

EXHIBIT III
MICHIGAN EXPERIENCE RATING PLAN MANUAL
PART FIVE

Effective January 1, 2006

TABLE OF BALLAST VALUES
APPLICABLE TO ALL POLICIES

Expected Losses	Ballast Values	Expected Losses	Ballast Values	Expected Losses	Ballast Values
0	27,163	871,635	101,000	1,755,129	189,375
27,164	46,750	896,871	103,525	1,780,376	191,900
46,751	69,256	922,108	106,050	1,805,622	194,425
69,257	92,998	947,345	108,575	1,830,869	196,950
92,999	117,317	972,583	111,100	1,856,115	199,475
117,318	141,942	997,821	113,625	1,881,362	202,000
141,943	166,745	1,023,060	116,150	1,906,609	204,525
166,746	191,661	1,048,300	118,675	1,931,856	207,050
191,662	216,651	1,073,540	121,200	1,957,103	209,575
216,652	241,694	1,098,780	123,725	1,982,350	212,100
241,695	266,776	1,124,021	126,250	2,007,597	214,625
266,777	291,885	1,149,263	128,775	2,032,845	217,150
291,886	317,017	1,174,504	131,300	2,058,092	219,675
317,018	342,165	1,199,746	133,825	2,083,339	222,200
342,166	367,328	1,224,989	136,350	2,108,587	224,725
367,329	392,501	1,250,231	138,875	2,133,834	227,250
392,502	417,684	1,275,474	141,400	2,159,082	229,775
417,685	442,874	1,300,718	143,925	2,184,329	232,300
442,875	468,071	1,325,961	146,450	2,209,577	234,825
468,072	493,273	1,351,205	148,975	2,234,825	237,350
493,274	518,479	1,376,449	151,500	2,260,073	239,875
518,480	543,690	1,401,693	154,025	2,285,320	242,400
543,691	568,904	1,426,938	156,550	2,310,568	244,925
568,905	594,121	1,452,182	159,075	2,335,816	247,450
594,122	619,341	1,477,427	161,600	2,361,064	249,975
619,342	644,563	1,502,672	164,125	2,386,312	252,500
644,564	669,787	1,527,917	166,650		
669,788	695,013	1,553,162	169,175		
695,014	720,241	1,578,408	171,700		
720,242	745,470	1,603,653	174,225		
745,471	770,701	1,628,899	176,750		
770,702	795,933	1,654,145	179,275		
795,934	821,166	1,679,391	181,800		
821,167	846,400	1,704,637	184,325		
846,401	871,634	1,729,883	186,850		

For Expected Losses greater than 2,411,559, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

$$\text{Ballast} = (0.10)(\text{Expected Losses}) + 2500(\text{Expected Losses})(5.05) / (\text{Expected Losses} + (700)(5.05))$$

$$\text{Cap on Modifications} = 1 + (0.00005)\{(\text{Expected Losses}) + (2)(\text{Expected Losses}) / (5.05)\}$$