

Part III

Administrative, Procedural, and Miscellaneous

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

Rev. Proc. 2010-49

SECTION 1. PURPOSE

This revenue procedure prescribes the loss payment patterns and discount factors for the 2010 accident year. These factors will be used for computing discounted unpaid losses under § 846 of the Internal Revenue Code. See Rev. Proc. 2008-10, 2008-1 C.B. 290, for background concerning the loss payment patterns and application of the discount factors.

SECTION 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.

SECTION 3. TABLES OF DISCOUNT FACTORS

.01 The following tables present separately for each line of business the discount factors under § 846 for accident year 2010. All the discount factors presented in this section were determined using the applicable interest rate under § 846(c) for 2010, which is 3.81 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 2005 annual statement. See Rev. Proc. 2008-10, section 2, for additional background on discounting under § 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, 2002-2 C.B. 980.

.04 Tables.

**Tables of Factors to be Used to Discount
Unpaid Losses Incurred in
Accident Year 2010**

(Interest rate: 3.81 percent)

Lines of Business

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 98.1478 percent to discount unpaid losses incurred in this line of business in the 2010 accident year and that are outstanding at the end of the 2010 and later taxable years.

Taxpayers that use the composite method of Notice 88-100 should use 98.1478 percent to discount all unpaid losses in this line of business that are outstanding at the end of the 2010 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 89.4096 | 89.4096 | 10.5904 | 10.3774 | 97.9889 |
| 2011 | 99.6848 | 10.2752 | 0.3152 | 0.3037 | 96.3467 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|--------|--------|---------|
| 2012 and later years | 0.1576 | 0.1576 | 0.1547 | 98.1478 |
|----------------------|--------|--------|--------|---------|

Taxpayers that use the composite method of Notice 88-100 should use 98.1478 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2012 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 23.6718 | 23.6718 | 76.3282 | 70.5406 | 92.4174 |
| 2011 | 47.5425 | 23.8708 | 52.4575 | 48.9069 | 93.2316 |
| 2012 | 66.6847 | 19.1421 | 33.3153 | 31.2669 | 93.8514 |
| 2013 | 81.5105 | 14.8258 | 18.4895 | 17.3526 | 93.8509 |
| 2014 | 90.0548 | 8.5443 | 9.9452 | 9.3062 | 93.5944 |
| 2015 | 94.7311 | 4.6763 | 5.2689 | 4.8983 | 92.9653 |
| 2016 | 97.0602 | 2.3292 | 2.9398 | 2.7118 | 92.2448 |
| 2017 | 98.1174 | 1.0572 | 1.8826 | 1.7379 | 92.3179 |
| 2018 | 98.8692 | 0.7518 | 1.1308 | 1.0382 | 91.8115 |
| 2019 | 99.1160 | 0.2467 | 0.8840 | 0.8263 | 93.4738 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|--------|--------|---------|
| 2020 | 0.2467 | 0.6373 | 0.6064 | 95.1568 |
| 2021 | 0.2467 | 0.3906 | 0.3782 | 96.8210 |
| 2022 and later years | 0.2467 | 0.1439 | 0.1412 | 98.1478 |

Taxpayers that use the composite method of Notice 88-100 should use 95.9976 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2020 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 34.7004 | 34.7004 | 65.2996 | 59.6104 | 91.2876 |
| 2011 | 58.6076 | 23.9072 | 41.3924 | 37.5232 | 90.6525 |
| 2012 | 71.7608 | 13.1532 | 28.2392 | 25.5514 | 90.4822 |
| 2013 | 81.4987 | 9.7379 | 18.5013 | 16.6033 | 89.7412 |
| 2014 | 87.8488 | 6.3501 | 12.1512 | 10.7660 | 88.5998 |
| 2015 | 91.4226 | 3.5739 | 8.5774 | 7.5348 | 87.8456 |
| 2016 | 93.4057 | 1.9831 | 6.5943 | 5.8014 | 87.9763 |
| 2017 | 94.2280 | 0.8222 | 5.7720 | 5.1847 | 89.8241 |
| 2018 | 95.4875 | 1.2595 | 4.5125 | 4.0989 | 90.8346 |
| 2019 | 96.3560 | 0.8685 | 3.6440 | 3.3702 | 92.4859 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|--------|--------|---------|
| 2020 | 0.8685 | 2.7754 | 2.6136 | 94.1702 |
| 2021 | 0.8685 | 1.9069 | 1.8283 | 95.8774 |
| 2022 | 0.8685 | 1.0383 | 1.0130 | 97.5588 |
| 2023 and later years | 0.8685 | 0.1698 | 0.1666 | 98.1478 |

Taxpayers that use the composite method of Notice 88-100 should use 96.2071 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2020 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 25.2328 | 25.2328 | 74.7672 | 71.3063 | 95.3711 |
| 2011 | 61.1025 | 35.8698 | 38.8975 | 37.4764 | 96.3467 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|---------|---------|---------|---------|
| 2012 and later years | 19.4487 | 19.4487 | 19.0885 | 98.1478 |
|----------------------|---------|---------|---------|---------|

Taxpayers that use the composite method of Notice 88-100 should use 98.1478 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2012 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 7.7824 | 7.7824 | 92.2176 | 88.4888 | 95.9565 |
| 2011 | 62.1390 | 54.3565 | 37.8610 | 36.4778 | 96.3467 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|---------|---------|---------|---------|
| 2012 and later years | 18.9305 | 18.9305 | 18.5799 | 98.1478 |
|----------------------|---------|---------|---------|---------|

Taxpayers that use the composite method of Notice 88-100 should use 98.1478 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2012 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 34.7004 | 34.7004 | 65.2996 | 59.6104 | 91.2876 |
| 2011 | 58.6076 | 23.9072 | 41.3924 | 37.5232 | 90.6525 |
| 2012 | 71.7608 | 13.1532 | 28.2392 | 25.5514 | 90.4822 |
| 2013 | 81.4987 | 9.7379 | 18.5013 | 16.6033 | 89.7412 |
| 2014 | 87.8488 | 6.3501 | 12.1512 | 10.7660 | 88.5998 |
| 2015 | 91.4226 | 3.5739 | 8.5774 | 7.5348 | 87.8456 |
| 2016 | 93.4057 | 1.9831 | 6.5943 | 5.8014 | 87.9763 |
| 2017 | 94.2280 | 0.8222 | 5.7720 | 5.1847 | 89.8241 |
| 2018 | 95.4875 | 1.2595 | 4.5125 | 4.0989 | 90.8346 |
| 2019 | 96.3560 | 0.8685 | 3.6440 | 3.3702 | 92.4859 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|--------|--------|---------|
| 2020 | 0.8685 | 2.7754 | 2.6136 | 94.1702 |
| 2021 | 0.8685 | 1.9069 | 1.8283 | 95.8774 |
| 2022 | 0.8685 | 1.0383 | 1.0130 | 97.5588 |
| 2023 and later years | 0.8685 | 0.1698 | 0.1666 | 98.1478 |

Taxpayers that use the composite method of Notice 88-100 should use 96.2071 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2020 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 4.9425 | 4.9425 | 95.0575 | 85.5860 | 90.0359 |
| 2011 | 19.9369 | 14.9944 | 80.0631 | 73.5694 | 91.8892 |
| 2012 | 44.3489 | 24.4120 | 55.6511 | 51.4996 | 92.5402 |
| 2013 | 64.8374 | 20.4885 | 35.1626 | 32.5867 | 92.6741 |
| 2014 | 80.2530 | 15.4156 | 19.7470 | 18.1217 | 91.7692 |
| 2015 | 85.7907 | 5.5377 | 14.2093 | 13.1699 | 92.6850 |
| 2016 | 91.2722 | 5.4815 | 8.7278 | 8.0867 | 92.6547 |
| 2017 | 93.3314 | 2.0593 | 6.6686 | 6.2967 | 94.4240 |
| 2018 | 96.1257 | 2.7942 | 3.8743 | 3.6897 | 95.2335 |
| 2019 | 97.6538 | 1.5281 | 2.3462 | 2.2733 | 96.8916 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|--------|--------|---------|
| 2020 and later years | 1.5281 | 0.8182 | 0.8030 | 98.1478 |
|----------------------|--------|--------|--------|---------|

Taxpayers that use the composite method of Notice 88-100 should use 98.1478 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2020 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 1.5878 | 1.5878 | 98.4122 | 83.0418 | 84.3816 |
| 2011 | 4.4720 | 2.8842 | 95.5280 | 82.2670 | 87.1650 |
| 2012 | 17.7738 | 13.3018 | 82.2262 | 72.8866 | 88.6416 |
| 2013 | 35.8814 | 18.1076 | 64.1186 | 57.2143 | 89.2320 |
| 2014 | 52.9447 | 17.0633 | 47.0553 | 42.0088 | 89.2755 |
| 2015 | 68.4348 | 15.4901 | 31.5652 | 27.8270 | 88.1571 |
| 2016 | 79.5616 | 11.1268 | 20.4384 | 17.5503 | 85.8696 |
| 2017 | 85.8198 | 6.2582 | 14.1802 | 11.8427 | 83.5160 |
| 2018 | 90.1267 | 4.3069 | 9.8733 | 7.9057 | 80.0721 |
| 2019 | 90.3701 | 0.2434 | 9.6299 | 7.9590 | 82.6486 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|--------|--------|---------|
| 2020 | 0.2434 | 9.3865 | 8.0142 | 85.3803 |
| 2021 | 0.2434 | 9.1431 | 8.0716 | 88.2805 |
| 2022 | 0.2434 | 8.8998 | 8.1312 | 91.3639 |
| 2023 | 0.2434 | 8.6564 | 8.1930 | 94.6469 |
| 2024 and later years | 0.2434 | 8.4130 | 8.2572 | 98.1478 |

Taxpayers that use the composite method of Notice 88-100 should use 89.4537 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2020 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 72.9064 | 72.9064 | 27.0936 | 26.2493 | 96.8838 |
| 2011 | 93.5836 | 20.6771 | 6.4164 | 6.1820 | 96.3467 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|--------|--------|---------|
| 2012 and later years | 3.2082 | 3.2082 | 3.1488 | 98.1478 |
|----------------------|--------|--------|--------|---------|

Taxpayers that use the composite method of Notice 88-100 should use 98.1478 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2012 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 52.5880 | 52.5880 | 47.4120 | 44.4297 | 93.7097 |
| 2011 | 80.0449 | 27.4570 | 19.9551 | 18.1473 | 90.9409 |
| 2012 | 86.1625 | 6.1175 | 13.8375 | 12.6057 | 91.0982 |
| 2013 | 90.7452 | 4.5827 | 9.2548 | 8.4168 | 90.9453 |
| 2014 | 93.9006 | 3.1555 | 6.0994 | 5.5225 | 90.5422 |
| 2015 | 95.7613 | 1.8607 | 4.2387 | 3.8371 | 90.5259 |
| 2016 | 96.8755 | 1.1141 | 3.1245 | 2.8481 | 91.1536 |
| 2017 | 97.6715 | 0.7960 | 2.3285 | 2.1456 | 92.1445 |
| 2018 | 98.0329 | 0.3615 | 1.9671 | 1.8591 | 94.5101 |
| 2019 | 98.6810 | 0.6481 | 1.3190 | 1.2696 | 96.2555 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|--------|--------|---------|
| 2020 | 0.6481 | 0.6709 | 0.6577 | 98.0252 |
| 2021 and later years | 0.6481 | 0.0228 | 0.0224 | 98.1478 |

Taxpayers that use the composite method of Notice 88-100 should use 98.0254 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2020 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 67.9528 | 67.9528 | 32.0472 | 30.8911 | 96.3926 |
| 2011 | 89.4609 | 21.5081 | 10.5391 | 10.1541 | 96.3467 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|--------|--------|---------|
| 2012 and later years | 5.2695 | 5.2695 | 5.1719 | 98.1478 |
|----------------------|--------|--------|--------|---------|

Taxpayers that use the composite method of Notice 88-100 should use 98.1478 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2012 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 5.8796 | 5.8796 | 94.1204 | 83.8370 | 89.0742 |
| 2011 | 18.8735 | 12.9938 | 81.1265 | 73.7921 | 90.9593 |
| 2012 | 41.6840 | 22.8105 | 58.3160 | 53.3626 | 91.5059 |
| 2013 | 62.5322 | 20.8483 | 37.4678 | 34.1540 | 91.1557 |
| 2014 | 73.5207 | 10.9885 | 26.4793 | 24.2594 | 91.6166 |
| 2015 | 82.0036 | 8.4829 | 17.9964 | 16.5408 | 91.9114 |
| 2016 | 88.6279 | 6.6244 | 11.3721 | 10.4216 | 91.6420 |
| 2017 | 90.7107 | 2.0828 | 9.2893 | 8.6965 | 93.6193 |
| 2018 | 94.8439 | 4.1332 | 5.1561 | 4.8167 | 93.4178 |
| 2019 | 96.2689 | 1.4249 | 3.7311 | 3.5484 | 95.1017 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|--------|--------|---------|
| 2020 | 1.4249 | 2.3062 | 2.2317 | 96.7713 |
| 2021 and later years | 1.4249 | 0.8812 | 0.8649 | 98.1478 |

Taxpayers that use the composite method of Notice 88-100 should use 97.1192 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2020 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 13.6594 | 13.6594 | 86.3406 | 75.1929 | 87.0887 |
| 2011 | 24.8389 | 11.1795 | 75.1611 | 66.6672 | 88.6992 |
| 2012 | 41.7792 | 16.9403 | 58.2208 | 51.9473 | 89.2247 |
| 2013 | 58.4995 | 16.7203 | 41.5005 | 36.8907 | 88.8921 |
| 2014 | 69.5197 | 11.0203 | 30.4803 | 27.0680 | 88.8049 |
| 2015 | 77.7513 | 8.2316 | 22.2487 | 19.7123 | 88.6000 |
| 2016 | 84.2243 | 6.4730 | 15.7757 | 13.8682 | 87.9089 |
| 2017 | 83.2275 | -0.9968 | 16.7725 | 15.4122 | 91.8899 |
| 2018 | 88.8524 | 5.6249 | 11.1476 | 10.2684 | 92.1130 |
| 2019 | 91.3852 | 2.5328 | 8.6148 | 8.0790 | 93.7807 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|--------|--------|---------|
| 2020 | 2.5328 | 6.0820 | 5.8062 | 95.4658 |
| 2021 | 2.5328 | 3.5492 | 3.4468 | 97.1162 |
| 2022 and later years | 2.5328 | 1.0164 | 0.9976 | 98.1478 |

Taxpayers that use the composite method of Notice 88-100 should use 96.9123 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2020 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 42.6108 | 42.6108 | 57.3892 | 54.2420 | 94.5161 |
| 2011 | 71.5827 | 28.9719 | 28.4173 | 26.7900 | 94.2735 |
| 2012 | 84.6947 | 13.1120 | 15.3053 | 14.4512 | 94.4197 |
| 2013 | 92.3556 | 7.6610 | 7.6444 | 7.1963 | 94.1386 |
| 2014 | 96.2369 | 3.8812 | 3.7631 | 3.5160 | 93.4328 |
| 2015 | 97.9275 | 1.6907 | 2.0725 | 1.9274 | 92.9997 |
| 2016 | 98.7719 | 0.8444 | 1.2281 | 1.1405 | 92.8686 |
| 2017 | 99.2692 | 0.4973 | 0.7308 | 0.6773 | 92.6773 |
| 2018 | 99.5053 | 0.2361 | 0.4947 | 0.4625 | 93.4984 |
| 2019 | 99.6440 | 0.1387 | 0.3560 | 0.3389 | 95.1810 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|--------|--------|---------|
| 2020 | 0.1387 | 0.2174 | 0.2105 | 96.8431 |
| 2021 and later years | 0.1387 | 0.0787 | 0.0773 | 98.1478 |

Taxpayers that use the composite method of Notice 88-100 should use 97.1586 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2020 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 1.0259 | 1.0259 | 98.9741 | 84.5737 | 85.4504 |
| 2011 | 11.7927 | 10.7667 | 88.2073 | 76.8261 | 87.0971 |
| 2012 | 29.3642 | 17.5716 | 70.6358 | 61.8499 | 87.5618 |
| 2013 | 55.1655 | 25.8012 | 44.8345 | 37.9183 | 84.5738 |
| 2014 | 83.4171 | 28.2516 | 16.5829 | 10.5782 | 63.7897 |
| 2015 | 64.8933 | -18.5238 | 35.1067 | 29.8546 | 85.0396 |
| 2016 | 82.3346 | 17.4414 | 17.6654 | 13.2216 | 74.8445 |
| 2017 | 86.3986 | 4.0640 | 13.6014 | 9.5846 | 70.4680 |
| 2018 | 76.3310 | -10.0676 | 23.6690 | 20.2074 | 85.3750 |
| 2019 | 78.7910 | 2.4600 | 21.2090 | 18.4709 | 87.0899 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|---------|---------|---------|
| 2020 | 2.4600 | 18.7490 | 16.6682 | 88.9018 |
| 2021 | 2.4600 | 16.2890 | 14.7969 | 90.8395 |
| 2022 | 2.4600 | 13.8290 | 12.8542 | 92.9509 |
| 2023 | 2.4600 | 11.3691 | 10.8376 | 95.3250 |
| 2024 and later years | 2.4600 | 8.9091 | 8.7441 | 98.1478 |

Taxpayers that use the composite method of Notice 88-100 should use 91.2831 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2020 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 5.0466 | 5.0466 | 94.9534 | 80.9549 | 85.2575 |
| 2011 | 13.6935 | 8.6469 | 86.3065 | 75.2292 | 87.1651 |
| 2012 | 28.2541 | 14.5606 | 71.7459 | 63.2600 | 88.1723 |
| 2013 | 41.3083 | 13.0542 | 58.6917 | 52.3697 | 89.2284 |
| 2014 | 59.3693 | 18.0610 | 40.6307 | 35.9631 | 88.5121 |
| 2015 | 73.0717 | 13.7024 | 26.9283 | 23.3723 | 86.7946 |
| 2016 | 74.6612 | 1.5895 | 25.3388 | 22.6433 | 89.3621 |
| 2017 | 78.9833 | 4.3221 | 21.0167 | 19.1024 | 90.8912 |
| 2018 | 86.1231 | 7.1398 | 13.8769 | 12.5556 | 90.4784 |
| 2019 | 88.6931 | 2.5700 | 11.3069 | 10.4155 | 92.1160 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|--------|--------|---------|
| 2020 | 2.5700 | 8.7369 | 8.1938 | 93.7837 |
| 2021 | 2.5700 | 6.1669 | 5.8875 | 95.4689 |
| 2022 | 2.5700 | 3.5969 | 3.4933 | 97.1193 |
| 2023 and later years | 2.5700 | 1.0269 | 1.0079 | 98.1478 |

Taxpayers that use the composite method of Notice 88-100 should use 96.2670 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2020 taxable year.

Reinsurance -- 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 12.9458 | 12.9458 | 87.0542 | 81.1839 | 93.2567 |
| 2011 | 60.1796 | 47.2338 | 39.8204 | 36.1518 | 90.7872 |
| 2012 | 80.8225 | 20.6429 | 19.1775 | 16.4967 | 86.0213 |
| 2013 | 84.9430 | 4.1205 | 15.0570 | 12.9270 | 85.8537 |
| 2014 | 85.6680 | 0.7250 | 14.3320 | 12.6808 | 88.4791 |
| 2015 | 80.0452 | -5.6229 | 19.9548 | 18.8929 | 94.6784 |
| 2016 | 86.7013 | 6.6561 | 13.2987 | 12.8310 | 96.4830 |
| 2017 | 97.2533 | 10.5520 | 2.7467 | 2.5688 | 93.5201 |
| 2018 | 97.6721 | 0.4188 | 2.3279 | 2.2399 | 96.2189 |
| 2019 | 98.8078 | 1.1357 | 1.1922 | 1.1680 | 97.9772 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|--------|--------|---------|
| 2020 and later years | 1.1357 | 0.0564 | 0.0554 | 98.1478 |
|----------------------|--------|--------|--------|---------|

Taxpayers that use the composite method of Notice 88-100 should use 98.0716 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2020 taxable year.

Reinsurance -- 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 32.5917 | 32.5917 | 67.4083 | 55.1981 | 81.8862 |
| 2011 | 33.3995 | 0.8078 | 66.6005 | 56.4781 | 84.8014 |
| 2012 | 35.4948 | 2.0953 | 64.5052 | 56.4951 | 87.5823 |
| 2013 | 44.0321 | 8.5373 | 55.9679 | 49.9492 | 89.2461 |
| 2014 | 64.8299 | 20.7979 | 35.1701 | 30.6619 | 87.1818 |
| 2015 | 66.4358 | 1.6059 | 33.5642 | 30.1939 | 89.9588 |
| 2016 | 77.8097 | 11.3738 | 22.1903 | 19.7558 | 89.0289 |
| 2017 | 82.4438 | 4.6341 | 17.5562 | 15.7869 | 89.9222 |
| 2018 | 84.1944 | 1.7507 | 15.8056 | 14.6047 | 92.4025 |
| 2019 | 87.9223 | 3.7279 | 12.0777 | 11.3629 | 94.0821 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|--------|--------|---------|
| 2020 | 3.7279 | 8.3498 | 7.9976 | 95.7823 |
| 2021 | 3.7279 | 4.6219 | 4.5041 | 97.4510 |
| 2022 and later years | 3.7279 | 0.8940 | 0.8775 | 98.1478 |

Taxpayers that use the composite method of Notice 88-100 should use 97.2504 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2020 taxable year.

Reinsurance -- 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 8.4783 | 8.4783 | 91.5217 | 83.1236 | 90.8239 |
| 2011 | 28.0475 | 19.5693 | 71.9525 | 66.3521 | 92.2165 |
| 2012 | 60.4351 | 32.3875 | 39.5649 | 35.8813 | 90.6897 |
| 2013 | 82.4448 | 22.0097 | 17.5552 | 14.8233 | 84.4382 |
| 2014 | 90.2720 | 7.8271 | 9.7280 | 7.4132 | 76.2044 |
| 2015 | 85.3168 | -4.9551 | 14.6831 | 12.7442 | 86.7951 |
| 2016 | 88.3777 | 3.0608 | 11.6223 | 10.1112 | 86.9983 |
| 2017 | 89.9934 | 1.6157 | 10.0066 | 8.8503 | 88.4442 |
| 2018 | 81.6664 | -8.3269 | 18.3336 | 17.6716 | 96.3891 |
| 2019 | 91.0491 | 9.3827 | 8.9509 | 8.7851 | 98.1478 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|---|---|---|---------|
| 2020 and later years | — | — | — | 98.1478 |
|----------------------|---|---|---|---------|

Taxpayers that use the composite method of Notice 88-100 should use 98.0675 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2020 taxable year.

Special Property (Fire, Allied Lines, Inland Marine, Earthquake, 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 44.5756 | 44.5756 | 55.4244 | 53.6764 | 96.8407 |
| 2011 | 88.4263 | 41.8507 | 13.5737 | 13.0778 | 96.3467 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|--------|--------|---------|
| 2012 and later years | 6.7869 | 6.7869 | 6.6612 | 98.1478 |
|----------------------|--------|--------|--------|---------|

Taxpayers that use the composite method of Notice 88-100 should use 98.1478 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2012 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 (%) |
|----------|--|--|--|--|----------------------------|
| 2010 | 19.0410 | 19.0410 | 80.9590 | 70.2208 | 86.7362 |
| 2011 | 40.2442 | 21.2032 | 59.7558 | 51.2928 | 85.8374 |
| 2012 | 57.1497 | 16.9055 | 42.8503 | 36.0225 | 84.0661 |
| 2013 | 67.8601 | 10.7104 | 32.1399 | 26.4825 | 82.3975 |
| 2014 | 75.5399 | 7.6797 | 24.4601 | 19.6668 | 80.4034 |
| 2015 | 80.1157 | 4.5758 | 19.8843 | 15.7539 | 79.2278 |
| 2016 | 82.1828 | 2.0672 | 17.8172 | 14.2480 | 79.9677 |
| 2017 | 84.4045 | 2.2217 | 15.5955 | 12.5272 | 80.3259 |
| 2018 | 85.5195 | 1.1150 | 14.4805 | 11.8685 | 81.9618 |
| 2019 | 86.2855 | 0.7661 | 13.7145 | 11.5402 | 84.1460 |

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 2010 accident year and that are outstanding at the end of the tax year shown.

| | | | | |
|----------------------|--------|---------|---------|---------|
| 2020 | 0.7661 | 12.9484 | 11.1993 | 86.4920 |
| 2021 | 0.7661 | 12.1823 | 10.8455 | 89.0265 |
| 2022 | 0.7661 | 11.4163 | 10.4782 | 91.7830 |
| 2023 | 0.7661 | 10.6502 | 10.0969 | 94.8047 |
| 2024 and later years | 0.7661 | 9.8842 | 9.7011 | 98.1478 |

Taxpayers that use the composite method of Notice 88-100 should use 89.9627 percent to discount unpaid losses incurred in this line of business in 2010 and prior years and that are outstanding at the end of the 2020 taxable year.

DRAFTING INFORMATION

The principal author of this revenue procedure is Sarah E. Swan of the Office of Associate Chief Counsel (Financial Institutions & Products). For further information regarding this revenue procedure, contact Ms. Swan at (202) 622-8443 (not a toll-free call).