



# FLORIDA BIRTH RELATED NEUROLOGICAL INJURY COMPENSATION ASSOCIATION (NICA)

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ANALYSIS OF LOSS AND LAE RESERVES  
AS OF DECEMBER 31, 2023

APRIL 17, 2024

EXPERTS WITH **IMPACT**™

April 17, 2024



Melissa Jaacks, CPA  
Executive Director  
Florida Birth-Related Neurological Injury Compensation Association  
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, 2023

Dear Ms. Jaacks:

FTI Consulting, 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.

Sincerely,

**Mark  
Crawshaw**

Digitally signed by Mark  
Crawshaw  
Date: 2024.04.17 14:32:37  
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A handwritten signature in blue ink that reads "Choya Everett".

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**FLORIDA BIRTH RELATED NEUROLOGICAL INJURY COMPENSATION  
ASSOCIATION (NICA)  
ANALYSIS OF LOSS AND LAE RESERVES  
AS OF DECEMBER 31, 2023**

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# 1 INTRODUCTION

## 1.1 Purpose

The Florida Birth Related Neurological Injury Compensation Association (NICA) requested FTI Consulting (FTI) to determine NICA’s liability for outstanding loss and loss adjustment expense (LAE) reserves as of December 31, 2023. 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 BACKGROUND

## 2.1 Overview of NICA’s Operations

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

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.<sup>5</sup> NICA disburses funds on behalf of claimants to pay for their care. The Statute provides NICA very limited financial resources<sup>6</sup> for collecting additional funds in the event the funds collected from the medical care providers are not sufficient to pay its claims.

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<sup>1</sup> Florida Statutes 766.301 to 766.316

<sup>2</sup> Florida Statute 766.303

<sup>3</sup> Prior to the 1994 birth year, a claim had to be filed within seven years of birth.

<sup>4</sup> Florida Statute 766.304

<sup>5</sup> NICA also pays for expenses associated with the claims adjudication process, related litigation, and administrative expenses.

<sup>6</sup> The Statute provides NICA some ability to assess the insurance industry, as well as collect additional funds from the Office of Insurance Regulation.

## 2.2 Overview of NICA’s Loss and LAE Reserves

NICA’s loss and LAE<sup>7</sup> reserves represent an 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. These reserves form the vast majority of the liabilities on NICA’s balance sheet.

Due to the lengthy period 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 reserves. 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 present-value 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 reserves are 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 referred to as IBNR claims). In this report, we use the following abbreviations and categories of claims:

Table 1: Categories of Claims

Category	Subcategory	Description
<b>AA Claims</b>		
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	AA-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.

<sup>7</sup> 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 resolving claims such as legal expenses, NICA’s administrative expenses etc.

<b>DA Claims</b>		
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.
<b>Other Claims</b>		
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 reserve worksheet summarizing NICA’s projected lifetime expense payments by expense category and year for each claimant, along with each claimant’s expected remaining life expectancy.<sup>8</sup> The product of the expense payments and the remaining life expectancy determines NICA’s case reserve estimates for these claims at year end. These case reserve estimates do not include adjustments for future inflation or present-value and assume that all claimants will live exactly to their expected remaining life expectancy. During the year, NICA prepares similar information for additional claims as they are accepted into NICA.

NICA provided us with the “AAA-Worksheet,” which details NICA’s calculation of the case reserves by claim. The AAA-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, 2023, there are 240 open claims included in the AAA-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., “AA-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.<sup>9</sup>

<sup>8</sup> See section 5 for details regarding life expectancies.

<sup>9</sup> We distinguished between the “AA-pipeline” and “denied” category based on the magnitude of the case reserve established by NICA. In particular, “AA-pipeline” claims are signaled via a case reserve estimate of roughly \$2.8 million.



## **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.

## **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, 2023 for potential 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. Under this settlement, NICA has no further liability to reimburse Medicaid for services provided to NICA claimants prior to August 31, 2021.

## **2.8 Threshold Standard**

The Statute sets forth a “threshold” financial standard that NICA must meet in order to continue accepting claimants. The current threshold standard is different from solvency standards more typically used for insurance companies that involve comparison of 100% of the assets to 100% of the liabilities. In contrast, the current threshold standard involves a 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 excluding family care.<sup>10</sup>

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<sup>10</sup> We understand that the Florida Legislature is currently considering HB 989 that would, if enacted, change the Threshold Standard.

## 3 RECOMMENDATIONS AND CONCLUSIONS

### 3.1 Recommended Reserve for Losses and LAE as of December 31, 2023

The recommended reserve for losses and LAE (excluding risk margin) as December 31, 2023 is \$1.420 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, 2023 reserve for loss and loss adjustment expenses is \$1.420 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 increased by \$33.4 million, or 2.4%, from the prior analysis as of September 30, 2023.
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 \$5.0 million per claim. As of December, 2022, the average reserve per outstanding claim was \$4.87 million and this increased to \$5.13 million as of December, 2023. This increase of about 5.3% ( $= 5.13 / 4.87 - 1$ ) reflects the impact of inflation in calendar year 2023, as well as the reevaluation of expected future payments by claimant.
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 long-term rate of 3.6% per year in recent years. However, in the quarter ending December 31, 2023, the number of outstanding AAA claims decreased by four, or about -1.4%.
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 due to retroactive payments. However, in the four calendar quarters of 2023, aggregate payments have been reasonably stable ranging from \$13.7 million to \$14.6 million per quarter. This stability reflects a "new normal" following substantial changes to NICA resulting from SB 1786, as well as from administrative changes within NICA. With respect to future retroactive

payments, it is a possible that payments may spike again 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. For the four quarters in 2023, the incurred amount is roughly \$173 million.

### **3.3 Threshold Calculation**

Exhibit 6 provides a summary of the threshold calculation for NICA to continue accepting claims. We note that, as of September 30, 2023, NICA narrowly passed the threshold standard. As of December 31, 2023, NICA passes the standard comfortably by roughly \$96 million. This improvement is attributable to favorable results produced by NICA's investment strategy.

## 4 CONDITIONS AND LIMITATIONS

### 4.1 Data Sources

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

1. A 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.
2. Quarterly inception to date data by claim, including total payments, outstanding payments, claim status, etc.
3. Information on investments, claim adjustment expenses and numbers of participating healthcare providers.
4. The prior actuarial reports evaluated as of September 30, 2023, June 30, 2023, March 31, 2023, and December 31, 2022 prepared by FTI Consulting, Inc (formerly Madison Consulting Group) and prior quarterly actuarial reports prepared by Turner Consulting.

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 noted that the investment returns NICA has earned, over the long term, have exceeded general inflation by about 2.7% 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 estimate 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 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 estimate.

The resulting selected risk margin is \$82.5 million (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 rate/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 in Appendix A 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 potential 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.<sup>11</sup> 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, 2023.

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<sup>11</sup> 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.

Please note the following:

1. The analysis includes birth years 2018 and prior. These are the birth years where all the claimants, if alive, will be older than age 5.
2. The actual mortality is consistent with the assumption that life expectancy of the AA claimants is 50.9% of standard life expectancy using the PLE approach.
3. The standard life expectancy at birth is 76.8 years. The 50.9% in (2) above implies that life expectancy at birth for an AA claimant is 39.0 years ( $=50.9\% \times 76.8$ ).
4. The analysis on Appendix D, 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. While the numbers involved are small and subject to random statistical variation, 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 240 open claims assuming each claim has remaining life equal to 50.9% of standard remaining life expectancy at the same age. This calculation yields total estimated remaining years of life of 7,524.

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

NICA retained Dr. Shavelle to provide remaining life expectancy at year end 2023 for all open AA claims with a reserve worksheet (240 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 7,300 total remaining years of life expected for all 240 living claimants (Column 6).
- b. Through December 31, 2023, all 319 claimants (i.e., the 240 living claimants plus the 79 deceased claimants) had lived a total of 4,609 years.
- c. The average life expectancy at birth for all 319 claimants is 37.3 years, Column (8) (=  $\{4,609+7,300\}/319$ ).

#### 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.<sup>12</sup> Our alternative remaining life expectancies reduce Dr. Shavelle's impairment percentages by 2% for claimants over thirty years old and then by an additional 1%, compounded annually, beginning with birth year 1994 and continuing through birth year 2023. Thus, for example, if Dr. Shavelle's remaining life expectancy reflects a 60% reduction for impairment, our alternative remaining life expectancy reflects a 58.8% (= 98% x 60%) reduction for impairment for a claimant born in 1993, a 58.2% (= 99% x 98% x 60%) reduction for impairment for a claimant born in 1994, and a 57.6% (= 99% x 99% x 98% x 60%) reduction for impairment for a claimant born in 1995, 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 8,562 total remaining years of life expected for all 240 living claimants (Column 6). This is about 13.8% greater than the total of 7,524 years developed based on NICA's historical mortality developed on Appendix A, Sheet 2; or about 17.3% greater than the total of 7,300 years developed based on Dr. Shavelle's estimates on Appendix A, Sheet 3.

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<sup>12</sup> For example, if Dr. Shavelle has determined the remaining life expectancy of a claimant to be 20 years but the standard remaining life expectancy for a person of the same age is 50, then the impairment percentage is 60% (=  $\{50-20\} / 50$ ),)



2. The average life expectancy at birth for all 319 living and deceased AA claimants is 41.3 years (= {4,609+8,562}/319) 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 indicates 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 45 years (lower chart on Appendix D, Sheet 5).

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

The future payments for each claim are based on the payments implied by the case reserves in the AAA-Worksheet provided by NICA with adjustments for future inflation. We believe the AAA-Worksheet case reserves are reasonable for this purpose for the following reasons:

1. The case reserves for each claim were established by NICA staff based on a careful evaluation of each claimant, their families, and circumstances.
2. We tested the payment stream implied by the case reserves, in aggregate, against the payments made in calendar year 2023. We only considered one year (i.e., 2023) because this is the only year that reflects a stable situation following the recent changes to NICA's law and protocols. The calendar year 2023 payments were, on average, lower than the payment stream indicated by the case reserves, by roughly \$30k per year, per claim. Considering that the 2023 payments are somewhat reduced because billing procedures with Medicaid are not yet implemented, we concluded that the payment experience reasonably validates the payment streams underlying NICA's case reserves which includes anticipated payments currently made by Medicaid.<sup>13</sup> In other words, in aggregate, the actual payments reasonably validate NICA's estimates.

### 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. The future payments were based on the average of the payments implied by the AAA-Worksheet case reserves by age of claimant for payments at ages 6 and above. We selected \$150,000 per claimant, per year for the first five annual payments. This amount is based on the average of actual payments observed (excluding parental awards) during the first five years of life, adjusted to reflect additional payments for future Medicaid reimbursements.

### 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 of claims multiplied by the average projected reserve per claim. The number of unreported AA and DA claims are based on a historical review of the incremental claim counts (Appendix C).

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<sup>13</sup> This \$30 thousand difference is consistent with prior actuarial analysis of the potential impact on the payment stream when NICA reimburses Medicaid for any payments it makes.

To determine the average reserve for each AA-IBNR claim, we used the same approach as described in Section 5.2 for AAA pipeline claims. For each DA claim, we selected an average reserve based on historical amounts paid to DA claimants, adjusted for inflation.

#### **5.4 Analysis of Other Claims 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 the estimated future ULAE. As shown in Appendix E, the ULAE reserve is 1.62% of total reserves *excluding ULAE*. This ULAE reserve ratio is consistent with the selection in prior analyses. This ratio is also consistent with the ratio of the average paid ULAE to paid loss for 2023. See footnote (d) on Appendix E for more details.

**NICA**  
SUMMARY OF SELECTED RESERVES AS OF DECEMBER 31, 2023  
(\$000'S)

Item	Unpaid Claim Count	Case Reserve	Projected Reserve	
			Nominal	Inflated and Discounted
(1)	(2)	(3)	(4)	(5)
AAA Claims With Worksheets (a)	240	\$ 1,362,934	\$ 1,617,287	\$ 1,138,843
AAA Claims Pipeline (b)	10	27,728	88,326	59,707
AAA Claims IBNR (b)	27	-	236,273	159,717
AAD Claims (c)	12	1,618	1,618	1,618
DA Claims Reported (c)	31	4,701	4,701	4,701
DA Claims IBNR (b)	9	-	3,305	3,305
Denied Claims (c)	46	992	992	992
Subtotal	375	\$ 1,397,972	\$ 1,952,501	\$ 1,368,883
Outstanding ULAE (d)				22,630
Medicaid Reimbursement - Aug 31, 2021 through December 31, 2023 (e)				28,000
<b>Total Reserve Excluding Risk Margin</b>				<b>\$ 1,419,512</b>
Risk Margin (f)				\$ 82,500
<b>Total Reserve Including Risk Margin</b>				<b>\$ 1,502,012</b>

## Notes:

(a) See Appendix A.

(b) See Appendix B, Sheet 1.

(c) See Appendix F, Sheet 2.

(d) See Appendix E.

(e) Assumes one million dollars a month, starting August 31, 2021.

(f) See Appendix I.

# NICA

## SUMMARY OF AVERAGE RESERVE PER AAA CLAIM

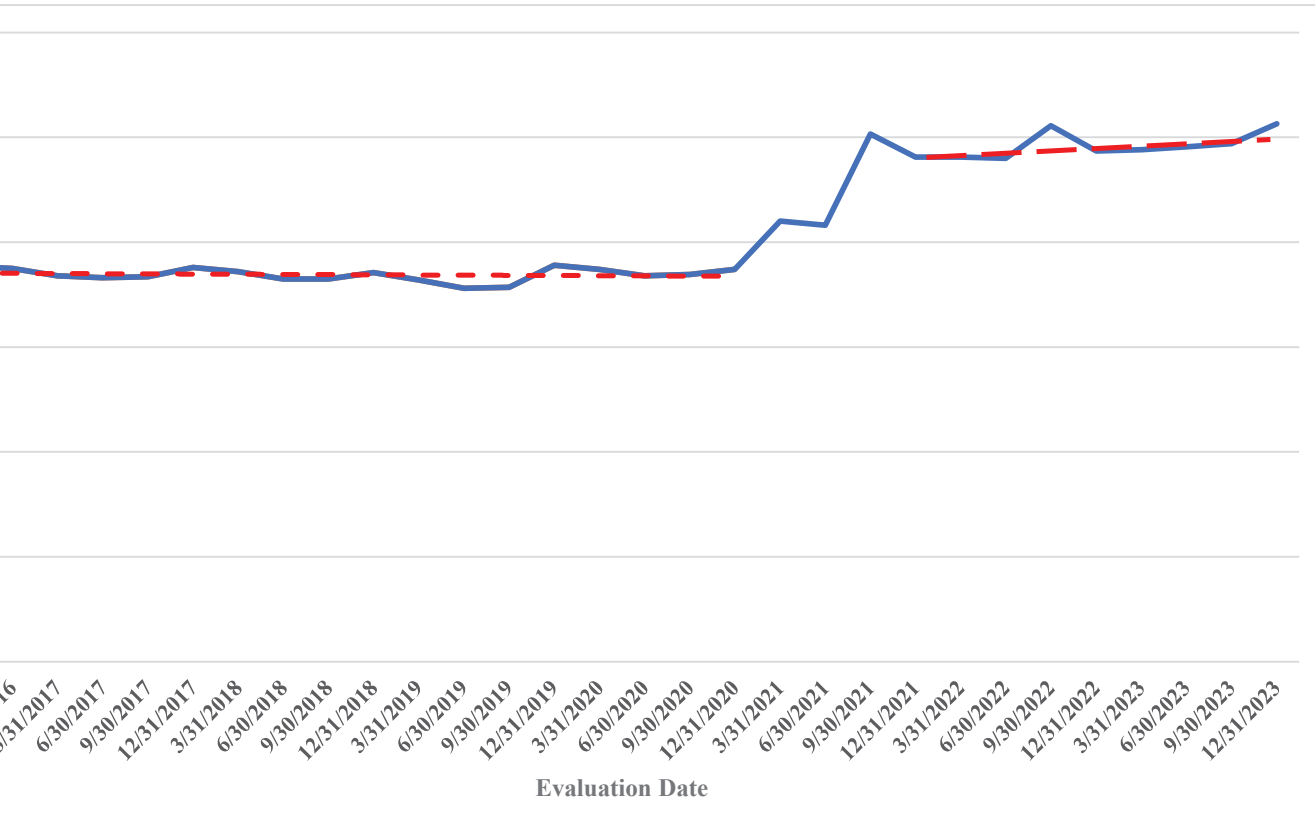
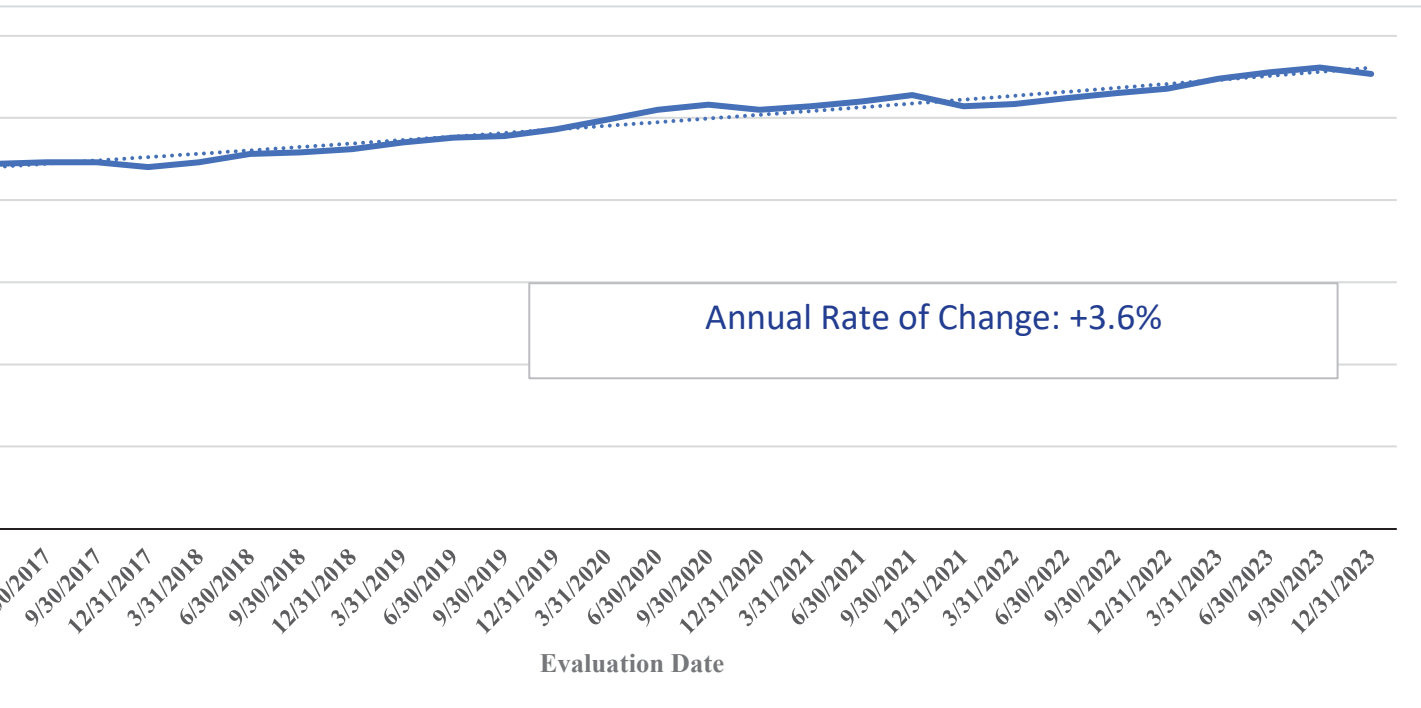


Exhibit 4, Row (10). AAA claims relate to accepted, living claimants.

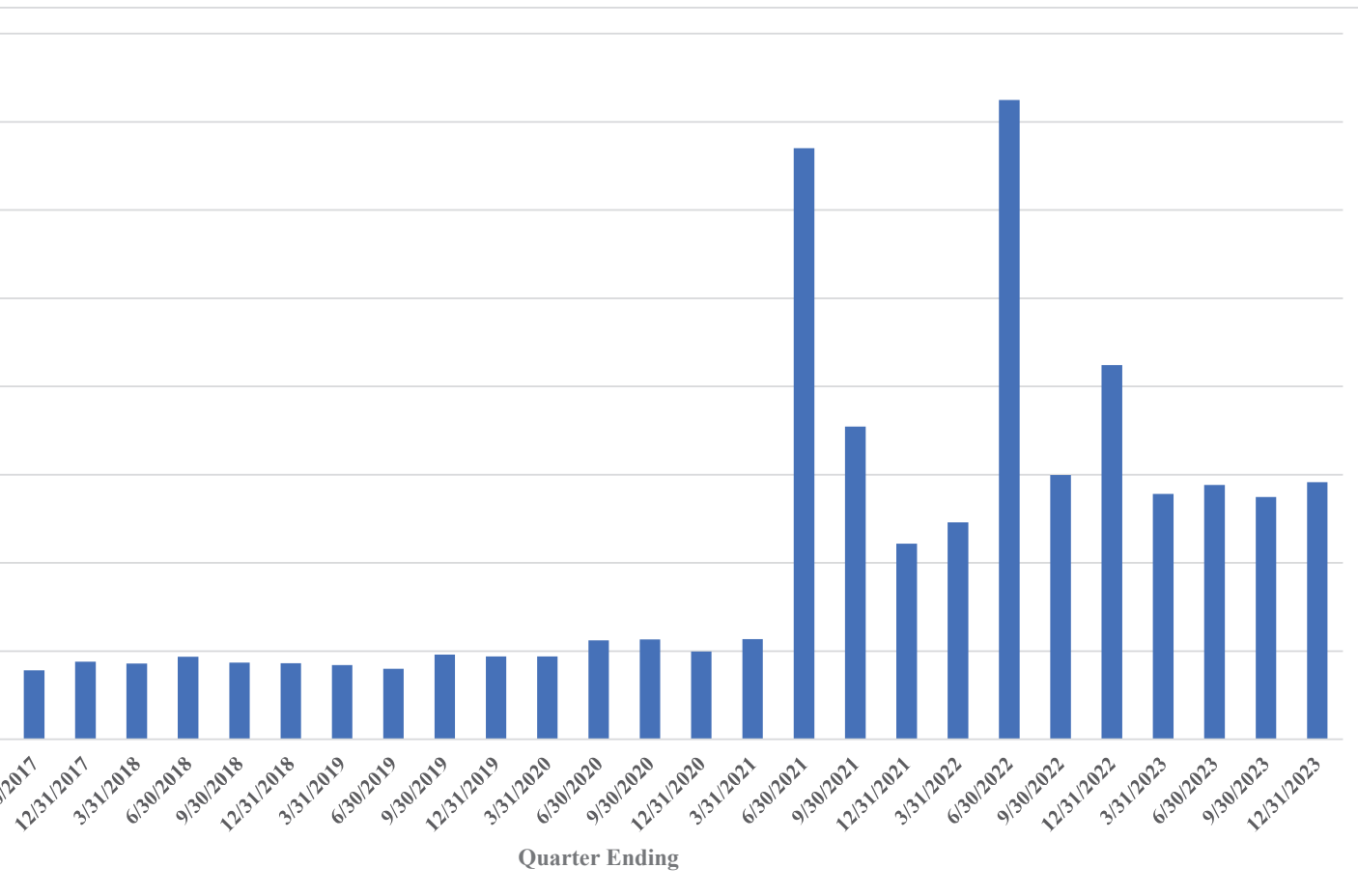
# NICA

## NUMBER OF OUTSTANDING AAA CLAIMS



it 4, Row (8). AAA claims relate to accepted, living claimants.

### NICA PAYMENTS BY QUARTER FOR ALL CLAIMS



ow (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
Future Benefits (a)	\$ 810.3	\$ 826.2	\$ 806.6	\$ 805.7	\$ 806.4	\$ 814.4	\$ 816.5	\$ 819.7	\$ 823.1
Reserves (a)	11.1	11.1	11.1	11.1	12.7	12.8	12.8	12.7	12.6
Reimbursement due to Medicaid (a)	-	-	-	-	-	-	-	-	-
<b>Reserves</b>	<b>\$ 821.4</b>	<b>\$ 837.3</b>	<b>\$ 817.7</b>	<b>\$ 816.8</b>	<b>\$ 819.1</b>	<b>\$ 827.1</b>	<b>\$ 829.3</b>	<b>\$ 832.4</b>	<b>\$ 835.7</b>
Change in Reserves - Quarter		15.9	(19.6)	(0.9)	2.4	8.0	2.1	3.1	3.3
Open Accepted Claims - AAA Claims (b)	187	193	189	190	191	191	193	198	198
Open Accepted Claims Excluding DA (a)	31	30	33	33	32	29	30	30	31
<b>Ending AAA Claims</b>	<b>218</b>	<b>223</b>	<b>222</b>	<b>223</b>	<b>223</b>	<b>220</b>	<b>223</b>	<b>228</b>	<b>229</b>
Change in AAA Claims - Quarter		5.0	(1.0)	1.0	-	(3.0)	3.0	5.0	1.0
Reserve per AAA Claim [(4) / (8)]	\$ 3.77	\$ 3.75	\$ 3.68	\$ 3.66	\$ 3.67	\$ 3.76	\$ 3.72	\$ 3.65	\$ 3.65
Date Claim Payments (a)	\$ 200.9	\$ 205.2	\$ 210.3	\$ 214.5	\$ 218.4	\$ 222.8	\$ 227.1	\$ 231.8	\$ 236.1
<b>Change in Quarter</b>		<b>4.3</b>	<b>5.1</b>	<b>4.2</b>	<b>3.9</b>	<b>4.4</b>	<b>4.3</b>	<b>4.7</b>	<b>4.3</b>
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
<b>Change in Quarter [(5) + (12)]</b>		<b>20.2</b>	<b>(14.5)</b>	<b>3.3</b>	<b>6.3</b>	<b>12.4</b>	<b>6.4</b>	<b>7.8</b>	<b>7.6</b>
Number of Open Claims		190	191	190	191	191	192	196	198
Reserve per Open Claim		\$ 0.023	\$ 0.027	\$ 0.022	\$ 0.020	\$ 0.023	\$ 0.022	\$ 0.024	\$ 0.022

; Turner Section I, Exhibit I for prior evaluations.

ent; 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	3/31/2021
Benefits (a)	\$ 843.3	\$ 841.4	\$ 836.0	\$ 840.1	\$ 903.8	\$ 917.1	\$ 924.7	\$ 938.6	\$ 937.6	\$ 1,064.6
	13.2	13.2	12.2	12.1	14.4	14.4	14.3	14.2	14.9	15.0
Payment due to Medicaid (a)	-	-	-	-	-	-	-	-	-	-
	<b>\$ 856.5</b>	<b>\$ 854.6</b>	<b>\$ 848.2</b>	<b>\$ 852.2</b>	<b>\$ 918.1</b>	<b>\$ 931.5</b>	<b>\$ 939.0</b>	<b>\$ 952.8</b>	<b>\$ 952.5</b>	<b>\$ 1,079.6</b>
	20.8	(1.9)	(6.4)	4.0	65.9	13.4	7.5	13.8	(0.3)	127.1
Accepted Claims - AAA Claims (b)	200	203	206	208	215	222	227	229	226	228
Excluding DA (a)	31	32	32	31	28	27	28	29	29	29
<b>AAA Claims</b>	<b>231</b>	<b>235</b>	<b>238</b>	<b>239</b>	<b>243</b>	<b>249</b>	<b>255</b>	<b>258</b>	<b>255</b>	<b>257</b>
	2.0	4.0	3.0	1.0	4.0	6.0	6.0	3.0	(3.0)	2.0
AAA Claim [(4) / (8)]	\$ 3.71	\$ 3.64	\$ 3.56	\$ 3.57	\$ 3.78	\$ 3.74	\$ 3.68	\$ 3.69	\$ 3.74	\$ 4.20
Claim Payments (a)	\$ 240.4	\$ 244.6	\$ 248.6	\$ 253.4	\$ 258.1	\$ 262.8	\$ 268.4	\$ 274.1	\$ 279.0	\$ 284.7
	<b>4.3</b>	<b>4.2</b>	<b>4.0</b>	<b>4.8</b>	<b>4.7</b>	<b>4.7</b>	<b>5.6</b>	<b>5.7</b>	<b>5.0</b>	<b>5.7</b>
Accrued 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	\$ 1,364.3
<b>Quarter [(5) + (12)]</b>	<b>25.1</b>	<b>2.3</b>	<b>(2.4)</b>	<b>8.8</b>	<b>70.6</b>	<b>18.1</b>	<b>13.1</b>	<b>19.5</b>	<b>4.7</b>	<b>132.7</b>
Open Claims	199	202	205	207	212	219	225	228	228	227
in Claim	\$ 0.022	\$ 0.021	\$ 0.020	\$ 0.023	\$ 0.022	\$ 0.021	\$ 0.025	\$ 0.025	\$ 0.022	\$ 0.025

; Turner Section I, Exhibit I for prior evaluations.

ent; Turner Section VI, Exhibit IV or Exhibit X for prior evaluations.

**NICA**  
SUMMARY OF CLAIM PAYMENTS AND RESERVES  
(\$ MILLIONS)

	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023
(a)	\$ 1,066.2	\$ 1,311.9	\$ 1,214.8	\$ 1,223.6	\$ 1,238.4	\$ 1,321.0	\$ 1,266.6	\$ 1,295.4	\$ 1,318.9	\$ 1,339.0	\$ 1,368.9
	14.9	14.8	20.2	20.2	20.2	20.2	20.8	21.3	21.7	22.1	22.6
Due to Medicaid (a)	-	-	-	-	-	14.0	16.0	19.0	22.0	25.0	28.0
	<b>\$ 1,081.1</b>	<b>\$ 1,326.7</b>	<b>\$ 1,235.0</b>	<b>\$ 1,243.8</b>	<b>\$ 1,258.6</b>	<b>\$ 1,355.1</b>	<b>\$ 1,303.4</b>	<b>\$ 1,335.7</b>	<b>\$ 1,362.6</b>	<b>\$ 1,386.1</b>	<b>\$ 1,419.5</b>
	1.5	245.6	(91.7)	8.8	14.8	96.5	(51.7)	32.3	27.0	23.5	33.4
Claims - AAA Claims (b)	233	235	230	232	233	238	241	247	251	254	250
Including DA (a)	27	29	27	27	29	27	27	27	27	27	27
Claims	<b>260</b>	<b>264</b>	<b>257</b>	<b>259</b>	<b>262</b>	<b>265</b>	<b>268</b>	<b>274</b>	<b>278</b>	<b>281</b>	<b>277</b>
	3.0	4.0	(7.0)	1.5	3.5	3.0	2.8	6.0	4.0	3.0	(4.0)
Claim [(4) / (8)]	\$ 4.16	\$ 5.03	\$ 4.81	\$ 4.81	\$ 4.80	\$ 5.11	\$ 4.87	\$ 4.88	\$ 4.91	\$ 4.94	\$ 5.13
Payments (a)	\$ 318.2	\$ 335.9	\$ 347.0	\$ 359.3	\$ 395.5	\$ 410.5	\$ 431.7	\$ 445.6	\$ 460.0	\$ 473.8	\$ 488.4
	<b>33.5</b>	<b>17.7</b>	<b>11.1</b>	<b>12.3</b>	<b>36.2</b>	<b>15.0</b>	<b>21.2</b>	<b>13.9</b>	<b>14.4</b>	<b>13.7</b>	<b>14.6</b>
Expenses [(4) + (11)]	\$ 1,399.3	\$ 1,662.6	\$ 1,582.0	\$ 1,603.1	\$ 1,654.2	\$ 1,765.6	\$ 1,735.1	\$ 1,781.3	\$ 1,822.7	\$ 1,859.9	\$ 1,907.9
[(5) + (12)]	<b>35.0</b>	<b>263.3</b>	<b>(80.6)</b>	<b>21.1</b>	<b>51.0</b>	<b>111.5</b>	<b>(30.5)</b>	<b>46.2</b>	<b>41.4</b>	<b>37.2</b>	<b>48.0</b>
Claims	231	234	233	231	233	236	240	244	249	253	252
	\$ 0.145	\$ 0.076	\$ 0.048	\$ 0.053	\$ 0.156	\$ 0.063	\$ 0.088	\$ 0.057	\$ 0.058	\$ 0.054	\$ 0.058

; Turner Section I, Exhibit I for prior evaluations.

ent; Turner Section VI, Exhibit IV or Exhibit X for prior evaluations.

## NICA

### SUMMARY OF RESERVES AS OF DECEMBER 31, 2023 - 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	\$ 19,317,138.41	\$ 39,297,585.84	\$ 19,980,447.43	\$ -	\$ 19,980,447.43
1990	9,516,691.24	23,284,612.24	13,767,921.00	56,508.32	13,824,429.32
1991	13,699,911.99	31,199,950.99	17,500,039.00	26,562.29	17,526,601.29
1992	22,470,432.01	65,818,978.01	43,348,546.00	369,655.75	43,718,201.75
1993	28,524,747.93	59,933,828.54	31,409,080.61	358,557.25	31,767,637.86
1994	11,769,447.09	33,491,603.09	21,722,156.00	34,175.95	21,756,331.95
1995	16,232,826.50	47,781,177.50	31,548,351.00	534,443.15	32,082,794.15
1996	15,247,180.39	40,891,842.39	25,644,662.00	2,493,703.41	28,138,365.41
1997	19,169,341.57	62,587,457.48	43,418,115.91	1,485,163.60	44,903,279.51
1998	31,937,686.27	90,371,512.74	58,433,826.47	3,419,368.68	61,853,195.15
1999	17,456,651.42	28,052,329.42	10,595,678.00	2,322,398.71	12,918,076.71
2000	10,129,772.68	22,708,743.26	12,578,970.58	1,530,061.49	14,109,032.07
2001	13,014,555.80	32,247,583.80	19,233,028.00	2,562,245.22	21,795,273.22
2002	28,992,696.82	88,558,120.17	59,565,423.35	9,152,588.02	68,718,011.37
2003	9,405,536.11	23,779,256.56	14,373,720.45	2,600,670.89	16,974,391.34
2004	11,626,378.96	55,852,284.96	44,225,906.00	3,811,403.27	48,037,309.27
2005	14,901,963.90	43,321,117.80	28,419,153.90	4,247,998.03	32,667,151.93
2006	18,471,590.91	80,444,222.91	61,972,632.00	8,312,500.84	70,285,132.84
2007	18,042,126.41	40,064,109.95	22,021,983.54	7,603,685.58	29,625,669.12
2008	13,517,584.83	63,853,120.22	50,335,535.39	9,953,479.14	60,289,014.53
2009	16,960,178.62	63,421,061.62	46,460,883.00	10,781,362.59	57,242,245.59
2010	7,417,167.94	37,806,297.93	30,389,129.99	4,187,307.12	34,576,437.11
2011	11,392,260.50	59,523,658.54	48,131,398.04	12,788,871.72	60,920,269.76
2012	7,701,585.61	50,432,762.80	42,731,177.19	6,873,032.68	49,604,209.87
2013	11,117,720.62	41,343,668.62	30,225,948.00	11,085,641.79	41,311,589.79
2014	12,915,707.74	45,885,548.13	32,969,840.39	16,457,799.07	49,427,639.46
2015	15,150,787.80	102,844,649.99	87,693,862.19	18,618,146.30	106,312,008.49
2016	5,852,260.09	56,032,962.65	50,180,702.56	9,414,053.28	59,594,755.84
2017	11,703,158.38	87,856,184.04	76,153,025.66	19,863,310.47	96,016,336.13
2018	16,600,319.27	137,071,458.90	120,471,139.63	30,372,776.64	150,843,916.27
2019	8,462,821.15	71,064,408.01	62,601,586.86	44,259,705.57	106,861,292.43
2020	7,740,287.62	60,741,741.16	53,001,453.54	30,103,948.73	83,105,402.27
2021	7,837,943.52	41,465,742.01	33,627,798.49	54,021,094.36	87,648,892.85
2022	3,697,441.16	50,608,784.70	46,911,343.54	115,939,437.96	162,850,781.50
2023	358,529.41	6,685,951.93	6,327,422.52	108,887,344.10	115,214,766.62
<b>Total</b>	<b>\$ 488,352,430.67</b>	<b>\$ 1,886,324,318.90</b>	<b>\$ 1,397,971,888.23</b>	<b>\$ 554,529,001.99</b>	<b>\$ 1,952,500,890.22</b>

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, 2023 - 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	\$ 14,874,818.52	\$ -	\$ 14,874,818.52	0.7445
1990	11,161,268.34	45,809.72	11,207,078.05	0.8107
1991	13,522,265.36	20,524.66	13,542,790.02	0.7727
1992	32,559,661.87	277,653.28	32,837,315.15	0.7511
1993	23,112,143.83	263,841.75	23,375,985.58	0.7358
1994	15,307,885.44	24,084.24	15,331,969.68	0.7047
1995	23,243,877.49	393,761.66	23,637,639.15	0.7368
1996	19,283,586.35	1,875,148.33	21,158,734.67	0.7520
1997	31,148,134.71	1,065,455.63	32,213,590.34	0.7174
1998	43,531,314.54	2,547,319.29	46,078,633.83	0.7450
1999	8,331,222.97	1,826,067.33	10,157,290.30	0.7863
2000	9,419,561.64	1,145,762.16	10,565,323.81	0.7488
2001	14,411,261.22	1,919,884.13	16,331,145.35	0.7493
2002	43,709,476.70	6,716,225.80	50,425,702.49	0.7338
2003	10,890,545.09	1,970,451.82	12,860,996.92	0.7577
2004	30,403,593.31	2,620,191.77	33,023,785.08	0.6875
2005	20,134,647.51	3,009,658.32	23,144,305.83	0.7085
2006	44,192,220.19	5,927,582.15	50,119,802.34	0.7131
2007	17,208,334.56	5,941,643.05	23,149,977.61	0.7814
2008	35,344,044.15	6,989,022.83	42,333,066.99	0.7022
2009	32,742,578.62	7,597,996.19	40,340,574.81	0.7047
2010	19,521,871.96	2,689,911.60	22,211,783.56	0.6424
2011	32,678,126.43	8,682,822.11	41,360,948.54	0.6789
2012	29,406,853.12	4,729,901.58	34,136,754.70	0.6882
2013	21,787,379.66	7,990,719.97	29,778,099.63	0.7208
2014	23,698,873.29	11,829,941.85	35,528,815.14	0.7188
2015	61,806,531.50	13,122,047.74	74,928,579.24	0.7048
2016	34,060,654.65	6,389,882.99	40,450,537.63	0.6788
2017	51,651,208.57	13,472,399.60	65,123,608.16	0.6783
2018	80,587,425.24	20,317,429.34	100,904,854.58	0.6689
2019	43,758,514.88	30,937,538.20	74,696,053.07	0.6990
2020	34,568,619.01	19,634,403.67	54,203,022.68	0.6522
2021	23,310,003.05	37,446,158.56	60,756,161.61	0.6932
2022	31,484,648.30	77,813,001.14	109,297,649.44	0.6712
2023	4,327,321.52	74,468,007.46	78,795,328.98	0.6839
Total	\$ 987,180,473.58	\$ 381,702,249.94	\$ 1,368,882,723.52	

(11) Estimated Outstanding ULAE (d)	\$ 22,629,500.12
(12) Estimated Medicaid Reimbursement Expenses (e)	\$ 28,000,000.00
(13) Total Outstanding Loss & LAE (f)	\$ 1,419,512,223.64

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

**NICA**

ULTIMATE CLAIM SEVERITY PER AA CLAIM - CURRENT DOLLARS  
(in thousands)

Birth Year	Paid Loss and ALAE (a)	Outstanding Loss and ALAE		Ultimate Loss and ALAE		Ultimate Claim Counts AA Claims (c)	Ultimate Claim Severity (d)	
		Current Dollars (a)	Inflated & Discounted (b)	Current Dollars	Inflated & Discounted		Current Dollars	Inflated & Discounted
(1)	(2)	(3)	(4)	(5) = [(2)+(3)]	(6) = [(2)+(4)]	(7)	(8) = [(5)/(7)]	(9) = [(6)/(7)]
2015	\$ 15,151	\$ 106,312	\$ 74,929	\$ 121,463	\$ 90,079	14	\$ 8,676	\$ 6,434
2016	5,852	59,595	40,451	65,447	46,303	7	9,350	6,615
2017	11,703	96,016	65,124	107,719	76,827	13	8,286	5,910
2018	16,600	150,844	100,905	167,444	117,505	19	9,051	6,352
2019	8,463	106,861	74,696	115,324	83,159	14	8,065	5,815
2020	7,740	83,105	54,203	90,846	61,943	10	8,995	6,133
2021	7,838	87,649	60,756	95,487	68,594	12	8,267	5,939
2022	3,697	162,851	109,298	166,548	112,995	18	9,052	6,141
2023	359	115,215	78,795	115,573	79,154	13	8,959	6,136
Total	\$ 77,404	\$ 968,448	\$ 659,156	\$ 1,045,852	\$ 736,559	120	\$ 8,734	\$ 6,151

Notes: (a) Exhibit 5, Sheet 1.  
(b) Exhibit 5, Sheet 2.  
(c) Appendix C, Sheet 1.

## NICA

SUMMARY OF RESERVES AS OF DECEMBER 31, 2023

LOSS AND LAE RESERVES FOR THRESHOLD CALCULATION  
(\$000'S)

### A: Determination of Liabilities For Threshold Calculation

(1) Total Reserve Excluding Risk Margin (a)	\$	1,419,512
(2) Family Care (AAA Claims With Worksheets) (b)	\$	133,996
(3) AAA IBNR Reserves (c)		159,717
(4) DA IBNR Reserves (c)		3,305
(5) Subtotal	\$	297,018
(6) Present Value Loss and LAE Reserves on Filed Claims [(1)-(5)]	\$	<b>1,122,494</b>

### B: Assets For Threshold Calculation

(7) Invested Assets (e)	\$	1,375,110
(8) Cash (d)		4,904
(9) Income on Invested Funds (e)		68,031
(10) Future Assessments Health Care Providers (e)		36,000
(11) Potential Assessments against Insurance Companies (e)		18,847
(12) Transfers from Florida Office of Ins. Regulation		20,000
(13) Subtotal	\$	1,522,892
(14) Assets for Threshold Calculation [(80% x (13)]	\$	<b>1,218,313</b>

### C: Threshold Test

(15) Assets Excess of Threshold [(14) - (6)]	\$	<b>95,819</b>
(16) Pass/Fail		<b>Pass</b>

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, 2023 (\$000'S)

Income Within The Next 12 Months			
Income on Invested Funds (See 2 Below)	\$		68,031
Future Assessments Health Care Providers			36,000
Future Assessments against Insurance Companies			18,847
Total = (1a.)+(1b.)+(1c.)	\$		122,878
Invested Assets			
Investment at Current Market Value	\$		1,375,110
Estimated Assessments in next 12 Months			36,000
Estimated Expenditures next 12 Months			(65,000)
Total			1,346,110
Average Invested Assets = (2a. + 2d.) ÷ 2			1,360,610
Expected Prospective Return (%)			5%
Expected Prospective Return (\$)			68,031
Assessment against Insurance Companies.			
Assessment rate (From Florida Statute)			0.25%
Direct Premium Written [= Total of 4(C)]	\$		7,538,875
Assessment against insurance companies = (3a.) x (3b.)	\$		18,847

#### Direct Premium Written - State Of Florida

Line of Insurance	2023 Direct Written Premium (A)	% Liability (B)	Liability Premium (C)
Homeowners Multi-Peril	\$ 26,117	5%	\$ 1,306
Auto Homeowners Multi-Peril	12,525,390	5%	626,270
Commercial Multi-Peril - Liability	818,101	100%	818,101
Medical Professional Liability	707,064	100%	707,064
Professional Liability	5,037,932	100%	5,037,932
Products Liability	287,751	100%	287,751
Craft	120,903	50%	60,452
Total	\$ 19,523,258		\$ 7,538,875

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, 2023

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

Item (1)	Number of Claims (2)	Case Reserve (3)	Projected Reserve	
			Nominal (4)	Inflated and Discounted (5)
<b>Scenario 1 (a)</b>				
Reserve	240	\$ 1,362,934	\$ 1,358,316	\$ 975,272
Supplement for Expected Development	-	-	-	-
<b>Total</b>	<b>240</b>	<b>\$ 1,362,934</b>	<b>\$ 1,358,316</b>	<b>\$ 975,272</b>
<b>Scenario 2 (a)</b>				
Reserve	240	\$ 1,362,934	\$ 1,358,316	\$ 975,272
Supplement for Expected Development	-	-	258,970	163,572
<b>Total</b>	<b>240</b>	<b>\$ 1,362,934</b>	<b>\$ 1,617,287</b>	<b>\$ 1,138,843</b>
<b>Selected (b)</b>				
Reserve	240	\$ 1,362,934	\$ 1,358,316	\$ 975,272
Supplement for Expected Development	-	-	258,970	163,572
<b>Total</b>	<b>240</b>	<b>\$ 1,362,934</b>	<b>\$ 1,617,287</b>	<b>\$ 1,138,843</b>

## Notes:

(a) Projected reserves are based on Case Reserve Method.

(b) Based on Scenario 2.



## NICA

ANALYSIS OF RESERVES AS OF DECEMBER 31, 2022

### SELECTED RESERVES FOR AA PIPELINE AND IBNR CLAIMS AND DA IBNR CLAIMS (\$000'S)

Birth Year	Number of Claims (a)	Projected Reserve	
		Nominal (b)	Inflated and Discounted (c)
(1)	(2)	(3)	(4)
<b>AA Pipeline Claims</b>			
2017	-	\$ -	\$ -
2018	-	-	-
2019	2.0	17,665	11,941
2020	-	-	-
2021	1.0	8,833	5,971
2022	7.0	61,828	41,795
<u>2023</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	10.0	\$ 88,326	\$ 59,707
<b>AA IBNR Claims</b>			
2017	-	\$ -	\$ -
2018	0.5	4,416	2,985
2019	1.3	11,482	7,762
2020	2.1	18,549	12,539
2021	3.6	31,356	21,196
2022	7.4	65,362	44,183
<u>2023</u>	<u>11.9</u>	<u>105,108</u>	<u>71,052</u>
Total	26.8	\$ 236,273	\$ 159,717
<b>DA IBNR Claims</b>			
2017	-	\$ -	\$ -
2018	-	-	-
2019	0.2	55	55
2020	0.6	200	200
2021	1.2	446	446
2022	2.4	883	883
<u>2023</u>	<u>4.7</u>	<u>1,721</u>	<u>1,721</u>
Total	9.1	\$ 3,305	\$ 3,305

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, 2023

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

Nominal			Inflated and Discounted			
Death Benefit	Other Benefits	Total	Parental Award	Death Benefit	Other Benefits	Total
(2)	(3)	(4)	(5)	(6)	(7)	(8)
AAA Claims (a)						
Included in (3)	\$ 8,558	\$ 8,833	\$ 274	Included in (7)	\$ 5,696	\$ 5,971
DA Claims (b)						
\$ 50	\$ 40	\$ 364	\$ 274	\$ 50	\$ 40	\$ 364

based on Life Expectancy at Birth: 45. (See bottom chart of Appendix D, Sheet 5).  
review of historical payments.

**NICA**  
ANALYSIS OF IBNR CLAIMS

SELECTED ULTIMATE CLAIM COUNTS

Birth Year	DA Claims			AA Claims		
	Reported Count (a)	IBNR (b)	Ultimate Count (c)	Reported Count (a)	IBNR (d)	Ultimate Count (e)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
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	0.0	13
2018	10	0.0	10	18	0.5	19
2019	4	0.2	4	13	1.3	14
2020	5	0.6	6	8	2.1	10
2021	12	1.2	13	8	3.6	12
2022	4	2.4	6	11	7.4	18
2023	2	4.7	7	1	11.9	13
Total	59	9.1	68	118	26.8	145

- 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

Birth Year	Age of Development (Months)											
	3	6	9	12	15	18	21	24	27	30	33	36
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	2
2020-3	-	-	-	-	-	-	-	-	-	-	-	-
2020-4	-	-	-	-	1	1	1	1	1	1	2	2
2021-1	-	-	1	1	1	1	1	1	1	1	2	2
2021-2	-	1	2	3	3	3	3	3	3	3	3	3
2021-3	-	-	-	-	-	-	1	2	2	2	-	-
2021-4	-	-	-	1	1	2	5	5	5	-	-	-
2022-1	-	-	-	1	1	2	2	2	-	-	-	-
2022-2	-	-	1	1	1	1	1	-	-	-	-	-
2022-3	-	-	-	-	-	-	-	-	-	-	-	-
2022-4	-	-	-	-	1	-	-	-	-	-	-	-
2023-1	-	-	1	1	-	-	-	-	-	-	-	-
2023-2	-	-	1	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-

Birth Year	Incremental Claim Counts											
	3-6	6-9	9-12	12-15	15-18	18-21	21-24	24-27	27-30	30-33	33-36	36-39
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	-	-	-	-	-	1	-	-
2021-1	-	1	-	-	-	-	-	-	-	1	-	-
2021-2	1	1	1	-	-	-	-	-	-	-	-	-
2021-3	-	-	-	-	-	1	1	-	-	-	-	-
2021-4	-	-	1	-	1	3	-	-	-	-	-	-
2022-1	-	-	1	-	1	-	-	-	-	-	-	-
2022-2	-	1	-	-	-	-	-	-	-	-	-	-
2022-3	-	-	-	-	-	-	-	-	-	-	-	-
2022-4	-	-	-	1	-	-	-	-	-	-	-	-
2023-1	-	1	-	-	-	-	-	-	-	-	-	-
2023-2	-	1	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-

Avg All	0.000	0.269	0.360	0.083	0.217	0.227	0.048	0.050	0.158	0.278	-0.059	0.000
Avg Latest 2	0.000	1.000	0.000	0.500	0.000	0.000	0.000	0.000	0.000	0.500	0.000	0.000
Avg Latest 3	0.000	0.667	0.000	0.333	0.333	1.000	0.333	0.000	0.000	0.667	0.000	0.000
Avg Latest 5	0.000	0.600	0.200	0.200	0.400	0.800	0.200	0.000	0.000	0.400	0.000	0.000

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

Birth Year	Age of Development (Months)											
	39	42	45	48	51	54	57	60	63	66	69	72
2017-1	-	-	-	-	-	-	-	-	-	-	-	-
2017-2	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	1	1	1	1
2018-2	2	2	2	2	2	2	2	2	2	2	2	2
2018-3	2	2	2	2	2	2	2	2	4	2		
2018-4	4	4	4	4	4	4	4	5	5			
2019-1	2	2	2	2	2	2	2	2				
2019-2	-	-	-	-	-	-	-	-				
2019-3	1	1	1	1	1	1						
2019-4	1	1	1	1	1							
2020-1	1	1	1	1								
2020-2	2	2	2									
2020-3	-	-										
2020-4	2											
2021-1												
2021-2												
2021-3												
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
2023-1												
2023-2												
2023-3												
2023-4												

Birth Year	Link Ratios											
	39-42	42-45	45-48	48-51	51-54	54-57	57-60	60-63	63-66	66-69	69-72	72-75
2017-1	-	-	-	-	-	-	-	-	-	-	-	-
2017-2	-	-	-	-	-	-	-	-	-	-	-	-
2017-3	-	-	-	-	-	-	-	-	-	-	-	-
2017-4	-	-	-	-	-	-	-	-	-	-	-	-
2018-1	-	-	-	-	-	-	-	-	-	-	-	-
2018-2	-	-	-	-	-	-	-	-	-	-	-	-
2018-3	-	-	-	-	-	-	-	2	(2)	-	-	-
2018-4	-	-	-	-	-	-	1	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
2023-1	-	-	-	-	-	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-
Avg All	0.000	0.000	0.000	0.000	0.000	0.000	0.111	0.250	-0.286	0.000	0.000	0.000
Avg Latest 2	0.000	0.000	0.000	0.000	0.000	0.000	0.500	1.000	-1.000	0.000	0.000	0.000
Avg Latest 3	0.000	0.000	0.000	0.000	0.000	0.000	0.333	0.667	-0.667	0.000	0.000	0.000
Avg Latest 5	0.000	0.000	0.000	0.000	0.000	0.000	0.200	0.400	-0.400	0.000	0.000	0.000
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

Birth Year	Age of Development (Months)											
	3	6	9	12	15	18	21	24	27	30	33	36
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	4	4
2020-4	-	-	3	3	2	2	2	2	2	2	2	2
2021-1	-	-	-	-	-	1	1	2	3	3	2	2
2021-2	-	-	-	-	-	-	-	1	1	1	1	1
2021-3	-	-	-	-	-	1	1	3	2	2	-	-
2021-4	-	-	-	1	2	2	2	3	3	-	-	-
2022-1	-	-	1	-	1	2	3	3	-	-	-	-
2022-2	-	-	-	1	2	3	2	-	-	-	-	-
2022-3	-	1	2	2	6	5	-	-	-	-	-	-
2022-4	-	-	-	1	1	-	-	-	-	-	-	-
2023-1	-	-	1	1	-	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-
Avg All	0.259	0.231	0.200	0.875	0.391	0.000	0.476	0.600	-0.053	0.000	0.000	-0.063
Avg Latest 2	0.000	0.500	0.500	2.000	0.000	0.000	0.500	-0.500	0.000	-0.500	0.000	0.000
Avg Latest 3	0.000	0.333	0.333	1.667	0.333	0.000	1.000	-0.333	0.000	-0.333	0.000	0.000
Avg Latest 5	0.200	0.400	0.200	1.400	0.400	0.000	1.000	0.000	-0.200	-0.200	0.000	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

Birth Year	Age of Development (Months)											
	39	42	45	48	51	54	57	60	63	66	69	72
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	3
2017-3	6	7	7	7	7	6	6	6	6	5	5	5
2017-4	2	2	2	2	2	2	2	2	3	3	3	3
2018-1	5	5	4	4	5	5	5	5	5	5	5	5
2018-2	5	5	5	5	5	5	5	5	5	5	5	5
2018-3	3	4	4	4	5	6	6	6	6	6		
2018-4	2	2	2	2	2	2	2	2	2	2		
2019-1	5	5	5	5	5	5	5	5				
2019-2	1	1	1	1	2	2	3					
2019-3	3	3	3	3	3	3						
2019-4	2	2	2	2	2							
2020-1	3	2	2	2								
2020-2	-	-	-									
2020-3	4	4										
2020-4	2											
2021-1												
2021-2												
2021-3												
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
2023-1												
2023-2												
2023-3												
2023-4												
Avg All	0.133	-0.143	-0.077	0.333	0.000	0.100	0.000	0.125	-0.143	0.000	0.000	0.000
Avg Latest 2	0.000	0.000	0.000	0.000	0.000	0.500	0.000	0.000	0.000	0.000	0.000	0.000
Avg Latest 3	-0.333	0.000	0.000	0.333	0.000	0.333	0.000	0.000	0.000	0.000	0.000	0.000
Avg Latest 5	-0.200	0.000	0.000	0.200	0.200	0.200	0.000	0.200	-0.200	0.000	0.000	
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 AA Claimants' Life Expectancy to Standard Life Expectancy (a)	50.9%
(2)	Standard Life Expectancy at Birth (Years) (b)	76.8
(3)	Average Life Expectancy at Birth For AA Claimants [(1) x (2)]	39.0

Birth Year	Number Alive at Age 5 (c)	Predicted at 12/31/2023				
		Actual at 12/31/2023		Probability		
		Alive (c)	Deceased [(5)-(6)]	of Remaining Alive (d)	Alive (c) [(5) x (8)]	Deceased [(5)-(9)]
(4)	(5)	(6)	(7)	(8)	(9)	(10)
1989	8.0	3.0	5.0	0.594	4.8	3.2
1990	7.0	3.0	4.0	0.608	4.3	2.7
1991	4.0	4.0	-	0.623	2.5	1.5
1992	13.0	9.0	4.0	0.637	8.3	4.7
1993	12.0	6.0	6.0	0.651	7.8	4.2
1994	7.0	3.0	4.0	0.665	4.7	2.3
1995	6.0	5.0	1.0	0.680	4.1	1.9
1996	6.0	6.0	-	0.694	4.2	1.8
1997	10.0	8.0	2.0	0.708	7.1	2.9
1998	12.0	11.0	1.0	0.722	8.7	3.3
1999	8.0	3.0	5.0	0.737	5.9	2.1
2000	5.0	3.0	2.0	0.751	3.8	1.2
2001	4.0	4.0	-	0.765	3.1	0.9
2002	15.0	12.0	3.0	0.779	11.7	3.3
2003	3.0	3.0	-	0.794	2.4	0.6
2004	5.0	5.0	-	0.808	4.0	1.0
2005	10.0	5.0	5.0	0.822	8.2	1.8
2006	10.0	9.0	1.0	0.836	8.4	1.6
2007	8.0	6.0	2.0	0.850	6.8	1.2
2008	10.0	9.0	1.0	0.864	8.6	1.4
2009	10.0	10.0	-	0.878	8.8	1.2
2010	6.0	5.0	1.0	0.891	5.3	0.7
2011	10.0	10.0	-	0.905	9.1	0.9
2012	7.0	7.0	-	0.918	6.4	0.6
2013	7.0	6.0	1.0	0.932	6.5	0.5
2014	9.0	8.0	1.0	0.946	8.5	0.5
2015	14.0	14.0	-	0.959	13.4	0.6
2016	7.0	7.0	-	0.973	6.8	0.2
2017	12.0	12.0	-	0.986	11.8	0.2
2018	16.0	16.0	-	1.000	16.0	-
<b>Total</b>	<b>261.0</b>	<b>212.0</b>	<b>49.0</b>		<b>212.0</b>	<b>49.0</b>
<b>Subtotals:</b>						
1989-2005	135.0	93.0	42.0		95.6	39.4
2006-2018	126.0	119.0	7.0		116.4	9.6
<b>Total</b>	<b>261.0</b>	<b>212.0</b>	<b>49.0</b>		<b>212.0</b>	<b>49.0</b>

- Notes: (a) Selected by FTI 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 AS OF DECEMBER 31, 2023

Birth Year	Number of Claims (a)			Number of Years Lived (a)	Remaining Life Expectancy (b)	Total Life Expectancy		NICA Average RLE [(6)÷(3)]	Standard RLE (c)	Ratio of Average RLE to Standard [(9)÷(10)]
	Deceased (2)	Alive (3)	Total (4)			Total [(5)+(6)]	Average [(7)÷(4)]			
1989	8	3	11	209.0	67.0	276.0	25.1	22.3	44.0	50.7%
1990	4	3	7	174.3	69.0	243.3	34.8	23.0	44.9	51.2%
1991	-	4	4	130.1	93.0	223.1	55.8	23.3	45.9	50.8%
1992	4	9	13	329.0	214.0	543.0	41.8	23.8	46.8	50.9%
1993	7	6	13	294.3	146.0	440.3	33.9	24.3	47.7	50.9%
1994	4	3	7	135.9	74.0	209.9	30.0	24.7	48.6	50.8%
1995	1	5	6	149.0	126.0	275.0	45.8	25.2	49.5	50.9%
1996	1	6	7	168.2	154.0	322.2	46.0	25.7	50.5	50.9%
1997	3	8	11	236.4	209.0	445.4	40.5	26.1	51.4	50.8%
1998	4	11	15	310.4	293.0	603.4	40.2	26.6	52.3	50.9%
1999	6	3	9	143.5	81.0	224.5	24.9	27.0	53.3	50.7%
2000	3	3	6	113.3	83.0	196.3	32.7	27.7	54.2	51.1%
2001	-	4	4	91.0	112.0	203.0	50.7	28.0	55.1	50.8%
2002	5	12	17	312.6	342.0	654.6	38.5	28.5	56.1	50.8%
2003	-	3	3	61.4	87.0	148.4	49.5	29.0	57.0	50.9%
2004	1	5	6	101.9	147.0	248.9	41.5	29.4	58.0	50.7%
2005	6	5	11	156.5	150.0	306.5	27.9	30.0	58.9	50.9%
2006	3	9	12	174.4	274.0	448.4	37.4	30.4	59.9	50.8%
2007	4	6	10	127.9	186.0	313.9	31.4	31.0	60.9	50.9%
2008	1	9	10	149.2	283.0	432.2	43.2	31.4	61.8	50.8%
2009	1	10	11	146.3	320.0	466.3	42.4	32.0	62.8	51.0%
2010	1	5	6	72.8	162.0	234.8	39.1	32.4	63.8	50.8%
2011	2	10	12	133.3	330.0	463.3	38.6	33.0	64.8	50.9%
2012	-	7	7	79.9	234.0	313.9	44.8	33.4	65.8	50.8%
2013	2	6	8	76.2	204.0	280.2	35.0	34.0	66.8	50.9%
2014	2	8	10	89.0	276.0	365.0	36.5	34.5	67.8	50.9%
2015	-	14	14	119.5	490.0	609.5	43.5	35.0	68.8	50.9%
2016	-	7	7	52.3	248.0	300.3	42.9	35.4	69.8	50.7%
2017	1	12	13	78.0	432.0	510.0	39.2	36.0	70.8	50.8%
2018	2	16	18	96.5	584.0	680.5	37.8	36.5	71.7	50.9%
2019	1	10	11	47.5	370.0	417.5	38.0	37.0	72.7	50.9%
2020	1	7	8	25.2	262.0	287.2	35.9	37.4	73.7	50.7%
2021	1	6	7	16.8	228.0	244.8	35.0	38.0	74.7	50.9%
2022	-	4	4	6.7	155.0	161.7	40.4	38.8	76.0	51.1%
2023	-	1	1	0.8	39.0	39.8	39.8	39.0	76.5	51.0%
Total	79.0	240.0	319.0	4,609.2	7,524.0	12,133.2	38.0			
Subtotals:										
1989-2005	57.0	93.0	150.0		2,447.0	5,563.8	37.1	26.3		50.9%
2006-2023	22.0	147.0	169.0		5,077.0	6,569.3	38.9	34.5		50.9%
Total	79.0	240.0	319.0		7,524.0	12,133.2	38.0	31.4		50.9%

Notes: (a) Based on information provided by NICA.  
 (b) Based 2020 Social Security Period Life Table adjusted to reflect impaired life expectancy of 50.9% 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  
SCENARIO 1 (SHAVELLE)

Birth Year	Number of Claims (a)			Number of Years Lived (a)	Remaining Life Expectancy (b)	Total Life Expectancy		NICA Average RLE [(6)÷(3)]	Standard RLE (c)	Ratio of Average RLE to Standard [(9)÷(10)]
	Deceased	Alive	Total			Total	Average			
(1)	(2)	(3)	(4)	(5)	(6)	[(5)+(6)]	[(7)÷(4)]	(9)	(10)	(11)
1989	8	3	11	209.0	99.0	308.0	28.0	33.0	44.0	75.0%
1990	4	3	7	174.3	57.9	232.2	33.2	19.3	44.9	43.0%
1991	-	4	4	130.1	93.8	223.9	56.0	23.5	45.9	51.2%
1992	4	9	13	329.0	245.8	574.8	44.2	27.3	46.8	58.3%
1993	7	6	13	294.3	180.9	475.2	36.6	30.1	47.7	63.1%
1994	4	3	7	135.9	122.0	258.0	36.9	40.7	48.6	83.7%
1995	1	5	6	149.0	156.9	305.9	51.0	31.4	49.5	63.4%
1996	1	6	7	168.2	146.8	315.0	45.0	24.5	50.5	48.5%
1997	3	8	11	236.4	253.9	490.3	44.6	31.7	51.4	61.7%
1998	4	11	15	310.4	302.7	613.1	40.9	27.5	52.3	52.6%
1999	6	3	9	143.5	52.9	196.3	21.8	17.6	53.3	33.0%
2000	3	3	6	113.3	72.9	186.2	31.0	24.3	54.2	44.8%
2001	-	4	4	91.0	96.9	187.9	47.0	24.2	55.1	43.9%
2002	5	12	17	312.6	316.8	629.4	37.0	26.4	56.1	47.1%
2003	-	3	3	61.4	64.0	125.4	41.8	21.3	57.0	37.4%
2004	1	5	6	101.9	198.2	300.1	50.0	39.6	58.0	68.3%
2005	6	5	11	156.5	161.0	317.4	28.9	32.2	58.9	54.7%
2006	3	9	12	174.4	290.1	464.5	38.7	32.2	59.9	53.8%
2007	4	6	10	127.9	101.8	229.7	23.0	17.0	60.9	27.9%
2008	1	9	10	149.2	284.1	433.4	43.3	31.6	61.8	51.1%
2009	1	10	11	146.3	287.0	433.3	39.4	28.7	62.8	45.7%
2010	1	5	6	72.8	207.2	280.0	46.7	41.4	63.8	64.9%
2011	2	10	12	133.3	316.9	450.1	37.5	31.7	64.8	48.9%
2012	-	7	7	79.9	236.0	315.9	45.1	33.7	65.8	51.2%
2013	2	6	8	76.2	145.9	222.1	27.8	24.3	66.8	36.4%
2014	2	8	10	89.0	185.9	274.9	27.5	23.2	67.8	34.2%
2015	-	14	14	119.5	428.0	547.5	39.1	30.6	68.8	44.5%
2016	-	7	7	52.3	261.1	313.3	44.8	37.3	69.8	53.4%
2017	1	12	13	78.0	412.3	490.3	37.7	34.4	70.8	48.6%
2018	2	16	18	96.5	599.5	696.1	38.7	37.5	71.7	52.3%
2019	1	10	11	47.5	282.4	329.9	30.0	28.2	72.7	38.8%
2020	1	7	8	25.2	284.9	310.1	38.8	40.7	73.7	55.2%
2021	1	6	7	16.8	152.2	169.1	24.2	25.4	74.7	34.0%
2022	-	4	4	6.7	162.9	169.6	42.4	40.7	76.0	53.6%
2023	-	1	1	0.8	39.0	39.8	39.8	39.0	76.5	51.0%
Total	79.0	240.0	319.0	4,609.2	7,299.6	11,908.8	37.3	30.4		49.3%
Subtotals:										
1989-2005	57.0	93.0	150.0		2,622.4	5,739.2	38.3	28.2		54.5%
2006-2023	22.0	147.0	169.0		4,677.2	6,169.6	36.5	31.8		46.9%
Total	79.0	240.0	319.0		7,299.6	11,908.8	37.3	30.4		49.3%

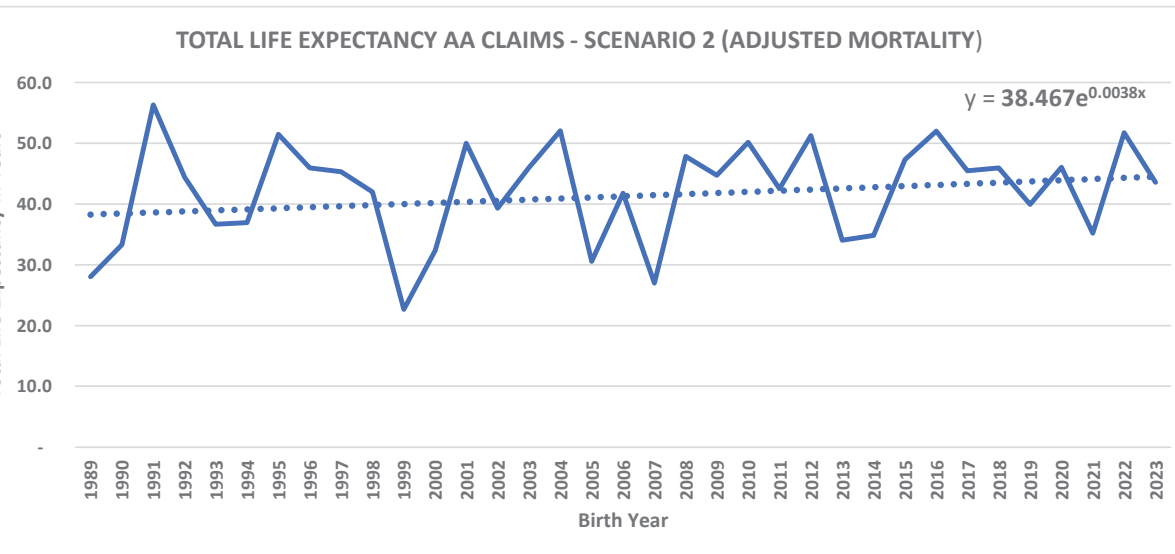
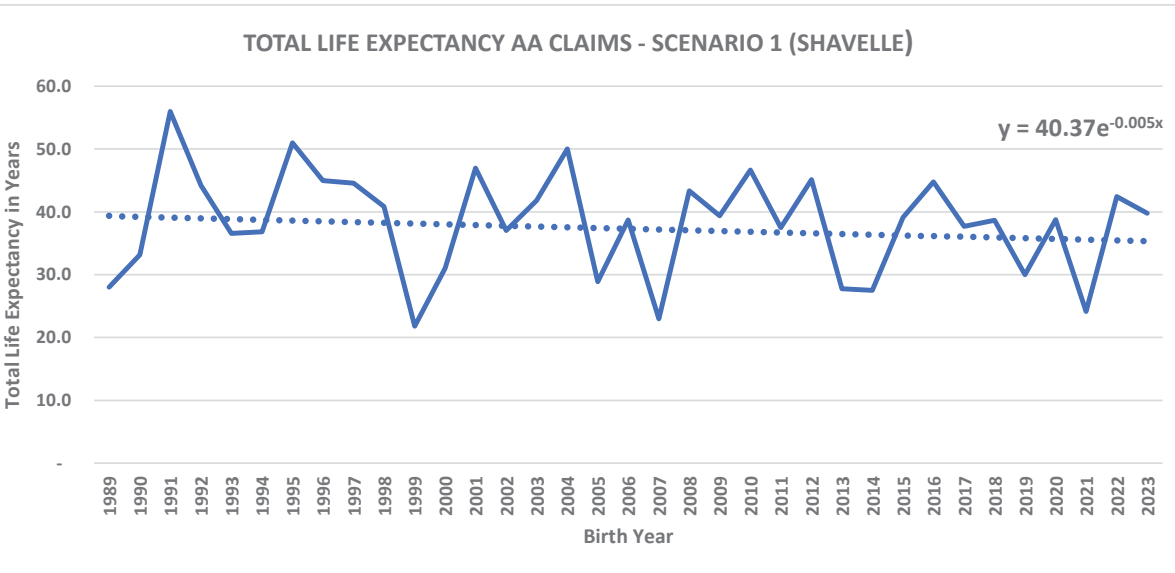
Notes: (a) Based on information provided by NICA.  
(b) Based on life expectancy estimated by Shavelle.  
(c) Based 2020 Social Security Period Life Table.

**NICA**  
REVIEW OF LIFE EXPECTANCY  
AVERAGE LIFE EXPECTANCIES BY BIRTH YEAR - AAA CLAIMS  
SCENARIO 2 (ADJUSTED MORTALITY)

Birth Year	Number of Claims (a)			Number of Years Lived (a)	Remaining Life Expectancy (b)	Total Life Expectancy		NICA		Ratio of Average RLE to Standard [(9)÷(10)]
	Deceased	Alive	Total			Total	Average	Average RLE	Standard RLE (c)	
(1)	(2)	(3)	(4)	(5)	(6)	[(5)+(6)]	[(7)÷(4)]	[(6)÷(3)]	(10)	(11)
1989	8	3	11	209.0	99.4	308.4	28.0	33.1	44.0	75.3%
1990	4	3	7	174.3	59.0	233.3	33.3	19.7	44.9	43.8%
1991	-	4	4	130.1	95.1	225.2	56.3	23.8	45.9	51.8%
1992	4	9	13	329.0	248.3	577.3	44.4	27.6	46.8	58.9%
1993	7	6	13	294.3	182.4	476.7	36.7	30.4	47.7	63.7%
1994	4	3	7	135.9	122.5	258.5	36.9	40.8	48.6	84.1%
1995	1	5	6	149.0	159.9	308.9	51.5	32.0	49.5	64.6%
1996	1	6	7	168.2	153.5	321.7	46.0	25.6	50.5	50.7%
1997	3	8	11	236.4	262.0	498.4	45.3	32.7	51.4	63.7%
1998	4	11	15	310.4	319.4	629.9	42.0	29.0	52.3	55.5%
1999	6	3	9	143.5	60.5	203.9	22.7	20.2	53.3	37.8%
2000	3	3	6	113.3	80.9	194.2	32.4	27.0	54.2	49.7%
2001	-	4	4	91.0	109.1	200.1	50.0	27.3	55.1	49.5%
2002	5	12	17	312.6	355.4	668.0	39.3	29.6	56.1	52.8%
2003	-	3	3	61.4	76.5	137.9	46.0	25.5	57.0	44.7%
2004	1	5	6	101.9	210.4	312.3	52.1	42.1	58.0	72.6%
2005	6	5	11	156.5	179.4	335.9	30.5	35.9	58.9	60.9%
2006	3	9	12	174.4	326.8	501.2	41.8	36.3	59.9	60.6%
2007	4	6	10	127.9	142.0	269.9	27.0	23.7	60.9	38.9%
2008	1	9	10	149.2	328.9	478.2	47.8	36.5	61.8	59.1%
2009	1	10	11	146.3	346.0	492.3	44.8	34.6	62.8	55.1%
2010	1	5	6	72.8	228.1	301.0	50.2	45.6	63.8	71.5%
2011	2	10	12	133.3	377.1	510.4	42.5	37.7	64.8	58.2%
2012	-	7	7	79.9	278.8	358.7	51.2	39.8	65.8	60.5%
2013	2	6	8	76.2	196.2	272.4	34.1	32.7	66.8	48.9%
2014	2	8	10	89.0	259.4	348.3	34.8	32.4	67.8	47.8%
2015	-	14	14	119.5	542.7	662.3	47.3	38.8	68.8	56.3%
2016	-	7	7	52.3	311.7	364.0	52.0	44.5	69.8	63.8%
2017	1	12	13	78.0	513.0	590.9	45.5	42.7	70.8	60.4%
2018	2	16	18	96.5	730.2	826.8	45.9	45.6	71.7	63.7%
2019	1	10	11	47.5	391.7	439.2	39.9	39.2	72.7	53.9%
2020	1	7	8	25.2	343.3	368.6	46.1	49.0	73.7	66.6%
2021	1	6	7	16.8	229.4	246.2	35.2	38.2	74.7	51.2%
2022	-	4	4	6.7	200.2	207.0	51.7	50.1	76.0	65.9%
2023	-	1	1	0.8	42.8	43.6	43.6	42.8	76.5	56.0%
Total	79.0	240.0	319.0	4,609.2	8,562.1	13,171.3	41.3	35.7		57.9%
Subtotals:										
1989-2005	57.0	93.0	150.0		2,773.8	5,890.7	39.3	29.8		57.6%
2006-2023	22.0	147.0	169.0		5,788.3	7,280.7	43.1	39.4		58.0%
Total	79.0	240.0	319.0		8,562.1	13,171.3	41.3	35.7		57.9%

- Notes: (a) Based on information provided by NICA.  
(b) Based on life expectancy projected by Shavelle, adjusted to reflect a reduction of in impairment of 1%, compounded annually, beginning with birth year 1994 through 2023.  
(c) Based 2020 Social Security Period Life Table.

## NICA REVIEW OF LIFE EXPECTANCY



**NICA**  
ANALYSIS OF RESERVES AS OF DECEMBER 31, 2023

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)
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%
12/31/2022	1,282,621	20,779	1.62%
3/31/2023	1,314,386	21,293	1.62%
6/30/2023	1,340,919	21,723	1.62%
9/30/2023	1,364,024	22,097	1.62%
(5) Selected (d)			1.62%
(6) Total Loss Reserve Excluding ULAE as of 12/31/2023 (e)		\$ 1,396,883	
(7) Indicated ULAE Reserve (f)		\$ 22,630	

## Notes:

(a) Prior reserve analyses; See Exhibit 4; Exclude ULAE Reserves.

(b) Prior reserve analyses; See Exhibit 4, Row (2).

(c) = (3) ÷ (2)

(d) Selected based on selection in prior analyses; the ratio is consistent with the ratio of the average paid ULAE estimates for fiscal years 2023 and 2024 [ $\$910k = (\$898k + \$923k)/2$ ] to calendar year 2023 payments. Paid ULAE to Benefit Payments =  $\$910k/\$56,636k = 1.61\%$ .

(e) See Exhibit 1; Excludes ULAE Reserves and Risk Margin.

(f) = (5) x (6)

## NICA

### LOSS AND COUNT SUMMARY BY BIRTH YEAR AS OF DECEMBER 31, 2023 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	\$ 19,317	\$ 39,298	\$ 19,980	3	-	-
1990	9,517	23,285	13,768	3	-	-
1991	13,700	31,200	17,500	4	-	-
1992	22,470	65,819	43,349	9	-	-
1993	28,525	59,934	31,409	6	-	-
1994	11,769	33,492	21,722	3	-	-
1995	16,233	47,781	31,548	5	-	-
1996	15,247	40,892	25,645	6	-	-
1997	19,169	62,587	43,418	8	-	-
1998	31,938	90,372	58,434	11	-	-
1999	17,457	28,052	10,596	3	-	-
2000	10,130	22,709	12,579	3	-	-
2001	13,015	32,248	19,233	4	-	-
2002	28,993	88,558	59,565	12	-	-
2003	9,406	23,779	14,374	3	-	-
2004	11,626	55,852	44,226	5	-	-
2005	14,902	43,321	28,419	5	-	-
2006	18,472	80,444	61,973	9	-	-
2007	18,042	40,064	22,022	6	-	-
2008	13,518	63,853	50,336	9	-	-
2009	16,960	63,421	46,461	10	-	-
2010	7,417	37,806	30,389	5	-	-
2011	11,392	59,524	48,131	10	-	-
2012	7,702	50,433	42,731	7	-	-
2013	11,118	41,344	30,226	6	-	-
2014	12,916	45,886	32,970	8	-	-
2015	15,151	102,845	87,694	14	-	-
2016	5,852	56,033	50,181	7	-	-
2017	11,703	87,856	76,153	12	-	-
2018	16,600	137,071	120,471	16	1	1
2019	8,463	71,064	62,602	12	-	-
2020	7,740	60,742	53,001	7	-	-
2021	7,838	41,466	33,628	7	-	-
2022	3,697	50,609	46,911	11	-	-
2023	359	6,686	6,327	1	-	1
Total	\$ 488,352	\$ 1,886,324	\$ 1,397,972	250	1	2

Note: Data provided by NICA.

## NICA

### LOSS AND COUNT SUMMARY BY AS OF DECEMBER 31, 2023 OTHER CLAIMS

Birth Year	Case Outstanding - Current Dollars (000's)				Count of Claims with Case Reserves			
	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	-	105	-	-	-	1	-	-
1994	-	200	-	-	-	1	-	-
1995	-	-	200	-	-	-	1	-
1996	-	-	255	-	-	-	1	-
1997	-	-	205	-	-	-	3	-
1998	-	-	400	-	-	-	2	-
1999	-	-	445	-	-	-	2	-
2000	-	17	200	-	-	1	1	-
2001	-	-	220	-	-	-	2	-
2002	-	-	190	-	-	-	1	-
2003	-	-	380	-	-	-	2	-
2004	-	-	190	-	-	-	1	-
2005	-	99	-	-	-	1	-	-
2006	-	-	-	-	-	-	-	-
2007	-	240	-	-	-	2	-	-
2008	-	-	-	-	-	-	-	-
2009	-	190	-	-	-	1	-	-
2010	-	-	19	-	-	-	1	-
2011	-	-	-	-	-	-	-	-
2012	-	-	95	-	-	-	1	-
2013	-	24	23	-	-	1	1	-
2014	-	19	-	-	-	1	-	-
2015	-	-	380	13	-	-	2	2
2016	-	-	15	(0)	-	-	1	-
2017	-	-	-	48	-	-	-	4
2018	-	253	385	180	-	1	3	8
2019	5,682	-	109	60	2	-	1	2
2020	-	-	-	86	-	-	-	5
2021	2,551	-	-	190	1	-	-	9
2022	19,495	-	2	295	7	-	1	12
2023	-	-	707	119	-	-	2	4
Total	\$ 27,728	\$ 1,618	\$ 4,701	\$ 992	10	12	31	46

Note: Data provided by NICA.

## NICA

ANALYSIS OF RESERVES AS OF DECEMBER 31, 2023  
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	\$ 11,699	\$ 181	\$ 2,589	\$ 14,470	\$ -
1990	9,450	75	1,683	11,207	-
1991	10,714	218	2,611	13,543	-
1992	26,208	536	5,748	32,492	-
1993	19,089	233	3,948	23,271	-
1994	11,631	208	3,293	15,132	-
1995	17,359	1,596	4,483	23,438	-
1996	16,081	357	4,466	20,904	-
1997	25,891	257	5,860	32,009	-
1998	37,275	1,057	7,346	45,679	791
1999	8,119	102	1,492	9,712	-
2000	8,103	117	2,128	10,348	-
2001	12,701	221	3,190	16,111	-
2002	40,329	510	9,397	50,236	3,799
2003	10,275	122	2,084	12,481	2,288
2004	26,027	1,772	5,034	32,834	2,909
2005	18,769	633	3,643	23,045	2,420
2006	39,507	1,505	9,108	50,120	7,095
2007	19,129	284	3,497	22,910	3,624
2008	34,251	506	7,576	42,333	5,393
2009	33,255	473	6,422	40,151	7,516
2010	16,965	595	4,633	22,193	4,080
2011	33,887	528	6,945	41,361	6,761
2012	27,134	459	6,449	34,042	5,765
2013	24,737	311	4,684	29,731	4,552
2014	28,858	549	6,103	35,510	4,936
2015	55,271	756	18,509	74,535	11,539
2016	33,281	495	6,660	40,435	5,992
2017	50,568	860	13,648	65,075	12,426
2018	80,190	1,344	15,567	97,101	15,560
2019	41,134	643	12,992	54,770	8,451
2020	31,724	352	9,303	41,378	6,133
2021	27,870	292	4,790	32,953	5,707
2022	17,818	493	3,829	22,140	5,769
2023	4,426	129	641	5,196	1,280
Total	\$ 909,723	\$ 18,771	\$ 210,350	\$ 1,138,843	\$ 134,787
2002-2023	\$ 695,403	\$ 13,612	\$ 161,513	\$ 870,528	\$ 133,996

Notes: Based on Case Reserve Method.



## NICA

ANALYSIS OF RESERVES AS OF DECEMBER 31, 2023  
RESERVES BY BENEFIT TYPE FOR AAA CLAIMS WITH WORKSHEETS ONLY  
INFLATED AND DISCOUNTED (\$'000'S)

Benefit Type	Reserves
1) Family Care	\$ 134,787
2) Nursing Care By Others	540,236
3) Nursing Care By Parents	234,700
4) Medical	18,771
5) Psychotherapeutic	2,315
6) Equipment & Supplies	41,519
7) Therapy	17,972
8) Insurance Premium	68,874
9) Miscellaneous Other	4,917
10) Travel & Transport	12,589
11) Vehicle Related Costs	44,964
12) Housing Remaining	10,538
13) Parental Awards Remaining	3,084
14) Death Benefit	3,577
Total	\$ 1,138,843
Subtotals:	
15) Nursing Care Total (a)	\$ 909,723
16) Medical Total (b)	18,771
17) Other Total (c)	196,728
18) Retrospective Remaining (d)	13,622
Total	\$ 1,138,843

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 (4) = (3) - (2)
(1)	(2)	(3)	(4)
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%
2023	3.4%	12.9%	9.5%
<u>Averages (c):</u>			
2010-2023	2.6%	5.5%	2.9%
2000-2009	2.5%	5.2%	2.7%
1991-1999	2.6%	5.0%	2.5%
1991-2023	2.6%	5.3%	2.7%

## Notes:

- (a) Ibbotson's 2023 SBBI Yearbook, Stocks, Bonds, Bills, and Inflation; US Bureau of Labor Statistics.  
 (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, 2023 CALCULATION OF RISK MARGIN

#### 1. Risk: Time Lived Varying from Remaining Loss Expectancy (RLE)

a. Number of Outstanding AA Claims	240	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	1,617,287	Exhibit 1, Column (4)
e. Variance	2,724,599,812	= [(c.) x (d.)]^2

#### 2. Risk: Cost of IBNR and Pipeline AA Claims

a. Expected Number of Claims	36.75	Exhibit 1, Col (2): AAA IBNR+AAA Pipeline
b. Variance of Number of Claims	36.75	Assumes Poisson Distribution
c. CV Claim Severity	1	Based on judgment
d. CV of Aggregate Reserve	23%	= sqrt[(1.0 + (c.) x (c.)) ÷ (b.)]
e. Aggregate Reserve - Nominal	324,599	Exhibit 1, Col (4): AAA IBNR+AAA Pipeline
f. Variance	5,734,123,037	= [(d.) x (e.)]^2

#### 3. Risk: Cost of Outstanding for Other Claims

a. Number of Outstanding Other Claims	89	Exhibit 1, Col (2): AAD+DA Reported+Denied)
b. Assumed Severity CV	1	Based on judgment
c. CV of Aggregate Reserve	11%	= (b.) ÷ sqrt(a.)
d. Aggregate Reserve - Nominal	7,310	Exhibit 1, Col (4): AAD+DA Reported+Denied)
e. Variance	600,460	= [(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	3,305	Exhibit 1
f. Variance	2,407,278	= [(d.) x (e.)]^2

#### 5. Risk Margin

a. Total Variance	8,461,730,587	= 1(e.) + 2(f.) + 3(e.) + 4(f.)
b. Standard Deviation	91,988	= sqrt(a.)
c. Aggregate Reserve - Nominal	1,952,501	Exhibit 1, Col(4)
d. Aggregate Reserve - Discounted	1,368,883	Exhibit 1, Col(5)
e. Average Discount	0.70	= (d.) ÷ (c.)
f. Standard Deviation - Discounted Reserves	64,492	= (b.) x (e.)
g. Z: 90th percentile of standard normal	1.28	90th percentile of standard normal distribution
h. 90% confidence level	82,650	= (f.) x (g.)
Minimum Risk Margin	75,500	Previous Risk Margin
Selected Risk Margin	82,500	