

Montana State Fund

	<u>2007</u>	<u>2008</u>	<u>2009</u>
1 WC Paid Dollars	115,849,169	124,139,778	122,460,166
2 WC Incurred Dollars	187,821,156	194,249,598	178,246,355
3 Payroll	4,837,355,922	4,929,658,343	4,601,508,000
4 WC Premium	238,202,708	230,965,306	203,976,354
5 WC Prem / \$100 Payroll	\$4.92	\$4.69	\$4.43
6 WC Incurred / \$100 Payroll	\$3.88	\$3.94	\$3.87
7 WC Paid / \$100 Payroll	\$2.39	\$2.52	\$2.66
8 % Change in Paid Loss	5.3%	7.2%	-1.4%
9 Medical Inflation	7.0%	7.0%	7.0%
10 Rate Change	see table below for FY2002-2009		
11 Injury Rate	46.01	44.98	41.24

Notes:

FY benefit payments based on FY2007-FY2009 financial statements
 incurred losses as reported in FY2007-FY2009 financial statements
 AY covered payroll, developed to ultimate as of 10/1/2009
 net earned premium as reported in FY2007-FY2009 financial statements
 [line 4 / line 3] x 100 See also note #1 below
 [line 2 / line 3] x 100 See also note #1 below
 [line 1 / line 3] x 100 See also note #2 below
 this is not a meaningful statistic*
 estimated medical severity trend from 6/30/2009 reserve analysis
 manual rate change effective July 1st
 nonzero loss claims per \$1 million on-level manual premium; estimated as of 10/1/2009

MSF Average Manual Rate Change	
<u>FY</u>	<u>Rate Change</u>
2002	2.7%
2003	2.8%
2004	11.6%
2005	9.5%
2006	3.0%
2007	2.4%
2008	-1.0%
2009	-3.0%

1 Primarily reflects mix of business insured. Different business activities will inherently reflect varying rates of loss relative to payroll (i.e. office workers vs construction workers). Net premium rate and pure premium incurred will not be comparable across insurers.

2 Annual payments are subject to changes in loss-costs, insured business volumes, mix of business, duration of liabilities, and how long an insurer has been in operation (MSF has been in operation since 7/1/1990).