
B - Incurred claims			
1. Paid claims during the period	0\$	0\$	0\$
2. Incurred claims	450000 \$	425252 \$	521000 \$
3. Variation of IBNR reserve	2000 \$	18000 \$	12000 \$
4. Pooled claims	35000 \$	32000 \$	31500 \$
5. Total	417000 \$	411252 \$	501500 \$
C - Ratio d''expérience nette			
1. For period	118 %	125.8 %	110.5 %
2. Blended rate for the period	10 %	30 %	20 %
3. Net blended experience Ratio	11.8 %	37.8 %	22.1 %
4. Total group			71.7 %
D - Projected Net experience Ratio			
1. Annual factor of inflation and usage increase	2.2 %	68.4 %	16 %
2. Number of months for projection	36	24	12
3. Total	12.6 %	89.4 %	25.6 %
4. Total group			127.6 %
E - Calculation of needed adjustment factor			
1. Adjustment based on net experience			27.6 %
2. Credibility based on history			24.6 %
3. Balance of credibility			75.4 %
4. Theoretical adjustment			86.6 %
5. Adjustment Factor			172.1 %
Suggested carrier factor			12 %
Negotiated factor			8 %

(Fig 1.0)



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(Fig 1.1)

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Premium and Claims breakdown

Blending period	2002/05/31 to 2003/02/23	Location [DIV *,*][DIV 001,01]							
Benefit Extended Health		Premiums E		Benefits	Benefits				
Drugs		_ه 200000	25	_ه 35000	8.7	Rail0 %	Real %	2.2	
Life style		50000	25	15000	42.9	42.9	0	0	
Generic		50000	25	15000	42.9	42.9	0	0	
New		50000	25	3000	8.6	8.6	0	0	
Others		50000	25	2000	5.6	5.6	0	0	
Hospital		300000	37.5	245025	61.3	61.3	0	0	
Others		200000	25	110987	27.7	27.7	0	0	
Professional		100000	100	8988	2.3	2.3	0	0	
Totals		800000	187.5	400000	100	100		2.2	

Premium and Claims breakdown

Blending period 2003/05/31 to 2004/02/23 Location [DIV *,*][DIV 001,01] Benefit Extended Health Premiums Benefits Inflation \$ % \$ % Ratio % Real % Blended % Drugs 35.7 Prescription 1.1 Generic 1.7 Life style 2.3 New 1.4 Others Professional 14.3 3.4 Hospital 28.6 **Out of Province** 3.6 Out of country 9.3 Others 8.5 Totals 68.4

Premium and Claims breakdown

Blending period	2004/05/31 to 2005/02/23	Location [DIV *,*][DIV 001,01]							
Benefit Extended Health		Premiums		Benefits	Benefits		Inflation		
		\$	%	\$	%	Ratio %	Real %	Blended %	
Drugs		200000	30.8	125000	25	25	0	0	
New		100000	50	65000	52	52	0	0	
Generic		50000	25	30000	24	24	0	0	
Life style		25000	12.5	12350	9.9	9.9	0	0	
Others		25000	12.5	17650	14.1	14.1	0	0	

(Fig 1.2)

(Fig 1.3)

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Hospital	125000	19.2	52000	10.4	10.4	0	0
Out of Province	50000	7.7	35000	7	7	0	0
Out of country	125000	19.2	95000	19	19	0	0
Professional	100000	15.4	125000	25	25	0	0
Others	50000	7.7	68000	13.6	13.6	0	0
Totals	650000	100	500000	100	100		0





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(Fig 1.3.1)





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Technical analysis (method 2)

TitleÉvolution de la tarificationBenefitExtended Health

Date 2005/05/09 Location [DIV *,*][DIV 001,01]

Table for status : Single

Current rate	Net experience	Credibility	Projected inflation	Blended rate	
10 \$	71.7 %	24.6 %	1.16	2.05 \$	
10 \$	100 %	75.4 %	1.16	8.75 \$	
Total		100 %		10.8 \$	
		Adjustment factor		107.9 %	