

State: District of Columbia **Filing Company:** BCS Insurance Company
TOI/Sub-TOI: H12 Health - Excess/Stop Loss/H12.004 Self-Funded Health Plan
Product Name: Stop Loss
Project Name/Number: 2014 revision/CJA-CW-29250-multistate

Filing at a Glance

Company: BCS Insurance Company
Product Name: Stop Loss
State: District of Columbia
TOI: H12 Health - Excess/Stop Loss
Sub-TOI: H12.004 Self-Funded Health Plan
Filing Type: Rate
Date Submitted: 02/11/2014
SERFF Tr Num: BCSF-129412379
SERFF Status: Pending Industry Response
State Tr Num:
State Status:
Co Tr Num: CJA-STOP LOSS-DOC-0214R

Implementation: 03/11/2014
Date Requested:
Author(s): Craig Ardagh, Susan Hiller
Reviewer(s): Darniece Shirley (primary), Alula Selassie, Donghan Xu
Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

State: District of Columbia **Filing Company:** BCS Insurance Company
TOI/Sub-TOI: H12 Health - Excess/Stop Loss/H12.004 Self-Funded Health Plan
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General Information

Project Name: 2014 revision Status of Filing in Domicile: Pending
Project Number: CJA-CW-29250-multistate Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments: State of Domicile is OH
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Large
Group Market Type: Employer Overall Rate Impact:
Filing Status Changed: 03/12/2014
State Status Changed: Deemer Date:
Created By: Craig Ardagh Submitted By: Craig Ardagh
Corresponding Filing Tracking Number:

Filing Description:

The BCS Insurance Company respectfully submits an initial rate filing for Medical Stop Loss Coverage. This coverage is exclusively marketed to Self-Funded Employer Groups. The supporting actuarial memorandum provides the justification for the rates and rating factors included in the attached manual.

This filing includes the following:

- 1) Actuarial Memorandum, 29.250 et al
- 2) CW Stop Loss Rating Manual

As noted by the Self-Funded Health Plan TOI; it is specifically designed for self-funded employer groups. The policy coverage is intended to reimburse employers for medical costs incurred by an employer-sponsored plans that exceeds the stated Specific or Aggregate attachment points of the stop loss policy. This rate manual filing corresponds with a multi-form filing under SERFF# BCSF-BCSF-129353171 that is currently withdrawn/closed subject to be re-opened upon approval of this submission.

It is BCS Insurance Company's request approval for this submission utilizing the District of Columbia's state's filing rules for policies effective on and after March 11, 2014.

In advance, thank you for your consideration.

Craig Ardagh, FLMI, AIRC, CCP

Company and Contact

Filing Contact Information

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Filing Company Information

BCS Insurance Company	CoCode: 38245	State of Domicile: Ohio
2 MidAmerica Plaza	Group Code: 23	Company Type: P&C
#200	Group Name:	State ID Number:
Oakbrook Terrace, IL 60181	FEIN Number: 36-6033921	
(630) 472-7842 ext. [Phone]		

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

SERFF Tracking #:

BCSF-129412379

State Tracking #:

Company Tracking #:

CJA-STOP LOSS-DOC-0214R

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Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type: Neutral

Overall Percentage of Last Rate Revision: %

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
BCS Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	%

SERFF Tracking #:

BCSF-129412379

State Tracking #:**Company Tracking #:**

CJA-STOP LOSS-DOC-0214R

State: District of Columbia**Filing Company:**

BCS Insurance Company

TOI/Sub-TOI: H12 Health - Excess/Stop Loss/H12.004 Self-Funded Health Plan**Product Name:** Stop Loss**Project Name/Number:** 2014 revision/CJA-CW-29250-multistate

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		CW Stop Loss Manual (01/14)	29.250 (12/13)	New		CW Section I Stop Loss Manual 01-14 (v2).pdf, CW Section II Stop Loss Manual 01-14 (v2).pdf, CW Section III Stop Loss Manual 01-14 (v2).pdf, CW Section IV Stop Loss Manual 01-14 (v2).pdf,

**Rate Manual
Aggregate and Specific
Stop Loss**

RATING MANUALS

- Contents -

- Section I: Specific Stop Loss Rating Manual
- Section II: Calculation Sheets for Specific Stop Loss Rating Manual
- Section III: Non-Experience Rated Aggregate Manual
- Section IV: Calculation Sheets for Non-Experience Rated Aggregate Manual

Section I - Specific Stop Loss

SPECIFIC STOP-LOSS RATING MANUAL

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SPECIFIC STOP-LOSS RATING MANUAL

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Table 1 (page 1 of 4)

Gross Premium Rates by Deductible

Specific Deductible	Gross Premium Rate
\$25,000	\$374.85
27,500	355.39
30,000	337.89
32,500	322.01
35,000	307.65
37,500	294.63
\$40,000	\$282.70
45,000	261.46
50,000	243.15
55,000	227.13
60,000	212.95
65,000	200.26
\$70,000	\$188.80
75,000	178.38
80,000	168.93
85,000	160.29
90,000	152.36
95,000	145.04

BCS Insurance Company

Table 1 (page 2 of 4)

Gross Premium Rates by Deductible

Specific Deductible	Gross Premium Rate
\$100,000	\$138.26
105,000	131.95
110,000	126.05
115,000	120.55
120,000	115.43
125,000	110.64
\$130,000	\$106.13
135,000	101.89
140,000	97.88
145,000	94.11
150,000	90.54
155,000	87.15
\$160,000	\$83.91
165,000	80.85
170,000	77.90
175,000	75.09
180,000	72.41
185,000	69.88
\$190,000	\$67.46
195,000	65.14
200,000	62.93
205,000	60.79
210,000	58.75
215,000	56.79
\$220,000	\$54.90
225,000	53.10
230,000	51.36
235,000	49.70
240,000	48.11
245,000	46.60

BCS Insurance Company

Table 1 (page 3 of 4)

Gross Premium Rates by Deductible

Specific Deductible	Gross Premium Rate
\$250,000	\$45.14
275,000	38.66
300,000	33.30
350,000	24.95
400,000	18.74
450,000	14.25
\$500,000	\$10.93
550,000	8.40
600,000	6.45
650,000	4.95
700,000	3.83
750,000	2.90
\$800,000	\$2.13
850,000	1.48
900,000	0.91
950,000	0.43
1,000,000	-

BCS Insurance Company

Table 1 (page 4 of 4)

Gross Premium Rates by Deductible

Notes:

1. Gross Premium Rates are for an individual Specific deductible.
2. Gross Premium Rates assume an underlying plan with a \$100 deductible, and 80% coinsurance next \$2,000.
3. Rates are based on a \$1,000,000 lifetime maximum.
4. Rates include the cost of organ transplants which are considered medically necessary and non-experimental.
5. Gross premium rates are based on total expenses of 20.00% of premium. This produces the following standard retention:

Expenses	20.00%
Profit	8.00%
Total	28.00%

6. Credit for a lifetime maximum less than \$1,000,000 is equal to the cost for the coverage in excess of that maximum. For example, the starting gross premium rate for a \$20,000 Specific deductible on a plan with a \$100,000 maximum is \$283.23(= \$421.49 - \$138.26).

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Table 1A (page 1 of 4)

Net Premium Rates by Deductible

Specific Deductible	Net Premium Rate
\$25,000	\$299.88
27,500	284.31
30,000	270.31
32,500	257.61
35,000	246.12
37,500	235.70
\$40,000	\$226.16
45,000	209.17
50,000	194.52
55,000	181.70
60,000	170.36
65,000	160.21
\$70,000	\$151.04
75,000	142.70
80,000	135.14
85,000	128.23
90,000	121.89
95,000	116.03

BCS Insurance Company

Table 1A (page 2 of 4)

Net Premium Rates by Deductible

Specific Deductible	Net Premium Rate
\$100,000	\$110.61
105,000	105.56
110,000	100.84
115,000	96.44
120,000	92.34
125,000	88.51
\$130,000	\$84.90
135,000	81.51
140,000	78.30
145,000	75.29
150,000	72.43
155,000	69.72
\$160,000	\$67.13
165,000	64.68
170,000	62.32
175,000	60.07
180,000	57.93
185,000	55.90
\$190,000	\$53.97
195,000	52.11
200,000	50.34
205,000	48.63
210,000	47.00
215,000	45.43
\$220,000	\$43.92
225,000	42.48
230,000	41.09
235,000	39.76
240,000	38.49
245,000	37.28

BCS Insurance Company

Table 1A (page 3 of 4)

Net Premium Rates by Deductible

Specific Deductible	Net Premium Rate
\$250,000	\$36.11
275,000	30.93
300,000	26.64
350,000	19.96
400,000	14.99
450,000	11.40
\$500,000	\$8.74
550,000	6.72
600,000	5.16
650,000	3.96
700,000	3.06
750,000	2.32
\$800,000	\$1.70
850,000	1.18
900,000	0.73
950,000	0.34
1,000,000	-

BCS Insurance Company

Table 1A (page 4 of 4)

Net Premium Rates by Deductible

Notes:

1. Net premiums are for an individual Specific deductible.
2. Net premiums include 10.0% profit.
3. Net premiums assume an underlying plan with a \$100 deductible, and 80% coinsurance next \$2,000.
4. Net premiums are based on a \$1,000,000 lifetime maximum.
5. Net premiums include the cost of organ transplants which are considered medically necessary and non-experimental.
6. Credit for a lifetime maximum less than \$1,000,000 is equal to the cost for the coverage in excess of that maximum. For example, the starting net premium rate for a \$20,000 Specific deductible on a plan with a \$100,000 maximum is \$226.58(= \$337.19 - \$110.61).

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Table 1B (page 1 of 4)

Base Claim Costs by Deductible

Specific Deductible	Base Claim Cost
\$25,000	\$269.89
27,500	255.88
30,000	243.28
32,500	231.85
35,000	221.51
37,500	212.13
\$40,000	\$203.54
45,000	188.25
50,000	175.07
55,000	163.53
60,000	153.32
65,000	144.19
\$70,000	\$135.94
75,000	128.43
80,000	121.63
85,000	115.41
90,000	109.70
95,000	104.43

BCS Insurance Company

Table 1B (page 2 of 4)

Base Claim Costs by Deductible

Specific Deductible	Base Claim Cost
\$100,000	\$99.55
105,000	95.00
110,000	90.76
115,000	86.80
120,000	83.11
125,000	79.66
\$130,000	\$76.41
135,000	73.36
140,000	70.47
145,000	67.76
150,000	65.19
155,000	62.75
\$160,000	\$60.42
165,000	58.21
170,000	56.09
175,000	54.06
180,000	52.14
185,000	50.31
\$190,000	\$48.57
195,000	46.90
200,000	45.31
205,000	43.77
210,000	42.30
215,000	40.89
\$220,000	\$39.53
225,000	38.23
230,000	36.98
235,000	35.78
240,000	34.64
245,000	33.55

BCS Insurance Company

Table 1B (page 3 of 4)

Base Claim Costs by Deductible

Specific Deductible	Base Claim Cost
\$250,000	\$32.50
275,000	27.84
300,000	23.98
350,000	17.96
400,000	13.49
450,000	10.26
\$500,000	\$7.87
550,000	6.05
600,000	4.64
650,000	3.56
700,000	2.75
750,000	2.09
\$800,000	\$1.53
850,000	1.06
900,000	0.66
950,000	0.31
1,000,000	-

Table 1B (page 4 of 4)

Base Claim Costs by Deductible

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Notes:

1. Base Claim Costs are for an individual Specific deductible.
2. These claim costs do not include any provision for expenses, profit or contingency margins.
3. Specific claim costs assume an underlying plan with a \$100 deductible, and 80% coinsurance next \$2,000.
4. Claim costs are based on a \$1,000,000 lifetime maximum.
5. Claim costs include the cost of organ transplants which are considered medically necessary and non-experimental.
6. Credit for a lifetime maximum less than \$1,000,000 is equal to the cost for the coverage in excess of that maximum. For example, the starting cost for a \$20,000 Specific deductible on a plan with a \$100,000 maximum is \$203.92(= \$303.47 - \$99.55).

BCS Insurance Company

Table 1C

Lifetime Maximum Adjustment

Lifetime Maximum	Gross Premium	Net Premium	Claims
\$1,000,000	\$0.00	\$0.00	\$0.00
1,500,000	\$4.51	\$3.61	\$3.25
2,000,000	\$6.30	\$5.04	\$4.54
2,500,000	\$7.21	\$5.77	\$5.19
3,000,000	\$7.73	\$6.18	\$5.56
4,000,000	\$8.28	\$6.62	\$5.96
5,000,000	\$8.58	\$6.86	\$6.17
Unlimited	\$10.08	\$8.06	\$7.25

Note: Rates shown above are composite rates.

BCS Insurance Company

Table 1D
Claim Frequencies by Deductible Per 1,000
and
Average Paid Claims in Excess of Specific Deductible

Specific Deductible	Claim Frequencies Per 1,000			Average Paid Claim In Excess of Specific Deductible		
	Adult	Child	Composite	Adult	Child	Composite
25,000	72.14	18.39	120.63	44,892	50,332	45,543
30,000	58.62	14.48	97.66	49,798	58,416	50,801
35,000	48.10	11.81	80.07	55,267	66,186	56,530
40,000	39.90	9.99	66.57	61,217	72,956	62,598
45,000	34.38	8.43	57.22	65,713	81,115	67,493
50,000	29.62	7.25	49.30	70,918	88,933	72,997
55,000	26.04	6.40	43.35	75,369	95,536	77,704
60,000	23.26	5.77	38.76	79,109	100,677	81,627
65,000	20.86	5.23	34.81	82,934	105,954	85,645
70,000	19.11	4.74	31.85	85,364	111,566	88,425
75,000	17.45	4.34	29.09	88,320	116,758	91,648
100,000	11.35	2.94	19.01	105,251	142,386	109,752
125,000	8.02	2.23	13.56	119,163	158,415	124,237
150,000	6.06	1.78	10.32	129,075	170,496	134,689
175,000	4.72	1.43	8.08	137,404	184,027	143,901
200,000	3.79	1.22	6.54	143,454	189,217	150,160
225,000	3.08	1.03	5.34	149,117	196,483	156,304
250,000	2.47	0.90	4.35	157,789	197,817	164,320
275,000	2.06	0.77	3.64	162,160	205,479	169,356
300,000	1.70	0.66	3.03	168,906	212,026	176,312
400,000	0.90	0.41	1.64	180,590	214,818	187,300
500,000	0.49	0.26	0.92	193,847	216,742	198,861

Notes:

1. Adult frequency is the number of claims expected per one thousand adults.
2. Child frequency is the number of claims expected per one thousand children.
3. Composite frequency is the number of claims expected per one thousand employees, including the number of claims from all dependents (i.e., spouses and children).
4. Average paid claims in excess of specific deductible are unadjusted for area, managed care, or any other rating factor.

BCS Insurance Company

Table 1E
Exclusion of Transplant Coverage

Effective

Specific Deductible	Gross Premiums			Net Premiums			Claim Costs			
	Employee	Dependent	Family Composite	Employee	Dependent	Family Composite	Employee	Dependent	Family Composite	
\$25,000 - 29,500	15.58	18.71	34.28	12.46	14.97	27.42	11.21	13.47	24.68	18.88
30,000 - 49,500	13.79	16.65	30.45	11.03	13.32	24.36	9.93	11.99	21.92	16.75
50,000 - 89,500	11.54	14.08	25.61	9.23	11.26	20.49	8.31	10.13	18.44	14.07
90,000 - 109,500	9.83	12.11	21.93	7.86	9.69	17.54	7.07	8.72	15.79	12.03
110,000 - 129,500	8.88	11.03	19.90	7.10	8.82	15.92	6.39	7.94	14.33	10.91
130,000 - 149,500	8.01	10.03	18.04	6.41	8.02	14.43	5.77	7.22	12.99	9.88
150,000 - 174,500	7.15	9.04	16.20	5.72	7.23	12.96	5.15	6.51	11.66	8.85
175,000 - 199,500	6.34	8.08	14.40	5.07	6.46	11.52	4.56	5.81	10.37	7.87
200,000 - 249,500	5.28	6.85	12.13	4.22	5.48	9.70	3.80	4.93	8.73	6.61
250,000 - 299,500	4.13	5.45	9.58	3.30	4.36	7.66	2.97	3.92	6.89	5.20
300,000 - 399,500	2.86	3.90	6.76	2.29	3.12	5.41	2.06	2.81	4.87	3.66
400,000 - 499,500	1.73	2.49	4.21	1.38	1.99	3.37	1.24	1.79	3.03	2.26
500,000 - 599,500	1.03	1.54	2.58	0.82	1.23	2.06	0.74	1.11	1.85	1.37
600,000 - 699,500	0.59	0.90	1.49	0.47	0.72	1.19	0.42	0.65	1.07	0.79
700,000 - 849,500	0.30	0.48	0.78	0.24	0.38	0.62	0.22	0.34	0.56	0.41
850,000 +	0.14	0.23	0.36	0.11	0.18	0.29	0.10	0.16	0.26	0.19

Notes:

- The above premiums and claim costs are to be removed from the base rates if Heart, Heart/Lung, Liver, Pancreas and Bone Marrow transplants are not covered.
- If the lifetime maximum is less than \$1,000,000, the premium and claim cost credits for excluding transplant coverage should be reduced by the premium and claim cost credits of that maximum. For example, the gross premium credit for an employee with a \$60,000 deductible and a \$250,000 maximum is \$7.41 (= \$11.54 - \$4.13).

BCS Insurance Company

Table 1F

Family Specific Deductible

Family Specific Deductible Range			Factor
No Family Deductible			1.00
\$25,000	-	79,500	1.14
80,000	-	159,500	1.17
160,000	-	750,000	1.22

Notes:

1. To adjust the base rates and claims costs from an individual Specific deductible to a family Specific deductible, use the adjustment factors above.
2. The family Specific deductible adjustment factor should be applied after all adjustments have been made to the individual Specific base rates and claim cost.

BCS Insurance Company

Table 1G

Exclusion of Prescription Drugs

Specific Deductible	Factor
25,000 - 44,500	0.930
45,000 - 79,500	0.945
80,000 - 119,500	0.955
120,000 - 239,500	0.965
240,000 +	0.970

Table 2
Monthly Trend Factors for Specific Coverage

Effective

Effective Date of Insurance	Rating Factor by Specific Deductible											
	\$25,000 to \$32,000	\$32,500 to \$58,500	\$59,000 to \$85,000	\$85,500 to \$116,000	\$116,500 to \$145,000	\$145,500 to \$170,000	\$170,500 to \$215,000	\$215,500 to \$280,000	\$280,500 to \$342,000	\$342,500 to \$404,500	\$404,500 to \$1,000,000	\$1,000,000 to \$404,500
01/01/09	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
02/01/09	1.011	1.012	1.013	1.013	1.014	1.015	1.016	1.017	1.018	1.020	1.022	1.022
03/01/09	1.022	1.024	1.025	1.027	1.029	1.030	1.032	1.034	1.037	1.040	1.043	1.043
04/01/09	1.033	1.036	1.038	1.040	1.043	1.045	1.048	1.052	1.055	1.060	1.065	1.065
05/01/09	1.044	1.047	1.051	1.054	1.057	1.060	1.063	1.069	1.074	1.080	1.086	1.086
06/01/09	1.055	1.059	1.063	1.067	1.071	1.075	1.079	1.086	1.092	1.100	1.108	1.108
07/01/09	1.066	1.071	1.076	1.081	1.086	1.090	1.095	1.103	1.111	1.120	1.129	1.129
08/01/09	1.076	1.083	1.089	1.094	1.100	1.104	1.111	1.120	1.129	1.139	1.151	1.151
09/01/09	1.087	1.095	1.101	1.107	1.114	1.119	1.127	1.137	1.147	1.159	1.172	1.172
10/01/09	1.098	1.107	1.114	1.121	1.128	1.134	1.143	1.155	1.166	1.179	1.194	1.194
11/01/09	1.109	1.118	1.127	1.134	1.143	1.149	1.158	1.172	1.184	1.199	1.215	1.215
12/01/09	1.120	1.130	1.139	1.148	1.157	1.164	1.174	1.189	1.203	1.219	1.237	1.237
01/01/10	1.131	1.142	1.152	1.161	1.171	1.179	1.190	1.206	1.221	1.239	1.258	1.258

Notes:

1. Use the proposed (or estimated) effective date of the contract to determine the trend factor. If you believe the actual effective date will be later, use either a later date or quote rates for several effective dates.
2. Include a 60-day time limit in the quote to allow for additional trending and/or the possibility of a new rate structure.

Table 2 (Continued)
Monthly Trend Factors for Specific Coverages

Effective Date of Insurance	Rating Factor by Specific Deductible													
	\$25,000 to \$32,000	\$32,500 to \$58,500	\$59,000 to \$85,000	\$85,500 to \$116,000	\$116,500 to \$145,000	\$145,500 to \$170,000	\$170,000 to \$215,000	\$215,000 to \$280,000	\$280,000 to \$342,000	\$342,000 to \$404,000	\$404,000 to \$480,000	\$480,000 to \$560,000	\$560,000 to \$640,000	\$640,000 to \$720,000
2/1/2010	1.142	1.154	1.165	1.174	1.185	1.194	1.206	1.223	1.239	1.259	1.280	1.301	1.323	1.344
3/1/2010	1.153	1.166	1.177	1.188	1.200	1.209	1.222	1.240	1.258	1.279	1.301	1.323	1.344	1.366
4/1/2010	1.164	1.178	1.190	1.201	1.214	1.224	1.238	1.258	1.276	1.299	1.323	1.344	1.366	1.387
5/1/2010	1.175	1.189	1.203	1.215	1.228	1.239	1.253	1.275	1.295	1.319	1.344	1.366	1.387	1.409
6/1/2010	1.186	1.201	1.215	1.228	1.242	1.254	1.269	1.292	1.313	1.339	1.366	1.387	1.409	1.430
7/1/2010	1.197	1.213	1.228	1.242	1.257	1.269	1.285	1.309	1.332	1.359	1.387	1.409	1.430	1.452
8/1/2010	1.207	1.225	1.241	1.255	1.271	1.283	1.301	1.326	1.350	1.378	1.409	1.430	1.452	1.473
9/1/2010	1.218	1.237	1.253	1.268	1.285	1.298	1.317	1.343	1.368	1.398	1.430	1.452	1.473	1.495
10/1/2010	1.229	1.249	1.266	1.282	1.299	1.313	1.333	1.361	1.387	1.418	1.452	1.473	1.495	1.516
11/1/2010	1.240	1.261	1.279	1.295	1.314	1.328	1.349	1.378	1.405	1.438	1.473	1.495	1.516	1.538
12/1/2010	1.251	1.272	1.291	1.309	1.328	1.343	1.364	1.395	1.424	1.458	1.495	1.516	1.538	1.559
1/1/2011	1.262	1.284	1.304	1.322	1.342	1.358	1.380	1.412	1.442	1.478	1.516	1.538	1.559	1.581
2/1/2011	1.273	1.296	1.317	1.336	1.357	1.373	1.396	1.429	1.461	1.498	1.538	1.559	1.581	1.602
3/1/2011	1.284	1.308	1.329	1.349	1.371	1.388	1.412	1.447	1.479	1.518	1.559	1.581	1.602	1.624
4/1/2011	1.295	1.320	1.342	1.362	1.385	1.403	1.428	1.464	1.497	1.538	1.559	1.581	1.602	1.624
5/1/2011	1.306	1.332	1.355	1.376	1.399	1.418	1.444	1.481	1.516	1.558	1.581	1.602	1.624	1.645
6/1/2011	1.317	1.343	1.367	1.389	1.414	1.433	1.459	1.498	1.534	1.578	1.598	1.624	1.645	1.667
7/1/2011	1.328	1.355	1.380	1.403	1.428	1.448	1.475	1.515	1.553	1.598	1.617	1.645	1.667	1.688
8/1/2011	1.338	1.367	1.393	1.416	1.442	1.462	1.491	1.532	1.571	1.617	1.637	1.667	1.688	1.710
9/1/2011	1.349	1.379	1.405	1.430	1.456	1.477	1.507	1.550	1.590	1.637	1.657	1.688	1.710	1.731
10/1/2011	1.360	1.391	1.418	1.443	1.471	1.492	1.523	1.567	1.608	1.657	1.677	1.710	1.731	1.753
11/1/2011	1.371	1.403	1.431	1.456	1.485	1.507	1.539	1.584	1.626	1.677	1.697	1.731	1.753	1.775
12/1/2011	1.382	1.415	1.443	1.470	1.499	1.522	1.555	1.601	1.645	1.697	1.717	1.753	1.775	1.797

Notes: 1. Use the proposed (or estimated) effective date of the contract to determine the trend factor. If you believe the actual effective date will be later, use either a later date or quote rates for several effective dates.

2. Include a 60-day time limit in the quote to allow for additional trending and/or the possibility of a new rate structure.

Table 3
Area Factors
for Specific Coverage

Area	Rating Factor by Specific Deductible									
	\$25,000 to \$34,000	\$34,500 to \$62,500	\$63,000 to \$83,000	\$83,500 to \$118,000	\$118,500 to \$132,500	\$133,000 to \$145,500	\$146,000 to \$166,000	\$166,500 to \$220,000	\$220,500 to \$1,000,000	
A	0.59	0.60	0.61	0.61	0.62	0.62	0.62	0.62	0.62	0.62
B	0.65	0.66	0.66	0.67	0.67	0.67	0.67	0.67	0.67	0.68
C	0.72	0.72	0.72	0.73	0.73	0.73	0.73	0.73	0.73	0.74
D	0.78	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.80
E	0.85	0.85	0.85	0.86	0.86	0.86	0.86	0.86	0.86	0.86
F	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93
G	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
H	1.08	1.08	1.08	1.08	1.07	1.07	1.07	1.07	1.07	1.07
I	1.15	1.16	1.16	1.16	1.15	1.15	1.15	1.15	1.15	1.15
J	1.23	1.24	1.24	1.24	1.24	1.23	1.23	1.23	1.23	1.23
K	1.31	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32
L	1.40	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41
M	1.48	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
N	1.57	1.59	1.59	1.60	1.60	1.60	1.60	1.60	1.60	1.60
O	1.66	1.68	1.69	1.70	1.70	1.70	1.70	1.70	1.70	1.70
P	1.75	1.78	1.79	1.80	1.80	1.81	1.81	1.81	1.81	1.81
Q	1.84	1.88	1.89	1.90	1.91	1.91	1.91	1.91	1.91	1.91
R	1.93	1.98	1.99	2.01	2.02	2.02	2.02	2.02	2.02	2.02
S	2.02	2.08	2.10	2.12	2.13	2.14	2.14	2.14	2.14	2.14

Note:

1. These factors should only be used for Specific rating (\$2,500 and higher Specific deductibles). They are not applicable to first dollar medical coverage.

BCS Insurance Company

Table 3A (page 1 of 13)
ZIP Code Rating Classifications
for Specific Coverage

State	ZIP	Area	State	ZIP	Area
Alabama			Arkansas		
Bessemer	350	G	Pine Bluff	716	D
Talladega	351	H	El Dorado	717	D
Birmingham	352	H	Hope	718	E
Tuscaloosa	354	G	Arkadelphia	719	F
Jasper	355	G	Conway	720	E
Decatur	356	F	Stuttgart	721	E
Scottsboro	357	F	Little Rock	722	F
Huntsville	358	F	West Memphis	723	D
Gadsden	359	G	Jonesboro	724	C
Troy	360	F	Batesville	725	D
Montgomery	361	E	Harrison	726	D
Anniston	362	H	Fayetteville	727	C
Dothan	363	F	Russellville	728	D
Monroeville	364	F	Fort Smith	729	D
Bay Minette	365	F			
Mobile	366	E	California		
Selma	367	F	Los Angeles	900	K
Auburn	368	D	Los Angeles	901	L
Butler	369	F	Compton	902	K
			Inglewood	903	K
Alaska			Santa Monica	904	L
Anchorage	995	J	Torrance	905	K
Palmer	996	J	Norwalk	906	J
Fairbanks	997	I	Lakewood	907	K
Juneau	998	J	Long Beach	908	K
Ketchikan	999	I	Arcadia	910	K
			Pasadena	911	K
Arizona			Glendale	912	K
Phoenix	850	G	San Fernando	913	K
Mesa	852	G	Van Nuys	914	L
Glendale	853	H	Burbank	915	L
Globe	855	J	North Hollywood	916	L
Sierra Vista	856	I	Pomona	917	K
Tucson	857	E	Alhambra	918	K
Show Low	859	J	Campo	919	I
Flagstaff	860	G	El Cajon	920	I
Prescott	863	I	San Diego	921	H
Lake Havasu City	864	J	Palm Springs	922	J
St. Michaels	865	J	Redlands	923	J
			San Bernardino	924	I

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Table 3A (page 2 of 13)
ZIP Code Rating Classifications
for Specific Coverage

State	ZIP	Area	State	ZIP	Area
California cont.			Colorado cont.		
Riverside	925	I	Englewood	801	F
Fullerton	926	J	Denver	802	F
Santa Ana	927	J	Boulder	803	D
Anaheim	928	J	Golden	804	E
Oxnard	930	I	Fort Collins	805	D
Santa Barbara	931	J	Greeley	806	E
Visalia	932	G	Sterling	807	D
Bakersfield	933	H	Burlington	808	E
Santa Maria	934	K	Colorado Springs	809	E
Lancaster	935	J	Pueblo	810	F
Madera	936	I	Alamosa	811	D
Fresno	937	I	Salida	812	D
Clovis	938	I	Durango	813	D
Salinas	939	I	Montrose	814	D
Sunnyvale	940	M	Grand Junction	815	D
San Francisco	941	N	Glenwood Springs	816	D
West Sacramento	942	K			
Palo Alto	943	M	Connecticut		
San Mateo	944	N	New Britain	060	E
Fremont	945	M	Hartford	061	E
Oakland	946	M	Willimantic	062	E
Berkeley	947	M	Norwich	063	D
Richmond	948	M	Meriden	064	F
San Rafael	949	M	New Haven	065	G
Santa Clara	950	L	Bridgeport	066	G
San Jose	951	L	Waterbury	067	F
Stockton	952	M	Danbury	068	G
Modesto	953	M	Stamford	069	G
Santa Rosa	954	J			
Eureka	955	J	Delaware		
Davis	956	K	Newark	197	G
South Lake Tahoe	957	K	Wilmington	198	F
Sacramento	958	K	Dover	199	F
Chico	959	J			
Redding	960	L	District Of Columbia		
Susanville	961	K	Washington	200	E
			Washington	202	E
Colorado			Washington	203	E
Arvada	800	F	Washington	204	E
			Washington	205	E

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**Table 3A (page 3 of 13)
ZIP Code Rating Classifications
for Specific Coverage**

State	ZIP	Area	State	ZIP	Area
Florida			Georgia cont.		
St. Augustine	320	I	Valdosta	316	E
Belleview	321	H	Albany	317	E
Jacksonville	322	I	West Point	318	E
Tallahassee	323	F	Columbus	319	D
Panama City	324	I			
Pensacola	325	I	Hawaii		
Gainesville	326	I	Hilo	967	D
Titusville	327	H	Honolulu	968	E
Orlando	328	H			
Melbourne	329	G	Idaho		
Hialeah	330	K	Pocatello	832	C
Miami	331	L	Twin Falls	833	C
Miami	332	L	Idaho Falls	834	C
Fort Lauderdale	333	K	Lewiston	835	C
West Palm Beach	334	K	Nampa	836	B
Sarasota	335	J	Boise	837	C
Tampa	336	J	Couer D'Alene	838	C
St. Petersburg	337	J			
Lakeland	338	J	Illinois		
Fort Myers	339	J	Waukegan	600	I
Naples	341	H	Elgin	601	I
Bradenton	342	H	Evanston	602	I
Inverness	344	H	Oak Park	603	I
Tampa	346	J	Joliet	604	I
Clermont	347	H	Aurora	605	I
West Palm Beach	349	K	Chicago	606	I
			Chicago	607	I
			Chicago	608	I
Georgia			Kankakee	609	G
Marietta	300	E	Freeport	610	E
Rome	301	E	Rockford	611	G
La Grange	302	E	Rock Island	612	D
Atlanta	303	F	Ottawa	613	D
Statesboro	304	E	Galesburg	614	E
Gainesville	305	E	Pekin	615	F
Athens	306	E	Peoria	616	F
Calhoun	307	F	Bloomington	617	E
Thomson	308	F	Champaign	618	F
Augusta	309	F	Matoon	619	E
Warner Robins	310	F	Alton	620	F
Mableton	311	E	East St. Louis	622	F
Macon	312	G	Quincy	623	D
Hinesville	313	F	Effingham	624	D
Savannah	314	F			
Brunswick	315	E			

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Table 3A (page 4 of 13)
ZIP Code Rating Classifications
for Specific Coverage

State	ZIP	Area	State	ZIP	Area
Illinois cont.			Iowa cont.		
Decatur	625	E	Sioux City	511	D
Lincoln	626	E	Sheldon	512	D
Springfield	627	G	Spencer	513	D
Mount Vernon	628	D	Carroll	514	D
Carbondale	629	D	Council Bluffs	515	F
Indiana			Shenandoah	516	D
Anderson	460	E	Dubuque	520	D
Shelbyville	461	E	Decorah	521	D
Indianapolis	462	E	Iowa City	522	D
Michigan City	463	F	Marion	523	D
Gary	464	G	Cedar Rapids	524	C
Elkhart	465	D	Ottumwa	525	D
South Bend	466	E	Burlington	526	D
Huntington	467	D	Clinton	527	D
Fort Wayne	468	D	Davenport	528	D
Kokomo	469	D	Kansas		
Lawrenceburg	470	D	Leavenworth	660	E
New Albany	471	F	Kansas City	661	F
Columbus	472	C	Shawnee Mission	662	F
Muncie	473	D	Junction City	664	D
Bloomington	474	C	Manhattan	665	D
Vincennes	475	C	Topeka	666	C
Boonville	476	C	Pittsburg	667	D
Evansville	477	C	Emporia	668	D
Terre Haute	478	E	Concordia	669	D
Lafayette	479	D	Arkansas City	670	E
Iowa			Winfield	671	E
Ames	500	C	Wichita	672	E
Marshalltown	501	D	Coffeyville	673	D
West Des Moines	502	D	Salina	674	D
Des Moines	503	D	Hutchinson	675	D
Mason City	504	D	Hays	676	D
Fort Dodge	505	D	Colby	677	D
Cedar Falls	506	D	Garden City	678	D
Waterloo	507	E	Liberal	679	D
Creston	508	D	Kentucky		
Des Moines	509	D	Shelbyville	400	F
Cherokee	510	D	Hardinsburg	401	E

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**Table 3A (page 5 of 13)
ZIP Code Rating Classifications
for Specific Coverage**

State	ZIP	Area	State	ZIP	Area
Kentucky cont.			Maine		
Louisville	402	F	Berwick	039	C
Winchester	403	D	Biddeford	040	C
Richmond	404	E	Portland	041	C
Lexington	405	D	Lewiston	042	D
Frankfort	406	E	Augusta	043	C
Corbin	407	E	Bangor	044	C
Harlan	408	E	Bath	045	C
Middlesboro	409	E	Ellsworth	046	C
Covington	410	E	Presque Isle	047	C
Ashland	411	F	Rockland	048	C
Paintsville	412	E	Waterville	049	C
Beattyville	413	E			
Salyersville	414	E	Maryland		
Pikeville	415	E	Waldorf	206	D
Prestonburg	416	E	Hyattsville	207	D
Hazard	417	E	Rockville	208	D
Whitesburg	418	E	Silver Spring	209	D
Paducah	420	E	Bel Air	210	D
Bowling Green	421	E	Westminster	211	D
Hopkinsville	422	E	Baltimore	212	D
Owensboro	423	D	Annapolis	214	D
Henderson	424	D	Cumberland	215	B
Somerset	425	E	Cambridge	216	B
Monticello	426	E	Hagerstown	217	C
Elizabethtown	427	E	Salisbury	218	B
			Elkton	219	F
Louisiana			Massachusetts		
Kenner	700	J	Holyoke	010	D
New Orleans	701	J	Springfield	011	D
Houma	703	F	Pittsfield	012	E
Slidell	704	I	Greenfield	013	C
Lafayette	705	F	Fitchburg	014	D
Lake Charles	706	H	Shrewsbury	015	D
Plaquemine	707	E	Worcester	016	D
Baton Rouge	708	E	Framingham	017	E
Minden	710	H	Lowell	018	E
Shreveport	711	J	Lynn	019	D
Monroe	712	G	Hingham	020	E
Alexandria	713	H	Cambridge	021	F
Natchitoches	714	G			

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Table 3A (page 6 of 13)
ZIP Code Rating Classifications
for Specific Coverage

State	ZIP	Area	State	ZIP	Area
Massachusetts cont.			Minnesota Cont.		
Boston	022	F	Worthington	561	D
Plymouth	023	F	Willmar	562	C
Brockton	024	E	St. Cloud	563	D
Buzzards Bay	025	E	Brainerd	564	C
Hyannis	026	E	Fergus Falls	565	D
New Bedford	027	F	Bemidji	566	D
			Thief River Falls	567	D
Michigan			Mississippi		
Warren	480	F	Southaven	386	E
Ann Arbor	481	F	Greenville	387	E
Detroit	482	F	Tupelo	388	D
Pontiac	483	E	Greenwood	389	E
Lapeer	484	D	Hazlehurst	390	F
Flint	485	D	Vicksburg	391	E
Saginaw	486	D	Jackson	392	G
Bay City	487	D	Meridian	393	D
Owosso	488	C	Hattiesburg	394	F
Lansing	489	D	Biloxi	395	K
Kalamazoo	490	C	McComb	396	E
Niles	491	C	Columbus	397	E
Jackson	492	D			
Lowell	493	B	Missouri		
Muskegon	494	B	Florissant	630	F
Grand Rapids	495	B	St. Louis	631	F
Traverse City	496	C	St. Charles	633	F
Sault Ste. Marie	497	C	Hannibal	634	E
Marquette	498	C	Kirkville	635	E
Houghton	499	C	Farmington	636	E
Minnesota			Cape Girardeau	637	E
Red Wing	550	E	Sikeston	638	E
St. Paul	551	F	Poplar Bluff	639	E
Anoka	553	F	Independence	640	F
Minneapolis	554	F	Kansas City	641	F
Minneapolis	555	F	Maryville	644	E
Two Harbors	556	D	St. Joseph	645	E
Hibbing	557	E	Chillicothe	646	E
Duluth	558	E	Nevada	647	E
Rochester	559	F	Joplin	648	E
Mankato	560	D	California	650	D

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Table 3A (page 7 of 13)
ZIP Code Rating Classifications
for Specific Coverage

State	ZIP	Area	State	ZIP	Area
Missouri Cont.			Nevada Cont.		
Jefferson City	651	D	Sparks	894	G
Columbia	652	E	Reno	895	H
Sedalia	653	E	Carson City	897	G
Rolla	654	E	Elko	898	G
Salem	655	E			
Bolivar	656	D	New Hampshire		
West Plains	657	D	Nashua	030	C
Springfield	658	C	Manchester	031	C
			Laconia	032	D
Montana			Concord	033	D
Livingston	590	B	Keene	034	C
Billings	591	C	Berlin	035	D
Wolf Point	592	B	Lempster	036	D
Miles City	593	B	Claremont	037	D
Great Falls	594	C	Portsmouth	038	D
Havre	595	B			
Helena	596	B	New Jersey		
Butte	597	B	Clifton	070	N
Missoula	598	C	Newark	071	M
Kalispell	599	B	Elizabeth	072	M
			Jersey City	073	M
Nebraska			Ridgewood	074	N
Bellevue	680	F	Paterson	075	M
Omaha	681	G	Hackensack	076	M
Beatrice	683	E	Asbury Park	077	P
Nebraska City	684	E	Dover	078	L
Lincoln	685	E	Summit	079	O
Columbus	686	E	Cherry Hill	080	O
Norfolk	687	D	Camden	081	L
Grand Island	688	E	Pleasantville	082	L
Hastings	689	E	Vineland	083	L
McCook	690	E	Atlantic City	084	M
North Platte	691	E	Princeton	085	M
Valentine	692	E	Trenton	086	O
Scottsbluff	693	E	Toms River	087	N
			Perth Amboy	088	M
Nevada			New Brunswick	089	N
North Las Vegas	890	J			
Las Vegas	891	K	New Mexico		
Ely	893	G	Belen	870	C

BCS Insurance Company

Table 3A (page 8 of 13)
ZIP Code Rating Classifications
for Specific Coverage

State	ZIP	Area	State	ZIP	Area
New Mexico cont.			New York cont.		
Albuquerque	871	C	Poughkeepsie	126	I
Albuquerque	872	C	Monticello	127	D
Gallup	873	F	Glens Falls	128	C
Farmington	874	B	Plattsburgh	129	C
Santa Fe	875	D	Auburn	130	C
Las Vegas	877	F	Oswego	131	C
Socorro	878	F	Syracuse	132	C
Truth or Consequences	879	F	Herkimer	133	C
Las Cruces	880	E	Rome	134	C
Clovis	881	F	Utica	135	C
Roswell	882	F	Watertown	136	B
Alamogordo	883	F	Endicott	137	C
Tucumcari	884	F	Oneonta	138	C
New York			Binghamton	139	C
New York	100	L	Lockport	140	B
Manhattan	101	L	Tonawanda	141	B
Manhattan	102	L	Buffalo	142	B
Staten Island	103	K	Niagara Falls	143	B
Bronx	104	K	Geneva	144	A
Mount Vernon	105	K	Newark	145	A
White Plains	106	K	Rochester	146	A
Yonkers	107	K	Jamestown	147	C
New Rochelle	108	K	Ithaca	148	C
Orangeburg	109	J	Elmira	149	C
Great Neck	110	L	North Carolina		
Long Island City	111	K	Mocksville	270	C
Brooklyn	112	L	Winston-Salem	271	C
Flushing	113	L	High Point	272	C
Jamaica	114	K	Thomasville	273	C
Hempstead	115	L	Greensboro	274	B
Far Rockaway	116	K	Goldsboro	275	E
West Babylon	117	K	Raleigh	276	D
Hicksville	118	K	Durham	277	E
Riverhead	119	K	Rocky Mount	278	D
Amsterdam	120	C	Elizabeth City	279	D
Troy	121	C	Gastonia	280	D
Albany	122	D	Salisbury	281	D
Schenectady	123	D	Charlotte	282	E
Kingston	124	E	Fayetteville	283	E
Newburgh	125	H			

BCS Insurance Company

**Table 3A (page 9 of 13)
ZIP Code Rating Classifications
for Specific Coverage**

State	ZIP	Area	State	ZIP	Area
North Carolina cont.			Ohio cont.		
Wilmington	284	E	Batavia	451	D
Kinston	285	D	Cincinnati	452	E
Hickory	286	D	Greenville	453	D
Hendersonville	287	D	Dayton	454	E
Asheville	288	D	Springfield	455	D
Murphy	289	D	Portsmouth	456	D
			Marietta	457	D
			Lima	458	D
North Dakota			Oklahoma		
Wahpeton	580	C	Norman	730	G
Fargo	581	C	Oklahoma City	731	G
Grand Forks	582	D	Ardmore	734	G
Devils Lake	583	D	Lawton	735	G
Jamestown	584	D	Clinton	736	G
Bismarck	585	C	Enid	737	G
Dickinson	586	D	Woodward	738	F
Minot	587	D	Guymon	739	G
Williston	588	D	Bartlesville	740	D
			Tulsa	741	D
Ohio					
Newark	430	D	Vinita	743	G
Lancaster	431	D	Muskogee	744	F
Columbus	432	D	McAlester	745	G
Marion	433	D	Ponca City	746	G
Bowling Green	434	F	Durant	747	G
Defiance	435	F	Shawnee	748	G
Toledo	436	G	Poteau	749	E
Zanesville	437	D			
Coshocton	438	D	Oregon		
Steubenville	439	E	Beaverton	970	B
Lorain	440	F	Hillsboro	971	C
Cleveland	441	G	Portland	972	C
Cuyahoga Falls	442	F	Salem	973	C
Akron	443	E	Eugene	974	C
Warren	444	E	Medford	975	C
Youngstown	445	F	Klamath Falls	976	B
Massillon	446	D	Bend	977	B
Canton	447	B	Pendleton	978	B
Sandusky	448	D	Ontario	979	B
Mansfield	449	C			
Hamilton	450	E			

BCS Insurance Company

**Table 3A (page 10 of 13)
ZIP Code Rating Classifications
for Specific Coverage**

State	ZIP	Area	State	ZIP	Area
Pennsylvania			Pennsylvania cont.		
Aliquippa	150	G	Upper Darby	190	O
McKeesport	151	G	Philadelphia	191	Q
Pittsburgh	152	G	West Chester	193	O
Washington	153	G	Norristown	194	O
Uniontown	154	G	Berndale	195	E
Somerset	155	E	Reading	196	D
Greensburg	156	G			
Indiana	157	E	Puerto Rico	All	C
DuBois	158	D			
Johnstown	159	E	Rhode Island		
Butler	160	G	Warwick	028	F
New Castle	161	E	Providence	029	F
Kittanning	162	F			
Oil City	163	E	South Carolina		
Corry	164	F	Camden	290	F
Erie	165	F	Sumter	291	F
Altoona	166	D	Columbia	292	F
Bradford	167	E	Spartanburg	293	G
State College	168	D	Charleston	294	I
Wellsboro	169	D	Florence	295	G
Lebanon	170	E	Greenville	296	F
Harrisburg	171	E	Rock Hill	297	E
Chambersburg	172	E	Aiken	298	F
Hanover	173	C	Beaufort	299	F
York	174	B			
Columbia	175	D	South Dakota		
Lancaster	176	D	Madison	570	E
Williamsport	177	D	Sioux Falls	571	E
Sunbury	178	E	Watertown	572	E
Pottsville	179	E	Mitchell	573	E
Bethlehem	180	I	Aberdeen	574	E
Allentown	181	I	Pierre	575	E
Hazleton	182	G	Mobridge	576	E
Stroudsburg	183	G	Rapid City	577	D
Honesdale	184	F			
Scranton	185	F	Tennessee		
Berwick	186	F	Clarksville	370	F
Wilkes-Barre	187	F	Murfreesboro	371	F
Montrose	188	E	Nashville	372	F
Doylestown	189	O	Cleveland	373	E

BCS Insurance Company

**Table 3A (page 11 of 13)
ZIP Code Rating Classifications
for Specific Coverage**

State	ZIP	Area	State	ZIP	Area
Tennessee cont.			Texas cont.		
Chattanooga	374	G	Laredo	780	F
Johnson City	376	E	New Braunfels	781	F
Greenville	377	E	San Antonio	782	F
Oak Ridge	378	E	Kingsville	783	H
Knoxville	379	F	Corpus Christi	784	I
Dyersburg	380	F	Brownsville	785	H
Memphis	381	G	San Marcos	786	F
Paris	382	E	Austin	787	F
Jackson	383	E	Del Rio	788	G
Columbia	384	E	La Grange	789	G
Cookeville	385	E	Pampa	790	F
Texas			Amarillo	791	F
Plano	750	G	Childress	792	G
Duncanville	751	G	Levelland	793	H
Dallas	752	H	Lubbock	794	K
Dallas	753	G	Sweetwater	795	F
Paris	754	G	Abilene	796	E
Texarkana	755	G	Odessa	797	E
Longview	756	G	Marfa	798	I
Tyler	757	I	El Paso	799	J
Palestine	758	G	El Paso	885	J
Lufkin	759	F	Utah		
Arlington	760	G	Bountiful	840	B
Fort Worth	761	F	Salt Lake City	841	C
Denton	762	G	Salt Lake City	842	B
Wichita Falls	763	F	Logan	843	B
Stephenville	764	G	Ogden	844	A
Temple	765	E	Price	845	B
Hillsboro	766	F	Provo	846	B
Waco	767	E	Cedar City	847	B
Brownwood	768	G	Vermont		
San Angelo	769	F	Woodstock	050	B
Houston	770	I	Springfield	051	B
Houston	772	H	Bennington	052	B
Conroe	773	H	Brattleboro	053	B
Rosenberg	774	H	Burlington	054	D
Pasadena	775	H	Barre	056	B
Port Arthur	776	I	Rutland	057	B
Beaumont	777	I	St. Johnsbury	058	B
Bryan	778	G			
Victoria	779	G			

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**Table 3A (page 12 of 13)
ZIP Code Rating Classifications
for Specific Coverage**

State	ZIP	Area	State	ZIP	Area
Vermont cont.			Washington cont.		
Guildhall	059	B	Wenatchee	988	B
Virginia			Yakima	989	C
Sterling	201	E	Cheney	990	C
Reston	220	E	Pullman	991	C
Manassas	221	E	Spokane	992	C
Arlington	222	E	Richland	993	C
Alexandria	223	E	Clarkston	994	D
Fredricksburg	224	E	West Virginia		
Montross	225	E	Bluefield	247	E
Winchester	226	D	Welch	248	E
Culpeper	227	D	Lewisburg	249	E
Harrisonburg	228	C	Clay	250	E
Charlottesville	229	D	St. Albans	251	E
Gloucester	230	G	Ripley	252	E
Williamsburg	231	G	Charleston	253	E
Richmond	232	H	Martinsburg	254	C
Chesapeake	233	D	Wayne	255	E
Virginia Beach	234	D	Logan	256	E
Norfolk	235	D	Huntington	257	F
Newport News	236	D	Beckley	258	E
Portsmouth	237	D	Hinton	259	E
Petersburg	238	G	Wheeling	260	E
Farmville	239	D	Parkersburg	261	D
Roanoke	240	D	Buckhannon	262	E
Martinsville	241	D	Clarksburg	263	E
Bristol	242	E	Weston	264	E
Pulaski	243	D	Morgantown	265	E
Covington	244	D	Summersville	266	E
Lynchburg	245	C	Romney	267	C
Bluefield	246	E	Petersburg	268	D
Washington			Wisconsin		
Bellevue	980	D	Sheboygan	530	G
Seattle	981	D	Kenosha	531	G
Everett	982	D	Milwaukee	532	H
Bremerton	983	D	Racine	534	F
Tacoma	984	D	Janesville	535	E
Olympia	985	D	Madison	537	F
Vancouver	986	C	Prairie Du Chien	538	D

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**Table 3A (page 13 of 13)
ZIP Code Rating Classifications
for Specific Coverage**

State	ZIP	Area
Wisconsin cont.		
Portage	539	E
Hudson	540	E
Marinette	541	D
Manitowoc	542	D
Green Bay	543	D
Wausau	544	D
Rhineland	545	D
La Crosse	546	E
Eau Claire	547	E
Superior	548	D
Oshkosh	549	D
Wyoming		
Cheyenne	820	D
Yellowstone Ntnl Park	821	D
Wheatland	822	D
Rawlins	823	D
Cody	824	D
Riverton	825	D
Casper	826	D
New Castle	827	D
Sheridan	828	D
Rock Springs	829	D
Jackson	830	D
Kemmerer	831	D

Table 4

Underlying Plan Adjustment Factors

Effective 1/1/2009

- Comprehensive Major Medical Plans and Adjustments -

Specific Deductible	Underlying Plan Out-of-Pocket Limit									
	\$0	\$500	\$1,000	\$1,500	\$2,000	\$2,500	\$3,000	\$4,000	\$5,000	\$6,000+
\$ 25,000 - \$ 39,500	1.01	1.00	0.99	0.98	0.97	0.96	0.96	0.94	0.92	0.91
\$ 40,000 - \$ 69,500	1.01	1.00	0.99	0.99	0.98	0.97	0.97	0.96	0.94	0.93
\$ 70,000 - \$ 129,500	1.00	1.00	1.00	0.99	0.99	0.98	0.98	0.97	0.96	0.95
\$ 130,000 - \$ 179,500	1.00	1.00	1.00	0.99	0.99	0.99	0.98	0.98	0.97	0.96
\$ 180,000 - \$ 274,500	1.00	1.00	1.00	0.99	0.99	0.99	0.98	0.98	0.97	0.97
\$ 275,000 - \$ 349,500	1.00	1.00	1.00	0.99	0.99	0.99	0.99	0.98	0.98	0.97
\$ 350,000 - \$ 1,000,000	1.00	1.00	1.00	1.00	0.99	0.99	0.99	0.99	0.98	0.98

Notes:

1. Out-of-pocket limit includes the underlying plan's deductible, copays, coinsurance and hospital deductible.
2. For out-of-pocket limits not shown, interpolate between factors provided.

Table 5 (Page 1 of 2)

Contract Adjustment Factors

Contract Adjustment Factors	Adjustment Factor	Year Applied
First Year Incurred and Paid	0.800	First Year Only
Incurred in 24, Paid in 12	1.100	First Year Only
Incurred in 15, Paid in 12	1.060	First Year Only
Incurred in 12, Paid in 15	1.050	All Years
Incurred in 12, Paid in 18	1.080	All Years
Incurred in 12, Paid in 24	1.100	All Years
Incurred in 12, Paid in 36	1.125	All Years
Extension of Benefits	1.150	All Years
Incurred in 24, Paid in 12	1.000	Renewal Years Only
Incurred any prior, Paid in 12	1.020	Second and Subsequent Renewal Years Only

Notes:

1. The adjustment factors above assume a 12-month contract period. For a First Year Incurred and Paid Contract other than 12 months, use Table 5A. For a Renewal Year Paid Contract other than 12 months, use Table 5B or 5C.
2. The run-in and run-out factors account for anti-selection by the group, which results in factors higher than those which may be expected relative to the standard contract options. This may discourage use of the run-in and run-out contract options. The standard contract options are 'First Year Incurred and Paid', 'Incurred in 24, Paid in 12' and 'Incurred any prior, Paid in 12'.
3. First Year Incurred and Paid covers expenses incurred and paid in the first contract year.
4. Incurred in 24, Paid in 12 (12 month run-in) covers expenses incurred in the first contract year or up to 12 months prior to the first contract year and paid during the first contract year.
5. Incurred in 15, Paid in 12 (90-day run-in) covers expenses incurred in the first contract year or up to 90 days prior to the first contract year and paid during the first contract year.
6. Incurred in 12, Paid in 15 covers expenses incurred during the contract and paid during the contract year, or the 3 months immediately following.

Table 5 (Page 2 of 2)

Contract Adjustment Factors

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7. Incurred in 12, Paid in 18 covers expenses incurred during the contract and paid during the contract year, or the 6 months immediately following.
 8. Incurred in 12, Paid in 24 covers expenses incurred during the contract and paid during the contract year, or the 12 months immediately following.
 9. Incurred in 12, Paid in 36 covers expenses incurred during the contract and paid during the contract year, or the 24 months immediately following.
 10. Extension of Benefits covers expenses incurred prior to the termination of the contract, but not paid until after (but within 90 days of) the termination of the contract. It also covers expenses incurred and paid within 90 days after the termination of the contract for those individuals who were totally disabled at the termination of the contract. It may only be purchased at issue. Premium for Extension of Benefits must be paid during every contract year.
 11. Incurred in 24, Paid in 12 covers expenses incurred in the prior or current contract year (but not prior to the initial effective date of the contract), and paid during the contract year.
 12. Incurred any prior, Paid in 12 covers expenses incurred anytime prior to and during the current contract year (but not prior to the initial effective date of the contract), and paid during the contract year.

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Table 5A

Contract Adjustment Factors - Incurred and Paid Basis

The standard First Year Incurred and Paid contract in Table 5 assumes a 12-month contract period. If a contract period other than 12 months is used, the appropriate factor from the table below should be applied.

Contract Period	Rating Factor by Deductible			
	\$25,000 -34,500	\$35,000 -109,500	\$110,000 -199,500	\$200,000 -1,000,000
6.0 months	0.69	0.67	0.65	0.63
6.5 months	0.70	0.68	0.67	0.66
7.0 months	0.72	0.70	0.69	0.68
7.5 months	0.72	0.72	0.71	0.70
8.0 months	0.74	0.72	0.72	0.72
8.5 months	0.75	0.74	0.73	0.72
9.0 months	0.76	0.75	0.74	0.73
9.5 months	0.77	0.76	0.75	0.74
10.0 months	0.77	0.77	0.76	0.75
10.5 months	0.78	0.77	0.77	0.76
11.0 months	0.79	0.78	0.77	0.77
11.5 months	0.80	0.79	0.78	0.78
12.0 months	----- Use Table 5 -----			
12.5 months	0.83	0.84	0.85	0.86
13.0 months	0.85	0.88	0.88	0.90
13.5 months	0.87	0.90	0.93	0.95
14.0 months	0.88	0.93	0.96	0.99
14.5 months	0.92	0.96	0.99	1.03
15.0 months	0.96	0.99	1.03	1.05

Table 5B

**Contract Adjustment Factors - Paid Basis
Incurred in 24, Paid in 12**

The standard Incurred in 24, Paid in 12 contract in Table 5 assumes a 12-month contract period. If a contract period other than 12 months is used, the appropriate factor from the table below should be applied.

Contract Period	Rating Factor by Deductible			
	\$25,000 -34,500	\$35,000 -109,500	\$110,000 -199,500	\$200,000 -1,000,000
6.0 months	0.84	0.81	0.79	0.77
6.5 months	0.85	0.83	0.82	0.80
7.0 months	0.87	0.85	0.84	0.83
7.5 months	0.89	0.87	0.86	0.85
8.0 months	0.91	0.89	0.88	0.87
8.5 months	0.92	0.91	0.90	0.89
9.0 months	0.93	0.92	0.91	0.90
9.5 months	0.94	0.93	0.92	0.91
10.0 months	0.95	0.94	0.93	0.92
10.5 months	0.96	0.95	0.94	0.93
11.0 months	0.97	0.96	0.95	0.94
11.5 months	0.98	0.97	0.96	0.96
12.0 months	----- Use Table 5 -----			
12.5 months	1.01	1.03	1.04	1.05
13.0 months	1.04	1.07	1.09	1.11
13.5 months	1.06	1.11	1.14	1.17
14.0 months	1.09	1.14	1.18	1.22
14.5 months	1.13	1.18	1.22	1.25
15.0 months	1.18	1.22	1.25	1.29

Table 5C

**Contract Adjustment Factors - Paid Basis
Incurred Any Prior, Paid in 12**

The standard Incurred any Prior, Paid in 12 contract in Table 5 assumes a 12-month contract period. If a contract period other than 12 months is used, the appropriate factor from the table below should be applied.

Contract Period	Rating Factor by Deductible			
	\$25,000 -34,500	\$35,000 -109,500	\$110,000 -199,500	\$200,000 -1,000,000
6.0 months	0.86	0.83	0.81	0.79
6.5 months	0.87	0.85	0.84	0.82
7.0 months	0.89	0.87	0.86	0.85
7.5 months	0.91	0.89	0.88	0.87
8.0 months	0.93	0.91	0.90	0.89
8.5 months	0.94	0.93	0.92	0.91
9.0 months	0.95	0.94	0.93	0.92
9.5 months	0.96	0.95	0.94	0.93
10.0 months	0.97	0.96	0.95	0.94
10.5 months	0.98	0.97	0.96	0.95
11.0 months	0.99	0.98	0.97	0.96
11.5 months	1.00	0.99	0.98	0.98
12.0 months	----- Use Table 5 -----			
12.5 months	1.03	1.05	1.06	1.07
13.0 months	1.06	1.09	1.11	1.13
13.5 months	1.08	1.13	1.16	1.19
14.0 months	1.11	1.16	1.20	1.24
14.5 months	1.15	1.20	1.24	1.28
15.0 months	1.20	1.24	1.28	1.32

Table 5D

Contract Adjustment Factors - Actively at Work

Number of Employees	Discount Factor by Specific Deductible				
	\$25,000 -34,500	\$35,000 -74,500	\$75,000 -124,500	\$125,000 -199,500	\$200,000 -1,000,000
25 - 249	0.890	0.895	0.900	N/A	N/A
250 - 499	0.900	0.905	0.910	0.915	N/A
500 - 749	0.910	0.915	0.920	0.925	0.930
750 - 999	N/A	0.925	0.930	0.935	0.940
1,000+	N/A	N/A	0.940	0.945	0.950

Notes:

1. Actively at work discounts apply only if the provision is stated in the contract.
2. Actively at work provisions apply for first year contracts only.
3. Employees must be at work the first day of the incurral period to be considered actively at work.
4. Spouses and dependents are considered actively at work if they have no health problems inhibiting them from participating in their normal daily activities.
5. N/A indicates a specific deductible that should not be written for a group of that size.
6. Actively at work discounts apply only to medical coverage.

Table 6 (page 1 of 6)

Managed Care Adjustment Factors

Hospital - Inpatient

<u>Unmanaged Plan</u>		<u>Managed Care Plan</u>	
		Negotiated Discount	Negotiated Per Diem
Average Charge/Day	\$5,817.01	\$5,817.01	
x (1 - Discount)	x 1.00	x	N/A
x (Area Adjustment)	x 1.00		+
= Adj. Avg. Charge	= \$5,817.01	= (1)	= (1)
ALOS	4.2496		
x Utilization	x 0.0657	x	x
= Bed Days Per Person	= 0.2792	= (2)	= (2)
Outliers	÷ 1.00	+	+
Expected Annual Cost =			
(1) x (2) ÷ (3)	= \$1,624.11	= (a)	= (a)
Savings As a Percent of Unmanaged Care Plan =			
1 - [(a) / \$1,624.11]			(A)

Notes:

1. Use either the Negotiated Discount or the Negotiated Per Diem to calculate the discount.
2. The Area Adjustment factor is found on page six of Table 6.
3. If bed days per person are known, enter the value on line (2).
4. If the managed care network has negotiated outliers, enter 0.75 on line (3). If there are no negotiated outliers, enter 1.00 on line (3).
5. Weight the Negotiated Per Diem charge as follows:

Medical/Surgical	0.580
ICU	0.133
Obstetrics	0.157
Mental & Nervous	0.130

Example:	Weight	Per Diem	Value
Medical/Surgical	0.580	\$4,000	\$2,320.00
ICU	0.133	\$4,500	\$598.50
Obstetrics	0.157	\$4,800	\$753.60
Mental & Nervous	0.130	\$2,000	\$260.00
Total	1.000		\$3,932.10

Table 6 (page 2 of 6)

Managed Care Adjustment Factors

Office Visit

<u>Unmanaged Plan</u>		<u>Managed Care Plan</u>	
		Negotiated Discount	
Average Charge	\$257.45	\$257.45	
x (1 - Discount)	x 1.00	x	
= Adj. Avg. Charge	= \$257.45	=	(1)
= Utilization	x 3.6220	=	(2)
Expected Annual Cost =		=	
(1) x (2)	= \$932.48	=	(b)
Savings As a Percent of Unmanaged Care Plan =			
1 - [(b) / \$932.48]		_____ (B)	

Psychotherapy

<u>Unmanaged Plan</u>		<u>Managed Care Plan</u>	
		Negotiated Discount	Negotiated Per Visit
Average Charge	\$125.70	\$125.70	
x (1 - Discount)	x 1.00	x	N/A
x (Area Adjustment)	x 1.00		+
= Adj. Avg. Charge	= \$125.70	=	(1)
= Utilization	x 0.3930	=	(2)
Expected Annual Cost =		=	
(1) x (2)	= \$49.40	=	(c)
Savings As a Percent of Unmanaged Care Plan =			
1 - [(c) / \$49.40]		_____ (C)	

Notes:

1. Use either the Negotiated Discount or the Negotiated Per Visit to calculate the discount.
2. The Area Adjustment factor is found on page six of Table 6.
3. If annual visits per person are known, enter the value on line (2).

Table 6 (page 3 of 6)

Managed Care Adjustment Factors

Drugs

	<u>Unmanaged Plan</u>	<u>Managed Care Plan</u> Negotiated Discount
Average Charge :	\$90.38	\$90.38
x (1 - Discount)	x 1.00	x
= Adj. Avg. Charge	= \$90.38	= (1)
= Utilization	x 11.0000	= (2)
Expected Annual Cost =		
(1) x (2)	= \$994.23	= (d)
Savings As a Percent of Unmanaged Care Plan =		
1 - [(d) / \$994.23]		_____ (D)

Other Discounts

X-Ray and Lab Discount	_____ (E)
Surgeon Services Discount	_____ (F)
Hospital Outpatient Services Discount	_____ (G)
Anesthesia Discount	_____ (H)
Other Services Discount	_____ (I)

Table 6 (page 4 of 6)

Managed Care Adjustment Factors

Calculation of Managed Care Discount

- 1. Inpatient Hospital Adjustment = [(A) x (0.263)] _____
- 2. Office Visit Adjustment = [(B) x (0.151)] _____
- 3. Psychotherapy Adjustment = [(C) x (0.008)] _____
- 4. Drug Adjustment = [(D) x (0.161)] _____
- 5. X-Ray and Lab Adjustment = [(E) x (0.070)] _____
- 6. Surgeon Adjustment = [(F) x (0.092)] _____
- 7. Hospital Outpatient Adjustment = [(G) x (0.209)] _____
- 8. Anesthesia Adjustment = [(H) x (0.016)] _____
- 9. Other Services Adjustment = [(I) x (0.030)] _____
- 10. In-Network Managed Care Plan Savings = (1) + (2) + ... + (9) _____
- 11. In-Network Utilization _____
- 12. Out-of-Network Utilization = 1.00 - (11) _____
- 13. Managed Care Discount = [(10) x (11)] + [(12) x 0.10] _____

Table 6 (page 5 of 6)

Managed Care Adjustment Factors
for Specific Coverage

Effective

Rating Factor by Specific Deductible

Calculated Adjustment	\$25,000 to \$33,000		\$33,500 to \$42,000		\$42,500 to \$65,000		\$65,500 to \$79,500		\$80,000 to \$89,500		\$90,000 to \$99,500		\$100,000 to \$124,500		\$125,000 to \$149,500		\$150,000 to \$199,500		\$200,000 to \$1,000,000	
5%	0.92	0.92	0.92	0.92	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.90	0.90	0.90	0.90	0.88	0.88
10%	0.85	0.84	0.84	0.84	0.83	0.83	0.83	0.83	0.83	0.83	0.82	0.82	0.82	0.82	0.81	0.81	0.80	0.80	0.76	0.76
15%	0.77	0.77	0.77	0.76	0.75	0.74	0.74	0.75	0.74	0.74	0.74	0.74	0.73	0.73	0.72	0.72	0.70	0.70	0.65	0.65
20%	0.70	0.70	0.70	0.68	0.67	0.66	0.66	0.67	0.66	0.66	0.66	0.66	0.65	0.65	0.63	0.63	0.61	0.61	0.56	0.56
25%	0.63	0.63	0.63	0.61	0.60	0.59	0.59	0.60	0.59	0.58	0.58	0.58	0.57	0.57	0.55	0.55	0.53	0.53	0.47	0.47
30%	0.57	0.56	0.56	0.54	0.52	0.51	0.51	0.52	0.51	0.51	0.51	0.51	0.49	0.49	0.48	0.48	0.45	0.45	0.39	0.39
35%	0.50	0.49	0.49	0.47	0.46	0.45	0.45	0.46	0.45	0.44	0.44	0.44	0.42	0.42	0.40	0.40	0.38	0.38	0.32	0.32
40%	0.44	0.43	0.43	0.41	0.39	0.38	0.38	0.39	0.38	0.37	0.37	0.37	0.36	0.36	0.34	0.34	0.31	0.31	0.25	0.25
45%	0.38	0.37	0.37	0.35	0.33	0.32	0.32	0.33	0.32	0.31	0.31	0.31	0.29	0.29	0.28	0.28	0.25	0.25	0.20	0.20
50%	0.32	0.31	0.31	0.29	0.27	0.26	0.27	0.27	0.26	0.25	0.25	0.25	0.24	0.24	0.22	0.22	0.20	0.20	0.15	0.15

Note:

1. Interpolate between the values shown to obtain the managed care factor for a group with an adjustment not shown.

Table 6 (page 6 of 6)

Managed Care Adjustment Factors

Area Adjustment Factor

Area	Area Adjustment
A	0.64
B	0.70
C	0.76
D	0.82
E	0.88
F	0.94
G	1.00
H	1.06
I	1.12
J	1.18
K	1.24
L	1.30
M	1.36
N	1.42
O	1.48
P	1.54
Q	1.60
R	1.66
S	1.72

Table 6A

Cost Containment Program Factors

	Factor
Hospice Care	0.995
Home Health Care	0.990
Hospital Bill Audit	0.995
Utilization Review (See Note 2)	
Reduction in Hospital Bed Days:	
Less than 10%	1.000
10% - 14.9%	0.963
15% - 19.9%	0.945
20% - 24.9%	0.926
25% - 29.9%	0.908
30% +	0.890

Notes:

1. If the plan has more than one type of program, multiply all the appropriate factors together to derive the total adjustment factor.
2. Adjustments can only be applied to cases where the managed care adjustment table has not been used to adjust for utilization.

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**Table 7 (page 1 of 5)
Standard Industrial Classifications
and Base Industry Factors**

SIC Code	Industry	Specific Industry Factor
DIVISION A: AGRICULTURE, FORESTRY AND FISHING		
01	Agricultural Production - Crops	1.00
02	Agricultural Production - Livestock and Animal Specialties	1.00
07	Agricultural Services	1.00
072	Crop Services	(HO) 1.05
08	Forestry	1.10
0851	Forestry Services	(HO) 1.15
09	Fishing, Hunting, and Trapping	1.00
091	Commercial Fishing	(HO) 1.05
097	Hunting and Trapping, and Game Propagation	1.25
DIVISION B: MINING		
10	Metal Mining	1.25
12	Coal Mining	1.40
13	Oil and Gas Extraction	1.25
14	Mining and Quarrying of Non-metallic Minerals, Except Fuels	1.25
DIVISION C: CONSTRUCTION		
15	Building Construction - General Contractors; Operative Builders	1.15
16	Heavy Construction, Ex. Building	1.20
17	Construction - Special Trade Contractors	1.00
1791	Structural Steel Erection	1.10
1794	Excavation Work	1.10
1795	Wrecking and Demolition Work	1.10
1799	Special Trade Contractors, NEC	(HO) 1.00
DIVISION D: MANUFACTURING		
20	Food and Kindred Products	1.00
201	Meat Products	(HO) 1.15
2082	Malt Beverages	1.10
2084	Wines, Brandy, and Brandy Spirits	1.10
2085	Distilled and Blended Liquors	1.10
21	Tobacco Products	1.30
22	Textile Mill Products	1.00
23	Apparel and Other Textile Products	1.00
24	Lumber and Wood Products, Except Furniture	1.00
241	Logging	1.40
242	Sawmills and Planing Mills	1.40
2421	Sawmills and Planing Mills, General	1.15
25	Furniture and Fixtures	1.00

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**Table 7 (page 2 of 5)
Standard Industrial Classifications
and Base Industry Factors**

SIC Code	Industry	Specific Industry Factor
DIVISION D: MANUFACTURING (Continued)		
26	Paper and Allied Products	1.00
27	Printing, Publishing, and Allied Industries	1.00
28	Chemicals and Allied Products	(HO) 1.00
2892	Explosives	1.40
2899	Chemicals and Chemical Preparations, NEC	(HO) 1.20
29	Petroleum Refining and Related Industries	1.00
30	Rubber and Miscellaneous Plastic Products	1.00
31	Leather and Leather Products	1.00
311	Leather Tanning and Finishing	(HO) 1.10
32	Stone, Clay, Glass, and Concrete Products	1.00
329	Miscellaneous Non-Metallic Mineral Products	(HO) 1.25
3292	Asbestos Products	Decline
33	Primary Metal Industries	1.40
3322	Malleable Iron Foundries	1.15
335	Rolling, Drawing, and Extruding of Nonferrous Metals	1.25
3357	Drawing and Insulating of Nonferrous Wire	1.00
336	Nonferrous Foundries (Castings)	1.25
3363	Aluminum Die-Castings	1.15
34	Fabricated Metal Products	1.00
348	Ordnance and Accessories, NEC	1.40
35	Industrial and Commercial Machinery and Computer Equipment	1.00
36	Electronic and other Electrical Equipment	1.00
37	Transportation Equipment	1.00
38	Instruments and Related Products	1.00
39	Miscellaneous Manufacturing Industries	(HO) 1.00
DIVISION E: TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS, AND SANITARY SERVICES		
40	Railroad Transportation	1.20
41	Local and Interurban Passenger Transit	1.20
412	Taxicabs	Decline
42	Motor Freight Transportation and Warehousing	1.00
421	Trucking and Courier Services, Except Air	1.20
422	Public Warehousing and Storage	(HO) 1.00
423	Trucking Terminal Facilities	(HO) 1.00
43	U.S. Postal Service	1.00
44	Water Transportation	1.20
4489	Water Passenger Transportation, NEC	(HO) 1.30
449	Services Incidental to Water Transportation	1.15
4499	Water Transportation Services, NEC	(HO) 1.30
45	Transportation by Air	(HO) 1.20

BCS Insurance Company

**Table 7 (page 3 of 5)
Standard Industrial Classifications
and Base Industry Factors**

SIC Code	Industry	Specific Industry Factor
DIVISION E: TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS, AND SANITARY SERVICES (Continued)		
451	Air Transportation, Scheduled, and Air Courier Services	1.10
452	Air Transportation, Nonscheduled	1.30
458	Airports, Flying Fields, and Airport Terminal Services	(HO) 1.25
46	Pipelines, Except Natural Gas	1.00
47	Transportation Services	1.00
4789	Transportation Services, NEC	1.10
48	Communications	1.00
49	Electric, Gas, and Sanitary Services	1.00
495	Sanitary Services	Decline
DIVISION F: WHOLESALE TRADE		
50	Wholesale Trade - Durable Goods	1.00
5093	Scrap and Waste Materials	1.40
5099	Durable Goods, NEC	(HO) 1.00
51	Wholesale Trade - Nondurable Goods	1.00
516	Chemicals and Allied Products	(HO) 1.00
517	Petroleum and Petroleum Products	(HO) 1.00
518	Beer, Wine, and Distilled Alcoholic Beverages	1.25
5194	Tobacco and Tobacco Products	1.10
5199	Nondurable Goods, NEC	(HO) 1.00
DIVISION G: RETAIL TRADE		
52	Building Materials & Garden Supplies	1.00
53	General Merchandise Stores	1.00
54	Food Stores	1.00
55	Automotive Dealers and Gasoline Service Stations	1.25
553	Auto and Home Supply Stores	1.10
56	Apparel and Accessory Stores	(HO) 1.00
57	Home Furniture, Furnishings, and Equipment Stores	0.90
58	Eating and Drinking Places	1.10
5813	Drinking Places (Alcoholic Beverages)	Decline
59	Miscellaneous Retail	1.00
592	Liquor Stores	Decline
598	Fuel Dealers	1.15
5993	Tobacco Stores and Stands	Decline
DIVISION H: FINANCE, INSURANCE, AND REAL ESTATE		
60	Depository Institutions	0.90
61	Non Depository Credit Institutions	0.90

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**Table 7 (page 4 of 5)
Standard Industrial Classifications
and Base Industry Factors**

SIC Code	Industry	Specific Industry Factor
DIVISION H: FINANCE, INSURANCE, AND REAL ESTATE (Continued)		
62	Security and Commodity Brokers	1.00
63	Insurance Carriers	1.00
64	Insurance Agents, Brokers, and Service	1.00
65	Real Estate	1.00
67	Holding and Other Investment Offices	1.00
DIVISION I: SERVICES		
70	Hotels and Other Lodging Places	(HO) 1.00
72	Personal Services	1.00
7216	Dry Cleaning Plants, Except Rug Cleaning	1.15
722	Photographic Studios, Portraits	(HO) 1.00
723	Beauty Shops	(HO) 1.10
724	Barber Shops	(HO) 1.00
725	Shoe Repair Shops and Shoeshine Parlors	(HO) 1.10
726	Funeral Service and Crematories	(HO) 1.00
7291	Tax Return Preparation Services	(HO) 1.00
7299	Miscellaneous Personal Services, NEC	1.40
73	Business Services	1.00
7342	Disinfecting and Pest Control Services	(HO) 1.10
7349	Building Cleaning and Maintenance Services, NEC	1.10
736	Personnel Supply Services	(HO) 1.00
737	Computer and Data Processing Services	0.90
7381	Detective, Guard, and Armored Car Services	Decline
7389	Business Services, NEC	(HO) 1.00
75	Automotive Repair, Services, and Parking	(HO) 1.05
752	Automobile Parking	(HO) 1.20
76	Miscellaneous Repair Services	(HO) 1.00
78	Motion Pictures	(HO) 1.00
784	Video Tape Rental	1.00
79	Amusement and Recreation Services	(HO) 1.00
794	Commerical Sports	Decline
80	Health Services	(HO) 1.25
81	Legal Services	(HO) 1.25
82	Educational Services	1.05
83	Social Services	1.00
84	Museums, Botanical, Zoological Gardens	1.00
86	Membership Organizations	Decline
87	Engineering and Management Services	1.00
8734	Testing Laboratories	(HO) 1.00
88	Private Households	(HO) 1.00
89	Services, NEC	1.40

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**Table 7 (page 5 of 5)
Standard Industrial Classifications
and Base Industry Factors**

SIC Code	Industry	Specific Industry Factor
DIVISION J: PUBLIC ADMINISTRATION		
91	Executive, Legislative, and General Government	1.00
92	Justice, Public Order, and Safety	1.00
922	Public Order and Safety	(HO) 1.40
9222	Legal Counsel and Protection	(HO) 1.25
93	Public Finance, Taxation, and Monetary Policy	1.00
94	Administration of Human Resource Programs	1.00
95	Environmental Quality and Housing Programs	1.00
96	Administration of Economic Programs	1.00
97	National Security and International Affairs	(HO) 1.10
DIVISION K: NON-CLASSIFIABLE ESTABLISHMENTS		
99	Nonclassifiable Establishments	(HO) 1.40

Notes:

1. Industries shown as "Decline" should not be written.
2. Industries shown as "HO" should always be referred to a Home Office underwriter. These categories frequently contain risks which should not be written at all. However, if a case can be written, it should use the industry factor shown or higher.
3. All SIC Codes are based on the 1987 U.S. Government's Standard Industrial Classification (SIC) Manual. (For sale by National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161, Order No. PB 87-100012.)
4. When a risk is included in more than one listed category (e.g. 72 and 724 for barber shops), the more detailed category takes precedence. In other words, a risk included in both a two-digit and a three-digit classification is rated according to its three-digit industry factor.
5. "NEC" means "Not Elsewhere Classified."
6. See Table 7A for adjusting the Base Industry Factors by Deductible.

Table 7A
Industry Factor Adjustments by Deductible

Base Industry Factor	Rating Factor by Deductible									
	\$25,000 to \$39,500	\$40,000 to \$74,500	\$75,000 to \$109,500	\$110,000 to \$134,500	\$135,000 to \$159,500	\$160,000 to \$204,500	\$205,000 to \$244,500	\$245,000 to \$1,000,000		
0.90	0.90	0.95	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1.05	1.05	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1.10	1.10	1.05	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1.15	1.15	1.10	1.05	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1.20	1.20	1.15	1.10	1.05	1.00	1.00	1.00	1.00	1.00	1.00
1.25	1.25	1.20	1.15	1.10	1.05	1.00	1.00	1.00	1.00	1.00
1.30	1.30	1.25	1.20	1.15	1.10	1.00	1.00	1.00	1.00	1.00
1.40	1.40	1.35	1.30	1.25	1.20	1.10	1.00	1.00	1.00	1.00
1.60	1.60	1.55	1.50	1.45	1.35	1.20	1.10	1.10	1.10	1.00

Note:
Use the factor shown in Table 7 as the Base Industry Factor. The factor from the above table should be used as the Industry Factor in the final rate calculations in Table 15.

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Table 7B (page 1 of 5)
North American Industrial Classification System (NAICS)
Conversion to Standard Industrial Classification (SIC)

<u>NAICS Code</u>	<u>Industry</u>	<u>SIC Code(s)</u>
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Sector 11: Agriculture, Forestry, Fishing and Hunting

111	Crop Production	01
112	Animal Production	02
113	Forestry and Logging	08
11331	Logging	241
114	Fishing, Hunting and Trapping	9
11411	Fishing	91
11421	Hunting and Trapping	97
115	Support Activities for Agriculture and Forestry	07
1151	Support Activities for Crop Production	72
11531	Support Activities for Forestry	851

Sector 21: Mining

211	Oil and Gas Extraction	13
212	Mining (except Oil and Gas)	10,12,14
213	Support Activities for Mining	10,12,13,14

Sector 22: Utilities

221	Utilities	49
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Sector 23: Construction

233	Building, Developing, and General Contracting	15
234	Heavy Construction	16
235	Special Trade Contractors	17
23593	Excavation Contractors	1794
23594	Wrecking and Demolition Contractors	1795
236	Construction of Buildings	15,16,17,87
237	Heavy and Civil Engineering Construction	16,17,87
2372	Land Subdivision	6552
238	Specialty Trade Contractors	17,76
23812	Structural Steel and Precast Concrete Contractors	1791
23891	Site Preparation Contractors	1794,1795
23899	All Other Specialty Trade Contractors	1799

Sectors 31-33: Manufacturing

311	Food Manufacturing	20
3116	Animal Slaughtering & Processing	201
312	Beverage and Tobacco Product Manufacturing	
31212	Breweries	2082
31213	Wineries	2084

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Table 7B (page 2 of 5)
North American Industrial Classification System (NAICS)
Conversion to Standard Industrial Classification (SIC)

<u>NAICS Code</u>	<u>Industry</u>	<u>SIC Code(s)</u>
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Sectors 31-33: Manufacturing (Continued)

31214	Distilleries	2085
3122	Tobacco Manufacturing	21
313	Textile Mills	22
314	Textile Product Mills	22
315	Apparel Manufacturing	23
316	Leather and Allied Product Manufacturing	31
31611	Leather and Hide Tanning and Finishing	311
321	Wood Product Manufacturing	24
3211	Sawmills and Wood Preservation	242
3219	Other Wood Product Manufacturing	242
322	Paper Manufacturing	26
323	Printing and Related Support Activities	27
324	Petroleum and Coal Products Manufacturing	29
325	Chemical Manufacturing	28
326	Plastics and Rubber Products Manufacturing	30
327	Nonmetallic Mineral Product Manufacturing	32
3279	Other Nonmetallic Mineral Product Manufacturing	329
331	Primary Metal Manufacturing	33
3313-3315	Aluminum & Nonferrous Production, and Foundries	335-336
332	Fabricated Metal Product Manufacturing	34
333	Machinery Manufacturing	35
334	Computer and Electronic Product Manufacturing	35,36,38
335	Electrical Equip, Appliance, and Component Mfg	36
336	Transportation Equipment Manufacturing	37
337	Furniture and Related Product Manufacturing	25
339	Miscellaneous Manufacturing	38,39

Sector 42: Wholesale Trade

421	Wholesale Trade, Durable Goods	50
422	Wholesale Trade, Nondurable Goods	51
4226	Chemical and Allied Products Wholesalers	516
4227	Petroleum and Petroleum Products Wholesalers	517
4228	Beer, Wine and Distilled Alcoholic Beverage Wholesalers	518
423	Merchant Wholesalers, Durable Goods	50
4231	Motor Vehicle & Motor Vehicle Parts & Supplies Merchant	501
42393	Recyclable Material Merchant Wholesalers	5093
42399	Other Misc. Durable Goods Merchant Wholesalers	5099
424	Merchant Wholesalers, Nondurable Goods	51
4242	Drugs and Druggists' Sundries Merchant Wholesalers	512
4243	Apparel, Piece Goods, and Notions Merchant Wholesalers	513
4244	Grocery and Related Product Merchant Wholesalers	514
4245	Farm Product Raw Material Merchant Wholesalers	515

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Table 7B (page 3 of 5)
North American Industrial Classification System (NAICS)
Conversion to Standard Industrial Classification (SIC)

<u>NAICS Code</u>	<u>Industry</u>	<u>SIC Code(s)</u>
Sector 42: Wholesale Trade (Continued)		
4246	Chemical and Allied Products Merchant Wholesalers	516
4247	Petroleum and Petroleum Products Merchant Wholesalers	517
4248	Beer, Wine & Distilled Beverages Merchant Wholesalers	518
42494	Tobacco and Tobacco Product Merchant Wholesalers	5194
42499	Other Misc. Nondurable Goods Merchant Wholesalers	5199
425	Wholesale Electronic Markets and Agents and Brokers	50,51
Sectors 44-45: Retail Trade		
441	Motor Vehicle and Parts Dealers	50,55
4413	Automotive Parts, Accessories, and Tire Stores	553
442	Furniture and Home Furnishings Stores	50,57
443	Electronics and Appliance Stores	57
444	Bldg Material and Garden Equip and Supp Dealers	50,52
445	Food and Beverage Stores	54
446	Health and Personal Care Stores	59
447	Gasoline Stations	55
448	Clothing and Clothing Accessories Stores	56
451	Sporting Goods, Hobby, Book, and Music Stores	59
452	General Merchandise Stores	53
453	Miscellaneous Store Retailers	50,59
454	Nonstore Retailers	59
Sectors 48-49: Transportation and Warehousing		
481	Air Transportation	45
4812	Nonscheduled Air Transportation	452
482	Rail Transportation	40
483	Water Transportation	44
484	Truck Transportation	42
4841-4842	General & Specialized Freight Trucking	421
485	Transit and Ground Passenger Transportation	41
486	Pipeline Transportation	46
487	Scenic and Sightseeing Transportation	41,44,45,47,79
488	Support Activities for Transportation	47
4883	Support Activities for Water Transportation	449
491	Postal Service	43
492	Couriers and Messengers	42
493	Warehousing and Storage	42
4931	Warehousing and Storage	422

BCS Insurance Company

Table 7B (page 4 of 5)
North American Industrial Classification System (NAICS)
Conversion to Standard Industrial Classification (SIC)

<u>NAICS Code</u>	<u>Industry</u>	<u>SIC Code(s)</u>
Sector 51: Information		
511	Publishing Industries	27
512	Motion Picture and Sound Recording Industries	78
513	Broadcasting and Telecommunications	48
514	Information Services and Data Processing Services	73
515	Broadcasting (except Internet)	48
516	Internet Publishing and Broadcasting	27
517	Telecommunications	48
518	Internet Service Providers, Web Portals & Data Processing	737,738, 89
519	Other Information Services	738, 782
Sector 52: Finance and Insurance		
521	Monetary Authorities-Central Bank	60
522	Credit Intermediation and Related Activities	60,61
523	Securities, Commodity Contracts & Like Activity	62,67
524	Insurance Carriers and Related Activities	63,64
525	Funds, Trusts, and Other Financial Vehicles	63,67
Sector 53: Real Estate and Rental and Leasing		
531	Real Estate	65
532	Rental and Leasing Services	75
533	Lessors of Other Nonfinancial Intangible Assets	67
Sector 54: Professional, Scientific, and Technical Services		
541	Professional, Scientific, and Technical Services	73,87
5415	Computer Systems Design and Related Services	737
Sector 55: Management of Companies and Enterprises		
551	Management of Companies and Enterprises	67
Sector 56: Admin/Support Waste Mgt/Remediation Services		
561	Administrative and Support Services	73
5613	Employment Services	736
562	Waste Management and Remediation Services	42,49
5622	Waste Treatment and Disposal	495
Sector 61: Educational Services		
611	Educational Services	82

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Table 7B (page 5 of 5)
North American Industrial Classification System (NAICS)
Conversion to Standard Industrial Classification (SIC)

<u>NAICS Code</u>	<u>Industry</u>	<u>SIC Code(s)</u>
Sector 62: Health Care and Social Assistance		
621	Ambulatory Health Care Services	80
622	Hospitals	80
623	Nursing and Residential Care Facilities	80
624	Social Assistance	83
Sector 71: Arts, Entertainment and Recreation		
711	Perform Arts, Spectator Sports, and Related Industries	79
7112	Spectator Sports	794
712	Museums, Historical Sites, and Similar Institutions	84
713	Amusement, Gambling, and Recreation Industries	79
Sector 72: Accommodation and Food Services		
721	Accommodation	70
722	Food Services and Drinking Places	58
Sector 81: Other Services (except Public Administration)		
811	Repair and Maintenance	75,76
812	Personal and Laundry Services	72
8122	Death Care Services	726
813	Religious/Grantmaking/Prof/Like Organizations	83
8139	Business, Professional, Labor, Political, and Similar Organizations	86
814	Private Households	88
Sector 92: Public Administration		
921	General Government Administration	91
922	Justice, Public Order, and Safety Activities	92
923	Administration of Human Resource Programs	94
924	Administration of Environmental Quality Programs	95
925	Admin Housing/Urban Planning/Community Development	95
926	Administration of Economic Programs	96
927	Space Research and Technology	9661
928	National Security and International Affairs	97

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Table 8 (page 1 of 2)

Age/Sex Factors

- Employee Age/Sex Factor Calculation -

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Age	Male Factor	Male Employees	(2) x (3)	Female Factor	Female Employees	(5) x (6)
18 - 24	0.41	x	_____	0.31	x	_____
25 - 29	0.42	x	_____	0.33	x	_____
30 - 34	0.51	x	_____	0.41	x	_____
35 - 39	0.67	x	_____	0.51	x	_____
40 - 44	0.97	x	_____	0.68	x	_____
45 - 49	1.54	x	_____	1.04	x	_____
50 - 54	2.25	x	_____	1.44	x	_____
55 - 59	3.01	x	_____	1.87	x	_____
60 - 64	3.64	x	_____	2.51	x	_____
65 - 69	4.15	x	_____	3.60	x	_____
70 +	5.31	x	_____	4.62	x	_____
Retirees (Medicare Secondary)						
50 - 54	3.38	x	_____	2.16	x	_____
55 - 59	4.52	x	_____	2.81	x	_____
60 - 64	5.46	x	_____	3.77	x	_____
Retirees (Medicare Primary)						
Under Age 65	0.70	x	_____	0.70	x	_____
65 and Over	0.70	x	_____	0.70	x	_____
Total			A	B		C
Unadjusted Employee Age/Sex Factor			= [(B+D) ÷ (A + C)]			E

Age/Sex Weightings

Specific Deductible	Weighting
\$ 2,500 - \$ 50,000	1.00
50,500 - 85,000	0.92
85,500 - 120,000	0.81
120,500 - 180,000	0.70
180,500 - 250,000	0.61
250,500 - 315,000	0.52
315,500 +	0.44
Weighting	= _____ F
Adjusted Employee Age/Sex Factor = (E x F) + (1 - F) = _____ G	

BCS Insurance Company

Table 8 (page 2 of 2)

Age/Sex Factors

- Dependent Age/Sex Factor Calculation -

	Child	
Specific Deductible	Factor	
\$25,000 - 39,000	0.40	
39,500 - 57,500	0.42	
58,000 - 77,000	0.44	
77,500 - 90,000	0.46	
90,500 - 110,000	0.48	
110,500 - 140,000	0.51	
140,500 - 175,000	0.54	
175,500 - 239,500	0.59	
240,000 - 277,000	0.64	
277,500 - 312,500	0.67	
313,000 - 362,500	0.70	
363,000 - 412,000	0.74	
412,500 - 474,500	0.78	
475,000 - 589,000	0.83	
589,500 - 699,000	0.87	
699,500 - 1,000,000	0.84	

Dependent Age/Sex Factor = [0.415 x (1.00 + G)] + Child Factor = _____ H

Notes:

1. Calculate both an Employee Age/Sex Factor and a Dependent Age/Sex Factor using the worksheets provided. Age/Sex Factors must always be calculated.
2. The 65-69 and 70+ age/sex factors assume employees and dependents are covered as primary under the reinsured plan and secondary under Medicare. This will be the case with the majority of employees and dependents over 65, due to Federal legislation (COBRA).
3. All the factors on the Age/Sex Worksheet are for active employees. Retirees should generally not be covered; however, if they are, load the factor shown by 50% for retirees under age 65 (i.e., 1.50 x 2.25 = 3.38 for age 50-54 male retiree).
4. For retirees where Medicare is primary, use a factor of 0.70.

Table 9

Expense Adjustment Factor

The gross premium rates assume 20.00% expenses on net premiums (net premiums include 10% profit). If the expenses are other than 20.00%, use the adjustment factor calculation below to determine the appropriate expense adjustment factor.

	Base	New
Expenses	<u>20.00% A</u>	<u> B</u>
Expense Adjustment Factor	= $[(1 - A) \div (1 - B)]$	
	= <u> </u>	

Table 10

Specific Deductible Size Guidelines

Size of Case (Employees)			Specific Deductibles as % of EPC		
25	-	49	5.8%	to	11.5%
50	-	99	5.5%	to	10.6%
100	-	199	5.1%	to	8.6%
200	-	299	4.7%	to	7.3%
300	-	399	4.4%	to	6.8%
400	-	499	4.2%	to	6.8%
500	-	599	4.1%	to	6.6%
600	-	799	3.9%	to	6.0%
800	-	999	3.8%	to	5.6%
1,000	-	1,249	3.4%	to	5.1%
1,250	-	1,499	2.9%	to	4.6%
1,500	-	1,999	2.4%	to	4.1%
2,000	-	2,999	2.0%	to	3.0%
3,000	-	3,999	1.6%	to	2.4%
4,000	-	4,999	1.3%	to	2.2%
5,000	-	7,499	1.0%	to	1.6%
7,500	+		0.9%	to	1.3%

Notes:

1. EPC is the annual expected paid claims for the case.
2. The minimum Specific deductible may be as low as \$100,000 for the larger case sizes.

Table 11

Specific Advancement Factors

01/14/2019

Specific Advancement Election	Factor
No	1.00
Yes	1.02

Table 11 - Underwriting Characteristic Rating Factor Table

Risk Class		Underwriter Characteristic Rating
<u>Category</u>	<u>Underwriter Determined Group Risk Classification</u>	<u>Factor Range</u>
Class 1	Extremely favorable group risk characteristics.	0.6
Class 2	Very favorable group risk characteristics.	0.8
Class 3	Above average or group risk characteristics.	0.9
Class 4	Average group risk characteristics.	1
Class 5	Below average or slightly unfavorable group risk characteristics.	1.1
Class 6	Very unfavorable group risk characteristics.	1.4
Class 7	Extremely unfavorable group risk characteristics.	1.6

The Underwriter should consider the following risk characteristics among other relevant factors to determine which risk category best fits the employer group:

- a. Group growth or decline in membership in the last 3 years.
- b. Level and completeness of historical claims submitted.
- c. Historically favorable or unfavorable stop loss claims experience.
- d. Level and completeness of ongoing claims submitted.
- e. Favorable or unfavorable ongoing claims issues.
- f. The number of stop loss carriers the group has had in the last 5 years.

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Table 13

Underwriting Guidelines

- 1 . Minimum of 50 employees required for Specific **coverage**.
2. Specific deductible amount should increase a minimum of 10% each renewal year.
Based on a case's actual trend, a higher increase may be required.
3. Minimum Specific deductible of \$25,000, maximum deductible of \$1,000,000.
4. The Specific deductible should be based on the guidelines given in Table 10.
5. Base rates and claim costs assume lifetime maximum benefit is \$1,000,000.
6. Covers medical expenses only. Does not cover dental, vision, weekly indemnity, etc.
7. Standard contract: Incurred and Paid in first year
 Incurred any prior, Paid in 12 in renewal years
Options:
 - a) First Year Only: Incurred in 24, Paid in 12 (12-month run-in)
 Incurred in 15, Paid in 12 (90-day run-in)
 - b) Renewal Years: Incurred in 24, Paid in 12
 - c) All Years: Incurred in 12, Paid in 15
 Incurred in 12, Paid in 18
 Incurred in 12, Paid in 24
 Incurred in 12, Paid in 36
 Extension of Benefits (may only be purchased at issue)
8. Industry rating: See Table 7 for industries to be declined and/or reviewed by Home Office.

Table 14
Rating Guidelines
Inpatient Hospital Bed Days per 1,000 and PPO Network Utilization by State

State	Hospital Bed Days Per 1000 Members	PPO Utilization Percentage	State	Hospital Bed Days Per 1000 Members	PPO Utilization Percentage
Alabama	276	65%	Montana	218	55%
Alaska	225	55%	Nebraska	235	65%
Arizona	213	85%	Nevada	225	75%
Arkansas	270	65%	New Hampshire	197	70%
California	206	85%	New Jersey	280	85%
Colorado	184	80%	New Mexico	210	70%
Connecticut	225	80%	New York	302	80%
Delaware	259	80%	North Carolina	245	65%
DC	234	85%	North Dakota	246	60%
Florida	265	80%	Ohio	242	75%
Georgia	218	65%	Oklahoma	286	65%
Hawaii	227	55%	Oregon	177	85%
Idaho	187	55%	Pennsylvania	275	80%
Illinois	245	70%	Rhode Island	266	80%
Indiana	230	70%	South Carolina	269	65%
Iowa	233	75%	South Dakota	253	60%
Kansas	241	65%	Tennessee	246	65%
Kentucky	263	85%	Texas	228	75%
Louisiana	298	65%	Utah	182	80%
Maine	224	65%	Vermont	200	60%
Maryland	241	80%	Virginia	239	65%
Massachusetts	230	85%	Washington	175	75%
Michigan	234	80%	West Virginia	285	60%
Minnesota	208	85%	Wisconsin	210	80%
Mississippi	303	60%	Wyoming	208	60%
Missouri	255	70%			

Notes:

1. Inpatient hospital bed days per 1,000 members includes mental/nervous and substance abuse days.
2. In the absence of actual data use the following PPO network utilization assumptions.
3. Consider lowering utilization rates for areas outside metropolitan areas by 10 percentage points or more.
4. The national average is 240 bed days per 1,000.

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**Table 14A
Rating Guidelines (Continued)**

Claim Lag			
		Regional	National
Under 500 EEs	Medical-POS	2.25	2.50
	Medical-PPO	2.05	2.35
	Medical-Indemnity	2.75	3.00
	Dental	1.85	2.05
	STD	2.25	2.25
Over 500 EEs	Medical-POS	2.00	2.20
	Medical-PPO	1.90	2.00
	Medical-Indemnity	2.25	2.50
	Dental	1.35	1.65
	STD	2.00	2.00

Breakdown of Medical Costs				
	HMO	POS	PPO	Indemnity
Hospital Inpatient	23.6%	24.4%	25.9%	26.3%
Hospital Outpatient	20.0%	20.3%	20.6%	20.9%
Physician Services	32.4%	34.2%	34.1%	33.7%
Drugs	21.5%	18.6%	16.9%	16.1%
Ancillary	2.5%	2.5%	2.5%	3.0%
Total	100.0%	100.0%	100.0%	100.0%

Demographics
<p>56.9% of Employees Insure their Dependents 83.0% of Dependent Units have a Spouse 70.8% of Dependent Units Have Child(ren) Given a Dependent Unit has Children, they have 1.946 children. There are 1.378 Children per Dependent Unit. There are 2.257 Members per Employee</p>

Section II - Calculation Sheets for Specific Stop Loss Rating Manual

BCS Insurance Company

**Table 15 (page 1 of 2)
Specific Rate Calculation Sheet**

L

Group Name: _____
Specific Deductible: _____

ZIP Code: _____
Area: _____

	Gross Premium	Net Premium	Claim Cost	
STARTING RATES				
(a) Starting Base Rate	_____	_____	_____	(Tables 1,1A,1B)
(b) Lifetime Maximum Adjustment (Max <\$ 1M: _____, See Note 1)	_____	_____	_____	(Tables 1,1A,1B)
(c) Transplant Exclusion	_____	_____	_____	(Table 1E, Employee)
(d) Final Base Rate = (a) – (b) – (c)	_____	_____	_____	
ADJUSTMENTS				
(e) Family Specific Deductible Adjustment	_____	_____	_____	(Table 1F)
(f) Exclusion of Prescription Drugs Adj.	_____	_____	_____	(Table 1G)
(g) Trend Factor (Effective Date: _____)	_____	_____	_____	(Table 2)
(h) Area Factor	_____	_____	_____	(Tables 3, 3A)
(i) Underlying Plan Factor	_____	_____	_____	(Table 4)
(j) Contract Factor	_____	_____	_____	(Tables 5,5A,5B,5C)
(k) Actively at Work Factor	_____	_____	_____	(Table 5D)
(l) Managed Care Adjustment Factor	_____	_____	_____	(Table 6)
(m) Cost Containment Program Factor	_____	_____	_____	(Table 6A)
(n) Industry Factor	_____	_____	_____	(Tables 7,7A)
(o) Expense Adjustment Factor	_____	1.00	1.00	(Table 9)
(p) Specific Advancement Factor	_____	1.00	1.00	(Table 11)
(q) Underwriting Adjustment Factor	_____	_____	_____	(Table 12)
(r) Adjusted Base Rate (d) x (e) x (f) x . . . x (q)	_____	_____	_____	

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**Table 15 (page 2 of 2)
Specific Rate Calculation Sheet**

		Gross Premium		Net Premium		Claim Cost	
		EE	DEP	EE	DEP	EE	DEP
(s)	Age/Sex Factor (Table 8)						
(t)	Lifetime Maximum > \$1M (Table 1C)		N/A		N/A		N/A
(u)	Final Monthly Premiums & Claim Costs = [(r) x (s)] + (t)						
ANNUAL PREMIUM AND EXPECTED PAID CLAIMS (EPC)							
(v)	Number of Units (See Notes 2 & 3)						
(w)	Final Specific Annual Premium = [[Employee (u) x Employee (v)]+ [Dependent (u) x Dependent (v)]] x 12						

CLAIMS, EXPENSES AND PROFIT SUMMARY

(x)	Claim Cost as a percent of Annual Gross Premium = Claims (w) ÷ Gross Premium (w)	
(y)	Expenses as a Percentage of Gross Premium (Table 9)	
(z)	Expenses = (y) x Gross Premium (w)	
(aa)	Profit = Net Premium (w) - Claim Cost (w)	
(ab)	Profit as a Percentage of Gross Premium = (aa) ÷ Gross Premium (w)	

Notes:

1. For a lifetime maximum less than \$1,000,000, credit the base claim cost by the amount equal to the lifetime maximum amount as described in Table 1, Note 6. For a lifetime maximum of \$1,000,000, there is no adjustment (use \$0.00).
2. The Number of Employee Units is the total number of Employees covered.
3. The Number of Dependent Units is the number of Employees with dependent coverage.

BCS Insurance Company
Table 16 (Page 1 of 3)
Specific Rate Calculation Example Sheet

Deductible Amount	Source	Option A \$75,000 MANUAL		Option B \$85,000 MANUAL	
		Base Claims Cost		Base Claims Cost	
STARTING RATES					
(a) Starting Base Rate (\$75,000 Deductible)	(Tables 1,1A,1B)	\$130.84		\$117.82	
(b) Lifetime Maximum (below \$2M)	(Tables 1,1A,1B)	\$2.41		\$2.41	
(c) Transplant Exclusion	(Table 1E, Employee)	EE	DEP	EE	DEP
(d) Final Base Rate = (a) – (b) – (c)		\$0.00	\$0.00	\$0.00	\$0.00
		\$128.43	\$128.43	\$115.41	\$115.41
ADJUSTMENTS					
(e) Family Specific Deductible Adjustment	(Table 1F)	1.000		1.000	
(f) Exclusion of Prescription Drugs Adj.	(Table 1G)	1.000		1.000	
(g) Trend Factor	(Table 2)	1.152		1.152	
(h) Area Factor	(Tables 3, 3A)	1.090		1.090	
(i) Underlying Plan Factor	(Table 4)	0.960		0.960	
(j) Contract Factor	(Table 5)	1.020		1.020	
(k) Actively at Work Factor	(Table 5D)	1.000		1.000	
(l) Managed Care Adjustment Factor	(Table 6)	0.240		0.230	
(m) Cost Containment Program Factor	Hospice	0.995		0.995	
	Home Health Care	x 0.990		0.990	
	Hospital Bill Audit	x 0.995		0.995	
	(Table 6A)	= 0.980		0.980	
(n) Industry Factor	(Tables 7,7A)	1.100		1.100	
(o) Specific Advancement Factor	(Table 11)	1.000		1.000	
(p) Underwriting Adjustment Factor		1.000		1.000	
(q) Adjusted Base Rate		40.86	40.86	35.18	35.18
(d) x (e) x (f) x ... x (q)		EE	DEP	EE	DEP
(r) Age/Sex Factor	(Table 8)	1.369	1.423	1.369	1.423
(s) Lifetime Maximum > \$2M	(Table 1C)	\$0.00	N/A	\$0.00	N/A
(t) Monthly Claim Cost Rates (EE/Dep) = [(q) x (r)] + (s)		55.94	58.14	48.16	50.06
(u) Number of Units (See Notes 2 & 3)		471	250	471	250
Monthly Claim Cost Rates (Single/Family) = [(q) x (r)] + (s)		Single	Family	Single	Family
Number of Units (See Notes 2 & 3)		\$55.94	\$114.08	\$48.16	\$98.22
		221	250	221	250
Monthly Claim Cost Rates (Composite) = [(q) x (r)] + (s)		Composite		Composite	
		\$86.80		\$74.73	
(v) Expected Excess Annual Claims (Pure Manual) = Reduction to Rate due to Inner Aggregate Deductible Retention applied to removal of lased claimants Increase to rate due to removal of lased claimants	Excludes expected non-laser claims Includes Inner_Agg Deductible	\$490,593		\$422,380	
		\$0.00	\$0.00	\$0.00	\$0.00
		0.85	0.85	0.85	0.85
		\$0.00	\$0.00	\$0.00	\$0.00
Final Monthly Rates		Single	Family	Single	Family
		\$95.62	\$195.01	\$82.32	\$167.90
		Composite		Composite	
		\$148.37		\$127.74	
Expected Annual Premium		\$838,587		\$721,986	
Composite Rate By Layer (For Accounting)					
140		\$145.14		\$124.51	
141		\$3.23		\$3.23	
142		\$0.00		\$0.00	
143		\$0.00		\$0.00	
Total		\$148.37		\$127.74	

BCS Insurance Company
Table 16 (Page 2 of 3)
Specific Rate Calculation Example Sheet

Deductible Amount	Source	Option C		Option D	
		MANUAL		MANUAL	
		Base Claims Cost		Base Claims Cost	
STARTING RATES					
(a) Starting Base Rate (\$75,000 Deductible)	(Tables 1,1A,1B)	\$101.96		\$689.09	
(b) Lifetime Maximum (below \$2M)	(Tables 1,1A,1B)	\$2.41		\$2.41	
(c) Transplant Exclusion	(Table 1E, Employee)	EE	DEP	EE	DEP
(d) Final Base Rate = (a) - (b) - (c)		\$0.00	\$0.00	\$0.00	\$0.00
		\$99.55	\$99.55	\$686.68	\$686.68
ADJUSTMENTS					
(e) Family Specific Deductible Adjustment	(Table 1F)	1.000		1.000	
(f) Exclusion of Prescription Drugs Adj.	(Table 1G)	1.000		1.000	
(g) Trend Factor	(Table 2)	1.161		#N/A	
(h) Arca Factor	(Tables 3, 3A)	1.090		1.090	
(i) Underlying Plan Factor	(Table 4)	0.960		0.960	
(j) Contract Factor	(Table 5)	1.020		#N/A	
(k) Actively at Work Factor	(Table 5D)	1.000		1.000	
(l) Managed Care Adjustment Factor	(Table 6)	0.210		#N/A	
(m) Cost Containment Program Factor	Hospice	0.995		0.995	
	Home Health Care	0.990		0.990	
	Hospital Bill Audit	0.995		0.995	
	(Table 6A)	0.980		0.980	
(n) Industry Factor	(Tables 7,7A)	1.100		1.100	
(o) Specific Advancement Factor	(Table 11)	1.000		1.000	
(p) Underwriting Adjustment Factor		1.000		1.000	
(q) Adjusted Base Rate		27.93	27.93	0.00	0.00
(d) x (e) x (f) x ... x (q)					
(r) Age/Sex Factor	(Table 8)	EE	DEP	EE	DEP
(s) Lifetime Maximum > \$2M	(Table 1C)	1.369	1.423	1.369	1.423
(t) Monthly Claim Cost Rates (EE/Dep) = [(q) x (r)] + (s)		\$0.00	N/A	\$0.00	N/A
(u) Number of Units (See Notes 2 & 3)		38.24	39.74	0.00	0.00
		471	250	471	250
		Single	Family	Single	Family
Monthly Claim Cost Rates (Single/Family) = [(q) x (r)] + (s)		\$38.24	\$77.98	\$0.00	\$0.00
Number of Units (See Notes 2 & 3)		221	250	221	250
		Composite	Composite	Composite	Composite
Monthly Claim Cost Rates (Composite) = [(q) x (r)] + (s)		\$59.33	\$0.00	\$0.00	\$0.00
(v) Expected Excess Annual Claims (Pure Manual) =	Excludes expected non-laser claims	\$335,352		\$0	
Reduction to Rate due to Inner Aggregate Deductible	Includes Inner_Agg Deductible	\$0.00	\$0.00	\$0.00	\$0.00
Retention applied to removal of lasered claimants		0.85	0.85	0.85	0.85
Increase to rate due to removal of lasered claimants		\$0.00	\$0.00	\$0.00	\$0.00
		Single	Family	Single	Family
Final Monthly Rates		\$65.37	\$133.30	\$0.00	\$0.00
		Composite	Composite	Composite	Composite
Expected Annual Premium		\$101.43	\$0.00	\$0.00	\$0.00
Composite Rate By Layer (For Accounting)		\$573,282	\$0	\$0	\$0
140		\$98.20	#N/A	#N/A	#N/A
141		\$3.23	#N/A	#N/A	#N/A
142		\$0.00	\$0.00	\$0.00	\$0.00
143		\$0.00	\$0.00	\$0.00	\$0.00
Total		\$101.43	#N/A	#N/A	#N/A

BCS Insurance Company
 Table 16 (Page 3 of 3)
 Specific Rate Calculation Example Sheet

Deductible Amount	Source	Option E		Option F	
		SO	SO	SO	SO
		MANUAL		MANUAL	
		Base Claims Cost		Base Claims Cost	
STARTING RATES					
(a) Starting Base Rate (\$75,000 Deductible)	(Tables 1,1A,1B)	\$689.09		\$689.09	
(b) Lifetime Maximum (below \$2M)	(Tables 1,1A,1B)	\$2.41		\$2.41	
(c) Transplant Exclusion	(Table 1E, Employee)	EE	DEP	EE	DEP
(d) Final Base Rate = (a) -- (b) -- (c)		\$0.00	\$0.00	\$0.00	\$0.00
ADJUSTMENTS		\$686.68	\$686.68	\$686.68	\$686.68
(e) Family Specific Deductible Adjustmen	(Table 1F)	1.000		1.000	
(f) Exclusion of Prescription Drugs Adj.	(Table 1G)	1.000		1.000	
(g) Trend Factor	(Table 2)	#N/A		#N/A	
(h) Area Factor	(Tables 3, 3A)	1.090		1.090	
(i) Underlying Plan Factor	(Table 4)	0.960		0.960	
(j) Contract Factor	(Table 5)	#N/A		#N/A	
(k) Actively at Work Factor	(Table 5D)	1.000		1.000	
(l) Managed Care Adjustment Factor	(Table 6)	#N/A		#N/A	
(m) Cost Containment Program Factor	Hospice	0.995		0.995	
	Home Health Care	0.990		0.990	
	Hospital Bill Audit	0.995		0.995	
	(Table 6A)	0.980		0.980	
(n) Industry Factor	(Tables 7,7A)	1.100		1.100	
(o) Specific Advancement Factor	(Table 11)	1.000		1.000	
(p) Underwriting Adjustment Factor		1.000		1.000	
(q) Adjusted Base Rate		0.00	0.00	0.00	0.00
(d) x (e) x (f) x ... x (q)					
(r) Age/Scx Factor	(Table 8)	1.369	1.423	1.369	1.423
(s) Lifetime Maximum > \$2M	(Table 1C)	\$0.00	N/A	\$0.00	N/A
(t) Monthly Claim Cost Rates (EE/Dep) = [(q) x (r)] + (s)		0.00	0.00	0.00	0.00
(u) Number of Units (See Notes 2 & 3)		471	250	471	250
Monthly Claim Cost Rates (Single/Family) = [(q) x (r)] + (s)		Single	Family	Single	Family
Number of Units (See Notes 2 & 3)		\$0.00	\$0.00	\$0.00	\$0.00
		221	250	221	250
Monthly Claim Cost Rates (Composite) = [(q) x (r)] + (s)		Composite		Composite	
		\$0.00		\$0.00	
(v) Expected Excess Annual Claims (Pure Manual) =	Excludes expected non-laser claims	SO		SO	
Reduction to Rate due to Inner Aggregate Deductible	Includes Innnner_Agg Deductible	\$0.00	\$0.00	\$0.00	\$0.00
Retention applied to removal of lasered claimants		0.85	0.85	0.85	0.85
Increase to rate due to removal of lasered claimants		\$0.00	\$0.00	\$0.00	\$0.00
Final Monthly Rates		Single	Family	Single	Family
		\$0.00	\$0.00	\$0.00	\$0.00
		Composite		Composite	
		\$0.00		\$0.00	
Expected Annual Premium		SO		SO	
Composite Rate By Layer (For Accounting)		#N/A		#N/A	
140		#N/A		#N/A	
141		\$0.00		\$0.00	
142		\$0.00		\$0.00	
143		#N/A		#N/A	
Total		#N/A		#N/A	

**Section III - Non-Experience
Rated Aggregate Manual**

NON-EXPERIENCE RATED AGGREGATE MANUAL

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NON-EXPERIENCE RATED AGGREGATE MANUAL

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BCS Insurance Company

Table 1 (page 1 of 2)

**Gross Annual Aggregate Premiums
as a Percentage of Expected Paid Claims**

# of EE's	Margin					
	25%	30%	35%	40%	45%	50%
25	5.90%	4.55%	3.47%	2.61%	1.92%	1.39%
30	5.13%	3.89%	2.91%	2.15%	1.55%	1.10%
35	4.36%	3.22%	2.35%	1.68%	1.18%	0.81%
50	3.25%	2.26%	1.54%	1.02%	0.66%	0.41%
75	1.73%	1.05%	0.61%	0.35%	0.28%	0.24%
100	1.07%	0.62%	0.35%	0.23%	0.19%	0.18%
150	0.83%	0.40%	0.22%	0.17%	0.16%	0.15%
200	0.64%	0.31%	0.16%	0.15%	0.14%	0.13%
250	0.60%	0.24%	0.15%	0.14%	0.13%	0.12%
300	0.42%	0.21%	0.13%	0.12%	0.11%	0.10%
400	0.39%	0.18%	0.12%	0.11%	0.09%	0.08%
500	0.36%	0.16%	0.12%	0.11%	0.09%	0.08%
600	0.33%	0.15%	0.11%	0.09%	0.08%	0.07%
700	0.30%	0.14%	0.11%	0.09%	0.08%	0.07%
750	0.27%	0.13%	0.11%	0.09%	0.08%	0.07%
800	0.24%	0.13%	0.09%	0.08%	0.07%	0.06%
900	0.21%	0.12%	0.09%	0.08%	0.07%	0.06%
1,000	0.18%	0.11%	0.09%	0.08%	0.07%	0.06%
1,250	0.15%	0.10%	0.08%	0.07%	0.06%	0.05%
1,500	0.13%	0.10%	0.08%	0.07%	0.06%	0.05%
1,750	0.12%	0.09%	0.08%	0.07%	0.06%	0.05%
2,000	0.11%	0.09%	0.08%	0.07%	0.06%	0.05%
2,500	0.10%	0.08%	0.07%	0.06%	0.05%	0.04%
3,000	0.09%	0.08%	0.07%	0.06%	0.05%	0.04%
4,000	0.08%	0.07%	0.06%	0.05%	0.04%	0.03%
5,000	0.08%	0.07%	0.06%	0.05%	0.04%	0.03%
6,000	0.08%	0.07%	0.06%	0.05%	0.04%	0.03%
7,000	0.08%	0.07%	0.06%	0.05%	0.04%	0.03%
7,500	0.08%	0.07%	0.06%	0.05%	0.04%	0.03%
8,000	0.08%	0.07%	0.06%	0.05%	0.04%	0.03%
9,000	0.08%	0.07%	0.06%	0.05%	0.04%	0.03%
10,000	0.08%	0.07%	0.06%	0.05%	0.04%	0.03%

See notes on following page.

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Table 1 (page 2 of 2)

Gross Annual Aggregate Premiums as a Percentage of Expected Paid Claims

Notes:

1. The above percentages are to be multiplied by the annual Expected Paid Claims prior to lag discount of the group. The result is the premium charge.
2. These premiums are for single employer groups only.
3. We do not recommend that groups with less than 100 employees be written. In no case should groups with less than 50 employees be written.
4. We recommend that the Aggregate margin be at least 1.35 for groups with 50 to 99 employees, 1.30 for groups with 100 to 199 employees and 1.25 for groups with 200 or more employees. If the actual Specific deductible exceeds the guidelines shown in Table 14 (based on Total Annual Expected Paid Claims prior to lag discount), increase the recommended minimum margin using the formula provided in Table 14, Note 3.
5. These premiums assume a maximum Aggregate benefit payable of \$1,000,000. Groups with less than 1,000 employees cannot purchase a maximum Aggregate benefit of more than \$1,000,000. For groups with 1,000 or more employees with a maximum Aggregate benefit payable of more than \$1,000,000, the premiums must be multiplied by the factors in Table 12.
6. Cases with more than \$2,000,000 in Expected Paid Claims must be cleared with the reinsurer.
7. The Aggregate coverage must be protected by an appropriate Specific deductible following the guidelines in Table 14. If the Specific deductible as a percentage of Medical Expected Paid Claims exceeds the limits shown in Table 14, the Recommended Minimum Margin should be adjusted as shown in Table 14, Note 3. The Aggregate premium should be based on the unadjusted Recommended Minimum Margin.
8. Premiums above are based on a total retention of 28%.
9. Interpolate between the premium percentages shown in the table above to obtain the premium percentage for a group with a number of employees not shown.

Table 1A

Expense Adjustment Factor

The gross premium rates assume 20.00% expenses on net premiums (net premiums include 10% profit). If the expenses are other than 20.00%, use the adjustment factor calculation below to determine the appropriate expense adjustment factor.

	Base	New
Expenses	<u>20.00% A</u>	<u> B</u>
Expense Adjustment Factor	= [(1 - A) ÷ (1 - B)]	
	= <u> </u>	

Table 1B
Expected Aggregate Claim Frequencies

Group Size	Margin					
	25%	30%	35%	40%	45%	50%
25	16,394	12,570	9,481	7,046	5,113	3,608
35	14,553	10,538	7,509	5,170	3,441	2,227
50	12,300	8,318	5,325	3,283	1,853	995
75	7,766	4,244	2,152	1,003	462	188
100	4,739	2,221	902	350	118	35
150	1,652	473	112	29	5	1
200	731	141	19	1	-	-
250	218	36	7	1	-	-
300	191	25	3	-	-	-
400	103	10	1	-	-	-
500	56	5	1	-	-	-
600	18	-	-	-	-	-
700	13	1	-	-	-	-
750	6	-	-	-	-	-
800	10	1	-	-	-	-
900	3	-	-	-	-	-
1,000	2	-	-	-	-	-
1,250	-	-	-	-	-	-
1,500	-	-	-	-	-	-
1,750	-	-	-	-	-	-
2,000	-	-	-	-	-	-
2,500	-	-	-	-	-	-
3,000	-	-	-	-	-	-
4,000	-	-	-	-	-	-
5,000	-	-	-	-	-	-
6,000	-	-	-	-	-	-
7,000	-	-	-	-	-	-
7,500	-	-	-	-	-	-
8,000	-	-	-	-	-	-
9,000	-	-	-	-	-	-
10,000	-	-	-	-	-	-

Note: Frequencies are per 100,000 groups using demographic assumptions and selected Specific D

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Table 2

Monthly Base Claim Costs

Coverage	Employee Factor	Dependent Factor
Comprehensive Medical		
Prescription drugs excluded	\$486.89	\$826.86
Prescription drugs included	580.32	985.53
Base-Supplemental Medical		
Prescription drugs excluded	\$503.46	\$852.08
Prescription drugs included	600.07	1,015.59
Dental	\$51.24	\$79.95
Vision	\$7.56	\$8.97
Short Term Disability	\$0.69	--
	(per \$10 of weekly benefit)	

Notes:

1. The Comprehensive Medical monthly base rates assume a \$100 deductible; 80% coinsurance next \$2,000; and \$1,000,000 lifetime maximum. Prescription drugs are included if they are covered the same as any other illness or if there is a prescription drug card; otherwise, they are considered to be excluded.
2. The Base-Supplemental Medical monthly base rates assume a \$100 deductible; 80% coinsurance next \$2,000; and \$1,000,000 lifetime maximum. Prescription drugs are included if they are covered the same as any other illness or if there is a prescription drug card; otherwise, they are considered to be excluded.
3. The Dental monthly base rates assume a \$25 Basic & Major deductible, 100% Preventive/80% Basic/50% Major coinsurance and a \$1,000 annual maximum. It also assumes orthodontia is not covered.
4. The Vision monthly base rates assume a \$0 deductible and a national average schedule of benefits of \$40 every 12 months for eye exams, \$45 for frames, \$40 for single vision lenses, \$60 for bifocal, \$80 for trifocal and \$125 for lenticular lenses.
5. The Short Term Disability monthly base rate is per \$10 of weekly benefit and is based on benefits which begin on the first day of accident and fourth day of sickness with a maximum duration of twenty-six weeks.

Table 3

Monthly Trend Factors

Effective Date of Insurance	Medical Factor			Dental Factor	Vision Factor
	Indemnity	PPO	POS		
01/01/09	1.000	1.000	1.000	1.000	1.000
02/01/09	1.007	1.007	1.007	1.005	1.003
03/01/09	1.014	1.014	1.014	1.010	1.006
04/01/09	1.021	1.021	1.021	1.015	1.009
05/01/09	1.028	1.028	1.028	1.020	1.012
06/01/09	1.035	1.035	1.035	1.025	1.015
07/01/09	1.043	1.043	1.043	1.030	1.018
08/01/09	1.050	1.050	1.050	1.035	1.020
09/01/09	1.057	1.057	1.057	1.040	1.023
10/01/09	1.064	1.064	1.064	1.045	1.026
11/01/09	1.071	1.071	1.071	1.050	1.029
12/01/09	1.078	1.078	1.078	1.055	1.032
01/01/10	1.085	1.085	1.085	1.060	1.035

Notes:

1. Use the proposed (or estimated) effective date of the contract to determine the trend factor.
If you believe the actual effective date will be later, use either a later date or quote rates for several effective dates.
2. Include a 60-day time limit in the quote to allow for additional trending and/or the possibility of a new rate schedule.
3. These factors are appropriate for underlying plans only and should not be used for Specific coverage.
4. The PPO trend accounts for both in-network and out of network trends.
The POS trend accounts for trend associated with the Indemnity, PPO and HMO options.
5. The trend rates apply to plans that pay reasonable and customary costs as opposed to a schedule of benefit costs.

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**Table 3 (Continued)
Monthly Trend Factors**

Effective Date of Insurance	Medical Factor			Dental Factor	Vision Factor
	Indemnity	PPO	POS		
02/01/10	1.092	1.092	1.092	1.065	1.038
03/01/10	1.099	1.099	1.099	1.070	1.041
04/01/10	1.106	1.106	1.106	1.075	1.044
05/01/10	1.113	1.113	1.113	1.080	1.047
06/01/10	1.120	1.120	1.120	1.085	1.050
07/01/10	1.127	1.127	1.127	1.090	1.053
08/01/10	1.134	1.134	1.134	1.095	1.056
09/01/10	1.141	1.141	1.141	1.100	1.059
10/01/10	1.148	1.148	1.148	1.105	1.062
11/01/10	1.155	1.155	1.155	1.110	1.065
12/01/10	1.162	1.162	1.162	1.115	1.068
01/01/11	1.169	1.169	1.169	1.120	1.071
02/01/11	1.176	1.176	1.176	1.125	1.074
03/01/11	1.183	1.183	1.183	1.130	1.077
04/01/11	1.190	1.190	1.190	1.135	1.080
05/01/11	1.197	1.197	1.197	1.140	1.083
06/01/11	1.204	1.204	1.204	1.145	1.086
07/01/11	1.211	1.211	1.211	1.150	1.089
08/01/11	1.218	1.218	1.218	1.155	1.092
09/01/11	1.225	1.225	1.225	1.160	1.095
10/01/11	1.232	1.232	1.232	1.165	1.098
11/01/11	1.239	1.239	1.239	1.170	1.101
12/01/11	1.246	1.246	1.246	1.175	1.104

Notes:

1. Use the proposed (or estimated) effective date of the contract to determine the trend factor.
If you believe the actual effective date will be later, use either a later date or quote rates for several effective dates.
2. Include a 60-day time limit in the quote to allow for additional trending and/or the possibility of a new rate schedule.
3. These factors are appropriate for underlying plans only and should not be used for Specific coverage.
4. The PPO trend accounts for both in-network and out of network trends.
The POS trend accounts for trend associated with the Indemnity, PPO and HMO options.
5. The trend rates apply to plans that pay reasonable and customary costs as opposed to a schedule of benefit costs.

Table 4
Medical Area Factors

Area	Factor
1	0.64
2	0.70
3	0.76
4	0.82
5	0.88
6	0.94
7	1.00
8	1.06
9	1.12
10	1.18
11	1.24
12	1.30
13	1.36
14	1.42
15	1.48
16	1.54
17	1.60
18	1.66
19	1.72
20	1.78

Note:

These factors are for underlying medical plans only and are not appropriate for Specific or dental rating.

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**Table 4A (page 1 of 13)
Medical ZIP Code Rating Classifications**

State	ZIP	Area	State	ZIP	Area
Alabama			Arkansas		
Bessemer	350	7	Pine Bluff	716	4
Talladega	351	7	El Dorado	717	4
Birmingham	352	8	Hope	718	5
Tuscaloosa	354	6	Arkadelphia	719	5
Jasper	355	7	Conway	720	6
Decatur	356	6	Stuttgart	721	5
Scottsboro	357	6	Little Rock	722	6
Huntsville	358	6	West Memphis	723	5
Gadsden	359	7	Jonesboro	724	4
Troy	360	6	Batesville	725	4
Montgomery	361	5	Harrison	726	4
Anniston	362	8	Fayetteville	727	3
Dothan	363	6	Russellville	728	4
Monroeville	364	6	Fort Smith	729	5
Bay Minette	365	6			
Mobile	366	5	California		
Selma	367	6	Los Angeles	900	10
Auburn	368	4	Los Angeles	901	10
Butler	369	6	Compton	902	10
			Inglewood	903	10
Alaska			Santa Monica	904	10
Anchorage	995	10	Torrance	905	10
Palmer	996	10	Norwalk	906	10
Fairbanks	997	9	Lakewood	907	10
Juneau	998	11	Long Beach	908	10
Ketchikan	999	9	Arcadia	910	10
			Pasadena	911	10
Arizona			Glendale	912	10
Phoenix	850	7	San Fernando	913	10
Mesa	852	7	Van Nuys	914	11
Glendale	853	7	Burbank	915	10
Globe	855	9	North Hollywood	916	10
Sierra Vista	856	8	Pomona	917	9
Tucson	857	6	Alhambra	918	10
Show Low	859	9	Campo	919	8
Flagstaff	860	7	El Cajon	920	8
Prescott	863	8	San Diego	921	8
Lake Havasu City	864	8	Palm Springs	922	9
St. Michaels	865	9	Redlands	923	9
			San Bernardino	924	8

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Table 4A (page 2 of 13)
Medical ZIP Code Rating Classifications

State	ZIP	Area	State	ZIP	Area
California cont.			Colorado cont.		
Riverside	925	8	Englewood	801	6
Fullerton	926	9	Denver	802	6
Santa Ana	927	9	Boulder	803	5
Anaheim	928	9	Golden	804	6
Oxnard	930	8	Fort Collins	805	4
Santa Barbara	931	10	Greeley	806	5
Visalia	932	7	Sterling	807	5
Bakersfield	933	7	Burlington	808	5
Santa Maria	934	10	Colorado Springs	809	5
Lancaster	935	10	Pueblo	810	6
Madera	936	8	Alamosa	811	5
Fresno	937	7	Salida	812	5
Clovis	938	8	Durango	813	5
Salinas	939	8	Montrose	814	5
Sunnyvale	940	13	Grand Junction	815	4
San Francisco	941	13	Glenwood Springs	816	5
West Sacramento	942	10			
Palo Alto	943	12	Connecticut		
San Mateo	944	13	New Britain	060	6
Fremont	945	11	Hartford	061	6
Oakland	946	11	Willimantic	062	6
Berkeley	947	11	Norwich	063	5
Richmond	948	11	Meriden	064	7
San Rafael	949	12	New Haven	065	7
Santa Clara	950	11	Bridgeport	066	8
San Jose	951	11	Waterbury	067	6
Stockton	952	11	Danbury	068	8
Modesto	953	12	Stamford	069	8
Santa Rosa	954	9			
Eureka	955	9	Delaware		
Davis	956	10	Newark	197	7
South Lake Tahoe	957	10	Wilmington	198	7
Sacramento	958	10	Dover	199	6
Chico	959	10			
Redding	960	11	District of Columbia		
Susanville	961	10	Washington	200	6
			Washington	202	6
Colorado			Washington	203	6
Arvada	800	6	Washington	204	6
			Washington	205	6

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Table 4A (page 3 of 13)
Medical ZIP Code Rating Classifications

State	ZIP	Area	State	ZIP	Area
Florida			Georgia cont.		
St. Augustine	320	8	Valdosta	316	5
Belleview	321	8	Albany	317	5
Jacksonville	322	9	West Point	318	5
Tallahassee	323	6	Columbus	319	4
Panama City	324	8			
Pensacola	325	9	Hawaii		
Gainesville	326	9	Hilo	967	4
Titusville	327	8	Honolulu	968	5
Orlando	328	7			
Melbourne	329	7	Idaho		
Hialeah	330	10	Pocatello	832	3
Miami	331	11	Twin Falls	833	3
Miami	332	11	Idaho Falls	834	3
Fort Lauderdale	333	10	Lewiston	835	3
West Palm Beach	334	10	Nampa	836	3
Sarasota	335	9	Boise	837	3
Tampa	336	9	Couer D'Alene	838	3
St. Petersburg	337	9			
Lakeland	338	9	Illinois		
Fort Myers	339	9	Waukegan	600	9
Naples	341	8	Elgin	601	9
Bradenton	342	8	Evanston	602	8
Inverness	344	7	Oak Park	603	8
Tampa	346	9	Joliet	604	9
Clermont	347	7	Aurora	605	9
West Palm Beach	349	10	Chicago	606	9
			Chicago	607	9
Georgia			Chicago	608	9
Marietta	300	5	Kankakee	609	7
Rome	301	5	Freeport	610	6
La Grange	302	5	Rockford	611	7
Atlanta	303	6	Rock Island	612	5
Statesboro	304	5	Ottawa	613	4
Gainesville	305	5	Galesburg	614	5
Athens	306	5	Pekin	615	6
Calhoun	307	6	Peoria	616	7
Thomson	308	6	Bloomington	617	6
Augusta	309	6	Champaign	618	7
Warner Robins	310	6	Matoon	619	5
Mableton	311	5	Alton	620	6
Macon	312	7	East St. Louis	622	7
Hinesville	313	6	Quincy	623	4
Savannah	314	6	Effingham	624	4
Brunswick	315	5			

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Table 4A (page 4 of 13)
Medical ZIP Code Rating Classifications

State	ZIP	Area	State	ZIP	Area
Illinois cont.			Iowa cont.		
Decatur	625	5	Sioux City	511	4
Lincoln	626	5	Sheldon	512	4
Springfield	627	8	Spencer	513	4
Mount Vernon	628	4	Carroll	514	4
Carbondale	629	5	Council Bluffs	515	6
Indiana			Shenandoah	516	4
Anderson	460	5	Dubuque	520	4
Shelbyville	461	6	Decorah	521	4
Indianapolis	462	6	Iowa City	522	5
Michigan City	463	6	Marion	523	4
Gary	464	7	Cedar Rapids	524	4
Elkhart	465	4	Ottumwa	525	4
South Bend	466	5	Burlington	526	4
Huntington	467	4	Clinton	527	4
Fort Wayne	468	4	Davenport	528	4
Kokomo	469	4	Kansas		
Lawrenceburg	470	5	Leavenworth	660	6
New Albany	471	6	Kansas City	661	6
Columbus	472	4	Shawnee Mission	662	6
Muncie	473	4	Junction City	664	4
Bloomington	474	4	Manhattan	665	4
Vincennes	475	4	Topeka	666	4
Boonville	476	4	Pittsburg	667	4
Evansville	477	4	Emporia	668	4
Terre Haute	478	6	Concordia	669	4
Lafayette	479	5	Arkansas City	670	5
Iowa			Winfield	671	5
Ames	500	4	Wichita	672	5
Marshalltown	501	4	Coffeyville	673	4
West Des Moines	502	4	Salina	674	4
Des Moines	503	5	Hutchinson	675	4
Mason City	504	4	Hays	676	4
Fort Dodge	505	4	Colby	677	4
Cedar Falls	506	5	Garden City	678	4
Waterloo	507	5	Liberal	679	4
Creston	508	4	Kentucky		
Des Moines	509	4	Shelbyville	400	6
Cherokee	510	4	Hardinsburg	401	5

BCS Insurance Company

Table 4A (page 5 of 13)
Medical ZIP Code Rating Classifications

State	ZIP	Area	State	ZIP	Area
Kentucky cont.			Maine		
Louisville	402	7	Berwick	039	4
Winchester	403	5	Biddeford	040	4
Richmond	404	5	Portland	041	4
Lexington	405	5	Lewiston	042	4
Frankfort	406	5	Augusta	043	4
Corbin	407	5	Bangor	044	4
Harlan	408	5	Bath	045	4
Middlesboro	409	5	Ellsworth	046	4
Covington	410	6	Presque Isle	047	4
Ashland	411	6	Rockland	048	4
Paintsville	412	5	Waterville	049	4
Beattyville	413	5			
Salyersville	414	5	Maryland		
Pikeville	415	5	Waldorf	206	4
Prestonburg	416	5	Hyattsville	207	5
Hazard	417	5	Rockville	208	5
Whitesburg	418	5	Silver Spring	209	5
Paducah	420	5	Bel Air	210	5
Bowling Green	421	5	Westminster	211	5
Hopkinsville	422	6	Baltimore	212	5
Owensboro	423	5	Annapolis	214	5
Henderson	424	5	Cumberland	215	3
Somerset	425	5	Cambridge	216	3
Monticello	426	5	Hagerstown	217	4
Elizabethtown	427	5	Salisbury	218	2
			Elkton	219	7
Louisiana			Massachusetts		
Kenner	700	10	Holyoke	010	4
New Orleans	701	10	Springfield	011	4
Houma	703	6	Pittsfield	012	6
Slidell	704	9	Greenfield	013	4
Lafayette	705	6	Fitchburg	014	5
Lake Charles	706	8	Shrewsbury	015	5
Plaquemine	707	5	Worcester	016	5
Baton Rouge	708	5	Frammingham	017	6
Minden	710	8	Lowell	018	6
Shreveport	711	9	Lynn	019	4
Monroe	712	7	Hingham	020	6
Alexandria	713	7	Cambridge	021	6
Natchitoches	714	7			

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Medical ZIP Code Rating Classifications

State	ZIP	Area	State	ZIP	Area
Massachusetts cont.			Minnesota cont.		
Boston	022	7	Worthington	561	5
Plymouth	023	7	Willmar	562	4
Brockton	024	6	St. Cloud	563	5
Buzzards Bay	025	5	Brainerd	564	4
Hyannis	026	5	Fergus Falls	565	4
New Bedford	027	6	Bemidji	566	5
			Thief River Falls	567	5
Michigan			Mississippi		
Warren	480	6	Southaven	386	6
Ann Arbor	481	6	Greenville	387	5
Detroit	482	6	Tupelo	388	4
Pontiac	483	6	Greenwood	389	5
Lapeer	484	5	Hazlehurst	390	6
Flint	485	5	Vicksburg	391	5
Saginaw	486	4	Jackson	392	7
Bay City	487	4	Meridian	393	4
Owosso	488	4	Hattiesburg	394	6
Lansing	489	4	Biloxi	395	10
Kalamazoo	490	4	McComb	396	5
Niles	491	4	Columbus	397	5
Jackson	492	4			
Lowell	493	3	Missouri		
Muskegon	494	3	Florissant	630	7
Grand Rapids	495	3	St. Louis	631	7
Traverse City	496	3	St. Charles	633	7
Sault Ste. Marie	497	3	Hannibal	634	5
Marquette	498	3	Kirksville	635	5
Houghton	499	3	Farmington	636	5
Minnesota			Cape Girardeau	637	5
Red Wing	550	5	Sikeston	638	5
St. Paul	551	6	Poplar Bluff	639	5
Anoka	553	6	Independence	640	6
Minneapolis	554	7	Kansas City	641	6
Minneapolis	555	6	Maryville	644	5
Two Harbors	556	4	St. Joseph	645	5
Hibbing	557	5	Chillicothe	646	5
Duluth	558	6	Nevada	647	5
Rochester	559	7	Joplin	648	5
Mankato	560	4	California	650	5

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Medical ZIP Code Rating Classifications

State	ZIP	Area	State	ZIP	Area
Missouri cont.			Nevada cont.		
Jefferson City	651	5	Sparks	894	7
Columbia	652	6	Reno	895	8
Sedalia	653	5	Carson City	897	7
Rolla	654	5	Elko	898	7
Salem	655	5			
Bolivar	656	4	New Hampshire		
West Plains	657	4	Nashua	030	4
Springfield	658	4	Manchester	031	4
			Laconia	032	5
Montana			Concord	033	5
Livingston	590	3	Keene	034	4
Billings	591	4	Berlin	035	4
Wolf Point	592	2	Lempster	036	4
Miles City	593	2	Claremont	037	4
Great Falls	594	3	Portsmouth	038	5
Havre	595	2			
Helena	596	2	New Jersey		
Butte	597	3	Clifton	070	13
Missoula	598	3	Newark	071	13
Kalispell	599	3	Elizabeth	072	13
			Jersey City	073	12
Nebraska			Ridgewood	074	13
Bellevue	680	6	Paterson	075	12
Omaha	681	7	Hackensack	076	12
Beatrice	683	5	Asbury Park	077	15
Nebraska City	684	5	Dover	078	13
Lincoln	685	5	Summit	079	14
Columbus	686	5	Cherry Hill	080	14
Norfolk	687	4	Camden	081	12
Grand Island	688	4	Pleasantville	082	12
Hastings	689	4	Vineland	083	12
McCook	690	4	Atlantic City	084	12
North Platte	691	4	Princeton	085	12
Valentine	692	4	Trenton	086	14
Scottsbluff	693	4	Toms River	087	13
			Perth Amboy	088	12
Nevada			New Brunswick	089	13
North Las Vegas	890	9			
Las Vegas	891	10	New Mexico		
Ely	893	7	Belen	870	4

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Table 4A (page 8 of 13)
Medical ZIP Code Rating Classifications

State	ZIP	Area	State	ZIP	Area
New Mexico cont.			New York cont.		
Albuquerque	871	4	Poughkeepsie	126	9
Albuquerque	872	4	Monticello	127	4
Gallup	873	6	Glens Falls	128	4
Farmington	874	3	Plattsburgh	129	3
Santa Fe	875	4	Auburn	130	4
Las Vegas	877	6	Oswego	131	4
Socorro	878	6	Syracuse	132	4
Truth or Consequences	879	5	Herkimer	133	3
Las Cruces	880	5	Rome	134	3
Clovis	881	6	Utica	135	3
Roswell	882	6	Watertown	136	3
Alamogordo	883	6	Endicott	137	4
Tucumcari	884	6	Oneonta	138	3
New York			Binghamton	139	4
New York	100	11	Lockport	140	3
Manhattan	101	11	Tonawanda	141	3
Manhattan	102	11	Buffalo	142	3
Staten Island	103	11	Niagara Falls	143	3
Bronx	104	11	Geneva	144	2
Mount Vernon	105	11	Newark	145	2
White Plains	106	10	Rochester	146	2
Yonkers	107	11	Jamestown	147	3
New Rochelle	108	10	Ithaca	148	3
Orangeburg	109	10	Elmira	149	4
Great Neck	110	11	North Carolina		
Long Island City	111	11	Mocksville	270	4
Brooklyn	112	11	Winston-Salem	271	4
Flushing	113	11	High Point	272	4
Jamaica	114	11	Thomasville	273	4
Hempstead	115	11	Greensboro	274	3
Far Rockaway	116	10	Goldsboro	275	5
West Babylon	117	11	Raleigh	276	4
Hicksville	118	11	Durham	277	7
Riverhead	119	11	Rocky Mount	278	4
Amsterdam	120	4	Elizabeth City	279	4
Troy	121	4	Gastonia	280	4
Albany	122	5	Salisbury	281	4
Schenectady	123	5	Charlotte	282	6
Kingston	124	5	Fayetteville	283	5
Newburgh	125	8			

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Table 4A (page 9 of 13)
Medical ZIP Code Rating Classifications

State	ZIP	Area	State	ZIP	Area
North Carolina cont.			Ohio cont.		
Wilmington	284	6	Batavia	451	5
Kinston	285	5	Cincinnati	452	5
Hickory	286	4	Greenville	453	5
Hendersonville	287	4	Dayton	454	6
Asheville	288	4	Springfield	455	5
Murphy	289	4	Portsmouth	456	5
North Dakota			Marietta	457	5
Wahpeton	580	4	Lima	458	5
Fargo	581	4	Oklahoma		
Grand Forks	582	4	Norman	730	7
Devils Lake	583	4	Oklahoma City	731	7
Jamestown	584	4	Ardmore	734	6
Bismarck	585	4	Lawton	735	6
Dickinson	586	4	Clinton	736	6
Minot	587	4	Enid	737	6
Williston	588	4	Woodward	738	6
Ohio			Guymon	739	6
Newark	430	5	Bartlesville	740	5
Lancaster	431	5	Tulsa	741	4
Columbus	432	5	Vinita	743	6
Marion	433	5	Muskogee	744	5
Bowling Green	434	6	McAlester	745	6
Defiance	435	6	Ponca City	746	6
Toledo	436	7	Durant	747	6
Zanesville	437	4	Shawnee	748	6
Coshocton	438	5	Poteau	749	5
Steubenville	439	6	Oregon		
Lorain	440	7	Beaverton	970	3
Cleveland	441	7	Hillsboro	971	3
Cuyahoga Falls	442	6	Portland	972	4
Akron	443	6	Salem	973	3
Warren	444	5	Eugene	974	4
Youngstown	445	6	Medford	975	3
Massillon	446	4	Klamath Falls	976	3
Canton	447	3	Bend	977	3
Sandusky	448	5	Pendleton	978	3
Mansfield	449	4	Ontario	979	3
Hamilton	450	5			

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Table 4A (page 10 of 13)
Medical ZIP Code Rating Classifications

State	ZIP	Area	State	ZIP	Area
Pennsylvania			Pennsylvania cont.		
Aliquippa	150	7	Upper Darby	190	14
McKeesport	151	7	Philadelphia	191	15
Pittsburgh	152	7	West Chester	193	14
Washington	153	6	Norristown	194	13
Uniontown	154	7	Bermsville	195	5
Somerset	155	4	Reading	196	4
Greensburg	156	7			
Indiana	157	5	Puerto Rico	All	1
Dubois	158	4			
Johnstown	159	5	Rhode Island		
Butler	160	7	Warwick	028	6
New Castle	161	6	Providence	029	6
Kittanning	162	6			
Oil City	163	5	South Carolina		
Corry	164	6	Camden	290	6
Erie	165	6	Sumter	291	6
Altoona	166	5	Columbia	292	6
Bradford	167	5	Spartanburg	293	7
State College	168	4	Charleston	294	9
Wellsboro	169	4	Florence	295	7
Lebanon	170	5	Greenville	296	6
Harrisburg	171	5	Rock Hill	297	6
Chambersburg	172	5	Aiken	298	6
Hanover	173	3	Beaufort	299	6
York	174	2			
Columbia	175	5	South Dakota		
Lancaster	176	4	Madison	570	5
Williamsport	177	4	Sioux Falls	571	6
Sunbury	178	4	Watertown	572	5
Pottsville	179	4	Mitchell	573	5
Bethlehem	180	8	Aberdeen	574	5
Allentown	181	8	Pierre	575	5
Hazleton	182	7	Mobridge	576	5
Stroudsburg	183	6	Rapid City	577	4
Honesdale	184	6			
Scranton	185	6	Tennessee		
Berwick	186	6	Clarksville	370	7
Wilkes-Barre	187	6	Murfreesboro	371	7
Montrose	188	4	Nashville	372	7
Doylestown	189	15	Cleveland	373	6

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Table 4A (page 11 of 13)
Medical ZIP Code Rating Classifications

State	ZIP	Area	State	ZIP	Area
Tennessee cont.			Texas cont.		
Chattanooga	374	7	Laredo	780	6
Johnson City	376	6	New Braunfels	781	6
Greenville	377	6	San Antonio	782	6
Oak Ridge	378	6	Kingsville	783	7
Knoxville	379	7	Corpus Christi	784	8
Dyersburg	380	6	Brownsville	785	7
Memphis	381	7	San Marcos	786	6
Paris	382	5	Austin	787	6
Jackson	383	6	Del Rio	788	7
Columbia	384	6	La Grange	789	7
Cookeville	385	6	Pampa	790	6
Texas			Amarillo	791	6
Plano	750	7	Childress	792	7
Duncanville	751	7	Levelland	793	7
Dallas	752	8	Lubbock	794	11
Dallas	753	7	Sweetwater	795	6
Paris	754	7	Abilene	796	5
Texarkana	755	6	Odessa	797	5
Longview	756	7	Marfa	798	9
Tyler	757	9	El Paso	799	9
Palestine	758	7	El Paso	885	9
Lufkin	759	6	Utah		
Arlington	760	7	Bountiful	840	3
Fort Worth	761	7	Salt Lake City	841	4
Denton	762	7	Salt Lake City	842	3
Wichita Falls	763	6	Logan	843	3
Stephenville	764	6	Ogden	844	3
Temple	765	5	Price	845	2
Hillsboro	766	6	Provo	846	3
Waco	767	5	Cedar City	847	2
Brownwood	768	7	Vermont		
San Angelo	769	6	Woodstock	050	3
Houston	770	9	Springfield	051	3
Houston	772	9	Bennington	052	3
Conroe	773	8	Brattleboro	053	3
Rosenberg	774	8	Burlington	054	4
Pasadena	775	8	Barre	056	3
Port Arthur	776	8	Rutland	057	3
Beaumont	777	8	St. Johnsbury	058	3
Bryan	778	8			
Victoria	779	7			

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Table 4A (page 12 of 13)
Medical ZIP Code Rating Classifications

State	ZIP	Area	State	ZIP	Area
Vermont cont.			Washington cont.		
Guildhall	059	3	Wenatchee	988	3
Virginia			Yakima	989	3
Sterling	201	6	Cheney	990	4
Reston	220	5	Pullman	991	4
Manassas	221	5	Spokane	992	4
Arlington	222	6	Richland	993	4
Alexandria	223	5	Clarkston	994	4
Fredricksburg	224	5	West Virginia		
Montross	225	5	Bluefield	247	5
Winchester	226	4	Welch	248	5
Culpeper	227	5	Lewisburg	249	5
Harrisonburg	228	3	Clay	250	6
Charlottesville	229	5	St. Albans	251	6
Gloucester	230	7	Ripley	252	5
Williamsburg	231	7	Charleston	253	6
Richmond	232	8	Martinsburg	254	4
Chesapeake	233	4	Wayne	255	6
Virginia Beach	234	4	Logan	256	5
Norfolk	235	4	Huntington	257	6
Newport News	236	5	Beckley	258	5
Portsmouth	237	5	Hinton	259	5
Petersburg	238	7	Wheeling	260	5
Farmville	239	5	Parkersburg	261	5
Roanoke	240	5	Buckhannon	262	5
Martinsville	241	5	Clarksburg	263	5
Bristol	242	5	Weston	264	5
Pulaski	243	5	Morgantown	265	5
Covington	244	5	Summersville	266	5
Lynchburg	245	3	Romney	267	3
Bluefield	246	5	Petersburg	268	4
Washington			Wisconsin		
Bellevue	980	5	Sheboygan	530	7
Seattle	981	5	Kenosha	531	8
Everett	982	5	Milwaukee	532	8
Bremerton	983	4	Racine	534	7
Tacoma	984	5	Janesville	535	6
Olympia	985	4	Madison	537	7
Vancouver	986	4	Prairie Du Chien	538	5

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**Table 4A (page 13 of 13)
Medical ZIP Code Rating Classifications**

State	ZIP	Area
Wisconsin cont.		
Portage	539	5
Hudson	540	6
Marinette	541	5
Manitowoc	542	5
Green Bay	543	4
Wausau	544	5
Rhineland	545	5
La Crosse	546	6
Eau Claire	547	5
Superior	548	5
Oshkosh	549	5
Wyoming		
Cheyenne	820	4
Yellowstone Ntnl Park	821	4
Wheatland	822	4
Rawlins	823	4
Cody	824	4
Riverton	825	4
Casper	826	4
New Castle	827	4
Sheridan	828	4
Rock Springs	829	4
Jackson	830	4
Kemmerer	831	4

Table 5

Dental Area Factors

Area	Factor
1	0.82
2	0.88
3	0.94
4	1.00
5	1.06
6	1.12
7	1.18
8	1.24
9	1.30
10	1.36
11	1.42
12	1.48

Note:

These factors are for dental rating only and are not appropriate for Specific or medical rating.

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Table 5A (page 1 of 13)
Dental ZIP Code Rating Classifications

State	ZIP	Area	State	ZIP	Area
Alabama			Arkansas		
Bessemer	350	1	Pine Bluff	716	1
Talladega	351	1	El Dorado	717	1
Birmingham	352	1	Hope	718	1
Tuscaloosa	354	1	Arkadelphia	719	1
Jasper	355	1	Conway	720	1
Decatur	356	1	Stuttgart	721	1
Scottsboro	357	1	Little Rock	722	1
Huntsville	358	1	West Memphis	723	1
Gadsden	359	1	Jonesboro	724	1
Troy	360	1	Batesville	725	1
Montgomery	361	1	Harrison	726	1
Anniston	362	1	Fayetteville	727	1
Dothan	363	1	Russellville	728	1
Monroeville	364	1	Fort Smith	729	1
Bay Minette	365	1			
Mobile	366	1	California		
Selma	367	1	Los Angeles	900	8
Auburn	368	1	Los Angeles	901	8
Butler	369	1	Compton	902	8
			Inglewood	903	8
Alaska			Santa Monica	904	8
Anchorage	995	12	Torrance	905	8
Palmer	996	12	Norwalk	906	8
Fairbanks	997	12	Lakewood	907	8
Juneau	998	9	Long Beach	908	8
Ketchikan	999	9	Arcadia	910	8
			Pasadena	911	8
Arizona			Glendale	912	8
Phoenix	850	3	San Fernando	913	8
Mesa	852	3	Van Nuys	914	8
Glendale	853	3	Burbank	915	8
Globe	855	2	North Hollywood	916	8
Sierra Vista	856	3	Pomona	917	8
Tucson	857	3	Alhambra	918	8
Show Low	859	3	Campo	919	8
Flagstaff	860	3	El Cajon	920	8
Prescott	863	2	San Diego	921	8
Lake Havasu City	864	2	Palm Springs	922	5
St. Michaels	865	2	Redlands	923	5
			San Bernardino	924	5

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**Table 5A (page 2 of 13)
Dental ZIP Code Rating Classifications**

State	ZIP	Area	State	ZIP	Area
California cont.			Colorado cont.		
Riverside	925	5	Englewood	801	7
Fullerton	926	8	Denver	802	7
Santa Ana	927	8	Boulder	803	6
Anaheim	928	8	Golden	804	7
Oxnard	930	7	Fort Collins	805	5
Santa Barbara	931	8	Greeley	806	5
Visalia	932	6	Sterling	807	5
Bakersfield	933	4	Burlington	808	6
Santa Maria	934	6	Colorado Springs	809	6
Lancaster	935	8	Pueblo	810	5
Madera	936	5	Alamosa	811	5
Fresno	937	5	Salida	812	5
Clovis	938	5	Durango	813	5
Salinas	939	8	Montrose	814	5
Sunnyvale	940	11	Grand Junction	815	5
San Francisco	941	11	Glenwood Springs	816	5
West Sacramento	942	8			
Palo Alto	943	11	Connecticut		
San Mateo	944	11	New Britain	060	9
Fremont	945	9	Hartford	061	9
Oakland	946	9	Willimantic	062	9
Berkeley	947	9	Norwich	063	8
Richmond	948	9	Meriden	064	9
San Rafael	949	11	New Haven	065	9
Santa Clara	950	11	Bridgeport	066	10
San Jose	951	11	Waterbury	067	9
Stockton	952	6	Danbury	068	10
Modesto	953	6	Stamford	069	10
Santa Rosa	954	8			
Eureka	955	7	Delaware		
Davis	956	8	Newark	197	5
South Lake Tahoe	957	8	Wilmington	198	5
Sacramento	958	8	Dover	199	2
Chico	959	7			
Redding	960	7	District of Columbia		
Susanville	961	8	Washington	200	7
			Washington	202	7
Colorado			Washington	203	7
Arvada	800	7	Washington	204	7
			Washington	205	7

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Table 5A (page 3 of 13)
Dental ZIP Code Rating Classifications

State	ZIP	Area	State	ZIP	Area
Florida			Georgia cont.		
St. Augustine	320	2	Valdosta	316	1
Belleview	321	2	Albany	317	1
Jacksonville	322	2	West Point	318	1
Tallahassee	323	2	Columbus	319	1
Panama City	324	2			
Pensacola	325	2	Hawaii		
Gainesville	326	3	Hilo	967	7
Titusville	327	2	Honolulu	968	7
Orlando	328	2			
Melbourne	329	3	Idaho		
Hialeah	330	5	Pocatello	832	2
Miami	331	7	Twin Falls	833	1
Miami	332	7	Idaho Falls	834	2
Fort Lauderdale	333	5	Lewiston	835	3
West Palm Beach	334	5	Nampa	836	3
Sarasota	335	3	Boise	837	3
Tampa	336	3	Couer D'Alene	838	2
St. Petersburg	337	3			
Lakeland	338	2	Illinois		
Fort Myers	339	3	Waukegan	600	6
Naples	341	4	Elgin	601	6
Bradenton	342	2	Evanston	602	6
Inverness	344	1	Oak Park	603	6
Tampa	346	3	Joliet	604	6
Clermont	347	2	Aurora	605	6
West Palm Beach	349	3	Chicago	606	6
			Chicago	607	6
Georgia			Chicago	608	6
Marietta	300	3	Kankakee	609	2
Rome	301	3	Freeport	610	3
La Grange	302	3	Rockford	611	3
Atlanta	303	3	Rock Island	612	2
Statesboro	304	2	Ottawa	613	3
Gainesville	305	1	Galesburg	614	2
Athens	306	1	Pekin	615	3
Calhoun	307	1	Peoria	616	3
Thomson	308	2	Bloomington	617	3
Augusta	309	2	Champaign	618	2
Warner Robins	310	1	Matoon	619	2
Mableton	311	3	Alton	620	3
Macon	312	1	East St. Louis	622	3
Hinesville	313	1	Quincy	623	1
Savannah	314	1	Effingham	624	1
Brunswick	315	1			

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Table 5A (page 4 of 13)
Dental ZIP Code Rating Classifications

State	ZIP	Area	State	ZIP	Area
Illinois cont.			Iowa cont.		
Decatur	625	1	Sioux City	511	1
Lincoln	626	2	Sheldon	512	1
Springfield	627	2	Spencer	513	1
Mount Vernon	628	1	Carroll	514	1
Carbondale	629	1	Council Bluffs	515	1
			Shenandoah	516	1
Indiana			Dubuque	520	1
Anderson	460	2	Decorah	521	1
Shelbyville	461	2	Iowa City	522	1
Indianapolis	462	2	Marion	523	1
Michigan City	463	1	Cedar Rapids	524	1
Gary	464	1	Ottumwa	525	1
Elkhart	465	1	Burlington	526	1
South Bend	466	1	Clinton	527	1
Huntington	467	1	Davenport	528	1
Fort Wayne	468	1			
Kokomo	469	1	Kansas		
Lawrenceburg	470	1	Leavenworth	660	2
New Albany	471	1	Kansas City	661	2
Columbus	472	1	Shawnee Mission	662	2
Muncie	473	1	Junction City	664	1
Bloomington	474	1	Manhattan	665	1
Vincennes	475	1	Topeka	666	1
Boonville	476	1	Pittsburg	667	2
Evansville	477	1	Emporia	668	1
Terre Haute	478	1	Concordia	669	1
Lafayette	479	1	Arkansas City	670	1
			Winfield	671	1
Iowa			Wichita	672	1
Ames	500	2	Coffeyville	673	1
Marshalltown	501	2	Salina	674	1
West Des Moines	502	2	Hutchinson	675	1
Des Moines	503	2	Hays	676	1
Mason City	504	1	Colby	677	1
Fort Dodge	505	1	Garden City	678	1
Cedar Falls	506	1	Liberal	679	1
Waterloo	507	1			
Creston	508	1	Kentucky		
Des Moines	509	2	Shelbyville	400	1
Cherokee	510	1	Hardinsburg	401	1

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**Table 5A (page 5 of 13)
Dental ZIP Code Rating Classifications**

State	ZIP	Area	State	ZIP	Area
Kentucky cont.			Maine		
Louisville	402	1	Berwick	039	4
Winchester	403	1	Biddeford	040	4
Richmond	404	1	Portland	041	4
Lexington	405	1	Lewiston	042	3
Frankfort	406	1	Augusta	043	4
Corbin	407	1	Bangor	044	3
Harlan	408	1	Bath	045	4
Middlesboro	409	1	Ellsworth	046	3
Covington	410	1	Presque Isle	047	3
Ashland	411	1	Rockland	048	3
Paintsville	412	1	Waterville	049	3
Beattyville	413	1			
Salyersville	414	1	Maryland		
Pikeville	415	1	Waldorf	206	7
Prestonburg	416	1	Hyattsville	207	7
Hazard	417	1	Rockville	208	7
Whitesburg	418	1	Silver Spring	209	7
Paducah	420	1	Bel Air	210	5
Bowling Green	421	1	Westminster	211	5
Hopkinsville	422	1	Baltimore	212	5
Owensboro	423	1	Annapolis	214	5
Henderson	424	1	Cumberland	215	3
Somerset	425	1	Cambridge	216	5
Monticello	426	1	Hagerstown	217	7
Elizabethtown	427	1	Salisbury	218	3
			Elkton	219	5
Louisiana			Massachusetts		
Kenner	700	1	Holyoke	010	6
New Orleans	701	1	Springfield	011	6
Houma	703	1	Pittsfield	012	5
Slidell	704	1	Greenfield	013	6
Lafayette	705	1	Fitchburg	014	7
Lake Charles	706	1	Shrewsbury	015	7
Plaquemine	707	1	Worcester	016	7
Baton Rouge	708	1	Framingham	017	10
Minden	710	1	Lowell	018	10
Shreveport	711	1	Lynn	019	9
Monroe	712	1	Hingham	020	10
Alexandria	713	1	Cambridge	021	10
Natchitoches	714	1			

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**Table 5A (page 6 of 13)
Dental ZIP Code Rating Classifications**

State	ZIP	Area	State	ZIP	Area
Massachusetts cont.			Minnesota cont.		
Boston	022	10	Worthington	561	3
Plymouth	023	10	Willmar	562	3
Brockton	024	10	St. Cloud	563	3
Buzzards Bay	025	9	Brainerd	564	3
Hyannis	026	9	Fergus Falls	565	2
New Bedford	027	5	Bemidji	566	1
			Thief River Falls	567	1
Michigan			Mississippi		
Warren	480	6	Southaven	386	1
Ann Arbor	481	3	Greenville	387	1
Detroit	482	3	Tupelo	388	1
Pontiac	483	6	Greenwood	389	1
Lapeer	484	3	Hazlehurst	390	1
Flint	485	3	Vicksburg	391	1
Saginaw	486	3	Jackson	392	1
Bay City	487	3	Meridian	393	1
Owosso	488	3	Hattiesburg	394	1
Lansing	489	3	Biloxi	395	1
Kalamazoo	490	3	McComb	396	1
Niles	491	3	Columbus	397	1
Jackson	492	3			
Lowell	493	3	Missouri		
Muskegon	494	3	Florissant	630	2
Grand Rapids	495	3	St. Louis	631	2
Traverse City	496	2	St. Charles	633	2
Sault Ste. Marie	497	2	Hannibal	634	1
Marquette	498	2	Kirkville	635	1
Houghton	499	2	Farmington	636	2
Minnesota			Cape Girardeau	637	1
Red Wing	550	5	Sikeston	638	1
St. Paul	551	5	Poplar Bluff	639	1
Anoka	553	5	Independence	640	2
Minneapolis	554	5	Kansas City	641	2
Minneapolis	555	5	Maryville	644	2
Two Harbors	556	3	St. Joseph	645	1
Hibbing	557	3	Chillicothe	646	2
Duluth	558	3	Nevada	647	2
Rochester	559	3	Joplin	648	1
Mankato	560	5	California	650	1

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Dental ZIP Code Rating Classifications**

State	ZIP	Area	State	ZIP	Area
Missouri cont.			Nevada cont.		
Jefferson City	651	1	Sparks	894	5
Columbia	652	1	Reno	895	5
Sedalia	653	1	Carson City	897	5
Rolla	654	1	Elko	898	4
Salem	655	1			
Bolivar	656	1	New Hampshire		
West Plains	657	1	Nashua	030	6
Springfield	658	1	Manchester	031	6
			Laconia	032	6
Montana			Concord	033	5
Livingston	590	4	Keene	034	6
Billings	591	4	Berlin	035	5
Wolf Point	592	2	Lempster	036	5
Miles City	593	2	Claremont	037	5
Great Falls	594	3	Portsmouth	038	6
Havre	595	2			
Helena	596	2	New Jersey		
Butte	597	2	Clifton	070	9
Missoula	598	4	Newark	071	9
Kalispell	599	2	Elizabeth	072	9
			Jersey City	073	9
Nebraska			Ridgewood	074	9
Bellevue	680	1	Paterson	075	9
Omaha	681	1	Hackensack	076	9
Beatrice	683	1	Asbury Park	077	9
Nebraska City	684	1	Dover	078	9
Lincoln	685	1	Summit	079	9
Columbus	686	1	Cherry Hill	080	6
Norfolk	687	1	Camden	081	6
Grand Island	688	1	Pleasantville	082	6
Hastings	689	1	Vineland	083	6
McCook	690	1	Atlantic City	084	6
North Platte	691	1	Princeton	085	7
Valentine	692	1	Trenton	086	7
Scottsbluff	693	1	Toms River	087	9
			Perth Amboy	088	9
			New Brunswick	089	9
Nevada					
North Las Vegas	890	2	New Mexico		
Las Vegas	891	2	Belen	870	2
Ely	893	4			

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Dental ZIP Code Rating Classifications

State	ZIP	Area	State	ZIP	Area
New Mexico cont.			New York cont.		
Albuquerque	871	2	Poughkeepsie	126	7
Albuquerque	872	2	Monticello	127	7
Gallup	873	2	Glens Falls	128	4
Farmington	874	2	Plattsburgh	129	3
Santa Fe	875	2	Auburn	130	5
Las Vegas	877	1	Oswego	131	5
Socorro	878	1	Syracuse	132	5
Truth or Consequences	879	1	Herkimer	133	4
Las Cruces	880	1	Rome	134	4
Clovis	881	1	Utica	135	4
Roswell	882	1	Watertown	136	3
Alamogordo	883	2	Endicott	137	4
Tucumcari	884	1	Oneonta	138	4
			Binghamton	139	4
New York			Lockport	140	5
New York	100	9	Tonawanda	141	5
Manhattan	101	9	Buffalo	142	5
Manhattan	102	9	Niagara Falls	143	5
Staten Island	103	9	Geneva	144	4
Bronx	104	9	Newark	145	4
Mount Vernon	105	9	Rochester	146	4
White Plains	106	9	Jamesstown	147	3
Yonkers	107	9	Ithaca	148	4
New Rochelle	108	9	Elmira	149	4
Orangeburg	109	9			
Great Neck	110	9	North Carolina		
Long Island City	111	9	Mocksville	270	2
Brooklyn	112	9	Winston-Salem	271	2
Flushing	113	9	High Point	272	2
Jamaica	114	9	Thomasville	273	2
Hempstead	115	9	Greensboro	274	2
Far Rockaway	116	9	Goldsboro	275	3
West Babylon	117	9	Raleigh	276	3
Hicksville	118	9	Durham	277	2
Riverhead	119	9	Rocky Mount	278	1
Amsterdam	120	6	Elizabeth City	279	2
Troy	121	6	Gastonia	280	2
Albany	122	6	Salisbury	281	2
Schenectady	123	6	Charlotte	282	2
Kingston	124	5	Fayetteville	283	1
Newburgh	125	7			

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**Table 5A (page 9 of 13)
Dental ZIP Code Rating Classifications**

State	ZIP	Area	State	ZIP	Area
North Carolina cont.			Ohio cont.		
Wilmington	284	1	Batavia	451	2
Kinston	285	1	Cincinnati	452	2
Hickory	286	1	Greenville	453	2
Hendersonville	287	1	Dayton	454	2
Asheville	288	1	Springfield	455	1
Murphy	289	1	Portsmouth	456	1
			Marietta	457	1
			Lima	458	1
North Dakota			Oklahoma		
Wahpeton	580	2	Norman	730	2
Fargo	581	2	Oklahoma City	731	2
Grand Forks	582	1	Ardmore	734	1
Devils Lake	583	1	Lawton	735	1
Jamestown	584	1	Clinton	736	1
Bismarck	585	1	Enid	737	1
Dickinson	586	1	Woodward	738	1
Minot	587	1	Guyton	739	1
Williston	588	1	Bartlesville	740	1
			Tulsa	741	1
Ohio					
Newark	430	3	Vinita	743	1
Lancaster	431	3	Muskogee	744	1
Columbus	432	3	McAlester	745	1
Marion	433	3	Ponca City	746	1
Bowling Green	434	2	Durant	747	1
Defiance	435	2	Shawnee	748	2
Toledo	436	2	Poteau	749	1
Zanesville	437	1			
Coshocton	438	1	Oregon		
Steubenville	439	1	Beaverton	970	6
Lorain	440	4	Hillsboro	971	6
Cleveland	441	4	Portland	972	6
Cuyahoga Falls	442	2	Salem	973	5
Akron	443	2	Eugene	974	6
Warren	444	2	Medford	975	6
Youngstown	445	2	Klamath Falls	976	5
Massillon	446	1	Bend	977	6
Canton	447	1	Pendleton	978	5
Sandusky	448	1	Ontario	979	5
Mansfield	449	1			
Hamilton	450	2			

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**Table 5A (page 10 of 13)
Dental ZIP Code Rating Classifications**

State	ZIP	Area	State	ZIP	Area
Pennsylvania			Pennsylvania cont.		
Aliquippa	150	2	Upper Darby	190	6
McKeesport	151	2	Philadelphia	191	6
Pittsburgh	152	2	West Chester	193	6
Washington	153	2	Norristown	194	6
Uniontown	154	2	Berndale	195	2
Somerset	155	1	Reading	196	2
Greensburg	156	2			
Indiana	157	1	Puerto Rico	All	1
DuBois	158	1			
Johnstown	159	1	Rhode Island		
Butler	160	2	Warwick	028	4
New Castle	161	2	Providence	029	4
Kittanning	162	2			
Oil City	163	2	South Carolina		
Corry	164	2	Camden	290	1
Erie	165	2	Sumter	291	1
Altoona	166	1	Columbia	292	1
Bradford	167	1	Spartanburg	293	1
State College	168	2	Charleston	294	1
Wellsboro	169	1	Florence	295	1
Lebanon	170	2	Greenville	296	1
Harrisburg	171	2	Rock Hill	297	2
Chambersburg	172	2	Aiken	298	2
Hanover	173	2	Beaufort	299	1
York	174	2			
Columbia	175	2	South Dakota		
Lancaster	176	2	Madison	570	1
Williamsport	177	1	Sioux Falls	571	1
Sunbury	178	1	Watertown	572	1
Pottsville	179	1	Mitchell	573	1
Bethlehem	180	4	Aberdeen	574	1
Allentown	181	4	Pierre	575	1
Hazleton	182	2	Mobridge	576	1
Stroudsburg	183	8	Rapid City	577	1
Honesdale	184	2			
Scranton	185	2	Tennessee		
Berwick	186	2	Clarksville	370	1
Wilkes-Barre	187	2	Murfreesboro	371	1
Montrose	188	1	Nashville	372	1
Doylestown	189	6	Cleveland	373	1

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**Table 5A (page 11 of 13)
Dental ZIP Code Rating Classifications**

State	ZIP	Area	State	ZIP	Area
Tennessee cont.			Texas cont.		
Chattanooga	374	1	Laredo	780	1
Johnson City	376	1	New Braunfels	781	1
Greenville	377	1	San Antonio	782	1
Oak Ridge	378	1	Kingsville	783	1
Knoxville	379	1	Corpus Christi	784	1
Dyersburg	380	1	Brownsville	785	1
Memphis	381	1	San Marcos	786	3
Paris	382	1	Austin	787	3
Jackson	383	1	Del Rio	788	1
Columbia	384	1	La Grange	789	3
Cookeville	385	1	Pampa	790	1
Texas			Amarillo	791	1
Plano	750	3	Childress	792	1
Duncanville	751	3	Levelland	793	1
Dallas	752	3	Lubbock	794	1
Dallas	753	3	Sweetwater	795	1
Paris	754	3	Abilene	796	1
Texarkana	755	1	Odessa	797	1
Longview	756	1	Marfa	798	1
Tyler	757	1	El Paso	799	1
Palestine	758	1	El Paso	885	1
Lufkin	759	1	Utah		
Arlington	760	2	Bountiful	840	2
Fort Worth	761	2	Salt Lake City	841	2
Denton	762	3	Salt Lake City	842	1
Wichita Falls	763	1	Logan	843	1
Stephenville	764	2	Ogden	844	1
Temple	765	1	Price	845	1
Hillsboro	766	1	Provo	846	1
Waco	767	1	Cedar City	847	1
Brownwood	768	1	Vermont		
San Angelo	769	1	Woodstock	050	4
Houston	770	2	Springfield	051	4
Houston	772	2	Bennington	052	4
Conroe	773	2	Brattleboro	053	4
Rosenberg	774	2	Burlington	054	4
Pasadena	775	2	Barre	056	4
Port Arthur	776	1	Rutland	057	4
Beaumont	777	1	St. Johnsbury	058	4
Bryan	778	1			
Victoria	779	1			

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**Table 5A (page 12 of 13)
Dental ZIP Code Rating Classifications**

State	ZIP	Area	State	ZIP	Area
Vermont cont.			Washington cont.		
Guildhall	059	4	Wenatchee	988	7
Virginia			Yakima	989	7
Sterling	201	6	Cheney	990	6
Reston	220	7	Pullman	991	6
Manassas	221	7	Spokane	992	6
Arlington	222	7	Richland	993	7
Alexandria	223	7	Clarkston	994	4
Fredricksburg	224	6	West Virginia		
Montross	225	6	Bluefield	247	1
Winchester	226	1	Welch	248	1
Culpeper	227	6	Lewisburg	249	1
Harrisonburg	228	2	Clay	250	1
Charlottesville	229	2	St. Albans	251	1
Gloucester	230	2	Ripley	252	1
Williamsburg	231	2	Charleston	253	1
Richmond	232	2	Martinsburg	254	2
Chesapeake	233	2	Wayne	255	1
Virginia Beach	234	2	Logan	256	1
Norfolk	235	2	Huntington	257	1
Newport News	236	2	Beckley	258	1
Portsmouth	237	2	Hinton	259	1
Petersburg	238	2	Wheeling	260	1
Farmville	239	1	Parkersburg	261	1
Roanoke	240	1	Buckhannon	262	1
Martinsville	241	1	Clarksburg	263	1
Bristol	242	1	Weston	264	1
Pulaski	243	1	Morgantown	265	1
Covington	244	2	Summersville	266	1
Lynchburg	245	1	Romney	267	3
Bluefield	246	1	Petersburg	268	1
Washington			Wisconsin		
Bellevue	980	10	Sheboygan	530	4
Seattle	981	10	Kenosha	531	4
Everett	982	10	Milwaukee	532	4
Bremerton	983	8	Racine	534	4
Tacoma	984	8	Janesville	535	3
Olympia	985	7	Madison	537	3
Vancouver	986	7	Prairie Du Chien	538	2

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Dental ZIP Code Rating Classifications

State	ZIP	Area
Wisconsin cont.		
Portage	539	3
Hudson	540	5
Marinette	541	4
Manitowoc	542	4
Green Bay	543	4
Wausau	544	3
Rhineland	545	2
La Crosse	546	2
Eau Claire	547	3
Superior	548	3
Oshkosh	549	3
Wyoming		
Cheyenne	820	1
Yellowstone Ntnl Park	821	1
Wheatland	822	1
Rawlins	823	1
Cody	824	1
Riverton	825	1
Casper	826	1
New Castle	827	1
Sheridan	828	1
Rock Springs	829	1
Jackson	830	1
Kemmerer	831	1

Table 6 (Page 1 of 7)

Comprehensive Medical Plan Adjustment Factors

- Composite Benefit Level Factors -

50% Coinsurance to Stop-loss Level of:

deductible	50% Coinsurance to Stop-loss Level of:																		
	\$0	\$1,000	\$2,000	\$2,500	\$3,000	\$4,000	\$5,000	\$7,500	\$10,000	\$12,500	\$15,000	\$25,000	\$50,000	\$100,000	\$125,000	\$150,000	\$175,000	\$200,000	Unlimited
\$0	1.10	0.98	0.94	0.93	0.91	0.89	0.87	0.83	0.80	0.77	0.75	0.69	0.63	0.58	0.56	0.55	0.55	0.54	0.50
\$0	1.09	0.97	0.93	0.91	0.90	0.88	0.86	0.82	0.79	0.76	0.74	0.68	0.62	0.57	0.56	0.54	0.54	0.53	0.49
\$50	1.08	0.96	0.92	0.91	0.89	0.87	0.85	0.81	0.78	0.76	0.73	0.68	0.62	0.56	0.55	0.54	0.53	0.52	0.49
\$75	1.07	0.96	0.92	0.90	0.89	0.87	0.85	0.81	0.78	0.75	0.73	0.67	0.61	0.56	0.55	0.54	0.53	0.52	0.48
\$100	1.06	0.95	0.91	0.90	0.88	0.86	0.84	0.80	0.77	0.75	0.72	0.66	0.60	0.55	0.54	0.53	0.52	0.51	0.47
\$150	1.05	0.94	0.90	0.89	0.88	0.85	0.83	0.79	0.76	0.74	0.72	0.66	0.60	0.55	0.54	0.53	0.52	0.51	0.47
\$200	1.04	0.93	0.90	0.88	0.87	0.85	0.83	0.79	0.76	0.73	0.71	0.65	0.59	0.54	0.53	0.52	0.51	0.50	0.47
\$250	1.03	0.93	0.89	0.88	0.86	0.84	0.82	0.78	0.75	0.73	0.71	0.65	0.59	0.54	0.53	0.52	0.51	0.50	0.47
\$300	1.03	0.93	0.89	0.88	0.86	0.84	0.82	0.78	0.75	0.73	0.71	0.65	0.59	0.54	0.53	0.52	0.51	0.50	0.47
\$500	0.99	0.89	0.86	0.84	0.83	0.81	0.79	0.75	0.73	0.70	0.68	0.63	0.57	0.52	0.51	0.50	0.49	0.48	0.45
\$750	0.95	0.85	0.82	0.81	0.79	0.78	0.76	0.72	0.70	0.67	0.65	0.60	0.55	0.50	0.49	0.48	0.47	0.46	0.43
1,000	0.90	0.81	0.78	0.77	0.76	0.74	0.73	0.69	0.67	0.65	0.63	0.58	0.52	0.48	0.46	0.45	0.44	0.44	0.41
2,000	0.81	0.73	0.71	0.70	0.69	0.67	0.66	0.63	0.61	0.59	0.57	0.52	0.47	0.43	0.42	0.41	0.40	0.39	0.36
2,500	0.77	0.69	0.67	0.66	0.65	0.64	0.63	0.60	0.58	0.56	0.54	0.50	0.45	0.41	0.40	0.39	0.38	0.37	0.34
5,000	0.65	0.59	0.58	0.57	0.57	0.56	0.55	0.52	0.51	0.49	0.48	0.44	0.39	0.35	0.34	0.33	0.33	0.32	0.29
7,500	0.58	0.53	0.52	0.51	0.51	0.50	0.49	0.47	0.46	0.44	0.43	0.40	0.36	0.32	0.31	0.30	0.29	0.29	0.26
10,000	0.52	0.48	0.47	0.47	0.46	0.45	0.45	0.43	0.42	0.41	0.40	0.37	0.33	0.29	0.28	0.27	0.27	0.26	0.23
15,000	0.44	0.41	0.40	0.40	0.39	0.39	0.38	0.37	0.36	0.35	0.34	0.32	0.29	0.25	0.24	0.24	0.23	0.23	0.20
17,500	0.40	0.38	0.37	0.37	0.37	0.36	0.36	0.35	0.34	0.33	0.32	0.30	0.27	0.24	0.23	0.22	0.22	0.21	0.18
20,000	0.38	0.36	0.35	0.35	0.35	0.34	0.34	0.33	0.32	0.31	0.31	0.29	0.26	0.23	0.22	0.21	0.20	0.20	0.17

50% Coinsurance to Stop-loss Level of:

deductible	50% Coinsurance to Stop-loss Level of:																		
	\$0	\$1,000	\$2,000	\$2,500	\$3,000	\$4,000	\$5,000	\$7,500	\$10,000	\$12,500	\$15,000	\$25,000	\$50,000	\$100,000	\$125,000	\$150,000	\$175,000	\$200,000	Unlimited
\$0	1.10	1.00	0.97	0.96	0.95	0.93	0.91	0.88	0.85	0.83	0.81	0.77	0.71	0.67	0.66	0.65	0.65	0.64	0.61
\$0	1.09	0.99	0.96	0.94	0.93	0.91	0.90	0.86	0.84	0.82	0.80	0.75	0.70	0.66	0.65	0.64	0.63	0.63	0.60
\$50	1.08	0.98	0.95	0.94	0.93	0.91	0.89	0.86	0.83	0.81	0.79	0.75	0.70	0.66	0.64	0.64	0.63	0.62	0.59
\$75	1.07	0.98	0.94	0.93	0.92	0.90	0.89	0.85	0.83	0.81	0.79	0.74	0.69	0.65	0.64	0.63	0.63	0.62	0.59
\$100	1.06	0.97	0.94	0.92	0.91	0.90	0.88	0.85	0.82	0.80	0.78	0.74	0.69	0.65	0.64	0.63	0.62	0.61	0.58
\$150	1.05	0.96	0.93	0.92	0.91	0.89	0.87	0.84	0.82	0.80	0.78	0.73	0.68	0.64	0.63	0.62	0.61	0.61	0.58
\$200	1.05	0.96	0.93	0.92	0.91	0.89	0.87	0.83	0.81	0.79	0.77	0.73	0.68	0.64	0.62	0.62	0.61	0.61	0.58
\$250	1.04	0.95	0.92	0.91	0.90	0.88	0.86	0.83	0.80	0.78	0.76	0.72	0.67	0.63	0.62	0.61	0.60	0.60	0.57
\$300	1.03	0.94	0.92	0.90	0.89	0.87	0.84	0.81	0.77	0.75	0.73	0.69	0.64	0.60	0.59	0.58	0.58	0.57	0.54
\$500	0.99	0.89	0.88	0.87	0.86	0.84	0.82	0.78	0.76	0.74	0.72	0.66	0.61	0.57	0.57	0.56	0.55	0.55	0.52
\$750	0.95	0.85	0.84	0.83	0.82	0.81	0.79	0.76	0.74	0.72	0.71	0.66	0.61	0.57	0.57	0.56	0.55	0.55	0.52
1,000	0.90	0.83	0.81	0.80	0.79	0.77	0.76	0.73	0.71	0.69	0.67	0.64	0.59	0.55	0.54	0.53	0.53	0.52	0.49
2,000	0.81	0.74	0.72	0.71	0.71	0.69	0.68	0.66	0.64	0.62	0.61	0.57	0.52	0.48	0.48	0.47	0.47	0.47	0.44
2,500	0.77	0.69	0.67	0.66	0.65	0.64	0.63	0.60	0.58	0.56	0.54	0.50	0.45	0.41	0.40	0.39	0.38	0.38	0.35
5,000	0.65	0.59	0.58	0.57	0.57	0.56	0.55	0.52	0.51	0.49	0.48	0.44	0.39	0.35	0.34	0.33	0.33	0.32	0.29
7,500	0.58	0.53	0.52	0.51	0.51	0.50	0.49	0.47	0.46	0.44	0.43	0.40	0.36	0.32	0.31	0.30	0.29	0.29	0.26
10,000	0.52	0.48	0.47	0.47	0.46	0.45	0.45	0.43	0.42	0.41	0.40	0.37	0.33	0.29	0.28	0.27	0.27	0.26	0.23
15,000	0.44	0.41	0.40	0.40	0.39	0.39	0.38	0.37	0.36	0.35	0.34	0.32	0.29	0.25	0.24	0.24	0.23	0.23	0.20
17,500	0.40	0.38	0.37	0.37	0.37	0.36	0.36	0.35	0.34	0.33	0.32	0.30	0.27	0.24	0.23	0.22	0.22	0.21	0.18
20,000	0.38	0.36	0.35	0.35	0.35	0.34	0.34	0.33	0.32	0.31	0.31	0.29	0.26	0.23	0.22	0.21	0.20	0.20	0.17

Table 6 (Page 3 of 7)

Comprehensive Medical Plan Adjustment Factors

- Composite Benefit Level Factors -

Benefit Level	90% Coinsurance to Stop-Loss Level of:																		
	\$0	\$1,000	\$2,000	\$2,500	\$3,000	\$4,000	\$5,000	\$7,500	\$10,000	\$12,500	\$15,000	\$25,000	\$50,000	\$100,000	\$125,000	\$150,000	\$175,000	\$200,000	Unlimited
\$0	1.10	1.08	1.07	1.07	1.06	1.06	1.05	1.04	1.03	1.02	1.02	1.00	0.99	0.98	0.97	0.97	0.97	0.96	0.96
50	1.09	1.06	1.05	1.05	1.04	1.04	1.03	1.02	1.01	1.01	1.00	0.99	0.97	0.96	0.95	0.95	0.95	0.94	0.94
75	1.08	1.05	1.04	1.04	1.03	1.03	1.02	1.01	1.00	0.99	0.99	0.97	0.96	0.95	0.94	0.94	0.94	0.93	0.93
100	1.07	1.05	1.04	1.03	1.03	1.03	1.02	1.01	1.00	0.99	0.98	0.96	0.95	0.94	0.93	0.93	0.93	0.92	0.92
150	1.06	1.04	1.03	1.03	1.02	1.02	1.01	1.00	0.99	0.98	0.97	0.96	0.94	0.93	0.92	0.92	0.91	0.91	0.91
200	1.05	1.03	1.02	1.02	1.01	1.01	1.00	0.99	0.98	0.97	0.96	0.95	0.93	0.92	0.91	0.91	0.90	0.90	0.90
250	1.04	1.02	1.01	1.01	1.00	1.00	0.99	0.98	0.97	0.96	0.95	0.94	0.93	0.91	0.91	0.90	0.90	0.89	0.89
300	1.03	1.01	1.00	1.00	0.99	0.99	0.98	0.97	0.96	0.95	0.94	0.93	0.91	0.90	0.89	0.87	0.87	0.86	0.86
500	0.99	0.97	0.96	0.96	0.95	0.95	0.94	0.93	0.92	0.91	0.90	0.89	0.88	0.87	0.86	0.85	0.83	0.83	0.82
750	0.95	0.93	0.92	0.92	0.91	0.91	0.90	0.89	0.88	0.87	0.86	0.85	0.84	0.83	0.82	0.81	0.80	0.79	0.78
1,000	0.90	0.89	0.88	0.88	0.87	0.87	0.86	0.85	0.84	0.83	0.82	0.81	0.80	0.80	0.79	0.79	0.78	0.78	0.78
2,000	0.81	0.79	0.78	0.78	0.78	0.78	0.77	0.76	0.75	0.74	0.73	0.72	0.71	0.71	0.70	0.70	0.70	0.69	0.69
2,500	0.77	0.75	0.74	0.74	0.74	0.74	0.73	0.73	0.72	0.71	0.71	0.70	0.69	0.67	0.67	0.67	0.66	0.66	0.66
5,000	0.65	0.64	0.64	0.64	0.63	0.63	0.63	0.62	0.62	0.61	0.61	0.60	0.59	0.58	0.58	0.57	0.57	0.56	0.56
7,500	0.58	0.57	0.56	0.56	0.56	0.56	0.56	0.55	0.55	0.54	0.54	0.53	0.52	0.51	0.51	0.51	0.50	0.50	0.50
10,000	0.52	0.51	0.51	0.51	0.51	0.51	0.50	0.50	0.49	0.49	0.49	0.48	0.47	0.46	0.46	0.46	0.46	0.45	0.45
15,000	0.44	0.44	0.43	0.43	0.43	0.43	0.43	0.43	0.42	0.42	0.42	0.41	0.40	0.39	0.39	0.39	0.39	0.38	0.38
17,500	0.40	0.41	0.40	0.40	0.40	0.40	0.40	0.40	0.39	0.39	0.39	0.38	0.38	0.37	0.37	0.36	0.36	0.35	0.35
20,000	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.37	0.37	0.37	0.36	0.36	0.35	0.35	0.34	0.34	0.34	0.34	0.33

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Table 6 (page 4 of 7)

Comprehensive Medical Plan Adjustment Factors

- Composite Benefit Level Factors -

<u>100% Coinsurance</u>	
Deductible	Factor
\$0	1.10
50	1.09
75	1.08
100	1.07
150	1.06
200	1.05
250	1.04
300	1.03
500	0.99
750	0.95
1,000	0.90
2,000	0.81
2,500	0.77
5,000	0.65
7,500	0.58
10,000	0.52
15,000	0.44
17,500	0.40
20,000	0.38

Notes:

1. Changes in coinsurance levels apply to all medical benefits, including mental and nervous, substance abuse, and chiropractic benefits.
2. To determine Comprehensive Medical Plan Adjustment Factors for underlying plans not shown above, interpolate between the given plan factors.
3. 100% Coinsurance factors vary only by deductible.

Table 6 (Page 5 of 7)
 Comprehensive Medical Plan Adjustment Factors

	Per Day Copay then		Per Stay Copay then		No Copay
	100% Coverage	Normal Coinsurance	100% Coverage	Normal Coinsurance	
<u>Hospital In-Patient:</u>					
% of Total Charges Related to Inpatient Hospital	26.3% (1)	26.3% (1)	26.3% (1)	26.3% (1)	26.3% (1)
Coinsurance	100% (2)		100% (2)		
Copay		(a)		(a)	
ALOS	1.0000 (b)		4.2496 (b)		
Average Charge Per Day	x (c)	x (c)	x (c)	x (c)	
Average Charge Per Day/Stay [(b) x (c)]	(d)	(d)	(d)	(d)	
Average Effect of Copay [(a)+(d)]	(3)	(3)	(3)	(3)	0.00 (3)
Average Coinsurance (2) x [1.0 - (3)]	(4)	(4)	(4)	(4)	(4)

Hospital Inpatient Coinsurance Value [(1) x (4)] _____ (A)

Table 6 (Page 6 of 7)
Comprehensive Medical Plan Adjustment Factors

	Office Copay then					
	100% Coverage		Normal Coinsurance		No Copay	
<u>Physician Office Visit:</u>						
% of Total Charges Related to Office Visits	15.1%	(1)	15.1%	(1)	15.1%	(1)
Coinsurance	100%	(2)	<input type="text"/>	(2)	<input type="text"/>	(2)
Copay	<input type="text"/>		<input type="text"/>			
Average Physician Charge	+		+			
Average Effect of Copay	<input type="text"/>	(3)	<input type="text"/>	(3)	0.00	(3)
Average Coinsurance (2) x [1.0 - (3)]	<input type="text"/>	(4)	<input type="text"/>	(4)	<input type="text"/>	(4)
Physician Coinsurance Value [(1) x (4)]						(B)
<u>Other Services</u>						
% of Total Charges Not Related to Hospital Inpatient or Office Visits			58.6%	(1)		
Coinsurance			<input type="text"/>	(2)		
Other Coinsurance Value [(1) x (2)]						(C)
Adjusted Coinsurance Value [(A) + (B) + (C)]						(D)

Table 6 (Page 7 of 7)
Comprehensive Medical Plan Adjustment Factors

Form 1099-MS (2010)

Adjusted Coinsurance Value [(A) + (B) + (C)] _____ **(D)**

	Coinsurance	Plan Factor
Next Higher Coinsurance	<input type="text"/>	<input type="text"/>
Next Lower Coinsurance	<input type="text"/> (a)	<input type="text"/> (b)
Difference Between Coinsurance Levels	<input type="text"/> (c)	<input type="text"/> (d)

Medical Plan Adjustment Factor
 [(b) + {((D) - (a)) + (c)} x (d)]

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Table 6A (page 1 of 2)

Base-Supplemental Medical Plan Adjustment Factors

Supp. eductible	Base Portion	Supplemental Coinsurance and Stop-loss Levels								
		70% next			80% next			90% next		
		\$2,000	\$5,000	\$10,000	\$2,000	\$5,000	\$10,000	\$2,000	\$5,000	\$10,000
\$0	\$1,000 - \$9,999	0.99	0.95	0.93	1.03	1.00	0.99	1.07	1.05	1.03
	\$10,000 - \$30,000	1.00	0.97	0.95	1.04	1.02	1.01	1.08	1.06	1.05
	21 - 30 Days	1.01	0.98	0.96	1.05	1.03	1.02	1.08	1.07	1.06
	31 - 60 Days	1.01	0.99	0.97	1.06	1.04	1.02	1.09	1.07	1.07
	61 + Days	1.01	0.99	0.97	1.06	1.04	1.02	1.09	1.07	1.07
\$50	\$1,000 - \$9,999	0.94	0.91	0.89	1.00	0.97	0.96	1.05	1.03	1.02
	\$10,000 - \$30,000	0.95	0.93	0.91	1.01	0.99	0.98	1.06	1.04	1.03
	21 - 30 Days	0.96	0.93	0.92	1.02	1.00	0.99	1.06	1.05	1.04
	31 - 60 Days	0.97	0.94	0.93	1.03	1.01	1.00	1.06	1.05	1.04
	61 + Days	0.97	0.94	0.93	1.03	1.01	1.00	1.06	1.05	1.05
\$100	\$1,000 - \$9,999	0.93	0.90	0.86	0.96	0.94	0.93	1.01	0.99	0.98
	\$10,000 - \$30,000	0.94	0.92	0.89	0.98	0.96	0.95	1.02	1.00	0.99
	21 - 30 Days	0.95	0.93	0.90	0.99	0.97	0.96	1.02	1.01	1.00
	31 - 60 Days	0.95	0.93	0.91	0.99	0.97	0.97	1.02	1.01	1.01
	61 + Days	0.96	0.93	0.91	1.00	0.97	0.97	1.03	1.01	1.01
\$150	\$1,000 - \$9,999	0.90	0.86	0.83	0.94	0.92	0.90	0.98	0.96	0.95
	\$10,000 - \$30,000	0.91	0.88	0.86	0.95	0.93	0.93	0.98	0.97	0.96
	21 - 30 Days	0.92	0.89	0.87	0.96	0.94	0.93	0.99	0.98	0.97
	31 - 60 Days	0.93	0.90	0.88	0.97	0.95	0.94	0.99	0.98	0.98
	61 + Days	0.93	0.90	0.88	0.97	0.95	0.94	1.00	0.98	0.98
\$200	\$1,000 - \$9,999	0.87	0.84	0.81	0.92	0.90	0.88	0.95	0.93	0.93
	\$10,000 - \$30,000	0.89	0.86	0.84	0.93	0.92	0.91	0.96	0.94	0.94
	21 - 30 Days	0.90	0.87	0.85	0.94	0.93	0.92	0.97	0.95	0.95
	31 - 60 Days	0.90	0.87	0.86	0.94	0.93	0.93	0.97	0.96	0.95
	61 + Days	0.91	0.88	0.86	0.95	0.93	0.93	0.97	0.96	0.95
\$250	\$1,000 - \$9,999	0.85	0.82	0.79	0.90	0.88	0.86	0.93	0.92	0.91
	\$10,000 - \$30,000	0.87	0.84	0.82	0.92	0.90	0.89	0.94	0.93	0.93
	21 - 30 Days	0.88	0.85	0.83	0.93	0.91	0.90	0.94	0.93	0.93
	31 - 60 Days	0.89	0.86	0.84	0.93	0.92	0.91	0.95	0.93	0.93
	61 + Days	0.89	0.86	0.84	0.93	0.92	0.91	0.95	0.94	0.93
\$300	\$1,000 - \$9,999	0.85	0.80	0.79	0.89	0.86	0.84	0.92	0.90	0.90
	\$10,000 - \$30,000	0.87	0.82	0.81	0.91	0.88	0.87	0.93	0.92	0.91
	21 - 30 Days	0.88	0.83	0.82	0.92	0.89	0.88	0.93	0.93	0.92
	31 - 60 Days	0.88	0.84	0.83	0.92	0.90	0.88	0.93	0.93	0.93
	61 + Days	0.88	0.84	0.83	0.92	0.90	0.89	0.94	0.93	0.93
\$500	\$1,000 - \$9,999	0.79	0.77	0.74	0.84	0.81	0.80	0.87	0.85	0.84
	\$10,000 - \$30,000	0.81	0.79	0.77	0.86	0.84	0.83	0.88	0.86	0.86
	21 - 30 Days	0.82	0.80	0.78	0.87	0.85	0.84	0.89	0.87	0.87
	31 - 60 Days	0.83	0.81	0.79	0.88	0.86	0.85	0.89	0.88	0.88
	61 + Days	0.83	0.81	0.79	0.88	0.86	0.85	0.90	0.88	0.88

See Notes on following page.

Table 6A (page 2 of 2)

Base-Supplemental Medical Plan Adjustment Factors

Notes:

1. Base Plan covers hospital room and board and ancillary charges only.
2. Days are the number of hospital days covered in the base plan before the supplemental benefit is implemented.
3. Dollars are the first dollar hospital charges covered in the base plan before the supplemental benefit is implemented.

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Table 6B (Page 1 of 2)

**Prescription Drug Plan Adjustment Factors
Rx Included with Medical**

If prescription drugs are not covered under the medical plan, use a medical monthly base rate (Table 2) with prescription drugs excluded and a prescription drug plan adjustment factor of 1.00.

If prescriptions drugs are covered same as any other illness under the medical plan, use a medical monthly base rate (Table 2) with prescription drugs included and a prescription drug plan adjustment factor 1.00.

If the medical plan includes a prescription drug card, use a medical monthly base rate (Table 2) with prescription drugs included and the appropriate prescription drug plan adjustment factor from the table below.

-Prescription Drug Card-

Generic/Brand Name Copay Amount	Factor	
	Employee	Dependent
\$0 / \$0	1.023	1.023
3 / 3	1.013	1.013
3 / 6	1.008	1.008
5 / 5	1.006	1.006
5 / 7	1.003	1.003
5 / 10	1.000	1.000
5 / 15	0.994	0.994
6 / 11	0.997	0.997
6 / 12	0.995	0.995
6 / 15	0.992	0.992
7 / 12	0.994	0.994
7 / 15	0.991	0.991
8 / 15	0.989	0.989
10 / 10	0.992	0.992
10 / 15	0.987	0.987
10 / 20	0.981	0.981

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Table 6B (Page 2 of 2)

**Prescription Drug Plan Adjustment Factors
Rx Included with Medical**

-Prescription Drug Card-

Generic/Brand Name Copay Amount	Factor	
	Employee	Dependent
10 / 25	0.976	0.976
12 / 12	0.988	0.988
12 / 15	0.984	0.984
15 / 15	0.981	0.981
15 / 20	0.975	0.975
15 / 25	0.970	0.970
15 / 30	0.965	0.965
20 / 20	0.970	0.970
20 / 30	0.961	0.961
25 / 25	0.962	0.962
25 / 30	0.958	0.958
30 / 30	0.954	0.954
35 / 35	0.948	0.948
35 / 40	0.944	0.944
40 / 40	0.942	0.942

For three-tier copayment plan designs, reduce the adjustment factors above by the the following amounts, depending on the copay ratios:

Copay Ratios Generic : Formulary : Non-Formulary	Reduction to Adjustment Factors
1 : 2 : 3	-0.002
1 : 2 : 4	-0.004
1 : 2 : 5	-0.005

For example, if the plan design is \$10 Generic/ \$20 Formulary Brand/ \$30 Non-Formulary Brand, use $0.981 - 0.002 = 0.979$.

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Table 6C (page 1 of 2)

Mental and Nervous/Substance Abuse Plan Adjustment Factors

-Inpatient-

		Adjustment Factor	
Coinsurance	Annual Benefit in Dollars	Ment. & Nerv.	Subst. Ab.
50%	\$1,000 - 1,499	N/A	-0.030
	1,500 - 4,999	N/A	-0.020
	5,000 - 9,999	N/A	-0.010
	\$10,000+	N/A	-0.010
60%	\$1,000 - 1,499	N/A	-0.025
	1,500 - 4,999	N/A	-0.020
	5,000 - 9,999	N/A	-0.005
	\$10,000+	N/A	+0.005
70%	\$1,000 - 1,499	N/A	-0.025
	1,500 - 4,999	N/A	-0.020
	5,000 - 9,999	N/A	+0.000
	\$10,000+	N/A	+0.005
80%	\$1,000 - 1,499	N/A	-0.025
	1,500 - 4,999	N/A	-0.015
	*5,000 - 9,999	N/A	+0.000
	\$10,000+	N/A	+0.015

		Adjustment Factor	
Coinsurance	Annual Benefit in Days	Ment. & Nerv.	Subst. Ab.
50%	14 or less	N/A	-0.015
	15 - 19	N/A	-0.010
	20 - 24	N/A	-0.010
	25+	N/A	-0.005
60%	14 or less	N/A	-0.010
	15 - 19	N/A	-0.005
	20 - 24	N/A	+0.000
	25+	N/A	+0.005
70%	14 or less	N/A	-0.005
	15 - 19	N/A	+0.005
	20 - 24	N/A	+0.005
	25+	N/A	+0.010
80%	*14 or less	N/A	+0.000
	15 - 19	N/A	+0.010
	20 - 24	N/A	+0.015
	25+	N/A	+0.015

See notes on following page.

BCS Insurance Company

Table 6C (page 2 of 2)

Mental and Nervous/Substance Abuse Plan Adjustment Factors

-Outpatient-

Coinsurance	Annual Benefit		Adjustment Factor	
	Dollars	Days	Ment. & Nerv.	Subst. Ab.
50%	\$1,000 - 1,499	29 - 42	0.000	0.000
	1,500 - 4,999	43 - 56	0.000	0.000
	*2,000+	57+	0.000	0.000
60%	\$1,000 - 1,499	29 - 42	0.000	0.000
	1,500 - 4,999	43 - 56	0.000	0.000
	2,000+	48+	0.000	0.000
70%	\$1,000 - 1,499	20 - 30	0.000	0.000
	1,500 - 4,999	31 - 40	0.000	0.000
	2,000+	41+	0.005	0.000
80%	\$1,000 - 1,499	18 - 26	0.000	0.000
	1,500 - 4,999	27 - 35	0.005	0.000
	2,000+	36+	0.005	0.000

Calculation of Mental and Nervous/Substance Abuse Adjustment Factor

(a) Mental and Nervous Inpatient Adjustment	_____ 0.00
(b) Mental and Nervous Outpatient Adjustment	_____
(c) Substance Abuse Inpatient Adjustment	_____
(d) Substance Abuse Outpatient Adjustment	_____
(e) Total Adjustment = (a) + (b) + (c) + (d)	_____
(f) Final Adjustment Factor = 1 + (e)	_____

Notes:

1. The "*" indicates coverage assumed in base plan which is 80% coinsurance to an annual maximum of \$5,000 or 9 days for substance abuse inpatient. For mental and nervous and substance abuse outpatient benefits, the base plan assumes 50% coinsurance to an annual maximum of \$2,000 or at least 57 days.
2. N/A means "Not Applicable". The cost of Mental & Nervous inpatient benefits is included in the base rates shown in Table 2 and different level of benefits are adjusted for using Table 6.

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Table 6D (page 1 of 5)

Dental Plan Adjustment Factors

- Plan Descriptions -

Plan	Deductible		Coinsurance		
			Preventive	Basic	Major
I	\$0		100%	80%	50%
II	\$0		80%	80%	50%
III	\$25	All classes	100%	80%	50%
IV	\$25	All classes	80%	80%	50%
V	\$25	Basic & Major	100%	80%	50%
VI	\$25	Basic & Major	80%	80%	50%
VII	\$50	All classes	100%	80%	50%
VIII	\$50	All classes	80%	80%	50%
IX	\$50	Basic & Major	100%	80%	50%
X	\$50	Basic & Major	80%	80%	50%
XI	\$75	All classes	100%	80%	50%
XII	\$75	All classes	80%	80%	50%
XIII	\$75	Basic & Major	100%	80%	50%
XIV	\$75	Basic & Major	80%	80%	50%
XV	\$100	All classes	100%	80%	50%
XVI	\$100	All classes	80%	80%	50%
XVII	\$100	Basic & Major	100%	80%	50%
XVIII	\$100	Basic & Major	80%	80%	50%

Note:

All of the above plans do not include a 3-month deductible carryover. In addition, children attending accredited institutions are assumed to be covered to age 26.

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Table 6D (page 2 of 5)

Dental Plan Adjustment Factors

- Plan Change Factors -

Plan	Annual Maximum Benefit									
	\$500		\$750		\$1,000		\$1,500		\$2,500	
	EE	DEP	EE	DEP	EE	DEP	EE	DEP	EE	DEP
I	0.76	0.79	0.91	0.93	1.03	1.03	1.17	1.14	1.29	1.22
II	0.72	0.73	0.86	0.86	0.96	0.94	1.08	1.02	1.17	1.09
III	0.71	0.73	0.86	0.86	0.97	0.96	1.11	1.06	1.22	1.14
IV	0.67	0.68	0.81	0.80	0.91	0.88	1.03	0.96	1.11	1.03
V	0.73	0.76	0.89	0.90	1.00	1.00	1.14	1.10	1.25	1.19
VI	0.69	0.71	0.83	0.83	0.93	0.91	1.05	0.99	1.14	1.06
VII	0.65	0.67	0.79	0.79	0.90	0.89	1.03	0.98	1.14	1.06
VIII	0.63	0.63	0.76	0.74	0.85	0.82	0.96	0.89	1.05	0.96
IX	0.71	0.73	0.86	0.87	0.97	0.97	1.11	1.07	1.22	1.15
X	0.67	0.68	0.80	0.80	0.90	0.87	1.02	0.95	1.10	1.02
XI	0.60	0.61	0.74	0.73	0.84	0.82	0.97	0.91	1.07	0.99
XII	0.59	0.58	0.71	0.69	0.80	0.76	0.91	0.83	0.99	0.89
XIII	0.68	0.71	0.83	0.84	0.94	0.94	1.08	1.03	1.18	1.12
XIV	0.64	0.65	0.78	0.77	0.87	0.85	0.99	0.92	1.07	0.99
XV	0.56	0.56	0.69	0.68	0.79	0.76	0.91	0.85	1.01	0.92
XVI	0.55	0.54	0.67	0.64	0.76	0.71	0.86	0.78	0.94	0.84
XVII	0.66	0.68	0.81	0.82	0.92	0.91	1.05	1.01	1.15	1.09
XVIII	0.62	0.63	0.75	0.75	0.85	0.82	0.96	0.89	1.04	0.96

Note:

These factors do not account for orthodontia. Orthodontia plan adjustment factors can be found on pages 3 and 4 of Table 6D.

BCS Insurance Company

Table 6D (page 3 of 5)

Dental Plan Adjustment Factors

- Orthodontia -

Plan	Add-On Claim Factors		
	Employee	Dependent(s)	
		Only	Adult and Child(ren)
I	0.71	4.55	3.95
II	0.71	4.55	3.95
III	0.71	4.55	3.95
IV	0.71	4.55	3.95
V	0.71	4.55	3.95
VI	0.71	4.55	3.95
VII	0.71	4.55	3.95
VIII	0.71	4.55	3.95
IX	0.71	4.55	3.95
X	0.71	4.55	3.95
XI	0.71	4.55	3.95
XII	0.71	4.55	3.95
XIII	0.71	4.55	3.95
XIV	0.71	4.55	3.95
XV	0.71	4.55	3.95
XVI	0.71	4.55	3.95
XVII	0.71	4.55	3.95
XVIII	0.71	4.55	3.95

Note:

If Child and/or Adult orthodontia is added to any of the plans, it is assumed that services will be covered at 50% up to a lifetime maximum benefit of \$1,000. Charges incurred for orthodontia services would count toward satisfying the deductible of a given plan.

BCS Insurance Company

Table 6D (page 4 of 5)

Dental Plan Adjustment Factors

- Orthodontia Lifetime Maximum Benefit Adjustment Factors -

Lifetime Maximum Benefit	Factor
\$ 500	0.442
600	0.528
700	0.614
750	0.657
800	0.726
850	0.794
900	0.863
1,000	1.000
1,100	1.107
1,200	1.214
1,250	1.268
1,300	1.321
1,400	1.428
1,500	1.535
1,600	1.631
1,700	1.726
1,750	1.774
1,800	1.822
1,900	1.916
2,000	2.011
2,250	2.240
2,500	2.463
2,750	2.649
3,000	2.835

- Prior Coverage Discount Factors -

Consecutive Year(s) of Prior Coverage	Factor
None	1.00
1	0.92
2+	0.87

BCS Insurance Company

Table 6D (page 5 of 5)

Dental Plan Adjustment Factors

- Calculation of Dental Plan Adjustment Factor -

	Employee	Dependent
(a) Non-Ortho Monthly Base Rate	<u>\$51.24</u>	<u>\$79.95</u>
(b) Non-Ortho Plan Adjustment	<u> </u>	<u> </u>
(c) Non-Ortho Claim Rate = (a) x (b)	<u> </u>	<u> </u>
(d) Ortho Add-On Claim Factor	<u> </u>	<u> </u>
(e) Ortho Lifetime Maximum Adjustment	<u> </u>	<u> </u>
(f) Ortho Claim Rate = (d) x (e)	<u> </u>	<u> </u>
(g) Total Claim Rate = (c) + (f)	<u> </u>	<u> </u>
(h) Prior Coverage Discount Factor	<u> </u>	<u> </u>
(i) Final Plan Adjustment = [(g) / (a)] x (h)	<u> </u>	<u> </u>

Table 6E

Short Term Disability Plan Adjustment Factors

Benefits Begin		Maximum Duration	Adjustment Factor
Accident	Sickness		
1st day	4th day	13 weeks	0.758
4th day	4th day	13 weeks	0.748
1st day	8th day	13 weeks	0.659
8th day	8th day	13 weeks	0.613
15th day	15th day	13 weeks	0.419
1st day	4th day	26 weeks	1.000
4th day	4th day	26 weeks	0.987
1st day	8th day	26 weeks	0.883
8th day	8th day	26 weeks	0.828
15th day	15th day	26 weeks	0.566
1st day	4th day	52 weeks	1.249
4th day	4th day	52 weeks	1.238
1st day	8th day	52 weeks	1.132
8th day	8th day	52 weeks	1.073
15th day	15th day	52 weeks	0.756
1st day	4th day	104 weeks	1.623
4th day	4th day	104 weeks	1.609
1st day	8th day	104 weeks	1.471
8th day	8th day	104 weeks	1.395
15th day	15th day	104 weeks	0.983

- Calculation of Short Term Disability Plan Adjustment Factor -

- (a) Benefit Adjustment Factor _____
- (b) Average Weekly Benefit _____
- (c) Plan Change Factor = _____
 $(a) \times (b) \div 10$

Note:

The above plan change factor will adjust for both benefit plan and average weekly benefits other than \$10.00 (as assumed in the base rates, Table 2).

Table 7 (page 1 of 8)
Standard Industrial Classifications
and Base Industry Factors

SIC Code	Industry	Medical Factor	Dental Factor	Vision Factor	STD Factor
DIVISION A: AGRICULTURE, FORESTRY AND FISHING					
01	Agricultural Production - Crops	1.05	0.90	0.90	1.20
02	Agricultural Production - Livestock and Animal Specialties	1.00	0.90	0.90	1.20
0211	Beef Cattle Feedlots	1.05	0.90	0.90	1.20
0212	Beef Cattle, Except Feedlots	1.05	0.90	0.90	1.20
024	Dairy Farms	1.05	0.90	0.90	1.20
0252	Chicken Eggs	1.05	0.90	0.90	1.20
0272	Horses and Other Equines	1.05	0.90	0.90	1.20
07	Agricultural Services	1.00	0.90	0.90	1.00
071	Soil Preparation Services	1.00	0.90	0.90	1.20
072	Crop Services	(HO) 1.15	0.90	0.90	1.20
074	Veterinary Services	1.00	1.15	1.10	1.00
0781	Landscape Counseling and Planning	1.10	1.00	1.00	1.00
08	Forestry	1.10	0.90	0.90	1.10
085	Forestry Services	(HO) 1.00	1.00	0.90	1.10
09	Fishing, Hunting, and Trapping	1.15	0.90	0.90	1.00
DIVISION B: MINING					
10	Metal Mining	(HO) 1.40	0.90	0.90	1.05
12	Coal Mining	(HO) 1.40	0.90	0.90	1.05
13	Oil and Gas Extraction	(HO) 1.40	0.90	0.90	1.05
14	Mining and Quarrying of Non-metallic Minerals, Except Fuels	(HO) 1.40	0.90	0.90	1.05
DIVISION C: CONSTRUCTION					
15	Building Construction - General Contractors; Operative Builders	1.10	0.90	0.90	1.05
153	Operative Builders	1.15	1.00	1.00	1.00
16	Heavy Construction, Ex. Building	1.15	0.90	0.90	1.20
17	Construction - Special Trade Contractors	1.05	0.90	0.90	1.05

Table 7 (page 2 of 8)
Standard Industrial Classifications
and Base Industry Factors

SIC Code	Industry	Medical Factor	Dental Factor	Vision Factor	STD Factor
DIVISION C: CONSTRUCTION (Continued)					
1791	Structural Steel Erection	1.20	0.90	0.90	1.05
1794	Excavation Work	1.20	0.90	0.90	1.05
1795	Wrecking and Demolition Work	1.20	0.90	0.90	1.05
1799	Special Trade Contractors, NEC	(HO) 1.10	0.90	0.90	1.05
DIVISION D: MANUFACTURING					
20	Food and Kindred Products	1.00	0.90	0.90	1.05
201	Meat Products	(HO) 1.25	0.90	0.90	1.05
202	Dairy Products	1.05	0.90	0.90	1.05
205	Bakery Products	1.05	1.05	0.90	1.05
206	Sugar and Confectionery Products	1.05	1.05	0.90	1.05
207	Fats and Oils	1.05	0.90	0.90	1.05
208	Beverages	1.00	1.00	0.90	1.05
2082	Malt Beverages	1.10	0.90	0.90	1.05
2084	Wines, Brandy, and Brandy Spirits	1.10	1.00	0.90	1.05
2085	Distilled and Blended Liquors	1.10	1.00	0.90	1.05
21	Tobacco Products	1.30	1.05	0.90	1.05
22	Textile Mill Products	1.00	0.90	0.90	1.05
23	Apparel and Other Textile Products	1.00	0.90	1.00	1.05
24	Lumber and Wood Products, Except Furniture	1.05	0.90	0.90	1.05
241	Logging	1.30	0.90	0.90	1.20
242	Sawmills and Planing Mills	1.30	0.90	0.90	1.20
25	Furniture and Fixtures	1.00	0.90	0.90	1.05
26	Paper and Allied Products	1.10	0.90	0.90	1.05
27	Printing, Publishing, and Allied Industries	1.05	0.90	1.05	1.00
28	Chemicals and Allied Products	(HO) 1.10	1.00	1.00	1.00
2819	Industrial Inorganic Chemicals, NEC	1.20	1.00	1.00	1.20
2869	Industrial Organic Chemicals, NEC	1.20	1.00	1.00	1.20

Table 7 (page 3 of 8)
Standard Industrial Classifications
and Base Industry Factors

SIC Code	Industry	Medical Factor	Dental Factor	Vision Factor	STD Factor
DIVISION D: MANUFACTURING (Continued)					
2892	Explosives	1.40	1.00	1.00	1.20
2899	Chemicals and Chemical Preparations, NEC	(HO) 1.20	1.00	1.00	1.20
29	Petroleum Refining and Related Industries	1.00	1.00	1.00	1.05
30	Rubber and Miscellaneous Plastic Products	1.00	0.90	0.90	1.05
31	Leather and Leather Products	1.00	0.90	0.90	1.05
311	Leather Tanning and Finishing	(HO) 1.10	0.90	0.90	1.05
32	Stone, Clay, Glass, and Concrete Products	1.00	0.90	0.90	1.05
329	Miscellaneous Non-Metallic Mineral Products	(HO) 1.25	0.90	0.90	1.05
33	Primary Metal Industries	1.25	0.90	0.90	1.05
34	Fabricated Metal Products	1.00	0.90	0.90	1.05
342	Cutlery, Hand Tools, and General Hardware	1.05	0.90	0.90	1.10
348	Ordnance and Accessories, NEC	1.40	0.90	0.90	1.20
35	Industrial and Commercial Machinery and Computer Equipment	1.05	1.00	1.00	1.05
36	Electronic and other Electrical Equipment	1.05	1.00	1.00	1.05
37	Transportation Equipment	1.10	1.00	1.00	1.05
38	Instruments and Related Products	0.95	1.00	1.05	1.00
3827	Optical Instruments and Lenses	0.95	1.00	1.10	1.00
3843	Dental Equipment and Supplies	0.95	1.10	1.00	1.00
3844	X-ray Apparatus and Tubes	0.95	1.00	1.00	1.00
385	Ophthalmic Goods	0.95	1.00	1.10	1.00
39	Miscellaneous Manufacturing Industries	(HO) 1.00	1.00	1.00	1.00
3949	Sporting and Athletic Goods, NEC	1.10	1.00	1.00	1.00
DIVISION E: TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS, AND SANITARY SERVICES					
40	Railroad Transportation	(HO) 1.15	1.00	1.00	1.05
41	Local and Interurban Passenger Transit	1.10	1.00	1.00	1.00
412	Taxicabs	Decline	1.00	1.00	Decline

Table 7 (page 4 of 8)
Standard Industrial Classifications
and Base Industry Factors

SIC Code	Industry	Medical Factor	Dental Factor	Vision Factor	STD Factor
DIVISION E: TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS, AND SANITARY SERVICES (Continued)					
42	Motor Freight Transportation and Warehousing	1.15	0.90	1.00	1.00
4213	Trucking, Except Local	1.20	0.90	1.00	1.00
422	Public Warehousing and Storage	(HO) 1.00	0.90	0.90	1.05
43	U.S. Postal Service	1.00	1.00	1.00	1.00
44	Water Transportation	1.20	0.90	1.10	1.05
449	Services Incidental to Water Transportation	1.15	0.90	1.10	1.05
4499	Water Transportation Services, NEC	(HO) 1.30	0.90	1.10	1.05
45	Transportation by Air	(HO) 1.15	1.00	1.10	1.05
451	Air Transportation, Scheduled, and Air Courier Services	(HO) 1.15	1.00	1.10	1.05
452	Air Transportation, Nonscheduled	1.30	1.00	1.10	1.00
458	Airports, Flying Fields, and Airport Terminal Services	(HO) 1.25	1.00	1.10	1.05
46	Pipelines, Except Natural Gas	1.10	1.00	1.00	1.00
47	Transportation Services	1.00	1.00	1.00	1.00
472	Arrangement of Passenger Transportation	1.00	1.05	1.00	1.00
4789	Transportation Services, NEC	1.10	1.00	1.00	1.00
48	Communications	1.00	1.00	1.00	1.00
49	Electric, Gas, and Sanitary Services	1.05	1.00	1.00	1.00
495	Sanitary Services	Decline	1.00	1.00	Decline
DIVISION F: WHOLESALE TRADE					
50	Wholesale Trade - Durable Goods	1.00	1.00	1.00	1.00
501	Motor Vehicles and Motor Vehicle Parts and Supplies	1.10	1.00	1.00	1.00
5093	Scrap and Waste Materials	1.40	1.00	1.00	1.20
5099	Durable Goods, NEC	(HO) 1.00	1.00	1.00	1.00
51	Wholesale Trade - Nondurable Goods	1.00	1.00	1.00	1.00
512	Drugs, Drug Proprietaries, and Druggists' Sundries	(HO) 1.10	1.00	1.00	1.00
513	Apparel, Piece Goods, and Notions	(HO) 1.10	1.00	1.00	1.00
514	Groceries and Related Products	(HO) 1.10	1.00	1.00	1.00

Table 7 (page 5 of 8)
Standard Industrial Classifications
and Base Industry Factors

SIC Code	Industry	Medical Factor	Dental Factor	Vision Factor	STD Factor
DIVISION F: WHOLESALE TRADE (Continued)					
515	Farm-Product Raw Materials	(HO) 1.10	1.00	1.00	1.00
516	Chemicals and Allied Products	(HO) 1.10	1.00	1.00	1.00
517	Petroleum and Petroleum Products	(HO) 1.10	1.00	1.00	1.00
518	Beer, Wine, and Distilled Alcoholic Beverages	1.25	1.00	1.00	Decline
5194	Tobacco and Tobacco Products	1.10	1.10	1.00	1.00
5199	Nondurable Goods, NEC	(HO) 1.00	1.00	1.00	1.00
DIVISION G: RETAIL TRADE					
52	Building Materials & Garden Supplies	1.00	1.00	1.00	1.00
53	General Merchandise Stores	1.00	1.00	1.00	1.00
54	Food Stores	1.00	1.00	1.00	1.00
55	Automotive Dealers and Gasoline Service Stations	1.15	1.10	1.00	1.00
557	Motorcycle Dealers	(HO) 1.30	1.10	1.00	1.20
559	Automotive Dealers, NEC	(HO) 1.20	1.10	1.00	1.20
56	Apparel and Accessory Stores	(HO) 1.00	(HO) 1.00	1.00	1.00
57	Home Furniture, Furnishings, and Equipment Stores	0.95	1.00	1.00	1.00
5734	Computer and Computer Software Stores	0.95	1.10	1.00	1.00
58	Eating and Drinking Places	1.20	1.00	1.00	Decline
5813	Drinking Places (Alcoholic Beverages)	Decline	1.00	1.00	Decline
59	Miscellaneous Retail	1.00	1.00	1.00	1.00
591	Drug Stores and Proprietary Stores	1.00	1.10	1.10	1.00
592	Liquor Stores	Decline	1.00	1.00	Decline
593	Used Merchandise Stores	1.05	1.00	1.00	1.00
594	Miscellaneous Shopping Goods Stores	(HO) 1.00	1.00	1.00	1.00
5944	Jewelry Stores	(HO) 1.00	1.10	1.10	1.00
5949	Sewing, Needlework, and Piece Goods Stores	(HO) 1.00	1.00	1.10	1.00
596	Non-store Retailers	(HO) 1.00	1.00	1.00	1.05
598	Fuel Dealers	1.15	1.00	1.00	1.00

Table 7 (page 6 of 8)
Standard Industrial Classifications
and Base Industry Factors

SIC Code	Industry	Medical Factor	Dental Factor	Vision Factor	STD Factor
DIVISION G: RETAIL TRADE (Continued)					
5993	Tobacco Stores and Stands	Decline	1.15	1.00	Decline
5995	Optical Goods Stores	1.00	1.00	1.10	1.00
DIVISION H: FINANCE, INSURANCE, AND REAL ESTATE					
60	Depository Institutions	0.90	1.10	1.10	0.90
61	Non Depository Credit Institutions	0.90	1.10	1.10	0.90
62	Security and Commodity Brokers	1.00	1.15	1.10	1.00
63	Insurance Carriers	1.10	1.10	1.10	0.90
64	Insurance Agents, Brokers, and Service	1.10	1.10	1.10	Decline
65	Real Estate	1.00	1.10	1.00	1.00
653	Real Estate Agents and Managers	1.00	1.10	1.00	Decline
67	Holding and Other Investment Offices	1.00	1.10	1.10	0.95
679	Miscellaneous Investing	1.00	1.10	1.10	0.95
6799	Investors, NEC	1.00	1.10	1.10	Decline
DIVISION I: SERVICES					
70	Hotels and Other Lodging Places	(HO) 1.20	1.00	1.00	1.10
72	Personal Services	1.00	1.00	1.00	1.05
7216	Dry Cleaning Plants, Except Rug Cleaning	1.20	1.00	1.00	1.05
723	Beauty Shops	(HO) 1.10	1.00	1.00	(HO) 1.05
724	Barber Shops	(HO) 1.00	1.00	1.00	(HO) 1.05
725	Shoe Repair Shops and Shoeshine Parlors	(HO) 1.15	1.00	1.00	(HO) 1.05
726	Funeral Service and Crematories	(HO) 1.10	1.00	1.00	(HO) 1.00
7299	Miscellaneous Personal Services, NEC	(HO) 1.40	(HO) 1.40	(HO) 1.40	(HO) 1.40
73	Business Services	1.00	1.00	1.00	1.00
731	Advertising	0.95	1.10	1.00	0.95
734	Services to Dwellings and Buildings	(HO) 1.20	1.00	1.00	1.05

Table 7 (page 7 of 8)
Standard Industrial Classifications
and Base Industry Factors

SIC Code	Industry	Medical Factor	Dental Factor	Vision Factor	STD Factor
DIVISION I: SERVICES (Continued)					
736	Personnel Supply Services	(HO) 1.00	1.00	1.00	Decline
737	Computer and Data Processing Services	0.95	1.00	1.00	1.00
7381	Detective, Guard, and Armored Car Services	Decline	1.00	1.10	Decline
7389	Business Services, NEC	(HO) 1.00	(HO) 1.00	(HO) 1.00	(HO) 1.00
75	Automotive Repair, Services, and Parking	1.10	0.90	0.90	1.10
752	Automobile Parking	1.15	0.90	0.90	Decline
76	Miscellaneous Repair Services	1.00	1.00	1.00	1.00
78	Motion Pictures	(HO) 1.00	1.00	1.00	1.00
783	Motion Picture Theaters	1.20	1.00	1.00	(HO) 1.05
784	Video Tape Rental	1.00	1.00	1.00	1.00
79	Amusement and Recreation Services	(HO) 1.10	1.00	1.00	1.00
794	Commerical Sports	Decline	1.00	1.00	Decline
7997	Membership Sports and Recreation Clubs	(HO) 1.20	1.00	1.00	(HO) 1.00
80	Health Services	(HO) 1.20	1.15	1.10	1.00
81	Legal Services	(HO) 1.40	1.15	1.10	0.90
82	Educational Services	1.15	1.20	1.10	0.90
83	Social Services	1.00	1.00	1.00	1.00
84	Museums, Botanical, Zoological Gardens	1.00	1.00	1.00	1.00
86	Membership Organizations	Decline	Decline	Decline	Decline
87	Engineering and Management Services	0.95	1.10	1.10	0.90
8734	Testing Laboratories	(HO) 0.95	1.10	1.10	0.90
88	Private Households	(HO) 1.00	0.90	0.90	Decline
89	Services, NEC	(HO) 1.40	(HO) 1.40	(HO) 1.40	(HO) 1.40
DIVISION J: PUBLIC ADMINISTRATION					
91	Executive, Legislative, and General Government	1.00	1.15	1.10	1.00
92	Justice, Public Order, and Safety	1.05	1.10	1.10	1.00
922	Public Order and Safety	(HO) 1.40	1.10	1.10	1.00

Table 7 (page 8 of 8)
Standard Industrial Classifications
and Base Industry Factors

Effective 10/1/2010

SIC Code	Industry	Medical Factor	Dental Factor	Vision Factor	STD Factor
DIVISION J: PUBLIC ADMINISTRATION (Continued)					
9222	Legal Counsel and Protection	1.20	1.10	1.10	1.00
9229	Public Order and Safety, NEC	(HO) 1.15	1.10	1.10	1.00
93	Public Finance, Taxation, and Monetary Policy	1.00	1.10	1.10	1.00
94	Administration of Human Resource Programs	1.00	1.00	1.00	1.00
943	Administration of Public Health Programs	1.10	1.10	1.10	1.00
95	Administration of Environmental Quality and Housing Programs	1.00	1.00	1.00	1.00
96	Administration of Economic Programs	1.00	1.00	1.00	1.00
97	National Security and International Affairs	(HO) 1.10	1.10	1.10	1.00

DIVISION K: NON-CLASSIFIABLE ESTABLISHMENTS

99	Nonclassifiable Establishments	(HO) 1.40	(HO) 1.40	(HO) 1.40	(HO) 1.40
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Notes:

- Industries shown as "Decline" should not be written.
- Industries shown as "HO" should always be referred to a Home Office underwriter. These categories frequently contain risks which should not be written at all. However, if a case can be written, it should not use an industry factor less than the amount shown in parentheses.
- All SIC Codes are based on the 1987 U.S. Government's Standard Industrial Classification (SIC) Manual. (For sale by National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161, Order No. PB 87-100012.)
- When a risk is included in more than one listed category (e.g. 02 and 024 for Dairy Farms), the more detailed category takes precedence. In other words, a risk included in both a two-digit and a three-digit classification is rated according to its three-digit factor.
- "NEC" means "Not Elsewhere Classified."
- See Table 7B of the Specific Stop Loss Manual for the NAICS Conversion to SIC.

Table 8

Medical Age/Sex Factor

Age	(a) Factor	(b) Males	(c)= (a) x (b)	(d) Factor	(e) Females	(f)= (d) x (e)	
Actives							
18 - 24	0.49	x _____	= _____	0.93	x _____	= _____	
25 - 29	0.50	x _____	= _____	0.95	x _____	= _____	
30 - 34	0.59	x _____	= _____	1.01	x _____	= _____	
35 - 39	0.70	x _____	= _____	1.05	x _____	= _____	
40 - 44	0.84	x _____	= _____	1.17	x _____	= _____	
45 - 49	1.02	x _____	= _____	1.31	x _____	= _____	
50 - 54	1.27	x _____	= _____	1.46	x _____	= _____	
55 - 59	1.66	x _____	= _____	1.65	x _____	= _____	
60 - 64	2.08	x _____	= _____	1.91	x _____	= _____	
65 - 69	2.56	x _____	= _____	2.27	x _____	= _____	
70 +	3.20	x _____	= _____	2.75	x _____	= _____	
Retirees (Medicare Secondary)							
Under 65	5.40	x _____	= _____	3.74	x _____	= _____	
Retirees (Medicare Primary)							
Under 65	0.70	x _____	= _____	0.70	x _____	= _____	
65 and Over	0.70	x _____	= _____	0.70	x _____	= _____	
Total		_____	A	_____	B	_____	
					_____	C	

						D	
Employee Age/Sex Factor	=	[(B+D) ÷ (A + C)]				=	_____ E
Female Percentage	=	[C ÷ (A + C)]				=	_____ F
Dependent Age/Sex Factor	=	[0.97 + 0.5 x (1 + E) - (0.6 x F)] ÷ 1.73				=	_____ G

- The 65-69 and 70+ age/sex factors assume employees and dependents are covered as primary under the reinsured plan and secondary under Medicare. This will be the case with the majority of employees and dependents over 65, due to Federal legislation (COBRA).
- All the factors on the Age/Sex Worksheet are for active employees. Retirees should generally not be covered; however, if they are, load the factor shown by 50% for retirees under age 65 (i.e., 1.50 x 1.27 = 1.91 for age 50-54 male retiree).
- For retirees where Medicare is primary, use a factor of 0.70.

BCS Insurance Company

Table 9

Lag Adjustment Factors

Contract	Coverage			
	Medical	Dental	Vision	STD
First Year Incurred and Paid	0.830	0.880	0.880	0.880
Incurred in 15, Paid in 12	0.980	0.990	0.990	0.990
Incurred in 12, Paid in 15	1.025	1.010	1.010	1.010
Incurred in 12, Paid in 18	1.040	1.020	1.020	1.020
Incurred in 12, Paid in 24	1.050	1.030	1.030	1.030
Incurred in 12, Paid in 36	1.062	1.040	1.040	1.040
Incurred in 24, Paid in 12	1.000	1.000	1.000	1.000
Incurred any prior, Paid in 12	1.000	1.000	1.000	1.000

Table 9A

Contract Adjustment Factors - Actively at Work

Number of Employees	Actively At Work Factor
25 - 249	0.89
250 - 499	0.90
500 - 749	0.91
750 - 999	0.92
1,000 +	0.93

Notes:

1. Actively at work discounts apply only if the provision is stated in the contract.
2. Actively at work provisions apply for first year contracts only.
3. Employees must be at work the first day of the incurral period to be considered actively at work.
4. Spouses and dependents are considered actively at work if they have no health problems which prevent them from participating in their normal daily activities.
5. Actively at work discounts apply only to medical coverages.

BCS Insurance Company

Table 10 (page 5 of 5)

Managed Care Adjustment Factors

Effective 10/1/2010

Area Adjustment Factor

Area	Area Adjustment
1	0.64
2	0.70
3	0.76
4	0.82
5	0.88
6	0.94
7	1.00
8	1.06
9	1.12
10	1.18
11	1.24
12	1.30
13	1.36
14	1.42
15	1.48
16	1.54
17	1.60
18	1.66
19	1.72
20	1.78

Table 10A

Cost Containment Program Factors

Effective 10/1/2010

	Factor
Hospice Care	0.995
Home Health Care	0.990
Hospital Bill Audit	0.995
Utilization Review (See Note 2)	
Reduction in Hospital Bed Days:	
Less than 10%	1.000
10% - 14.9%	0.970
15% - 19.9%	0.957
20% - 24.9%	0.944
25% - 29.9%	0.931
30% +	0.915

Notes:

1. If the plan has more than one type of program, multiply all the appropriate factors together to derive the total adjustment factor.
2. Utilization Review discount is only available to cases where the Managed Care discount table has not been used to adjust for utilization.

Table 11

Aggregate Reduction Factors for Specific Coverage

The Aggregate Reduction Factor is equal to the Final Monthly Claim Cost from the 1/1/2009 Specific Stop-Loss Rating Manual, less the adjustment for Specific Lifetime Maximums greater than \$1,000,000. This can be found using the Specific Rate Calculation Sheet in the 1/1/2009 Specific Stop-Loss Rating Manual (Table 15, line (u)), and the table below.

Group Name	_____	
Specific Deductible	_____	
	Employee	Dependent
(a) Final Monthly Claim Cost	_____	_____
(b) Specific Lifetime Max Adj.	_____	n/a
(c) Aggregate Reduction Factor = (a) - (b)	_____	_____

As specified in the Specific Deductible Size Guidelines of the 1/1/2009 Specific Stop-Loss Rating Manual (Table 10), the Specific deductible may be as low as \$100,000 for the larger case sizes.

Specific Lifetime Maximum Adjustment

Specific Lifetime Maximum	Employee Claim Cost
\$1,000,000	\$0.00
1,500,000	\$3.25
2,000,000	\$4.54
2,500,000	\$5.19
3,000,000	\$5.56
4,000,000	\$5.96
5,000,000	\$6.17

BCS Insurance Company

Table 12 (page 1 of 2)
Maximum Aggregate Benefit Factors

10% Margin Factors

Maximum Aggregate Benefit	Number of Employees						
	25 -999	1,000 -3,999	4,000 -4,999	5,000 -6,999	7,000 -7,999	8,000 -9,999	10,000+
\$1,000,000	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1,500,000	N/A	1.10	1.15	1.21	1.25	1.27	1.29
2,000,000	N/A	N/A	1.18	1.23	1.27	1.30	1.33
3,000,000	N/A	N/A	N/A	1.25	1.29	1.33	1.37
4,000,000	N/A	N/A	N/A	N/A	1.31	1.36	1.41

- (a) Maximum Aggregate Benefit _____
- (b) 10% Margin Factor (above) _____
- (c) Maximum Aggregate Benefit Load = (b) - 1.00 _____
- (d) Margin Adjustment Factor (see Note 1) _____
- (e) Final Maximum Aggregate Benefit
Factor = (c) x (d) + 1.00 _____

BCS Insurance Company

Table 12 (page 2 of 2)
Maximum Aggregate Benefit Factors

10% Margin Factors

Notes:

1. Factors assume a 10% margin. To adjust to another margin use these factors:

<u>Margin</u>	<u>Margin Adjustment Factor</u>
10%	1.00
15%	0.95
20%	0.90
25%	0.85
30%	0.80
35%	0.75
40%	0.70
45%	0.65
50%	0.60

For example: Assume a group of 7,500 employees is requesting a \$3,000,000 Maximum Aggregate Benefit. They have requested a 25% margin. The resulting Maximum Aggregate Benefit Factor is calculated as follows:

$$(1.29 - 1.00) \times 0.85 + 1.00 = 1.25$$

2. Groups with less than 1,000 employees cannot purchase a maximum benefit of more than \$1,000,000.
3. N/A means that the Maximum Aggregate Benefit is not available for the given group size.

Table 13

Aggregate Accommodation Factors

Aggregate Accommodation Election	Factor
No	1.00
Yes	1.10

BCS Insurance Company

Table 13A

Aggregate Accommodation Factors (PEPM Cost)

Aggregate Accommodation Election	Cost PEPM
No	\$0.00
Yes	\$1.50

BCS Insurance Company

Table 14 (page 1 of 2)

Aggregate Margin Underwriting Guidelines

Size of Case (Employees)	Specific Deductibles as % of EPC	Recommended Minimum Aggregate Margin as a % of EPC	Maximum Aggregate Benefit Amount
25 - 49	5.8% to 11.5%	35%	\$1,000,000
50 - 99	5.5% to 10.6%	35%	1,000,000
100 - 199	5.1% to 8.6%	30%	1,000,000
200 - 299	4.7% to 7.3%	25%	1,000,000
300 - 399	4.4% to 6.8%	25%	1,000,000
400 - 499	4.2% to 6.8%	25%	1,000,000
500 - 599	4.1% to 6.6%	25%	1,000,000
600 - 799	3.9% to 6.0%	25%	1,000,000
800 - 999	3.8% to 5.6%	25%	1,000,000
1,000 - 1,249	3.4% to 5.1%	25%	1,500,000
1,250 - 1,499	2.9% to 4.6%	25%	1,500,000
1,500 - 1,999	2.4% to 4.1%	25%	1,500,000
2,000 - 2,999	2.0% to 3.0%	25%	1,500,000
3,000 - 3,999	1.6% to 2.4%	25%	1,500,000
4,000 - 4,999	1.3% to 2.2%	25%	2,000,000
5,000 - 7,499	1.0% to 1.6%	25%	3,000,000
7,500 +	0.9% to 1.3%	25%	4,000,000

See notes on following page.

BCS Insurance Company

Table 14 (page 2 of 2)
Aggregate Margin Underwriting Guidelines

Notes:

1. EPC is the annual expected paid claims for the group prior to lag discount for the Specific deductible and after lag discount for the Aggregate margin.
2. Groups with less than 25 employees should not be written without reinsurer approval.
3. The recommended minimum margins shown above assume the actual Specific deductible of the group is within the Specific deductible guidelines shown above. If the actual Specific deductible exceeds the guidelines shown above, a higher recommended minimum margin should be used to determine the Aggregate attachment point. The following formula may be used to determine the Adjusted Recommended Minimum Margin:

$$\text{Adjusted Recommended Minimum Margin} = \frac{\text{Recommended Minimum Margin (above)} \times \text{Actual Specific Deductible}}{\text{Maximum Specific Deductible}}$$

For example, suppose a group with a recommended minimum margin of 25% should have a maximum Specific deductible of \$50,000 based on the guidelines above, but the actual Specific deductible for the group is \$70,000. The margin used to set the Aggregate attachment point based on the formula is 35% (= 25% x \$70,000 / \$50,000). The premium percentage (Table 1), however, should be based on the recommended minimum Aggregate margin shown above.

4. Groups which included an HMO prior to coverage under this manual, should use the following margin guidelines:

HMO Participation	Recommended Minimum Margin as a % of EPC
Less than 40%	25%
40% to 44%	30%
45% to 49%	35%
50% or more	Decline

The above minimums are subject to the adjustment for Specific deductible discussed in Note 3 above.

**Section IV - Calculation Sheets
for Non-Experience Rated
Aggregate Manual**

BCS Insurance Company

Table 15 (page 1 of 3)

**Annual Aggregate Attachment Point
Calculation Sheet**

		Table	Medical	
			Ee	Dep
(a)	Monthly Base Claim Cost	2	_____	_____
(b)	Trend Factor	3	_____	_____
(c)	Area Factor	4, 4A	_____	_____
(d)	Plan Adjustment Factor	6 or 6A	_____	_____
(e)	Prescription Drug Factor	6B	_____	_____
(f)	Mental & Nervous/Substance Abuse Factor	6C	_____	_____
(g)	Industry Factor	7	_____	_____
(h)	Age/Sex Factor	8	_____	_____
(i)	Lag Factor	9	_____	_____
(j)	Actively at Work Factor	9A	_____	_____
(k)	Managed Care Adjustment Factor	10	_____	_____
(l)	Cost Containment Program Factor	10A	_____	_____
(m)	Aggregate Reduction Factor	11	_____	_____
(n)	Expected Monthly Claim Cost = [(a) x (b) x...x (l)] - (m)		_____	_____
(o)	Number of Units (See Notes 1 and 2)		_____	_____
(p)	Medical Annual Expected Paid Claims = {[Ee (n) x Ee (o)] + [Dep (n) x Dep (o)]} x 12		_____	_____

Table 15 (page 2 of 3)

Annual Aggregate Attachment Point Calculation Sheet

	Table	Dental		Vision		STD	
		Ee	Dep	Ee	Dep	Ee	
(a)	Monthly Base Claim Cost	2	\$51.24	\$79.95	\$7.56	\$8.97	\$0.69
(b)	Trend Factor	3	_____	_____	_____	_____	1.000
(c)	Dental Area Factor	5, 5A	_____	_____	1.000	1.000	1.000
(d)	Plan Change Factor	6D, 6E	_____	_____	1.000	1.000	_____
(e)	Industry Factor	7	_____	_____	_____	_____	_____
(f)	Lag Factor	9	_____	_____	_____	_____	_____
(g)	Expected Monthly Claim Cost = (a) x (b) x...x (f)		_____	_____	_____	_____	_____
(h)	Number of Units (See Notes 1 and 2)		_____	_____	_____	_____	_____
(i)	Annual Expected Paid Claims = $\{[Ee (g) \times Ee (h)] + [Dep (g) \times Dep (h)]\} \times 12$		_____	_____	_____	_____	_____
(j)	Dental, Vision, and STD Annual Expected Paid Claims = Dental (i) + Vision (i) + STD (i)		_____	_____	_____	_____	_____
(k)	Total Annual Expected Paid Claims = Dental, Vision, STD (j) + Medical (p)		_____	_____	_____	_____	_____
(l)	Specific Deductible		_____	_____	_____	_____	_____
(m)	Specific Deductible as a % of Medical Expected Paid Claims = (l) ÷ Medical (p) (See Note 3)		_____	_____	_____	_____	_____
(n)	Aggregate Margin (See Note 4)		_____	_____	_____	_____	_____
(o)	Total Annual Aggregate Attachment Point = (k) x [(n) + 1]		_____	_____	_____	_____	_____

Table 15 (page 3 of 3)

Annual Aggregate Attachment Point
Calculation Sheet

Notes:

1. The Number of Employee Units is the total number of employees covered.
2. The Number of Dependent Units is the number of employees with dependent coverage.
3. If the actual Specific Deductible as a % of Medical Expected Paid Claims (m) exceeds the guidelines shown in Table 14, use the unadjusted Recommended Minimum Margin shown in Table 14, Note 3 to determine the premium percentage, and the Adjusted Recommended Minimum Margin to determine the Aggregate attachment point.
4. We recommend that the Aggregate margin be at least 1.35 for groups with 50 to 99 employees, 1.30 for groups with 100 to 199 employees and 1.25 for groups with 200 or more employees. If the actual Specific deductible exceeds the guidelines shown in Table 14 (based on Total Annual Expected Paid Claims prior to lag discount), increase the recommended minimum margin using the formula provided in Table 14, Note 3.

Table 15A

Annual Aggregate Premium
Calculation Sheet

-
- (a) Medical Annual Expected Paid Claims
Prior to lag discount = _____
Medical (p) ÷ Medical (i)

 - (b) Dental, Vision, and STD
Annual Expected Paid Claims _____
Prior to lag discount = _____
Dental, Vision, STD (j) ÷ Dental, Vision, STD (f)

 - (c) Total Annual Expected Paid Claims
Prior to lag discount = (a) + (b) _____

 - (d) Gross Annual Aggregate Premium
as a Percentage of Expected Paid Claims _____
Margin: _____ Lives: _____
(Table 1)

 - (e) Retention Adjustment Factor _____
(Table 1A)

 - (f) Maximum Aggregate Benefit Factor _____
(Table 12)

 - (g) Aggregate Accommodation Factor _____
(Table 13)

 - (h) Gross Annual Aggregate Premium = _____
(c) x (d) x (e) x (f) x (g), (See Notes 1 and 2)

 - (i) Number of Employees _____
(Table 15, page 1, Employee (o))

 - (j) Monthly Aggregate Premium per Employee = _____
(h) ÷ (i) ÷ 12

Notes:

1. Gross Annual Aggregate Premium must be at least \$5,000.
2. If Gross Annual Aggregate Premium is collected as a single premium, round the amount in line (h) above to the nearest \$500.

Table 15B

Annual Aggregate Premium (PEPM)
Calculation Sheet

-
- (a) Medical Annual Expected Paid Claims
Prior to lag discount = _____
Medical (p) ÷ Medical (i)
 - (b) Dental, Vision, and STD
Annual Expected Paid Claims
Prior to lag discount = _____
Dental, Vision, STD (j) ÷ Dental, Vision, STD (f)
 - (c) Total Annual Expected Paid Claims
Prior to lag discount = (a) + (b) _____
 - (d) Gross Annual Aggregate Premium
as a Percentage of Expected Paid Claims
Margin: _____ Lives: _____
(Table 1) _____
 - (e) Retention Adjustment Factor
(Table 1A) _____
 - (f) Maximum Aggregate Benefit Factor
(Table 12) _____
 - (g) Aggregate Accommodation Factor
(Table 13A) _____
 - (h) Gross Annual Aggregate Premium =
(c) x (d) x (e) x (f) + (12 x (i) x (g)), (See Notes 1 and 2) _____
 - (i) Number of Employees
(Table 15, page 1, Employee (o)) _____
 - (j) Monthly Aggregate Premium per Employee =
(h) ÷ (i) ÷ 12 _____

Notes:

1. Gross Annual Aggregate Premium must be at least \$5,000.
2. If Gross Annual Aggregate Premium is collected as a single premium, round the amount in line (h) above to the nearest \$500.

State: District of Columbia **Filing Company:** BCS Insurance Company
TOI/Sub-TOI: H12 Health - Excess/Stop Loss/H12.004 Self-Funded Health Plan
Product Name: Stop Loss
Project Name/Number: 2014 revision/CJA-CW-29250-multistate

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	See attached.
Attachment(s):	DC cvr letter.PDF
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	Does not apply, I am a direct employee of BCS Insurance Company.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	See attached.
Attachment(s):	CW Stop Loss Act Memo (A) rev.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Justification
Bypass Reason:	See attachment under 'actuarial memorandum'.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	This is not a Property and Casualty and as a result it does not apply.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	This is not a Property and Casualty product therefore it does not apply.
Attachment(s):	
Item Status:	
Status Date:	

SERFF Tracking #:

BCSF-129412379

State Tracking #:

Company Tracking #:

CJA-STOP LOSS-DOC-0214R

State:

District of Columbia

Filing Company:

BCS Insurance Company

TOI/Sub-TOI:

H12 Health - Excess/Stop Loss/H12.004 Self-Funded Health Plan

Product Name:

Stop Loss

Project Name/Number:

2014 revision/CJA-CW-29250-multistate

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	This is a stop loss product and as a result does not qualify as a group health product and does not apply.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	This is a stop loss submission and does not apply.
Attachment(s):	
Item Status:	
Status Date:	



February 11, 2014

RE: Employer Self-Funded Stop Loss Insurance Rate/Rate Manual Filing,
Form # 29.250 et al

Attn: District of Columbia Commissioner Insurance

Please accept for approval the attached initial Stop Loss Rating Manual providing manual rules and rating factors used to develop annual premiums for the Stop Loss Policy (29.250).

The attached manual rates and actuarial memorandum support the BCS Insurance Company Stop Loss Policy (29.250). If approved, this rate filing corresponds to the form filing referenced under BCSF-129353171, which is currently closed and subject to be re-opened upon approval of this rate filing.

This rates are given consideration based on employers with a minimum of 50 or more employees. The stop loss policy will be issued with minimum attachment points of either \$25,000 Specific or 110% Aggregate.

It is requested to implement this filing for policies effective on and after March 11, 2014. In advance, thank you for your consideration.

With regards,

A handwritten signature in black ink, appearing to read "CA", written over a white background.

Craig Ardagh, FLMI, AIRC, CCP
Policy Filing Specialist

BCS Insurance Company
Actuarial Memorandum
Group Stop Loss Policy
Policy Form 29.250 12/13

Item 1. Scope & Purpose

The purpose of this memorandum is to provide support for our Stop Loss rating manual.

Item 2. Benefit Description

The Policy provides excess claim protection above a specific per person retention level chosen by employer groups who elect to self-fund their employee health benefit plans. Consistent with PPACA, the manual provides for unlimited maximum benefits.

This product is available for employers with more than 50 employees with a target market of employer groups of 100 or more employees.

Specific deductibles of less than \$25,000 per member and aggregate attachment points less than 110% of expected claims will not be offered.

Item 3. Renewability

Coverage is Optionally Renewable pursuant to the terms of the policy. The policy can be terminated by the group policyholder by written notice, nonpayment of premium, failure to meet minimum group requirements, and by other terms outlined in the policy.

Item 4. Applicability

This filing applies to all new issues and to renewal business (when renewals become applicable).

Item 5. Morbidity

Our claim cost assumptions are based on our own experience as well as the 2009 Milliman Health Cost Guidelines.

Item 6. Mortality

Not applicable.

Item 7. Persistency

It is expected that 80% of stop loss contracts will renew each year.

BCS Insurance Company
Actuarial Memorandum
Group Stop Loss Policy
Policy Form 29.250 12/13

Item 8. Expenses and Commissions

Expense Provisions as % Premium	
Premium	100.0%
Claims	65.0%
Commissions	15.0%
Administrative Expense	10.5%
Premium Tax	2.5%
Profits and Contingencies	7.0%
Total	100.0%

Item 9. Marketing

This plan will be marketed to employer groups in most states and will be distributed by independent agents, brokers, and Managing General Underwriting (MGU) entities that are appointed and approved or contracted with BCS.

Item 10. Underwriting

Standard industry accepted underwriting methodologies will be utilized by BCS approved underwriters. Premium rates will be calculated by manually rating an employer group based on the group specific demographics, characteristics, and historical and ongoing claims analysis, or by experience rating a group based on prior claims history.

Underwriting for aggregate stop loss consists of evaluating a group's claim history and adjusting for benefit plan changes, trend impacts, PPO networks, and any other factors that may influence the expected future claims rate. The attachment point for a typical aggregate stop loss plan is 125% of expected claims for the self-funded group for the policy period.

Item 11. Premium Classes

Premiums for an employer group will vary by specific retention, geographical location, plan of benefits, age/gender composition of the group, liability basis, type of industry, coinsurance percentage, duration of policy period, claim and disclosure information, PPO networks and managed care capabilities, and various other factors. Premiums will be paid monthly based on the enrollment of the group.

**BCS Insurance Company
Actuarial Memorandum
Group Stop Loss Policy
Policy Form 29.250 (12/13)_**

Item 12. Issue Age Limits

Age range includes all employees and retirees covered by the plan and their covered dependents.

Item 13. Area Factors

Premiums will be adjusted for the area or areas in which the group's employees reside. A listing of area factors can be found in the accompanying confidential rating manual.

Item 14. Average Annual Premium

The average annual premium for each certificate is \$208. The average premium per certificate for any one group may vary greatly from group to group depending on a number of factors, including the specific stop loss level.

Item 15. Policyholder Characteristics

BCS anticipates that the average specific deductible, average number of employees per employer, and percent of policyholders with aggregate coverage will be as follows:

Nationwide:

Average Specific Deductible = \$320,000

Average Number of Employees per Employer = 1600

Percent of Employer Groups with Aggregate Coverage = 10%

Item 16. Annual Trend Assumptions

The annual trend assumptions used in the rating of this product are estimated inflationary adjustments that are needed to account for provider price increases, utilization changes, advances in medical technologies, and other impacts on medical costs. A large component of the annual trend factors is the leveraging effect that is inherent with high deductible products. The trend assumptions are found in the Rate Manual in Table 2.

Item 17. Claim Liability and Reserves

Reserves for claims incurred but not yet paid will be developed through the use of standard actuarial claim lag triangle information as well as claim inventory reports and large claim notice reports.

**BCS Insurance Company
Actuarial Memorandum
Group Stop Loss Policy
Policy Form 29.250 (12/13)**

Item 18. Active Life Reserves

Not applicable.

Item 19. Minimum Required Loss Ratio.

The target loss ratio for this policy is anticipated to be 65.0%.

Item 20. Distribution of Business.

The anticipated distribution of business once a critical mass has been obtained is based on premium volume and is displayed below:

<u>Effective Month</u>	<u>% of Premium</u>
January	40%
February	4%
March	4%
April	4%
May	4%
June	4%
July	20%
August	4%
September	4%
October	4%
November	4%
<u>December</u>	<u>4%</u>
Total Distribution	100%

Item 21. Contingency and Risk Margin.

The expected margin for profit and contingencies is 7% of gross premium.

Item 22. Rating Manual.

This filing contains a confidential copy of BCS's rating manual which is considered to be Appendix I of this actuarial memorandum. This rating manual is considered to be confidential and trade secret information.

The rating manual has been submitted for regulatory review and is not intended to become a publicly available document.

BCS Insurance Company
Actuarial Memorandum
Group Stop Loss Policy
Policy Form 29.250

Item 23. Proposed Effective Date.

These rates are to be effective coincident with approval from the Department of Insurance.

Item 24. Actuarial Certification.

I am an Associate of the Society of Actuaries (SOA) and a Member of the American Academy of Actuaries (AAA), and I meet the qualification standards of the American Academy of Actuaries to make public statements of actuarial opinion regarding this policy.

I hereby certify that to the best of my knowledge and judgment, this entire rate filing is in compliance with the applicable laws and regulations of the state in which it is filed and complies with Actuarial Standard of Practice No. 8. Furthermore, in my judgment, the proposed premiums are reasonable in relation to the benefits provided.

Julie Erickson ASA, MAAA

January 29, 2014