



WASHINGTON STATE TRANSIT INSURANCE POOL | RISK MANAGEMENT IN MOTION

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2021 BUDGET

Overview, Narrative & Appendices



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Executive Summary

The following is a comparative summary of the 2021 proposed budget to the 2020 adopted budget.

	2021 Budget	2020 Budget	Change
Total Operating Revenues	\$ 17,665,508	\$ 19,168,452	-8%
Total Operating Expenses	15,915,000	16,118,452	-1%
Total Other Income	500,000	450,000	11%
Net Income (Anticipated Surplus)	\$ 2,250,508	\$ 3,500,000	-36%

Budget Highlights by Grouping

Loss Fund

Our PwC actuaries have determined the loss fund to be \$8,279,000, a 9% decrease over the prior year. The reduction is attributed to lower exposure units, specifically mileage.

Insurance Costs

Insurance costs are presented at \$3,975,000, a 11% increase over the prior year with the increase attributed to the hardening of the property and liability markets.

General Administrative

The general administrative budget is presented at \$3,661,000, a 2% increase over the prior year with the increase attributed to the addition of the Deputy Director position, and a general wage increase for staff. Pursuant to the Board's request in September, this budget reflects a reduction in funding for the Technology Grant.

Total Operating Expenses

Total operating expenses is inclusive of all expenses and is presented at \$15,915,000. The proposed operating budget aligns with target ratios that are established the Audit Committee. Staff anticipate a \$2,250,508 contribution to net position at the end of 2021. This would exceed the actuary surplus of \$2,090,000 by \$160,508.

Ratios	Target	2021 Budget	2020 Budget
Incurring Claims Loss	Less than 50%	47%	51%
Insurance Services	Less than 20%	20%	18%
G&A Expense	Less than 25%	23%	21%
Operating	Less than 95%	90%	84%

Budget Development Policy and Rate Review

The Budget Development Policy establishes a rate stability goal of 5%. This is measured as a year over year comparison of the budget (the total costs from the actuarial report without the equity contribution).

Rates	Avg	2021	2020	2019	2018	2017	2016	2015	2014	2013
With Equity Contribution	6%	3%	7%	9%	7%	10%	5%	5%	4%	2%
Without Equity Contribution	4%	3%	2%	4%	8%	12%	1%	1%	3%	2%

See Appendix A for a more detailed presentation of rates with and without the equity contribution.



Budget Summary

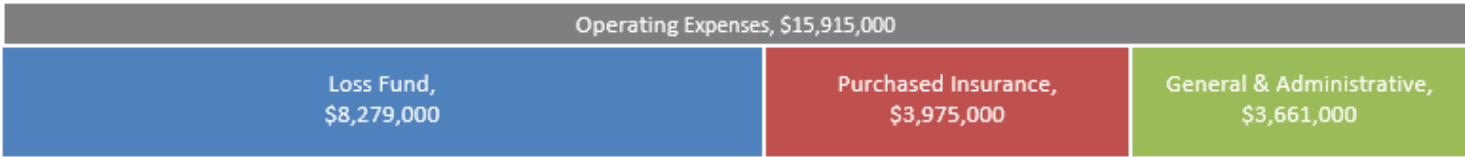
Operating Revenues	2021 Budget	2020 Budget	Change
Member Assessments	\$ 16,631,414	\$ 18,371,799	-9%
Other Rating Cost Components	896,183	894,858	0%
Total Assessment	17,527,597	19,266,657	-9%
Prior Period Assessment Audit	37,911	(98,205)	-139%
Other Operating Revenues	100,000	-	100%
Total Operating Revenues	\$ 17,665,508	\$ 19,168,452	-8%

Operating Expenses

Loss Fund	Claims & Loss Adjustments	\$ 8,279,000	\$ 9,072,000	-9%
	Purchased Insurance - Liability	1,907,000	1,893,000	1%
Insurance	Purchased Insurance - Property	1,563,000	1,179,000	33%
	Other Insurance Products	505,000	497,657	1%
	Payroll & Benefits	1,806,000	1,508,000	20%
General & Admin	Contracted Services	581,000	588,000	-1%
	Risk & Loss Prevention	375,000	572,000	-34%
	Training & Education	123,000	123,000	0%
	Technical & Subscription Services	282,000	282,000	0%
	Administrative	494,000	502,000	-2%
	Prior Period Assessment Audit	-	(98,205)	-100%
	Total Operating Expenses	15,915,000	16,118,452	-1%
	Total Operating Income (Loss)	\$ 1,750,508	\$ 3,050,000	

Other Income (Expense)

Interest Income	500,000	450,000	11%
Total Other Income (Expense)	500,000	450,000	11%
Anticipated Change in Net Position	\$ 2,250,508	\$ 3,500,000	-36%



Budget by Grouping

Loss Fund

Is presented at \$8,279,000, a 9% decrease over the prior year.

The loss fund is the largest expenditure grouping and is determined by our actuary based on various rating units to determine Members exposure (or potential) for loss. As noted below, miles and employee counts are estimated to decline in 2021 due in large part to the impacts of COVID-19. Vehicle values are up as several Members purchased battery/electric busses. Property values have been increasing year over year and in 2020 there were new or renovated transit properties which increased the potential exposure to loss.

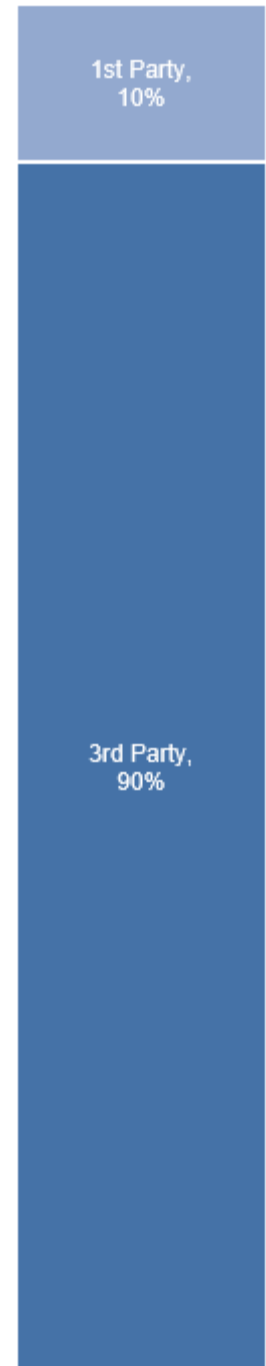
Rating Units	2021 E	2020 E	Change	2019 A&E	2021/2019
Mileage	90,390,872	107,802,866	-16.2%	104,938,893 A	-13.9%
Employee Counts	5,598	5,683	-1.5%	5,479 A	2.2%
Vehicle Values	458,352	415,111	10.4%	360,490 E	27.1%
Property Values	741,700	707,670	4.8%	604,385 E	22.7%

A = Actual E = Estimate P = Proposed

1st Party Loss Insurance – is when a Member files a claim to cover a loss of the Member. We often talk about these types of loss as they pertain to the Auto Physical Damage and Property coverages which are underwritten by the vehicle and property insured values. For 2021, the estimated cost of 1st party losses is \$861,000, a 27% increase over the prior year due primarily to the increase of values. Represents 10% of the total loss fund for 2021.

3rd Party Loss Insurance – is when another person is injured on or by a Member’s actions. We often talk about these types of loss as they pertain to the Auto Liability coverage which is underwritten by miles and the Other than Auto Liability coverage which is underwritten by employee counts. The cost of insuring miles travelled is the most substantial portion of each Member’s assessment. For 2021, the estimated cost of 3rd party losses is \$7,418,000, a 12% decrease over the prior year due primarily to reduced miles and employee counts. Represents 90% of total loss fund for 2021.

Loss Type	Coverages	2021 Budget	2020 Budget	Change
1st party	Auto Physical Damage	\$ 754,000	\$ 539,000	40%
1st party	Property	107,000	140,000	-24%
Total 1st Party		\$ 861,000	\$ 679,000	27%
3rd Party	Auto Liability	\$ 6,234,000	\$ 7,234,000	-14%
3rd Party	Other than Auto Liability	1,184,000	1,159,000	2%
Total 3rd Party		7,418,000	8,393,000	-12%
Total For All Coverages		\$ 8,279,000	\$ 9,072,000	-9%





Operating Expenses, \$15,915,000		
Loss Fund, \$8,279,000	Purchased Insurance, \$3,975,000	General & Administrative, \$3,661,000

Purchased Insurance

On the previous page we spoke to the cost of claims (losses) as a cost group. We will now discuss the cost of purchased insurance which is presented at \$3,975,000, a 11% increase with the cost group summarized below.

Purchased Insurance	2021 Budget	2020 Budget	Change
Liability	\$ 1,907,000	\$ 1,893,000	1%
Property	1,563,000	1,179,000	33%
Other Insurance Products	505,000	497,657	1%
Total Purchased Insurance	\$ 3,975,000	\$ 3,569,657	11%

Liability – For 2021 WSTIP will provide \$25 million of liability coverage which is accomplished through layers of coverage (see graph below). Purchased liability coverage will cost \$1,907,000, a 1% increase over the prior year which is low primarily due to reduced miles and employee counts. Represents 48% of all purchased insurance for 2021.

Combined Layer	Layer	Provider	2021 Budget	2020 Budget	Change
25M	5M	Allied	\$ 104,000	\$ 87,000	20%
20M	5M	Hallmark	174,000	145,000	20%
15M	10M	MunichRe	499,000	435,000	15%
5M	3M	GEM	1,130,000	1,226,000	-8%
2M	2M	WSTIP	-	-	-
Total Purchased Liability			\$ 1,907,000	\$ 1,893,000	1%

Property – For 2021 WSTIP will provide a \$250,000 SIR with the remainder of coverage provided by the Alliant Property Insurance Program (APIP) with a limit of \$500 million. Purchased property coverage will cost \$1,563,000, a 33% increase over the prior year due primarily to a hardening market. The costs took affect with the July 1 renewal. Represents 39% of all purchased insurance for 2021.

Other Insurance Products – is presented at \$505,000, a 1% increase over the prior year. This includes the cost of pollution, underground storage tanks, crime & fidelity, directors & officers, excess cyber and driver record monitoring. These other costs represent 13% of all purchased insurance for 2021.





Operating Expenses, \$15,915,000

Loss Fund,
\$8,279,000

Purchased Insurance,
\$3,975,000

General & Administrative,
\$3,661,000

General & Administrative

This cost group is presented at \$3,661,000, a 2% increase over the prior year. For greater detail read the narrative below and see the line item budget in the pages that follow.

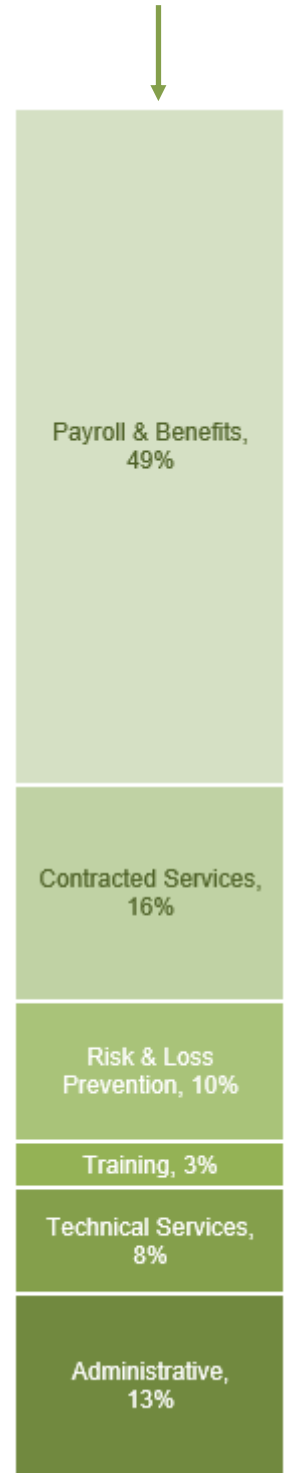
Payroll & Benefits – is presented at \$1,806,000, a 20% increase over the prior year. The increase is primarily related to the addition of the Deputy Director position but also includes a 3% general wage increase for WSTIP staff, has a budgetary allowance for general leave sellback and budgets for two remaining employees to enroll in WSTIP’s health insurance coverage which is partially offset in 2021 as employees pay 10% of the cost of dependent health insurance coverage This category represents 49% of all general & administrative costs for 2021.

Contracted Services – is presented at \$581,000, a 1% decrease over the prior year. The decrease is primarily due to reductions in accounting review services, claims review services and administrative projects. These reductions are partially offset as we budget for the capital funding study and the salary survey. Included in this category are the broker, actuary, general counsel and state risk manager costs. Fees for professional services such as financial audits, claims and property audits, and IT support services. This category represents 16% of all general & administrative costs for 2021.

Risk & Loss Prevention – is presented at \$375,000, a 34% decrease over the prior year. The decrease is due to a change in technology grant funding. This category includes all the grant funding programs, pre-litigation, technical assistance, guest rider program, vanpool driver online refresher, recognition programs like Above & Beyond, Safety Stars and Safe Driver awards. Represents 10% of all general & administrative costs for 2021.

Training & Education – is presented at \$123,000, a 0% increase over the prior year. Includes the external costs for WSTIP to training programs including the trainer’s showcase, the claims conference and the Jeffrey S. Ristau Scholarship. Represents 3% of all general & administrative costs for 2021.

Administrative – is presented at \$494,000, a 2% decrease over the prior year. Includes the cost of board travel, meetings, board development. Includes staff travel, professional development and wellness programs. Includes membership dues and subscriptions, office supplies, postage & delivery, printing & graphic services, banking fees and new for 2021 is the purchase of excess cyber coverage for WSTIP. Includes all occupancy expenses: building & office equipment, repairs, maintenance, janitorial services, communications, utilities, leasehold taxes and the copier lease. Represents 13% of all general & administrative costs for 2021.





Budget by Line Item

Account Description	[A] 2021 Budget			[B] 2020 Budget	(A-B) / B
	As Proposed Dec 2020	Adjustments Nov 2020	As Proposed Sep 2020	As Adopted Dec 2019	2021 / 2020 % Change
Operating Revenues					
4000 Member Assessments					
4001 Auto Liability - Fixed Route	7,469,182	(73,267)	7,542,449	8,224,728	-9%
4002 Auto Liability - Paratransit	1,451,823	(88,645)	1,540,468	1,951,025	-26%
4003 Auto Liability - Vanpool	1,884,220	(387,687)	2,271,907	2,940,077	-36%
4004 Auto Liability - Admin	639,637	(4,971)	644,608	732,488	-13%
4005 General Liability	2,045,199	(44,062)	2,089,261	2,110,477	-3%
4006 Auto Physical Damage	1,728,520	(557)	1,729,077	1,220,926	42%
4007 Property	1,412,833	(3,635)	1,416,468	1,192,078	19%
Total Member Assessments	\$ 16,631,414	\$ (602,824)	\$ 17,234,238	\$ 18,371,799	-9%
4100 Other Insurance Products					
4101 UIM - Fixed Route	183,178	(830)	184,008	142,046	29%
4102 UIM - Paratransit	49,414	(823)	50,237	63,778	-23%
4103 UIM - Vanpool	117,559	(25,370)	142,929	179,282	-34%
4104 UIM - Admin	18,015	51	17,964	12,075	49%
4105 Pollution	44,165	394	43,771	43,654	1%
4106 Underground Storage	30,668	-	30,668	32,526	-6%
4107 Crime & Fidelity	17,869	(131)	18,000	17,510	2%
4108 Directors & Officers	35,000	-	35,000	35,000	0%
4109 DRM - Transit Employees	145,970	8,604	137,366	146,961	-1%
4110 DRM - Vanpool / Volunteers	175,882	(2,506)	178,388	195,576	-10%
4111 Origami Licenses - Additional	22,950	(3,500)	26,450	26,450	-13%
4112 Cyber Extra Limits	55,513	-	55,513	-	100%
Total Other Insurance Products	\$ 896,183	\$ (24,111)	\$ 920,294	\$ 894,858	0%
4050 Prior Period Assessment Audit (PPAA)					
4051 PPAA - Auto Liability - Fixed Route	205,753	-	205,753	8,519	2315%
4052 PPAA - Auto Liability - Paratransit	28,819	-	28,819	(15,095)	-291%
4053 PPAA - Auto Liability - Vanpool	(215,702)	-	(215,702)	(69,086)	212%
4054 PPAA - Auto Liability - Admin	(6,476)	-	(6,476)	(50,959)	-87%
4055 PPAA - General Liability	19,993	-	19,993	29,363	-32%
4056 PPAA - UIM - Fixed Route	1,135	-	1,135	3,036	-63%
4057 PPAA - UIM - Paratransit	1,012	-	1,012	(49)	-2165%
4058 PPAA - UIM - Vanpool	(14,150)	-	(14,150)	(4,307)	229%
4059 PPAA - UIM - Admin	292	-	292	(664)	-144%
4060 PPAA - DRM - Transit Employees	9,447	-	9,447	561	1584%
4061 PPAA - DRM - Vanpool / Volunteers	7,788	-	7,788	476	1536%
Total Prior Period Audit Adjustment - PPAA	\$ 37,911	\$ -	\$ 37,911	\$ (98,205)	-139%
4200 Other Operating Revenue - Customers					
4205 Training Revenue - Grant Funded	34,000	34,000	-	-	100%
4210 Training Revenue - Fee Funded	24,000	24,000	-	-	100%
4220 Rental/Lease Income	18,000	18,000	-	-	100%
4225 DRM - ILA Customers	24,000	24,000	-	-	100%
Total 4100 Other Insurance Products	100,000	100,000	-	-	100%
Total Other Operating Revenues	\$ 996,183	\$ 75,889	\$ 920,294	\$ 894,858	11%
Total Operating Revenues	\$ 17,665,508	\$ (526,935)	\$ 18,192,443	\$ 19,168,452	-8%
Expenses					
5000 Claims & Loss Adjustments					
5001.01 Establishing Claims Reserve - 1st Party	861,000	-	861,000	679,000	27%
5001.03 Establishing Claims Reserve - 3rd Party	7,418,000	(292,000)	7,710,000	8,393,000	-12%
Total Claims & Loss Adjustments	\$ 8,279,000	\$ (292,000)	\$ 8,571,000	\$ 9,072,000	-9%



Account Description	[A]			[B] (A-B) / B	
	2021 Budget			2020 Budget	
	As Proposed Dec 2020	Adjustments Nov 2020	As Proposed Sep 2020	As Adopted Dec 2019	2021 / 2020 % Change
5100 Purchased Insurance - Liability					
5101 Reinsurance - GEMRe	1,130,000	369	1,129,631	1,226,000	-8%
5102 Reinsurance - MunichRe	499,000	500	498,500	435,000	15%
5103 Excess - \$5M excess of \$15M	174,000	-	174,000	145,000	20%
5104 Excess - \$5M excess of \$20M	104,000	(400)	104,400	87,000	20%
Total Purchased Insurance - Liability	\$ 1,907,000	\$ 469	\$ 1,906,531	\$ 1,893,000	1%
5200 Purchased Insurance - Property					
5201 Excess - Auto Physical Damage	344,000	-	344,000	260,000	32%
5202 Excess - Property	1,188,000	348	1,188,000	895,000	33%
5203 Excess - Cyber	31,000	-	31,000	24,000	29%
Total Purchased Insurance - Property	\$ 1,563,000	\$ 348	\$ 1,563,000	\$ 1,179,000	33%
5300 Other Insurance Products					
5301 Pollution	44,000	229	43,771	43,634	1%
5302 Underground Storage Tanks	31,000	332	30,668	32,526	-5%
5303 Crime & Fidelity	18,000	-	18,000	17,510	3%
5304 Directors & Officers	35,000	-	35,000	35,000	0%
5305 Driver Record Monitoring	322,000	148	321,852	342,537	-6%
5306 Driver Record Monitoring - (Recovered)	(24,000)	-	(24,000)	-	0%
5307 Origami Licenses - Additional	23,000	50	22,950	26,450	-13%
5308 Excess Cyber (Optional)	56,000	487	55,513	-	100%
Total Other Insurance Products	\$ 505,000	\$ 1,246	\$ 503,754	\$ 497,657	1%
6000 Payroll & Benefits					
6001 Salaries & Wages	1,322,000	38,000	1,284,000	1,089,000	21%
6002 Employee Benefits	214,000	500	213,500	190,000	12%
6003 Pension & 401(a) Withholdings	240,000	7,000	233,000	203,000	15%
6004 Payroll Taxes	30,000	500	29,500	26,000	13%
Total Payroll & Benefits	\$ 1,806,000	\$ 46,000	\$ 1,760,000	\$ 1,508,000	20%
6100 Contracted Services					
6101 Insurance Broker	115,000	-	115,000	115,000	0%
6102 Actuary	121,000	-	121,000	121,000	0%
6103 General Counsel	100,000	-	100,000	100,000	0%
6104 State Risk Manager	12,000	-	12,000	12,000	0%
6105 Audits - Financial/Accountability	15,000	-	15,000	15,000	0%
6106 Audits - Claims/Property/AGRIIP	15,000	-	15,000	15,000	0%
6107 IT Support Services	80,000	-	80,000	80,000	0%
6108 Accounting Review Services	10,000	-	10,000	35,000	-71%
6109 Claims Review Services	5,000	-	5,000	20,000	-75%
6110 Administrative Projects	30,000	-	30,000	50,000	-40%
6111 IT Projects	20,000	-	20,000	25,000	-20%
6112 Capital Funding Study	55,000	-	55,000	-	100%
6113 Salary Survey	3,000	-	3,000	-	100%
Total Contracted Services	\$ 581,000	\$ -	\$ 581,000	\$ 588,000	-1%
7000 Risk & Loss Prevention					
7001 Grants - Risk Management	62,500	-	62,500	65,000	-4%
7002 Grants - Network Security	50,000	-	50,000	52,000	-4%
7003 Grants - Technology Risk Reduction	75,000	(175,000)	250,000	250,000	0%
7004 Pre-Litigation Fund	75,000	-	75,000	75,000	0%
7005 Tech Assistance for Members	40,000	-	40,000	40,000	0%
7006 Guest Rider Program	10,000	-	10,000	15,000	-33%
7007 Vanpool Driver Online Refresher	5,000	-	5,000	5,000	0%



Account Description	[A]			[B]		(A-B) / B
	2021 Budget			2020 Budget		
	As Proposed Dec 2020	Adjustments Nov 2020	As Proposed Sep 2020	As Adopted Dec 2019	2021 / 2020 % Change	
7008 Recognition Programs	20,000	-	20,000	20,000	0%	
7009 Sponsorships	15,000	-	15,000	15,000	0%	
7010 Collision Avoidance Technology	7,500	-	7,500	20,000	-63%	
7011 Loss Prevention - Other	15,000	-	15,000	15,000	0%	
Total Risk & Loss Prevention	\$ 375,000	\$ (175,000)	\$ 550,000	\$ 572,000	-34%	
7100 Training & Education						
7101 Training Events	87,000	-	87,000	95,000	-8%	
7102 Trainers Show case	8,000	-	8,000		100%	
7103 Claims Conference	8,000	-	8,000	8,000	0%	
7104 Ristau Scholarship	20,000	-	20,000	20,000	0%	
Total Training & Education	\$ 123,000	\$ -	\$ 123,000	\$ 123,000	0%	
7200 Technical & Subscription Services						
7201 Origami - Risk Mgmt Info System	140,000	-	140,000	140,000	0%	
7202 Hardware & Network Components/Support	50,000	-	50,000	50,000	0%	
7203 Software & Licenses	68,000	-	68,000	68,000	0%	
7204 MSDS Online	12,000	-	12,000	12,000	0%	
7205 MRSC Library (shared cost with WSTA)	12,000	-	12,000	12,000	0%	
Total Technical & Subscription Services	\$ 282,000	\$ -	\$ 282,000	\$ 282,000	0%	
7300 Administrative						
7301 Board - Travel & Lodging	115,000	-	115,000	115,000	0%	
7302 Board - Governance Development	15,000	-	15,000	15,000	0%	
7303 Board - Meetings	80,000	-	80,000	80,000	0%	
7304 Board - Expenses - Other	10,000	-	10,000	10,000	0%	
7401 Staff - Travel & Lodging	85,000	-	85,000	85,000	0%	
7402 Staff - Professional Development	30,000	-	30,000	30,000	0%	
7403 Staff - Wellness Programs	3,000	-	3,000	3,000	0%	
7501 Admin - Dues & Subscriptions	15,000	-	15,000	15,000	0%	
7502 Admin - Office Supplies	17,000	-	17,000	17,000	0%	
7503 Admin - Postage & Delivery	4,000	-	4,000	4,000	0%	
7504 Admin - Printing & Graphic Services	15,000	-	15,000	15,000	0%	
7505 Admin - Bank Charges & Fees	8,000	-	8,000	18,000	-56%	
7506 Admin - Miscellaneous	1,000	-	1,000	2,000	-50%	
7507 Admin - Extra Cyber	3,000	-	3,000		100%	
7601 Occupancy - Building & Office Equipment	20,000	-	20,000	20,000	0%	
7602 Occupancy - Repairs, Maint & Janitorial Svcs	25,000	-	25,000	25,000	0%	
7603 Occupancy - Communications	26,440	-	26,440	25,000	6%	
7604 Occupancy - Communications - (Recovered)	(1,440)	-	(1,440)		100%	
7605 Occupancy - Utilities	14,000	-	14,000	14,000	0%	
7607 Occupancy - Rental/Leasehold Taxes	3,000	-	3,000	3,000	0%	
7608 Occupancy - Equipment Lease (copier)	6,000	-	6,000	6,000	0%	
Total Administrative	\$ 494,000	\$ -	\$ 494,000	\$ 502,000	-2%	
Prior Period Assessment Audit Exp - PPA	-	-	-	(98,205)	-100%	
Total Operating Expenses	\$ 15,915,000	\$ (418,937)	\$ 16,334,285	\$ 16,118,452	-1%	
Net Operating Income	1,750,508	(107,998)	1,858,158	3,050,000	-43%	
9000 Interest Income	500,000	-	500,000	450,000	11%	
Net Income (Anticipated Budget Surplus)	\$ 2,250,508	\$ (107,998)	\$ 2,358,158	\$ 3,500,000	-36%	
Target Surplus (from Exhibit 8-1)	\$ 2,090,000		\$ 2,300,000	\$ 3,500,000	-40%	
Surplus above target surplus	\$ 160,508		\$ 58,158	\$ -		



What isn't in the Budget

Non-Cash Expenditures – are excluded from the budget as we aren't seeking authority to spend or appropriate funds. Examples of non-cash expenditures not in the budget:

- Depreciation Expense
- Deferred Outflows/Inflows of Resources Related to Pensions
- Other Postemployment Benefit (OPEB) Liability
- Incurred But Not Reported (IBNR) Loss Reserves
- Unallocated Loss Adjustment Expenses (ULAE)

Building Reserve Fund – \$25,000 is set aside each year for capital improvements to the Olympia office.



Appendix A: Rate Stabilization Analysis/History

Washington State Transit Insurance Pool
 Rate Stabilization Analysis
 Prepared for Board Mtg on Dec 04, 2020

		2021	2020	2019	2018	2017	2016	2015	2014	2013
		As of Jun 2020**	As of Jun 2019	As of Jun 2018	As of Jun 2017	As of Jun 2016	As of Jun 2015	As of Jun 2014	As of Jun 2013	As of Jun 2012
Cost with UIM Adjustment	[A]	17,288,000	18,852,000	17,117,001	15,291,427	14,227,165	12,808,095	11,876,810	11,376,020	10,898,048
Backout Equity Contribution		(2,090,000)	(3,500,000)	(2,500,000)	(1,600,000)	(1,675,000)	(1,664,000)	(1,079,218)	(645,821)	(530,137)
Cost less Equity	[B]	15,198,000	15,352,000	14,617,001	13,691,427	12,552,165	11,144,095	10,797,592	10,730,199	10,367,911
Estimated Mileage Exposure	[C]	90,390,872	107,802,866	104,760,600	101,912,482	101,347,675	100,341,488	97,742,393	98,160,526	97,994,186
Value based on segments		16,777,841								
With Equity										
Current Year (CY) Rate	[A] / [C] = [D]	0.1913	0.1749	0.1634	0.1500	0.1404	0.1276	0.1215	0.1159	0.1112
Prior Year (PY) Rate	[E]	0.1856	0.1634	0.1500	0.1404	0.1276	0.1215	0.1159	0.1112	0.1093
Rate Change over PY	[D] / [E] - 1	3%	7%	9%	7%	10%	5%	5%	4%	2%
Average of periods shown		6%								
Without Equity										
Current Year (CY) Rate	[B] / [C] = [F]	0.1681	0.1424	0.1395	0.1343	0.1239	0.1111	0.1105	0.1093	0.1058
Prior Year (PY) Rate	[G]	0.1625	0.1395	0.1343	0.1239	0.1111	0.1105	0.1093	0.1058	0.1040
Rate Change over PY	[F] / [G] - 1	3%	2%	4%	8%	12%	1%	1%	3%	2%
Average of periods shown		4%								

** The actuary model of Exhibit 8-1 introduced a modified methodology for calculating the change of rate, this was due to a reduction in rating units.