

Base Rate Impacts

Policy Year	Credibility Maximum change	Projected base rate change from PY 7-1-2004 base rates	Average collectible base rate PY 2004 original \$1.76
7-1-2005	95%	-4.0%	\$1.69
7-1-2006	93%	-5.0%	\$1.67
7-1-2007	90%	-7.0%	\$1.64
7-1-2008	80%	-13.0%	\$1.53
7-1-2009	70%	-19.0%	\$1.43
7-1-2010	53%	-27.0%	\$1.28

*Pinnacle recommended a 53 percent maximum credibility limit.

The above data reflects Pinnacle's projections regarding how base rates would be positively impacted by reducing the credibility tables. Their projections shows base rates decreasing 27 percent if the maximum credibility was 53 percent.