

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.

§ 846(c) for 1999, which is 6.30 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 changes, taxpayers must discount the unpaid losses on the resulting lines of business in accordance with the discounting patterns that would have applied to those unpaid losses based on their classification on the 1995 annual statement. In addition, section V of Notice 88-100, 1988-2 C.B. 439, provides rules concerning the determination of losses for accident years not separately reported on the annual statement.

.03 Tables

Rev. Proc. 99-36

SECTION 1. PURPOSE

This revenue procedure prescribes the loss payment patterns and discount factors for the 1999 accident year. These factors will be used for computing discounted unpaid losses under § 846 of the Internal Revenue Code. See Rev. Proc. 98-11, 1998-4 I.R.B. 9, for background concerning the loss payment patterns and application of the discount factors.

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 1999. All the discount factors presented in this section were determined using the applicable interest rate under

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

Discount factor for all years equals 96.9914 percent.

Auto Physical Damage

Tax Year	Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
AY+ 0	89.9430	89.9430	10.0570	9.7022	96.4715
AY+ 1	99.3814	9.4384	0.6186	0.5822	94.1173
AY+ 2	N/A	0.3093	0.3093	0.3000	96.9914
AY+ 3	N/A	0.3093	0.0000	0.0000	***

Commercial Auto/Truck Liability/Medical

Tax Year	Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
AY+ 0	25.8075	25.8075	74.1925	64.9334	87.5201
AY+ 1	49.8793	24.0718	50.1207	44.2057	88.1984
AY+ 2	67.6592	17.7799	32.3408	28.6592	88.6163
AY+ 3	79.7711	12.1119	20.2289	17.9771	88.8686
AY+ 4	88.2132	8.4421	11.7868	10.4057	88.2830
AY+ 5	93.1778	4.9646	6.8222	5.9427	87.1083
AY+ 6	95.9623	2.7845	4.0377	3.4462	85.3511
AY+ 7	97.0091	1.0468	2.9909	2.5840	86.3975
AY+ 8	97.5719	0.5628	2.4281	2.1666	89.2302
AY+ 9	98.2191	0.6471	1.7809	1.6359	91.8539
AY+10	N/A	0.6471	1.1338	1.0717	94.5239
AY+11	N/A	0.6471	0.4867	0.4721	96.9914
AY+12	N/A	0.4867	0.0000	0.0000	***

Composite Discount Factors

Tax Year				Discounted	Discount Factors (%)
	Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Unpaid Losses at Year End (%)	
AY+ 0	35.4611	35.4611	64.5389	55.2028	85.5342
AY+ 1	59.1449	23.6838	40.8551	34.2621	83.8626
AY+ 2	70.8220	11.6771	29.1780	24.3814	83.5608
AY+ 3	81.9019	11.0799	18.0981	14.4938	80.0847
AY+ 4	86.3688	4.4669	13.6312	10.8015	79.2407
AY+ 5	90.0497	3.6809	9.9503	7.6869	77.2526
AY+ 6	92.7488	2.6991	7.2512	5.3883	74.3092
AY+ 7	93.8259	1.0771	6.1741	4.6173	74.7845
AY+ 8	94.2415	0.4156	5.7585	4.4797	77.7924
AY+ 9	94.8568	0.6153	5.1432	4.1275	80.2516
AY+10	N/A	0.6153	4.5279	3.7531	82.8892
AY+11	N/A	0.6153	3.9125	3.3551	85.7535
AY+12	N/A	0.6153	3.2972	2.9321	88.9266
AY+13	N/A	0.6153	2.6819	2.4824	92.5620
AY+14	N/A	0.6153	2.0665	2.0043	96.9914
AY+15	N/A	2.0665	0.0000	0.0000	***

Fidelity/Surety

Tax Year				Discounted	Discount Factors (%)
	Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Unpaid Losses at Year End (%)	
AY+ 0	24.1540	24.1540	75.8460	70.1069	92.4332
AY+ 1	59.0961	34.9421	40.9039	38.4977	94.1173
AY+ 2	N/A	20.4520	20.4520	19.8367	96.9914
AY+ 3	N/A	20.4520	0.0000	0.0000	***

Financial Guaranty/Mortgage Guaranty

Tax Year				Discounted	Discount Factors (%)
	Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Unpaid Losses at Year End (%)	
AY+ 0	9.2513	9.2513	90.7487	83.8402	92.3872
AY+ 1	50.5659	41.3146	49.4341	46.5260	94.1173
AY+ 2	N/A	24.7171	24.7171	23.9734	96.9914
AY+ 3	N/A	24.7171	0.0000	0.0000	***

**International
(Composite)**

Tax Year	Cumulative	Estimated	Unpaid	Discounted	Discount
	Losses Paid (%)	Losses Paid Each Year (%)	Losses at Year End (%)	Unpaid Losses at Year End (%)	
AY+ 0	35.4611	35.4611	64.5389	55.2028	85.5342
AY+ 1	59.1449	23.6838	40.8551	34.2621	83.8626
AY+ 2	70.8220	11.6771	29.1780	24.3814	83.5608
AY+ 3	81.9019	11.0799	18.0981	14.4938	80.0847
AY+ 4	86.3688	4.4669	13.6312	10.8015	79.2407
AY+ 5	90.0497	3.6809	9.9503	7.6869	77.2526
AY+ 6	92.7488	2.6991	7.2512	5.3883	74.3092
AY+ 7	93.8259	1.0771	6.1741	4.6173	74.7845
AY+ 8	94.2415	0.4156	5.7585	4.4797	77.7924
AY+ 9	94.8568	0.6153	5.1432	4.1275	80.2516
AY+10	N/A	0.6153	4.5279	3.7531	82.8892
AY+11	N/A	0.6153	3.9125	3.3551	85.7535
AY+12	N/A	0.6153	3.2972	2.9321	88.9266
AY+13	N/A	0.6153	2.6819	2.4824	92.5620
AY+14	N/A	0.6153	2.0665	2.0043	96.9914
AY+15	N/A	2.0665	0.0000	0.0000	***

Medical Malpractice — Claims-Made

Tax Year	Cumulative	Estimated	Unpaid	Discounted	Discount
	Losses Paid (%)	Losses Paid Each Year (%)	Losses at Year End (%)	Unpaid Losses at Year End (%)	
AY+ 0	6.3899	6.3899	93.6101	76.7674	82.0076
AY+ 1	24.0011	17.6112	75.9989	63.4463	83.4831
AY+ 2	42.6970	18.6959	57.3030	48.1675	84.0576
AY+ 3	58.0610	15.3640	41.9390	35.3615	84.3166
AY+ 4	69.6653	11.6043	30.3347	25.6251	84.4744
AY+ 5	75.6033	5.9380	24.3967	21.1172	86.5577
AY+ 6	81.8786	6.2753	18.1214	15.9776	88.1701
AY+ 7	87.8539	5.9753	12.1461	10.8236	89.1118
AY+ 8	89.5207	1.6668	10.4793	9.7870	93.3936
AY+ 9	94.3025	4.7818	5.6975	5.4734	96.0675
AY+10	N/A	4.7818	0.9157	0.8882	96.9914
AY+11	N/A	0.9157	0.0000	0.0000	***

Medical Malpractice — Occurrence

Tax Year	Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted	
				Unpaid Losses at Year End (%)	Discount Factors (%)
AY+ 0	2.1239	2.1239	97.8761	71.4452	72.9955
AY+ 1	6.4831	4.3592	93.5169	71.4519	76.4053
AY+ 2	15.5987	9.1156	84.4013	66.5550	78.8553
AY+ 3	31.9062	16.3075	68.0938	53.9345	79.2062
AY+ 4	45.0931	13.1868	54.9069	43.7365	79.6557
AY+ 5	50.0751	4.9821	49.9249	41.3553	82.8351
AY+ 6	60.9728	10.8976	39.0272	32.7250	83.8518
AY+ 7	69.2138	8.2411	30.7862	26.2900	85.3955
AY+ 8	72.8658	3.6519	27.1342	24.1811	89.1165
AY+ 9	80.0005	7.1347	19.9995	18.3484	91.7445
AY+10	N/A	7.1347	12.8648	12.1483	94.4311
AY+11	N/A	7.1347	5.7300	5.5576	96.9914
AY+12	N/A	5.7300	0.0000	0.0000	***

Miscellaneous Casualty

Tax Year	Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted	
				Unpaid Losses at Year End (%)	Discount Factors (%)
AY+ 0	77.6669	77.6669	22.3331	21.1598	94.7461
AY+ 1	94.0673	16.4004	5.9327	5.5837	94.1173
AY+ 2	N/A	2.9664	2.9664	2.8771	96.9914
AY+ 3	N/A	2.9664	0.0000	0.0000	***

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

Tax Year	Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted	
				Unpaid Losses at Year End (%)	Discount Factors (%)
AY+ 0	55.9587	55.9587	44.0413	39.0516	88.6704
AY+ 1	77.8939	21.9352	22.1061	18.8962	85.4798
AY+ 2	84.0083	6.1144	15.9917	13.7827	86.1863
AY+ 3	91.3188	7.3105	8.6812	7.1137	81.9437
AY+ 4	92.1670	0.8482	7.8330	6.6873	85.3739
AY+ 5	94.3838	2.2168	5.6162	4.8231	85.8781
AY+ 6	96.4959	2.1121	3.5041	2.9494	84.1680
AY+ 7	97.3670	0.8712	2.6330	2.2370	84.9605
AY+ 8	98.0034	0.6364	1.9966	1.7218	86.2368
AY+ 9	98.4059	0.4025	1.5941	1.4153	88.7833
AY+10	N/A	0.4025	1.1916	1.0895	91.4298
AY+11	N/A	0.4025	0.7892	0.7432	94.1747
AY+12	N/A	0.4025	0.3867	0.3751	96.9914
AY+13	N/A	0.3867	0.0000	0.0000	***

**Other
(Including Credit)**

Tax Year	Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted	Discount Factors (%)
				Unpaid Losses at Year End (%)	
AY+ 0	66.7418	66.7418	33.2582	31.3512	94.2659
AY+ 1	89.2755	22.5337	10.7245	10.0936	94.1173
AY+ 2	N/A	5.3622	5.3622	5.2009	96.9914
AY+ 3	N/A	5.3622	0.0000	0.0000	***

Other Liability — Claims-Made

Tax Year	Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted	Discount Factors (%)
				Unpaid Losses at Year End (%)	
AY+ 0	10.2440	10.2440	89.7560	73.7794	82.2000
AY+ 1	29.3763	19.1323	70.6237	58.7018	83.1191
AY+ 2	44.4111	15.0349	55.5889	46.8988	84.3672
AY+ 3	67.8197	23.4086	32.1803	25.7187	79.9207
AY+ 4	73.4753	5.6555	26.5247	21.5080	81.0867
AY+ 5	78.8604	5.3852	21.1396	17.3108	81.8882
AY+ 6	83.5027	4.6422	16.4973	13.6152	82.5295
AY+ 7	84.0676	0.5649	15.9324	13.8905	87.1838
AY+ 8	85.2129	1.1453	14.7871	13.5847	91.8688
AY+ 9	90.5992	5.3863	9.4008	8.8872	94.5367
AY+10	N/A	5.3863	4.0145	3.8938	96.9914
AY+11	N/A	4.0145	0.0000	0.0000	***

Other Liability — Occurrence

Tax Year	Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted	Discount Factors (%)
				Unpaid Losses at Year End (%)	
AY+ 0	13.5751	13.5751	86.4249	67.7370	78.3767
AY+ 1	26.3964	12.8213	73.6036	58.7855	79.8676
AY+ 2	40.2725	13.8761	59.7275	48.1824	80.6703
AY+ 3	55.4566	15.1841	44.5434	35.5628	79.8385
AY+ 4	65.3309	9.8742	34.6691	27.6227	79.6751
AY+ 5	74.0647	8.7339	25.9353	20.3581	78.4959
AY+ 6	80.9090	6.8442	19.0910	14.5842	76.3927
AY+ 7	84.3622	3.4532	15.6378	11.9426	76.3702
AY+ 8	84.6163	0.2542	15.3837	12.4330	80.8193
AY+ 9	86.7311	2.1147	13.2689	11.0359	83.1712
AY+10	N/A	2.1147	11.1542	9.5509	85.6257
AY+11	N/A	2.1147	9.0395	7.9722	88.1936
AY+12	N/A	2.1147	6.9247	6.2941	90.8938
AY+13	N/A	2.1147	4.8100	4.5103	93.7704
AY+14	N/A	2.1147	2.6953	2.6142	96.9914
AY+15	N/A	2.6953	0.0000	0.0000	***

Private Passenger Auto Liability/Medical

Tax Year	Cumulative		Estimated	Discounted	
	Losses	Losses Paid	Unpaid	Unpaid	Discount
	Paid	Each Year	Losses at	Losses at	
	(%)	(%)	Year End	Year End	Factors
			(%)	(%)	(%)
AY+ 0	37.9339	37.9339	62.0661	56.2648	90.6530
AY+ 1	67.7044	29.7705	32.2956	29.1156	90.1533
AY+ 2	81.5316	13.8272	18.4684	16.6937	90.3908
AY+ 3	89.8898	8.3583	10.1102	9.1279	90.2847
AY+ 4	94.6531	4.7633	5.3469	4.7920	89.6216
AY+ 5	97.1265	2.4734	2.8735	2.5437	88.5243
AY+ 6	98.4587	1.3322	1.5413	1.3305	86.3222
AY+ 7	98.9811	0.5224	1.0189	0.8757	85.9452
AY+ 8	99.2330	0.2519	0.7670	0.6712	87.5035
AY+ 9	99.4067	0.1737	0.5933	0.5344	90.0640
AY+10	N/A	0.1737	0.4196	0.3890	92.6904
AY+11	N/A	0.1737	0.2460	0.2344	95.3018
AY+12	N/A	0.1737	0.0723	0.0701	96.9914
AY+13	N/A	0.0723	0.0000	0.0000	***

Products Liability — Claims-Made

Tax Year	Cumulative		Estimated	Discounted	
	Losses	Losses Paid	Unpaid	Unpaid	Discount
	Paid	Each Year	Losses at	Losses at	
	(%)	(%)	Year End	Year End	Factors
			(%)	(%)	(%)
AY+ 0	4.9750	4.9750	95.0250	75.3753	79.3215
AY+ 1	15.1072	10.1322	84.8928	69.6774	82.0769
AY+ 2	30.9560	15.8488	69.0440	57.7267	83.6085
AY+ 3	38.2420	7.2860	61.7580	53.8514	87.1975
AY+ 4	68.6101	30.3681	31.3899	25.9340	82.6188
AY+ 5	78.5966	9.9865	21.4034	17.2716	80.6954
AY+ 6	88.3971	9.8005	11.6029	8.2552	71.1475
AY+ 7	93.2957	4.8986	6.7043	3.7247	55.5568
AY+ 8	88.3815	-4.9142	11.6185	9.0260	77.6862
AY+ 9	89.6105	1.2290	10.3895	8.3274	80.1528
AY+10	N/A	1.2290	9.1604	7.5849	82.8009
AY+11	N/A	1.2290	7.9314	6.7956	85.6799
AY+12	N/A	1.2290	6.7024	5.9566	88.8728
AY+13	N/A	1.2290	5.4733	5.0647	92.5339
AY+14	N/A	1.2290	4.2443	4.1166	96.9914
AY+15	N/A	4.2443	0.0000	0.0000	***

Products Liability — Occurrence

Tax Year	Cumulative	Estimated	Unpaid	Discounted	Discount Factors (%)
	Losses Paid (%)	Losses Paid Each Year (%)	Losses at Year End (%)	Unpaid Losses at Year End (%)	
AY+ 0	9.0653	9.0653	90.9347	68.5721	75.4081
AY+ 1	14.9035	5.8382	85.0965	66.8729	78.5848
AY+ 2	29.2591	14.3555	70.7409	56.2851	79.5651
AY+ 3	45.6462	16.3871	54.3538	42.9356	78.9928
AY+ 4	57.5945	11.9483	42.4055	33.3216	78.5785
AY+ 5	63.8634	6.2689	36.1366	28.9575	80.1335
AY+ 6	75.2266	11.3632	24.7734	19.0662	76.9622
AY+ 7	78.2679	3.0413	21.7321	17.1317	78.8313
AY+ 8	78.1898	-0.0781	21.8102	18.2915	83.8668
AY+ 9	81.8722	3.6825	18.1278	15.6472	86.3162
AY+10	N/A	3.6825	14.4453	12.8363	88.8613
AY+11	N/A	3.6825	10.7628	9.8483	91.5027
AY+12	N/A	3.6825	7.0803	6.6720	94.2328
AY+13	N/A	3.6825	3.3979	3.2956	96.9914
AY+14	N/A	3.3979	0.0000	0.0000	***

**Reinsurance A
(Nonproportional Property)**

Tax Year	Cumulative	Estimated	Unpaid	Discounted	Discount Factors (%)
	Losses Paid (%)	Losses Paid Each Year (%)	Losses at Year End (%)	Unpaid Losses at Year End (%)	
AY+ 0	27.1668	27.1668	72.8332	64.6152	88.7167
AY+ 1	68.7008	41.5340	31.2992	25.8636	82.6335
AY+ 2	70.0362	1.3354	29.9638	26.1162	87.1592
AY+ 3	87.5338	17.4976	12.4662	9.7212	77.9803
AY+ 4	90.2132	2.6794	9.7868	7.5712	77.3605
AY+ 5	91.3751	1.1619	8.6249	6.8502	79.4230
AY+ 6	94.3845	3.0095	5.6155	4.1789	74.4181
AY+ 7	93.3293	-1.0552	6.6707	5.5301	82.9022
AY+ 8	N/A	1.0387	5.6320	4.8076	85.3629
AY+ 9	N/A	1.0387	4.5932	4.0395	87.9453
AY+10	N/A	1.0387	3.5545	3.2231	90.6758
AY+11	N/A	1.0387	2.5158	2.3552	93.6165
AY+12	N/A	1.0387	1.4771	1.4326	96.9914
AY+13	N/A	1.4771	0.0000	0.0000	***

**Reinsurance B
(Nonproportional Liability)**

Tax Year	Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted	Discount Factors (%)
				Unpaid Losses at Year End (%)	
AY+ 0	6.6962	6.6962	93.3038	68.5209	73.4385
AY+ 1	22.3944	15.6982	77.6056	56.6526	73.0006
AY+ 2	32.6486	10.2542	67.3514	49.6494	73.7169
AY+ 3	50.2234	17.5748	49.7766	34.6574	69.6258
AY+ 4	53.5839	3.3605	46.4161	33.3760	71.9062
AY+ 5	55.6838	2.0999	44.3162	33.3137	75.1727
AY+ 6	63.6144	7.9306	36.3856	27.2358	74.8534
AY+ 7	66.4211	2.8066	33.5789	26.0580	77.6022
AY+ 8	N/A	2.8066	30.7723	24.8059	80.6113
AY+ 9	N/A	2.8066	27.9656	23.4750	83.9423
AY+10	N/A	2.8066	25.1590	22.0602	87.6832
AY+11	N/A	2.8066	22.3524	20.5563	91.9649
AY+12	N/A	2.8066	19.5457	18.9577	96.9914
AY+13	N/A	19.5457	0.0000	0.0000	***

**Reinsurance C
(Financial Lines)**

Tax Year	Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted	Discount Factors (%)
				Unpaid Losses at Year End (%)	
AY+ 0	11.4622	11.4622	88.5378	76.8870	86.8408
AY+ 1	44.5791	33.1169	55.4209	47.5866	85.8641
AY+ 2	63.9134	19.3343	36.0866	30.6506	84.9362
AY+ 3	65.6185	1.7051	34.3815	30.8235	89.6516
AY+ 4	79.9778	14.3593	20.0222	17.9607	89.7042
AY+ 5	88.9152	8.9374	11.0848	9.8777	89.1099
AY+ 6	91.2490	2.3338	8.7510	8.0938	92.4895
AY+ 7	94.7645	3.5155	5.2355	4.9791	95.1030
AY+ 8	N/A	3.5155	1.7200	1.6682	96.9914
AY+ 9	N/A	1.7200	0.0000	0.0000	***

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

Tax Year	Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted	Discount Factors (%)
				Unpaid Losses at Year End (%)	
AY+ 0	57.4895	57.4895	42.5105	40.4302	95.1064
AY+ 1	90.5193	33.0297	9.4807	8.9230	94.1173
AY+ 2	N/A	4.7404	4.7404	4.5978	96.9914
AY+ 3	N/A	4.7404	0.0000	0.0000	***

Workers' Compensation

Tax Year	Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
AY+ 0	23.6461	23.6461	76.3539	62.2052	81.4696
AY+ 1	44.8166	21.1705	55.1834	44.2969	80.2722
AY+ 2	57.9652	13.1486	42.0348	33.5311	79.7700
AY+ 3	72.0542	14.0889	27.9458	21.1177	75.5664
AY+ 4	80.5542	8.5000	19.4458	13.6844	70.3719
AY+ 5	84.8876	4.3334	15.1124	10.0786	66.6913
AY+ 6	87.1173	2.2297	12.8827	8.4147	65.3182
AY+ 7	88.2647	1.1473	11.7353	7.7619	66.1415
AY+ 8	88.5404	0.2757	11.4596	7.9666	69.5194
AY+ 9	88.8062	0.2658	11.1938	8.1945	73.2056
AY+10	N/A	0.2658	10.9279	8.4366	77.2025
AY+11	N/A	0.2658	10.6621	8.6941	81.5418
AY+12	N/A	0.2658	10.3963	8.9677	86.2590
AY+13	N/A	0.2658	10.1304	9.2586	91.3940
AY+14	N/A	0.2658	9.8646	9.5678	96.9914
AY+15	N/A	9.8646	0.0000	0.0000	* * *

DRAFTING INFORMATION

The principal author of this revenue procedure is Katherine A. Hossofsky of the Office of the Assistant Chief Counsel (Financial Institutions and Products). For further information regarding this revenue procedure, contact Ms. Hossofsky on (202) 622-3477 (not a toll-free number).