FLORIDA BIRTH RELATED NEUROLOGICAL INJURY COMPENSATION ASSOCIATION (NICA)
ANALYSIS OF LOSS AND LAE RESERVES
AS OF DECEMBER 31, 2022

Prepared: August 14, 2023

MADISON CONSULTING GROUP
Actuaries • Property/Casualty Consulting Services

August 14, 2023

Melissa Jaacks, CPA
Executive Director
PO Box 14567
Tallahassee, FL 32317-4567

Re: Florida Birth Related Neurological Injury Compensation Association Analysis of Loss and LAE Reserves as of December 31, 2022

Dear Ms. Jaacks:

Madison Consulting Group, Inc. is pleased to enclose a copy of the above captioned report.

We have enjoyed working on this project and hope you find it satisfactory. Please call if you have any questions or comments.

Mark Crawshaw Digitally signed by Mark Crawshaw

Mark Crawshaw, Ph.D., FCAS, MAAA
Madison Consulting Group, Inc.
200 North Second Street
Madison, Georgia 30650
(706) 342-7750
mark.crawshaw@madisoninc.com

Choya Everett

Choya Everett, ACAS, MAAA
Madison Consulting Group, Inc.
200 North Second Street
Madison, Georgia 30650
(706) 342-7750
choya.everett@madisoninc.com

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1 INTRODUCTION

1.1 Scope

The Florida Birth Related Neurological Injury Compensation Association (NICA) requested Madison Consulting Group (MCG) to estimate NICA's liability for outstanding loss and loss adjustment expense (LAE) reserves as of December 31, 2022. This report documents our results and methodology.

1.2 Authors

This report and analysis were prepared under the direction of Dr. Crawshaw and Ms. Everett. Dr. Crawshaw is a Fellow of the Casualty Actuarial Society. Ms. Everett is an Associate of the Casualty Actuarial Society. Both are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to make the actuarial opinions contained in this report.

2 BACKGOUND

2.1 Overview of NICA's Operations

NICA was created by Florida Statute ("the Statute").[1] The Statute replaces the traditional tort liability remedies for defined birth related injuries with a no-fault system[2] for participating health care providers. Claims must be filed within five years after birth.[3] Acceptance of claim (or not) into the NICA program is decided by an Administrative Law judge.[4] The Statute defines the benefits provided to claimants.

[1] Florida Statutes 766.301 to 766.316
[2] Florida Statute 766.303
[3] Prior to the 1994 birth year, a claim had to be filed within seven years of birth.
[4] Florida Statute 766.304

NICA collects assessments from various medical care providers during each birth year and invests those funds until payments are required on behalf of the claimants.[5] NICA disburses funds on behalf of claimants to pay for their care. The Statute provides NICA limited financial resources[6] for collecting additional funds in the event the funds collected from the medical care providers are not sufficient to pay its claims.

2.2 Overview of NICA's Loss and LAE Reserves

NICA's loss and LAE[7] reserves represent an estimate of the value of all future payments necessary to satisfy the lifetime payments for all claimants born on, or before, the valuation date. These reserves form the vast majority of the liabilities on NICA's balance sheet.

Due to the considerable time over which the benefits will be paid out, the estimated impact of inflation and anticipated investment income must be considered in the establishing the loss and LAE reserve. In this report, as well as previous actuarial reports, the reserves are valued by inflating future payments and then discounting to present-value. In this process, it is assumed the discount rate exceeds the inflation rate by 1.5% per year. NICA's actuaries have used this same assumption for many years. It is based on long-term comparison of investment returns versus inflation rate.

2.3 Categories of Claims

The loss and LAE reserve is intended to provide for all unpaid claims for children born through the valuation date. These include claims accepted into NICA, claims in the adjudication process that may or may not ultimately be accepted, and claims that have not yet been reported (also

[5] NICA also pays for expenses associated with the claims adjudication process, related litigation, and administrative expenses.
[6] The Statute provides NICA some ability to assess the insurance industry, as well as collect additional funds from the Office of Insurance Regulation.
[7] Here "loss" refers to the cost of the benefits provided to claimants. Loss adjustment expense (LAE) refers to the other costs associated with paying benefits and adjudicating claims such as legal expenses, NICA's administrative expenses etc.

referred to as IBNR claims). In this report, we use the following abbreviations and categories of claimant to develop claims:

Table 1: Categories of Claims

Category	Subcategory	Description
AA Claims		
AA		Claimant formally accepted into NICA when child was alive.
AA	AAA - Worksheet	Claimant is still alive and for whom NICA has full details and has established a worksheet with estimated life expectancy and projected lifetime benefits considering individual circumstances of the claimant and his/her family.
AA	AAA-Pipeline	Claimant is alive and is known to NICA. NICA expects claimant to become an AAA claim with a worksheet once claim adjudication and/or gathering of individual details is complete.
AA	AAD	Claimant was alive when accepted into NICA but is now deceased.
AA	AA-IBNR	Projected claims for living claimants which no petition has yet been filed.
DA Claims		
DA	DA-Reported	Claimant formally accepted when child was deceased or else is a deceased claimant that is expected to be accepted into NICA.
DA	DA-IBNR	Projected claims for deceased claimants for which no petition has yet been filed.
Other Claims		
Denied		Claimant has been denied or is expected to be denied acceptance into NICA.

2.4 NICA's Case Reserves

NICA develops its own estimates of its claim liabilities referred to as case reserves. These estimates are an important input into the actuarial reserve estimates presented in this report.

For each December 31 valuation, NICA prepares a master reserve worksheet summarizing NICA's projected lifetime expense payments by expense category and year for each claimant, along with the claimant's remaining life expectancy (as determined by Dr. Shavelle). The product of the expense payments and the remaining life expectancy determines NICA's case reserve estimates for these claims at year end. During the year, NICA prepares similar information for additional claims as they are accepted into NICA.

The master worksheet includes all living claimants that have been accepted into NICA and for whom NICA has had sufficient time to gather information on the individual circumstances and needs of the claimant and their family. As of December 31, 2022, there are 232 open claims included in the master reserve worksheet.

In addition to the "AAA-worksheet" claims discussed above, NICA also provided case reserve estimates for other categories of claims for which it believes it will make future payments. These include case reserves for (a) deceased claimants in NICA's program; (b) for living claimants (a.k.a., "AAA- pipeline") that have already been or are expected to be accepted into NICA; and (c) for claimants that are expected to ultimately be denied acceptance into NICA.[8]

2.5 Senate Bill 1786

In May 2021, the Florida Legislature passed Senate Bill 1786 (SB 1786), which resulted in increases to the financial obligations of NICA. This report includes consideration of the changes set forth in SB 1786.

[8] We distinguished between the "AAA-pipeline" and "denied" category based on the magnitude of the case reserve established by NICA. In particular, "AAA-pipeline" claims are signaled via a case reserve of $2.8 million.

2.6 Medicaid

The estimates shown in this report were determined under the assumption that, on a prospective basis, Medicaid will no longer reimburse NICA claimants for expenses as defined in the Statute (effective August 31, 2021), and these expenses will fall on NICA.

The estimated payments used to project reserves include estimates of all payments that will prospectively be paid by NICA. In addition, because Medicaid has not yet implemented a procedure to transfer and/or bill claims to NICA, we have included an estimated provision for the period between August 31, 2021 and December 31, 2022 for possible future reimbursements due Medicaid.

2.7 Medicaid Settlement

We understand that in late 2022, NICA settled litigation related to payments made by Medicaid in prior years to NICA claimants.[9]

2.8 Threshold Standard

The Statute sets forth a "threshold" financial standard that NICA must meet in order to continue accepting claimants. This standard is different from solvency standards more typically used for insurance companies that involve comparison of assets and liabilities. This threshold standard involves comparison of 80% of NICA's available assets and funds that may become available in the subsequent twelve months, to its liabilities for filed claims (i.e., excluding unreported claims) and excluding family care.

[9] We understand the attorney fees associated with this litigation were paid in January 2023. These are not part of the loss and LAE reserves of NICA.

3 RECOMMENDATIONS AND CONCLUSIONS

3.1 Recommended Reserve for Losses and LAE as of December 31, 2022

The recommended reserve for losses and LAE (excluding risk margin) as December 31, 2022 is $1.303 billion (Exhibit 1). This amount is an actuarial central estimate of expected outcomes valued using an annual interest discount rate that is 1.5% higher than the inflation rate.

3.2 Comparison to Prior Reserves

Exhibit 4 provides a time series for reserves and other loss related statistics beginning with the third quarter of 2016. Exhibits 2 and 3 summarize in graphical form, key statistics from Exhibit 4 that drive the loss reserves for NICA. We note the following:

1. The December 31, 2022 reserve for loss and loss adjustment expenses is $1.303 billion (Exhibit 4, Sheet 3, Row 4). The reserve amount is driven by the number of outstanding AAA claims (i.e., number of living claimants) and the average reserve per outstanding AAA claim (see Exhibit 2). Reserves decreased by about $52 million, or about 3.8%, from the prior analysis as of September 30, 2022, primarily due to an update in the life expectancy assumptions.

2. The average reserve per outstanding AAA claim is shown on Exhibit 4, Row 10, and also graphically on Exhibit 2, Sheet 1. Through year-end 2020, prior to the passage of SB 1786, the average reserve per outstanding claim was running at about $3.7 million per claim. Post-SB 1786, the average reserve has increased to about $4.9 million per claim, an increase of approximately 32%.

3. The number of outstanding AAA claims are shown on Exhibit 4, Row 8 and also graphically on Exhibit 2, Sheet 2. It can be seen that the number of outstanding AAA claims have been increasing at a rate of 3.6% per year in recent years.

4. The aggregate claim payments per quarter are shown on Exhibit 4, Row 12 and graphically on Exhibit 3. Prior to passage of SB 1786, aggregate claim payments were running around $5 million per quarter but increased sharply in 2021 as SB 1786's retroactive payments

were made to claimants. Since June 30, 2021, the aggregate payments have varied quite substantially by quarter as retroactive payments continue to be paid. We expect the quarterly payments to decrease and stabilize once all the retroactive payments have been made, and thereafter increase gradually. However, there is also a possibility of an additional one-time payment when final billing procedures with Medicaid are established and implemented.

5. Exhibit 4, Row 14 shows the claims incurred (i.e., aggregate amounts paid to claimants plus changes in reserves) per quarter. To be sustainable over the long-run, NICA needs to generate sufficient revenue (via its investments and charges to healthcare providers) to cover these costs plus its overhead costs.

3.3 Threshold Calculation

Exhibit 6 provides a summary of the threshold calculation for NICA to continue accepting claims. Based on this calculation, NICA passes this standard as defined in the Statute.

4 CONDITIONS AND LIMITATIONS

4.1 Data Sources

Data for this analysis was provided to us by NICA and included:

1. A master reserve worksheet containing case reserves for each adjudicated claim showing life expectancy and projected future annual payments by category over the lifetime of the claimant. This worksheet is the basis of the case reserve development method.
2. Information on investments, claim adjustment expenses and numbers of participating healthcare providers.
3. The prior actuarial report evaluated as of September 30, 2022, prepared by Turner Consulting, as well as prior quarterly actuarial reports.

While we reviewed the data for reasonableness, we did not audit the data. We are relying on NICA to ensure its accuracy.

4.2 Investment and Inflation Assumptions

The reserve recommendations are presented on a present-value basis using an interest discount rate that is 1.5% greater than the future claims inflation. This is consistent with prior actuarial analyses.

We have noted that the investment returns NICA has achieved have, over the long term, exceeded general inflation by about 2.5% per year (Appendix H). Here, general inflation is defined by the consumer price index (CPI) and likely differs from the claims inflation that impacts NICA. For this reason, and considering the uncertainties, we believe it is prudent, and has served NICA well, to use the lower 1.5% investment/inflation differential to value the loss reserves.

4.3 Risk Margin

NICA's loss and LAE reserves represent an actuarial central estimate of the present-value of all future payments necessary to satisfy the lifetime payments for all claimants born on, or before, the valuation date. Any such estimate involves the projection of future contingent events and actual payments will likely vary from projections.

To increase the likelihood that the estimates will reasonably provide for all future payments, we have continued NICA's past practice of estimating an additional explicit risk margin to account for likely variation in estimates caused by the following items.

1. The actual remaining years of life of known claims is likely to vary from their expected remaining life; and
2. The number and severity of pipeline and unreported claims are likely to vary from expected values included in our reserve estimates.

The resulting selected risk margin is $75.5 million, consistent with recent prior analysis (Appendix I).

We note that the explicit risk margin only accounts for a small portion of the financial risk that NICA is exposed to. Much greater sources of risk are uncertainties in future claim cost inflation and discount rates to appropriately present-value the reserves. We have implicitly recognized some of this risk via our somewhat conservative selection of the future interest/inflation differential (See Section 4.2 above).

4.4 Inherent Variability

The development of reserves for NICA involves the projection of future contingent events. Actual results are likely to vary from projections. We have, however, used accepted actuarial methods and believe the results are reasonable.

5 ANALYSIS

We analyzed liabilities for the various categories of claims as set forth in Section 2.3 above. The following subsections describe the analysis for each category.

5.1 Analysis of AAA Claims With Worksheet

We developed reserves for AAA claims with reserve worksheets based on their life expectancy and estimated future payments. The final selected estimate is shown on Appendix A, Sheet 1 and on Exhibit 1.

5.11 Basis for Life Expectancy (AAA Claims With Reserve Worksheets)

5.111 Life Expectancy, Mortality, PLE Approach

Life expectancy is the average survival time for a group of similar people. It is not a prediction of the actual number of years a person will live but rather it reflects the average of all possible future outcomes considering their probabilities of occurring.

In our analysis, we reference standard life tables (e.g., 2020 Social Security Period Life Table) that set forth probabilities of surviving or dying at various ages for the general population and from which remaining standard life expectancies at any age can be calculated.

The NICA claimants have impaired life expectancies (i.e., remaining life expectancies are less than standard remaining life expectancies at the same age). In our analysis, mortality for NICA's claimants is discussed either in terms of a remaining life expectancy or a mortality table providing all the outcomes and their probabilities. We convert from a given (impaired) life expectancy to a mortality table by assuming that for a given claimant, the ratio of remaining impaired life expectancy to remaining standard life expectancy is constant over all ages. This approach is referred to as PLE (for "proportional life expectancy") and is based on empirical evidence and is common practice.[10] It has been used by NICA's actuaries for many years, as well as by opposing actuaries and others in reinsurance arbitrations with NICA.

5.112 NICA's Historical Mortality Experience

Appendix D, Sheet 1 summarizes the mortality experience for NICA's AA claimants by comparing by birth year, the number of claimants alive at age five (5) to the number remaining alive as of December 31, 2022. Please note the following:

1. The analysis includes birth years 2016 and prior. These are the birth years where all the claimants, if alive, will be more than a year older than age 5.

[10] See, for example, Estimation of Future Mortality Rates and Life Expectancy in Chronic Medical Conditions; Strauss, Vachon, Shavelle; Journal of Insurance Medicine 2005;37:20-34.

2. The actual mortality is consistent with the assumption that life expectancy of the AA claimants is 52.6% of standard life expectancy using the PLE approach.

3. The standard life expectancy at birth is 76.8 years. The 52.6% in (2) above implies that life expectancy at birth for an AA claimant is 40.4 years (=52.6% x 76.8).

4. The analysis on Appendix A, Sheet 1 uses a single life table applied to all birth years. The subtotals indicate that while the table approximates total mortality, it tends to underpredict the numbers of deceased claimants in the early periods and overpredict in later periods. This provides some indication that mortality may be decreasing and life expectancy increasing, over time.

On Appendix D, Sheet 2, we have calculated the remaining years of life for all 232 open claims assuming each claim has remaining life equal to 52.6% of standard remaining life expectancy at the same age. This calculation yields total estimated remaining years of life of 7,541.

5.113 Dr. Shavelle's Remaining Life Expectancy (Scenario 1)

NICA retained Dr. Shavelle to provide remaining life expectancy at year end 2022 for all open AA claims with a reserve worksheet (232 claims). We understand:

1. Dr. Shavelle is a medical researcher in the area of life expectancy in general, and the life expectancy of persons with disabilities in particular. He has authored more than 100 articles in the scientific literature, primarily on life expectancy/survival, most of which have been published in peer-reviewed medical journals. He is a Fellow of the American Academy for Cerebral Palsy and Developmental Medicine.

2. In the course of his work, Dr. Shavelle has effectively developed mortality tables for children and adults with birth-related injuries (principally cerebral palsy) according to the severity of the disabilities as measured by a variety of factors including functional status, the need for a feeding tube, epilepsy, the need for suctioning, tracheostomy or ventilator dependence, weight/height, degree of visual and cognitive impairment, medical complications, and other factors. These tables were developed based on his review of

relevant medical literature, as well as large databases of patient data available in United States and overseas.

3. Dr. Shavelle has used his mortality tables along with medical information on each of NICA's claimants provided to him by NICA, to arrive at an estimate of the remaining life expectancy (RLE) for each claimant.

Appendix D, Sheet 3, summarizes the actual years lived by all the living and deceased claimants, as well as the expected remaining years as estimated by Dr. Shavelle. Please note:

a. According to Dr. Shavelle, there are 6,949 total remaining years of life expected for all 232 living claimants (Column 6).
b. Through December 31, 2022, all 304 claimants (i.e., the 232 living claimants plus the 72 deceased claimants) had lived a total of 4,417 years.
c. The average life expectancy at birth for all 304 claimants is 37.4 years, Column (8) (= {4,417+6,949}/304).

5.114 Alternative Remaining Life Expectancy (Scenario 2)

To gauge the sensitivity of reserves to the mortality assumption, while at the same time recognizing the claimant specific features inherent in Dr. Shavelle's estimates, we have produced a second set of remaining life expectancies by adjusting Dr. Shavelle's estimates. Specifically, for each claim, Dr. Shavelle has effectively determined an impairment percentage to standard life expectancy. Our alterative remaining life expectancies reduce his impairment by 2% for claimants over thirty years old and then by an additional 1%, compounded annually, beginning with birth year 1993 and continuing through birth year 2022. Thus, for example, if Dr. Shavell's remaining life expectancy reflects a 60% reduction for impairment, our alternative remaining life expectancy reflects a 58.8% (= 98% x 60%) impairment for a claimant born in 1992, a 58.2% (= 99% x 98% x 60%) impairment for a claimant born in 1993, and a 57.6% (= 99% x 99% x 98% x 60%) impairment for a claimant born in 1994, etc.

Appendix D, Sheet 4 provides a summary of the alternative mortality assumption in the same format as Dr. Shavelle's original estimates in Sheet 3. Please note:

1. The alternative mortality implies there are 8,207 total remaining years of life expected for all 232 living claimants (Column 6). This is about 8.8% greater than the total of 7,541 years developed based on NICA's historical mortality developed on Appendix A, Sheet 2; or about 18.1% greater than the total of 6,949 years developed based on Dr. Shavelle's estimates on Appendix A, Sheet 3.

2. The average life expectancy at birth for all 304 living and deceased AA claimants is 41.5 years (= {4,417+8,207}/304) Column (8).

5.115 Comparison of Dr. Shavelle's Mortality to Adjusted Mortality

Appendix D, Sheet 5 visually summarizes the average life expectancies under Scenarios 1 (i.e., Dr. Shavelle's estimated mortality) and 2 (i.e. the alternative estimated mortality) for NICA's claimants. We note that Scenario 1 indicates a small downward trend in life expectancy by birth year while Scenario 2 denotes a small upward trend.

We are skeptical that NICA's life expectancy will actually trend downward by birth year as indicated under Scenario 1 for the following reasons:

1. Our understanding of long-term trends is that life expectancy has generally been increasing and mortality decreasing both in the general population and for persons with impairments, including cerebral palsy.

2. The analysis on Appendix D, Sheet 1 provides no indication that mortality is greater in the more recent years. To the contrary, if anything, it indicates mortality is lower in the more recent years.

5.116 Selected Mortality

Based on the considerations above, we believe it is prudent to establish reserves using remaining life expectancies somewhat higher than those provided by Dr. Shavelle because:

1. The actual experience of NICA – though admittedly limited – indicates higher remaining life expectancies; and,

2. Dr. Shavelle's life tables may be underestimating remaining life expectancy for NICA claimants, particularly in the more recent birth years considering the downward trend in life expectancy implicit in his estimates. In other words, the care the claimants receive in the NICA program may be improving life expectancy outcomes compared to the more general situations that form the basis for his mortality tables.

On this basis, we selected a reserve indication based on Scenario 2 (Appendix A, Sheet 1). This implies a gradually increasing life expectancy by birth year and a life expectancy at birth for new AA claims of about 44.5 years (lower chart on Appendix D, Sheet 5).

5.12 Basis for Future Payments (AAA Claims With Reserve Worksheets)

We used two methods to estimate future annual payments for AAA Claims With Reserve Worksheets. First, we directly used the payment estimates on those worksheets. Second, we used projected average annual payments by age developed in the previous actuarial report based on NICA's historical aggregate claims payment experience adjusted to reflect inflation, changes in reimbursement rates and available benefits. We determined that with the same set of life expectancy assumptions, the different approaches produced reasonably similar results (Appendix A, Sheet 2). We concluded that the aggregate payment data validates the case reserves, and we adopted the future payments in the reserve spreadsheets to project reserves.

5.2 Analysis of AAA Pipeline Claims

The number of outstanding pipeline claims is known and does not require estimation. We estimated the average reserve for each AAA pipeline claim based on the estimated average life expectancy at birth for current AA claims as described previously. We estimated the future annual payments based on the average payment model from the previous actuarial report. The reserve development is summarized on the upper section of Appendix B, Sheet 1.

5.3 Analysis of AA-IBNR and DA-IBNR Claims

In the lower two sections of Appendix B, Sheet 1, we estimated the reserve based on the estimated number claims (Appendix C) multiplied by the average projected reserve per claim.

5.4 Analysis of Other Claim Categories

For the other categories of claims, we directly used NICA's estimates of future liabilities (see Exhibit 1).

5.5 Analysis of ULAE

ULAE ("unallocated loss adjustment expenses") refers to those expenses incurred by NICA to administer the benefits separate and apart from the benefits themselves or legal fees. The reserves on Exhibit 1 include a provision for estimated future ULAE. The methodology used to estimate future ULAE is similar to that used in the past. The estimated current ULAE is extrapolated into the future based on the estimated number of open claims to be administered, future inflation and then discounted to present-value. See Appendix E.

NICA

SUMMARY OF SELECTED RESERVES AS OF DECEMBER 31, 2022
($000'S)

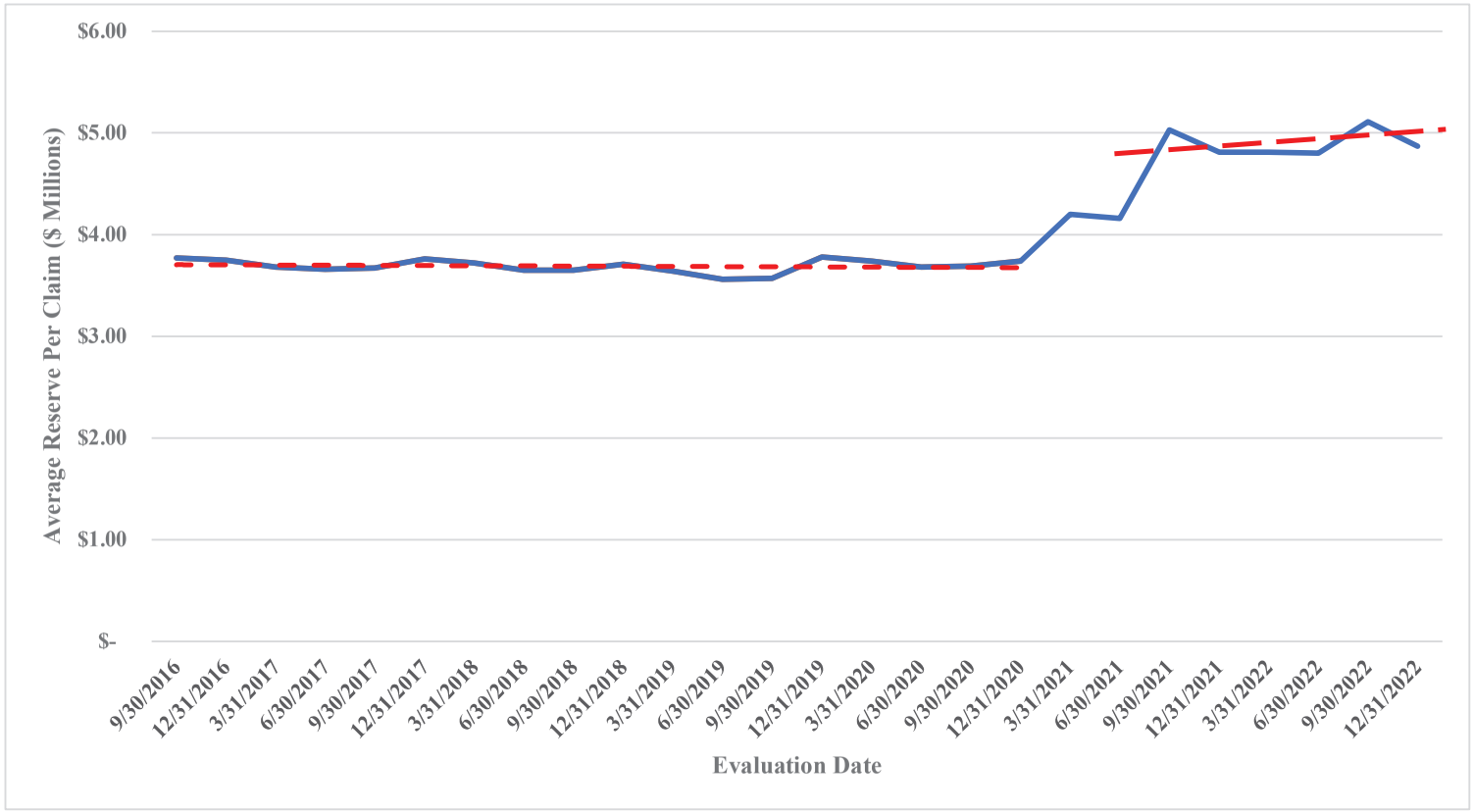
Item	Unpaid Claim Count	Case Reserve	Projected Reserve Nominal	Projected Reserve Inflated and Discounted
(1)	(2)	(3)	(4)	(5)
AAA Claims With Worksheets (a)	232	$ 1,264,633	$ 1,526,512	$ 1,073,904
AAA Claims Pipeline (b)	9	25,589	69,553	45,881
AAA Claims IBNR (b)	27	-	206,728	136,368
AAD Claims (c)	8	1,020	1,020	1,020
DA Claims Reported (c)	30	5,329	5,329	5,329
DA Claims IBNR (b)	9	-	3,765	3,765
Denied Claims (c)	32	370	370	370
Subtotal	347	$ 1,296,941	$ 1,813,276	$ 1,266,636
Outstanding ULAE (d)				20,779
Medicaid Reimbursement - Aug 31, 2021 through Dec 31, 2022 (e)				16,000
Total Reserve Excluding Risk Margin				**$ 1,303,415**
Risk Margin (f)				$ 75,500
Total Reserve Including Risk Margin				**$ 1,378,915**

Notes:

(a) See Appendix A, Sheet 1.
(b) See Appendix B, Sheet 1.
(c) See Appendix F, Sheet 2.
(d) See Appendix E, Sheet 1.
(e) Assumes one million dollars a month, starting August 31, 2021.
(f) See Appendix I.

NICA

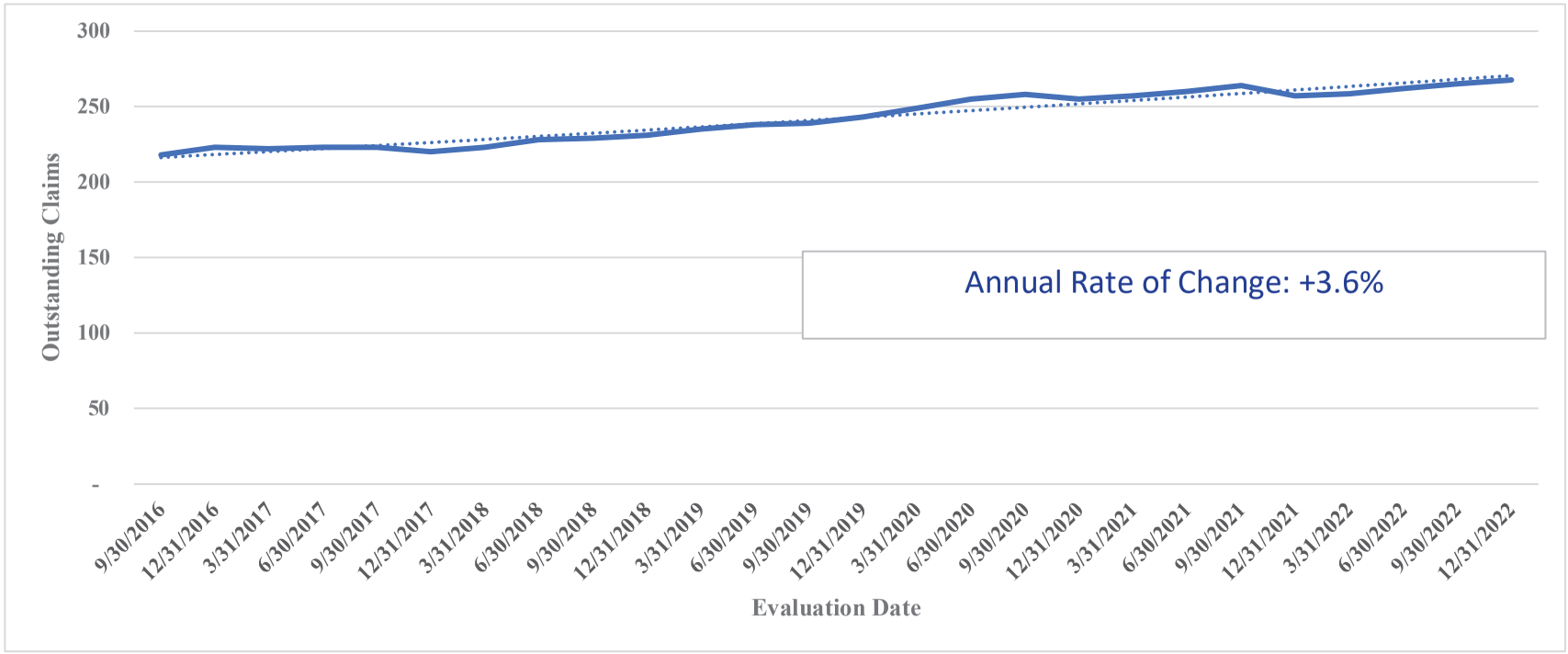
SUMMARY OF AVERAGE RESERVE PER AAA CLAIM



Note: Based on Exhibit 4, Row (10). AAA claims relate to accepted, living claimants.

NICA

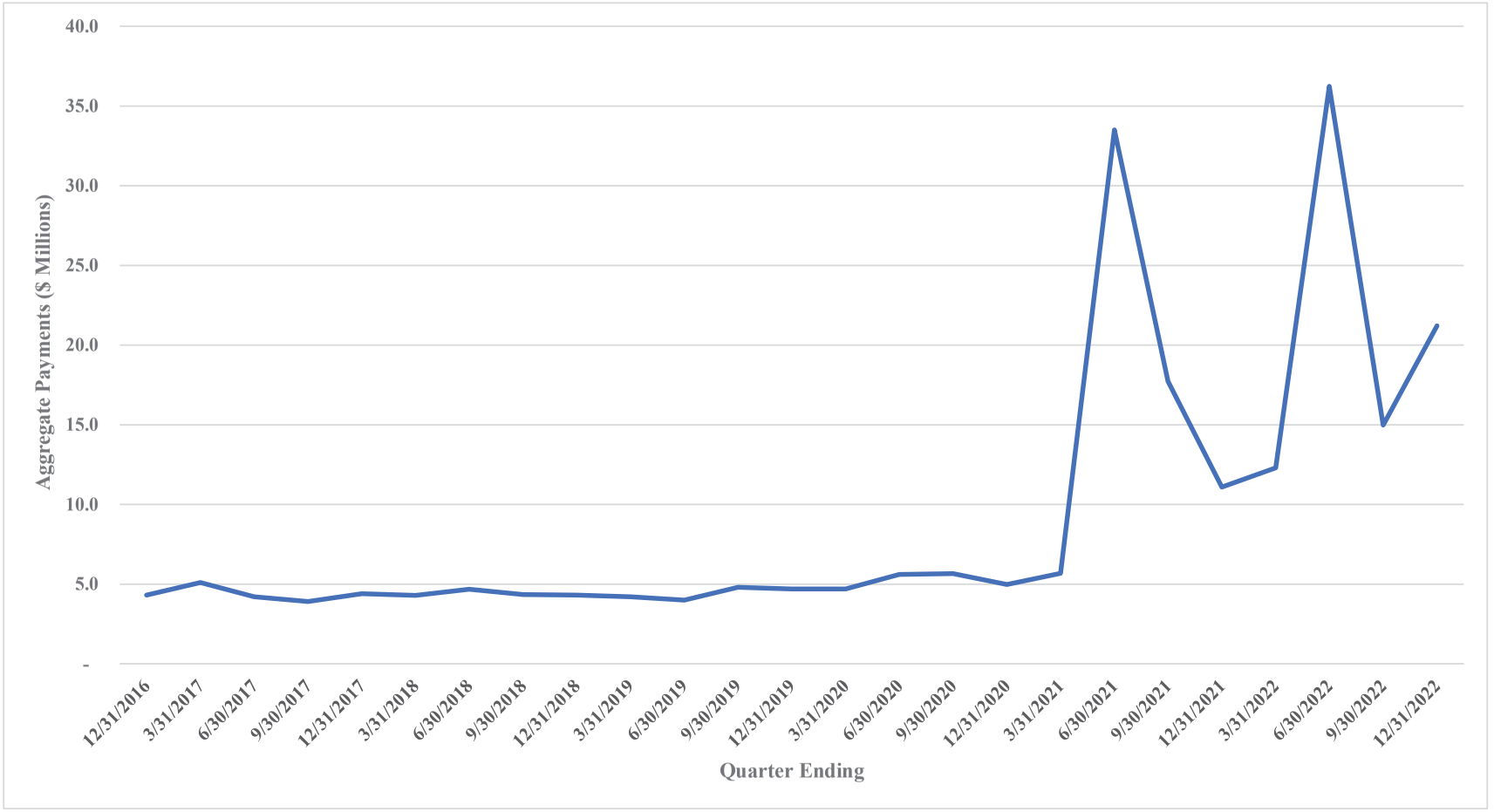
NUMBER OF OUTSTANDING AAA CLAIMS



Note: Based on Exhibit 4, Row (8). AAA claims relate to accepted, living claimants.

NICA

PAYMENTS BY QUARTER FOR ALL CLAIMS



Note: Based on Exhibit 4, Row (12).

NICA

SUMMARY OF CLAIM PAYMENTS AND RESERVES
($ MILLIONS)

	Item	9/30/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018
(1)	Reserve for Future Benefits (a)	$ 810.3	$ 826.2	$ 806.6	$ 805.7	$ 806.4	$ 814.4	$ 816.5	$ 819.7	$ 823.1
(2)	ULAE Reserves (a)	11.1	11.1	11.1	11.1	12.7	12.8	12.8	12.7	12.6
(3)	Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-	-	-	-
(4)	**Total Reserves**	**$ 821.4**	**$ 837.3**	**$ 817.7**	**$ 816.8**	**$ 819.1**	**$ 827.1**	**$ 829.3**	**$ 832.4**	**$ 835.7**
(5)	- Change in Quarter		15.9	(19.6)	(0.9)	2.4	8.0	2.1	3.1	3.3
(6)	Number of Open Accepted Claims - AAA Claims (b)	187	193	189	190	191	191	193	198	198
(7)	Number IBNR Claims Excluding DA (a)	31	30	33	33	32	29	30	30	31
(8)	**Total Outstanding AAA Claims**	**218**	**223**	**222**	**223**	**223**	**220**	**223**	**228**	**229**
(9)	- Change in Quarter		5.0	(1.0)	1.0	-	(3.0)	3.0	5.0	1.0
(10)	Average Reserve per AAA Claim [(4) / (8)]	$ 3.77	$ 3.75	$ 3.68	$ 3.66	$ 3.67	$ 3.76	$ 3.72	$ 3.65	$ 3.65
(11)	Inception to Date Claim Payments (a)	$ 200.9	$ 205.2	$ 210.3	$ 214.5	$ 218.4	$ 222.8	$ 227.1	$ 231.8	$ 236.1
(12)	**- Change in Quarter**		**4.3**	**5.1**	**4.2**	**3.9**	**4.4**	**4.3**	**4.7**	**4.3**
(13)	Inception to Date Incurred Expenses [(4) + (11)]	$ 1,022.3	$ 1,042.5	$ 1,028.0	$ 1,031.3	$ 1,037.5	$ 1,049.9	$ 1,056.4	$ 1,064.2	$ 1,071.8
(14)	**Claims Incurred in Quarter [(5) + (12)]**		**20.2**	**(14.5)**	**3.3**	**6.3**	**12.4**	**6.4**	**7.8**	**7.6**
(15)	Average Number of Open Claims		190	191	190	191	191	192	196	198
(16)	Average Paid Per Open Claim		$ 0.023	$ 0.027	$ 0.022	$ 0.020	$ 0.023	$ 0.022	$ 0.024	$ 0.022

Notes:
(a) Exhibit 1 for current evaluation; Turner Section I, Exhibit I for prior evaluations.
(b) Appendix F for the current evaluation; Turner Section VI, Exhibit IV or Exhibit X for prior evaluations.

NICA

SUMMARY OF CLAIM PAYMENTS AND RESERVES
($ MILLIONS)

	Item	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020	9/30/2020	12/31/2020
(1)	Reserve for Future Benefits (a)	$ 843.3	$ 841.4	$ 836.0	$ 840.1	$ 903.8	$ 917.1	$ 924.7	$ 938.6	$ 937.6
(2)	ULAE Reserves (a)	13.2	13.2	12.2	12.1	14.4	14.4	14.3	14.2	14.9
(3)	Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-	-	-	-
(4)	**Total Reserves**	**$ 856.5**	**$ 854.6**	**$ 848.2**	**$ 852.2**	**$ 918.1**	**$ 931.5**	**$ 939.0**	**$ 952.8**	**$ 952.5**
(5)	- Change in Quarter	20.8	(1.9)	(6.4)	4.0	65.9	13.4	7.5	13.8	(0.3)
(6)	Number of Open Accepted Claims - AAA Claims (b)	200	203	206	208	215	222	227	229	226
(7)	Number IBNR Claims Excluding DA (a)	31	32	32	31	28	27	28	29	29
(8)	**Total Outstanding AAA Claims**	**231**	**235**	**238**	**239**	**243**	**249**	**255**	**258**	**255**
(9)	- Change in Quarter	2.0	4.0	3.0	1.0	4.0	6.0	6.0	3.0	(3.0)
(10)	Average Reserve per AAA Claim [(4) / (8)]	$ 3.71	$ 3.64	$ 3.56	$ 3.57	$ 3.78	$ 3.74	$ 3.68	$ 3.69	$ 3.74
(11)	Inception to Date Claim Payments (a)	$ 240.4	$ 244.6	$ 248.6	$ 253.4	$ 258.1	$ 262.8	$ 268.4	$ 274.1	$ 279.0
(12)	**- Change in Quarter**	**4.3**	**4.2**	**4.0**	**4.8**	**4.7**	**4.7**	**5.6**	**5.7**	**5.0**
(13)	Inception to Date Incurred Expenses [(4) + (11)]	$ 1,096.9	$ 1,099.2	$ 1,096.8	$ 1,105.6	$ 1,176.2	$ 1,194.3	$ 1,207.4	$ 1,226.9	$ 1,231.6
(14)	**Claims Incurred in Quarter [(5) + (12)]**	**25.1**	**2.3**	**(2.4)**	**8.8**	**70.6**	**18.1**	**13.1**	**19.5**	**4.7**
(15)	Average Number of Open Claims	199	202	205	207	212	219	225	228	228
(16)	Average Paid Per Open Claim	$ 0.022	$ 0.021	$ 0.020	$ 0.023	$ 0.022	$ 0.021	$ 0.025	$ 0.025	$ 0.022

Notes:
(a) Exhibit 1 for current evaluation; Turner Section I, Exhibit I for prior evaluations.
(b) Appendix F for the current evaluation; Turner Section VI, Exhibit IV or Exhibit X for prior evaluations.

NICA

SUMMARY OF CLAIM PAYMENTS AND RESERVES
($ MILLIONS)

	Item	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022
(1)	Reserve for Future Benefits (a)	$ 1,064.6	$ 1,066.2	$ 1,311.9	$ 1,214.8	$ 1,223.6	$ 1,238.4	$ 1,321.0	$ 1,266.6
(2)	ULAE Reserves (a)	15.0	14.9	14.8	20.2	20.2	20.2	20.2	20.8
(3)	Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-	14.0	16.0
(4)	**Total Reserves**	**$ 1,079.6**	**$ 1,081.1**	**$ 1,326.7**	**$ 1,235.0**	**$ 1,243.8**	**$ 1,258.6**	**$ 1,355.1**	**$ 1,303.4**
(5)	- Change in Quarter	127.1	1.5	245.6	(91.7)	8.8	14.8	96.5	(51.7)
(6)	Number of Open Accepted Claims - AAA Claims (b)	228	233	235	230	232	233	238	241
(7)	Number IBNR Claims Excluding DA (a)	29	27	29	27	27	29	27	27
(8)	**Total Outstanding AAA Claims**	**257**	**260**	**264**	**257**	**259**	**262**	**265**	**268**
(9)	- Change in Quarter	2.0	3.0	4.0	(7.0)	1.5	3.5	3.0	2.8
(10)	Average Reserve per AAA Claim [(4) / (8)]	$ 4.20	$ 4.16	$ 5.03	$ 4.81	$ 4.81	$ 4.80	$ 5.11	$ 4.87
(11)	Inception to Date Claim Payments (a)	$ 284.7	$ 318.2	$ 335.9	$ 347.0	$ 359.3	$ 395.5	$ 410.5	$ 431.7
(12)	**- Change in Quarter**	**5.7**	**33.5**	**17.7**	**11.1**	**12.3**	**36.2**	**15.0**	**21.2**
(13)	Inception to Date Incurred Expenses [(4) + (11)]	$ 1,364.3	$ 1,399.3	$ 1,662.6	$ 1,582.0	$ 1,603.1	$ 1,654.2	$ 1,765.6	$ 1,735.1
(14)	**Claims Incurred in Quarter [(5) + (12)]**	**132.7**	**35.0**	**263.3**	**(80.6)**	**21.1**	**51.0**	**111.5**	**(30.5)**
(15)	Average Number of Open Claims	227	231	234	233	231	233	236	240
(16)	Average Paid Per Open Claim	$ 0.025	$ 0.145	$ 0.076	$ 0.048	$ 0.053	$ 0.156	$ 0.063	$ 0.088

Notes:
(a) Exhibit 1 for current evaluation; Turner Section I, Exhibit I for prior evaluations.
(b) Appendix F for the current evaluation; Turner Section VI, Exhibit IV or Exhibit X for prior evaluations.

NICA

SUMMARY OF RESERVES AS OF DECEMBER 31, 2022 - CURRENT DOLLARS

Birth Year	Paid Loss and ALAE (a)	Incurred Loss and ALAE (a)	Case Outstanding Loss & ALAE (a)	Indicated IBNR / Bulk Reserves (b)	Selected Total Outstanding Loss & ALAE (c)
(1)	(2)	(3)	(4)	(5)	(6)
1989	$ 18,861,184.24	$ 37,544,537.57	$ 18,683,353.33	$ 10,712.88	$ 18,694,066.21
1990	9,126,468.79	20,881,387.95	11,754,919.16	184,225.08	11,939,144.24
1991	13,062,264.78	30,933,112.46	17,870,847.68	73,520.44	17,944,368.12
1992	21,388,241.98	65,804,696.48	44,416,454.50	351,306.37	44,767,760.87
1993	27,396,528.38	62,312,837.43	34,916,309.05	741,550.90	35,657,859.95
1994	11,238,712.84	32,137,943.39	20,899,230.55	116,902.20	21,016,132.75
1995	15,022,966.39	45,667,468.27	30,644,501.88	710,947.82	31,355,449.70
1996	14,217,755.05	44,453,645.60	30,235,890.55	1,915,429.52	32,151,320.07
1997	18,268,002.15	63,276,353.34	45,008,351.19	1,779,040.60	46,787,391.79
1998	29,881,167.09	88,325,980.52	58,444,813.43	4,293,504.92	62,738,318.35
1999	16,998,204.37	27,671,377.67	10,673,173.30	2,608,884.70	13,282,058.00
2000	9,682,296.21	23,037,893.53	13,355,597.32	1,635,748.97	14,991,346.29
2001	12,358,525.37	30,074,105.24	17,715,579.87	3,093,556.96	20,809,136.83
2002	27,140,938.26	92,515,111.19	65,374,172.93	9,163,967.23	74,538,140.16
2003	8,738,578.99	22,755,567.48	14,016,988.49	3,130,121.25	17,147,109.74
2004	9,722,482.74	54,309,128.79	44,586,646.05	3,823,853.80	48,410,499.85
2005	13,363,880.60	48,998,473.26	35,634,592.66	7,281,617.06	42,916,209.72
2006	15,432,729.70	77,643,818.33	62,211,088.63	8,877,613.45	71,088,702.08
2007	16,647,531.52	41,533,310.30	24,885,778.78	10,431,560.77	35,317,339.55
2008	11,671,517.72	68,231,599.34	56,560,081.62	9,655,116.48	66,215,198.10
2009	15,297,190.88	62,957,112.03	47,659,921.15	11,644,785.46	59,304,706.61
2010	6,701,788.43	35,496,474.82	28,794,686.39	4,192,188.50	32,986,874.89
2011	9,973,236.84	59,477,143.76	49,503,906.92	13,756,250.03	63,260,156.95
2012	6,763,044.03	46,322,866.18	39,559,822.15	7,720,684.40	47,280,506.55
2013	9,769,012.82	42,807,414.80	33,038,401.98	13,995,546.17	47,033,948.15
2014	11,535,108.47	38,776,785.06	27,241,676.59	18,907,715.80	46,149,392.39
2015	12,637,301.96	91,113,211.67	78,475,909.71	26,108,902.87	104,584,812.58
2016	4,471,371.23	50,609,948.11	46,138,576.88	10,740,929.73	56,879,506.61
2017	7,963,226.68	79,933,221.30	71,969,994.62	29,006,939.94	100,976,934.56
2018	12,167,087.04	116,273,953.82	104,106,866.78	46,172,358.94	150,279,225.72
2019	6,997,712.77	53,440,474.63	46,442,761.86	41,396,478.35	87,839,240.21
2020	5,081,145.24	53,350,301.28	48,269,156.04	41,399,962.83	89,669,118.87
2021	2,125,146.39	16,417,018.95	14,291,872.56	82,600,184.95	96,892,057.51
2022	14,566.38	3,573,556.83	3,558,990.45	98,813,096.10	102,372,086.55
Total	$ 431,716,916.33	$ 1,728,657,831.38	$ 1,296,940,915.05	$ 516,335,205.46	$ 1,813,276,120.51

Notes: (a) Provided by NICA.
(b) [(6) - (4)]
(c) Nominal reserves from Exhibit 1 split by birth year.

NICA

SUMMARY OF RESERVES AS OF DECEMBER 31, 2022 - DISCOUNTED & INFLATED

Birth Year	Case Outstanding Loss & ALAE (a)	Indicated IBNR / Bulk Loss & ALAE	Total Outstanding Loss & ALAE (b)	Present Value Factor (c)
(1)	(7)	(8) = (9) - (7)	(9)	(10)
1989	$ 14,024,783.90	$ 8,041.69	$ 14,032,825.59	0.7507
1990	9,467,666.16	148,378.87	9,616,045.03	0.8054
1991	13,746,270.63	56,551.99	13,802,822.61	0.7692
1992	33,274,069.59	263,177.07	33,537,246.66	0.7491
1993	25,934,730.71	550,800.57	26,485,531.28	0.7428
1994	14,589,458.12	81,607.77	14,671,065.90	0.6981
1995	22,374,769.06	519,091.26	22,893,860.32	0.7301
1996	22,873,639.31	1,449,034.35	24,322,673.66	0.7565
1997	32,083,696.71	1,268,169.07	33,351,865.78	0.7128
1998	43,481,964.20	3,194,295.89	46,676,260.09	0.7440
1999	8,371,945.71	2,046,386.81	10,418,332.52	0.7844
2000	9,850,249.40	1,206,425.66	11,056,675.07	0.7375
2001	13,360,121.17	2,332,991.42	15,693,112.59	0.7541
2002	48,230,836.46	6,760,862.66	54,991,699.12	0.7378
2003	10,643,683.71	2,376,831.55	13,020,515.26	0.7593
2004	30,733,209.69	2,635,751.08	33,368,960.77	0.6893
2005	25,043,997.04	5,117,521.55	30,161,518.59	0.7028
2006	44,326,076.62	6,325,396.04	50,651,472.66	0.7125
2007	19,282,362.09	8,082,734.07	27,365,096.16	0.7748
2008	38,826,186.83	6,627,843.27	45,454,030.10	0.6865
2009	33,247,578.79	8,123,406.69	41,370,985.48	0.6976
2010	18,310,985.54	2,665,877.38	20,976,862.92	0.6359
2011	33,397,455.23	9,280,555.27	42,678,010.50	0.6746
2012	26,707,919.10	5,212,445.43	31,920,364.54	0.6751
2013	23,835,616.87	10,097,112.95	33,932,729.82	0.7215
2014	20,020,899.38	13,895,968.34	33,916,867.72	0.7349
2015	54,107,997.10	18,001,708.37	72,109,705.47	0.6895
2016	30,254,472.82	7,043,155.39	37,297,628.22	0.6557
2017	48,779,751.12	19,660,294.80	68,440,045.92	0.6778
2018	69,826,562.21	30,968,726.59	100,795,288.81	0.6707
2019	31,822,910.73	28,365,161.38	60,188,072.11	0.6852
2020	31,609,178.70	27,110,870.18	58,720,048.89	0.6549
2021	9,480,913.57	54,795,143.94	64,276,057.51	0.6634
2022	2,379,405.76	66,062,680.79	68,442,086.55	0.6686
Total	$ 914,301,364.02	$ 352,335,000.18	$ 1,266,636,364.20	

(11) Estimated Outstanding ULAE (d)	$ 20,778,709
(13) Estimated Medicaid Reimbursement Expenses (e)	16,000,000
(14) Total Outstanding Loss & LAE (f)	$ 1,303,415,073

Notes: (a) [(10) x Exh 5, Sheet 1, Col (4)].
(b) Reserves from Exhibit 1 by birth year.
(c) [(9) ÷ Exh 5, Sheet 1, Col (6)].
(d) See Appendix E.
(e) See Exhibit 1.
(f) [Col (9), Total + (11) + (12) + (13)].

NICA

THRESHOLD CALCULATION AS OF DECEMBER 31, 2022
($000'S)

A: Determination of Liabilities For Threshold Calculation

(1)	Total Reserve Excluding Risk Margin (a)	$	1,303,415
(2)	Family Care (AAA Claims With Worksheets) (b)	$	128,940
(3)	AAA IBNR Reserves (c)		136,368
(4)	DA IBNR Reserves (c)		3,765
(5)	Subtotal	$	269,073
(6)	Present Value Loss and LAE Reserves on Filed Claims [(1)-(5)]	**$**	**1,034,342**

B: Assets For Threshold Calculation

(7)	Invested Assets (e)	$	1,236,592
(8)	Cash (d)		14,517
(9)	Income on Invested Funds (e)		61,105
(10)	Future Assessments Health Care Providers (e)		36,000
(11)	Potential Assessments against Insurance Companies (e)		28,815
(12)	Transfers from Florida Office of Ins. Regulation		20,000
(13)	Subtotal		1,397,029
(14)	Assets for Threshold Calculation [(80% x (13)]		**1,117,623**

C: Threshold Test

(15)	Assets Excess of Threshold [(14) - (6)]	**83,281**
(16)	Pass/Fail	**Pass**

Notes:
(a) See Exhibit 1.
(b) See Appendix G, Sheet 1.
(c) See Exhibit 1.
(d) Provided by NICA.
(e) Exhibit 6, Sheet 2.

NICA

THRESHOLD CALCULATION AS OF DECEMBER 31, 2022
($000'S)

1.	Funds Available Within The Next 12 Months	
a.	Income on Invested Funds (See 2 Below)	$ 61,105
b.	Future Assessments Health Care Providers	36,000
c.	Potential Assessments against Insurance Companies	28,815
d.	Total =(1a.)+(1b.)+(1c.)	$ 125,920
2.	Return On Invested Assets	
a.	Investment at Current Market Value	$ 1,236,592
b.	Estimated Assessments in next 12 Months	36,000
c.	Estimated Expenditures next 12 Months	(65,000)
d..	Subtotal	1,207,592
e.	Average Invested Assets = (2a. + 2d.) ÷ 2	1,222,092
f.	Expected Prospective Return (%)	5%
g.	Expected Prospective Return ($)	61,105
3.	Assessments Against Insurance Companies.	
a.	Assessment rate (From Florida Statute)	0.25%
b.	Net Direct Premium Written [= Total of 4(C)]	$ 11,526,168
c.	Assessment against insurance companies = (3a.) x (3b.)	$ 28,815

4. Direct Premium Written - State Of Florida

Line of Insurance	2022 Direct Written Premium (A)	% Liability (B)	Liability Premium (C)
Farmowners Multi-Peril	$ 26,278	5%	$ 1,314
Homeowners Multi-Peril	14,254,342	5%	712,717
Commercial Multi-Peril - Liability	973,267	100%	973,267
Medical Professional Liability	884,598	100%	884,598
Other Liability	8,513,482	100%	8,513,482
Products Liability	325,740	100%	325,740
Aircraft	230,099	50%	115,050
Total	$ 25,207,806		$ 11,526,168

Note: The direct premium written is from AM Best. The estimated percentage of premium attributable to liability is based on judgment.

NICA

ANALYSIS OF RESERVES AS OF DECEMBER 31, 2022

SELECTED RESERVES FOR AAA CLAIMS WITH RESERVE WORKSHEETS
($000'S)

Item	Number of Claims	Case Reserve	Projected Reserve	
			Nominal	Inflated and Discounted
(1)	(2)	(3)	(4)	(5)
Scenario 1 (a)				
Case Reserve	232	$ 1,264,633	$ 1,269,062	$ 910,307
Supplement for Expected Development	-	-	-	-
Total	232	$ 1,264,633	$ 1,269,062	$ 910,307
Scenario 2 (a)				
Case Reserve	232	$ 1,264,633	$ 1,269,062	$ 910,307
Supplement for Expected Development	-	-	257,450	163,597
Total	232	$ 1,264,633	$ 1,526,512	$ 1,073,904
Selected (b)				
Case Reserve	232	$ 1,264,633	$ 1,269,062	$ 910,307
Supplement for Expected Development	-	-	257,450	163,597
Total	232	$ 1,264,633	$ 1,526,512	$ 1,073,904

Notes:
(a) See Appendix A, Sheet 2.
(b) Based on Scenario 2.

NICA

ANALYSIS OF RESERVES AS OF DECEMBER 31, 2022

PROJECTION OF RESERVES FOR AAA CLAIMS WITH RESERVE WORKSHEETS
($000'S)

Source of Assumptions				
Life Expectancy (a)	Future Payments (b)	Number of Claims	Nominal	Inflated and Discounted
(1)	(2)	(3)	(4)	(5)
	Scenario 1			
Method 1	Reserve Worksheet	232	$ 1,269,062	$ 910,307
Method 2	Actuarial Projection	232	1,285,872	913,775
Scenario 1	Selected	232	1,269,062	910,307
	Scenario 2			
Method 1	Reserve Worksheet	232	$ 1,526,512	$ 1,073,904
Method 2	Actuarial Projection	232	1,525,259	1,064,628
Scenario 2	Selected	232	1,526,512	1,073,904

Conclusion:	Cash flows underlying the case reserves are consistent with actuarial cash flows based on aggregate experience.

Notes:
(a) Scenario 1 reflects remaining life expectancies provided by Dr. Shavelle. Scenario 2 reflects a reduction in life expectancy impairment of 1%, compounded annually, beginning with birth year 1993 through 2022.
(b) Future payments based on projections contained in reserve worksheets or actuarial projection from 9/30/2022 reserve analysis.

NICA

ANALYSIS OF RESERVES AS OF DECEMBER 31, 2022

SELECTED RESERVES FOR AAA PIPELINE AND IBNR CLAIMS AND DA IBNR CLAIMS
($000'S)

Birth Year	Number of Claims (a)	Projected Reserve Nominal (b)	Projected Reserve Inflated and Discounted (c)
(1)	(2)	(3)	(4)
AAA Pipeline Claims			
2017	1	$ 7,728	$ 5,098
2018	1	7,728	5,098
2019	1	7,728	5,098
2020	-	-	-
2021	5	38,641	25,489
2022	1	7,728	5,098
Total	9	$ 69,553	$ 45,881
AAA IBNR Claims			
2017	1	$ 3,864	$ 2,549
2018	1	10,047	6,627
2019	2	16,229	10,706
2020	4	27,435	18,097
2021	7	57,188	37,724
2022	12	91,965	60,665
Total	27	$ 206,728	$ 136,368
DA IBNR Claims			
2017	-	$ -	$ -
2018	0	62	62
2019	1	228	228
2020	1	508	508
2021	2	1,006	1,006
2022	5	1,961	1,961
Total	9	$ 3,765	$ 3,765

Notes:
(a) See Appendix C, Sheet 1 for IBNR counts and Appendix F, Sheet 2 for pipeline counts.
(b) [(2) x Projected Reserve Per Claim in Appendix B, Sheet 2].

NICA

ANALYSIS OF RESERVES AS OF DECEMBER 31, 2022

PROJECTED RESERVE FOR IBNR OR PIPELINE CLAIMS
($000'S)

Nominal				Inflated and Discounted			
Parental Award	Death Benefit	Other Benefits	Total	Parental Award	Death Benefit	Other Benefits	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
AAA Claims (a)							
$ 265	Included in (3)	$ 7,463	$ 7,728	$ 265	Included in (7)	$ 4,833	$ 5,098
DA Claims (b)							
$ 265	$ 50	$ 100	$ 415	$ 265	$ 50	$ 100	$ 415

Notes:
(a) Projected based on Life Expectancy at Birth: 44.5 (See bottom chart of Appendix D, Sheet 5).
(b) Future Payments (Actuarial projection from 9/30/2022 report).

NICA
ANALYSIS OF IBNR CLAIMS

SELECTED ULTIMATE CLAIM COUNTS

	DA Claims			AA Claims		
Birth Year	Reported Count (a)	IBNR (b)	Ultimate Count (c)	Reported Count (a)	IBNR (d)	Ultimate Count (e)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2011	2	0.0	2	12	0.0	12
2012	4	0.0	4	7	0.0	7
2013	3	0.0	3	8	0.0	8
2014	3	0.0	3	10	0.0	10
2015	6	0.0	6	14	0.0	14
2016	4	0.0	4	7	0.0	7
2017	2	0.0	2	13	0.5	14
2018	9	0.2	9	18	1.3	19
2019	4	0.6	5	11	2.1	13
2020	4	1.2	5	8	3.6	12
2021	5	2.4	7	5	7.4	12
2022	2	4.7	7	1	11.9	13
Total	48	9.1	57	114	26.8	141

Notes: (a) Based on data provided by NICA.
(b) Based on Sheet 2a.
(c) [(2) + (3)]
(d) Based on Sheet 3a.
(e) [(5) + (6)]

NICA

ANALYSIS OF IBNR CLAIMS
DA CLAIMS

REPORTED CLAIM COUNT DEVELOPMENT

	Age of Development (Months)											
Birth Year	3	6	9	12	15	18	21	24	27	30	33	36
2016-1	-	-	-	-	-	-	-	-	-	-	-	-
2016-2	1	-	1	1	1	1	1	1	1	1	1	1
2016-3	-	-	1	1	1	1	1	1	1	1	1	1
2016-4	1	1	1	1	1	1	1	1	1	1	1	1
2017-1	-	-	-	-	-	-	-	-	-	-	-	-
2017-2	-	-	-	2	2	2	2	2	2	2	2	2
2017-3	-	-	-	-	-	-	-	-	-	-	-	-
2017-4	-	-	-	-	-	-	-	-	-	-	-	-
2018-1	-	-	-	-	-	-	-	-	-	1	2	1
2018-2	1	-	-	-	-	1	1	1	2	2	2	2
2018-3	-	-	-	1	1	1	1	1	1	1	1	2
2018-4	-	-	2	3	4	4	4	4	4	4	4	4
2019-1	-	-	-	-	-	1	1	1	1	1	3	2
2019-2	-	-	-	-	-	-	-	-	-	-	-	-
2019-3	-	-	-	-	-	1	1	1	1	1	1	1
2019-4	-	-	-	1	-	-	-	-	-	1	1	1
2020-1	-	-	-	-	-	-	1	1	1	1	1	1
2020-2	-	-	-	1	1	1	1	1	1	2	2	
2020-3	-	-	-	-	-	-	-	-	-	-		
2020-4	-	-	-	-	1	1	1	1	1			
2021-1	-	-	1	1	1	1	1	1				
2021-2	-	1	2	3	3	3	3					
2021-3	-	-	-	-	-	-						
2021-4	-	-	-	1	1							
2022-1	-	-	-	1								
2022-2	-	-	1									
2022-3	-	-										
2022-4	-											

	Incremental Claim Counts											
Birth Year	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-27	27-30	30-33	33-36	36-39
2016-1	-	-	-	-	-	-	-	-	-	-	-	-
2016-2	(1)	1	-	-	-	-	-	-	-	-	-	-
2016-3	-	1	-	-	-	-	-	-	-	-	-	-
2016-4	-	-	-	-	-	-	-	-	-	-	-	-
2017-1	-	-	-	-	-	-	-	-	-	-	-	-
2017-2	-	-	2	-	-	-	-	-	-	-	-	-
2017-3	-	-	-	-	-	-	-	-	-	-	-	-
2017-4	-	-	-	-	-	-	-	-	-	-	-	-
2018-1	-	-	-	-	-	-	-	-	1	1	(1)	-
2018-2	(1)	-	-	-	1	-	-	1	-	-	-	-
2018-3	-	-	1	-	-	-	-	-	-	-	1	-
2018-4	-	2	1	1	-	-	-	-	-	-	-	-
2019-1	-	-	-	-	1	-	-	-	-	2	(1)	-
2019-2	-	-	-	-	-	-	-	-	-	-	-	-
2019-3	-	-	-	-	1	-	-	-	-	-	-	-
2019-4	-	-	1	(1)	-	-	-	-	1	-	-	-
2020-1	-	-	-	-	-	1	-	-	-	-	-	
2020-2	-	-	1	-	-	-	-	-	1	-		
2020-3	-	-	-	-	-	-	-	-	-			
2020-4	-	-	-	1	-	-	-	-				
2021-1	-	1	-	-	-	-	-					
2021-2	1	1	1	-	-	-						
2021-3	-	-	-	-	-							
2021-4	-	-	1	-								
2022-1	-	-	1									
2022-2	-	1										
2022-3	-											
2022-4												
Avg All	-0.037	0.269	0.360	0.042	0.130	0.045		0.050	0.158	0.167	-0.059	
Avg Latest 2												
Avg Latest 3												
Avg Latest 5												
Prior Selected												
Selected Incremental	0.200	0.200	0.175	0.150	0.100	0.100	0.075	0.075	0.075	0.050	0.050	0.050
Cumulative	1.475	1.275	1.075	0.900	0.750	0.650	0.550	0.475	0.400	0.325	0.275	0.225

Notes: Counts provided by NICA.

NICA

ANALYSIS OF IBNR CLAIMS
DA CLAIMS

REPORTED CLAIM COUNT DEVELOPMENT

	Age of Development (Months)											
Birth Year	39	42	45	48	51	54	57	60	63	66	69	72
2016-1	-	-	-	-	-	-	1	1	1	1	1	1
2016-2	1	1	1	1	1	1	1	1	1	1	1	1
2016-3	1	1	1	1	1	1	1	1	1	1	1	1
2016-4	1	1	1	1	1	1	1	1	1	1	1	1
2017-1	-	-	-	-	-	-	-	-	-	-	-	-
2017-2	2	2	2	2	2	2	2	2	2	2	2	
2017-3	-	-	-	-	-	-	-	-	-	-		
2017-4	-	-	-	-	-	-	-	-	-			
2018-1	1	1	1	1	1	1	1	1				
2018-2	2	2	2	2	2	2	2					
2018-3	2	2	2	2	2	2						
2018-4	4	4	4	4	4							
2019-1	2	2	2	2								
2019-2	-	-	-									
2019-3	1	1										
2019-4	1											
2020-1												
2020-2												
2020-3												
2020-4												
2021-1												
2021-2												
2021-3												
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												

	Link Ratios											
Birth Year	39-42	42-45	45-48	48-51	51-54	54-57	57-60	60-63	63-66	66-69	69-72	72-75
2016-1	-	-	-	-	-	1	-	-	-	-	-	-
2016-2	-	-	-	-	-	-	-	-	-	-	-	-
2016-3	-	-	-	-	-	-	-	-	-	-	-	-
2016-4	-	-	-	-	-	-	-	-	-	-	-	-
2017-1	-	-	-	-	-	-	-	-	-	-	-	
2017-2	-	-	-	-	-	-	-	-	-	-		
2017-3	-	-	-	-	-	-	-	-	-			
2017-4	-	-	-	-	-	-	-	-				
2018-1	-	-	-	-	-	-	-					
2018-2	-	-	-	-	-	-						
2018-3	-	-	-	-	-							
2018-4	-	-	-	-								
2019-1	-	-	-									
2019-2	-	-										
2019-3	-											
2019-4												
2020-1												
2020-2												
2020-3												
2020-4												
2021-1												
2021-2												
2021-3												
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
Avg All						0.100						
Avg Latest 2												
Avg Latest 3												
Avg Latest 5												
Prior Selected												
Selected Incremental	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.000	0.000	0.000	0.000	0.000
Cumulative	0.175	0.150	0.125	0.100	0.075	0.050	0.025	0.000	0.000	0.000	0.000	0.000

Notes: Counts provided by NICA.

NICA

ANALYSIS OF IBNR CLAIMS
AA CLAIMS

REPORTED CLAIM COUNT DEVELOPMENT

	Age of Development (Months)											
Birth Year	3	6	9	12	15	18	21	24	27	30	33	36
2016-1	1	1	1	1	-	-	-	1	1	2	2	2
2016-2	-	-	-	-	-	-	-	-	-	-	-	-
2016-3	-	-	-	-	-	-	-	-	-	-	-	-
2016-4	-	-	-	1	1	1	1	1	1	1	2	2
2017-1	-	-	-	-	1	2	2	2	3	3	3	3
2017-2	-	1	1	1	2	1	1	2	2	2	2	2
2017-3	-	-	1	-	1	2	2	2	3	4	6	6
2017-4	-	-	-	-	1	1	1	2	3	2	2	2
2018-1	-	1	1	2	3	3	3	4	7	6	6	6
2018-2	-	1	1	1	2	3	3	3	6	5	5	5
2018-3	-	1	1	1	1	2	2	2	3	3	4	4
2018-4	-	-	-	-	2	2	2	2	2	2	2	2
2019-1	-	-	-	2	4	4	4	4	5	6	5	5
2019-2	-	1	-	-	-	2	1	1	1	2	1	1
2019-3	-	1	1	2	2	2	2	3	3	3	3	3
2019-4	-	-	-	-	1	1	1	2	2	2	2	2
2020-1	-	-	-	-	1	1	2	2	2	2	2	2
2020-2	-	-	-	-	-	-	-	-	-	-	-	
2020-3	-	-	-	-	3	4	4	4	5	4		
2020-4	-	-	3	3	2	2	2	2	2			
2021-1	-	-	-	-	-	1	1	2				
2021-2	-	-	-	-	-	-	-					
2021-3	-	-	-	-	-	1						
2021-4	-	-	-	1	2							
2022-1	-	-	1	-								
2022-2	-	-	-									
2022-3	-	1										
2022-4	-											

	Incremental Claim Counts											
Birth Year	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-27	27-30	30-33	33-36	36-39
2016-1	-	-	-	(1)	-	-	1	-	1	-	-	-
2016-2	-	-	-	-	-	-	-	-	-	-	-	-
2016-3	-	-	-	-	-	-	-	-	-	-	-	-
2016-4	-	-	1	-	-	-	-	-	-	1	-	-
2017-1	-	-	-	1	1	-	-	1	-	-	-	-
2017-2	1	-	-	1	(1)	-	1	-	-	-	-	-
2017-3	-	1	(1)	1	1	-	-	1	1	2	-	-
2017-4	-	-	-	1	-	-	1	1	(1)	-	-	-
2018-1	1	-	1	1	-	-	1	3	(1)	-	-	(1)
2018-2	1	-	-	1	1	-	-	3	(1)	-	-	-
2018-3	1	-	-	-	1	-	-	1	-	1	-	(1)
2018-4	-	-	-	2	-	-	-	-	-	-	-	-
2019-1	-	-	2	2	-	-	-	1	1	(1)	-	-
2019-2	1	(1)	-	-	2	(1)	-	-	1	(1)	-	-
2019-3	1	-	1	-	-	-	1	-	-	-	-	-
2019-4	-	-	-	1	-	-	1	-	-	-	-	-
2020-1	-	-	-	1	-	1	-	-	-	-	-	
2020-2	-	-	-	-	-	-	-	-	-	-		
2020-3	-	-	-	3	1	-	-	1	(1)			
2020-4	-	3	-	(1)	-	-	-	-				
2021-1	-	-	-	-	1	-	1					
2021-2	-	-	-	-	-	-						
2021-3	-	-	-	-	1							
2021-4	-	-	1	1								
2022-1	-	1	(1)									
2022-2	-	-										
2022-3	1											
2022-4												
Avg All	0.259	0.154	0.160	0.583	0.348		0.333	0.600		0.111		-0.125
Avg Latest 2	0.500	0.500		0.500	0.500		0.500	0.500	-0.500			
Avg Latest 3	0.333	0.333		0.333	0.667		0.333	0.333	-0.333			
Avg Latest 5	0.200	0.200			0.600		0.200	0.200	-0.200	-0.200		
Prior Selected												
Selected Incremental	0.250	0.250	0.250	0.300	0.300	0.300	0.300	0.300	0.150	0.150	0.100	0.100
Cumulative	3.350	3.100	2.850	2.600	2.300	2.000	1.700	1.400	1.100	0.950	0.800	0.700

Notes: Counts provided by NICA.

NICA

ANALYSIS OF IBNR CLAIMS
AA CLAIMS

REPORTED CLAIM COUNT DEVELOPMENT

	Age of Development (Months)											
Birth Year	39	42	45	48	51	54	57	60	63	66	69	72
2016-1	2	2	2	2	2	2	2	2	2	2	2	2
2016-2	-	-	-	-	-	1	-	-	-	-	-	-
2016-3	-	1	1	1	1	1	1	1	1	1	2	2
2016-4	2	2	2	2	2	2	2	2	2	2	2	2
2017-1	3	4	3	2	2	2	2	2	2	2	2	2
2017-2	2	2	2	2	3	3	3	3	3	3	3	
2017-3	6	7	7	7	7	6	6	6	6	5		
2017-4	2	2	2	2	2	2	2	2	3			
2018-1	5	5	4	4	5	5	5	5				
2018-2	5	5	5	5	5	5	5					
2018-3	3	4	4	4	5	6						
2018-4	2	2	2	2	2							
2019-1	5	5	5	5								
2019-2	1	1	1									
2019-3	3	3										
2019-4	2											
2020-1												
2020-2												
2020-3												
2020-4												
2021-1												
2021-2												
2021-3												
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												

	Link Ratios											
Birth Year	39-42	42-45	45-48	48-51	51-54	54-57	57-60	60-63	63-66	66-69	69-72	72-75
2016-1	-	-	-	-	-	-	-	-	-	-	-	-
2016-2	-	-	-	-	1	(1)	-	-	-	-	-	-
2016-3	1	-	-	-	-	-	-	-	-	1	-	1
2016-4	-	-	-	-	-	-	-	-	-	-	-	-
2017-1	1	(1)	(1)	-	-	-	-	-	-	-	-	
2017-2	-	-	-	1	-	-	-	-	-	-		
2017-3	1	-	-	-	(1)	-	-	-	(1)			
2017-4	-	-	-	-	-	-	-	1				
2018-1	-	(1)	-	1	-	-	-					
2018-2	-	-	-	-	-	-						
2018-3	1	-	-	1	1							
2018-4	-	-	-	-								
2019-1	-	-	-									
2019-2	-	-										
2019-3	-											
2019-4												
2020-1												
2020-2												
2020-3												
2020-4												
2021-1												
2021-2												
2021-3												
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
Avg All	0.267	-0.143	-0.077	0.250	0.091	-0.100		0.125	-0.143	0.167		0.250
Avg Latest 2				0.500	0.500			0.500	-0.500			0.500
Avg Latest 3				0.333	0.333			0.333	-0.333			0.333
Avg Latest 5	0.200			0.400				0.200	-0.200	0.200		0.250
Prior Selected												
Selected Incremental	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Cumulative	0.600	0.550	0.500	0.450	0.400	0.350	0.300	0.250	0.200	0.150	0.100	0.050

Notes: Counts provided by NICA.

NICA

REVIEW OF LIFE EXPECTANCY
REVIEW OF ACTUAL MORTALITY OF NICA AA CLAIMANTS

(1)	Selected Ratio of NICA AA Claimants to Standard Life Expectancy (a)	52.6%
(2)	Standard Life Expectancy at Birth (Years) (b)	76.8
(3)	Average Life Expectancy at Birth For AA Claimants [(1) x (2)]	40.4

		Actual at 12/31/2022		Predicted at 12/31/2022		
Birth Year	Number Alive at Age 5 (c)	Alive (c)	Deceased [(5)-(6)]	Probability of Remaining Alive (d)	Alive (c) [(5) x (8)]	Deceased [(5)-(9)]
(4)	(5)	(6)	(7)	(8)	(9)	(10)
1989	9.0	3.0	6.0	0.624	5.6	3.4
1990	7.0	3.0	4.0	0.638	4.5	2.5
1991	4.0	4.0	-	0.652	2.6	1.4
1992	13.0	9.0	4.0	0.665	8.6	4.4
1993	12.0	7.0	5.0	0.679	8.1	3.9
1994	7.0	3.0	4.0	0.693	4.9	2.1
1995	6.0	5.0	1.0	0.706	4.2	1.8
1996	6.0	6.0	-	0.720	4.3	1.7
1997	10.0	8.0	2.0	0.733	7.3	2.7
1998	12.0	11.0	1.0	0.747	9.0	3.0
1999	8.0	3.0	5.0	0.761	6.1	1.9
2000	5.0	3.0	2.0	0.774	3.9	1.1
2001	4.0	4.0	-	0.788	3.2	0.8
2002	15.0	12.0	3.0	0.801	12.0	3.0
2003	3.0	3.0	-	0.814	2.4	0.6
2004	5.0	5.0	-	0.828	4.1	0.9
2005	10.0	7.0	3.0	0.841	8.4	1.6
2006	10.0	9.0	1.0	0.854	8.5	1.5
2007	8.0	7.0	1.0	0.867	6.9	1.1
2008	10.0	9.0	1.0	0.880	8.8	1.2
2009	10.0	10.0	-	0.893	8.9	1.1
2010	6.0	5.0	1.0	0.905	5.4	0.6
2011	10.0	10.0	-	0.918	9.2	0.8
2012	7.0	7.0	-	0.931	6.5	0.5
2013	7.0	7.0	-	0.943	6.6	0.4
2014	9.0	8.0	1.0	0.956	8.6	0.4
2015	14.0	14.0	-	0.969	13.6	0.4
2016	7.0	7.0	-	0.981	6.9	0.1
Total	234.0	189.0	45.0		189.1	44.9
Subtotals:						
1989-2005	136.0	96.0	40.0		99.2	36.8
2006-2016	98.0	93.0	5.0		89.9	8.1
Total	234.0	189.0	45.0		189.1	44.9

Notes: (a) Selected by MCG to reflected NICA's actual experience, i.e., to make Columns (6) and (9) similar.
(b) Based on 2020 Social Security Period Life Table.
(c) Based on information provided by NICA.
(d) 2020 Social Security Period Life Table adjusted to reflect impaired life expectancy using PLE method and life impairment in (1).

NICA

REVIEW OF LIFE EXPECTANCY
BASED ON NICA PLE TABLE APPLIED TO ALL BIRTH YEARS
AAA CLAIMS WITH RESERVE WORKSHEETS AS OF DECEMBER 31, 2022

	Number of Claims (a)			Number of Years	Remaining Life	Total Life Expectancy		NICA Average RLE	Standard	Impairment Ratio
Birth Year	Deceased	Alive	Total	Lived (a)	Expectancy (b)	Total [(5)+(6)]	Average [(7)÷(4)]	[(6)÷(3)]	RLE (c)	[(9)÷(10)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1989	8	3	11	206.1	71	277	25.2	23.7	44.9	52.8%
1990	4	3	7	171.3	72	243	34.8	24.0	45.9	52.3%
1991	-	4	4	126.1	98	224	56.0	24.5	46.8	52.4%
1992	4	9	13	320.1	226	546	42.0	25.1	47.7	52.6%
1993	6	7	13	287.4	179	466	35.9	25.6	48.6	52.7%
1994	4	3	7	154.7	78	233	33.2	26.0	49.5	52.5%
1995	1	5	6	144.0	133	277	46.2	26.6	50.5	52.7%
1996	1	6	7	162.2	162	324	46.3	27.0	51.4	52.5%
1997	3	8	11	250.9	220	471	42.8	27.5	52.3	52.6%
1998	4	11	15	318.9	308	627	41.8	28.0	53.3	52.5%
1999	6	3	9	140.5	86	227	25.2	28.7	54.2	53.0%
2000	3	3	6	110.3	87	197	32.9	29.0	55.1	52.6%
2001	-	4	4	87.0	118	205	51.2	29.5	56.1	52.6%
2002	5	12	17	300.6	360	661	38.9	30.0	57.0	52.6%
2003	-	3	3	58.4	91	149	49.8	30.3	58.0	52.2%
2004	1	5	6	111.4	155	266	44.4	31.0	58.9	52.6%
2005	4	7	11	149.9	221	371	33.7	31.6	59.9	52.8%
2006	3	9	12	165.4	288	453	37.8	32.0	60.9	52.5%
2007	3	7	10	120.9	228	349	34.9	32.6	61.8	52.8%
2008	1	9	10	140.2	297	437	43.7	33.0	62.8	52.5%
2009	1	10	11	136.3	336	472	42.9	33.6	63.8	52.7%
2010	1	5	6	67.9	170	238	39.6	34.0	64.8	52.5%
2011	2	10	12	123.3	346	469	39.1	34.6	65.8	52.6%
2012	-	7	7	72.9	246	319	45.6	35.1	66.8	52.5%
2013	1	7	8	69.7	250	320	40.0	35.7	67.8	52.7%
2014	2	8	10	81.0	289	370	37.0	36.1	68.8	52.5%
2015	-	14	14	105.5	514	620	44.3	36.7	69.8	52.6%
2016	-	7	7	45.3	261	306	43.8	37.3	70.8	52.7%
2017	1	11	12	60.9	415	476	39.7	37.7	71.7	52.6%
2018	1	16	17	75.6	612	688	40.4	38.3	72.7	52.7%
2019	1	9	10	34.4	349	383	38.3	38.8	73.7	52.6%
2020	1	7	8	18.2	275	293	36.7	39.3	74.7	52.6%
2021	-	-	-	-	-	-	-	-	75.7	
2022	-	-	-	-	-	-	-	-	76.5	
Total	72.0	232.0	304.0	4,417.3	7,541.0	11,958.3	39.3			
Subtotals:										
1989-2005	54.0	96.0	150.0		2,665.0	5,764.8	38.4	27.8		52.6%
2006-2022	18.0	136.0	154.0		4,876.0	6,193.4	40.2	35.9		52.6%
Total	72.0	232.0	304.0		7,541.0	11,958.3	39.3	32.5		52.6%

Notes: (a) Based on information provided by NICA.
(b) Based 2020 Social Security Period Life Table adjusted to reflect impaired life expectancy of 52.6% as shown in Sheet 1.
(c) Based 2020 Social Security Period Life Table.

NICA

REVIEW OF LIFE EXPECTANCY
AVERAGE LIFE EXPECTANCIES BY BIRTH YEAR - AAA CLAIMS WITH RESERVE WORKSHEETS
SCENARIO 1 (SHAVELLE)

	Number of Claims (a)			Number of Years	Remaining Life	Total Life Expectancy		NICA		Impairment
Birth Year	Deceased	Alive	Total	Lived (a)	Expectancy (b)	Total [(5)+(6)]	Average [(7)÷(4)]	Average RLE [(6)÷(3)]	Standard RLE (c)	Ratio [(9)÷(10)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1989	8	3	11	206.1	95	301	27.4	31.7	44.9	70.6%
1990	4	3	7	171.3	58	229	32.7	19.3	45.9	42.0%
1991	-	4	4	126.1	96	222	55.5	24.0	46.8	51.3%
1992	4	9	13	320.1	249	569	43.8	27.6	47.7	57.9%
1993	6	7	13	287.4	197	484	37.2	28.1	48.6	57.8%
1994	4	3	7	154.7	124	279	39.8	41.3	49.5	83.4%
1995	1	5	6	144.0	158	302	50.3	31.6	50.5	62.6%
1996	1	6	7	162.2	157	319	45.6	26.1	51.4	50.8%
1997	3	8	11	250.9	260	511	46.4	32.5	52.3	62.1%
1998	4	11	15	318.9	302	621	41.4	27.4	53.3	51.4%
1999	6	3	9	140.5	53	193	21.5	17.6	54.2	32.5%
2000	3	3	6	110.3	77	187	31.2	25.6	55.1	46.5%
2001	-	4	4	87.0	92	179	44.7	23.0	56.1	41.0%
2002	5	12	17	300.6	321	622	36.6	26.7	57.0	46.8%
2003	-	3	3	58.4	62	120	40.1	20.7	58.0	35.7%
2004	1	5	6	111.4	203	315	52.5	40.7	58.9	69.1%
2005	4	7	11	149.9	215	365	33.2	30.7	59.9	51.3%
2006	3	9	12	165.4	291	457	38.0	32.4	60.9	53.2%
2007	3	7	10	120.9	118	239	23.9	16.8	61.8	27.2%
2008	1	9	10	140.2	315	455	45.5	35.0	62.8	55.7%
2009	1	10	11	136.3	293	429	39.0	29.3	63.8	45.9%
2010	1	5	6	67.9	208	276	46.0	41.6	64.8	64.2%
2011	2	10	12	123.3	325	448	37.4	32.5	65.8	49.4%
2012	-	7	7	72.9	239	312	44.6	34.2	66.8	51.2%
2013	1	7	8	69.7	163	233	29.1	23.3	67.8	34.4%
2014	2	8	10	81.0	152	233	23.3	19.0	68.8	27.6%
2015	-	14	14	105.5	427	533	38.0	30.5	69.8	43.7%
2016	-	7	7	45.3	270	315	45.0	38.6	70.8	54.5%
2017	1	11	12	60.9	373	433	36.1	33.9	71.7	47.3%
2018	1	16	17	75.6	547	623	36.6	34.2	72.7	47.0%
2019	1	9	10	34.4	246	281	28.1	27.4	73.7	37.2%
2020	1	7	8	18.2	263	281	35.1	37.5	74.7	50.2%
2021	-	-	-	-	-	-				
2022	-	-	-	-	-	-				
Total	72.0	232.0	304.0	4,417.3	6,948.6	11,365.9	37.4	30.0		48.5%
Subtotals:										
1989-2005	54.0	96.0	150.0		2,718.0	5,817.9	38.8	28.3		53.6%
2006-2022	18.0	136.0	154.0		4,230.6	5,548.0	36.0	31.1		45.6%
Total	72.0	232.0	304.0		6,948.6	11,365.9	37.4	30.0		48.5%

Notes: (a) Based on information provided by NICA.
(b) Based on life expectancy estimated by Shavelle.
(c) Based 2020 Social Security Period Life Table.

NICA

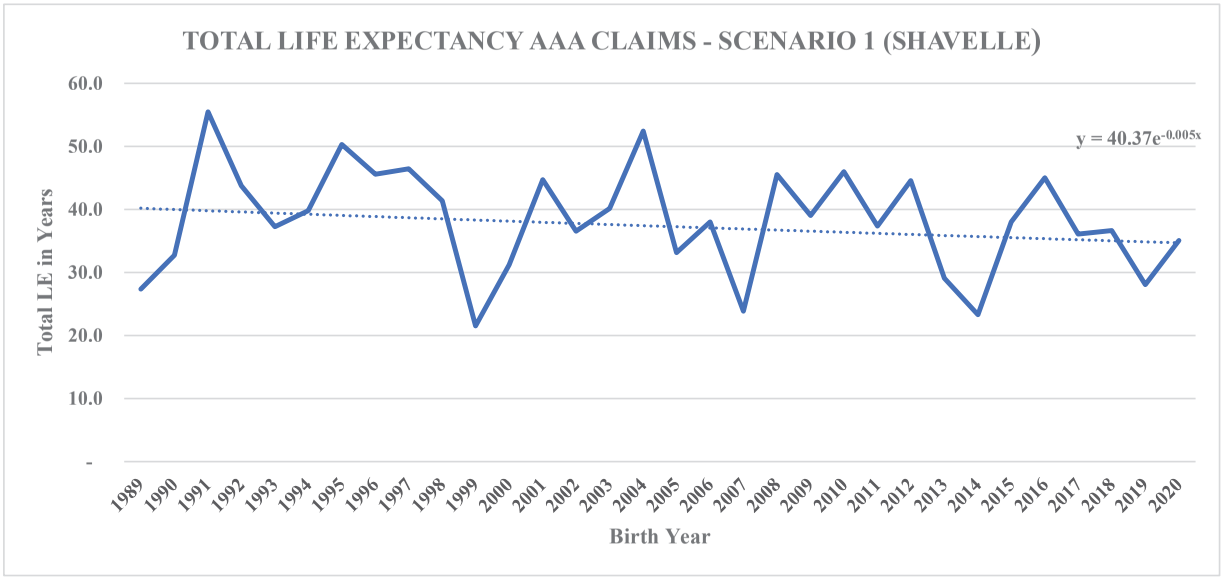
REVIEW OF LIFE EXPECTANCY
AVERAGE LIFE EXPECTANCIES BY BIRTH YEAR - AAA CLAIMS WITH RESERVE WORKSHEETS
SCENARIO 2 (ADJUSTED MORTALITY)

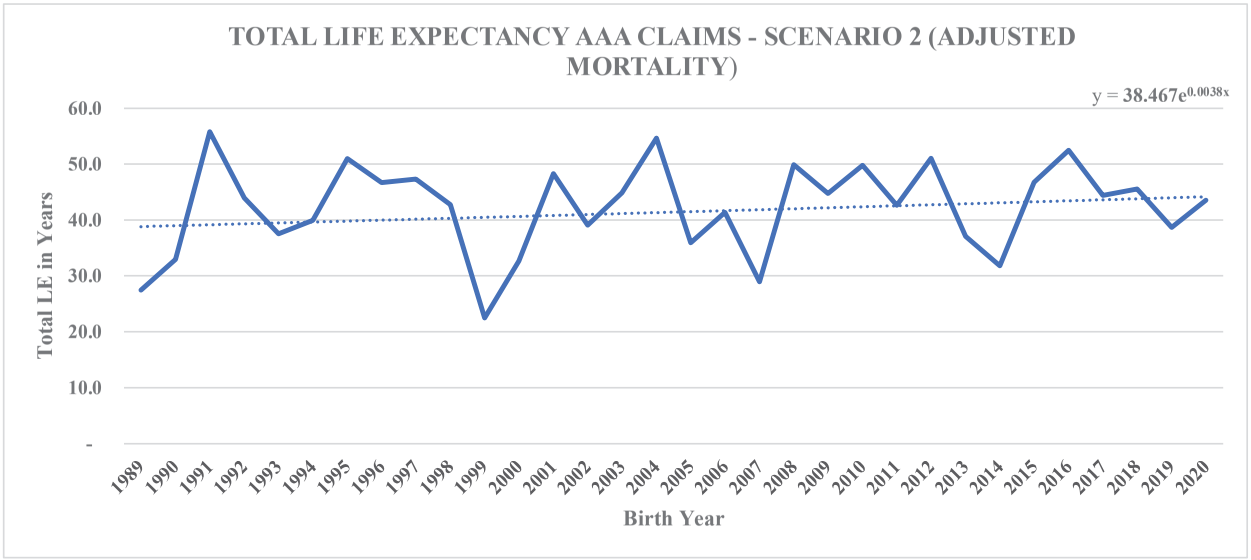
	Number of Claims (a)			Number of Years	Remaining Life	Total Life Expectancy		NICA		Impairment
						Total	Average	Average RLE	Standard	Ratio
Birth Year	Deceased	Alive	Total	Lived (a)	Expectancy (b)	[(5)+(6)]	[(7)÷(4)]	[(6)÷(3)]	RLE (c)	[(9)÷(10)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1989	8	3	11	206.1	96	302	27.4	32	44.9	70.9%
1990	4	3	7	171.3	59	230	32.9	20	45.9	42.9%
1991	-	4	4	126.1	97	223	55.8	24	46.8	51.9%
1992	4	9	13	320.1	251	571	44.0	28	47.7	58.6%
1993	6	7	13	287.4	200	488	37.5	29	48.6	58.9%
1994	4	3	7	154.7	125	279	39.9	42	49.5	84.0%
1995	1	5	6	144.0	162	306	51.0	32	50.5	64.1%
1996	1	6	7	162.2	165	327	46.7	27	51.4	53.4%
1997	3	8	11	250.9	270	520	47.3	34	52.3	64.4%
1998	4	11	15	318.9	322	641	42.7	29	53.3	54.9%
1999	6	3	9	140.5	62	202	22.5	21	54.2	37.9%
2000	3	3	6	110.3	86	196	32.7	29	55.1	51.8%
2001	-	4	4	87.0	106	193	48.3	27	56.1	47.3%
2002	5	12	17	300.6	364	664	39.1	30	57.0	53.2%
2003	-	3	3	58.4	76	135	44.8	25	58.0	43.7%
2004	1	5	6	111.4	216	328	54.6	43	58.9	73.4%
2005	4	7	11	149.9	245	395	35.9	35	59.9	58.4%
2006	3	9	12	165.4	331	497	41.4	37	60.9	60.4%
2007	3	7	10	120.9	169	290	29.0	24	61.8	39.0%
2008	1	9	10	140.2	359	499	49.9	40	62.8	63.5%
2009	1	10	11	136.3	356	492	44.7	36	63.8	55.8%
2010	1	5	6	67.9	231	299	49.8	46	64.8	71.3%
2011	2	10	12	123.3	388	512	42.6	39	65.8	59.0%
2012	-	7	7	72.9	284	357	51.0	41	66.8	60.8%
2013	1	7	8	69.7	227	297	37.1	32	67.8	47.8%
2014	2	8	10	81.0	237	318	31.8	30	68.8	43.1%
2015	-	14	14	105.5	549	655	46.8	39	69.8	56.2%
2016	-	7	7	45.3	322	367	52.5	46	70.8	65.0%
2017	1	11	12	60.9	472	533	44.4	43	71.7	59.8%
2018	1	16	17	75.6	699	774	45.5	44	72.7	60.1%
2019	1	9	10	34.4	352	386	38.6	39	73.7	53.1%
2020	1	7	8	18.2	330	348	43.6	47	74.7	63.2%
2021	-	-	-	-	-	-			75.7	
2022	-	-	-	-	-	-			76.5	
Total	72.0	232.0	304.0	4,417.3	8,206.5	12,623.7	41.5	35.4		57.2%
Subtotals:										
1989-2005	54.0	96.0	150.0		2,900.7	6,000.6	40.0	30.2		57.2%
2006-2022	18.0	136.0	154.0		5,305.8	6,623.2	43.0	39.0		57.2%
Total	72.0	232.0	304.0		8,206.5	12,623.7	41.5	35.4		57.2%

Notes: (a) Based on information provided by NICA.
(b) Based on life expectancy projected by Shavelle, adjusted to reflect a reduction of impairment of 1%, compounded annually, beginning with birth year 1993 through 2022. See section 5.114 of the report.
(c) Based 2020 Social Security Period Life Table.

NICA

REVIEW OF LIFE EXPECTANCY





NICA
ANALYSIS OF RESERVES AS OF DECEMBER 31, 2022

ANALYSIS OF UNALLOCATED LOSS ADJUSTMENT EXPENSE (ULAE) RESERVE
($000'S)

Evaluation Date	Total Reserves excluding ULAE Expense (a)	ULAE Reserve (b)	Ratio of ULAE Reserve to Total Reserve excl. ULAE (c)
(1)	(2)	(3)	(4)
	Prior Reserves		
6/30/2020	$ 924,652	$ 14,310	1.55%
9/30/2020	938,594	14,209	1.51%
12/31/2020	937,583	14,948	1.59%
3/31/2021	1,064,600	15,000	1.41%
6/30/2021	1,066,200	14,900	1.40%
9/30/2021	1,311,888	14,766	1.13%
12/31/2021	1,214,800	20,200	1.66%
3/31/2022	1,223,639	20,200	1.65%
6/30/2022	1,238,437	20,200	1.63%
9/30/2022	1,334,973	20,162	1.51%
	Current Projection		
12/31/2022	1,282,636	20,721	1.62%

(5) Selected (d)		1.62%
(6) Total Loss Reserve Excluding ULAE as of 12/31/2022 (e)	$	1,282,636
(7) Indicated ULAE Reserve (f)	$	20,779

Notes:
(a) Prior reserve analyses; See Exhibit 4; Exclude ULAE Reserves.
(b) See Exhibit E, Sheet 2 for current evaluation. See Exhibit 4, Row (2) for prior evaluations.
(c) = (3) ÷ (2)
(d) Selected based on current projection in (4).
(e) See Exhibit 1; Excludes ULAE Reserves and Risk Margin.
(f) = (5) x (6)

NICA
DEVELOPMENT OF UNALLOCATED LOSS ADJUSTMENT EXPENSE (ULAE) RESERVE

Estimated ULAE Expense Fiscal Year Ending June 30, 2023 (a)	$ 897,848
Indicated ULAE Reserve (000) (b)	$ 20,721

Calendar Year	ULAE Expense (000) 2023 Level	Inflation Index Factors 3.0%	Discount Factors 5.0%	Average Probability of Survival (c)	Indicated ULAE Expense (d)
(1)	(2)	(3)	(4)	(5)	(6)
2023-12	898	1.015	0.976	0.9911	881
2024-12	898	1.045	0.929	0.9734	849
2025-12	898	1.077	0.885	0.9559	818
2026-12	898	1.109	0.843	0.9386	788
2027-12	898	1.142	0.803	0.9215	759
2028-12	898	1.177	0.765	0.9045	731
2029-12	898	1.212	0.728	0.8878	703
2030-12	898	1.248	0.694	0.8712	677
2031-12	898	1.286	0.661	0.8548	652
2032-12	898	1.324	0.629	0.8385	627
2033-12	898	1.364	0.599	0.8224	603
2034-12	898	1.405	0.571	0.8065	580
2035-12	898	1.447	0.543	0.7908	558
2036-12	898	1.490	0.518	0.7752	537
2037-12	898	1.535	0.493	0.7598	516
2038-12	898	1.581	0.469	0.7446	496
2039-12	898	1.629	0.447	0.7295	477
2040-12	898	1.677	0.426	0.7146	458
2041-12	898	1.728	0.406	0.6998	440
2042-12	898	1.780	0.386	0.6852	423
2043-12	898	1.833	0.368	0.6707	406
2044-12	898	1.888	0.350	0.6564	390
2045-12	898	1.945	0.334	0.6422	374
2046-12	898	2.003	0.318	0.6282	359
2047-12	898	2.063	0.303	0.6143	344
2048-12	898	2.125	0.288	0.6005	330
2049-12	898	2.189	0.274	0.5868	316
2050-12	898	2.254	0.261	0.5732	303
2051-12	898	2.322	0.249	0.5598	291
2052-12	898	2.392	0.237	0.5464	278
2053-12	898	2.463	0.226	0.5332	266
2054-12	898	2.537	0.215	0.5201	255
2055-12	898	2.613	0.205	0.5070	244
2056-12	898	2.692	0.195	0.4940	233
2057-12	898	2.773	0.186	0.4812	223
2058-12	898	2.856	0.177	0.4684	212
2059-12	898	2.941	0.168	0.4557	203
2060-12	898	3.030	0.160	0.4430	193
2061-12	898	3.121	0.153	0.4305	184
2062-12	898	3.214	0.146	0.4180	176
2063-12	898	3.311	0.139	0.4056	167
2064-12	898	3.410	0.132	0.3933	159
2065-12	898	3.512	0.126	0.3810	151
2066-12	898	3.618	0.120	0.3688	143
2067-12	898	3.726	0.114	0.3567	136
2068-12	898	3.838	0.109	0.3446	129
2069-12	898	3.953	0.103	0.3326	122
2070-12	898	4.072	0.099	0.3207	115
2071-12	898	4.194	0.094	0.3088	109

NICA
DEVELOPMENT OF UNALLOCATED LOSS ADJUSTMENT EXPENSE (ULAE) RESERVE

Estimated ULAE Expense Fiscal Year Ending June 30, 2023 (a)	$ 897,848
Indicated ULAE Reserve (000) (b)	$ 20,721

Calendar Year	ULAE Expense (000) 2023 Level	Inflation Index Factors 3.0%	Discount Factors 5.0%	Average Probability of Survival (c)	Indicated ULAE Expense (d)
(1)	(2)	(3)	(4)	(5)	(6)
2072-12	898	4.320	0.089	0.2970	103
2073-12	898	4.449	0.085	0.2853	97
2074-12	898	4.583	0.081	0.2736	91
2075-12	898	4.720	0.077	0.2621	86
2076-12	898	4.862	0.074	0.2506	80
2077-12	898	5.008	0.070	0.2393	75
2078-12	898	5.158	0.067	0.2281	70
2079-12	898	5.313	0.064	0.2171	66
2080-12	898	5.472	0.060	0.2062	61
2081-12	898	5.636	0.058	0.1956	57
2082-12	898	5.805	0.055	0.1851	53
2083-12	898	5.979	0.052	0.1749	49
2084-12	898	6.159	0.050	0.1650	45
2085-12	898	6.343	0.047	0.1553	42
2086-12	898	6.534	0.045	0.1458	39
2087-12	898	6.730	0.043	0.1366	35
2088-12	898	6.932	0.041	0.1277	33
2089-12	898	7.140	0.039	0.1190	30
2090-12	898	7.354	0.037	0.1106	27
2091-12	898	7.574	0.035	0.1024	25
2092-12	898	7.802	0.034	0.0945	22
2093-12	898	8.036	0.032	0.0869	20
2094-12	898	8.277	0.031	0.0794	18
2095-12	898	8.525	0.029	0.0723	16
2096-12	898	8.781	0.028	0.0654	14
2097-12	898	9.044	0.026	0.0588	13
2098-12	898	9.316	0.025	0.0525	11
2099-12	898	9.595	0.024	0.0465	10
2100-12	898	9.883	0.023	0.0409	8
2101-12	898	10.179	0.022	0.0357	7
2102-12	898	10.485	0.021	0.0308	6
2103-12	898	10.799	0.020	0.0263	5
2104-12	898	11.123	0.019	0.0222	4
2105-12	898	11.457	0.018	0.0185	3
2106-12	898	11.801	0.017	0.0152	3
2107-12	898	12.155	0.016	0.0123	2
2108-12	898	12.519	0.015	0.0098	2
2109-12	898	12.895	0.015	0.0076	1
2110-12	898	13.282	0.014	0.0059	1
2111-12	898	13.680	0.013	0.0044	1
2112-12	898	14.091	0.013	0.0032	1
2113-12	898	14.513	0.012	0.0023	0

Notes: (a) Provided by NICA.
(b) Sum of Column (6).
(c) Based on estimated life expectancy of open claims.
(d) =[(2) x (3) x (4) x (5)]

NICA

LOSS AND COUNT SUMMARY BY BIRTH YEAR AS OF DECEMBER 31, 2022
CURRENT DOLLARS ($000'S)

Birth Year	Paid Loss and ALAE	Reported Loss and ALAE	Case Outstanding Loss & ALAE	Open Accepted Claim Counts		
				AAA	AAD	DA
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1989	$ 18,861	$ 37,545	$ 18,683	3	-	-
1990	9,126	20,881	11,755	3	-	-
1991	13,062	30,933	17,871	4	-	-
1992	21,388	65,805	44,416	9	-	-
1993	27,397	62,313	34,916	7	-	-
1994	11,239	32,138	20,899	3	-	-
1995	15,023	45,667	30,645	5	-	-
1996	14,218	44,454	30,236	6	-	-
1997	18,268	63,276	45,008	8	-	-
1998	29,881	88,326	58,445	11	-	-
1999	16,998	27,671	10,673	3	-	-
2000	9,682	23,038	13,356	3	-	-
2001	12,359	30,074	17,716	4	-	-
2002	27,141	92,515	65,374	12	-	-
2003	8,739	22,756	14,017	3	-	-
2004	9,722	54,309	44,587	5	-	-
2005	13,364	48,998	35,635	7	-	-
2006	15,433	77,644	62,211	9	-	-
2007	16,648	41,533	24,886	7	-	-
2008	11,672	68,232	56,560	9	-	-
2009	15,297	62,957	47,660	10	-	-
2010	6,702	35,496	28,795	5	-	-
2011	9,973	59,477	49,504	10	-	-
2012	6,763	46,323	39,560	7	-	-
2013	9,769	42,807	33,038	7	-	-
2014	11,535	38,777	27,242	8	-	-
2015	12,637	91,113	78,476	14	-	-
2016	4,471	50,610	46,139	7	-	-
2017	7,963	79,933	71,970	12	-	-
2018	12,167	116,274	104,107	17	-	-
2019	6,998	53,440	46,443	10	-	-
2020	5,081	53,350	48,269	7	-	-
2021	2,125	16,417	14,292	5	-	-
2022	15	3,574	3,559	1	-	-
Total	$ 431,717	$ 1,728,658	$ 1,296,941	241	-	-

Note: Data provided by NICA.

NICA

LOSS AND COUNT SUMMARY BY AS OF DECEMBER 31, 2022
OTHER CLAIMS

	Case Outstanding - Current Dollars (000's)				Count of Claims with Case Reserves			
Birth Year	AAA-Pipeline	AAD	DA	Denied	AAA-Pipeline	AAD	DA	Denied
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1989	$ -	$ 200	$ 205	$ -	-	1	1	-
1990	-	-	-	-	-	-	-	-
1991	-	-	-	-	-	-	-	-
1992	-	270	75	-	-	1	1	-
1993	-	3	-	-	-	1	-	-
1994	-	200	-	-	-	1	-	-
1995	-	-	200	-	-	-	1	-
1996	-	-	455	-	-	-	2	-
1997	-	-	213	-	-	-	3	-
1998	-	-	400	-	-	-	2	-
1999	-	-	445	-	-	-	2	-
2000	-	17	200	-	-	1	1	-
2001	-	-	200	-	-	-	1	-
2002	-	-	190	-	-	-	1	-
2003	-	-	380	-	-	-	2	-
2004	-	-	190	-	-	-	1	-
2005	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-
2007	-	95	-	-	-	1	-	-
2008	-	44	-	-	-	1	-	-
2009	-	190	-	-	-	1	-	-
2010	-	-	20	-	-	-	1	-
2011	-	-	-	-	-	-	-	-
2012	-	-	95	-	-	-	1	-
2013	-	-	59	-	-	-	1	-
2014	-	-	-	-	-	-	-	-
2015	-	-	380	30	-	-	2	2
2016	-	-	-	-	-	-	-	-
2017	2,845	-	11	78	1	-	1	5
2018	2,845	-	20	9	1	-	1	3
2019	2,824	-	111	30	1	-	1	5
2020	-	-	812	116	-	-	2	7
2021	14,235	-	-	57	5	-	-	8
2022	2,841	-	668	50	1	-	2	2
Total	$ 25,589	$ 1,020	$ 5,329	$ 370	9	8	30	32

Note: Data provided by NICA.

NICA

ANALYSIS OF RESERVES AS OF DECEMBER 31, 2022
RESERVES BY BIRTH YEAR FOR AAA CLAIMS WITH WORKSHEETS ONLY
INFLATED AND DISCOUNTED ($000'S)

Birth Year	Nursing Care	Medical	All Other	Total	Family Care
(1)	(2)	(3)	(4)	(5)	(6)
1989	$ 11,081	$ 281	$ 2,265	$ 13,628	$ -
1990	8,122	187	1,307	9,616	-
1991	10,872	319	2,612	13,803	-
1992	26,673	743	5,776	33,192	-
1993	21,851	646	3,985	26,483	-
1994	11,650	348	2,472	14,471	-
1995	17,470	1,593	3,631	22,694	-
1996	19,285	485	4,097	23,868	-
1997	26,095	796	6,249	33,139	-
1998	37,110	1,203	7,963	46,276	-
1999	8,232	193	1,548	9,973	-
2000	9,028	248	1,563	10,839	-
2001	12,462	314	2,717	15,493	-
2002	45,389	1,044	8,369	54,802	3,974
2003	10,007	308	2,326	12,641	2,320
2004	24,093	3,801	5,285	33,179	3,180
2005	24,507	1,019	4,636	30,162	4,172
2006	40,223	1,752	8,677	50,651	8,601
2007	22,800	510	3,960	27,270	3,832
2008	35,718	1,260	8,432	45,410	7,610
2009	33,172	983	7,026	41,181	7,800
2010	16,628	606	3,723	20,957	4,344
2011	34,812	1,047	6,819	42,678	7,148
2012	24,907	762	6,156	31,825	6,528
2013	28,201	673	4,999	33,874	5,264
2014	27,379	915	5,622	33,917	4,419
2015	57,667	1,480	12,553	71,699	13,061
2016	30,171	835	6,292	37,298	6,156
2017	47,398	1,253	12,053	60,704	11,785
2018	74,222	1,840	12,918	88,979	14,815
2019	36,577	957	6,481	44,015	8,441
2020	30,574	855	7,757	39,186	5,491
2021	-	-	-	-	-
2022	-	-	-	-	-
Total	$ 864,376	$ 29,256	$ 180,271	$ 1,073,904	$ 128,940
2002-2022	$ 644,444	$ 21,900	$ 134,085	$ 800,429	$ 128,940

Notes: Based on Case Reserve Method.

NICA

ANALYSIS OF RESERVES AS OF DECEMBER 31, 2022
RESERVES BY BENEFIT TYPE FOR AAA CLAIMS WITH WORKSHEETS ONLY
INFLATED AND DISCOUNTED ($000'S)

Benefit Type	Reserves
1) Family Care	$ 128,940
2) Nursing Care By Others	509,943
3) Nursing Care By Parents	225,492
4) Medical	29,256
5) Psychotherapeutic	1,638
6) Equipment & Supplies	52,608
7) Therapy	19,478
8) Insurance Premium	31,037
9) Miscellaneous Other	3,009
10) Travel & Transport	11,064
11) Vehicle Related Costs	43,046
12) Housing Remaining	11,531
13) Parental Awards Remaining	3,365
14) Death Benefit	3,494
Total	$ 1,073,904
Subtotals:	
15) Nursing Care Total (a)	$ 864,376
16) Medical Total (b)	29,256
17) Other Total (c)	165,375
18) Retrospective Remaining (d)	14,897
Total	$ 1,073,904

Notes:
(a) = [(1) + (2) + (3)]
(b) = [(4)]
(c) = [Sum [(5) through (11), (14)]
(d) = [(12) + (13)]

NICA

SUMMARY OF HISTORICAL INFLATION AND INVESTMENT RETURNS

Year	CPI All Items % Change (a)	Actual Investment Return (b)	Investment Return Less CPI
(1)	(2)	(3)	(4) = (3) - (2)
1991	3.1%	5.9%	2.8%
1992	2.9%	3.3%	0.4%
1993	2.7%	3.1%	0.4%
1994	2.7%	3.6%	0.9%
1995	2.5%	7.0%	4.4%
1996	3.3%	5.8%	2.5%
1997	1.7%	6.1%	4.4%
1998	1.6%	6.2%	4.6%
1999	2.7%	4.5%	1.9%
2000	3.4%	13.1%	9.7%
2001	1.6%	4.0%	2.4%
2002	2.4%	-8.5%	-10.9%
2003	1.9%	20.0%	18.1%
2004	3.3%	10.3%	7.0%
2005	3.4%	8.9%	5.5%
2006	2.5%	12.8%	10.2%
2007	4.1%	8.7%	4.6%
2008	0.1%	-27.2%	-27.3%
2009	2.7%	20.0%	17.3%
2010	1.5%	13.4%	11.9%
2011	3.0%	-0.1%	-3.1%
2012	1.7%	10.9%	9.1%
2013	1.5%	12.6%	11.1%
2014	0.8%	5.6%	4.9%
2015	0.7%	-1.8%	-2.6%
2016	2.1%	6.7%	4.6%
2017	2.1%	13.8%	11.7%
2018	1.9%	-6.7%	-8.6%
2019	2.3%	21.1%	18.9%
2020	1.4%	14.1%	12.7%
2021	7.0%	6.0%	-1.0%
2022	6.8%	-23.3%	-30.1%
Averages (c):			
2010-2022	2.5%	4.9%	2.4%
2000-2009	2.5%	5.2%	2.7%
1991-1999	2.6%	5.0%	2.5%
1991-2022	2.5%	5.0%	2.5%

Notes:

(a) Ibbotson's 2022 SBBI Yearbook, Stocks, Bonds, Bills, and Inflation.

(b) NICA Investment Recap Summary; Ratio of Sum of Interest Income and Unrealized Gain/Loss to the Market Value Beginning Balance.

(c) Geometric average over the given time period.

NICA

SUMMARY OF RESERVES AS OF DECEMBER 31, 2022
CALCULATION OF RISK MARGIN

1. Risk: Time Lived Varying from Remaining Loss Expectancy (RLE)		
a. Number of Outstanding AA Claims	232	AAA-Worksheet Claim Count
b. Assumed Average CV of RLE	0.5	Based on AAA-Worksheet Claims
c. CV of Aggregate RLE	3%	= (b.) ÷ sqrt(a.)
d. Aggregate Reserve - Nominal	1,526,512	Exhibit 1, Column (4)
e. Variance	2,511,031,933	= [(c.) x (d.)]^2
2. Risk: Cost of IBNR and Pipeline AA Claims		
a. Expected Number of Claims	35.75	Exhibit 1, Col (2): AAA IBNR+AAA Pipeline
b. Variance of Number of Claims	35.75	Assumes Poisson Distribution
c. CV Claim Severity	1	Based on judgment
d. CV of Aggregate Reserve	24%	= sqrt[(1.0 + (c.) x (c.)) ÷ (b.)]
e. Aggregate Reserve - Nominal	276,281	Exhibit 1, Col (4): AAA IBNR+AAA Pipeline
f. Variance	4,270,276,417	= [(d.) x (e.)]^2
3. Risk: Cost of Outstanding for Other Claims		
a. Number of Outstanding Other Claims	70	Exhibit 1, Col (2): AAD+DA Reported+Denied)
b. Assumed Severity CV	1	Based on judgment
c. CV of Aggregate Reserve	12%	= (b.) ÷ sqrt(a.)
d. Aggregate Reserve - Nominal	6,719	Exhibit 1, Col (4): AAD+DA Reported+Denied)
e. Variance	644,838	= [(c.) x (d.)]^2
4. Risk: Cost of IBNR DA Claims		
a. Expected Number of Claims	9.075	Exhibit 1
b. Variance of Number of Claims	9.075	Assumes Poisson Distribution
c. CV claim Severity	1	Based on judgment
d. CV of Aggregate Reserve	47%	= sqrt[(1.0 + (c.) x (c.)) ÷ (b.)]
e. Aggregate Reserve - Nominal	3,765	Exhibit 1
f. Variance	3,124,017	= [(d.) x (e.)]^2
5. Risk Margin		
a. Total Variance	6,785,077,205	= 1(e.) + 2(f.) + 3(e.) + 4(f.)
b. Standard Deviation	82,372	= sqrt(a.)
c. Aggregate Reserve - Nominal	1,813,276	Exhibit 1, Col(4)
d. Aggregate Reserve - Discounted	1,266,636	Exhibit 1, Col(5)
e. Average Discount	0.70	= (d.) ÷ (c.)
f. Standard Deviation - Discounted Reserves	57,539	= (b.) x (e.)
g. Z: 90th percentile of standard normal	1.28	90th percentile of standard normal distribution
h. 90% confidence level	73,739	= (f.) x (g.)
Minimum Risk Margin	75,500	Previous Risk Margin
Selected Risk Margin	75,500	