

Calendar-Accident Year Underwriting Results Based on Experience Valued as of December 31, 2013

The following report indicates the calendar-accident year experience for South Dakota workers' compensation insurance for the period 2009 through 2013 produced by NCCI.

A calendar-accident year experience reflects premium transaction occurring in that year along with loss experience for claims with accident dates beginning January 1 and ending December 31 of that year. Calendar-accident year provides more recent results, but the premiums are not as perfectly matched to losses since audits and retrospective rating adjustments on prior year policies are reported in the year that they are made.

It is important to note that the pure loss ratio does not include insurance company operating expense or loss adjusting expense.

Losses are projected to their ultimate value based on historical patterns of changes in paid losses and case reserves over time. Losses are estimated using a methodology of determining paid losses and reserves for expected losses added to those paid losses over a 19 year period.

South Dakota Calendar - Accident Year Underwriting Results Based on Experience Valued as of December 31, 2013					
Year	Net Earned Premium	Developed Indemnity Losses	Developed Medical Losses	Total Developed Losses	Loss Ratio
2009	\$127,159,347	\$24,668,725	\$62,495,834	\$87,164,559	0.685
2010	\$124,110,123	\$24,063,037	\$54,130,726	\$78,193,763	0.630
2011	\$132,421,496	\$28,156,968	\$67,794,099	\$95,951,067	0.725
2012	\$144,875,983	\$20,676,709	\$57,617,726	\$78,294,435	0.540
2013	\$156,447,165	\$26,229,219	\$69,083,320	\$95,312,539	0.609

2011 - 2015 Voluntary Mkt

Avg Base Rate

Adjustments

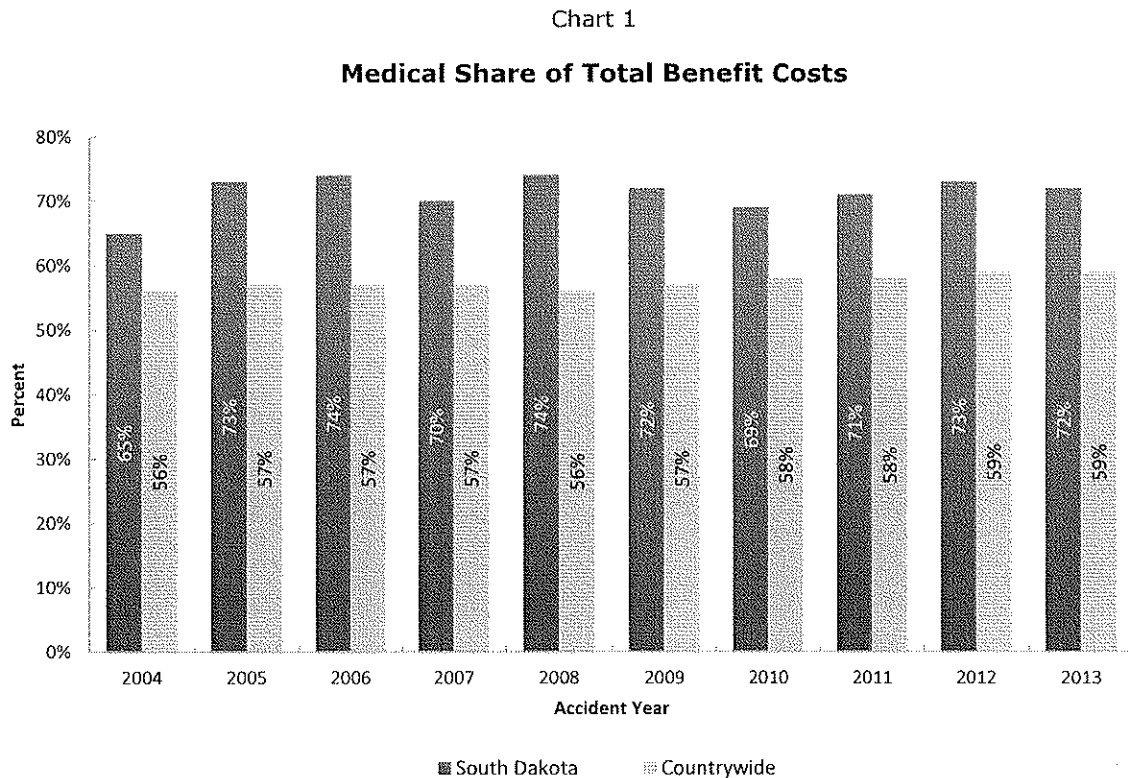
2011	1.2
2012	-0.3
2013	-3.2
2014	-8.3
2015	-8.9
overall	-18.41

Medical Data Report for the state of: SOUTH DAKOTA

Traditional workers compensation policies cover two types of benefit payments: medical costs and indemnity (lost wages) costs.

Of the two, medical benefits resulting from a work-related injury or disease are the leading cost drivers for workers compensation claims on a countrywide basis. As this is a relative measure and benefits for both indemnity and medical may vary from state to state, local share of medical benefit costs may vary. In particular, the medical share in a state may be large because the indemnity benefits are relatively less prominent.

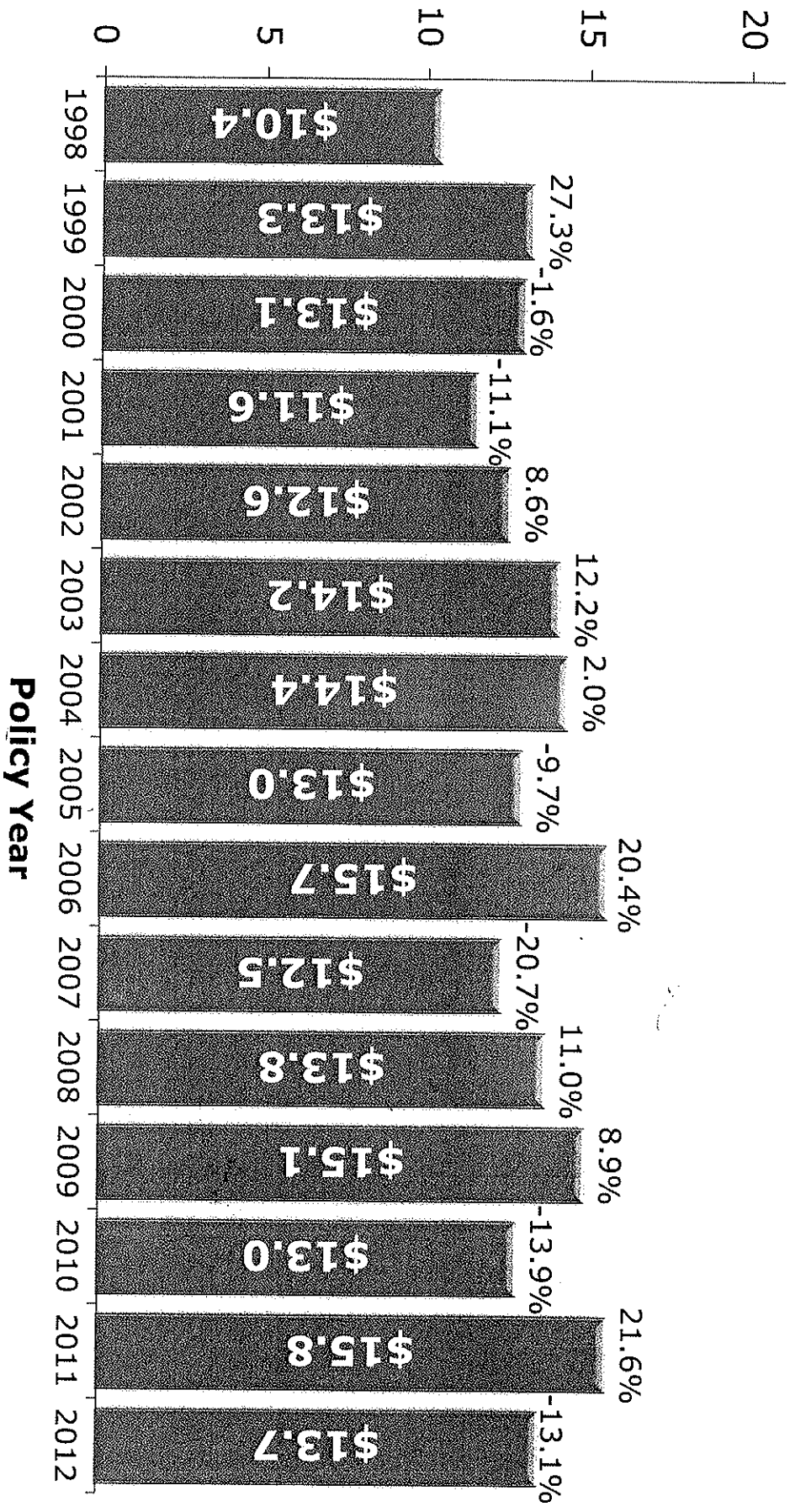
Chart 1 displays the medical percentage of total benefit costs for South Dakota and the countrywide average for the past 10 accident years.



Source: NCCI Calendar-Accident Year Call for Compensation Experience. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, and VT.

South Dakota's Average Indemnity Claim Severity

Lost-Time Claim Severity in \$ Thousands



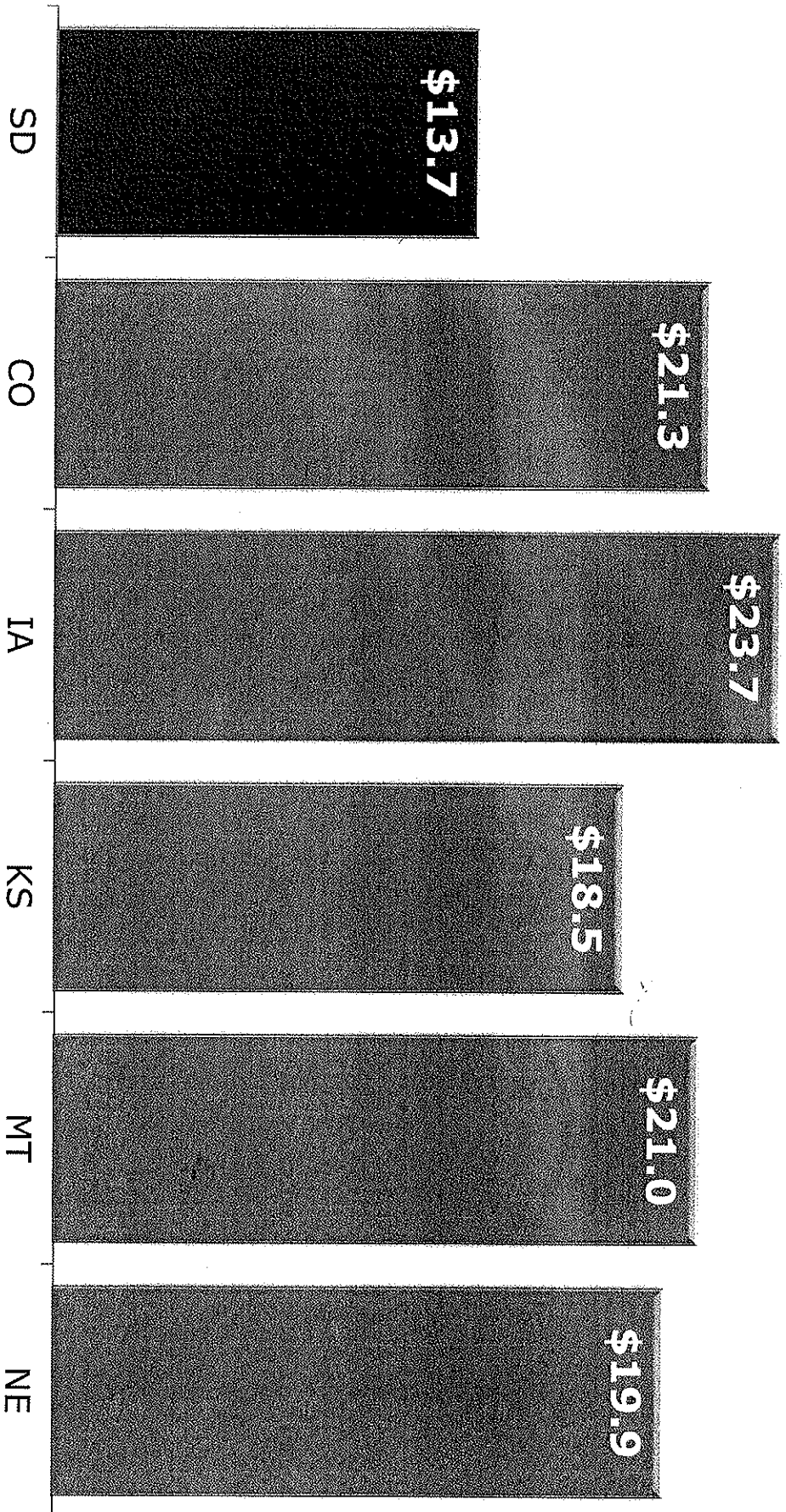
Based on data through 12/31/2014, on-levleled and developed to ultimate

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Average Indemnity Claim Severity in the Region

Lost-Time Claim Severity in \$ Thousands



Based on NCCI's financial data for lost-time claims

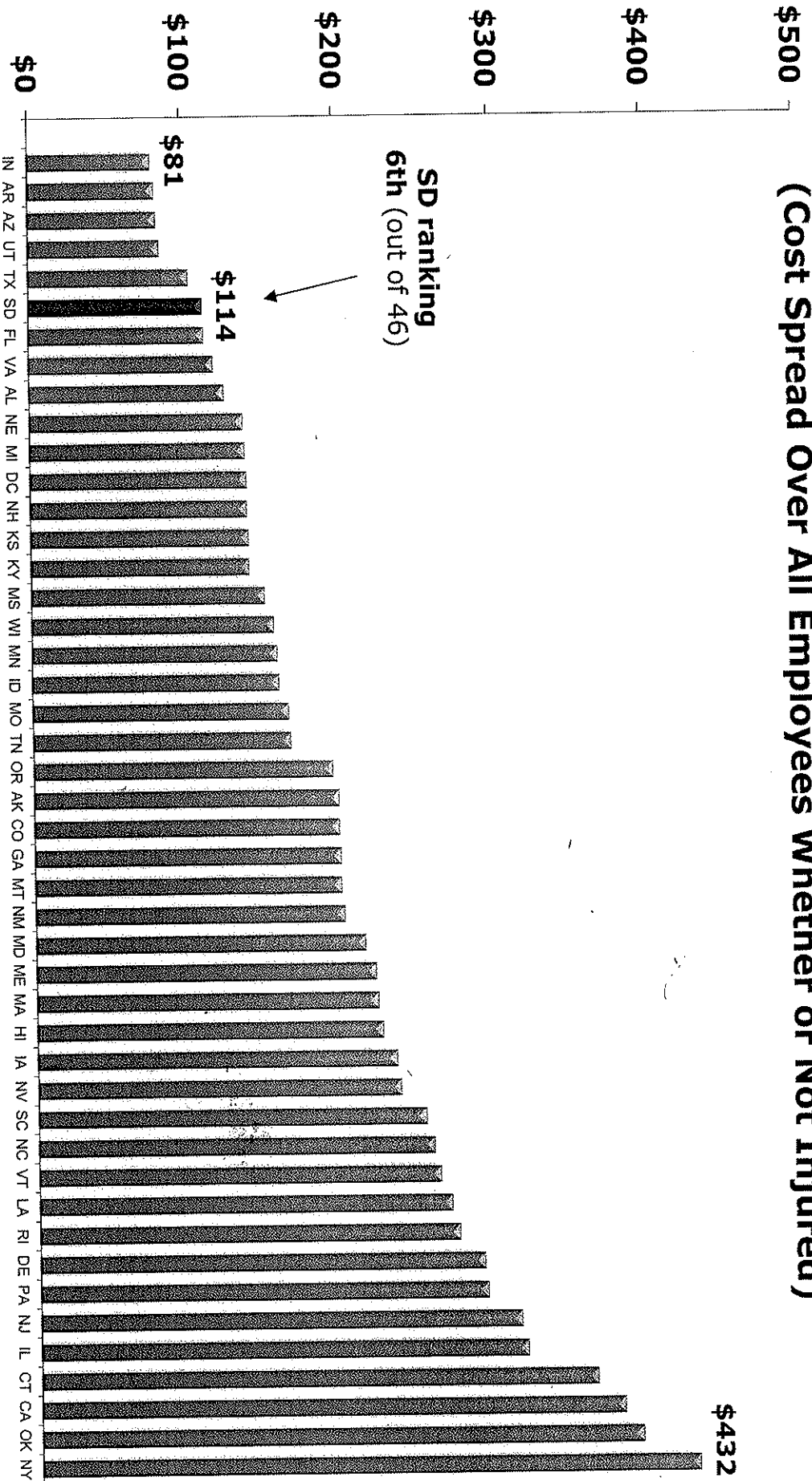
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Actual Average Indemnity Benefits per Employee per Year

(Cost Spread Over All Employees Whether or Not Injured)



Source: NCCI's *Statistical Plan* data at 1st report for policies effective in 2011 and 2012

