



# Memo

To: SB 304 Committee Members  
From: Mark C. Barry,  
Date: 11/6/2003  
Re: Accident Year 2001 Combined Ratio for accounts less than \$5,000

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At last committee meeting, I was asked to provide the committee with the loss ratio for accounts less than \$5,000 in annual premium for the accident year 2001 (AY 2001). The following table provides the combined ratio for these accounts in AY 2001. The combined ratio is the losses plus the loss adjustment expense plus the underwriting expense divided by the premium. The higher the ratio, the more premium dollars it takes to cover medical and indemnity losses incurred, underwriting expenses and claims administration expenses.

<u>Account Size</u>	<u>Written Policies</u>	<u>Combined Loss Ratio</u>
Minimum	5,463	1.90
Min - \$1K	8,259	1.06
\$1K - \$2.5K	5,530	1.50
<u>\$2.5 - \$5K</u>	<u>3,300</u>	<u>1.11</u>
Total	22,552	1.27