

*Loss Reserving Without Loss Development
Patterns—Beyond Berquist-Sherman*

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ABSTRACT: This paper describes loss reserving techniques that may be used in situations where changes have occurred that render past years' loss development patterns inappropriate for use in estimating loss reserves for more recent years. The loss reserving issues addressed by this paper are generally the same as those covered by James R. Berquist and Richard E. Sherman in their paper Loss Reserve Adequacy Testing: A Comprehensive, Systematic Approach, PCAS LXIV, 123. The essential difference in techniques is that while Berquist-Sherman restates prior years' development patterns to be applicable to the current evaluation basis, this paper restates the current diagonal to the level implied by the older years' estimates. This restatement is done on an implied ultimate basis, thereby eliminating the need to apply loss development patterns to the less mature years.

1. INTRODUCTION

Actuaries frequently encounter situations where changes have taken place or are suspected to have taken place that make historical loss development patterns inappropriate for use in projecting ultimate losses for relatively immature years. The types of changes that can cause distortions in the analysis relate to case reserve adequacy, claim settlement rates, the legal/regulatory environment, and other internal and external factors. In situations such as these, the actuary typically makes adjustments to remove or reduce the distortions that changes in patterns would cause with traditional loss projection methods. For example, the techniques described in Berquist-Sherman produce adjusted development patterns that are estimated to be consistent with the reserve levels and settlement rates present as of the last diagonal by restating historical development data.

The techniques described in this paper do not restate historical information. Instead, they use prior years' experience (specifically, implied ultimate average case reserves by maturity and average incremental claim settlements by maturity) at historical evaluation dates to forecast the corresponding values by maturity at the current evaluation date. Regression and other techniques appropriate to the particular situation are applied to the older years' estimates – which are presumably unaffected by the pattern changes – to forecast the values for the immature years. These estimated values are combined with estimates of the corresponding claims (e.g., open and IBNR claims as of the most recent evaluation date, estimated future incremental closed claims by closure period) to forecast the indicated loss reserves.

2. APPROACH

We create loss and claim information for ten accident years at ten annual evaluation points, and demonstrate the results of various loss projection techniques applied to this data. The data for the first year is based on hypothetical ultimate claims and losses, and hypothetical claim and loss development patterns. Data for each succeeding year is derived by assuming 1% per year trend in ultimate claim counts and a 4% per year trend in ultimate severity (i.e., total ultimate loss trend of 5% per year, assuming constant exposure level).

Using this approach, we are able to know in advance the ultimate claims and losses for each year. We can then alter the case reserving and claim settlement assumptions to introduce the types of distortions to the patterns that can affect ultimate loss projections. This approach allows us to show the error that traditional, unadjusted loss projection techniques produce when there are pattern changes, and to demonstrate the relative accuracy of the alternative techniques in a given situation. The scenarios considered here include the following:

- **Scenario 1:** Stable Settlement and Reserving Patterns (also referred to as the Base Scenario). This scenario is contained in Exhibits 1 and 2;
- **Scenario 2:** Case Reserve Strengthening. Scenario 2 is documented on Exhibits 3 through 7 attached;
- **Scenario 3:** Settlement Rate Acceleration. Scenario 3 calculations are shown on Exhibits 8 through 12;
- **Scenario 4:** Case Reserve Strengthening and Settlement Rate Acceleration. This scenario is documented on Exhibits 13 through 17.

While there are several ways that these types of changes can occur, we define strengthening broadly as an increase in the percentage of ultimate losses that are reported at a given maturity. Similarly, we define settlement rate acceleration as an increase in the percentage of ultimate claims and losses that are closed or paid, respectively, at a given maturity. Our scenarios assume a six-month acceleration in the respective patterns.

3. SCENARIO 1: STABLE SETTLEMENT AND RESERVING PATTERNS

Our base scenario assumes that all patterns are stable over the entire ten-year experience period. We use this scenario to create a baseline, and to demonstrate the characteristics of traditional loss development techniques that can later be compared to the more complicated scenarios.

Exhibit 1, Sheets 1 through 5 shows the data, the implied loss development factors (LDFs), and the results of simple loss development techniques. Sheet 1 pertains to incurred losses, Sheet 2 shows the paid loss analysis, and Sheets 3, 4, and 5 show reported claims, closed claims, and claims closed with payment (referred to as paid claims), respectively.

In each case, we calculate the incremental loss development factors for each year as it ages, and several averages of the implied factors. Given the stability in the data used here, all factors for a given maturity and data type are the same. The selected incremental factors – which throughout this paper are based on the volume weighted average of the last three factors – are accumulated to factors to ultimate. These factors are applied to the latest diagonal of data to produce the projected ultimate values. As each of the Sheets of Exhibit 1 shows, the projected amounts are exactly equal to the actual ultimate losses and claims contained in the hypothetical data.

Whenever possible, it is useful to review various statistics underlying the loss data such as the average case reserve (referred to as the average outstanding losses), the average paid loss (both cumulatively and incrementally for each year), claim closure rates, and paid claim ratios. These statistics – often referred to as diagnostics – can provide insights into the underlying reporting, reserving, payment, and settlement rate patterns that can identify changes that may have occurred. Exhibit 2, Sheets 1 through 5 shows these diagnostics for the Base Scenario.

Sheet 1 of Exhibit 2 shows the average outstanding. As we would expect given the stability inherent in the Base Scenario, the annual change in the average outstanding values for each maturity is equal to the 4% per year severity trend underlying our hypothetical data. Sheet 2 shows the cumulative average paid losses per paid claim and Sheet 3 shows the incremental average paid results. As with the average outstanding experience, the average paid amounts by maturity in the Base Scenario show consistently the underlying 4% annual severity trend. Sheets 4 and 5 show claim closure rate data and paid claim ratios (paid claims divided by total closed claims). The consistency in settlement rates underlying the Base Scenario causes these statistics to show stability from year to year.

These diagnostic statistics each imply a stable reserving and settlement scenario. As will be seen in subsequent sections, these statistics will show significant variation among years in the presence of case reserve adequacy changes and claim settlement rate changes.

4. SCENARIO 2: CASE RESERVE STRENGTHENING

In the second scenario, we assume that case reserve strengthening takes place during the eighth calendar year, and that the strengthening affects the whole diagonal (i.e., all accident years). We reflect this assumption by adjusting the percentage of ultimate losses reported to be equal to the average of the Base Scenario percentage at a given maturity and the Base percentage for the subsequent maturity. We assume that the accelerated reporting pattern applies for the remainder of the experience period.

The standard loss development techniques applied to incurred and paid losses are shown on Exhibit 3, Sheets 1 and 2, respectively. As these projections show, the incurred projection is significantly above the actual ultimate losses (projected all years combined ultimate losses of \$796.0 million versus actual ultimate losses of \$766.5 million), and the paid projection is equal to the actual ultimate losses.

Obviously, in real life situations, one would not know in advance that there has been case reserve strengthening, so this situation would not be as simple as accepting the paid loss projection and rejecting the incurred estimates. All that would be known at this stage is that the incurred losses produce a much higher projection than the paid losses.

A look at the loss development factors, as well as the various diagnostics statistics provides additional insights. It is apparent from the incurred loss development factors calculated on Exhibit 3, Sheet 1 that something changed on the second prior diagonal (i.e., the diagonal that is as of the end of year eight). During that year, the incurred losses experienced significantly more development than during prior years. Also, development after the eighth calendar year is less than experienced during earlier time periods.

In addition, Exhibit 3, Sheet 2 shows paid loss development factors that are consistent over the entire experience period, and the average outstanding triangle on Exhibit 4, Sheet 1 shows a significant increase during calendar year eight, followed by a return to more normal trends thereafter. Lastly, the average paid claim and the claim count diagnostics (Exhibit 4, Sheets 2 to 5) show a consistent pattern.

Given the likely conclusion that case reserve adequacy has increased over the last several years, some adjustment is needed to the incurred loss projection if it is to be included in the analysis of ultimate losses. The techniques described in Berquist-Sherman would produce adjusted development patterns consistent with the stronger case reserve levels present as of the last diagonal by restating historical development data to the current case reserve level. The Berquist-Sherman techniques would provide accurate estimates of ultimate losses in this case.

Alternatives to this technique would be to use the data prior to the change in case reserve adequacy to estimate what the most recent diagonal would have been in the absence of case reserve adequacy changes. Exhibit 5, Sheets 1 and 2, and Exhibit 6 provides the details of two such alternatives. Details are as follows:

- 1. *Ultimate Unclosed Claim Severity Technique (Exhibit 5, Sheets 1 and 2)*** – The general approach of this technique is to calculate the ultimate closed claim severities by maturity for prior years, and use those estimates to estimate the needed average amount per unclosed claim as of the latest evaluation point.

Exhibit 5, Sheet 1 shows that the calculations start with an estimate of the ultimate losses based on the incurred loss development technique (note that Exhibit 5, Sheet 2 performs the same calculations, but starts with the ultimate losses implied by the paid loss development technique). The paid loss triangle (triangle (A)) is subtracted from the ultimate loss projections to create a triangle of implied ultimate unpaid losses (triangle (B)). The next step is to estimate the claim counts that remain to be closed. Specifically, the closed claim triangle (C) is subtracted from the projected ultimate reported claims to create a triangle of implied unclosed claims (i.e., open and IBNR claims; triangle (D)). The ratio of the

implied ultimate unpaid losses to the estimated unclosed claims by maturity gives a triangle of estimated ultimate unclosed claim severities (triangle (E)).

Regression or other estimation techniques can be applied to each column of the ultimate unclosed claim severity triangle (triangle (E)) to estimate the values for the latest diagonal. On Exhibit 5, Sheets 1 and 2, we simplistically apply exponential regressions to all years prior to the last three diagonals to forecast the ultimate claim severities for the last diagonal. The years used in the regressions are the boxed and highlighted ranges of triangle (E) on Exhibit 5, Sheets 1 and 2.

The last step in this technique is to multiply the forecasted ultimate unclosed claim severities (Item (F)) by the estimated number of unclosed claims from the latest diagonal of triangle (D) to arrive at the indicated unpaid losses. These estimates are added to the losses paid to date to produce the estimated ultimate losses by year. As Exhibit 5, Sheet 1 shows, this technique applied to incurred losses produces estimated ultimate losses that are very close to the actual values (i.e., \$768.9 million versus \$766.5 million), and the paid loss projections on Exhibit 5, Sheet 2 are exactly equal to the actual values.

2. ***Incremental Closed Claim Severity Technique (Exhibit 6)*** – This approach is independent of the various projections of ultimate losses. Instead, it uses historical closed claim severities by maturity to forecast future severities by maturity. These forecasts are combined with estimates of future closed claim counts to estimate future loss payments. These estimates are combined with actual payments to date to produce estimated ultimate losses.

Exhibit 6 shows that the calculations start with the actual paid loss triangle (triangle (A)). This data is used to calculate actual incremental paid losses by maturity (triangle (B)) by taking differences of adjacent columns of triangle (A). The next step is to use actual cumulative closed claims (triangle (C)) to calculate actual incremental closed claims by maturity (triangle (D)). The ratio of these two incremental triangles provides historical closed claim severities by maturity (triangle (E)), through the latest diagonal.

Regression or other estimation techniques can be applied to each column of the incremental closed claim severity triangle to estimate future incremental closed claim severities for the less mature years as they age (i.e., for the boxed and highlighted area below the latest diagonal of triangle (E) of Exhibit 6). On Exhibit 6 we simplistically apply exponential regressions to all years prior to the last three diagonals to forecast the future incremental claim severities. The years used in the regressions are boxed on triangle (E) of Exhibit 6, Sheet 1.

In addition to the forecast of future incremental closed claim severities, we need to estimate future closed claims by maturity at closing. These estimates are based on the estimated ultimate reported claims, claims closed to date, and the estimated claim closing pattern. The ultimate reported claims are derived on Exhibit 3, Sheet 3, and the claim closing pattern is derived on Exhibit 3, Sheet 4.

These values, along with claims closed to date are used to forecast the future incremental closed claims shown below the latest diagonal of triangle (D) on Exhibit 6.

The last step in this technique is to multiply the forecasted incremental closed claim severities by the estimated number of incremental closed claims to arrive at the indicated unpaid losses. These estimates are added to the losses paid to date to produce the estimated ultimate losses by year. As Exhibit 6 shows, this technique produces estimated ultimate losses that are exactly equal to the actual values.

Exhibit 7 provides a summary of the various ultimate loss projections for Scenario 2. As the summary indicates, all projection methods that are based on paid losses replicate the actual ultimate losses exactly, while the ultimate loss projections produced by the traditional incurred loss development technique are significantly overstated. The ultimate closed claim severity technique based on incurred losses, while still overstated, is significantly more accurate than the traditional incurred method.

5. SCENARIO 3 – SETTLEMENT RATE ACCELERATION

Exhibits 8 through 12 provide the same projection techniques as described above for Scenario 2. As described above, Scenario 2 assumes that instead of case reserve adequacy changes, there was acceleration in claim settlement rate and in the loss payment pattern starting in calendar year eight. As with the strengthening scenario, we reflect this assumption by adjusting the percentage of ultimate claims that are closed and losses that are paid to be equal to the average of the Base Scenario percentage at a given maturity and the Base percentage for the subsequent maturity. We assume that the accelerated patterns apply for the remainder of the experience period.

The standard loss development techniques applied to incurred and paid losses are shown on Exhibit 8, Sheets 1 and 2, respectively. As these projections show, the incurred projection is equal to the actual ultimate losses, but the paid loss projection is significantly above the actual ultimate losses (projected ultimate losses of \$840.7 million versus actual ultimate losses of \$766.5 million).

A look at the paid loss development factors, as well as the various diagnostics statistics provides additional insights. It is apparent from the paid loss development factors calculated on Exhibit 8, Sheet 2 that something changed on the second prior diagonal (i.e., the diagonal that is as of the end of year eight). During that year, the paid losses experienced significantly more development than during prior years. Also, paid loss development after the eighth calendar year is less than experienced during earlier time periods.

In addition, Exhibit 9, Sheet 1 shows that the average outstanding losses were actually reduced as of the end of the eighth calendar year. This development in isolation may be interpreted to mean that case reserve weakening took place, which

we know is not true given the assumptions used in deriving the data. Looking further at the paid loss and claim count diagnostics completes the picture. Specifically, Exhibit 9, Sheets 2 and 3 show significant increases in average paid amounts at the same point in time that the average outstanding values were reduced. Further, Sheets 4 and 5 of Exhibit 9 point to acceleration in claim closing rates. Combined, these observations point to closure rate and loss payment acceleration.

The alternative techniques described above in the case reserving strengthening scenario are useful in the settlement acceleration case as well. Exhibit 10, Sheets 1 and 2 demonstrates the Ultimate Unclosed Claim Severity technique and Exhibit 11 shows the Incremental Closed Claim Severity method.

The results of all of the projections are summarized on Exhibit 12. As this summary shows, the adjusted methods are significantly more accurate than the paid loss projection.

6. SCENARIO 4 – CASE RESERVE STRENGTHENING AND SETTLEMENT RATE ACCELERATION

Exhibits 13 through 17 expand the hypothetical examples to combine the case reserve strengthening and closure rate acceleration assumptions underlying Scenarios 2 and 3.

The traditional LDF projections shown on Exhibit 13, Sheets 1 and 2 each significantly overstate the ultimate losses (i.e., the incurred projection is \$796.0 million and the paid projection is \$840.7 million versus the actual ultimate losses of \$766.5 million). A look at the diagnostics on Exhibit 14, Sheets 1 through 5 shows changes along the eighth diagonal in average outstandings, average paid claims, and closure rates.

Application of the adjusted loss projection techniques is shown on Exhibits 15 and 16. The summary on Exhibit 17 shows that these methods are significantly more accurate than the traditional projection methods.

7. DISCUSSION

These techniques may not be used in all situations. Further, they often will not produce a more accurate estimate than the more traditional adjusted methods. However, the techniques described here have some advantages, including the following:

- These techniques may be more understandable to company management. The traditional adjusted methods involve restatement of significant amounts of historical data. Essentially, the whole development triangle is adjusted based on estimates of current case reserve adequacy or claim settlement rates. These adjustments are often non-intuitive to the non-actuary. The methods described here restate only the current diagonal, and the assumptions underlying the adjustments can be clearly demonstrated. This may allow for a clearer discussion

with underwriting and claims management on underlying operational changes that may be contributing to the observed changes.

- The methods in this paper allow explicit reflection of cost and/or operational changes from the older years to the present. As described above, trends from historical timeframes are used to estimate the latest diagonal on a level that is consistent with the case reserving and settlement rates. Known changes in mix of business or other factors that would affect trends in average case reserves or settlement rates can be reflected explicitly in the adjustment calculations.
- The new methods allow for easy combination of case reserve adequacy adjustments and claim settlement rate adjustments. While traditional adjusted methods can be combined to adjust for both types of changes, the calculations are cumbersome. As demonstrated with Scenario 4, the methods described here easily handle the combined effects of case reserve and settlement rate changes.
- This paper's techniques can be used equally well whether the case reserve or settlement rate changes occur on a calendar year basis (i.e., affecting all accident periods as of a given evaluation date) or on an accident year basis (i.e., affecting only part of the diagonal). The traditional adjusted methods can also handle both situations, but the calculations would differ between the two situations.
- These new projection techniques are sensitive to actual claim experience through the latest evaluation point. They simply adjust for changes in case reserve adequacy and/or claim settlement rates, but are still heavily influenced by the claim frequency implied by the latest evaluation of data.
- These non-traditional methods provide a means of reasonableness testing of the results produced by more traditional reserving methods

The techniques described in this paper may often provide an alternative for handling situations where development patterns are suspected to have changed. The approach and examples used here are relatively simplistic, designed to illustrate the methodology. Refinements to be considered include the following:

- Use of unpaid claims in the adjustments instead of unclosed claims. The adjustments shown here use unclosed claims to avoid the distortions that the settlement rate acceleration causes with the projection of estimated unpaid claims. It would be possible, and desirable, to adjust the paid claim projections to remove the distortions caused by the pattern changes, and incorporate the adjusted values into the loss projections. This approach would be especially important if the paid claim ratio (i.e., paid claims to total claims) is changing.
- Use of more sophisticated forecasting techniques. The examples shown here derive estimated unclosed claim severities based on relatively simplistic regression techniques applied to historical severities. In many instances, it would be preferable to base the forecasted values on a more rigorous analysis of underlying exposure changes. For example, changes in limits of liability, classes,

territory, and other aspects of the underlying business should be reflected in the forecasts of future severities.

- These techniques are best suited to situations where the change in patterns is relatively recent. If several years of credible development factors are available after the change in case reserving and/or settlement rates is suspected to have occurred, it is advisable to reflect the actual "post-change" experience in the loss estimates.
- Reasonableness testing should be performed. Specifically, it is advisable to calculate the loss development factors implied by the alternative methods' loss estimates. Also, it is important to evaluate whether the implied ultimate loss ratios, severities, and pure premiums and other factors are consistent with knowledge of the company operations, business mix, and other factors.
- Sensitivity testing. As with all projections that rely on regressions and other forecasting techniques, there can be a high degree of leverage with any of the individual assumptions used. It is therefore important to test the impact of the key assumptions on the estimates. For example, the impact on the ultimate loss projections of alternative trending of future claim severities, claim closure patterns, etc., should be evaluated.

8. CONCLUSION

This paper explores several alternative techniques that may be useful in situations where changes have taken place in case reserving and/or claim settlement rates. These methods should be viewed as additional tools for the actuary to use in evaluating the likely consequences of the suspected changes. As is always the case, these methods need to be used with care, and significant judgment and interpretation of the results is required, considering the results of many different estimation techniques, knowledge of company operations, and other factors.

Scenario: Stable Settlement and Reserve Patterns

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	22,638	37,938	49,003	53,252	59,843	60,649	60,938	60,938	60,938	60,938
2	23,769	39,834	51,453	55,914	62,835	63,681	63,984	63,984	63,984	
3	24,958	41,826	54,026	58,710	65,976	66,865	67,184	67,184		
4	26,206	43,917	56,727	61,645	69,275	70,209	70,543			
5	27,516	46,113	59,564	64,728	72,739	73,719				
6	28,892	48,419	62,542	67,964	76,376					
7	30,336	50,840	65,669	71,362						
8	31,853	53,382	68,952							
9	33,446	56,051								
10	35,118									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000	1.000	
2	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000		
3	1.676	1.292	1.087	1.124	1.013	1.005	1.000			
4	1.676	1.292	1.087	1.124	1.013	1.005				
5	1.676	1.292	1.087	1.124	1.013					
6	1.676	1.292	1.087	1.124						
7	1.676	1.292	1.087							
8	1.676	1.292								
9	1.676									
10										

Average Factors										
Simple Avg Last 3	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000	1.000	1.000
Simple Avg Last 5	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000	1.000	1.000
Vol. Wtd Avg Last 3	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000	1.000	1.000
Simple Avg 3 of 5	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000	1.000	1.000

Selected Factors										
Factors to Ultimate	2.692	1.606	1.244	1.144	1.018	1.005	1.000	1.000	1.000	1.000

Ultimate Losses										
Projected	\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938
Actual	\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938
Difference	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
										All Years
										\$766,465
										\$766,465
										\$0

Estimated Loss Development Pattern
Paid Losses (\$000)

Exhibit 1
Sheet 2

Scenario: Stable Settlement and Reserve Patterns

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	8,105	17,695	32,841	45,301	48,709	53,105	56,840	60,938	60,938	60,938
2	8,510	18,580	34,483	47,566	51,144	55,761	59,682	63,984	63,984	
3	8,935	19,509	36,207	49,944	53,701	58,549	62,666	67,184		
4	9,382	20,485	38,017	52,441	56,386	61,476	65,800			
5	9,851	21,509	39,918	55,064	59,206	64,550				
6	10,344	22,584	41,914	57,817	62,166					
7	10,861	23,713	44,010	60,708						
8	11,404	24,899	46,210							
9	11,974	26,144								
10	12,573									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	2,183	1,856	1,379	1,075	1,090	1,070	1,072	1,000	1,000	
2	2,183	1,856	1,379	1,075	1,090	1,070	1,072	1,000		
3	2,183	1,856	1,379	1,075	1,090	1,070	1,072			
4	2,183	1,856	1,379	1,075	1,090	1,070				
5	2,183	1,856	1,379	1,075	1,090					
6	2,183	1,856	1,379	1,075						
7	2,183	1,856	1,379							
8	2,183	1,856								
9	2,183									
10										

Average Factors

Simple Avg Last 3	2,183	1,856	1,379	1,075	1,090	1,070	1,072	1,000	1,000	1,000
Simple Avg Last 5	2,183	1,856	1,379	1,075	1,090	1,070	1,072	1,000	1,000	1,000
Vol. Wtd Avg Last 3	2,183	1,856	1,379	1,075	1,090	1,070	1,072	1,000	1,000	1,000
Simple Avg 3 of 5	2,183	1,856	1,379	1,075	1,090	1,070	1,072	1,000	1,000	1,000

Selected Factors

Factors to Ultimate	2,183	1,856	1,379	1,075	1,090	1,070	1,072	1,000	1,000	1,000
	7,519	3,444	1,856	1,345	1,251	1,147	1,072	1,000	1,000	1,000

Ultimate Losses

	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Projected	\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938	\$766,465
Actual	\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938	\$766,465
Difference	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Estimated Claim Development Pattern
Reported Claims

Exhibit 1
Sheet 3

Scenario: Stable Settlement and Reserve Patterns

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	788	888	963	988	1,000	1,000	1,000	1,000	1,000	1,000
2	795	896	972	997	1,010	1,010	1,010	1,010	1,010	
3	803	905	982	1,007	1,020	1,020	1,020	1,020		
4	811	914	992	1,017	1,030	1,030	1,030			
5	819	924	1,002	1,028	1,041	1,041				
6	828	933	1,012	1,038	1,051					
7	836	942	1,022	1,048						
8	844	952	1,032							
9	853	961								
10	861									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	
2	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000		
3	1.127	1.085	1.026	1.013	1.000	1.000	1.000			
4	1.127	1.085	1.026	1.013	1.000	1.000				
5	1.127	1.085	1.026	1.013	1.000					
6	1.127	1.085	1.026	1.013						
7	1.127	1.085	1.026							
8	1.127	1.085								
9	1.127									
10										

Average Factors										
Simple Avg Last 3	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	1.000
Simple Avg Last 5	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	1.000
Vol. Wtd Avg Last 3	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	1.000
Simple Avg 3 of 5	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	1.000
Selected Factors										
Factors to Ultimate	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	1.000
	1.270	1.127	1.039	1.013	1.000	1.000	1.000	1.000	1.000	1.000

Ultimate Counts											
	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Projected	1,094	1,083	1,072	1,062	1,051	1,041	1,030	1,020	1,010	1,000	10,462
Actual	1,094	1,083	1,072	1,062	1,051	1,041	1,030	1,020	1,010	1,000	10,462
Difference	0	0	0	0	0	0	0	0	0	0	0

Scenario: Stable Settlement and Reserve Patterns

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	368	598	763	894	941	960	986	1,000	1,000	1,000
2	371	603	770	903	951	969	996	1,010	1,010	
3	375	610	778	912	960	979	1,006	1,020		
4	379	616	786	921	970	989	1,016			
5	382	622	793	931	980	999				
6	386	628	801	940	989					
7	390	634	809	949						
8	394	641	818							
9	398	647								
10	402									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	1,626	1,276	1,173	1,053	1,020	1,027	1,014	1,000	1,000	
2	1,626	1,276	1,173	1,053	1,020	1,027	1,014	1,000		
3	1,626	1,276	1,173	1,053	1,020	1,027	1,014			
4	1,626	1,276	1,173	1,053	1,020	1,027				
5	1,626	1,276	1,173	1,053	1,020					
6	1,626	1,276	1,173	1,053						
7	1,626	1,276	1,173							
8	1,626	1,276								
9	1,626									
10										

Average Factors										
Simple Avg Last 3	1,626	1,276	1,173	1,053	1,020	1,027	1,014	1,000	1,000	1,000
Simple Avg Last 5	1,626	1,276	1,173	1,053	1,020	1,027	1,014	1,000	1,000	1,000
Vol. Wtd Avg Last 3	1,626	1,276	1,173	1,053	1,020	1,027	1,014	1,000	1,000	1,000
Simple Avg 3 of 5	1,626	1,276	1,173	1,053	1,020	1,027	1,014	1,000	1,000	1,000

Selected Factors										
Factors to Ultimate	1,626	1,276	1,173	1,053	1,020	1,027	1,014	1,000	1,000	1,000
	2,721	1,674	1,311	1,118	1,062	1,042	1,014	1,000	1,000	1,000

Ultimate Counts	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Projected	1,094	1,083	1,072	1,062	1,051	1,041	1,030	1,020	1,010	1,000	10,462
Actual	1,094	1,083	1,072	1,062	1,051	1,041	1,030	1,020	1,010	1,000	10,462
Difference	0	0	0	0	0	0	0	0	0	0	

Scenario: Stable Settlement and Reserve Patterns

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	243	385	538	664	691	717	736	750	750	750
2	245	389	543	671	698	724	743	758	758	
3	247	393	548	678	705	732	751	765		
4	250	397	554	684	712	739	758			
5	252	401	559	691	719	746				
6	255	405	565	698	727					
7	257	409	571	705						
8	260	413	576							
9	263	417								
10	265									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	1.588	1.396	1.236	1.041	1.037	1.026	1.019	1.000	1.000	
2	1.588	1.396	1.236	1.041	1.037	1.026	1.019	1.000		
3	1.588	1.396	1.236	1.041	1.037	1.026	1.019			
4	1.588	1.396	1.236	1.041	1.037	1.026				
5	1.588	1.396	1.236	1.041	1.037					
6	1.588	1.396	1.236	1.041						
7	1.588	1.396	1.236							
8	1.588	1.396								
9	1.588									
10										

Average Factors

Simple Avg Last 3	1.588	1.396	1.236	1.041	1.037	1.026	1.019	1.000	1.000	1.000
Simple Avg Last 5	1.588	1.396	1.236	1.041	1.037	1.026	1.019	1.000	1.000	1.000
Vol. Wtd Avg Last 3	1.588	1.396	1.236	1.041	1.037	1.026	1.019	1.000	1.000	1.000
Simple Avg 3 of 5	1.588	1.396	1.236	1.041	1.037	1.026	1.019	1.000	1.000	1.000

Selected Factors

Factors to Ultimate	1.588	1.396	1.236	1.041	1.037	1.026	1.019	1.000	1.000	1.000
	3.093	1.948	1.395	1.129	1.085	1.046	1.019	1.000	1.000	1.000

Ultimate Counts

	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Projected	820	812	804	796	788	780	773	765	758	750	7,847
Actual	820	812	804	796	788	780	773	765	758	750	7,847
Difference	0	0	0	0	0	0	0	0	0	0	0

Scenario: Stable Settlement and Reserve Patterns

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Outstanding Losses (\$000)										
1	14 533	20 242	16 163	7 951	11 134	7 544	4 097	0	0	0
2	15 259	21 254	16 971	8 348	11 690	7 921	4 302	0	0	
3	16 022	22 317	17 819	8 766	12 275	8 317	4 517	0		
4	16 824	23 433	18 710	9 204	12 889	8 733	4 743			
5	17 665	24 605	19 646	9 664	13 533	9 169				
6	18 548	25 835	20 628	10 147	14 210					
7	19 475	27 126	21 659	10 655						
8	20 449	28 483	22 742							
9	21 472	29 907								
10	22 545									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Number Open Claims										
1	420	290	200	93	59	40	14	0	0	0
2	424	293	202	94	59	41	14	0	0	
3	428	296	204	95	60	41	15	0		
4	433	299	206	96	60	41	15			
5	437	302	208	97	61	42				
6	441	305	210	98	62					
7	446	308	212	99						
8	450	311	214							
9	455	314								
10	459									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Average Outstanding (\$000)										
1	34 602	69 801	80 813	85 261	189 834	187 416	287 526	-	-	-
2	35 972	72 565	84 013	88 638	197 352	194 839	298 913	-	-	
3	37 397	75 439	87 340	92 149	205 168	202 555	310 752	-		
4	38 878	78 427	90 799	95 798	213 293	210 577	323 059			
5	40 418	81 533	94 395	99 592	221 741	218 917				
6	42 018	84 762	98 134	103 536	230 522					
7	43 683	88 118	102 020	107 637						
8	45 413	91 608	106 061							
9	47 211	95 236								
10	49 081									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Annual Percent Change										
1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	-	-	
3	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	-		
4	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%			
5	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%				
6	4.0%	4.0%	4.0%	4.0%	4.0%					
7	4.0%	4.0%	4.0%	4.0%						
8	4.0%	4.0%	4.0%							
9	4.0%	4.0%								
10	4.0%									

Scenario: Stable Settlement and Reserve Patterns

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Paid Losses (\$000)										
1	8,105	17,695	32,841	45,301	48,709	53,105	56,840	60,938	60,938	60,938
2	8,510	18,580	34,483	47,566	51,144	55,761	59,682	63,984	63,984	
3	8,935	19,509	36,207	49,944	53,701	58,549	62,666	67,184		
4	9,382	20,485	38,017	52,441	56,386	61,476	65,800			
5	9,851	21,509	39,918	55,064	59,206	64,550				
6	10,344	22,584	41,914	57,817	62,166					
7	10,861	23,713	44,010	60,708						
8	11,404	24,899	46,210							
9	11,974	26,144								
10	12,573									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Paid Claims - Cumulative										
1	243	385	538	664	691	717	736	750	750	750
2	245	389	543	671	698	724	743	758	758	
3	247	393	548	678	705	732	751	765		
4	250	397	554	684	712	739	758			
5	252	401	559	691	719	746				
6	255	405	565	698	727					
7	257	409	571	705						
8	260	413	576							
9	263	417								
10	265									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Average Paid Claim - Cumulative (\$000)										
1	33,421	45,962	61,099	68,199	70,455	74,040	77,255	81,250	81,250	81,250
2	34,745	47,782	63,519	70,900	73,245	76,972	80,314	84,468	84,468	
3	36,121	49,674	66,034	73,707	76,146	80,021	83,495	87,813		
4	37,552	51,642	68,649	76,627	79,161	83,190	86,802			
5	39,039	53,687	71,368	79,661	82,296	86,485				
6	40,585	55,813	74,195	82,816	85,556					
7	42,192	58,024	77,133	86,096						
8	43,863	60,322	80,188							
9	45,600	62,711								
10	47,406									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Annual Percent Change										
1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
3	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%		
4	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%			
5	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%				
6	4.0%	4.0%	4.0%	4.0%	4.0%					
7	4.0%	4.0%	4.0%	4.0%						
8	4.0%	4.0%	4.0%							
9	4.0%	4.0%								
10	4.0%									

Scenario: Stable Settlement and Reserve Patterns

Year	Age Interval in Months									
	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
Paid Losses - Incremental (\$000)										
1	8,105	9,591	15,145	12,460	3,408	4,397	3,735	4,097	0	0
2	8,510	10,070	15,903	13,083	3,578	4,616	3,922	4,302	0	
3	8,935	10,574	16,698	13,737	3,757	4,847	4,118	4,517		
4	9,382	11,102	17,533	14,424	3,945	5,089	4,324			
5	9,851	11,657	18,409	15,146	4,142	5,344				
6	10,344	12,240	19,330	15,903	4,349					
7	10,861	12,852	20,296	16,698						
8	11,404	13,495	21,311							
9	11,974	14,170								
10	12,573									

Year	Age Interval in Months									
	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
Paid Claims - Incremental										
1	243	143	153	127	27	26	19	14	0	0
2	245	144	154	128	27	26	19	14	0	
3	247	145	156	129	28	26	19	15		
4	250	147	157	131	28	27	19			
5	252	148	159	132	28	27				
6	255	150	160	133	28					
7	257	151	162	135						
8	260	153	164							
9	263	154								
10	265									

Year	Age Interval in Months									
	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
Average Paid Claim - Incremental (\$000)										
1	33 421	67 303	99 314	98 306	125 750	169 749	201 892	287 526	-	
2	34 745	69 968	103 247	102 200	130 730	176 472	209 888	298 913	-	
3	36 121	72 739	107 336	106 247	135 907	183 461	218 200	310 752		
4	37 552	75 620	111 587	110 455	141 290	190 727	226 842			
5	39 039	78 615	116 006	114 829	146 885	198 280				
6	40 585	81 728	120 600	119 377	152 702					
7	42 192	84 965	125 376	124 105						
8	43 863	88 330	130 342							
9	45 600	91 828								
10	47 406									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Annual Percent Change										
1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%		
3	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%		
4	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%			
5	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%				
6	4.0%	4.0%	4.0%	4.0%	4.0%					
7	4.0%	4.0%	4.0%	4.0%						
8	4.0%	4.0%	4.0%							
9	4.0%	4.0%								
10	4.0%									

Scenario: Stable Settlement and Reserve Patterns

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
<i>Closed Claims</i>										
1	368	598	763	894	941	960	986	1,000	1,000	1,000
2	371	603	770	903	951	969	996	1,010	1,010	
3	375	610	778	912	960	979	1,006	1,020		
4	379	616	786	921	970	989	1,016			
5	382	622	793	931	980	999				
6	386	628	801	940	989					
7	390	634	809	949						
8	394	641	818							
9	398	647								
10	402									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
<i>Reported Claims</i>										
1	788	888	963	988	1,000	1,000	1,000	1,000	1,000	1,000
2	795	896	972	997	1,010	1,010	1,010	1,010	1,010	
3	803	905	982	1,007	1,020	1,020	1,020	1,020		
4	811	914	992	1,017	1,030	1,030	1,030			
5	819	924	1,002	1,028	1,041	1,041				
6	828	933	1,012	1,038	1,051					
7	836	942	1,022	1,048						
8	844	952	1,032							
9	853	961								
10	861									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
<i>Closure Rate</i>										
1	0.467	0.673	0.792	0.906	0.941	0.960	0.986	1.000	1.000	1.000
2	0.467	0.673	0.792	0.906	0.941	0.960	0.986	1.000	1.000	
3	0.467	0.673	0.792	0.906	0.941	0.960	0.986	1.000		
4	0.467	0.673	0.792	0.906	0.941	0.960	0.986			
5	0.467	0.673	0.792	0.906	0.941	0.960				
6	0.467	0.673	0.792	0.906	0.941					
7	0.467	0.673	0.792	0.906						
8	0.467	0.673	0.792							
9	0.467	0.673								
10	0.467									

Scenario: Stable Settlement and Reserve Patterns

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Paid Claims										
1	243	385	538	664	691	717	736	750	750	750
2	245	389	543	671	698	724	743	758	758	
3	247	393	548	678	705	732	751	765		
4	250	397	554	684	712	739	758			
5	252	401	559	691	719	746				
6	255	405	565	698	727					
7	257	409	571	705						
8	260	413	576							
9	263	417								
10	265									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Closed Claims										
1	368	598	763	894	941	960	986	1,000	1,000	1,000
2	371	603	770	903	951	969	996	1,010	1,010	
3	375	610	778	912	960	979	1,006	1,020		
4	379	616	786	921	970	989	1,016			
5	382	622	793	931	980	999				
6	386	628	801	940	989					
7	390	634	809	949						
8	394	641	818							
9	398	647								
10	402									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Paid Claim Ratio										
1	0.660	0.644	0.705	0.743	0.734	0.747	0.746	0.750	0.750	0.750
2	0.660	0.644	0.705	0.743	0.734	0.747	0.746	0.750	0.750	
3	0.660	0.644	0.705	0.743	0.734	0.747	0.746	0.750		
4	0.660	0.644	0.705	0.743	0.734	0.747	0.746			
5	0.660	0.644	0.705	0.743	0.734	0.747				
6	0.660	0.644	0.705	0.743	0.734					
7	0.660	0.644	0.705	0.743						
8	0.660	0.644	0.705							
9	0.660	0.644								
10	0.660									

Estimated Loss Development Pattern
Incurred Losses (\$000)

Exhibit 3
Sheet 1

Scenario: Case Reserve Strengthening

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	22,638	37,938	49,003	53,252	59,843	60,649	60,838	60,938	60,938	60,938
2	23,769	39,834	51,453	55,914	62,835	63,681	63,984	63,984	63,984	
3	24,958	41,826	54,026	58,710	65,976	67,169	67,184	67,184		
4	26,206	43,917	56,727	61,645	69,612	70,528	70,543			
5	27,516	46,113	59,564	69,037	73,092	74,054				
6	28,892	48,419	65,317	72,489	76,747					
7	30,336	58,254	68,583	76,113						
8	43,057	81,167	72,012							
9	45,210	64,225								
10	47,471									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000	1.000	
2	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000		
3	1.676	1.292	1.087	1.124	1.018	1.000	1.000			
4	1.676	1.292	1.087	1.129	1.013	1.000				
5	1.676	1.292	1.159	1.059	1.013					
6	1.676	1.349	1.110	1.059						
7	1.920	1.177	1.110							
8	1.421	1.177								
9	1.421									
10										

Average Factors

Simple Avg Last 3	1.587	1.235	1.126	1.082	1.015	1.002	1.000	1.000	1.000	1.000
Simple Avg Last 5	1.623	1.257	1.110	1.099	1.014	1.002	1.000	1.000	1.000	1.000
Vol. Wtd Avg Last 3	1.548	1.227	1.125	1.080	1.015	1.002	1.000	1.000	1.000	1.000
Simple Avg 3 of 5	1.591	1.254	1.102	1.102	1.013	1.003	1.000	1.000	1.000	1.000

Selected Factors

Factors to Ultimate	1.548	1.227	1.125	1.080	1.015	1.002	1.000	1.000	1.000	1.000
	2.346	1.515	1.235	1.098	1.016	1.002	1.000	1.000	1.000	1.000

Ultimate Losses

	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Projected	\$111,370	\$87,312	\$88,936	\$83,560	\$78,005	\$74,176	\$70,543	\$67,184	\$63,984	\$60,938	\$796,007
Actual	\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938	\$766,465
Difference	\$16,836	\$7,279	\$3,191	\$1,898	\$231	\$106	\$0	\$0	\$0	\$0	\$29,541

Estimated Loss Development Pattern
Paid Losses (\$000)

Exhibit 3
Sheet 2

Scenario: Case Reserve Strengthening

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	8,105	17,695	32,841	45,301	48,709	53,105	56,840	60,938	60,938	60,938
2	8,510	18,580	34,483	47,566	51,144	55,761	59,682	63,984	63,984	
3	8,935	19,509	36,207	49,944	53,701	58,549	62,666	67,184		
4	9,382	20,485	38,017	52,441	56,386	61,476	65,800			
5	9,851	21,509	39,918	55,064	59,206	64,550				
6	10,344	22,584	41,914	57,817	62,166					
7	10,861	23,713	44,010	60,708						
8	11,404	24,899	46,210							
9	11,974	26,144								
10	12,573									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	2.183	1.856	1.379	1.075	1.090	1.070	1.072	1.000	1.000	
2	2.183	1.856	1.379	1.075	1.090	1.070	1.072	1.000		
3	2.183	1.856	1.379	1.075	1.090	1.070	1.072			
4	2.183	1.856	1.379	1.075	1.090	1.070				
5	2.183	1.856	1.379	1.075	1.090					
6	2.183	1.856	1.379	1.075						
7	2.183	1.856	1.379							
8	2.183	1.856								
9	2.183									
10										

Average Factors

Simple Avg Last 3	2.183	1.856	1.379	1.075	1.090	1.070	1.072	1.000	1.000	1.000
Simple Avg Last 5	2.183	1.856	1.379	1.075	1.090	1.070	1.072	1.000	1.000	1.000
Vol. Wtd Avg Last 3	2.183	1.856	1.379	1.075	1.090	1.070	1.072	1.000	1.000	1.000
Simple Avg 3 of 5	2.183	1.856	1.379	1.075	1.090	1.070	1.072	1.000	1.000	1.000

Selected Factors

Factors to Ultimate	2.183	1.856	1.379	1.075	1.090	1.070	1.072	1.000	1.000	1.000
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Ultimate Losses

	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Projected	\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938	\$766,465
Actual	\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938	\$766,465
Difference	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Estimated Claim Development Pattern
Reported Claims

Exhibit 3
Sheet 3

Scenario: Case Reserve Strengthening

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	788	888	963	988	1,000	1,000	1,000	1,000	1,000	1,000
2	795	896	972	997	1,010	1,010	1,010	1,010	1,010	
3	803	905	982	1,007	1,020	1,020	1,020	1,020		
4	811	914	992	1,017	1,030	1,030	1,030			
5	819	924	1,002	1,028	1,041	1,041				
6	828	933	1,012	1,038	1,051					
7	836	942	1,022	1,048						
8	844	952	1,032							
9	853	961								
10	861									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	
2	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000		
3	1.127	1.085	1.026	1.013	1.000	1.000	1.000			
4	1.127	1.085	1.026	1.013	1.000	1.000				
5	1.127	1.085	1.026	1.013	1.000					
6	1.127	1.085	1.026	1.013						
7	1.127	1.085	1.026							
8	1.127	1.085								
9	1.127									
10										

Average Factors										
Simple Avg Last 3	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	1.000
Simple Avg Last 5	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	1.000
Vol. Wtd Avg Last 3	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	1.000
Simple Avg 3 of 5	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	1.000

Selected Factors										
Factors to Ultimate	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	1.000
	1.270	1.127	1.039	1.013	1.000	1.000	1.000	1.000	1.000	1.000

Ultimate Counts	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
	1,094	1,083	1,072	1,062	1,051	1,041	1,030	1,020	1,010	1,000	10,462
Projected	1,094	1,083	1,072	1,062	1,051	1,041	1,030	1,020	1,010	1,000	10,462
Actual											
Difference	0	0	0	0	0	0	0	0	0	0	0

Scenario: Case Reserve Strengthening

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	368	598	763	894	941	960	986	1,000	1,000	1,000
2	371	603	770	903	951	969	996	1,010	1,010	
3	375	610	778	912	960	979	1,006	1,020		
4	379	616	786	921	970	989	1,016			
5	382	622	793	931	980	999				
6	386	628	801	940	989					
7	390	634	809	949						
8	394	641	818							
9	398	647								
10	402									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	1.626	1.276	1.173	1.053	1.020	1.027	1.014	1.000	1.000	
2	1.626	1.276	1.173	1.053	1.020	1.027	1.014	1.000		
3	1.626	1.276	1.173	1.053	1.020	1.027	1.014			
4	1.626	1.276	1.173	1.053	1.020	1.027				
5	1.626	1.276	1.173	1.053	1.020					
6	1.626	1.276	1.173	1.053						
7	1.626	1.276	1.173							
8	1.626	1.276								
9	1.626									
10										

Average Factors

Simple Avg Last 3	1.626	1.276	1.173	1.053	1.020	1.027	1.014	1.000	1.000	1.000
Simple Avg Last 5	1.626	1.276	1.173	1.053	1.020	1.027	1.014	1.000	1.000	1.000
Vol. Wtd Avg Last 3	1.626	1.276	1.173	1.053	1.020	1.027	1.014	1.000	1.000	1.000
Simple Avg 3 of 5	1.626	1.276	1.173	1.053	1.020	1.027	1.014	1.000	1.000	1.000

Selected Factors

Factors to Ultimate	1.626	1.276	1.173	1.053	1.020	1.027	1.014	1.000	1.000	1.000
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Ultimate Counts

	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Projected	1,094	1,083	1,072	1,062	1,051	1,041	1,030	1,020	1,010	1,000	10,462
Actual	1,094	1,083	1,072	1,062	1,051	1,041	1,030	1,020	1,010	1,000	10,462
Difference	0	0	0	0	0	0	0	0	0	0	0

Estimated Claim Development Pattern
Paid Claims (i.e., Claims Closed With Payment)

Exhibit 3
Sheet 6

Scenario: Case Reserve Strengthening

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	243	385	538	664	691	717	736	750	750	750
2	245	389	543	671	698	724	743	758	758	
3	247	393	548	678	705	732	751	765		
4	250	397	554	684	712	739	758			
5	252	401	559	691	719	746				
6	255	405	565	698	727					
7	257	409	571	705						
8	260	413	576							
9	263	417								
10	265									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	1.588	1.396	1.236	1.041	1.037	1.026	1.019	1.000	1.000	
2	1.588	1.396	1.236	1.041	1.037	1.026	1.019	1.000		
3	1.588	1.396	1.236	1.041	1.037	1.026	1.019			
4	1.588	1.396	1.236	1.041	1.037	1.026				
5	1.588	1.396	1.236	1.041	1.037					
6	1.588	1.396	1.236	1.041						
7	1.588	1.396	1.236							
8	1.588	1.396								
9	1.588									
10										

Average Factors										
Simple Avg Last 3	1.588	1.396	1.236	1.041	1.037	1.026	1.019	1.000	1.000	1.000
Simple Avg Last 5	1.588	1.396	1.236	1.041	1.037	1.026	1.019	1.000	1.000	1.000
Vol. Wtd Avg Last 3	1.588	1.396	1.236	1.041	1.037	1.026	1.019	1.000	1.000	1.000
Simple Avg 3 of 5	1.588	1.396	1.236	1.041	1.037	1.026	1.019	1.000	1.000	1.000

Selected Factors										
Factors to Ultimate	3.093	1.948	1.395	1.129	1.085	1.046	1.019	1.000	1.000	1.000

Ultimate Counts										
Projected	820	812	804	796	788	780	773	765	758	750
Actual	820	812	804	796	788	780	773	765	758	750
Difference	0	0	0	0	0	0	0	0	0	0

Scenario: Case Reserve Strengthening

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Outstanding Losses (\$000)										
1	14,533	20,242	16,163	7,951	11,134	7,544	4,097	0	0	0
2	15,259	21,254	16,971	8,348	11,690	7,921	4,302	0	0	
3	16,022	22,317	17,819	8,766	12,275	8,621	4,517	0		
4	16,824	23,433	18,710	9,204	13,225	9,052	4,743			
5	17,665	24,605	19,646	13,974	13,886	9,504				
6	18,548	25,835	23,403	14,672	14,581					
7	19,475	34,541	24,573	15,406						
8	31,653	36,268	25,802							
9	33,236	38,081								
10	34,898									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Number Open Claims										
1	420	290	200	93	59	40	14	0	0	0
2	424	293	202	94	59	41	14	0	0	
3	428	296	204	95	60	41	15	0		
4	433	299	206	96	60	41	15			
5	437	302	208	97	61	42				
6	441	305	210	98	62					
7	446	308	212	99						
8	450	311	214							
9	455	314								
10	459									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Average Outstanding (\$000)										
1	34,602	69,801	80,813	85,261	189,834	187,416	287,526	-	-	-
2	35,972	72,565	84,013	88,638	197,352	194,839	298,913	-	-	
3	37,397	75,439	87,340	92,149	205,168	209,956	310,752	-		
4	38,878	78,427	90,799	95,798	218,861	218,271	323,059			
5	40,418	81,533	94,395	144,004	227,529	226,915				
6	42,018	84,762	111,335	149,707	236,540					
7	43,683	112,204	115,744	155,636						
8	70,294	116,648	120,328							
9	73,078	121,267								
10	75,972									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Annual Percent Change										
1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	-	-	
3	4.0%	4.0%	4.0%	4.0%	4.0%	7.8%	4.0%	-		
4	4.0%	4.0%	4.0%	4.0%	6.7%	4.0%	4.0%			
5	4.0%	4.0%	4.0%	50.3%	4.0%	4.0%				
6	4.0%	4.0%	17.9%	4.0%	4.0%					
7	4.0%	32.4%	4.0%	4.0%						
8	60.9%	4.0%	4.0%							
9	4.0%	4.0%								
10	4.0%									

Scenario: Case Reserve Strengthening

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Paid Losses (\$000)										
1	8,105	17,695	32,841	45,301	48,709	53,105	56,840	60,938	60,938	60,938
2	8,510	18,580	34,483	47,566	51,144	55,761	59,682	63,984	63,984	
3	8,935	19,509	36,207	49,944	53,701	58,549	62,666	67,184		
4	9,382	20,485	38,017	52,441	56,386	61,476	65,800			
5	9,851	21,509	39,918	55,064	59,206	64,550				
6	10,344	22,584	41,914	57,817	62,166					
7	10,861	23,713	44,010	60,708						
8	11,404	24,899	46,210							
9	11,974	26,144								
10	12,573									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Paid Claims - Cumulative										
1	243	385	538	664	691	717	736	750	750	750
2	245	389	543	671	698	724	743	758	758	
3	247	393	548	678	705	732	751	765		
4	250	397	554	684	712	739	758			
5	252	401	559	691	719	746				
6	255	405	565	698	727					
7	257	409	571	705						
8	260	413	576							
9	263	417								
10	265									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Average Paid Claim - Cumulative (\$000)										
1	33,421	45,962	61,099	68,199	70,455	74,040	77,255	81,250	81,250	81,250
2	34,745	47,782	63,519	70,900	73,245	76,972	80,314	84,468	84,468	
3	36,121	49,674	66,034	73,707	76,146	80,021	83,495	87,813		
4	37,552	51,642	68,649	76,627	79,161	83,190	86,802			
5	39,039	53,687	71,368	79,661	82,296	86,485				
6	40,585	55,813	74,195	82,816	85,556					
7	42,192	58,024	77,133	86,096						
8	43,863	60,322	80,188							
9	45,600	62,711								
10	47,406									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Annual Percent Change										
1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
3	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%		
4	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%			
5	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%				
6	4.0%	4.0%	4.0%	4.0%	4.0%					
7	4.0%	4.0%	4.0%	4.0%						
8	4.0%	4.0%	4.0%							
9	4.0%	4.0%								
10	4.0%									

Scenario: Case Reserve Strengthening

Year	Age Interval in Months									
	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
Paid Losses - Incremental (\$000)										
1	8,105	9,591	15,145	12,460	3,408	4,397	3,735	4,097	0	0
2	8,510	10,070	15,903	13,083	3,578	4,616	3,922	4,302	0	
3	8,935	10,574	16,698	13,737	3,757	4,847	4,118	4,517		
4	9,382	11,102	17,533	14,424	3,945	5,089	4,324			
5	9,851	11,657	18,409	15,146	4,142	5,344				
6	10,344	12,240	19,330	15,903	4,349					
7	10,861	12,852	20,296	16,698						
8	11,404	13,495	21,311							
9	11,974	14,170								
10	12,573									

Year	Age Interval in Months									
	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
Paid Claims - Incremental										
1	243	143	153	127	27	26	19	14	0	0
2	245	144	154	128	27	26	19	14	0	
3	247	145	156	129	28	26	19	15		
4	250	147	157	131	28	27	19			
5	252	148	159	132	28	27				
6	255	150	160	133	28					
7	257	151	162	135						
8	260	153	164							
9	263	154								
10	265									

Year	Age Interval in Months									
	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
Average Paid Claim - Incremental (\$000)										
1	33 421	67 303	99 314	98 306	125 750	169 749	201 892	287 526	-	-
2	34 745	69 968	103 247	102 200	130 730	176 472	209 888	298 913	-	
3	36 121	72 739	107 336	106 247	135 907	183 461	218 200	310 752		
4	37 552	75 620	111 587	110 455	141 290	190 727	226 842			
5	39 039	78 615	116 006	114 829	146 885	198 280				
6	40 585	81 728	120 600	119 377	152 702					
7	42 192	84 965	125 376	124 105						
8	43 863	88 330	130 342							
9	45 600	91 828								
10	47 406									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Annual Percent Change										
1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	-	
3	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%		
4	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%			
5	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%				
6	4.0%	4.0%	4.0%	4.0%	4.0%					
7	4.0%	4.0%	4.0%	4.0%						
8	4.0%	4.0%	4.0%							
9	4.0%	4.0%								
10	4.0%									

Scenario: Case Reserve Strengthening

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Closed Claims										
1	368	598	763	894	941	960	986	1,000	1,000	1,000
2	371	603	770	903	951	969	996	1,010	1,010	
3	375	610	778	912	960	979	1,006	1,020		
4	379	616	786	921	970	989	1,016			
5	382	622	793	931	980	999				
6	386	628	801	940	989					
7	390	634	809	949						
8	394	641	818							
9	398	647								
10	402									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Reported Claims										
1	788	888	963	988	1,000	1,000	1,000	1,000	1,000	1,000
2	795	896	972	997	1,010	1,010	1,010	1,010	1,010	
3	803	905	982	1,007	1,020	1,020	1,020	1,020		
4	811	914	992	1,017	1,030	1,030	1,030			
5	819	924	1,002	1,028	1,041	1,041				
6	828	933	1,012	1,038	1,051					
7	836	942	1,022	1,048						
8	844	952	1,032							
9	853	961								
10	861									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Closure Rate										
1	0.467	0.673	0.792	0.906	0.941	0.960	0.986	1.000	1.000	1.000
2	0.467	0.673	0.792	0.906	0.941	0.960	0.986	1.000	1.000	
3	0.467	0.673	0.792	0.906	0.941	0.960	0.986	1.000		
4	0.467	0.673	0.792	0.906	0.941	0.960	0.986			
5	0.467	0.673	0.792	0.906	0.941	0.960				
6	0.467	0.673	0.792	0.906	0.941					
7	0.467	0.673	0.792	0.906						
8	0.467	0.673	0.792							
9	0.467	0.673								
10	0.467									

Scenario: Case Reserve Strengthening

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Paid Claims										
1	243	385	538	664	691	717	736	750	750	750
2	245	389	543	671	698	724	743	758	758	
3	247	393	548	678	705	732	751	765		
4	250	397	554	684	712	739	758			
5	252	401	559	691	719	746				
6	255	405	565	698	727					
7	257	409	571	705						
8	260	413	576							
9	263	417								
10	265									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Closed Claims										
1	368	598	763	894	941	960	986	1,000	1,000	1,000
2	371	603	770	903	951	969	996	1,010	1,010	
3	375	610	778	912	960	979	1,006	1,020		
4	379	616	786	921	970	989	1,016			
5	382	622	793	931	980	999				
6	386	628	801	940	989					
7	390	634	809	949						
8	394	641	818							
9	398	647								
10	402									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Paid Claim Ratio										
1	0.660	0.644	0.705	0.743	0.734	0.747	0.746	0.750	0.750	0.750
2	0.660	0.644	0.705	0.743	0.734	0.747	0.746	0.750	0.750	
3	0.660	0.644	0.705	0.743	0.734	0.747	0.746	0.750		
4	0.660	0.644	0.705	0.743	0.734	0.747	0.746			
5	0.660	0.644	0.705	0.743	0.734	0.747				
6	0.660	0.644	0.705	0.743	0.734					
7	0.660	0.644	0.705	0.743						
8	0.660	0.644	0.705							
9	0.660	0.644								
10	0.660									

Alternative Techniques
Ultimate Unclosed Claim Severity Method

Exhibit 5
Sheet 1

Projected Ultimate Losses (\$000)		Scenario: Case Reserve Strengthening									
Year	(Incurred LOI)	(A) Paid Losses at Evaluation Age in Months (\$000s)									
		12	24	36	48	60	72	84	96	108	120
1	\$60,938	8,105	17,856	32,841	45,301	48,709	53,105	56,840	60,938	60,938	60,938
2	63,984	8,510	18,580	34,483	47,566	51,144	55,761	59,682	63,984	63,984	
3	67,184	8,935	19,509	36,207	49,944	53,701	58,549	62,666	67,184		
4	70,543	9,382	20,485	38,017	52,441	56,386	61,476	65,800			
5	74,176	9,851	21,508	39,918	55,064	59,206	64,550				
6	78,005	10,344	22,584	41,914	57,817	62,166					
7	83,560	10,861	23,713	44,010	60,708						
8	88,936	11,404	24,899	46,210							
9	97,312	11,974	26,144								
10	111,370	12,573									
	\$796,007										
Year		(B) Implied Ultimate Unpaid Losses at Evaluation Age in Months									
		12	24	36	48	60	72	84	96	108	120
1	1,000	52,833	43,242	28,097	15,637	12,229	7,832	4,097	0	0	0
2	1,010	55,474	45,404	29,502	16,418	12,840	8,224	4,302	0	0	
3	1,020	58,248	47,675	30,977	17,239	13,482	8,635	4,517	0		
4	1,030	61,161	50,058	32,526	18,101	14,156	9,067	4,743			
5	1,041	64,325	52,668	34,258	19,113	14,971	9,627				
6	1,051	67,661	55,421	36,091	20,188	15,839					
7	1,062	72,699	59,846	39,550	22,852						
8	1,072	77,532	64,037	42,726							
9	1,083	85,337	71,168								
10	1,094	98,797									
Year		(C) Closed Claims at Evaluation Age in Months									
		12	24	36	48	60	72	84	96	108	120
1	1,000	368	598	763	894	941	960	986	1,000	1,000	1,000
2	1,010	371	603	770	903	951	969	996	1,010	1,010	
3	1,020	375	610	778	912	960	979	1,006	1,020		
4	1,030	379	616	786	921	970	989	1,016			
5	1,041	382	622	793	931	980	999				
6	1,051	386	628	801	940	989					
7	1,062	390	634	809	949						
8	1,072	394	641	818							
9	1,083	398	647								
10	1,094	402									
	10,462										
Year		(D) Implied Ultimate Unclosed Claims at Evaluation Age in Months									
		12	24	36	48	60	72	84	96	108	120
1	1,000	633	403	238	106	59	40	14	0	0	0
2	1,010	639	407	240	107	59	41	14	0	0	
3	1,020	645	411	242	108	60	41	15	0		
4	1,030	652	415	245	109	60	41	15			
5	1,041	658	419	247	110	61	42				
6	1,051	665	423	250	111	62					
7	1,062	671	427	252	112						
8	1,072	678	432	255							
9	1,083	685	436								
10	1,094	692									
Year		(E) Implied Ultimate Unclosed Claim Severity at Evaluation Age in Months (\$000s)									
		12	24	36	48	60	72	84	96	108	120
1	\$83,530	107,434	118,303	147,863	208,504	194,590	287,526				
2	86,838	111,689	122,988	153,719	216,761	202,297	298,913				
3	90,277	116,112	127,859	159,807	225,346	210,308	310,752				
4	93,853	120,711	132,922	166,136	234,271	218,637	323,059				
5	97,731	125,745	138,617	173,683	245,293	229,838					
6	101,782	131,008	144,586	181,638	256,947						
7	108,277	140,069	156,875	203,571							
8	114,333	148,394	167,795								
9	124,597	163,285									
10	142,821										
(F) Fitted Last Diagonal:		\$121,279	\$147,359	\$155,845	\$186,667	\$253,194	\$227,296	\$323,059			
(G) Ultimate Losses		Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1
Implied Ultimate Outstanding:		\$83,896	\$64,226	\$39,683	\$20,954	\$15,607	\$9,520	\$4,743	\$0	\$0	\$0
Paid to Date:		12,573	26,144	46,210	60,708	62,166	64,550	65,800	67,184	63,984	60,938
Implied Ultimate Losses:		\$96,469	\$90,370	\$85,893	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938
Actual Ultimate Losses:		\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938
Difference:		\$1,935	\$338	\$148	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Projected Ultimate Losses (\$000)		Scenario: Case Reserve Strengthening										
Year	(Paid LDF)	(A) Paid Losses at Evaluation Age in Months (\$000s)										
		12	24	36	48	60	72	84	96	108	120	
1	\$60,938	8,105	17,695	32,841	45,301	48,709	53,105	56,840	60,938	60,938	60,938	
2	63,984	8,510	18,580	34,483	47,566	51,144	55,761	59,682	63,984	63,984		
3	67,184	8,935	19,509	36,207	49,944	53,701	58,549	62,666	67,184			
4	70,543	9,382	20,485	38,017	52,441	56,386	61,476	65,800				
5	74,070	9,851	21,509	39,918	55,064	59,206	64,550					
6	77,773	10,344	22,584	41,914	57,817	62,166						
7	81,662	10,861	23,713	44,010	60,708							
8	85,745	11,404	24,899	46,210								
9	90,032	11,974	26,144									
10	94,534	12,573										
	\$766,465											
Year		(B) Implied Ultimate Unpaid Losses at Evaluation Age in Months										
		12	24	36	48	60	72	84	96	108	120	
1		52,833	43,242	28,097	15,637	12,229	7,832	4,097	0	0	0	
2		55,474	45,404	29,502	16,418	12,840	8,224	4,302	0	0		
3		58,248	47,675	30,977	17,239	13,482	8,635	4,517	0			
4		61,161	50,058	32,526	18,101	14,156	9,067	4,743				
5		64,219	52,561	34,152	19,006	14,864	9,520					
6		67,430	55,189	35,860	19,957	15,607						
7		70,801	57,949	37,652	20,954							
8		74,341	60,846	39,535								
9		78,058	63,888									
10		81,961										
Year	Projected Ultimate Reported Claims	(C) Closed Claims at Evaluation Age in Months										
		12	24	36	48	60	72	84	96	108	120	
1	1,000	368	598	763	894	941	960	986	1,000	1,000	1,000	
2	1,010	371	603	770	903	951	969	996	1,010	1,010		
3	1,020	375	610	778	912	960	979	1,006	1,020			
4	1,030	379	616	786	921	970	989	1,016				
5	1,041	382	622	793	931	980	999					
6	1,051	386	628	801	940	989						
7	1,062	390	634	809	949							
8	1,072	394	641	818								
9	1,083	398	647									
10	1,094	402										
	10,462											
Year		(D) Implied Ultimate Unclosed Claims at Evaluation Age in Months										
		12	24	36	48	60	72	84	96	108	120	
1		633	403	238	106	59	40	14	0	0	0	
2		639	407	240	107	59	41	14	0	0		
3		645	411	242	108	60	41	15	0			
4		652	415	245	109	60	41	15				
5		658	419	247	110	61	42					
6		665	423	250	111	62						
7		671	427	252	112							
8		678	432	255								
9		685	436									
10		692										
Year		(E) Implied Ultimate Unclosed Claim Severity at Evaluation Age in Months (\$000s)										
		12	24	36	48	60	72	84	96	108	120	
1		83,530	107,434	118,303	147,863	208,504	194,590	287,526				
2		86,838	111,689	122,988	153,719	216,761	202,297	298,913				
3		90,277	116,112	127,859	159,807	225,346	210,308	310,752				
4		93,853	120,711	132,922	166,136	234,271	218,637	323,059				
5		97,570	125,491	138,187	172,716	243,549	227,296					
6		101,434	130,461	143,659	179,556	253,194						
7		105,451	135,628	149,349	186,667							
8		109,627	140,999	155,264								
9		113,969	146,584									
10		118,483										
(F) Fitted Last Diagonal:		\$118,483	\$146,584	\$155,264	\$186,667	\$253,194	\$227,296	\$323,059				
(G) Ultimate Losses												
Implied Ultimate Outstanding:		Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	
Paid to Date:		\$81,961	\$63,888	\$39,535	\$20,954	\$15,607	\$9,520	\$4,743	\$0	\$0	\$0	
Implied Ultimate Losses:		12,573	26,144	46,210	60,708	62,166	64,550	65,800	67,184	63,984	60,938	
Actual Ultimate Losses:		\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938	
Difference:		\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938	
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

Scenario: Case Reserve Strengthening

Year	(A) Paid Losses at Evaluation Age in Months (\$000s)									
	12	24	36	48	60	72	84	96	108	120
1	8,105	17,895	32,841	45,301	48,709	53,105	56,840	60,938	60,938	60,938
2	8,510	18,580	34,483	47,566	51,144	55,781	59,682	63,984	63,984	
3	8,935	19,509	36,207	49,944	53,701	58,549	62,666	67,184		
4	9,382	20,485	38,017	52,441	56,386	61,476	65,800			
5	9,851	21,509	39,918	55,064	59,206	64,550				
6	10,344	22,584	41,914	57,817	62,166					
7	10,861	23,713	44,010	60,708						
8	11,404	24,899	46,210							
9	11,974	26,144								
10	12,573									

Year	(B) Incremental Paid Losses in Age Interval in Months (\$000s)									
	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
1	8,105	9,591	15,145	12,460	3,408	4,397	3,735	4,097	0	0
2	8,510	10,070	15,903	13,083	3,578	4,616	3,922	4,302	0	0
3	8,935	10,574	16,698	13,737	3,757	4,847	4,118	4,517		
4	9,382	11,102	17,533	14,424	3,945	5,089	4,324			
5	9,851	11,657	18,409	15,146	4,142	5,344				
6	10,344	12,240	19,330	15,903	4,349					
7	10,861	12,852	20,296	16,698						
8	11,404	13,495	21,311							
9	11,974	14,170								
10	12,573									

Year	Projected Ult Reported Claims	(C) Closed Claims at Evaluation Age in Months									
		12	24	36	48	60	72	84	96	108	120
1	1,000	368	598	763	694	941	960	986	1,000	1,000	1,000
2	1,010	371	603	770	903	951	969	996	1,010	1,010	
3	1,020	375	610	778	912	960	979	1,006	1,020		
4	1,030	379	616	786	921	970	989	1,016			
5	1,041	382	622	793	931	980	999				
6	1,051	386	628	801	940	989					
7	1,062	390	634	809	949						
8	1,072	394	641	818							
9	1,083	398	647								
10	1,094	402									
	10,462										

Year	Est'd Unclosed Claims	(D) Incremental Closed Claims in Age Interval in Months										Implied Future Closed Claims
		0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	
1	0	368	230	165	132	47	18	26	14	0	0	0
2	0	371	232	167	133	48	19	26	14	0	0	0
3	0	375	235	168	134	48	19	27	15	0	0	0
4	15	379	237	170	136	49	19	27	15	0	0	15
5	42	382	239	172	137	49	19	27	15	0	0	42
6	62	386	242	173	138	50	19	27	15	0	0	62
7	112	390	244	175	140	50	20	28	15	0	0	112
8	255	394	247	177	141	50	20	28	15	0	0	255
9	436	398	249	179	143	51	20	28	15	0	0	436
10	692	402	252	180	144	52	20	28	16	0	0	692
	1,613											

Year	(E) Incremental Paid Claim Severity in Age Interval in Months (\$000s)										Implied Future Severity
	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	
1	22,054	41,698	91,790	94,575	72,353	238,940	143,654	287,526	-	-	-
2	22,927	43,350	95,425	98,321	75,218	248,403	149,343	298,913	-	-	-
3	23,835	45,067	99,204	102,215	78,197	258,241	155,258	310,752	-	-	-
4	24,779	46,851	103,133	106,263	81,294	268,468	161,407	323,069	-	-	323,069
5	25,760	48,707	107,218	110,471	84,514	279,101	167,799	336,863	-	-	227,296
6	26,780	50,636	111,464	114,847	87,861	290,154	174,444	349,154	-	-	253,194
7	27,841	52,641	115,878	119,395	91,340	301,648	181,353	362,982	-	-	186,667
8	28,944	54,726	120,467	124,123	94,968	313,892	188,636	377,358	-	-	155,264
9	30,090	56,893	125,238	129,039	98,718	326,011	196,002	392,302	-	-	146,584
10	31,282	59,147	130,198	134,150	102,628	338,923	203,765	407,839	-	-	118,483

(F) Ultimate Losses											
Implied Future Payments: Paid to Date:	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
	\$81,361	\$63,888	\$39,535	\$20,954	\$15,607	\$9,520	\$4,743	\$0	\$0	\$0	
Implied Ultimate Losses:	\$81,361	\$63,888	\$39,535	\$20,954	\$15,607	\$9,520	\$4,743	\$0	\$0	\$0	\$768,465
Actual Ultimate Losses:	\$81,361	\$63,888	\$39,535	\$20,954	\$15,607	\$9,520	\$4,743	\$0	\$0	\$0	\$768,465
Difference:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Summary of Estimates

Exhibit 7

Scenario:	Case Reserve Strengthening
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	Actual Ultimate	Loss Development Technique		Ultimate Unclosed Claim Severity Technique on		Incremental
Year	Losses	Incurred Losses	Paid Losses	Incurred Losses	Paid Losses	Closed Claim Severity
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Estimated Ultimate Losses						
1	\$60,938	\$60,938	\$60,938	\$60,938	\$60,938	\$60,938
2	63,984	63,984	63,984	63,984	63,984	63,984
3	67,184	67,184	67,184	67,184	67,184	67,184
4	70,543	70,543	70,543	70,543	70,543	70,543
5	74,070	74,176	74,070	74,070	74,070	74,070
6	77,773	78,005	77,773	77,773	77,773	77,773
7	81,662	83,560	81,662	81,662	81,662	81,662
8	85,745	88,936	85,745	85,893	85,745	85,745
9	90,032	97,312	90,032	90,370	90,032	90,032
10	94,534	111,370	94,534	96,469	94,534	94,534
Total	\$766,465	\$796,007	\$766,465	\$768,886	\$766,465	\$766,465
Difference: Estimated vs Actual						
1		\$0	\$0	\$0	\$0	\$0
2		0	0	0	0	0
3		0	0	0	0	0
4		0	0	0	0	0
5		106	0	0	0	0
6		231	0	0	0	0
7		1,898	0	0	0	0
8		3,191	0	148	0	0
9		7,279	0	338	0	0
10		16,836	0	1,935	0	0
Total		\$29,541	\$0	\$2,421	\$0	\$0

Notes:

- (2) Based on hypothetical assumptions.
- (3) Ultimate losses from Exhibit 3, Sheet 1. Difference = (3) minus (2)
- (4) Ultimate losses from Exhibit 3, Sheet 2. Difference = (4) minus (2)
- (5) Ultimate losses from Exhibit 5, Sheet 1. Difference = (5) minus (2)
- (6) Ultimate losses from Exhibit 5, Sheet 2. Difference = (6) minus (2)
- (7) Ultimate losses from Exhibit 6. Difference = (7) minus (2).

Estimated Loss Development Pattern
Incurred Losses (\$000)

Exhibit B
Sheet 1

Scenario: Settlement Rate Acceleration

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	22,638	37,938	49,003	53,252	59,843	60,649	60,938	60,938	60,938	60,938
2	23,769	39,834	51,453	55,914	62,835	63,681	63,984	63,984	63,984	
3	24,958	41,826	54,026	58,710	65,976	66,865	67,184	67,184		
4	26,206	43,917	56,727	61,645	69,275	70,209	70,543			
5	27,516	46,113	59,564	64,728	72,739	73,719				
6	28,892	48,419	62,542	67,964	76,376					
7	30,336	50,840	65,669	71,362						
8	31,853	53,382	68,952							
9	33,446	56,051								
10	35,118									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000	1.000	
2	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000		
3	1.676	1.292	1.087	1.124	1.013	1.005	1.000			
4	1.676	1.292	1.087	1.124	1.013	1.005				
5	1.676	1.292	1.087	1.124	1.013					
6	1.676	1.292	1.087	1.124						
7	1.676	1.292	1.087							
8	1.676	1.292								
9	1.676									
10										

Average Factors										
Simple Avg Last 3	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000	1.000	1.000
Simple Avg Last 5	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000	1.000	1.000
Vol. Wtd Avg Last 3	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000	1.000	1.000
Simple Avg 3 of 5	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000	1.000	1.000

Selected Factors	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000	1.000	1.000
Factors to Ultimate	2.692	1.606	1.244	1.144	1.018	1.005	1.000	1.000	1.000	1.000

Ultimate Losses	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Projected	\$84,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938	\$766,465
Actual	\$84,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938	\$766,465
Difference	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Estimated Loss Development Pattern
Paid Losses (\$000)

Exhibit 8
Sheet 2

Scenario: **Settlement Rate Acceleration**

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	8,105	17,695	32,841	45,301	48,709	53,105	56,840	60,938	60,938	60,938
2	8,510	18,580	34,483	47,566	51,144	55,761	61,833	63,984	63,984	
3	8,935	19,509	36,207	49,944	53,701	60,607	64,925	67,184		
4	9,382	20,485	38,017	52,441	58,931	63,638	68,171			
5	9,851	21,509	39,918	57,135	61,878	66,820				
6	10,344	22,584	49,865	59,991	64,972					
7	10,861	33,861	52,359	62,991						
8	18,152	35,555	54,977							
9	19,059	37,332								
10	20,012									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	2,183	1,856	1,379	1,075	1,090	1,070	1,072	1,000	1,000	
2	2,183	1,856	1,379	1,075	1,090	1,109	1,035	1,000		
3	2,183	1,856	1,379	1,075	1,129	1,071	1,035			
4	2,183	1,856	1,379	1,124	1,080	1,071				
5	2,183	1,856	1,431	1,083	1,080					
6	2,183	2,208	1,203	1,083						
7	3,118	1,546	1,203							
8	1,959	1,546								
9	1,959									
10										

Average Factors

Simple Avg Last 3	2,345	1,767	1,279	1,097	1,096	1,084	1,047	1,000	1,000	1,000
Simple Avg Last 5	2,280	1,802	1,319	1,088	1,094	1,080	1,047	1,000	1,000	1,000
Vol. Wtd Avg Last 3	2,221	1,709	1,267	1,096	1,095	1,083	1,046	1,000	1,000	1,000
Simple Avg 3 of 5	2,108	1,753	1,321	1,080	1,087	1,084	1,047	1,000	1,000	1,000

Selected Factors

Factors to Ultimate	2,221	1,709	1,267	1,096	1,095	1,083	1,046	1,000	1,000	1,000
	6,535	2,943	1,722	1,359	1,241	1,133	1,046	1,000	1,000	1,000

Ultimate Losses

	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Projected	\$130,780	\$109,865	\$94,687	\$85,617	\$80,602	\$75,712	\$71,330	\$67,184	\$63,984	\$60,938	\$840,698
Actual	\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938	\$766,465
Difference	\$36,246	\$19,833	\$8,942	\$3,954	\$2,829	\$1,642	\$787	\$0	\$0	\$0	\$74,233

Scenario: Settlement Rate Acceleration

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	788	888	963	988	1,000	1,000	1,000	1,000	1,000	1,000
2	795	896	972	997	1,010	1,010	1,010	1,010	1,010	
3	803	905	982	1,007	1,020	1,020	1,020	1,020		
4	811	914	992	1,017	1,030	1,030	1,030			
5	819	924	1,002	1,028	1,041	1,041				
6	828	933	1,012	1,038	1,051					
7	836	942	1,022	1,048						
8	844	952	1,032							
9	853	961								
10	861									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	1,127	1,085	1,026	1,013	1,000	1,000	1,000	1,000	1,000	
2	1,127	1,085	1,026	1,013	1,000	1,000	1,000	1,000		
3	1,127	1,085	1,026	1,013	1,000	1,000	1,000			
4	1,127	1,085	1,026	1,013	1,000	1,000				
5	1,127	1,085	1,026	1,013	1,000					
6	1,127	1,085	1,026	1,013						
7	1,127	1,085	1,026							
8	1,127	1,085								
9	1,127									
10										

Average Factors										
Simple Avg Last 3	1,127	1,085	1,026	1,013	1,000	1,000	1,000	1,000	1,000	1,000
Simple Avg Last 5	1,127	1,085	1,026	1,013	1,000	1,000	1,000	1,000	1,000	1,000
Vol Wtd Avg Last 3	1,127	1,085	1,026	1,013	1,000	1,000	1,000	1,000	1,000	1,000
Simple Avg 3 of 5	1,127	1,085	1,026	1,013	1,000	1,000	1,000	1,000	1,000	1,000

Selected Factors	1,127	1,085	1,026	1,013	1,000	1,000	1,000	1,000	1,000	1,000
Factors to Ultimate	1,270	1,127	1,039	1,013	1,000	1,000	1,000	1,000	1,000	1,000

Ultimate Counts	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Projected	1,094	1,083	1,072	1,062	1,051	1,041	1,030	1,020	1,010	1,000	10,462
Actual	1,094	1,083	1,072	1,062	1,051	1,041	1,030	1,020	1,010	1,000	10,462
Difference	0	0	0	0	0	0	0	0	0	0	0

Scenario: Settlement Rate Acceleration

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	368	598	763	894	941	960	986	1,000	1,000	1,000
2	371	603	770	903	951	969	1,003	1,010	1,010	
3	375	610	778	912	960	988	1,013	1,020		
4	379	616	786	921	983		1,023			
5	382	622	793	945	993	1,008				
6	386	628	868	954	1,003					
7	390	715	877	964						
8	470	722	885							
9	475	730								
10	480									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	1,626	1,276	1,173	1,053	1,020	1,027	1,014	1,000	1,000	
2	1,626	1,276	1,173	1,053	1,020	1,035	1,007	1,000		
3	1,626	1,276	1,173	1,053	1,029	1,025	1,007			
4	1,626	1,276	1,173	1,067	1,015	1,025				
5	1,626	1,276	1,191	1,051	1,015					
6	1,626	1,382	1,099	1,051						
7	1,833	1,226	1,099							
8	1,536	1,226								
9	1,536									
10										

Average Factors										
Simple Avg Last 3	1,635	1,278	1,130	1,057	1,020	1,028	1,010	1,000	1,000	1,000
Simple Avg Last 5	1,631	1,277	1,147	1,055	1,020	1,028	1,010	1,000	1,000	1,000
Vol. Wtd Avg Last 3	1,623	1,273	1,128	1,056	1,020	1,028	1,010	1,000	1,000	1,000
Simple Avg 3 of 5	1,596	1,259	1,148	1,052	1,018	1,029	1,010	1,000	1,000	1,000

Selected Factors										
Factors to Ultimate	1,623	1,273	1,128	1,056	1,020	1,028	1,010	1,000	1,000	1,000
	2,605	1,606	1,261	1,118	1,058	1,038	1,010	1,000	1,000	1,000

Ultimate Counts											
	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Projected	1,250	1,171	1,117	1,078	1,062	1,046	1,033	1,020	1,010	1,000	10,787
Actual	1,094	1,083	1,072	1,062	1,051	1,041	1,030	1,020	1,010	1,000	10,462
Difference	157	89	44	16	11	6	2	0	0	0	324

Scenario: **Settlement Rate Acceleration**

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	243	385	538	664	691	717	736	750	750	750
2	245	389	543	671	698	724	750	758	758	
3	247	393	548	678	705	741	758	765		
4	250	397	554	684	726	749	765			
5	252	401	559	705	733	756				
6	255	405	632	712	740					
7	257	490	638	719						
8	336	495	644							
9	340	499								
10	343									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	1.588	1.396	1.236	1.041	1.037	1.026	1.019	1.000	1.000	
2	1.588	1.396	1.236	1.041	1.037	1.036	1.010	1.000		
3	1.588	1.396	1.236	1.041	1.051	1.023	1.010			
4	1.588	1.396	1.236	1.060	1.032	1.023				
5	1.588	1.396	1.261	1.039	1.032					
6	1.588	1.561	1.128	1.039						
7	1.902	1.303	1.128							
8	1.470	1.303								
9	1.470									
10										

Average Factors										
Simple Avg Last 3	1.614	1.389	1.172	1.046	1.038	1.027	1.013	1.000	1.000	1.000
Simple Avg Last 5	1.604	1.392	1.198	1.044	1.038	1.027	1.013	1.000	1.000	1.000
Vol. Wtd Avg Last 3	1.589	1.378	1.169	1.046	1.038	1.027	1.013	1.000	1.000	1.000
Simple Avg 3 of 5	1.548	1.365	1.200	1.040	1.035	1.028	1.013	1.000	1.000	1.000

Selected Factors										
Factors to Ultimate	1.589	1.378	1.169	1.046	1.038	1.027	1.013	1.000	1.000	1.000
	2.889	1.818	1.319	1.129	1.079	1.040	1.013	1.000	1.000	1.000

Ultimate Counts										
	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1
Projected	991	908	850	812	799	786	775	765	758	750
Actual	820	812	804	796	788	780	773	765	758	750
Difference	171	96	46	16	11	6	2	0	0	0
										All Years
										8,195
										7,847
										348

Scenario: Settlement Rate Acceleration

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Outstanding Losses (\$000)										
1	14,533	20,242	16,163	7,951	11,134	7,544	4,097	0	0	0
2	15,259	21,254	16,971	8,348	11,690	7,921	2,151	0	0	
3	16,022	22,317	17,819	8,766	12,275	6,258	2,259	0		
4	16,824	23,433	18,710	9,204	10,344	6,571	2,372			
5	17,665	24,605	19,646	7,593	10,861	6,899				
6	18,548	25,835	12,676	7,973	11,404					
7	19,475	16,978	13,310	8,371						
8	13,702	17,827	13,976							
9	14,387	18,719								
10	15,106									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Number Open Claims										
1	420	290	200	93	59	40	14	0	0	0
2	424	293	202	94	59	41	7	0	0	
3	428	296	204	95	60	32	7	0		
4	433	299	206	96	47	32	7			
5	437	302	208	83	48	32				
6	441	305	144	84	48					
7	446	227	145	85						
8	374	229	146							
9	378	231								
10	381									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Average Outstanding (\$000)										
1	34,602	69,801	80,813	85,261	189,834	187,416	287,526	-	-	-
2	35,972	72,565	84,013	88,638	197,352	194,839	298,913	-	-	
3	37,397	75,439	87,340	92,149	205,168	197,887	310,752	-		
4	38,878	78,427	90,799	95,798	219,688	205,724	323,059			
5	40,418	81,533	94,395	91,551	228,389	213,871				
6	42,018	84,762	88,280	95,177	237,434					
7	43,683	74,828	91,776	98,947						
8	36,644	77,791	95,411							
9	38,096	80,872								
10	39,605									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Annual Percent Change										
1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	-	-	
3	4.0%	4.0%	4.0%	4.0%	4.0%	1.6%	4.0%	-		
4	4.0%	4.0%	4.0%	4.0%	7.1%	4.0%	4.0%			
5	4.0%	4.0%	4.0%	-4.4%	4.0%	4.0%				
6	4.0%	4.0%	-6.5%	4.0%	4.0%					
7	4.0%	-11.7%	4.0%	4.0%						
8	-16.1%	4.0%	4.0%							
9	4.0%	4.0%								
10	4.0%									

Scenario: Settlement Rate Acceleration

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Paid Losses (\$000)										
1	8,105	17,695	32,841	45,301	48,709	53,105	56,840	60,938	60,938	60,938
2	8,510	18,580	34,483	47,566	51,144	55,761	61,833	63,984	63,984	
3	8,935	19,509	36,207	49,944	53,701	60,607	64,925	67,184		
4	9,382	20,485	38,017	52,441	58,931	63,638	68,171			
5	9,851	21,509	39,918	57,135	61,878	66,820				
6	10,344	22,584	49,865	59,991	64,972					
7	10,861	33,861	52,359	62,991						
8	18,152	35,555	54,977							
9	19,059	37,332								
10	20,012									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Paid Claims - Cumulative										
1	243	385	538	664	691	717	736	750	750	750
2	245	389	543	671	698	724	750	758	758	
3	247	393	548	678	705	741	758	765		
4	250	397	554	684	726	749	765			
5	252	401	559	705	733	756				
6	255	405	632	712	740					
7	257	490	638	719						
8	336	495	644							
9	340	499								
10	343									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Average Paid Claim - Cumulative (\$000)										
1	33,421	45,962	61,099	68,199	70,455	74,040	77,255	81,250	81,250	81,250
2	34,745	47,782	63,519	70,900	73,245	76,972	82,411	84,468	84,468	
3	36,121	49,674	66,034	73,707	76,146	81,780	85,675	87,813		
4	37,552	51,642	68,649	76,627	81,213	85,019	89,068			
5	39,039	53,687	71,368	81,005	84,429	88,386				
6	40,585	55,813	78,960	84,213	87,773					
7	42,192	69,158	82,087	87,548						
8	53,961	71,897	85,338							
9	56,098	74,744								
10	58,320									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Annual Percent Change										
1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	6.7%	4.0%	4.0%	
3	4.0%	4.0%	4.0%	4.0%	4.0%	6.2%	4.0%	4.0%		
4	4.0%	4.0%	4.0%	4.0%	6.7%	4.0%	4.0%			
5	4.0%	4.0%	4.0%	5.7%	4.0%	4.0%				
6	4.0%	4.0%	10.6%	4.0%	4.0%					
7	4.0%	23.9%	4.0%	4.0%						
8	27.9%	4.0%	4.0%							
9	4.0%	4.0%								
10	4.0%									

Diagnostics
Average Paid Claim - Incremental

Exhibit 9
Sheet 3

Scenario: Settlement Rate Acceleration

Year	Age Interval in Months									
	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
Paid Losses - Incremental (\$000)										
1	8,105	9,591	15,145	12,460	3,408	4,397	3,735	4,097	0	0
2	8,510	10,070	15,903	13,083	3,578	4,616	6,073	2,151	0	
3	8,935	10,574	16,698	13,737	3,757	6,906	4,318	2,259		
4	9,382	11,102	17,533	14,424	6,490	4,707	4,533			
5	9,851	11,657	18,409	17,217	4,743	4,942				
6	10,344	12,240	27,281	10,126	4,980					
7	10,861	23,000	18,497	10,632						
8	18,152	17,403	19,422							
9	19,059	18,273								
10	20,012									

Year	Age Interval in Months									
	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
Paid Claims - Incremental										
1	243	143	153	127	27	26	19	14	0	0
2	245	144	154	128	27	26	26	7	0	
3	247	145	156	129	28	36	17	7		
4	250	147	157	131	41	23	17			
5	252	148	159	146	28	23				
6	255	150	227	81	28					
7	257	232	148	82						
8	336	158	150							
9	340	160								
10	343									

Year	Age Interval in Months									
	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
Average Paid Claim - Incremental (\$000)										
1	33,421	67,303	99,314	98,306	125,750	169,749	201,892	287,526	-	-
2	34,745	69,968	103,247	102,200	130,730	176,472	234,641	298,913	-	
3	36,121	72,739	107,336	106,247	135,907	192,603	258,471	310,752		
4	37,552	75,620	111,587	110,455	157,275	205,774	268,707			
5	39,039	78,615	116,006	117,925	172,001	213,924				
6	40,585	81,728	120,241	125,247	178,813					
7	42,192	99,051	124,799	130,207						
8	53,961	110,048	129,742							
9	56,098	114,406								
10	58,320									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Annual Percent Change										
1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	16.2%	4.0%		
3	4.0%	4.0%	4.0%	4.0%	4.0%	9.1%	10.2%	4.0%		
4	4.0%	4.0%	4.0%	4.0%	15.7%	6.8%	4.0%			
5	4.0%	4.0%	4.0%	6.8%	9.4%	4.0%				
6	4.0%	4.0%	3.7%	6.2%	4.0%					
7	4.0%	21.2%	3.8%	4.0%						
8	27.9%	11.1%	4.0%							
9	4.0%	4.0%								
10	4.0%									

Scenario: Settlement Rate Acceleration

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Closed Claims										
1	368	598	763	894	941	960	986	1,000	1,000	1,000
2	371	603	770	903	951	969	1,003	1,010	1,010	
3	375	610	778	912	960	988	1,013	1,020		
4	379	616	786	921	983		1,023			
5	382	622	793	945	993	1,008				
6	386	628	868	954	1,003					
7	390	715	877	964						
8	470	722	885							
9	475	730								
10	480									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Reported Claims										
1	788	888	963	988	1,000	1,000	1,000	1,000	1,000	1,000
2	795	896	972	997	1,010	1,010	1,010	1,010	1,010	
3	803	905	982	1,007	1,020	1,020	1,020	1,020		
4	811	914	992	1,017	1,030	1,030	1,030			
5	819	924	1,002	1,028	1,041	1,041				
6	828	933	1,012	1,038	1,051					
7	836	942	1,022	1,048						
8	844	952	1,032							
9	853	961								
10	861									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Closure Rate										
1	0.467	0.673	0.792	0.906	0.941	0.960	0.986	1.000	1.000	1.000
2	0.467	0.673	0.792	0.906	0.941	0.960	0.993	1.000	1.000	
3	0.467	0.673	0.792	0.906	0.941	0.969	0.993	1.000		
4	0.467	0.673	0.792	0.906	0.954	0.969	0.993			
5	0.467	0.673	0.792	0.919	0.954	0.969				
6	0.467	0.673	0.858	0.919	0.954					
7	0.467	0.759	0.858	0.919						
8	0.557	0.759	0.858							
9	0.557	0.759								
10	0.557									

Scenario: Settlement Rate Acceleration

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Paid Claims										
1	243	385	536	664	691	717	736	750	750	750
2	245	389	543	671	698	724	750	758	758	
3	247	393	548	676	705	741	758	765		
4	250	397	554	684	726	749	765			
5	252	401	559	705	733	756				
6	255	405	632	712	740					
7	257	490	638	719						
8	336	495	644							
9	340	499								
10	343									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Closed Claims										
1	368	598	763	894	941	960	986	1,000	1,000	1,000
2	371	603	770	903	951	969	1,003	1,010	1,010	
3	375	610	778	912	960	988	1,013	1,020		
4	379	616	786	921	983	998	1,023			
5	382	622	793	945	993	1,008				
6	386	628	868	954	1,003					
7	390	715	877	964						
8	470	722	885							
9	475	730								
10	480									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Paid Claim Ratio										
1	0.660	0.644	0.705	0.743	0.734	0.747	0.746	0.750	0.750	0.750
2	0.660	0.644	0.705	0.743	0.734	0.747	0.748	0.750	0.750	
3	0.660	0.644	0.705	0.743	0.734	0.750	0.748	0.750		
4	0.660	0.644	0.705	0.743	0.738	0.750	0.748			
5	0.660	0.644	0.705	0.747	0.738	0.750				
6	0.660	0.644	0.728	0.747	0.738					
7	0.660	0.685	0.728	0.747						
8	0.715	0.685	0.728							
9	0.715	0.685								
10	0.715									

Projected Ultimate Losses (\$000)		Scenario: Settlement Rate Acceleration									
Year	(Incurred LFI)	(A) Paid Losses at Evaluation Age in Months (\$000s)									
		12	24	36	48	60	72	84	96	108	120
1	\$60,938	8,105	17,695	32,841	45,301	48,709	53,105	56,840	60,938	60,938	60,938
2	63,984	8,510	18,580	34,463	47,566	51,144	55,761	61,833	63,984	63,984	
3	67,184	8,935	19,509	36,207	49,944	53,701	60,607	64,925	67,184		
4	70,543	9,382	20,485	38,017	52,441	56,931	63,638	68,171			
5	74,070	9,851	21,509	39,918	57,135	61,878	66,820				
6	77,773	10,344	22,584	49,865	59,991	64,972					
7	81,662	10,861	33,861	52,359	62,991						
8	85,745	18,152	35,555	54,977							
9	90,032	19,059	37,332								
10	94,534	20,012									
	\$766,465										

Projected Ultimate Reported Claims		(B) Implied Ultimate Unpaid Losses at Evaluation Age in Months									
Year		12	24	36	48	60	72	84	96	108	120
1	1,000	52,833	43,242	28,097	15,637	12,229	7,832	4,097	0	0	0
2	1,010	55,474	45,404	29,502	16,418	12,840	8,224	2,151	0	0	
3	1,020	58,248	47,675	30,977	17,239	13,482	6,576	2,259	0		
4	1,030	61,161	50,058	32,526	18,101	11,612	6,905	2,372			
5	1,041	64,219	52,561	34,152	16,935	12,192	7,250				
6	1,051	67,430	55,189	27,908	17,782	12,802					
7	1,062	70,801	47,801	29,303	18,671						
8	1,072	67,594	50,191	30,769							
9	1,083	70,973	52,700								
10	1,094	74,522									
	10,462										

Projected Ultimate Reported Claims		(C) Closed Claims at Evaluation Age in Months									
Year		12	24	36	48	60	72	84	96	108	120
1	1,000	368	598	753	894	941	960	986	1,000	1,000	1,000
2	1,010	371	603	770	903	951	969	1,003	1,010	1,010	
3	1,020	375	610	778	912	960	988	1,013	1,020		
4	1,030	379	616	786	921	983	998	1,023			
5	1,041	382	622	793	945	993	1,008				
6	1,051	386	628	868	954	1,003					
7	1,062	390	715	877	964						
8	1,072	470	722	885							
9	1,083	475	730								
10	1,094	480									
	10,462										

Projected Ultimate Reported Claims		(D) Implied Ultimate Unclosed Claims at Evaluation Age in Months									
Year		12	24	36	48	60	72	84	96	108	120
1	1,000	633	403	238	106	59	40	14	0	0	0
2	1,010	639	407	240	107	59	41	7	0	0	
3	1,020	645	411	242	108	60	32	7	0		
4	1,030	652	415	245	109	47	32	7			
5	1,041	658	419	247	96	48	32				
6	1,051	665	423	183	97	48					
7	1,062	671	346	185	98						
8	1,072	602	350	187							
9	1,083	608	353								
10	1,094	614									

Projected Ultimate Reported Claims		(E) Implied Ultimate Unclosed Claim Severity at Evaluation Age in Months (\$000s)									
Year		12	24	36	48	60	72	84	96	108	120
1	1,000	83,530	107,434	118,303	147,863	206,504	194,590	287,526	-	-	-
2	1,010	86,838	111,689	122,988	153,719	216,761	202,297	298,913	-	-	-
3	1,020	90,277	116,112	127,859	159,807	225,346	207,954	310,752	-	-	-
4	1,030	93,853	120,711	132,922	166,136	246,610	216,189	323,059	-	-	-
5	1,041	97,570	125,491	138,187	176,512	256,376	224,751				
6	1,051	101,434	130,461	152,497	183,503	266,530					
7	1,062	105,451	138,024	158,537	190,770						
8	1,072	112,331	143,490	164,615							
9	1,083	116,780	149,173								
10	1,094	121,405									

(F) Fitted Last Diagonal: \$118,483 | \$146,584 | \$155,264 | \$186,667 | \$253,194 | \$227,296 | \$323,059

(G) Ultimate Losses		Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Implied Ultimate Outstanding:		\$72,728	\$51,785	\$28,985	\$18,270	\$12,161	\$7,332	\$2,372	\$0	\$0	\$0	
Paid to Date:		20,012	37,332	54,977	62,991	64,972	66,820	68,171	67,184	63,984	60,938	
Implied Ultimate Losses:		\$92,740	\$89,118	\$83,962	\$81,261	\$77,133	\$74,152	\$70,543	\$67,184	\$63,984	\$60,938	\$761,014
Actual Ultimate Losses:		\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938	\$766,465
Difference:		(\$1,794)	(\$915)	(\$1,783)	(\$402)	(\$641)	\$82	\$0	\$0	\$0	\$0	(\$5,453)

Year	Projected Ultimate Losses (\$000) (Paid LDI)	Scenario: Settlement Rate Acceleration									
		(A) Paid Losses at Evaluation Age in Months (\$000s)									
		12	24	36	48	60	72	84	96	108	120
1	\$60,938	8,105	17,695	32,841	45,301	48,709	53,105	56,841	60,938	60,938	60,938
2	63,984	8,510	18,580	34,483	47,566	51,144	55,761	61,833	63,984	63,984	
3	67,184	8,935	19,509	36,207	49,944	53,701	60,607	64,925	67,184		
4	71,331	9,382	20,485	38,017	52,441	56,931	63,638	68,171			
5	76,711	9,851	21,509	39,916	57,131	61,878	66,820				
6	83,602	10,344	22,584	41,865	59,961	64,972					
7	92,417	10,861	23,861	43,958	62,991						
8	103,681	11,402	25,355	46,277							
9	118,595	11,969	27,032								
10	138,780	12,562									
	\$540,696										

Year	Projected Ultimate Reported Claims	(B) Implied Ultimate Unpaid Losses at Evaluation Age in Months									
		12	24	36	48	60	72	84	96	108	120
1	1,000	52,633	43,242	28,097	15,637	12,229	7,832	4,097	0	0	0
2	1,010	55,474	45,404	29,502	16,416	12,640	8,224	2,151	0	0	
3	1,020	58,248	47,675	30,977	17,239	13,482	8,576	2,259	0		
4	1,030	61,948	50,845	33,313	18,868	12,399	7,692	3,159			
5	1,041	65,661	54,204	35,754	18,578	13,834	8,893				
6	1,051	70,258	58,018	38,737	20,611	15,630					
7	1,062	74,755	61,755	41,258	22,621						
8	1,072	79,135	65,332	43,910							
9	1,083	83,396	68,753								
10	1,094	87,540									
	\$3,462										

Year	Projected Ultimate Reported Claims	(C) Closed Claims at Evaluation Age in Months									
		12	24	36	48	60	72	84	96	108	120
1	1,000	368	598	763	894	941	960	966	1,000	1,000	1,000
2	1,010	371	603	770	903	951	969	1,003	1,010	1,010	
3	1,020	375	610	775	912	960	988	1,013	1,020		
4	1,030	379	616	786	921	983	998	1,023			
5	1,041	382	622	793	945	993	1,008				
6	1,051	386	628	868	954	1,003					
7	1,062	390	715	877	964						
8	1,072	470	722	885							
9	1,083	475	730								
10	1,094	480									
	\$3,462										

Year	Projected Ultimate Reported Claims	(D) Implied Ultimate Unclosed Claims at Evaluation Age in Months									
		12	24	36	48	60	72	84	96	108	120
1	1,000	633	403	258	136	59	40	14	0	0	0
2	1,010	639	407	240	107	59	41	7	0	0	
3	1,020	645	411	247	108	60	52	7	0		
4	1,030	652	415	245	109	47	52	7			
5	1,041	658	419	247	96	48	32				
6	1,051	665	423	183	97	48					
7	1,062	671	346	165	98						
8	1,072	682	350	187							
9	1,083	698	353								
10	1,094	714									
	\$3,462										

Year	Projected Ultimate Reported Claims	(E) Implied Ultimate Unclosed Claim Severity at Evaluation Age in Months (\$000s)									
		12	24	36	48	60	72	84	96	108	120
1	1,000	83,530	107,434	118,303	147,863	208,504	194,590	287,526			
2	1,010	86,838	111,689	122,988	153,719	216,761	202,297	298,913			
3	1,020	90,277	116,112	127,859	159,807	225,346	207,954	310,752			
4	1,030	95,061	122,609	136,139	173,361	263,327	240,834	430,264			
5	1,041	100,065	129,412	144,832	193,630	290,912	275,663				
6	1,051	105,689	137,148	167,953	212,692	325,419					
7	1,062	111,341	148,442	179,931	231,174						
8	1,072	127,191	169,053	212,712							
9	1,083	149,413	206,312								
10	1,094	180,453									
	\$3,462										

(F) Fitted Last Diagonal:	\$127,970	\$157,572	\$167,039	\$199,823	\$253,194	\$227,296	\$323,059				
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Year	Ultimate Losses	(G) Ultimate Losses									
		Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1
1	Ultimate Losses	\$78,552	\$55,667	\$31,184	\$19,557	\$12,161	\$7,332	\$2,372	\$0	\$0	\$0
2	Implied Ultimate Outstanding:	\$20,012	\$37,332	\$4,977	\$2,991	\$4,972	\$6,820	\$6,171	\$6,184	\$63,984	\$60,938
3	Paid to Date:	\$98,564	\$93,000	\$86,160	\$82,548	\$77,133	\$74,152	\$70,543	\$67,184	\$63,984	\$60,938
4	Implied Ultimate Losses:	\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938
5	Actual Ultimate Losses:	\$4,030	\$2,967	\$415	\$886	(\$641)	\$82	\$0	\$0	\$0	\$0
6	Difference:										\$7,739

Scenario: Settlement Rate Acceleration

(A) Paid Losses at Evaluation Age in Months (\$000s)										
Year	12	24	36	48	60	72	84	96	108	120
1	8,105	17,695	32,841	45,301	48,709	53,105	56,840	60,938	60,938	60,938
2	8,510	18,580	34,483	47,556	51,144	55,761	61,833	63,984	63,984	
3	8,935	19,509	36,207	49,944	53,701	60,607	64,925	67,184		
4	9,382	20,485	38,017	52,441	58,931	63,638	68,171			
5	9,851	21,509	39,918	57,135	61,878	66,820				
6	10,344	22,584	49,865	59,691	64,972					
7	10,861	33,861	52,359	62,991						
8	18,152	35,555	54,977							
9	19,059	37,332								
10	20,012									

(B) Incremental Paid Losses in Age Interval in Months (\$000s)										
Year	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
1	8,105	9,591	15,145	12,460	3,406	4,397	3,735	4,097	0	0
2	8,510	10,070	15,903	13,083	3,578	4,616	6,073	2,151	0	0
3	8,935	10,574	16,698	13,737	3,757	6,906	4,318	2,259		
4	9,382	11,102	17,533	14,424	6,490	4,707	4,533			
5	9,851	11,657	18,409	17,217	4,743	4,942				
6	10,344	12,240	27,281	10,126	4,980					
7	10,861	23,000	18,497	10,632						
8	18,152	17,403	19,422							
9	19,059	18,273								
10	20,012									

(C) Closed Claims at Evaluation Age in Months										
Year	12	24	36	48	60	72	84	96	108	120
1	368	596	763	894	941	960	986	1,000	1,000	1,000
2	371	603	770	903	951	969	1,003	1,010	1,010	
3	375	610	778	912	960	988	1,013	1,020		
4	379	616	785	921	983	998	1,023			
5	382	622	793	945	993	1,008				
6	386	628	866	954	1,003					
7	390	715	877	964						
8	470	722	885							
9	475	730								
10	480									

(D) Incremental Closed Claims in Age Interval in Months										
Year	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
1	368	230	165	132	47	18	26	14	0	0
2	371	232	167	133	48	19	33	7	0	0
3	375	235	168	134	48	28	24	7	0	0
4	379	237	170	136	62	15	25	7	0	0
5	382	239	172	151	48	15	24	8	0	0
6	386	242	240	86	49	16	23	8	0	0
7	390	325	161	87	47	17	25	9	0	0
8	470	252	163	91	46	17	24	9	0	0
9	475	254	169	95	47	18	25	9	0	0
10	480	238	170	101	50	19	27	9	0	0

(E) Incremental Paid Claim Severity in Age Interval in Months (\$000s)										
Year	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
1	22,054	41,688	91,790	94,575	72,353	238,946	143,854	287,526	-	-
2	22,927	43,350	95,425	98,321	75,218	248,402	181,515	298,913	-	-
3	23,835	45,067	98,204	102,215	78,197	244,846	177,276	310,752	-	-
4	24,779	46,851	103,133	106,263	104,894	310,761	184,296	323,059	-	-
5	25,760	48,707	107,218	113,867	98,022	323,069	167,799	335,863	-	-
6	26,780	50,636	113,660	117,603	101,904	290,154	174,444	349,154	-	-
7	27,841	70,751	114,545	122,261	91,340	301,646	181,363	362,982	-	-
8	38,588	69,073	119,081	124,123	94,958	313,592	188,636	377,358	-	-
9	40,116	71,808	125,238	129,039	98,718	326,011	196,002	392,302	-	-
10	41,705	59,147	130,198	134,150	102,628	338,923	203,765	407,839	-	-

(F) Ultimate Losses										
Year	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1
Implied Future Payments:	\$70,532	\$51,050	\$28,794	\$17,239	\$11,719	\$6,827	\$2,372	\$0	\$0	\$0
Paid to Date:	20,012	37,332	54,977	62,991	64,972	66,820	68,171	67,184	63,984	60,938
Implied Ultimate Losses:	\$90,544	\$88,383	\$83,771	\$80,230	\$78,690	\$73,646	\$70,543	\$67,184	\$63,984	\$60,938
Actual Ultimate Losses:	\$94,534	\$90,032	\$85,745	\$81,662	\$77,723	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938
Difference:	(\$3,990)	(\$1,650)	(\$1,975)	(\$1,432)	(\$1,083)	(\$424)	\$0	\$0	\$0	\$0

Scenario:	Settlement Rate Acceleration
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Year	Actual Ultimate Losses	Loss Development Technique		Ultimate Unclosed Claim Severity Technique on		Incremental Closed Claim Severity
		Incurred Losses	Paid Losses	Incurred Losses	Paid Losses	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Estimated Ultimate Losses						
1	\$60,938	\$60,938	\$60,938	\$60,938	\$60,938	\$60,938
2	63,984	63,984	63,984	63,984	63,984	63,984
3	67,184	67,184	67,184	67,184	67,184	67,184
4	70,543	70,543	71,330	70,543	70,543	70,543
5	74,070	74,070	75,712	74,152	74,152	73,646
6	77,773	77,773	80,602	77,133	77,133	76,690
7	81,662	81,662	85,617	81,261	82,548	80,230
8	85,745	85,745	94,687	83,962	86,160	83,771
9	90,032	90,032	109,865	89,118	93,000	88,383
10	94,534	94,534	130,780	92,740	98,564	90,544
Total	\$766,465	\$766,465	\$840,698	\$761,014	\$774,205	\$755,912
Difference: Estimated vs Actual						
1		\$0	\$0	\$0	\$0	\$0
2		0	0	0	0	0
3		0	0	0	0	0
4		0	787	0	0	0
5		0	1,642	82	82	(424)
6		0	2,829	(641)	(641)	(1,083)
7		0	3,954	(402)	886	(1,432)
8		0	8,942	(1,783)	415	(1,975)
9		0	19,833	(915)	2,967	(1,650)
10		0	36,246	(1,794)	4,030	(3,990)
Total		\$0	\$74,233	(\$5,453)	\$7,739	(\$10,554)

Notes

- (2) Based on hypothetical assumptions.
- (3) Ultimate losses from Exhibit 8, Sheet 1. Difference = (3) minus (2)
- (4) Ultimate losses from Exhibit 8, Sheet 2. Difference = (4) minus (2).
- (5) Ultimate losses from Exhibit 10, Sheet 1. Difference = (5) minus (2).
- (6) Ultimate losses from Exhibit 10, Sheet 2. Difference = (6) minus (2).
- (7) Ultimate losses from Exhibit 11. Difference = (7) minus (2).

Estimated Loss Development Pattern
Incurred Losses (\$000)

Exhibit 13
Sheet 1

Scenario: *Strengthening and Acceleration*

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	22,638	37,938	49,003	53,252	59,843	60,649	60,938	60,938	60,938	60,938
2	23,769	39,834	51,453	55,914	62,835	63,681	63,984	63,984	63,984	
3	24,958	41,826	54,026	58,710	65,976	67,169	67,184	67,184		
4	26,206	43,917	56,727	61,645	69,612	70,528	70,543			
5	27,516	46,113	59,564	69,037	73,092	74,054				
6	28,892	48,419	65,317	72,489	76,747					
7	30,336	58,254	68,583	76,113						
8	43,057	61,167	72,012							
9	45,210	64,225								
10	47,471									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000	1.000	
2	1.676	1.292	1.087	1.124	1.013	1.005	1.000	1.000		
3	1.676	1.292	1.087	1.124	1.018	1.000	1.000			
4	1.676	1.292	1.087	1.129	1.013	1.000				
5	1.676	1.292	1.159	1.059	1.013					
6	1.676	1.349	1.110	1.059						
7	1.920	1.177	1.110							
8	1.421	1.177								
9	1.421									
10										

Average Factors										
Simple Avg Last 3	1.587	1.235	1.126	1.082	1.015	1.002	1.000	1.000	1.000	1.000
Simple Avg Last 5	1.623	1.257	1.110	1.099	1.014	1.002	1.000	1.000	1.000	1.000
Vol. Wtd Avg Last 3	1.548	1.227	1.125	1.080	1.015	1.002	1.000	1.000	1.000	1.000
Simple Avg 3 of 5	1.591	1.254	1.102	1.102	1.013	1.003	1.000	1.000	1.000	1.000
Selected Factors										
Selected Factors	1.548	1.227	1.125	1.080	1.015	1.002	1.000	1.000	1.000	1.000
Factors to Ultimate	2.346	1.515	1.235	1.098	1.016	1.002	1.000	1.000	1.000	1.000

Ultimate Losses	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Projected	\$111,370	\$97,312	\$88,936	\$83,560	\$78,005	\$74,176	\$70,543	\$67,184	\$63,984	\$60,938	\$796,007
Actual	\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938	\$766,465
Difference	\$16,836	\$7,279	\$3,191	\$1,898	\$231	\$106	\$0	\$0	\$0	\$0	\$29,541

Scenario: *Strengthening and Acceleration*

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	8,105	17,695	32,841	45,301	48,709	53,105	56,840	60,938	60,938	60,938
2	8,510	18,580	34,483	47,566	51,144	55,761	61,833	63,984	63,984	
3	8,935	19,509	36,207	49,944	53,701	60,607	64,925	67,184		
4	9,382	20,485	38,017	52,441	58,931	63,638	68,171			
5	9,851	21,509	39,918	57,135	61,878	66,820				
6	10,344	22,584	49,865	59,991	64,972					
7	10,861	33,661	52,359	62,991						
8	18,152	35,555	54,977							
9	19,059	37,332								
10	20,012									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	2,183	1,856	1,379	1,075	1,090	1,070	1,072	1,000	1,000	
2	2,183	1,856	1,379	1,075	1,090	1,109	1,035	1,000		
3	2,183	1,856	1,379	1,075	1,129	1,071	1,035			
4	2,183	1,856	1,379	1,124	1,080	1,071				
5	2,183	1,856	1,431	1,083	1,080					
6	2,183	2,208	1,203	1,083						
7	3,118	1,546	1,203							
8	1,959	1,546								
9	1,959									
10										

Average Factors										
Simple Avg Last 3	2,345	1,767	1,279	1,097	1,096	1,084	1,047	1,000	1,000	1,000
Simple Avg Last 5	2,280	1,802	1,319	1,088	1,094	1,080	1,047	1,000	1,000	1,000
Vol Wtd Avg Last 3	2,221	1,709	1,267	1,096	1,095	1,083	1,046	1,000	1,000	1,000
Simple Avg 3 of 5	2,108	1,753	1,321	1,080	1,087	1,084	1,047	1,000	1,000	1,000

Selected Factors	2,221	1,709	1,267	1,096	1,095	1,083	1,046	1,000	1,000	1,000
Factors to Ultimate	6,535	2,943	1,722	1,359	1,241	1,133	1,046	1,000	1,000	1,000

Ultimate Losses	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Projected	\$130,780	\$109,865	\$94,687	\$85,617	\$80,602	\$75,712	\$71,330	\$67,184	\$63,984	\$60,938	\$840,698
Actual	\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938	\$766,465
Difference	\$36,246	\$19,833	\$8,942	\$3,954	\$2,829	\$1,642	\$787	\$0	\$0	\$0	\$74,233

Scenario: **Strengthening and Acceleration**

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	788	888	963	988	1,000	1,000	1,000	1,000	1,000	1,000
2	795	896	972	997	1,010	1,010	1,010	1,010	1,010	
3	803	905	982	1,007	1,020	1,020	1,020	1,020		
4	811	914	992	1,017	1,030	1,030	1,030			
5	819	924	1,002	1,028	1,041	1,041				
6	828	933	1,012	1,038	1,051					
7	836	942	1,022	1,048						
8	844	952	1,032							
9	853	961								
10	861									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	
2	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000		
3	1.127	1.085	1.026	1.013	1.000	1.000	1.000			
4	1.127	1.085	1.026	1.013	1.000	1.000				
5	1.127	1.085	1.026	1.013	1.000					
6	1.127	1.085	1.026	1.013						
7	1.127	1.085	1.026							
8	1.127	1.085								
9	1.127									
10										

Average Factors										
Simple Avg Last 3	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	1.000
Simple Avg Last 5	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	1.000
Vol. Wtd Avg Last 3	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	1.000
Simple Avg 3 of 5	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	1.000

Selected Factors										
Factors to Ultimate	1.127	1.085	1.026	1.013	1.000	1.000	1.000	1.000	1.000	1.000
	1.270	1.127	1.039	1.013	1.000	1.000	1.000	1.000	1.000	1.000

Ultimate Counts	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
	1,094	1,083	1,072	1,062	1,051	1,041	1,030	1,020	1,010	1,000	10,462
	1,094	1,083	1,072	1,062	1,051	1,041	1,030	1,020	1,010	1,000	10,462
	0	0	0	0	0	0	0	0	0	0	0

Scenario: **Strengthening and Acceleration**

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	368	598	763	894	941	960	966	1,000	1,000	1,000
2	371	603	770	903	951	969	1,003	1,010	1,010	
3	375	610	778	912	960	988	1,013	1,020		
4	379	616	786	921	983	996	1,023			
5	382	622	793	945	993	1,008				
6	386	628	868	954	1,003					
7	390	715	877	964						
8	470	722	885							
9	475	730								
10	480									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	1.626	1.276	1.173	1.053	1.020	1.027	1.014	1.000	1.000	
2	1.626	1.276	1.173	1.053	1.020	1.035	1.007	1.000		
3	1.626	1.276	1.173	1.053	1.029	1.025	1.007			
4	1.626	1.276	1.173	1.067	1.015	1.025				
5	1.626	1.276	1.191	1.051	1.015					
6	1.626	1.382	1.099	1.051						
7	1.833	1.226	1.099							
8	1.536	1.226								
9	1.536									
10										

Average Factors										
Simple Avg Last 3	1.635	1.278	1.130	1.057	1.020	1.028	1.010	1.000	1.000	1.000
Simple Avg Last 5	1.631	1.277	1.147	1.055	1.020	1.028	1.010	1.000	1.000	1.000
Vol. Wtd Avg Last 3	1.623	1.273	1.128	1.056	1.020	1.028	1.010	1.000	1.000	1.000
Simple Avg 3 of 5	1.596	1.259	1.148	1.052	1.018	1.029	1.010	1.000	1.000	1.000

Selected Factors										
Factors to Ultimate	1.623	1.273	1.128	1.056	1.020	1.028	1.010	1.000	1.000	1.000
	2.605	1.606	1.261	1.118	1.058	1.038	1.010	1.000	1.000	1.000

Ultimate Counts											
Projected	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Actual	1,250	1,171	1,117	1,078	1,062	1,046	1,033	1,020	1,010	1,000	10,787
Difference	1,094	1,083	1,072	1,062	1,051	1,041	1,030	1,020	1,010	1,000	10,462
	157	89	44	16	11	6	2	0	0	0	324

Estimated Claim Development Pattern
Paid Claims (I.e., Claims Closed With Payment)

Exhibit 13
Sheet 5

Scenario: **Strengthening and Acceleration**

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1	243	385	538	664	691	717	736	750	750	750
2	245	389	543	671	698	724	750	758	758	
3	247	393	548	678	705	741	758	765		
4	250	397	554	684	726	749	765			
5	252	401	559	705	733	756				
6	255	405	632	712	740					
7	257	490	638	719						
8	336	495	644							
9	340	499								
10	343									

Year	Age Interval in Months									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
1	1.588	1.396	1.236	1.041	1.037	1.026	1.019	1.000	1.000	
2	1.588	1.396	1.236	1.041	1.037	1.036	1.010	1.000		
3	1.588	1.396	1.236	1.041	1.051	1.023	1.010			
4	1.588	1.396	1.236	1.060	1.032	1.023				
5	1.588	1.396	1.261	1.039	1.032					
6	1.588	1.561	1.128	1.039						
7	1.902	1.303	1.128							
8	1.470	1.303								
9	1.470									
10										

Average Factors										
Simple Avg Last 3	1.614	1.389	1.172	1.046	1.038	1.027	1.013	1.000	1.000	1.000
Simple Avg Last 5	1.604	1.392	1.198	1.044	1.038	1.027	1.013	1.000	1.000	1.000
Vol. Wtd Avg Last 3	1.589	1.378	1.169	1.046	1.038	1.027	1.013	1.000	1.000	1.000
Simple Avg 3 of 5	1.548	1.365	1.200	1.040	1.035	1.028	1.013	1.000	1.000	1.000

Selected Factors										
Factors to Ultimate	1.589	1.378	1.169	1.046	1.038	1.027	1.013	1.000	1.000	1.000
	2.889	1.818	1.319	1.129	1.079	1.040	1.013	1.000	1.000	1.000

Ultimate Counts	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Projected	991	908	850	812	799	786	775	765	758	750	8,195
Actual	820	812	804	796	788	780	773	765	758	750	7,847
Difference	171	96	46	16	11	6	2	0	0	0	348

Scenario: *Strengthening and Acceleration*

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
<i>Outstanding Losses (\$000)</i>										
1	14,533	20,242	16,163	7,951	11,134	7,544	4,097	0	0	0
2	15,259	21,254	16,971	8,348	11,690	7,921	2,151	0	0	
3	16,022	22,317	17,819	8,766	12,275	6,562	2,259	0		
4	16,824	23,433	18,710	9,204	10,680	6,890	2,372			
5	17,665	24,605	19,646	11,902	11,214	7,234				
6	18,548	25,835	15,451	12,498	11,775					
7	19,475	24,393	16,224	13,122						
8	24,906	25,613	17,035							
9	26,151	26,893								
10	27,459									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
<i>Number Open Claims</i>										
1	420	290	200	93	59	40	14	0	0	0
2	424	293	202	94	59	41	7	0	0	
3	428	296	204	95	60	32	7	0		
4	433	299	206	96	47	32	7			
5	437	302	208	83	48	32				
6	441	305	144	84	48					
7	446	227	145	85						
8	374	229	146							
9	378	231								
10	381									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
<i>Average Outstanding (\$000)</i>										
1	34,602	69,801	80,813	85,261	189,834	187,416	287,526	-	-	-
2	35,972	72,565	84,013	88,638	197,352	194,839	298,913	-	-	
3	37,397	75,439	87,340	92,149	205,168	207,496	310,752	-		
4	38,878	78,427	90,799	95,798	226,833	215,714	323,059			
5	40,418	81,533	94,395	143,514	235,817	224,257				
6	42,018	84,762	107,604	149,197	245,156					
7	43,683	107,505	111,866	155,106						
8	66,609	111,763	116,296							
9	69,247	116,189								
10	71,990									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
<i>Annual Percent Change</i>										
1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	-	-	
3	4.0%	4.0%	4.0%	4.0%	4.0%	6.5%	4.0%	-		
4	4.0%	4.0%	4.0%	4.0%	10.6%	4.0%	4.0%			
5	4.0%	4.0%	4.0%	49.8%	4.0%	4.0%				
6	4.0%	4.0%	14.0%	4.0%	4.0%					
7	4.0%	26.8%	4.0%	4.0%						
8	52.5%	4.0%	4.0%							
9	4.0%	4.0%								
10	4.0%									

Scenario: *Strengthening and Acceleration*

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Paid Losses (\$000)										
1	8,105	17,695	32,841	45,301	48,709	53,105	56,840	60,938	60,938	60,938
2	8,510	18,580	34,483	47,566	51,144	55,761	61,833	63,984	63,984	
3	8,935	19,509	36,207	49,944	53,701	60,607	64,925	67,184		
4	9,382	20,485	38,017	52,441	58,931	63,638	68,171			
5	9,851	21,509	39,918	57,135	61,878	66,820				
6	10,344	22,584	49,865	59,991	64,972					
7	10,861	33,861	52,359	62,991						
8	18,152	35,555	54,977							
9	19,059	37,332								
10	20,012									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Paid Claims - Cumulative										
1	243	385	538	664	691	717	736	750	750	750
2	245	389	543	671	698	724	750	758	758	
3	247	393	548	678	705	741	758	765		
4	250	397	554	684	726	749	765			
5	252	401	559	705	733	756				
6	255	405	632	712	740					
7	257	490	638	719						
8	336	495	644							
9	340	499								
10	343									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Average Paid Claim - Cumulative (\$000)										
1	33,421	45,962	61,099	68,199	70,455	74,040	77,255	81,250	81,250	81,250
2	34,745	47,782	63,519	70,900	73,245	76,972	82,411	84,468	84,468	
3	36,121	49,674	66,034	73,707	76,146	81,780	85,675	87,813		
4	37,552	51,642	68,649	76,627	81,213	85,019	89,068			
5	39,039	53,687	71,368	81,005	84,429	88,386				
6	40,585	55,813	78,960	84,213	87,773					
7	42,192	69,158	82,087	87,548						
8	53,961	71,897	85,338							
9	56,098	74,744								
10	58,320									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Annual Percent Change										
1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	6.7%	4.0%	4.0%	
3	4.0%	4.0%	4.0%	4.0%	4.0%	6.2%	4.0%	4.0%		
4	4.0%	4.0%	4.0%	4.0%	6.7%	4.0%	4.0%			
5	4.0%	4.0%	4.0%	5.7%	4.0%	4.0%				
6	4.0%	4.0%	10.6%	4.0%	4.0%					
7	4.0%	23.9%	4.0%	4.0%						
8	27.9%	4.0%	4.0%							
9	4.0%	4.0%								
10	4.0%									

Scenario: **Strengthening and Acceleration**

Year	Age Interval in Months									
	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
Paid Losses - Incremental (\$000)										
1	8,105	9,591	15,145	12,460	3,408	4,397	3,735	4,097	0	0
2	8,510	10,070	15,903	13,083	3,578	4,616	6,073	2,151	0	
3	8,935	10,574	16,698	13,737	3,757	6,906	4,318	2,259		
4	9,382	11,102	17,533	14,424	6,490	4,707	4,533			
5	9,851	11,657	18,409	17,217	4,743	4,942				
6	10,344	12,240	27,281	10,126	4,980					
7	10,861	23,000	18,497	10,632						
8	18,152	17,403	19,422							
9	19,059	18,273								
10	20,012									

Year	Age Interval in Months									
	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
Paid Claims - Incremental										
1	243	143	153	127	27	26	19	14	0	0
2	245	144	154	128	27	26	26	7	0	
3	247	145	156	129	28	36	17	7		
4	250	147	157	131	41	23	17			
5	252	148	159	146	28	23				
6	255	150	227	81	28					
7	257	232	148	82						
8	336	158	150							
9	340	160								
10	343									

Year	Age Interval in Months									
	0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
Average Paid Claim - Incremental (\$000)										
1	33,421	67,303	99,314	98,306	125,750	169,749	201,892	287,526	-	-
2	34,745	69,968	103,247	102,200	130,730	176,472	234,641	298,913	-	
3	36,121	72,739	107,336	106,247	135,907	192,603	258,471	310,752		
4	37,552	75,620	111,587	110,455	157,275	205,774	268,707			
5	39,039	78,615	116,006	117,925	172,001	213,924				
6	40,585	81,728	120,241	125,247	178,813					
7	42,192	99,051	124,799	130,207						
8	53,961	110,048	129,742							
9	56,098	114,406								
10	58,320									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Annual Percent Change										
1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	16.2%	4.0%		
3	4.0%	4.0%	4.0%	4.0%	4.0%	9.1%	10.2%	4.0%		
4	4.0%	4.0%	4.0%	4.0%	15.7%	6.8%	4.0%			
5	4.0%	4.0%	4.0%	6.8%	9.4%	4.0%				
6	4.0%	4.0%	3.7%	6.2%	4.0%					
7	4.0%	21.2%	3.8%	4.0%						
8	27.9%	11.1%	4.0%							
9	4.0%	4.0%								
10	4.0%									

Scenario: **Strengthening and Acceleration**

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Closed Claims										
1	368	598	763	894	941	960	986	1,000	1,000	1,000
2	371	603	770	903	951	969	1,003	1,010	1,010	
3	375	610	778	912	960	988	1,013	1,020		
4	379	616	786	921	983		1,023			
5	382	622	793	945	993	1,008				
6	386	628	868	954	1,003					
7	390	715	877	964						
8	470	722	885							
9	475	730								
10	480									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Reported Claims										
1	788	888	963	988	1,000	1,000	1,000	1,000	1,000	1,000
2	795	896	972	997	1,010	1,010	1,010	1,010	1,010	
3	803	905	982	1,007	1,020	1,020	1,020	1,020		
4	811	914	992	1,017	1,030	1,030	1,030			
5	819	924	1,002	1,028	1,041	1,041				
6	828	933	1,012	1,038	1,051					
7	836	942	1,022	1,048						
8	844	952	1,032							
9	853	961								
10	861									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Closure Rate										
1	0.467	0.673	0.792	0.906	0.941	0.960	0.986	1.000	1.000	1.000
2	0.467	0.673	0.792	0.906	0.941	0.960	0.993	1.000	1.000	
3	0.467	0.673	0.792	0.906	0.941	0.969	0.993	1.000		
4	0.467	0.673	0.792	0.906	0.954	0.969	0.993			
5	0.467	0.673	0.792	0.919	0.954	0.969				
6	0.467	0.673	0.858	0.919	0.954					
7	0.467	0.759	0.858	0.919						
8	0.557	0.759	0.858							
9	0.557	0.759								
10	0.557									

Scenario: *Strengthening and Acceleration*

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Paid Claims										
1	243	385	538	664	691	717	736	750	750	750
2	245	389	543	671	698	724	750	758	758	
3	247	393	548	678	705	741	758	765		
4	250	397	554	684	726	749	765			
5	252	401	559	705	733	756				
6	255	405	632	712	740					
7	257	490	638	719						
8	336	495	644							
9	340	499								
10	343									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Closed Claims										
1	368	598	763	894	941	960	966	1,000	1,000	1,000
2	371	603	770	903	951	969	1,003	1,010	1,010	
3	375	610	778	912	960	988	1,013	1,020		
4	379	616	786	921	983	998	1,023			
5	382	622	793	945	993	1,008				
6	386	628	868	954	1,003					
7	390	715	877	964						
8	470	722	885							
9	475	730								
10	480									

Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
Paid Claim Ratio										
1	0.660	0.644	0.705	0.743	0.734	0.747	0.746	0.750	0.750	0.750
2	0.660	0.644	0.705	0.743	0.734	0.747	0.748	0.750	0.750	
3	0.660	0.644	0.705	0.743	0.734	0.750	0.748	0.750		
4	0.660	0.644	0.705	0.743	0.738	0.750	0.748			
5	0.660	0.644	0.705	0.747	0.738	0.750				
6	0.660	0.644	0.728	0.747	0.738					
7	0.660	0.685	0.728	0.747						
8	0.715	0.685	0.728							
9	0.715	0.685								
10	0.715									

Year	Projected Ultimate Losses (\$000) (Incurred Lb)
1	\$60,938
2	63,984
3	67,184
4	70,543
5	74,176
6	78,005
7	83,560
8	88,936
9	97,312
10	111,370
	\$796,007

Scenario: Strengthening and Acceleration

(A) Paid Losses at Evaluation Age in Months (\$000s)										
	12	24	36	48	60	72	84	96	108	120
1	8,105	17,895	32,841	45,301	48,709	53,105	56,840	60,938	60,938	60,938
2	8,510	18,590	34,483	47,566	51,144	55,781	61,833	83,984	83,984	83,984
3	8,935	19,509	36,207	49,944	53,701	60,607	64,925	67,184		
4	9,382	20,485	38,017	52,441	58,931	63,638	68,171			
5	9,851	21,509	39,918	57,135	61,878	66,820				
6	10,344	22,584	49,865	59,991	64,972					
7	10,861	33,861	52,359	62,991						
8	18,152	35,555	54,977							
9	19,059	37,332								
10	20,012									

(B) Implied Ultimate Unpaid Losses at Evaluation Age in Months										
	12	24	36	48	60	72	84	96	108	120
1	52,833	43,242	28,097	15,637	12,229	7,832	4,097	0	0	0
2	55,474	45,404	29,502	16,418	12,840	8,224	2,151	0	0	0
3	58,248	47,875	30,977	17,239	13,482	6,576	2,259	0		
4	61,161	50,058	32,526	18,101	11,612	6,905	2,372			
5	64,325	52,868	34,258	17,042	12,299	7,357				
6	67,661	55,421	28,139	18,013	13,033					
7	72,699	49,698	31,201	20,569						
8	70,785	53,382	33,960							
9	78,253	59,979								
10	91,358									

(C) Closed Claims at Evaluation Age in Months										
	12	24	36	48	60	72	84	96	108	120
1	368	598	763	894	941	960	986	1,000	1,000	1,000
2	371	603	770	903	951	969	1,003	1,010	1,010	
3	375	610	778	912	960	988	1,013	1,020		
4	379	616	786	921	983	998	1,023			
5	382	622	793	945	993	1,008				
6	386	628	808	954	1,003					
7	390	715	877	964						
8	470	722	885							
9	475	730								
10	480									

(D) Implied Ultimate Unclosed Claims at Evaluation Age in Months										
	12	24	36	48	60	72	84	96	108	120
1	633	403	238	106	59	40	14	0	0	0
2	639	407	240	107	59	41	7	0	0	
3	645	411	242	108	60	32	7	0		
4	652	415	245	109	47	32	7			
5	658	419	247	96	48	32				
6	665	423	183	97	48					
7	671	346	185	98						
8	602	350	187							
9	608	353								
10	614									

(E) Implied Ultimate Unclosed Claim Severity at Evaluation Age in Months (\$000s)										
	12	24	36	48	60	72	84	96	108	120
1	83,530	107,434	118,393	147,863	208,504	194,590	287,526	-	-	-
2	86,838	111,889	122,888	153,719	216,761	202,297	296,913	-	-	-
3	90,277	116,112	127,859	158,807	225,346	207,954	310,752	-	-	-
4	93,853	120,711	132,922	166,136	246,610	216,189	323,059	-	-	-
5	97,731	125,745	138,617	177,622	258,615	228,051				
6	101,782	131,008	153,761	185,890	271,347					
7	108,277	143,503	168,803	210,158						
8	117,634	152,613	181,908							
9	128,757	168,778								
10	148,832									

(F) Filled Last Diagonal:

\$121,279	\$147,359	\$155,845	\$186,067	\$253,194	\$227,296	\$323,959	-	-	-	-
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(G) Ultimate Losses	Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Implied Ultimate Outstanding:	\$74,445	\$52,050	\$29,084	\$18,270	\$12,161	\$7,332	\$3,372	\$0	\$0	\$0	
Paid to Date:	20,012	37,332	54,977	62,991	64,972	66,820	68,171	67,184	63,984	60,938	
Implied Ultimate Losses:	\$94,457	\$89,382	\$84,070	\$81,261	\$77,133	\$74,152	\$70,543	\$67,184	\$63,984	\$60,938	\$763,113
Actual Ultimate Losses:	\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938	\$766,465
Difference:	(\$77)	(\$641)	(\$1,675)	(\$402)	(\$641)	\$82	\$0	\$0	\$0	\$0	(\$3,354)

Projected Ultimate Losses (\$000)		Scenario: Strengthening and Acceleration									
Year	(Paid LDF)	(A) Paid Losses at Evaluation Age in Months (\$000s)									
		12	24	36	48	60	72	84	96	108	120
1	\$60,938	8,105	17,695	32,841	45,301	48,709	53,105	56,840	60,938	60,938	60,938
2	63,984	8,510	18,580	34,483	47,566	51,144	55,761	61,833	63,984	63,984	
3	67,184	8,935	19,509	36,207	49,944	53,701	60,607	64,925	67,184		
4	71,330	9,382	20,485	38,017	52,441	58,931	63,638	68,171			
5	75,712	9,851	21,509	39,918	57,135	61,878	66,820				
6	80,602	10,344	22,584	49,865	59,991	64,972					
7	85,617	10,861	33,961	52,359	62,991						
8	94,687	18,152	35,555	54,977							
9	109,865	19,059	37,332								
10	130,780	20,012									
	\$840,696										

Projected Ultimate Reported Claims		(B) Implied Ultimate Unpaid Losses at Evaluation Age in Months									
Year		12	24	36	48	60	72	84	96	108	120
1	1,000	52,833	43,242	28,097	15,537	12,229	7,832	4,097	0	0	0
2	1,010	55,474	45,404	29,502	16,418	12,840	8,224	2,151	0	0	
3	1,020	58,248	47,675	30,877	17,239	13,462	6,576	2,259	0		
4	1,030	61,948	50,845	33,313	18,868	12,399	7,632	3,159			
5	1,041	65,861	54,204	35,794	18,578	13,834	8,893				
6	1,051	70,258	58,018	30,737	20,611	15,630					
7	1,062	74,755	51,755	33,258	22,626						
8	1,072	76,535	59,132	39,710							
9	1,083	90,806	72,533								
10	1,094	110,768									

Projected Ultimate Reported Claims		(C) Closed Claims at Evaluation Age in Months									
Year		12	24	36	48	60	72	84	96	108	120
1	1,000	368	598	753	894	941	960	986	1,000	1,000	1,000
2	1,010	371	603	770	903	951	969	1,003	1,010	1,010	
3	1,020	375	610	778	912	960	986	1,013	1,020		
4	1,030	379	616	786	921	983	998	1,023			
5	1,041	382	622	793	945	993	1,008				
6	1,051	386	628	868	954	1,003					
7	1,062	390	715	877	964						
8	1,072	470	722	885							
9	1,083	475	730								
10	1,094	480									

Projected Ultimate Reported Claims		(D) Implied Ultimate Unclosed Claims at Evaluation Age in Months									
Year		12	24	36	48	60	72	84	96	108	120
1	1,000	633	403	238	106	59	40	14	0	0	0
2	1,010	639	407	240	107	59	41	7	0	0	
3	1,020	645	411	242	108	60	32	7	0		
4	1,030	652	415	245	109	47	32	7			
5	1,041	658	419	247	96	48	32				
6	1,051	665	423	183	97	48					
7	1,062	671	346	185	98						
8	1,072	602	350	187							
9	1,083	608	353								
10	1,094	614									

Projected Ultimate Reported Claims		(E) Implied Ultimate Unclosed Claim Severity at Evaluation Age in Months (\$000s)									
Year		12	24	36	48	60	72	84	96	108	120
1	\$3,530	187,434	118,303	147,863	268,504	184,590	287,526				
2	36,834	111,689	122,988	153,719	216,791	202,297	298,913				
3	90,277	116,112	127,859	159,907	225,346	207,954	310,752				
4	95,961	122,609	136,139	173,361	263,327	240,834	430,284				
5	180,065	129,412	144,832	193,630	290,912	275,663					
6	185,880	137,148	167,953	212,692	325,419						
7	111,341	149,442	179,931	231,174							
8	127,191	169,053	212,712								
9	149,413	205,312									
10	180,453										

(F) Fitted Last Diagonal: \$127,978 \$157,572 \$167,039 \$199,823 \$253,194 \$227,296 \$323,059

Ultimate Losses		Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
Implied Ultimate Outstanding:		\$78,552	\$55,667	\$31,184	\$19,557	\$12,161	\$7,332	\$2,372	\$0	\$0	\$0	\$0
Paid to Date:		20,012	37,332	54,977	62,991	64,972	66,820	68,171	67,184	63,984	60,938	
Implied Ultimate Losses:		\$98,564	\$93,000	\$86,160	\$82,548	\$77,133	\$74,152	\$70,543	\$67,184	\$63,984	\$60,938	\$774,205
Actual Ultimate Losses:		\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938	\$766,465
Difference:		\$4,030	\$2,967	\$415	\$886	(\$641)	\$82	\$0	\$0	\$0	\$0	\$7,739

Scenario: Strengthening and Acceleration

		(A) Paid Losses at Evaluation Age in Months (\$000s)									
Year		12	24	36	48	60	72	84	96	108	120
1		8,105	17,695	32,841	45,301	48,709	53,105	56,840	60,938	60,938	60,938
2		8,510	18,580	34,483	47,566	51,144	55,761	61,833	63,984	63,984	
3		8,935	19,509	36,207	49,944	53,701	60,607	64,925	67,184		
4		9,382	20,485	38,017	52,441	58,931	63,638	68,171			
5		9,851	21,509	39,918	57,135	61,878	66,820				
6		10,344	22,584	49,865	59,991	64,972					
7		10,861	33,861	52,359	62,991						
8		18,152	35,555	54,977							
9		19,059	37,332								
10		20,012									

		(B) Incremental Paid Losses in Age Interval in Months (\$000s)									
Year		0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
1		8,105	9,591	15,145	12,460	3,408	4,397	3,735	4,097	0	0
2		8,510	10,070	15,903	13,083	3,578	4,816	6,073	2,151	0	0
3		8,935	10,574	16,698	13,737	3,757	6,906	4,318	2,259		
4		9,382	11,102	17,533	14,424	6,490	4,707	4,533			
5		9,851	11,657	18,409	17,217	4,743	4,942				
6		10,344	12,240	27,281	10,126	4,980					
7		10,861	23,000	18,497	10,532						
8		18,152	17,403	19,422							
9		19,059	18,273								
10		20,012									

		(C) Closed Claims at Evaluation Age in Months									
Year		12	24	36	48	60	72	84	96	108	120
1	1,000	368	598	763	894	941	960	986	1,000	1,000	1,000
2	1,010	371	603	770	903	951	969	1,003	1,010	1,010	
3	1,020	375	610	778	912	960	988	1,013	1,020		
4	1,030	379	616	786	921	983	998	1,023			
5	1,041	382	622	793	945	993	1,008				
6	1,051	386	628	868	954	1,003					
7	1,062	390	715	877	964						
8	1,072	470	722	885							
9	1,083	475	730								
10	1,094	480									
	10,462										

		(D) Incremental Closed Claims in Age Interval in Months										Implied Future Closed Claims
Year		0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	
1	0	368	230	165	132	47	18	26	14	0	0	0
2	0	371	232	167	133	48	19	33	7	0	0	0
3	0	375	235	168	134	48	28	23	7	0	0	0
4	7	379	237	170	136	52	15	25	7	0	0	7
5	32	382	239	172	151	48	15	24	8	0	0	32
6	48	386	242	240	86	49	16	23	8	0	0	48
7	98	390	325	161	87	47	17	25	9	0	0	98
8	187	470	252	163	91	46	17	24	9	0	0	187
9	353	475	254	159	95	47	18	25	9	0	0	353
10	614	480	238	170	101	60	19	27	8	0	0	614
	1,339											

		(E) Incremental Paid Claim Severity in Age Interval in Months (\$000s)										Implied Future Severity
Year		0-12	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	
1		22,054	41,698	91,790	94,575	72,353	238,940	143,654	287,526	-	-	-
2		22,927	43,350	95,425	98,321	75,218	248,403	181,515	298,913	-	-	-
3		23,835	45,067	99,204	102,215	78,197	244,846	177,276	310,752	-	-	-
4		24,779	46,851	103,133	106,263	104,894	310,761	184,295	323,069	-	-	323,069
5		25,760	48,707	107,218	113,867	98,022	323,069	167,799	336,863	-	-	211,622
6		26,780	50,636	113,650	117,603	101,904	290,154	174,444	348,164	-	-	243,979
7		27,841	70,751	114,545	122,261	91,348	301,645	181,363	362,962	-	-	175,135
8		38,588	69,073	119,081	124,123	94,958	313,592	188,535	377,388	-	-	154,238
9		40,116	71,808	126,338	129,038	98,718	326,011	196,002	392,302	-	-	144,503
10		41,705	59,147	138,198	134,150	102,628	338,923	263,765	407,839	-	-	114,905

		Year 10	Year 9	Year 8	Year 7	Year 6	Year 5	Year 4	Year 3	Year 2	Year 1	All Years
(F) Ultimate Losses		\$70,532	\$51,060	\$28,794	\$17,239	\$11,719	\$6,827	\$2,372	\$0	\$0	\$0	
Implied Future Payments:												
Paid to Date:		20,012	37,332	54,977	62,891	64,972	66,820	68,171	67,184	63,984	60,938	
Implied Ultimate Losses:		\$90,544	\$88,393	\$83,771	\$80,230	\$76,690	\$73,646	\$70,543	\$67,184	\$63,984	\$60,938	\$755,912
Actual Ultimate Losses:		\$94,534	\$90,032	\$85,745	\$81,662	\$77,773	\$74,070	\$70,543	\$67,184	\$63,984	\$60,938	\$766,465
Difference:		(\$3,990)	(\$1,650)	(\$1,975)	(\$1,432)	(\$1,083)	(\$424)	\$0	\$0	\$0	\$0	(\$10,554)

Summary of Estimates

Exhibit 17

Scenario:	Strengthening and Acceleration
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Year	Actual Ultimate Losses	Loss Development Technique		Ultimate Unclosed Claim Severity Technique on		Incremental Closed Claim Severity
		Incurred Losses	Paid Losses	Incurred Losses	Paid Losses	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Estimated Ultimate Losses						
1	\$60,938	\$60,938	\$60,938	\$60,938	\$60,938	\$60,938
2	63,984	63,984	63,984	63,984	63,984	63,984
3	67,184	67,184	67,184	67,184	67,184	67,184
4	70,543	70,543	71,330	70,543	70,543	70,543
5	74,070	74,176	75,712	74,152	74,152	73,646
6	77,773	78,005	80,602	77,133	77,133	76,690
7	81,662	83,560	85,617	81,261	82,548	80,230
8	85,745	88,936	94,687	84,070	86,160	83,771
9	90,032	97,312	109,865	89,392	93,000	88,383
10	94,534	111,370	130,780	94,457	98,564	90,544
Total	\$766,465	\$796,007	\$840,698	\$763,113	\$774,205	\$755,912
Difference: Estimated vs Actual						
1		\$0	\$0	\$0	\$0	\$0
2		0	0	0	0	0
3		0	0	0	0	0
4		0	787	0	0	0
5		106	1,642	82	- 82	(424)
6		231	2,829	(641)	(641)	(1,083)
7		1,898	3,954	(402)	886	(1,432)
8		3,191	8,942	(1,675)	415	(1,975)
9		7,279	19,833	(641)	2,967	(1,650)
10		16,836	36,246	(77)	4,030	(3,990)
Total		\$29,541	\$74,233	(\$3,354)	\$7,739	(\$10,554)

Notes:

- (2) Based on hypothetical assumptions.
- (3) Ultimate losses from Exhibit 13, Sheet 1. Difference = (3) minus (2).
- (4) Ultimate losses from Exhibit 13, Sheet 2. Difference = (4) minus (2).
- (5) Ultimate losses from Exhibit 15, Sheet 1. Difference = (5) minus (2).
- (6) Ultimate losses from Exhibit 15, Sheet 2. Difference = (6) minus (2).
- (7) Ultimate losses from Exhibit 16. Difference = (7) minus (2).