



FLORIDA BIRTH RELATED NEUROLOGICAL INJURY COMPENSATION ASSOCIATION (NICA)

ANALYSIS OF LOSS AND LAE RESERVES
AS OF MARCH 31, 2024

NOVEMBER 21, 2024 (PREPARED: MAY 14, 2024)

EXPERTS WITH **IMPACT**™



November 21, 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 March 31, 2024

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
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ASSOCIATION (NICA)
ANALYSIS OF LOSS AND LAE RESERVES
AS OF MARCH 31, 2024**

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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 March 31, 2024. 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 a claim (or not) into the NICA program is decided by an Administrative Law judge.⁴ 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.⁵ NICA disburses funds on behalf of claimants to pay for their care. The Statute provides NICA very limited options⁶ for collecting additional funds in the event the amounts collected from the medical care providers are not sufficient to pay its claims.

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

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.

2.2 Overview of NICA’s Loss and LAE Reserves

NICA’s loss and LAE⁷ 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
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	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.

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 resolving claims such as legal expenses, NICA’s administrative expenses etc.

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 an “AAA -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.⁸ 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.

As of December 31, 2023, there were 240 open claims included in the AAA-Worksheet. As of March 31, 2024, there are 239 claims with worksheets. There were no new AAA-worksheet claims in the quarter, and one former AAA claimant deceased in the quarter.

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.⁹

⁸ See section 5 for details regarding life expectancies.

⁹ 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 March 31, 2024 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.¹⁰

¹⁰ 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 March 31, 2024

The recommended reserve for losses and LAE (excluding risk margin) as March 31, 2024 is \$1.433 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 March 31, 2024 reserve for loss and loss adjustment expenses is \$1.434 billion (Exhibit 4, Sheet 5, 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).
2. NICA's aggregate reserve increased by \$14 million, or 1.0%, from the prior analysis as of December 31, 2023. This increase was largely driven by an increase (of one (1)) in the inventory of outstanding AAA claims and by inflationary increases in benefits.
3. 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.
4. 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, 2023, the number of outstanding AAA claims decreased by four (4) and in the quarter ending March 31, 2024, the number of outstanding AAA claims increased by one (1).
5. 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. In the four calendar quarters of 2023, aggregate payments

have been reasonably stable ranging from \$13.7 million to \$14.6 million per quarter. During the first quarter of 2024, aggregate payments were lower at \$12 million. Quarterly payments appear to be stabilizing 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.

6. 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. The aggregate incurred amount for the year ending March 31, 2024 was \$152.5 million.

3.3 Threshold Calculation

Exhibit 6 provides a summary of the threshold calculation for NICA to continue accepting claims. As of March 31, 2024, NICA passed the standard comfortably by roughly \$98 million due 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. The AAA- Worksheet containing case reserves for each adjudicated claim showing life expectancy and projected future annual payments by category over the lifetime of the claimant evaluated as of December 31, 2023.
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 quarterly actuarial reports evaluated as of December 31, 2022 through December 31, 2023 prepared by FTI Consulting, Inc 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)

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.¹¹ It has been used by NICA's actuaries for many years, as well as by opposing actuaries and others in reinsurance arbitrations with NICA.

The mortality assumptions are unchanged from those described in our analysis as of December 31, 2023. Please see the December 31, 2023 report for details regarding the mortality assumptions.

¹¹ 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.

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. In the December 31, 2023 analysis, we tested the payment stream implied by the case reserves, in aggregate, against the payments made in calendar year 2023 and determined that, 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. The future payments are based on a combination of the average of the payments implied by the AAA-Worksheet case reserves by age of claimant and actual payments. Please refer to the December 31, 2023 report for more details.

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).

The average reserve for each IBNR claim is based on the average reserve selected in the December 31, 2023, adjusted for inflation where applicable.

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 and 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 MARCH 31, 2024 (\$000'S)

Item (1)	Unpaid Claim Count (2)	Case Reserve (3)	Projected Reserve	
			Nominal (4)	Inflated and Discounted (5)
AAA Claims With Worksheets (a)	239	\$ 1,350,439	\$ 1,608,103	\$ 1,135,108
AAA Claims Pipeline (b)	12	32,266	106,957	72,317
AAA Claims IBNR (b)	27	-	238,425	161,208
AAD Claims (c)	12	1,512	1,512	1,512
DA Claims Reported (c)	31	5,048	5,048	5,048
DA Claims IBNR (b)	9	-	3,369	3,369
Denied Claims (c)	51	1,061	1,061	1,061
Subtotal	381	\$ 1,390,325	\$ 1,964,475	\$ 1,379,622
Outstanding ULAE (d)				22,852
Medicaid Reimbursement - Aug 31, 2021 through March 31, 2024 (e)				31,000
Total Reserve Excluding Risk Margin				\$ 1,433,474
Risk Margin (f)				\$ 82,500
Total Reserve Including Risk Margin				\$ 1,515,974

Notes:

(a) See Appendix A.

(b) See Appendix B, Sheet 1.

(c) See Appendix F, Sheet 2.

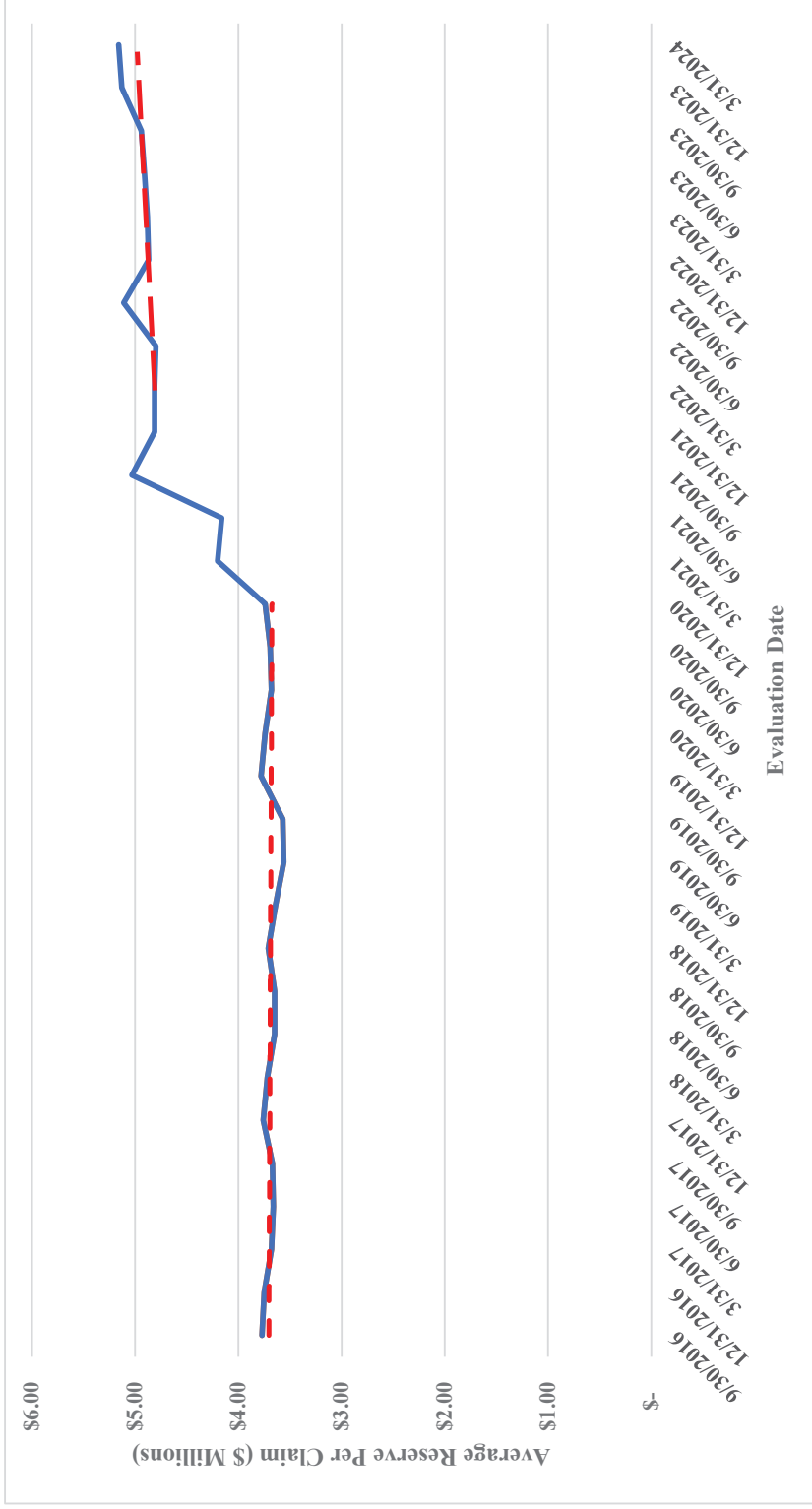
(d) See Appendix E.

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

(f) See Appendix I.

NICA

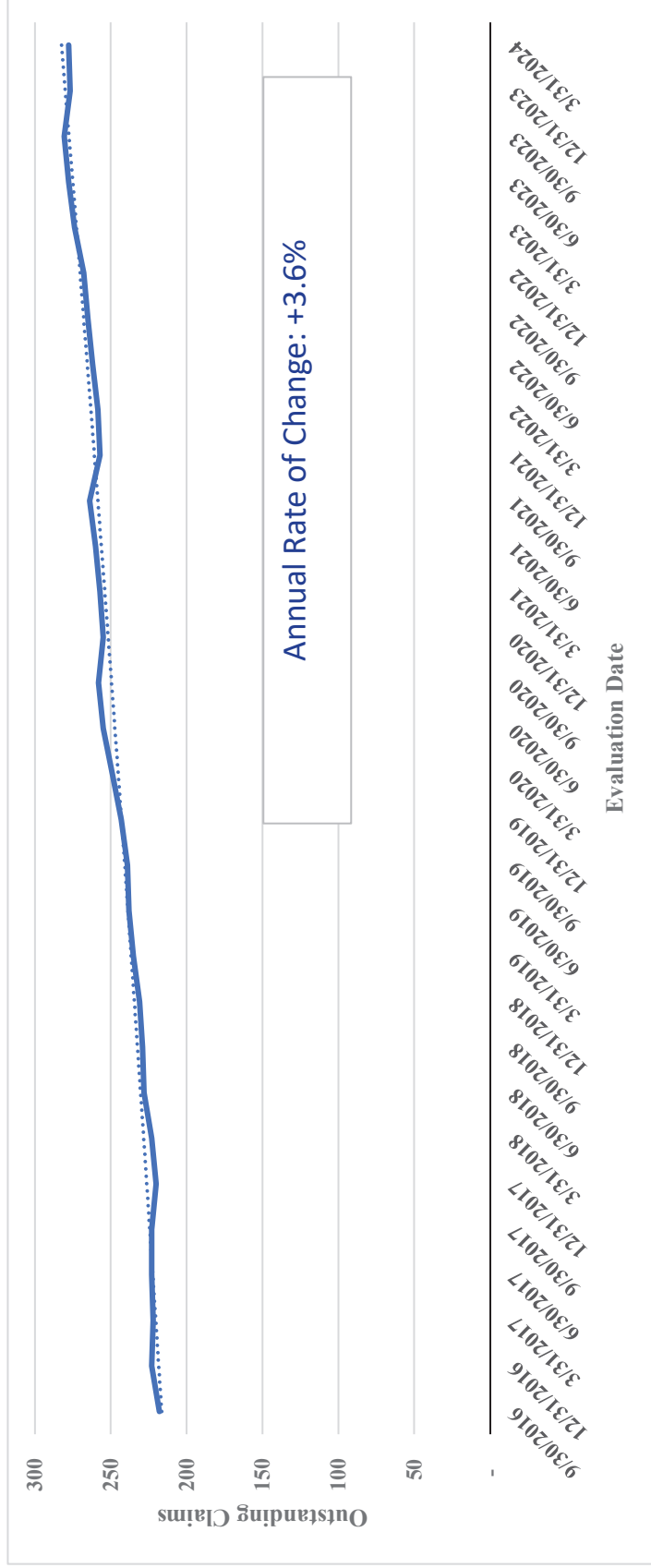
SUMMARY OF AVERAGE RESERVE PER AAA CLAIM



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

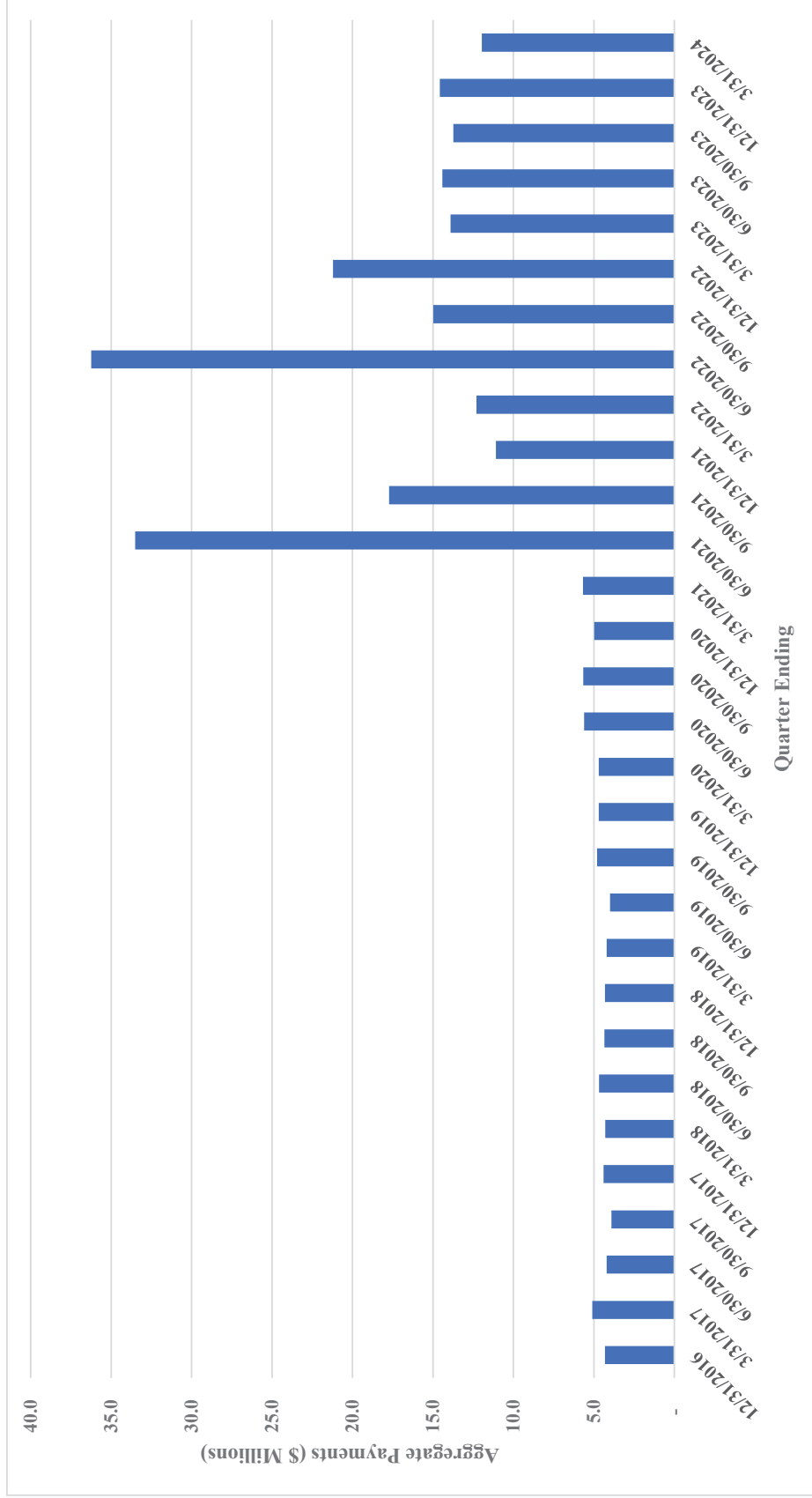
NICA

NUMBER OF OUTSTANDING AAA CLAIMS



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

NICA
 PAYMENTS BY QUARTER FOR ALL CLAIMS



Note: Based on , 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
(1) Reserve for Future Benefits (a)	\$ 810.3	\$ 826.2	\$ 806.6	\$ 805.7	\$ 806.4	\$ 814.4	\$ 816.5
(2) ULAE Reserves (a)	11.1	11.1	11.1	11.1	12.7	12.8	12.8
(3) Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-	-
(4) Total Reserves	\$ 821.4	\$ 837.3	\$ 817.7	\$ 816.8	\$ 819.1	\$ 827.1	\$ 829.3
(5) - Change in Quarter		15.9	(19.6)	(0.9)	2.4	8.0	2.1
(6) Number of Open Accepted Claims - AAA Claims (b)	187	193	189	190	191	191	193
(7) Number IBNR Claims Excluding DA (a)	31	30	33	33	32	29	30
(8) Total Outstanding AAA Claims	218	223	222	223	223	220	223
(9) - Change in Quarter		5.0	(1.0)	1.0	-	(3.0)	3.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 3.77	\$ 3.75	\$ 3.68	\$ 3.66	\$ 3.67	\$ 3.76	\$ 3.72
(11) Inception to Date Claim Payments (a)	\$ 200.9	\$ 205.2	\$ 210.3	\$ 214.5	\$ 218.4	\$ 222.8	\$ 227.1
(12) - Change in Quarter		4.3	5.1	4.2	3.9	4.4	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
(14) Claims Incurred in Quarter [(5) + (12)]		20.2	(14.5)	3.3	6.3	12.4	6.4
(15) Average Number of Open Claims		190	191	190	191	191	192
(16) Average Paid Per Open Claim	\$	0.023	\$ 0.027	\$ 0.022	\$ 0.020	\$ 0.023	\$ 0.022

Notes:

(a) Exhibit 1 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	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019
(1) Reserve for Future Benefits (a)	\$ 819.7	\$ 823.1	\$ 843.3	\$ 841.4	\$ 836.0	\$ 840.1	\$ 903.8
(2) ULAE Reserves (a)	12.7	12.6	13.2	13.2	12.2	12.1	14.4
(3) Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-	-
(4) Total Reserves	\$ 832.4	\$ 835.7	\$ 856.5	\$ 854.6	\$ 848.2	\$ 852.2	\$ 918.1
(5) - Change in Quarter	3.1	3.3	20.8	(1.9)	(6.4)	4.0	65.9
(6) Number of Open Accepted Claims - AAA Claims (b)	198	198	200	203	206	208	215
(7) Number IBNR Claims Excluding DA (a)	30	31	31	32	32	31	28
(8) Total Outstanding AAA Claims	228	229	231	235	238	239	243
(9) - Change in Quarter	5.0	1.0	2.0	4.0	3.0	1.0	4.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 3.65	\$ 3.65	\$ 3.71	\$ 3.64	\$ 3.56	\$ 3.57	\$ 3.78
(11) Inception to Date Claim Payments (a)	\$ 231.8	\$ 236.1	\$ 240.4	\$ 244.6	\$ 248.6	\$ 253.4	\$ 258.1
(12) - Change in Quarter	4.7	4.3	4.3	4.2	4.0	4.8	4.7
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,064.2	\$ 1,071.8	\$ 1,096.9	\$ 1,099.2	\$ 1,096.8	\$ 1,105.6	\$ 1,176.2
(14) Claims Incurred in Quarter [(5) + (12)]	7.8	7.6	25.1	2.3	(2.4)	8.8	70.6
(15) Average Number of Open Claims	196	198	199	202	205	207	212
(16) Average Paid Per Open Claim	\$ 0.024	\$ 0.022	\$ 0.022	\$ 0.021	\$ 0.020	\$ 0.023	\$ 0.022

Notes:

(a) Exhibit 1 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	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021
(1) Reserve for Future Benefits (a)	\$ 917.1	\$ 924.7	\$ 938.6	\$ 937.6	\$ 1,064.6	\$ 1,066.2	\$ 1,311.9
(2) ULAE Reserves (a)	14.4	14.3	14.2	14.9	15.0	14.9	14.8
(3) Estimated Reimbursement due to Medicaid (a)	-	-	-	-	-	-	-
(4) Total Reserves	\$ 931.5	\$ 939.0	\$ 952.8	\$ 952.5	\$ 1,079.6	\$ 1,081.1	\$ 1,326.7
(5) - Change in Quarter	13.4	7.5	13.8	(0.3)	127.1	1.5	245.6
(6) Number of Open Accepted Claims - AAA Claims (b)	222	227	229	226	228	233	235
(7) Number IBNR Claims Excluding DA (a)	27	28	29	29	29	27	29
(8) Total Outstanding AAA Claims	249	255	258	255	257	260	264
(9) - Change in Quarter	6.0	6.0	3.0	(3.0)	2.0	3.0	4.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 3.74	\$ 3.68	\$ 3.69	\$ 3.74	\$ 4.20	\$ 4.16	\$ 5.03
(11) Inception to Date Claim Payments (a)	\$ 262.8	\$ 268.4	\$ 274.1	\$ 279.0	\$ 284.7	\$ 318.2	\$ 335.9
(12) - Change in Quarter	4.7	5.6	5.7	5.0	5.7	33.5	17.7
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,194.3	\$ 1,207.4	\$ 1,226.9	\$ 1,231.6	\$ 1,364.3	\$ 1,399.3	\$ 1,662.6
(14) Claims Incurred in Quarter [(5) + (12)]	18.1	13.1	19.5	4.7	132.7	35.0	263.3
(15) Average Number of Open Claims	219	225	228	228	227	231	234
(16) Average Paid Per Open Claim	\$ 0.021	\$ 0.025	\$ 0.025	\$ 0.022	\$ 0.025	\$ 0.145	\$ 0.076

Notes:

- (a) Exhibit 1 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	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023
(1) Reserve for Future Benefits (a)	\$ 1,214.8	\$ 1,223.6	\$ 1,238.4	\$ 1,321.0	\$ 1,266.6	\$ 1,295.4	\$ 1,318.9
(2) ULAE Reserves (a)	20.2	20.2	20.2	20.2	20.8	21.3	21.7
(3) Estimated Reimbursement due to Medicaid (a)	-	-	-	14.0	16.0	19.0	22.0
(4) Total Reserves	\$ 1,235.0	\$ 1,243.8	\$ 1,258.6	\$ 1,355.1	\$ 1,303.4	\$ 1,335.7	\$ 1,362.6
(5) - Change in Quarter	(91.7)	8.8	14.8	96.5	(51.7)	32.3	27.0
(6) Number of Open Accepted Claims - AAA Claims (b)	230	232	233	238	241	247	251
(7) Number IBNR Claims Excluding DA (a)	27	27	29	27	27	27	27
(8) Total Outstanding AAA Claims	257	259	262	265	268	274	278
(9) - Change in Quarter	(7.0)	1.5	3.5	3.0	2.8	6.0	4.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 4.81	\$ 4.81	\$ 4.80	\$ 5.11	\$ 4.87	\$ 4.88	\$ 4.91
(11) Inception to Date Claim Payments (a)	\$ 347.0	\$ 359.3	\$ 395.5	\$ 410.5	\$ 431.7	\$ 445.6	\$ 460.0
(12) - Change in Quarter	11.1	12.3	36.2	15.0	21.2	13.9	14.4
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,582.0	\$ 1,603.1	\$ 1,654.2	\$ 1,765.6	\$ 1,735.1	\$ 1,781.3	\$ 1,822.7
(14) Claims Incurred in Quarter [(5) + (12)]	(80.6)	21.1	51.0	111.5	(30.5)	46.2	41.4
(15) Average Number of Open Claims	233	231	233	236	240	244	249
(16) Average Paid Per Open Claim	\$ 0.048	\$ 0.053	\$ 0.156	\$ 0.063	\$ 0.088	\$ 0.057	\$ 0.058

Notes:

(a) Exhibit 1 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	9/30/2023	12/31/2023	3/31/2024
(1) Reserve for Future Benefits (a)	\$ 1,339.0	\$ 1,368.9	\$ 1,379.6
(2) ULAE Reserves (a)	22.1	22.6	22.9
(3) Estimated Reimbursement due to Medicaid (a)	25.0	28.0	31.0
(4) Total Reserves	\$ 1,386.1	\$ 1,419.5	\$ 1,433.5
(5) - Change in Quarter	23.5	33.4	14.0
(6) Number of Open Accepted Claims - AAA Claims (b)	254	250	251
(7) Number IBNR Claims Excluding DA (a)	27	27	27
(8) Total Outstanding AAA Claims	281	277	278
(9) - Change in Quarter	3.0	(4.0)	1.0
(10) Average Reserve per AAA Claim [(4) / (8)]	\$ 4.94	\$ 5.13	\$ 5.16
(11) Inception to Date Claim Payments (a)	\$ 473.8	\$ 488.4	\$ 500.3
(12) - Change in Quarter	13.7	14.6	12.0
(13) Inception to Date Incurred Expenses [(4) + (11)]	\$ 1,859.9	\$ 1,907.9	\$ 1,933.8
(14) Claims Incurred in Quarter [(5) + (12)]	37.2	48.0	25.9
(15) Average Number of Open Claims	253	252	251
(16) Average Paid Per Open Claim	\$ 0.054	\$ 0.058	\$ 0.048

Notes:

(a) Exhibit 1 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 MARCH 31, 2024 - 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	\$ 19,448,678.48	\$ 39,297,585.84	\$ 19,848,907.36	\$ -	\$ 19,848,907.36
1990	9,600,704.60	23,284,612.24	13,683,907.64	89,657.96	13,773,565.60
1991	13,844,361.02	31,199,950.99	17,355,589.97	79,498.92	17,435,088.89
1992	22,712,122.73	63,476,593.09	40,764,470.36	300,500.98	41,064,971.34
1993	28,747,824.31	59,890,869.94	31,143,045.63	346,227.91	31,489,273.54
1994	11,827,114.86	33,491,603.09	21,664,488.23	-	21,664,488.23
1995	16,407,563.37	47,781,177.50	31,373,614.13	529,441.75	31,903,055.88
1996	15,441,095.08	40,891,842.39	25,450,747.31	2,538,351.59	27,989,098.90
1997	19,369,436.60	62,587,457.48	43,218,020.88	1,451,282.72	44,669,303.60
1998	32,490,555.79	90,371,512.74	57,880,956.95	3,676,009.39	61,556,966.34
1999	17,569,968.64	28,052,329.42	10,482,360.78	2,371,329.06	12,853,689.84
2000	10,218,446.01	22,708,743.26	12,490,297.25	1,556,283.32	14,046,580.57
2001	13,169,974.92	32,247,583.80	19,077,608.88	2,624,433.06	21,702,041.94
2002	29,424,101.25	88,558,120.17	59,134,018.92	9,286,452.02	68,420,470.94
2003	9,550,054.80	23,779,256.56	14,229,201.76	2,673,912.81	16,903,114.57
2004	11,877,077.09	55,852,284.96	43,975,207.87	3,847,285.63	47,822,493.50
2005	15,177,802.52	43,321,143.44	28,143,340.92	4,353,481.36	32,496,822.28
2006	18,854,130.03	80,444,222.91	61,590,092.88	8,420,643.18	70,010,736.06
2007	18,381,529.62	40,110,029.34	21,728,499.72	7,691,026.65	29,419,526.37
2008	14,126,685.10	63,853,120.22	49,726,435.12	10,312,869.12	60,039,304.24
2009	17,283,826.97	63,421,061.62	46,137,234.65	10,869,241.85	57,006,476.50
2010	7,535,416.02	37,806,297.93	30,270,881.91	4,146,528.67	34,417,410.58
2011	11,757,255.48	59,523,658.54	47,766,403.06	12,884,295.14	60,650,698.20
2012	7,946,414.57	50,432,762.80	42,486,348.23	6,924,894.96	49,411,243.19
2013	11,388,589.39	41,343,721.60	29,955,132.21	11,188,946.64	41,144,078.85
2014	13,229,921.24	45,885,548.13	32,655,626.89	16,575,434.21	49,231,061.10
2015	15,620,374.60	102,844,649.99	87,224,275.39	18,716,951.00	105,941,226.39
2016	6,209,550.85	56,032,962.65	49,823,411.80	9,561,565.17	59,384,976.97
2017	12,220,742.10	87,826,267.44	75,605,525.34	20,019,562.80	95,625,088.14
2018	17,384,290.19	137,032,177.38	119,647,887.19	28,887,861.05	148,535,748.24
2019	8,874,630.17	71,094,778.86	62,220,148.69	42,865,055.11	105,085,203.80
2020	8,020,272.48	63,654,857.25	55,634,584.77	34,544,097.04	90,178,681.81
2021	8,724,783.14	41,471,984.84	32,747,201.70	50,561,222.58	83,308,424.28
2022	5,123,493.87	54,216,736.79	49,093,242.92	113,572,377.22	162,665,620.14
2023	749,526.00	6,846,245.33	6,096,719.33	100,275,819.33	106,372,538.66
2024	-	-	-	30,407,000.00	30,407,000.00
Total	\$ 500,308,313.89	\$ 1,890,633,750.53	\$ 1,390,325,436.64	\$ 574,149,540.22	\$ 1,964,474,976.86

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

NICA

SUMMARY OF RESERVES AS OF MARCH 31, 2024 - 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	\$ 14,835,665.21	\$ -	\$ 14,835,665.21	0.7474
1990	11,097,558.04	72,712.01	11,170,270.05	0.8110
1991	13,446,678.58	61,593.78	13,508,272.37	0.7748
1992	30,509,723.80	224,906.69	30,734,630.48	0.7484
1993	22,948,923.59	255,131.05	23,204,054.64	0.7369
1994	15,300,444.78	-	15,300,444.78	0.7062
1995	23,208,137.52	391,646.20	23,599,783.73	0.7397
1996	19,192,108.27	1,914,140.98	21,106,249.25	0.7541
1997	31,087,014.57	1,043,917.47	32,130,932.04	0.7193
1998	43,228,784.04	2,745,452.47	45,974,236.51	0.7469
1999	8,260,127.86	1,868,613.54	10,128,741.39	0.7880
2000	9,378,355.91	1,168,537.35	10,546,893.26	0.7509
2001	14,333,040.46	1,971,741.08	16,304,781.55	0.7513
2002	43,507,075.77	6,832,384.79	50,339,460.57	0.7357
2003	10,806,913.67	2,030,805.76	12,837,719.43	0.7595
2004	30,320,583.38	2,652,675.23	32,973,258.61	0.6895
2005	19,984,587.72	3,091,407.32	23,075,995.04	0.7101
2006	44,044,109.41	6,021,743.31	50,065,852.72	0.7151
2007	16,999,270.06	6,017,067.02	23,016,337.09	0.7823
2008	35,008,691.75	7,260,525.62	42,269,217.37	0.7040
2009	32,596,576.18	7,679,265.41	40,275,841.59	0.7065
2010	19,509,560.49	2,672,434.59	22,181,995.08	0.6445
2011	32,511,934.67	8,769,623.32	41,281,557.99	0.6806
2012	29,320,118.14	4,778,917.15	34,099,035.29	0.6901
2013	21,640,482.47	8,083,229.34	29,723,711.81	0.7224
2014	23,531,153.54	11,944,008.57	35,475,162.11	0.7206
2015	61,671,597.38	13,233,750.14	74,905,347.52	0.7070
2016	33,902,175.61	6,506,135.37	40,408,310.97	0.6804
2017	51,422,272.13	13,616,086.94	65,038,359.06	0.6801
2018	80,215,396.29	19,367,255.68	99,582,651.97	0.6704
2019	43,611,973.21	30,045,406.10	73,657,379.31	0.7009
2020	36,479,230.09	22,650,336.47	59,129,566.55	0.6557
2021	22,744,530.48	35,117,237.76	57,861,768.23	0.6945
2022	33,028,724.13	76,408,696.85	109,437,420.98	0.6728
2023	4,167,035.83	68,537,341.08	72,704,376.91	0.6835
2024	-	20,737,000.00	20,737,000.00	0.6820
Total	\$ 983,850,555.03	\$ 395,771,726.43	\$ 1,379,622,281.47	

(11) Estimated Outstanding ULAE (d)	\$ 22,852,080.96
(12) Estimated Medicaid Reimbursement Expenses (e)	\$ 31,000,000.00
(13) Total Outstanding Loss & LAE (f)	\$ 1,433,474,362.43

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	\$ 15,620	\$ 105,941	\$ 74,905	\$ 121,562	\$ 90,526	14	\$ 8,683	\$ 6,466
2016	6,210	59,385	40,408	65,595	46,618	7	9,371	6,660
2017	12,221	95,625	65,038	107,846	77,259	13	8,296	5,943
2018	17,384	148,536	99,583	165,920	116,967	18	9,067	6,392
2019	8,875	105,085	73,657	113,960	82,532	14	8,082	5,853
2020	8,020	90,179	59,130	98,199	67,150	11	9,009	6,161
2021	8,725	83,308	57,862	92,033	66,587	11	8,329	6,026
2022	5,123	162,666	109,437	167,789	114,561	18	9,219	6,295
2023	750	106,373	72,704	107,122	73,454	12	9,040	6,199
2024	-	30,407	20,737	30,407	20,737	3	9,077	6,190
Total	\$ 82,928	\$ 987,505	\$ 673,462	\$ 1,070,432	\$ 756,390	122	\$ 8,792	\$ 6,213

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

NICA

SUMMARY OF RESERVES AS OF MARCH 31, 2024

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

A: Determination of Liabilities For Threshold Calculation

(1) Total Reserve Excluding Risk Margin (a)	\$	1,433,474
(2) Family Care (AAA Claims With Worksheets) (b)	\$	133,914
(3) AAA IBNR Reserves (c)		161,208
(4) DA IBNR Reserves (c)		3,369
(5) Subtotal	\$	298,491
(6) Present Value Loss and LAE Reserves on Filed Claims [(1)-(5)]	\$	1,134,984

B: Assets For Threshold Calculation

(7) Invested Assets (e)	\$	1,396,632
(8) Cash (d)		1,094
(9) Income on Invested Funds (e)		69,107
(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	\$	1,541,680
(14) Assets for Threshold Calculation [(80% x (13)]	\$	1,233,344

C: Threshold Test

(15) Assets Excess of Threshold [(14) - (6)]	\$	98,360
(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 MARCH 31, 2024
(\$000'S)

1. Funds Available Within The Next 12 Months				
a. Income on Invested Funds (See 2 Below)	\$	69,107		
b. Future Assessments Health Care Providers		36,000		
c. Potential Assessments against Insurance Companies		18,847		
d. Total = (1a.) + (1b.) - (1c.)	\$	123,954		
2. Return On Invested Assets				
a. Investment at Current Market Value	\$	1,396,632		
b. Estimated Assessments in next 12 Months		36,000		
c. Estimated Expenditures next 12 Months		(65,000)		
d. Subtotal		1,367,632		
e. Average Invested Assets = (2a. + 2d.) ÷ 2		1,382,132		
f. Expected Prospective Return (%)		5%		
g. Expected Prospective Return (\$)		69,107		
3. Assessments Against Insurance Companies.				
a. Assessment rate (From Florida Statute)		0.25%		
b. Net Direct Premium Written [= Total of 4(C)]	\$	7,538,875		
c. Assessment against insurance companies = (3a.) × (3b.)	\$	18,847		
4. Direct Premium Written - State Of Florida				
			2023 Direct Written Premium	% Liability
Line of Insurance			(A)	(B)
Farmowners Multi-Peril	\$	26,117		5%
Homeowners Multi-Peril		12,523,390		5%
Commercial Multi-Peril - Liability		818,101		100%
Medical Professional Liability		707,064		100%
Other Liability		5,037,932		100%
Products Liability		287,751		100%
Aircraft		120,903		50%
Total	\$	19,523,258		
			Liability Premium	(C)
	\$			1,306
				626,270
				818,101
				707,064
				5,037,932
				287,751
	\$			60,452
				7,538,875

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 MARCH 31, 2024

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)
Scenario 1 (a)				
Reserve	239	\$ 1,350,439	\$ 1,350,164	\$ 971,771
Supplement for Expected Development	-	-	-	-
Total	239	\$ 1,350,439	\$ 1,350,164	\$ 971,771
Scenario 2 (a)				
Reserve	239	\$ 1,350,439	\$ 1,350,164	\$ 971,771
Supplement for Expected Development	-	-	257,939	163,336
Total	239	\$ 1,350,439	\$ 1,608,103	\$ 1,135,108
Selected (b)				
Reserve	239	\$ 1,350,439	\$ 1,350,164	\$ 971,771
Supplement for Expected Development	-	-	257,939	163,336
Total	239	\$ 1,350,439	\$ 1,608,103	\$ 1,135,108

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)
AA Pipeline Claims			
2017	-	\$ -	\$ -
2018	-	-	-
2019	2.0	17,826	12,053
2020	1.0	8,913	6,026
2021	1.0	8,913	6,026
2022	8.0	71,305	48,212
2023	-	-	-
2024	-	-	-
Total	12.0	\$ 106,957	\$ 72,317
AA IBNR Claims			
2017	-	\$ -	\$ -
2018	0.3	2,674	1,808
2019	1.1	9,804	6,629
2020	1.9	16,935	11,450
2021	3.1	27,185	18,381
2022	6.2	55,261	37,364
2023	10.9	96,707	65,387
2024	3.4	29,859	20,189
Total	26.8	\$ 238,425	\$ 161,208
DA IBNR Claims			
2017	-	\$ -	\$ -
2018	-	-	-
2019	0.1	28	28
2020	0.5	167	167
2021	1.0	371	371
2022	2.1	770	770
2023	4.0	1,485	1,485
2024	1.5	548	548
Total	9.1	\$ 3,369	\$ 3,369

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 MARCH 31, 2024

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

Nominal			Inflated and Discounted				
Parental Award	Death Benefit	Other Benefits	Total	Parental Award	Death Benefit	Other Benefits	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
AAA Claims (a)							
\$ 281	Included in (3) \$	8,632 \$	8,913 \$	281	Included in (7) \$	5,746 \$	6,026
DA Claims (b)							
\$ 281	\$ 50	\$ 40	\$ 371	\$ 281	\$ 50	\$ 40	\$ 371

Notes:
(a) Projected based on Life Expectancy at Birth: 45. (See bottom chart of Appendix D, Sheet 5).
(b) Based on a 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	0.3	18
2019	4	0.1	4	13	1.1	14
2020	5	0.5	5	9	1.9	11
2021	12	1.0	13	8	3.1	11
2022	6	2.1	8	12	6.2	18
2023	2	4.0	6	1	10.9	12
2024	0	1.5	1	0	3.4	3
Total	61	9	70	120	27	147

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
2017-2	-	-	-	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	2	-
2021-4	-	-	-	1	1	2	5	5	5	5	-	-
2022-1	-	-	-	1	1	2	2	2	2	-	-	-
2022-2	-	-	1	1	1	1	1	1	-	-	-	-
2022-3	-	-	-	-	-	-	1	-	-	-	-	-
2022-4	-	-	-	-	1	2	-	-	-	-	-	-
2023-1	-	-	1	1	1	-	-	-	-	-	-	-
2023-2	-	-	1	1	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-

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
2017-2	-	-	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	-	-	-	-	-	1	-	-	-	-	-	-
2022-4	-	-	-	1	1	-	-	-	-	-	-	-
2023-1	-	1	-	-	-	-	-	-	-	-	-	-
2023-2	-	1	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-

Avg All	0.000	0.269	0.360	0.083	0.261	0.273	0.048	0.050	0.158	0.278	-0.059	0.000
Avg Latest 2	0.000	0.500	0.000	0.500	0.500	0.500	0.000	0.000	0.000	0.000	0.000	0.000
Avg Latest 3	0.000	0.667	0.000	0.333	0.333	0.333	0.000	0.000	0.000	0.333	0.000	0.000
Avg Latest 5	0.000	0.400	0.000	0.200	0.600	1.000	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
2017-2	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	2	
2018-4	4	4	4	4	4	4	4	5	5	5		
2019-1	2	2	2	2	2	2	2	2	2			
2019-2	-	-	-	-	-	-	-	-				
2019-3	1	1	1	1	1	1	1					
2019-4	1	1	1	1	1	1						
2020-1	1	1	1	1	1							
2020-2	2	2	2	2								
2020-3	-	-	-									
2020-4	2	2										
2021-1	2											
2021-2												
2021-3												
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
2023-1												
2023-2												
2023-3												
2023-4												
2024-1												

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
2017-2	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-
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	0.000	0.000	-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	
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
2017-2	-	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	2	-
2021-4	-	-	-	1	2	2	2	3	3	3	-	-
2022-1	-	-	1	-	1	2	3	3	3	-	-	-
2022-2	-	-	-	1	2	3	2	4	-	-	-	-
2022-3	-	1	2	2	6	5	4	-	-	-	-	-
2022-4	-	-	-	1	1	1	-	-	-	-	-	-
2023-1	-	-	1	1	1	-	-	-	-	-	-	-
2023-2	-	-	-	-	-	-	-	-	-	-	-	-
2023-3	-	-	-	-	-	-	-	-	-	-	-	-
2023-4	-	-	-	-	-	-	-	-	-	-	-	-
2024-1	-	-	-	-	-	-	-	-	-	-	-	-
Avg All	0.259	0.231	0.200	0.833	0.348	-0.045	0.571	0.550	-0.053	0.000	0.000	-0.063
Avg Latest 2	0.000	0.000	0.000	0.000	-0.500	-1.000	1.000	0.000	0.000	0.000	0.000	0.000
Avg Latest 3	0.000	0.333	0.333	1.333	0.000	-0.333	1.000	-0.333	0.000	-0.333	0.000	0.000
Avg Latest 5	0.000	0.400	0.400	1.200	0.200	-0.200	1.200	0.000	0.000	-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
				11.900				7.400				3.550
				26.750								

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
2017-2	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	6	6
2018-4	2	2	2	2	2	2	2	2	2	2	2	2
2019-1	5	5	5	5	5	5	5	5	5	5	5	5
2019-2	1	1	1	1	2	2	3	3				
2019-3	3	3	3	3	3	3	3					
2019-4	2	2	2	2	2	2						
2020-1	3	2	2	2	2							
2020-2	-	-	-	-								
2020-3	4	4	5									
2020-4	2	2										
2021-1	2											
2021-2												
2021-3												
2021-4												
2022-1												
2022-2												
2022-3												
2022-4												
2023-1												
2023-2												
2023-3												
2023-4												
2024-1												
Avg All	0.067	0.000	0.000	0.333	0.000	0.100	0.000	0.125	-0.143	0.000	0.000	0.000
Avg Latest 2	0.000	0.500	0.000	0.000	0.000	0.500	0.000	0.000	0.000	0.000	0.000	0.000
Avg Latest 3	0.000	0.333	0.000	0.000	0.000	0.333	0.000	0.000	0.000	0.000	0.000	0.000
Avg Latest 5	-0.200	0.200	0.000	0.200	0.000	0.200	0.000	0.000	0.000	0.000	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
				2.100				1.300				0.500

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 MARCH 31, 2024

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%
12/31/2023	1,396,883	22,630	1.62%
(5) Selected (d)			1.62%
(6) Total Loss Reserve Excluding ULAE as of 3/31/2024 (e)		\$ 1,410,622	
(7) Indicated ULAE Reserve (f)		\$ 22,852	

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 MARCH 31, 2024 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	\$ 19,449	\$ 39,298	\$ 19,849	3	-	-
1990	9,601	23,285	13,684	3	-	-
1991	13,844	31,200	17,356	4	-	-
1992	22,712	63,477	40,764	8	1	-
1993	28,748	59,891	31,143	6	-	-
1994	11,827	33,492	21,664	3	-	-
1995	16,408	47,781	31,374	5	-	-
1996	15,441	40,892	25,451	6	-	-
1997	19,369	62,587	43,218	8	-	-
1998	32,491	90,372	57,881	11	-	-
1999	17,570	28,052	10,482	3	-	-
2000	10,218	22,709	12,490	3	-	-
2001	13,170	32,248	19,078	4	-	-
2002	29,424	88,558	59,134	12	-	-
2003	9,550	23,779	14,229	3	-	-
2004	11,877	55,852	43,975	5	-	-
2005	15,178	43,321	28,143	5	-	-
2006	18,854	80,444	61,590	9	-	-
2007	18,382	40,110	21,728	6	-	-
2008	14,127	63,853	49,726	9	-	-
2009	17,284	63,421	46,137	10	-	-
2010	7,535	37,806	30,271	5	-	-
2011	11,757	59,524	47,766	10	-	-
2012	7,946	50,433	42,486	7	-	-
2013	11,389	41,344	29,955	6	-	-
2014	13,230	45,886	32,656	8	-	-
2015	15,620	102,845	87,224	14	-	-
2016	6,210	56,033	49,823	7	-	-
2017	12,221	87,826	75,606	12	-	-
2018	17,384	137,032	119,648	16	-	1
2019	8,875	71,095	62,220	12	-	-
2020	8,020	63,655	55,635	8	-	-
2021	8,725	41,472	32,747	7	-	-
2022	5,123	54,217	49,093	12	-	2
2023	750	6,846	6,097	1	-	1
2024	-	-	-	-	-	-
Total	\$ 500,308	\$ 1,890,634	\$ 1,390,325	251	1	4

Note: Data provided by NICA.

NICA

LOSS AND COUNT SUMMARY BY AS OF MARCH 31, 2024 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	-	394	75	-	-	2	1	-
1993	-	-	-	-	-	-	-	-
1994	-	200	-	-	-	1	-	-
1995	-	-	200	-	-	-	1	-
1996	-	-	255	-	-	-	1	-
1997	-	-	204	-	-	-	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	-	73	-	-	-	1	-	-
2006	-	-	-	-	-	-	-	-
2007	-	145	-	-	-	2	-	-
2008	-	-	-	-	-	-	-	-
2009	-	190	-	-	-	1	-	-
2010	-	-	19	-	-	-	1	-
2011	-	-	-	-	-	-	-	-
2012	-	-	95	-	-	-	1	-
2013	-	22	11	-	-	1	1	-
2014	-	17	-	-	-	1	-	-
2015	-	-	380	13	-	-	2	2
2016	-	-	15	(0)	-	-	1	-
2017	-	-	-	12	-	-	-	2
2018	-	253	384	125	-	1	3	6
2019	5,663	-	109	84	2	-	1	3
2020	2,853	-	-	128	1	-	-	6
2021	2,213	-	-	169	1	-	-	9
2022	21,536	-	714	253	8	-	2	12
2023	-	-	357	278	-	-	1	11
2024	-	-	-	-	-	-	-	-
Total	\$ 32,266	\$ 1,512	\$ 5,048	\$ 1,061	12	12	31	51

Note: Data provided by NICA.

NICA

ANALYSIS OF RESERVES AS OF MARCH 31, 2024
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	\$ 11,647	\$ 182	\$ 2,602	\$ 14,431	\$ -
1990	9,406	75	1,690	11,170	-
1991	10,666	219	2,623	13,508	-
1992	24,409	526	5,331	30,266	-
1993	19,004	234	3,966	23,204	-
1994	11,582	209	3,309	15,100	-
1995	17,291	1,604	4,505	23,400	-
1996	16,007	358	4,486	20,851	-
1997	25,780	258	5,889	31,927	-
1998	37,127	1,062	7,385	45,574	790
1999	8,082	103	1,499	9,684	-
2000	8,072	118	2,140	10,330	-
2001	12,655	222	3,208	16,085	-
2002	40,185	513	9,451	50,149	3,796
2003	10,238	122	2,097	12,458	2,286
2004	25,937	1,782	5,064	32,783	2,908
2005	18,703	636	3,664	23,003	2,419
2006	39,389	1,514	9,163	50,066	7,090
2007	19,069	286	3,517	22,871	3,621
2008	34,141	509	7,619	42,269	5,390
2009	33,147	476	6,463	40,086	7,510
2010	16,904	599	4,660	22,163	4,077
2011	33,767	531	6,983	41,282	6,757
2012	27,053	462	6,489	34,004	5,761
2013	24,664	312	4,714	29,690	4,549
2014	28,766	553	6,139	35,458	4,933
2015	55,118	760	18,635	74,513	11,532
2016	33,196	498	6,699	40,393	5,990
2017	50,427	865	13,734	65,026	12,418
2018	79,991	1,353	15,669	97,013	15,552
2019	41,024	647	13,084	54,755	8,446
2020	31,639	354	9,365	41,358	6,129
2021	27,802	294	4,820	32,915	5,703
2022	17,775	496	3,853	22,125	5,766
2023	4,422	130	646	5,197	1,281
2024	-	-	-	-	-
Total	\$ 905,084	\$ 18,864	\$ 211,159	\$ 1,135,108	\$ 134,703
2002-2024	\$ 693,358	\$ 13,693	\$ 162,526	\$ 869,578	\$ 133,914

Notes: Based on Case Reserve Method.

NICA

ANALYSIS OF RESERVES AS OF MARCH 31, 2024
RESERVES BY BENEFIT TYPE FOR AAA CLAIMS WITH WORKSHEETS ONLY
INFLATED AND DISCOUNTED (\$000'S)

Benefit Type	Reserves
1) Family Care	\$ 134,703
2) Nursing Care By Others	536,606
3) Nursing Care By Parents	233,775
4) Medical	18,864
5) Psychotherapeutic	2,334
6) Equipment & Supplies	41,687
7) Therapy	18,052
8) Insurance Premium	69,173
9) Miscellaneous Other	4,936
10) Travel & Transport	12,664
11) Vehicle Related Costs	45,133
12) Housing Remaining	10,535
13) Parental Awards Remaining	3,084
14) Death Benefit	3,562
Total	\$ 1,135,108
Subtotals:	
15) Nursing Care Total (a)	\$ 905,084
16) Medical Total (b)	18,864
17) Other Total (c)	197,541
18) Retrospective Remaining (d)	13,619
Total	\$ 1,135,108

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 MARCH 31, 2024 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	1,608,103	Exhibit 1, Column (4)
e. Variance	2,705,016,764	= [(c.) x (d.)]^2

2. Risk: Cost of IBNR and Pipeline AA Claims

a. Expected Number of Claims	38.75	Exhibit 1, Col (2): AAA IBNR+AAA Pipeline
b. Variance of Number of Claims	38.75	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	345,382	Exhibit 1, Col (4): AAA IBNR+AAA Pipeline
f. Variance	6,156,837,467	= [(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	7,621	Exhibit 1, Col (4): AAD+DA Reported+Denied)
e. Variance	617,826	= [(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	3,369	Exhibit 1
f. Variance	2,501,413	= [(d.) x (e.)]^2

5. Risk Margin

a. Total Variance	8,864,973,470	= 1(e.) + 2(f.) + 3(e.) + 4(f.)
b. Standard Deviation	94,154	= sqrt(a.)
c. Aggregate Reserve - Nominal	1,964,475	Exhibit 1, Col(4)
d. Aggregate Reserve - Discounted	1,379,622	Exhibit 1, Col(5)
e. Average Discount	0.70	= (d.) ÷ (c.)
f. Standard Deviation - Discounted Reserves	66,123	= (b.) x (e.)
g. Z: 90th percentile of standard normal	1.28	90th percentile of standard normal distribution
h. 90% confidence level	84,740	= (f.) x (g.)
Minimum Risk Margin	82,500	Previous Risk Margin
Selected Risk Margin	82,500	