“Net Class 2 Claim Loss” Method

**Step 1** Determine “Net Class 2 Claim Loss” Amount For Each RRG (Subtract Current Assets from Gross Class 2 Claims):

\[
\text{Individual RRG} \quad \text{Gross Amount of Actual Class 2 Claims} \quad \text{Current Assets Held By Individual RRG} = \quad \text{Individual RRG Net Class 2 Claim Loss}
\]

**Step 2** Aggregate the Three RRGs’ Net Class 2 Claim Loss:

Add All Three RRGs’ Net Class 2 Claim Losses

**Step 3** Determine Net Class 2 Claim Loss Ratio (Divide Aggregate Net Class 2 Claim Loss by Joint Recovery Amount):

\[
\text{Aggregate Net Class 2 Claim Loss} \div \text{Joint Recovery Amount} = \quad \text{Net Class 2 Claim Loss Ratio}
\]

**Step 4** Determine Allocation of Joint Recovery for Individual RRG Net Class 2 Claim Loss (Multiply Individual RRG Net Class 2 Claim Loss by Net Class 2 Claim Loss Ratio):

\[
\text{Individual RRG Net Class 2 Claim Loss} \times \text{Net Class 2 Claim Loss Ratio} = \quad \text{Allocation from Joint Recovery Amount to Pay Individual RRG Class 2 Claim Loss}
\]