

PROSIGHT SPECIALTY

CALIFORNIA

Premium Audit & Refund Premium Impact

Data as of : 2/28/2021

| LOB | (1) Post-Refund Estimated ULR CAY2020 | (2) Premium Refund to Date | (3) Pre-Refund Estimated ULR CAY2020 | (4) Change (1) - (3) | (5) Post-Refund Estimated GEP CY2020 | (6) Post Refund & Audit GEP CY2020 | (7) TCR | (8) ER | (9) TLR | (10) Post-Refund Rate Need | (11) Post Refund & Audit ULR CAY2020 | (12) Post Refund & Audit Rate Need |
|---------------------|---|----------------------------------|--|----------------------------|--|--|--------------|--------------|--------------|----------------------------------|--|---|
| | | | | | | | | | (7) - (8) | [(1) / (9)] - 1.0 | | [(11) / (9)] - 1.0 |
| Auto | 63.1% | 10,320,363 | 57.5% | 5.6% | 53,428,307 | 53,428,307 | 95.0% | 34.5% | 60.5% | 4.3% | 63.1% | 4.3% |
| WC | 52.6% | 908,251 | 52.0% | 0.6% | 40,724,877 | 38,691,714 | 95.0% | 31.7% | 63.3% | -16.9% | 55.3% | -12.6% |
| GL | 62.3% | 823,442 | 61.3% | 1.0% | 26,034,437 | 26,034,437 | 95.0% | 37.2% | 57.8% | 7.8% | 62.3% | 7.8% |
| Auto, WC, GL | 59.3% | 12,052,056 | 56.5% | 2.8% | 120,187,621 | 118,154,458 | 95.0% | 34.2% | 60.8% | -2.5% | 60.4% | -0.8% |

| PY 2020 Covid Return Premiums - April - December 2020 | | | | Estimated Audit Return Premium | | TOTAL |
|---|-------------------|----------------|-------------------|--------------------------------|------------------|-------------------|
| LOB | NYM | GIC | TOTAL | PY 2019 | PY2020 | Refund & Audit |
| CA | 10,234,028 | 86,335 | 10,320,363 | 0 | 0 | 10,320,363 |
| WC | 908,251 | - | 908,251 | 3,000,000 | 1,000,000 | 4,908,251 |
| CML | 97,868 | 725,574 | 823,442 | 0 | 0 | 823,442 |
| CMP | 288,890 | - | 288,890 | 0 | 0 | 288,890 |
| TOTAL | 11,529,037 | 811,909 | 12,340,946 | 3,000,000 | 1,000,000 | 16,340,946 |

| Estimated Audit Return Premium - WC | | | |
|-------------------------------------|------------------|-------------------|----------------|
| Policy Period | Return Premium | Subject Premium * | Est % Returned |
| PY19 | 3,915,058 | 22,032,466 | 18% |
| PY20 - 1/1 - 4/1 | 2,541,178 | 14,183,320 | 18% |
| PY20 - 5/1 - 9/1 | 83,132 | 6,334,742 | 1% |
| PY20 - 10/1 - 12/1 | - | 2,279,911 | 0% |
| PY20 | 2,624,310 | 22,797,973 | 12% |
| TOTAL | 6,539,368 | 44,830,440 | 15% |

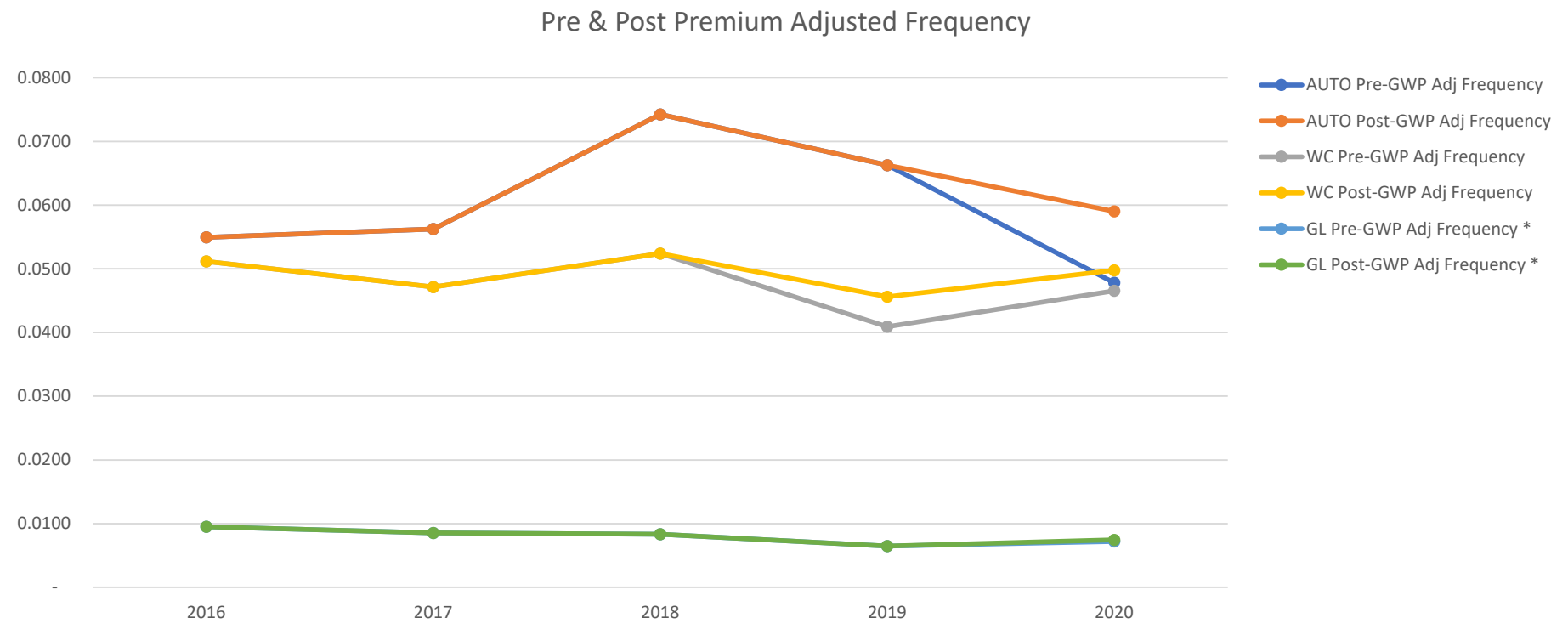
Actual Audit Premium 1,646,257 <-- Actual audit premium booked from Jan 2020 through March 2021 for policies effective March 15, 2019 through Dec 2020
 Premium Refund YTD 908,251 <-- YTD Refund RP's on PY 2019 & PY 2020
 Est Add'l RP **3,984,860** <-- Total estimated return premium less audit premiums collected less premium refunds previously given
 Rounded RP **4,000,000**

* Subject premium is estimated premium earned from Jan 2020 through March 2021 on policies written in PY2019 and PY2020

PROSIGHT SPECIALTY INSURANCE

Frequency Analysis - Pre and Post Premium Adjustments

| PY | AUTO | | WC | | GL | |
|------|----------------------------|-----------------------------|--------------------------|---------------------------|----------------------------|-----------------------------|
| | AUTO Pre-GWP Adj Frequency | AUTO Post-GWP Adj Frequency | WC Pre-GWP Adj Frequency | WC Post-GWP Adj Frequency | GL Pre-GWP Adj Frequency * | GL Post-GWP Adj Frequency * |
| 2016 | 0.0549 | 0.0549 | 0.0512 | 0.0512 | 0.0095 | 0.0095 |
| 2017 | 0.0562 | 0.0562 | 0.0471 | 0.0471 | 0.0085 | 0.0085 |
| 2018 | 0.0742 | 0.0742 | 0.0524 | 0.0524 | 0.0083 | 0.0083 |
| 2019 | 0.0663 | 0.0663 | 0.0409 | 0.0456 | 0.0065 | 0.0065 |
| 2020 | 0.0478 | 0.0590 | 0.0465 | 0.0498 | 0.0072 | 0.0074 |



* GL pre and post premium adjustment are the same since minimal amount returned in 2020.

ProSight Specialty Insurance

California Experience

| Incurred Loss Ratios | | Auto Liability | | | |
|----------------------|--------------|-----------------------------|-----|-----|-----|
| | | Evaluated as of (in Months) | | | |
| Policy Year | Policy Qtr * | 3 | 6 | 9 | 12 |
| 2018 | 1 | 7% | 19% | 21% | 18% |
| 2018 | 2 | 11% | 16% | 21% | 22% |
| 2018 | 3 | 29% | 29% | 29% | 25% |
| 2018 | 4 | 7% | 19% | 17% | 17% |
| 2019 | 1 | 3% | 9% | 14% | 18% |
| 2019 | 2 | 7% | 12% | 21% | 22% |
| 2019 | 3 | 3% | 15% | 19% | 23% |
| 2019 | 4 | 5% | 13% | 25% | 24% |
| 2020 | 1 | 9% | 14% | 16% | 18% |
| 2020 | 2 | 4% | 6% | 18% | |
| 2020 | 3 | 7% | 10% | | |
| 2020 | 4 | 5% | | | |

<----Row 1 represents business written Jan-Mar; Col's 3, 6, 9, & 12 represent evaluations as of Mar (3), June (6), Sept (9), & Dec (12)
 <----Row 2 represents business written April-June; Col's 3, 6, & 9 represent evaluations as of June (3), Sept (6), & Dec (9)
 <----Row 3 represents business written July-Sept; Col's 3 & 6 represent evaluations as of Sept (3) and Dec (6)
 <----Row 4 represents business written Oct-Dec; Col 3 represents evaluation as of Dec (3)

| Incurred Loss Ratios | | Auto Liability | | | |
|----------------------|--|-----------------------------|-----|-----|-----|
| | | Evaluated as of (in Months) | | | |
| Policy Year | | 3 | 6 | 9 | 12 |
| 2012 | | 3% | 10% | 13% | 13% |
| 2013 | | 1% | 6% | 44% | 31% |
| 2014 | | 12% | 18% | 18% | 20% |
| 2015 | | 4% | 19% | 23% | 43% |
| 2016 | | 14% | 19% | 20% | 29% |
| 2017 | | 10% | 17% | 16% | 19% |
| 2018 | | 7% | 17% | 20% | 20% |
| 2019 | | 3% | 8% | 12% | 17% |
| 2020 | | 9% | 11% | 11% | 16% |

Notes/Comments:

Policy Quarter 2 ("PQ2") showed decreased loss ratios from PQ1 as of June and September; loss ratios increased for PQ3, potentially reflecting right-sizing of exposures and premium refunds.
 PY2020 @Q4 appears to have normalized relative to prior periods
 Average charged rate change for 2018-2020 has been +9%

* Policy Qtr: reflects policy effective dates. E.G. Pol Qtr 1 is all policies with effective dates between 1/1 and 3/31 for each respective policy year

ProSight Specialty Insurance

California Experience

| Incurred Loss Ratios | | Auto Physical Damage | | | |
|----------------------|--------------|-----------------------------|-----|-----|-----|
| | | Evaluated as of (in Months) | | | |
| Policy Year | Policy Qtr * | 3 | 6 | 9 | 12 |
| 2018 | 1 | 38% | 73% | 61% | 83% |
| 2018 | 2 | 57% | 44% | 58% | 55% |
| 2018 | 3 | 29% | 82% | 95% | 69% |
| 2018 | 4 | 20% | 82% | 68% | 63% |
| 2019 | 1 | 12% | 63% | 72% | 57% |
| 2019 | 2 | 18% | 27% | 32% | 28% |
| 2019 | 3 | 26% | 33% | 35% | 35% |
| 2019 | 4 | 20% | 40% | 61% | 51% |
| 2020 | 1 | 12% | 26% | 26% | 53% |
| 2020 | 2 | 3% | 26% | 35% | |
| 2020 | 3 | 26% | 34% | | |
| 2020 | 4 | 29% | | | |

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| Incurred Loss Ratios | | Auto Physical Damage | | | |
|----------------------|--|-----------------------------|-----|-----|-----|
| | | Evaluated as of (in Months) | | | |
| Policy Year | | 3 | 6 | 9 | 12 |
| 2012 | | 0% | 85% | 73% | 48% |
| 2013 | | 0% | 1% | 63% | 62% |
| 2014 | | 21% | 14% | 29% | 50% |
| 2015 | | 23% | 57% | 64% | 66% |
| 2016 | | 27% | 50% | 69% | 68% |
| 2017 | | 35% | 81% | 69% | 72% |
| 2018 | | 37% | 69% | 54% | 73% |
| 2019 | | 12% | 51% | 52% | 42% |
| 2020 | | 12% | 19% | 26% | 42% |

Notes/Comments:

Policy Quarter 2 ("PQ2") showed decreased loss ratios from PQ1 as of June and September; loss ratios increased for PQ3, potentially reflecting right-sizing of exposures and premium refunds
 PY2020 @Q4 appears to have normalized relative to prior periods
 Average charged rate change for 2018-2020 has been +13%

* Policy Qtr: reflects policy effective dates. E.G. Pol Qtr 1 is all policies with effective dates between 1/1 and 3/31 for each respective policy year

ProSight Specialty Insurance

California Experience

| Incurred Loss Ratios | | General Liability | | | |
|----------------------|--------------|-----------------------------|----|----|----|
| | | Evaluated as of (in Months) | | | |
| Policy Year | Policy Qtr * | 3 | 6 | 9 | 12 |
| 2018 | 1 | 1% | 0% | 3% | 3% |
| 2018 | 2 | 2% | 2% | 3% | 4% |
| 2018 | 3 | 6% | 3% | 4% | 3% |
| 2018 | 4 | 0% | 2% | 3% | 6% |
| 2019 | 1 | 0% | 1% | 3% | 3% |
| 2019 | 2 | 2% | 3% | 2% | 2% |
| 2019 | 3 | 5% | 3% | 3% | 6% |
| 2019 | 4 | 2% | 2% | 5% | 6% |
| 2020 | 1 | 0% | 2% | 2% | 3% |
| 2020 | 2 | 0% | 1% | 1% | |
| 2020 | 3 | 0% | 4% | | |
| 2020 | 4 | 0% | | | |

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| Incurred Loss Ratios | | General Liability | | | |
|----------------------|--|-----------------------------|----|-----|-----|
| | | Evaluated as of (in Months) | | | |
| Policy Year | | 3 | 6 | 9 | 12 |
| 2012 | | 1% | 2% | 4% | 3% |
| 2013 | | 0% | 1% | 3% | 3% |
| 2014 | | 0% | 1% | 2% | 4% |
| 2015 | | 0% | 1% | 15% | 12% |
| 2016 | | 0% | 5% | 6% | 4% |
| 2017 | | 2% | 2% | 3% | 5% |
| 2018 | | 1% | 1% | 3% | 3% |
| 2019 | | 0% | 1% | 3% | 3% |
| 2020 | | 0% | 1% | 2% | 2% |

Notes/Comments:

Volume too small to identify any definitive trends
 Average charged rate change for 2018-2020 has been +6%

* Policy Qtr: reflects policy effective dates. E.G. Pol Qtr 1 is all policies with effective dates between 1/1 and 3/31 for each respective policy year

ProSight Specialty Insurance

California Experience

| Incurred Loss Ratios | | Workers Compensation | | | |
|----------------------|--------------|-----------------------------|-----|-----|-----|
| | | Evaluated as of (in Months) | | | |
| Policy Year | Policy Qtr * | 3 | 6 | 9 | 12 |
| 2018 | 1 | 9% | 10% | 19% | 21% |
| 2018 | 2 | 3% | 10% | 11% | 12% |
| 2018 | 3 | 6% | 11% | 11% | 15% |
| 2018 | 4 | 1% | 8% | 14% | 17% |
| 2019 | 1 | 9% | 10% | 13% | 13% |
| 2019 | 2 | 2% | 6% | 8% | 10% |
| 2019 | 3 | 4% | 7% | 15% | 23% |
| 2019 | 4 | 3% | 11% | 9% | 10% |
| 2020 | 1 | 5% | 4% | 6% | 10% |
| 2020 | 2 | 2% | 11% | 14% | |
| 2020 | 3 | 2% | 1% | | |
| 2020 | 4 | 4% | | | |

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| Incurred Loss Ratios | | Workers Compensation | | | |
|----------------------|--|-----------------------------|-----|-----|-----|
| | | Evaluated as of (in Months) | | | |
| Policy Year | | 3 | 6 | 9 | 12 |
| 2012 | | | | 9% | 13% |
| 2013 | | 11% | 9% | 7% | 6% |
| 2014 | | 0% | 4% | 6% | 8% |
| 2015 | | 2% | 5% | 6% | 9% |
| 2016 | | 2% | 5% | 11% | 12% |
| 2017 | | 8% | 10% | 8% | 10% |
| 2018 | | 9% | 8% | 14% | 15% |
| 2019 | | 9% | 8% | 10% | 10% |
| 2020 | | 5% | 4% | 7% | 10% |

Notes/Comments:

Policy Quarter 2 ("PQ2") had some noise but it appears PQ3 has improved substantially; we expect this to normalize post-audit to prior year experience levels, as can be seen below in the policy year development.
 PY2020 @Q4 appears to have normalized relative to prior periods
 Average charged rate change for 2018-2020 has been -2%

* Policy Qtr: reflects policy effective dates. E.G. Pol Qtr 1 is all policies with effective dates between 1/1 and 3/31 for each respective policy year