

**2010 SUPPLEMENTAL HEALTH CARE EXHIBIT'S EXPENSE ALLOCATION REPORT -
 DESCRIPTION OF ALLOCATION METHODOLOGY - 217
 61832 - Chesapeake Life Ins Co**

	Line	Explanation
01	Description of allocation methodology	All Quality Improvement expenses included in Part 3 were recorded in column 3 "Improve Patient Safety and Reduce Medical Errors." We believe the criteria for column 3 most applies to the Company's quality improvement initiatives. These expenses were allocated to each state based on the amount of paid claims for each state as a percentage of total paid claims.