

**FLORIDA BIRTH RELATED NEUROLOGICAL
INJURY COMPENSATION ASSOCIATION (NICA)
ANALYSIS OF LOSS AND LAE RESERVES
AS OF SEPTEMBER 30, 2023**

Prepared: October 20, 2023



MADISON CONSULTING GROUP

Actuaries • Property/Casualty Consulting Services

November 29, 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 September 30, 2023

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.

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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 September 30, 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”).¹ The Statute replaces the traditional tort liability remedies for defined birth related injuries with a no-fault system² 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 very limited financial resources⁶ 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 LAE⁷ 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 significant 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 (and any interim updates) 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 September 30, 2023, there are 238 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 September 30, 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.

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 excluding family care.

3 RECOMMENDATIONS AND CONCLUSIONS

3.1 Recommended Reserve for Losses and LAE as of September 30, 2023

The recommended reserve for losses and LAE (excluding risk margin) as September 30, 2023 is \$1.386 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 September 30, 2023 reserve for loss and loss adjustment expenses is \$1.386 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 about \$23.5 million, or about 1.7%, from the prior analysis as of June 30, 2023, primarily due to an increase in the number of living claimants.
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. In the quarter ending September 30, 2023, the number of outstanding AAA claims increased by three, or about 1.1%.

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 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 narrowly 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 reports evaluated as of June 30, 2023, March 31, 2023 and December 31, 2022 prepared by 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.

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. In general, the methodology involved updating our December 31, 2022 analysis for the passage of time.

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)

The mortality assumptions are unchanged from those described in our analysis as of December 31, 2022.

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

The future payments for each claim were developed based on the case reserve worksheet provided by NICA. During this quarter, reserve worksheets for four additional claimants were

incorporated into the analysis. In our December 31, 2022 analysis, we validated these projected payments using an aggregate actuarial model.

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 as described in our December 31, 2022 report (Appendix B).

5.3 Analysis of AA-IBNR and DA-IBNR Claims

We estimated the reserve based on the estimated number claims (Appendix C) multiplied by the average projected reserve per claim (Appendix B).

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 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 selected in the December 31, 2022 report and is based on the methodology used in prior actuarial reports.

NICA
SUMMARY OF SELECTED RESERVES AS OF SEPTEMBER 30, 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)	239	\$ 1,268,296	\$ 1,564,032	\$ 1,108,309
AAA Claims Pipeline (b)	15	41,388	116,994	77,530
AAA Claims IBNR (b)	27	-	208,638	138,260
AAD Claims (c)	12	4,198	4,198	4,198
DA Claims Reported (c)	37	5,981	5,981	5,981
DA Claims IBNR (b)	9	-	3,837	3,837
Denied Claims (c)	45	909	909	909
Subtotal	384	\$ 1,320,771	\$ 1,904,589	\$ 1,339,024
Outstanding ULAE (d)				22,097
Medicaid Reimbursement - Aug 31, 2021 through September 30, 2023 (e)				25,000
Total Reserve Excluding Risk Margin				\$ 1,386,121
Risk Margin (f)				\$ 75,500
Total Reserve Including Risk Margin				\$ 1,461,621

Notes:

(a) See Appendix A.

(b) See Appendix B, Sheet 1.

(c) See Appendix F, Sheet 2.

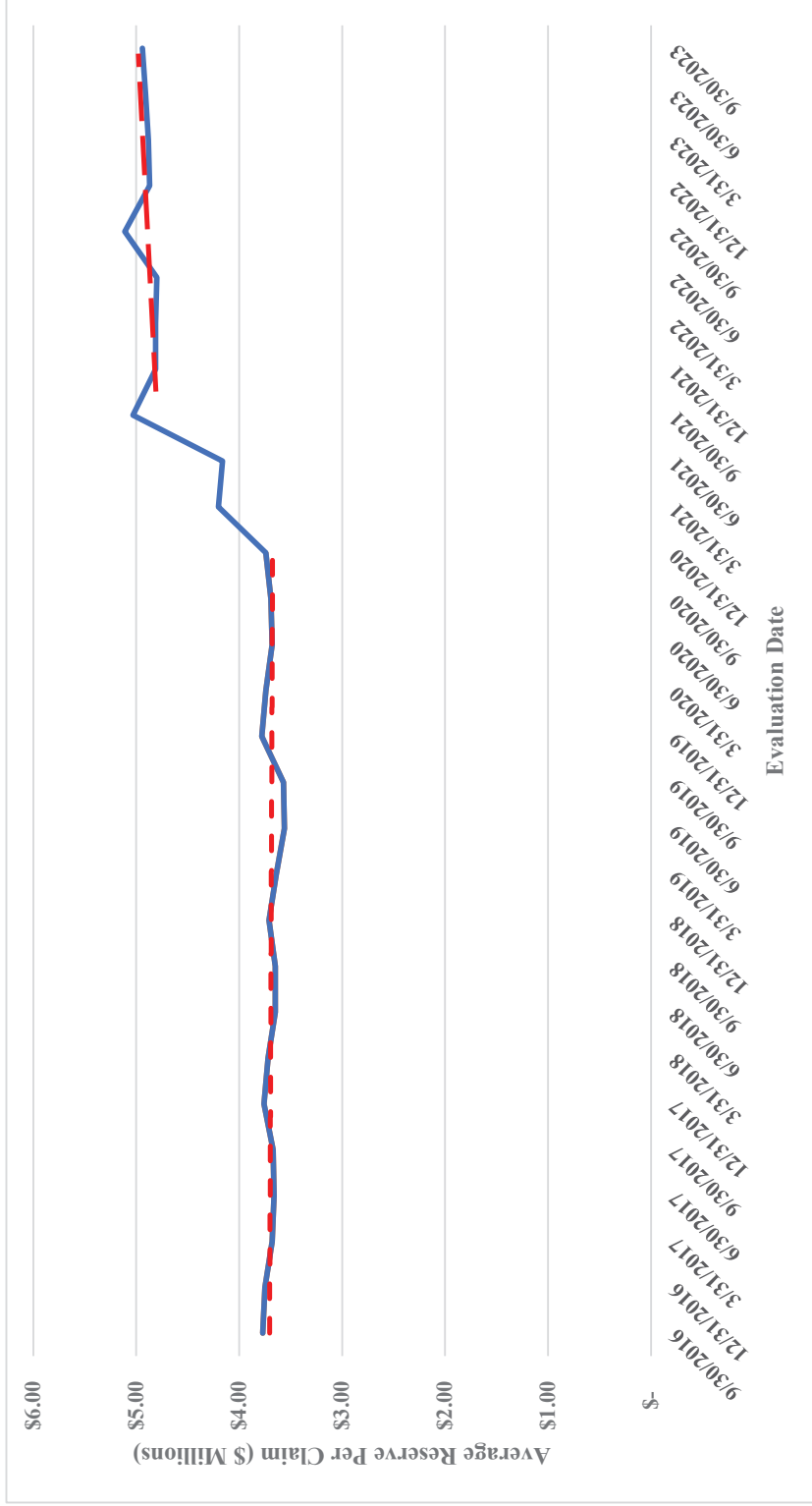
(d) See Appendix E.

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

(f) See Appendix I.

NICA

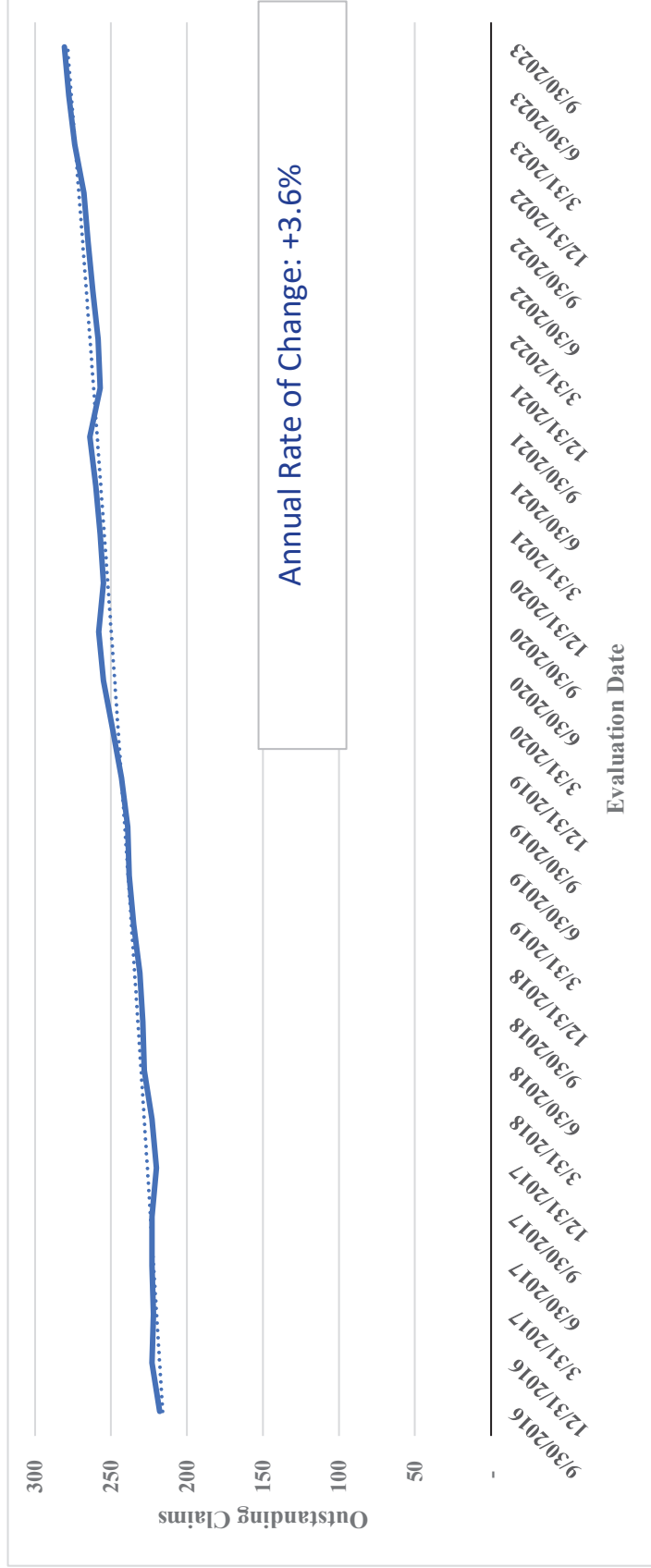
SUMMARY OF AVERAGE RESERVE PER AAA CLAIM



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

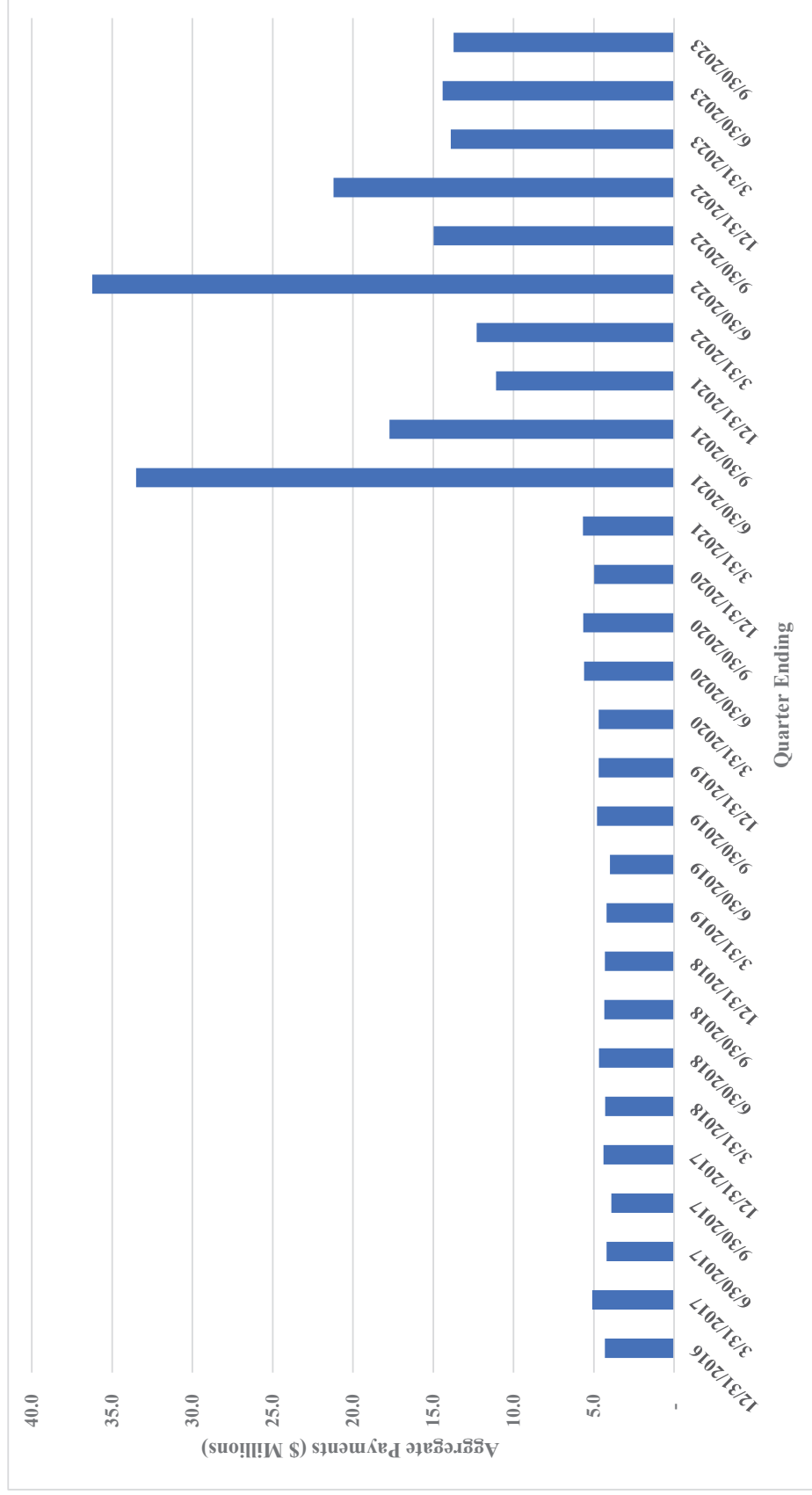
NICA

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 I for 12-31-2022 and subsequent; Turner Section I, Exhibit I for prior evaluations.
(b) Appendix F for 12-31-2022 and subsequent; 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
(1) Reserve for Future Benefits (a)	\$ 843.3	\$ 841.4	\$ 836.0	\$ 840.1	\$ 903.8	\$ 917.1	\$ 924.7	\$ 938.6	\$ 937.6	\$ 1,064.6
(2) ULAE Reserves (a)	13.2	13.2	12.2	12.1	14.4	14.4	14.3	14.2	14.9	15.0
(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	\$ 1,079.6
(5) - Change in Quarter	20.8	(1.9)	(6.4)	4.0	65.9	13.4	7.5	13.8	(0.3)	127.1
(6) Number of Open Accepted Claims - AAA Claims (b)	200	203	206	208	215	222	227	229	226	228
(7) Number IBNR Claims Excluding DA (a)	31	32	32	31	28	27	28	29	29	29
(8) Total Outstanding AAA Claims	231	235	238	239	243	249	255	258	255	257
(9) - Change in Quarter	2.0	4.0	3.0	1.0	4.0	6.0	6.0	3.0	(3.0)	2.0
(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	\$ 4.20
(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	\$ 284.7
(12) - Change in Quarter	4.3	4.2	4.0	4.8	4.7	4.7	5.6	5.7	5.0	5.7
(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	\$ 1,364.3
(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	132.7
(15) Average Number of Open Claims	199	202	205	207	212	219	225	228	228	227
(16) Average Paid Per Open Claim	\$ 0.022	\$ 0.021	\$ 0.020	\$ 0.023	\$ 0.022	\$ 0.021	\$ 0.025	\$ 0.025	\$ 0.022	\$ 0.025

Notes:
(a) Exhibit I for 12-31-2022 and subsequent; Turner Section I, Exhibit I for prior evaluations.
(b) Appendix F for 12-31-2022 and subsequent; Turner Section VI, Exhibit IV or Exhibit X for prior evaluations.

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

Item	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
(1) Reserve for Future Benefits (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
(2) ULAE Reserves (a)	14.9	14.8	20.2	20.2	20.2	20.2	20.8	21.3	21.7	22.1
(3) Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	14.0	16.0	19.0	22.0	25.0
(4) Total Reserves	\$ 1,081.1	\$ 1,326.7	\$ 1,235.0	\$ 1,243.8	\$ 1,258.6	\$ 1,355.1	\$ 1,303.4	\$ 1,335.7	\$ 1,362.6	\$ 1,386.1
(5) - Change in Quarter	1.5	245.6	(91.7)	8.8	14.8	96.5	(51.7)	32.3	27.0	23.5
(6) Number of Open Accepted Claims - AAA Claims (b)	233	235	230	232	233	238	241	247	251	254
(7) Number IBNR Claims Excluding DA (a)	27	29	27	27	29	27	27	27	27	27
(8) Total Outstanding AAA Claims	260	264	257	259	262	265	268	274	278	281
(9) - Change in Quarter	3.0	4.0	(7.0)	1.5	3.5	3.0	2.8	6.0	4.0	3.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 4.16	\$ 5.03	\$ 4.81	\$ 4.81	\$ 4.80	\$ 5.11	\$ 4.87	\$ 4.88	\$ 4.91	\$ 4.94
(11) Inception to Date Claim Payments (a)	\$ 318.2	\$ 335.9	\$ 347.0	\$ 359.3	\$ 395.5	\$ 410.5	\$ 431.7	\$ 445.6	\$ 460.0	\$ 473.8
(12) - Change in Quarter	33.5	17.7	11.1	12.3	36.2	15.0	21.2	13.9	14.4	13.7
(13) Inception to Date Incurred 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
(14) Claims Incurred in Quarter [(5) + (12)]	35.0	263.3	(80.6)	21.1	51.0	111.5	(30.5)	46.2	41.4	37.2
(15) Average Number of Open Claims	231	234	233	231	233	236	240	244	249	253
(16) Average Paid Per Open Claim	\$ 0.145	\$ 0.076	\$ 0.048	\$ 0.053	\$ 0.156	\$ 0.063	\$ 0.088	\$ 0.057	\$ 0.058	\$ 0.054

Notes:
(a) Exhibit I for 12-31-2022 and subsequent; Turner Section I, Exhibit I for prior evaluations.
(b) Appendix F for 12-31-2022 and subsequent; Turner Section VI, Exhibit IV or Exhibit X for prior evaluations.

NICA

SUMMARY OF RESERVES AS OF SEPTEMBER 30, 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	\$ 19,234,909.00	\$ 37,544,537.57	\$ 18,309,628.57	\$ 62,213.14	\$ 18,371,841.71
1990	9,433,639.99	20,881,387.95	11,447,747.96	304,043.55	11,751,791.51
1991	13,536,880.18	30,933,112.46	17,396,232.28	228,529.02	17,624,761.30
1992	22,217,515.19	65,804,696.48	43,587,181.29	445,838.18	44,033,019.47
1993	28,263,818.00	62,312,837.43	34,049,019.43	1,042,133.08	35,091,152.51
1994	11,691,223.04	32,137,943.39	20,446,720.35	224,030.67	20,670,751.02
1995	15,978,591.27	45,667,468.27	29,688,877.00	1,182,597.01	30,871,474.01
1996	14,871,623.72	44,453,645.60	29,582,021.88	2,109,979.63	31,692,001.51
1997	18,939,032.55	63,276,353.34	44,337,320.79	1,739,132.30	46,076,453.09
1998	31,465,901.61	88,325,980.52	56,860,078.91	5,003,487.65	61,863,566.56
1999	17,339,543.41	27,671,377.67	10,331,834.26	2,758,290.05	13,090,124.31
2000	9,955,365.57	23,037,893.53	13,082,527.96	1,716,398.36	14,798,926.32
2001	12,830,493.02	30,095,185.24	17,264,692.22	3,302,299.85	20,566,992.07
2002	28,526,440.34	92,515,111.19	63,988,670.85	9,640,848.70	73,629,519.55
2003	9,269,992.14	22,755,567.48	13,485,575.34	3,449,681.44	16,935,256.78
2004	11,286,317.78	54,309,128.79	43,022,811.01	4,772,360.57	47,795,171.58
2005	14,641,934.73	43,151,775.71	28,509,840.98	7,411,057.72	35,920,898.70
2006	17,934,792.13	77,643,818.33	59,709,026.20	10,584,795.27	70,293,821.47
2007	17,690,182.15	41,533,310.30	23,843,128.15	11,074,993.47	34,918,121.62
2008	13,157,368.72	68,231,599.34	55,074,230.62	10,309,787.32	65,384,017.94
2009	16,644,234.03	62,957,112.03	46,312,878.00	12,273,347.58	58,586,225.58
2010	7,281,557.48	35,496,474.82	28,214,917.34	4,325,846.14	32,540,763.48
2011	11,099,409.60	59,477,143.76	48,377,734.16	14,066,527.06	62,444,261.22
2012	7,508,679.51	46,322,866.18	38,814,186.67	7,913,145.07	46,727,331.74
2013	10,821,761.99	40,815,888.84	29,994,126.85	12,446,461.73	42,440,588.58
2014	12,545,474.10	38,796,785.06	26,251,310.96	19,384,488.34	45,635,799.30
2015	14,557,034.70	91,113,211.67	76,556,176.97	26,820,847.44	103,377,024.41
2016	5,670,575.47	50,609,948.11	44,939,372.64	11,319,674.08	56,259,046.72
2017	10,635,030.80	82,591,983.92	71,956,953.12	23,627,863.98	95,584,817.10
2018	15,786,612.53	118,797,869.07	103,011,256.54	35,745,147.58	138,756,404.12
2019	8,014,374.79	61,339,747.98	53,325,373.19	40,232,001.48	93,557,374.67
2020	7,057,340.55	53,619,038.30	46,561,697.75	32,654,179.05	79,215,876.80
2021	5,970,111.22	36,653,786.45	30,683,675.23	57,355,753.31	88,039,428.54
2022	1,902,493.14	40,478,253.07	38,575,759.93	129,165,527.84	167,741,287.77
2023	16,717.65	3,195,450.00	3,178,732.35	79,124,492.65	82,303,225.00
Total	\$ 473,776,972.10	\$ 1,794,548,289.85	\$ 1,320,771,317.75	\$ 583,817,800.29	\$ 1,904,589,118.04

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

NICA

SUMMARY OF RESERVES AS OF SEPTEMBER 30, 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	\$ 13,877,137.80	\$ 47,152.26	\$ 13,924,290.06	0.7579
1990	9,276,685.81	246,381.77	9,523,067.58	0.8104
1991	13,526,477.52	177,693.23	13,704,170.75	0.7776
1992	32,953,331.28	337,068.21	33,290,399.48	0.7560
1993	25,480,757.63	779,885.62	26,260,643.24	0.7484
1994	14,413,748.63	157,928.60	14,571,677.22	0.7049
1995	21,903,657.71	872,488.38	22,776,146.09	0.7378
1996	22,546,223.09	1,608,141.31	24,154,364.41	0.7622
1997	31,874,202.83	1,250,266.25	33,124,469.07	0.7189
1998	42,639,435.85	3,752,120.90	46,391,556.75	0.7499
1999	8,159,515.08	2,178,345.95	10,337,861.03	0.7897
2000	9,715,337.82	1,274,630.56	10,989,968.38	0.7426
2001	13,121,865.94	2,509,881.75	15,631,747.69	0.7600
2002	47,545,195.12	7,163,393.56	54,708,588.68	0.7430
2003	10,321,748.77	2,640,357.88	12,962,106.65	0.7654
2004	29,967,051.54	3,324,133.68	33,291,185.22	0.6965
2005	20,509,782.81	5,331,463.77	25,841,246.58	0.7194
2006	42,892,906.51	7,603,752.11	50,496,658.62	0.7184
2007	18,590,124.74	8,635,004.13	27,225,128.87	0.7797
2008	38,120,574.58	7,136,096.35	45,256,670.94	0.6922
2009	32,569,195.02	8,631,142.53	41,200,337.54	0.7032
2010	18,104,961.04	2,775,810.93	20,880,771.97	0.6417
2011	32,888,053.40	9,562,677.98	42,450,731.38	0.6798
2012	26,435,947.03	5,389,562.47	31,825,509.50	0.6811
2013	21,634,276.43	8,977,430.65	30,611,707.08	0.7213
2014	19,438,636.97	14,353,874.83	33,792,511.79	0.7405
2015	53,238,124.30	18,651,553.23	71,889,677.53	0.6954
2016	29,700,488.28	7,481,186.93	37,181,675.21	0.6609
2017	49,403,904.14	16,222,320.10	65,626,224.23	0.6866
2018	69,685,651.33	24,181,084.43	93,866,735.76	0.6765
2019	36,976,924.60	27,897,707.91	64,874,632.51	0.6934
2020	30,570,156.60	21,439,153.11	52,009,309.70	0.6566
2021	21,398,759.14	39,999,835.12	61,398,594.26	0.6974
2022	25,699,095.30	86,049,820.28	111,748,915.58	0.6662
2023	2,132,109.11	53,072,115.89	55,204,225.00	0.6707
Total	\$ 937,312,043.74	\$ 401,711,462.63	\$ 1,339,023,506.37	

(11) Estimated Outstanding ULAE (d)	\$ 22,097,180.80
(12) Estimated Medicaid Reimbursement Expenses (e)	\$ 25,000,000.00
(13) Total Outstanding Loss & LAE (f)	\$ 1,386,120,687.17

- 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
SUMMARY OF RESERVES AS OF SEPTEMBER 30, 2023
LOSS AND LAE RESERVES FOR THRESHOLD CALCULATION
(\$000'S)

A: Determination of Liabilities For Threshold Calculation

(1) Total Reserve Excluding Risk Margin (a)	\$	1,386,121
(2) Family Care (AAA Claims With Worksheets) (b)	\$	135,960
(3) AAA IBNR Reserves (c)		138,260
(4) DA IBNR Reserves (c)		3,837
(5) Subtotal	\$	278,057
(6) Present Value Loss and LAE Reserves on Filed Claims [(1)-(5)]	\$	1,108,063

B: Assets For Threshold Calculation

(7) Invested Assets (e)	\$	1,238,467
(8) Cash (d)		2,709
(9) Income on Invested Funds (e)		61,198
(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		1,387,189
(14) Assets for Threshold Calculation [(80% x (13))]		1,109,752

C: Threshold Test

(15) Assets Excess of Threshold [(14) - (6)]	1,689
(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 SEPTEMBER 30, 2023
(\$'000'S)

1. Funds Available Within The Next 12 Months			
a. Income on Invested Funds (See 2 Below)	\$	61,198	
b. Future Assessments Health Care Providers		36,000	
c. Potential Assessments against Insurance Companies		28,815	
d. Total = (1a.)+(1b.)+(1c.)	\$	<u>126,013</u>	
2. Return On Invested Assets			
a. Investment at Current Market Value	\$	1,238,467	
b. Estimated Assessments in next 12 Months		36,000	
c. Estimated Expenditures next 12 Months		<u>(65,000)</u>	
d.. Subtotal		1,209,467	
e. Average Invested Assets = (2a. + 2d.) ÷ 2		1,223,967	
f. Expected Prospective Return (%)		5%	
g. Expected Prospective Return (\$)		61,198	
3. Assessments Against Insurance Companies.			
a. Assessment rate (From Florida Statute)		0.25%	
b. Net Direct Premium Written [= Total of 4(C)]	\$	<u>11,526,168</u>	
c. Assessment against insurance companies = (3a.) x (3b.)	\$	<u>28,815</u>	
4. Direct Premium Written - State Of Florida			
		<u>2022 Direct</u>	<u>%</u>
		<u>Written Premium</u>	<u>Liability</u>
		(A)	(B)
Farmowners Multi-Peril	\$	26,278	(C)
Homeowners Multi-Peril		14,254,342	5%
Commercial Multi-Peril - Liability		973,267	5%
Medical Professional Liability		884,598	100%
Other Liability		8,513,482	100%
Products Liability		325,740	100%
Aircraft		<u>230,099</u>	50%
Total	\$	<u>25,207,806</u>	
			<u>Liability</u>
			<u>Premium</u>
			(C)
	\$		1,314
			712,717
			973,267
			884,598
			8,513,482
			<u>325,740</u>
	\$		<u>115,050</u>
			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 SEPTEMBER 30, 2023

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	239	\$ 1,268,296	\$ 1,291,258	\$ 933,642
Supplement for Expected Development	-	-	-	-
Total	239	\$ 1,268,296	\$ 1,291,258	\$ 933,642
Scenario 2 (a)				
Case Reserve	239	\$ 1,268,296	\$ 1,291,258	\$ 933,642
Supplement for Expected Development	-	-	272,774	174,667
Total	239	\$ 1,268,296	\$ 1,564,032	\$ 1,108,309
Selected (b)				
Case Reserve	239	\$ 1,268,296	\$ 1,291,258	\$ 933,642
Supplement for Expected Development	-	-	272,774	174,667
Total	239	\$ 1,268,296	\$ 1,564,032	\$ 1,108,309

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 AAA 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)
AAA Pipeline Claims			
2017	-	\$ -	\$ -
2018	-	-	-
2019	1.0	7,800	5,169
2020	-	-	-
2021	2.0	15,599	10,337
2022	11.0	85,795	56,855
<u>2023</u>	<u>1.0</u>	<u>7,800</u>	<u>5,169</u>
Total	15.0	\$ 116,994	\$ 77,530
AAA IBNR Claims			
2017	0.1	\$ 390	\$ 258
2018	0.7	5,460	3,618
2019	1.5	11,699	7,753
2020	2.4	18,329	12,146
2021	4.3	33,148	21,967
2022	8.6	67,076	44,450
<u>2023</u>	<u>9.3</u>	<u>72,536</u>	<u>48,068</u>
Total	26.8	\$ 208,638	\$ 138,260
DA IBNR Claims			
2017	-	\$ -	\$ -
2018	-	-	-
2019	0.3	106	106
2020	0.7	285	285
2021	1.5	624	624
2022	2.9	1,205	1,205
<u>2023</u>	<u>3.8</u>	<u>1,617</u>	<u>1,617</u>
Total	9.1	\$ 3,837	\$ 3,837

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 SEPTEMBER 30, 2023

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

Nominal			Inflated and Discounted		
Parental Award	Death Benefit	Other Benefits	Parental Award	Death Benefit	Other Benefits
(1)	(2)	(3)	(5)	(6)	(7)
Total			Total		
(4)			(8)		
AAA Claims (a)					
\$ 272	Included in (3) \$	7,528 \$	272	Included in (7) \$	4,897 \$
\$	50 \$	101 \$	272 \$	50 \$	101 \$
DA Claims (b)					
\$ 272	\$	423 \$	272 \$	50 \$	423 \$

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

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	0.1	13
2018	12	0.0	12	18	0.7	19
2019	4	0.3	4	12	1.5	14
2020	5	0.7	6	8	2.4	10
2021	12	1.5	13	8	4.3	12
2022	3	2.9	6	13	8.6	22
2023	1	3.8	5	1	9.3	10
Total	59	9.1	68	119	26.8	146

- 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
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	2
2020-3	-	-	-	-	-	-	-	-	-	-	-	-
2020-4	-	-	-	-	1	1	1	1	1	1	2	2
2021-1	-	-	1	1	1	1	1	1	1	1	2	-
2021-2	-	1	2	3	3	3	3	3	3	3	-	-
2021-3	-	-	-	-	-	-	1	2	2	-	-	-
2021-4	-	-	-	1	1	2	5	5	-	-	-	-
2022-1	-	-	-	1	1	2	2	-	-	-	-	-
2022-2	-	-	1	1	1	1	-	-	-	-	-	-
2022-3	-	-	-	-	-	-	-	-	-	-	-	-
2022-4	-	-	-	-	-	-	-	-	-	-	-	-
2023-1	-	-	1	-	-	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-

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
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	-	-	-	-	-	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	-	-	-	-	-	-	-	-	-	-	-	-
2023-1	-	1	-	-	-	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-

Avg All		0.231	0.360	0.042	0.217	0.227	0.048	0.050	0.158	0.278	-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

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

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
2016-4	-	-	-	-	-	-	-	-	-	-	-	-
2017-1	-	-	-	-	-	-	-	-	-	-	-	-
2017-2	-	-	-	-	-	-	-	-	-	-	-	-
2017-3	-	-	-	-	-	-	-	-	-	-	-	-
2017-4	-	-	-	-	-	-	-	-	-	-	-	-
2018-1	-	-	-	-	-	-	-	-	-	-	-	-
2018-2	-	-	-	-	-	-	-	-	-	-	-	-
2018-3	-	-	-	-	-	-	-	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												
Avg All							0.111	0.250				
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

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

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
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	-	-	-	-	-	1
2020-2	-	-	-	-	-	-	-	-	-	-	-	-
2020-3	-	-	-	3	1	-	-	1	(1)	-	-	-
2020-4	-	3	-	(1)	-	-	-	-	-	-	-	-
2021-1	-	-	-	-	1	-	1	1	-	(1)	-	-
2021-2	-	-	-	-	-	-	1	-	-	-	-	-
2021-3	-	-	-	-	1	-	2	(1)	-	-	-	-
2021-4	-	-	1	1	-	-	1	-	-	-	-	-
2022-1	-	1	(1)	1	1	1	-	-	-	-	-	-
2022-2	-	-	1	1	1	-	-	-	-	-	-	-
2022-3	1	1	-	4	-	-	-	-	-	-	-	-
2022-4	-	-	1	-	-	-	-	-	-	-	-	-
2023-1	-	1	-	-	-	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
Avg All	0.259	0.231	0.240	0.875	0.435	0.045	0.476	0.600	-0.053	0.056	-0.063	-0.063
Avg Latest 2	-	0.500	0.500	2.500	1.000	0.500	1.500	-0.500	-0.500	-0.333	0.333	0.333
Avg Latest 3	-	0.667	0.667	2.000	0.667	0.333	1.333	-	-	-	-	-
Avg Latest 5	0.200	0.600	0.400	1.400	0.600	0.200	1.000	0.200	-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

Birth Year	Age of Development (Months)											
	39	42	45	48	51	54	57	60	63	66	69	72
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	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	
2018-2	5	5	5	5	5	5	5	5	5	5		
2018-3	3	4	4	4	5	6	6	6	6			
2018-4	2	2	2	2	2	2	2	2				
2019-1	5	5	5	5	5	5	5					
2019-2	1	1	1	1	2	2						
2019-3	3	3	3	3	3							
2019-4	2	2	2	2								
2020-1	3	2	2									
2020-2	-	-										
2020-3	4											
2020-4												
2021-1												
2021-2												
2021-3												
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
2023-1												
2023-2												
2023-3												

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
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	-	-	-	1	-	-	-	-	-	-	-	-
2019-3	-	-	-	-	-	-	-	-	-	-	-	-
2019-4	-	-	-	-	-	-	-	-	-	-	-	-
2020-1	(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												
Avg All	0.133	-0.143	-0.077	0.333				0.125	-0.143			
Avg Latest 2	-0.500			0.500								
Avg Latest 3	-0.333			0.333								
Avg Latest 5	-0.200			0.400	0.200			0.200	-0.200			
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

Not applicable for interim analyses.

Included in year-end analyses only when life expectancies are refreshed.

NICA
ANALYSIS OF RESERVES AS OF SEPTEMBER 30, 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%
(5) Selected (d)			1.62%
(6) Total Loss Reserve Excluding ULAE as of 9/30/2023 (e)		\$ 1,364,024	
(7) Indicated ULAE Reserve (f)		\$ 22,097	

Notes:

- (a) Prior reserve analyses; See Exhibit 4; Exclude ULAE Reserves.
(b) Prior reserve analyses; See Exhibit 4, Row (2).
(c) = (3) ÷ (2)
(d) See Appendix E in December 31, 2022 report.
(e) See Exhibit 1; Excludes ULAE Reserves and Risk Margin.

NICA

LOSS AND COUNT SUMMARY BY BIRTH YEAR AS OF SEPTEMBER 30, 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	\$ 19,235	\$ 37,545	\$ 18,310	3	-	-
1990	9,434	20,881	11,448	3	-	-
1991	13,537	30,933	17,396	4	-	-
1992	22,218	65,805	43,587	9	-	-
1993	28,264	62,313	34,049	7	-	-
1994	11,691	32,138	20,447	3	-	-
1995	15,979	45,667	29,689	5	-	-
1996	14,872	44,454	29,582	6	-	-
1997	18,939	63,276	44,337	8	-	-
1998	31,466	88,326	56,860	11	-	-
1999	17,340	27,671	10,332	3	-	-
2000	9,955	23,038	13,083	3	-	-
2001	12,830	30,095	17,265	4	-	-
2002	28,526	92,515	63,989	12	-	-
2003	9,270	22,756	13,486	3	-	-
2004	11,286	54,309	43,023	5	-	-
2005	14,642	43,152	28,510	6	1	-
2006	17,935	77,644	59,709	9	-	-
2007	17,690	41,533	23,843	7	-	-
2008	13,157	68,232	55,074	9	-	-
2009	16,644	62,957	46,313	10	-	-
2010	7,282	35,496	28,215	5	-	-
2011	11,099	59,477	48,378	10	-	-
2012	7,509	46,323	38,814	7	-	-
2013	10,822	40,816	29,994	6	1	-
2014	12,545	38,797	26,251	8	-	-
2015	14,557	91,113	76,556	14	-	-
2016	5,671	50,610	44,939	7	-	-
2017	10,635	82,592	71,957	12	-	-
2018	15,787	118,798	103,011	16	1	3
2019	8,014	61,340	53,325	11	-	-
2020	7,057	53,619	46,562	7	-	1
2021	5,970	36,654	30,684	7	1	1
2022	1,902	40,478	38,576	13	-	-
2023	17	3,195	3,179	1	-	1
Total	\$ 473,777	\$ 1,794,548	\$ 1,320,771	254	4	6

Note: Data provided by NICA.

NICA

LOSS AND COUNT SUMMARY BY AS OF SEPTEMBER 30, 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	-	3	-	-	-	1	-	-
1994	-	200	-	-	-	1	-	-
1995	-	-	200	-	-	-	1	-
1996	-	-	455	-	-	-	2	-
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	-	100	-	-	-	1	-	-
2006	-	-	-	-	-	-	-	-
2007	-	95	-	-	-	1	-	-
2008	-	-	-	-	-	-	-	-
2009	-	190	-	-	-	1	-	-
2010	-	-	19	-	-	-	1	-
2011	-	-	-	-	-	-	-	-
2012	-	-	95	-	-	-	1	-
2013	-	108	25	-	-	1	1	-
2014	-	19	-	-	-	1	-	-
2015	-	-	380	27	-	-	2	2
2016	-	-	-	-	-	-	-	-
2017	-	-	-	13	-	-	-	3
2018	-	150	1,097	167	-	1	5	7
2019	2,838	-	109	30	1	-	1	1
2020	-	-	354	109	-	-	1	7
2021	5,669	2,845	385	357	2	1	4	16
2022	30,052	-	2	206	11	-	1	9
2023	2,829	-	350	-	1	-	1	-
Total	\$ 41,388	\$ 4,198	\$ 5,981	\$ 909	15	12	37	45

Note: Data provided by NICA.

NICA

ANALYSIS OF RESERVES AS OF SEPTEMBER 30, 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	\$ 10,935	\$ 285	\$ 2,299	\$ 13,519	\$ -
1990	8,012	189	1,322	9,523	-
1991	10,732	323	2,649	13,704	-
1992	26,331	753	5,861	32,945	-
1993	21,562	655	4,041	26,258	-
1994	11,507	354	2,511	14,372	-
1995	17,272	1,617	3,687	22,576	-
1996	19,050	492	4,157	23,699	-
1997	25,767	808	6,345	32,920	-
1998	36,679	1,221	8,091	45,992	-
1999	8,123	195	1,574	9,893	-
2000	8,933	252	1,588	10,773	-
2001	12,329	319	2,763	15,412	-
2002	44,947	1,061	8,510	54,519	3,965
2003	9,900	313	2,369	12,582	2,313
2004	23,855	3,866	5,380	33,101	3,175
2005	20,776	909	4,056	25,741	3,075
2006	39,882	1,782	8,832	50,497	8,586
2007	22,584	519	4,027	27,130	3,821
2008	35,393	1,282	8,581	45,257	7,599
2009	32,856	1,001	7,154	41,010	7,783
2010	16,456	617	3,789	20,862	4,336
2011	34,456	1,066	6,928	42,451	7,135
2012	24,683	776	6,271	31,731	6,515
2013	25,223	575	4,681	30,479	4,676
2014	27,119	932	5,722	33,773	4,409
2015	57,185	1,507	12,791	71,482	13,038
2016	29,927	850	6,404	37,182	6,149
2017	50,767	1,388	13,201	65,356	13,063
2018	73,386	1,912	13,536	88,834	15,815
2019	43,210	1,079	7,419	51,708	8,425
2020	30,334	871	7,910	39,115	5,480
2021	21,091	500	3,292	24,883	4,148
2022	7,202	224	1,606	9,032	2,452
2023	-	-	-	-	-
Total	\$ 888,464	\$ 30,497	\$ 189,348	\$ 1,108,309	\$ 135,960
2002-2023	\$ 671,231	\$ 23,031	\$ 142,461	\$ 836,724	\$ 135,960

Notes: Based on Case Reserve Method.

NICA

ANALYSIS OF RESERVES AS OF SEPTEMBER 30, 2023
RESERVES BY BENEFIT TYPE FOR AAA CLAIMS WITH WORKSHEETS ONLY
INFLATED AND DISCOUNTED (\$000'S)

Benefit Type	Reserves
1) Family Care	\$ 135,960
2) Nursing Care By Others	519,252
3) Nursing Care By Parents	233,252
4) Medical	30,497
5) Psychotherapeutic	1,623
6) Equipment & Supplies	55,067
7) Therapy	20,310
8) Insurance Premium	31,449
9) Miscellaneous Other	3,164
10) Travel & Transport	11,416
11) Vehicle Related Costs	46,170
12) Housing Remaining	12,075
13) Parental Awards Remaining	4,460
14) Death Benefit	3,613
Total	\$ 1,108,309
Subtotals:	
15) Nursing Care Total (a)	\$ 888,464
16) Medical Total (b)	30,497
17) Other Total (c)	172,813
18) Retrospective Remaining (d)	16,535
Total	\$ 1,108,309

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) = (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%
<u>Averages (c):</u>			
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 SEPTEMBER 30, 2023
CALCULATION OF RISK MARGIN

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

a. Number of Outstanding AA Claims	239	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	1,564,032	Exhibit 1, Column (4)
e. Variance	2,558,783,993	= [(c.) x (d.)]^2

2. Risk: Cost of IBNR and Pipeline AA Claims

a. Expected Number of Claims	41.75	Exhibit 1, Col (2): AAA IBNR+AAA Pipeline
b. Variance of Number of Claims	41.75	Assumes Poisson Distribution
c. CV Claim Severity	1	Based on judgment
d. CV of Aggregate Reserve	22%	= sqrt[(1.0 + (c.) x (c.)) ÷ (b.)]
e. Aggregate Reserve - Nominal	325,632	Exhibit 1, Col (4): AAA IBNR+AAA Pipeline
f. Variance	5,079,578,416	= [(d.) x (e.)]^2

3. Risk: Cost of Outstanding for Other Claims

a. Number of Outstanding Other Claims	94	Exhibit 1, Col (2): AAD+DA Reported+Denied)
b. Assumed Severity CV	1	Based on judgment
c. CV of Aggregate Reserve	10%	= (b.) ÷ sqrt(a.)
d. Aggregate Reserve - Nominal	11,088	Exhibit 1, Col (4): AAD+DA Reported+Denied)
e. Variance	1,307,834	= [(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	3,837	Exhibit 1
f. Variance	3,244,643	= [(d.) x (e.)]^2

5. Risk Margin

a. Total Variance	7,642,914,886	= 1(e.) + 2(f.) + 3(e.) + 4(f.)
b. Standard Deviation	87,424	= sqrt(a.)
c. Aggregate Reserve - Nominal	1,904,589	Exhibit 1, Col(4)
d. Aggregate Reserve - Discounted	1,339,024	Exhibit 1, Col(5)
e. Average Discount	0.70	= (d.) ÷ (c.)
f. Standard Deviation - Discounted Reserves	61,463	= (b.) x (e.)
g. Z: 90th percentile of standard normal	1.28	90th percentile of standard normal distribution
h. 90% confidence level	78,768	= (f.) x (g.)
Minimum Risk Margin	75,500	Previous Risk Margin
Selected Risk Margin	75,500	