

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	12,625	871,635	-	896,870	101,000	1,755,129	-	1,780,375	189,375
27,164	-	46,750	15,150	896,871	-	922,107	103,525	1,780,376	-	1,805,621	191,900
46,751	-	69,256	17,675	922,108	-	947,344	106,050	1,805,622	-	1,830,868	194,425
69,257	-	92,998	20,200	947,345	-	972,582	108,575	1,830,869	-	1,856,114	196,950
92,999	-	117,317	22,725	972,583	-	997,820	111,100	1,856,115	-	1,881,361	199,475
117,318	-	141,942	25,250	997,821	-	1,023,059	113,625	1,881,362	-	1,906,608	202,000
141,943	-	166,745	27,775	1,023,060	-	1,048,299	116,150	1,906,609	-	1,931,855	204,525
166,746	-	191,661	30,300	1,048,300	-	1,073,539	118,675	1,931,856	-	1,957,102	207,050
191,662	-	216,651	32,825	1,073,540	-	1,098,779	121,200	1,957,103	-	1,982,349	209,575
216,652	-	241,694	35,350	1,098,780	-	1,124,020	123,725	1,982,350	-	2,007,596	212,100
241,695	-	266,776	37,875	1,124,021	-	1,149,262	126,250	2,007,597	-	2,032,844	214,625
266,777	-	291,885	40,400	1,149,263	-	1,174,503	128,775	2,032,845	-	2,058,091	217,150
291,886	-	317,017	42,925	1,174,504	-	1,199,745	131,300	2,058,092	-	2,083,338	219,675
317,018	-	342,165	45,450	1,199,746	-	1,224,988	133,825	2,083,339	-	2,108,586	222,200
342,166	-	367,328	47,975	1,224,989	-	1,250,230	136,350	2,108,587	-	2,133,833	224,725
367,329	-	392,501	50,500	1,250,231	-	1,275,473	138,875	2,133,834	-	2,159,081	227,250
392,502	-	417,684	53,025	1,275,474	-	1,300,717	141,400	2,159,082	-	2,184,328	229,775
417,685	-	442,874	55,550	1,300,718	-	1,325,960	143,925	2,184,329	-	2,209,576	232,300
442,875	-	468,071	58,075	1,325,961	-	1,351,204	146,450	2,209,577	-	2,234,824	234,825
468,072	-	493,273	60,600	1,351,205	-	1,376,448	148,975	2,234,825	-	2,260,072	237,350
493,274	-	518,479	63,125	1,376,449	-	1,401,692	151,500	2,260,073	-	2,285,319	239,875
518,480	-	543,690	65,650	1,401,693	-	1,426,937	154,025	2,285,320	-	2,310,567	242,400
543,691	-	568,904	68,175	1,426,938	-	1,452,181	156,550	2,310,568	-	2,335,815	244,925
568,905	-	594,121	70,700	1,452,182	-	1,477,426	159,075	2,335,816	-	2,361,063	247,450
594,122	-	619,341	73,225	1,477,427	-	1,502,671	161,600	2,361,064	-	2,386,311	249,975
619,342	-	644,563	75,750	1,502,672	-	1,527,916	164,125	2,386,312	-	2,411,559	252,500
644,564	-	669,787	78,275	1,527,917	-	1,553,161	166,650				
669,788	-	695,013	80,800	1,553,162	-	1,578,407	169,175				
695,014	-	720,241	83,325	1,578,408	-	1,603,652	171,700				
720,242	-	745,470	85,850	1,603,653	-	1,628,898	174,225				
745,471	-	770,701	88,375	1,628,899	-	1,654,144	176,750				
770,702	-	795,933	90,900	1,654,145	-	1,679,390	179,275				
795,934	-	821,166	93,425	1,679,391	-	1,704,636	181,800				
821,167	-	846,400	95,950	1,704,637	-	1,729,882	184,325				
846,401	-	871,634	98,475	1,729,883	-	1,755,128	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):

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

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