Given   Loss Conversion Factor   1.1
                   Expected Loss Ratio   0.7
                   Expense Ratio   0.2

Find   Calculate the expense portion of the basic premium as a percentage of the guaranteed-cost premium.

Solution

The formula for the expense portion of the basic premium as a percentage of the guaranteed cost premium is: $e - (c - 1)E$

We're given

c = Loss Conversion Factor	1.1
E = Expected Loss Ratio	0.7
e = Expense Ratio	0.2

Plugging these into the formula yields:

13.0% = 0.2 - (1.1 - 1)*0.7