

EXHIBIT III
MICHIGAN EXPERIENCE RATING PLAN MANUAL
PART FIVE

Effective January 1, 2005

TABLE OF BALLAST VALUES
APPLICABLE TO ALL POLICIES

Expected Losses	Ballast Values	Expected Losses	Ballast Values	Expected Losses	Ballast Values
0	24,473	785,335	91,000	1,581,354	170,625
24,474	42,121	808,072	93,275	1,604,101	172,900
42,122	62,399	830,810	95,550	1,626,848	175,175
62,400	83,790	853,548	97,825	1,649,595	177,450
83,791	105,702	876,287	100,100	1,672,342	179,725
105,703	127,889	899,027	102,375	1,695,089	182,000
127,890	150,236	921,767	104,650	1,717,836	184,275
150,237	172,685	944,508	106,925	1,740,583	186,550
172,686	195,201	967,249	109,200	1,763,331	188,825
195,202	217,764	989,990	111,475	1,786,078	191,100
217,765	240,362	1,012,732	113,750	1,808,825	193,375
240,363	262,986	1,035,474	116,025	1,831,573	195,650
262,987	285,629	1,058,217	118,300	1,854,321	197,925
285,630	308,288	1,080,960	120,575	1,877,068	200,200
308,289	330,959	1,103,703	122,850	1,899,816	202,475
330,960	353,640	1,126,446	125,125	1,922,564	204,750
353,641	376,329	1,149,190	127,400	1,945,311	207,025
376,330	399,025	1,171,934	129,675	1,968,059	209,300
399,026	421,727	1,194,678	131,950	1,990,807	211,575
421,728	444,434	1,217,422	134,225	2,013,555	213,850
444,435	467,145	1,240,167	136,500	2,036,303	216,125
467,146	489,859	1,262,912	138,775	2,059,051	218,400
489,860	512,577	1,285,657	141,050	2,081,799	220,675
512,578	535,297	1,308,402	143,325	2,104,547	222,950
535,298	558,020	1,331,147	145,600	2,127,296	225,225
558,021	580,745	1,353,892	147,875	2,150,044	227,500
580,746	603,472	1,376,638	150,150		
603,473	626,200	1,399,384	152,425		
626,201	648,930	1,422,130	154,700		
648,931	671,661	1,444,876	156,975		
671,662	694,394	1,467,622	159,250		
694,395	717,127	1,490,368	161,525		
717,128	739,862	1,513,114	163,800		
739,863	762,598	1,535,861	166,075		
762,599	785,334	1,558,607	168,350		

For Expected Losses greater than 2,172,791, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

$$\text{Ballast} = (0.10)(\text{Expected Losses}) + 2500(\text{Expected Losses})(4.55) / (\text{Expected Losses} + (700)(4.55))$$

$$\text{Cap on Modifications} = 1 + (0.00005)\{(\text{Expected Losses}) + (2)(\text{Expected Losses}) / (4.55)\}$$