

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.201: Rulings and determination letters.
(Also Part I, Sections 846; 1.846-1.)

Rev. Proc. 2005-72

SECTION 1. PURPOSE

This revenue procedure prescribes the loss payment patterns and discount factors for the 2005 accident year. These factors will be used for computing discounted unpaid losses under § 846 of the Internal Revenue Code. See Rev. Proc. 2003-17, 2003-6 I.R.B. 427, for background concerning the loss payment patterns and application of the discount factors.

SEC. 2. SCOPE

This revenue procedure applies to any taxpayer that is required to discount its unpaid losses under § 846 for a line of business using discount factors published by the Secretary.

SEC. 3. TABLES OF DISCOUNT FACTORS

.01 The following tables present separately for each line of business the discount factors under § 846 for accident year 2005. All the discount factors presented in this section were determined using the applicable interest rate under § 846(c) for 2005, which is 4.44 percent, and by assuming all loss payments occur in the middle of the calendar year.

.02 If the groupings of individual lines of business on the annual statement change, taxpayers must discount the unpaid losses on the affected lines of business in accordance with the discounting patterns that would have applied to those unpaid losses based on their classification on the 2000 annual statement. See Rev. Proc. 2003-17, 2003-6 I.R.B. 427, section 2, for additional background on discounting under section 846 and the use of the Secretary's tables.

.03 Section V of Notice 88-100, 1988-2 C.B. 439, sets forth a composite method for computing discounted unpaid losses for accident years that are not separately reported on the annual statement. The tables separately provide discount factors for taxpayers who elect to use the composite method of section V of Notice 88-100. See Rev. Proc. 2002-74, 2002-51 I.R.B. 980.

.04 Section 2.03(4) of Rev. Proc 2003-17 requested comments as to whether a methodology should be adopted to smooth the raw payment data and thus produce a more stable pattern of discount factors. This issue will be addressed in the new determination year, which is 2007. Accordingly, taxpayers may still submit comments that should include a reference to **Rev. Proc. 2005-72** on this issue to the following address:

CC:PA:LPD:PR (**Rev. Proc. 2005-72**), room 5203, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Comments may be hand delivered between the

hours of 8 a.m. and 4 p.m. to CC:PA:LPD (**Rev. Proc. 2005-72**), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC 20224. Alternatively, e-mail comments to Notice.Comments@irs.counsel.treas.gov. All comments will be available for public inspection and copying.

.05 Tables.

**Tables of Factors to be Used to Discount
Unpaid Losses Incurred in
Accident Year 2005**

(Interest rate: 4.44 percent)

**Accident and Health
(Other Than Disability Income or Credit Disability Insurance)**

Taxpayers that do not use the composite method of Notice 88-100 should use 97.8513 percent to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the 2005 and later taxable years.

Taxpayers that use the composite method of Notice 88-100 should use 97.8513 percent to discount all unpaid losses in this line of business that are outstanding at the end of the 2005 taxable year.

Auto Physical Damage

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	89.6468	89.6468	10.3532	10.1113	97.6638
2006	99.6845	10.0377	0.3155	0.3022	95.7713

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2007 and later years	0.1578	0.1578	0.1544	97.8513
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Taxpayers that use the composite method of Notice 88-100 should use 97.8513 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2007 taxable year.

Commercial Auto/Truck Liability/Medical

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	28.8244	28.8244	71.1756	65.3965	91.8806
2006	54.9871	26.1626	45.0129	41.5630	92.3357
2007	72.8039	17.8168	27.1961	25.2004	92.6616
2008	85.0572	12.2533	14.9428	13.7969	92.3312
2009	91.6276	6.5704	8.3724	7.6948	91.9064
2010	94.9514	3.3239	5.0486	4.6396	91.8992
2011	97.0453	2.0938	2.9547	2.7058	91.5744
2012	98.1574	1.1121	1.8426	1.6894	91.6838
2013	98.7370	0.5796	1.2630	1.1721	92.7985
2014	99.1070	0.3700	0.8930	0.8460	94.7324

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2015	0.3700	0.5230	0.5054	96.6342
2016 and later years	0.3700	0.1530	0.1497	97.8513

Taxpayers that use the composite method of Notice 88-100 should use 96.8695 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2015 taxable year.

Composite

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	40.9985	40.9985	59.0015	53.2420	90.2384
2006	65.8439	24.8454	34.1561	30.2149	88.4613
2007	77.5023	11.6583	22.4977	19.6421	87.3071
2008	84.6221	7.1198	15.3779	13.2380	86.0849
2009	90.2455	5.6234	9.7545	8.0789	82.8227
2010	92.2780	2.0325	7.7220	6.3605	82.3688
2011	94.3974	2.1195	5.6026	4.4769	79.9089
2012	95.2526	0.8552	4.7474	3.8017	80.0811
2013	96.2792	1.0266	3.7208	2.9214	78.5162
2014	96.4323	0.1531	3.5677	2.8946	81.1355

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2015	0.1531	3.4145	2.8667	83.9550
2016	0.1531	3.2614	2.8374	87.0012
2017	0.1531	3.1083	2.8069	90.3057
2018	0.1531	2.9551	2.7751	93.9070
2019 and later years	0.1531	2.8020	2.7418	97.8513

Taxpayers that use the composite method of Notice 88-100 should use 88.8907 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2015 taxable year.

Fidelity/Surety

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	38.3328	38.3328	61.6672	57.8107	93.7463
2006	58.8485	20.5156	41.1515	39.4114	95.7713

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2007 and later years	20.5758	20.5758	20.1336	97.8513
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Taxpayers that use the composite method of Notice 88-100 should use 97.8513 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2007 taxable year.

Financial Guaranty/Mortgage Guaranty

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	4.0723	4.0723	95.9277	90.2226	94.0527
2006	40.7639	36.6916	59.2361	56.7312	95.7713

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2007 and later years	29.6180	29.6180	28.9816	97.8513
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Taxpayers that use the composite method of Notice 88-100 should use 97.8513 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2007 taxable year.

International (Composite)

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	40.9985	40.9985	59.0015	53.2420	90.2384
2006	65.8439	24.8454	34.1561	30.2149	88.4613
2007	77.5023	11.6583	22.4977	19.6421	87.3071
2008	84.6221	7.1198	15.3779	13.2380	86.0849
2009	90.2455	5.6234	9.7545	8.0789	82.8227
2010	92.2780	2.0325	7.7220	6.3605	82.3688
2011	94.3974	2.1195	5.6026	4.4769	79.9089
2012	95.2526	0.8552	4.7474	3.8017	80.0811
2013	96.2792	1.0266	3.7208	2.9214	78.5162
2014	96.4323	0.1531	3.5677	2.8946	81.1355

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2015	0.1531	3.4145	2.8667	83.9550
2016	0.1531	3.2614	2.8374	87.0012
2017	0.1531	3.1083	2.8069	90.3057
2018	0.1531	2.9551	2.7751	93.9070
2019 and later years	0.1531	2.8020	2.7418	97.8513

Taxpayers that use the composite method of Notice 88-100 should use 88.8907 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2015 taxable year.

Medical Malpractice -- Claims-Made

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	7.3447	7.3447	92.6553	82.5239	89.0655
2006	29.0191	21.6744	70.9809	64.0376	90.2180
2007	53.3108	24.2917	46.6892	42.0557	90.0759
2008	69.1517	15.8409	30.8483	27.7343	89.9053
2009	82.0981	12.9464	17.9019	15.7350	87.8955
2010	86.3995	4.3014	13.6005	12.0377	88.5095
2011	89.7111	3.3116	10.2889	9.1879	89.2991
2012	92.4688	2.7577	7.5312	6.7776	89.9934
2013	94.5163	2.0475	5.4837	4.9860	90.9248
2014	95.7635	1.2471	4.2365	3.9329	92.8323

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2015	1.2471	2.9894	2.8330	94.7672
2016	1.2471	1.7422	1.6842	96.6692
2017 and later years	1.2471	0.4951	0.4845	97.8513

Taxpayers that use the composite method of Notice 88-100 should use 95.5661 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2015 taxable year.

Medical Malpractice -- Occurrence

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	0.8316	0.8316	99.1684	83.1082	83.8051
2006	7.4573	6.6257	92.5427	80.0270	86.4758
2007	23.5575	16.1002	76.4425	67.1265	87.8130
2008	41.0062	17.4487	58.9938	52.2751	88.6111
2009	55.5832	14.5770	44.4168	39.6990	89.3782
2010	68.9413	13.3581	31.0587	27.8102	89.5407
2011	78.2095	9.2682	21.7905	19.5732	89.8245
2012	82.8727	4.6632	17.1273	15.6766	91.5303
2013	86.3178	3.4451	13.6822	12.8519	93.9319
2014	91.0834	4.7656	8.9166	8.5523	95.9147

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2015 and later years	4.7656	4.1510	4.0618	97.8513
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Taxpayers that use the composite method of Notice 88-100 should use 97.8513 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2015 taxable year.

Miscellaneous Casualty

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	79.7790	79.7790	20.2210	19.4754	96.3125
2006	94.9417	15.1627	5.0583	4.8444	95.7713

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2007 and later years	2.5292	2.5292	2.4748	97.8513
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Taxpayers that use the composite method of Notice 88-100 should use 97.8513 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2007 taxable year.

Multiple Peril Lines
(Homeowners/Farmowners, Commercial Multiple Peril, and Special Liability
(Ocean Marine, Aircraft (All Perils), Boiler and Machinery))

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	59.7445	59.7445	40.2555	37.1445	92.2719
2006	81.0347	21.2902	18.9653	17.0360	89.8274
2007	87.3325	6.2978	12.6675	11.3563	89.6494
2008	91.0659	3.7334	8.9341	8.0452	90.0503
2009	95.1781	4.1122	4.8219	4.1999	87.1002
2010	95.7605	0.5824	4.2395	3.7911	89.4249
2011	97.0539	1.2933	2.9461	2.6377	89.5320
2012	97.6441	0.5903	2.3559	2.1516	91.3303
2013	98.7037	1.0596	1.2963	1.1643	89.8184
2014	98.6217	-0.0821	1.3783	1.2999	94.3059

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2015	0.5226	0.8558	0.8235	96.2318
2016 and later years	0.5226	0.3332	0.3260	97.8513

Taxpayers that use the composite method of Notice 88-100 should use 96.6358 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2015 taxable year.

Other (Including Credit)

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	69.1729	69.1729	30.8271	29.6244	96.0986
2006	91.2168	22.0439	8.7832	8.4118	95.7713

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2007 and later years	4.3916	4.3916	4.2973	97.8513
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Taxpayers that use the composite method of Notice 88-100 should use 97.8513 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2007 taxable year.

Other Liability -- Claims-Made

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	14.9618	14.9618	85.0382	74.3656	87.4496
2006	36.2113	21.2494	63.7887	55.9513	87.7135
2007	54.2876	18.0763	45.7124	39.9623	87.4211
2008	64.2163	9.9288	35.7837	31.5899	88.2801
2009	73.2732	9.0569	26.7268	23.7367	88.8123
2010	80.5748	7.3016	19.4252	17.3286	89.2072
2011	87.6200	7.0452	12.3800	10.8982	88.0304
2012	89.9155	2.2955	10.0845	9.0361	89.6042
2013	93.3946	3.4791	6.6054	5.8818	89.0459
2014	94.6170	1.2223	5.3830	4.8938	90.9113

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2015	1.2223	4.1607	3.8619	92.8183
2016	1.2223	2.9383	2.7841	94.7528
2017	1.2223	1.7160	1.6586	96.6546
2018 and later years	1.2223	0.4936	0.4830	97.8513

Taxpayers that use the composite method of Notice 88-100 should use 94.1292 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2015 taxable year.

Other Liability -- Occurrence

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	19.1133	19.1133	80.8867	68.6311	84.8484
2006	36.4434	17.3301	63.5566	53.9677	84.9128
2007	52.1648	15.7215	47.8352	40.2972	84.2417
2008	63.2383	11.0734	36.7617	30.7698	83.7006
2009	72.0780	8.8397	27.9220	23.1021	82.7380
2010	75.9021	3.8241	24.0979	20.2198	83.9068
2011	82.9305	7.0284	17.0695	13.9348	81.6357
2012	85.1441	2.2136	14.8559	12.2913	82.7368
2013	89.3006	4.1565	10.6994	8.5893	80.2780
2014	89.9898	0.6892	10.0102	8.2663	82.5786

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2015	0.6892	9.3210	7.9290	85.0657
2016	0.6892	8.6318	7.5767	87.7764
2017	0.6892	7.9426	7.2087	90.7606
2018	0.6892	7.2533	6.8244	94.0867
2019 and later years	0.6892	6.5641	6.4231	97.8513

Taxpayers that use the composite method of Notice 88-100 should use 88.8152 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2015 taxable year.

Private Passenger Auto Liability/Medical

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	43.1926	43.1926	56.8074	53.1786	93.6121
2006	72.2008	29.0082	27.7992	25.8946	93.1486
2007	84.5632	12.3625	15.4368	14.4104	93.3510
2008	91.9316	7.3684	8.0684	7.5200	93.2034
2009	95.8729	3.9413	4.1271	3.8261	92.7060
2010	97.7804	1.9075	2.2196	2.0465	92.2040
2011	98.7957	1.0153	1.2043	1.0999	91.3257
2012	99.2491	0.4535	0.7509	0.6853	91.2646
2013	99.5195	0.2703	0.4805	0.4394	91.4469
2014	99.6353	0.1159	0.3647	0.3405	93.3821

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2015	0.1159	0.2488	0.2373	95.3548
2016	0.1159	0.1330	0.1294	97.3165
2017 and later years	0.1159	0.0171	0.0167	97.8513

Taxpayers that use the composite method of Notice 88-100 should use 96.0257 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2015 taxable year.

Products Liability -- Claims-Made

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	6.5804	6.5804	93.4196	79.0050	84.5700
2006	26.7183	20.1379	73.2817	61.9327	84.5131
2007	43.1834	16.4652	56.8166	47.8558	84.2286
2008	43.9209	0.7375	56.0791	49.2269	87.7812
2009	54.3806	10.4597	45.6194	40.7232	89.2673
2010	78.3630	23.9824	21.6370	18.0223	83.2938
2011	82.8643	4.5013	17.1357	14.2223	82.9982
2012	68.2184	-14.6459	31.7816	29.8213	93.8320
2013	79.1582	10.9399	20.8418	19.9653	95.7947
2014	89.6963	10.5381	10.3037	10.0823	97.8513

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2015 and later years 97.8513

Taxpayers that use the composite method of Notice 88-100 should use 97.1286 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2015 taxable year.

Products Liability – Occurrence

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	9.4198	9.4198	90.5802	75.2456	83.0707
2006	20.5845	11.1647	79.4155	67.1766	84.5888
2007	36.7807	16.1962	63.2193	53.6074	84.7959
2008	55.5974	18.8167	44.4026	36.7576	82.7827
2009	66.6238	11.0263	33.3762	27.1212	81.2591
2010	77.2636	10.6399	22.7364	17.4519	76.7576
2011	79.1888	1.9251	20.8112	16.2593	78.1278
2012	83.6816	4.4928	16.3184	12.3898	75.9253
2013	85.5507	1.8691	14.4493	11.0297	76.3341
2014	85.7291	0.1784	14.2709	11.3371	79.4424

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2015	0.1784	14.0925	11.6582	82.7263
2016	0.1784	13.9141	11.9935	86.1968
2017	0.1784	13.7357	12.3437	89.8658
2018	0.1784	13.5573	12.7094	93.7461
2019 and later years	0.1784	13.3789	13.0914	97.8513

Taxpayers that use the composite method of Notice 88-100 should use 86.9679 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2015 taxable year.

Reinsurance A (Nonproportional Assumed Property)

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	25.0571	25.0571	74.9429	68.9700	92.0300
2006	52.0402	26.9831	47.9598	44.4567	92.6956
2007	82.4709	30.4307	17.5291	15.3316	87.4636
2008	85.6387	3.1678	14.3613	12.7749	88.9539
2009	92.7228	7.0840	7.2772	6.1025	83.8577
2010	91.8604	-0.8624	8.1396	7.2548	89.1294
2011	96.5016	4.6412	3.4984	2.8338	81.0020
2012	96.1872	-0.3143	3.8128	3.2809	86.0493
2013	97.6206	1.4333	2.3794	1.9617	82.4450
2014	97.8419	0.2214	2.1581	1.8226	84.4552

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2015	0.2214	1.9367	1.6773	86.6060
2016	0.2214	1.7154	1.5256	88.9357
2017	0.2214	1.4940	1.3671	91.5049
2018	0.2214	1.2727	1.2016	94.4149
2019 and later years	0.2214	1.0513	1.0287	97.8513

Taxpayers that use the composite method of Notice 88-100 should use 89.0524 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2015 taxable year.

Reinsurance B (Nonproportional Assumed Liability)

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	8.9223	8.9223	91.0777	75.0085	82.3566
2006	27.3618	18.4395	72.6382	59.4945	81.9052
2007	44.5758	17.2140	55.4242	44.5440	80.3692
2008	53.8781	9.3023	46.1219	37.0152	80.2551
2009	60.8896	7.0115	39.1104	31.4932	80.5238
2010	69.7327	8.8430	30.2673	23.8542	78.8118
2011	76.6292	6.8965	23.3708	17.8654	76.4433
2012	79.4030	2.7738	20.5970	15.8239	76.8263
2013	83.8936	4.4906	16.1064	11.9373	74.1151
2014	80.1707	-3.7229	19.8293	16.2719	82.0601

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2015	1.1805	18.6487	15.7879	84.6595
2016	1.1805	17.4682	15.2825	87.4873
2017	1.1805	16.2877	14.7546	90.5872
2018	1.1805	15.1072	14.2032	94.0165
2019 and later years	1.1805	13.9266	13.6274	97.8513

Taxpayers that use the composite method of Notice 88-100 should use 87.9189 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2015 taxable year.

Reinsurance C (Nonproportional Assumed Financial Lines)

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	17.1195	17.1195	82.8805	73.7197	88.9470
2006	46.6590	29.5395	53.3410	46.8047	87.7462
2007	67.7135	21.0545	32.2865	27.3660	84.7599
2008	78.1379	10.4244	21.8621	17.9277	82.0037
2009	89.7346	11.5967	10.2654	6.8723	66.9470
2010	92.1268	2.3921	7.8732	4.7328	60.1128
2011	89.7323	-2.3945	10.2677	7.3900	71.9733
2012	90.0460	0.3137	9.9540	7.3975	74.3171
2013	94.8867	4.8407	5.1133	2.7790	54.3481
2014	86.7041	-8.1827	13.2959	11.2647	84.7228

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2015	1.4277	11.8683	10.3058	86.8351
2016	1.4277	10.4406	9.3044	89.1173
2017	1.4277	9.0129	8.2584	91.6292
2018	1.4277	7.5852	7.1661	94.4744
2019 and later years	1.4277	6.1575	6.0252	97.8513

Taxpayers that use the composite method of Notice 88-100 should use 89.1998 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2015 taxable year.

**Special Property
(Fire, Allied Lines, Inland Marine, Earthquake, Glass, Burglary and Theft)**

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	62.9320	62.9320	37.0680	35.5638	95.9420
2006	88.4950	25.5631	11.5050	11.0185	95.7713

Taxpayers that do not use the composite method of Notice 88-100 should use the following factor to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2007 and later years	5.7525	5.7525	5.6289	97.8513
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Taxpayers that use the composite method of Notice 88-100 should use 97.8513 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2007 taxable year.

Workers' Compensation

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2005	28.2489	28.2489	71.7511	63.4995	88.4998
2006	57.8739	29.6249	42.1261	36.0435	85.5608
2007	71.2999	13.4260	28.7001	23.9229	83.3549
2008	77.7584	6.4585	22.2416	18.3848	82.6595
2009	81.9301	4.1717	18.0699	14.9378	82.6666
2010	83.7739	1.8437	16.2261	13.7168	84.5350
2011	86.5350	2.7611	13.4650	11.5040	85.4365
2012	88.4367	1.9017	11.5633	10.0714	87.0975
2013	89.5926	1.1559	10.4074	9.3372	89.7172
2014	91.6441	2.0515	8.3559	7.6553	91.6150

Taxpayers that do not use the composite method of Notice 88-100 should use the following factors to discount unpaid losses incurred in this line of business in the 2005 accident year and that are outstanding at the end of the tax year shown.

2015	2.0515	6.3045	5.8987	93.5633
2016	2.0515	4.2530	4.0641	95.5573
2017	2.0515	2.2016	2.1480	97.5677
2018 and later years	2.0515	0.1501	0.1469	97.8513

Taxpayers that use the composite method of Notice 88-100 should use 95.7822 percent to discount unpaid losses incurred in this line of business in 2005 and prior years and that are outstanding at the end of the 2015 taxable year.

DRAFTING INFORMATION

The principal author of this revenue procedure is Katherine A. Hossofsky of the Office of Associate Chief Counsel (Financial Institutions & Products). For further information regarding this revenue procedure, contact Ms. Hossofsky at (202) 622-8435 (not a toll-free call).