

## IRS LOSS RESERVE DISCOUNTING FACTORS

"Quick Reference" Table for Tax Year 2018

| Accident Year | Accident/Health | Auto PD  | Commercial Auto | Fidelity/Surety | Financial/Mortgage Guaranty | International Composite | Medical Malpractice Claims Made | Medical Malpractice Occurrence | Multiple Peril |
|---------------|-----------------|----------|-----------------|-----------------|-----------------------------|-------------------------|---------------------------------|--------------------------------|----------------|
| 2008 & Prior  | 98.5513%        | 98.5513% | 98.5513%        | 98.5513%        | 98.5513%                    | 98.5513%                | 98.5513%                        | 98.5513%                       | 96.9185%       |
| 2009          | 98.5513%        | 98.5513% | 98.3585%        | 98.5513%        | 98.5513%                    | 98.5513%                | 97.7503%                        | 97.7902%                       | 94.8530%       |
| 2010          | 98.5513%        | 98.5513% | 96.4102%        | 98.5513%        | 98.5513%                    | 98.5513%                | 96.0160%                        | 96.1220%                       | 93.5200%       |
| 2011          | 98.5513%        | 98.5513% | 94.9804%        | 98.5513%        | 98.5513%                    | 98.5513%                | 95.1291%                        | 94.9993%                       | 91.0177%       |
| 2012          | 98.5513%        | 98.5513% | 95.3260%        | 98.5513%        | 98.5513%                    | 98.5513%                | 94.2423%                        | 94.3189%                       | 91.3154%       |
| 2013          | 98.5513%        | 98.5513% | 95.0498%        | 98.5513%        | 98.5513%                    | 98.5513%                | 93.3035%                        | 93.5069%                       | 91.6039%       |
| 2014          | 98.5513%        | 98.5513% | 95.2024%        | 98.5513%        | 98.5513%                    | 98.5513%                | 93.2805%                        | 92.7664%                       | 91.4064%       |
| 2015          | 98.5513%        | 98.5513% | 95.3204%        | 98.5513%        | 98.5513%                    | 98.5513%                | 93.1388%                        | 91.8194%                       | 93.2041%       |
| 2016          | 98.5513%        | 98.5513% | 95.2819%        | 98.5513%        | 98.5513%                    | 98.5513%                | 92.8576%                        | 90.4811%                       | 93.9651%       |
| 2017          | 98.5513%        | 97.1339% | 94.7607%        | 97.1339%        | 97.1339%                    | 97.1339%                | 92.6388%                        | 88.9529%                       | 93.6724%       |
| 2018          | 98.5513%        | 98.3892% | 94.0556%        | 95.9894%        | 95.7530%                    | 96.3010%                | 91.6544%                        | 86.8932%                       | 95.3058%       |

  

| Accident Year | Other Liability Claims Made | Other Liability Occurrence | Private Passenger | Products Liability Claims Made | Products Liability Occurrence | Special Property | Warranty | Workers' Comp | Other    |
|---------------|-----------------------------|----------------------------|-------------------|--------------------------------|-------------------------------|------------------|----------|---------------|----------|
| 2008 & Prior  | 98.0920%                    | 96.7300%                   | 98.5513%          | 97.7288%                       | 96.6903%                      | 98.5513%         | 98.5513% | 91.2579%      | 98.5513% |
| 2009          | 96.6876%                    | 94.4974%                   | 97.7282%          | 91.5785%                       | 94.4133%                      | 98.5513%         | 98.5513% | 86.5946%      | 98.5513% |
| 2010          | 94.9264%                    | 92.6228%                   | 95.6473%          | 90.2969%                       | 92.1992%                      | 98.5513%         | 98.5513% | 84.7150%      | 98.5513% |
| 2011          | 93.8378%                    | 91.9830%                   | 95.0550%          | 89.0388%                       | 91.8072%                      | 98.5513%         | 98.5513% | 84.1036%      | 98.5513% |
| 2012          | 93.0770%                    | 90.7788%                   | 94.5205%          | 87.8040%                       | 90.8527%                      | 98.5513%         | 98.5513% | 83.2567%      | 98.5513% |
| 2013          | 92.6040%                    | 90.7542%                   | 94.2824%          | 86.4184%                       | 89.9309%                      | 98.5513%         | 98.5513% | 82.8905%      | 98.5513% |
| 2014          | 92.0976%                    | 90.6836%                   | 94.2325%          | 85.0889%                       | 89.8810%                      | 98.5513%         | 98.5513% | 83.4129%      | 98.5513% |
| 2015          | 92.2415%                    | 90.9196%                   | 94.8920%          | 83.8076%                       | 91.1924%                      | 98.5513%         | 98.5513% | 83.9662%      | 98.5513% |
| 2016          | 92.1992%                    | 90.7535%                   | 95.2520%          | 88.1407%                       | 89.8860%                      | 98.5513%         | 98.5513% | 85.4517%      | 98.5513% |
| 2017          | 91.6944%                    | 90.2053%                   | 95.2920%          | 86.3600%                       | 89.1417%                      | 97.1339%         | 97.1339% | 86.5393%      | 97.1339% |
| 2018          | 90.8915%                    | 89.3683%                   | 95.6745%          | 85.8982%                       | 87.8191%                      | 97.5135%         | 98.1947% | 88.0401%      | 97.1014% |

The 2018 discount factors were determined using the applicable interest rate of 2.94%.

**These factors have been compiled by Johnson Lambert LLP using the tables issued by the IRS based on the composite method for each of the years shown. For more information, contact Matt Gravelin at (802) 383-4821 or [mgravelin@johnsonlambert.com](mailto:mgravelin@johnsonlambert.com).**

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