

EXHIBIT III
MICHIGAN EXPERIENCE RATING PLAN MANUAL
PART FIVE

Effective January 1, 2004

TABLE OF BALLAST VALUES
APPLICABLE TO ALL POLICIES

Expected Losses	Ballast Values	Expected Losses	Ballast Values	Expected Losses	Ballast Values
0	22,591	724,925	84,000	1,459,712	157,500
22,592	38,881	745,913	86,100	1,480,709	159,600
38,882	57,599	766,902	88,200	1,501,706	161,700
57,600	77,345	787,891	90,300	1,522,703	163,800
77,346	97,571	808,881	92,400	1,543,700	165,900
97,572	118,051	829,871	94,500	1,564,697	168,000
118,052	138,679	850,862	96,600	1,585,695	170,100
138,680	159,401	871,853	98,700	1,606,692	172,200
159,402	180,185	892,845	100,800	1,627,690	174,300
180,186	201,013	913,837	102,900	1,648,687	176,400
201,014	221,873	934,830	105,000	1,669,685	178,500
221,874	242,756	955,822	107,100	1,690,683	180,600
242,757	263,657	976,816	109,200	1,711,681	182,700
263,658	284,573	997,809	111,300	1,732,678	184,800
284,574	305,500	1,018,803	113,400	1,753,676	186,900
305,501	326,437	1,039,797	115,500	1,774,674	189,000
326,438	347,381	1,060,791	117,600	1,795,672	191,100
347,382	368,331	1,081,785	119,700	1,816,670	193,200
368,332	389,287	1,102,780	121,800	1,837,668	195,300
389,288	410,247	1,123,774	123,900	1,858,666	197,400
410,248	431,211	1,144,769	126,000	1,879,664	199,500
431,212	452,178	1,165,765	128,100	1,900,663	201,600
452,179	473,148	1,186,760	130,200	1,921,661	203,700
473,149	494,121	1,207,755	132,300	1,942,659	205,800
494,122	515,095	1,228,751	134,400	1,963,657	207,900
515,096	536,072	1,249,747	136,500	1,984,656	210,000
536,073	557,051	1,270,743	138,600		
557,052	578,031	1,291,739	140,700		
578,032	599,012	1,312,735	142,800		
599,013	619,995	1,333,731	144,900		
619,996	640,979	1,354,728	147,000		
640,980	661,964	1,375,724	149,100		
661,965	682,950	1,396,721	151,200		
682,951	703,936	1,417,718	153,300		
703,937	724,924	1,438,715	155,400		

For Expected Losses greater than 2,005,653, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

$$\text{Ballast} = (0.10)(\text{Expected Losses}) + 2500(\text{Expected Losses})(4.20) / (\text{Expected Losses} + (700)(4.20))$$

$$\text{Cap on Modifications} = 1 + (0.00005)\{(\text{Expected Losses}) + (2)(\text{Expected Losses}) / (4.20)\}$$