

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	11,375	785,335	-	808,071	91,000	1,581,354	-	1,604,100	170,625
24,474	-	42,121	13,650	808,072	-	830,809	93,275	1,604,101	-	1,626,847	172,900
42,122	-	62,399	15,925	830,810	-	853,547	95,550	1,626,848	-	1,649,594	175,175
62,400	-	83,790	18,200	853,548	-	876,286	97,825	1,649,595	-	1,672,341	177,450
83,791	-	105,702	20,475	876,287	-	899,026	100,100	1,672,342	-	1,695,088	179,725
105,703	-	127,889	22,750	899,027	-	921,766	102,375	1,695,089	-	1,717,835	182,000
127,890	-	150,236	25,025	921,767	-	944,507	104,650	1,717,836	-	1,740,582	184,275
150,237	-	172,685	27,300	944,508	-	967,248	106,925	1,740,583	-	1,763,330	186,550
172,686	-	195,201	29,575	967,249	-	989,989	109,200	1,763,331	-	1,786,077	188,825
195,202	-	217,764	31,850	989,990	-	1,012,731	111,475	1,786,078	-	1,808,824	191,100
217,765	-	240,362	34,125	1,012,732	-	1,035,473	113,750	1,808,825	-	1,831,572	193,375
240,363	-	262,986	36,400	1,035,474	-	1,058,216	116,025	1,831,573	-	1,854,320	195,650
262,987	-	285,629	38,675	1,058,217	-	1,080,959	118,300	1,854,321	-	1,877,067	197,925
285,630	-	308,288	40,950	1,080,960	-	1,103,702	120,575	1,877,068	-	1,899,815	200,200
308,289	-	330,959	43,225	1,103,703	-	1,126,445	122,850	1,899,816	-	1,922,563	202,475
330,960	-	353,640	45,500	1,126,446	-	1,149,189	125,125	1,922,564	-	1,945,310	204,750
353,641	-	376,329	47,775	1,149,190	-	1,171,933	127,400	1,945,311	-	1,968,058	207,025
376,330	-	399,025	50,050	1,171,934	-	1,194,677	129,675	1,968,059	-	1,990,806	209,300
399,026	-	421,727	52,325	1,194,678	-	1,217,421	131,950	1,990,807	-	2,013,554	211,575
421,728	-	444,434	54,600	1,217,422	-	1,240,166	134,225	2,013,555	-	2,036,302	213,850
444,435	-	467,145	56,875	1,240,167	-	1,262,911	136,500	2,036,303	-	2,059,050	216,125
467,146	-	489,859	59,150	1,262,912	-	1,285,656	138,775	2,059,051	-	2,081,798	218,400
489,860	-	512,577	61,425	1,285,657	-	1,308,401	141,050	2,081,799	-	2,104,546	220,675
512,578	-	535,297	63,700	1,308,402	-	1,331,146	143,325	2,104,547	-	2,127,295	222,950
535,298	-	558,020	65,975	1,331,147	-	1,353,891	145,600	2,127,296	-	2,150,043	225,225
558,021	-	580,745	68,250	1,353,892	-	1,376,637	147,875	2,150,044	-	2,172,791	227,500
580,746	-	603,472	70,525	1,376,638	-	1,399,383	150,150				
603,473	-	626,200	72,800	1,399,384	-	1,422,129	152,425				
626,201	-	648,930	75,075	1,422,130	-	1,444,875	154,700				
648,931	-	671,661	77,350	1,444,876	-	1,467,621	156,975				
671,662	-	694,394	79,625	1,467,622	-	1,490,367	159,250				
694,395	-	717,127	81,900	1,490,368	-	1,513,113	161,525				
717,128	-	739,862	84,175	1,513,114	-	1,535,860	163,800				
739,863	-	762,598	86,450	1,535,861	-	1,558,606	166,075				
762,599	-	785,334	88,725	1,558,607	-	1,581,353	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):

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

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