

Pacific All Risk Insurance Company
General Liability
250,000 excess of 250,000 - Loss plus pro rata ALAE

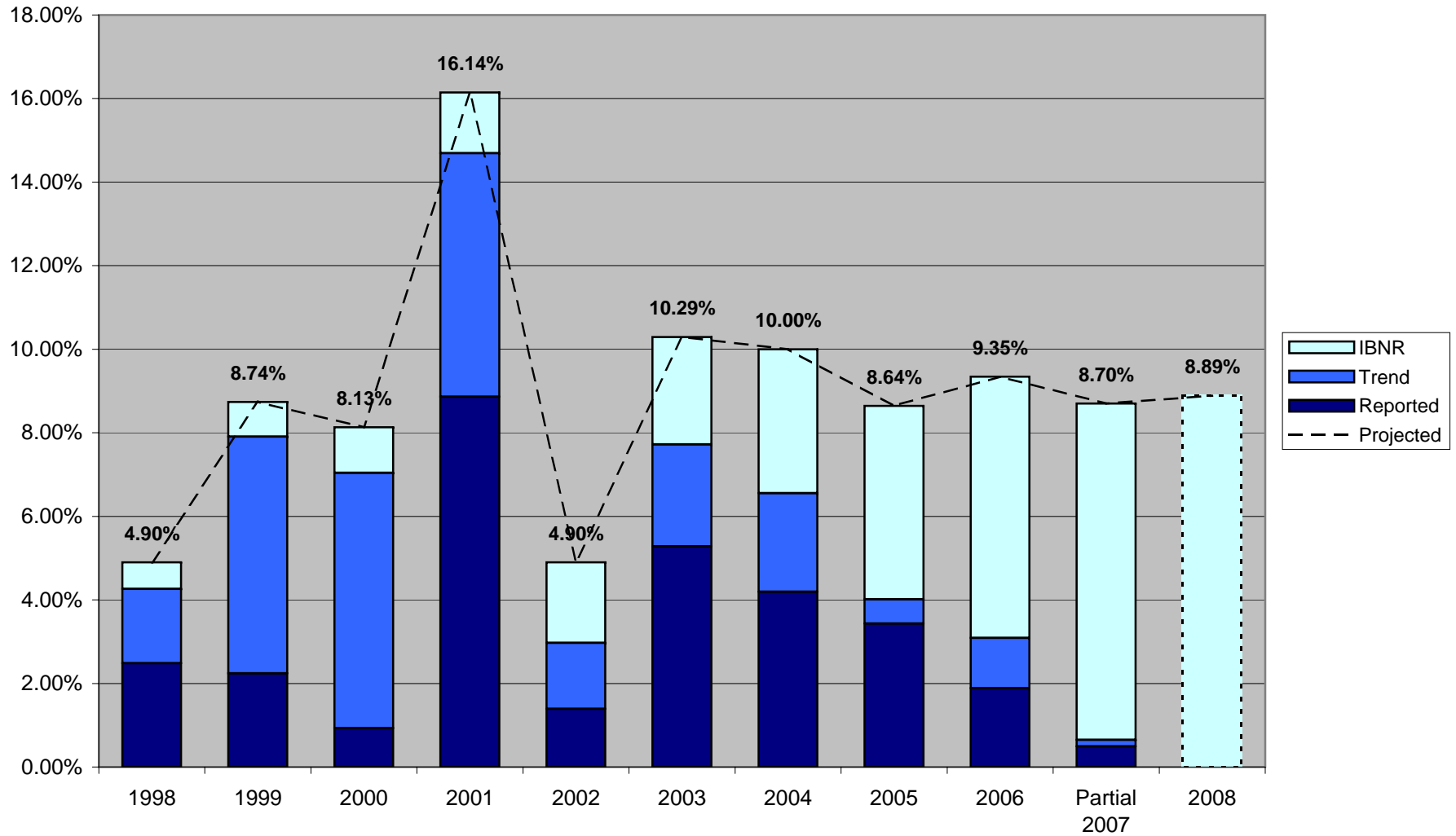
Accident Year	Historical Subject Earned Premium	Rate/Prc OnLevel Factor	Exposure Trend	Adjusted Subject Premium	LDf	Adj. Subject Premium / LDf	Layered Loss+ALAE Evaluated 09/30/2007	Trended Layered Loss+ALAE	LDf Ult. Loss Rate	Trended Ultimate Layered Loss+ALAE*	Trended Ultimate Loss Rate
	(1)	(2)	(3)	(4)=(1)*(2)*(3)	(5)	(6)=(4)/(5)	(7)	(8)	(9)=(8)/(6)	(10)	(11)=(10)/(4)
1998	19,215,561	1.0303	1.2190	24,132,581	1.077	22,412,877	599,683	1,029,029	4.59%	1,181,878	4.90%
1999	18,237,944	1.1447	1.1951	24,950,767	1.103	22,618,490	559,165	1,972,495	8.72%	2,179,791	8.74%
2000	16,676,622	1.2050	1.1717	23,544,655	1.141	20,643,744	219,653	1,657,023	8.03%	1,914,859	8.13%
2001	14,924,410	1.2050	1.1487	20,657,665	1.195	17,287,425	1,831,330	3,035,392	17.56%	3,334,943	16.14%
2002	16,628,500	1.0954	1.1262	20,513,713	1.277	16,063,554	285,397	609,696	3.80%	1,005,231	4.90%
2003	17,458,606	0.9526	1.1041	18,361,272	1.407	13,045,595	969,391	1,417,688	10.87%	1,890,151	10.29%
2004	22,121,506	0.8505	1.0824	20,365,248	1.633	12,472,154	854,699	1,334,297	10.70%	2,035,844	10.00%
2005	24,142,794	0.8100	1.0612	20,752,626	2.087	9,942,941	712,321	832,762	8.38%	1,793,539	8.64%
2006	25,714,864	0.8100	1.0404	21,670,533	3.376	6,418,068	408,968	669,593	10.43%	2,025,250	9.35%
2007	19,810,337	0.9000	1.0200	18,185,890	10.627	1,711,258	89,601	117,911	6.89%	1,582,196	8.70%
Total	194,931,145			213,134,950		142,616,107	6,530,207	12,675,886	8.89%	18,943,683	8.89%
				Prospective Premium: 25,000,000						2,222,500	8.89%

(6) = "Exposed Premium"

* "Cape Cod" Calculation
(10) = (8)+(4)*Total(9)*[1-1/(5)]

IBNR = Premium*8.89%*[1-1/LDF]

**Pacific All Risk Ins. Co. - General Liability
250,000 xs 250,000**



Pacific All Risk Insurance Company
General Liability
Counts excess of 250,000 - Loss plus pro rata ALAE

Accident Year	Historical Subject Earned Premium	Rate/Prc OnLevel Factor	Exposure Trend	Adjusted Subject Premium	Count LDF	Adj. Subject Premium / LDF	Excess Counts Evaluated 09/30/2007	Trended Counts	LDF Ult. Frequency / \$1m EP	Trended Ultimate Counts*	Trended Ultimate Frequency / \$1m EP
	(1)	(2)	(3)	(4)=(1)*(2)*(3)	(5)	(6)=(4)/(5)	(7)	(8)	(9)=(8)/(6)	(10)	(11)=(10)/(4)
1998	19,215,561	1.0303	1.2190	24,132,581	1.064	22,691,462	2	8	0.353	8.72	0.361
1999	18,237,944	1.1447	1.1951	24,950,767	1.087	22,955,062	5	8	0.349	8.99	0.360
2000	16,676,622	1.2050	1.1717	23,544,655	1.121	21,010,661	4	11	0.524	12.26	0.521
2001	14,924,410	1.2050	1.1487	20,657,665	1.170	17,653,252	9	16	0.906	17.49	0.847
2002	16,628,500	1.0954	1.1262	20,513,713	1.246	16,466,727	1	7	0.425	9.01	0.439
2003	17,458,606	0.9526	1.1041	18,361,272	1.367	13,433,995	5	6	0.447	8.45	0.460
2004	22,121,506	0.8505	1.0824	20,365,248	1.576	12,925,236	5	8	0.619	11.70	0.574
2005	24,142,794	0.8100	1.0612	20,752,626	1.985	10,452,695	3	3	0.287	8.12	0.391
2006	25,714,864	0.8100	1.0404	21,670,533	3.065	7,071,201	5	5	0.707	12.25	0.565
2007	19,810,337	0.9000	1.0200	18,185,890	7.910	2,299,222	1	1	0.435	8.89	0.489
Total	194,931,145			213,134,950		146,959,513	40	73	0.497	105.87	0.497
				Prospective Premium:		25,000,000				12.42	0.497

(6) = "Exposed Premium"

* "Cape Cod" Calculation
(10) = (8)+(4)*Total(9)*[1-1/(5)]

IBNR = (SEP/1M)*49.67%*[1-1/LDF]

Pacific All Risk Insurance Company
General Liability
Counts excess of 250,000 - Loss plus pro rata ALAE

CREDIBILITY CALCULATION

Accident Year	Historical Subject Earned Premium	Rate/Prc OnLevel Factor	Exposure Trend	Adjusted Subject Premium	Count LDF	Adj. Subject Premium / LDF	Excess Counts Evaluated 09/30/2007	Trended Counts	Trended Ultimate Counts	Trended Ultimate Frequency / \$1m EP
	(1)	(2)	(3)	(4)=(1)*(2)*(3)	(5)	(6)=(4)/(5)	(7)	(8)	(9) *	(10)=(9)/(6)
1998	19,215,561	1.0303	1.2190	24,132,581	1.064	22,691,462	2	8	11.12	0.490
1999	18,237,944	1.1447	1.1951	24,950,767	1.087	22,955,062	5	8	11.25	0.490
2000	16,676,622	1.2050	1.1717	23,544,655	1.121	21,010,661	4	11	10.30	0.490
2001	14,924,410	1.2050	1.1487	20,657,665	1.170	17,653,252	9	16	8.65	0.490
2002	16,628,500	1.0954	1.1262	20,513,713	1.246	16,466,727	1	7	8.07	0.490
2003	17,458,606	0.9526	1.1041	18,361,272	1.367	13,433,995	5	6	6.58	0.490
2004	22,121,506	0.8505	1.0824	20,365,248	1.576	12,925,236	5	8	6.33	0.490
2005	24,142,794	0.8100	1.0612	20,752,626	1.985	10,452,695	3	3	5.12	0.490
2006	25,714,864	0.8100	1.0404	21,670,533	3.065	7,071,201	5	5	3.46	0.490
2007	19,810,337	0.9000	1.0200	18,185,890	7.910	2,299,222	1	1	1.13	0.490
Total	194,931,145			213,134,950		146,959,513	40	73	72.01	0.490
				Prospective Premium:		25,000,000	Counts from Exposure-Rating Model:		12.25	0.490

(6) = "Exposed Premium"

* "As if" restatement of history

(9) = 12.25*(6) / 25,000,000

Number of Claims Exposure-Rating would have expected:

72.01 = n

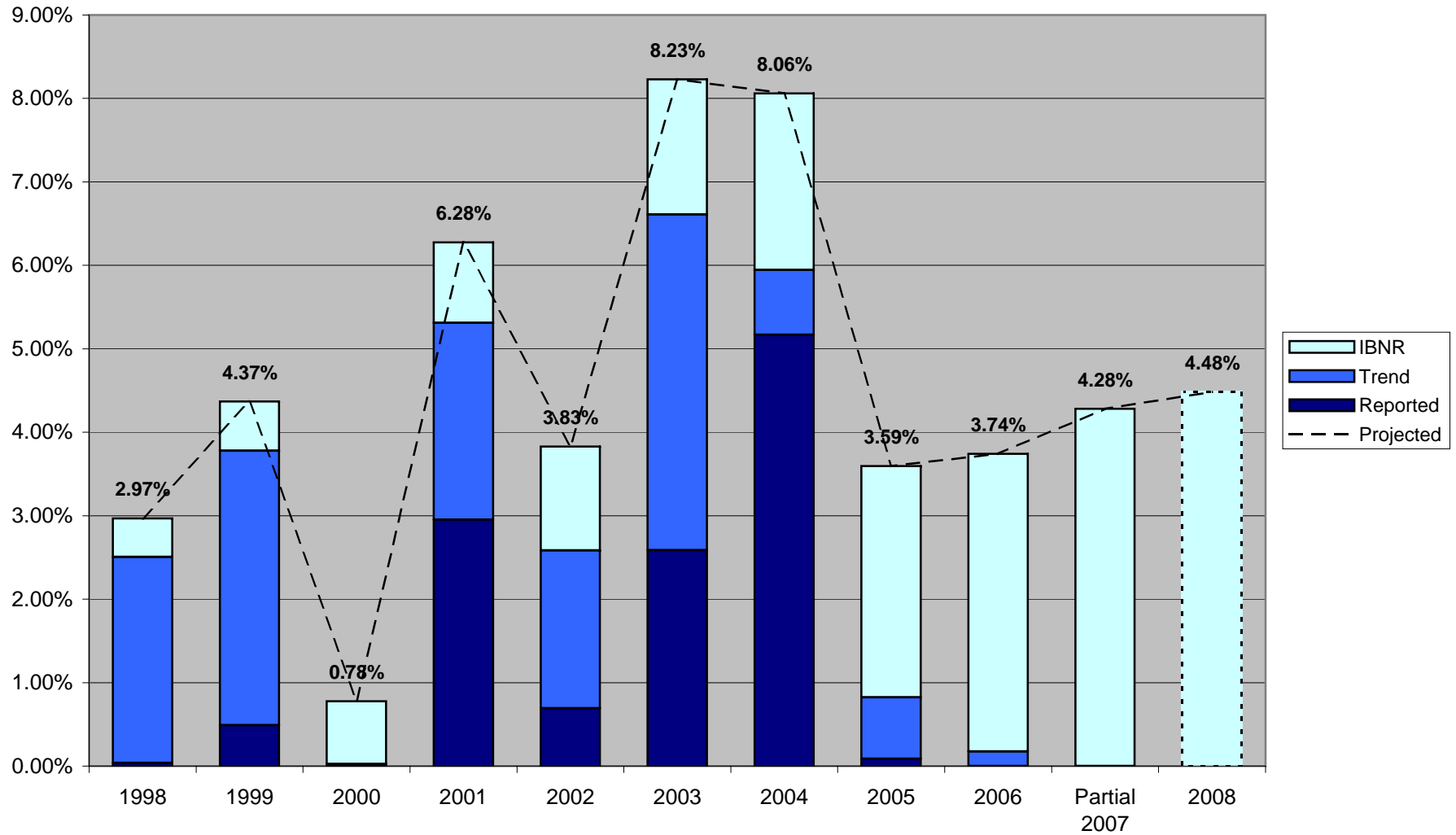
Credibility "k" value (# claims for 50% credibility):

20 = k

Credibility of Loss-Rating:

78.3% = n/(n+k)

**Pacific All Risk Ins. Co. - General Liability
500,000 xs 500,000**



Pacific All Risk Insurance Company
General Liability
500,000 excess of 500,000 - Loss plus pro rata ALAE

Accident Year	Historical Subject Earned Premium	Rate/Prc OnLevel Factor	Exposure Trend	Adjusted Subject Premium	LDF	Adj. Subject Premium / LDF	Layered Loss+ALAE Evaluated 09/30/2007	Trended Layered Loss+ALAE	LDF Ult. Loss Rate	Trended Ultimate Layered Loss+ALAE*	Trended Ultimate Loss Rate
	(1)	(2)	(3)	(4)=(1)*(2)*(3)	(5)	(6)=(4)/(5)	(7)	(8)	(9)=(8)/(6)	(10)	(11)=(10)/(4)
1998	19,215,561	1.0303	1.2190	24,132,581	1.115	21,640,570	9,300	604,779	2.79%	716,538	2.97%
1999	18,237,944	1.1447	1.1951	24,950,767	1.151	21,676,952	122,259	942,986	4.35%	1,089,805	4.37%
2000	16,676,622	1.2050	1.1717	23,544,655	1.201	19,598,688	0	5,671	0.03%	182,634	0.78%
2001	14,924,410	1.2050	1.1487	20,657,665	1.274	16,211,025	609,711	1,096,962	6.77%	1,296,379	6.28%
2002	16,628,500	1.0954	1.1262	20,513,713	1.385	14,809,649	142,331	529,773	3.58%	785,581	3.83%
2003	17,458,606	0.9526	1.1041	18,361,272	1.566	11,727,547	475,081	1,213,582	10.35%	1,511,082	8.23%
2004	22,121,506	0.8505	1.0824	20,365,248	1.894	10,755,037	1,052,224	1,210,428	11.25%	1,641,414	8.06%
2005	24,142,794	0.8100	1.0612	20,752,626	2.614	7,939,085	18,209	171,122	2.16%	745,766	3.59%
2006	25,714,864	0.8100	1.0404	21,670,533	4.881	4,439,764	0	37,923	0.85%	810,665	3.74%
2007	19,810,337	0.9000	1.0200	18,185,890	22.012	826,194	0	0	0.00%	778,524	4.28%
Total	194,931,145			213,134,950		129,624,512	2,429,115	5,813,226	4.48%	9,558,390	4.48%
				Prospective Premium: 25,000,000						1,120,000	4.48%

(6) = "Exposed Premium"

* "Cape Cod" Calculation

(10) = (8)+(4)*Total(9)*[1-1/(5)]

IBNR = Premium*4.48%*[1-1/LDF]

Pacific All Risk Insurance Company
General Liability
Counts excess of 500,000 - Loss plus pro rata ALAE

Accident Year	Historical Subject Earned Premium	Rate/Prc OnLevel Factor	Exposure Trend	Adjusted Subject Premium	Count LDF	Adj. Subject Premium / LDF	Excess Counts Evaluated 09/30/2007	Trended Counts	LDF Ult. Frequency / \$1m EP	Trended Ultimate Counts*	Trended Ultimate Frequency / \$1m EP
	(1)	(2)	(3)	(4)=(1)*(2)*(3)	(5)	(6)=(4)/(5)	(7)	(8)	(9)=(8)/(6)	(10)	(11)=(10)/(4)
1998	19,215,561	1.0303	1.2190	24,132,581	1.092	22,097,433	1	1	0.045	1.25	0.052
1999	18,237,944	1.1447	1.1951	24,950,767	1.122	22,241,953	1	3	0.135	3.34	0.134
2000	16,676,622	1.2050	1.1717	23,544,655	1.163	20,236,986	0	1	0.049	1.41	0.060
2001	14,924,410	1.2050	1.1487	20,657,665	1.224	16,882,419	1	3	0.178	3.47	0.168
2002	16,628,500	1.0954	1.1262	20,513,713	1.314	15,609,899	1	1	0.064	1.61	0.078
2003	17,458,606	0.9526	1.1041	18,361,272	1.459	12,585,438	2	3	0.238	3.71	0.202
2004	22,121,506	0.8505	1.0824	20,365,248	1.715	11,875,049	2	3	0.253	4.05	0.199
2005	24,142,794	0.8100	1.0612	20,752,626	2.259	9,185,716	1	1	0.109	2.43	0.117
2006	25,714,864	0.8100	1.0404	21,670,533	3.937	5,504,618	0	1	0.182	3.00	0.138
2007	19,810,337	0.9000	1.0200	18,185,890	16.114	1,128,574	0	0	0.000	2.11	0.116
Total	194,931,145			213,134,950		137,348,085	9	17	0.124	26.38	0.124
				Prospective Premium:		25,000,000				3.10	0.124

(6) = "Exposed Premium"

* "Cape Cod" Calculation
(10) = (8)+(4)*Total(9)*[1-1/(5)]

IBNR = (SEP/1M)*12.38%*[1-1/LDF]

Pacific All Risk Insurance Company
General Liability
Counts excess of 500,000 - Loss plus pro rata ALAE

CREDIBILITY CALCULATION

Accident Year	Historical Subject Earned Premium	Rate/Prc OnLevel Factor	Exposure Trend	Adjusted Subject Premium	Count LDF	Adj. Subject Premium / LDF	Excess Counts Evaluated 09/30/2007	Trended Counts	Trended Ultimate Counts	Trended Ultimate Frequency / \$1m EP
	(1)	(2)	(3)	(4)=(1)*(2)*(3)	(5)	(6)=(4)/(5)	(7)	(8)	(9) *	(10)=(9)/(6)
1998	19,215,561	1.0303	1.2190	24,132,581	1.092	22,097,433	1	1	3.31	0.150
1999	18,237,944	1.1447	1.1951	24,950,767	1.122	22,241,953	1	3	3.34	0.150
2000	16,676,622	1.2050	1.1717	23,544,655	1.163	20,236,986	0	1	3.04	0.150
2001	14,924,410	1.2050	1.1487	20,657,665	1.224	16,882,419	1	3	2.53	0.150
2002	16,628,500	1.0954	1.1262	20,513,713	1.314	15,609,899	1	1	2.34	0.150
2003	17,458,606	0.9526	1.1041	18,361,272	1.459	12,585,438	2	3	1.89	0.150
2004	22,121,506	0.8505	1.0824	20,365,248	1.715	11,875,049	2	3	1.78	0.150
2005	24,142,794	0.8100	1.0612	20,752,626	2.259	9,185,716	1	1	1.38	0.150
2006	25,714,864	0.8100	1.0404	21,670,533	3.937	5,504,618	0	1	0.83	0.150
2007	19,810,337	0.9000	1.0200	18,185,890	16.114	1,128,574	0	0	0.17	0.150
Total	194,931,145			213,134,950		137,348,085	9	17	20.60	0.150
				Prospective Premium:		25,000,000	Counts from Exposure-Rating Model:		3.75	0.150

(6) = "Exposed Premium"

* "As if" restatement of history
(9) = 3.75*(6) / 25,000,000

Number of Claims Exposure-Rating would have expected: 20.60 = n
Credibility "k" value (# claims for 50% credibility): 20 = k
Credibility of Loss-Rating: 50.7% = n/(n+k)