

**TENNESSEE
FARMERS INSURANCE GROUP - EXCLUSIVE AGENTS BUSINESSOWNERS PROGRAM
All Industries**

Indication through December 31, 2025

Fiscal Accident Year ending 12/31	2021	2022	2023	2024	2025	Total/Average
Earned Location Years	4,978	4,383	3,709	3,045	2,672	18,787
<u>Development of Prospective Premium</u>						
(1) Earned Premium	11,480,597	11,776,091	11,542,820	11,356,179	11,738,404	57,894,090
(2) Rate OLF	1.446	1.328	1.238	1.128	1.037	
(3) Company OLF	0.994	0.994	0.991	0.994	0.998	
(4) Schedule OLF	1.076	1.060	1.036	1.012	1.000	<u>Future</u>
(5) Premium Trend Factor	1.398	1.324	1.254	1.188	1.125	5.6%
(6) Prospective Premium	24,825,950	21,818,024	18,391,251	15,308,231	13,660,187	94,003,643
<u>Development of Ultimate Property Loss and ALAE</u>						
(7) Capped Incurred Loss	2,570,286	2,418,692	747,964	1,308,990	449,194	7,495,126
(8) Implied Loss Development Factor	1.001	1.003	1.003	1.004	1.103	
(9) Capped Ultimate Loss	2,572,864	2,426,186	750,537	1,313,884	495,537	7,559,008
(10) Large Loss Load	102.9%	102.9%	102.9%	102.9%	102.9%	
(11) ALAE Load	2.1%	2.1%	2.1%	2.1%	2.1%	
(12) Ultimate Loss and ALAE	5,273,768	4,973,114	1,538,426	2,693,155	1,015,735	15,494,198
(13) Property Loss Trend Factor	0.868	0.938	1.013	1.094	1.183	<u>Future</u>
(14) Prospective Ultimate Loss and ALAE	4,577,631	4,664,781	1,558,425	2,946,312	1,201,614	14,948,763
(15) Prospective Property Ultimate LALAE Ratio	18.4%	21.4%	8.5%	19.2%	8.8%	8.1%
<u>Development of Ultimate Liability Loss and ALAE</u>						
(16) Capped Incurred Loss	507,265	793,416	910,386	596,014	200,844	3,007,926
(17) Loss Development Factor	1.051	1.131	1.274	1.721	2.845	
(18) Capped Ultimate Loss	533,205	896,993	1,160,059	1,025,446	571,359	4,187,062
(19) Large Loss Load	82.5%	82.5%	82.5%	82.5%	82.5%	
(20) ALAE Load	26.6%	26.6%	26.6%	26.6%	26.6%	
(21) Ultimate Loss and ALAE	1,114,790	1,875,374	2,425,375	2,143,936	1,194,560	8,754,035
(22) Liability Loss Trend Factor	1.863	1.711	1.570	1.441	1.323	<u>Future</u>
(23) Prospective Ultimate Loss and ALAE	2,076,854	3,208,765	3,807,838	3,089,412	1,580,403	13,763,271
(24) Prospective Liability Ultimate LALAE Ratio	8.4%	14.7%	20.7%	20.2%	11.6%	13.8%
(25) Prospective Ultimate LALAE Ratio	26.8%	36.1%	29.2%	39.4%	20.4%	32.6%
(26) Accident Year Weights	10%	27%	27%	27%	10%	100%
(27) Selected Ultimate LALAE Ratio						32.6%
(28) Catastrophe Load						17.0%
(29) PLR						56.2%
(30) Indicated Change						-11.6%
(31) Credibility						43%
(32) Complement of Credibility - Countrywide Indication						10.0%
(33) Credibility Weighted Indication						0.6%