

EXHIBIT III
MICHIGAN EXPERIENCE RATING PLAN MANUAL
PART FIVE

Effective January 1, 2007

TABLE OF BALLAST VALUES
APPLICABLE TO ALL POLICIES

Expected Losses	Ballast Values	Expected Losses	Ballast Values	Expected Losses	Ballast Values
0 - 27,970	13,000	897,526 - 923,510	104,000	1,807,262 - 1,833,257	195,000
27,971 - 48,138	15,600	923,511 - 949,496	106,600	1,833,258 - 1,859,254	197,600
48,139 - 71,313	18,200	949,497 - 975,483	109,200	1,859,255 - 1,885,250	200,200
71,314 - 95,760	20,800	975,484 - 1,001,470	111,800	1,885,251 - 1,911,247	202,800
95,761 - 120,802	23,400	1,001,471 - 1,027,458	114,400	1,911,248 - 1,937,243	205,400
120,803 - 146,158	26,000	1,027,459 - 1,053,447	117,000	1,937,244 - 1,963,240	208,000
146,159 - 171,698	28,600	1,053,448 - 1,079,436	119,600	1,963,241 - 1,989,237	210,600
171,699 - 197,354	31,200	1,079,437 - 1,105,426	122,200	1,989,238 - 2,015,234	213,200
197,355 - 223,087	33,800	1,105,427 - 1,131,416	124,800	2,015,235 - 2,041,231	215,800
223,088 - 248,873	36,400	1,131,417 - 1,157,407	127,400	2,041,232 - 2,067,228	218,400
248,874 - 274,700	39,000	1,157,408 - 1,183,398	130,000	2,067,229 - 2,093,225	221,000
274,701 - 300,555	41,600	1,183,399 - 1,209,390	132,600	2,093,226 - 2,119,222	223,600
300,556 - 326,433	44,200	1,209,391 - 1,235,381	135,200	2,119,223 - 2,145,220	226,200
326,434 - 352,329	46,800	1,235,382 - 1,261,374	137,800	2,145,221 - 2,171,217	228,800
352,330 - 378,239	49,400	1,261,375 - 1,287,366	140,400	2,171,218 - 2,197,215	231,400
378,240 - 404,160	52,000	1,287,367 - 1,313,359	143,000	2,197,216 - 2,223,212	234,000
404,161 - 430,091	54,600	1,313,360 - 1,339,352	145,600	2,223,213 - 2,249,210	236,600
430,092 - 456,029	57,200	1,339,353 - 1,365,345	148,200	2,249,211 - 2,275,207	239,200
456,030 - 481,974	59,800	1,365,346 - 1,391,339	150,800	2,275,208 - 2,301,205	241,800
481,975 - 507,925	62,400	1,391,340 - 1,417,333	153,400	2,301,206 - 2,327,203	244,400
507,926 - 533,880	65,000	1,417,334 - 1,443,327	156,000	2,327,204 - 2,353,200	247,000
533,881 - 559,839	67,600	1,443,328 - 1,469,321	158,600	2,353,201 - 2,379,198	249,600
559,840 - 585,802	70,200	1,469,322 - 1,495,315	161,200	2,379,199 - 2,405,196	252,200
585,803 - 611,768	72,800	1,495,316 - 1,521,310	163,800	2,405,197 - 2,431,194	254,800
611,769 - 637,737	75,400	1,521,311 - 1,547,305	166,400	2,431,195 - 2,457,192	257,400
637,738 - 663,709	78,000	1,547,306 - 1,573,300	169,000	2,457,193 - 2,483,190	260,000
663,710 - 689,682	80,600	1,573,301 - 1,599,295	171,600		
689,683 - 715,657	83,200	1,599,296 - 1,625,290	174,200		
715,658 - 741,634	85,800	1,625,291 - 1,651,285	176,800		
741,635 - 767,613	88,400	1,651,286 - 1,677,281	179,400		
767,614 - 793,593	91,000	1,677,282 - 1,703,277	182,000		
793,594 - 819,574	93,600	1,703,278 - 1,729,273	184,600		
819,575 - 845,557	96,200	1,729,274 - 1,755,269	187,200		
845,558 - 871,540	98,800	1,755,270 - 1,781,265	189,800		
871,541 - 897,525	101,400	1,781,266 - 1,807,261	192,400		

For Expected Losses greater than 2,483,190, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

$$\text{Ballast} = (0.10)(\text{Expected Losses}) + 2500(\text{Expected Losses})(5.20) / (\text{Expected Losses} + (700)(5.20))$$

$$\text{Cap on Modifications} = 1 + (0.00005)\{(\text{Expected Losses}) + (2)(\text{Expected Losses}) / (5.20)\}$$